Full year 2005
MANAGEMENT REPORT

Cautionary statements concerning the use of non-GAAP measures and forward-looking statements

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Insurance and Asset Management markets

Life & Savings

France. In 2005, the increase in gross premium has been estimated to 14% explained by a strong increase in gross premium on unit-linked contract estimated to +49% and by an estimated increase of 7 % in general account premiums. According to the FFSA, the French Life & Savings market growth amounted to +13% at the end of full year 2004, especially driven by a 35 % increase on unit-linked contracts.

United States. In 2005, the U.S. economy proved itself strong and resilient despite the effects of several major hurricanes and much higher oil prices positively impacted by a robust housing market, steady growth in corporate profits and outperformance in the energy sector. The Federal Reserve continued to tighten monetary policy increasing short-term interest rates 14 times since June 2004 to 4.50% in order to stem inflationary pressures while foreign investor demand for U.S. Treasury bonds contributed to lower long-term bond yields resulting in a flattening yield curve. In the annuity market, industry sales of variable annuities were up 3%, driven by strong equity markets and the continued popularity of guaranteed living benefit riders. Industry fixed annuity sales decreased 10% as a result of the low interest rate environment and competition from competing products such as bank certificates of deposit. In the life insurance market, total life industry sales were up 2% with continued weakness in variable life market, down 10% from 2004. The variable life business generally lags the movement in the equity market. Sales of life insurance products with fixed returns, such as universal life, continued their strong traction in 2005 with industry universal life sales up 13%. Fixed whole life insurance sales decreased 1%, and term insurance sales decreased 2% from 2004.

United Kingdom. New annualized business (new regular premiums plus 10% of single premiums) was 8% higher than 2004 in the year to September 2005. This was primarily driven by increased investor confidence in Wealth Management products, in part due to improved investor confidence fuelled by the increases seen in the UK stock market during 2005. The Pensions market has seen activity boosted by the impending simplification of Pensions Legislation on 6 April 2006 (known as A-Day). The Corporate Pensions market continues to see a high level of activity as the closure of Final Salary Pension Schemes continues and employers reconstruct their pension arrangements. Conversely, a cooling of the UK housing market resulted in decreased sales of associated Protection products which, combined with a number of new entrants, has increased competitiveness in this sector. Within the IFA channel (which represents around 72% of new business), depolarisation has seen some IFAs offer a ‘multi-tie’ proposition to their members, although the impact of this on the distribution landscape has so far been limited.

Japan. Some positive economic growth, prospects to an end of deflation, an increase in interest rates and a progressive rise in stock prices have all contributed to stability and contentment in the industry. Japan’s life insurance market showed a premium income growth of 4%, reaching 27 trillion yen in the Japanese fiscal year 2004 and continued growth from the previous year. This growth was mainly owed to expanding individual annuity sales, which is estimated to reach over 7 Trillion Yen of inflow from the effect of bancassurance business. Stability in the financial markets has improved the financial strength of most insurers evidenced by improvements in their solvency and credit standings, as markets continued steady growth in spite of the difficult investment environment. In addition, reduction of the negative spread and the improvement of surrender & lapse contributed to the stability of many insurance companies. However, even with such improvements, Japan’s life insurance industry faced a decline of in-force individual life policies from FY2001 due to a continuous weak new business environment for traditional products, as a growing number of policyholders have reduced death benefits to enrich hospitalization coverage against a falling birth rate and an aging population. Foreign life insurers expand its market reaching 27%, up from 21% of the previous year in terms of premium income. On the other hand, nine major traditional life insurers decreased their market share from 72% to 66%.

Australia / New Zealand. The savings related investment sector continued to be a growth area in Australia for 2005. Strong local investment returns have translated into high net flows in the mutual fund and advice market. The pension market experienced funds growth of 20.8%[1] over the year, driven by the strong investment market and the mandatory pension scheme in Australia. Continued government support for self-funded retirement has driven two major changes in pension funds during 2005 – the abolition of the surcharge (a tax on contributions) from 30 June 2005 and the allowance of spouse co-contributions from 1 January 2006. The risk insurance market continued to record strong growth, climbing a further 11.9%[2] over the year.

Hong Kong: The economy continued to grow in 2005 assisted in part by the Closer Economic Partnership Agreement (CEPA) with more than 12.5 million Mainland Chinese visiting Hong Kong in 2005, up 2.4% on 2004. The Hang Seng Index grew 4.5% during 2005. The life insurance market has showed growth, for the 9 months to September 2005, with the individual life market new business sales increasing by 5.3%. Increasing affluence and investor sophistication is now starting to drive growth in more sophisticated financial planning models. Now at the end of its fifth year, the Mandatory Provident Fund (MPF) is increasingly important to Hong Kong residents and there is growing awareness that MPF alone will not provide sufficient assets to fund post-retirement lifestyles. This along with the significant level of bank savings, has increased the awareness of a need for wealth management and financial advice products.

Germany. The introduction of the German Retirement Earnings Law ("Alterseinkünftegesetz") on January 1st, 2005 significantly reduced tax advantages for Life Insurance, especially for products with a one-time pay-out option. This led to a run for these old products in Q4 2004 and declining premium volumes in 2005. Compared to prior years the development of the current premiums for pure life new business was especially weak in Q4 (-67.8 %,). On a yearly basis, the decreases were most significant for many high-volume products (non-unit-linked endowments -58.2 % to €1.1 billion, non-unit-linked annuity products - 57.4 % to € 1.9 billion, unit-linked endowments -57.4 % to €0.5 billion, and unit-linked annuity products -39.9 % to €0.7 billion). Among business for single premiums, that grew by 19.7 % to € 8.9 billion, non-unit-linked annuity products are still dominating (+2.2 % to €3.6 billion), followed by non-credit-linked collective insurance (+17.0 % to €2.4 billion), and bank-like savings products (“Kapitalisierungsgeschäfte”) (+118.7 % to €1.4 billion). New business for “Pensionskasse” (current premiums) decreased by 52.0 % to €0.5 billion after losing tax advantages compared to individual pension plans (“Direktversicherung”) that are easier portable. Also in the future, an ongoing need to replace defined benefit systems is expected to push group life pension products in general. Pensions funds (Type “Pensionsfonds”), are still unimportant, cumulating gross written premiums of just € 0.1 billion that are even decreasing.

As expected the core products of the Retirement Earnings Law ("Alterseinkünftegesetz"), the “Rürup” pensions, did not meet much demand as they are inflexible (current premiums just €0.2 billion, regular premiums below €0.1 billion). In contrast, the also highly regulated “Riester”-products profited from simplification and increased flexibility. The year 2005 proved to be the second strongest year since their introduction in 2002 (1.3 million contracts sold). This was also spurred - mainly in Q4 - by the announced introduction of uni-sex tariffs; the influence on

[1] *Source - Plan For Life (Superannuation & Rollovers) September 2005 quarter*

[2] *Source - Plan For Life (Life Insurance media release) September 2005 quarter*

absolute premium volumes will mainly come into effect in 2006.

The development of **private health insurance** is marked by two influences: On one hand, ongoing difficulties in the public health insurance system continue to push private health insurance**.** On the other hand, the increases of the income threshold in 2003, fixed by the health reform, complicated the switch from public to private. This lowered the market potential for full coverage and resulted in a strong decline of net new inflow for this type in 2005. Supplementary insurance, however, increasingly meets demand. But the increase in gross written premiums by 3.7% mainly reflects rising premiums per contract, that are outpaced by payments, which incremented by 4.3%.

Belgium. The Life and Savings market has accelerated its growth in 2005 (estimated at +18,5% compared to +13,4% in 2004). The upturn of the Unit-linked market has been confirmed and even accelerated (+47%) while the Non Unit-linked market has grown substantially (+11.3%). Bank savings accounts have increased by an estimated +8.6%.

Southern Europe. In 2005, the **Spanish** market grew by 11.1% in the first 9 months of the year. This increase surpasses the 5.2% in 2004, despite of the adverse market environment, namely, a decreasing saving capacity. The growth, focused on the retail market (+11%), came mainly from traditional life products (+23%) and life savings not linked with retirements (+15%). In **Italy**, the market grew by 17% driven by the bankinsurance and post office distribution channel (+18% thanks to indexed linked products) and the agent network (+17% thanks to traditional corporate contracts), which altogether cover a 91% of the total market. In **Portugal**, market increased by 59% driven by capitalisation products, which grew by 69%[3]. Fiscal benefits for PPR´s (Individual pensions plans) have ceased in 2005, but the bankinsurance channel is still pushing sales for this product (+45%).

Property & Casualty

France. After 5 consecutive years of accelerated growth from 1999 (2%) until 2003 (8%), market's premium growth reduced slightly to 4% in 2004 and an estimated 2% in 2005. Household is expected to grow by +5% (+6% in 2004) whereas market should stay flat in Motor (+2% in 2004) and in Commercial Property (+4% in 2004).

United Kingdom. In the UK, a general market softening has caused difficult underwriting conditions throughout the market. This has made rating increases and the retention of business difficult. Within Personal Lines, Household and Healthcare have shown significant growth largely due to new business deals. Commercial Lines has seen limited growth due to the competitiveness in acquiring new business contracts. Renewals for Liability have been under severe pressure, particularly large cases, resulting in renewals at level terms or sub inflation increases. In Ireland, competitiveness in Motor has significantly increased and led to a fall in average premium.

Germany. In 2005, total business[4] decreased by 0.5 % (to € 55.1 billion). In motor lines, an intensive price competition started, initiated by the big players to keep or regain market share. Therefore, in these lines, gross written premiums decreased by 2.8 % to € 21.9 billion. Despite partially high claims ratio increases in industrial property lines (but still keeping combined ratios

3 source APS, provisional figures

4 Source: association of German insurers (GDV): estimation, clearly below 100 %) the gross written premiums decreased by 5.4 % while the number of contracts was stable. Regarding private non-motor lines, volume according to number of contracts remained flat (e.g. in private property lines) or even slightly declined (e.g. in accident: -0.5 %) as penetration is already high. However, the gross written premiums for these lines increased in a range from 0.5 % (accident) to 3.0 % (combined household insurance).

Southern Europe. In 2005, the **Spanish** market grew by 7.0% in the first 9 months of the year. 2005 was impacted by the increasing motor market aggressiveness already started in 2002. Thus, motor market grew by 3.8%. However, multi-risk and health maintained in 2005 their strong growth (10.7% and 9.6%, respectively) already shown in 2004. In **Italy**, market grew by 1.9%, strongly impacted by the low increase in the motor market (+0.6%, where the increase in fleet is almost offset by the decreasing average premium), which still holds a large portion (62%) of the total volume of the P&C market. In **Portugal**, market increased by 2.4% driven mainly by the growth in the motor market[5], whereas workmen's compensation (+0.8%) and property (+2.0%) show lower increases.

Belgium. The Belgian Property & Casualty market should have grown by 4% in 2005. The motor market which represents 34% of total Property & Casualty should have grown by +2.3% while household premiums should have risen by +3.9%. The Workers' compensation market should show an acceleration of its growth in 2005 to 3.2% (vs 0.7% in 2004) .

International Insurance

On the **Reinsurance** side, market prices were stable in 2005, rates being sustained by the four strong hurricanes which landed in the USA in 2004 after two years of very low claims experience in 2002 and 2003. Nevertheless, 2005 was a turning point for the market: it brought high-severity losses of exceptional frequency, not only in the USA, creating a profound disturbance within the Non Life (Re)insurance industry.

On the **Large Risks Insurance market**, following several years of rate increases and restructuring of large Corporate Insurance programs, underwriting conditions reflected a general softening of the market affecting rates. However the occurrence of several natural events, especially in the US, led to a stabilization of the rates towards the end of the year.

Asset management. In 2005, total long-term stock, bond and hybrid fund net inflows were $193 billion for 2005, compared with $210 billion for 2004, in addition to moderate market appreciation of +3% for the S&P 500 U.S. Equity Index and +14% for the MSCI World Equity Index. Specifically, stock and hybrid fund net inflows decreased 24% and 41%, respectively as net inflows for long-term bonds largely offset net inflows in equity funds, partially reflecting the continual demand for life-style funds, asset allocation funds, and target maturity funds. The demographics changes in the United States and other developed economies have increased the pool of savings available for private investment and created substantial demand for investment products and services.

5 source APS, provisional figures

Market conditions in 2005

Financial markets

In 2005, the world's major equity indices showed a rise on the year and fixed income investments posted positive returns.

The global expansion slowed down after an exceptional year in 2004. Growth was driven by both the United States and the economies of the emerging world—notably China, where GDP increased by just above 9% in 2005. The US slowed down slightly in 2005, to around 3.5%, whilst both the euro area and Japan showed progressive improvement over the prior year.

Against this backdrop, after nearly three years of historically low key interest rates, the central banks began a round of rate tightening, led by the Federal Reserve. Other central banks, including the ECB, joined the move in order to counter the inflation risk.

STOCK MARKETS

With the exception of the United States, which did not match performance achieved in 2003 and 2004 (S&P500 was up +4.9% in 2005), all other stock markets soared in 2005—led by Japan, with the Nikkei up 40%. The Euro area gained 26% on the year, slightly outperforming the United Kingdom (FTSE +21%). In Europe, the Stoxx 50 rose by 21.2% and the CAC40 by 23.1%.

BOND MARKETS

Overall, all government bonds turned in positive performances in 2005, but Europe clearly outperformed its peers (+8.6%, +7.5% and +2% for the United Kingdom, the Euro area and the United States, respectively). 10-year interest rates on government bonds decreased from 4.53% to 4.08% in the UK, and from 3.67% to 3.30% in Europe, while the US showed a slight increase from 4.23% to 4.36%.

As for the corporate bonds market, credit spreads were relatively stable over the year. Globally, sustained growth, low volatility, good credit quality and positive technical factors all supported good return on corporate bonds (+5% on average for the year).

EXCHANGE RATES

In 2005, as short-term rate differentials widened, the euro lost close to 15% against the dollar (from 1.36$ at the end of 2004 to 1.18$ at the end of 2005). The same was true of the yen but to a lesser proportion (from 139.7 yen at the end of 2004 to 138.9 yen at the end of 2005).

December 31, 2005 operating highlights

Significant acquisitions and disposals

ACQUISITIONS

On October 31st, 2005, AXA Investment Managers (AXA IM) completed the purchase of the Framlington Group Limited. Framlington is an investment management boutique with an emphasis on specialist, high-performance and high-value-added equity investments, and has a significant market position within the UK retail market segment. The purchase price amounted to €303 million, with a related goodwill and an intangible asset of respectively €142 million and €132 million.

On October 18th, 2005, AXA acquired from the group Caixa Geral de Depósitos the insurance company Seguro Directo which operates in the direct insurance market in Portugal (by telephone and Internet). The purchase price amounted to €42 million, and the related goodwill to €31 million.

DISPOSALS

On December 2, 2005, AXA Financial Group sold Advest to Merrill Lynch. Advest was a wholly owned subsidiary of AXA Financial Group and part of its Financial Advisory/Insurance segment. In accordance with the terms of the agreement, Merrill Lynch purchased all of the issued and outstanding capital stock of Advest for $400 million in cash. This transaction reduced AXA Financial Group's goodwill by an estimated €152 million. Total net income impact of the transaction is €-71 million, post tax.

Capital and financing operations

CAPITAL OPERATIONS

On December 16, 2005, both AXA and FINAXA's shareholders approved the merger of the two companies at their extraordinary shareholders' meetings. From AXA SA's accounting and fiscal standpoint (statutory accounts), the merger is retroactive as of January 1, 2005. The merger resulted in the creation of 299 million AXA shares as of December 16, 2005, while 337.5 million AXA shares owned by FINAXA and its subsidiaries were cancelled, effective January 9, 2006 (end of the opposition period granted to creditors).

As a result of this transaction, French Mutuelles AXA hold 14.3% of AXA's outstanding shares, representing 23.19% of AXA's voting rights.

For AXA and its shareholders, this merger simplified the shareholder structure, improved the standing of the stock and increases the proportion of publicly traded shares. In addition, AXA obtained ownership of the “AXA” brand which was the property of FINAXA. For FINAXA shareholders, this transaction improved the liquidity of their securities and eliminated the discount which affected the value of their securities.

In November and December 2005, AXA acquired a total number of 12.399.075 bonds issued by Finaxa on June 10, 1998 and exchangeable into AXA shares with a maturity date of January 1, 2007, i.e 99.62% of the outstanding exchangeable bonds. For AXA shareholder's, this buy back allows the Group to neutralize the potential dilution that might have resulted from the issuance of new AXA shares. The total consideration paid was €1,464 million.

Following the merger and the cancellation of the repurchased Finaxa bonds, AXA's consolidated shareholders equity is reduced by €940 million. This decrease is mainly due to:

(i) impact of the Finaxa exchangeable bonds for €-1,470 million financing AXA shares in prior years and at the opposite,

(ii) the valuation of the trademark at €307 millions as mentioned in the agreement and plan of merger and

(iii) the cancellation of the dividend paid by AXA to Finaxa for €205 million.

On December 9th, 2005, AXA announced the closing of its €200 million securitization of its French motor insurance portfolio. This operation, launched on November 3rd, 2005, was the first ever securitization of a low claim severity, high claim frequency insurance portfolio. Through securitization, AXA has transferred to the financial markets the deviation of the cost of claims on the securitized insurance portfolio above a certain threshold for four consecutive and independent annual periods. The transaction was oversubscribed and had an average margin per tranche of 28bp over Euribor 3 month rates, in line with similarly rated synthetic bank securitizations.

For several years, the AXA Group has been offering to its employees in and outside of France, the opportunity to subscribe for shares issued by way of a capital increase reserved for employees. In 2005, employees invested a total of €304.3 million leading to a total issuance of 16.3 million newly issued shares. As of December 31, 2005, the total number of shares in issue amounted to 1,872 million. Employee shareholders represented approximately 4.76% of the outstanding share capital (versus 5.11% as at December 31, 2004) or 5.6% after taking into account the cancellation of AXA's shares following the merger of AXA and Finaxa.

FINANCING OPERATIONS

On January 25, 2005, AXA issued, under its €8 billion Euro Medium Term Notes program, €250 million of undated deeply subordinated notes ("Titres Super Subordonnés"), allowing the Group to improve financial resources quality and to strengthen its financial structure.

In order to further protect the Group balance sheet, by matching net assets denominated in foreign currencies with liabilities denominated in the same currencies, an additional US$2.7 billion, Yen 50 billion and CAN$ 0,3 billion hedges have been implemented in 2005 through Cross Currency Swaps and foreign exchange options.

OTHER

In August 2005, AXA Asia Pacific Holdings Limited (AXA APH) announced that it has signed a binding agreement with Bharti Enterprises Private Limited (Bharti) to establish a life insurance joint venture company and to apply for a life insurance licence in India.
Under the agreement AXA APH has a 26% equity interest in the joint venture, the maximum permitted under the current Indian regulations, with Bharti holding the remaining shares.
The joint venture will invest AUD 70-130 million (€43-80 million) over the first three to four years of operations, reflecting both partners' commitment to quickly establish a strong foothold in the Indian market.

On November, 21st, 2005 AXA Asia Pacific Holdings Limited (AXA APH), AFFIN Holdings Berhad (AHB), and Tahan Insurance Malaysia Berhad (Tahan) have signed a legally binding agreement whereby a joint venture company, 49.999% owned by AXA APH and 50.001% by AHB, will purchase the life insurance business of Tahan. The total purchase price was RM121 million (€28 million) with AXA's share being RM60.5 million (€14 million).

In 2005, AXA entered in a share purchase program to control dilution arising from share-based compensations and employees Shareplan program and, as a consequence, purchased approximately 20 million AXA shares for a total amount of €0,5 billion.

Events subsequent to 2005

AXA Canada announced on November 29th, 2005 that it has entered into an agreement to buy Winterthur Canada Financial Corporation, whose main asset is The Citadel General Assurance Company ("Citadel"). The acquisition is subject to various conditions, including the approval of Canadian regulatory authorities. The acquisition will be financed internally by the AXA Group. The transaction is expected to close in the first half of 2006.

On January, 9th 2006, AXA published the offer document regarding the voluntary public offer to the holders of shares in AXA Konzern AG to acquire their ordinary non-par value bearer shares (“Ordinary Shares“) as well as the preferred non-voting non-par value bearer shares (“Preferred Shares“) in AXA Konzern AG, against payment of cash consideration of 129.30 € per Ordinary Share and per Preferred Share.
On February, 13th 2006, AXA informed the Management Board of AXA Konzern AG that AXA reached directly and indirectly, more than 95% ownership of the shares (owned and tendered) in AXA Konzern AG.
Reaching the threshold of more than 95% in AXA Konzern AG will allow AXA to launch a squeeze-out on AXA Konzern AG. Following completion of the offer, AXA’s current intention is to launch a squeeze-out on the remaining minority shareholders in AXA Konzern AG, assuming that all conditions to achieving such a squeeze-out have been fulfilled.

In January 2006, AXA pursued its share purchase program to control dilution arising from 2005 share-based compensations and employees Shareplan program and purchased 9,4 million of shares for a total amount of € 0,25 billion.

In 2006, in order to further protect the group net asset denominated in US$, AXA implemented a US$ 1,5 billion foreign exchange hedge.

On February, 21st, 2006, AXA Asia Pacific Holdings has reached agreement with National Australia Bank to purchase 100% of MLC Hong Kong and MLC Indonesia for € 357 million.

Consolidated Operating results

Consolidated gross revenues

Consolidated Gross Revenues (a)			
(in euro million)	**FY 2005**	**FY 2004**	**Change**
Life and Savings	45 116	42 344	6,5%
of which Gross written premiums	*43 496*	*41 103*	*5,8%*
of which Fees and revenues from investment contracts with no participating feature	*509*	*417*	*21,9%*
Property & Casualty	18 874	17 852	5,7%
International Insurance	3 813	3 363	13,4%
Asset Management	3 440	3 084	11,5%
Other Financial services (Net banking revenues) (b)	428	387	10,5%
Holding companies activities	0	0	-
TOTAL	**71 671**	**67 031**	**6,9%**

(a) Net of intercompany eliminations

(b) Excluding net realized capital gains and change in fair value of assets under fair value option and derivatives, net banking revenues and total consolidated revenues would respectively amount to €408 million and €71,645 million for the period of December 31, 2005.

Consolidated gross revenues for Full year 2005 reached **€71,671 million**, **up 6.9% compared to previous period.**

Excluding the impact of the appreciation of the euro against other currencies (-0.1 point, mainly from the Japanese Yen, British pound and US Dollar), and scopes differences, notably (i) additional revenues stemming from Mony integration (€895 million or -1.3 point) and (ii) the change in consolidation method of Turkey, Hong-Kong and Singapore P&C operations (€548 million, or -0.9 point)[6], **gross consolidated revenues were up 5.2% on a comparable basis.**

Group New Business APE[7] reached €5,476 million, up +13.9% compared to Full-Year 2004. On a pro-forma basis[8], Group New Business APE increased by +11%. This growth was attributable to all significant countries except Germany and The Netherlands.

France new business increased by 13% with a strong acceleration in the fourth quarter of 2005: Individual Investment & Savings new business was up 17%, reflecting very strong growth in unit-linked premiums (up 60% to represent 32% of individual Investment & Savings new business) driven by the continued focus on unit-linked products in proprietary channels. Group new business was up 7%, benefiting in 4Q05 from a significant new Pension contract.

The United States continued to benefit from the MONY acquisition, with new business up 15% on a reported basis. On a comparable basis[9], new business increased by 4% primarily driven by Life APE (up 10%) and Variable Annuity APE (up 9%), partly offset by a 64% decline in Fixed Annuity APE, as, in the current interest rate environment, this product does not correspond to Group profitability targets. Excluding fixed annuities, new business was up 8% with a strong acceleration in the second half of the year.

Japan APE increased by 20%, as Individual business APE grew by 15%, driven by Term Life products and riders (following the launch of new products in October 2004 and March 2005), and

[6] *Fully consolidated starting January 1, 2005 (previously accounted for under the equity method)*

[7] *Annual premiums equivalent is New regular premiums plus one tenth of Single premiums, in line with Group EEV methodology.*

[8] *Excluding Mony in the United States*

[9] *As MONY was acquired on July 8, 2004, the constant scope in the US includes the contribution of MONY only for 2H 2004 and 2H 2005 (i.e. excluding the first half of 2005).*

Group Life APE was up 311%, primarily due to the New Mutual Aid product, a Group Term Life product featuring new cancer and disability riders.

In the United Kingdom, new business was up 16% driven by Investments and Savings new business (+34%), thanks to sales of unit-linked investment bonds, and Group Pension products, partly offset by individual pensions and Life. Sales within the IFA channel were up 21%.

Germany APE decline (-30%) was primarily due to the strong Life new business boom at the end of 2004 in connection with the drop of the tax privilege leading to only moderate demand for life insurance in 2005.

Benelux new business increased by 21% driven by Belgium up 26%, mainly due to the continuing strong growth momentum of structured unit-linked products, such as the open-architecture product Millesimo, and Crest 30 and 40 (non unit-linked products with no guaranteed rate). In December 2005, activity in Belgium also benefited from policyholders' anticipation of the tax changes to be implemented on January 1, 2006. Netherlands APE decreased by 8.7% driven by the delay in the outsourcing project to Accenture Insurance Services, and the delayed introduction of new products.

Southern Europe new business increased by 12%, mainly driven by traditional savings' new business in the agent network in Italy as well as some significant corporate contracts, partly offset by lower unit-linked business as 2H04 was particularly strong, benefiting from the launch of some significant bancassurance agreements. Activity in individual Life products (including the launch of new products) remained strong.

Property & Casualty gross written premiums were **up 5.7%, or +2.8% on a comparable basis to €18,874 million**, mainly driven by France (+3.5% to 5,070 million) and Southern Europe (+4.1% to €3,012 million).

Personal lines (62% of P&C premiums) were up 3.9%, stemming from both Motor (+3%) and Non Motor (+5%).

Motor revenues grew 3%, mainly driven by Southern Europe and France up 4% and 2%, respectively, benefiting from positive net inflows of +125,000 and +100,000 policies (of which +77,600 four wheels policies), respectively. Canada (up 7%), Turkey (up 17%), Hong Kong (up 19%) and Singapore (up 15%) also contributed to motor revenues growth while in UK, Motor revenues were down -4% due to increased competition in Ireland.

Non-motor revenues increased by 5% mainly driven by the UK health activity, France Construction and Property business, portfolio evolution and increased tariffs in both Belgium,and Canada, an increase of higher insured sums and new business in Individual disability in the Netherlands and new product launches in Southern Europe.

Commercial lines (37% of P&C premiums) recorded a +1.3% growth.

Motor revenues were up 1%, mainly as positive evolution in France (+4%), Southern Europe (+6%) and Belgium (+2%), offset by the decrease of UK & Ireland revenues (-7%), in a context of intense competition in Ireland.

Non-motor revenues were up 1% mainly driven by France (+6%) as a result of tariff increases in most business lines, while maintaining a strict underwriting policy.

Other Lines[10] **(1% of P&C premiums)** revenues decreased by 13% driven by the planned reduction of assumed business in Germany.

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[10] *Please note that UK Health is no longer reported in other lines but is now allocated between personal non motor and commercial non motor lines.*

International Insurance revenues were up 13.4%, or +10.3% on a comparable basis to €3,813 million, both attributable to AXA RE and AXA Corporate Solutions Assurance.

AXA RE revenues increased by +17% to €1,451 million mainly due to the non recurrence of some 2004 negative premium adjustments and the increase in reinstatement premiums linked to major events in 2005. Excluding the two effects, growth on current year was limited to 6% coming mostly from selected non proportional General Liability business - taking advantage of favorable pricing conditions - as well as in Credit business, marine offshore and non-cat property.

AXA Corporate Solutions Assurance revenues were up +6.6% or +4.8% on a comparable basis to €1,605 million, reflecting a selective growth in the marine and aviation lines of business. Development remained cautious on commercial property and liability lines.

Asset management revenues increased by **+11.5% or 13.7% on a comparable basis to €3,440 million**, driven by higher average Assets under Management (+16% compared to 2004) and strong net inflows (€+56 billion).

AllianceBernstein revenues were **up +6.3% or 9.2% on a comparable basis to €2,472 million** as higher investment advisory fees, driven by 11% higher average AUM, and increased performance fees were partly offset by lower distribution revenues due to lower AUM in the retail channel. In addition, Alliance has restructured its private client fee structure during the first half of 2005, effectively eliminating transaction charges while raising base fees.

AUM increased by €95 billion from year-end 2004 to €491 billion at the end of 2005 as a positive exchange rate impact (€63 billion), a favorable market impact (€34 billion) and strong net positive long-term inflows (€22 billion) more than offset the €24 billion decrease in AUM related to change in scope mainly linked to the sale of the Cash Management Services to Federated Investors.

AXA Investment Managers showed a **+27.5%** performance or +26.9% on a comparable basis to **€968 million**, due to AUM growth (+21% on a comparable basis), mostly from third party retail and institutional client segments which generate higher average fees, and higher performance fees. especially on AXA Rosenberg's portfolios.

AUM increased by €87 billion from year-end 2004 to €432 billion at the end of 2005 primarily driven by (i) €34 billion of net inflows mainly from institutional and retail third party clients especially on AXA Rosenberg's products as well as real estate, structured finance and fixed income products, (ii) a €38 billion favorable market impact, (iii) a €6 billion positive foreign exchange rate impact, and (iv) €7 billion following the acquisition of Framlington effective beginning of November 2005.

Net banking revenues in Other Financial Services were up **+10.5% or +13% on a comparable basis to €428 million**, mainly attributable to AXA Bank Belgium (+30.1% to €336 million), as a result of higher revenues on mortgage and investment loans and lower interest paid for certificates of deposits and deposit accounts, partly offset by lower income from inter-bank operations and trading.

Consolidated underlying, adjusted earnings and net income

Underlying earnings, adjusted earnings and Net income

(in euro million)	FY **2005**	**2 004**
Gross written premiums	65 995	62 152
Fees and revenues from investment contracts with no participating feature	509	417
Revenues from insurance activities	***66 504***	***62 570***
Net revenues from banking activities	***408***	***402***
Revenues from other activities	***4 733***	***4 074***
TOTAL REVENUES	**71 645**	**67 046**
Change in unearned premium reserves net of unearned revenues and fees	***-502***	***-104***
Net investment result excluding financing expenses (a)	***30 928***	***25 279***
Technical charges relating to insurance activities (a)	-80 827	-72 009
Net result of reinsurance ceded	-141	-1 063
Bank operating expenses	-61	-101
Acquisition costs	-6 509	-5 928
Amortization of value of purchased life business in force and other intangible asset	-529	-389
Administrative expenses	-8 570	-7 686
Valuation allowances on tangibles assets	-3	-11
Other	-197	-243
Other operating income and expenses	***-96 838***	***-87 430***
INCOME FROM OPERATING ACTIVITIES, GROSS OF TAX	**5 233**	**4 790**
Income arising from investment in associates - Equity method	20	55
Financing debts expenses	-602	-583
OPERATING INCOME GROSS OF TAX	**4 651**	**4 262**
Income tax	-900	-1 199
Minority interests share in income	-492	-426
UNDERLYING EARNINGS	**3 258**	**2 637**
Net realized capital gains attributable to shareholders	850	705
ADJUSTED EARNINGS	**4 108**	**3 342**
Profit or loss (excluding change) on financial assets (under fair value option) & derivatives	149	428
Exceptional operations (including discontinued operations)	-72	10
Goodwill and other related intangible impacts	-13	-41
NET INCOME	**4 173**	**3 738**

(a) For the periods ended December 31, 2005 and December 31, 2004, the change in fair value of assets backing contracts with financial risk borne by policyholders had impacted the net investment result for respectively €+13,978 million and €+10,543 million and benefits and claims by the offsetting amounts respectively.

Underlying, Adjusted earnings and Net Income		
(in euro million)	**FY 2005**	**FY 2004**
Life & Savings	1 931	1 563
Property & Casualty	1 346	1 102
International Insurance	68	138
Asset Management	396	300
Other Financial Services	67	23
Holding companies	-549	-489
UNDERLYING EARNINGS	**3 258**	**2 637**
Net realized capital gains attributable to shareholders	850	705
ADJUSTED EARNINGS	**4 108**	**3 342**
Profit or loss (excluding change) on financial assets (under fair value option) & derivatives	149	428
Exceptional operations (including discontinued operations)	-72	10
Goodwill and other related intangible impacts	-13	-41
NET INCOME	**4 173**	**3 738**

Group underlying earnings reached **€3,258 million, up +24% or €+621 million**. **At constant exchange rates**, the growth was **€+624 million**, attributable to all operational segments except International Insurance as AXA RE was unfavorably impacted by major losses in 2005:

Life & Savings underlying earnings were **up €+368 million or €+375 million at a constant exchange rate**. In the United States, underlying earnings included 12 months Mony activity (€+150 million) compared to 6 months in 2004.

Excluding MONY H1 2005 (€63 million at constant exchange rates), underlying earnings increased by €+312 million mainly attributable to **France** (€+37 million to €387 million), **the United States** (€+139 million to €804 million), **Japan** (€+128 million of which €67 million related to non-recurring impacts), **Germany** (€+17 million to €30 million).

Pre tax operating income increased by €+141 million, mainly resulting from:

(i). An **improved investment margin** (€+46 million), primarily in France (higher yields and increased asset base) and the US (higher distribution from private equity funds and higher asset base in general account partly offset by lower yields on fixed income), partly compensated by Japan (following the fixed income portfolio restructuring), Belgium and Germany

(ii). **Higher Fees and Revenues** (€+548 million) pulled up by France (increase sales in Life Health business and Unit-Linked), the US (higher fees on Separate Account business and higher account balances), the UK (increase in sales of offshore bonds and higher fees earned (including fees on Creditor business offset in expenses for €+56 million), and Japan (launch of new Term products and sales of high margin health products)

(iii). An **improved net technical margin** (€+280 million); driven by the US (mostly from an improved life mortality margin), the UK (net provision release in 2005), and Japan (mainly driven by higher morbidity margin on Health and mortality margin on Life)

This was partly offset by:

(iv). **Higher expenses including Deferred Acquisition Cost** (€-581 million impact), mainly in the US (mostly driven by higher commissions), UK (mainly as a result of a lower alllocation from with-profit funds as a result of lower volumes, higher other expenses notably from strategic initiatives, higher amortization expenses related to Creditor business offset in fees and revenues for €56 million and a non recurring increase of deferred policyholder tax for €48 million), and France (mainly due to higher commissions from increased volumes and IT investments).

(v). **A higher level of VBI amortization** (€-153 million) mainly attributable to Japan, reflecting an additional VBI amortization due to a change in future investment assumptions and related reactivity impacts (€-219 million or €-136 million net of tax), partly offset by a lower amortization notably in the UK

Tax, minority interest and change in scope decreased by €171 million mainly reflecting in Japan a non recurring release of deferred tax asset valuation allowance (€225 million) reflecting the improvement in recoverability of tax losses carried forward and change in scope for Netherlands Health (€-24 million).

Property & Casualty underlying earnings improved by **€+244 million** to **€1,346 million**. This improvement was attributable to almost all countries (mainly UK €+97 million, France €+58 million, Germany €+58 million, The Netherlands €+24 million, Canada €+19 million) mainly stemming from:

(i) **A higher net technical result** (€+686 million to €5,759 million), with **an accounting loss ratio improving by 2.1 point to 69.2%**

(ii) **Higher expenses** (€-503 million to €-5,331 million), **the expense ratio deteriorated by 1.4 point to 28.5** % driven by both a 0.6 point higher acquisition ratio notably in the UK (product mix and profit sharing), France (a €42 million non recurring lower level of acquisition costs in 2004) and Germany (due to a €16 million non recurring event), and a higher administrative expense ratio by 0.7 point, notably in Germany where, the deterioration was linked to a change in cost allocation between claims handling cost and administrative expenses and in France due to a €31 million non recurring charge related to agent benefits. Excluding non recurring items, the expense ratio increased by 0.4 point driven by the change in product mix in the UK.

As a consequence, **Group combined ratio improved by 0.8 point to 97.7%.**

(iii) **Higher investment income overall** (€+153 million to €1,451 million)

(iv) **Higher income tax expense** (€-50 million to €-493 million) in line with higher pre-tax earnings

(v) Income/Loss arising from investment in affiliates and associates-equity method decreased by €-31 million as a result of the change in consolidation method for Asian P&C entities and Turkey previously accounted for under the equity method.

(vi) Minority interest increased by €12 million, of which €7 million on Turkey, previously accounted for under the equity method.

International Insurance underlying earnings reached **€68 million, down €-71 million**.

The decrease was mainly attributable **to AXA RE (€-85 million**), as a result of lower Non Life technical result (€-227 million). **Major losses** cost increased by €316 million to **€572 million** (pre-tax), due to seven major losses in 2005 of which Katrina, Rita and Wilma hurricanes. As a consequence the loss ratio deteriorated (up 16.4 points to 99.2%) and, despite the improvement of the expense ratio by 4.7 points to 13.3%, led to an increase in combined ratio by 11.7 points to 112.5%.

AXA Corporate Solutions Assurance underlying earnings increased by **€+22 million** to €72 million mainly stemming from higher investment result (€+26 million) reflecting higher asset base and lower financial charges. The combined ratio increased by 0.7 point to 100.9%, reflecting the deterioration of the loss ratio.

Other transnational activities remained stable at €-41 million.

Asset Management underlying earnings increased by **€+97 million to €396 million**, attributable to both AllianceBernstein (€+36 million to €240 million) and AXA Investment Managers (€+61 million to €156 million), following:

(i) Higher average Assets Under Management (+11% at AllianceBernstein and +21% at AXA Investment Managers on comparable basis) and increased performance fees,

(ii) Contained increase in costs

(iii) And higher ownership interest in AllianceBernstein (from approximately 58% on average in 2004 to approximately 61% in 2005 as a result of the acquisition of 16.32 million private units in 2004).

Other Financial Services underlying earnings increased by **€+43 million to €67 million**, mainly attributable to

(i) AXA Bank Belgium (€+24 million to €50 million), mainly due to an improved interest margin and the reversal of a provision for risks related to loan activities in France,

(ii) CFP (€+18 million to €18 million) following positive impact of run-off development in 2005.

Holdings underlying earnings were down **€-61 million to €-549 million**. This deterioration was mainly attributable to

(i) AXA Financial Holdings (€-32 million at constant exchange rate to €-110 million) due to higher net interest expense principally related to the Mony acquisition and higher stock based compensation expense,

(ii) UK holdings (€-24 million to €-96 million) mainly due to an increase in tax,

(iii) AXA SA (€-19 million to €-282 million, mainly due to higher financial charges (€6 million) and an increase in general expenses,

(iv) Germany holdings (€+30 million to €-19 million) due to the implementation of a tax grouping with AXA Versicherung.

Group net capital gains attributable to shareholders **were up €+145 million to €850 million**, mainly as a result of:

- Higher net realized capital gains by €126 million overall mainly coming from:
  - (i) France Life (€+103 million to €191 million) mainly on equities,
  - (ii) UK Life (€+92 million to €7 million) due to the non recurrence of the transfer of ownership of the Isle of Man an the transfer of rights to write future annuity business between with profit and non profit fund in 2004 (€+86 million)
  - (iii) Germany P&C (€+64 million to €87 million) notably due to some impairments on equities in 2004

(iv) Holdings Companies (€+42 million to €42 million) mainly in AXA SA (€+22 million) and Germany holdings (€18 million mainly linked to €36 million pre-tax following the final settlement in 2005 of the cologne RE JV announced in 2003).

partly offset by :

(v) Japan Life (€-142 million to €5 million) mainly due to higher capital gains in 2005 more than offset by an insurance reserve strengthening following change in future investment assumptions and higher interest credited

(vi) US (€-44 million to €5 million) due to significant gains in 2004

- A €-94 million impact of foreign exchange rates in 2005 (€+3 million in 2004). In 2005, France and AXA SA experienced net unrealized foreign exchange losses on currency macro hedges or unqualified hedges, respectively for €-66 million and €-45 million to €-34 million.

- An additional €+115 million release of valuation allowance on tax losses carried forward in Japan.

As a result of higher underlying earnings and higher net capital gains, **adjusted earnings were up €+766 million or €+769 million at constant exchange rate to €4,108 million.**

The Full Year 2005 **Net Income** reached **€4,173 million, up €+435 million or €+438 million at constant exchange rate (+12%** in both current and constant exchange rates)**.**

This growth was the result of:

(i) **Higher adjusted earnings** (+23% or €+766 million to €4,108 million)

(ii) **Lower result on financial assets accounted for under Fair Value Option and derivatives (€-278 million to €149 million)** mainly due to higher profit and loss on change in fair value of consolidated Mutual funds and on assets under fair value option (€+31 million to €222 million) more than offset by lower positive change in fair value of derivatives (€-281 million to €-18 million) mainly coming from AXA SA (€-296 million).

(iii) **Lower goodwill and other related intangible impacts (€+29 million to €-13 million)** as a result of (i) €-37 million non-repeated 2004 amortization of remaining goodwill in the Netherlands P&C and in AXA Re Finance, and (ii) the amortization of Mony intangible asset on a full year basis in 2005 (€+3 million change) and of Framlington intangible asset (€+4 million in 2005).

(iv) **Partly offset by lower result of exceptional operations** (€-81 million to €-72 million)

Full-Year **2005 exceptional operations** (**€-72 million)** related to:

- the realized capital gains on the sale of AXA Assistance participation in CAS (€23 million), of AllianceBernstein Cash Management activity (€8 million), and of BIA in AXA Bank Belgium (€2 million)
- more than offset by the realized loss on the sale of Advest in US Holdings (€-71 million), and €-28 million settlement for Nationwide litigation in holding companies (UK, Belgium, France, AXA SA and Germany Life).

Full-Year **2004 exceptional operations (€10 million)** related to:

- Mony additional restructuring provisions (€-146 million)
- The realized capital gains on the disposal of Unirobe in The Netherlands Holding (€+104 million),

- The realized capital loss on the disposal of AXA Bausparkasse in Germany (€-25 million, net group share, of which €-10 million in the Life company)
- An exceptional profit in the AXA Financial holding (pre-tax gain on disposal of the discontinued Investment Banking and Brokerage segment of €67 million, or €43 million net of Federal income taxes). The gain resulted from the reduction of state tax liabilities related to the 2000 sale of DLJ
- The realized capital gain on the disposal of Crealux in The Belgium Holding (€+17 million)
- The realized capital gain on the sale by AXA Insurance UK of the right to renew of its direct business to RAC plc in October 2004 (€+12 million net Group share)
- The realized capital gain on the disposal of the Health portfolio of AXA Zorg in The Netherlands Life (€+3 million).

Consolidated Shareholders' Equity

As of December 31, 2005, consolidated shareholders' equity totaled €33.8 billion. The movement in shareholders' equity since December 31, 2004 is presented in the table below:

	Shareholders' Equity ***(in euro million)***
At December 31, 2004	**28 523**
- Share capital (a)	-84
- Capital in excess of nominal value (b)	-966
- Equity-share based compensation	57
- Treasury shares sold or bought in open market	-272
- Change in equity component of compound financial instruments	0
- Super subordinated debt (including accrued interests)	217
- Fair value recorded in shareholders' equity	2 415
- Impact of currency fluctuations	1 431
- Cash dividend	-1 164
- Other	-66
- Net Income for the period	4 173
- Actuarial gains and losses on pension benefits	-415
At December 31, 2005	**33 847**

(a) of which €-88 million related to AXA / Finaxa merger

(b) of which €-852 million related to AXA / Finaxa merger

Creation of Shareholder Value

EARNINGS PER SHARE ("EPS")

	FY 2005		**FY 2004**		**Var. FY 2005 versus FY 2004**	
(in euro million except ordinary shares in millions)	**Basic**	**Fully diluted**	**Basic**	**Fully diluted**	**Basic**	**Fully diluted**
Weighted numbers of shares	**1 880,9**	**1 954,4**	**1 803,7**	**1 933,5**		
Net income	4 173	4 283	3 738	3 844		
Net income Per Ordinary Share	***2,22***	***2,19***	***2,07***	***1,99***	***7,1%***	***10,2%***
Adjusted Earnings	4 108	4 218	3 342	3 448		
Adjusted Earnings Per Ordinary Share	***2,18***	***2,16***	***1,85***	***1,78***	***17,9%***	***21,0%***
Underlying Earnings Per Ordinary Share	***1,73***	***1,72***	***1,46***	***1,42***	***18,5%***	***21,5%***

RETURN ON EQUITY (ROE)[11]

(in euro million except percentages)	FY 2005	FY 2004	Var. FY 2005 versus FY 2004
Average Shareholder's equity (a)	**22 363**	**18 511**	
Adjusted Earnings	4 108	3 342	
Adjusted ROE	***18,4%***	***18,1%***	***0,3 pts***
Underlying ROE	***14,6%***	***14,2%***	***0,3 pts***

(a) excluding change in fair value on invested assets and derivatives (recorded through SHE)

[11] *Adjusted and underlying ROE are calculated with Shareholder's equity excluding change in Fair Value on invested assets and derivatives (included in consolidated shareholder's equity)*

Life & Savings Segment

The following tables present the consolidated gross revenues, adjusted earnings and net income attributable to AXA' s Life & Savings segment for the periods indicated

Life & Savings Segment (a)		
	FY	
(in euro million)	**2005**	**2004**
Gross written premiums	43 502	41 111
Fees and revenues from investment contracts with no participating feature	509	417
Revenues from insurance activities	***44 011***	***41 529***
Net revenues from banking activities	***0***	***0***
Revenues from other activities	***1 115***	***824***
TOTAL REVENUES	**45 126**	**42 353**
Change in unearned premium reserves net of unearned revenues and fees	***-197***	***-131***
Net investment result excluding financing expenses (b)	***28 946***	***23 472***
Technical charges relating to insurance activities (b)	-64 721	-57 426
Net result of reinsurance ceded	-7	13
Bank operating expenses	0	0
Acquisition costs	-2 827	-2 569
Amortization of value of purchased life business in force and other intangible asset	-529	-389
Administrative expenses	-3 017	-2 776
Change in tangible assets impairment	-4	-3
Others income and expenses	-156	-158
Other operating income and expenses	***-71 262***	***-63 308***
INCOME FROM OPERATING ACTIVITIES, GROSS OF TAX	**2 613**	**2 385**
Income arising from investment in associates - Equity method	10	10
Financing debts expenses	-119	-100
OPERATING INCOME GROSS OF TAX	**2 504**	**2 295**
Income tax	-424	-617
Minority interests share in income	-149	-115
UNDERLYING EARNINGS	**1 931**	**1 563**
Net realized capital gains attributable to shareholders	432	344
ADJUSTED EARNINGS	**2 362**	**1 907**
Profit or loss (excluding change) on financial assets (under fair value option) & derivatives	50	77
Exceptional operations (including discontinued operations)	-0	-153
Goodwill and other related intangible impacts	-8	-5
NET INCOME	**2 404**	**1 826**

(a) before intercompany transactions

(b) For the periods ended December 31, 2005 and December 31, 2004, the change in fair value of assets backing contracts with financial risk borne by policyholders had impacted the net investment result for respectively €+13,978 million and €+10,543 million and benefits and claims by the offsetting amounts respectively.

Consolidated Gross revenues [a]		
(in euro million)	**FY 2005**	**FY 2004**
France	13 237	11 545
United States	13 940	12 847
United Kingdom	2 395	2 420
Japan	4 735	5 526
Germany	3 585	3 499
Belgium	2 734	2 188
Southern Europe	1 439	1 333
Other countries	3 060	2 995
TOTAL	**45 126**	**42 353**
Intercompany transactions	-10	-9
Contribution to consolidated gross revenues	**45 116**	**42 344**

(a) Gross written premiums including intercompany eliminations

Underlying, Adjusted earnings and Net Income		
(in euro million)	**FY 2005**	**FY 2004**
France	387	350
United states	866	664
United Kingdom	85	86
Japan	266	145
Germany	30	13
Belgium	56	74
Southern Europe	44	41
Other countries	198	188
UNDERLYING EARNINGS	**1 931**	**1 563**
Net realized capital gains attributable to shareholders	432	344
ADJUSTED EARNINGS	**2 362**	**1 907**
Profit or loss (excluding change) on financial assets (under fair value option) & derivatives	50	77
Exceptional operations (including discontinued operations)	-0	-153
Goodwill and other related intangible impacts	-8	-5
NET INCOME	**2 404**	**1 826**

Life & Savings operations - France

	Periods ended December 31,	
(in euro million)	**2 005**	**2004**
Gross revenues	**13 237**	**11 545**
APE (group share)	*1 075*	*951*
Underlying investment margin	938	887
Underlying fees & revenues	1 196	1 064
Underlying technical margin	70	63
Underlying expenses	-1 590	-1 441
Underlying amortization of VBI	-48	-55
Underlying operating earnings before tax	**565**	**519**
Underlying income tax expenses / benefits	-176	-168
Minority interests	-3	-1
Underlying earnings group share	**387**	**350**
Net capital gains attributable to shareholders net of income tax	154	105
Adjusted earnings group share	**540**	**455**
Profit or loss (excluding change) on financial assets (under FV option) & derivatives	90	79
Exceptional operations (including discontinued operations)	0	0
Goodwill and other related intangibles impacts	0	0
Net income group share	**630**	**534**

Gross revenues increased by €1,692 million or +15% to €13,237 million. Net of intercompany transactions, gross revenues amounted to €13,228 million as a result of a steady growth in all lines of business:

- *Investments & Savings* (67% of gross revenues) grew by 16.3% to €8,911 million. Both general account and unit linked premiums experienced growth by respectively +8% and +52% with a strong acceleration during the fourth quarter of 2005 resulting from the launch of a new product for salaried sales force and strong activity in Group business
- *Life & Health* (33% of revenues) grew by 11.4% to €4,316 million mainly due to rate increases and positive premium adjustments on prior years in Group Life.

APE grew by +13 % (€+124 million) to €1 075 million mainly driven by increased single premiums in unit linked Investments and Savings.

Underlying investment margin increased by €50 million or +5,6% to €938 million, as investment income increased by €214 million to €3,374 million mainly benefiting from the increase in dividend yields on the European equity market and from an increased asset base. Amounts credited to policyholders increased by €163 million to €2,438 million as a consequence of increased investment income and increased average general account reserves partly compensated by a slight decrease in main products distribution rate (to 4.42%).

Fees & revenues were up €+132 million or +12.4% to €1,196 million, benefiting from higher sales volumes on life & health business (€+70 million) and from higher revenues on unit linked products due to both higher sales and increased asset bases (€+62 million).

Technical margin was up €+7 million to €70 million as the improvement of technical results in Group disability was offset by the negative impact of a 0.5 point decrease in Group annuity reserves discount rates (to 2.50%), in line with lower interest rates in France.

Expenses increased by €149 million to €-1,590 million mainly due to increased commissions (€+90 million to €698 million) in line with increased volume, €28 million higher administrative expenses (notably IT investments) and €42 million higher amortization charge of deferred acquisition costs induced by the impact of 2005 experience on the expected pattern of future profits partly offset by a €16 million higher Deferred Acquisition Cost capitalization.

VBI amortization decreased by €6 million to €-48 million mostly due to maturing contracts in the run-off of the UAP block of business purchased in 1997.

Underlying cost income ratio improved by 0.2 point to 76.2% reflecting increased underlying investment margin and fees and revenues partly offset by higher expenses (mainly commissions).

Income tax expenses increased by €8 million to €-176 million, in line with increased taxable income (impact of €15 million) partly offset by a decrease in effective tax rate (down 1.3 point to 31.1% for €+7 million) following the decrease of short term tax rates in France.

As a consequence, underlying earnings improved by €37 million to €387 million.

Adjusted earnings were up €+85 million to €540 million, resulting from higher underlying earnings (€+37 million) and a €+49 million increase in capital gains attributable to shareholders to €154 millions, reflecting higher net capital gains (€+103 million to €191 million) mainly on equities, partly offset by a 2005 negative impact of foreign exchange on currency macro hedge (€-55 million to €-38 million).

Net income rose by €97 million to €630 million, resulting mainly from the €+85 million increase in adjusted earnings. Change in fair value of assets designated at fair value through profit & loss (€+28 million to €89 million), mainly due to real estate and private equity funds, was partly offset by a less favorable impact of change in fair value of derivatives (€-17 million to €1 million) mainly explained by a lower decrease of interest rate in 2005 as compared to 2004.

Life & Savings operations - United States

	Periods ended December 31,	
(in euro million)	**2 005**	**2004**
Gross revenues	**13 940**	**12 847**
APE (group share)	*1 700*	*1 482*
Underlying investment margin	807	713
Underlying fees & revenues	1 404	1 092
Underlying technical margin	632	483
Underlying expenses	-1 572	-1 329
Underlying amortization of VBI	-51	-28
Underlying operating earnings before tax	**1 220**	**931**
Underlying income tax expenses / benefits	-354	-266
Minority interests	0	0
Underlying earnings group share	**866**	**664**
Net capital gains attributable to shareholders net of income tax	5	49
Adjusted earnings group share	**871**	**713**
Profit or loss (excluding change) on financial assets (under FV option) & derivatives	9	14
Exceptional operations (including discontinued operations)	0	-146
Goodwill and other related intangibles impacts	-8	-5
Net income group share	**872**	**577**
Average exchange rate : 1.00 € = $	*1,2453*	*1,2438*

In the following commentaries, "on a comparable basis" means excluding the contribution from MONY's distribution channels in the first half of 2005 and on a constant exchange rate basis.

Gross Revenues increased by 9% to €13,940 million both on a current and constant exchange rate basis. On a comparable basis, Gross Revenues increased by 2% driven primarily by increases in Variable Annuity premiums (up 12%) and First Year life premiums (up 9%), partially offset by a 44% decrease in Institutional Separate Account premiums, a 64% decline in Fixed Annuity premiums, and a 3% decline in Life renewal premiums. Other revenues were up by 3%, primarily reflecting increases in asset management fees resulting from higher account balances.

APE increased by 15% to €1,700 million both on a current exchange rate basis and constant exchange rate basis. On a comparable basis, APE increased by 4% primarily driven by Life APE (up 10%) and Variable Annuity APE (up 9%) partly offset by a 64% decline in Fixed Annuity APE, as, in the current interest rate environment, this product does not match Group profitability targets.

Underlying investment margin increased by €95 million to €807 million, or by €96 million on a constant exchange rate basis. On a comparable basis, investment margin increased by €48 million. *Investment income* increased by €31 million to €2,339 million, primarily due to an increase in distributions from private equity funds and higher assets in the General Account, partially offset by lower yields on Fixed Maturities and Mortgages driven by lower reinvestment rates. *Interest and bonus credited* decreased by €17 million to €1,578 million due to lower credited rates in life and annuity business partly offset by higher General Account balances.

Fees & revenues increased by €312 million to €1,404 million, or by €314 million on a constant exchange rate basis. On a comparable basis, fees and revenues increased by €201 million. This increase was mainly due to higher fees earned on separate account business resulting from positive net cash flows and higher average account balances.

Net technical margin increased by €149 million to €632 million, or by €150 million on a constant exchange rate basis. On a comparable basis, the net technical margin increased by €63 million. This increase was notably attributable to (i) €67 million higher life mortality margin to €401 million, (ii) €38 million positive impact of the settlement of outstanding issues with one life reinsurer in 2005 partly offset by (iii) higher benefits and reserves in the reinsurance assumed (€-34 million) and individual health (€-10 million) product lines and (iv) €-11 million decrease of “GMDB/GMIB" margins primarily due to the impact of non recurring gains from the active financial risk management program in 2004.

Expenses increased by €243 million to €-1,572 million and by €245 million on a constant exchange rate basis. On a comparable basis, expenses increased €122 million, principally due to (i) greater commission expenses (€-76 million), (ii) an increase in other miscellaneous expenses primarily within variable expenses (€-30 million) and all other expenses (€-7 million), (iii) higher DAC amortization (€-122 million) reflecting reactivity to higher margins in products which are DAC reactive and lower favorable DAC unlocking for expected higher emerging margins on variable and interest sensitive life products, partly offset by (iv) higher DAC capitalization (€+113 million). The combined pro-forma annualized expense savings related to the MONY integration were € 190 million, € 50 million higher than the original target.

VBI amortization increased by €23 million to €51 million both on current and constant exchange rate basis reflecting the consolidation of MONY for the full year in 2005.

Underlying cost income ratio improved to 74.2% versus 79.1% in 2004, notably reflecting the strong improvement in fees & revenues.

Income tax expenses increased by €88 million to €-354 million, or by €89 million on a constant exchange rate basis. On a comparable basis, income tax expenses increased by €53 million mainly due to higher earnings.

Underlying earnings increased by €202 million to €866 million and by €203 million on a constant exchange rate basis. On a comparable basis, underlying earnings increased by €139 million. This increase primarily reflects higher fees and revenues and net technical margin partially offset by higher expenses including DAC amortization. MONY contributed €150 million in 2005.

Adjusted earnings were €871 million, an increase of €158 million compared with 2004 on a current exchange basis and an increase of €159 million on a constant exchange rate basis. On a comparable basis, adjusted earnings increased by €91 million as the increase in the underlying earnings was partly offset by lower capital gains (€48 million), primarily on fixed maturities and equities. MONY contributed €150 million in 2005.

Net income increased by €296 million to €872 million, or €297 million on a constant exchange rate basis. On a comparable basis, net income increased by €235 million, due to the increase in adjusted earnings and the absence of MONY integration expenses incurred in 2004. MONY contributed €141 million in 2005.

Life & Savings operations - United Kingdom

	Periods ended December 31,	
(in euro million)	**2 005**	**2004**
Gross revenues	**2 395**	**2 420**
APE (group share)	*817*	*713*
Underlying investment margin	181	183
Underlying fees & revenues	457	358
Underlying technical margin	94	-1
Underlying expenses	-657	-447
Underlying amortization of VBI	-22	-54
Underlying operating earnings before tax	**54**	**39**
Underlying income tax expenses / benefits	31	47
Minority interests	0	0
Underlying earnings group share	**85**	**86**
Net capital gains attributable to shareholders net of income tax	14	-88
Adjusted earnings group share	**98**	**-2**
Profit or loss (excluding change) on financial assets (under FV option) & derivatives	-54	-26
Exceptional operations (including discontinued operations)	0	0
Goodwill and other related intangibles impacts	0	0
Net income group share	**44**	**-27**
Average exchange rate : 1.00 € = £	*0,6840*	*0,6784*

Gross revenues decreased by 1% to €2,395 million or were flat on a constant exchange rate basis:

- ***Investment & Savings*** (70% of gross revenues)
    - *Insurance Premiums* (51% of gross revenues) were flat as the positive impact of the launch of a new onshore bond product, was offset by the shift away from Old World Pension products.
    - *Margins on Investments Products* (19% of gross revenues) increased by 20% reflecting higher fund management fees driven by net new money growth and improved stock market levels during 2005.

- ***Life Insurance premiums*** (30% of gross revenues) decreased by 10% primarily due to lower volumes of Creditor Insurance.

APE was up 16% to €817 million driven by Investments and Savings new business (+34%), thanks to sales of unit-linked investment bonds, and Group Pension products, partly offset by individual pensions and Life. Sales within the IFA channel were up 21%.

Underlying investment margin decreased by €1 million in 2005 or was flat on a constant exchange rate basis, with increased investment income (€+16 million) mostly offset by a €14 million reduction on shareholders' participation in With-Profit bonus payments.

Fees and revenues increased by €99 million in 2005, or €103 million on a constant exchange rate basis, due to:

– €56 million increase in loadings on premiums on Creditor insurance products (which as mentioned hereunder is offset by a similar increase in expenses).
– €19 million increase in loadings on other premiums driven mainly by increased sales of offshore bonds.

– €28 million increase in fees earned due to higher average account balances due to improved stock market levels and net inflows.

Net technical margin increased by €96 million in 2005 compared to 2004 or €97 million on a constant exchange rate basis mainly due to €67 million of non recurring positive impacts in 2005 versus €31 million reserve strengthening in 2004.

Expenses, net of policyholder allocation[12] increased by €210 million in 2005, or €215 million on a constant exchange rate basis, mainly as a result of:

– €56 million increase in amortization of deferred expenses relating to Creditor Insurance business (offsetting the increase in loadings on premiums above).
– €31 million investment in sales, marketing and customer service incurred in delivering the new distribution agreement with Britannia and developing the new range of protection products.
– €42 million as a result of a lower allocation of expenses to the With-Profit funds due to the lower volumes of new business in these funds.
– €48 million non recurring increase in the provision for deferred policyholder tax relating to deferred acquisition costs on non profit business.
– €38 million increase in other expenses including pension benefits, recruitment costs and Information Technology.

The **underlying cost income ratio** improved from 123% to 109% in 2005, with increased expenses more than offset by increased revenues, due to improved stock market and non-recurring technical factors.

VBI amortization decreased by €32 million in 2005 both on a current and constant exchange rate basis, due to changes in amortization patterns and modeling improvements in 2004.

Income tax benefits decreased by €17 million in 2005 or €16 million on a constant exchange rate basis due to the non recurrence of 2004 tax credits partly offset by lower taxable profits and differing profit profiles by entity.

As a result, **underlying earnings** decreased by €1 million to €85 million on a constant exchange rate basis.

Adjusted earnings increased by €101 million to €98 million in 2005 on constant exchange rate basis. This was mainly due to the non recurrence of the €65 million negative impact in 2004 adjusted earnings of the transfer of ownership of the Isle of Man subsidiary at January 1, 2004 to a wholly owned shareholder fund, and the transfer of rights to write future annuity business between with-profit fund and non-profit fund in July 2004 (€-21 million).

Net Income included the undiscounted tax adjustment on unrealized gains attributable to policyholders in Unit Linked Life funds[13], for €-54 million in 2005 compared to €-26 million in 2004. As a result, net income increased by €72 million to €44 million in 2005, on a constant exchange rate.

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[12] *Part of these expenses is located in the With-Profit funds and therefore are borne by policyholders.*

[13] *Mismatch where undiscounted deferred tax provided on unit linked assets but the unit liability reflects the expected timing of the payment of future tax.*

Life & Savings operations – Japan

	Periods ended December 31,	
(in euro million)	**2 005**	**2004**
Gross revenues	**4 735**	**5 526**
APE (group share)	*589*	*505*
Underlying investment margin	0	42
Underlying fees & revenues	889	865
Underlying technical margin	175	89
Underlying expenses	-635	-580
Underlying amortization of VBI	-351	-158
Underlying operating earnings before tax	**78**	**258**
Underlying income tax expenses / benefits	195	-110
Minority interests	-7	-4
Underlying earnings group share	**266**	**145**
Net capital gains attributable to shareholders net of income tax	120	146
Adjusted earnings group share	**385**	**292**
Profit or loss (excluding change) on financial assets (under FV option) & derivatives	6	-18
Exceptional operations (including discontinued operations)	0	0
Goodwill and other related intangibles impacts	0	0
Net income group share	**392**	**274**
Average exchange rate : 1.00 € = Yen	*136,286*	*132,450*

Gross revenues (100%) decreased by 14% at current exchange rate or 12% at constant exchange rate to €4,735 million. Excluding (i) group pension transfers (€22 million versus €218 million last year) and (ii) the conversion program started in January 2003 to life products (€98 million versus €247 million last year) and to health products (€165 million versus €447 million last year), premiums decreased by 4% at current exchange rate or 1% at constant exchange rate to €4,451 million :

- *Investment & Savings* (31% of gross revenues excluding conversions and group pension transfers): Premiums decreased by 11% at constant exchange rate to €1,396 million mainly due to a reduction in single premium individual fixed annuities sold via bancassurance partnerships (€-184 million). The reduction in fixed annuity premiums arises from a transition towards variable type products, which AXA Japan is currently developing through the launch of new innovative products.
- *Life* (46% of gross revenues excluding conversions and group pension transfers): premiums increased by 2% at constant exchange rate to €2,026 million mainly driven by higher revenues from Term products and Term riders.
- *Health* (23% of gross revenues excluding conversions and group pension transfers): premiums increased by 10% at constant exchange rate to €1,027 million driven by the good retention on high margin medical products such as Medical Whole Life and Medical Riders.

APE increased by 20% to €589 million, as Individual business APE grew by 15%, driven by Term Life products and riders (following the launch of new products in October 2004 and March 2005), and Group Life APE was up 311%, primarily due to the New Mutual Aid product, a Group Term Life product featuring new cancer and disability riders.

Full Year 2005 net income earnings included the following significant items:

Significant capital gains on securities (€331 million pre-tax) have been realized in the first half of the year 2005, mainly following a change in asset allocation from US Bonds to Japanese government bonds.

AXA Japan actively manages its investments considering both income and all realized capital gains/losses to optimize continuously the investment yield in the context of low interest rates and significant traditional insurance in-force; therefore, investment income and realized gains are taken into account together to fund investment items such as guaranteed credited interest and bonuses as well as reserves impacts due to change in future investment assumptions.

In parallel, AXA Japan recorded a €331 million (pre-tax) strengthening of insurance reserves mainly resulting from a change in future investment assumptions, which impacted the investment margin. In addition, this new set of assumptions and the level of realized capital gains led to record higher VBI and DAC amortization (respectively €219 million and €27 million).

In addition, AXA Japan sold its headquarter during the second half of the year, leading to a €151 million pre-tax realized gain.

Finally, and following an improved outlook on recovery of the tax losses carried forward, a €342 million release of valuation allowance on deferred tax assets net of goodwill amortization was made.

The overall combined impact net of tax of these items, was €+67 million on underlying earnings.

Underlying investment margin decreased by €42 million at constant and current exchange rate, to 0 mainly driven by :

- A €169 million reduction to €443 million in net investment income mainly due to lower net investment yield as a result of the portfolio restructuring in December 2004, shifting from US corporate bonds to lower yielding of Japanese Government Bonds.

- Higher interest credited (€21million) to €587 million, mainly due to increased contract in-force, which were funded by € 144 million capital gains in the adjusted earnings.

Fees & revenues increased by €24 million at current exchange rate, or increased by €50 million at constant exchange rate, to €889 million reflecting the contribution from new business resulting from the launch of new Term products and sales of high margin health products, along with continuing efforts to retain profitable policies. This increase was partly offset by a small decline in group medical fees and revenues, which was limited by the implementation of a retention program on Medical Term customers in a competitive environment.

Net technical margin increased by €85 million, or by €90 million at constant exchange rate, to €175 million. The mortality margin improved mainly due to (i) better morbidity on Health products (especially Medical Whole Life and Medical Riders €+11 million) and better mortality on Life products (especially Term and Whole Life €+23 million), (ii) lower accrued dividends on Group Life because of a change in methodology (€+16 million) and (iii) a €3 million insurance reserve release (notably benefiting from the change in actuarial assumptions for €26 million) versus €-48 million insurance reserve strengthening in 2004 on annuity portfolio. The surrender margin decreased mainly due to lower B-policy conversions and surrenders (€-69 million), partly offset by improved retention on Medical Term policies (€+29 million).

Expenses increased by €55 million, or by €74 million at constant exchange rate, to €635 million mainly as a result of higher DAC amortization (€66 million) resulting from growing in-force and a change in future investment and actuarial assumptions.

VBI amortization increased by €192 million or €203 million at a constant exchange rate, to €-351 million resulting mainly from a change in future investment assumptions and reactivity from excess capital gains (€219 million in total).

Underlying cost income ratio improved from 77% to 70% mainly reflecting higher fees and revenues and technical margin partly offset by lower investment margin.

Income tax expense reduced significantly compared to last year by €304 million, or €310 million at constant exchange rate to a tax benefit of €195 million. A €302 million release of valuation allowance was recorded in 2005 reflecting the improvement in recoverability of tax losses carried forward. Part of it has been offset by a goodwill reduction (€70 million) related to the purchase of Nichidan. Excluding these impacts, income tax expenses declined by €79 million, or €78 million at constant exchange rate, to €-31 million due to lower pre-tax earnings in 2005.

Underlying earnings increased by €120 million or €128 million at constant exchange rate, to €266 million and benefited from the significant items mentioned above for a total €67 million. Adjusted for those items, underlying earnings increased by €61 million at constant exchange rate or +41% mainly driven by better technical margin and better fees and revenues.

Adjusted earnings increased by €94 million or €105 million at constant exchange rate, to €385 million following the improvement in underlying earnings by €+128 million partly offset by €23 million decrease due to:

- Lower net contribution of capital gains which decreased by €-141 million as a result of (i) €185 million higher capital gains (including the sale of headquarter) from €300 million to €471 million more than offset by the insurance reserve strengthening in 2005 for €331 million (change in future investment assumptions) and higher interest credited for €144 million and (ii) related positive tax DAC and VBI reactivity effects for €150 million.
- A positive impact of €118 million resulting from the release of valuation allowance on tax losses carried forward.

Net income increased by €118 million or €129 million at constant exchange rate, to €392 million following the improvement in adjusted earnings by €105 million with the remaining €24 million being comprised of (i) €+65 million due to a higher change in fair value of the assets under fair value option in 2005 (the majority of which relates to alternative assets) partially offset by volatility coming mainly from derivatives, and (ii) €-41 million of tax, DAC and VBI reactivity impacts.

Life & Savings operations – Germany

(in euro million)	Periods ended December 31, 2 005	2004
Gross revenues	**3 585**	**3 499**
APE (group share)	*270*	*387*
Underlying investment margin	66	76
Underlying fees & revenues	88	89
Underlying technical margin	44	25
Underlying expenses	-82	-73
Underlying amortization of VBI	-11	-9
Underlying operating earnings before tax	**105**	**108**
Underlying income tax expenses / benefits	-72	-93
Minority interests	-3	-1
Underlying earnings group share	**30**	**13**
Net capital gains attributable to shareholders net of income tax	2	-10
Adjusted earnings group share	**32**	**3**
Profit or loss (excluding change) on financial assets (under FV option) & derivatives	4	4
Exceptional operations (including discontinued operations)	0	-10
Goodwill and other related intangibles impacts	0	0
Net income group share	**36**	**-3**

Gross written premiums rose by 2.5 % (€ +86 million) to € 3,585 million mainly due to unit-linked business.

- *Investment & Savings* (22% of gross written premiums) increased strongly by 14% to €803 million, mainly driven by regular unit-linked premiums as a result of high new business in the previous years. The share of unit-linked premiums grew significantly to 22% (15% for the same period in 2004). Non-unit linked premiums increased by 4% to € 626 million mainly driven by annuity business.
- *Life* (47% of gross written premiums) decreased by 1% to €1,676 million. Decrease in Life non unit-linked premiums (-3%) was nearly compensated by strong growth of unit-linked premiums (+12%) mainly due to high new business in 2004 following the change in taxation rule. The share of unit-linked premiums thus rose to 14% (vs 12% in 2004).
- *Health* (25% of gross written premiums) increased by 1% to €904 million due to the last step of legal premium adjustment, partly offset by higher cancellations at the end of 2004.
- *Other* (6% of gross written premiums) slightly decreased by 1% to €202 million as the share in medical council business was reduced at the beginning of the year.

APE was down 30% to €270 million following the strong Life new business boom in 2004 in connection with the reduction of tax privileges. The Health market continued to be negatively impacted by higher social contribution limits introduced at the beginning of 2004 and the continued uncertainty over the potential changes in the Health regulatory environment.

Underlying Investment Margin decreased by €10 million to €66 million as the increase in net investment income (€+29 million mainly driven by a higher proportion of fixed income securities in the asset mix) was more than offset by increased policyholders participations (€-39 million).

Underlying Fees & revenues amounted to €88 million, down by €1 million in line with decrease in both Life and health new business partly offset by higher loadings on in force unit-linked products.

Net Technical margin increased by €19 million to €44 million mainly due to the non recurrence of 2004 reserves strengthening on annuity portfolios, partly released in 2005, and lower policyholder participation.

Net Expenses increased by €9 million to €-82 million driven by higher acquisition expenses at Pensionskasse net of DAC and policyholder bonus partly offset by a decrease of expenses in Health.

Underlying Tax expenses improved by €21million to €-72 million in 2005, mainly explained by non-recurring negative tax items in 2004.

Underlying Earnings increased by €17 million to €30 million mainly driven by the increase of underlying net technical margin and lower tax expenses.

Adjusted Earnings increased by €29 million to €32 million benefiting from the increase in underlying earnings (€+17 million) and €12 million higher net capital gains attributable to shareholder notably due to the high level of one off tax expenses which impacted 2004.

Net Income increased by €39 million to €36 million, benefiting from increased adjusted earning and the non recurrence of the loss on the sale of Bausparkasse in 2004 (€10 million).

Life & Savings operations - Belgium

	Periods ended December 31,	
(in euro million)	**2 005**	**2004**
Gross revenues	**2 734**	**2 188**
APE (group share)	*336*	*266*
Underlying investment margin	74	99
Underlying fees & revenues	143	132
Underlying technical margin	49	41
Underlying expenses	-183	-185
Underlying amortization of VBI	-2	0
Underlying operating earnings before tax	**81**	**86**
Underlying income tax expenses / benefits	-25	-12
Minority interests	0	0
Underlying earnings group share	**56**	**74**
Net capital gains attributable to shareholders net of income tax	85	99
Adjusted earnings group share	**141**	**173**
Profit or loss (excluding change) on financial assets (under FV option) & derivatives	-11	19
Exceptional operations (including discontinued operations)	0	0
Goodwill and other related intangibles impacts	0	0
Net income group share	**131**	**191**

Revenues increased by 25% to €2,734 million

- *Individual Life and Savings revenues (86% of revenues)* increased by 30% to €2,348 million due to the growth in Crest (+36% to €1,517 million) and in unit-linked contracts (+51% to €391 million) following the successful launch of a new structured product (Millesimo series) at year end 2004.
- *Group Life and Savings revenues* (14% of revenues) were stable at €386 million. Regular premiums increased by 4% to €341 million and single premiums decreased by 16% to €45 million.

APE increased by 26% to €336 million, mainly due to the continuing strong growth momentum of structured unit-linked products, such as the open-architecture product Millesimo and Crest.

Underlying investment margin was down by €25 million to €74 million due to the decrease of the average investment return by 38 bps while average credited rate decreased by 11 bps. As a consequence of the high production in products with lower guaranteed rate (Crest 30 and 40), the average guaranteed rate decreased by 29 bps.

Fees & revenues were up by €11 million to €143 million (+9 %) mainly due to loadings on premiums following higher sales on both Crest and unit-linked contracts.

The **net technical margin** increased by €8 million to €49 million mainly due to a higher mortality margin in individual life and a refund on undue annuity paid to a social security body.

Total expenses decreased by €3 million, to €-183 million.

VBI amortization increased by €2 million to €-2 million.

The **Underlying cost income ratio** increased from 70% to 77% as a consequence of the lower underlying investment margin.

The **tax expense** increased by €13 million to €-25 million due to the non recurrence of an exceptional refund in 2004.

Underlying earnings were €-18 million lower to €56 million mainly due to lower investment margin and higher taxes.

Adjusted earnings decreased by €31 million to €141 million driven by lower underlying earnings and reduced net capital gains (€-14 million to €85 million).

Net income decreased by €61 million to €131 million as a result of lower adjusted earnings and a decrease of the change in fair value of mutual funds under fair value option. These mutual funds were mainly invested in corporate bonds and benefited more from the decrease in interest rate in 2004 than in 2005.

Life & Savings operations – Southern Europe

(in euro million)	Periods ended December 31, 2 005	2004
Gross revenues	**1 439**	**1 333**
APE (group share)	*140*	*125*
Underlying investment margin	53	44
Underlying fees & revenues	88	99
Underlying technical margin	33	34
Underlying expenses	-105	-110
Underlying amortization of VBI	-6	-6
Underlying operating earnings before tax	**64**	**61**
Underlying income tax expenses / benefits	-20	-19
Minority interests	0	0
Underlying earnings group share	**44**	**41**
Net capital gains attributable to shareholders net of income tax	10	7
Adjusted earnings group share	**54**	**48**
Profit or loss (excluding change) on financial assets (under FV option) & derivatives	3	2
Exceptional operations (including discontinued operations)	0	0
Goodwill and other related intangibles impacts	0	0
Net income group share	**57**	**50**

Gross revenues rose by 8% to € 1,439 million. The increase was mainly driven by traditional investment and savings (€+157 million; +20%) as a result of a sustained growth in tied agents network (€+124 million, +18%) and in brokers network (+€ 53 million, +39%), partly due to large contracts. This growth was offset by lower sales through partnerships with banks (€-59 million, -17%) deriving from (i) the termination of a distribution agreement on traditional life and (ii) a lower volume of Investment & Savings UL contracts distributed through Bank and assurance partners.

APE increased by 12%, mainly driven by traditional savings' new business in the agent network in Italy as well as some significant corporate contracts, partly offset by lower unit-linked business as 2H04 was particularly strong, benefiting from the launch of some significant bancassurance agreements. Activity in individual Life products (including the launch of new products) remained strong.

Underlying investment margin rose by €9 million to €53 million, driven notably by higher investment income as a result of a larger average asset base.

Fees &revenues were down by €10 million to €88 million, driven by the switch of the new production towards less loaded products, including the impact of the termination of a distribution agreement on traditional life products. This reduction of fees was offset by a corresponding decrease in commission.

Net technical margin decreased by €2 million to €33 million, reflecting a €10 million lower release of insurance reserve on an old-generation guaranteed index-linked product in Italy; partly offset by (i) €6 million positive impact on policyholder bonus reserve following the termination of a distribution agreement on traditional life products as well as (ii) €3 million increase in surrender margin as a result of higher penalties applied on new generation of products.

Expenses decreased by €5 million to €-105 million as a result of the switch of the new sales towards products with lower commissions (€9 million) as well as the reduction in general expenses. This drop was partly offset by a higher DAC amortization (€5 million) following the review of the amortization plan.

As a result, the **underlying cost income ratio** improved by 4,8 points to 65,7%.

Income tax expenses increased by €1 million to €-20 million mainly as a result of higher pre-tax underlying earnings.

Underlying earnings increased by €2 million to €44 million as a result of the evolutions mentioned above.

Adjusted earnings were up €6 million to €54 million driven by net capital gains increase by €4 million to €10 million.

Net income was up by €7 million to €57 million in line with adjusted earnings evolution.

Life & Savings Operations - Other Countries

The following tables present the operating results for the other Life & Savings operations of AXA, which include Australia/New Zealand, Hong Kong, The Netherlands, Singapore, Switzerland, Canada, Morocco, Luxembourg and Turkey, for the years indicated.

Consolidated Gross revenues		
(in euro million)	**FY 2005**	**FY 2004**
Australia / New Zealand	1 225	1 156
Hong Kong	832	734
The Netherlands	531	765
Other countries	472	340
Singapore	124	103
Switzerland	116	92
Canada	71	62
Morocco	55	56
Luxembourg	38	27
Turkey (a)	68	0
TOTAL	**3 060**	**2 995**
Intercompany transactions	-1	-2
Contribution to consolidated gross revenues	**3 059**	**2 993**

(a) Change in consolidation method in Turkey (from equity method to full consolidation) as at January 1st, 2005.

Underlying, Adjusted earnings and Net Income		
(in euro million)	**FY 2005**	**FY 2004**
Australia / New Zealand	64	50
Hong Kong	84	60
The Netherlands	44	66
Other countries	6	12
Singapore	0	-0
Switzerland	2	1
Canada	-3	3
Morocco	3	2
Luxembourg	2	3
Turkey (a)	3	2
UNDERLYING EARNINGS	**198**	**188**
Net realized capital gains attributable to shareholders	42	36
ADJUSTED EARNINGS	**240**	**225**
Profit or loss (excluding change) on financial assets (under fair value option) & derivatives	3	2
Exceptional operations (including discontinued operations)	0	3
Goodwill and other related intangible impacts	0	0
NET INCOME	**242**	**230**

(a) Change in consolidation method in Turkey (from equity method to full consolidation) as at January 1st, 2005.

AUSTRALIA AND NEW ZEALAND[14 15]

Total gross revenues were €1,225 million, 3% higher than last year.

- *Gross written premiums* including fees from investment contracts without discretionary participating features of €1,036 million remain in line with last year. The improvement in individual life sales following the launch of "Market Offer" was offset by a reduction in retirement income business following local legislative changes.
- *Revenues from mutual fund* and advice businesses of €189 million represented an 18% increase due to positive FUM growth and improved investment market conditions. The continued success of the Generations platform and higher sales into mezzanine unit trusts has also contributed to higher net revenues. Growth through fees from mutual funds and advice businesses is expected to continue as investors shift out of traditional investment and savings products.

Mutual funds retail net flows (excluding institutional) of €1,164 million, were 15% higher than last year. The Generations platform continued to perform well and mezzanine unit trust net funds flow increased, most notably in the highly regarded Global and Australian equity funds. This was partially offset by a reduction into retail unit trusts following the end of support from a local bank.

APE was up 55% driven by a very high level of institutional mandate wins by AllianceBerstein who was elected Money Management 2005 Fund Manager of the Year and International Equities Fund Manager of the Year in Australia. Strong sales into "Generations" and "Summit" dedicated platforms and increased sales of global equity growth and value funds also contributed to the increase.

Underlying Earnings of €64 million were €11 million higher than last year. On a 100% ownership basis the evolution of underlying earnings is as follows:

- The **underlying investment margin** of €5 million was €7 million higher than last year, largely due to improved market conditions in 2005.
- **Fees and revenues** of €552 million were €50 million higher than last year, mainly due to increased fees from mutual funds and advice businesses, reflecting higher inflows and growth of funds under management and administration, following strong Australian equity market performance.
- The **net technical margin** of €-3 million was €20 million lower than last year, primarily due to less favourable health claims experience.
- **Expenses** of €458 million were €7 million higher that last year, which was reflective of higher commissions associated with increased fees and revenue. Economic expenses have reduced year on year due to improved operational effectiveness.
- The **tax benefit** of €24 million was €12 million lower than last year, consistent with growth in pre-tax earnings.

As a consequence the **underlying cost income ratio** decreased from 84.4% to 82.0%.

Adjusted Earnings of €66 million were €12 million higher than last year, reflecting the increase in underlying earnings.

Net Income of €69 million was €16 million higher than last year, reflecting the increase in underlying earnings and the increase in fair value of assets backing term annuities.

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[15] All comparisons to prior year figures are on a constant exchange rate basis

[15] AXA interest in AXA Asia Pacific Group is 52.95% broken down into 51.6% direct interest holding and an additional 1.35% owned by the AAPH Executive plan trust (newly consolidated under IFRS)

HONG-KONG[16] [17]

Gross revenues were €832 million, 13% higher than last year.

Total APE sales of €75 million were 21% higher, reflecting the successful launch of new products and strong inflows into investment and retirement products in particular in the new multi manager investment platform and also continued improvements in productivity in both agency and adviser channels.

New individual life regular premiums were up 17% due primarily to 'Maxx' sales, a new traditional participating product launched in October with a greater savings focus, and strong sales from 'Dimensions', a unit linked regular premium product.

Single premiums were up 90% driven by strong inflows into investment and retirement products, particularly into the multi manager investment platform and 'Evolution', a new investment linked product offered through broker channels.

Underlying earnings of €84 million were €23 million higher than last year. Last year's result included €15 million of non-recurring reserve strengthening as a result of model refinements. Excluding this, underlying earnings were €8 million higher than last year, mainly due to a €9 million positive volume effect on the underlying investment margin and fees and revenues.

As a consequence the **underlying cost income ratio** decreased from 54.4% to 52.5%.

Both **Adjusted earnings** and **Net Income** of €93 million increased by €27 million compared to last year, driven by the €23 million increase in underlying earnings mentioned above and a €3 million increase in realized gains attributable to shareholders.

THE NETHERLANDS

The Life segment now excludes the health and disability portfolios. Health portfolio has been disposed of at December 1st 2004, and disability portfolio is now reported under Property & Casualty segment.

Gross revenues decreased by € 9 million (-2%) to € 531 million on a comparable basis. Lower single premiums in Investments & Savings non Unit-Linked were partly compensated by higher Unit-Linked single premiums.

APE decreased by € 4 million (-9%) to €45 million, mainly due to lower production on mortgage universal life products..

Underlying earnings decreased by €22 million or increased by €2 million on a comparable basis to €44 million, driven by positive development on financial markets.

Adjusted earnings increased by €2 million to €71 million and Net Income increased by €1 million to €72 million on a comparable basis in line with underlying earnings.

CANADA

Gross revenues were up by 7.5% on a constant exchange rate basis to €71 million mainly in Investment and Savings business.

Underlying, adjusted earnings and **net income** decreased by €6 million to €-3 million mainly due to (i) a reserve adjustment on specific product and (ii) the increase of future tax rate on reserves (by +3pts to 34%).

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[16] All comparisons to prior year figures are on a constant exchange rate basis

[17] AXA interest in AXA Asia Pacific Group is 52.95% broken down into 51.6% direct interest holding and an additional 1.35% owned by the AAPH Executive plan trust (newly consolidated under IFRS)

MOROCCO[18]

Gross revenues were down by 2% at constant exchange rates to €55 million mainly due to the termination of a bank insurance agreement.

Underlying earnings increased by €1 million to €3 million.

Adjusted earnings and net income were stable at €3 million.

TURKEY[19]

Gross revenues were up by 6% at constant exchange rates to €68 million driven by the development of Investment and Savings business.
Underlying earnings, adjusted earnings and net income increased by €1 million to €3 million as a result of close risk selection policy implementation in group health line.

[18] *AXA Assurance Maroc is 51% owned by AXA.*

[19] *AXA Oyak Hayat is 50% owned by AXA. As of January 2005 Turkish operations are now fully consolidated instead of being accounted for under the equity method.*

Property & Casualty Segment

The tables below present the gross premiums and net income attributable to AXA's Property & Casualty segment for the periods indicated.

Property and Casualty Segment (a) (b)		
	FY	
(in euro million)	**2005**	**2004**
Gross written premiums	18 913	17 903
Fees and revenues from investment contracts with no participating feature	0	0
Revenues from insurance activities	***18 913***	***17 903***
Net revenues from banking activities	***0***	***0***
Revenues from other activities	***43***	***42***
TOTAL REVENUES	**18 956**	**17 945**
Change in unearned premium reserves net of unearned revenues and fees	***-269***	***-250***
Net investment result excluding financing expenses	***1 461***	***1 320***
Technical charges relating to insurance activities	-12 347	-11 959
Net result of reinsurance ceded	-581	-663
Bank operating expenses	0	0
Acquisition costs	-3 382	-3 089
Amortization of value of purchased life business in force and other intangible asset	0	0
Administrative expenses	-1 960	-1 717
Change in tangible assets impairment	-1	-7
Others income and expenses	12	-15
Other operating income and expenses	***-18 259***	***-17 450***
INCOME FROM OPERATING ACTIVITIES, GROSS OF TAX	**1 890**	**1 566**
Income arising from investment in associates - Equity method	3	34
Financing debts expenses	-11	-22
OPERATING INCOME GROSS OF TAX	**1 882**	**1 577**
Income tax	-493	-443
Minority interests share in income	-44	-32
UNDERLYING EARNINGS	**1 346**	**1 102**
Net realized capital gains attributable to shareholders	307	272
ADJUSTED EARNINGS	**1 653**	**1 374**
Profit or loss (excluding change) on financial assets (under fair value option) & derivatives	85	83
Exceptional operations (including discontinued operations)	0	12
Goodwill and other related intangible impacts	-1	-30
NET INCOME	**1 737**	**1 439**

(a) before intercompany transactions

(b) Change in consolidation method in Turkey, Hong-Kong and Singapore (from equity method to full consolidation) as at January 1st, 2005.

Consolidated Gross revenues [(a)]

(in euro million)	FY 2005	FY 2004
France	5 096	4 932
United Kingdom & Ireland	4 413	4 493
Southern Europe	3 019	2 901
Germany	2 798	2 815
Belgium	1 462	1 443
Other countries (b)	2 168	1 361
TOTAL	**18 956**	**17 945**
Intercompany transactions	-81	-93
Contribution to consolidated gross revenues	**18 874**	**17 852**

(a) Gross written premiums including intercompany eliminations

(b) Change in consolidation method in Turkey, Hong-Kong and Singapore (from equity method to full consolidation) as at January 1st, 2005.

Underlying, Adjusted earnings and Net Income

(in euro million)	FY 2005	FY 2004
France	363	304
United Kingdom & Ireland	399	302
Southern Europe	125	114
Germany	178	120
Belgium	128	159
Other countries (a)	153	102
UNDERLYING EARNINGS	**1 346**	**1 102**
Net realized capital gains attributable to shareholders	307	272
ADJUSTED EARNINGS	**1 653**	**1 374**
Profit or loss (excluding change) on financial assets (under fair value option) & derivatives	85	83
Exceptional operations (including discontinued operations)	0	12
Goodwill and other related intangible impacts	-1	-30
NET INCOME	**1 737**	**1 439**

(a) Change in consolidation method in Turkey, Hong-Kong and Singapore (from equity method to full consolidation) as at January 1st, 2005.

Property & Casualty Operations - France

(in euro million)	Periods ended December 31, 2 005	2004
Gross revenues	**5 096**	**4 932**
Current accident year loss ratio (net)	74,0%	74,3%
All accident year loss ratio (net)	73,5%	75,4%
Net technical result	**1 345**	**1 195**
Expense ratio	24,4%	23,3%
Net underlying investment result	464	424
Underlying operating earnings before tax	**569**	**482**
Underlying income tax expenses / benefits	-206	-177
Net income from investment in affiliates and associates	0	0
Minority interests	0	0
Underlying earnings group share	**363**	**304**
Net capital gains attributable to shareholders net of income tax	57	77
Adjusted earnings group share	**419**	**381**
Profit or loss (excluding change) on financial assets (under FV option) & derivatives	45	26
Exceptional operations (including discontinued operations)	0	0
Goodwill and other related intangibles impacts	0	0
Net income group share	**464**	**407**

Gross revenues increased by €+164 million (+3.3%) to €5,096 million, or €+176 million to €5,070 million net of intercompany operations, in a more competitive French market with increased pressure on prices, mainly on personal motor.

- *Personal lines premiums* (62% of gross revenues) increased by €+73 million (+2.4%) to €3,160 million net of intercompany operations, reflecting (i) positive net inflows in Motor with +100,000 (of which +77,600 four wheels contracts) and in Household with +38,400 new contracts, and (ii) price increase in Household.
- *Commercial lines premiums* (38% of gross revenues) increased by €+102 million (+5.7%) to €1,910 million net of intercompany operations due to (i) rate increases mainly in Construction, Property and Liability, and (ii) a global positive net inflow in a context of a continuing strict underwriting policy.

Net technical result improved by €+150 million to €1,345 million resulting from (i) a volume effect and (ii) the improvement of the all accident year loss ratio by 1.9 point to 73.5%:

- The *current net technical result* increased by €+80 million to €1,323 million resulting from increased activity as well as a slight improvement of the current accident year loss ratio by 0.4 points to 74.0% notably due to a lower reinsurance cost in individual business.
- The *prior years net technical result* improved by €70 million to €22 million mainly due to (i) the non recurrence of a €-54 million adverse loss developments in construction in 2004, (ii) positive developments in Property in 2005 (€+80) and Motor (€+10 million), which more than offset (iii) reserve strengthening on natural events (€-35 million related to 2003 drought) and (iv) a €-39 million impact of the decrease of the annuity reserve discount rate in line with lower interest rates in France.

Expense ratio increased by 1.0 point to 24.4% resulting mainly from a higher administrative expense ratio by 0.8 point to 9,4%. Administrative expenses increased by €60 million to €478 million due to (i) a €51 million increase of commissions allocated to administrative expenses (including a €31 million non recurring charge related to agents benefits) and to (ii) a limited €8 million increase of non-commission administrative expenses. Acquisition expenses increased by €44 million to €762 million fully explained by a €42 million lower level of capitalization on acquisition costs.

As a result, the **combined ratio** improved by 0.8 point to 97.9%.

Net underlying investment result increased by €40 million to €464 million resulting from (i) higher income on fixed maturities investments due to an increased average asset base and (ii) higher dividend yield.

Income tax expenses increased by €29 million to €-206 million in line with increased taxable income (impact of €32 million) partly offset by a decrease in tax rate (down 0.6 point to 36.2%) following the decrease of short term tax rates in France.

As a consequence, **underlying earnings** increased by €58 million to €363 million.

Adjusted earnings increased by €38 million to €419 million resulting from increased underlying earnings partly offset by €20 million lower capital gains to €57 million due to (i) a strong negative impact of foreign exchange on currency macro hedge (€-35 million to €-28 million) and (ii) increased realized capital gains (€+15 million to €85 million).

Net income increased by €57 million to €464 million resulting from (i) increased adjusted earnings, (ii) favorable change in fair value of consolidated mutual funds (€+36 million to €53 million), (iii) favorable change in fair value of assets under fair value option (€+12 million to €10 million) partly offset by (iv) an unfavorable change in fair value of derivatives (€-28 million to €-18 million) following a lower interest rate decrease in 2005 compared to 2004.

Property & Casualty Operations - United Kingdom & Ireland

	Periods ended December 31,	
(in euro million)	**2 005**	**2004**
Gross revenues	**4 413**	**4 493**
Current accident year loss ratio (net)	65,1%	67,7%
All accident year loss ratio (net)	63,1%	66,4%
Net technical result	**1 610**	**1 502**
Expense ratio	33,3%	31,0%
Net underlying investment result	283	283
Underlying operating earnings before tax	**442**	**383**
Underlying income tax expenses / benefits	-43	-81
Net income from investment in affiliates and associates	0	0
Minority interests	0	0
Underlying earnings group share	**399**	**302**
Net capital gains attributable to shareholders net of income tax	64	57
Adjusted earnings group share	**464**	**359**
Profit or loss (excluding change) on financial assets (under FV option) & derivatives	0	0
Exceptional operations (including discontinued operations)	0	12
Goodwill and other related intangibles impacts	0	0
Net income group share	**464**	**372**
Average exchange rate : 1.00 € = £	*0,6840*	*0,6784*

Gross revenues decreased by 2% to €4,413 million, but increased by 1% on a comparable basis.

- **Personal lines** (49% of the P&C premiums) were up 5%.This reflected continued growth in Health (+16%) including the transfer of a major portfolio from November 2004 and Property (+13%) driven by new business deals. Personal Motor (excl. AXA UK Direct) decreased by 4% reflecting a fall in average premiums in Ireland.
- **Commercial Lines** (51% of the P&C premiums) were down 1%. This reflected lower new business in public liability (-7%) and worker's compensation (-5%) due to market conditions and driven by focus on profitable business, whilst both Property and Health improved by +2% reflecting additional investment in Property Owners and higher average premiums with the launch of new products in Small Corporate Lines in health. Motor performance (-7%) was mainly explained by lower average premiums in Ireland.

Net technical result increased by €108 million to €1,610 million, or by €121 million on a constant exchange rate basis.

- The **current accident year loss ratio** improved by 2.6 points to 65.1% mainly due to better claims experience on Personal Lines and the non recurrence of 2004 exceptional large injury loss claims on Motor. As a consequence, the current year technical result improved by €80 million to €1,520 million or by €92 million on a constant exchange rate basis.
- The **all accident year loss ratio** improved by 3.3 points to 63.1% as a result of better current accident year loss ratio and the net positive impact of the prior year reserves review, for the second year in a row. As a consequence, the prior years technical result improved by €28 million to €90 million or by €29 million on a constant exchange rate basis.

Expense ratio deteriorated by 2.3 points to 33.3% driven an increase in commission ratio by 2.5 points to 20.4%, reflecting the change in business mix towards higher commission products. This was partially offset by an improvement of the general expense ratio by 0.2 point to 12.9%, reflecting improved controls on management expenses following the sale of Direct business.

As a result, the **combined ratio** improved by 1 point to 96.3%.

Net underlying investment result (on equities and fixed maturities) remained flat at €283 million, both on a current and constant exchange rate basis.

Income tax expenses decreased by €38 million, both on a current and constant exchange rate basis, due to €51 million non recurring tax benefits in 2005, mainly as a result of a valuation allowances release on deferred tax assets following improved earnings.

Underlying earnings increased by €97 million to €399 million, or €99 million on a constant exchange rate basis, driven by an improved combined ratio.

Adjusted earnings increased by €104 million, or €107 million on a constant exchange rate basis to €464 million as, in addition to the increase in underlying earnings, realized capital gains were up by €7 million to €64 million

Compared to adjusted earnings, **Net income** only increased by €92 million or €94 million on a constant exchange rate basis to €464 million due to the non recurrence of the €12 million exceptional operation related to the realized capital gain on the sale by AXA Insurance UK of the right to renew of its direct business to RAC plc in October 2004.

Property & Casualty Operations – Southern Europe

	Periods ended December 31,	
(in euro million)	**2 005**	**2004**
Gross revenues	**3 019**	**2 901**
Current accident year loss ratio (net)	78,3%	78,5%
All accident year loss ratio (net)	75,6%	76,0%
Net technical result	**713**	**661**
Expense ratio	23,5%	23,4%
Net underlying investment result	167	150
Underlying operating earnings before tax	**194**	**168**
Underlying income tax expenses / benefits	-68	-53
Net income from investment in affiliates and associates	0	0
Minority interests	0	0
Underlying earnings group share	**125**	**114**
Net capital gains attributable to shareholders net of income tax	27	62
Adjusted earnings group share	**152**	**177**
Profit or loss (excluding change) on financial assets (under FV option) & derivatives	1	8
Exceptional operations (including discontinued operations)	0	0
Goodwill and other related intangibles impacts	0	0
Net income group share	**153**	**185**

Gross written premiums increased by 4% to €3,019 million.

- *Personal lines* (76% of business, €2,302 million) grew by 5%. In motor (56% of business, € 1,693 million), the 4% rise was driven by positive net inflows (+125 000 policies; +4%) primarily coming from (i) direct distribution network in Spain, (ii) agencies acquisition program in Italy and (iii) a sustained growth in tied agent network in all countries. Motor average premium grew by 0.4% in a very competitive market. Non-motor lines (20% of business, €609 million) were up by 6%, mainly driven by Property and Health which benefited from the launch of new attractive products.
- *Commercial lines* (24% of business, €717 million) grew by 1%. Motor (6% of business, €192 million) increased by 6% thanks to the growth of the existing fleets and the win of large contracts. Non-motor lines (18% of business, €525 million) were almost stable.

Most of the growth was concentrated on proprietary distribution networks (70% of business, +5%) whereas non-proprietary networks were up by +2%.

Net technical result improved by € 52 million to € 713 million driven by a 6% earned premium growth and a slight improvement in loss ratio (-0.4 point to 75.6%).

- *The current net technical result* increased by €43 million to €634 million resulting from increased activity as well as an improvement of the current accident *year loss ratio* by -0.2 point to 78.3%. The observed softening of the motor cycle was offset by (i) the favourable evolution of bodily injury claim frequency, (ii) improvements in claims management processes, and (iii) some improvement in non-motor lines.

- *The prior years net technical result slightly* improved by €9 million to €79 million.

Expense ratio slightly increased by 0.2 points to 23.5%. This results from a marginally higher administration cost (+0.2 points to 5,2%) while commission (-0,3 point to 13,8%) and acquisition expense (+ 0,2 point to 4,5 %) ratios, combined together, slightly decreased despite higher marketing costs to further develop direct distribution sales.

As a result, the **combined ratio** improved by -0.3 point to 99.1%.

Net underlying investment result increased by €17 million to €167 million mainly driven by a larger average asset base.

Income tax expense increased by €16 million to €-68 million mainly due to higher pre-tax underlying earnings and the non-recurrence of a tax gain accounted for in 2004 following the sale of real estate.

Consequently, **underlying earnings** were up €10 million to €125 million.

Adjusted earnings were down €25 million to €152 million due to the €35 million decrease in net capital gains to €27 million resulting from the non recurrence of significant capital gains on real estate in 2004 (€7 million in 2005 compared to €31 million in 2004, net of taxes) and lower realised capital gains on securities.

Net income decreased by €32 million to €153 million due to the decrease in adjusted earnings as well as a lower change in fair value of financial instruments.

Property & Casualty Operations - Germany

	Periods ended December 31,	
(in euro million)	**2 005**	**2004**
Gross revenues	**2 798**	**2 815**
Current accident year loss ratio (net)	72,2%	75,6%
All accident year loss ratio (net)	65,8%	69,6%
Net technical result	**958**	**859**
Expense ratio	32,5%	29,2%
Net underlying investment result	218	171
Underlying operating earnings before tax	**266**	**204**
Underlying income tax expenses / benefits	-76	-77
Net income from investment in affiliates and associates	3	3
Minority interests	-15	-10
Underlying earnings group share	**178**	**120**
Net capital gains attributable to shareholders net of income tax	80	4
Adjusted earnings group share	**258**	**124**
Profit or loss (excluding change) on financial assets (under FV option) & derivatives	37	34
Exceptional operations (including discontinued operations)	0	0
Goodwill and other related intangibles impacts	0	5
Net income group share	**295**	**163**

Gross revenues decreased by 0.6% to €2,798 million or decreased by 0.9% on a comparable basis[20] :

- *Personal lines* (59% of total gross revenues) increased slightly by 0.1% as a result of new business and tariff increases in Property (+0.6%) and Liability (+1.1%) partly offset by a decrease in Personal Accident (-1.5%).
- *Commercial lines* (32% of total gross revenues) decreased by 0.6% due to the reduction in Aviation partly offset by tariff increases in Industrial Liability and new business in Engineering.
- *Other lines* (9% of total gross revenues) decreased by 8.8% mainly due to continued reduction in assumed business.

Net technical result increased by €100 million to €958 million:

- The *current net technical result* increased by €89 million to €779 million (Current accident year loss ratio improved by 3.4 points to 72.2 %) mainly driven by lower claims handling costs due to a change in cost allocation (-2.1 points offset in expenses) and lower claim charge in Property;
- *All accident year loss ratio* improved by 3.9 points to 65.8 % in line with current accident year loss ratio evolution. The Net technical result on previous years amounted to € 180 million in 2005 (as compared to €169 million in 2004) mainly driven by boni on Property (both in personal and commercial) and assumed business.

[20] Including Däv Sach in 2004 (€9 million gross revenues) which is a newly consolidated entity in 2005.

Expense ratio increased by 3.3 points to 32.5% mainly explained by the change in cost allocation mentioned above. Restated from this new allocation, expense ratio would have deteriorated by 1.2 point, partly due to lower earned premiums and non recurring amortization of capitalized acquisition expenses .

As a result, the **net combined ratio** improved by 0.5 point to 98.3%.

Net underlying investment result was up by €47 million to €218 million due to €29 million higher fixed income revenues (increase of investment in corporate bonds and higher durations) and €20 million lower charge on financial interests credited on the UBR products (specific German Protection Products sold by the Property and Casualty Company).

Underlying Income tax expense improved by €1 million to €-76 million despite higher operating income as a result of higher tax free investment income.

Underlying earnings improved by €58 million to €178 million, driven by higher net investment income and improvement of net combined ratio.

Adjusted earnings increased by €134 million to €258 million resulting from the improvement of underlying earnings and from higher capital gains as 2004 experienced realized losses (mainly a negative currency impact on foreign government bonds and impairment on equities). In 2005, net capital gains amounted to €80 million notably on equities (€60 million).

Net income improved by €132 million to €295 million, in line with the increase of adjusted earnings. The 2005 net income benefited from the positive impact of derivatives (futures), whereas 2004 was impacted by a non recurring positive change in fair value on some equity funds which were converted into fixed income funds in 2005.

Property & Casualty Operations - Belgium

	Periods ended December 31,	
(in euro million)	**2 005**	**2004**
Gross revenues	**1 462**	**1 443**
Current accident year loss ratio (net)	81,4%	82,6%
All accident year loss ratio (net)	70,0%	69,4%
Net technical result	**439**	**442**
Expense ratio	28,7%	28,0%
Net underlying investment result	167	179
Underlying operating earnings before tax	**183**	**215**
Underlying income tax expenses / benefits	-55	-56
Net income from investment in affiliates and associates	0	0
Minority interests	0	0
Underlying earnings group share	**128**	**159**
Net capital gains attributable to shareholders net of income tax	53	56
Adjusted earnings group share	**181**	**215**
Profit or loss (excluding change) on financial assets (under FV option) & derivatives	1	14
Exceptional operations (including discontinued operations)	0	0
Goodwill and other related intangibles impacts	0	-1
Net income group share	**183**	**228**

Gross written premiums increased by 1.3% to €1,462 million driven by growth in both personal and commercial lines.

- *Personal Lines* (62% of the total gross written premiums): premiums increased by 1.2%. Motor (57% of personal lines written premiums) remained stable (+0.1%) at €521 million as the portfolio decrease was offset by an average premium increase. Household increased by 2.7% to €232 million as a result of rate increases.

- *Commercial Lines* (38% of the total gross written premiums): premiums increased by 1.4% driven by Workers' Compensation (+5.8% mainly due to an increase in average premium), Motor (+2.5%), partially offset by a decrease in Corporate Accident (-4.3%) and in Property (-4.5%).

The **net technical result** was down by €-3 million to €439 million as a result of:

- *The current year loss ratio* improved by -1.2 points to 81.4% mainly due to an improved claims pattern in Motor, Accident, Workers' Compensation and Corporate Liability. As a result, the current net technical result improved by € 21 million to € 272 million.
- *The all accident year loss ratio* deteriorated by +0.6 point to 70.0% as the improvement in current year loss ratio was offset by lower positive reserve developments. Prior year technical result deteriorated by € 24 million to € 167 million.

The **expense ratio** increased by +0.7 point to 28.7% mainly as a result of higher commissions.

As a result, the **combined ratio** deteriorated (+1.4 point) to 98.7%.

Net underlying investment result decreased by €-12 million to € 167 million mainly due to a decrease in Real Estate income linked with a decrease in occupancy rates due to refurbishment work in 2005.

Income tax expense decreased by €+1 million due to lower pre tax earnings partly offset by the non recurrence of a tax recovery in 2004.

Underlying Earnings decreased by €-31 million to € 128 million as a result of lower positive reserve development and lower net investment result.

Adjusted Earnings decreased by €-34 million to € 181 million as a result of lower underlying earnings and lower capital gains.

Net Income decreased by €-46 million to € 183 million as a result of lower adjusted earnings and lower change in fair value of mutual funds under fair value option.

Property & Casualty Operations - Other Countries

Consolidated Gross revenues

(in euro million)	FY 2005	FY 2004
Canada	858	746
The Netherlands	275	212
Other countries	1 035	403
Turkey (a)	453	0
Morocco	140	137
Japan	140	115
Switzerland	90	87
Singapore (a)	79	0
Luxembourg	69	64
Hong Kong (a)	65	0
TOTAL	**2 168**	**1 361**
Intercompany transactions	-5	0
Contribution to consolidated gross revenues	**2 163**	**1 361**

(a) Change in consolidation method in Turkey, Hong-Kong and Singapore (from equity method to full consolidation) as at January 1st, 2005.

Underlying, Adjusted earnings and Net Income

(in euro million)	FY 2005	FY 2004
Canada	80	61
The Netherlands	19	-5
Other countries	54	46
Turkey (a)	8	8
Morocco	13	13
Japan	5	3
Switzerland	2	2
Singapore (a)	10	6
Luxembourg	8	6
Hong Kong (a)	8	9
UNDERLYING EARNINGS	**153**	**102**
Net realized capital gains attributable to shareholders	26	16
ADJUSTED EARNINGS	**179**	**118**
Profit or loss (excluding change) on financial assets (under fair value option) & derivatives	0	0
Exceptional operations (including discontinued operations)	0	0
Goodwill and other related intangible impacts	-1	-34
NET INCOME	**179**	**83**

(a) Change in consolidation method in Turkey, Hong-Kong and Singapore (from equity method to full consolidation) as at January 1st, 2005.

CANADA

Gross revenues amounted to €858 million, an increase of €56 million (+7.0%) over last year on a constant exchange rate basis. Excluding the additional positive impact of the policies issued for 18/24 months (€38 million), revenues increased by €18 million due to an increase in commercial lines revenues mainly due to new inflows.

Underlying earnings reached €80 million, up €+13 million (on a constant exchange rate basis) due to the -2.4 points improvement in the net combined ratio to 91.8%, reflecting mainly higher boni in personal motor (€+21 million) and commercial liability (mali in 2004 versus boni in 2005).

Adjusted earnings increased by €19 million (on a constant exchange rate basis) to €94 million, resulting from improved underlying earnings (€+13 million) and increased net capital gains (€+6 million to €+14 million), driven by higher gains on fixed maturities sale and lower impairment.

As a consequence, **net income** increased by €18 million (on a constant exchange rate basis) to €93 million

THE NETHERLANDS

The disability portfolio which was previously reported under the Life segment is now reported under the Property & Casualty segment. The Health portfolio which was previously reported under the Life segment has been disposed of at December 1st 2004.

The figures on comparable basis include the disability portfolio.

Gross revenues increased by 30% or decreased by 5% on a comparable basis to €275 million. The decrease was mainly driven by ongoing selection of authorized agents and reduction in group disability following change in legislation, partly offset by an increase of higher insured sums and new business in Individual Disability.

Underlying earnings increased by €24 million or by €6 million on a comparable basis to €19 million, driven by a 2 point improvement in combined ratio to 99.5%.

Adjusted earnings increased by €29 million or by €11 million on a comparable basis to €25 million driven by underlying earnings and higher realized capital gains of €5 million, mainly due to the sale of real estate in 2005.

Net income increased by €62 million or by €44 million on a comparable basis to €25 million, as 2004 was impacted by goodwill impairment of €33 million.

TURKEY[21]

On a comparable basis**, gross revenues** increased by +17% to € 453 million mainly driven by motor portfolio growth.
Underlying earnings were stable at €8 million. The **combined ratio** reached 101.1%.
Adjusted earnings were up by € 1 million to € 9 million **and net income** was up € 2 million to € 10 million.

[21] AXA Oyak is 35% owned by AXA. Turkish operations, which were previously accounted under the equity method, were fully consolidated from January 2005.

MOROCCO

Gross revenues were up by 2% on a constant exchange rates basis to €140 million, driven by personal motor, workmen compensation and health lines of business.

Underlying earnings were stable at €13 million driven by (i) a higher dividend income and (ii) a c**ombined ratio** improvement by 1 point to 100.6%, offset by higher tax expenses.

Adjusted earnings and net income decreased by €2 million to €14 million due to lower net capital gains.

JAPAN

Gross written premiums increased by 24% on a constant exchange rate basis to €140 million, mainly driven by motor business growth (+28%, 92% of revenues). Total motor portfolio (350,000 contracts) continued to show a sharp increase (+82,000 contracts compared to December 2004) thanks to competitive rates, as well as the launch of a new product, a risk-segmented direct insurance for Motorcycles.

Underlying earnings were positive for the second consecutive year, improving from 3 million in 2004 to €5 million in 2005 (+68% on a constant exchange rate basis). This improvement reflects (i) the decrease of the combined ratio from 113% to 102.4%, mainly as a result of the improvement of the expense ratio in line with the 'scale effect' attributable to the growth of the motor portfolio, which was partially offset by (ii) a lower contribution from the release of the valuation allowance on deferred tax assets than last year.

Adjusted earnings as well as the **Net income** were slightly lower, at €4 million (improvement over last year by €1 million), as some capital losses on fixed maturities were recorded in 2005.

SINGAPORE

On a comparable basis, **gross revenues** increased by +14% to € 79 million mainly from increase in new business and improved renewal retention ratio.

Underlying earnings were up by € 4 million to € 10 million due to the -6 points improvement in the **net combined ratio** to 88%, reflecting mainly higher boni in the main lines.

For the same reasons, **Adjusted earnings and net income** also were up by € 4 million to € 10 million.

HONG KONG

Gross revenues increased by +21% on a comparable basis to € 65 million mainly driven by motor portfolio growth.

Underlying earnings reached € 8 million with a combined ratio of 94.3%. Last year the entity was consolidated using the equity method therefore 2004 underlying earnings are not fully comparable to 2005 underlying earnings.

Adjusted and net income were up by € 1 million to € 10 million driven by -6.9 points improvement in the net combined ratio partly offset by lower capital gains.

International Insurance Segment

The following tables present the gross premiums and net income for the International Insurance Segment for the periods indicated:

Consolidated Gross revenues [a]

(in euro million)	FY 2005	FY 2004
AXA RE	1 460	1 069
AXA Corporate Solutions Assurance	1 614	1 517
AXA Cessions	60	94
AXA Assistance	621	554
Other	147	239
TOTAL	**3 903**	**3 473**
Intercompany transactions	-90	-109
Contribution to consolidated gross revenues	**3 813**	**3 363**

(a) Gross written premiums including intercompany eliminations

Underlying, Adjusted earnings and Net Income

(in euro million)	FY 2005	FY 2004
AXA RE	11	96
AXA Corporate Solutions Assurance	72	50
AXA Cessions	9	17
AXA Assistance	17	17
Other	-41	-41
UNDERLYING EARNINGS	**68**	**138**
Net realized capital gains attributable to shareholders	94	87
ADJUSTED EARNINGS	**162**	**226**
Profit or loss (excluding change) on financial assets (under fair value option) & derivatives	-1	25
Exceptional operations (including discontinued operations)	23	0
Goodwill and other related intangible impacts	0	-7
NET INCOME	**184**	**244**

AXA RE

(in euro million)	Periods ended December 31, 2 005	2 004
Gross revenues	**1 460**	**1 069**
Attritional current year loss ratio (a) (b)	55,9%	56,1%
Attritional all accident year loss ratio (a) (b)	49,6%	51,0%
All accident year loss ratio (net) (c)	99,2%	82,8%
Net technical result (excluding fees)	**9**	**174**
Expense ratio	13,3%	18,0%
Net underlying Investment result	129	120
Underlying operating earnings before tax	**-15**	**112**
Underlying income tax expenses / benefits	25	-16
Underlying earnings net of tax	**10**	**96**
Net income from investment in affiliates and associates	1	0
Minority interests	0	0
Underlying earnings group share	**11**	**96**
Net capital gains attributable to shareholders net of income tax	53	16
Adjusted earnings group share	**64**	**111**
Profit or loss (excluding change) on financial assets (under FV option) & derivatives	3	22
Exceptional operations (including discontinued operation)	0	0
Goodwill and other related intangibles impacts	0	-7
Net income group share	**67**	**126**

(a) Net of ceded reinsurance (cession and retrocession)

(b) Attritional data exclude (i) major losses in claims charge and (ii) covers cost in ceded premiums

(c) (Attritional claim charge and major loss cost on all accident years) divided by (net earned premiums, net of all reinsurance costs including covers)

Revenues increased by 17% on a comparable basis up to €1,460 million mainly due to the non-recurrence of some 2004 negative premium adjustments and the increase in reinstatement premiums linked to major events in 2005. Excluding these two effects, revenues increased by 6% mainly driven by higher premiums in selected non proportional General Liability business, taking advantage of favourable pricing conditions, as well as in Credit business, Marine Offshore and Non-Cat Property.

Net technical result decreased by €165 million to €9 million, mainly explained by the following:

Non Life net technical result decreased by €227 million to €-52 million:

- *The net attritional margin on current accident year* decreased by €4 million down to €512 million driven by a 5-point higher *net attritional current year loss ratio* at 58.5% offset by a positive volume effect (€126 million higher earned premiums).
- *The cost of cover programs* decreased by €12 million to €-152 million.
- *The current year major losses cost* increased by €316 million to €572 million, due to seven major losses in 2005 of which Katrina, Rita and Wilma hurricanes (€-481 million impact net of reinsurance and gross of tax), versus €-256 million in 2004 essentially due to 2004 US hurricanes.
- *The technical result on prior years* increased by €80 million to €161 million. 2005 boni were mainly driven by the favorable development of claims experience on recent underwriting years (notably 2004).

Life net technical result increased by €63 million to €61 million due to the good performance of stock markets in 2005 on the run off of the ABR portfolio.

Expense ratio improved by 4.7 points to 13.3% as a result of a decrease in general expenses by €28 million to €-154 million, due to lower employment costs.

As a result, the **combined ratio** increased by 11.7 points to 112.5%.

Net underlying investment result increased by €9 million to €129 million, mainly driven by higher revenues on fixed income assets and equities.

Income tax expense amounted to €25 million (tax profit), or a €+41 million variation in line with a lower pre tax result.

Underlying earnings decreased by €85 million to €11 million mainly as a result of lower technical result (as seven major losses occurred in 2005) partly offset by the decrease in general expenses, the increase in investment result and the income tax profit in 2005.

Adjusted earnings decreased by €47 million to €64 million driven by the decrease in underlying earnings partly offset by higher realized gains attributable to shareholders net of tax (€+37 million to €53 million) taking advantage of the good performance of European stock markets in 2005.

Net income decreased by €59 million to €67 million driven by the decrease in adjusted earnings. The €12 million additional deterioration over adjusted earnings is mainly explained by the non recurrence of some 2004 elements (a €+22 million gain on consolidated mutual funds which was partly offset by a €-7 million goodwill impairment following the buyback of minority interests of AXA RE Finance).

AXA Corporate Solutions Assurance

(in euro million)	Periods ended December 31,	
	2 005	**2004**
Gross revenues	**1 614**	**1 517**
Current accident year loss ratio (net) [(a)]	88,9%	88,6%
All accident year loss ratio (net)	87,9%	87,2%
Net technical result	**189**	**195**
Expense ratio	12,9%	13,0%
Net underlying investment result	123	97
Underlying operating earnings before tax	**110**	**81**
Underlying tax expenses / benefits	-37	-30
Net income from investment in affiliates and associates	0	0
Minority interests	-1	-1
Underlying earnings group share	**72**	**50**
Net capital gains attributable to shareholders net of income tax	30	46
Adjusted earnings group share	**102**	**96**
Profit or loss (excluding change) on financial assets (under FV option) & derivatives	-5	1
Exceptional operations (including discontinued operation)	0	0
Goodwill and other related intangibles impacts	0	0
Net income group share	**97**	**97**

(a) Current accident year claim charges (including claims handling expenses) / Current accident year earned revenues (excluding premium adjustments on previous years).

Gross written premiums increased by 6.4% to €1,614 million. On a comparable basis (exchange rate impact) the growth was 4.8% mainly driven by a strong growth in Marine (+6% on a comparable basis) and Aviation (+13% on a comparable basis). Other lines of business experienced a more limited growth (+3%) in a softening market.

The **net technical result** decreased by €6 million or - 3% to €189 million:

- *The current accident year net technical result* decreased by €1 million to €166 million as the positive volume effect was more than offset by a slight increase of the current accident year net loss ratio by 0.3 point to 88.9%, notably reflecting increased case by case claims in Motor in France and in the UK as well as a more competitive price environment in Aviation and Liability.
- *The prior accident year net technical result* decreased by €7 million to €+23 million. 2005 is impacted by lower boni, notably in Aviation and in Property, while Liability and Motor reserves developments were more favourable.

Expenses increased by €6 million to €-203 million, mainly due to increased commission (€6 million or 7% to €98 million) in line with increased volume. Expense ratio decreased by 0.1 point to 12.9%, mainly due to increased earned premiums.

The **combined ratio** reached 100.9%, up 0.7 point, driven by a +0.8 point increase in the *all accident years net loss ratio* (to 87.9%).

Net investment result improved by €+26 million to €123 million mainly driven by higher income (€+10 million) reflecting mainly a higher asset base due to positive technical cash flows mainly invested in fixed maturities and €+16 million lower financing charges due to the subordinated debts restructuring implemented at the end of 2004.

Income tax expense increased by €7 million to €-37 million, reflecting mainly increasing taxable result.

As a consequence, **underlying earnings** increased by €+22 million to €72 million.

Adjusted earnings increased by €+5 million to €102 million, driven by the increase in the underlying earnings partly offset by decreased net capital gains. The €16 million decrease in net capital gains (to €30 million) resulted from €17 million higher net foreign exchange gains (€+10 million vs. a €-7 million loss, mainly on the dollar vs. € parity) and lower realized gains (€-34 million to €20 million).

Net income remained stable at €97 million, reflecting €6 million higher adjusted earnings compensated by a €-6 million worsening of the impact of the change in fair value of assets designated at fair value trough P&L.

AXA Cessions

Underlying earnings decreased by €8 million to €9 million, mainly due to (i) a €12 million decrease in the net technical margin (notably lower boni) together with (ii) a €1 million increase in general expenses and (iii) a €3 million positive tax impact due to a lower operating result.

AXA Assistance

Underlying earnings remained stable at €17 million mainly due to (i) a surging activity, offset by (ii) the sale of CAS, a UK based software company (contributing for €3 million in 2004 net of tax) and (iii) higher advertising costs in 2005.

Adjusted earnings increased by €+2 million to €19 million.

Net income increased by €24 million to €43 million mainly reflecting the €+2 million increased adjusted earnings and the sale of CAS (net impact of €+23 million).

Other transnational activities

Other transnational activities underlying earnings remained stable at €-41 million primarily attributable to:

– A €+27 million increase in US non life entities to €-41 million; 2005 was impacted by a €-12 million valuation allowance on a deferred tax asset versus €-31 million in 2004. In addition, the net technical result improved by €14 million, mainly explained by the 2004 charge linked to US hurricanes.

– A €-20 million decrease in European entities to €-19 million mainly driven by some negative reserve developments on UK entities.

– A €-6 million decrease in US life reinsurance entity to €19 million in line with the decrease in premium volume due to the runoff status of the business and the weak performance of US markets.

Adjusted and **net income** both decreased by €15 million to €-31 million explained by a €15 million lower gains realisation mainly as 2004 was impacted by a restructuring of the asset portfolio which induced some significant gains on equities and bonds.

Asset Management Segment

Consolidated Gross revenues

(in euro million)	**FY 2005**	**FY 2004**
AllianceBernstein	2 581	2 434
AXA Investment Managers	1 195	944
TOTAL	**3 776**	**3 378**
Intercompany transactions	-343	-293
Contribution to consolidated gross revenues	**3 433**	**3 084**

Underlying, Adjusted earnings and Net Income

(in euro million)	**FY 2005**	**FY 2004**
Alliance Bernstein	240	204
AXA Investment Managers	156	95
UNDERLYING EARNINGS	**396**	**300**
Net realized capital gains attributable to shareholders	5	2
ADJUSTED EARNINGS	**402**	**302**
Profit or loss (excluding change) on financial assets (under fair value option) & derivatives	11	2
Exceptional operations (including discontinued operations)	3	0
Goodwill and other related intangible impacts	-4	0
NET INCOME	**411**	**304**

AllianceBernstein

(in euro million)	Periods ended December 31, 2 005	2004
Gross revenues	**2 581**	**2 434**
Net underlying investment result	-21	-22
Total revenues	**2 560**	**2 412**
General expenses	-1 852	-1 823
Underlying operating earnings before tax	**707**	**589**
Underlying income tax expenses / benefits	-193	-124
Net income from investment in affiliates and associates	0	0
Minority interests	-274	-261
Underlying earnings group share	**240**	**204**
Net capital gains attributable to shareholders net of income tax	6	2
Adjusted earnings group share	**246**	**207**
Profit or loss (excluding change) on financial assets (under FV option) & derivatives	0	0
Exceptional operations (including discontinued operation)	8	0
Goodwill and other related intangibles impacts	0	0
Net income group share	**254**	**207**
Average exchange rate : 1,00 € = $	*1,2453*	*1,2438*

Assets under Management ("AUM") increased by €95 billion from year-end 2004 to €491 billion at the end of 2005 as net positive long-term inflows (€22 billion), a positive exchange rate impact (€63 billion) and market appreciation (€34 billion) more than offset the €24 billion decrease in AUM related to the sale of the Cash Management Services to Federated Investors and sale of foreign joint ventures.

Fees, commissions and other revenues were up €147 million to €2,581 million, or up 9% on a comparable basis, due to higher investment advisory fees driven by 11% higher average AUM and increased performance fees, partially offset by lower distribution revenues due to lower AUM in the Retail channel. In addition, Alliance has restructured its Private Client fee structure during the first half of 2005, effectively eliminating transaction charges while raising base fees.

General expenses increased by €30 million or up 2% at constant exchange rate, as higher compensation expense from increased earnings were offset by lower distribution costs and professional fees.

The **underlying cost income ratio** improved by 2.9 points from 71.6% in 2004 to 68.7% in 2005.

Income tax expenses increased by €69 million to €-193 million both on constant and current exchange rate basis due to higher pre tax-earnings and 2004 state tax reserve release of €28 million.

Underlying earnings increased by €36 million to €240 million both on constant and current exchange rate basis due to higher earnings and higher ownership interest in AllianceBernstein.

Adjusted earnings increased by €39 million to €246 million both on constant and current exchange rate basis driven by higher underlying earnings and higher net capital gains (€+3 million)

Net income increased by €47 million to €254 million or up €48 million at constant exchange rate due to higher adjusted earnings and net capital gains from the sale of Alliance cash management business (€5 million post tax) and India and South Africa joint ventures (€3 million post tax).

As a result of the acquisition of 16.32 million private units in 2004, AXA Financial's ownership interest in AllianceBernstein increased from approximately 58% on average in 2004 to approximately 61% in 2005.

AXA Investment Managers ("AXA IM")

	Periods ended December 31,	
(in euro million)	**2 005**	**2004**
Gross revenues	**1 195**	**944**
Net underlying investment result	27	15
Total revenues	**1 222**	**959**
General expenses	-956	-795
Underlying operating earnings before tax	**267**	**163**
Underlying income tax expenses / benefits	-78	-51
Net income from investment in affiliates and associates	0	0
Minority interests	-32	-17
Underlying earnings group share	**156**	**95**
Net capital gains attributable to shareholders net of income tax	-1	0
Adjusted earnings group share	**156**	**95**
Profit or loss (excluding change) on financial assets (under FV option) & derivatives	11	2
Exceptional operations (including discontinued operation)	-5	0
Goodwill and other related intangibles impacts	-4	0
Net income group share	**156**	**97**

Assets Under Management ("AUM") were €432 billion as of Dec 31, 2005, increasing by €87 billion compared to December 2004 (+25% on a comparable basis) mainly driven by positive net new money (€+34 billion), mainly from third-party institutional and retail clients, market improvement (€+38 billion), acquisition of AXA Framlington (€ 7 billion), and foreign exchange variance (€+6 billion).

Fees, commissions and other revenues, including those earned from AXA insurance companies eliminated in consolidation, increased by €251 million (or +27%) from 2004 to €1,195 million. Excluding fees retroceded to distributors, net revenues grew by 28 % on a comparable basis, which is mainly driven by higher average AUM (+21% on a comparable basis), a better product mix and higher performance fees.

General expenses increased by €160 million to €-956 million. Excluding commissions paid to third-party agents, expenses increased by 23% to €-619 million on a comparable basis i.e. at a lower pace than revenues.

The **operating cost income ratio** improved from 76.8% to 73.9%.

Underlying and adjusted earnings, increased by €61 and €60 million to €156 million as a result of a business growth and an improvement in cost income ratio.

On October 31st, 2005 AXA IM SA purchased Framlington. The impact on 2005 underlying earnings was €4 million.

The **net income** increased by €59 million to €156 million.

Other Financial Services Segment

The tables below present the revenues and the net income for the Other Financial Services segment for the periods indicated:

Consolidated Gross revenues

(in euro million)	FY 2005	FY 2004
AXA Bank (Belgium)	339	268
AXA Banque (France)	70	105
AXA Bank (Germany)	28	28
Other*	4	4
TOTAL	**441**	**404**
Intercompany transactions	-13	-17
Contribution to consolidated gross revenues	**428**	**387**

** Includes CFP, CDO's and Real Estate entities*

Underlying, Adjusted earnings and Net Income

(in euro million)	FY 2005	FY 2004
AXA Bank (Belgium)	50	26
AXA Banque (France)	-8	-10
AXA Bank (Germany)	3	2
Other*	23	6
UNDERLYING EARNINGS	**67**	**23**
Net realized capital gains attributable to shareholders	6	0
ADJUSTED EARNINGS	**72**	**23**
Profit or loss (excluding change) on financial assets (under fair value option) & derivatives	8	-11
Exceptional operations (including discontinued operations)	2	0
Goodwill and other related intangible impacts	0	0
NET INCOME	**82**	**13**

** Includes CFP, CDO's and Real Estate entities*

AXA Bank (Belgium)

Underlying earnings increased by €24 million to €50 million mainly due to an improved interest margin and the reversal of a provision for risks related to loan activities in France following a favorable court decision (€16 million). This increase was partly offset by lower fixed income capital gains.

Adjusted earnings increased by €29 million to €55 million due to an increase in underlying earnings (€+24 million) and in capital gains on equities (€+6 million).

Net income increased by €59 million to €69 million mainly driven by the increase in adjusted earnings (€+29 million) and the change in fair value of derivatives (€+27 million).

AXA Banque (France)

Adjusted and underlying earnings increased by €2 million to €-8 million resulting from higher underlying Banking Revenues, in line with the increased activity, and decreased expenses following non recurring media campaign in 2004.

Net income decreased by €8 million to €-11 million, reflecting a €-9 million unfavorable impact of the change in fair value of macro-hedging derivative instruments.

AXA Bank (Germany)

Gross revenues remained stable at €28 million. **Underlying and adjusted earnings** both increased by €1 million to €3 million mainly explained by reduced expenses.

Other

CFP. Underlying earnings increased by €18 million to €18 million due to the positive impact of the run-off development in 2005.

Holding Company Activities

The Holding company activities consist of AXA's non-operating companies, including mainly AXA parent company, AXA France Assurance, AXA Financial, AXA Asia Pacific Holdings and AXA UK Holdings.

Underlying, Adjusted earnings and Net Income		
(in euro million)	**FY 2005**	**FY 2004**
AXA	-282	-263
Other French holdings companies	-12	-2
Foreign holdings companies	-255	-223
UNDERLYING EARNINGS	**-549**	**-489**
Net realized capital gains attributable to shareholders	6	-1
ADJUSTED EARNINGS	**-543**	**-489**
Profit or loss (excluding change) on financial assets (under fair value option) & derivatives	-4	251
Exceptional operations (including discontinued operations)	-99	150
Goodwill and other related intangible impacts	0	0
NET INCOME	**-645**	**-88**

AXA

Underlying earnings decreased by €19 million to €-282 million. Excluding €70 million of non recurring tax benefit in 2005 versus €65 million of non recurring tax benefit in 2004, underlying earning decreased by €24 million mainly driven by (i) a higher financial charge by €6 million, (ii) an increase in general expenses by €36 million due to initiatives for developing business and increasing costs in connection with the preparation of the Sarbanes-Oxley 404 attestation of effectiveness of internal controls, due for year-end 2006 and (iii) a tax saving of €19 million on dividends received.

The increase of financial charges is related to:

(i) € 47 million higher interest expense, mainly due to the increase of $ denominated debt through cross-currency swaps, allowing to protect the group net asset denominated in $, and the extension of maturity on interest swaps in order to protect future financial charges, locked at higher rates than short term ones, partly offset by

(ii) €31 million due to debt replaced by Undated Deeply Subordinated Notes issued at the end 2004-beginning 2005 (interest charges on Undated Deeply Subordinated Notes are recorded through equity)

(iii) the non-recurring 2004 interest charge on €10 million on the ORAN issued for Mony financing.

Adjusted earnings decreased by €43 million to €-286 million mainly driven by the decrease of (i) the underlying earnings and (ii) the mark to market related mainly to foreign currency swaps not qualified at net investment hedge by €20 million to €7 million.

The Mark-to-Market impact on the portion of derivative instruments which are not considered as hedge accounting under IFRS, decreased by €297 million mainly due to:
- the difference between 2004 and 2005 on the mark-to-market of foreign currencies options, hedging AXA Group underlying earnings denominated in foreign currencies, leads to a €67 million loss during 2005 versus a profit of €+73 million in 2004,

- the mark-to-market on interest rate swaps declines by €157 million mainly resulting from a lower decrease of Euro interest rates in 2005 than in 2004. Furthermore, additional hedge accounting qualifications, allowing to lower volatility of the mark-to-market, reduced the amount recorded through net income.

As a result and including AXA's quota share related to settlement indemnity to Nationwide for €3 million**, net income** decreased by €342 million to €-328 million**.**

Other French holding companies

AXA France Assurance. Underlying and adjusted earnings decreased by €15 million to €-32 million, reflecting mainly the €14 million settlement with Armenian policyholders. Net income decreased by €22 million to €-40 million, due to the settlement of an indemnity to Nationwide in 2005 for €8 million.

Other French holdings. Underlying and adjusted earnings slightly increased by €5 million to respectively €20 million and €13 million. Due to favourable change in fair value of derivatives (€+29 million), net income was up €33 million to €41 million

Foreign Holding Companies

AXA Financial Inc.

Underlying earnings decreased by €32 million on both current and constant exchange rate basis, to €-110 million due to higher net interest expense principally related to the MONY acquisition and higher stock based compensation expense. **Adjusted earnings** decreased by €29 million to €-108 million on both current and constant exchange rate basis. **Net income** decreased by €126 million in 2005, or by €127 million on a constant exchange rate basis, to €-170 million reflecting the after-tax loss on the sale of Advest in 2005 of €-69 million and the impact of a €43 million state tax release in 2004 related to the sale of DLJ in 2000.

AXA Asia Pacific Holdings[22] [23]

Underlying Earnings of €-3 million decreased by €3 million due to additional costs associated with the expansion strategy in the Asian region.

Adjusted Earnings of €-2 million decreased by €14 million, largely due to the recognition of gains in 2004 on deemed ineffective swaps.

Net income of €-5 million decreased by €17 million mainly reflecting the recognition of gains in 2004 on deemed ineffective swaps.

AXA UK Holdings

Underlying earnings decreased by €24 million in 2005 to €-96 million due to a €21 million increase in tax mainly explained by a provision for unremitted overseas earnings in Ireland partly offset by various prior year tax provision releases, together with a €6 million reduction in the net investment result.

Adjusted earnings consequently decreased by €25 million or €26 million at constant exchange rate.

Net income included €-8 million (net of tax) indemnity to Nationwide and was down €-33 million or €-34 million to €-105 million.

Other foreign holding companies

German Holding companies

Underlying earnings increased by €30 million to €-19 million mainly due to the implementation of a tax grouping with AXA Versicherung.

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[22] *All comparisons to prior year figures are on a constant exchange rate basis*

[23] *AXA interest in AXA Asia Pacific Group is 52.95% broken down into 51.6% direct interest holding and an additional 1.35% owned by AAPH Executive plan trust (newly consolidated under IFRS)*

Adjusted earnings increased by €68 million to €-1 million mainly driven by the improvement of underlying earnings (€+30 million) and to a €+36 million impact linked to the final settlement in 2005 of the sale of Cologne Re JV announced in 2003.

Net income improved by €82 million to €-1 million due to better adjusted earnings and the non recurrence of a €14 million capital loss on Bausparkasse sale in 2004.

Belgium Holding companies

Underlying and **adjusted earnings** decreased by €6 million to €-24 million and €-25 million respectively mainly due to indemnity fee paid following the early repayment of a loan.
Net income decreased by €31 million to €-33 million as a result of lower underlying earnings, the non recurrence of the capital gains recognized on the disposal of Crealux, treated as an exceptional operation in 2004 and the settlement of an indemnity to Nationwide in 2005 for €8 million.

Outlook

The solid revenue growth and very strong earnings growth of 2005 mark the first milestones on AXA's path towards reaching its Ambition 2012 objective of becoming the preferred company in the industry.

Management believes that the Group should benefit from this positive momentum in 2006:

- The combination of higher assets under management and the ongoing favorable trend for higher margin unit-linked products should underpin Life and Savings and Asset Management underlying earnings growth;

- In Property and Casualty – barring any major catastrophes – AXA’s geographic diversification and price discipline lead management to believe in a stabilization of loss ratios, despite a slightly less favorable underwriting environment;

- In International Insurance, a return to a more normalized claims environment would contribute to improved earnings.

Barring a significant downturn in the equity markets, net capital gains should contribute €600 to €800 million to adjusted earnings in 2006.

Glossary

COMPARABLE BASIS

On a comparable basis means that the data for the current year period were restated using the prevailing foreign currency exchange rate for the same period of prior year (**constant exchange rate** basis) and eliminated the results of acquisitions, disposals and business transfer (**constant structural** basis) and of changes in accounting principles (**constant methodological** basis), in one of the two periods being compared.

ADJUSTED EARNINGS

Adjusted earnings represent the net income (group share) before

(i) The impact of exceptional operations (primarily change in scope, including restructuring costs related to a newly acquired company during the considered accounting period).

(ii) Goodwill and other related intangible impacts, and

(iii) Profit and loss on financial assets accounted for under fair value option (excluding assets backing contract liabilities for which the financial risk is borne by the policyholder) and derivatives related to invested assets (excluding (i) all impacts of foreign exchange except the ones related to currency options in earnings hedging strategies and (ii) those related to insurance contracts evaluated according to the “selective unlocking “accounting policy).

Adjusted earnings per share (**adjusted EPS**) represents the AXA's consolidated adjusted earnings, divided by the weighted average number of outstanding ordinary shares.

Adjusted earnings per share diluted (**adjusted EPS diluted**) represents the AXA's consolidated adjusted earnings, divided by the weighted average number of outstanding ordinary shares, on a diluted basis (that is to say including the potential impact of all outstanding dilutive stock options being exercised performance shares, and conversion of existing convertible debt into shares provided that their impact is not anti-dilutive).

UNDERLYING EARNINGS

Underlying earnings correspond to adjusted earnings excluding net realized capital gains attributable to shareholders.

Net realized gains or losses attributable to shareholders include

- i) realized gains and losses (on assets not designated under fair value option or trading assets) ii)change in impairment valuation allowance, iii) foreign exchange rates impacts (including derivatives and except the ones mentioned above) net of tax,
- related impact on policyholder participation net of tax (Life business),
- DAC and VBI amortization or other reactivity to those elements if any (Life business).

The Statement of Income referred here-after and presented page 14 of the current document is based on an underlying basis.

LIFE & SAVINGS MARGIN ANALYSIS

Life & Savings margin analysis is presented on an underlying basis.

Even though the presentation of Margin Analysis is not the same as the Statement of Income (underlying basis), it is based on the same GAAP measures as used to prepare the Statement on Income in accordance with IFRS. As a result, the operating income under Margin Analysis is equal to that reported in AXA's Statement of Income for the segment.

There are certain material differences between the detailed line-by-line presentation in the Statement of Income and the components of Margin Analysis as set out below.

- **For insurance contracts and investment contracts with DPF:**

(i) Gross premiums (net of deposits), fees and other revenues are allocated in the Margin Analysis based on the nature of the revenue between "Fees and Revenues" and "Net Technical Margin".

(ii) Policyholders' interest in participating contracts is reflected as a change in insurance benefits in the Statement of Income. In the Margin Analysis, it is allocated to the related margin, that is, primarily, the "Investment Margin" and the "Net Technical Margin".

(iii) The "Investment margin" represents the net investment result in the Statement of Income and is adjusted to take into account the related policyholders' participation (see above) as well as changes in specific reserves linked to invested assets returns and to exclude the fees on (or contractual charges included in) contracts with a financial risk borne by policyholders, which are included in "Fees and Revenues".

(iv) Change in URR (Unearned Revenue Reserve – capitalization net of amortization) is presented in the line "Change in unearned premiums net of unearned revenues and fees" in the underlying Statement of Income, whereas it is located in the line "Fees & Revenues" in the Margin analysis.

- **For investment contracts without DPF:**

(i) Deposit accounting is applied. As a consequence, fees and charges related to these contracts are presented in the underlying Statement of Income within Gross consolidated revenues on a separate line, and in Margin analysis in the lines "Fees & Revenues" and "Net Technical margin".

(ii) Change in UFR (Unearned Fees Reserve– capitalization net of amortization) is presented in the line "Change in unearned premiums net of unearned revenues & fees" in the underlying Statement of Income, whereas it is located in the line "Fees & Revenues" in the Margin analysis.

Underlying Investment margin includes the following items:

(i) Net investment income

(ii) Interests and bonuses credited to policyholders and unallocated policyholder bonuses (and the change in specific reserves purely linked to invested assets returns) related to the net investment income.

Underlying Fees & Revenues include:

(i) Revenues derived from mutual fund sales (which are part of consolidated revenues),

(ii) Loading charged to policyholders on premiums / deposits and fees on funds under management for separate accounts (unit-linked) business,

(iii) Loading on (or contractual charges included in) premiums / deposits received on all non unit-linked product lines,

(iv) Deferral income such as capitalization net of amortization of URR (Unearned Revenue Reserve) and UFR (Unearned Fees Reserve),

(v) Other fee revenues, e.g., fees received on financial planning, sales of third party products.

Underlying Net Technical result includes the following components:

(i) Mortality/morbidity margin: The amount charged to the policyholder in respect of mortality/morbidity for the related period less benefit and claims. It is equal to the difference between income for assuming risk and the actual cost of benefits, including changes in valuation assumptions and additional reserves for mortality risk. This margin does not include the claims handling costs and change in claims handling cost reserves,

(ii) Surrender margin: The difference between the benefit reserve and the surrender value paid to the policyholder in the event of early contract termination,

(iii) Policyholder bonuses if the policyholder participates in the risk margin,

(iv) Other changes in insurance reserves and economic hedging strategies impacts related to insurance contracts valuated according to the "selective unlocking" accounting policy.

(v) Ceded reinsurance result.

Underlying Expenses are:

(i) Acquisition expenses, including commissions and general expenses allocated to new business, related to insurance products as well as to other activities (e.g., mutual fund sales),

(ii) Capitalization of acquisition expenses linked to new business: Deferred Acquisition Costs (DAC) and net rights to future management fees only for investment contracts without DPF.

(iii) Amortization of acquisition expenses on current year and prior years new business, including the impact of interest capitalized: amortization charge for Deferred Acquisition Costs (DAC) and net rights to future management fees only for investment contracts without DPF,

(iv) Administrative expenses

(v) Claims handling costs

(vi) Policyholder bonuses if the policyholder participates in the expenses of the company.

Underlying VBI amortization includes VBI (Value of Purchased Life Business In-force) amortization related to underlying margins, as well as amortization of other intangibles related to the in-force business

Underlying Operating earnings before tax corresponds to the income derived from operations, before tax, minority interest, and goodwill and other related intangible impact.

LIFE & SAVINGS COST INCOME RATIO

Underlying cost income ratio: Expenses as defined above / "underlying" operating margin, where:

- Expenses are total expenses, excluding expenses related to mutual fund business net of Participating Benefits, excluding deferral and amortization of Deferred Acquisition Costs (DAC) and net rights to future management fees and excluding amortization of Value of purchased Life Business In-force (VBI),

- "Underlying" operating margin is the sum of (i) Underlying Investment margin; (ii) Underlying Fees and revenues excluding the change in deferral income, and (iii) Underlying Net technical Margin (all items defined above).

PROPERTY & CASUALTY (INCLUDING AXA CORPORATE SOLUTIONS ASSURANCE)

Underlying net investment result includes the net investment income less the recurring interest credited to insurance annuity reserves

Underlying net technical result is the sum of the following components:

(i) Earned premiums, gross of reinsurance,

(ii) Claims charges, gross of reinsurance,

(iii) Change in claims reserves, including claims handling costs reserves, gross of reinsurance, less the recurring interest credited to insurance annuity reserves,

(iv) Claims handling costs,

(v) Net result of ceded reinsurance.

Expense ratio is the ratio of:

(i) Expenses (excluding claims handling costs but including non recurring expenses), to

(ii) Earned revenues, gross of reinsurance.

Expenses include two components: expenses (including commissions) related to acquisition of contracts (with the related **acquisition ratio**) and all other expenses (with the related **administrative expense ratio**)

Current accident year loss ratio (Property & Casualty) net of reinsurance is the ratio of:

(i) [current year claims charge gross of reinsurance + claims-handling costs + result of reinsurance ceded on current accident year excluding the recurring interest credited to the insurance annuity reserves], to

(ii) Earned revenues, gross of reinsurance.

All accidents year loss ratio (Property & Casualty) net of reinsurance is the ratio of:

(i) [all accident years claims charge gross of reinsurance + claims-handling costs + result of reinsurance ceded on all accident years excluding the recurring interest credited to the insurance annuity reserves]to ,

(ii) Earned revenues, gross of reinsurance.

The **combined ratio** is the sum of (i) the expense ratio and (ii) the loss ratio (all accident years).

AXA RE

Covers are specific reinsurance treaties, bought to protect all or a portion of the company's portfolio against **major losses**. If such losses do not occur over the insured period, a profit commission (or "no-claim bonus") is paid to the ceding company. In general, the **cost of a cover** is accrued (or by extension "earned") ratably over the treaty period.

Major losses are defined as any event whose ultimate cost, gross of reinsurance and reinstatement premiums, is greater than $30 million.

Net technical margin includes:

(i) Earned premiums, net of reinsurance (cession / retrocession and covers)

(ii) Claims charge all accident years, net of reinsurance, including major losses,

(iii) Commissions (fixed commissions, sliding scale commissions as well as profit commissions), (a) paid to the ceding companies and (b) received from the reinsurance companies,

(iv) Claims handling costs.

Net attritional margin on current accident year includes the following elements:

(i) Earned premiums, net of cession / retrocession (reinsurance ceded excluding covers),

(ii) Current year claims charge (excluding major losses), net of cession / retrocession,

(iii) Commissions (fixed commissions, sliding scale commissions and profit commissions), (a) paid to the ceding companies and (b) received from the reinsurance companies, excluding commissions related to covers,

(iv) Claims handling costs.

ASSET MANAGEMENT

Net New Money: Inflows of client money less outflows of client money. Net New Money measures the impact of sales efforts, product attractiveness (mainly dependent on performance and innovation), and the general market trend in investment allocation.

Operating Cost Income Ratio: operating expenses over net revenues (including performance fees).