Half Year Financial Report
June 30, 2008

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Cautionary statements concerning forward-looking statements

This report includes certain terms that are used by AXA in analyzing its business operations and, therefore, may not be comparable with terms used by other companies; these terms are defined in the glossary provided at the end of this document.

Certain statements contained herein are forward-looking statements including, but not limited to, statements that are predications of or indicate future events, trends, plans or objectives. Undue reliance should not be placed on such statements because, by their nature, they are subject to known and unknown risks and uncertainties. Please refer to AXA's Annual Report on Form 20-F and AXA's Document de Référence for the year ended December 31, 2007, for a description of certain important factors, risks and uncertainties that may affect AXA's business. AXA undertakes no obligation to publicly update or revise any of these forward-looking statements, whether to reflect new information, future events or circumstances or otherwise.

Financial market conditions in the first-half year 2008

One year after the financial crisis erupted, initiated by the subprime crisis in the United States, the climate remained uncertain. Three-month inter-bank lending rates were still unusually high, and the riskier asset classes were struggling.

From a macro-economic perspective, the questions relating to the impact of the financial crisis on the real economy continued to weigh, while in parallel the doubling of the oil price in one year and higher commodity prices had brought inflation back on the scene. The uptick in inflation since last summer was attributable to commodity prices, in particular the price per barrel of oil, which rose above $140 at the end of June. Inflation had not stopped its upward movement since last summer, and reached 4% yoy in both Europe and the United States.

But the global economy continued to get support from emerging economies maintaining robust growth trends, however putting some pressure on commodity prices.

Rising inflation was among the central preoccupations of the ECB (European Central Bank). It did not take part in the general move toward relaxed rates initiated by the Fed last summer, but finally announced in June that it was getting ready to raise its repo rate. US and UK monetary policies, which had been accommodating, also seemed about ready to turn a corner, and the emerging countries had resumed their rate hikes.

STOCK MARKETS

While the threat of bank failures receded with the bailout of Northern Rock and Bear Stearns, in the United Kingdom and the United States, respectively, financial stocks were impacted by the equity market drop. Monetary policy, even though fairly accommodative in the US, offered little help for the various stock markets. In June, the equity markets fell back to March lows. The Dow Jones and the S&P 500 depreciated by 11.4% and 9.4%, respectively, while in London, the FTSE lost 12.9% in the first half of 2008. The CAC 40 decreased by 21% in the first half of 2008. In the same trend, the Euro stoxx 50 decreased by 23.8%. The Nikkei decreased by 7.8%. The MSCI World Index decreased by 12.5% and the MSCI Emerging by 11.6% in the first half of the year.

BOND MARKETS

At the beginning of the year, bonds offered investors a safe haven in the face of plunging values for risky asset classes but rising concerns over inflation impacted negatively the bond markets.

Over the first six months of 2008, the Fed, aware of the risk to growth, continued to reduce its key rates, lowering Fed Funds by a total of 225bps to 2%. At the same time, it multiplied unconventional lending measures to ensure that the financial system had adequate liquidity. In Continental Europe, while the ECB took part in the move to inject liquidities into the money market, it maintained rates unchanged at 4.0%. But on July 3, it announced an increase by 25 bps to 4.25%. In Japan, the Bank of Japan interrupted its bid to normalize key rates.

The US 10-year T-bond ended the half year at 3.98%, a decline of nearly 6bps compared to December 31, 2007, while the Bund yield rose by 25bps to 4.58%. Credit spreads widened with the iTRAXX Main (Investment Grade) moving from 50bps to 105bps in the first half of 2008 while the iTRAXX Crossover (Below Investment Grade) increased from 338bps to 533bps.

EXCHANGE RATES

In the first half of 2008, the Dollar lost 7% against the Euro (Closing exchange rate moved from $1.47 at the end of 2007 to $1.58 at the end of June 2008). The Yen gained nearly 4% against the Euro at March 2008 (Closing exchange rate moved from Yen 163.6 at the end of September 2007 used for Full Year 2007 accounts to Yen 157.4 at the end of March 2008 used for half year 2008 accounts). The Pound Sterling lost nearly 8% against the Euro (Closing exchange rate moved from £0.733 at the end of 2007 to £0.792 at the end of June 2008). The Swiss Franc gained 3% against the Euro (Closing exchange rate moved from CHF 1.66 at the end of 2007 to CHF 1.61 at the end of June 2008).

On an average rate basis, the Dollar fell by 15% against the Euro in the first half of 2008 (from $1.33 over the first half of 2007 to $1.53 over the first half of 2008), whereas, to a lesser extent, the Yen lost 4% against the Euro (from Yen 154.2 over the six months to March 31, 2007 used for half year 2007 accounts to Yen 160.8 over the six months to March 31, 2008 used for half year 2008 accounts). The Pound Sterling lost 15% against the Euro (from £0.675 over the first half of 2007 to £0.775 over the first half of 2008). The Swiss Franc gained 2% against the Euro in the first half of 2008 (from CHF 1.63 over the first half of 2007 to CHF 1.61 over the first half of 2008).

Operating highlights

Significant acquisitions and disposals

On February 6, 2008, AXA announced it had entered into an agreement to acquire OYAK's 50% share in **AXA OYAK Holding A.Ş. («AXA OYAK»)**, a company established by AXA and OYAK in 1999. Under the terms of the agreement, AXA will pay a purchase price of $525 million (approximately €355 million) in cash for OYAK's 50% share in AXA OYAK (in addition, according to the same agreement, AXA OYAK Holding will be buying, for $15 million (approximately €10 million), the 1.5% share that Mais Motors, an OYAK joint venture company, holds in AXA OYAK's non-life subsidiary). AXA OYAK enjoys a leading position (10% total market share[1]) on the fast-growing Turkish insurance market. Mainly focused on non-life, especially motor and property, the company experienced strong top-line growth in the past years and is one of the most profitable players in the market. The transaction, which is subject to local regulatory approval, is expected to close by mid-August 2008. Following closing, the parties have agreed that AXA OYAK and its subsidiaries will no longer use the OYAK name or trademark.

On February 12, 2008, AXA announced it had reached an agreement with ING for the acquisition of 100% of the share capital of its Mexican insurance subsidiary **Seguros ING**, for a consideration of $1.5 billion (approximately €1.0 billion). Seguros ING is the third largest Mexican insurer (12% total market share, 5.5 million clients), with leading positions in key markets, such as Motor (2nd largest player with a 17% market share) and Health (2nd largest player with a 19% market share). AXA intends to accelerate and complete the initiated turnaround of Seguros ING by dedicating seasoned management capabilities and leveraging the Group's global platforms and expertise, notably in IT and reinsurance. Upon completion of the transaction, Seguros ING will be integrated to AXA's Mediterranean Region unit and benefit from its know-how in underwriting, claims management, client segmentation, service and brand management. AXA will finance the transaction with internal resources. This acquisition closed on July 22, 2008.

On March 19, 2008, AXA UK completed the purchase of 100% of the share capital of **SBJ** Group. The acquisition of SBJ will complement and enhance AXA's UK advisory and broking capability, bringing a number of strengths to the Group, including increased scale, a wider national presence and access to new market areas. SBJ, with its strong management team and high quality staff, will represent significant progress towards AXA's stated strategic aim of building a leading presence in the advisory and broking markets. The businesses will continue to operate independently of AXA's insurance company interests.

On June 17, 2008, AXA completed the acquisition of 36.7% of the share capital of **RESO GARANTIA**, Russia's 2nd largest P&C insurer for a total cash consideration of around €810 million. As part of the agreement, AXA will have the option to buy out the remaining stake through calls exercisable in 2010 and 2011. Founded in 1991, RESO has built one of the leading P&C insurance franchises in Russia (7% market share), notably focused on retail Motor, and supported by a network of 18,000 agents, the 2nd largest in Russia. Under the terms of the agreement, RESO's current management team will continue to run the company and roll-out its successful strategy. With this acquisition, AXA will further reinforce its growth profile and increase its exposure to emerging insurance markets. As part of the agreement, AXA granted a 6-year $1 billion credit facility to RESO's main shareholder, fully secured by his shareholding in the company.

Other

In the United Kingdom, from January 31 2008, a temporary deferral period of up to six months was introduced for certain transactions involving the **AXA Life Property Fund** (£1.1 billion or €1.4 billion at June 30, 2008) and **AXA Pension Property Fund** (£0.8 billion or €1.0 billion at June 30, 2008), which is allowed under the terms of the customer's policy in order to help manage liquidity. In the event that sufficient liquidity to honor all outstanding withdrawal requests by the end of the deferral period cannot be generated through the sale of properties held by the funds and other sources of liquidity available to the funds, AXA UK, as sponsor of the funds, will be required to provide the funds with sufficient liquidity to honor these withdrawal requests. As at June 30, 2008, liquidity in the funds has improved relative to when the deferral period was announced. The AXA Pension Property Fund has accelerated the payment of deferrals to four months due to its strengthened liquidity position. However, current market uncertainty and difficult selling conditions warrant a prudent approach and a deferral position is being kept in force within both funds.

[1] *As of June 30, 2007 - Source: Association of the Insurance and Reinsurance Companies of Turkey.*

Related-party transactions

During the first half of the fiscal year 2008, there was (1) no modification regarding the related-party transactions, such as described in Note 27 "Related-Party transactions" of the audited consolidated financial statements of the fiscal year ended December 31, 2007 included in the Full Year 2007 Annual Report (pages 366 and 367) filed with the Autorité des marchés financiers and available on its website (www.amf-france.org) as well as on the Company's website (www.axa.com), which significantly influenced the financial position or the results of the Company during the first six months of the fiscal year 2008, and (2) no new transaction concluded between AXA SA and related parties that significantly influenced the financial position or the results of the Company.

Risk factors

The main risks and uncertainties the Group is facing are described in Section 4.1 “Risk factors” and in Section 2.2 “Additional factors which may affect AXA’s business” of the Full Year 2007 Annual Report filed with the Autorité des marchés financiers and available on its website (www.amf-france.org) as well as on the Company's website (www.axa.com).

This description of the main risks remains valid on the date of this Report for the appreciation of the major risks and uncertainties which may affect the Group by the end of the current fiscal year and no significant risks or uncertainties other than those described in the Annual Report are anticipated.

Consolidated gross revenues

Consolidated Gross Revenues (a)

(in Euro million)

	HY 2008	HY 2007	FY 2007	HY 2008/2007
Life & Savings	**30,826**	**31,555**	**59,845**	**-2.3%**
of which Gross written premiums	*29,884*	*30,516*	*57,773*	*-2.1%*
of which Fees and revenues from investment contracts with no participating feature	*342*	*381*	*740*	*-10.3%*
Property & Casualty	**14,519**	**14,195**	**25,016**	**2.3%**
International Insurance	**1,673**	**2,489**	**3,568**	**-32.8%**
Asset Management	**2,102**	**2,407**	**4,863**	**-12.6%**
Banking (b)	**197**	**153**	**339**	**28.1%**
Holdings and other companies (c)	**2**	**3**	**2**	**-27.0%**
TOTAL	**49,319**	**50,801**	**93,633**	**-2.9%**

(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 €191 million and €49,316 million for the period of June 30, 2008, €163 million and €50,811 million for the period of June 30, 2007, and €320 million and €93,617 million for the period of December 31, 2007.
(c) Includes notably CDOs and real estate companies.

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

Consolidated gross revenues for first half 2008 reached €49,319 million, down -3% compared to first half 2007.

Taking into account the restatements to comparable basis, mainly the appreciation of the Euro against other currencies (€2,126 million or +4.2 points, mainly from the US Dollar and the Pound Sterling), and the impact of the acquisition of MPS (€1,702 million or -3.3 points), **gross consolidated revenues were down -0.4% on a comparable basis.**

Total Life & Savings New Business APE[2] reached €3,611 million, down -7% compared to first half 2007. On a comparable basis, new Business APE decreased by 6%, mainly due to the United States, Australia and Japan, partly offset by Switzerland and Germany.

The United States APE decreased by €150 million (-14%) to €808 million driven primarily by an anticipated decrease in Life APE for Fixed Universal Life products following price increases in 2007. Variable Annuities decreased by 6% reflecting challenging market conditions.

France APE decreased by €21 million (-3%) to €690 million, especially due to Group business (-28% or €-66 million) impacted by a change in seasonality in Retirement contracts, partly offset by individual business performance (+10% or €46 million)..

Japan APE decreased by €45 million (-15%) to €253 million mainly driven by individual business as a result of a continued focus on more profitable lines to offset the negative €-59 million volume effect following tax uncertainties on certain Term product sales. Consequently, the higher profitability margin "Long Term Term Product" benefited from a sales push which was combined with higher sales of Yen VA with secondary guaranties. Medical product sales continued to be strong at €122 million.

[2] *Annual premium Equivalent (APE) is new regular premiums plus one tenth of single premiums, in line with EEV methodology. APE is Group share.*

United Kingdom APE decreased by €24 million (-3%) to €692 million primarily due to (i) lower investment & savings volumes (€-52 million or -18%), mainly resulting from the impact of changes in Capital Gains Tax and Inheritance Tax legislation on Onshore and Offshore Bond volumes, and (ii) a €31 million decrease (-13%) in Individual and Executive Pensions due to increased market competition. These decreases were partly offset by (iii) a €47 million increase (+23%) in Group Pension volumes, predominantly due to a large single premium of €32 million, and (iv) a €8 million increase (+21%) in Life Risk products reflecting the strengthening of the AXA Protection brand in the market, in particular with the IFA community.

Germany APE increased by €22 million (+10%) to €236 million mainly due to Riester step-up (increase in premiums due to higher 2008 fiscal incentive for policyholders to invest in Riester retirement products) of €+30 million, as well as the strong sales in Individual Investment & Savings products notably from the unit-linked "TwinStar" product range (€+18 million excluding Riester step-up effect), which were partly offset by a decrease in the health business due to the 2007 Reform (waiting period for salaried employees to enter Private Health Insurance extended from one to three years).

Switzerland APE increased by €29 million (+18%) to €193 million mainly driven by Group Life, up €23 million (+17%) to €161 million, mainly resulting from successful annual negotiations (€+52 million, including vested benefit premiums), partly offset by the non repeat of 2007 increase in coinsurance business (€-31 million). Individual Life improved by €5 million (+20%) to €32 million mainly reflecting the good development of unit-linked regular premiums, driven by AXA Comfort, and the positive impact of mutual fund sales launched late in 2007.

Belgium APE decreased by €29 million (-16%) to €154 million due to a decrease in Individual Life sales (-19% to €136 million) for both unit-linked and non unit-linked products, partly offset by higher sales in Group Life (+23% to €18 million).

Mediterranean Region APE decreased by €3 million (-2%) to €204 million notably due to (i) lower volumes from AXA MPS (down -13%), switching production from less profitable traditional products to more innovative unit-linked products (Accumulator and Double Engine) in a context of declining market, and (ii) lower sales of index-linked and lower activity with institutional clients in AXA Italy. This was partly offset by stronger sales in traditional savings products in Spain.

Australia/New-Zealand APE decreased by €55 million (-21%) to €212 million mainly due to a drop in Mutual Fund net sales and Alliance Bernstein Joint Venture sales following current negative market conditions and thenon-repeat of a favorable legislation change in 2Q07 (peak in sales last year). These negative impacts were offset by the inclusion of some significant wholesale premiums (€+11 million) from institutional clients seeking more conservative investments, and by Accumulator product sales.

Hong Kong APE decreased by €6 million (-8%) to €56 million due to a decrease in investment & savings products (€-7 million), mainly from lower single premium unit-linked products, as a result of uncertain investment market conditions.

Central & Eastern Europe APE increased by €25 million (+57%) to €76 million driven by Life & Savings business (€16 million), benefiting, despite the financial crisis, from the strong unit-linked sales (€26 million, +56%) and the positive contribution of pension funds business. Main countries contributing to the total APE were Poland (€45 million) and Czech Republic (€23 million).

South East Asia & China[3] APE increased by €11 million (+37%) to €36 million, reflecting both the growth in agency sales force numbers and improvements in productivity.

Property & Casualty gross revenues were up +2%, both on reported and comparable bases, to €14,519 million, mainly driven by the Mediterranean Region (+7% to €2,984 million) and France (+3% to €3,021 million).

[3] *Indonesia, Singapore, Thailand, Philippines and China*

Personal lines (59% of P&C gross revenues) were up +2% on a comparable basis, stemming from both Motor (+2%) and non Motor (+3%).

Motor revenues grew by 2% mainly driven by (i) the Mediterranean Region (+5%) benefiting from positive volume effect (net inflows of 230k contracts), notably in emerging countries and despite the drop of car sales,with a flat average premium in more mature markets, and (ii) France (+2%), largely as a result of higher net inflows (+74k new contracts) in a competitive market, partly offset by (iii) the United Kingdom & Ireland (-5%) due to increased competition in intermediated business, despite further growth in new business written through the internet platform Swiftcover, and competition in Ireland driving down average premiums and lowering renewals, and (iv) Germany (-3%), as a result of contract losses in the context of market price pressure.

Non Motor revenues increased by 3% mainly driven by (i) the Mediterranean Region (+7%) mainly due to Property and Health driven by the Spanish market, (ii) France (+3%) driven by positive net inflows in Household (+26k contracts) combined with an increase in the average premium, and (iii) Germany (+2%) due to growth in Property mainly due to the packaged product "Profischutz" for professionals as well as tariffs increase.

Commercial lines (39% of P&C gross revenues) recorded a +2% growth on a comparable basis driven by a +1% increase in Motor and a +2% growth in non Motor.

Motor revenues were up +1%, with a growth in (i) France (+2%) and (ii) Switzerland (+8%) driven by sales efforts (following Vento, a change in the remuneration scheme of general agents from fixed to variable remuneration from January 1, 2008), partly offset by (iii) the Mediterranean Region (-2%).

Non Motor revenues were up 2%, with (i) the Mediterranean Region (+9%) driven by Health in the Gulf region and Property on SME's business, partly offset by Construction in Spain, and (ii) France (+4%) driven by development in Construction while growth remained positive in Property and Liability despite competitive markets, partly offset by (iii) Switzerland (-3%) mainly driven by price pressure and the loss of some important contracts in Workers' compensation, lower prices in Health and the liquidation of the Swiss aviation pool, and (iv) the United Kingdom & Ireland (-2%) with a deterioration across most business lines due to difficult market conditions, partly offset by volume growth in Health.

International Insurance gross revenues were down -33%, due to the termination in October 2007 of the fronting agreement between AXA RE and Paris Ré, or up +5% on a comparable basis to €1,673 million mainly attributable to AXA Corporate Solutions Assurance, up +6% to €1,220 million, driven by positive volume effect in Marine, Construction, Liability and Property, partly offset by tariff pressure.

Asset Management gross revenues decreased by 13% or -3% on a comparable basis to €2,102 million due to lower performance fees (-45%), partly offset by higher management fees (+1%), and higher AllianceBernstein Institutional Research Services revenues (+13%).

AllianceBernstein gross revenues decreased by €10 million (-1%), as the increase in management fees up +1% (€+15 million), driven by higher average asset under management (+1%, of which Global & International services +11%) and a favorable client and product mix, was offset by a decrease in performance fees down -71% (€-21 million) and distribution fees down -6% (€-10 million). Institutional Research Services continued to grow with fees up +13% (€20 million).

Assets under Management decreased by €89 billion from year-end 2007 to €455 billion at the end of June 2008, driven by net outflows of €-4 billion (€-5 billion for Retail, €1 billion for Institutional), market depreciation of €-51 billion and negative exchange rate impact of €-34 billion.

AXA Investement Managers revenues decreased by €55 million (-6%). Excluding fees retroceded to distributors, gross revenues decreased by 1% as growth in average AUM (+3%) was more than offset by lower performance fees,

an unfavorable client and product mix (impact of the equity market turmoil and higher share of fixed income with Winterthur integration) and the decrease in retail business.

Assets Under Management decreased by €22 billion to €527 billion from year-end 2007 as €6 billion net new money (including €9 billion in Main funds, €1 billion in Institutional and €-4 billion in retail clients), and €6 billion change in scope (AXA MPS for €10 billion and the Netherlands for €-4 billion), were more than offset by €-22 billion negative market impact due to the equity market turmoil, and €-10 billion unfavorable exchange rate impact.

Banking revenues were up +28% to €197 million, or +17% on a comparable basis, with AXA Bank Europe (Belgium) up 10% to €138 million mainly due to higher net interest and fee income.

Consolidated underlying, adjusted earnings and net income

(in Euro million)

	HY 2008	HY 2007	FY 2007
Gross written premiums	45,942	47,089	86,116
Fees and revenues from investment contracts with no participating feature	342	384	740
Revenues from insurance activities	***46,284***	***47,474***	***86,857***
Net revenues from banking activities	***191***	***163***	***320***
Revenues from other activities	***2,841***	***3,174***	***6,441***
TOTAL REVENUES	**49,316**	**50,811**	**93,617**
Change in unearned premium reserves net of unearned revenues and fees	***(3,121)***	***(3,829)***	***(609)***
Net investment result excluding financing expenses (a)	***(7,663)***	***17,423***	***24,572***
Technical charges relating to insurance activities (a)	(24,312)	(49,989)	(88,961)
Net result of reinsurance ceded	(576)	(609)	(1,050)
Bank operating expenses	(23)	(24)	(57)
Insurance acquisition expenses	(4,062)	(4,131)	(8,669)
Amortization of value of purchased life business in force	(149)	(202)	(357)
Administrative expenses	(4,940)	(5,001)	(10,089)
Valuation allowances on tangibles assets	(2)	3	4
Change in value of goodwill	(1)	-	(1)
Other	(97)	(225)	(419)
Other operating income and expenses	**(34,162)**	**(60,178)**	**(109,597)**
INCOME FROM OPERATING ACTIVITIES, GROSS OF TAX EXPENSE	**4,369**	**4,227**	**7,983**
Net income from investments in affiliates and associates	18	13	29
Financing expenses	(350)	(229)	(467)
OPERATING INCOME GROSS OF TAX EXPENSE	**4,038**	**4,011**	**7,545**
Income tax expenses	***(964)***	***(1,014)***	***(1,941)***
Minority interests in income or loss	***(307)***	***(311)***	***(642)***
UNDERLYING EARNINGS	**2,766**	**2,688**	**4,963**
Net realized capital gains or losses attributable to shareholders	524	736	1,175
ADJUSTED EARNINGS	**3,290**	**3,424**	**6,138**
Profit or loss on financial assets (under fair value option) & derivatives	(1,057)	(182)	(596)
Exceptional operations (including discontinued operations)	13	57	482
Goodwill and other related intangible impacts	(43)	(55)	(106)
Integration costs	(41)	(64)	(252)
NET INCOME	**2,162**	**3,180**	**5,666**

(a) For the periods ended June 30, 2008, June 30, 2007 and December 31, 2007, the change in fair value of assets backing contracts with financial risk borne by policyholders impacted the net investment result for respectively €-14,755 million, €+8,773 million and €+7,476 million, and benefits and claims by the offsetting amounts respectively.
Line items of this income statement are on an underlying earnings basis, and not on a net income basis.

Underlying, Adjusted earnings and Net Income

(in Euro million)

	HY 2008	HY 2007	FY 2007
Life & Savings	1,396	1,489	2,670
Property & Casualty	1,133	963	1,863
International Insurance	172	119	218
Asset Management	285	286	590
Banking	24	11	36
Holdings and other companies (a)	(245)	(181)	(414)
UNDERLYING EARNINGS	**2,766**	**2,688**	**4,963**
Net realized capital gains or losses attributable to shareholders	524	736	1,175
ADJUSTED EARNINGS	**3,290**	**3,424**	**6,138**
Profit or loss on financial assets (under Fair Value option) & derivatives	(1,057)	(182)	(596)
Exceptional operations (including discontinued operations)	13	57	482
Goodwill and related intangibles impacts	(43)	(55)	(106)
Integration costs	(41)	(64)	(252)
NET INCOME	**2,162**	**3,180**	**5,666**

(a) Includes notably CDOs and real estate companies.

Group underlying earnings amounted to €2,766 million. On a constant exchange rate basis, underlying earnings grew by €192 million (+7%), attributable mainly to Property & Casualty.

Life & Savings underlying earnings amounted to €1,396 million. On a constant exchange rate basis, Life & Savings underlying earnings were down €-16 million (-1%) mainly driven by the United States (€-113 million), partly offset by France (€+78 million).

Excluding the contribution of MPS in half year 2008 (€12 million) and on a constant exchange rate basis, **underlying earnings** decreased by €-28 million mainly resulting from:

(i) **Lower net technical margin,** down €-215 million or -27%. Excluding the €+53 million positive impact of the reclassification of charges from technical margin to commission expenses in the context of the renewal of some Group Life contracts in France, the net technical margin decreased by €-268 million or -34%, mainly driven by €-254 million lower profits from GMDB/IB in the United States, mainly explained by underperformance of certain Separate Account funds versus hedge indices and higher equity market volatility.

(ii) **Higher expenses** (€-113 million or up 4%) with acquisition expenses up €-118 million (8%) and administrative expenses down €5 million (0%). Expenses were impacted by €-53 million reclassification of charges from technical margin to commission expenses in France, €-35 million change in accounting treatment offset in fees & revenues in the United Kingdom, and €24 million reclassification of Thinc acquisition expenses (from administration expenses to acquisition expenses). Excluding the impact of these reclassed items:

a. ***Acquisition expenses*** up €-6 million (or 0%) mainly driven by France (up €-41 million mainly due to higher amortization of deferred acquisition costs offset by €44 million higher unearned revenue reserve release in fees & revenues) and the United Kingdom (up €-34 million notably due to lower net DAC capitalization), offset by the United States (down €-75 million driven by DAC amortization down €85 million reflecting reactivity to lower GMDB/IB margins).

b. ***Administrative expenses*** up €-19 million (or 1%) mainly driven by the United Kingdom (up €-46 million resulting from an increase in strategic initiatives, including the wealth management wrap platform and Architas investment sub-advisory platform) and Germany (up €14 million resulting from higher project costs), partly offset by €+26 million change in employee benefit plans in the United States and €+15 million change in own pension scheme in Switzerland.

This was partly offset by:

(iii) **Higher Fees and Revenues** (€+149 million or up 4%) principally driven by:

a. ***Unit-linked management fees*** up €+85 million (+8%) mainly driven by the United States and the United Kingdom (€+47 million and €+36 million, respectively) owing to higher average balances (up

4% in the United States and up 3% in the United Kingdom) together with increased average fees (+3bps in the United States and +5bps in the United Kingdom) from improved business mix.

b. ***Loadings on premiums and Mutual Funds*** were up €+74 million (+4%). Excluding a €+35 million change in accounting treatment in the United Kingdom offset in expenses, loadings on premiums and Mutual Funds increased by €39 million (+2%), mainly due to France (€+46 million mainly resulting from a €44 million higher unearned revenue reserve release offsetting the deferred acquisition costs amortization) and Japan (€+31 million due to an improved business mix, especially on medical products), partly offset by Australia & New Zealand (€-15 million from lower sales in Wealth Management).

c. ***Other fees & revenues*** were down €-11 million (-3%) driven by Switzerland (€-18 million mainly due to higher policyholder bonus allocation in Group Life) and the United States (€-14 million due to Enterprise funds' transfer to an external firm in mid 2007), partly offset by the United Kingdom (€+13 million mainly due to distribution revenues reflecting 38% growth in Thinc Group).

(iv) **An improved investment margin** (€+49 million or up 4%), primarily driven by ***Investment income*** down €-75 million (-1%) mainly in Japan (€-90 million), the United Kingdom (€-81 million) and the United States (€-56 million), partly offset by France (€+175 million due to higher Private equity funds dividends coupled with a more favorable seasonality regarding Mutual Funds distribution), more than offset by €124 million lower ***Policyholders participation*** (-2%) mainly in the United Kingdom (€+111 million) and Japan (€+67 million), partly offset by France (€-88 million).

(v) **A lower level of VBI amortization** (down €56 million or 28%) mainly attributable to a €33 million decrease in Japan driven by the combination of (i) the non-recurring impact of old Medical Whole Life upgrade program, (ii) the natural decline in VBI balance and (iii) reduced investment income.

(vi) **Lower tax expenses and minority interests** (down €46 million or 8%). Excluding €46 million of lower positive tax one-offs (€12 million lower tax reserve release in the United States, €10 million lower one-offs in the United Kingdom and non-repeat of €26 million tax refund in half year 2007 in Belgium related to "Revenus Définitivement Taxés"), tax expenses and minority interests decreased by €92 million (-15%), mainly driven by lower pre-tax earnings in the United States, the United Kingdom, Germany, and the Mediterranean Region as well as the positive impact in Germany of the lower tax rate in 2008 compared to prior year (32% compared to 40%), partly offset by the increase of pre-tax earnings in France, Hong Kong, Australia, Belgium, Japan and Switzerland.

Property & Casualty underlying earnings amounted to €1,133 million. On a constant exchange rate basis, Property & Casualty underlying earnings increased by €191 million (+20%) fuelled by an improved combined ratio (down 1.9 points to 96.4%) owing to limited natural events in first half 2008 (Emma storm in Germany, 0.2 point of combined ratio), whereas first half 2007 was impacted by Kyrill storm (1.9 points of combined ratio) and floods in the United Kingdom (1.0 point of combined ratio).

(i) **Higher net technical result (including expenses)** up €+263 million due to:

a. An all year loss ratio improving by 2.2 points to 68.4%. Excluding the impacts of the natural events, the all year loss ratio deteriorated by 0.4 point, notably due to an increase in Motor current year loss ratio in France and the United Kingdom, partly offset by higher prior year positive reserves development in many countries.

Partly offset by:

b. **Higher expenses** (€-257 million) resulting in a 0.3 point increase in the **expense ratio** to 28.0% driven by the United Kingdom (due in part to growth in Swiftcover, including increased marketing spend) and the Mediterranean Region (notably due to marketing investments to support new business), partly offset by one time positive impact of the change in own pension scheme in Switzerland

(ii) **Higher investment result** (€+70 million) reflecting higher asset base and asset yield, notably in Switzerland (€+23 million), France (€+14 million) and Germany (€+10 million).

(iii) **Higher tax expenses and minority interests** (€-142 million) due to higher pre-tax earnings and lower positive tax one-offs in half year 2008 (€27 million due to Germany and the United Kingdom) than in first half 2007 (€76 million due to Germany, the United Kingdom and Belgium).

International Insurance underlying earnings amounted to €172 million. On a constant exchange rate basis, International Insurance underlying earnings increased by €53 million (+44%), driven by the positive impact of

bookings of deferred tax assets on prior year tax losses on foreign branches at AXA Corporate Solutions Assurance and on past net operating losses in the US in other international activities, as well as favorable settlements with two large cases in other international activities.

Asset Management underlying earnings amounted to €285 million. On a constant exchange rate basis, asset management underlying earnings increased by €26 million (+9%) driven by AXA Investment Managers (€+30 million or +22%), mainly due to a significant carried interest (€58 million pre-tax) related to the performance of a real estate fund, partly offset by AllianceBernstein (€-4 million or -3%). The underlying cost income ratio improved by 0.8 point to 66.8% mainly driven by AllianceBernstein (-1 point) due to a reduction in general expenses.

Banking underlying earnings amounted to €24 million. On a constant exchange rate basis, banking underlying earnings increased by €13 million (+118%), mainly attributable to AXA Bank Europe (Belgium), mainly due to a higher interest margin.

Holdings and other companies' underlying earnings amounted to €-245 million. On a constant exchange rate basis, holdings underlying earnings decreased by €75 million, driven by AXA SA (€-69 million) mainly due to a higher financial charge notably related to external growth financing and internal refinancing.

Net capital gains attributable to shareholders amounted to €524 million. On a constant exchange rate basis, Group net capital gains attributable to shareholders were down €-221 million due to:

(i) €-862 million higher **net impairments**, to €-786 million in half year 2008, mainly on equity securities given equity price decrease

Partly offset by:

(ii) €+164 million higher **net realized capital gains excluding impairments**, to €834 million in half year 2008, mainly driven by gains on equity securities in Belgium, France and Germany.€+477 million increase in **intrinsic value of equity and real estate derivatives** in half year 2008, mainly driven by €+284 million in AXA SA due to equity derivatives set up in June 2008 to reduce the Group exposure to equities, €+129 million in France and €+50 million in Germany.

Adjusted earnings amounted to €3,290 million. On a constant exchange rate basis, adjusted earnings were down €-29 million (-1%) as a result of higher underlying earnings more than offset by lower net capital gains attributable to shareholders.

Net Income amounted to €2,162 million. On a constant exchange rate basis, net income decreased by €921 million (-29%) as a result of:

(i) Lower adjusted earnings (€-29 million)

(ii) Lower result on financial assets accounted for under Fair Value Option and derivatives including foreign exchange impact: €-882 million to €-1,057 million. These €-1,057 million can be analyzed as follows:

a. €+188 million corresponding to the cancellation of deferred tax liabilities on assets under fair value option overestimated in previous years in France

b. €-577 million change in fair value and realized gains on Mutual Funds, mainly due to credit spread widening on fixed income assets

c. €-184 million change in fair value and realized gains on other assets including (i) the negative change in fair value of "AWF and FIIS US" Libor Plus funds (€-64 million) as well as negative impacts coming from carried interest change in fair value of real estate funds at AXA Investment Managers, and (ii) a negative change in fair value in Japan of US corporate bonds (currency risk hedged), following deterioration of credit market conditions.

d. €-152 million time value of equity and real estate derivatives, of which €-122 million related to the decrease in the time value of equity derivatives set up at Group level to reduce the Group exposure to equities)

e. €-101 million from negative change in fair value of Japan CDS due to widening of credit spread

f. €-231 million from negative change in fair value of interest rates derivatives and foreign exchange impacts (including, foreign exchange derivatives).

(iii) Lower exceptional operations result including discontinued operations: €-42 million to €13 million:

- **Half year 2008 Exceptional and discontinued operations (€+13 million)** were mainly due to €+10 million at AllianceBernstein (additional impact of the sale of Cash Management Services and dilution gain).
- **Half year 2007 Exceptional and discontinued operations (€+57 million)** were mainly due to the €74 million net income of The Netherlands (classified as discontinued operation following the June 4, 2007 announcement of the Dutch activities' sale to SNS REAAL), partly offset by €-9 million at AllianceBernstein (additional impact of the sale of Cash Management Services and dilution gain).

Partly offset by:

(iv) Lower charges on goodwill and other related intangible: €+10 million to €-43 million, mainly driven by the impact of the first time consolidation of Gulf entities (one time recognition of past earnings, €+11 million)

(v) Lower integration costs: €+22 million to €-41 million mainly driven AXA SA.

Consolidated Shareholders' Equity

As of June 30, 2008, consolidated shareholders' equity totaled €40.5 billion. The movements in shareholders' equity since December 31, 2007 are presented in the table below:

(in Euro million)

	Shareholders' Equity
At December 31, 2007	**45,642**
Share Capital	**6**
Capital in excess of nominal value	**34**
Equity-share based compensation	**45**
Treasury shares sold or bought in open market	**53**
Change in equity component of compound financial instruments	**-**
Deeply subordinated debt (including accrued interests)	**(403)**
Fair value recorded in shareholders' equity	**(4,300)**
Impact of currency fluctuations	**(455)**
Cash dividend	**(2,473)**
Other	**379**
Net income for the period	**2,162**
Actuarial gains and losses on pension benefits	**(143)**
At June 30, 2008	**40,547**

Shareholder Value

EARNINGS PER SHARE ("EPS")

(in Euro million except ordinary shares in million)

	HY 2008		HY 2007		FY 2007		Var. HY 2008 versus HY 2007	
	Basic (a)	Fully diluted (a)	Basic (a)	Fully diluted (a)	Basic (a)	Fully diluted (a)	Basic (a)	Fully diluted (a)
Weighted numbers of shares	**2,032.1**	**2,042.8**	**2,061.3**	**2,082.7**	**2,042.7**	**2,060.8**		
Net income (Euro per Ordinary Share)	1.07	1.07	1.49	1.47	2.76	2.73	***-27.9%***	***-27.6%***
Adjusted earnings (Euro per Ordinary Share)	1.55	1.54	1.59	1.58	2.86	2.84	***-3.0%***	***-2.5%***
Underlying earnings (Euro per Ordinary Share)	1.29	1.28	1.24	1.22	2.29	2.27	***4.2%***	***4.7%***

(a) From HY 2008, EPS calculation takes into account interest payments and foreign exchange impacts related to perpetual debts classified in equity with retrospective application.

RETURN ON EQUITY ("ROE")

A new calculation has been implemented since the first half year 2007 closing, with the following principles:

- For net income ROE: Calculation is based on consolidated financial statements, i.e. shareholders' equity including perpetual debt ("Super Subordinated Debts" TSS / "Perpetual Subordinated Debts" TSDI) and Other Comprehensive Income "OCI", and net income not reflecting any interest charges on TSS / TSDI.
- For adjusted and underlying ROE :
  - All perpetual debts (TSS / TSDI) are treated as financing debt, thus excluded from shareholders' equity
  - Interest charges on TSS / TSDI are deducted from earnings
  - OCI is excluded from the average shareholders' equity.

(in Euro million)

	Period ended , June 30, 2008	Period ended , June 30, 2007	Change in % points
ROE	**10.2%**	**14.3%**	**-4.1%**
Net income	2,162	3,180	
Average shareholders' equity	42,329	44,565	
Adjusted ROE	**19.6%**	**21.6%**	**-2.0%**
Adjusted earnings (a)	3,142	3,285	
Average shareholders' equity (b)	32,065	30,358	
Underlying ROE	**16.3%**	**16.8%**	**-0.5%**
Underlying earnings (a)	2,618	2,549	
Average shareholders' equity (b)	32,065	30,358	

(a) Including adjustement to reflect financial charges related to perpetual debt (recorded through shareholders' equity).
(b) Excluding change in fair value on invested assets and derivatives (recorded through shareholders equity), and excluding perpetual debt (recorded through shareholders' equity).

Life & Savings Segment

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

Life & Savings Segment (a)

(in Euro million)

	HY 2008	HY 2007	FY 2007
Gross written premiums	29,907	30,540	57,807
Fees and revenues from investment contracts without participating feature	342	381	740
Revenues from insurance activities	**30,249**	**30,922**	**58,548**
Net revenues from banking activities	**-**	**-**	**-**
Revenues from other activities	***602***	***658***	***1,332***
TOTAL REVENUES	**30,850**	**31,580**	**59,879**
Change in unearned premium reserves net of unearned revenues and fees	***(1,014)***	***(1,038)***	***(275)***
Net investment result excluding financing expenses (b)	***(9,236)***	***15,926***	***21,857***
Technical charges relating to insurance activities (b)	(15,015)	(40,658)	(69,987)
Net result of reinsurance ceded	(46)	(29)	33
Bank operating expenses	-	-	-
Insurance acquisition expenses	(1,675)	(1,767)	(3,726)
Amortization of value of purchased life business in force	(149)	(202)	(357)
Administrative expenses	(1,672)	(1,648)	(3,382)
Valuation allowances on tangible assets	(0)	0	1
Change in value of goodwill	-	-	0
Other	(60)	(39)	(189)
Other operating income and expenses	**(18,618)**	**(44,344)**	**(77,607)**
INCOME FROM OPERATING ACTIVITIES, GROSS OF TAX EXPENSE	**1,982**	**2,123**	**3,855**
Net income from investments in affiliates and associates	16	7	22
Financing expenses	(36)	(30)	(69)
OPERATING INCOME GROSS OF TAX EXPENSE	**1,963**	**2,101**	**3,808**
Income tax expenses	(445)	(508)	(924)
Minority interests in income or loss	(121)	(103)	(213)
UNDERLYING EARNINGS	**1,396**	**1,489**	**2,670**
Net realized capital gains or losses attributable to shareholders	105	416	567
ADJUSTED EARNINGS	**1,501**	**1,905**	**3,238**
Profit or loss on financial assets (under fair value option) & derivatives	(469)	(61)	(237)
Exceptional operations (including discontinued operations)	1	46	(1)
Goodwill and other related intangible impacts	(12)	(29)	(39)
Integration costs	(13)	(13)	(63)
NET INCOME	**1,007**	**1,849**	**2,899**

(a) before intercompany transactions
(b) For the periods ended June 30, 2008, June 30, 2007, and December 31, 2007, the change in fair value of assets backing contracts with financial risk borne by policyholders impacted the net investment result for respectively €-14,755 million, €+8,773 million and €+7,468 million, and benefits and claims by the offsetting amounts respectively.

Consolidated Gross Revenues

(in Euro million)

	HY 2008	HY 2007	FY 2007
France	7,447	7,798	15,052
United States	6,733	8,206	16,244
United Kingdom	1,900	2,388	4,628
Japan	2,354	2,663	5,116
Germany	2,955	2,986	6,201
Switzerland	3,281	3,240	4,133
Belgium	1,602	1,629	3,075
Mediterranean Region (a)	2,794	937	1,924
Other countries	1,785	1,733	3,507
TOTAL	**30,850**	**31,580**	**59,879**
Intercompany transactions	(24)	(24)	(35)
Contribution to consolidated gross revenues	**30,826**	**31,555**	**59,845**

(a) Mediterranean Region includes Italy, Spain, Portugal, Greece, Turkey and Morocco.

Underlying, Adjusted earnings and Net Income

(in Euro million)

	HY 2008	HY 2007	FY 2007
France	431	353	531
United States	326	488	883
United Kingdom	92	136	255
Japan	132	133	254
Germany	67	73	182
Switzerland	93	82	165
Belgium	84	72	90
Mediterranean Region (a)	43	40	73
Other countries	128	112	237
UNDERLYING EARNINGS	**1,396**	**1,489**	**2,670**
Net realized capital gains or losses attributable to shareholders	105	416	567
ADJUSTED EARNINGS	**1,501**	**1,905**	**3,238**
Profit or loss on financial assets (under Fair Value option) & derivatives	(469)	(61)	(237)
Exceptional operations (including discontinued operations)	1	46	(1)
Goodwill and related intangible impacts	(12)	(29)	(39)
Integration costs	(13)	(13)	(63)
NET INCOME	**1,007**	**1,849**	**2,899**

(a) Mediterranean Region includes Italy, Spain, Portugal, Greece, Turkey, Morocco and Gulf Region.

Life & Savings operations – France

(in Euro million)

	HY 2008	HY 2007	FY 2007
Gross revenues	**7,447**	**7,798**	**15,052**
APE (group share)	*690*	*642*	*1,360*
Investment margin	603	516	937
Fees & revenues	749	717	1,463
Net technical margin	219	150	265
Expenses	(1,025)	(921)	(1,911)
Amortization of VBI	(15)	(21)	(43)
Underlying operating earnings before tax	**532**	**442**	**711**
Income tax expenses / benefits	(99)	(87)	(178)
Minority interests	(2)	(1)	(2)
Underlying earnings group share	**431**	**353**	**531**
Net capital gains or losses attributable to shareholders net of income tax	279	125	269
Adjusted earnings group share	**710**	**478**	**800**
Profit or loss on financial assets (under FV option) & derivatives	(114)	(38)	(91)
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	-	-	-
Integration costs	-	-	-
Net income group share	**596**	**440**	**709**

Gross revenues decreased by €350 million (-4%) to €7,447 million. On a comparable basis (excluding Neuflize Vie which is consolidated in equity method starting 01/01/08 versus proportionate before), gross revenues decreased by €157 million (-2%). This decrease was mainly driven by a change in seasonality of Retirement contracts (18% decrease in Group business), partly offset by a 9% increase in Individual Savings.

APE increased by €48 million (+8%) to €690 million. On a comparable basis, APE decreased by €21 million (-3%), especially due to Group business (-28% or €-66 million) impacted by a change in seasonality in Retirement contracts, partly offset by individual business performance (+10% or €46 million).

Investment margin increased by €86 million (+17%) to €603 million mainly due to higher asset yield stemming from Private equity funds dividends coupled with a more favorable seasonality regarding mutual funds distribution.

Fees & revenues increased by €32 million (+4%) to €749 million mainly resulting from a €44 million higher URR (unearned revenue reserve) release offsetting the deferred acquisition costs amortization, partly offset by €18 million lower unit-linked management fees mainly due to Neuflize which is consolidated by equity method starting 2008.

Net technical margin rose by €69 million (+46%) to €219 million due to (i) €53 million charge reclassified from technical margin to commission expenses in the context of the renewal of some Group Life contracts and (ii) a €16 million higher technical result in Group and Individual Life contracts.

Expenses increased by €104 million (+11%) to €-1,025 million driven by (i) a €-53 million increase in commissions due to the reclassification of charge from technical items to commissions in the context of the renewal of some Group Life contracts, (ii) a €24 million increase of general expenses due to new IT projects and marketing and advertising costs, and (iii) higher amortization net of capitalization of deferred acquisition costs (€-27 million).

Amortization of VBI improved by €7 million to €-15 million.

Underlying cost income ratio improved by 1.9 points to 66.2%.

Income tax expenses increased by €12 million (+14%) to €-99 million mainly due to the increase in taxable result (€-31 million), partly offset by the increase of non taxable dividends which benefit from the "parent – subsidiary" regime.

As a consequence, **underlying earnings** increased by €78 million (+22%) to €431 million.

Adjusted earnings increased by €231 million (+48%) to €710 million resulting from the evolution of underlying earnings (€+78 million), €40 million higher net realized capital gains attributable to shareholders coupled with a €104 million positive impact of hedging derivatives portfolio and a €10 million lower charge of impairments.

Net income increased by 156 million (+35%) to €596 million reflecting the improvement of the adjusted earnings by €231 million partly offset by (i) a €27 million negative impact of derivatives, and (ii) a €197 million unfavorable change in fair value of mutual funds mainly exposed to credit. These negative impacts were compensated by a €147 million gain corresponding to the cancellation of deferred tax liabilities on assets under fair value option overestimated in previous years.

Life & Savings operations - United States

(in Euro million)

	HY 2008	HY 2007	FY 2007
Gross revenues	**6,733**	**8,206**	**16,244**
APE (group share)	*808*	*1,107*	*2,099*
Investment margin	265	368	704
Fees & revenues	794	887	1,792
Net technical margin	44	292	466
Expenses	(628)	(835)	(1,647)
Amortization of VBI	(13)	(26)	(69)
Underlying operating earnings before tax	**462**	**686**	**1,247**
Income tax expenses / benefits	(135)	(198)	(363)
Minority interests	-	(0)	(0)
Underlying earnings group share	**326**	**488**	**883**
Net capital gains or losses attributable to shareholders net of income tax	(20)	(0)	(32)
Adjusted earnings group share	**306**	**488**	**851**
Profit or loss on financial assets (under FV option) & derivatives	(8)	7	40
Exceptional operations (including discontinued operations)	1	(7)	(7)
Goodwill and other related intangibles impacts	(2)	(20)	(21)
Integration costs	-	-	-
Net income group share	**297**	**468**	**863**
Average exchange rate : 1.00 € = $	*1.5309*	*1.3298*	*1.3699*

Gross revenues decreased by €1,474 million (-18%) to €6,733 million. On a comparable basis, gross revenues decreased by €435 million (-5%):

- *Variable Annuity* premiums (72% of gross revenues) decreased by 6% reflecting a slowdown of sales primarily related to challenging equity market conditions.
- *Life* premiums (18% of gross revenues) decreased by 7% primarily driven by a decrease in First Year premiums from anticipated declines in Fixed Universal Life product sales following price increases in 2007.
- *Mutual Funds gross revenues* (6% of gross revenues) increased by 3%.

APE decreased by €300 million (-27%) to €808 million. On a comparable basis, APE decreased by €150 million (-14%) driven primarily by an anticipated decrease in Life APE for Fixed Universal Life products following price increases in 2007. Variable Annuities decreased by 6% reflecting challenging market conditions.

Investment margin decreased by €103 million (-28%) to €265 million. On a constant exchange rate basis, investment margin decreased by €63 million (-17%) mainly as a result of lower investment income reflecting lower asset levels and interest rates along with lower returns on private equity investments.

Fees & revenues decreased by €93 million (-10%) to €794 million. On a constant exchange rate basis, fees & revenues increased by €27 million (+3%), primarily due to fees earned on higher separate account asset levels resulting from positive net cash flows.

Net technical margin fell by €248 million (-85%) to €44 million. On a constant exchange rate basis, net technical margin decreased by €241 million (-83%) mainly attributable to €254 million lower profits from GMDB/IB mainly explained by underperformance of certain Separate Account funds versus hedge indices and higher equity market volatility.

Expenses decreased by €207 million (-25%) to €-628 million. On a constant exchange rate basis, expenses decreased

by €112 million (-13%) due to:

- *Expenses, net of DAC capitalization* (including commissions) decreased by €26 million with a 6% decrease in general expenses primarily due to expense management initiatives and changes to employee benefit plans.
- *DAC amortization* decreased by €85 million, reflecting reactivity to lower GMDB/IB margins.

Amortization of VBI decreased by €13 million (-51%) to €-13 million. On a constant exchange rate basis, amortization of VBI decreased by €11 million (-43%) primarily due to higher life mortality in 2008.

The **underlying cost income ratio** increased by 2.5 points to 58.1%.

Income tax expenses decreased by €63 million (-32%) to €-135 million. On a constant exchange rate basis, income tax expenses decreased by €42 million (-21%), principally due to lower pre-tax underlying earnings, partly offset by a €12 million lower tax reserve release.

Underlying earnings decreased by €162 million (-33%) to €326 million. On a constant exchange rate basis, underlying earnings decreased by €113 million (-23%) mainly resulting from lower investment margin and technical margin partially offset by lower DAC and VBI amortization.

Adjusted earnings decreased by €181 million (-37%) to €306 million. On a constant exchange rate basis, adjusted earnings decreased by €135 million (-28%), primarily due to lower underlying earnings and higher impairments on fixed income assets.

Net income decreased by €171 million (-36%) to €297 million. On a constant exchange rate basis, net income decreased by €126 million (-27%), primarily due to the decrease in adjusted earnings and the non recurrence of 2007 exceptional items.

Life & Savings operations - United Kingdom

(in Euro million)

	HY 2008	HY 2007	FY 2007
Gross revenues	**1,900**	**2,388**	**4,628**
APE (group share)	*692*	*819*	*1,588*
Investment margin	131	121	258
Fees & revenues	403	372	889
Net technical margin	13	64	90
Expenses	(458)	(411)	(967)
Amortization of VBI	(22)	(23)	(46)
Underlying operating earnings before tax	**67**	**123**	**224**
Income tax expenses / benefits	26	13	31
Minority interests	(0)	(0)	(0)
Underlying earnings group share	**92**	**136**	**255**
Net capital gains or losses attributable to shareholders net of income tax	(16)	(23)	(26)
Adjusted earnings group share	**76**	**112**	**229**
Profit or loss on financial assets (under FV option) & derivatives	44	(11)	21
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	(6)	(6)	(11)
Integration costs	(2)	(5)	(23)
Net income group share	**113**	**90**	**216**
Average exchange rate : 1.00 € = £	*0.7753*	*0.6748*	*0.6845*

Gross revenues decreased by €488 million (-20%) to €1,900 million. On a comparable basis, gross revenues decreased by €205 million (-9%):

- *Investment & Savings (81% of gross revenues):*
  - Insurance Premiums (67% of gross revenues) decreased by 4% primarily due to lower volumes of Onshore Bond business.
  - Fees on Investment products (14% of gross revenues) decreased by 5%, primarily due to lower Offshore Bond premiums following large volumes of cash sales in 2007, partially offset by higher Group Pension new business volumes.
- *Life Insurance Premiums (17% of gross revenues)* decreased by 27% due to lower volumes of Creditor Insurance single premiums partially offset by higher AXA Protection Account volumes.
- *Other revenues (2% of gross revenues)* increased by 38% as a result of growth in distribution revenues.

APE decreased by €127 million (-16%) to €692 million. On a comparable basis, APE decreased by €24 million (-3%). This was primarily due to:

- Decrease in savings and investment volumes of €52 million (-18%) due to the impact of changes in Capital Gains Tax and Inheritance Tax legislation on Onshore and Offshore Bond volumes.
- Decrease in Individual and Executive Pensions of €31 million (-13%) due to increased market competition.
- Increase in Group Pension volumes of €47 million (+23%) predominantly due to a large single premium of €32 million.
- Increase in Life Risk products volumes of €8 million (+21%) reflecting the strengthening of the AXA Protection brand in the market, in particular with the IFA community.

Investment margin increased by €11 million (+9%) to €131 million. On a constant exchange rate basis, investment margin increased by €30 million (+25%). This was notably due to higher investment income benefiting from higher yield as well as increase in Shareholders' participation in higher With Profit bonuses rates (annual and Terminal bonuses).

Fees & revenues increased by €30 million (+8%) to €403 million. On a constant exchange rate basis, fees & revenues increased by €90 million (+24%) benefiting from a €35 million positive impact of change in accounting treatment offset in the expense margin.
Excluding this impact, fees and revenues increased by €55 million mainly as a result of higher Fees on account balances of €18 million largely due to positive net new money into unit linked funds and increased establishment charges on regular premium Pensions business, an increase in distribution revenues of €13 million reflecting 38% growth in Thinc Group and the non recurrence of a 2007 €10 million negative adjustment in unit-linked balance.

Net technical margin fell by €51 million (-80%) to €13 million. On a constant exchange rate basis, net technical margin decreased by €49 million (-77%) due to €18 million non-recurrence of favorable provision movements in 2007 as well as an additional €21 million provisions for potential policyholder compensation payments in Traditional Life business.

Expenses increased by €47 million (+11%) to €-458 million. On a constant exchange rate basis, expenses increased by €115 million (+28%) notably due to the change in accounting treatment (€35 million offset in Fees & Revenues). Excluding this impact, the expenses increased by €80 million mainly due to an increase in management expenses of €55 million, resulting from an increase in strategic initiatives including the wealth management wrap platform and Architas investment sub-advisory platform. In addition, expenses increased €11 million due to expansion of the Life distribution business (Thinc Group).

Amortization of VBI decreased by €1 million (-5%) to €-22 million. On a constant exchange rate basis, amortization of VBI increased by €2 million (+10%) mainly due to changes made in respect of increased surrender rates on With Profits business.

The Underlying cost income ratio increased by 9.9 points to 87.8% as increased expenses (in particular due to the phasing of project spend) were only partially offset by growth in gross margin.

Income tax benefits increased by €13 million (+102%) to €26 million. On a constant exchange rate basis, income tax benefits increased by €17 million, mainly due to lower taxable income.

As the result of the above, **underlying earnings** decreased by €44 million (-32%) to €92 million. On a constant exchange rate basis, underlying earnings decreased by €30 million (-22%).

Adjusted earnings decreased by €36 million (-32%) to €76 million. On a constant exchange rate basis, adjusted earnings decreased by €25 million (-22%), largely driven by the underlying earnings evolution as a €12 million impairment of equity holdings in 2008 was offset by the non-recurrence of €13 million realised losses in 2007.

Net income increased by €23 million (+25%) to €113 million. On a constant exchange rate basis, net income increased by €40 million (+44%). In addition to the changes in adjusted earnings, net income included a €47 million increase in undiscounted tax adjustment on unrealised gains attributable to policyholders in unit-linked life funds[4].

[4] *The deferred policyholder tax on unrealized gains is undiscounted when provided on Life unit linked assets and discounted when provided on unit linked liabilities. The IFRS restatement between discounted deferred tax provision and undiscounted amount flows through net income.*

Life & Savings operations – Japan

(in Euro million)

	HY 2008	HY 2007	FY 2007
Gross revenues	**2,354**	**2,663**	**5,116**
APE (group share)	*253*	*308*	*567*
Investment margin	1	24	3
Fees & revenues	514	502	992
Net technical margin	43	80	135
Expenses	(299)	(317)	(641)
Amortization of VBI	(40)	(74)	(76)
Underlying operating earnings before tax	**219**	**215**	**413**
Income tax expenses / benefits	(85)	(79)	(154)
Minority interests	(2)	(3)	(5)
Underlying earnings group share	**132**	**133**	**254**
Net capital gains or losses attributable to shareholders net of income tax	24	80	65
Adjusted earnings group share	**157**	**212**	**319**
Profit or loss on financial assets (under FV option) & derivatives	(183)	(23)	(96)
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	-	-	-
Integration costs	(2)	(0)	(4)
Net income group share	**(28)**	**188**	**219**
Average exchange rate : 1.00 € = Yen	*160.772*	*154.164*	*158.255*

Gross Revenues decreased by €309 million (-12%) to €2,354 million. On a comparable basis, and excluding group pension transfers (€12 million versus €27 million last year), revenues decreased by €193 million (-7%) to €2,343 million, driven by:

- *Life* (43% of gross revenues): revenues decreased by 7% (€-77 million) to €1,010 million mainly due to €-45 million lower revenues from lower margin products not actively promoted (Endowment, Whole Life and Group) and €-23 million lower Term products revenues due to a regulator review of certain Term products' tax deductibility;
- *Investment & Savings* (31% of gross revenues): revenues decreased by -11% (€-89 million) to €693 million driven by lower variable annuity sales due to heavier administrative constraints and turbulent market conditions, despite the contribution of Yen VA with secondary guarantees launched in 2Q07;
- *Health* (26% of gross revenues): revenues decreased by 4% (€-27 million) to €639 million. Excluding 1Q07 old Medical Whole Life conversion impact, revenues were up €+57 million on Medical Whole Life & Medical Rider.

APE decreased by €54 million (-18%) to €253 million. On a comparable basis, APE decreased by €45 million (-15%), mainly driven by individual business as a result of a continued focus on more profitable lines to offset the negative €-59 million volume effect following tax uncertainties on certain Term product sales. Consequently, the higher profitability margin "Long Term Term Product" benefited from a sales push, which was combined with higher sales of Yen VA with secondary guarantees. Medical products sales continued to be strong at €122 million.

Investment Margin decreased by €23 million (-95%) to €1 million with lower investment income.

Fees & revenues increased by €12 million (+2%) to €514 million. On a constant exchange rate basis, fees & revenues increased by €34 million (+7%), due to an improved business mix, especially on medical products.

Net technical margin fell by €36 million (-46%) to €43 million. On a constant exchange rate basis, net technical margin decreased by €35 million (-43%):

- Surrender margin decreased by €12 million to €3 million mainly driven by the lower surrender margin on individual annuity, medical products and term products partly offset by the non recurrence of 2007 old Medical Whole Life upgrade program.
- Mortality margin decreased by €20 million (-31%) to €42 million mainly due to less favorable experience.

Expenses decreased by €18 million (-6%) to €-299 million. On a constant exchange rate basis, expenses decreased by €5 million (-2%) driven by;

- €+17 million lower commission following lower new business sales; and
- €-2 million higher non-commission expenses following increases in payroll and IT costs;
- €-10 million lower net DAC capitalisation.

Amortization of VBI decreased by €33 million (-44%) on a constant exchange rate basis to €-40 million, driven by the combination of (i) the non recurring impact of old Medical Whole Life upgrade program, (ii) the natural decline in VBI balance and (iii) reduced investment income.

The Underlying cost income ratio improved by 3.8 points to 60.7% as lower expenses and VBI amortization more than offset the impact of lower technical and investment margins.

Income tax expenses increased by €9 million (+11%) on a constant exchange rate basis to €-85 million in line with higher taxable results.

Underlying earnings were stable at €132 million. On a constant exchange rate basis, underlying earnings increased by €5 million (+4%).

Adjusted earnings decreased by €56 million (-26%) to €157 million. On a constant exchange rate basis, adjusted earnings decreased by €49 million (-23%) mainly due to (i) lower net capital gains attributable to shareholders as a result of higher interest credited to policyholders (€-84 million) partially offset by (ii) related tax and DAC/VBI reactivity (€+29 million) and (iii) improved underlying earnings.

Net income decreased by €217 million to €-28 million. On a constant exchange rate basis, net income decreased by €218 million reflecting €-51 million lower adjusted earnings combined with negative change in fair value of (i) freestanding derivatives (mainly CDS) due to widening of credit spread (€-153 million), (ii) US corporate bonds (currency risk hedged) following deterioration of credit market conditions (€-61 million) and (iii) Hedge funds portfolio (€-50 million), partly offset by the related tax and DAC/VBI reactivity (€+109 million).

Life & Savings operations – Germany

(in Euro million)

	HY 2008	HY 2007	FY 2007
Gross revenues	**2,955**	**2,986**	**6,201**
APE (group share)	*236*	*207*	*457*
Investment margin	53	67	139
Fees & revenues	101	119	229
Net technical margin	49	43	112
Expenses	(69)	(46)	(136)
Amortization of VBI	(6)	(9)	(23)
Underlying operating earnings before tax	**129**	**174**	**321**
Income tax expenses / benefits	(61)	(99)	(134)
Minority interests	(1)	(3)	(4)
Underlying earnings group share	**67**	**73**	**182**
Net capital gains or losses attributable to shareholders net of income tax	(14)	2	(1)
Adjusted earnings group share	**53**	**75**	**182**
Profit or loss on financial assets (under FV option) & derivatives	(9)	4	3
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	-	-	-
Integration costs	(1)	(0)	(6)
Net income group share	**43**	**78**	**179**

Gross revenues decreased by €31 million (-1%) to €2,955 million mainly due to lower traditional endowment business in line with market trend (shift from traditional Life products to Investment & Savings products), partly offset by Investment & Savings unit-linked business especially from "TwinStar" (Variable Annuities with secondary guarantee) product range.

APE increased by €29 million (+14%) to €236 million. On a comparable basis, APE increased by €22 million (+10%), mainly due to Riester step-up effect (increase in premiums due to higher fiscal incentive for policyholders in 2008 in Riester retirement products) of €+30 million, as well as the strong sales in individual Investment & Savings products notably from the unit-linked "TwinStar" product range (€+18 million excluding Riester step-up effect), which were partly offset by a decrease in the health business due to the 2007 Reform (waiting period for salaried employees to enter Private Health Insurance extended to three years).

Investment margin decreased by €15 million (-22%) to €53 million as higher income from fixed maturities was offset by lower dividends from equities as well as higher policyholder participation.

Fees & revenues decreased by €18 million (-15%) to €101 million mainly due to the higher policyholder participation partly compensated by higher fees and revenues from TwinStar business.

Net technical margin increased by €7 million (+16%) to €49 million. The non-recurrence of 2007 very strong disability Life result and higher Health claims paid in 2008 were offset by lower policyholder participation.

Expenses increased by €22 million (+48%) to €-69 million mainly due to higher DAC amortization and higher administrative expenses resulting from higher project costs.

VBI amortization decreased by €3 million (-34%) to €-6 million.

Underlying cost income ratio increased by 12.4 points to 36.6%.

Income tax expenses decreased by €37 million (-38%) to €-61 million driven by lower pre-tax income and the positive impact of the lower tax rate in 2008 compared to prior year (32% compared to 40%).

Underlying earnings decreased by €6 million (-8%) to €67 million mainly due to the lower operating earnings partly offset by the lower taxes.

Adjusted earnings decreased by €22 million (-29%) to €53 million due to higher impairments and realized losses on equities and fixed maturities.

Net income decreased by €35 million (-45%) to €43 million mainly driven by adjusted earnings evolution and €-10 million lower change in fair value of financial assets.

Life & Savings operations – Switzerland

(in Euro million)

	HY 2008	HY 2007	FY 2007
Gross revenues	**3,281**	**3,240**	**4,133**
APE (group share)	*193*	*147*	*222*
Investment margin	45	23	61
Fees & revenues	91	117	212
Net technical margin	66	71	137
Expenses	(71)	(84)	(167)
Amortization of VBI	(10)	(17)	(29)
Underlying operating earnings before tax	**121**	**110**	**214**
Income tax expenses / benefits	(28)	(28)	(49)
Minority interests	-	-	-
Underlying earnings group share	**93**	**82**	**165**
Net capital gains or losses attributable to shareholders net of income tax	(63)	(1)	(15)
Adjusted earnings group share	**30**	**81**	**149**
Profit or loss on financial assets (under FV option) & derivatives	(49)	18	(10)
Exceptional operations (including discontinued operations)	-	-	7
Goodwill and other related intangibles impacts	(2)	(2)	(5)
Integration costs	(2)	(1)	(7)
Net income group share	**(24)**	**96**	**135**
Average exchange rate : 1.00 € = Swiss Franc	*1.6059*	*1.6313*	*1.6420*

Gross revenues increased by €41 million (+1%) to €3,281 million. On a comparable basis, gross revenues increased by €124 million (+4%) to €3,274 million:

- *Group Life* (90% of gross revenues) increased by €145 million or +5% to €2,951 million mainly due to strong increase in single premiums (+8%). Regular premiums kept on growing (+3%) driven by strong new business in the context of a still very competitive market.
- *Individual Life* (10% of gross revenues) decreased by €22 million or -6% to €330 million mainly driven by the peak of maturities of non unit-linked products (€-12 million or -4% to €279 million) as a consequence of the stamp duty introduced in 1998 and the drop in unit-linked single premiums (€-14 million) in a difficult financial market environment despite the launch of Twinstar Invest in 1Q08. Regular premiums on unit-linked products increased by €3 million mainly due to increased sales of AXA Comfort.

APE increased by €45 million (+31%) to €193 million. On a comparable basis[5], APE increased by €29 million (+18%):

- *Group Life* increased by €23 million (+17%) to €161 million resulting from successful annual negotiations (€+52 million, including vested benefit premiums) and voluntary additional pension scheme premiums (€+3 million) partly offset by the non repeat of 2007 increase in coinsurance business (€-31 million).

- *Individual Life* improved by €5 million (+20%) to €32 million mainly reflecting the good development of unit-linked regular premiums (€+3 million) driven by AXA Comfort and the positive impact of mutual fund sales (€+1 million) launched late in 2007.

[5] *Change in recognition in APE of voluntary additional pension scheme premiums.*

Investment margin increased by €23 million (+98%) to €45 million. On a constant exchange rate basis, investment margin increased by €22 million (+95%) mainly due to lower policyholder bonus allocation and slightly higher investment income.

Fees & revenues decreased by €27 million (-23%) to €91 million. On a constant exchange rate basis, fees & revenues decreased by €28 million (-24%) mainly due to Group Life (€-24 million) driven by higher policyholder bonus allocation and lower loadings on premiums due to tariff reduction.

Net technical margin deteriorated by €5 million (-7%) to €66 million. On a constant exchange rate basis, net technical margin deteriorated by €6 million (-8%) mainly due to Individual Life (€-15 million or 35%), driven by the impact of strengthening on old age reserve (€-20 million), partly offset by Group Life higher technical margin (€+9 million or +29%) as consequence of good development in disability margin.

Expenses decreased by €12 million (-14%) to €-71 million. On a constant exchange rate basis, expenses were down €-13 million (-16%) mainly driven by the one-time impact of the change in own pension scheme (€15 million) partly offset by higher commissions resulting from a change to an independent sales organization for tied agents from January 1, 2008 and slightly increased commission rates for Group Life business.

Amortization of VBI decreased by €8 million (-44%) to €-10 million. On a constant exchange rate basis, amortization of VBI decreased by €8 million (-45%) mainly attributable to Individual Life thanks to a positive unlocking effect of €5 million.

The Underlying cost income ratio improved by 7.7 points to 40.1%.

Income tax expenses remained stable at €-28 million.

Underlying earnings increased by €11 million (+14%) to €93 million. On a constant exchange rate basis, underlying earnings increased by €10 million (+12%).

Adjusted earnings decreased by €51 million (-63%) to €30 million. On a constant exchange rate basis, adjusted earnings decreased by €51 million (-64%), resulting from higher capital losses and impairments (€-61 million) mainly on equities partly offset by the increase in underlying earnings (€+10 million).

Net income decreased by €120 million to €-24 million. On a constant exchange rate basis, net income decreased by €119 million, due to lower adjusted earnings (€-51 million), lower change in fair value of assets under fair value option (€-24 million) due to convertible bonds (€-10 million) and equities (€-14 million), and lower foreign currency impact and related derivatives (€-43 million).

Life & Savings operations – Belgium

(in Euro million)

	HY 2008	HY 2007	FY 2007
Gross revenues	**1,602**	**1,629**	**3,075**
APE (group share)	*154*	*183*	*340*
Investment margin	100	84	143
Fees & revenues	76	77	162
Net technical margin	37	33	57
Expenses	(122)	(124)	(252)
Amortization of VBI	(2)	(1)	(3)
Underlying operating earnings before tax	**89**	**69**	**107**
Income tax expenses / benefits	(5)	3	(17)
Minority interests	(0)	(0)	(0)
Underlying earnings group share	**84**	**72**	**90**
Net capital gains or losses attributable to shareholders net of income tax	(32)	188	206
Adjusted earnings group share	**52**	**260**	**297**
Profit or loss on financial assets (under FV option) & derivatives	(133)	(20)	(93)
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	(1)	-	-
Integration costs	(4)	(2)	(13)
Net income group share	**(85)**	**237**	**191**

Gross revenues decreased by €27 million (-2%) to €1,602 million. On a comparable basis, gross revenues decreased by €26 million (-2%) to €1,600 million with a 6% fall in Individual life offset by a 19% increase in Group Life:

– *Individual Life and Savings revenues (79% of gross revenues)* decreased by 6% to €1,264 million driven by unit-linked products (-36% to €136 million) due to the lower performance of the structured products. The non unit-linked products'revenues remained stable at €995 million. Traditional life products revenues fell by 2% to €132 million.
– *Group Life and Savings revenues (21% of gross revenues)* increased by 19% to €338 million due to a non recurring premium of €50 million.

APE decreased by €29 million (-16%) to €154 million due to a decrease in Individual life sales (-19% to €136 million) for both unit-linked and non unit-linked products partly offset by higher sales in Group Life (+23% to €18 million).

Investment margin increased by €16 million (+19%) to €100 million due to the rise in underlying investment income driven by fixed maturities, and to a 10 bps decrease of the average credited rate, including policyholder bonus.

Fees & revenues decreased by €1 million (-1%) to €76 million.

Net technical margin rose by €4 million (+11%) to €37 million mainly due to a lower mortality policyholder bonus and the underlying result of the hedging program on Twinstar.

Expenses decreased by €1 million (-1%) to €-122 million due to the drop of overhead costs (€+3 million) partly offset by the rise of the override commissions.

Amortization of VBI increased by €1 million (+47%) to €-2 million.

The **Underlying cost income ratio** improved by 5.9 points to 58.4% due to the rise of the underlying investment and technical margins.

Income tax expenses increased by €8 million (-269%) to €-5 million.

Underlying earnings increased by €11 million (+16%) to €84 million as a result of higher underlying investment margin (€+16 million) and technical margin (€+4 million) partly offset by higher taxes (€-8 million).

Adjusted earnings decreased by €208 million (-80%) to €52 million mainly driven by a a strong increase of impairments on equities related to segregated funds as a consequence of the poor performance of stock market, partly offset by the rise in underlying earnings.

Net income decreased by €323 million (-136%) to €-85 million mainly due to the decrease of the adjusted earnings (€-208 million), and to unfavorable change in fair value on fixed income mutual funds under fair value option due to credit spread increase (€-99 million). Winterthur integration costs increased by €2 million to €-4 million.

Life & Savings operations – Mediterranean Region

(in Euro million)

	HY 2008	HY 2007	FY 2007
Gross revenues	**2,794**	**937**	**1,924**
APE (group share)	*204*	*84*	*206*
Investment margin	92	47	91
Fees & revenues	120	82	172
Net technical margin	25	32	52
Expenses	(145)	(97)	(205)
Amortization of VBI	(12)	(5)	(9)
Underlying operating earnings before tax	**80**	**59**	**100**
Income tax expenses / benefits	(22)	(16)	(21)
Minority interests	(16)	(3)	(6)
Underlying earnings group share	**43**	**40**	**73**
Net capital gains or losses attributable to shareholders net of income tax	10	8	19
Adjusted earnings group share	**53**	**49**	**92**
Profit or loss on financial assets (under FV option) & derivatives	(11)	0	(0)
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	(0)	(0)	(0)
Integration costs	(2)	(4)	(8)
Net income group share	**39**	**45**	**84**

The scope of the following analysis includes Italy (AXA MPS with a P&L fully consolidated as of 01/01/2008 and an opening balance sheet as of 31/12/2007), Spain, Portugal, Greece, Turkey and Morocco. For volume indicators, the comparable basis reflects this scope, for both 2007 and 2008.
Seguros ING is out of the scope for HY closing as it will be consolidated in the second half of 2008.

Gross revenues increased by €1,856 million (+198%) to €2,794 million. On a comparable basis, gross revenues increased by €194 million (+7%) driven by individual lines (€+184 million) mainly investment & savings following the increase in unit-linked sales (€+272 million) driven by new products (including Accumulator €+132 million) launched in Italy and Greece. This was partly offset by lower performance of non unit-linked, down €-92 million (-4%), notably with (i) AXA MPS lower sales, as a result of the strategy to focus on higher margin unit-linked products, (ii) lower sales of index-linked and lower activity with institutional clients in AXA Italy, and despite the good performance of traditional savings products in Spain.

APE increased by €120 million (+143%) to €204 million. On a comparable basis, APE decreased by €3 million (-2%) notably due to (i) lower volumes from AXA MPS (down -13%), switching production from less profitable traditional products to more innovative unit-linked products (Accumulator and Double Engine) in a context of declining market, and (ii) lower sales of index-linked and lower activity with institutional clients in AXA Italy. This was partly offset by stronger sales in traditional savings products in Spain.

Investment margin increased by €45 million (+97%) to €92 million of which €51 million from AXA MPS. Excluding AXA MPS, investment margin decreased by €-6 million (-12%) given slightly higher policyholder bonus rate driven by market competition.

Fees & revenues increased by €37 million (+45%) to €120 million mostly due to AXA MPS scope entry (€34 million).

Net technical margin fell by €7 million (-21%) to €25 million of which €3 million from AXA MPS. Excluding AXA MPS, net technical margin decreased by €-10 million, mainly driven by a less favorable mortality experience (€-8 million) notably on the Group life segment.

Expenses increased by €-48 million (+49%) to €-145 million of which €-48 million from AXA MPS. Excluding AXA MPS, expenses were flat.

Amortization of VBI increased by €7 million (+143%) to €-12 million, of which €-8 million from AXA MPS.

The Underlying cost income ratio increased by 2.8 points to 66.2%. Excluding AXA MPS, the underlying cost income ratio increased by 4.1 points (to 67.6%). The cost income ratio in AXA MPS amounted to 63.8%.

Income tax expenses increased by €5 million (+34%) to €-22 million of which €-8 million from AXA MPS. Excluding AXA MPS, income tax expenses decreased by €2 million (down to €-14 million), due to a lower pre-tax earnings and lower tax rates in Spain, Italy and Morocco.

Minority Interests increased by €13 million (+38%) to €-16 million of which €12 million from AXA MPS.

Underlying earnings increased by €3 million (+7%) to €43 million of which €12 million from AXA MPS.

Adjusted earnings increased by €4 million (+9%) to €53 million of which €9 million from AXA MPS. Excluding AXA MPS, adjusted earnings decreased by €4 million (-9%) to €44 million driven by lower underlying earnings (€-9 million) partly offset by higher net capital gains (€+5 million).

Net income decreased by €6 million (-13%) to €39 million of which €8 million from AXA MPS. Excluding AXA MPS, net income decreased by €-14 million (-31%) driven by lower adjusted earnings and the change in fair value on assets under fair value option.

Life & Savings Operations - Other Countries

The following tables present the operating results for the other Life & Savings operations of AXA:

Consolidated Gross Revenues

(in Euro million)

	HY 2008	HY 2007	FY 2007
Australia / New Zealand	801	678	1,384
Hong Kong	533	616	1,257
Central and Eastern Europe	230	202	423
Other countries	221	237	443
Canada	55	59	122
Luxembourg	32	30	64
South East Asia (a)	134	148	257
TOTAL	**1,785**	**1,733**	**3,507**
Intercompany transactions	(1)	(0)	-
Contribution to consolidated gross revenues	**1,784**	**1,733**	**3,507**

(a) Includes Indonesia and Singapore.

Underlying, Adjusted earnings and Net Income

(in Euro million)

	HY 2008	HY 2007	FY 2007
Australia / New Zealand	48	47	99
Hong Kong	64	59	126
Central and Eastern Europe	6	2	(0)
Other countries	11	5	12
Canada	4	2	2
Luxembourg	2	2	4
South East Asia and China (a)	4	0	5
UNDERLYING EARNINGS	**128**	**112**	**237**
Net realized capital gains or losses attributable to shareholders	(65)	38	83
ADJUSTED EARNINGS	**63**	**150**	**319**
Profit or loss on financial assets (under Fair Value option) & derivatives	(6)	3	(10)
Exceptional operations (including discontinued operations)	-	54	(0)
Goodwill and related intangibles impacts	(1)	(1)	(2)
Integration costs	-	(1)	(3)
NET INCOME	**56**	**205**	**304**

(a) South East Asia includes Indonesia, Thailand, Philippines and Singapore.

AUSTRALIA AND NEW ZEALAND [6]

Gross revenues increased by €123 million (+18%) to €801 million. On a comparable basis, gross revenues increased by €128 million (+19%):

- *Gross written premiums and fees* (79% of gross revenues) increased by €126 million (+26% on a comparable basis) to €629 million, mainly driven by significant wholesale single premiums in wealth management guaranteed savings products (within the life company) reflecting the recent investors' trend to seek more conservative investments given market volatility;
- *Revenues from mutual fund and advice business* (21% of gross revenues) decreased by €3 million (-1%) to €165million due to a decline in funds under management levels resulting from market volatility.

APE decreased by €53 million (-20%) to €212 million. On a comparable basis, APE decreased by €55 million (-21%) mainly due to a drop in Mutual Fund net sales and Alliance Bernstein Joint Venture sales following current negative market conditions and the favorable legislation change in 2Q07 (peak in sales last year). These negative impacts were offset by the inclusion of some significant wholesale premiums (€+11 million) in 1H08 from institutional clients seeking more conservative investments, and by Accumulator product sales.

Underlying earnings increased by 1% to €48 million. On a constant exchange rate basis, underlying earnings increased by €1 million (+2%). On a 100% ownership basis, the evolution of underlying earnings was as follows:

- **Investment margin** decreased by €8 million (-59%) to €6 million. On a constant exchange rate basis, investment margin decreased by €8 million (-59%) due to lower returns on shareholders assets.
- **Fees & revenues** were in line with last year at €354 million. On a constant exchange rate basis, fees & revenues increased by €2 million (+1%) due to higher revenues in financial protection, partially offset by lower fees from lower average funds under management and lower sales in Wealth Management, following changes in Superannuation legislation in 2007 and due to 2008 investment market volatility.
- **Net technical margin** rose by €35 million from €-7 million to €28 million. On a constant exchange rate basis, net technical margin increased by €35 million driven by one-off actuarial refinements mainly in individual income protection liabilities, partially offset by less favorable claims experience.
- **Expenses** increased by €4 million (+1%) to €-264 million. On a constant exchange rate basis, expenses increased by €5 million (+2%) mainly due to higher commissions on individual and Group life products, partially offset by higher deferred acquisition costs in income protection.
- **Amortization of VBI** increased by €4 million (+93%) to €-9 million. On a constant exchange rate basis, amortization of VBI increased by €4 million (+94%) due to lower assets under management.

Adjusted earnings decreased by €76 million (-114%) to €-9 million. On a constant exchange rate basis, adjusted earnings decreased by €76 million (-114%) due to higher realized losses and impairments driven by the recent market losses.

Net income decreased by €82 million (-118%) to €-12 million. On a constant exchange rate basis, net income decreased by €82 million (-118%) driven by adjusted earnings and by assets under fair value option.

HONG-KONG[7]

Gross revenues decreased by €84 million (-14%) to €533 million. On a comparable basis, gross revenues decreased by €6 million (-1%) mainly due to an increase in Life product sales (€21 million) and in Group Insurance products (€6 million), partly offset by a decrease in total investment & savings products (€-36 million) given market conditions.

[6] *AXA interest in AXA Asia Pacific Group is 53.91% broken down into 53.15% direct interest holding and an additional 0.77% owned by the AAPH Executive plan trust*

[7] *AXA interest in AXA Asia Pacific Group is 53.91% broken down into 53.15% direct interest holding and an additional 0.77% owned by the AAPH Executive plan trust*

APE decreased by €13 million (-19%) to €56 million. On a comparable basis, APE decreased by €6 million (-8%), due to a decrease in investment & savings products (€-7 million), mainly from lower single premium unit-linked products, as a result of uncertain investment market conditions.

Underlying earnings increased by €5 million (+8%) to €64 million. On a constant exchange rate basis, underlying earnings increased by €14 million (+23%). On a 100% ownership basis, the increase was mainly explained by (i) an increase of the investment margin (€8 million) as a result of higher remuneration of the shareholder's assets, (ii) an increase of the net technical margin (€7 million), notably with the impact of the conversion of high guaranteed National Life products into other low guaranteed products and of a better claims experience, and (iii) a decrease in expenses (€+5 million) due to lower DAC net of commissions.

Adjusted earnings decreased by €12 million (-17%) to €61 million. On a constant exchange rate basis, adjusted earnings decreased by €3 million (-5%) driven by higher impairments as a result of the adverse investment market.

Net income decreased by €12 million (-16%) to €60 million. On a constant exchange rate basis, net income decreased by €3 million (-4%), in line with adjusted earnings.

CENTRAL AND EASTERN EUROPE

Gross revenues increased by €28 million (+14%) to €230 million. On a comparable basis, gross revenues increased by €10 million (+5%) mainly driven by Poland and Czech Republic.

Including sales from investment contracts and off balance sheet businesses, total revenues increased by €298 million (+42%) to €847 million mainly driven (i) by Poland (€ 450 million; +90%), benefiting from a new appetite on short term tax wrapper product (€165 million) and (ii) by Czech Republic (€183 million, +24%) benefiting from Mutual funds sales (€32 million, +1,042%) launched in the second quarter of 2007.

APE increased by €32 million (+72%) to €76 million. On a comparable basis, APE increased by €25 million (+57%) driven by Life & Savings business (€16 million), benefiting, despite the financial crisis, from the strong unit-linked sales (€26 million, +56%) and the positive contribution of pension funds business (€34 million, +12%). Main countries contributing to the growth were Poland (€45 million, +127%) and Czech Republic (€23 million, +33%).

Underlying earnings increased by €4 million to €6 million, mainly due to an increase in fees and revenues (€+10 million), partly offset by higher administrative expenses (€-5 million) to develop distribution networks.

Overall, **the underlying cost income** improved by 10.2 points to 83.1%.

Adjusted earnings decreased by €1 million to €3 million, as higher underlying earnings and higher capital gains (€3 million) were more than offset by impairment on equities (€-8 million) mainly in Czech Republic.

Net income was stable at €2 million as lower adjusted earnings were offset by lower Winterthur integration costs.

CANADA

Gross revenues decreased by €4 million (-6%) to €55 million. On a comparable basis, gross revenues decreased by €2 million (-4%) mainly due to lower revenues on mutual funds (€-4 million), following the sale of AXA Services Financiers in 2007, partly offset by growth in Group health (€+2 million).

Underlying earnings increased by €2 million on a constant exchange rate basis to €4 million mainly due to higher investment margin and lower expenses.

Adjusted earnings and net income remained stable on a constant exchange rate basis at €4 million, including €1 million impairments.

SOUTH EAST ASIA AND CHINA

APE of *South East Asia* [8] entities increased by €11 million (+37%) on a comparable basis[9] to €36 million, reflecting the growth in agency sales force numbers and improvements in productivity.

Underlying earnings and adjusted earnings increased by €5 million on a constant exchange rate basis to €4 million. Excluding China, they increased by €7 million as a consequence of higher volume, product repricing, better claim experience and a reduction in expenses.

Net income increased by €1 million (+66%) on a constant exchange rate basis to €2 million. Excluding China, net income increased by €3 million in line with underlying and adjusted earnings evolution.

[8] *The scope of the following analysis includes: Indonesia, Singapore, Thailand, Philippines and China. Thailand, Philippines, China and AXA Mandiri in Indonesia are consolidated with the equity method. China was not consolidated in HY 2007 but starting end of 2007.*

[9] *All SEA entities reported APE for the first time end of 2007.*

Property & Casualty Segment

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

Property and Casualty Segment (a)

(in Euro million)

	HY 2008	HY 2007	FY 2007
Gross written premiums	14,589	14,328	25,101
Fees and revenues from investment contracts without participating feature	-	-	-
Revenues from insurance activities	**14,589**	**14,328**	**25,101**
Net revenues from banking activities	**-**	**-**	**-**
Revenues from other activities	***52***	***36***	***79***
TOTAL REVENUES	**14,641**	**14,363**	**25,180**
Change in unearned premium reserves net of unearned revenues and fees	***(2,132)***	***(2,260)***	***(362)***
Net investment result excluding financing expenses	***1,161***	***1,113***	***2,057***
Technical charges relating to insurance activities	(8,192)	(8,266)	(16,702)
Net result of reinsurance ceded	(360)	(263)	(599)
Bank operating expenses	-	-	-
Insurance acquisition expenses	(2,239)	(2,202)	(4,634)
Amortization of value of purchased life business in force	-	-	-
Administrative expenses	(1,266)	(1,172)	(2,274)
Valuation allowances on tangible assets	(1)	3	4
Change in value of goodwill	-	-	-
Other	0	(10)	(24)
Other operating income and expenses	**(12,058)**	**(11,910)**	**(24,229)**
INCOME FROM OPERATING ACTIVITIES, GROSS OF TAX EXPENSE	**1,613**	**1,307**	**2,647**
Net income from investments in affiliates and associates	3	6	5
Financing expenses	(5)	(5)	(13)
OPERATING INCOME GROSS OF TAX EXPENSE	**1,610**	**1,308**	**2,639**
Income tax expense	(452)	(324)	(726)
Minority interests in income or loss	(25)	(21)	(50)
UNDERLYING EARNINGS	**1,133**	**963**	**1,863**
Net realized capital gains or losses attributable to shareholders	136	296	562
ADJUSTED EARNINGS	**1,269**	**1,259**	**2,425**
Profit or loss on financial assets (under fair value option) & derivatives	(192)	(27)	4
Exceptional operations (including discontinued operations)	2	17	(2)
Goodwill and other related intangible impacts	(27)	(26)	(67)
Integration costs	(24)	(25)	(142)
NET INCOME	**1,028**	**1,198**	**2,218**

(a) Before intercompany transactions

Consolidated Gross Revenues

(in Euro million)

	HY 2008	HY 2007	FY 2007
France	3,054	2,945	5,377
United Kingdom & Ireland	2,415	2,758	5,111
Germany	2,218	2,227	3,531
Belgium	1,165	1,174	2,130
Mediterranean Region (a)	3,004	2,719	5,298
Switzerland	1,811	1,800	1,981
Other countries	974	740	1,752
TOTAL	**14,641**	**14,363**	**25,180**
Intercompany transactions	(122)	(169)	(164)
Contribution to consolidated gross revenues	**14,519**	**14,195**	**25,016**

(a) Mediterranean Region includes Italy, Spain, Portugal, Greece, Turkey, Morocco and Gulf Region.

Underlying, Adjusted earnings and Net Income

(in Euro million)

	HY 2008	HY 2007	FY 2007
France	254	237	426
United Kingdom & Ireland	174	129	262
Germany	173	158	325
Belgium	107	108	216
Mediterranean Region (a)	243	191	362
Switzerland	131	73	125
Other countries	52	67	147
UNDERLYING EARNINGS	**1,133**	**963**	**1,863**
Net realized capital gains or losses attributable to shareholders	136	296	562
ADJUSTED EARNINGS	**1,269**	**1,259**	**2,425**
Profit or loss on financial assets (under Fair Value option) & derivatives	(192)	(27)	4
Exceptional operations (including discontinued operations)	2	18	(2)
Goodwill and related intangibles impacts	(27)	(26)	(67)
Integration costs	(24)	(25)	(142)
NET INCOME	**1,028**	**1,198**	**2,218**

(a) Mediterranean Region includes Italy, Spain, Portugal, Greece, Turkey, Morocco and Gulf Region.

Property & Casualty Operations – France

(in Euro million)

	HY 2008	HY 2007	FY 2007
Gross revenues	**3,054**	**2,945**	**5,377**
Current accident year loss ratio (net)	76.8%	76.1%	74.3%
All accident year loss ratio (net)	71.9%	73.0%	72.7%
Net technical result	**756**	**705**	**1,467**
Expense ratio	25.0%	24.2%	24.2%
Net investment result	307	293	495
Underlying operating earnings before tax	**390**	**367**	**657**
Income tax expenses / benefits	(136)	(129)	(230)
Net income from investments in affiliates and associates	-	-	-
Minority interests	(0)	(0)	(0)
Underlying earnings group share	**254**	**237**	**426**
Net capital gains or losses attributable to shareholders net of income tax	24	32	93
Adjusted earnings group share	**278**	**269**	**519**
Profit or loss on financial assets (under FV option) & derivatives	(91)	(14)	34
Exceptional operations (including discontinued operations)	(4)	-	-
Goodwill and other related intangibles impacts	-	-	-
Integration costs	-	-	-
Net income group share	**184**	**255**	**553**

Gross revenues increased by €109 million (+4%) to €3,054 million. On a comparable basis, gross revenues increased by €86 million or +3%:

- *Personal lines* (59% of gross revenues) increased by 3% to €1,788 million mainly reflecting higher net inflows in Motor (+74 k new contracts) in a competitive market and positive net inflows in Household (+26 k) combined with an increase in the average premium.
- *Commercial lines* (41% of gross revenues) increased by 3% to €1,233 million driven by development in Construction (+13%). In competitive markets, the increase in Property and Liability reached respectively +2% and +3%.

Net Technical Result increased by €51 million (+7%) to €756 million:

- *Current accident year loss ratio* increased by 0.7 point to 76.8% reflecting (i) the shift towards longer tail business (Construction and Liability) leading to higher claims handling costs and (ii) an increase in Personal Motor current accident year loss ratio due to pressures on tariffs while average claim costs slightly increased.
- *Prior accident year net technical result* improved by €51 million to €132 million reflecting a higher prior year positive reserves development (Motor, Property, Construction) despite the strengthening of the reserves.

As a consequence, *the all accident year loss ratio* improved by 1.1 points to 71.9%.

Expense ratio rose by 0.8 point to 25.0% due to (i) change in business mix towards products with higher commission rate, (ii) reclassification of charges from technical result to commission expenses on Financial Guarantees contracts and (iii) Nationale Suisse Assurance integration costs.

As a result, the **combined ratio** improved by 0.3 point to 96.9%.

Net investment result increased by €14 million (+5%) to €307 million mainly driven by higher asset yield resulting from increased Private Equity fund dividends and higher bonds revenues.

Income tax expenses were up €+6 million (+5%) to €-136 million in line with increased taxable operating income.

Underlying earnings increased by €17 million (+7%) to €254 million as the result of an improved combined ratio and the rise in the net investment result.

Adjusted earnings improved by €9 million (+4%) to €278 million reflecting the underlying earning increase and lower net realized gains.

Net income decreased by €71 million (-28%) to €184 million despite the positive impact of adjusted earnings, driven mostly by a €-103 million unfavorable change in fair value, mainly on mutual funds exposed to credit, partly offset by a €35 million gain corresponding to the cancellation of deferred tax liabilities on assets under fair value option overestimated in previous years.

Property & Casualty Operations - United Kingdom & Ireland

(in Euro million)

	HY 2008	HY 2007	FY 2007
Gross revenues	**2,415**	**2,758**	**5,111**
Current accident year loss ratio (net)	68.0%	72.7%	71.8%
All accident year loss ratio (net)	62.5%	68.3%	66.4%
Net technical result	**856**	**780**	**1,663**
Expense ratio	35.7%	34.0%	35.0%
Net investment result	174	185	380
Underlying operating earnings before tax	**216**	**127**	**311**
Income tax expenses / benefits	(42)	1	(49)
Net income from investments in affiliates and associates	-	-	-
Minority interests	(0)	(0)	(1)
Underlying earnings group share	**174**	**129**	**262**
Net capital gains or losses attributable to shareholders net of income tax	(55)	26	71
Adjusted earnings group share	**118**	**154**	**333**
Profit or loss on financial assets (under FV option) & derivatives	(4)	0	(5)
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	(10)	(4)	(17)
Integration costs	-	-	(4)
Net income group share	**105**	**150**	**307**
Average exchange rate : 1.00 € = £	*0.7753*	*0.6748*	*0.6845*

Gross revenues decreased by €344 million (-12%) to €2,415 million. On a comparable basis, gross revenues were down €-11 million (0%):

- *Personal lines* (50% of gross revenues) were down -1% to €1,217 million. Motor was down -5% due to increased competition in intermediated business despite further growth in new business written through the internet platform Swiftcover and competition in Ireland driving down average premiums and lowering renewals. Non Motor was up +1% driven by +4% volume-related growth in Property and +3% in Health attributable to higher average premiums following rating increases in Private Medical Insurance, partly offset by a 9% reduction in Travel.
- *Commercial lines* (47% of gross revenues) were down -2% to €1,144 million. Motor was broadly stable. Non Motor was down -2% reflecting a deterioration across most business lines due to difficult market conditions partly offset by volume growth in Health.
- *Other lines* (2% of gross revenues) increased by €21 million to €54 million mainly reflecting growth in distribution business.

Net Technical Result increased by €75 million (+10%) to €856 million. On a constant exchange rate basis, net technical result increased by €195 million (+25%):

- C*urrent accident year loss ratio* decreased by 4.9 points to 68.0%, as a result of the non recurring 2007 adverse weather events, including the January storms (-2.1 points) and June floods (-4.7 points), notably offset by deterioration in Motor reflecting increased injury claims and inflation in third party damage claims in the UK, and the impact of lower average premiums in Ireland.
- A*ll accident year loss ratio* decreased by 6.0 points to 62.5% reflecting the improvement in current accident year loss ratio combined with €33 million (1.1 point) favorable development in prior years reserves.

Expense ratio rose by 1.8 point to 35.7% due to (i) growth in Swiftcover (+0.7 point) including increased marketing spend, (ii) legal fees relating to regulatory reviews (+0.6 point) and (iii) the impact of inflationary increases and higher IT spend (+0.5 point).

As a result, the **combined ratio** improved by 4.2 points to 98.2%.

Net investment result decreased by €11 million (-6%) to €174 million. On a constant exchange rate basis, net investment result increased by €8 million (+4%) as a result of increased average returns (higher bond yields) partially offset by lower asset base following reduction in operational cash-flow due to the funding of claims from 2007 floods.

Income tax expenses increased by €43 million to €-42 million. On a constant exchange rate basis, income tax expenses increased by €48 million reflecting the improvement in pre-tax earnings and a €20 million decrease in positive tax one off, offset by the reduction in the UK corporation tax rate.

Underlying earnings increased by €45 million (+35%) to €174 million. On a constant exchange rate basis, underlying earnings increased by €65 million (+51%) primarily due to non recurrence of the adverse weather events experienced in half year 2007.

Adjusted earnings decreased by €36 million (-23%) to €118 million. On a constant exchange rate basis, adjusted earnings decreased by €24 million (-15%) with the increase in underlying earnings being offset by a €6 million reduction in realized capital gains and an €83 million increase in impairment on equities and to a lower extent on real estate.

Net income decreased by €46 million (30%) to €105 million. On a constant exchange rate basis, net income decreased by €35 million (-23%) reflecting adjusted earnings evolution and a €7 million higher customer intangible amortization related to brokers' acquisition.

Property & Casualty Operations – Germany

(in Euro million)

	HY 2008	HY 2007	FY 2007
Gross revenues	**2,218**	**2,227**	**3,531**
Current accident year loss ratio (net)	76.7%	78.9%	78.7%
All accident year loss ratio (net)	66.7%	71.2%	69.0%
Net technical result	**583**	**503**	**1,094**
Expense ratio	31.3%	29.7%	29.3%
Net investment result	201	191	339
Underlying operating earnings before tax	**235**	**174**	**401**
Income tax expenses / benefits	(64)	(13)	(74)
Net income from investments in affiliates and associates	3	3	5
Minority interests	(1)	(6)	(7)
Underlying earnings group share	**173**	**158**	**325**
Net capital gains or losses attributable to shareholders net of income tax	72	76	92
Adjusted earnings group share	**244**	**234**	**416**
Profit or loss on financial assets (under FV option) & derivatives	(45)	2	29
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	-	-	-
Integration costs	(6)	(1)	(36)
Net income group share	**194**	**235**	**410**

Gross revenues decreased by €9 million (0%) to €2,218 million. On a comparable basis, gross revenues decreased by €2 million (0%):

- *Personal lines* (63% of gross revenues) decreased by 1% as a result of contract losses in Motor in the context of market price pressure partly offset by growth in Property mainly due to the packaged product 'Profischutz' for professionals as well as tariffs increase.
- *Commercial lines* (31% of gross revenues) decreased by 1% mainly due to price competition in Property.
- *Other lines* (5% of gross revenues) increased by 14% due to growth in Assumed business and in AXA ART following the commercial success of the product Art Plus.

Net Technical Result increased by €80 million (+16%) to €583 million:

- *Current accident year loss ratio* decreased by 2.2 points to 76.7% driven by a lower impact of natural events as 1H08 impact of Emma storm amounted to 1.4 points while 1H07 Kyrill storm impact amounted to 3.8 points.
- *All accident year loss ratio* decreased by 4.5 points to 66.7% due to the improved current accident year loss ratio and a positive prior year reserve development.

Expense ratio rose by 1.6 points to 31.3% mainly as a result of higher acquisition costs (staff costs and marketing expenses) in order to sustain premium level in a shrinking market, and an insurance tax provision following a tax audit (€7 million).

As a result, the **combined ratio** improved by 2.9 points to 98.0%.

Net investment result rose by €10 million (+5%) to €201 million mainly explained by higher income from fixed maturities partly offset by lower dividends from equities.

Income tax expenses increased by €51 million to €-64 million due to improved combined ratio and investment income, and the non repeat of the €42 million release of tax provision in 2007 after the positive outcome of a tax audit, partly offset by the lower tax rate in 2008 compared to prior year (32% compared to 40%).
Underlying earnings increased by €15 million (+10%) to €173 million mainly driven by the positive development of combined ratio and investment income, partially offset by higher tax expenses.

Adjusted earnings increased by €11 million (+5%) to €244 million due to higher underlying earnings partly offset by

lower net capital gains and losses.

Net income decreased by €41 million (-18%) to €194 million due to unfavorable change in fair value of financial assets under fair value option, mainly due to increased interest rates and corporate spread widening, and negative impact of foreign exchange exposure, as well as higher Winterthur integration costs.

Property & Casualty Operations – Belgium

(in Euro million)

	HY 2008	HY 2007	FY 2007
Gross revenues	**1,165**	**1,174**	**2,130**
Current accident year loss ratio (net)	79.5%	79.6%	77.6%
All accident year loss ratio (net)	69.5%	68.9%	67.5%
Net technical result	**324**	**330**	**693**
Expense ratio	28.5%	29.5%	29.8%
Net investment result	131	132	235
Underlying operating earnings before tax	**151**	**148**	**290**
Income tax expenses / benefits	(43)	(39)	(73)
Net income from investments in affiliates and associates	-	-	-
Minority interests	(0)	(0)	(0)
Underlying earnings group share	**107**	**108**	**216**
Net capital gains or losses attributable to shareholders net of income tax	86	79	119
Adjusted earnings group share	**194**	**187**	**335**
Profit or loss on financial assets (under FV option) & derivatives	(22)	(4)	(29)
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	(0)	-	-
Integration costs	(9)	(6)	(34)
Net income group share	**161**	**177**	**272**

Gross revenues decreased by €8 million (-1%) to €1,165 million. On a comparable basis, gross revenues increased by €6 million (+1%) to €1,155 million:

- *Personal lines* revenues (61% of gross revenues) were up +1% driven by +1% increase in non Motor mainly resulting from price increase and lower volume in Property.
- *Commercial lines* revenues (39% of gross revenues) were stable at €446 million for both Motor and non Motor.

Net Technical Result decreased by €6 million (-2%) to €324 million:

- *Current accident year loss ratio* improved by 0.1 point to 79.5% mainly due to the non-recurrence of 2007 Kyrill storm partly offset by a deterioration in Motor.
- A*ll accident year loss ratio* deteriorated by 0.7 point to 69.5% as a result of a lower prior years result (€-8 million) partly offset by the improvement of the current accident year loss ratio.

Expense ratio improved by 1.1 point to 28.5% with an acquisition ratio down -0.8 point driven by lower non commission expenses, partly offset by higher override commissions, and an administrative expense ratio down -0.3 point.

As a result, the **combined ratio** improved by 0.4 point to 98.0%.

Net investment result decreased by €1 million (-1%) to €131 million driven by lower asset yield resulting from the change in assets mix.

Income tax expenses increased by €4 million (+10%) to €-43 million.

Underlying earnings decreased by €1 million (-1%) to €107 million.

Adjusted earnings increased by €6 million (+3%) to €194 million as higher realized capital gains were offset by higher impairments.

Net income decreased by €15 million (-9%) to €161 million mainly as a result of an unfavorable change in fair value

on fixed income mutual funds under fair value option due to credit spread increase (€-22 million).

Property & Casualty Operations – Mediterranean Region

(in Euro million)

	HY 2008	HY 2007	FY 2007
Gross revenues	**3,004**	**2,719**	**5,298**
Current accident year loss ratio (net)	74.0%	75.0%	76.5%
All accident year loss ratio (net)	69.0%	71.8%	72.1%
Net technical result	**868**	**713**	**1,453**
Expense ratio	24.7%	24.0%	23.3%
Net investment result	195	194	351
Underlying operating earnings before tax	**369**	**300**	**591**
Income tax expenses / benefits	(105)	(94)	(195)
Net income from investments in affiliates and associates	-	-	-
Minority interests	(22)	(14)	(34)
Underlying earnings group share	**243**	**191**	**362**
Net capital gains or losses attributable to shareholders net of income tax	38	63	172
Adjusted earnings group share	**281**	**254**	**534**
Profit or loss on financial assets (under FV option) & derivatives	(12)	(6)	(16)
Exceptional operations (including discontinued operations)	6	-	(2)
Goodwill and other related intangibles impacts	(3)	(14)	(28)
Integration costs	(5)	(17)	(60)
Net income group share	**266**	**217**	**428**

The scope of the following analysis includes Italy (AXA MPS with a P&L fully consolidated as of 01/01/2008 and an opening balance sheet as of 31/12/2007), Spain, Portugal, Greece, Turkey, Gulf region (consolidated as of 01/01/2008) and Morocco. For volume indicators the comparable basis reflects this scope, for both 2007 and 2008. Seguros ING is out of the scope for HY closing as it will be consolidated in the second half of 2008.

Gross revenues increased by €285 million (+10%) to €3,004 million. On a comparable basis, gross revenues increased by €185 million (+7%) driven by the fast developing countries (Gulf Region and Turkey):

- *Personal lines* (69% of gross revenues) increased by 6% to €2,087 million. Motor business (+5%) benefited from positive volume effect (net inflows amounted to 230k contracts) despite the drop of car sales in the main markets with a flat average premium impacted by the strong competition in Spain, Italy and Portugal. Non Motor lines were up +7%, mainly due to Property and Health driven by the Spanish market.
- *Commercial lines* (31% of gross revenues) increased by 7% to €898 million driven by non motor lines (+9%), especially Health, up +43% (significant corporate contracts in the Gulf region) and Property, up +5% (SME's business), partly offset by Construction (-29%) impacted by the economic slowdown in Spain.

Net technical result increased by €155 million (+22%) to €868 million. On a constant exchange rate basis, net technical result increased by €163 million (+23%) driven by volume effect and the improvement of the loss ratio:

- *Current accident year loss ratio* decreased by 1.0 point to 74.0% driven by a better performance in (i) Commercial lines (notably lower large claims in Motor and Property) and (ii) Personal Motor mainly driven by repricing in Turkey and the actions to reduce claims cost in Italy.
- *Aall accident year loss ratio* decreased by 2.7 points to 69.0% thanks to the improvement of the current year loss ratio and to the favorable development of claims reserves from previous years (mainly Personal Motor lines)

Expense ratio rose by 0.7 point to 24.7% driven by (i) the acquisition ratio, up +0.2 point, due to the increase in marketing investments to support new business in a competitive environment partially offset by the commission ratio and (ii) an administrative expense ratio, up +0.5 point, mainly driven by the increase in IT costs and the preparation of the launch of a direct channel in Italy.

As a result, the **combined ratio** improved by 2.0 points to 93.8%.

Net investment result remained stable at €195 million as the higher bonds income (volume effect and interest rates increase) was offset by the financing of the purchase of the minority interests of our Turkish entities (effective in the second half of 2008) and lower equity dividends.

Income tax expenses increased by €10 million (+11%) to €-105 million. On a constant exchange rate basis, income tax expenses increased by €11 million, as the increase in pre-tax earnings amounting to €73 million (increasing income tax expenses by €22 million) was partly offset by the tax rate decrease in Spain, Italy and Morocco (decreasing income tax expense by €11 million).

Underlying earnings increased by €51 million (+27%) to €243 million. On a constant exchange rate basis, underlying earnings increased by €53 million.

Adjusted earnings increased by €26 million (+10%) to €281 million. On a constant exchange rate basis adjusted earnings increased by €29 million as the increase in underlying earnings was partly offset by higher impairment on equities.

Net income increased by €48 million (+22%) to €266 million. On a constant exchange rate basis, net income increased by €53 million mainly driven by (i) the increase in adjusted earnings (€+29 million), (ii) the impact of the first time consolidation of Gulf entities (one time recognition of past earnings, €+11 million) and (iii) the lower Winterthur integration costs (€+11 million).

Property & Casualty Operations – Switzerland

(in Euro million)

	HY 2008	HY 2007	FY 2007
Gross revenues	**1,811**	**1,800**	**1,981**
Current accident year loss ratio (net)	77.6%	79.0%	77.6%
All accident year loss ratio (net)	74.5%	74.4%	75.2%
Net technical result	**258**	**259**	**490**
Expense ratio	18.3%	23.3%	24.0%
Net investment result	95	71	142
Underlying operating earnings before tax	**168**	**92**	**159**
Income tax expenses / benefits	(36)	(19)	(33)
Net income from investments in affiliates and associates	-	-	-
Minority interests	(1)	(1)	(1)
Underlying earnings group share	**131**	**73**	**125**
Net capital gains or losses attributable to shareholders net of income tax	(32)	1	(6)
Adjusted earnings group share	**99**	**74**	**119**
Profit or loss on financial assets (under FV option) & derivatives	(17)	(6)	(10)
Exceptional operations (including discontinued operations)	-	(3)	(0)
Goodwill and other related intangibles impacts	(10)	(6)	(17)
Integration costs	(4)	(1)	(7)
Net income group share	**67**	**58**	**84**
Average exchange rate : 1.00 € = Swiss Franc	*1.6059*	*1.6313*	*1.6420*

Gross revenues increased by €11 million (+1%) to €1,811 million. On a comparable basis, gross revenues decreased by €17 million (-1%):

- *Personal lines* (50% of gross revenues) remained stable at €914 million reflecting the strong positive net new contracts partly offset by premium reduction in the context of a softening market.
- *Commercial lines* (50% of gross revenues) decreased by 2% to €909 million mainly driven by price pressure in Workers' compensation and Health, the loss of some important contracts in Workers' compensation and the liquidation of the Swiss aviation pool.

Net technical result slightly decreased to €258 million. On a constant exchange rate basis, net technical result decreased by €4 million (-2%):

- *Current accident year loss ratio* improved by 1.4 points to 77.6% mainly driven by non recurrence of large losses due to flood and hail events in June 2007.
- *All accident year net loss ratio* increased by 0.1 point to 74.5% reflecting a lower current year loss ratio offset by a decrease in prior years' results (€-16 million).

Expense ratio improved by 5.0 points to 18.3%, mainly due the one time impact of the change in own pension scheme (€35 million) and higher DAC capitalization resulting from the change to an independent sales organization for tied agents from January 1, 2008.

As a consequence, the **combined ratio** improved by 4.9 points to 92.8%.

Net investment result improved by €24 million (+34%) to €95 million. On a constant exchange rate basis, net investment result increased by €23 million driven by higher volume and investment return, mainly on bonds.

Income tax expenses were up €+17 million (+87%) to €-36 million. On a constant exchange rate basis, income tax expenses increased by €16 million driven by higher income.

Underlying earnings increased by €58 million (+80%) to €131 million. On a constant exchange rate basis, underlying earnings increased by €56 million.

Adjusted earnings improved by €25 million (+34%) to €99 million. On a constant exchange rate basis, adjusted earnings increased by €23 million reflecting higher underlying earnings partly offset by higher impairments (€-30 million) mainly on equities.

Net income increased by €9 million (+16%) to €67 million. On a constant exchange rate basis, net income increased by €8 million including change in fair value on invested assets designated at fair value option (€-7 million) due to equities, foreign currency impact and related derivatives (€-5 million) and higher amortization of customer intangible (€-4 million).

Property & Casualty Operations - Other Countries

Consolidated Gross Revenues

(in Euro million)

	HY 2008	HY 2007	FY 2007
Canada	531	520	1,085
Others	443	220	667
South Korea	171	-	203
Japan	95	87	167
Asia (excluding Japan) (a)	112	82	205
Luxembourg	55	46	80
Central and Eastern Europe	10	5	12
TOTAL	**974**	**740**	**1,752**
Intercompany transactions	(7)	(9)	(9)
Contribution to consolidated gross revenues	**966**	**731**	**1,743**

(a) Includes Hong Kong, Singapore and Malaysia (Malaysia has been fully consolidated for the first time in 2007).

Underlying, Adjusted earnings and Net Income

(in Euro million)

	HY 2008	HY 2007	FY 2007
Canada	49	58	125
Others	3	9	22
South Korea	(2)	-	3
Japan	(1)	(2)	0
Asia (excluding Japan) (a)	6	9	18
Luxembourg	6	6	12
Central and Eastern Europe	(6)	(4)	(10)
UNDERLYING EARNINGS	**52**	**67**	**147**
Net realized capital gains or losses attributable to shareholders	3	19	22
ADJUSTED EARNINGS	**55**	**86**	**169**
Profit or loss on financial assets (under Fair Value option) & derivatives	0	1	1
Exceptional operations (including discontinued operations)	-	20	-
Goodwill and related intangibles impacts	(4)	(1)	(5)
Integration costs	-	(0)	(1)
NET INCOME	**51**	**107**	**164**

(a) Includes Malaysia, Hong Kong and Singapore.

CANADA

Gross revenues were up €+11 million (+2%) to €531 million. On a comparable basis, gross revenues increased by €24 million (+5%) as a result of (i) €34 million growth in premiums mainly reflecting increased volume in personal motor and property lines partly offset by (ii) €-10 million resulting from the 24 month policies success in 2007 leading to less renewals in 2008.

Underlying earnings decreased by €9 million (-16%) to €49 million. On a constant exchange rate basis, underlying earnings decreased by €8 million (-14%) mainly resulting from a deterioration of the combined ratio by 4.0 points to 93.5% driven by adverse weather conditions.

Adjusted earnings decreased by €21 million (-30%) to €49 million. On a constant exchange rate basis, adjusted earnings decreased by €20 million (-29%) mainly reflecting lower underlying earnings (€-8 million), and €-12 million impairment on equities resulting from 2008 unfavorable financial market conditions.

Net income decreased by €26 million (-36%) to €46 million. On a constant exchange rate basis, net income decreased by €25 million mainly as a result of lower adjusted earnings (€-20 million) and increased foreign exchange losses (€-4 million) in 2008.

SOUTH KOREA

Gross revenues amounted to €171 million. On a comparable basis (Kyobo AXA contributed to last 6 months of 2007), gross revenues increased by €33 million (+19%), mainly driven by the Motor business, following the strong growth of the portfolio and tariff increases.

The **combined ratio** was 104.5%, with (i) an all accident year loss ratio at 80.6% including 4.1 points from unfavorable reserves development on prior years, and (ii) an expense ratio at 23.9%, benefiting from the tight monitoring of staff and administrative costs.

Underlying earnings and **adjusted earnings** were €-2 million.

Net income was €-4 million, including the amortization of the acquired portfolio.

JAPAN

Gross revenues increased by €8 million (+9%) to €95 million. On a comparable basis, gross revenues increased by €9 million (+10%), mainly driven by motor business growth (+12%).

The **combined ratio** improved by 1.2 point to 102.2%, following a 4.1 points decrease in the all accident year loss ratio due to favorable reserve developments on previous year, partly offset by a 2.9 points increase in the expense ratio mainly driven by higher administrative and marketing costs.

Underlying earnings and **adjusted earnings** increased by €1 million to €-1 million, in line with the improvement of the combined ratio.

Net income increased by €2 million to €0 million, mainly due to higher underlying earnings, combined with gains on mutual funds under fair value option.

ASIA (EXCLUDING JAPAN)

SINGAPORE

Gross revenues increased by €5 million (+9%) to €54 million. On a comparable basis, gross revenues increased by €7 million (+15%), mainly due to Private Motor. Other lines also benefited from some regulatory changes.

Current accident year loss ratio improved by 3.5 points to 66.8%, mainly driven by a better claims experience in Property, partly offset by higher Motor claims. **All accident year loss ratio** increased by 5.1 points to 64.8%, due to less favorable reserves development in Motor business.

As a result, the **combined ratio** deteriorated by 3.3 points to 94.4%.

Underlying earnings decreased by €1 million (-29%) to €3 million. On a constant exchange rate basis, underlying earnings decreased by €1 million (-26%) due to lower underwriting results and a reduction in the investment income.

Adjusted earnings decreased by €2 million (-28%) to €5 million. On a constant exchange rate basis, adjusted earnings decreased by €2 million (-25%) due to lower underlying earnings and lower capital gains.

Net income decreased by €2 million (-28%) to €5 million. On a constant exchange rate basis, net income decreased by €2 million (-25%) in line with adjusted earnings.

HONG KONG

Gross revenues decreased by €6 million (-19%) to €26 million. On a comparable basis, gross revenues decreased by €2 million (-8%), mainly due to the Motor business following strong market competition.

The **combined ratio** improved by 1.9 points to 101.9%, mainly due to a lower expense ratio in the Motor business and an improvement in underwriting results from the non recurrence of 2007 large claims partly offset by the 2008 'Black Rain' claims.

Underlying earnings were stable at €2 million.

Adjusted earnings decreased by €2 million (-31%) to €4 million. On a constant exchange rate basis, adjusted earnings decreased by €1 million (-21%), mainly due to €1 million reduction in realized gains from equities.

Net income decreased by €2 million (-33%) to €4 million. On a constant exchange rate basis, net income decreased by €1 million (-23%), in line with adjusted earnings.

MALAYSIA

Gross revenues amounted to €32 million. On a comparable basis, gross revenues increased by €4 million (+15%) mainly attributable to growth in Personal lines by €2 million and Commercial lines by €2 million.

Combined ratio reached 93.6% with some negative prior year developments (mainly in Motor).

Underlying earnings decreased by €2 million to €1 million, due to higher combined ratio.

Adjusted earnings decreased by €1 million to €2 million following lower underlying earnings.

Net income decreased by €1 million to €2 million, in line with adjusted earnings.

CENTRAL AND EASTERN EUROPE (POLAND)

Gross revenues increased by €4 million (+81%) to €10 million reflecting the positive development of the motor business.

Underlying Earnings and Adjusted Earnings decreased by €3 million to €-6 million mainly due to an increase in general expenses resulting from the recent launch of the activity.

Net income decreased by €1 million to €-5 million reflecting the underlying earnings evolution offset by a €1 million realized gain on foreign exchanges.

International Insurance Segment

The following tables present the consolidated gross revenues, underlying earnings, adjusted earnings and net income for the International Insurance Segment for the periods indicated:

Consolidated Gross Revenues

(in Euro million)

	HY 2008	HY 2007	FY 2007
AXA Corporate Solutions Assurance	1,234	1,214	1,823
AXA Cessions	61	60	69
AXA Assistance	407	392	809
Other (a)	40	887	1,002
TOTAL	**1,742**	**2,553**	**3,703**
Intercompany transactions	(69)	(64)	(135)
Contribution to consolidated gross revenues	**1,673**	**2,489**	**3,568**

(a) Including €-7 million in the first half 2008 (€826 million in the first half 2007 and €896 million in 2007) of business fronted by AXA RE and fully reinsured by Paris RE (fronting arrangement set in place from January 1, 2006 to September 30, 2007 in the context of the sale of AXA RE's business to Paris RE).

Underlying, Adjusted earnings and Net Income

(in Euro million)

	HY 2008	HY 2007	FY 2007
AXA Corporate Solutions Assurance	46	58	97
AXA Cessions	6	1	13
AXA Assistance	10	10	19
Other (a)	109	50	89
UNDERLYING EARNINGS	**172**	**119**	**218**
Net realized capital gains or losses attributable to shareholders	7	20	23
ADJUSTED EARNINGS	**179**	**139**	**241**
Profit or loss on financial assets (under Fair Value option) & derivatives	(24)	(13)	(1)
Exceptional operations (including discontinued operations)	-	1	3
Goodwill and related intangibles impacts	-	-	-
Integration costs	-	-	-
NET INCOME	**155**	**127**	**243**

(a) Including AXA RE and other non life run-off businesses managed by AXA Liabilities Managers and AXA RE Life.

AXA Corporate Solutions Assurance

(in Euro million)

	HY 2008	HY 2007	FY 2007
Gross revenues	**1,234**	**1,214**	**1,823**
Current accident year loss ratio (net) (a)	101.2%	91.2%	94.1%
All accident year loss ratio (net)	88.8%	88.1%	87.8%
Net technical result	**112**	**112**	**220**
Expense ratio	13.1%	12.4%	12.3%
Net investment result	83	97	163
Underlying operating earnings before tax	**64**	**92**	**161**
Income tax expenses / benefits	(17)	(34)	(63)
Net income from investments in affiliates and associates	-	-	-
Minority interests	(1)	(1)	(1)
Underlying earnings group share	**46**	**58**	**97**
Net capital gains or losses attributable to shareholders net of income tax	2	20	27
Adjusted earnings group share	**48**	**78**	**124**
Profit or loss on financial assets (under FV option) & derivatives	(23)	(9)	1
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	-	-	-
Integration costs	-	-	-
Net income group share	**25**	**70**	**125**

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

Gross revenues increased by €19 million (+2%) to €1,234 million. On a comparable basis, gross revenues increased by €66 million (+6%) driven by positive volume effect in Marine, Construction, Liability and Property, partly offset by tariff pressure.

Net technical result remained stable at €112 million.

- *Current accident year net technical result* decreased by €89 million to €-12 million reflecting several large losses in property (including natural events in China). Current year loss ratio reached 101.2% (+10 points).
- *The prior accident year net technical result* increased by €89 million to €123 million due to positive reserve developments in all lines of business.

As a consequence, the **all accident year loss ratio** increased by 0.8 point to 88.8%.

Expense ratio increased by 0.7 point to 13.1% resulting from commission increase mainly due to a change in business mix towards products with higher commission rate.

As a result, the **combined ratio** increased by 1.5 points to 101.9%.

Net investment result decreased by €14 million (-14%) to €83 million mostly due to a lower asset yield.

Income tax expenses decreased by €17 million (-50%) to €-17 million mainly reflecting the booking of deferred tax assets on prior year tax losses on foreign branches, together with a decrease in taxable result.

As a consequence, **underlying earnings** decreased by €12 million (-20%) to €46 million.

Adjusted earnings decreased by €30 million (-39%) to €48 million reflecting the underlying earnings decrease and €13 million lower net realized gains coupled with €6 million higher impairments in a context of volatile financial markets.

Net income decreased by €45 million (-64%) to €25 million reflecting the adjusted earnings negative impact combined with a €-22 million change in fair value on mutual funds exposed to credit, partly offset by a €6 million gain corresponding to the cancellation of deferred tax liabilities on assets under fair value option overestimated in previous years.

AXA Cessions

Underlying earnings increased by €5 million to €6 million driven by the €5 million improvement on the technical margin (2007 Kyrill storm impact was €-3 million).

Adjusted earnings increased by €5 million to €6 million in line with underlying earnings evolution.

Net income increased by €4 million to €5 million.

AXA Assistance

Gross Revenues increased by €15 million (+4%) to €407 million. On a comparable basis, gross revenues increased by €24 million (+7%).

Underlying Earnings and **Adjusted Earnings** were stable at €10 million while **Net Income** decreased by €3 million to €8 million.

Other international activities

Gross Revenues amounted to €40 million. On a comparable basis, gross revenues decreased by €6 million (-10%) mainly driven by the Life run-off activity (-6% to €35 million) and the Non-Life run-off activity (-24% to €2 million) managed by AXA Liabilities Managers.

Underlying Earnings increased by €59 million to €109 million. On a constant exchange rate basis, underlying earnings increased by €63 million mainly driven by (i) a €51 million pre-tax profit on settlements with two large cases, (ii) a lower asbestos reserves strengthening (€+32 million pre tax), and (iii) a positive tax impact (up €+16 million to €4 million) notably due to the booking of a deferred tax asset on past net operating losses in the US, partly offset by (i) lower positive non asbestos reserves development (down €-42 million to €58 million pre-tax) and (ii) losses on the life run-off portfolio (from €+20 million to €-4 million) driven by the stock market and unfavorable interest rate conditions on the Asset Based Reinsurance portfolio.

Adjusted Earnings increased by €66 million to €115 million. On a constant exchange rate basis, adjusted earnings increased by €70 million reflecting the underlying earnings increase together with a €+6 million net realized gains.

Net Income increased by €71 million to €116 million. On a constant exchange rate basis, net income increased by €75 million reflecting the adjusted earnings increase together with a €+6 million positive impact on foreign exchange.

Asset Management Segment

The following tables present the consolidated gross revenues, underlying earnings, adjusted earnings and net income for the Asset Management Segment for the periods indicated:

Consolidated Gross Revenues

(in Euro million)

	HY 2008	HY 2007	FY 2007
AllianceBernstein	1,402	1,625	3,277
AXA Investment Managers	891	987	2,006
TOTAL	**2,293**	**2,613**	**5,283**
Intercompany transactions	(191)	(206)	(420)
Contribution to consolidated gross revenues	**2,102**	**2,407**	**4,863**

Underlying, Adjusted earnings and Net Income

(in Euro million)

	HY 2008	HY 2007	FY 2007
AllianceBernstein	128	151	314
AXA Investment Managers	158	136	276
UNDERLYING EARNINGS	**285**	**286**	**590**
Net realized capital gains or losses attributable to shareholders	-	1	1
ADJUSTED EARNINGS	**285**	**287**	**591**
Profit or loss on financial assets (under Fair Value option) & derivatives	(93)	14	3
Exceptional operations (including discontinued operations)	10	(7)	(2)
Goodwill and related intangibles impacts	(4)	-	-
Integration costs	(1)	(2)	(5)
NET INCOME	**198**	**292**	**588**

AllianceBernstein

(in Euro million)

	HY 2008	HY 2007	FY 2007
Gross revenues	**1,402**	**1,625**	**3,277**
Net investment result	(26)	22	2
General expenses	(977)	(1,185)	(2,306)
Underlying operating earnings before tax	**400**	**463**	**973**
Income tax expenses / benefits	(132)	(143)	(313)
Minority interests	(140)	(169)	(346)
Underlying earnings group share	**128**	**151**	**314**
Net capital gains or losses attributable to shareholders net of income tax	-	1	1
Adjusted earnings group share	**128**	**152**	**315**
Profit or loss on financial assets (under FV option) & derivatives	(12)	-	-
Exceptional operations (including discontinued operations)	10	(7)	(2)
Goodwill and other related intangibles impacts	(4)	-	-
Integration costs	-	-	-
Net income group share	**122**	**145**	**313**
Average exchange rate : 1.00 € = $	*1.5309*	*1.3298*	*1.3699*

Assets under Management ("AUM") decreased by €89 billion from year end 2007 to €455 billion at the end of June 2008, driven by net outflows of €-4 billion (€-5 billion for Retail, €1 billion for Institutional), market depreciation of €-51 billion and negative exchange rate impact of €-34 billion.

Gross revenues decreased by €223 million (-14%) to €1,402 million. On a comparable basis, gross revenues decreased by €10 million (-1%), as the increase in management fees up +1% (€+15 million) driven by higher average asset under management (+0.5%, of which Global & International services +11%) and a favorable client and product mix, was offset by a decrease in performance fees down -71% (€-21 million) and distribution fees down -6% (€-10 million). Institutional Research Services continued to grow with fees up +13% (€20 million).

Net Investment result decreased by €48 million to €-26 million. On a constant exchange rate basis, net investment result decreased by €52 million, notably as a result of a decrease of €41 million in deferred compensation investment market value which is offset by general expenses.

General expenses decreased by €208 million (-18%) to €-977 million. On a constant exchange rate basis, general expenses decreased by €60 million (-5%) due to (i) compensation expenses (-6% or €-41 million) from deferred compensation market effect (which is offset by net investment result), and (ii) promotion and servicing (-6% or €-14 million) from lower sales.

The **Underlying cost income ratio** decreased by 1.0 point to 67.6%.

Income tax expenses decreased by €11 million (-8%) to €-132 million. On a constant exchange rate basis, income tax expenses increased by €9 million (+6%) due to a higher effective tax rate resulting from growth in earnings from foreign subsidiaries.

Underlying earnings decreased by €23 million (-15%) to €128 million. On a constant exchange rate basis, underlying earnings decreased by €4 million (-3%).

Adjusted earnings decreased by €24 million (-16%) to €128 million. On a constant exchange rate basis, adjusted earnings decreased by €5 million (-3%).
Net income decreased by €23 million (-16%) to €122 million. On a constant exchange rate basis, net income decreased by €4 million (-3%).

AXA Investment Managers ("AXA IM")

(in Euro million)

	HY 2008	HY 2007	FY 2007
Gross revenues	**891**	**987**	**2,006**
Net investment result	66	24	38
General expenses	(713)	(767)	(1,577)
Underlying operating earnings before tax	**244**	**244**	**466**
Income tax expenses / benefits	(62)	(84)	(141)
Minority interests	(25)	(24)	(49)
Underlying earnings group share	**158**	**136**	**276**
Net capital gains or losses attributable to shareholders net of income tax	-	-	-
Adjusted earnings group share	**158**	**136**	**276**
Profit or loss on financial assets (under FV option) & derivatives	(81)	14	3
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and other related intangibles impacts	-	-	-
Integration costs	(1)	(2)	(5)
Net income group share	**76**	**148**	**274**

Assets Under Management ("AUM") decreased by €22 billion to €527 billion from year-end 2007 as €6 billion net new money (including €9 billion in Main funds, €1 billion in Institutional and €-4 billion in retail clients), and €6 billion change in scope (AXA MPS for €10 billion and the Netherlands for €-4 billion), were more than offset by €-22 billion negative market impact due to the equity market turmoil, and €-10 billion unfavorable exchange rate impact.

Gross revenues decreased by €96 million (-10%) to €891 million, or by €55 million (-6%) on a comparable basis. Excluding fees retroceded to distributors, gross revenues decreased by 1% as growth in average AUM (2.6% including Winterthur Integration) was more than offset by lower performance fees, an unfavorable client and product mix (impact of the equity market turmoil and higher share of fixed income with Winterthur integration) and the decrease in retail business.

Net investment result increased by €42 million (+177%) to €66 million mainly due to a significant carried interest (€58 million) related to the performance of a real estate fund.

General expenses decreased by €54 million (-7%) to €-713 million, mainly explained by lower commissions paid to third party distributors, in line with the gross revenues decrease, and lower staff incentive.

Underlying cost income ratio improved by 0.3 point to 65.3%.

Income tax decreased by €22 million (-26%) to €-62 million mainly driven by a non recurring tax impact from real estate funds.

Underlying and **adjusted earnings** increased by €22 million (+16%) to €158 million. On a constant exchange rate basis, underlying earnings increased by €30 million (+22%).

Net income decreased by €71 million (-48%) to €76 million. On a constant exchange rate basis, net income decreased by €63 million (-43%) as the increase in adjusted earnings was more than offset by negative change in fair value of "AWF and FIIS US" Libor plus funds (€-64 million) as well as negative impacts coming from carried interest change in fair value of real estate funds and foreign exchange.

Banking

The following tables present the consolidated gross revenues, underlying earnings, adjusted earnings and the net income attributable to AXA's banking for the periods indicated:

Consolidated Gross Revenues

(in Euro million)

	HY 2008	HY 2007	FY 2007
Axa Bank Europe (Belgium)	138	127	246
AXA Banque (France)	35	26	85
Others (a)	34	14	43
TOTAL	**206**	**168**	**374**
Intercompany transactions	(10)	(14)	(35)
Contribution to consolidated gross revenues	**197**	**153**	**339**

(a) Includes notably German banks.

Underlying, Adjusted earnings and Net Income

(in Euro million)

	HY 2008	HY 2007	FY 2007
Axa Bank Europe (Belgium)	35	13	40
Axa Banque (France)	(8)	0	0
Others (a)	(3)	(2)	(4)
UNDERLYING EARNINGS	**24**	**11**	**36**
Net realized capital gains or losses attributable to shareholders	(5)	3	(5)
ADJUSTED EARNINGS	**19**	**14**	**31**
Profit or loss on financial assets (under Fair Value option) & derivatives	(4)	(8)	(0)
Exceptional operations (including discontinued operations)	-	-	-
Goodwill and related intangibles impacts	(0)	-	(0)
Integration costs	(3)	(1)	(25)
NET INCOME	**11**	**5**	**6**

(a) Includes notably German banks.

AXA Bank Europe (Belgium)

Net banking revenues increased by €11 million (+8%) to €138 million. On a comparable basis, net banking revenues increased by €11 million (+10%) mainly due to higher net interest and fee income, partly offset by lower realized

capital gains, mainly on equities, and lower unrealized capital gains driven by mutual funds and derivatives.

Underlying earnings increased by €22 million (+167%) to €35 million mainly due to a higher interest margin (€+32 million) partly offset by an increase in expenses (€-6 million) following the expansion of the banking activity to other countries and lower reversal of provision on credit losses (€-5 million) further to the implementation of Basel II in 2007.

Adjusted earnings increased by €14 million (+88%) to €30 million notably driven by the increase in underlying earnings (€+22 million) partly offset by a decrease in realized capital gains on equities (€-4 million) and higher impairments on equities (€-4 million).

Net income increased by €4 million (+20%) to €23 million driven by the increase in adjusted earnings partly offset by mutual funds (€-8 million) and higher Winterthur integration costs (€-2 million).

AXA Banque (France)

Net banking revenues increased by €7 million (+24%) to €35 million. On a comparable basis, net banking revenues increased by €13 million (+55%).

Underlying Earnings and **adjusted Earnings** decreased by €8 million to €-8 million, mainly driven by a €6 million expenses increase due to advertising campaigns, staff and moving costs .

Net Income increased by €1 million to €-11 million, reflecting the underlying earnings evolution more than offset by the lower negative impact of the change in fair value of macro-hedge derivatives instruments (from €-12 million to €-3 million) due to a lower interest rate increase.

Other

AXA BANK (GERMANY)

Net banking revenues decreased by €1 million (-12%) to €10 million. On a comparable basis, net banking revenues decreased by 4% due to a reduced commission margin mainly from lower fees on custody business.

Underlying earnings, **adjusted earnings** and **net income** decreased by €1 million to €-1 million in line with lower net banking revenues.

Holdings and other companies

The Holdings and other companies consist of AXA's non-operating companies, including mainly AXA parent company, AXA France Assurance, AXA Financial, AXA Asia Pacific Holdings, AXA United Kingdom Holdings, AXA Germany Holdings, AXA Belgium Holdings, CDOs and real estate companies.

Underlying, Adjusted earnings and Net Income

(in Euro million)

	HY 2008	HY 2007	FY 2007
AXA	(114)	(45)	(224)
Other French holdings companies	(5)	(21)	(9)
Foreign holdings companies	(134)	(117)	(202)
Others (a)	8	2	20
UNDERLYING EARNINGS	**(245)**	**(181)**	**(414)**
Net realized capital gains or losses attributable to shareholders	282	1	27
ADJUSTED EARNINGS	**37**	**(180)**	**(388)**
Profit or loss on financial assets (under Fair Value option) & derivatives	(275)	(89)	(365)
Exceptional operations (including discontinued operations)	0	(1)	483
Goodwill and related intangibles impacts	0	0	0
Integration costs	0	(22)	(17)
NET INCOME	**(238)**	**(292)**	**(287)**

(a) Includes notably CDOs and Real Estate entities.

AXA[10]

Underlying earnings decreased by €69 million to €-114 million mainly due to:

- €-51 million due to a higher financial charge notably related to external growth financing and internal refinancing,
- €-12 million due to the increase of the share based compensation costs to €-46 million, mainly due to the AXA Miles Program.

Adjusted earnings increased by €191 million to €146 million driven by €+284 million increase in the intrinsic value of equity derivatives set up to reduce the Group exposure to equities partly offset by underlying earnings evolution.

Net income increased by €63 million to €-91 million, mainly driven by:

- €+191 million related to adjusted earnings evolution,
- €+22 million stemming from the non-recurrence of half year 2007 Winterthur integration costs,

partly offset by

- €-27 million change in the mark to market of interest rate and foreign exchange derivatives instruments which are not eligible to hedge accounting (total of the change in mark to market amounted to €-115 million of which €-74 million on interest rate derivatives and €-41 million on foreign exchange instruments notably covering debt instruments accounted for in shareholders' equity), and
- €-122 million related to the decrease in the time value of equity derivatives set up to reduce the Group exposure to equities

In order to reduce the exposure of AXA's shareholders equity to equity investments and to limit the Solvency I coverage ratio volatility, AXA decided to hedge its direct equity exposure on Property & Casualty businesses and non

[10] *All the figures are after tax*

participating Life businesses.

Hedges were set up in June with options through a put spread strategy financed by the sale of call options. At maturity, this will neutralize (i) the potential losses of the equity portfolio if the equity markets decrease below the strike prices of the put options bought (included in a [98.5%; 106.5%] range versus closing price as at June 30, 2008) but do not decrease below the strike price of the put options sold (included in a [80.1% ; 85.2%] range versus closing price as at June 30, 2008), and (ii) the potential upside above the strike prices of the call options sold (included in a [113.2%;124.8%] range versus closing price as at June 30, 2008).

At June closing, €12 billion of hedges were implemented, mainly on the Euro stoxx 50 for €10,8 billion, and the mark-to-market of this strategy was €299 million including an intrinsic value of €434 million (€284 million after tax).

The hedging program has been fully completed early July with a €2 billion additional amount. Maturity dates are from June 2009 to March 2010.

Other French holding companies

AXA France Assurance.

Underlying Earnings, Adjusted Earnings and **Net Income** increased by €12 million to €-13 million, mainly due to lower tax expenses (€+10 million) resulting from lower dividends (eliminated in consolidation) received from operational entities.

Other French holdings.

Underlying earnings increased by €4 million to €8 million due to higher investment income.
Adjusted earnings increased by €36 million to €40 million resulting from net realized capital gains (€32 million).
Net income increased by €37 million to €31 million mainly driven by adjusted earnings.

Foreign Holding Companies

AXA Financial Inc.

Underlying earnings increased by €12 million (+20%) to €-48 million. On a constant exchange rate basis, underlying earnings increased by €5 million (+8%) mainly due to a €5 million decrease in stock-based compensation expenses to €-9 million.

Adjusted earnings increased by €12 million (+20%) to €-48 million. On a constant exchange rate basis, adjusted earnings increased by €5 million (+8%) in line with underlying earnings evolution.

Net income increased by €10 million (+16%) to €-49 million. On a constant exchange rate basis, net income increased by €2 million (+4%) reflecting the higher adjusted earnings partially offset by a negative impact from the mark to market on interest rate swaps.

AXA Asia Pacific Holdings [11]

[11] *AXA interest in AXA Asia Pacific Group is 53.91% broken down into 53.15% direct interest holding and an additional 0.77% owned by the AAPH Executive plan trust.*

Underlying earnings increased by €3 million (+28%) to €-8 million. On a constant exchange rate basis, underlying earnings increased by €3 million (+27%) to €-8 million mainly due to tax benefits recorded on Asian regional office costs.

Adjusted earnings increased by €5 million (+38%) to €-8 million. On a constant exchange rate basis, adjusted earnings increased by €5 million (+38%) due to the non recurrence of a passive income tax incurred in 2007 in relation to investment portfolios in Hong Kong.

Net income decreased by €2 million (-25%) to €-9 million. On a constant exchange rate basis, net income decreased by €2 million (-25%) due to unfavorable fair value movements on derivatives.

AXA UK Holdings

Underlying earnings decreased by €3 million (-9%) to €-30 million. On a constant exchange rate basis, underlying earnings decreased by €7 million (-25%) primarily resulting from increased financing costs, partially offset by favorable tax variances.
Adjusted earnings decreased by €3 million (-10%) to €-30 million. On a constant exchange rate basis, adjusted earnings decreased by €7 million (-26%) in line with underlying earnings.
Net income decreased by €31 million (-123%) to €-56 million. On a constant exchange rate basis, net income decreased by €39 million (-156%) reflecting adjusted earnings evolution together with a €33 million exchange rate loss primarily arising from the revaluation of Euro-denominated inter-company loans.

German Holding companies

Underlying earnings decreased by €20 million to €-24 million mainly driven by €17 million higher income taxes due to the use of the remaining tax loss carried forward in 2007.

Adjusted earnings decreased by €33 million to €-35 million driven by lower underlying earnings and higher impairments on equities.

Net income decreased by €32 million to €-35 million driven by adjusted earnings.

Belgium Holding companies

Underlying earnings decreased by €2 million (-28%) to €-11 million.
Adjusted earnings decreased by €2 million (-29%) to €-11 million.
Net income decreased by €2 million (-21%) to €-11 million.

Other

CFP

Underlying earnings, **Adjusted earnings** and **Net income** increased by €7 million to €9 million due to a higher contribution of the run-off portfolios in 2008.

Outlook

Provided that market conditions do not deteriorate materially, AXA's FY08 underlying earnings should be in line with 2007 record performance.

It is management's current intention to propose a stable dividend for 2008[12] at €1.20 per share.

[12] *To be paid in 2009.*

Glossary

COMPARABLE BASIS FOR REVENUES AND ANNUALIZED PREMIUMS EQUIVALENT

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). It also means that data in one of the two periods being compared were restated for the results of acquisitions, disposals and business transfers (**constant structural** basis) and for changes in accounting principles (**constant methodological** basis).

ADJUSTED EARNINGS

Adjusted earnings represent the net income (group share) before:

(i) The impact of exceptional operations (primarily change in scope, including integration costs related to a newly acquired company).

(ii) Goodwill and other related intangible impacts, and

(iii) Profit and loss on financial assets accounted for under fair value option (excluding assets backing liabilities for which the financial risk is borne by the policyholder), foreign exchange impacts on assets and liabilities, and derivatives related to invested assets.

Derivatives related to invested assets:

- include all foreign exchange derivatives, except the ones related to currency options in earnings hedging strategies, which are included in underlying earnings,
- exclude derivatives related to insurance contracts evaluated according to the “selective unlocking” accounting policy,
- and also exclude derivatives involved in the economic hedging of realized gains and impairments of equity securities and real estate backing general account and shareholders’ funds, for which cost at inception, intrinsic value and pay-off flow though adjusted earnings, and only time value flows through net income.

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:

- realized gains and losses (on assets not designated under fair value option or trading assets) and change in impairment valuation allowance, net of tax,
- cost at inception, intrinsic value and pay-off of derivatives involved in the economic hedging of realized gains and impairments of equity securities and real estate backing general account and shareholders’ funds, 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).

EARNINGS PER SHARE

Earnings per share (**EPS**) represent AXA's consolidated adjusted earnings (including interest charges and foreign exchange impacts related to perpetual debts recorded through shareholders’ equity), divided by the weighted average number of outstanding ordinary shares.

Diluted earnings per share (**diluted EPS**) represent AXA's consolidated earnings (including interest charges and foreign exchange impacts related to perpetual debts recorded through shareholders’ equity), 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).

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 of Income in accordance with IFRS. As a result, the operating income under the 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 Discretionary Participation Features (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 the 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 account (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 Fee Reserve),

(v) Other fee revenues, e.g., fees received on financial planning or 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 benefits 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 strategy impacts related to insurance contracts valuated according to the "selective unlocking" accounting policy allowing Liability adjustment so as to better reflect the current interest rates for these contracts,

(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 year 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 inforce business

Life & Savings underlying cost income ratio: Underlying expenses plus underlying VBI amortization divided by "underlying" operating margin, where "Underlying" operating margin is the sum of (i) Underlying Investment margin; (ii) Underlying Fees and revenues, 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 interests 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 interests credited to insurance annuity reserves,

(iv) Claims handling costs,

(v) Net result of ceded reinsurance.

Underlying expense ratio is the ratio of:

(i) Underlying expenses (excluding claims handling costs), to

(ii) Earned revenues, gross of reinsurance.

Underlying 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**). Underlying expenses excludes customer intangible amortization and integration costs related to newly acquired company.

Current accident year loss ratio 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 interests credited to the insurance annuity reserves], to

(ii) Earned revenues, gross of reinsurance.

All accident year loss ratio 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 interests credited to the insurance annuity reserves], to

(ii) Earned revenues, gross of reinsurance.

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

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.

Underlying Cost Income Ratio: general expenses including distribution revenues / gross revenues excluding distribution fees.

Consolidated financial statements

June 30, 2008

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CONSOLIDATED BALANCE SHEET

(in Euro million)

Notes		June 30, 2008	December 31, 2007
	Goodwill	15,694	16,308
	Value of purchased business In Force (a)	4,294	4,373
	Deferred acquisition costs and equivalent	17,569	16,757
	Other intangible assets	3,222	3,288
	Intangible assets	**40,778**	**40,726**
	Investments in real estate properties	15,945	16,182
	Financial investments	341,045	360,051
	Loans	24,922	25,177
	Assets backing contracts where the financial risk is borne by policyholders (b)	160,108	182,827
4	**Investments from insurance activities**	**542,020**	**584,237**
4	**Investments from banking and other activities**	**14,032**	**13,703**
	Investments in associates - Equity method	**1,039**	**147**
	Reinsurers' share in insurance and investment contracts liabilities	**10,881**	**11,315**
	Tangible assets	1,442	1,470
	Other long-term assets	157	564
	Deferred policyholders' participation assets	2,760	965
	Deferred tax assets	3,532	3,151
	Other assets	**7,891**	**6,150**
	Receivables arising from direct insurance and inward reinsurance operations	13,222	12,140
	Receivables arising from outward reinsurance operations	1,059	913
	Receivables arising from banking activities	16,892	17,260
	Receivables - current tax	1,866	1,314
	Other receivables	15,416	15,658
	Receivables	**48,455**	**47,285**
	Assets held for sale including discontinued operations	**921**	**680**
	Cash and cash equivalents	**21,974**	**18,684**
	TOTAL ASSETS	**687,992**	**722,927**

All invested assets are shown net of related derivative instruments impact.
(a) Amounts gross of tax.
(b) Includes assets backing contracts where the financial risk is borne by policyholders with Guaranteed Minimum features.

(in Euro million)

Notes		June 30, 2008	December 31, 2007
	Share capital and capital in excess of nominal value	21,504	21,080
	Reserves and translation reserve	16,881	18,896
	Net consolidated income for the period - Group share	2,162	5,666
	Shareholders' equity – Group share	**40,547**	**45,642**
	Minority interests	**3,105**	**3,272**
5	**TOTAL SHAREHOLDERS' EQUITY**	**43,652**	**48,913**
	Liabilities arising from insurance contracts	314,824	310,709
	Liabilities arising from insurance contracts where the financial risk is borne by policyholders (a)	99,248	113,654
	Total liabilities arising from insurance contracts	**414,072**	**424,363**
	Liabilities arising from investment contracts with discretionary participating features	38,734	40,121
	Liabilities arising from investment contracts with no discretionary participating features	1,464	1,452
	Liabilities arising from investment contracts with discretionary participating features and where the financial risk is borne by policyholders	9,431	10,414
	Liabilities arising from investment contracts with no discretionary participating features and where the financial risk is borne by policyholders	51,853	59,173
	Total liabilities arising from investment contracts	**101,482**	**111,161**
	Unearned revenue and unearned fee reserves	2,456	2,232
	Liabilities arising from policyholders' participation	14,293	19,322
	Derivative instruments relating to insurance and investment contracts	(247)	(187)
	LIABILITIES ARISING FROM INSURANCE AND INVESTMENT CONTRACTS	**532,055**	**556,892**
	Provisions for risks and charges	**8,243**	**8,654**
	Subordinated debt	6,428	6,146
	Financing debt instruments issued	5,484	4,535
	Financing debt owed to credit institutions	1,275	175
6	**Financing debt (b)**	**13,187**	**10,856**
	Deferred tax liabilities	**4,054**	**5,534**
	Minority interests of controlled investment funds and puttable instruments held by minority interest holders	5,623	7,751
	Other debts instruments issued and bank overdrafts (b)	7,699	6,260
	Payables arising from direct insurance and inward reinsurance operations	5,907	7,033
	Payables arising from outward reinsurance operations	5,861	6,024
	Payables arising from banking activities (b)	17,677	18,713
	Payables – current tax	2,044	2,394
	Derivative instruments relating to other financial liabilities	42	140
	Other payables	41,947	43,693
	Payables	**86,801**	**92,008**
	Liabilities held for sale including discontinued operations	**-**	**70**
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**687,992**	**722,927**

(a) Also includes liabilities arising from contracts where the financial risk is borne by policyholders with Guaranteed Minimum features.
(b) Amounts are shown net of related derivative instruments impact.

(in Euro million)

	June 30, 2008	December 31, 2007
Liabilities arising from insurance contracts where the financial risk is borne by policyholders	99,248	113,654
Liabilities arising from investment contracts with discretionary participating features and where the financial risk is borne by policyholders	9,431	10,414
Liabilities arising from investment contracts with no discretionary participating features and where the financial risk is borne by policyholders	51,853	59,173
Total Liabilities arising from contracts where the financial risk is borne by policyholders	**160,532**	**183,241**
Liabilities arising from insurance contracts	314,824	310,709
Liabilities arising from investment contracts with discretionary participating features	38,734	40,121
Liabilities arising from investment contracts with no discretionary participating features	1,464	1,452
Total Liabilities arising from other insurance and investment contracts	**355,022**	**352,283**

CONSOLIDATED STATEMENT OF INCOME

(In Euro million, except EPS in Euro)

Notes		June 30, 2008	June 30, 2007
	Gross written premiums	45,942	47,089
	Fees and charges relating to investment contracts with no participating features	342	384
	Revenues from insurance activities	**46,284**	**47,474**
	Net revenues from banking activities	194	154
	Revenues from other activities	2,841	3,174
	Revenues (a)	**49,319**	**50,801**
	Change in unearned premiums net of unearned revenues and fees	**(3,158)**	**(3,833)**
	Net investment income (b)	9,481	8,858
	Net realized investment gains and losses (c)	1,545	1,675
	Change in fair value of investments at fair value through profit and loss	(19,310)	8,160
	Change in investments impairment (d)	(1,546)	(236)
	Net investment result excluding financing expenses	**(9,829)**	**18,457**
	Technical charges relating to insurance activities (e)	(23,724)	(50,309)
	Net result from outward reinsurance	(573)	(608)
	Bank operating expenses	(23)	(24)
	Acquisition costs	(4,018)	(4,128)
	Amortization of the value of purchased business in force	(134)	(207)
	Administrative expenses	(4,981)	(5,088)
	Change in tangible assets impairment	(2)	3
	Change in goodwill impairment and other intangible assets impairment	(53)	-
	Other income and expenses	(88)	(322)
	Other operating income and expenses	**(33,596)**	**(60,684)**
	Income from operating activities before tax	**2,735**	**4,741**
	Income arising from investments in associates - Equity method	18	13
	Financing debts expenses (f)	(350)	(233)
	Operating income before tax	**2,404**	**4,521**
	Income tax (g)	(9)	(1,055)
	Net operating income	**2,395**	**3,466**
	Result from discontinued operations net of tax	-	74
	Net consolidated income	**2,395**	**3,540**
	Split between :		
	Net consolidated income - Group share	2,162	3,180
	Net consolidated income - Minority interests	234	360
6	**Earnings per share**	**1.07**	**1.49**
	Fully diluted earnings per share	**1.07**	**1.47**

(a) Gross of reinsurance.
(b) Net of investment management costs.
(c) Includes impairment releases on invested assets sold.
(d) Excludes impairment releases on invested assets sold.
(e) Includes changes in liabilities arising from insurance contracts and investment contracts (with or no participating features) where the financial risk is borne by policyholders for an amount of € -14,755 million euro as a balancing entry to the change in fair value of investments at fair value through profit or loss (€8,773 million euro in june 30, 2007).
(f) Includes net balance of income and expenses related to derivatives on financing debt (however excludes change in fair value of these derivatives).
(g) The Income tax line item as at June 30, 2008 includes an out-of-period adjustment related to the prior years' double recognition of Deferred tax liabilities in relation with the changes in fair values of assets held by some consolidated investment funds (€ 188 million). The Group evaluated the impact for each individual year and in aggregate and concluded that they were immaterial to the financial statements for all years in which they were included. The prior years' Income tax expense recognised since the transition to IFRS was overstated by € 13 million as at December 31, 2004, € 51 million as December 31, 2005, € 36 million as at December 31, 2006, € 88 million as at December 31, 2007 (and € 6 million as at June 30, 2007). The June 2008 adjustment was recognised against Deferred tax liabilities (€ -188 million) on the balance sheet.

CONSOLIDATED STATEMENT OF CASH FLOWS

(in Euro million)

	June 30, 2008	June 30, 2007
Operating income before tax	**2,404**	**4,521**
Net amortization expense (b)	241	452
Change in goodwill impairment and other intangible assets impairment	53	-
Net change in deferred acquisition costs and equivalent	(1,116)	(1,202)
Net increase / (write back) in impairment on investments, tangible and other intangible assets	1,552	234
Change in fair value of investments at fair value through profit or loss	17,895	(8,128)
Net change in liabilities arising from insurance and investment contracts (c)	(6,210)	19,848
Net increase / (write back) in other provisions (d)	(50)	9
Income arising from investments in associates – Equity method	(18)	(13)
Adjustment of non cash balances included in the operating income before tax	**12,346**	**11,200**
Net realized investment gains and losses	(1,223)	(2,575)
Financing debt expenses	350	233
Adjustment of balances included in operating income before tax for reclassification to investing or financing activities	**(873)**	**(2,342)**
Dividends recorded in the profit and loss during the period	(1,291)	(1,414)
Interests paid & received recorded in profit and loss during the period	(8,736)	(8,142)
Adjustment of transactions from accrued to cash basis	**(10,027)**	**(9,555)**
Net cash impact of deposit accounting	6	1,139
Dividends and interim dividends collected	1,424	1,285
Interests collected	10,222	9,512
Interests paid (excluding interests on financing debts and perpetual debts)	(1,052)	(636)
Change in operating receivables and payables (e)	(3,118)	(2,645)
Net cash provided by other assets and liabilities (f)	(1,005)	(76)
Tax expenses paid	(1,060)	(1,285)
Other operating cash impact and non cash adjustment	1,440	1,111
Net cash impact of transactions with cash impact not included in the operating income before tax	**6,857**	**8,405**
NET CASH PROVIDED BY OPERATING ACTIVITIES	**10,707**	**12,229**
Purchase of subsidiaries and affiliated companies, net of cash acquired	(83)	(2,176)
Disposal of subsidiaries and affiliated companies, net of cash ceded	(26)	1,305
Net cash related to changes in scope of consolidation	**(109)**	**(870)**
Sales of debt securities (f)	26,620	43,286
Sales of equities and non controlled investment funds (f) (g)	13,533	14,355
Sales of investment properties held directly or not (f)	803	1,440
Sales and/or repayment of loans and other assets (f) (h)	23,453	21,478
Net cash related to sales and repayments of investments (f) (g) (h)	**64,410**	**80,560**
Purchases of debt securities (f)	(31,576)	(49,455)
Purchases of equity securities and non consolidated investment funds (f) (g)	(13,922)	(15,370)
Purchases of investment properties held directly or not (f)	(1,145)	(606)
Purchases and/or issues of loans and other assets (f) (h)	(25,727)	(25,766)
Net cash related to purchases and issuance of investments (f) (g) (h)	**(72,371)**	**(91,197)**
Sales of tangible and intangible assets	6	16
Purchases of tangible and intangible assets	(233)	(152)
Net cash related to sales and purchases of tangible and intangible assets	**(226)**	**(136)**
Increase in collateral payable / Decrease in collateral receivable	2,001	2,530
Decrease in collateral payable / Increase in collateral receivable	(2,177)	(998)
Net cash impact of assets lending / borrowing collateral receivables and payables	**(176)**	**1,532**
Other investing cash impact and non cash adjustment	**1,590**	**(797)**
NET CASH PROVIDED BY INVESTING ACTIVITIES	**(6,882)**	**(10,908)**
Issuance of equity instruments (i)	155	158
Repayments of equity instruments (i)	(19)	(123)
Transactions on treasury shares	(5)	0
Dividends payout	(2,752)	(2,485)
Interests on perpetual debt paid	(119)	(144)
Net cash related to transactions with shareholders	**(2,740)**	**(2,593)**
Cash provided by financial debt issuances	1,949	186
Cash used for financing debt repayments	(89)	(676)
Interests on financing debt paid (j)	(171)	(283)
Net cash related to Group financing	**1,689**	**(772)**
Other financing cash impact and non cash adjustment	**59**	**21**

NET CASH PROVIDED BY FINANCING ACTIVITIES	**(991)**	**(3,345)**

Net cash provided by discontinued operations	**(0)**	**47**

Cash and cash equivalents as at January 1 (a)	**17,192**	**19,831**
Net cash provided by operating activities	10,707	12,229
Net cash provided by investing activities	(6,882)	(10,908)
Net cash provided by financing activities	(991)	(3,345)
Net cash provided by discontinued operations	(0)	47
Impact of change in scope on cash and cash equivalent	38	13
Net impact of foreign exchange fluctuations and reclassification on cash and cash equivalents	(457)	(108)
Cash and cash equivalents as at June 30 (a)	**19,645**	**17,760**

(a) The "Cash and cash equivalents" balances shown in the statement of consolidated cash flows do not include cash balances of consolidated investment funds from the Satellite Investment Portfolio (see note 1.7.2).
As described in note 1.19, the "Cash and cash equivalents" item in the statement of consolidated cash flows excludes cash backing contracts where the financial risk is borne by policyholders (unit-linked contracts). The effect on the June 30, 2007 cash flow statement is as follows :
- a €618 million increase of the "Sales and/or repayment of loans and other assets" item;
- a €313 million decrease of the "Purchases and/or issues of loans and other assets" item;
As a consequence of the three impacts detailed above, the "Net cash provided by investing activities" shows a increase of €305 million.
The "Net impact of foreign exchange fluctuations and reclassification on cash and cash equivalents" item has also been increased by €4 million.
The impact on the closing position of "Cash and cash equivalents" as at June 30, 2007 is a decrease of €7.649 billion.
(b) Includes the capitalization of premiums/discounts and related amortization as well as amortization of investment and owner occupied properties (held directly).
(c) Includes the impact of reinsurance. This item also includes the change in liabilities arising from contracts where the financial risk is borne by policyholders.
(d) Mainly includes changes in provisions for risks and charges, provisions for bad debts/doubtful receivables and change in impairment of assets held for sale.
(e) Also includes changes relating to repository transactions and equivalent for banking activities.
(f) Includes corresponding derivatives.
(g) Includes non controlled investments funds and equity instruments held directly or by consolidated funds.
(h) Also includes purchases and sales of assets backing contracts where the financial risk is borne by policyholders.
(i) Also includes issuance and repayments of perpetual debts.
(j) Includes the net cash impact of interest margins relating to hedging derivatives on financing debts.

(in Euro million)

	June 30, 2008	June 30, 2007
Cash and cash equivalents as at December 31	21,974	19,274
Bank overdrafts (a)	(2,329)	(1,843)
Cash related to discontinued operations included in caption "Assets held for sale and relating to discontinued operations"		329
Cash and cash equivalents as atJune 30 (b)	**19,645**	**17,760**

(a) Included in "Other debt instruments issued and bank overdrafts".
(b) The "Cash and cash equivalents" balances shown in the statement of consolidated cash flows do not include cash balances of consolidated investment funds from the Satellite Investment Portfolio (see note 1.7.2). As described in note 1.19, the "Cash and cash equivalents" item in the statement of consolidated cash flows excludes cash backing contracts where the financial risk is borne by policyholders (unit-linked contracts).

CONSOLIDATED STATEMENT OF RECOGNIZED INCOME AND EXPENSE FOR THE PERIOD (SORIE)

(in Euro million)

	June 30, 2008	June 30, 2007
Reserves relating to changes in fair value through shareholders' equity	(4,356)	(1,957)
Translation reserves	(585)	(280)
Employee benefits actuarial gains and losses through OCI	(149)	533
Net gains and losses recognized directly through shareholders' equity	**(5,090)**	**(1,703)**
Net consolidated income	2,395	3,540
Total recognized income and expense for the period (SORIE)	**(2,694)**	**1,837**
Split between :		
SORIE - Group share	**(2,733)**	**1,644**
SORIE - Minority interests' share	**38**	**193**

The consolidated statement of shareholders' equity is presented in note 5.

Note 1 : Accounting principles

1.1. General information

AXA SA, a French "Société Anonyme" (the "Company" and, together with its consolidated subsidiaries, "AXA" or the "Group"), is the holding (parent) company for an international financial services group focused on financial protection. AXA operates principally in Europe, North America and Asia-Pacific. The list of the main entities included in the scope of the AXA's consolidated financial statements is provided in Note 2 of the notes to the consolidated financial statements.
AXA operates in the following primary business segments:

- Life & Savings
- Property & Casualty
- International Insurance
- Asset Management
- Banking

AXA has its primary listing on the Paris stock exchange's Eurolist market and has been listed since June 25, 1996 on the New York Stock Exchange.

The interim consolidated financial statements were finalized by the Management Board on August 4, 2008 and presented to the Supervisory Board on August 6, 2008.

1.2. General accounting principles

1.2.1. Basis for preparation

AXA's interim consolidated financial statements are prepared as at June 30. However, certain entities within AXA have a different reporting half year end, in particular AXA Life Japan, which has a March 31 financial half year end.

The interim consolidated financial statements were prepared in compliance with IFRS standards according to IAS 34 - Interim Financial Reporting and IFRIC interpretations that were definitive and effective as at June 30, 2008, as adopted by the European Commission before the balance sheet date. However, the Group does not use the "carve out" option to avoid applying all the hedge accounting principles required by IAS 39. As a consequence, the consolidated financial statements also comply with IFRS as issued by the International Accounting Standards Board ("IASB").

Regarding the content of its interim financial statements, the Group, in accordance with IAS 34 - Interim Financial Reporting, uses the option to disclose a selection of explanatory notes alongside the mandatory summary statements, which are presented in the same format as the full-year financial statements.

Interpretations published and effective on January 1, 2008
The application of the following interpretations, as of January 1, 2008, had no significant impact on the Group's consolidated financial statements:

- IFRIC 14 — IAS 19 — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction, published on July 4, 2007;
- IFRIC 11 — Group and Treasury Share Transactions, published on November 2, 2006, that addresses the application of IFRS 2 to share-based payment arrangements in three cases. When an entity chooses or is required to buy its own equity instruments to settle the share-based payment obligation, the arrangement should be accounted for as equity-settled share-based payment transactions. When a parent company grants employees of a subsidiary rights to its equity instruments, assuming the transaction is recorded as an equity-settled transaction in the consolidated financial statements, the subsidiary would also record the transaction as an equity-settled transaction in its financial statements. When a subsidiary grants its employees rights to equity instruments of its parent company, the subsidiary should record the transaction as a cash-settled share-based payment transaction.

On June 30, 2008, there is no standard or interpretation published by the IASB and effective as at January 1, 2008, but not yet endorsed by the European Commission, which is applicable to the Group, except for IFRIC 14, which has no impact on the Group's consolidated financial statements.

Standards and interpretations published but not yet effective

IFRS 8 — Operating Segments, published in November 2006 and applicable from January 1, 2009, replaces IAS 14 — Segment Reporting. The new standard requires disclosed operating segments to be based on the segmentation used in the entity's internal reporting, on the basis of which operational heads allocate capital and resources to the various segments and assess the segments' performance. The standard requires the entity to explain the basis on which segments are determined, and provide a reconciliation between consolidated balance sheet and income statement amounts. The standard is not expected to have a significant impact on the Group's financial statements.

The amendment to IAS 23 — Borrowing Costs, published on March 29, 2007 and applicable from January 1, 2009, makes it compulsory to capitalise borrowing costs and removes the option to expense these costs. The amendment excludes eligible assets measured at fair value from the revised standard's scope of application. This amendment is not expected to have a significant impact on the Group's consolidated financial statements.

Revised IAS 1 – Presentation of financial statements, published on September 6, 2007 and applicable from January 1, 2009, represents the first step in the IASB's comprehensive project on reporting financial information. The new standard requires to present all non-owner changes in equity either in one statement of comprehensive income or in two statements, to present a statement of financial position (balance sheet) as at the beginning of the earliest comparative period in a complete set of financial statements when the entity applies an accounting policy retrospectively or makes a retrospective restatement. It also requires to disclose income tax relating to each component of other comprehensive income and reclassification adjustments relating to components of other comprehensive income. Finally, revised IAS 1 changes the titles of financial statements. The standard is expected to have a limited impact on the presentation of the Group's financial statements.

Revised IFRS 3 – Business Combinations and amendments to IAS 27 – Consolidated and Separate Financial Statements, published on January 10, 2008 and effective for financial years beginning on or after July 1, 2009 with earlier adoption permitted, represent the second phase of the IASB business combination project. IFRS 3R introduces a number of changes in the accounting of business combinations that could impact the amount of goodwill to be recognized, the net income of the period of the acquisition and future results. The amendments to IAS 27 require that a change in the ownership interest of a subsidiary be accounted for as an equity transaction, with no impact on goodwill or net income. In addition, they introduce changes in the accounting for losses incurred by subsidiaries and the loss of control of an entity. The changes will be applied prospectively to new acquisitions and transactions with minority interests after the adoption date.

The amendment of IFRS 2 – Share based payments, published on January 17, 2008 and applicable from January 1, 2009, clarifies that vesting conditions are service conditions and performance conditions only. Other features of a share-based payment are not vesting conditions. It also specifies that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment. This amendment is not expected to have a significant impact on the Group's consolidated financial statements.

The amendments to IAS 32 – Financial Instruments: Presentation and IAS 1 – Presentation of Financial Statements – Puttable Financial Instruments with Obligations Arising on Liquidation, published on February 14, 2008 and applicable from January 1, 2009 respectively require i) certain puttable financial instruments and obligations arising on liquidation to be classified as equity if certain criteria are met and ii) disclosure on these instruments. These amendments are not expected to have a significant impact on the Group's consolidated financial statements.

The Improvements to IFRSs, published on May 22, 2008 and applicable from January 1, 2009 unless otherwise specified, include amendments that are not part of a major project. They are presented in a single document rather than as a series of piecemeal changes. They involve accounting changes for presentation, recognition or measurement purposes and terminology or editorial changes with minimal effect on accounting. These amendments are not expected to have a significant impact on the Group's consolidated financial statements.

Preparation of financial statements

The preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions. It requires a degree of judgment in the application of Group accounting principles described below. The main balance sheet captions concerned are goodwill (in particular impairment tests described in section 1.6.1), the value of acquired business in force, deferred acquisition costs and equivalent, certain assets accounted at fair value, liabilities relating to the insurance business, pension benefit obligations and balances related to share-based compensation. The principles set out below specify the measurement methods used for these items. These methods, along with key assumptions where required, are discussed in greater depth in the notes relating to the asset and liability items concerned where meaningful and useful.

As recommended by IAS 1, assets and liabilities are generally classified globally on the balance sheet in increasing order of liquidity, which is more relevant for financial institutions than a classification between current and non-current items. As for most insurance companies, expenses are classified by destination in the income statement.

All amounts on the consolidated balance sheet, consolidated statement of income, consolidated statement of cash flows, consolidated statement of recognized income and expense for the period and in the notes are expressed in Euro million, and rounded up to the nearest whole unit, unless otherwise stated.

1.2.2. First time adoption of IFRS

The AXA Group's transition date is January 1, 2004. The Group prepared its opening IFRS balance sheet at that date. The Group's IFRS adoption date is January 1, 2005.

The major options elected in accordance with IFRS 1 were the following:

Purchase Accounting, goodwill and other intangibles related to past business combinations performed prior to January 1, 2004
AXA chose to not restate past business combinations based on the option available in IFRS 1. As a result, past business combinations prior to January 1, 2004 are accounted for on a previous GAAP basis in the IFRS financial statements, except:
– goodwill has been denominated in the functional currency of the acquired entity under IFRS since January 1, 2004 (transition to IFRS), and
– any item recognized under previous GAAP that did not qualify for recognition as an asset or liability under IFRS was reclassified into goodwill.

Currency Translation Differences
AXA elected the option to reset to zero all past cumulative currency translation differences for all foreign operations as of January 1, 2004.

Pension accounting
All cumulative past actuarial gains and losses on all employee benefit plans were recognized in retained earnings as of January 1, 2004.

The AXA's accounting policies have been consistently applied to all the periods presented in its financial statements, including policies relating to the classification and measurement of insurance contracts, investment contracts and other financial investments and liabilities including derivatives.

1.3. Consolidation

1.3.1. Scope and basis of consolidation

Companies in which AXA exercises control are known as subsidiaries. Control is the power to govern the financial and operating policies of a company so as to obtain benefits from its activities. Subsidiaries are fully consolidated from the date on which control is transferred to AXA. Control is presumed to exist when AXA directly or indirectly holds more than 50% of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are also considered when assessing whether AXA controls another entity.

Entities that are controlled in substance, even without any ownership interest, are also consolidated, as well as entities that are controlled in substance because of a specific statute or an agreement, even without any ownership interest. In particular this relates to special purpose entities, such as securitization vehicles.

Companies over which AXA exercises a joint controlling influence alongside one or more third parties are consolidated proportionately.

Companies in which AXA exercises significant long-term influence are accounted under the equity method. Significant influence is presumed when AXA directly or indirectly holds 20% or more of the voting rights or, for example, when significant influence is exercised through an agreement with other shareholders. AXA's share of equity associates' post-acquisition profits or losses is recognized in the income statement, and its share of post-acquisition movements in reserves is stated under "Other reserves".

Investment funds and real estate companies are either fully consolidated or proportionately consolidated or accounted for under the equity method, depending on which conditions listed above they satisfy. For fully consolidated investment funds, minority interests are recognized at fair value and shown as liabilities in the balance sheet if the companies' instruments can be redeemed at any time by the holder at fair value. Investment funds accounted by equity method are shown under the balance sheet caption "Financial investments".

1.3.2. Business combinations: purchase accounting and goodwill including minority interests buyout

In accordance with the option made available by *IFRS 1 - First-time adoption of IFRS,* business combinations prior to 2004 were not restated with respect to French accounting principles in force at the time. The principles described below apply to the business combinations that occurred after January 1, 2004

Valuation of assets acquired and liabilities assumed of newly acquired subsidiaries and contingent liabilities

Upon first consolidation, all assets, liabilities and contingent liabilities of the acquired company are estimated at their fair value. However as permitted by IFRS 4, liabilities related to life insurance contracts or investment contracts with discretionary participating features are maintained at the carrying value prior to the acquisition date to the extent that this measurement basis is consistent with AXA's accounting principles. The fair value of acquired business in force relating to insurance contracts and investment contracts with discretionary participating features is recognized as an asset corresponding to the present value of estimated future profits emerging on acquired business in force at the date of acquisition (also referred to as value of acquired business in force or VBI). The present value of future profits takes into consideration the cost of capital and is estimated using actuarial assumptions based on projections made at purchase date but also using a discount rate that includes a risk premium.

Investment contracts with no discretionary participating features do not benefit from this exemption permitted by IFRS 4 in phase I of the IASB's insurance project, i.e. the fair value of acquired liabilities is booked through the recognition of an asset corresponding to the value of acquired business in force. Liabilities relating to investment contracts with no discretionary participating features are measured directly at fair value. In accordance with IAS 39, the fair value of these contracts cannot be less than surrender value when they contain a demand feature.

Other intangible assets such as the value of customer relationships are recognized only if they can be measured reliably. The value of customer relationships intangible in this case represents the value of future cash flows expected from renewals and the cross-selling of new products to customers known and identified at the time of the acquisition. These projections include assumptions regarding claims, expenses and financial revenues, or they can be estimated on the basis of the new business value. In line with accounting practices in force before the adoption of IFRS, which may continue to be applied under IFRS 4, future premiums relating to acquired business may be recognized in the "Value of purchased business in force" item.

To the extent that these other intangible assets can be estimated separately and reliably, they can also be measured by looking at the purchased marketing resources that will allow to generate these future cash flows.

The nature of the intangible assets recognized is consistent with the valuation methods used when purchasing the acquired entity.

In the context of a business combination, only restructuring costs that can be measured reliably and which correspond to an existing liability of the acquired company prior to the acquisition date are included in restructuring provisions recognized in the acquired company's balance sheet at acquisition date.

The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at completion date, plus external fees directly attributable to the acquisition.

The adjustment to the cost of a business combination contingent on future events is included in the cost of the combination if the adjustment is probable and can be measured reliably. In the estimate of the contingent consideration, attention is paid to use assumptions that are consistent with the assumptions used for the valuation of intangible assets such as VBI. If the future events do not occur or the estimate needs to be revised, the cost of the business combination is adjusted accordingly, taking account of the impact in terms of additional goodwill and/or adjustments of the valuation of acquired assets and liabilities.

If the transaction is denominated in a foreign currency, the exchange rate used is that in force on the date of the transaction or on the starting date of the transaction (if it occurs over a period).

Goodwill

The excess of the cost of acquisition over the net fair value of the assets, liabilities and contingent liabilities acquired represents goodwill. Goodwill arising from the acquisition of a foreign entity is recorded in the local currency of the acquired entity and is translated into Euro at the closing date.

If the cost of acquisition is less than the net fair value of the assets, liabilities and contingent liabilities acquired, the difference is directly recorded in the consolidated statement of income.

Adjustments can be made to goodwill within twelve months of the acquisition date, if new information becomes available to complete the initial accounting. In this case, comparative information is presented as if the initial accounting had been completed from the acquisition date.

If, after the period of twelve months, a deferred tax asset, initially considered as not recoverable, finally meets the recognition criteria, the corresponding tax benefit is recorded in the consolidated statement of income; however, the impact is offset by a reduction in goodwill through net income.

Goodwill is allocated across business segments (Life & Savings, Property & Casualty, International Insurance, Asset Management and Banking) to cash generating units corresponding (i) to the companies acquired or portfolios of business acquired according to their expected profitability, and (ii) to the entities already within the AXA Group that will benefit from the synergies of the combination with the activities acquired. This allocation of goodwill is used both for segment reporting and for impairment testing.

Minority interests buyouts

In the event of a minority interests buyout of a subsidiary, the new goodwill is recognized as the difference between the price paid for the additional shares and the shareholders' equity acquired (including changes in fair value posted through equity).

Put over minority interests

When control over a subsidiary is acquired, a put option may be granted to minority shareholders. However, the recognition of the puttable instruments as a liability depends on the contractual obligations.

When the contract involves an unconditional commitment exercisable by the option holder, it is recognized as a liability. Since the balancing entry to this liability is not specified by current IFRS, and since IFRIC's Agenda Committee decided in 2006 not to take any position on the accounting treatment of these transactions, the Group's method is (i) to reclassify minority interests from equity to liability, (ii) to re-measure this liability at the present value of the option price and (iii) to recognize the difference as an addition to goodwill. Similarly, subsequent changes in the liability will be recorded against goodwill.

Intra-group transactions

Intra-group transactions, including internal dividends, payables/receivables and gains/losses on intra-group transactions are eliminated:

- in full for controlled subsidiaries and;
- to the extent of AXA's interest for entities consolidated by equity method or proportionate consolidation.

The effect on net income of transactions between consolidated entities is always eliminated, except for permanent losses, which are maintained.

In the event of an internal sale of an asset that is not intended to be held on the long term by the Group, deferred tax is recognized as the current tax calculated on the realized gain or loss is eliminated. The income statement impact of the potential policyholders' participation resulting from this transaction is also eliminated, and a deferred policyholders' participation asset or liability is posted to the balance sheet.

In addition, the transfer of consolidated shares, between two consolidated subsidiaries but held with different ownership percentages, should not impact the Group net income. The only exception would be any related tax and policyholders' participation recorded in connection to the transaction, which are maintained in the consolidated financial statements. These transfers also have an impact on Group shareholders' equity (with a balancing entry recorded in minority interests). This impact is identified in the "other" changes of the consolidated statement of shareholders' equity.

1.4. Foreign currency translation of financial statements and transactions

The consolidated financial statements are presented in Euro million, the Euro being the Group's presentational currency.

The results and financial position of all Group entities that have a functional currency (i.e. the currency of the primary economic environment in which the entity operates) different from the Group presentational currency are translated as follows:

- assets and liabilities of entities in a functional currency different from Euro are translated at the closing rate
- revenues and expenses are translated at the average exchange rates over the period
- all resulting foreign exchange differences are recognized as a separate component of equity (translation differences).

At the local entity level, foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at closing rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, except where hedge accounting is applied as explained in section 1.9.

As mentioned in section 1.3.2, goodwill arising on the acquisition of a foreign entity is recorded in the local currency of the acquired entity and is translated into Euro at the closing date.

Foreign exchange differences arising from the translation of a net investment in a foreign subsidiary, borrowings and other currency instruments qualifying for hedge accounting of such investment are recorded in shareholders' equity under translation differences and are recycled in the income statement as part of the realized gain or loss on disposal of the hedge net investment.

Foreign exchange differences arising from monetary financial investments available for sale are recognized as income or expense for the period in respect of the portion corresponding to amortized cost. The residual translation differences relating to fair value changes are recorded in shareholders' equity.

1.5. Segment reporting

The segmental analysis provided in AXA's Annual Report and Financial Statements reflects both business lines (primary business segment) and geographical zones; it is based on five business lines: Life & Savings, Property & Casualty, International Insurance, Asset Management and Banking. An additional "Holdings" segment includes all non-operational activities.

1.6. Intangible assets

1.6.1. Goodwill and impairment of goodwill

Goodwill is considered to have an indefinite useful life and is therefore not amortized. Impairment tests are performed at least annually. Impairment of goodwill is not reversible.

AXA performs an annual impairment test of goodwill based on cash generating units, using a multi-criterion analysis with parameters such as the value of assets, future operating profits and market share, in order to determine any significant adverse changes. The analysis assumes a long-term holding, and excludes parameters affected by short-term market volatility. It also considers the interdependence of transactions within sub-groups. Within each cash generating unit, a comparison is made between net book value and the recoverable value (equal to the higher of market value and value in use). Value in use consists of the net assets and expected future earnings from existing and new business, taking into account the cash generating units' future cash flows. The value of future expected earnings is estimated on the basis of the life insurance and investment contracts embedded value figures published by AXA or similar calculations for other activities. Market values are based on various valuation multiples.

1.6.2. Value of purchased life insurance business inforce (VBI)

The value of purchased insurance contracts and investment contracts with discretionary participating features recognized in a business combination (see section 1.3.2) is amortized as profits emerge over the life of the contracts' portfolio. In conjunction with the liability adequacy test (see section 1.12.2), VBI is subject to annual recoverability testing based on actual experience and expected changes in the main assumptions.

1.6.3. Other intangible assets

Other intangible assets include softwares developed for internal use for which direct costs are capitalized and amortized on a straight-line basis over the assets' estimated useful lives.

They also include customer relationships intangibles as well as distribution agreements recognized as a result of business combinations, provided that their fair value can be measured reliably and it is probable that future economic benefits attributable to the assets will benefit to the Group. If these assets have a finite useful life, they are amortized over their estimated life. In all cases, they are subject to impairment tests, at each closing for assets with a finite useful life and at least annually for other assets. In the event of a significant decline in value, an impairment is booked corresponding to the difference between the value on the balance sheet and the higher of value in use and market value.

1.6.4. Deferred acquisition costs (DAC) relating to insurance contracts and investment contracts with discretionary participating features - Deferred origination costs (DOC) relating to investment contracts with no discretionary participating features

The variable costs of writing insurance contracts and investment contracts with discretionary participating features, primarily related to the underwriting of new business, are deferred by recognizing an asset. This asset is amortized based on the estimated gross profits emerging over the life of the contracts. In conjunction to the liability adequacy test (see section 1.12.2) this asset is tested for recoverability: any amount above future estimated gross profits is not deemed recoverable and expensed.

For investment contracts with no discretionary participating features, a similar asset is recognized (DOC) but limited to costs directly attributable to the provision of investment management services. This asset is amortized by taking into account projections of fees collected over the life of the contracts. The amortization of DOC is reviewed at each closing date to reflect changes in assumptions and experience. This asset is also tested for recoverability.

DAC and DOC are reported gross of unearned revenues and fees reserves.

These unearned revenues and fees reserves are separately recognized as liabilities and are amortized over the contract term using the same amortization approach used for DAC and DOC.

1.7. Investments from insurance, banking and other activities

Investments include investment in real estate properties and financial instruments including equities, debt securities and loans.

1.7.1. Investment properties

Investment properties (excluding investment properties totally or partially backing liabilities arising from contracts where the financial risk is borne by policyholders and from “With-Profit” contracts) are recognized at cost. The properties components are depreciated over their estimated useful lives, also considering their residual value if it may be reliably estimated.

In case of unrealized loss over 15%, an impairment is recognized for the difference between the net book value of the investment property and the fair value of the asset based on an independent valuation. Furthermore, at the level of each reporting entity, if the cumulated amount of unrealized losses under 15% (without offsetting with unrealized gains) represents more than 10% of the cumulated net cost of real estate assets, additional impairment are booked on a line-by line approach until the 10% threshold is reached.

If, in subsequent periods, the appraisal value rises to at least 15% more than the net carrying value, previously recorded impairment is reversed to the extent of the difference between a) the net carrying value and b) the lower of the appraisal value and the depreciated cost (before impairment).

Investment properties that totally or partially back liabilities arising from:
— contracts where the financial risk is borne by policyholders,
— “With-Profit” contracts where dividends are based on real estate assets,
are recognized at fair value with changes in fair value through profit or loss.

1.7.2. Financial instruments

Classification
Depending on the intention and ability to hold the invested assets, financial instruments are classified in the following categories:
— assets held to maturity, accounted for at amortized cost;
— loans and receivables (including unquoted debt instruments) accounted for at amortized cost;
— assets held for trading and assets designated as at fair value with change in fair value through profit or loss;
— available-for-sale assets accounted for at fair value with changes in fair value recognized through shareholders’ equity.

At inception, the option to designate financial investments and liabilities at fair value with change in fair value recognized through income statement is mainly used by the Group in the following circumstances:
— financial investments when electing the fair value option allows the Group to solve accounting mismatch, and in particular:

• assets backing liabilities arising from contracts where the financial risk is borne by policyholders;
• assets included in hedging strategies set out by the Group for economical reasons but not eligible for hedge accounting as defined by IAS 39;
• debts held by structured bond funds controlled and consolidated by the Group and made up of CDOs (Collateralized Debt Obligations).

— portfolios of managed financial investments whose profitability is valued on a fair value basis: mainly securities held by consolidated investment funds, managed according to the Group risk management policy ("Satellite Investment Portfolio", see definition below).

In practice, assets held through consolidated investment funds are classified:

— either as assets of the "Core Investment Portfolios" which include assets backing liabilities arising from insurance and investment contracts, managed according to AXA's ALM strategy;

— or as assets of the "Satellite Investment Portfolios", reflecting the strategic asset allocation based on a dynamic asset management aimed at maximizing returns.

Underlying financial instruments held in the "Core Investment Portfolios" are classified as available-for-sale unless involved in a qualifying hedge relationship or more broadly when electing the fair value option reduces accounting mismatch. As specified above, the financial instruments held in the "Satellite Investment Portfolios" are accounted for at fair value with changes in fair value recognized through income statement.

Assets designated as available-for-sale, trading assets, investments designated as at fair value through P&L and all derivatives are measured at fair value, i.e. the amount for which an asset could be exchanged, between knowledgeable, willing parties in an arm's length transaction. The Group applies the IAS 39 fair value hierarchy as detailed in Note 4.

Loans which are not designated under the fair value option are accounted at amortized cost, net of amortized premiums and discounts and impairment.

Impairment of financial instruments

AXA assesses at each balance sheet date whether a financial asset or a group of financial investments at (amortized) cost or designated as "available for sale" is impaired. A financial asset or group of financial investments is impaired when there is objective evidence of impairment as a result of one or more events and this event has an impact on the estimated future cash flows of the asset(s) that can be reliably estimated.

For debt instruments classified as "held to maturity" or "available for sale", an impairment based on fair value is recorded through the income statement if future cash flows may not be fully recoverable due to a credit event relating to the instrument issuer. A downgrade of an entity's credit rating is not, of itself, evidence of impairment. If the credit risk is eliminated or improves, the impairment may be released. The amount of the reversal is also recognized in the income statement.

For equity securities classified as available for sale, a significant or prolonged decline in the fair value below its carrying value is considered as indication for potential impairment, such as equity securities showing unrealized losses over a 6 months period or more (prior to the closing date), or unrealized losses in excess of 20% of the net carrying value at the closing date. If such evidence exists for an available for sale financial asset, the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment on that financial asset already booked in the income statement — is removed from shareholders' equity and an impairment is recognized through the income statement. Equity securities impairment recognized in the income statement can not be reversed through the income statement until the asset is sold or derecognized.

Loans impairments are based on the present value of expected future cash flows, discounted at the loan's effective interest rate (down to the loan's observable market price), or on the fair value of the collateral.

For financial investments accounted for at amortized cost, including loans and assets classified as "held to maturity", the impairment test is first performed at the asset level. A more global test is then performed on groups of assets with similar risk profile.

Methods for calculating the net book value of assets sold (average cost, first-in first-out, etc.) depend on local ALM strategies as these strategies have been set up to take into account specific commitments to policyholders. These methods may differ within the Group provided that they are used consistently at each entity level.

1.8. Assets backing liabilities arising from contracts where the financial risk is borne by policyholders

Assets backing liabilities arising from insurance or investment contracts where the financial risk is borne by policyholders are presented in a separate aggregate of the balance sheet so that they are shown in a symmetrical manner to the corresponding liabilities. This presentation is considered more relevant for the users and consistent with the liquidity order recommended by IAS

1 for financial institutions, since the risks are borne by policyholders, whatever the type of assets backing liabilities (investment properties, debt securities or equity securities, etc). Details of these assets are provided in the notes.

1.9. Derivative instruments

Derivatives are initially recognized at fair value at purchase date and are subsequently re-measured at their fair value. Unrealized gains and losses are recognized in the statement of income unless they relate to a qualifying hedge relationship as described below. The Group designates certain derivatives as either: (i) hedging of the fair value of recognized assets or liabilities or of a firm commitment (fair value hedge); or (ii) hedging of highly probable expected future transactions (cash flow hedge); or (iii) hedging of net investments in foreign operations.

The Group documents, at inception, the hedge relationship, as well as its risk management hedging objectives and strategy. The Group also documents the hedge effectiveness, both at inception and on an ongoing basis, indicating the actual or expected efficiency level of the derivatives used in hedging transactions in offsetting changes in the fair values or cash flows of hedged underlying items.

Fair value hedge

Changes in the fair value of derivatives designated and qualifying as fair value hedge are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability.

Cash flow hedge

The effective portion of changes in the fair value of derivatives designated and qualifying as cash flow hedge is recognized in shareholders' equity. The gain or loss relating to any ineffective portion is recognized in the income statement. Cumulative gain or loss in shareholders' equity is recycled in the income statement when the hedged underlying item impacts the profit or loss for the period (for example when the hedged future transaction is recognized). When a hedging instrument reaches its maturity date or is sold, or when a hedge no longer qualifies for hedge accounting, the cumulative gains or losses in shareholders' equity are held until the initially hedged future transaction ultimately impacts the income statement.

Net investment hedge

The accounting of net investments in foreign operations hedge is similar to the accounting of cash flow hedge. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in shareholders' equity; the gain or loss relating to the ineffective portion is recognized in the income statement. Cumulative gains and losses in shareholders' equity impact the income statement only on disposal of the foreign operations.

Derivatives not qualifying for hedge accounting

Changes in the fair value of all other derivative instruments that do not qualify for hedge accounting are recognized in the income statement.

The Group holds financial investments that include embedded derivatives. Such embedded derivatives are separately recorded and measured at fair value through profit or loss if the impact is deemed significant.

For balance sheet presentation, derivatives are presented alongside with the underlying assets or liabilities for which they are used, regardless of whether these derivatives meet the criteria for hedge accounting.

1.10. Assets / liabilities held for sale and assets / liabilities including discontinued operations

These comprise assets, particularly buildings or operations, intended to be sold or discontinued within twelve months. Subsidiaries held for sale remain within the scope of consolidation until the date on which the Group loses effective control. The assets and activities (assets and liabilities) concerned are measured at the lower of net carrying value and fair value net of selling costs. They are presented in separate asset and liability items on the balance sheet. The liabilities of subsidiaries (excluding shareholders' equity) held for sale are entered separately on the liability side of the consolidated balance sheet, with no netting against assets.

In the event of a discontinuation of operations representing either a business line, a main and distinct geographical region or a subsidiary acquired solely with a view to reselling, their after-tax contribution is stated on a separate line of the income statement. For comparison purposes, the same applies to the presentation of income statements relating to previous periods that

are included in the financial statements. This separate line also includes the post-tax gain / loss recognized on the disposal of the discontinued operation at the date of loss of control.

Details on information presented in the balance sheet and income statement are provided in the notes to the consolidated financial statements.

1.11. Share capital and shareholders' equity

1.11.1. Share capital

Ordinary shares are classified in shareholders' equity when there is no obligation to transfer cash or other assets to the holders.

Additional costs (net of tax) directly attributable to the issue of equity instruments are shown in shareholders' equity as a deduction to the proceeds.

1.11.2. Perpetual debts

Perpetual debts and any related interest charges are classified either in shareholders' equity (in the "other reserves" aggregate) or as liabilities depending on contract clauses without taking into consideration the prospect of redemption under economic constraints (e.g. step up clauses or pressure from shareholders to pay a dividend).

1.11.3. Compound financial instruments

Any financial instrument issued by the Group with an equity component (for example an option granted to convert the debt instrument into an equity instrument of the company) and a liability component (a contractual obligation to deliver cash) is classified separately on the liability side of the balance sheet with the equity component reported in Group shareholders' equity (in the "other reserves" aggregate). Gains and losses relating to redemptions or refinancing of the equity component are recognized as changes to shareholders' equity.

1.11.4. Treasury shares

Treasury shares and any directly related costs are recorded as a deduction to consolidated shareholders' equity. Where treasury shares are subsequently sold or reissued, any consideration received is included in consolidated shareholders' equity, net of any directly related costs and tax effects.

However, treasury shares held by controlled investment funds backing contracts where the financial risk is borne by policyholders are not deducted as all risks and income resulting from holding these shares are attributable to policyholders.

1.12. Liabilities arising from insurance and investment contracts

1.12.1. Contracts classification

The Group issues contracts that transfer an insurance risk or a financial risk or both.

Insurance contracts, including assumed reinsurance contracts, are contracts that carry significant insurance risks. Such contracts may also transfer financial risk from the policyholders to the insurer. Investment contracts are contracts that carry financial risk with no significant insurance risk.

A number of insurance and investment contracts contain discretionary participating features. These features entitle the contract holder to receive additional benefits or bonuses on the top of these standard benefits:

- they are likely to represent a significant portion of the overall contractual benefits;
- their amount or timing is contractually at the discretion of the Group; and
- they are contractually based on the performance of a group of contracts, the investment returns of a financial asset portfolio or the company profits, a fund or another entity that issues the contract.

In some insurance or investment contracts, the financial risk is borne by policyholders. Such contracts are usually unit-linked contracts.

The Group classifies its insurance and investment contracts into six categories:

- liabilities arising from insurance contracts,

- liabilities arising from insurance contracts where the financial risk is borne by policyholders,
- liabilities arising from investment contracts with discretionary participating features,
- liabilities arising from investment contracts with no discretionary participating features,
- liabilities arising from investment contracts with discretionary participating features where the financial risk is borne by policyholders; these relate to unit-linked contracts or multi-funds contracts containing a non-unit-linked fund with discretionary participating features,
- liabilities arising from investment contracts with no discretionary participating features where the financial risk is borne by policyholders.

1.12.2. Insurance contracts and investment contracts with discretionary participating features

According to IFRS 4, recognition and derecognition are based on the AXA accounting policies existing prior to IFRS and are described below, except for the elimination of equalization provisions and selective changes as permitted by IFRS 4 (see paragraph below on guaranteed benefits).

Unearned premium reserves represent the prorated portion of written premiums that relates to unexpired risks at the balance sheet date.

For traditional life insurance contracts (that is, contracts with significant mortality risk), the future policy benefits reserves are calculated on a prospective basis according to each country regulation provided methods used are consistent with the Group's policies and using assumptions on investment yields, morbidity/mortality and expenses.

Additional reserves are booked if there are any adverse impacts on reserves level caused by a change in mortality table.

Future policy benefits reserves relating to investment contracts with discretionary participation features (previously called "savings contracts" in AXA's accounting principles) that carry low mortality and morbidity risk are calculated using a prospective approach based on discount rates set at inception (similar to the retrospective approach, i.e. "account balance" methodology).

The discount rates used by AXA are less or equal to the expected future investment yields (assessed on prudent basis).

Part of the policyholders participation reserve is included in future policy benefits reserves, according to contractual clauses.

The "Liabilities arising from policyholders participation" caption includes the entire "Fund for Future Appropriation" (FFA) relating to UK with-profit contracts, which principally covers future terminal bonuses according to the terms of these contracts. The combination of provisions on with-profit contracts and the FFA varies in line with the market value of the assets supporting the participating with-profit funds. Technical reserves are measured on a "realistic" basis in accordance with UK accounting standard FRS 27 and in line with the practice used by UK insurance companies with respect to these contracts.

For insurance and investment contracts with discretionary participating features, if the contracts include a minimum guaranteed rate, any potential reserve deficiency caused by insufficient future investment return is immediately booked.

Except when these guarantees are covered by a risk management program using derivative instruments (see next paragraph), guaranteed minimum benefits reserves relating to contracts where the financial risk is borne by policyholders (insurance contracts because they include such guarantees or investment contracts with discretionary participating features), are build over the life of the contract based on a prospective approach: the present value of future benefit obligations to be paid to policyholders in relation to these guarantees is estimated on the basis of reasonable scenarios. These scenarios are based on assumptions including investment returns, volatility, surrender and mortality rates. This present value of future benefit obligations is reserved as fees are collected over the life of the contracts.

Some guaranteed benefits such as Guaranteed Minimum Death or Income Benefits (GMDB or GMIB), or certain guarantees on return proposed by reinsurance treaties, are covered by a risk management program using derivative instruments. In order to minimize the accounting mismatch between liabilities and hedging derivatives, AXA has chosen to use the option allowed under IFRS 4.24 to re-measure its provisions: this revaluation is carried out at each accounts closing based on guarantee level projections and takes into account interest rates and other market assumptions. The liabilities revaluation impact in the current period is recognized through income, symmetrically with the impact of the change in value of hedging derivatives. This change in accounting principles was adopted on the first time application of IFRS on January 1, 2004 for contracts portfolios covered by the risk management program at that date. Any additional contracts portfolios covered by the risk management program after this date are valued on the same terms as those that applied on the date the program was first applied.

Claims reserves (non-life insurance)

The purpose of claims reserves is to cover the ultimate cost of settling an insurance claim. Claims reserves are not discounted, except when relating to disability annuities.

Claims reserves include the claims incurred and reported, claims incurred but not reported (IBNR) as well as claim handling costs. Claims reserves are based on historical claim data, current trends, actual payment patterns for all insurance business lines as well as expected changes in inflation, regulatory environment or anything else that could impact amounts to be paid.

Unearned revenues reserves

Revenues received at contract inception to cover future services are deferred and recognized in the income statement using the same amortization pattern as the one used for deferred acquisition costs (see section 1.6.4).

Shadow accounting and Deferred policyholders Participation Asset (DPA) or Liability (DPL)

In compliance with IFRS 4 option, shadow accounting is applied to insurance and investment contracts with discretionary participating features. Shadow accounting is applied to technical liabilities, acquisition costs and value of business in force to take into account unrealized gains or losses on insurance liabilities or assets in the same way as it is done for a realized gain or loss of invested assets. When unrealized gains or losses are recognized, a deferred participating liability (DPL) or asset (DPA) is recorded. The DPL or DPA corresponds to the discretionary participation available to the policyholders and is determined by applying an estimated participation rate to unrealized gains and losses.

Deferred policyholders participation is fully classified as liabilities (or assets). As a consequence, there is no component recognized as an equity component and AXA does not need to ensure the liability recognized for the whole contract is not less than the amount that would result from applying IAS 39 to the guaranteed element.

When a net unrealized loss is accounted, a deferred participating asset (DPA) should be recognized only to the extent that its recoverability toward future policyholders participation, by entity, is highly probable. That could be the case if the DPA can be offset against future participation either directly through deduction of the DPL from future capital gains or indirectly through deduction of future fees on premiums or margins.

Unrealized gains and losses on assets classified as trading or designated at fair value through profit or loss, along with any other entry impacting the income statement and generating a timing difference, are accounted in the statement of income with a corresponding shadow entry adjustment in the statement of income. The shadow accounting adjustments relating to unrealized gains and losses on assets available-for-sale (for which change in fair value is taken to shareholders' equity) are also booked through shareholders' equity.

Liability adequacy test (LAT)

At each balance sheet date, liability adequacy tests are performed in each consolidated entity in order to ensure the adequacy of the contract liabilities net of related DAC and VBI assets. To perform these tests, entities group contracts together according to how they have been acquired, are serviced and have their profitability measured. Entities also use current best estimates of all future contractual cash flows as well as claims handling and administration expenses, and they take into account embedded options and guarantees and investment yields relating to assets backing these contracts. Contract specific risks (insurance risk, asset return risk, inflation risk, persistency, adverse selection etc.) directly related to the contracts that might make the net liabilities inadequate, are also considered.

Any identified deficiency is charged to the income statement, initially by respectively writing off DAC or VBI, and subsequently by establishing a LAT provision for losses arising from the liability adequacy test for any amount in excess of DAC and VBI. For non-life insurance contracts, an unexpired risk provision is accounted for contracts on which the premiums are expected to be insufficient to cover expected future claims and claims expenses.

Embedded derivatives in insurance and investment contracts with discretionary participating features

Embedded derivatives that meet the definition of an insurance contract or correspond to options to surrender insurance contracts for a set amount (or based on a fixed amount and an interest rate) are not separately measured. All other embedded derivatives are bifurcated and booked at fair value when material if they are not considered as closely related to the host insurance contract and/or do not meet the definition of an insurance contract.

1.12.3. Investment contracts with no discretionary participating features

In accordance with IAS 39, these contracts are accounted for using "deposit accounting", which mainly results in not recognizing the cash flows corresponding to premiums, benefits and claims in the statement of income (see "Revenue recognition" section below). These cash flows shall rather be recognized as deposits and withdrawals.

This category includes mainly unit-linked contracts that do not meet the definition of insurance or investment contracts with discretionary participating features. For these unit-linked contracts, the liabilities recognized under existing accounting policies are valued based on the fair value of the financial investments backing those contracts at the balance sheet date.

Unearned fees reserve

Fees received at inception of an investment contract with no discretionary participating features to cover future services are recognized as liabilities and accounted in the income statement based on the same amortization pattern as the one used for deferred origination costs (see section 1.6.4).

1.13. Reinsurance: Ceded reinsurance

Transactions relating to reinsurance assumed and ceded are accounted in the balance sheet and income statement in a similar way to direct business transactions provided that these contracts meet the insurance contracts classification requirements and in agreement with contractual clauses.

1.14. Financing debts

Financing debts issued to finance the solvency requirements of an operational entity or to acquire a portfolio of contracts are isolated in a specific balance sheet aggregate.

1.15. Other liabilities

1.15.1. Income taxes

The half-year income tax charge is based on the best estimate of the expected full-year tax rate (if progressive tax rates based on income levels are in force) for each Group entity and for each tax category.

Deferred tax assets and liabilities emerge from temporary differences between the accounting and fiscal values of assets and liabilities, and when applicable from tax loss carryforwards. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available to offset the temporary differences. Therefore, deferred tax assets that are not expected to be recovered are derecognized.

In particular, a deferred tax liability is recognized for any taxable temporary difference relating to the value of shares in a consolidated company held, unless the Group controls at what date the temporary difference will reverse and it is probable that the temporary difference will not reverse in the foreseeable future. If a group company decides to sell its stake in another consolidated entity, the difference between the carrying value and the tax value of these shares for the company that holds them leads to the recognition of a deferred tax (including as part of a business combination when the Group as the buyer intends to sell or carry out internal restructuring of the shares following the acquisition). The same approach applies to dividend payments that have been voted or deemed likely, to the extent that a tax on dividends will be due.

Deferred taxes for taxable temporary differences relating to tax deductible goodwill are recognized to the extent they do not arise from the initial recognition of goodwill. These deferred taxes are only released if the goodwill is impaired or if the corresponding consolidated shares are sold.

The measurement of deferred tax liabilities and deferred tax assets reflects the expected tax impact, at the balance sheet date. That would follow the way the Group expects to recover or settle the carrying amount of its assets and liabilities. When income taxes are calculated at a different rate if dividends are paid, deferred taxes are measured at the tax rate applicable to undistributed profits. The income tax consequences of dividends are only accounted when a liability to pay the dividend is recognized.

1.15.2. Pensions and other post-retirement benefits

Pensions and other post-retirement benefits include the benefits payable to AXA Group employees after they retire (retirement compensation, additional pension benefit, health insurance). In order to meet those obligations, some regulatory framework have allowed or enforced the set up of dedicated funds (plan assets).

Defined contribution plans: payments are made by the employer to a third party (e.g. pension trusts). These payments free the employer of any further commitment, and the obligation to pay acquired benefits to the employees is transferred. The contributions paid by the employer are recorded as an expense in the income statement and no liability needs to be recorded once contributions are made.

Defined benefit plans: an actuarial assessment of the commitments based on each plan's internal rules is performed. The present value of the future benefits paid by the employer, known as the DBO (Defined Benefit Obligation), is calculated annually on the basis of long-term projections of rate of salary increase, inflation rate, mortality, staff turnover, pension indexation and remaining service lifetime. The amount recorded in the balance sheet for employee benefits is the difference between the Defined Benefit Obligation and the market value at the balance sheet date of the corresponding invested plan assets after adjustment at fair value. If the net result is negative, a provision is recorded in the balance sheet under the provision for risks and charges heading. If the net result is positive, a prepaid asset is recorded in the balance sheet. **Actuarial gains and losses** arising from experience adjustments and changes in actuarial assumptions are recognized in shareholders' equity (in the Statement of Recognized Income and Expense – SORIE) in full in the period in which they occur. Similarly, any adjustment arising from the asset ceiling is recognized in shareholders' equity. Past service costs are recognized immediately in the income statement, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, past service costs are amortized on a straight-line basis over the vesting period.

1.15.3. Share-based compensation plans

Group's share-based compensation plans are predominantly equity-settled plans.

All equity-settled share-based compensation plans granted after November 7, 2002 and not fully vested as at January 1, 2004 are accounted for at fair value at the date they were granted and the fair value is expensed over the vesting period.

Cash-settled share-based compensation plans are recognized at fair value, which is remeasured at each balance sheet date with any change in fair value recognized in the statement of income.

The AXA Shareplan issued under specific French regulatory framework includes two options: traditional and leveraged option.
The cost of the traditional option Shareplan is valued according to the specific guidance issued in France by the CNC (Conseil National de la Comptabilité). The cost of the leveraged option plan is valued by taking into account the five-year lock-up period for the employees (as in the traditional plan) but adding the value of the advantage granted to the employees by enabling them to benefit from an institutional derivatives-based pricing instead of a retail pricing.

1.16. Provisions for risks, charges and contingent liabilities

1.16.1. Restructuring costs

Restructuring provisions other than those that may be recognized on the balance sheet of an acquired company on the acquisition date are recorded when the Group has a present obligation evidenced by a binding sale agreement or a detailed formal plan whose main features are announced to those affected or to their representatives.

1.16.2. Other provisions and contingencies

Provisions are recognized when the Group has a present obligation (legal or implicit) as a result of past events, when it is more likely than not that an outflow of resources will be required to settle the obligation, and when the provision can be reliably estimated.

Provisions are not recognized for future operating losses.

The same applies to contingent liabilities, except if identified at the time of a business combination (see section 1.3.2).

Provisions are measured at management's best estimate, at the balance sheet date, of the expenditure required to settle the obligation, discounted at the market risk-free rate of return for long term provisions.

1.17. Revenue recognition

1.17.1. Gross written premiums

Gross written premiums correspond to the amount of **premiums written** by insurance and reinsurance companies on business incepted in the year with respect to both insurance contracts and investment contracts with discretionary participating features, net of cancellations and gross of reinsurance ceded. For reinsurance, premiums are recorded on the basis of declarations made by the ceding company, and may include estimates of gross written premiums.

1.17.2. Fees and revenues from investment contracts with no discretionary participating features

Amounts collected as premiums from investment contracts with no discretionary participating features are reported as deposits net of any loadings and policy fees. Revenues from these contracts consist of loadings and policy fees relating to underwriting, investment management, administration and surrender of the contracts during the period. Front-end fees collected corresponding to fees for future services are recognized over the estimated life of the contract (see "Unearned fees reserves" section 1.12.3).

1.17.3. Deposit accounting

Investment contracts with no discretionary participating features fall within the scope of IAS 39. Deposit accounting applies to these contracts, which involves the following:

- the Group directly recognizes the consideration received as a deposit financial liability rather than as revenues,
- claims paid are recognized as withdrawals with no posting in the income statement apart from potential fees.

1.17.4. Unbundling

The Group unbundles the deposit component of contracts when required by IFRS 4, i.e. when both the following conditions are met:

- the Group can measure separately the "deposit" component (including any embedded surrender option, i.e. without taking into account the "insurance" component);
- the Group accounting methods do not otherwise require to recognize all obligations and rights arising from the "deposit" component.

No such situation currently exists within the Group. In accordance with IFRS 4, the Group continues to use the accounting principles previously applied by AXA to insurance contracts and investment contracts with discretionary participating features. According to these principles, there are no situations in which all rights and obligations related to contracts are not recognized.

1.17.5. Change in unearned premiums reserves net of unearned revenues and fees

Changes in unearned premiums reserves net of unearned revenues and fees include both the change in the unearned premium reserve reported as a liability (see "Unearned premium reserves" in section 1.12.2) and the change in unearned revenues and fees. Unearned revenues and fees correspond to upfront charges for future services recognized over the estimated life of insurance and investment contracts with discretionary participating features (see "Provisions for unearned revenues" in section 1.12.2) and investment contracts with no discretionary participating features (see section 1.12.3 "Provisions for unearned fees").

1.17.6. Net revenues from banking activities

Net revenues from banking activities include all revenues and expenses from banking operating activities, including interests and banking fees.

They exclude bank operating expenses and change in bad debts provisions, doubtful receivables or loans, which are recorded in the item "Bank operating expenses".

1.17.7. Revenues from other activities

Revenues from other activities mainly include:

- insurance companies revenues from non insurance activities, notably commissions received on sales or distribution of financial products,
- commissions received and fees for services relating to asset management activities, and,
- rental income received by real estate management companies.

1.17.8. Policyholders' participation

The half-year policyholders' participation charge is based on the best estimate of the planned full-year distribution rate for each portfolio of contracts at each Group entity level.

1.17.9. Net investment result excluding financing expenses

The net investment result includes:

- investment income from investments from non banking activities, net of depreciation expense on real estate investments (depreciation expense relating to owner occupied properties is included in the "administrative expenses" aggregate); this item includes interest received calculated using the effective interest method for debt instruments and dividends received on equity instruments,
- investment management expenses (excludes financing debt expenses),
- realized investment gains and losses net of releases of impairment following sales,
- the change in unrealized gains and losses on invested assets measured at fair value through profit or loss,
- the change in impairment of investments (excluding releases of impairment following sales).

In respect of banking activities, interest income and expenses are included in the "Net revenue from banking activities" item (see section 1.17.6).

Any gain or loss arising from a decrease in AXA's ownership interest in a consolidated entity is recorded in the net investment result, to the extent it does not result from an internal restructuring within the Group. The gain or loss corresponds to the change in AXA's share of the subsidiary's shareholders' equity before and after the subsidiary equity transaction.

1.18. Subsequent events

Subsequent events relate to events that occur between the balance sheet date and the date when the financial statements are authorized for issue:

- Such events lead to an adjustment of the consolidated financial statements if they provide evidence of conditions that existed at the balance sheet date,
- Such events result in additional disclosures if indicative of conditions that arose after the balance sheet date, and if relevant and material.

1.19. Presentation of the financial statements

Consolidated statement of cash flows
While cash and cash equivalent balances backing contracts where the financial risk is borne by policyholders are not held within legally segregated "separate accounts", the use of these cash balances is nevertheless subject to significant restrictions and these funds are not considered readily available for use by the Group. Accordingly, the Group has reconsidered the presentation of these amounts and decided to discontinue the presentation of cash backing unit-linked contracts in its consolidated statement of cash flows, for all periods presented.

Segment reporting
At June 30, 2008, the "Holding companies" segment (that includes all non-operational activities), also includes some financial vehicles including certain Special-Purpose Entities such as consolidated CDOs, formely disclosed as part of the segment "Others Financial Services" which has been renamed "Banking". This change has been applied retrospectively to June 30, 2007.

Note 2 : Scope of consolidation

2.1. Consolidated companies

2.1.1. Main fully consolidated companies

Parent and Holding Companies	Change in scope	June 30, 2008 Voting rights	June 30, 2008 Ownership interest	December 31, 2007 Voting rights	December 31, 2007 Ownership interest
France					
AXA		Parent company	-	Parent company	
AXA China		100.00	77.42	100.00	77.39
AXA France Assurance		100.00	100.00	100.00	100.00
Colisée Excellence		100.00	100.00	100.00	100.00
AXA Participations II		100.00	100.00	100.00	100.00
Oudinot Participation		100.00	100.00	100.00	100.00
Société Beaujon		99.99	99.99	99.99	99.99
AXA Technology Services		100.00	99.99	100.00	99.99
United States					
AXA Financial, Inc.		100.00	100.00	100.00	100.00
AXA America Holding Inc.		100.00	100.00	100.00	100.00
United Kingdom					
Guardian Royal Exchange Plc		100.00	99.99	100.00	99.99
AXA UK Plc		100.00	99.99	100.00	99.99
AXA Equity & Law Plc		99.96	99.96	99.96	99.96
Winterthur (UK) Holdings Ltd		100.00	99.99	100.00	99.99
Ireland					
AXA Life Europe		100.00	100.00	100.00	100.00
Asia/Pacific (excluding Japan)					
National Mutual International Pty Ltd (1)		100.00	53.91	100.00	53.86
AXA Life Singapore Holding (1)		100.00	53.91	100.00	53.86
AXA Asia Pacific Holdings Ltd		53.91	53.91	53.00	53.86
Japan					
AXA Japan Holding		98.36	98.36	98.11	98.11
Germany					
Kölnische Verwaltungs AG für Versicherungswerte		100.00	100.00	100.00	100.00
AXA Konzern AG		100.00	100.00	100.00	100.00
DBV-Winterthur Holding AG		96.69	96.69	96.69	96.69
WinCom Versicherungs-Holding AG		100.00	100.00	100.00	100.00
Winterthur Beteiligungs-Gesellschaft mbH		100.00	100.00	100.00	100.00
Belgium					
AXA Holdings Belgium		100.00	100.00	100.00	99.92
Luxembourg					
AXA Luxembourg SA		100.00	100.00	100.00	99.92
The Netherlands					
Vinci BV		100.00	100.00	100.00	100.00
Spain					
AXA Mediterranean Holding SA		100.00	100.00	100.00	100.00
Italy					
AXA Italia SpA		100.00	100.00	100.00	100.00
Switzerland					
Finance Solutions SARL		100.00	100.00	100.00	100.00
Morocco					
AXA Ona		100.00	100.00	100.00	100.00
Turkey					
AXA Oyak Holding AS		50.00	50.00	50.00	50.00

(1) Wholly owned by AXA Asia Pacific Holdings Limited

Life & Savings and Property & Casualty	Change in scope	June 30, 2008 Voting rights	June 30, 2008 Ownership interest	December 31, 2007 Voting rights	December 31, 2007 Ownership interest
France					
AXA France Iard		99.92	99.92	99.92	99.92
Avanssur (formerly Direct Assurances Iard)		100.00	100.00	100.00	100.00
AXA France Vie		99.77	99.77	99.77	99.77
AXA Protection Juridique		98.51	98.51	98.51	98.51
United States					
AXA Financial (sub group)		100.00	100.00	100.00	100.00
Canada					
AXA Canada Inc. (sub group including Citadel)		100.00	100.00	100.00	100.00
United Kingdom					
AXA Insurance Plc		100.00	99.99	100.00	99.99
AXA Sun Life Plc		100.00	99.99	100.00	99.99
AXA PPP Healthcare Limited		100.00	99.99	100.00	99.99
Thinc Group		100.00	99.99	100.00	99.99
Venture Preference Limited		97.84	97.83	95.40	95.40
Winterthur Life UK Limited		100.00	99.99	100.00	99.99
Whale CDO Equity Fund		99.98	99.97	100.00	99.99
Ireland					
AXA Insurance Limited		100.00	99.99	100.00	99.99
Asia/Pacific (excluding Japan)					
AXA Life Insurance Singapore (1)		100.00	53.91	100.00	53.86
AXA Australia New Zealand		100.00	53.91	100.00	53.86
AXA China Region Limited (including MLC Hong-Kong) (1)		100.00	53.91	100.00	53.86
AXA General Insurance Hong Kong Ltd		100.00	100.00	100.00	100.00
AXA Insurance Singapore		100.00	100.00	100.00	100.00
PT AXA Life Indonesia		80.00	43.13	80.00	43.09
MLC Indonesia		100.00	53.91	100.00	53.86
Kyobo Automobile Insurance		90.08	90.08	90.08	90.08
Winterthur Life (Hong Kong) Ltd.	Merged with AXA China Region Limited	-	-	100.00	53.86
Axa Affin General Insurance Berhad		50.48	50.48	50.48	50.48
Japan					
AXA Life Insurance		100.00	98.36	100.00	98.11
AXA Non Life Insurance Co Ltd		100.00	98.36	100.00	98.11
Winterthur Swiss Life Insurance Co., Ltd.		100.00	98.36	100.00	98.11
Germany					
AXA Versicherung AG		100.00	100.00	100.00	100.00
AXA Art		100.00	100.00	100.00	100.00
AXA Leben Versicherung AG		100.00	100.00	100.00	100.00
Pro Bav Pensionskasse		100.00	100.00	100.00	100.00
Deutsche Aerzteversicherung		100.00	100.00	100.00	100.00
AXA Kranken Versicherung AG		100.00	100.00	100.00	100.00
DBV-Winterthur Krankenversicherung AG		100.00	96.69	100.00	96.69
DBV-Winterthur Lebensversicherung AG		99.74	96.44	99.74	96.44
Winsecura Pensionskasse AG		100.00	96.44	100.00	96.44
Rheinisch-Westfälische Sterbekasse Lebensversicherung AG		100.00	96.69	100.00	96.69
DBV Deutsche Beamten-Versicherung AG		100.00	96.69	100.00	96.69
DBV-Winterthur Versicherung AG (DWS)		100.00	96.69	100.00	96.69
DBV-WinSelect Versicherung AG		100.00	96.69	100.00	96.69
Belgium					
Ardenne Prévoyante		100.00	100.00	100.00	99.92
AXA Belgium SA		100.00	100.00	100.00	99.92
Servis (formerly Assurance de la Poste)		100.00	100.00	100.00	99.92
Assurances de la Poste Vie		100.00	100.00	100.00	99.92
Winterthur Europe Assurances - Vie	Merged with AXA Belgium SA	-	-	100.00	100.00
Winterthur Europe Assurances - Non Vie	Merged with AXA Belgium SA	-	-	100.00	100.00
Les Assurés Réunis		99.93	99.93	99.93	99.93
Touring Assurances SA		100.00	100.00	100.00	100.00
Luxembourg					
AXA Assurances Luxembourg		100.00	100.00	100.00	99.92
AXA Assurances Vie Luxembourg		100.00	100.00	100.00	99.92
Spain					
Hilo Direct SA de Seguros y Reaseguros		100.00	100.00	100.00	100.00
AXA Aurora SA Iberica de Seguros y Reaseguros	Merged with Winterthur Seguros Generales, S.A. de Seguros y Reaseguros	-	-	99.70	99.70
AXA Aurora SA Vida de Seguros y Reaseguros	Merged with Winterthur Vida y Pensiones	-	-	99.70	99.70
AXA Aurora SA Vida	Merged with Winterthur Vida y Pensiones	-	-	99.96	99.67
Winterthur Vida y Pensiones		99.80	99.80	100.00	100.00
Winterthur Seguros Generales, S.A. de Seguros y Reaseguros		99.89	99.89	100.00	100.00
Winterthur Salud (SA de Seguros)		100.00	100.00	100.00	100.00
Italy					
AXA Interlife		100.00	100.00	100.00	100.00
UAP Vita		100.00	100.00	100.00	100.00
AXA Assicurazioni e Investimenti		100.00	99.99	100.00	99.99
AXA-MPS Vita		50,00 + 1 voting right	50.00	50,00 + 1 voting right	50.00
AXA-MPS Danni		50,00 + 1 voting right	50.00	50,00 + 1 voting right	50.00
Portugal					
AXA Portugal Companhia de Seguros SA		99.63	99.39	99.61	99.37
AXA Portugal Companhia de Seguros de Vida SA		95.09	94.89	95.09	94.89
Seguro Directo		100.00	100.00	100.00	100.00
Morocco					
AXA Assurance Maroc		100.00	100.00	100.00	100.00
Turkey					
AXA Oyak Hayat Sigorta AS		100.00	50.00	100.00	50.00
AXA Oyak Sigorta AS		70.96	35.48	70.96	35.48

Gulf Region					
AXA Cooperative Insurance Company (Saudi Arabia)		50.00	34.00	-	-
AXA Insurance (Gulf) B.S.C.c.		50.00	50.00	-	-
Switzerland					
Winterthur Life		100.00	100.00	100.00	100.00
Winterthur-ARAG Legal Assistance		66.67	66.67	66.67	66.67
Winterthur Swiss Insurance Company Holding	Merged with Winterthur Swiss Insurance P&C	-	-	100.00	100.00
Winterthur Swiss Insurance P&C		100.00	100.00	100.00	100.00
Greece					
AXA Insurance Life		99.89	99.89	99.57	99.57
AXA Insurance P&C		99.89	99.89	99.57	99.57
Central and Eastern Europe					
Winterthur Czech Republic Pension Funds		84.59	84.59	79.97	79.97
Winterthur Czech Republic Insurance		65.01	65.01	65.01	65.01
Winterthur Hungary		65.00	65.00	65.00	65.00
Winterthur Poland		65.00	65.00	65.00	65.00
Winterthur Poland Pension Funds		70.00	70.00	70.00	70.00
Winterthur Slovakia		100.00	100.00	100.00	100.00

(1) Wholly owned by AXA Asia Pacific Holdings Limited

		June 30, 2008		December 31, 2007	
International Insurance (entities having worldwide activities)	**Change in scope**	**Voting rights**	**Ownership interest**	**Voting rights**	**Ownership interest**
AXA Corporate Solutions Assurance (sub group)		98.75	98.75	98.75	98.75
AXA Cessions		100.00	100.00	100.00	100.00
AXA Assistance SA (sub group)		100.00	100.00	100.00	100.00
AXA Global Risks UK		100.00	100.00	100.00	100.00
Saint-Georges Ré		100.00	100.00	100.00	100.00
AXA LM Switzerland		100.00	100.00	100.00	100.00

		June 30, 2008		December 31, 2007	
Asset Management (entities having worldwide activities)	**Change in scope**	**Voting rights**	**Ownership interest**	**Voting rights**	**Ownership interest**
AXA Investment Managers (sub group)		94.79	94.78	95.04	95.02
AllianceBernstein (sub group)		63.03	63.03	63.18	63.18
Winterthur Investment Management AG		100.00	94.78	100.00	95.02

		June 30, 2008		December 31, 2007	
Banking	**Change in scope**	**Voting rights**	**Ownership interest**	**Voting rights**	**Ownership interest**
France					
AXA Banque		100.00	99.89	100.00	99.89
AXA Banque Financement		65.00	64.93	65.00	64.93
Germany					
AXA Bank AG		100.00	100.00	100.00	100.00
Belgium					
AXA Bank Europe		100.00	100.00	100.00	99.92
Hungary					
ELLA Bank		100.00	100.00	100.00	99.92

		June 30, 2008		December 31, 2007	
Other Financial Services	**Change in scope**	**Voting rights**	**Ownership interest**	**Voting rights**	**Ownership interest**
France					
Compagnie Financière de Paris		100.00	100.00	100.00	100.00
Sofinad		100.00	99.99	100.00	99.99

The main acquisition to the Group scope of consolidation in the first semester 2008 is described below:

On March 19, 2008, AXA UK completed the purchase of 100% of the share capital of **SBJ** Group. The acquisition of SBJ will complement and enhance AXA's UK advisory and broking capability, bringing a number of strengths to the Group, including increased scale, a wider national presence and access to new market areas. SBJ, with its strong management team and high quality staff, will represent significant progress towards AXA's stated strategic aim of building a leading presence in the advisory and broking markets. The businesses will continue to operate independently of AXA's insurance company interests.

Consolidated investment and investment funds:

At 30 June 2008, consolidated investment funds represented total invested assets of €99,864 million (€110,162 million at the end of 2007), corresponding to 324 investment funds *(334 investment funds in December 31, 2007)*, mainly in France, Australia, the United Kingdom, Germany, Japan, Belgium and the Mediterranean Region, and in majority relating to the Life & Savings segment.

At 30 June 2008, the 54 consolidated real estate companies *(47 consolidated real estate companies in December 31, 2007)* corresponded to total invested assets of €9,179 million (€9,226 million at the end of 2007), mainly in France, Australia and Germany.

At 30 June 2008, the 6 consolidated CDOs represented total investments of €828 million (€1,024million at the end of 2007). These CDO's are consolidated in AXA's balance sheet in line with IFRS rules even though AXA 's investments in these CDO's assets represented only approximately €166 million out of the €868 million.

Given the nature of the Group activities (no securitization of AXA's own invested assets), the current market conditions did not lead to the consolidation of off balance sheet special purpose vehicles originated by the Group.

In most investment funds (particularly open-ended investment funds), minority interests do not meet the definition of shareholders' equity. They are therefore presented as liabilities under "Minority interests of controlled investment funds and puttable instruments held by minority interest holders". At June 30, 2008 minority interests in controlled investment funds amounted to €5,861 million (€7,116 million at December 31, 2007).

2.1.2. Proportionately consolidated companies

Life & Savings and Property & Casualty	Change in scope	June 30, 2008		December 31, 2007	
		Voting rights	Ownership interest	Voting rights	Ownership interest
France					
Natio Assurances		50.00	49.96	50.00	49.96
NSM Vie	Consolidated by equity method	-	-	39.98	39.98
Fonds Immobiliers Paris Office Funds		50.00	49.91	50.00	49.91

2.1.3. Investments in companies consolidated by equity method

Companies consolidated by equity method listed below exclude investment funds and real estate entities:

	Change in scope	June 30, 2008		December 31, 2007	
		Voting rights	Ownership interest	Voting rights	Ownership interest
France					
Argovie		95.23	95.01	95.23	95.01
Banque de Marchés et d'Arbitrages		27.71	27.70	27.71	27.70
NSM Vie	Previosly consolidated by proportional method	39.98	39.98	-	-
Asia/Pacific					
Philippines AXA Life Insurance Corporation		45.00	24.26	45.00	24.24
Krungthai AXA Life Insurance Company Ltd		50.00	26.96	50.00	26.93
Axa Mimmetals Assurance Co Ltd		51.00	39.48	51.00	39.47
PT AXA Mandiri Financial Services		51.00	27.50	51.00	27.47
AXA IM Asia Holding Private Ltd	Entry	50.00	47.39	-	-
Russia					
RESO GARANTIA (a)	Entry	36.70	36.70	-	-

(a) Given that the acquisition date (June 17, 2008), the goodwill did not be identified separately.

On June 17, 2008, AXA completed the acquisition of 36.7% of the share capital of **RESO GARANTIA**, Russia's 2nd largest P&C insurer for a total cash consideration of around €810 million.

Investment funds and real estate entities consolidated by equity method

At June 30, 2008, real estate companies consolidated by equity method represented total assets of €353 million (€338 million at the end of 2007) and investment funds consolidated by equity method represented total assets of €1,147 million (€1,234 million at the end of 2007), mainly in France, Germany and in the United States

2.1.4. Post balance sheet closing

On February 12, 2008, AXA announced it had reached an agreement with ING for the acquisition of 100% of the share capital of its Mexican insurance subsidiary **Seguros ING**, for a consideration of $1.5 billion (approximately €1.0 billion). Seguros ING is the third largest Mexican insurer (12% total market share, 5.5 million clients), with leading positions in key markets, such as Motor (2nd largest player with a 17% market share) and Health (2nd largest player with a 19% market share). AXA intends to accelerate and complete the initiated turnaround of Seguros ING by dedicating seasoned management capabilities and leveraging the Group's global platforms and expertise, notably in IT and reinsurance. Upon completion of the transaction, Seguros ING will be integrated to AXA's Mediterranean Region unit and benefit from its know-how in underwriting, claims management, client segmentation, service and brand management. AXA will finance the transaction with internal resources. This acquisition closed on July 22, 2008.

2.2. Consolidated entities relating to specific operations

Acacia

The Acacia SPV is consolidated within the operations of AXA France Vie. This structure was put in order to improve AXA France Vie assets/liabilities adequacy ratio by ceding receivables resulting from eligible insurance operations against cash. The main impact is a €250 million increase in the AXA Group's other liabilities, and a parallel increase in receivables.

Securitization of motor insurance portfolios

On December 9, 2005, AXA announced the closing of the €200 million securitization of its French motor insurance portfolio. Since the threshold for transferring risk to the financial markets was not reached, the recognition of this operation in AXA's consolidated financial statements mainly involves the consolidation of the vehicle carrying the portion subscribed by AXA, and the recognition on the balance sheet under other liabilities of a €200 million deposit received from reinsurers.

On July 6, 2007, AXA announced the closing of the €450 million securitization of its pan-European motor insurance portfolio (diversified portfolio spread across 4 countries: Belgium, Germany, Italy and Spain). AXA consolidated its €82 million stake in the vehicle carrying the junior tranches.

Through securitization, AXA has transferred to the financial markets the potential deviation of the cost of claims on the securitized insurance portfolios above certain thresholds.

AXA Japan

In 2002, AXA Japan transferred 102 buidlings with a net book value of JPY 40 billion to a fund owned by a third party and AXA Japan for JPY 43 billion, with a view to sell the buildings to other parties.
The remaining assets in the December 31, 2007 balance sheet relating to this transaction totaled JPY 7 billion (€44 million). During the first semester 2008, all assets has been sold for an amount of JPY 9.6 billion (€60 million)

Matignon Finances

AXA set up an intra-group financing and cash management company. This company entered the scope of consolidation in 2005.

Arche Finance

AXA France has invested €1.2 billion at the end of first semester 2008 in Arche Finance, a new investment vehicle dedicated to credit investment. This company is fully consolidated in June 2008 accounts.

Note 3 : Segmental information

AXA has five operating business segments: Life & Savings, Property & Casualty, International Insurance, Asset Management and Banking. An additional "Holding companies" segment includes all non-operational activities. The financial information relating to AXA's business segments and holding company activities is consistent with the presentation provided in the consolidated financial statements.

Life & Savings: AXA offers a broad range of Life & Savings products including individual and group savings retirement products, life and health products. They comprise traditional term and whole life insurance, immediate annuities and investment products (including endowments, savings-related products, such as variable life and variable annuity products).

Property & Casualty: This business segment includes a broad range of products including mainly motor, household, property and general liability insurance for both personal and commercial customers (commercial customers being mainly small to medium-sized companies). In some countries, this segment includes health products.

International Insurance: This segment's operations include insurance products that specifically relate to AXA Corporate Solutions Assurance. These products provide coverage to large national and international corporations. The segment also includes assistance activities and the group's run-off management activities, managed by AXA Liabilities Managers, including risks underwritten by AXA RE relating to 2005 and prior underwriting years. Years after 2005 are covered by a treaty ceding 100% of the reinsurance business to Paris Ré.

The **Asset Management** segment's include diversified asset management (including investment fund management) and related services, which are provided to a variety of institutional investors and individuals, including AXA's insurance companies.

The **Banking** segment includes banking activities conducted primarily in France and Belgium.

From 2007 on, the **Holding companies** segment (that includes all non-operational activities), also includes some financial vehicles including certain Special-Purpose Entities such as consolidated CDOs, formerly disclosed as part of the segment "Other Financial Services" which has been renamed "Banking". This change has been applied retrospectively to previous periods presented.

In this document, "Insurance" covers the three insurance segments: Life & Savings, Property & Casualty and International Insurance. The term "Financial Services" includes both the Asset Management segment and the Banking segment.

(In Euro million)

	June 30, 2008							
	Life & savings	Property & Casualty	International Insurance	Asset Management	Banking	Holding companies (a)	Inter-segment eliminations	TOTAL
Gross written premiums	29,907	14,589	1,638	-	-	-	(192)	45,942
Fees and charges relating to investment contracts with no participating features	342	-	-	-	-	-	-	342
Revenues from insurance activities	**30,249**	**14,589**	**1,638**	**-**	**-**	**-**	**(192)**	**46,284**
Net revenues from banking activities	-	-	-	-	203	3	(12)	194
Revenues from other activities	601	52	104	2,293	4	2	(215)	2,841
TOTAL REVENUES	**30,850**	**14,641**	**1,742**	**2,293**	**206**	**5**	**(419)**	**49,319**
Change in unearned premiums net of unearned revenues and fees	**(1,051)**	**(2,132)**	**(41)**	**-**	**-**	**-**	**66**	**(3,158)**
Net investment income	7,783	1,160	219	207	(1)	432	(319)	9,481
Net realized investment gains and losses	985	438	54	18	-	49	(0)	1,545
Change in fair value of investments at fair value through profit or loss	(18,802)	(144)	(67)	(306)	(0)	8	1	(19,310)
Change in investments impairment	(1,002)	(479)	(10)	-	-	(56)	-	(1,546)
Net investment result excluding financing expenses	**(11,035)**	**976**	**196**	**(81)**	**(1)**	**434**	**(318)**	**(9,829)**
Technical charges relating to insurance activities	(14,422)	(8,197)	(1,187)	-	-	-	83	(23,724)
Net result from outward reinsurance	(46)	(360)	(232)	-	-	-	64	(573)
Bank operating expenses	**-**	**-**	**-**	**-**	**(27)**	**4**	**-**	**(23)**
Acquisition costs	(1,620)	(2,251)	(150)	-	-	-	2	(4,018)
Amortization of the value of purchased business in force	(134)	-	-	-	-	-	-	(134)
Administrative expenses	(1,694)	(1,290)	(184)	(1,571)	(175)	(239)	172	(4,981)
Change in tangible assets impairment	(0)	(1)	(0)	(0)	(1)	(0)	-	(2)
Change in goodwill impairment and other intangible assets impairment	(14)	(37)	-	-	(1)	-	-	(53)
Other income and expenses	(71)	0	44	(110)	20	3	27	(88)
Other operating income and expenses	**(18,001)**	**(12,136)**	**(1,710)**	**(1,681)**	**(185)**	**(232)**	**348**	**(33,596)**
Income from operating activities before tax	**762**	**1,350**	**187**	**531**	**20**	**207**	**(323)**	**2,735**
Income arising from investments in associates – Equity method	16	3	(0)	(2)	-	1	-	18
Financing debts expenses	(41)	(5)	(13)	(23)	(14)	(579)	325	(350)
Operating income before tax	**737**	**1,348**	**175**	**507**	**6**	**(371)**	**2**	**2,404**
Income tax	330	(291)	(19)	(159)	6	126	(2)	(9)
Net operating result	**1,068**	**1,056**	**156**	**349**	**11**	**(245)**	**(0)**	**2,395**
Result from discontinued operations net of tax	-	-	-	-	-	-	-	-
Net consolidated income	**1,068**	**1,056**	**156**	**349**	**11**	**(245)**	**(0)**	**2,395**
Split between :								
Net consolidated income - Group share	1,007	1,028	155	198	11	(238)	(0)	2,162
Net consolidated income - Minority interests	61	28	1	150	1	(7)	-	234

(a) Including SPEs and CDOs previously in the Other Financial Services segment which has been renamed "Banking".

(In Euro million)

	June 30, 2007							
	Life & savings	Property & Casualty	International Insurance	Asset Management	Banking	Holding companies (a)	Inter-segment eliminations	TOTAL
Gross written premiums	30,540	14,328	2,457	-	-	-	(236)	47,089
Fees and charges relating to investment contracts with no participating features	381	-	3	-	-	-	-	384
Revenues from insurance activities	**30,922**	**14,328**	**2,460**	**-**	**-**	**-**	**(236)**	**47,474**
Net revenues from banking activities	-	-	-	-	167	3	(16)	154
Revenues from other activities	658	36	93	2,613	2	0	(228)	3,174
TOTAL REVENUES	**31,580**	**14,363**	**2,553**	**2,613**	**169**	**3**	**(479)**	**50,801**
Change in unearned premiums net of unearned revenues and fees	**(1,042)**	**(2,260)**	**(616)**	**-**	**-**	**-**	**84**	**(3,833)**
Net investment income	7,386	1,114	179	62	1	354	(238)	8,858
Net realized investment gains and losses	1,302	426	0	(2)	-	(51)	-	1,675
Change in fair value of investments at fair value through profit or loss	8,293	(98)	(12)	30	0	(45)	(8)	8,160
Change in investments impairment	(193)	(31)	(1)	-	-	(11)	-	(236)
Net investment result excluding financing expenses	**16,788**	**1,410**	**166**	**90**	**1**	**247**	**(246)**	**18,457**
Technical charges relating to insurance activities	(40,975)	(8,271)	(1,241)	-	-	-	177	(50,309)
Net result from outward reinsurance	(29)	(263)	(318)	-	-	-	2	(608)
Bank operating expenses	**-**	**-**	**-**	**-**	**(23)**	**(1)**	**-**	**(24)**
Acquisition costs	(1,757)	(2,209)	(164)	-	-	-	2	(4,128)
Amortization of the value of purchased business in force	(207)	-	-	-	-	-	-	(207)
Administrative expenses	(1,672)	(1,193)	(186)	(1,824)	(148)	(226)	162	(5,088)
Change in tangible assets impairment	0	3	(0)	(0)	-	(0)	-	3
Change in goodwill impairment and other intangible assets impairment	-	-	-	-	-	-	-	-
Other income and expenses	(99)	(50)	(11)	(139)	17	(93)	53	(322)
Other operating income and expenses	**(44,740)**	**(11,983)**	**(1,920)**	**(1,963)**	**(154)**	**(320)**	**396**	**(60,684)**
Income from operating activities before tax	**2,586**	**1,531**	**183**	**741**	**17**	**(70)**	**(245)**	**4,741**
Income arising from investments in associates – Equity method	7	6	0	-	-	(0)	-	13
Financing debts expenses	(44)	(5)	(11)	(16)	(13)	(389)	245	(233)
Operating income before tax	**2,549**	**1,531**	**172**	**724**	**4**	**(459)**	**0**	**4,521**
Income tax	(609)	(331)	(43)	(236)	2	162	-	(1,055)
Net operating result	**1,940**	**1,200**	**129**	**488**	**5**	**(297)**	**0**	**3,466**
Result from discontinued operations net of tax	54	20	-	-	-	(0)	0	74
Net consolidated income	**1,994**	**1,220**	**129**	**488**	**5**	**(297)**	**0**	**3,540**
Split between :								
Net income Group share	1,849	1,198	127	292	5	(292)	0	3,180
Minority interests share in net consolidated result	145	22	2	196	0	(6)	-	360

(a) Including SPEs and CDOs previously in the Other Financial Services segment which has been renamed "Banking".

Note 4 : Investments

Fair value measurement

Certain real estate properties (see note 1), available-for-sale investments, trading assets, instruments designated as at fair value through P&L and all derivatives are measured at fair value in the financial statements. In addition, this note also discloses the fair value of real estate properties and financial investments held at cost.

Real estate

Fair value is usually based on valuations conducted by qualified property surveyors. They are based on a multi-criteria approach and their frequency and terms are often based on local regulations.

Financial instruments

The Group applies the IAS39 fair value hierarchy as described below. Fair values of financial investments traded on active markets are determined using quoted market prices when available. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair values of financial instruments that are not traded in an active market are estimated:

- using external and independent pricing services such as brokers or arranging banks for example in the case of CDOs, or
- determined using valuation techniques.

Valuation techniques are subjective in nature and significant judgement is involved in establishing fair values for financial investments. They involve various assumptions regarding the underlying price, yield curve, correlations, volatility, default rates and other factors. Unlisted equity securities are based on cross checks using different methodologies such as discounted cash flows techniques, price earning ratios multiples, adjusted net asset values, taking into account recent transactions on similar assets if any. The use of valuation techniques and assumptions could produce different estimates of fair value. However, valuations are determined using generally accepted models (discounted cash flows, Black&Scholes models,…) based on quoted market prices for similar instruments or underlyings (index, credit spread,…) whenever such directly observable data are available, and valuations are adjusted for liquidity and credit risk.

Note 4.5 provides a detail of held assets measured at fair value valued by reference to an active market and those valued on the basis of valuation techniques.

4.1. Breakdown of investments

Each investment item is presented net of the effect of hedging derivatives (IAS 39) and economic hedging derivatives that do not form part of a hedge relationship as defined by IAS 39 (excluding macro hedging derivatives and other derivatives).

(in Euro million)

	June 30, 2008								
	Insurance			Other activities			Total		
	Fair value	Carrying value	% (value balance sheet)	Fair value	Carrying value	% (value balance sheet)	Fair value	Carrying value	% (value balance sheet)
Investment in real estate properties at amortized cost	17,753	12,215	2.25%	2,336	2,161	15.40%	20,089	14,377	2.59%
Investment in real estate properties designated as at fair value through profit or loss (b)	3,729	3,729	0.69%	-	-	-	3,729	3,729	0.67%
Macro hedge and other derivatives	-	-	-	-	-	-	-	-	-
Investment properties	**21,482**	**15,945**	**2.94%**	**2,336**	**2,161**	**15.40%**	**23,818**	**18,106**	**3.26%**
Debt securities held to maturity	-	-	-	0	0	0.00%	0	0	0.00%
Debt securities available for sale	236,102	236,102	43.56%	4,190	4,190	29.86%	240,292	240,292	43.21%
Debt securities designated as at fair value through profit or loss (b)	50,781	50,781	9.37%	502	502	3.58%	51,283	51,283	9.22%
Debt securities held for trading	98	98	0.02%	868	868	6.18%	966	966	0.17%
Non quoted debt securities (amortized cost)	-	-	-	-	-	-	-	-	-
Debt securities	**286,982**	**286,982**	**52.95%**	**5,560**	**5,560**	**39.62%**	**292,541**	**292,541**	**52.61%**
Equity securities available for sale	24,894	24,894	4.59%	2,743	2,743	19.55%	27,637	27,637	4.97%
Equity securities designated as at fair value through profit or loss (b)	16,175	16,175	2.98%	249	249	1.78%	16,425	16,425	2.95%
Equity securities held for trading	57	57	0.01%	343	343	2.45%	400	400	0.07%
Equity securities	**41,126**	**41,126**	**7.59%**	**3,336**	**3,336**	**23.77%**	**44,462**	**44,462**	**8.00%**
Non controlled investment funds held for sale	5,557	5,557	1.03%	91	91	0.65%	5,647	5,647	1.02%
Non controlled investment funds designated as at fair value through profit or loss (b)	2,062	2,062	0.38%	115	115	0.82%	2,177	2,177	0.39%
Non controlled investment funds held for trading	218	218	0.04%	-	-	-	218	218	0.04%
Non controlled investment funds	**7,836**	**7,836**	**1.45%**	**206**	**206**	**1.47%**	**8,042**	**8,042**	**1.45%**
Other assets designated as at fair value through profit or loss, held by controlled investment funds	**5,014**	**5,014**	**0.93%**	**26**	**26**	**0.19%**	**5,040**	**5,040**	**0.91%**
Macro hedge and other derivatives	**87**	**87**	**0.02%**	**1,765**	**1,765**	**12.58%**	**1,853**	**1,853**	**0.33%**
Financial investments	**341,045**	**341,045**	**62.92%**	**10,892**	**10,892**	**77.62%**	**351,938**	**351,938**	**63.29%**
Loans held to maturity	-	-	-	-	-	-	-	-	-
Loans available for sale	872	872	0.16%	56	56	0.40%	928	928	0.17%
Loans designated as at fair value through profit or loss (b)	53	53	0.01%	-	-	-	53	53	0.01%
Loans held for trading	-	-	-	49	49	0.35%	49	49	0.01%
Mortgage loans	12,666	12,931	2.39%	1	1	0.01%	12,667	12,932	2.33%
Other loans (1) (a)	10,943	11,067	2.04%	862	856	6.10%	11,805	11,923	2.14%
Macro hedge and other derivatives	-	-	-	17	17	0.12%	17	17	0.00%
Loans	**24,534**	**24,923**	**4.60%**	**985**	**979**	**6.97%**	**25,520**	**25,902**	**4.66%**
Assets backing contracts where the financial risk is borne by policyholders	**160,108**	**160,108**	**29.54%**				**160,108**	**160,108**	**28.79%**
INVESTMENTS	**547,170**	**542,022**	**100.00%**	**14,214**	**14,032**	**100.00%**	**561,384**	**556,054**	**100.00%**
Investments (excluding those backing contracts where the financial risk is borne by policyholders)	**387,061**	**381,913**	**70.46%**						
Life & Savings	327,135	322,598	59.52%						
Property & Casualty	51,559	50,952	9.40%						
International Insurance	8,367	8,361	1.54%						

(a) Mainly includes policy loans.
(b) Use of fair value option.

(in Euro million)

	December 31, 2007								
	Insurance			Other activities			Total		
	Fair value	Carrying value	% (value balance sheet)	Fair value	Carrying value	% (value balance sheet)	Fair value	Carrying value	% (value balance sheet)
Investment in real estate properties at amortized cost	17,778	12,045	2.06%	1,867	1,776	12.96%	19,645	13,821	2.31%
Investment in real estate properties designated as at fair value through profit or loss (b)	4,137	4,137	0.71%	-	-	-	4,137	4,137	0.69%
Macro hedge and other derivatives	-	-	-	-	-	-	-	-	-
Investment properties	**21,915**	**16,182**	**2.77%**	**1,867**	**1,776**	**12.96%**	**23,782**	**17,958**	**3.00%**
Debt securities held to maturity	-	-	-	0	0	0.00%	0	0	0.00%
Debt securities available for sale	241,766	241,766	41.38%	4,935	4,935	36.01%	246,701	246,701	41.26%
Debt securities designated as at fair value through profit or loss (b)	55,152	55,152	9.44%	822	822	6.00%	55,974	55,974	9.36%
Debt securities held for trading	120	120	0.02%	1,019	1,019	7.44%	1,139	1,139	0.19%
Non quoted debt securities (amortized cost)	-	-	-	-	-	-	-	-	-
Debt securities	**297,039**	**297,039**	**50.84%**	**6,775**	**6,775**	**49.44%**	**303,814**	**303,814**	**50.81%**
Equity securities available for sale	33,350	33,350	5.71%	2,546	2,546	18.58%	35,896	35,896	6.00%
Equity securities designated as at fair value through profit or loss (b)	19,322	19,322	3.31%	271	271	1.98%	19,593	19,593	3.28%
Equity securities held for trading	127	127	0.02%	325	325	2.37%	452	452	0.08%
Equity securities	**52,799**	**52,799**	**9.04%**	**3,141**	**3,141**	**22.92%**	**55,940**	**55,940**	**9.36%**
Non controlled investment funds held for sale	3,449	3,449	0.59%	142	142	1.03%	3,591	3,591	0.60%
Non controlled investment funds designated as at fair value through profit or loss (b)	2,298	2,298	0.39%	134	134	0.98%	2,433	2,433	0.41%
Non controlled investment funds held for trading	135	135	0.02%	8	8	0.06%	143	143	0.02%
Non controlled investment funds	**5,882**	**5,882**	**1.01%**	**284**	**284**	**2.07%**	**6,166**	**6,166**	**1.03%**
Other assets designated as at fair value through profit or loss, held by controlled investment funds	**4,358**	**4,358**	**0.75%**	**166**	**166**	**1.21%**	**4,524**	**4,524**	**0.76%**
Macro hedge and other derivatives	**(27)**	**(27)**	**N/A**	**1,312**	**1,312**	**9.58%**	**1,285**	**1,285**	**0.21%**
Financial investments	**360,051**	**360,051**	**61.63%**	**11,679**	**11,679**	**85.23%**	**371,730**	**371,730**	**62.17%**
Loans held to maturity	0	0	0.00%	-	-	-	0	0	0.00%
Loans available for sale	926	926	0.16%	41	41	0.30%	968	968	0.16%
Loans designated as at fair value through profit or loss (b)	39	39	0.01%	1	1	0.01%	40	40	0.01%
Loans held for trading	0	0	0.00%	77	77	0.56%	77	77	0.01%
Mortgage loans	12,738	12,817	2.19%	1	1	0.01%	12,740	12,818	2.14%
Other loans (1) (a)	11,310	11,395	1.95%	121	121	0.88%	11,430	11,515	1.93%
Macro hedge and other derivatives	-	-	-	7	7	0.05%	7	7	0.00%
Loans	**25,013**	**25,177**	**4.31%**	**248**	**248**	**1.81%**	**25,261**	**25,425**	**4.25%**
Assets backing contracts where the financial risk is borne by policyholders	**182,827**	**182,827**	**31.29%**				**182,827**	**182,827**	**30.58%**
INVESTMENTS	**589,806**	**584,237**	**100.00%**	**13,793**	**13,703**	**100.00%**	**603,599**	**597,939**	**100.00%**
Investments (excluding those backing contracts where the financial risk is borne by policyholders)	**406,979**	**401,410**	**68.71%**						
Life & Savings	343,656	338,623	57.96%						
Property & Casualty	54,650	54,115	9.26%						
International Insurance	8,673	8,672	1.48%						

(a) Mainly includes policy loans.
(b) Use of fair value option.

ABS (Asset Backed Securities) held by the Group

At June 30, 2008, the total amount of ABS (excluding Collateral Mortgage Obligations) was €14 billion.

The negative mark-to-market evolution of the ABS assets at June 30, 2008 was evaluated at €1.6 billion (of which €1 billion was in the income statement and €0.6 billion was in shareholders'equity), or €0.6 billion net of policyholders participation, tax and VBI/DAC reactivity, of which €0.3 billion through the income statement and €0.3 billion through shareholders'equity.

These figures represent 100% of assets held directly and in consolidated "core block" funds (economic view) and the group share in instruments held in consolidated "satellite funds" as defined in note 1.7.2 of note 1. They exclude instruments held by non consolidated funds.

Equity hedging

At June 30, 2008, the Group hedged its equity portfolio using notably put spread and equity swap strategies for a total notional amount of €22.6 billion of which €12 billion in AXA SA and €10.6 billion in local entities (France, Germany, Switzerland and Japan).

Additional hedges have been set up after the closing.

CDS (Credit Default Swaps) held by the group

The AXA Group, as part of its investment and credit risk management activities, may use strategies that involve credit derivatives (Credit Default Swaps or CDS), which are mainly used as an alternative to corporate bond portfolios when coupled with government bonds.

At June 30, 2008, the nominal amount of positions taken trough credit derivatives was €21.7 billion[1] including €3 billion of CDSs held through five of the six CDOs and €18.7 billion (or €17.5 net of hedges) of CDSs.

For these €17.5 billion CDSs, the credit risk is taken by the AXA Group these instruments is included in analyses of bond portfolios as described in the previous section. Limits applied to issuers take into account these credit derivative positions.

Credit risk relating to CDOs is monitored separately, depending on the tranches held, and regardless of the type of collateral (bonds or credit derivatives). Notes that the CDOs are consolidated in AXA's investments in these CDO's assets are limited.

These figures represent 100% of assets held directly and in consolidated "core block" funds (economic view) and the group share in instruments held in consolidated "satellite funds" as defined in note 1.7.2 of note 1. They exclude instruments held by non consolidated funds.

4.2. Investment properties

Investment in real estate properties include buildings owned directly and through consolidated real estate companies. Investment properties stated at fair value on the balance sheet mainly consist of assets backing UK with-profit contracts. They also include the unallocated portion of real estate companies, part of which is used to back unit-linked contracts (ie when the financial risk is borne by policyholders).

Breakdown of the carrying value and fair value of investment properties at amortized cost, excluding the impact of all derivatives:

(in Euro million)

	June 30, 2008					December 31, 2007				
	Gross value	Amortization	Impairment	Carrying value (a)	Fair value (a)	Gross value	Amortization	Impairment	Carrying value (a)	Fair value (a)
Investment in real estate properties at amortized cost										
Insurance	13,676	(1,335)	(182)	12,159	17,753	13,548	(1,357)	(166)	12,025	17,778
Other activities	2,163	(1)	(0)	2,161	2,336	1,777	(1)	(0)	1,776	1,867
All activities	15,839	(1,336)	(182)	14,321	20,089	15,325	(1,358)	(166)	13,801	19,645

(a) Amounts are presented excluding macro hedging and other reivatives but including the effect of hedging derivatives (IAS 39) and economic hedging derivatives that do not form part of a hadge relationship within the meaning of IAS 39.

Change in impairment and amortization of investment in real estate properties at amortized cost (all activities):

(in Euro million)

	Impairment		Amortization	
	June 30, 2008	December 31, 2007	June 30, 2008	December 31, 2007
January 1	**166**	**197**	**1,358**	**1,490**
Increase for the period	25	55	107	246
Write back following sale	(10)	(50)	(30)	(208)
Write back following recovery in value	(1)	(17)		
Others (a)	2	(20)	(99)	(171)
December 31	**182**	**166**	**1,336**	**1,358**

(a) Mainly includes change in scope of consolidation and the effect of changes in exchange rates.

[1] Excluding, since June 30, 2008, structured derivatives in synthetic instruments, reported as ABS

4.3. Unrealized gains and losses on financial investments

Excluding the effect of all derivatives, the unrealized capital gains and losses on financial investments when not already reflected in the income statement is allocated as follows:

INSURANCE

(in Euro million)

INSURANCE	June 30, 2008					December 31, 2007				
	Amortized cost (a)	Fair value	Carrying value (b)	Unrealized gains	Unrealized losses	Amortized cost (a)	Fair value	Carrying value (b)	Unrealized gains	Unrealized losses
Debt securities available for sale	242,627	235,297	235,297	3,413	10,743	242,608	241,220	241,220	4,762	6,150
Non quoted debt securities (amortized cost)	-	-	-	-	-	-	-	-	-	-
Equity securities available for sale	19,166	24,338	24,338	5,872	701	24,320	33,249	33,249	9,413	484
Non controlled investment funds held for sale	5,153	5,556	5,556	552	149	3,109	3,446	3,446	368	31

(a) Net of impairment - including premiums/discounts and related accumulated amortization.
(b) Net of impairment (details in note 4.4).

OTHER ACTIVITIES

(in Euro million)

OTHER ACTIVITIES	June 30, 2008					December 31, 2007				
	Amortized cost	Fair value	Carrying value	Unrealized gains	Unrealized losses	Amortized cost	Fair value	Carrying value	Unrealized gains	Unrealized losses
Debt securities available for sale	4,366	4,183	4,183	8	191	5,037	4,933	4,933	2	106
Non quoted debt securities (amortized cost)	-	-	-	-	-	-	-	-	-	-
Equity securities available for sale	2,796	2,351	2,351	127	573	2,575	2,550	2,550	133	158
Non controlled investment funds held for sale	90	91	91	1	0	142	142	142	1	1

(a) Net of impairment - including premiums/discounts and related accumulated amortization.
(b) Net of impairment (details in note 4.4).

TOTAL

(in Euro million)

TOTAL	June 30, 2008					December 31, 2007				
	Amortized cost (a)	Fair value	Carrying value (b)	Unrealized gains	Unrealized losses	Amortized cost (a)	Fair value	Carrying value (b)	Unrealized gains	Unrealized losses
Debt securities available for sale	246,993	239,480	239,480	3,421	10,934	247,645	246,153	246,153	4,764	6,256
Non quoted debt securities(amortized cost)	-	-	-	-	-	-	-	-	-	-
Equity securities available for sale	21,962	26,689	26,689	6,000	1,273	26,896	35,799	35,799	9,545	642
Non controlled investment funds held for sale	5,243	5,647	5,647	552	149	3,251	3,588	3,588	369	33

(a) Net of impairment - including premiums/discounts and related accumulated amortization.
(b) Net of impairment (details in note 4.4).

See also table 4.4.1: Breakdown of financial investements subject to impairment.

4.4. Financial investements and loans subject to impairment

4.4.1. Breakdown of financial investments and loans subject to impairment – All activities

Each investment item is presented net of the effect of hedging derivatives (IAS 39) and economic hedging derivatives that do not form part of a hedge relationship under IAS 39 (excluding macro hedging derivatives and other derivatives).

(in Euro million)

	June 30, 2008					December 31, 2006 Restated (*)				
	Cost before impairment and revaluation to fair value (a)	Impairment	Cost after impairment but before revaluation to fair value (b)	Revaluation to fair value	Net book value (Carrying value)	Cost before impairment and revaluation to fair value (a)	Impairment	Cost after impairment but before revaluation to fair value (b)	Revaluation to fair value	Net book value (Carrying value)
Debt securities available for sale	248,128	(397)	247,730	(7,438)	240,292	248,507	(373)	248,133	(1,433)	246,701
Non quoted debt securities (amortized cost)	-	-	-	-	-	-	-	-	-	-
Debt securities	**248,128**	**(397)**	**247,731**	**(7,438)**	**240,292**	**248,507**	**(373)**	**248,134**	**(1,433)**	**246,701**
Equity securities available for sale	**25,248**	**(3,073)**	**22,175**	**5,462**	**27,637**	**29,287**	**(2,307)**	**26,980**	**8,916**	**35,896**
Non controlled investment funds available for sale	**5,540**	**(296)**	**5,244**	**403**	**5,647**	**3,352**	**(97)**	**3,254**	**337**	**3,591**
Loans held to maturity	-	-	-	-	-	0	-	0	-	0
Loans available for sale	1,014	(0)	1,014	(86)	928	1,014	(0)	1,014	(46)	968
Mortgage loans	12,942	(10)	12,932	-	12,932	12,831	(13)	12,818	-	12,818
Other loans (c)	11,938	(49)	11,890	33	11,923	11,546	(53)	11,493	23	11,515
Loans	**25,895**	**(59)**	**25,835**	**(53)**	**25,782**	**25,391**	**(66)**	**25,325**	**(23)**	**25,301**
TOTAL	**304,810**	**(3,825)**	**300,985**	**(1,626)**	**299,359**	**306,536**	**(2,843)**	**303,693**	**7,796**	**311,489**

(a) Asset value including impact of discounts/premiums and accrued interests, but before impairment and revaluation to fair value of assets available for sale.
(b) Asset value including impairment, discounts/premiums and accrued interests, but before revaluation to fair value of assets available for sale.
(c) Including policy loans.

Change in impairment on financial investments and loans – All activities

(in Euro million)

	January 1, 2008	Increase for the period	Write back following sale or reimbursement	Write back following recovery in value	Other (a)	June 30, 2008
Impairment - debt securities	373	136	(60)	(49)	(3)	397
Impairment - equity securities	2,307	1,264	(498)		0	3,073
Impairment - non controlled investment funds	97	177	(16)		38	296
Impairment - loans	66	7	(5)	(7)	(2)	59
TOTAL	**2,843**	**1,584**	**(579)**	**(56)**	**33**	**3,825**

(a) Changes in the scope of consolidation and impact of changes in exchange rates.

The assessment of the significant and/or prolonged nature of the equity securities decline takes into account forex impacts in case of a prolonged decline in currency, such as the euro/dollar rate.

(in Euro million)

	January 1, 2007	Increase for the period	Write back following sale or reimbursement	Write back following recovery in value	Other (a)	December 31, 2007
Impairment - debt securities	138	401	(181)	(4)	19	373
Impairment - equity securities	2,504	465	(511)		(151)	2,307
Impairment - non controlled investment funds	77	38	(24)		7	97
Impairment - loans	99	8	(39)	(15)	14	66
TOTAL	**2,817**	**911**	**(755)**	**(19)**	**(112)**	**2,843**

(a) Changes in the scope of consolidation and impact of changes in exchange rates.

4.5. Financial investements and loans recognized at fair value excluding derivatives

Amounts presented exclude the impact of derivatives and investment funds consolidated by equity method.

Among invested financial investments measured at fair value in the financial statements excluding derivatives, investment funds consolidated by equity method and contracts where the financial risk is borne by policyholders (€352 billion as June 30, 2008, €374 billion as December 31, 2007) :

- €283 billion were determined directly by reference to an active market (1) (€307 billion at the end of 2007) and
- €69 billion were measured on the basis of valuation techniques (2) (€67 billion at the end of 2007)

(1) Fair values determined directly by reference to an active market relate to prices which are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis, i.e. the market is still active.

(2) Fair values estimated using valuation techniques include :

- Values provided at the request of the Group by pricing services and which are not readily publicly available or values provided by external parties which are readily available but relate to assets for which the market is not always active, and
- Assets measured on the basis of internal models including assumptions supported by observable data or mark-to model valuations.

The amount of assets measured at fair value using in whole or in part a valuation technique based on assumptions that are not supported by prices from current market transactions and not based on available observable market data is less than 2% of the Group's financial investments excluding assets backing contracts where the financial risk is borne by policyholders as at June 30, 2008. When running this analysis, external valuations are considered as observable data determined by market participants.

Note 5 : Shareholders' equity, minority interests and other equity

5.1. Impact of transactions with shareholders

5.1.1. Change in shareholders' equity group share for the first half of 2008

a) Share capital and capital in excess of nominal value

During the first half of 2008, the following transactions had an impact on AXA's share capital and capital in excess of nominal value:

- Exercise of stock options for a total of €58 million (including €6 million in nominal share capital),
- Share-based payments for €45 million.
- Realized losses on AXA shares for €18 million.

b) Treasury shares

At June 30, 2008, the Company and its subsidiaries owned approximately 28 million AXA shares, a decrease of 2 million shares or €53 million compared to December 31, 2007, mainly resulting from the following:

- During the first half of 2008, AXA purchased 2 million shares for a total amount of €33 million mainly as part of the share purchase program to control dilution.
- Other movements in treasury shares for a total net amount of €+86 million, or 4 million shares sold, mainly resulting from the attribution of AXA shares held for the hedging of (i) "performance share" plans and (iii) AXA ADR stock option programs at AXA Financial.

c) Perpetual debt and related interests

As described in paragraph 1.11.2 on accounting principles, the perpetual deeply subordinated notes issued by the Group do not qualify as liabilities under IFRS.

Subordinated perpetual debt is classified in shareholders' equity at its historical value as regards interest rates and its closing value as regards exchange rates. The corresponding exchange differences are cancelled out through the translation reserve.

During the first half of 2008, the change in other reserves was due to €–148 million in interest expense on the deeply subordinated debt, and €–255 million in exchange rate differences.

At June 30, 2008, December 31, 2007 and June 30, 2007, deeply subordinated debt recognized in shareholders' equity broke down as follows:

	June 30, 2008		December 31, 2007		June 30, 2007	
	Value of the perpetual debt in currency of issuance (in million)	Value of the perpetual debt in Euro million	Value of the perpetual debt in currency of issuance (in million)	Value of the perpetual debt in Euro million	Value of the perpetual debt in currency of issuance (in million)	Value of the perpetual debt in Euro million
October 29, 2004 - 375 M€ 6%	375	375	375	375	375	375
December 22, 2004 - 250 M€ 6%	250	250	250	250	250	250
January 25, 2005 - 250 M€ 6%	250	250	250	250	250	250
July 6, 2006 - 1000 M€ 5.777%	1,000	994	1,000	994	1,000	994
July 6, 2006 - 500 M£ 6.666%	500	626	500	676	500	736
July 6, 2006 - 350 M£ 6.6862%	350	442	350	477	350	519
October 26, 2006 - 600 M$AUD (of which 300M$AUD 7.5%)	600	364	600	355	600	375
November 7, 2006 - 150 M$AUD 7.5%	150	91	150	89	150	94
December 14, 2006 - 750M $ 6,4630%	750	473	750	507	750	553
December 14, 2006 - 750M $ 6,3790%	750	473	750	507	750	553
October 5, 2007 - 750 M€ 6.211 %	750	746	750	746	-	-
October 16, 2007 - 700 M£ 6.772 %	700	881	700	952	-	-
Sub-total Perpetual Deeply Subordinated notes ("TSS")		**5,965**		**6,179**		**4,699**
Perpetual notes - variables rates in EUR	844	844	844	844	1,404	1,404
Perpetual notes - 3.29% in JPY	27,000	162	27,000	164	27,000	162
Perpetual notes - (of which 500M$USD at 7,1%) in USD	875	555	875	594	1,275	944
Sub-total Deeply Subordinated notes ("TSDI")		**1,561**		**1,602**		**2,510**
Equity component of convertible debt (2017)	95	95	95	95	95	95
TOTAL		**7,621**		**7,875**		**7,303**

In addition to the nominal amounts shown above, the debt component of shareholders' equity included related net financial expenses of :

- €-805 million at June 30, 2007, for total of €6,816 million;
- €-657 million at December 31, 2007, for total of €7,219 million; and
- €-506 million at June 30, 2007, for total of €6,798 million.

Some of these instruments contained the following features:

– Early redemption clauses (calls) at the Group's option, giving AXA the ability to redeem the principal amount before maturity without penalty on certain dates;
– Interest rate step-up clauses with effect from a given date.

d) Dividends paid

At the April 22, 2008 shareholders' meeting, shareholders approved a dividend distribution of €2,473 million with respect to the 2007 financial year.

5.1.2. Changes in shareholders' equity group share for the first half of 2007

a) Share capital and capital in excess of nominal value

During the first half of 2007, the following transactions had an impact on AXA's share capital and capital in excess of nominal value:

- Exercise of stock options for a total of €82 million (including €11 million in nominal share capital),
- Conversion of convertible bonds for €1 million,
- Realized losses on AXA shares for €31 million,
- Share-based payments for €21 million.

b) Treasury shares

At June 30, 2007, the Company and its subsidiaries owned approximately 44 million AXA shares, an increase of 15 million shares or €645 million compared to December 31, 2006, mainly resulting from the following:

- During the first half of 2007, AXA pursued its share purchase program to control dilution arising from share-based compensation and employee Shareplan program, and purchased 19.5 million shares for a total amount of €648 million (including "AXA Miles").
- Other movements in treasury shares for a total net amount of €+99 million, mainly resulting from the attribution of AXA shares held for the hedging of (i) "performance share" plans and (iii) AXA ADR stock option programs at AXA Financial.
- Payment by AXA of a €96 million premium for call options on AXA shares with an automatic exercise feature, to fully neutralize the dilutive impact of the 2017 convertible bonds.

c) Perpetual debt and related interests

During the first half of 2007, the change in other reserves was due to €–139 million in interest expense on the perpetual deeply subordinated perpetual notes and the deeply subordinated notes, and €–44 million in exchange rate differences.

Following the decision taken during the meeting of holders of the 2014 AXA convertible bonds to have a final conversion date of the bonds on January 26, 2007 in exchange for a cash payment in respect of the value of the conversion option, the equity component of the bond (i.e. the conversion option), representing an amount of €109 million, has been cancelled as a counterpart to the payment.

d) Dividends paid

At the May 14, 2007 shareholders' meeting, shareholders approved a dividend distribution of €2,218 million with respect to the 2006 financial year.

5.2. Recognized income and expense for the period

The statement of recognized income and expense for the period (SORIE), which is a part of the consolidated statement of shareholders' equity, includes net income for the period, the reserve relating to the change in fair value of available for sale financial instruments, the translation reserve, and actuarial gains and losses on employee benefit obligations.

5.2.1. Recognized income and expense for the first half of 2008

a) Reserve related to changes in fair value of available for sale financial instruments included in shareholders' equity

The change in reserves for unrealized gains on assets available for sale totaled €-4,297 million, mainly attributable to France (€-1,089 million), Belgium (€-1,264 million), Germany (€-428 million), the United Kingdom (€-318 million), the United States (€-386 million), the Mediterrannean Region (€-318 million) and the Company (€-340 million). The reduction in gross unrealized gains of available for sale financial assets totaled €-10,164 million, mainly due to debt securities (€-6,014 million), as a consequence of a rise in interest rates during the period, since most of debt securities held are fixed-rates bonds, and to equity securities (€-4,177 million).

The following table shows a reconciliation between gross unrealized gains and losses on available for sale financial investments and the corresponding reserve recognized in shareholders' equity:

(in euro million)

	June 30, 2008	December 31, 2007
Gross unrealized gains and losses (a)	**(2,462)**	**7,702**
Less unrealized gains and losses attributable to:		
Shadow accounting on policyholder's participation (b)	2,544	(1,832)
Shadow accounting on Deferred Acquisition Costs (c)	69	(152)
Shadow accounting on Value of purchased Business In force	(165)	(266)
Unallocated unrealized gains and losses before tax	**(14)**	**5,452**
Deferred tax	441	(698)
Unrealized gains and losses (net of tax) – 100% - Total	**426**	**4,753**
Minority interests' share in unrealized gains and losses (d)	**8**	**(48)**
Translation reserves (e)	114	140
Unrealized gains and losses (Net Group share)	**549**	**4,846**

(a) Unrealized gains on total available for sale investments including loans, and including assets held by equity accounted companies.
(b) Including shadow accounting impact on premium deficiency liabilities, after revaluation of available for sale investments.
(c) Net of shadow accounting on unearned revenues and fees reserves.
(d) Including foreign exchange impact attributable to minority interests.
(e) Group share.

The change in reserves relating to changes in fair value of investments at June 30, 2008 and December 31, 2007 broke down as follows:

(in euro million)

	June 30, 2008	December 31, 2007
Unrealized gains and losses (net of tax) 100%, opening	**4,753**	**7,966**
Transfer in the profit or loss of the period (a)	(524)	(1,309)
Investments bought in the current accounting period and changes in value	(3,878)	(1,659)
Foreign exchange impact	26	(76)
Change in scope and other changes	49	(166)
Unrealized gains and losses (net of tax) 100%, closing	**426**	**4,753**

(a) Transfer induced by disposal of financial investments, impairment write-back following reevaluation, or tranfer of expenses following impairment charge during the period, and debt securities discount premium impacts.

b) Translation reserve

The impact of exchange rate movements (€-455 million) was mainly attributable the United States (€-712 million, principally due to the difference between the June 30 2008 closing exchange rate -USD1.58 for €1- and the December 31, 2007 closing exchange rate -USD1.47 for €1-) and the United Kingdom (€-384 million), partly offset by positive changes in Switzerland (€+159 million) and the change in fair value of currency hedges set up the the company to hedge net investments in foreign operations (€+423 million).

c) Employee benefits actuarial gains and losses

The main contributors to the €-143 million losses on employee benefits obligations were the United States (€-103 million) and the United Kingdom (€-101 million), partly offset by Germany (€+65 million). This resulted from the combination of interest rates increases and unfavourable equity markets.

5.2.2. Recognized income and expense for the first half of 2007

a) Reserve related to changes in fair value of available for sale financial instruments included in shareholders' equity

The €1,724 million decline in the reserve related to changes in fair value of available for sale financial investments was primarily attributable to decreases in France (€-647 million), the United States (€-233 million), Belgium (€-324 million), the United Kingdom (€-221 million), Switzerland (€-153 million) and Southern Europe (€-100 million).

The total €8,214 million decline in gross unrealized gains and losses on available for sale financial investments was mainly attributable to debt securities (a reduction of €9,618 million), following the increase in interest rates during the first half, since most bonds are at fixed rates. This was partially offset by a €1,403 million increase in unrealized gains on equities and mutual fund shares.

b) Translation reserve

The impact of exchange rate movement (€-259 million) was mainly attributable to the United States (€-280 million, primarily due to the difference between the closing dollar/euro exchange rates: $1.32 = €1 at December 31, 2006 compared to $1.35 = €1 at June 30, 2007), Japan (€-181 million) and Switzerland (€-174 million). This was partially offset by the change in fair value of currency hedges set up by AXA to hedge net investments in foreign operations (€240 million).

c) Employee benefits actuarial gains and losses

The €516 million increase in actuarial gains and losses on employee benefit obligations was primarily attributable to increases in the United Kingdom (€202 million), Switzerland (€90 million), Germany (€69 million), and the United States (€67 million), due to higher interest rates over the period.

5.3. Change in minority interests

Under IFRS, minority interests in most investment funds in which the Group invests consist of instruments that holders can redeem at will at fair value, and qualify as a liability rather than shareholders' equity items. The same is true for puttable instruments held by minority interest holders.

5.3.1. Change in minority interests for the first half of 2008

The €-167 million change in minority interests, to €3,105 million, was attributable to a €-206 million impact of transactions with shareholders, and a €+38 million recognized income for the period (SORIE).

Transactions with shareholders include the following :
- Dividends paid to minority interests holders for €-307 million,
- Other movements, for €+101 million, including notably €+40 million as a consequence of the consolidation of AXA Gulf, and €+43 million resulting from increases in chare capital in some real estate entities.

The recognized income and expenses for the period include the following :
- net income attributable to minority interests for €+234 million;
- a €-55 million decrease in reserves relating to the change in fair value of available for sale financial instruments;
- a €-133 million negative change in translation reserves; and
- a €-7 million impact from employee benefits actuarial obligation.

5.3.2. Change in minority interests for the first half of 2007

The €132 million decline in minority interests to €2,808 was mainly due to transactions with shareholders (€-325 million), partly offset by income and expenses recognized for the period (€+193 million).
Transactions with shareholders included the following :
- dividends paid to minority interests (€-297 million);
- changes in the scope of consolidation (€-62 million), mainly including the buyout of minority interests in AXA Assurances Maroc;
- other movements totaling €+34 million.

Income and expenses recognized for the period are broken down as follows:
- net income for the period : €+360 million;
- movements in reserves due to the changes in fair value of assets : €-163 million, primarily including €-121 million due to a change in scope of consolidation following the buyout of minority interests in AXA Assurances Maroc;
- change in translation reserves : €-21 million;
- actuarial gains and losses on employee benefits obligations: €+17 million.

5.4. Consolidated statements of changes in shareholders' equity

(In Euro million, except for number of shares and nominal value)

	Attibutable to shareholders												
	Share Capital					Other reserves							
	Number of shares (in thousands)	Nominal value (euros)	Share Capital	Capital in excess of nominal value	Treasury shares	Reserves relating to the change in fair value of financial instruments available for sale	Reserves relating to the change in fair value of hedge accounting derivatives (cash flow hedge)	Reserves relating to revaluation of tangible assets	Other (a)	Translation reserve	Undistributed profits and other reserves	Shareholders' Equity Group share	Minority interests
Shareholders' equity as at January 1, 2008	**2,060,753**	**2.29**	**4,719**	**17,363**	**(716)**	**4,846**	**(11)**	**4**	**7,219**	**(1,478)**	**13,697**	**45,642**	**3,272**
Capital	2,702	2.29	6									6	
Capital in excess of nominal value				34								34	
Equity - share based compensation				45								45	
Change in scope of consolidation						0	-	-	-	(3)	0	(3)	68
Treasury shares					53							53	
Equity component of compound financial instruments									-			-	
Deeply subordinated debt									(255)			(255)	
Accrued interests - Deeply subordinated debt									(148)			(148)	
Other (b)					-				-	(0)	379	379	(273)
Dividends paid											(2,473)	(2,473)	-
Impact of transactions with shareholders	**2,702**	**2.29**	**6**	**79**	**53**	**0**	**-**	**-**	**(403)**	**(3)**	**(2,094)**	**(2,362)**	**(206)**
Reserves relating to changes in fair value through shareholders' equity						(4,297)	(3)	-			-	(4,301)	(55)
Translation reserves			-	-	-	-	-	-	-	(451)	-	(451)	(133)
Employee benefits actuarial gains and losses through OCI (c)											(143)	(143)	(7)
Net income of the period											2,162	2,162	234
Total recognized income and expense for the period (SORIE)			**-**	**-**	**-**	**(4,297)**	**(3)**	**-**	**-**	**(451)**	**2,019**	**(2,733)**	**38**
Shareholders' equity as at June 30, 2008	**2,063,456**	**2.29**	**4,725**	**17,442**	**(663)**	**549**	**(15)**	**4**	**6,816**	**(1,933)**	**13,622**	**40,547**	**3,105**

NB : amounts are presented net of impacts of shadow accounting and of its effects on policyholders' participation, deferred acquisition costs, and value of business in force.
(a) Mainly perpetual subordinated debts (TSS, TSDI), and equity components of compounded financial instruments (e.g convertible bonds).
(b) Recognition of a €353 million receivable from the French Tresor Public (public rvenue department) as regards to the dividend withholding tax [precompte] paid in 2002, 2002 and 2003, in virtue of (i) its incompatibility with the regulation of the European Union, incompatibility confirmed by several judgments rendered during the first half of 2008, and (ii) the statement of case filed by AXA with the Tribunal Administratif (tribunal dealing with internal disputes in the French civil service).
(c) Actuarial gains and losses accrued since opening January 1, 2008.

(In Euro million, except for number of shares and nominal value)

	Attibutable to shareholders												
	Share Capital					Other reserves							
	Number of shares (in thousands)	Nominal value (euros)	Share Capital	Capital in excess of nominal value	Treasury shares	Reserves relating to the change in fair value of financial instruments available for sale	Reserves relating to the change in fair value of hedge accounting derivatives (cash flow hedge)	Reserves relating to revaluation of tangible assets	Others (a)	Translation reserve	Undistributed profits and other reserves	Shareholders' Equity Group share	Minority interests
Shareholders' equity opening January 1, 2007	**2,092,888**	**2.29**	**4,793**	**18,398**	**(521)**	**7,763**	**55**	**4**	**7,090**	**(86)**	**9,730**	**47,226**	**2,940**
Capital	4,671	2.29	11									11	
Capital in excess of nominal value				42								42	
Equity - share based compensation				21								21	
Change in scope of consolidation						0	(0)	-	0		-	0	(62)
Treasury shares					(645)							(645)	
Equity component of compound financial instruments									(109)			(109)	
Perpetual debt									(44)			(44)	
Accrued interests - Perpetual debt									(139)			(139)	
Others					-				-	(0)	(62)	(62)	(254)
Income allocation											-	-	(9)
Dividends paid											(2,218)	(2,218)	-
Impact of transactions with shareholders	**4,671**	**2.29**	**11**	**63**	**(645)**	**0**	**(0)**	**-**	**(292)**	**(0)**	**(2,280)**	**(3,144)**	**(325)**
Reserves relating to changes in fair value through shareholders' equity						(1,724)	(70)	-			-	(1,794)	(163)
Translation reserves			-	-	-	-	-	-	-	(259)	-	(259)	(21)
Employee benefits actuarial gains and losses through OCI (b)											516	516	17
Net income of the period											3,180	3,180	360
Total recognised income and expense for the period (SORIE)			**-**	**-**	**-**	**(1,724)**	**(70)**	**-**	**-**	**(259)**	**3,696**	**1,644**	**193**
Shareholders' equity closing June 30, 2007	**2,097,559**	**2.29**	**4,803**	**18,461**	**(1,167)**	**6,039**	**(15)**	**4**	**6,798**	**(345)**	**11,146**	**45,725**	**2,808**

NB : amounts are presented net of impacts of shadow accounting and of its effects on policyholders' participation, deferred acquisition costs, and value of business in force.
(a) Mainly perpetual debts (TSS, TSDI), and equity components of compounded financial instruments (e.g convertible bonds).
(b) Actuarial gains and losses accrued since opening January 1, 2007.

Note 6 : Financing debt

(in Euro million)

	June 30, 2008 Carrying value	December 31, 2007 Carrying value
AXA	**5,653**	**5,381**
Debt component of subordinated convertible notes due 2014 (euro)	1,743	1,714
Debt component of subordinated convertible notes, 3.75% due 2017 (euro)	1,235	1,212
Subordinated convertible notes due 2020 (euro)	180	180
U.S. registered redeemable subordinated debt, 8.60% 2030 (USD)	742	797
U.S. registered redeemable subordinated debt, 7.125% 2020 (GBP)	410	443
U.S. registered redeemable subordinated debt, 6.75% 2020 (euro)	1,070	1,062
Derivatives on debts instruments issued (a)	272	(27)
AXA Financial	**128**	**137**
Surplus Notes, 7.70 %, due 2015	127	136
MONY Life 11.25% Surplus Notes due 2024	1	1
AXA Bank Belgium	**447**	**466**
Subordinated notes, 2.80% to 6.90%, due 2016	447	466
AXA-MPS Vita and Danni	**134**	**134**
Subordinated Notes, euribor 6 months + 81bp	134	134
Other subordinated debt (under €100 million)	**66**	**28**
SUBORDINATED DEBT	**6,428**	**6,146**
AXA	**4,347**	**3,163**
Euro Medium Term Notes, 6.0% due through 2013, and BMTN	933	955
Commercial paper	3,472	2,311
Derivatives on financing debt instruments issued (a)	(58)	(103)
AXA Financial	**725**	**949**
Senior notes , 7.75%, due 2010	304	325
Senior notes , 7%, due 2028	221	236
Senior notes , 6.5%, due 2008	-	170
Senior notes MONY, 8.35%, due 2010	200	218
AXA UK Holdings	**194**	**210**
GRE : Loan Notes, 6.625%, due 2023	194	210
AXA Equitable	**222**	**238**
Mortgage notes, floating rate	222	238
Other financing debt instruments issued (less than €100 million)	**(4)**	**(25)**
Other financing debts instruments issued under euro 100 million	47	36
Derivatives relating to financing debts instruments issued (a)	(51)	(60)
FINANCING DEBT INSTRUMENTS ISSUED	**5,484**	**4,535**
AXA	**1,000**	**-**
Morocco	**123**	**124**
Other financing debts owed to credit institutions (under €100 million)	**153**	**51**
FINANCING DEBT OWED TO CREDIT INSTITUTIONS	**1,275**	**175**
TOTAL FINANCING DEBT	**13,187**	**10,856**

(a) Hedging instruments according to IAS 39 and economic hedge derivatives which are not acting as hedge under IAS 39.

Financing debt increased by €2,331 million, or by €2,431 million at constant exchange rate. Movements in exchange rates therefore had a negative impact of €100 million, mainly on AXA Financial senior bonds. The increase at constant exchange rate was mainly due to :

i. €293 million increase at constant exchange rates in subordinated debt (including derivative instruments) arising mainly from the increase in derivatives on AXA SA debt;

ii. €1,036 million increase at constant exchange rates in financing debt instruments issued arising mainly from the increase of commercial paper of AXA SA (€1,161 million);

iii. €1,102 million increase at constant exchange rates in financing debt owed to credit institutions mainly arising from a new AXA SA credit line of €1,000 million for 5 years ("club deal" banking pool) in order to finance AXA development (of wich the acquisition of RESO GARANTIA).

Note 7 : Net income per ordinary share

The Group calculates a basic net income per ordinary share and a diluted net income per ordinary share:

- The calculation of the basic net income per ordinary share assumes no dilution and is based on the weighted average number of outstanding ordinary shares during the period.
- The calculation of diluted net income per ordinary share takes into account shares that may be issued as a result of stock option plans. The effect of stock option plans on the number of fully diluted shares is taken into account only if options are considered to be exercisable on the basis of the average stock price of the AXA share over the period.

As of January 1, 2007, the effect of convertible bonds is no longer integrated in the calculation of diluted net income per ordinary share.

Indeed, to neutralize the dilutive impact of the 2017 convertible bonds, AXA purchased from a banking counterparty, for a total cash amount equivalent to the payment proposed to bondholders, call options on AXA shares with an automatic exercise feature. This feature is such that one option is automatically exercised upon each conversion of a convertible bond. Each issuance of a new share resulting from the conversion of the bond will be offset by the delivery by the bank to AXA (and subsequent cancellation) of an AXA share. The issuance of a share in respect of the conversion of the bond and the cancellation by AXA of the AXA share received will offset each other. As a result of this transaction, there will no longer be a change to the outstanding number of AXA outstanding shares created by the convertible bond conversion.

As a result, the fully diluted number of shares at June 30, 2008 was 2,043 million.

(in Euro million) (c)

		June 30, 2008	June 30, 2007
NET INCOME GROUP SHARE		**2,162**	**3,180**
TSS and TSDI financial charge		(148)	(139)
TSS and TSDI FX impact		167	29
NET INCOME INCLUDING IMPACT OF TSS/TSDI	**A**	**2,181**	**3,070**
Weighted average number of ordinary shares (net of treasury shares) - opening		2,030	2,063
Stock options exercised (a)		1	2
Treasury shares (a)		1	2
Share purchase program (a)		-	(6)
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES	**B**	**2,032**	**2,061**
NET INCOME PER ORDINARY SHARE (d)	**C = A / B**	**1.07**	**1.49**
Potentially dilutive instruments :			
- Stock options		7	20
- Other		3	1
FULLY DILUTED - WEIGHTED AVERAGE NUMBER OF SHARES	**D**	**2,043**	**2,083**
NET INCOME (b)	**E**	**2,181**	**3,070**
FULLY DILUTED NET INCOME PER ORDINARY SHARE (d)	**F = E / D**	**1.07**	**1.47**

(a) Weighted average.
(b) Taking into account the impact of potentially dilutive instruments.
(c) Except for number of shares (million of units) and earnings per share (Euro).
(d) Revised net income EPS taking into account interest payments related to perpetual debts classified in equity, including FOREX impacts. Previously disclosed EPS excluded such adjustments and, as at june 30,2007, basic net income EPS amounted to €1.54 and fully diluted net income EPS to €1.53.

Statement of the person responsible for the Half Year Financial Report

redefining / standards

redefining / standards

Statement of the person responsible for the Half Year Financial Report

I, the undersigned, hereby certify, to the best of my knowledge, that the consolidated summarized financial statements for the first half of the fiscal year 2008 have been drawn up in accordance with applicable accounting standards and accurately show the position of the assets and liabilities, the financial position and the profit or loss of the Company and of all businesses and firms included within the scope of the consolidated Group and that the half-year activity report, to be found in the first part of this Report, accurately reflects the significant events which occurred during the first six months of the fiscal year and their impact on the half-year financial statements, the related-parties transactions and the main risks and uncertainties for the remaining six months of the fiscal year.

Paris, August 8th, 2008

Henri de Castries
Chairman of the AXA Management Board

Person responsible for financial information
Denis Duverne
Member of the AXA Management Board,
Group Chief Financial Officer

Report of Statutory Auditors on the Half Year Consolidated Financial Statements

redefining / standards

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STATUTORY AUDITORS' REVIEW REPORT ON THE 2008 HALF-YEAR FINANCIAL INFORMATION

This is a free translation into English of the Statutory Auditors' review report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders
AXA S.A.
25 avenue Matignon
75008 Paris

In compliance with the assignment entrusted to us by your General Meeting and in accordance with the requirements of articles L. 232-7 of the French Commercial Code (*Code de commerce*) and L. 451-1-2 III of the French Monetary and Financial Code (*Code monétaire et financier*) , we hereby report to you on:

- the review of the accompanying condensed half-year consolidated financial statements of AXA SA, for the six months ended June 30, 2008 ;
- the verification of the information contained in the half-year management report.

These condensed half-year consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-year consolidated financial statements are not prepared, in all material

respects, in accordance with IAS 34 - the standard of IFRSs as adopted by the European Union applicable to interim financial information.

2. Specific verification

We have also verified the information given in the half-year management report on the condensed half-year consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed half-year consolidated financial statements.

Neuilly sur Seine and Courbevoie, August 08, 2008

The Statutory Auditors

French original signed by

PricewaterhouseCoopers Audit Mazars & Guérard

Yves Nicolas Eric Dupont Patrick de Cambourg Jean-Claude Pauly