



Building Confidence

AXA'S BUSINESS ACTIVITIES IN BELGIUM IN 2006



— Be Life Confident —

contents



REVIEW WITH ALFRED BOUCKAERT AND EUGÈNE TEYSEN

- Financial results for 2006 (IFRS standards)
- Turnover for 2006 (IFRS standards)
- Merger with Winterthur

02	Key figures for the AXA Group (according to IFRS standards)
03	The structure of the AXA Group in Belgium
04	Highlights 2006
05	Honorary chairmanship for Count Jean-Pierre de Launoit
12	Key figures for the AXA Group in Belgium
52	Addresses



AXA BELGIUM ACTIVITY REPORT

(statutory standards)

- Management report p 16
- Unconsolidated balance-sheet p 28
- Unconsolidated income statement p 30



AXA BANK BELGIUM ACTIVITY REPORT

(statutory standards)

- Management report p 36
- Unconsolidated balance-sheet p 46
- Unconsolidated income statement p 48

For graphs of financial results and turnover according to IFRS for AXA in Belgium, see http://www.axa.be/fr/bi_kerncijfers.html

For the balance-sheet and consolidated income statement according to IFRS for AXA Bank Belgium: see separate PDF on http://www.axa.be/fr/bi_jaarverslag.html

52

million customers

throughout the world put their trust in
the AXA Group

The AXA Group
is present in

47

countries

€4.0

billion

in underlying earnings
+ 21% constant exchange rates

€79

billion

turnover
+ 11% comparable data

€5.1

billion

net income, group share
+18 % constant exchange rates

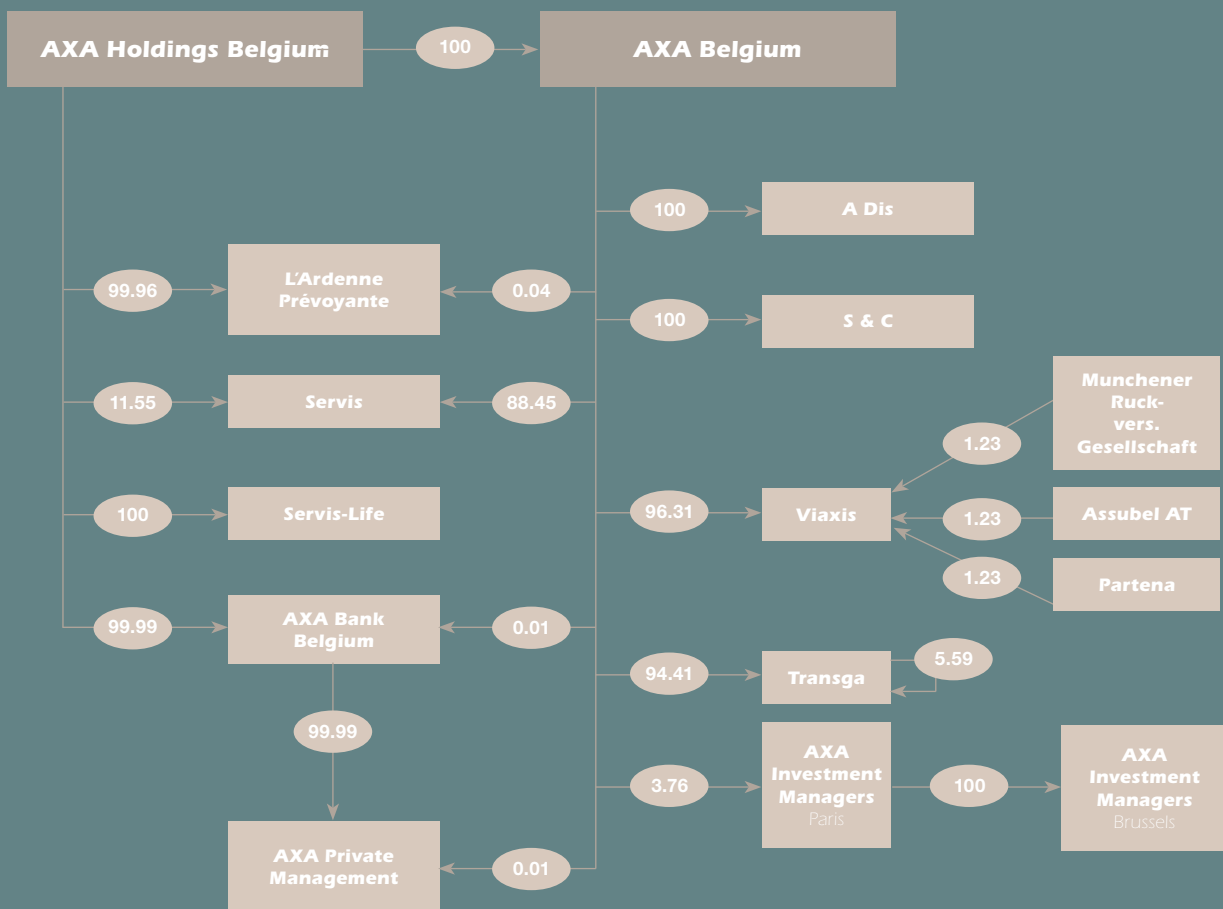
150,000

AXA and Winterthur people

of whom **17,000** are involved in voluntary
associations/social work

Simplified Structure of the AXA Group - Belgium

BANK & INSURANCE



Highlights 2006

Eugène Teysen replaces Alfred Bouckaert at the head of AXA Belgium

On 7 September, AXA placed the region of Northern and Eastern Europe under the authority of Alfred Bouckaert and announced the appointment of Eugène Teysen as General Manager for the banking and insurance business in Belgium starting on 1 January 2007.

The General Assembly appointed Eugène Teysen as Managing Director on 24 April 2007. Eugène Teysen is Managing Director of AXA Belgium and Winterthur-Europe Insurance, Chairman of the Executive Committee of AXA Belgium and Vice-Chairman of AXA Bank Belgium.

Alfred Bouckaert became Chairman of the Board of AXA Belgium

On 24 April 2007 the General Assembly conferred the honorary chairmanship of AXA Belgium on Jean-Pierre de Launoit and Alfred Bouckaert became Chairman of the Board of AXA Belgium.

AXA acquires Winterthur

On 14 June 2006, AXA announced the acquisition of Winterthur for 7.9 billion. This operation is in line with AXA's strategy for organic growth backed up by targeted acquisitions. For the Group this is a unique opportunity to develop more quickly by strengthening its position in Western Europe and in the vigorously growing markets of Eastern Europe and Asia. Before its acquisition by AXA, Winterthur was present in 17 countries, had 13 million customers and more than 30,000 employees in the world. Ranked among the ten leading generalist insurers in Europe and market leader in Switzerland, it benefits from well-established presence in Germany, Spain, the Benelux countries and the United Kingdom. Its portfolio comprises both



life-savings-pensions (63% of turnover) and damage (38% of turnover).

With the acquisition of Winterthur, AXA Belgium strengthens its position as number one in damage insurance and number in life-savings-pensions. The legal merger of the two Belgian entities is planned for the start of 2008, with the operational merger being spread over the year 2008. Thus, the merger between AXA and Winterthur is being done gradually, favouring human and commercial integration.

Honorary chairmanship for Jean-Pierre de Launoit



“Adept businessman and enthusiastic music lover” is one way that Jean-Pierre de Launoit, the outgoing chairman of the Board of Directors of AXA in Belgium, could be described with a somewhat irreverent stroke of the pen.

A bit of Googling quickly reveals that Count de Launoit has a highly diverse curriculum vitae. We knew him already as managing director of the Brussels Lambert Group, as chairman of the Compagnie Internationale des Wagons-Lits and as chairman of the European Group RTL. But Mr de Launoit has left a considerable mark on the cultural and social scene as well. We find him at the head of various sociocultural organisations such as the Alliance Française Mondiale, as co-chairman of the Vrienden van de Munt, chairman of Télévie and deputy chairman of the WWF, to name only a few.

Today however you are more likely to encounter him at the Palace of Fine Arts, where the prestigious Queen Elisabeth Competition is being held under his auspices.

His contacts in the art world, but also his clear vision of the banking and insurance sector, his pragmatic approach and diplomatic talents are all personal qualities which AXA was fortunately able to use to help achieve its steady growth.

Exactly 20 years ago Jean-Pierre de Launoit joined the Board of Directors of AXA in Belgium, then still called Royale Belge.

He is thus a privileged witness of the developments which would lead to the merger of AXA with Royale Belge. During his chairmanship Alfred Bouckaert took charge of the day-to-day management of AXA in Belgium.

On 24 April 2007 he is turning over the chairmanship of the Board of Directors to the same Alfred Bouckaert, who in the meantime has been appointed as CEO for the region of Northern, Central and Eastern Europe (NORCEE). At the same time, Count de Launoit is being appointed as Honorary Chairman of the Board of Directors.

In his valedictory speech, Alfred Bouckaert praised him for his keen social insights, his attention to major trends and evolutions on the market as well as his extensive knowledge of the media world. A contribution which has brought AXA to a better understanding of the market environment in which it operates.



ALFRED BOUCKAERT,

CEO OF AXA BELGIUM UNTIL
31 DECEMBER 2006
CHAIRMAN OF THE BOARD
OF AXA BELGIUM FROM APRIL 2007

You're stepping down as CEO of AXA Belgium on the crest of financial results characterised by a 76.5% leap in net profits for 2006... which the press dubbed "exceptional". Do you share this point of view?

Expressed in terms of IFRS standards, the net banking and insurance profits (AXA Holdings Belgium, including AXA Belgium and AXA Bank Belgium) amounted to €616 million in 2006. Compared to the €349 million generated in 2005, that corresponds to an increase of 76.5%... which is obviously quite considerable.

However, much more than an "exceptional" result, I see this especially as a reflection of our unwavering policy based on solid technical foundations ensuring good customer relations over the long term and on dynamic and disciplined asset management...

What factors would you use to explain the very good results recorded in the 'Combined Ratio', which is the main indicator of profitability for any insurance company?

This ratio is indeed particularly significant for the development of our activities, because it establishes the

ratio between our costs (claims, commission payments, general expenses) and the premiums acquired. It dropped by 3.3 points in 2006 to 95.4%, essentially due to the particularly low number of claims that affected the P&C (properties & Casualties) segment.

So we can deduce from this that AXA benefited from a relatively calm 2006 in terms of catastrophes, but that would only be a short-sighted view of the reality. Our very good Combined Ratio is also explained by a prudent policy of acceptance and retention of risks, which has been perfected over the last few years: so we are gathering today the fruits of a healthy operational management policy that was worked out and implemented a long time ago.

What's more, the NBV (New Business Value) indicator – which reflects the actuarial value of new contracts, is also positive: it is growing by 14%, thanks to the effective collaboration of Product Management and ALM (Assets Liability Management). Such collaboration has only one goal: to optimise the performance of the products for the benefit of AXA and, of course, its customers.

Finally, I should point out that AXA continued to invest last year, notably in IT projects, which explains a controlled

“ Solid technical foundations ensuring good, long-term customer relations and dynamic and disciplined asset management. ”

increase in general costs of 5.1% to €651 million. In time, the merger with Winterthur will come to stabilise those costs.

Taking all these elements into account resulted in a 6% increase in underlying earnings - €223 million. As for the current results, they amount to €631 million, an increase of 79%. What would you attribute that to?

To put it in a nutshell: to the dynamic management of our assets. On 31 December 2006, AXA Belgium's investment portfolio was made up as follows: 6.4% real estate, 65.5% bonds and 20.5% shares. We wanted to maintain that position in shares in accordance with the Group's ALM policy, because that provides excellent cover for the long-term commitments that AXA Belgium is contracted to: let's remember that we are the market leaders in industrial accidents and we are among the biggest in group insurance. In addition, the capital gains made on share sales have once more supplemented the fixed yields generated by bonds and by the leasing of top-quality buildings.

As for the assets under management in the banking and Life-insurance activities, they both showed growth in 2006 too, reaching €29.5 billion (+7.1%). Liabilities in Personal Life insurance went up by 14.2%.

The combined ratio dropped 3.3 points to 95.4%.



EUGÈNE TEYSEN,

MANAGING DIRECTOR FOR AXA IN
BELGIUM

The market had trouble digesting the tax on Life insurance: a slump of 18% in receipts...

The cold shower taken by the business as a result of the 1.1% tax levied since January 2006 has undoubtedly led to a general slow-down, in fact: the market as a whole suffered a drop in receipts of 18% compared to 2005 when premium income was pumped up by the prospect of that tax coming into force. Comparatively speaking, by limiting the reduction in its Life insurance turnover to 8.1%, I think that AXA for its part has weathered the storm quite well!

How well did the leading products of the CREST range perform?

Premium income from the CREST range reached 1.367 billion, a drop of 8.8% compared to 2005... which was, I should point out, an exceptional year. For its part, the premium income from CREST cap10, a capitalisation product, remained stable at 18 million.

CREST 30 and CREST 40 contributed nearly 75% of total premiums. The craze for these products with permanent capital protection shows that savers have acquired a greater appetite for risk. In fact, they accept the sacrifice of guaranteed yields in favour of greater gains... and they are

not wrong about this because CREST 30 made about 5.6% and CREST 40 6.2% in 2006, the gains made each year being kept with the aid of the click system.

I would also like to emphasise the performance recorded by the Millesimo range, which also behaved better than most of its competitors – by way of reminder, Millesimo is a structured fund in branch 23, in accordance with the open architecture principle: “the best funds in the world accessible to everyone”.

How did the other traditional Life-insurance products do?

Here, we saw an increase of 3.5% in turnover. This is on the one hand linked to the success of temporary Life insurance (among the Top 3 in the market) and, on the other hand, to “Credit Protection” insurance policies, which can be taken out by customers who take a personal loan from AXA Bank.

What assessment in precise terms can we make of AXA Bank’s activities in 2006?

To start with, I must emphasise that the success of the Life insurance products was not at the expense of savings. The I-Plus high-yield account (into which 50% in fresh money was paid) enabled AXA Bank to continue making

“ We are strengthening our relations with customers in the principal segments of financial protection, both in banking and insurance. ”

progress in savings in 2006: that rise of 3% enabled us to differentiate ourselves very clearly from the negative performance recorded by the country's biggest banks.

With regard to loans, AXA Bank noticeably increased its market share in consumer credit, which went from 5.4% to 5.7%, while maintaining a position of about 8% in home loans. Overall, AXA Bank made an increase of 26% in consumer-credit and professional-credit products...

Did the much-talked-about campaigns on the free current accounts bear fruit?

Combined with the benefits of Bonus Banking, they led to the opening of 16,000 new, active current accounts!

There was also considerable growth in asset management in 2006. What are the key figures?

AXA Private Management achieved great success with Millefiori, the funds of funds accessible to private management from as little as €50,000. AXA Private Management's Net New Money reached €135 million in 2006, equivalent to growth of 50%.

That growth in AXA Private Management within the Group in Belgium is in my opinion another example of the diversity and coherence of the financial protection products and services. The important thing, in fact, is that AXA is strengthening and diversifying its relations with the end-customer, while ensuring respect for the privileged relationship which that customer established in accordance with his best choice with his broker or with his banking agent. In this respect, 2006 was an outstanding year!

“ 2006 was marked
by positive and profitable growth in
Properties & Casualties. ”

Let's now turn to damage insurance. How would you describe this year?

It was marked by growth that was both positive and profitable, AXA recording performance that was a little higher than that of the market. The P&C turnover rose by 4% (5.2% in Large and Medium Enterprises) to € 1.52 billion. At the same time, as Alfred Bouckaert has moreover pointed out, the Combined Ratio saw a significant drop of 3.3 points to 95.4% - that performance being linked not only to the drop in the number of claims but also to a prudent policy of acceptance and retention of risks.

Although AXA is again winning Motor vehicle contracts, this is not the case with Fire. Why?

In fact, this phenomenon is curious because the quality of our products recognised unanimously. By way of proof, I would like to mention the fact that AXA's and Winterthur's Home insurance policies were raised in the "Master Purchase" ranking by 'Test-Achat' [consumer purchase periodical] and that they have moreover just been given the label of that consumer association. Furthermore, the Maximo version of AXA's Home Convenience product has just received the Fire Insurance Trophy for 2006. So,

nothing but positive, which will undoubtedly be seen soon in the figures. That makes it a bit easier for AXA's insurance brokers and banking agents to persuade their customers.

In June 2006, the AXA Group announced, as we know, the acquisition of the Winterthur Group worldwide. What will be the impact of that merger in Belgium?

That impact will be very significant. In large and medium enterprises, the increase in turnover will reach 34%. It will be 24% for the segment of private insurance and small enterprises. In Group Life Insurance, Winterthur's contribution will represent about 23%.

What stage has that merger reached?

Of course, I set the priorities when I took up my position, first and foremost making sure that commercial representation in the field was made uniform and upgraded: with the aid of 6,725 brokers working with AXA and Winterthur, we in fact have the biggest attack force on the market! In concrete terms, from the beginning of 2007, each of those brokers was given a sales manager in accordance with the number of his clients and his production volumes. But I don't intend to limit myself to that objective alone: I



“ The integration of Winterthur is under way at all levels: social and commercial, as well as in the cultural and human fields. ”

would like to strengthen the number of brokers, gaining in particular the preference of the 600 brokers who used to work solely for Winterthur.

Can the consumer already benefit from the positive effects of that merger right now?

This is indeed the case in the branch 23 products, for which there is an integrated team within AXA's Product Management. This team supports the new range: Millesimo, Millefiori and Piazza, which offer a very wide choice of the best funds on the market. With regard to loans, Winterthur's credit brokers now also have access to the credit range of AXA Bank. The legal merger, the consolidation of the portfolios and the integration of the other product ranges are planned for the beginning of 2008.

How is this merger proceeding internally?

Employee-management negotiations started when the acquisition of Winterthur was announced, in June 2006. They are proceeding in the spirit of openness advocated by AXA, which benefits from its experience in this field, and in an environment that I would call serene. They should soon culminate in the signature of a collective labour agreement,

which will notably contain the modalities for voluntary redundancies.

So the merger is well on the way at all levels: social, commercial – and cultural and human, too. Of course, merging the staff, the brokers and the customers of AXA with those of Winterthur is a challenge. But it is an exciting challenge, with the promise of great things to come!

The legal merger is planned for the start of 2008.

Key figures for AXA in Belgium

(figures at 31 December 2006 according to IFRS)



€616

million
net income

6,725

independent brokers:
who work with the AXA Group or
Winterthur

€29.5

billion
in assets under
management in banking and life insurance.

950

independent banking agents
represent AXA Bank

12
13

€18.9

billion

in total on the consolidated balance-sheet for AXA Bank

€4

billion

turnover in insurance, of which
€ 975 million made from insurance for
Large and Medium Enterprises

6,446

members of staff, AXA
and Winterthur combined

457

volunteers

are happily working for AXA
Atout Coeur



14
15

AXA BELGIUM

ACTIVITY REPORT



REPORT OF THE AXA BELGIUM'S BOARD OF DIRECTORS 2006 financial year

Annual Report presented to the Annual General Meeting of Shareholders held on 24 April 2007

Management bodies

Administration, management and audit

Board of Directors

Jean-Pierre de Launoit, *Chairman*
Alfred Bouckaert, *Managing Director*
Eugène Teysen,
CEO (since 1 January 2007)
Didier Bellens
Karel Boone
Henri de Castries
Pierre Drion
Christophe Dupont-Madinier
Denis Duverne,
Luc Geuten
Thierry Langreny, *(to 16 June 2006)*
Xavier Meric de Bellefon, *(since 13 September 2006)*

Day-to-Day Management

Alfred Bouckaert, *Managing Director*

Audit Committee

Jean-Pierre de Launoit, *Chairman*
Didier Bellens
Thierry Langreny, *(to 16 June 2006)*
Luc Geuten
Xavier Meric de Bellefon, *(since 13 September 2006)*

Remuneration Committee

Jean-Pierre de Launoit, *Chairman*
Thierry Langreny, *(to 16 June 2006)*
Pierre Drion
Karel Boone
Xavier Meric de Bellefon, *(since 13 September 2006)*

Auditor

PricewaterhouseCoopers,
Company auditors, scrl,
represented by Emmanuèle Attout



The Individual Life Insurance business has done well in spite of more difficult market conditions.

I. ECONOMIC AND FINANCIAL BACKGROUND IN 2006

1. The financial markets in 2006

2006 was a very good year for all markets. In the end, whichever asset class you consider, it will again have been difficult to lose money in 2006. The main stock exchange indices all rose and shares over performed whereas bond loans made slight profits. Also of note was the strong rise in the prices of many raw materials, led by industrial metals. Generally speaking, the soundness of the economy was shown by a clear upturn in the appetite for risk, proved by the boom in emerging markets.

It is true to say that the underlying economic context remained fairly buoyant in 2006. The world economy has certainly slowed down, but is still robust, pulled by both the United States and emerging countries, China in particular, which will again record a growth rate of above 10% in 2006. The United States slowed down slightly in 2006, to approximately 3.3%, whereas the Eurozone saw a clear improvement during the year. Although growth remained strong in 2006, its progress surprised the markets which adjusted their expectations both up and down on many occasions as different economic statistics were published or following speeches by central bankers. Growth was not consistent in 2006 and the progress of American GDP in particular was quite ragged: from 5.6% in the 1st quarter to probably nearer 3% in the 4th quarter, via a low of 2% in the 3rd quarter of 2006. As a result, fears of a brutal landing for American growth, or even of a recession, played a large part in market behaviour in 2006. Similarly, the Eurozone's and Japan's ability to grow without being driven by America was another concern to investors. On the inflation side, oil prices

soared to nearly 80 USD per barrel at the beginning of August and this affected consumer prices, but the subsequent fall in the oil price, combined with the growth slowdown, has allowed inflation to drop since the autumn.

2. The Belgian context in 2006

The Belgian economy has performed well.

Thanks to almost 3% growth and a balanced national budget, 2006 was Belgium's best year since 2000. This was all the more the case as the growth was not just boosted by household spending, as has been the case in previous years, but also by company investments and an increase in exports. Employment grew by nearly 1%.

Low interest rates and the good return on shares and other types of investments are encouraging Belgians to abandon traditional savings accounts in favour of instruments offering a higher return. Retirement savings, which offered better tax terms in 2006, were again successful.

The business world saw a wave of takeovers worldwide, particularly AXA's purchase of Winterthur

This acquisition was announced on 14 June 2006 and finalised on 22 December 2006. In Belgium, it will strengthen AXA by consolidating its position as a leader in damage insurance and offering new outlets for AXA Belgium's life insurance business and AXA Bank's investment and loan products. The broad lines for integrating Winterthur into the AXA Group were drawn up during the second half of 2006.



THE MAIN LINES FOR THE MERGER WITH **WINTERTHUR** WERE DRAWN UP AT THE END OF 2006

II. GROWTH OF AXA'S TURNOVER IN BELGIUM

The overall turnover for the AXA Group's insurance business in Belgium* amounted to 4,147 million euros according to Statutory standards.

Life turnover fell by 5.5% to 2,610 million euros, after an exceptional level of production in December 2005 ahead of the introduction of a new tax on premiums in 2006 and following the end of the distribution agreement with La Poste on 28 February 2005. In Non-Life Insurance, turnover grew by 4.1 % to 1.537 million euros.

II.1. LIFE INSURANCE

The statutory turnover is 2,610 million € against 2,763 million € in 2005.

LIFE (millions EUR)	2004	2005	2006	Variation 2006/2005
Individual Life	1,821.4	2,376.5	2,219.5	- 6.6%
Corporate Life	379.7	385.0	388.7	+1%
Miscellaneous	1.5	1.0	1.3	+35%
Total	2,202.6	2,762.6	2,609.6	-5.5%

1. Individual and Small Businesses Life

The turnover for Individual Life fell by 6.6%. This fall can be explained by a variety of factors:

A) Universal Life and Branch 23 type contracts

- **The tax on insurance transactions came into force in 2006** (1.1%). Although we feared that the introduction of this tax would lead to a severe slowdown of production, in fact our turnover fell by only 7.3%. However, at the end of 2005,

customers had rushed to buy our products ahead of the tax. Comparisons for 2005/2006 therefore need to be put in context.

- Excluding extraordinary items, we can conclude that the **CREST products continued their rise**. The main contributor to this was the 0% guaranteed rate formula (CREST 30 and CREST 40) which accounted for 75% of income. The attraction of this type of product is a perfect example of savers' rediscovered appetite for risk. They clearly prefer to exchange a guaranteed rate for the hope of distinctly higher profit. In a context of uncertain interest rates, this arbitrage proved to be a winner.

Premium income from the CREST range reached 1,367 million euros, a fall of 8.8% compared to 2005. Premium income from CREST cap 10, a capitalisation product, was stable at 18 million.

- Excluding the "La Poste" effect and IFRS reprocessing, Branch 23 continued to do well with 14.1% growth despite the tax on insurance transactions.

This result should mainly be credited to the initial commercial successes of the open architecture in **Branch 23** investment funds. This success was shown both at the fund of fund level (Millefiori) and for individual funds (AXA Life Invest). We expect to see this trend develop further in the coming years.

The marketing success of 4 new Milleesimo formulas (structured funds) also allowed Branch 23 to regain a better proportion of the overall production of AXA Belgium's investment products for individuals compared to 2005 (10.4% for Br23 in 2004, 16.8% in 2005 and 20.0% in 2006).

(*) this overall turnover includes the turnover of AXA Belgium, Servis, Servis-Life and Ardenne Prévoyante

€ 1,367

MILLION IN CREST RECEIPTS IN 2006



B) Classic Life:

Premium income rose for the second year running. This growth is again connected to the excellent performance of death insurance. Its turnover grew 15% compared to 2005.

The success of the new Borrowers Insurance formula, linked to consumer loans offered by AXA Bank, contributed significantly to the growth of this business.

The mortality result also increased again, reaching 31.8 million euros in 2006. In addition, close monitoring of Additional Disability Risk Insurance claims and reserves brought 5 million euros' profit.

Individuals and Small Businesses Life Turnover	2004	2005	2006	Variation 2006/2005
Branches 21 and 26 savings	1,296.1	1,702.2	1,567.2	-7.9%
Branch 23 savings	272.9	418.0	387.3	-7.3%
Classic	252.4	256.3	265.0	+ 3.4%
Total	1821.4	2,762.6	2219.5	-6.6%

C) Small Businesses Life

After a muted first half-year, the launch of Stars For Life allowed growth to take off again and the year ended with an overall growth of turnover of 7% - all products combined - and of 40% for products aimed specifically at the Self-Employed and Company Managers.

Stars for Life offers specific solutions to the Self-Employed (P.L.C.I. for Free Additional Pensions for the Self-Employed) and to Company Managers (Individual Pension Commitments).

As well as investing in AXA's Main Fund, we offer our customers a new CREST formula (CREST Stars for Life) and different Branch 23 products using an open architecture concept.

The additional types of cover offered are based on our most recent successful products for both Death (Experience rate) and Sickness (Free Income) insurance.

AXA IS INVESTING IN THE TOWN:
COLOURFUL RENOVATION FOR BELMONT-
COURT. THE ENTIRELY RENOVATED SITE
AT **N° 55** RUE BELLIARD WILL
ACCOMMODATE AXA BELGIUM'S COMPANY
MANAGEMENT STAFF BY MID-2007



2. Large and Medium-Sized Businesses Life

Premium income in Corporate Life (excluding Health) was 389 million EUR against 385 million EUR in 2005.

Corporate Life turnover	2004	2005	2006	Variation 2006/2005
million EUR	379.7	385.0	388.7	+1%

A) Growth

Legal situation

The law on additional pensions which came into force on 1st January 2004 gave companies 3 years to make their 2nd pillar insurance plans conform to the new law.

As the deadline was 1st January 2007, the parties concerned (customers, brokers and consultants, provident institutions) devoted 2006 mainly to making their pension plans conform. As a result, the market was fairly quiet.

Contrary to our expectations, the statutory maximum rate was not revised in 2006, but the law of 27 October 2006 on the control of occupational pension institutions separated this rate from that guaranteed by the PLC (free additional pension), which shows some prospects for 2007.

Production and results

New business production struggled throughout 2006. Companies were not willing to increase their pension plan costs and the few increases agreed were mainly devoted to making their plans conform to the PLC.

Prospects for 2007

Development opportunities are being sought in sector funds and the public sector.

B) Margins

The positive development of the financial markets in 2006 produced satisfactory returns for the main fund as well as for the separate funds. This produced a sizeable profit margin while at the same time granting an attractive profit share.

C) Productivity and quality

The past year was marked by a heavy workload caused by revising plans following the PLC. As happened to a lot of companies, the consequence of this was administrative delays.

The development of D@IL continued. This tool has been very successful amongst customers and brokers and its utilisation rate continues to grow.



PREMIUM INCOME FOR DAMAGE INSURANCE UP BY

+ 4.1%

II.2 NON-LIFE INSURANCE

Premium income was up for Large and Medium-sized Businesses (+5.4%) and for Individuals and Small Businesses (+3.2%).

1. Individuals and Small Businesses (PPE) P&C insurance

Premium income for Individuals and Small Businesses P&C amounted to 922.2 million €, a rise of 3.2%.

A) Car Insurance

At the legislative level, neither the automatic price indexing issue nor the limiting of civil liability car cover were finalised during 2006. Nevertheless, progress was made on the latter during the year. From the start of 2007, a law limiting civil liability cover to 100 million euros for material damage is due to come into force. As a corollary, the authorised limit for the sub-cover for Fire and Explosion is also limited to 100 million euros.

Meanwhile, the 2004 and 2005 trends of strong pressure on prices, a fierce price war focused on the best segments, and the search for increased market share continued in **the market**.

In this dynamic market, AXA Belgium has put itself in a very strong position, with a slight growth in the number of “car” policies through its independent brokers, and strong growth in civil liability-related cover, i.e. comprehensive, assistance and driver safety cover.

Amongst our major offers or actions, let us mention:

- the launch of comprehensive cover including a zero excess and zero degression for 24 months, combined with a competitive price. The result exceeded our expectations with a good number of new policies taken out;

NON-LIFE (million EUR)	2004	2005	2006	Variation 2006/2005
P&C PPE	883.4	893.6	922.2	+3.2%
Corporate Damage	472.3	500.1	523.6	+4.7%
Miscellaneous	74.5	82.2	91.2	+10.9%
Total	1,430.0	1,475.9	1,537.0	+ 4.1%

INDIVIDUALS (million EUR)	2004	2005	2006	Variation 2006/2005
Car (including legal protection)	550.0	550.2	555.7	+1.0%
Fire	225.6	231.8	253.9	+9.5%
Civil Liability (including legal protection)	53.0	54.9	56.1	+2.2%
Individual Accident	15.8	15.1	15.6	+3.3%
Workmen's compensation	39.0	41.6	40.9	-1.7%
Total	883.4	893.6	922.2	+3.2%

- promotion of cross-selling: car insurance and loans for individuals and for the self-employed and small businesses (Car pack and Business pack);
- improved Assistance, extension of types of cover offered, improved information to customers and distributors;
- support for the MiniKM product launched in 2005, which was as successful as we had expected, but also led to a high level of conversions of existing policies into MiniKM policies, the key to which was, for most cases, additional types of cover;
- organisation of a seminar for brokers focused solely on customer retention.

1 MARCH 2006: IMPLEMENTATION OF
THE LAW ON NATURAL DISASTERS:

800,000
CUSTOMERS CONTACTED.



In terms of turnover, 2006 ended with a slight fall for civil liability cover, the increase in the number of policies not totally offsetting the fall in premiums caused by price pressure. On the other hand, turnover for types of additional cover progressed well which meant the overall turnover for car insurance rose slightly.

Overall in 2006, the number of policies in the portfolio rose significantly for civil liability (+0.5%) and especially for additional types of cover (+7% for material damage, +4% for theft).

Meanwhile, the technical results continued the 2005 trend even more strongly: a slight drop in claims frequency and a fall in the number of serious claims, especially in our young drivers portfolio, confirmed the soundness of the policy started in 2004.

B) Housing Insurance

The main event of the year was obviously the fact that **the law on natural disasters** came into force on 1st March 2006. As this measure was rushed into law, insurers were not given any time to prepare either the conditions and rates for this extension of cover or procedures for taking out this insurance and dealing with claims.

The law requires natural disasters, i.e. floods, sewage overflows, landslips and earthquakes, to be covered automatically under Fire and Ordinary Risks policies. The minimum cover conditions were defined by the rating bureau (in particular, a maximum excess of 1000 euros) along with the maximum rate. For the most exposed risks with the maximum rate, risk pooling at market level was made possible.

An important detail is that all Fire and Ordinary Risks policies must include the natural disaster cover from their main expiry date.

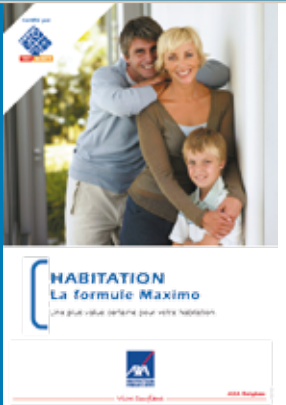
AXA's method of dealing with and covering this extension was to:

- rapidly put in place a process for assessing and rating risks using geolocalisation software and a billing process for all policies, either by extraordinary bills or by including it in the "normal" bill;
- rapidly inform all distributors and customers of the scope and implications of the law;
- allow all customers to take out this cover quickly, even if their policy's main expiry date was a long time from 1st March, to avoid any inequality;
- according to a principle of simplicity, use the same rate and more generous conditions than those imposed by the law for 99% of the existing portfolio, and offer the minimum cover and maximum rate allowed to only approximately 1% of the portfolio.

This large-scale operation had a number of effects: a mailing was sent to over 800,000 customers; almost all the extraordinary bills were settled quickly; already some floods have been recorded during 2006 and the first compensation payments have been made following them.

Two other salient facts need to be made about AXA's Fire insurance:

- The launch of Maximo, a "top of the range" extension of cover for the House Fire product and the promotion of the Theft cover;
- Our Home Comfort product was classed as a "master purchase" by the consumer magazine Test-Achats.



AXA AND WINTERTHUR'S

HOME INSURANCE

GUARANTEES RECEIVE THE TEST ACHATS LABEL

In terms of results, we posted a good increase for turnover which came, on the one hand, from integrating the Natural Disasters cover and, on the other hand, from stabilising the number of policies, with a strong increase in Theft cover penetration.

Technical results improved, mainly thanks to mild winds: there were no major storms in 2006.

The Family Civil Liability business became profitable again after 2005 was weighed down by some serious claims.

C) Self-Employed and Small Businesses P&C Insurance

In 2006, AXA Belgium recorded 4.5% growth in this segment, excluding Small Businesses Cars. This growth is to be credited to the success of our Extensia packages (production rose by 20% compared to 2005) and the reduction in the rate of losses, this mainly thanks to repeating the "Back to You" action (cheque for a max. 10% premium reduction).

In Small Businesses (PE) Cars, premium income improved both for civil liability (+1.6%) and non civil liability (+6.2%) mainly due to the links set up with Extensia (including a premium reduction if several types of cover are taken out) and to cross-selling actions carried out with AXA Bank.

"CatNat" cover was successfully put in place after the law on natural disasters came into force on 1st March 2006. All customers in the "Ordinary Risks" segment will be covered at the latest during the first quarter of 2007.

2006 was also marked by a definite improvement of the combined ratios for the Civil Liability and Workmen's Compensation branches.

2007 will be devoted to expanding the Extensia range and combining the products offered by AXA and Winterthur.

2. Health Insurance for Individuals and Small Businesses

The complete review of "Sickness" products which began in 2005 with the launch of Free Income allowed turnover (+3.5 %) and the accounting result for the business which reached 4,070,000 euros in 2006 to grow again.

The full effect of the significant increases of Hospitalisation portfolio premiums will be seen in 2007 and should enable us to achieve technical balance.

Overall, the "Health" business result is positive again and came to 1,307,000 euros.

3. Medium-sized and Large Businesses P&C Insurance

A) Premium Income

Premium income for 2006 came to 508.8 millions, a growth of 5.4% compared to last year. An increase was seen in all branches.

This growth was achieved thanks to good production in 2005 and 2006, despite an increasingly competitive market, because of good corporate results due notably to the good performance of the financial markets.

CORPORATE INSURANCE: TARGETED PACKAGES ON SPECIFIC PROFESSIONAL ACTIVITIES



THE BREAKDOWN BY BRANCH OF PREMIUM INCOME GIVES:

(million EUR)	2004	2005	2006	Variation 2006/2005
Workmen's Compensation	181.7	192.2	197.7	+2.9%
Car	88.8	91.0	94.3	+3.7%
Civil Liability	53.3	59.1	64.8	+9.6%
Group accidents	63.5	60.8	61.4	+0.9%
Fire	52.9	50.8	57.4	+12.9%
Tech. Ins.	17.1	16.1	16.5	+2.9%
Transport	15.0	12.9	16.7	+28.7%
TOTAL	472.3	482.9	508.8	+5.4%

Our position as market leader has been kept with a large share of Workmen's Compensation in particular.

B) Claims Rate

After several years of continuous improvement, the claims rate deteriorated by 1.1 points in 2006. This deterioration was seen in Group Accidents (+4.7 points) and Car (+3.8 points), even if the results remain good for these branches.

C) Products and services

The first Talisman packages targeted at specific occupations were launched. Thus, the Talisman Garage package, the Talisman Horeca (hotels, restaurants and cafés) package and the Talisman Shop package were marketed in April 2006.

The Talisman packages were made more attractive thanks to the 5% or 10% reductions granted according to the number of types of cover taken out.

The Back to You action (10% discount cheques given to good Talisman customers) was continued in 2006. Brokers liked this action and it is an effective means of improving customer retention.

In Car insurance, the Car Civil Liability rate increased by 2% in July 2006, and this was applied to the portfolio from August, as each policy was renewed.

D) Legal framework

Since 1st March 2006, Natural Disasters cover has been compulsory for Ordinary Risks (capital less than 1.2 million). This covers floods, earthquakes, overflows or backing up of public sewers and land slips or collapses.

In Workmen's Compensation, in September the government granted annuitants who were victims of accidents in 1998 or 1999 a 2% increase linked to wellbeing.

E) Market

In 2006, market prices continued the fall which started in 2004. This is particularly noticeable in the Workmen's Compensation, Industrial Risks and Car branches.

Defending the portfolio at the end of the year (most expiry dates fall on 1st January) required major price reductions.

F) Prospects for 2007

2007 will mainly be devoted to making the merger with Winterthur succeed, so that, amongst other things, we have a single product range by January 2008. We are also looking for development opportunities in the Public Sector and to support customers who partially relocate their businesses to Eastern Europe.

THE APPEAL FOR TALISMAN WAS STRENGTHENED
THANKS TO THE REDUCTIONS OF
5% OR 10% GRANTED IN PROPORTION
TO THE NUMBER OF POLICIES TAKEN OUT.

4. Health Insurance for Medium-sized and Large Businesses

A) Growth

Product

A new Disability insurance product was launched in spring 2006 at the same time as a marketing campaign for the Health concept. The latter was aimed at offering improved cover for hospitalisation or incapacity to work, by offering support for the policy holder in terms of information and prevention, alongside compensation.

Both the new Disability product and the Health concept were well received by customers and brokers.

Production and results

In Disability, competition increased strongly in 2006, which did not prevent us from increasing premium income by 5%, a larger amount than in Life / Death insurance.

In Hospitalisation, production was high increasing premium income by 18%.

The 20% tariff rise applied to the medium-sized business Hospitalisation portfolio and our continued stabilisation policy for the large business segment enabled us to finally achieve a balanced result for this product.

Prospects and development

In 2007, the portfolio of individual Hospitalisation renewals will be indexed and the stabilisation policy will continue in order to preserve the results achieved in 2006.

The year will also be devoted to developing a new Hospitalisation product based on AXA's and Winterthur's experiences. This product will be launched on the market in 2008.

B) Margins

Results were very good in Disability and balance was at last achieved in Hospitalisation.

III. INSURANCE OPERATIONS MANAGEMENT

1. Operational efficiency

By applying the AXA WAY methodology, we have defined the key operational management processes, i.e. those which contribute most to customer satisfaction.

For each of these processes, thanks to multiple customer surveys, we have identified our end customers' and intermediaries' moments of truth and expectations. By comparing these expectations with our current level of service, we highlighted the areas where improvements need to be made. Action plans were drawn up and will be implemented gradually.

This professional rigour and the relations we are building through our Cap Client project should allow us to achieve our ambition of becoming our customers' preferred company in terms of quality delivered.



RESEARCHING CONTROL OF TECHNICAL PROFITABILITY AND OPERATING EFFICIENCY

In addition, we have successfully continued our retention actions and continued to improve the industrialisation of our management processes. Thus, 2006 was devoted to developing a workflow tool for the Life and Legal Protection businesses.

Finally, the addition of general cover for natural disasters was successfully carried out for a portfolio of over 900,000 policies.

2. Achieving technical profitability

Two major initiatives were undertaken:

- Improving our “insurance procurement” policy aimed at controlling costs and ensuring the quality of all those involved in a claim (assessors, garages, lawyers, etc.)
- The fight against insurance fraud was increased by means of installing an automatic system to detect cases of high potential fraud. The objective is to refine our detection methods to make this fight as successful as possible.

IV. IT

2006 was a very positive year marked by change: a noticeable improvement in **the quality of our applications** went hand in hand with **customers and IT staff satisfaction** and the definition and setting up of a new organisational set-up.

The efforts made to reduce the number of minutes our systems were unavailable, by improving incident monitoring and controlling releases, all bore fruit and helped to improve AXA's image amongst brokers, agents and employers.

We also **continued to make our IT more professional** by implementing several new fundamental processes based on the **CMMI** model (the market standard by which an organisation's maturity and processes can be measured) and by consolidating the practices which let us achieve level 2 (“managed”) of this model.

The new organisation recently put in place aims to support the quality improvements of the applications in production by **clarifying the different departments' responsibilities** and by improving process standardisation and optimisation. Two other objectives of this reorganisation are, on the one hand, to noticeably **improve our productivity** and, on the other hand, to help **develop a long-term partnership with our customers** so that we can better understand and support the company's strategic vision and respond more effectively to needs while offering proactive solutions.

Our users' satisfaction also involves carrying out **projects supporting the profitable growth policy** undertaken by the AXA Group.

The **overhaul of our “back-offices”** for both bank and insurance will help to modernise them and, as a result, reduce the time to market of new products, help improve segmentation of our products / tariffs, etc. This involves several ambitious projects which, in the longer term, will contribute to the Group's objective of operational excellence and will help us to provide a better quality service to our customers.

As well as overhauling our back-offices, **other projects** aimed at putting in place **tools to help growth** and to develop our Front End have supported the financial protection strategy (providing the right product for our customers at each stage of their lives) by allowing us to have an overall view of our customers, to exploit our customers' data to analyse their assets with AXA, etc.

As AXA is listed in the USA, all subsidiaries must meet the requirements of the **Sarbanes Oxley (SOX)** act. The I.T. department has provided help at several levels to ensure this conformity, both by describing its own processes and by supporting business lines as they describe or improve automated control points.

UNDER STATUTORY STANDARDS, THE
INCOME STATEMENT SHOWS A PROFIT OF

€459.8 MILLION



In conclusion and for 2007:

We are going to continue **to make our I.T. more professional** and to improve the operational quality of our applications. **The implementation of the new organisation** agreed in 2006 will be finalised.

Particular attention will be paid to the **quality of the new developments** both as regards stability, and scope and budget (specific measures will be put in place and monitored).

Integrating the Winterthur systems is a major challenge for 2007. It will be carried out in close collaboration with users. The overhaul of the back-offices will continue and new projects supporting the financial protection strategy and customer loyalty will be launched.

V. APPROPRIATION OF RESULT

The profit and loss account shows a profit for the year of 459,796,892.44 EUR.

Taking the profit brought forward from 2005 into account, namely 361,832,813.46 EUR, the result to be appropriated comes to 821,629,705.90 EUR.

The board proposes to the Ordinary General Meeting to distribute this profit balance as follows:

Return on capital: 394,500,000 EUR (*)

Directors' percentage: 218,978 EUR

Profit to carry forward: 426,910,727.9 EUR

VI. STATUTORY APPOINTMENTS

The board proposes to appoint Mr. Jacques Espinasse, of French nationality, residing at 42 Avenue de Friedland, F-75380 Paris, as a director for a period of three years, until after the Ordinary General Meeting of 2010.

The board proposes to permanently elect Xavier Meric de Bellefon, coopted on 13 September 2006, to replace Thierry Langreny.

Messrs Jean-Pierre de Launoit, Didier Bellens, Karel Boone, Henri de Castries, Pierre Drion, Denis Duverne, Luc Geuten, Alfred Bouckaert and Xavier Meric de Bellefon are coming to the end of their terms of office. They are eligible for re-election.

With the exception of Jean-Pierre de Launoit, they are presenting themselves again for the meeting's approval.

The board proposes to re-elect Didier Bellens, Karel Boone, Henri de Castries, Pierre Drion, Denis Duverne, Luc Geuten, Alfred Bouckaert and Xavier Meric de Bellefon for a period of three years, until after the Ordinary General Meeting of 2010.

Brussels, 9 February 2007

The Board of Directors

(*) of which 168,500,000 EUR was paid as an interim dividend, in accordance with the board of directors' decision of 8 December 2006.

in Euros (statutory standards)

ASSETS	Codes	Current year	Previous year
C. Investments (statements 1, 2 and 3)	22	24,011,844,284	20,793,899,511
I. Land and buildings (statement 1)	221	884,003,099	893,850,179
1. Buildings used by the company for its own business	221.1	1,708,271	1,829,823
2. Others	221.2	882,294,828	892,020,356
II. Investments in affiliated undertakings and participating interests (statements 1, 2 and 18)	222	1,518,366,460	873,752,756
- Affiliated undertakings	222.1	1,335,326,456	820,241,331
1. Participating interests	222.11	828,456,238	613,433,143
2. Debt securities and loans	222.12	506,870,218	206,808,188
- Other undertakings linked by virtue of a participating interest	222.2	183,040,004	53,511,425
3. Participating interests	222.21	127,081,739	44,864,487
4. Debt securities and loans	222.22	55,958,265	8,646,938
III. Other financial investments	223	21,518,336,909	18,917,116,401
1. Shares or other variable-yield securities (statement 1)	223.1	3,796,946,780	3,590,135,434
2. Bonds or other fixed-yield securities (statement 1)	223.2	16,081,211,668	14,042,334,792
4. Mortgage loans	223.4	626,936,709	723,553,060
5. Other loans	223.5	85,588,711	80,535,460
6. Deposits with credit institutions	223.6	783,448,786	346,663,655
7. Others	223.7	144,204,255	133,894,000
IV. Deposits with ceding undertakings	224	91,137,816	109,180,175
D. Investments related to operations linked to a 'life' business investment fund whose investment risk is not borne by the company	23	1,332,094,590	1,063,044,039
D. bis. 'Re-insurers' shares in technical provisions	24	142,816,101	160,445,056
I. Provision for unearned premiums and unexpired risks	241	2,817,981	3,259,103
II. 'Life' insurance provision	242	118,570	20,013
III. Provision for claims	243	139,871,280	157,148,496
V. Other technical provisions	245	8,270	17,444
E. Debtors (statements 18 and 19)	41	577,844,590	587,742,374
I. Debtors arising out of direct insurance operations	411	342,230,684	324,454,466
1. Policyholders	411.1	136,843,692	136,912,995
2. Insurance intermediaries	411.2	127,209,692	123,307,194
3. Others	411.3	78,177,300	64,234,277
II. Debtors arising out of reinsurance operations	412	15,623,926	32,759,235
III. Other debtors	413	219,989,980	230,528,673
F. Other assets	25	21,760,940	52,076,482
I. Tangible assets	251	6,798,892	3,751,241
II. Available securities	252	14,962,048	48,325,241
G. Prepayments and accrued income (statement 4)	431 / 433	397,170,788	346,127,416
I. Accrued interest and rent	431	372,228,582	325,378,123
III. Other prepayments and accrued income	433	24,942,206	20,749,293
TOTAL	21 / 43	26,483,531,293	23,003,334,878

in Euros

LIABILITIES	Codes	Current year	Previous year
A. Capital and reserves (statement 5)	11	1,038,683,506	964,994,645
I. Subscribed capital or equivalent funds, net of uncalled capital	111	294,800,000	294,800,000
1. Issued capital	111.1	294,800,000	294,800,000
II. Share premiums	112	17,632,757	17,632,757
III. Revaluation gain	113	374,619	443,650
IV. Reserves	114	298,965,402	290,285,425
1. Legal reserve	114.1	29,480,000	29,480,000
2. Restricted reserves	114.2	8,274	8,274
b) others	114.22	8,274	8,274
3. Untaxed reserves	114.3	192,530,883	183,850,906
4. Reserves available for distribution	114.4	76,946,245	76,946,245
V. Profit/loss brought forward	115	426,910,728	361,832,813
1. Profit brought forward	115.1	426,910,728	361,832,813
B. bis. Fund for future appropriations	13	13,945,000	13,945,000
C. Technical provisions (statement 7)	14	21,885,954,352	20,115,325,979
I. Provisions for unearned premiums and unexpired risks	141	295,633,328	286,413,213
II. 'Life' insurance provision	142	16,605,662,537	14,926,792,878
III. Provision for claims	143	4,509,994,726	4,525,034,271
IV. Provision for bonuses and rebates	144	213,394,127	134,967,401
V. Equalisation provision	145	98,998,892	93,182,312
VI. Other technical provisions	146	162,270,742	148,935,904
D. Technical provisions for operations linked to a 'life' business investment fund when the investment risk is not borne by the company (statement 7)	15	1,332,094,590	1,063,044,039
E. Provisions for other risks and charges	16	49,200,842	56,793,400
I. Provisions for pensions and similar obligations	161	17,738,423	28,617,139
II. Provisions for taxation	162	14,228,345	9,758,834
III. Other provisions (statement 6)	163	17,234,074	18,417,427
F. Deposits received from reinsurers	17	70,075,519	77,017,672
G. Creditors (statements 7 and 18)	42	2,035,544,365	666,915,810
I. Creditors arising out of direct insurance operations	421	115,539,083	108,746,667
II. Creditors arising out of reinsurance operations	422	15,420,401	25,300,065
V. Other creditors	425	1,904,584,881	532,869,078
1. Amounts owed for tax, salaries and social security	425.1	109,157,562	96,892,762
a) taxes	425.11	30,572,474	24,666,119
b) salaries and social contributions	425.12	78,585,088	72,226,643
2. Others	425.2	1,795,427,319	435,976,316
H. Accruals and deferred income (statement 8)	434 /436	58,033,119	45,298,333
TOTAL	11/43	26,483,531,293	23,003,334,878

in Euros

NON-LIFE TECHNICAL ACCOUNT		Codes	Current year	Previous year
1.	Earned premiums, net of reinsurance	710	1,415,454,208	1,367,609,367
	a) Gross premiums (statement 10)	710.1	1,488,249,872	1,429,549,059
	b) Outward reinsurance premiums (-)	710.2	65,128,912	60,307,154
	c) Change in the provision for unearned premiums and unexpired risks, gross of reinsurance (increase - , reduction +)	710.3	-6,985,302	-663,636
	d) Change in the provision for unearned premiums and unexpired risks, reinsurers' share premiums and unexpired risks, reinsurers' share	710.4	-681,450	-968,902
2bis.	Investment income		456,264,319	421,670,125
	a) Income from investments in affiliated undertakings or those linked by virtue of a participating interest	712.1	8,389,446	5,701,864
	aa) affiliated undertakings	712.11	6,478,384	5,020,981
	1° participating interests	712.111	939,963	704,206
	2° debt securities and loans	712.112	5,538,421	4,316,775
	bb) other undertakings linked by virtue of a participating interest	712.12	1,911,062	680,883
	1° participating interests	712.121	722,816	665,247
	2° debt securities and loans	712.122	1,188,246	15,636
	b) Income from other investments	712.2	259,281,045	246,040,253
	aa) income from land and buildings	712.21	30,890,281	33,253,796
	bb) income from other investments	712.22	228,390,764	212,786,457
	c) Value re-adjustments on investments	712.3	89,949,917	97,064,882
	d) Gains on disposals	712.4	98,643,911	72,863,126
3.	Other technical income net of reinsurance	714	640,041	390,382
4.	Claims charges, net of reinsurance (-)	610	923,087,619	971,158,908
	a) Net amounts paid	610.1	911,182,658	877,759,455
	aa) gross amount (statement 10)	610.11	933,513,060	908,815,807
	bb) reinsurers' share (-)	610.12	22,330,402	31,056,352
	b) Change in the provision for claims, net of reinsurance (increase + , reduction -)	610.2	11,904,961	93,399,453
	aa) Change in the provision for claims, gross of reinsurance (statement 10) (increase + , reduction -)	610.21	-2,752,254	88,601,109
	bb) change in the provision for claims, reinsurers' share (increase - , reduction +)	610.22	14,657,215	4,798,344
5.	Change in other technical provisions, net of reinsurance (increase - , reduction +)	611	-13,353,576	-12,686,771
6.	Bonuses and rebates, net of reinsurance (-)	612	-459,122	107,488
7.	Net operating expenses (-)	613	433,785,612	414,552,342
	a) Acquisition costs	613.1	304,906,857	291,251,066
	c) Administration costs	613.3	136,062,578	130,789,752
	d) Commission from reinsurers and bonuses (-)	613.4	7,183,823	7,488,476
7bis.	Investment charges (-)	614	177,520,513	104,660,387
	a) Investment management charges	614.1	31,171,834	20,039,995
	b) Value adjustments on investments	614.2	33,784,644	36,139,241
	c) Losses on disposals	614.3	112,564,035	48,481,151
8.	Other technical charges, net of reinsurance (-)	616	51,484,454	87,553,690
9.	Change in the equalisation provision, net of reinsurance (increase - , reduction +)	619	-5,816,580	981,030
10.	Profit/loss of non-life technical account			
	Profit (+)	710 / 619	267,769,336	199,931,318

in Euros

LIFE TECHNICAL ACCOUNT		Codes	Current year	Previous year
1.	Premiums net of reinsurance	720	2,577,707,057	2,650,930,407
	a) Gross premiums (statement 10)	720.1	2,579,282,348	2,652,029,594
	b) Outward reinsurance premiums (-)	720.2	1,575,291	1,099,187
2.	Investment income	722	1,253,594,567	1,019,766,259
	a) Income from investments in affiliated undertakings or 'those linked by virtue of a participating interest	722.1	27,611,141	18,088,326
	aa) affiliated undertakings	722.11	23,795,690	17,111,681
	1° participating interests	722.111	20,110,885	13,587,099
	2° debt securities and loans	722.112	3,684,805	3,524,582
	bb) other undertakings linked by virtue of a participating interest	722.12	3,815,451	976,645
	1° participating interests	722.121	3,198,434	893,459
	2° debt securities and loans	722.122	617,017	83,186
	b) Income from other investments	722.2	795,941,714	708,921,542
	aa) income from land and buildings	722.21	40,610,552	36,900,058
	bb) income from other investments	722.22	755,331,162	672,021,484
	c) Value re-adjustments on investments	722.3	57,823,171	89,012,323
	d) Gains on disposals	722.4	372,218,541	203,744,068
3.	Value adjustments on investments in assets heading D (income)	723	72,288,219	75,452,691
5.	Other technical income net of reinsurance	620	1,191,511,178	1,023,985,930
	a) Net amount paid	620.1	1,184,987,952	1,020,473,137
	aa) gross amount	620.11	1,185,109,232	1,020,737,305
	bb) reinsurers' share (-)	620.12	121,280	264,168
	b) Change in the provision for claims, net of reinsurance (increase + , reduction -)	620.2	6,523,226	3,512,793
	aa) change in the provision for claims, gross of of reinsurance (increase + , reduction -)	620.21	5,874,955	3,439,771
	bb) change in the provision for claims, reinsurers' share (increase - , reduction +)	620.22	648,271	73,022
6.	Change in other technical provisions, net of reinsurance (increase - , reduction +)	621	-1,939,518,437	-2,111,274,188
	a) Change in 'life' insurance provision, net of reinsurance (increase - , reduction +)	621.1	-1,670,459,975	-1,852,072,682
	aa) change in 'life' insurance provision, gross of reinsurance (increase - , reduction +)	621.11	-1,670,558,532	-1,852,007,593
	bb) change in 'life' insurance provision, reinsurers' share (increase + , reduction -)	621.12	98,557	-65,089
	b) Change in other technical provisions, net of reinsurance (increase - , reduction +)	621.2	-269,058,462	-259,201,506
7.	Bonuses and rebates, net of reinsurance (-)	622	80,726,421	76,188,770
8.	Net operating expenses (-)		197,577,840	192,300,843
	a) Acquisition costs		143,765,069	142,817,823
	c) Administration costs		53,857,944	49,746,924
	d) Commission from reinsurers and bonuses (-)		45,173	263,904
9.	Investment charges (-)	624	254,605,892	197,831,585
	a) Investment management charges	624.1	95,834,269	69,544,569
	b) Value adjustments on investments	624.2	29,190,818	29,772,307
	c) Losses on disposals	624.3	129,580,805	98,514,709
10.	Value adjustments on investments in assets heading D (charges) (-)	625	3,274,675	3,174,992
11.	Other technical charges, net of reinsurance (-)	626	4,036,625	2,896,136
12bis.	Change in fund for future appropriations (increase - , reduction +)	628	-	-2,880,000
13.	Profit/loss of life technical account			
	Profit (+)	720 / 628	232,338,775	135,616,913

in Euros

NON-TECHNICAL ACCOUNT		Codes	Current year	Previous year
1.	Profit/loss of non-life technical account (item 10)			
	Profit (+)	(710 / 619)	267,769,336	199,931,318
2.	Profit/loss of life technical account (item 13)			
	Profit (+)	(720 / 628)	232,338,775	135,616,913
3.	Investment income	730	47,662,673	36,898,968
	a) Income from investments in affiliated undertakings or those linked by virtue of a participating interest	730.1	32,223,717	33,251,809
	b) Income from other investments	730.2	2,387,862	983,670
	aa) income from land and buildings	730.21	1,606,010	345,428
	bb) income from other investments	730.22	781,852	638,242
	c) Value re-adjustments on investments	730.3	9,429,193	1,503,434
	d) Gains on disposals	730.4	3,621,901	1,160,055
5.	Investment charges (-)	630	8,804,483	7,225,406
	a) Investment management charges	630.1	-72,085	389,481
	b) Value adjustments on investments	630.2	5,313,367	5,934,286
	c) Losses on disposals	630.3	3,563,201	901,639
7.	Other income (statement 13)	732	6,990,572	7,616,951
8.	Other charges (statement 13) (-)	632	5,831,235	2,471,552
8bis.	Pre-tax profit/loss taxes			
	Profit (+)	710 / 632	540,125,638	370,367,192
15.	Taxes on the profit/loss (-/+)	634 / 734	-67,179,258	-53,796,185
15bis.	Deferred taxes (-/+)	635 / 735	-4,469,511	-1,139,760
16.	Profit/loss for the financial year			
	Profit (+)	710 / 635	468,476,869	315,431,247
17.	a) Sums drawn from untaxed reserves	736	913,581	507,056
	b) Transfer to untaxed reserves (-)	636	9,593,558	2,720,517
18.	Profit/loss for the financial year			
	Profit (+)	710 / 636	459,796,892	313,217,786

APPROPRIATION OF RESULT		Codes	Current year	Previous year
A.	Profit to be appropriated	637.1 / 710	821,629,705	506,187,439
	1. Profit for the year available for appropriation	710 / 636	459,796,892	313,217,786
	2. Profit brought forward from the previous year	737.1	361,832,813	192,969,653
D.	Profit to be carried forward			
	1. Profit to be carried forward (-)	637.4	426,910,728	361,832,813
F.	Distribution of profit (-)	637.5 / 637.7	394,718,977	144,354,626
	1. Interest on capital	637.5	394,500,000	144,131,516
	2. Administrators or managers	637.6	218,977	223,110







AXA BANK BELGIUM

ACTIVITY REPORT

AXA BANK BELGIUM

BOARD OF DIRECTORS REPORT

2006 financial year

Submitted to the Ordinary General Assembly of Shareholders on 19 April 2007

Management bodies

Board of Directors

Alfred Bouckaert, *Chairman*
Eugène Teysen,
Vice Chairman (since 1 January 2007)
Christophe Dupont-Madinier
Philippe Eyben (*since 30 January 2006*)
Gérard Fiévet
Laurent Goudemant (*since 1 January 2007*)
Hervé Hatt
Eric Kleijnen (*to 12 September 2006*)
Thierry Langreney (*to 15 June 2006*)
Martine Magnée (*since 1 January 2007*)
Xavier Meric de Bellefon (*since 12 September 2006*)
Nicolas Moreau (*since 30 January 2006*)
Marc Raisière (*to 31 December 2006*)
François Robinet (*since 30 January 2006*)
Heinz-Peter Ross
Stéphane Slits (*since 12 December 2006*)
Geert Van De Walle
Patrick Vaneekhout
Paul Van Wingham
Philippe Wautelet
Serge Wibaut (*to 31 December 2006*)

Management Committee

Patrick Vaneekhout, *Chairman*
Christophe Dupont-Madinier
Philippe Eyben (*since 30 January 2006*)
Laurent Goudemant (*since 1 January 2007*)
Eric Kleijnen (*to 12 September 2006*)
Martine Magnée (*since 1 January 2007*)
Marc Raisière (*to 31 December 2006*)
Stéphane Slits (*since 12 September 2006*)
Geert Van De Walle
Philippe Wautelet
Serge Wibaut (*since 31 December 2006*)

Associate member:

Georges Anthoon

Audit Committee

Gérard Fiévet, *Chairman*
Xavier Meric de Bellefon (*since 12 September 2006*)
(*member*)
Thierry Langreney (*to 15 June 2006*)
Alfred Bouckaert (*member*)

Auditor

PricewaterhouseCoopers,
Réviseurs d'entreprises scrl,
represented by Luc Discry



Retail bank
as support
for the
Financial
Protection
strategy.

I. ECONOMIC AND FINANCIAL CONTEXT FOR 2006

2006 was an excellent year for all markets.

All things considered, and regardless of the type of assets, it was virtually impossible to lose money in 2006. The major stock exchange indexes rounded off the year with a positive result, shares did better than expected and even bonds performed relatively well. In addition, there were vigorous price rises in raw materials, especially industrial metals. Generally speaking, we can say that the stability of the economic environment resulted in a noticeably greater willingness to take more risks. This could also be seen from the high activity in the emerging markets.

The underlying economic context continued to be fairly stable in 2006.

The world economy slightly slowed down, but still remained strong. It was stimulated both by the United States and by the emerging markets in China in particular – which recorded growth of more than 10% in 2006. In the USA, economic growth slowed down very slightly to 3.3%, while the Euro zone saw clear improvements in the economic situation during the year. Although economic growth remained strong in 2006, the way it progressed seemed to surprise the markets. They repeatedly had to revise their predictions, in both the positive and negative directions, as the economic statistics and statements by the central

banks appeared in the press. Consequently, in 2006 there was no talk of straightforward growth and the development profile of the American GNP especially caused quite a stir: from 5.6% in the first quarter of 2006 via a low point of 2% in the third quarter to possibly 3% in the fourth quarter. This strongly influenced market developments in 2006 because of the fear of a hard landing or even a recession in the American economy. Furthermore, investors were worried about the ability of the Eurozone and Japan to keep up growth without America. As far as inflation is concerned, the steep rise in the price of oil to nearly USD 80 per barrel at the beginning of August strongly affected consumer prices, but at the beginning of the Autumn a drop in the oil price and a slow-down in economic growth brought the inflation rate back to normal.

Against this backdrop, monetary policy played a crucial role in 2006.

The task of the new chairman of the FED, who took up his position in February, seemed extremely delicate: to get through the end of the cycle of monetary rigour in one piece and stay on the right tracks – in other words, knowing when to stop so as not to throw a spanner in the works for economic expansion and at the same time keep up the fight against inflationary trends. So, in June the FED brought that cycle to an end by one last increase in the Federal Funds rate to 5.25%, mentioning that there might be a further



THE MERGER WITH

WINTERTHUR

WILL PROVIDE NEW OPPORTUNITIES FOR
INVESTMENT PRODUCTS AND LOANS FROM
AXA BANK

rise in the second half of the year if the danger of inflation was still not under control. For its part, the ECB continued to gradually tighten its policy, raising the Repo interest rate from 2.25% at the beginning of the year to 3.5% in December. However, that was coupled with a genuine attempt to communicate more transparently, which was warmly welcomed by the markets. In the United Kingdom the Bank of England adjusted its policy twice, bringing the basic rate of interest to 5% in November. Finally, Japan ended its zero-percent policy on 14 July and raised the intervention interest rate to 0.25%, which heralded the beginning of a normalisation cycle for the country's monetary policy. For the rest, a large majority of countries in the world opted for tighter monetary policies in 2006.

The Belgian economy did well.

With growth of nearly 3% and a balanced national budget, 2006 was the best year for Belgium since 2000. All the more so, because that growth was not only stimulated by private consumption, as was the case in previous years, but also by the investments made by industry and by an increase in exports. Employment is growing by around 1%.

Because of the low interest rate and the good return on shares and other investment categories, the Belgian is moving his money from the traditional savings accounts to better-performing instruments. Pension savings are seeing renewed success, thanks to the better fiscal benefits they were granted in 2005.

There is a wave of takeovers going on globally in the business world, which resulted for AXA in the acquisition of Winterthur.

This acquisition was announced on 14 June 2006 and was completed on 22 December. This means a strengthening for the AXA Group in Belgium of its position as leader in P&C, and a new market for AXA Belgium's life insurance and for AXA Bank's investment products and loans. The main lines for the integration of Winterthur into the AXA Group were worked out in the second half of 2006.



I-PLUS HAS ENABLED AXA BANK TO CONTINUE GROWING IN A DECLINING SAVINGS MARKET IN BELGIUM

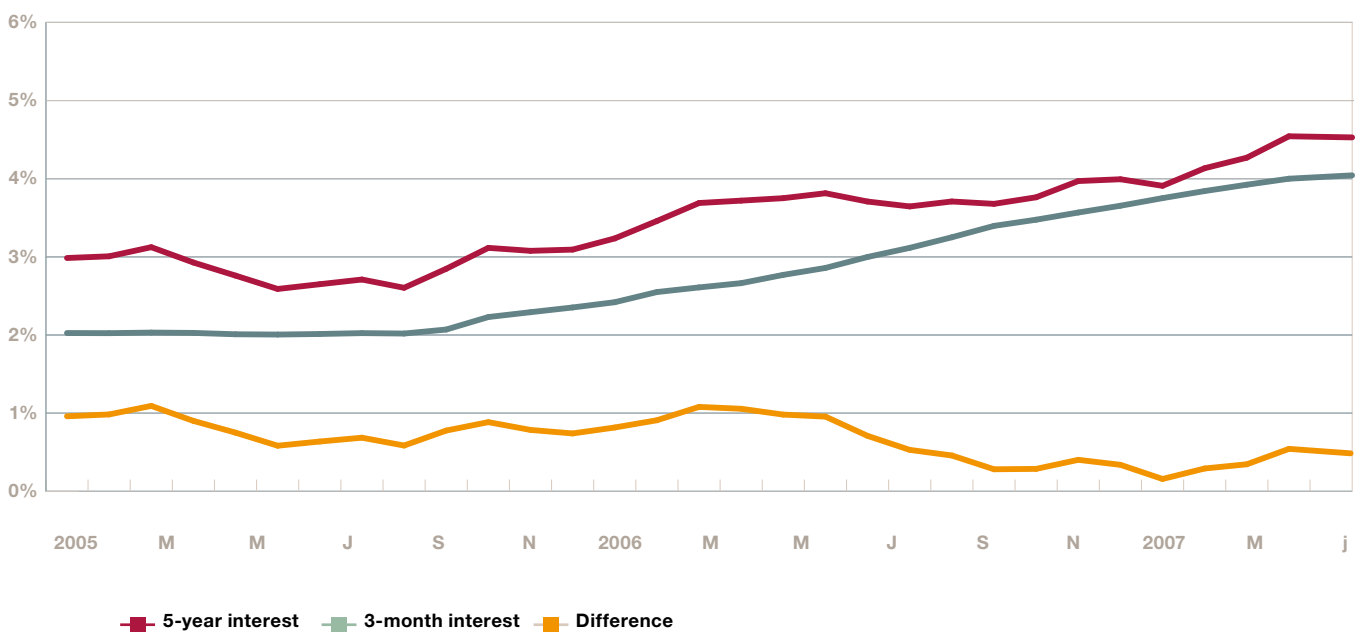
II. THE DEVELOPMENT OF INTEREST RATES

One of the main features of 2006 was the steep rise in short-term interest rates. Long-term rates rose too, but less steeply, which meant the spread between these rates fell to very low levels from the second half of the year. For terms of more than one year, we might even speak of a flat-line interest curve. These interest-rate changes meant that the bank's transformation margin was put under pressure.

One of the consequences was also that the basic interest rate on savings accounts was raised by 0.25%. Where the market saw a drop in savings accounts, AXA Bank was still growing, partly due to the launch of the I-Plus product, which offers a higher basic rate of interest.

As far as mortgage are concerned, premature repayments did fall, but still remained high because customers were changing over from formulas with variable interest rates to fixed-interest formulas.

Interest rates: evolution





SAVINGS ACCOUNTS ARE
CONTRIBUTING MOST TO THE
GROWTH
OF NET NEW MONEY

III. SAVING AND INVESTING

1. Net New Money

Net New Money ended the financial year with growth of € 195 million after a net transfer of € 888 million to the insurance products. Savings accounts clearly contributed most to the growth of Net New Money, because AXA Bank's I-Plus savings account won its place in spite of the numerous players in this business segment. The erosion of our cash certificates continued, but at a noticeably slower rate than in 2005.

2. Balance-sheet products

At the end of the financial year, the capital in savings accounts rose to € 192 million, showing a growth of 3.1 % in the outstanding figure.

In 2006 the market was characterised by a rise in long-term interest rates. In this context, savers often increased the length of term of their investments in favour of alternative savings formulas. This behaviour led – exceptionally – to a decrease in the amount on savings books in Belgium. Competition on the market for savings products thus inevitably increased because of the arrival of new players and formulas. We were able to ward off this movement with our I-Plus savings account.

There was a considerable decline in the cash certificates portfolio, due to the weak returns in the short and medium term. The sums that fell due were mainly oriented towards savings accounts and investments in Branch 21. The term deposits, which had been declining in previous years, helped to stabilise the portfolio in 2006.

TOTAL NET NEW MONEY	2001	2002	2003	2004	2005	2006
Balance-sheet products: growth	43	351	416	163	-368	105
Current accounts	51	4	47	86	79	85
Savings accounts	273	677	724	424	34	192
Term accounts	-38	-167	-108	-60	-35	13
Cash certificates	-243	-163	-247	-287	-446	-185
Off-balance-sheet AXA ¹	-173	-36	-49	-265	-142	-131
Gross production	341	252	199	305	315	242
Due dates + sales	-514	-288	-248	-570	-457	-373
AXA: net	-130	315	367	-102	-510	-26
Off-balance-sheet products of third parties (gross) ²	412	299	274	206	249	221
Total	282	614	641	105	-261	195

¹ Off-balance-sheet AXA: includes the investment funds, bond issues in Euro and AXA's EMTN.

² Off-balance-sheet of third parties: includes stock-exchange transactions, bonds in euro State vouchers.

ASSETS UNDER MANAGEMENT:

€11,174 MILLION

3. Off-balance-sheet products

The trend in the sale of strategic investment funds (SICAV/BEVEK) stabilised in 2006 at around the same level as in 2005, while for the structured funds there were fewer securities on the final due date in 2006.

Gross production fell by 23% compared with 2005 (from €315 million in 2005 to €242 million in 2006). New launches continued to be the engine of this production. Furthermore, in 2006 a new EMTN (European Medium Term Notes) programme was launched. Customer demand for products with capital protection remained unchanged in 2006 at a high level. The most successful sales were of coupon formulas with capital protection, offering one or two high fixed coupons. However, this was not sufficient to compensate for the due amounts and sales.

4. Managed assets

The total in managed portfolios rose by 1.7% to €11.174 million.

We find the most remarkable growth trends in current accounts (up by €85 million), savings accounts (up by €192 million) and term accounts (up by €13 million). Cash certificates and off-balance-sheet products declined further.

IV. LOANS

1. Loans to individuals

The production of loans to individuals saw a noticeable drop in 2006, after considerable production rises since 2001. The reversal of this trend is exclusively due to a drop in the number of mortgage loans executed.

After all, **mortgage loans** were a manifest growth market up to 2005 as a result of the historically low interest rates and AXA's strong reputation regarding loan provision. After that, a change in the interest structure, reflected in a rise in OLO (Linear Bonds) references, offered much less interesting opportunities for refinancing current loans. This meant that the number of loan-takeovers fell considerably and the 2006 financial year closed with a drop in total production of about 30%. Furthermore, a highly competitive market led to further reductions in margins. In 2006 AXA achieved a market share of 8.3%.

EUR millions	2001	2002	2003	2004	2005	2006
Mortgages loans	454	941	1,926	2,221	2,896	1,941
Consumer loans	176	210	212	254	305	365
Total loans to individuals	630	1,151	2,137	2,475	3,201	2,307
Total loans to professionals	218	248	273	284	290	368
Total gross production	848	1,399	2,410	2,758	3,492	2,674



8.3% MARKET SHARE IN
MORTGAGE LOANS

As in previous years, this loan production was brought about through the network of independent banking agents (65% of implementations) and via credit brokers (35%).

Special tariff terms were launched in 2006 for the cross-selling of banking and insurance products. Customers coming to AXA for both the financing of their mortgage and for related insurances for debit balance and/or fire hazards were able to benefit from extra discounts. The terms for opening and using a new current account at AXA were also extra attractive. This global range of products was given strong promotional support, including at peak times like Batibouw.

By the end of 2006 the global portfolio of mortgage loans had reached an all-time high of €8.4 billion. The average quality of that loan portfolio, based on several risk models, is very positive.

2. The consumer credit market. In the consumer credit market the general economic context continued to be generally favourable: consumer confidence remained relatively stable after a clear recovery in 2005. This indicator is obviously highly sensitive to sudden new phenomena, such as announcements of restructuring programmes in major industrial sectors. Information like this has an immediate impact on the general economic situation and confidence in the labour market. Both parameters are to a large extent determining factors in consumer behaviour and the need for credit related to it.

In 2006 AXA continued to present itself, in a globally favourable economic climate, as a credit provider for short-term purposes with an extensive range of products and very attractive rates. This image was promoted through permanent publicity campaigns with alternating themes (the Cuypers Family) that responded as much as possible to specific financial needs such as renovation, city trips, "I enjoy life" and other campaigns.

The synergy with insurance activities was also deployed to an increasing extent with such things as the AXA Credit Protection formula, which provides the customer with an attractive total package.

Thanks to this the production in 2006 rose by 20% in this segment, which is in line with 2005. The 'consumer credits' market share increased slightly once again to 5.6%.

The average quality of the portfolio improved globally still further. This was due, among other things, to the continuing positive effects of the inclusion in the scoring models of data from the positive credit databank since the middle of 2003. In addition, a more efficient system for budget analysis contributed to the reduction in the general claim situation to an all-time low.

3. Loans to professionals

In 2006 the provision of loans to professionals recorded a considerable 27% growth after a status-quo during previous financial years. This development was due to continual product improvement and intensive commercial support.



LOANS TO PROFESSIONALS:

+ 27 %

The recovery in business confidence also contributed to the growth in this segment. Furthermore, commercial opportunities were maximised through an attractive double offer in the field of insurance and financing.

4. Quality of the loan portfolio

According to the National Bank, the favourable macroeconomic conditions in 2006 resulted in a drop in the number of contentious contracts. That positive development is also reflected in a good global net-loss-ratio of -0.01% for AXA Bank.

V. BANK ACCOUNTS, TRANSACTIONS AND MONEY TRAFFIC

Beginning of the year once more gave the green light for a **new pricing structure** for payment traffic. Modifications to management costs and the transaction charge resulted in a significant rise in revenues, only partly negated by the higher repayments to customers in the revised Bonus Banking.

The “AXA Bank becomes your main banker” campaign continued – no longer as a temporary offer, but as a **structural promotion of the current account** throughout the year. Anyone opening a current account for the first time at AXA Bank was not charged any costs during the first year.

This and other campaigns at national (“Your age in Euros!”) and local levels resulted in more than **38,000 new current accounts** and a net increase in the portfolio of active accounts of more than 7%.

The **outstanding debt** on current accounts showed a high growth rate, comparable to that of 2005 (12%) and peaked at the end of the year **at € 810 million**.

In combination with a rising interest margin, the gross contribution of this liability consequently was somewhat higher than in 2005.

The heralded opening of the Self-Service machines for everyone’s customers became reality and AXA Bank followed the major banks.

At the end of 2006, the number of AXA machines opened was more than 260, and more than 90,000 cash withdrawals by non-AXA customers were made from our Self-Services. But convenience also drove AXA Bank customers to other Self Banks. Because of the interchange fee, this gave rise to a **costly imbalance**, which will be one of the major points for attention in 2007.

In the field of electronic banking, preparations were made for a **migration** from the Homebanking application to a new and more modern platform.

In April 2006 AXA Bank was the first to offer its new and existing customers the **Unconnected Card Reader**, the highest security level for Internet banking.

In the Autumn, debit-card payments became possible on the Internet with the UCR for our Homebanking customers. The number of Homebanking contracts rose by 20,000 to **70,000**, the majority of them active. The total number of active users of e-banking (Homebanking, Self Service or Phone-banking) rose once more, amounting to **146,000 customers** by the end of the year.

38,000
NEW CURRENT ACCOUNTS



The biggest changes in the payment traffic landscape were the result of the decision by the major banks to sell the entire shareholding in Banksys and Bank Card Company jointly to Atos-Origin. This in order to bring local card payments into line with the **Single Euro Payment Area** Directive by 1 January 2008. Maestro/Mastercard was retained as a “European” payment system.

In order to ensure continuity in the field of card transactions, new companies were set up. AXA Bank opted, together with the major banks, to take a holding in **the Brand & License Maatschappij**, set up to manage the Proton and BC/MC licences temporarily. The time was ripe for a thorough revision of the contracts between the banks on the one hand and Mastercard, Europay and Atos/Banksys on the other. At the same time, the “**Principles for Migration to Maestro**” were established as the guideline for all parties involved in the technical changeover to the Maestro system.

The most important adaptations to procedures, a number of which affect the Front End Agents, concerned **cheque traffic** (including direct crediting) and the **outsourcing of stock exchange transactions** to brokers Leleux, the latter to be finalised in 2007.

The **identification** of (co-)holders of accounts entered its final phase.

Pricing campaigns were launched to stimulate the **registration of securities** in files.

And, in conclusion, a pragmatic **customer acceptance policy** was worked out and implemented under the watchful eye of the CBFA.

VI. APPROPRIATION OF RESULT

The profit for the financial year amounts to 19,558,621.83 euro.

Taking into account the result carried forward from the 2005 financial year, namely 85,323,712.83 euro, the result to be appropriate amounts to 104,882,334.66 euro.

The Board proposes appropriating this result as follows:

- reimbursement of capital: 19,509,655.62 euro
- to be carried forward to the 2007 financial year: 85,372,679.04 euro

VII. CHANGES IN THE COMPOSITION OF THE BOARD OF DIRECTORS AND THE MANAGEMENT COMMITTEE

Board of Directors:

- appointment of Philippe Eyben, with effect from 30 January 2006 ;
- appointment of Nicolas Moreau, with effect from 30 January 2006 ;
- appointment of François Robinet, with effect from 30 January 2006;
- appointment of Xavier Meric de Bellefon, with effect from 12 September 2006;
- appointment of Stéphane Slits, with effect from 12 September 2006

- appointment of Eugène Teysen, with effect from 01 January 2007;
- appointment of Laurent Goudemant, with effect from 01 January 2007;
- appointment of Martine Magnée, with effect from 01 January 2007;
- resignation of Thierry Langreney, with effect from 15 June 2006;
- resignation of Eric Kleijnen, with effect from 12 September 2006;
- resignation of Marc Raisière, with effect from 31 December 2006;
- resignation of Serge Wibaut, with effect from 31 December 2006.

Management Committee:

- appointment of Philippe Eyben, with effect from 30 January 2006;
- appointment of Stéphane Slits, with effect from 12 September 2006;
- appointment of Laurent Goudemant, with effect from 01 January 2007;
- appointment of Martine Magnée, with effect from 01 January 2007;
- resignation of Eric Kleijnen, with effect from 12 September 2006;
- resignation of Marc Raisière, with effect from 31 December 2006;
- resignation of Serge Wibaut, with effect from 31 December 2006.

VIII. CONSOLIDATED ANNUAL ACCOUNTS

The consolidated annual accounts of AXA Bank Belgium NV as at 31 December 2006 were produced in compliance with International Financial Reporting Standards (IFRS).

As at 31 December 2006 the consolidation circle of AXA Bank Belgium includes the following companies: AXA Bank Belgium NV and AXA Belgium Finance BV (Netherlands). The consolidated balance sheet total amounts to 18,891,651 EUR (000) and the group's consolidated net result amounts to 30,532 EUR (000). Given the limited consolidation circle, we also refer to the other points of the annual report for the main comments regarding developments, risks and uncertainties. For comments and detailed information on the application of IFRS standards we refer to the consolidated annual accounts themselves and the explanatory information included therein.

8 February 2007

The Board of Directors

in thousands of EUR (statutory standards)

ASSETS	2006	2005
I. Cash in hand, balances with central banks and post office banks	52,607	63,598
III. Loans and advances to credit institutions	1,482,078	992,499
A. Repayable on demand	16,820	222,349
B. Other loans and advances (with agreed maturity dates or periods of notice)	1,465,258	770,150
IV. Loans and advances to customers	11,590,312	9,152,043
V. Bonds and other fixed-income securities	5,168,865	6,010,093
A. Issued by public bodies	2,381,366	3,436,027
B. Issued by other borrowers	2,787,499	2,574,066
VI. Shares and other variable-yield securities	96,933	90,331
VII. Financial fixed assets	10,714	11,147
A. Participating interests in affiliated enterprises	10,635	10,305
B. Participating interests in other enterprises linked by participating interests	13	-
C. Other shares held as financial fixed assets	66	842
IX. Tangible fixed assets	5,376	6,957
XI. Other assets	24,896	24,609
XII. Prepayments and accrued income	403,412	410,150
TOTAL ASSETS	18,835,193	16,761,427

* Consolidated balance sheet IFRS, see
http://www.axa.be/fr/bi_jaarverslag

in thousands of EUR

LIABILITIES	2006	2005
I. Amounts owed to credit institutions	4,917,531	4,565,554
A. Repayable on demand	7,172	100,697
C. Other debts with agreed maturity dates or periods of notice	4,910,359	4,464,857
II. Amounts owed to customers	11,446,320	9,599,299
A. Savings deposits	6,111,011	5,945,333
B. Other creditors	5,335,309	3,653,966
1. Repayable on demand	1,314,688	1,958,522
2. With agreed maturity dates or periods of notice	4,020,621	1,695,444
III. Debts evidenced by certificates	1,069,642	1,245,566
A. Bonds in issue	1,021,572	1,245,566
B. Others	48,070	-
IV. Other creditors	79,165	89,474
V. Accruals and deferred income	402,142	378,149
VI. A. Provisions for liabilities and charges	37,335	38,395
1. Pensions and similar obligations	5,042	6,501
3. Other liabilities and charges	32,293	31,894
VII. Fund for general banking risks	89,985	89,985
VIII. Subordinated liabilities	415,742	377,723
Capital and reserves	377,331	377,282
IX. Capital	6,250	6,250
A. Issued capital	6,250	6,250
XII. Reserves	285,708	285,708
A. Legal reserve	625	625
C. Untaxed reserves	235,083	235,083
D. Reserves available for distribution	50,000	50,000
XIII. Profit brought forward	85,373	85,324
TOTAL LIABILITIES	18,835,193	16,761,427

OFF-BALANCE SHEET ITEMS	2006	2005
I. Contingent liabilities	32,358	30,926
B. Guarantees serving as direct credit substitutes	489	506
C. Other guarantees	31,606	30,154
E. Assets charged as collateral security on behalf of third parties	263	266
II. Commitments which could give rise to a credit risk	829,113	768,762
A. Firm credit commitments	131,218	20,596
B. Commitments as a result of spot purchases of transferable or other securities	971	923
C. Undrawn margin on confirmed credit lines	696,924	747,243
III. Assets lodged with the credit institution	1,446,894	1,161,039
B. Safe custody and equivalent items	1,446,894	1,161,039
IV. Uncalled amounts of share capital	550	550

in thousands of EUR

CHARGES	2006	2005
II. Interest payable and similar charges	436,747	429,029
V. Commissions paid	106,014	101,066
VI. Loss on financial transactions	-	1,920
A. Loss on exchange transactions and trading in securities and other financial instruments	-	1,920
VII. General administrative expenses	196,389	194,769
A. Remuneration, social security costs and pensions	94,655	97,015
B. Other administrative expenses	101,734	97,754
VIII. Depreciation and amounts written off formation expenses, intangible and tangible fixed assets	1,389	1,317
IX. Increase in amounts written off receivables and in provisions for off-balance sheet items "I. Contingent liabilities" and "II. Commitments which could give rise to a credit risk"	-	7,204
X. Increase in amounts written off the investment portfolio of bonds, shares and other fixed-income or variable-yield securities	3	-
XII. Provisions for liabilities and charges other than those included in the off-balance sheet items "I. Contingent liabilities" and "II. Commitments which could give rise to a credit risk"	5,617	5,556
XV. Other operating charges	6,559	5,447
XVIII. Extraordinary charges	2,816	3,134
B. Amounts written off financial fixed assets	207	798
D. Loss on disposal of fixed assets	284	-
E. Other extraordinary charges	2,325	2,336
XX. Income taxes	431	9,349
XXI. Profit for the year	19,559	22,051
XXIII. Profit for the year available for appropriation	19,559	22,051
TOTAL CHARGES	775,524	780,842

in thousands of EUR

INCOME	2006	2005
I. Interest receivable and similar income	665,813	657,396
including that from fixed-income securities	191,618	222,187
III. Income from variable-yield securities	3,132	1,700
A. From shares and other variable-yield securities	2,858	1,568
D. From other shares held as financial fixed assets	274	132
IV. Commissions received	39,269	39,600
VI. Profit on financial transactions	23,654	49,328
A. Profit on exchange transactions and trading in securities and other financial instruments	6,319	-
B. Profit on disposal of investment securities	17,335	49,328
IX. Decrease in amounts written off receivables and in provisions for off-balance sheet items "I. Contingent liabilities" and "II. Commitments which could give rise to a credit risk"	4,796	-
X. Decrease in amounts written off the investment portfolio of bonds, shares and other fixed-income or variable-yield securities	-	896
XI. Utilisation and write-backs of provisions for liabilities and charges other than those included in the off-balance sheet items "I. Contingent liabilities" and "II. Commitments which could give rise to a credit risk"	4,336	3,775
XIV. Other operating income	21,914	21,095
XVII. Extraordinary income	12,610	6,923
C. Adjustments to provisions for extraordinary liabilities and charges	2,392	2,869
D. Gain on disposal of fixed assets	8,245	2,147
E. Other extraordinary income	1,973	1,907
XX. B. Adjustment of income taxes and write-back of tax provisions	-	129
TOTAL INCOME	775,524	780,842

APPROPRIATION ACCOUNT	2006	2005
A. Profit for the year available for appropriation	104,883	107,378
1. Profit for the year available for appropriation	19,559	22,051
2. Profit brought forward from the previous year	85,324	85,327
B. Deductions from capital and reserves	-	-
2. On reserves	-	-
C. Appropriations to capital and reserves (-)	-	11
1. To capital and issue premium	-	6
2. To the legal reserve	-	5
D. Profit to be carried forward	85,373	85,324
1. Profit to be carried forward (-)	85,373	85,324
F. Distribution of profit (-)	19,510	22,043
1. Interest on capital	19,510	22,043

This activity report gives an abbreviated version of the annual reports of AXA Bank Belgium and AXA Belgium, as deposited at the National Bank of Belgium. The statutory report accounts of AXA Belgium and AXA Bank Belgium for the year ended 31 December 2006 have been testified with an unqualified opinion by the statutory auditor. The consolidated accounts of AXA Bank in 2006 have been edited for the first time following the IFR Standards with the report of the auditor: see http://www.axa.be/fr/bi_jaarverslag.html

ADDRESSES**Antwerp**

**AXA Bank Belgium –
Registered office**
Grotesteenweg 214
2600 Berchem
Tel: 03/286 22 11

AXA Bank
Brusselstraat 45
2018 Antwerpen
Tel: 03/247 72 11

Brussels

**AXA Belgium –
Registered office**
Bd du Souverain 25
1170 Brussels
Tel: 02/678 61 11

**AXA Investment Managers
Benelux**
Bd du Souverain 36
1170 Brussels
Tel: 02/679 63 50

AXA Private Management
Bd du Souverain 25
1170 Brussels
Tel: 02/678 44 40

Viaxis
Av. Hermann Debroux, 40-42
1160 Brussels
Tel: 02/629 78 00

Liège

AXA Belgium
Boulevard d'Avroy 39
4000 Liège
Tel: 04/230 21 11

Stavelot

L'Ardenne Prévoyante
Avenue des Démineurs 5
4970 Stavelot
Tel: 080/85 35 35

Charleroi

AXA Belgium
Boulevard Audent 14/6
6000 Charleroi
Tel: 071/20 13 11

AXA Banque
Boulevard Audent 12
6000 Charleroi
Tel: 071/20 14 41

Eupen

AXA Belgium
Herbesthaler Strasse 325
4700 Eupen
Tel: 087/69 43 11

Ghent

AXA Belgium
Kortrijksesteenweg 39
9000 Ghent
Tel: 09/244 39 11

AXA Bank
Kortrijksesteenweg 39
9000 Ghent
Tel: 09/244 39 11

■ **Chief Publisher**
Christine Vanormelingen

■ **Chief Editor**
Elly Bens
elly.bens@axa.be

■ **Production**
www.concerto.be

■ **Printing**
Dereume

■ **Photo credits**
Yann Arthus-Bertrand/La Terre vue du ciel ; © Eric Avenel ; AXA Atout Cœur ; Photothèque AXA ; AXA Prevention/Un autre point de vue ; CAPA Entreprises ; Creatas ; Philippe Dureuil www.dureuilphoto.com ; Jean-Pierre Holbart ; Rémy Lecourieux ; Didier Plowy/ministère de la Culture ; Kurt Schraepen ; Scorpius ; UNESCO ; Laureen March/Corbis ; Randy Faris/Corbis ; Simon Marcus/Corbis ; Gettyimages ; Emely/zefa/Corbis ; Thierry Ledoux ; DR.

CONTACT

■ **AXA Group**
Boulevard du Souverain 25 - B- 1170 Brussels
Tél: 32 2 678 61 11
www.axa.be

