DOCUMENT DE RÉFÉRENCE

ANNUAL REPORT 2007

FINANCIAL PROTECTION

Table of contents

AMF

Pursuant to the article 212-13 of the AMF General Regulations, this Annual Report has been filed with the AMF on March 28, 2008 and may, as a consequence, be used in connection with a financial transaction provided it is accompanied by a prospectus registered with the AMF.

This is a free translation into English of the French Annual Report filed with the *Autorité des marchés financiers* (AMF) and which is provided solely for the convenience of English readers.

PART I

CERTAIN PRELIMINARY INFORMATION ABOUT THIS ANNUAL REPORT

This Annual Report serves as AXA's *Document de Référence* within the meaning of article 212-13 of the *Autorité des marchés financiers* (AMF) General Regulations.

It was filed with the AMF on March 28, 2008 and may, as a consequence, be used in connection with a financing transactions provided it is accompanied by a prospectus registered with the AMF.

This Annual Report also includes (i) all the components of the Annual Financial Report (*Rapport Financier Annuel*) referred to in paragraph I of article L.451-1-2 of the French Monetary and Financial Code as well as in article 222-3 of the AMF General Regulations (the table to be found hereafter on page 476 indicates the relevant sections of this *Document de Référence* corresponding to the components required under the terms of article 222-3 of the AMF General Regulations), (ii) all the compulsory matters required to be covered in the Management Board's Report to the Shareholders' Meeting of April 22, 2008, established pursuant to the articles L.225-100 and L.225-100-2 of the French Commercial Code (the relevant sections of this *Document de Référence* corresponding to these compulsory matters have been approved by the Management Board and are presented in the table to be found hereafter on page 473) and (iii) all information required under article R.225-86 of the French Commercial Code.

1.1 PRESENTATION OF INFORMATION

In this Annual Report (referred to herein as the "annual report" or "Annual Report") unless provided otherwise, the "Company", "AXA" or "AXA SA" refers to AXA, a *Société Anonyme,* organized under the laws of France which is the publicly traded parent company of the AXA Group, and "AXA Group", the "Group" or "we" refers to the Company together with its direct and indirect consolidated subsidiaries. The Company's ordinary shares are referred to in this annual report as "Shares", "ordinary shares", or "AXA ordinary shares". The principal trading market for the Company's ordinary shares is the Compartment A of Euronext Paris, which we refer to in this annual report as "Euronext Paris". The Company's American Depositary Shares and American Depositary Receipts are referred to in this annual report as "ADSs" and "ADRs", respectively. The ADSs and ADRs are listed on the New York Stock Exchange (referred to in this annual report as "NYSE"). One ADS represents one ordinary share.

This annual report includes AXA's consolidated financial statements for the years ended December 31, 2007, 2006 and 2005. AXA's consolidated financial statements, including the notes thereto, are included in Part V – "Consolidated Financial Statements" of this Annual Report and have been prepared in accordance with International Financial Reporting Standards (referred to in this Annual Report as "IFRS") and interpretations from the International Financial Reporting Interpretations Committee (referred to in this Annual Report as "IFRIC") that were definitive and effective as at December 31, 2007, as adopted by the European Commission before the balance sheet date. However, the Group does not use the "carve out" option to avoid applying all the hegde accounting principles required by IAS 39. As a consequence, the consolidated financial statements also comply with IFRS as issued by the International Accounting Standards Board ("IASB").

Various amounts in this document are shown in millions for presentation purposes. Such amounts have been rounded and, accordingly, may not total. Rounding differences may also exist for percentages.

1.2 EXCHANGE RATE INFORMATION

The Company publishes its consolidated financial statements in Euro ("Euro", "euro" or "€"). Unless noted otherwise, all amounts in this annual report are expressed in Euro. The currency of the United States will be referred to as "U.S. dollars" or "USD" or "U.S.$" or "$". For historical exchange rate information, refer to Part II "The AXA Group: Our global business operations, recent financial performance and financial condition", Section "Exchange Rate Information" of this Annual Report. For a discussion of the impact of foreign currency fluctuations on AXA's financial condition and results of operations, see Part II "The AXA Group: Our global business operations, recent financial performance and financial condition", Section "Activity Report" of this Annual Report.

1.3 CAUTIONARY STATEMENTS CONCERNING THE USE OF NON-GAAP MEASURES AND FORWARD-LOOKING STATEMENT

This Annual Report includes certain terms that are used by AXA in analyzing its business operations and, therefore, may not be comparable with terms used by other companies. These terms are defined in the glossary provided at the end of Part II, Section 2.3. of this Annual Report.

Certain statements contained herein are forward-looking statements including, but not limited to, statements that are predictions of, or indicate, future events, trends, plans or objectives. Undue reliance should not be placed on such statements because, by their nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results and AXA's plans and objectives to differ materially from those expressed or implied in the forward looking statements (or from past results). These risks and uncertainties include, without limitation, the risk of future catastrophic events including possible future weather-related catastrophic events or terrorist related incidents. Please refer to Part IV of this Annual Report for a description of certain important factors, risks and uncertainties that may affect AXA's business and/or results of operations. AXA undertakes no obligation to publicly update or revise any of these forward-looking statements, whether to reflect new information, future events or circumstances or otherwise.

PART II

THE AXA GROUP: OUR GLOBAL BUSINESS OPERATIONS, RECENT FINANCIAL PERFORMANCE AND FINANCIAL CONDITION

2.1 SELECTED CONSOLIDATED FINANCIAL DATA

2.2 INFORMATION ON THE COMPANY

2.3 ACTIVITY REPORT

2.4 LIQUIDITY AND CAPITAL RESOURCES

2.1 Selected Consolidated Financial Data

The selected historical consolidated financial data presented below have been derived from AXA's consolidated financial statements and related notes for the years ended December 31, 2007, 2006, 2005 and 2004 in accordance with IFRS. Note that certain entities within AXA have a reporting year-end that does not coincide with December 31, in particular AXA Life Japan, which has a September 30 financial year end.

The historical data set out below is only a summary. You should read it in conjunction with the consolidated financial statements and related notes for the years ended December 31, 2007, 2006 and 2005 included in Part V – "Consolidated Financial Statements" of this Annual Report.

The Consolidated Financial Statements were prepared in accordance with IFRS and IFRIC interpretations that were definitive and effective as at December 31, 2007, as adopted by the European Commission before the balance sheet date. However, the Group does not use the "carve out" option to avoid applying all the hegde accounting principles required by IAS 39. As a consequence, the consolidated financial statements also comply with IFRS as issued by the International Accounting Standards Board ("IASB").

Please note that the AXA Group's transition date to IFRS was January 1, 2004. The Group prepared its opening IFRS balance sheet at that date. The Group's IFRS adoption date was January 1, 2005.

(in Euro million, except per share data)

	2007	2006	2005	2004	2003
INCOME STATEMENT DATA:					
In accordance with IFRS:					
Total revenues [a]	93,633	77,966	70,865	66,053	
Net investment result excluding financing expenses [a] [b]	25,891	32,555	32,693	27,699	
Operating income before tax [a]	7,695	7,626	6,163	5,903	
Income tax [a]	(1,783)	(1,991)	(1,454)	(1,802)	
Net Consolidated Income [a]	6,391	5,758	4,806	4,266	
Net income Group Share [a]	5,666	5,085	4,318	3,793	
Earnings per share: [c]					
– basic [a] [d]	2.77	2.61	2.25	2.06	
– diluted [a] [d]	2.75	2.56	2.22	1.98	
Other data:					
Number of outstanding shares	2,060.8	2,092.9	1,871.6	1,908.4	1,778.1
Dividend per share	1.20	1.06	0.88	0.61	0.38

(in Euro million, except per share data)

	2007	2006	2005	2004	2003
BALANCE SHEET DATA:					
In accordance with IFRS:					
Total assets [(a)]	723,074	711,342	567,107	495,061	
Shareholders' equity [(a)]	45,642	46,538	36,138	31,058	
Shareholders' equity per share [(a) (c) (e)]	22.5	22.6	19.7	16.5	

(a) As described in notes 1.10, 1.11.2 and 1.12.2 of Part V – Consolidated Financial Statements of this Annual Report : (i) Following clarification of IFRIC agenda committee following IASB decision, AXA reclassified TSDI instruments (perpetual subordinated debts) into shareholders' equity in 2006 with retrospective application in 2005 and 2004 with impact on net income, (ii) in line with new accounting FRS27, the reclassification in the United Kingdom of some With-Profit technical reserves to allow for all future terminal bonuses payable to With-Profit policyholders within the allocated policyholder reserves, previously held in the unallocated policyholder bonus reserve, without any impact on earnings, and (iii) the restatement of The Netherlands' activities as discontinued businesses.

(b) Includes investment income net of investment management costs, impairment, net realized investment gains and losses and net unrealized investment gains and losses on assets with financial risk borne by the policyholders and on assets designated as at fair value through profit & loss, including assets backing the UK "With-Profit" business.

(c) (i) The calculation of net income per share is based on the weighted average number of outstanding shares for each period presented, and (ii) shareholders' equity per share is calculated based on the actual number of outstanding shares at each period-end presented. The calculations deduct shares held by AXA and its subsidiaries (that is, treasury shares) in the calculation of weighted average number of outstanding shares (for net income per share) and outstanding shares (for shareholders' equity per share). The calculation of basic and diluted net income per share for the three years ended December 31, 2007, 2006 and 2005 is presented in Note 26 "Net Income per Ordinary Share" to AXA's consolidated financial statements.

(d) The share capital increase with preferential subscription rights launched by AXA on June 14, 2006 to finance part of the acquisition of Winterthur resulted in the issue of 208,265,897 new shares at a price of €19.80 compared to a market price of €24.47. According to IAS 33, share issues carried out at a below-market price may give rise to an adjustment to the average number of shares during the period and in each period presented. As a consequence, the loss of value suffered by existing shares represents the value of the existing shareholders' theoretical subscription right, and the issue can be regarded as a bonus issue in the amount of the total value of the subscription rights. An adjustment factor (1.019456) equal to the pre-transaction share price divided by the theoretical post-transaction value of the shares is applied to the weighted average number of shares outstanding in each period.

(e) An annual dividend is generally paid each year in respect of the prior year after the annual general meeting of shareholders (customarily held in April or May) and before September of that year. Dividends are presented in this table in the year to which they relate and not in the year in which they are declared and paid. A dividend per share of €1.20 will be proposed at AXA's Annual Shareholders' Meeting that will be held on April 22, 2008. The dividend will be payable on April 29, 2008 with an ex-dividend date of April 24, 2008.

Exchange Rate Information

The year-end and average exchange rates used in the preparation of the consolidated financial statements, to translate into Euro the results of operations of the principal subsidiaries that are not denominated in Euro, are set out in the table below.

	Year-end exchange rate			Average exchange rate		
	2007 (for €1)	2006 (for €1)	2005 (for €1)	2007 (for €1)	2006 (for €1)	2005 (for €1)
U.S. dollar	1.47	1.32	1.18	1.37	1.26	1.25
Japanese yen [(a)] (x100)	1.64	1.49	1.36	1.58	1.43	1.36
British Pound	0.73	0.67	0.69	0.68	0.68	0.68
Swiss Franc	1.66	1.61	1.56	1.64	1.57	1.55

(a) The exchange rates presented correspond to the year-end exchange rate and average exchange rate for a financial year ending September 30.

> 2.1 SELECTED CONSOLIDATED FINANCIAL DATA

Information on Euro Noon Buying Rates

The following table sets forth, for the periods and dates indicated, certain information concerning the Noon Buying Rate of one Euro to U.S. dollars in New York City for cable transfers as certified for customs purposes by the Federal Reserve Bank of New York, which we refer to in this Annual Report as the "Euro Noon Buying Rate". The Euro Noon Buying Rates presented below are for your convenience and were not used by AXA to prepare AXA's consolidated financial statements included in Part V of this Annual Report.

U.S. dollar per Euro

Calendar period	Average rate [(a)]
2003	1.1411
2004	1.2478
2005	1.2400
2006	1.2661
2007	1.3797
2008 (through February 29, 2008)	1.5014

(a) The average of the Euro Noon Buying Rates on the last business day of each full month during the relevant period.

U.S. dollar per Euro

Month	High	Low
December 2007	1.4759	1.4344
January 2008	1.4877	1.4574
February 2008	1.5187	1.4495

The Euro Noon Buying Rate on December 31, 2007 was €1.00 = USD 1.4603.

Dividends

The Company pays dividends in Euro. Future dividends will depend on AXA's earnings, financial condition and other factors. Proposals for dividend payments are made at the discretion of the Management Board, subject to prior approval by the Supervisory Board, and are submitted for final approval to AXA's shareholders at their Annual General Meeting.

AXA determines its dividend policy on the basis of its adjusted earnings minus interest charges on perpetual debt, and, in each of the past several years, has paid aggregate dividends in a general range of 40% to 50% of this amount. While the amount of dividends is subject to change based on a variety of factors, management currently intends to maintain this dividend policy.

The following table sets forth information on the dividends declared and paid in the most recent five years.

Fiscal year	Distribution (in Euro million)	Number of shares (as of December 31)	Net dividend per share in Euro	Tax credit per share in Euro	Dividend per share eligible for a tax relief in Euro	Gross dividend per share in Euro
2003	676	1,778,103,135	0.38	0.19	–	0.57
2004	1,164	1,908,444,170	0.61 (b)	–	0.61 (b)	0.61 (b)
2005	1,647	1,871,605,004	0.88 (c)	–	0.88 (c)	0.88 (c)
2006	2,218	2,092,888,314	1.06 (d)	–	1.06 (d)	1.06 (d)
2007	2,472 (a)	2,060,753,492	1.20 (e)	–	1.20 (e)	1.20 (e)

(a) Proposal to be submitted to the Shareholders' Meeting to be held on April 22, 2008.
(b) As of January 1, 2005 individual shareholders who were residents of France for tax purposes were eligible for a tax relief of 50% on the dividend, i.e. Euro 0.305 per share for fiscal year 2004.
(c) As of January 1, 2006 individual shareholders who were residents of France for tax purposes were eligible for a tax relief of 40% on the dividend, i.e. Euro 0.35 per share for fiscal year 2005.
(d) As of January 1, 2007 individual shareholders who were residents of France for tax purposes were eligible for a tax relief of 40% on the dividend, i.e. Euro 0.424 per share for fiscal year 2006.
(e) Proposal to be submitted to the Shareholders' Meeting to be held on April 22, 2008.
As of January 1, 2008 individual shareholders who are residents of France for tax purposes are eligible for a tax relief of 40% on the dividend, i.e. Euro 0.48 per share for fiscal year 2007.

Dividends not claimed within five years of the date of payout become the property of the French Treasury Department.

For information on AXA's dividend policy, see Part V – "Consolidated Financial Statement" and Part VI – "Certain Additional Information – Dividends" of this Annual Report.

> 2.2 INFORMATION ON THE COMPANY

Introduction

AXA is a French *"Société Anonyme à Directoire et Conseil de Surveillance"* (a form of limited liability company with a Management Board and a Supervisory Board) existing under the laws of France. The Company's registered office is located at 25 avenue Matignon, 75008 Paris, France and its telephone number is (33) 1 40 75 57 00. For information on the principal trading markets for AXA's ordinary shares, ADSs and ADRs, please see Part III – "Corporate governance, executive compensation, major shareholders and related matters", Section 3.5 "The Offer and Listing" included in this Annual Report. AXA was incorporated in 1957 but the origin of its activities goes back to 1852. The Company's corporate existence will continue, subject to dissolution or prolongation, until December 31, 2059. The Company's number in the Paris Trade Registry is 572 093 920 RCS Paris.

History and development

AXA originated from several French regional mutual insurance companies, known collectively as "les Mutuelles Unies".

In 1982, les Mutuelles Unies took control of Groupe Drouot and following this transaction, the new Group began operating under the name of AXA.

In 1986, AXA acquired Groupe Présence.

In 1988, AXA transferred its insurance businesses to Compagnie du Midi which operated under the name of AXA Midi and subsequently changed its name to AXA.

In 1992, AXA acquired a controlling interest in The Equitable Companies Incorporated following the demutualization of Equitable Life. The Equitable Companies Incorporated, based in the United States, changed its name in 1999 to AXA Financial, Inc. ("AXA Financial").

In 1995, AXA acquired a majority interest in National Mutual Holdings following its demutualization. National Mutual Holdings, based in Australia, subsequently changed its name to AXA Asia Pacific Holdings Ltd.

In 1997, AXA merged with its French competitor Compagnie UAP. This transaction enabled AXA to significantly increase its size and reinforce its strategic position in a number of important markets, particularly in Europe.

In 1998, AXA purchased the minority interests of its subsidiary AXA Royale Belge and, in 1999, AXA acquired Guardian Royal Exchange in Great Britain through its subsidiary Sun Life & Provincial Holdings ("SLPH"). The Guardian Royal Exchange acquisition allowed AXA to further establish its positions in both the United Kingdom and Germany.

In 2000, AXA: (i) acquired a majority ownership interest in a Japanese life insurance company, "Nippon Dantaï Life Insurance Company", through a new Japanese holding company, "AXA Nichidan", (ii) increased its interest in SLPH from 56.3% to 100%, (iii) sold its interest in Donaldson Lufkin & Jenrette ("DLJ") to Credit Suisse Group, (iv) acquired Sanford C. Bernstein through its US based asset management subsidiary Alliance Capital (which subsequently changed its name to AllianceBernstein), and (v) acquired the remaining minority interests in AXA Financial, which is now a 100% owned subsidiary of AXA.

In 2001 and 2002, AXA acquired a banking platform in France, Banque Directe. AXA also continued to streamline its portfolio of businesses, selling its health business in Australia and insurance operations in Austria and Hungary, and reorganizing its reinsurance business.

In 2003, AXA sold all its activities in Argentina and Brazil.

In 2004, AXA acquired the American group MONY, which allowed AXA to expand its life insurance distribution capacity in the United States by approximately 25%. In addition during 2004, AXA sold (i) its insurance activities in Uruguay (AXA Seguros Uruguay) thereby finalizing its disengagement from South America, (ii) its Dutch insurance broking operations (Unirobe), (iii) its Dutch health insurance operations, and (iv) its mortgage lending activities in Germany (AXA Bausparkasse AG).

In December 2005, FINAXA, a listed holding company that was AXA's principal shareholder, was merged into AXA. Prior to the merger, FINAXA owned the "AXA" brand which, upon consummation of the merger, became the property of AXA. This merger resulted in a simplification of AXA's shareholding structure and an increase in the proportion of its publicly traded shares.

In 2006, AXA acquired the Winterthur Group, which was then active in 17 countries and served approximately 13 million clients worldwide. This operation gave AXA the opportunity to strengthen its leading position in several European markets and to increase its presence in a number of high growth markets including in Central and Eastern Europe and Asia. During 2006, AXA also acquired (i) "Citadel" in Canada, (ii) Thinc Destini (subsequently renamed Thinc Group) in the United Kingdom, and (iii) MLC Hong Kong and Indonesia via its subsidiary AXA Asia Pacific Holdings.

In December 2006, AXA completed the sale of AXA RE's business to Paris Re Holdings and took a 3.4% stake in Paris Re Holdings, a newly created company sponsored by a consortium of international investors led by Stone Point Capital.

During 2007, AXA (i) acquired a 75% stake in Kyobo Auto (now called "Kyobo AXA Insurance Company") which has a leading position in the South Korean direct motor insurance market (May 2007) and subsequently increased its shareholding to 90% (in September 2007) by subscribing to a capital increase and through a buyout of minority shareholders, (ii) acquired together with UkrSibbank, the Ukrainian banking subsidiary of BNP Paribas, 99% of the capital of Vesko, Ukraine's 6th largest P&C insurer (in November 2007), in June 2007 AXA and UkrSibbank had already announced the establishing of a joint-venture in the Ukrainian P&C insurance market, (iii) completed the sale of its principal Dutch operations, comprising 100% of AXA Netherlands, Winterthur Netherlands and DBV Netherlands (September 2007), (iv) reached an agreement with Bao Minh Insurance Corporation ("Bao Minh") to establish a strategic partnership in the Vietnamese insurance market through AXA's acquisition of 16.6% stake of the share capital of Bao Minh (September 2007), (v) finalized a long-term partnership agreement with the Italian bank BMPS for the distribution of life, non-life and pension business in Italy (in October 2007), and with AXA Investment Managers assuming the management of the insurance companies' assets and open pension funds' assets; and (vi) reached an agreement to acquire a 36.7% interest in Reso Garantia's ("RESO") which represents AXA's entry into the Russian market in December 2007.

Recent developments

For a description of significant acquisitions and disposals undertaken by AXA please see Part II – 2.3 "Activity Report – operating highlights" and Note 5, "Goodwill", to the consolidated financial statements included under Part V – "Consolidated financial statements" of this Annual Report.

> 2.2 INFORMATION ON THE COMPANY

General information

The Company is the holding company for the AXA Group, a worldwide leader in financial protection. Based on available information at December 31, 2007, the AXA Group was one of the world's largest insurance groups, with consolidated gross revenues of €93.6 billion for the year ended December 31, 2007. The AXA Group was also one of the world's largest asset managers, with total assets under management as at December 31, 2007 of €1,281 billion, including assets managed on behalf of third party clients in an aggregate amount of €659 billion. Based on available information at December 31, 2006 and taking into account banking companies engaged in the asset management business, AXA was the world's 4th largest asset manager[1].

For information concerning the ownership structure of the Group, please see Part 3.4 – "Major Shareholders and Related Party Transactions", in this Annual Report.

AXA operates primarily in Europe, North America, the Asia Pacific region and, to a lesser extent, in other regions including the Middle East and Africa. AXA has five operating business segments: Life & Savings, Property & Casualty, International Insurance, Asset Management and Banking. In addition, various holding companies within the AXA Group conduct certain non-operating activities.

The diversification of the AXA Group – both by geography and by business – is designed to mutualize and hedge the different types of risks to which the Group is exposed. For example, mortality risks are partly offset by longevity risks, and insurance risks by financial risks. In addition, geographic diversification helps reduce the concentration of risk and volatility of claims experience, which, in turn, helps limit the cost of economic capital needed to support the Group's solvency position.

(1) Source: Pensions & Investments, Watson Wyatt Global 500 survey, 2006.

Table of principal subsidiaries with ownership and voting rights percentages

Set forth below is a simplified organization chart of AXA as at December 31, 2007. For additional information, please see Note 2 "Scope of consolidation" included in Part V "Consolidated Financial Statements" of this Annual Report.

Please note that the percentages noted in the second column ("Ownership interest percentage") represent the economic interest and the percentages noted in the third column ("Voting rights percentage") represent the percentage of the company's total voting power controlled by AXA.

PRINCIPAL SUBSIDIARIES AS AT DECEMBER 31, 2007

		Ownership interest percentage	Voting rights percentage
International Insurance			
AXA Assistance SA		100%	100%
AXA Corporate Solutions Assurance		98.75%	98.75%
Asset Management			
AXA Investment Managers		95.02%	95.04%
AXA Real Estate Investment Managers		95.02%	100%
AllianceBernstein [(a)]		63.18%	63.18%
AXA Rosenberg		95.02%	100%
NORTH AMERICA			
	United States		
Insurance	AXA Financial, Inc. [(b)]	100%	100%
	Canada		
Insurance	AXA Canada Inc. [(c)]	100%	100%
AFRICA			
	Morocco		
Insurance	AXA Holding Maroc [(d)]	100%	100%
EUROPE			
	Belgium		
Insurance	AXA Holdings Belgium [(e)]	99.92%	100%
	Winterthur Europe Assurances	100%	100%
Financial Services	AXA Bank Belgium	99.92%	100%
	Czech Republic		
	AXA životní pojišt'ovna a.s.	65.01%	65.01%
	AXA penzijni fond a.s.	79.97%	79.97%

(a) AXA also holds indirectly 100% of the general partner of AllianceBernstein.
(b) Holding company that owns AXA Equitable Life Insurance Company.
(c) Holding company that owns AXA Assurances Inc. and AXA Insurance (Canada).
(d) New corporate name (formerly AXA-ONA). Holding company that owns AXA Assurance Maroc.
(e) Holding company that owns AXA Belgium.

		Ownership interest percentage	Voting rights percentage
	France		
Insurance	AXA France Assurance [f]	100%	100%
Financial Services	Compagnie Financière de Paris	100%	100%
	AXA Banque	99.89%	100%
	Greece		
	AXA Insurance S.A. Greece [g]	99.57%	99.57%
	Hungary		
	AXA Biztosító Zrt.	65%	65%
	ELLA Bank Zrt.	99.92%	100%
	AXA Pénztárszolgáltató Zrt.	65%	65%
	ELLA Service Company Kft.	99.92%	100%
	Italy		
Insurance	AXA Italia S.p.A [h]	100%	100%
	AXA Montepaschi Vita [i]	50%	50%
	AXA Montepaschi Danni [i]	50%	50%
	Ireland		
Insurance	AXA Holdings Ireland Limited [j]	99.99%	100%
	Germany		
Insurance	AXA Konzern AG [k]	100%	100%
	DBV-Winterthur Holding AG [l]	96.69%	96.69%
Financial Services	AXA Bank AG	100%	100%
	Luxembourg		
Insurance	AXA Luxembourg SA [m]	99.92%	100%
	Poland		
	AXA PTE S.A.	70%	70%
	AXA Życie TU S.A.	65%	65%
	Portugal		
Insurance	AXA Portugal Companhia de Seguros SA	99.37%	99.61%
	AXA Portugal Companhia de Seguros de Vida SA	94.89%	95.09%
	Seguro Directo Gere [n]	100%	100%
	Spain		
Insurance	AXA Mediterranean Holding S.A. [o]	100%	100%
	Switzerland		
Insurance	Winterthur Swiss Insurance Company [p]	100%	100%
	Winterthur Life	100%	100%
	Turkey		
Insurance	AXA Oyak Holding A.S. [q]	50%	50%
	United Kingdom		
Insurance	AXA UK plc [r]	99.99%	100%

(f) Holding company that owns AXA France Vie, AXA France IARD, AVANSSUR, AXA Corporate Solutions Assurance and Juridica.
(g) Company owned by AXA Mediterranean Holding, S.A. (Spain).
(h) Holding company that owns AXA Assicurazioni S.p.A.
(i) 50% of ownership interest and 50% (+ one voting right) of voting rights. Companies owned by AXA Mediterranean Holding, S.A. (Spain).
(j) Holding company that owns AXA Ireland Limited and AXA Insurance Limited.
(k) Holding company that owns AXA Versicherung AG, AXA Lebenversicherung AG and AXA ART Versicherung AG.
(l) Holding company that owns DBV-Winterthur Lebensversicherung AG, DBV-Winterthur Krankenversicherung AG and DBV-Winterthur Versicherung AG.
(m) Holding company that owns AXA Assurance Luxembourg and AXA Assurance Vie Luxembourg.
(n) Company owned by AXA Mediterranean Holding, S.A. (Spain).
(o) New corporate name (formerly AXA Aurora S.A.) – Holding company that owns AXA Aurora Iberica, S.A. de Seguros y Reaseguros, AXA Aurora Vida, S.A. de Seguros y Reaseguros, Hilo Direct S.A. de Seguros y Reaseguros, Winterthur Seguros, S.A. de Seguros y Reaseguros, Winterthur Vida, S.A. de Seguros y Reaseguros sobre la Vida and Winterthur Service, S.A.
(p) Holding company that owns 66.66% of Winterthur-ARAG.
(q) Holding company that owns 100% of AXA Oyak Hayat Sigorta A.S. and 70.96% of AXA Oyak Sigorta A.S. An agreement was signed on February 6, 2008 to buyout Oyak's 50% stake in AXA Oyak.
(r) Holding company that owns AXA Sun Life Plc, AXA Insurance Plc, AXA PPP Healthcare Limited, Winterthur UK Financial Services Group Limited and AXA Advisory Holdings Limited.

		Ownership interest percentage	Voting rights percentage
ASIA-PACIFIC			
	Australia/New Zealand		
Insurance	AXA Asia Pacific Holdings Limited (s)	53.86%	53.00%
	Hong Kong		
Insurance	AXA China Region Limited (t)	53.86%	100%
	Japan		
Insurance	AXA Japan Holding Co. Ltd (u)	98.11%	98.11%
	Singapore		
Insurance	AXA Financial Services (Singapore) Cy (v)	53.86%	100%
	South Korea		
Insurance	Kyobo AXA Auto Insurance Co. Ltd	90.08%	90.08%

(s) Holding company that owns The National Mutual Life Association of Australasia Limited, National Mutual Funds Management (Global) Limited and National Mutual International Pty Limited. AXA's ownership interest and voting power in AXA Asia Pacific Group is divided between a direct holding of 50.32% and an additional 3.54% owned by the AXA Sun Life PLC.
(t) Wholly owned by AXA Asia Pacific Holdings Limited.
(u) Holding company that owns AXA Life Insurance Co. Ltd , AXA Non-Life Insurance Co. Ltd and AXA Financial Life Insurance Co. Ltd (formerly Winterthur Swiss Life Insurance Co., Ltd).
(v) Holding company that owns AXA Life Insurance Singapore Pte Ltd. Wholly owned by AXA Asia Pacific Holdings Limited.

> 2.2 INFORMATION ON THE COMPANY

Ratings

PRINCIPAL RATINGS OF THE GROUP AS AT MARCH 26, 2008

The Company and certain of its insurance subsidiaries are rated by recognized rating agencies. The significance and the meaning of individual ratings vary from agency to agency.

At March 26, 2008, the relevant ratings for the Company and its principal insurance subsidiaries are as follows:

	Agency	Rating	Outlook
Insurer Financial Strength Ratings			
The Company's principal insurance subsidiaries	Standard & Poor's	AA	Stable
	Moody's	Aa3	Stable
	Fitch Ratings	AA	Stable
Ratings of the Company's Long Term and Short Term Debt			
Counterparty credit rating / Senior Debt	Standard & Poor's	A+	
	Moody's	A2	
	Fitch Ratings	A+	
Short Term Debt	Standard & Poor's	A-1	
	Moody's	P-1	
	Fitch Ratings	F-1+	

The ratings set forth above may be subject to revision or withdrawal at any time by the assigning rating agency. None of these ratings are an indication of the historic or potential performance of the ordinary shares, ADSs, ADRs or debt securities and should not be relied upon for purpose of making an investment decision with respect to any of these securities. The Company accepts no responsibility for the accuracy or reliability of the ratings.

Business overview

The table below summarizes certain key financial data by segment for the last three years.

AXA ACTIVITY INDICATORS AND EARNINGS

(in Euro million, except percentages)

	Years ended December 31,							
	2007		2006			2005		
			Restated (b)	Published		Restated (a)	Published	
Consolidated gross revenues								
– Life & Savings	59,845	64%	49,952	50,479	64%	44,585	45,116	63%
– Property & Casualty	25,016	27%	19,510	19,793	25%	18,600	18,874	26%
– International Insurance	3,568	4%	3,716	3,716	5%	3,813	3,813	5%
– Asset management	4,863	5%	4,406	4,406	6%	3,440	3,440	5%
– Banking	339	–	377	381	–	424	428	1%
– Holdings and other companies	2	–	4	–	–	4	–	–
CONSOLIDATED GROSS REVENUES	**93,633**	**100%**	**77,966**	**78,775**	**100%**	**70,865**	**71,671**	**100%**
Annual Premium Equivalent (c)	**7,694**		**6,186**	**6,234**		**5,431**	**5 476**	
New Business Value (d)	**1,772**		**1,500**	**1,501**		**1,132**	**1,138**	
Underlying earnings (e)								
– Life & Savings	2,670	54%	2,270	2,325	58%	1,887	1,931	59%
– Property & Casualty	1,863	38%	1,417	1,453	36%	1,327	1,346	41%
– International Insurance	218	4%	131	131	3%	68	68	2%
– Asset management	590	12%	508	508	13%	396	396	12%
– Banking	36	1%	18	51	1%	44	67	2%
– Holdings and other companies	(414)	–8%	(424)	(457)	–11%	(448)	(549)	–17%
Underlying earnings	**4,963**	**100%**	**3,919**	**4,010**	**100%**	**3,274**	**3,258**	**100%**
Net capital gains	1,175		1,107	1,130		910	850	
Adjusted earnings (f)	**6,138**		**5,026**	**5,140**		**4,184**	**4,108**	
Exceptional operations (including discontinued operations)	482		311	196		25	(72)	
Goodwill and other related intangible impacts	(106)		(24)	(24)		(13)	(13)	
Profit or loss on financial assets (under fair value option) & derivatives	(596)		(228)	(226)		121	149	
Integration costs	(252)		–	–		–	–	
NET INCOME	**5,666**		**5,085**	**5,085**		**4,318**	**4,173**	

(a) Restated in full year 2005 means: (i) transfer of the forex impact from adjusted earnings to net income, (ii) following clarification of IFRIC agenda committee following IASB decision, AXA reclassified TSDI instruments (perpetual subordinated debts) into shareholders' equity with impact on net income, (iii) in line with new accounting FRS27, the reclassification in the United Kingdom of some With-Profit technical reserves to allow for all future terminal bonuses payable to With-Profit policyholders within the allocated policyholder reserves, previously held in the unallocated policyholder bonus reserve, without any impact on earnings, and (iv) the restatement of The Netherlands' activities as discontinued businesses.

(b) Restated in full year 2006 means the restatement of The Netherlands' activities as discontinued businesses.

(c) Annual Premium Equivalent (APE): Measure of new business volume. Represents 100% of regular premiums + 10% of single premiums, in line with EEV methodology. APE is Group share.

(d) New Business Value: (NBV) The value of new business issued during the current year consists of the Value In Force of new business at the end of the year plus the statutory profit result of the business during the year. NBV is Group share.

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

(f) Adjusted earnings represent the net income (group share) before :
(i) The impact of exceptional operations (primarily change in scope, including restructuring costs related to a newly acquired company during the considered accounting period).
(ii) Goodwill and other related intangible impacts, and
(iii) Profit and loss on financial assets accounted for under fair value option (excluding assets backing contract liabilities for which the financial risk is borne by the policyholder) and derivatives related to invested assets (including all impacts of foreign exchange including the ones related to currency options in earnings hedging strategies but excluding derivatives related to insurance contracts evaluated according to the "selective unlocking "accounting policy).

The table below sets forth the total assets managed by AXA's entities, including assets managed on behalf of third parties:

AXA'S TOTAL ASSETS UNDER MANAGEMENT

in Euro million

	At December 31,		
	2007	**2006 (a)**	**2005**
AXA:			
General account assets	439,604	449,099	353,346
Assets backing contracts with financial risk borne by policyholders (Unit-linked)	182,827	176,562	141,410
Subtotal	**622,431**	**625,661**	**494,756**
Managed on behalf of third parties (b)	658,921	652,413	543,174
TOTAL ASSETS UNDER MANAGEMENT	**1,281,352**	**1,278,074**	**1,037,930**

(a) Winterthur represented €104 billion of total assets under management at the end of 2006.
(b) Including Mutuelles AXA.

The table below sets forth AXA's consolidated gross revenues by segment for each of its major geographic markets for the years indicated:

BREAKDOWN OF AXA'S GROSS REVENUES

	Years ended December 31,					
	2007		2006		2005	
	Segment contribution (%)	Market contribution to total Segment (%)	Segment contribution (%)	Market contribution to total Segment (%)	Segment contribution (%)	Market contribution to total Segment (%)
TOTAL GROSS REVENUES (in Euro million) [(b)]	**93,633**		**77,966**		**70,865**	
Life & Savings	**64%**		**64%**		**63%**	
France		25%		30%		30%
United States		27%		31%		31%
United Kingdom		8%		9%		5%
Japan		9%		10%		11%
Germany		10%		7%		8%
Belgium		5%		5%		6%
Mediterranean Region		3%		3%		4%
Switzerland		7%		–		–
Other countries		6%		5%		5%
Property & Casualty	**27%**		**25%**		**26%**	
France		21%		27%		27%
Germany		14%		14%		15%
United Kingdom (including Ireland)		20%		24%		24%
Belgium		8%		8%		8%
Mediterranean Region		21%		20%		19%
Switzerland		8%		–		–
Other countries		7%		7%		6%
International Insurance	**4%**		**5%**		**5%**	
AXA RE [(a)]		–		–		38%
AXA Corporate Solutions Assurance		51%		45%		42%
AXA Cessions		2%		2%		2%
AXA Assistance		20%		17%		14%
Others [(a)]		28%		36%		4%
Asset Management	**5%**		**6%**		**5%**	
AllianceBernstein		64%		67%		72%
AXA Investment Managers		36%		33%		28%
Banking	**0%**		**0%**		**1%**	
AXA Banque (French bank)		25%		15%		15%
AXA Bank Belgium		64%		78%		79%
Others		11%		7%		6%
Holdings and other companies	**–**		**–**		**–**	

(a) In 2006, transfer of reinsurance activities formerly led by AXA RE to AXA Liabilities Managers (recorded in "Others"), following the sale of AXA RE activities to Stone Point Capital.
(b) As described in Note 1.10 of "Part V – Consolidated Financial Statements", the contribution of discontinued operations is stated in a separate line of the income statement.

For additional information on AXA's revenues by segments, see Note 20 "Revenues by segments and net revenues from banking activities" included in "Part V – Consolidated Financial Statements" of this Annual Report.

For additional information on AXA's business segments, see "Part 2.3 – Activity Report", section "Operating Results by Segment" and Note 3 "Segmental Information" included in "Part V – Consolidated Financial Statements" of this Annual Report.

> 2.2 INFORMATION ON THE COMPANY

Segment information

LIFE & SAVINGS SEGMENT

AXA offers a broad range of Life & Savings products including individual and group savings products, as well as life and health products for both individual and commercial clients. The Life & Savings segment accounted for €59.8 billion or 64% of AXA's consolidated gross revenues for the year ended December 31, 2007 (2006: €50.0 billion or 64%).

The table below summarizes AXA's Life & Savings consolidated gross revenues and gross insurance liabilities by geographic region for the periods and at the dates indicated:

LIFE & SAVINGS SEGMENT: GROSS REVENUES BY COUNTRY

in Euro million, except percentages

	Gross revenues Years ended December 31,						Gross insurance liabilities at December 31, 2007
	2007		2006 (b)		2005 (b)		
France	15,045	25%	14,797	30%	13,228	29%	112,459
United States	16,243	27%	15,389	31%	13,940	31%	103,010
Japan	5,116	9%	5,027	10%	4,735	10%	27,547
United Kingdom	4,628	8%	4,292	9%	2,395	5%	95,584
Germany	6,200	10%	3,681	7%	3,585	8%	53,153
Belgium	3,072	5%	2,512	5%	2,734	6%	23 774
Mediterranean Region	1,918	3%	1,476	3%	1,562	3%	29,333
Switzerland	4,116	7%	141	–	116	0%	31,631
Others	3,507	6%	2,637	5%	2,289	6%	22,168
of which Australia and New-Zealand	*1,384*	*2%*	*1,254*	*3%*	*1,225*	*3%*	*10,409*
of which Hong Kong	*1,257*	*2%*	*1,041*	*2%*	*831*	*2%*	*6,325*
TOTAL	**59,845**	**100%**	**49,952**	**100%**	**44,585**	**100%**	**498,659**
Of which:							
Gross written premiums	*57,773*		*48,268*		*42,972*		
Fees and charges relating to investment contracts with no participating feature	*740*		*608*		*509*		
Fees, commissions and other revenues (a)	*1,332*		*1,076*		*1,104*		

(a) Includes revenues from other activities (mainly commissions and related fees on mutual funds sales).
(b) As described in Note 1.10 of "Part V – Consolidated Financial Statements", the contribution of discontinued operations is stated in a separate line of the income statement.

BREAKDOWN OF AXA'S LIFE & SAVINGS APE AND NBV

in Euro million

	Annualized Premium Equivalent [a]			New Business Value [b]		
	2007	2006 [c]	2005 [c]	2007	2006 [c]	2005 [c]
France	1,360	1,231	1,075	230	202	157
United States	2,099	1,922	1,700	397	424	284
Japan	567	651	589	440	431	364
United Kingdom	1,588	1,134	817	140	100	72
Germany	457	287	270	166	90	29
Belgium	340	300	336	144	123	109
Mediterranean Region [d]	206	143	140	43	23	27
Switzerland	222	–	–	46	–	–
Others	855	519	504	166	106	91
of which Australia and New-Zealand	*545*	*420*	*428*	*51*	*38*	*32*
of which Hong Kong	*139*	*100*	*75*	*77*	*68*	*59*
TOTAL GROUP SHARE	**7,694**	**6,186**	**5,431**	**1,772**	**1,500**	**1,132**

(a) Annual Premium Equivalent (APE): Measure of new business volume. Represents 100% of regular premiums + 10% of single premiums, in line with EEV methodology. APE is Group share.
(b) New Business Value: (NBV) The value of new business issued during the current year consists of the Value In Force of new business at the end of the year plus the statutory profit result of the business during the year. NBV is Group share.
(c) As described in Note 1.10 of "Part V – Consolidated Financial Statements", the contribution of discontinued operations is stated in a separate line of the income statement.
(d) In 2005 and 2006, Mediterranean Region consisted of Spain, Italy and Portugal. In 2007, also included Morocco and Turkey.

MARKETS AND COMPETITION

In the Life & Savings segment, AXA operates primarily in Western Europe (including France, the United Kingdom, Germany, Belgium, Switzerland and the Mediterranean Region), the United States and Japan. In addition, AXA offers investments and savings, and life and health products in other countries such as Australia and New Zealand, but also in Asia (notably Hong Kong, Singapore, China and Indonesia), in Central and Eastern Europe (Poland, Hungary) and in the Middle East. The products in these markets are offered through various distribution channels, including exclusive agents, salaried salesforces, brokers, independent financial advisers, and bank networks. See the "Distribution channels" section below.

The nature and level of competition vary among the countries in which AXA operates for all the types of individual and group Life & Savings products sold by AXA. Many other insurance companies offer similar products to those offered by AXA, and, in some cases, also use similar marketing techniques.

The principal competitive factors affecting the Life & Savings business include:
- size, strength and quality of the distribution channels, in particular the quality of advisors,
- range of product lines and product quality, feature functionality and innovation,
- price,
- quality of service,
- investment management performance,
- historical levels of bonuses with respect to participating contracts,
- crediting rates on general account products,
- reputation, visibility and recognition of brand,
- quality of management,
- ratings for financial strength and claims-paying ability (mainly for group and third party businesses), and
- changes in regulations that may affect the policy charge structure relating to commission and administrative charges.

AXA competes with insurance companies and may compete with banks, asset management companies, investment advisers and other financial institutions for sales of savings-related investment products and, to a lesser extent, life insurance products.

The table below presents the main Life & Savings insurance markets in which AXA operates ranked by worldwide gross revenues in 2006, along with AXA's estimated ranking (by market share):

INSURANCE MARKET – LIFE & SAVINGS

Countries	Based on worldwide gross revenues in 2006			
	Country Statistics [a]		AXA [b]	
	Ranking	% revenues	Ranking	Market share
United States	1	24%	3 (c)	8%
Japan	2	16%	12	2%
United Kingdom	3	14%	7 (d)	6%
France	4	8%	3	8%
Germany	5	4%	9	3%
Belgium	17	1%	4	13%
Mediterranean Region				
– Italy	*6*	*4%*	*13*	*1%*
– Spain	*16*	*1%*	*15*	*2%*
– Portugal	*25*	*1%*	*7*	*2%*
– Turkey	*42*	*0%*	*8*	*5%*
– Morocco	*51*	*0%*	*3*	*14%*
Switzerland	18	1%	2	27%

(a) Source: Swiss Re, Sigma report 2007 "World Insurance in 2006".
(b) Sources AXA, mainly based on national insurance association data for each specific country in 2006. Excluding Winterthur in all countries except Switzerland.
(c) Relates to variable annuity products.
(d) Based on new business APE.

For additional information on markets, see section "Insurance and Asset Management Markets" included in "Part 2.3 Activity Report" of this Annual Report.

PRODUCTS AND SERVICES

AXA's Life & Savings products include a broad range of investments and savings, and life and health products marketed to individual and commercial clients. These include both individual and group products. The Life & Savings products offered by AXA include term life, whole life, universal life, endowment, deferred annuities, immediate annuities, and other investment-based products. The health products offered include critical illness and permanent health insurance products. The types and specificities of the products offered by AXA vary from market to market.

Product types by nature of risk

Investment and savings products include:

- Deferred annuities, which may be purchased with either a single premium or regular premiums. A deferred annuity has two distinct periods: an accumulation period and an annuity payment period. Typically, more flexibility is permitted in premium payments for longer deferred periods. The premium can be invested in the general account of the insurer, or in a choice of unit-linked funds. Also known as variable annuities in the United States, these products often include optional guarantees (for a fee) such as guaranteed minimum income – or annuity – benefit (GMIB), guaranteed minimum death benefit (GMDB) and guaranteed minimum withdrawal benefit (GMWB).
- Pure savings, which provide investment return to policyholders, while AXA bears the investment risk.
- Universal savings, which is the same as universal life but has no significant death benefit component. See below for a description of universal life products.

Life products include:

- Term assurance, which provides a death benefit for a limited period of time.
- Whole life products, which provide a death benefit over a person's entire lifetime or up to a certain age, such as age 95 or 100, as long as the required premiums are paid.
- Universal life products, which are all unbundled products that include a significant death benefit component. Funds can be invested in unit-linked and / or general accounts.
- Endowment products, which pay a level death benefit for a limited period of time or to age 65. An endowment benefit is paid at the end of that period if the insured is still alive.
- Disability products, which pay a benefit in case of disability. The benefit can be a lump sum, or a percentage of the income paid over a specified period of time.
- Immediate annuity products, which are usually single premium products with no previous accumulation period, which promise regular payments for a fixed period of time or over someone's lifetime.

Health products[1] generally offer reimbursement of medical expenses or provide medical services.

Mutual funds offered by insurance companies are generally open-ended funds operated by an investment management company, in accordance with a stated set of objectives.

AXA's Life & Savings products may be distinguished between:

- **participating contracts,** in which the policyholders participate in the excess assets over liabilities (the surplus) of – and therefore in the investment return and/or in part

(1) Health products are classified in Life & Savings segment notably when providing savings features or rider options.

of the operating profits earned by – the insurance company issuing the contract by way of the payment of an interest or bonus payment, and

– **contracts with the financial risk borne by the policyholders** (unit-linked), in which the investment risk (and reward) is generally transferred to the policyholder while the issuing company earns fee income from managing the underlying assets.

New product initiatives

To attract and retain clients, especially in the segments identified as strategic, AXA has developed solutions designed to meet the needs of the targeted customer groups. In addition, new products have been designed to support AXA's cross-selling strategy and thus improve client retention and enhance value for the clients. AXA also aims to reuse across markets successful products and experiences developed for individual country markets.

The table below presents consolidated gross revenues (after inter-segment elimination) and gross insurance liabilities by major product for the periods and as of the dates indicated for AXA's Life & Savings segment:

LIFE & SAVINGS SEGMENT

in Euro millon, except percentages

	Gross revenues by main product lines Years ended December 31,						Gross insurance liabilities at December 31, 2007
	2007		2006 (b)		2005 (b)		
Investment & Savings	31,652	55%	29,024	60%	25,077	58%	245,131
Individual	*28,264*	*49%*	*26,038*	*54%*	*22,468*	*52%*	*214,935*
Group	*3,388*	*6%*	*2,986*	*6%*	*2,609*	*6%*	*30,196*
Life contracts (including endowment contracts)	18,095	31%	12,837	27%	11,567	27%	144,073
Health contracts	5,966	10%	4,468	9%	4,387	10%	13,989
Other	2,059	4%	1,938	4%	1,942	5%	13,688
Sub-Total	**57,773**	**100%**	**48,268**	**100%**	**42,972**	**100%**	**416,881**
Fees and charges relating to investment contracts with no particpating features	740		608		509		60,625
Fees, commissions and other revenues (c)	1,332		1,076		1,104		
Liabilities arising from policyholder's participation							19,117
Unearned revenues and unearned fees reserves							2,232
Derivatives relating to insurance and investment contracts							(196)
TOTAL REVENUES AND LIABILITIES	**59,845**		**49,952**		**44,585**		**498,659**
Of which:							
Contracts with financial risk borne by policyholders (Unit-Linked)	*21,529*	*37%*	*18,512*	*38%*	*12,947*	*30%*	*183,241*
UK "With-Profit" business (a)	*976*	*2%*	*941*	*2%*	*953*	*2%*	*26,276*

(a) UK "With-Profit" business: A participating contract, specific to the United Kingdom and known as the "With-Profit" contract, was offered by AXA Sun Life until 2002. Under "With-Profit" contracts, the policyholders are entitled to receive a share of the profits arising from the invested policyholders' premiums which includes regular bonuses and terminal bonuses. The regular bonuses are designed to provide a return to the policyholder through a periodic increase in benefits and are credited to the policyholder. Once credited, regular bonuses are guaranteed to be paid at maturity, death or as otherwise specified in the policy. Terminal bonuses, which are not guaranteed in advance of payment are designed to provide policyholders with their share of total investment performance and other experience of the fund (including expenses, mortality experience and income taxes) over several periods. Terminal bonuses can represent a significant portion of the total amount paid at maturity or upon surrender prior to maturity and are at the discretion of the Board of Directors. Following policyholder and court approvals, in 2001 AXA Equity & Law underwent a financial reorganization whereby the life insurance funds were transferred to AXA Sun Life and fundamentally restructured. A portion of the assets that accumulated over the years (which we refer to in this Annual Report as the "inherited estate") were attributed to AXA as the shareholder, less a portion allocated to the "With-Profit" policyholders in the form of a reorganization bonus, based on the number of eligible policyholders that elected in favor of this plan.

(b) As described in Note 1.10 of "Part V – Consolidated Financial Statements", the contribution of discontinued operations is stated in a separate line of the income statement.

(c) Includes revenues from other activities (mainly commissions and related fees on mutual funds sales).

DISTRIBUTION CHANNELS

AXA distributes its products through exclusive and non-exclusive channels that vary from country to country. Exclusive channels include exclusive agents, salaried salesforces and direct sales. Non-exclusive channels include brokers, independent financial advisors, aligned distributors or wholesale distributors and partnerships.

Exclusive agents are individuals or firms commissioned by a single insurance company to exclusively sell its products on its behalf. Tied agents are exclusive agents.

Salaried salesforces are salespeople employed by a single insurance company (or an affiliated company) to exclusively sell the company's products.

Direct sales relate to all sales made through mail, telephone, and internet.

Brokers are independent firms who negotiate with insurance companies on behalf of customers. As opposed to exclusive agents, they can work with different insurance companies.

Independent financial advisors are individuals or firms who provide financial advice to customers and negotiate related policies with insurance companies on behalf of customers.

Aligned distributors are independent individuals or firms who have chosen AXA to provide them with a full range of dealership services. They negotiate, on behalf of customers, policies of various insurance companies among a range of products selected by AXA.

Partnerships are sales agreements between an insurance company and another company from the financial services industry, especially banks, or from another industry, such as car dealers. The insurance company and its partners might be involved in a joint-venture.

AXA's distribution strategy focuses on strengthening traditional channels and developing new ones, such as direct selling and partnerships. Staff hiring, retention of veteran staff, professionalism and commercial performance are the main initiatives to strengthen traditional distribution channels. To face more volatile and more demanding customers, AXA believes that the diversification of distribution channels through the development of new channels improves opportunities for increased contact with AXA's customer base.

The split of distribution channels used by AXA's principal Life & Savings operations, based on consolidated gross revenues for the years ended December 31, 2007 and 2006, is presented below:

BASED ON GROSS REVENUES IN 2007

	Agents, salaried salesforce and direct sales	Intermediaries / independent advisers / brokers	Other networks, including coporate partnerships and bank networks
France	52%	42%	6%
United States	52%	5%	43%
Japan	49%	37%	14%
United Kingdom	9%	91%	1%
Germany	56%	35%	9%
Belgium	–	100%	–
Mediterranean Region	65%	20%	15%
Switzerland	63%	32%	5%

BASED ON GROSS REVENUES IN 2006

	Agents, salaried salesforce and direct sales	Intermediaries / independent advisers / brokers	Other networks, including coporate partnerships and bank networks
France	51%	42%	7%
United States	56%	5%	39%
Japan	54%	40%	5%
United Kingdom	9%	90%	1%
Germany	54%	39%	6%
Belgium	–	100%	–
Mediterranean Region	72%	14%	14%

SURRENDERS AND LAPSES

For most Life & Savings products, fees and revenues are accrued over time, while costs to the issuing company in the first year are higher than costs in subsequent years due to first year commissions and the costs of underwriting and issuing a contract. Consequently, the rate of policies remaining in-force and not lapsing, also known as the "persistency rate", plays an important role in profitability.

The majority of individual Life & Savings products issued by AXA may be surrendered for a cash surrender value. Most of the individual Life & Savings products issued by AXA have front-end charges to the policyholder (or subscription fees), which are assessed at the inception date of the contract and/or surrender charges (charges assessed in the case of early surrender). Both front-end charges and surrender charges are intended to offset a portion of the acquisition costs.

Total surrenders and lapses for 2007, and the ratio of surrenders and lapses to gross surrenderable insurance reserves at the beginning of the periods indicated are presented below:

SURRENDERS AND LAPSES

	Years ended December, 31			
	2007 Total surrenders & lapses (in Euro million)	2007	2006	2005
		Surrenders & lapses ratio		
		%	%	%
France	6,695	7.1%	6.9%	6.6%
United States [(a)]				
– Individual Life	*1,208*	*4.4%*	*4.2%*	*4.2%*
– Individual Annuities	*7,083*	*11.1%*	*9.2%*	*8.6%*
Japan [(b)]	2,237	8.4%	7.4%	8.0%
United Kingdom	8,842	10.6%	12.0%	8.9%
Germany	644	2.0%	2.2%	2.2%
Belgium	681	3.2%	4.0%	4.2%
Mediterranean Region [(c)]	1,073	11.6%	8.4%	6.7%
Switzerland	739	2.8%	–	–

(a) Amounts and percentages reported for the U.S. operations exclude lapses.
(b) Including conversions in Japan.
(c) In 2005 and 2006, Mediterranean Region consisted of Spain, Italy and Portugal. In 2007, also included Morocco and Turkey.

PROPERTY & CASUALTY SEGMENT

AXA's Property & Casualty Segment offers a broad range of products including motor, household property and general liability insurance for both personal and commercial customers, targeting mainly small to medium sized companies. In certain countries, health products are classified as Property & Casualty products[1]. The Property & Casualty segment accounted for €25.0 billion, or 27% of AXA's consolidated gross revenues for the year ended December 31, 2007 (2006: €19.5 billion or 25%).

The table below summarizes AXA's Property & Casualty consolidated gross revenues (after inter-segment eliminations) and gross insurance liabilities by geographic region for the periods and at the indicated dates.

PROPERTY & CASUALTY SEGMENT

in Euro million, except percentages

	Gross revenues – Years ended December 31,						Gross insurance liabilities at December 31, 2007
	2007		2006 [a]		2005 [a]		
France	5,330	21%	5,187	27%	5,070	27%	11,493
Germany	3,506	14%	2,745	14%	2,785	15%	6,270
United Kingdom & Ireland	5,076	20%	4,721	24%	4,393	24%	6,882
Belgium	2,112	8%	1,511	8%	1,451	8%	6,711
Mediterranean Region	5,276	21%	3,822	20%	3,604	19%	8,138
Switzerland	1,974	8%	94	–	89	–	5,112
Other Countries	1,743	7%	1,431	7%	1,206	6%	2,670
TOTAL	**25,016**	**100%**	**19,510**	**100%**	**18,600**	**100%**	**47,277**
Of which:							
Gross written premiums	*24,937*		*19,459*		*18,556*		
Other revenues	*79*		*52*		*43*		

(a) As described in Note 1.10 of "Part V – Consolidated Financial Statements", the contribution of discontinued operations is stated in a separate line of the income statement.

MARKETS AND COMPETITION

In the Property & Casualty segment, AXA operates mainly in the main Western European markets, including France, Germany, the United Kingdom, Belgium, Switzerland and the Mediterranean Region. AXA also offers personal and commercial Property & Casualty insurance products in other countries in Central and Eastern Europe as well as in Canada, Asia (notably Japan, Singapore, Korea and Hong Kong), and the Middle East.

The nature and level of competition vary among the countries in which AXA operates. AXA competes in each of its Property & Casualty products and geographic markets with other insurers. In Western European countries, a large portion of customers holds one or more Property & Casualty products.

Overall, the Property & Casualty insurance industry tends to be cyclical with surplus underwriting capacity leading to lower premium rates. Throughout 2007, the market cycle continued to soften, which resulted in increased pressure on insurance pricing. In addition, customers seemed to become very price-oriented when looking for a new insurer.

The principal competitive factors are as follows:
- Price,
- Quality of service,
- Distribution network,
- Brand recognition,
- Ratings for financial strength and claims-paying ability (mainly group business), and
- Changes in regulations, which may affect premium rates charged or claims settlement costs paid.

(1) Some countries classify health activity in the Property & Casualty segment, while other countries classify it in the Life & Savings segment. AXA chooses to follow local classification.

The table below presents the Property & Casualty markets in which AXA operates ranked by worldwide gross revenues in 2006, along with AXA's ranking (by market share).

PROPERTY AND CASUALTY MARKETS

	Based on worldwide gross revenues in 2006			
	Country Statistics [a]		AXA [b]	
	Ranking	% revenues	Ranking	Market share
Germany	2	7%	8	5%
United Kingdom [c]	3	7%	4	6%
France	5	5%	2	16%
Belgium	16	1%	1	17%
Mediterranean Region				
– Italy	*7*	*3%*	*8*	*4%*
– Spain	*9*	*2%*	*3*	*5%*
– Portugal	*28*	*0%*	*2*	*9%*
– Turkey	*27*	*0%*	*2*	*12%*
– Morocco	*51*	*0%*	*2*	*17%*
Switzerland	14	1%	1	20%

(a) Source: Swiss Re, Sigma report 2007 "World insurance in 2006".
(b) Source AXA, mainly based on national insurance association data for each specific country in 2006. Excluding Winterthur in all countries except Switzerland.
(c) United Kingdom, including Health, but excluding Ireland.

For more details on market description, refer to "Part 2.3 – Activity report", section "Insurance and Asset Management Markets".

PRODUCTS AND SERVICES

AXA's Property & Casualty insurance operations offer a broad range of products including motor, household, property and general liability insurance for both personal and commercial customers, targeting mainly small to medium sized companies, and, in certain countries, health products. In addition, AXA offers engineering services to support prevention policies in companies.

The table below sets forth gross revenues and gross insurance liabilities by major product for the periods and as at the dates indicated:

PROPERTY & CASUALTY SEGMENT : GROSS REVENUES BY PRODUCT

in Euro million, except percentages

	Gross revenues Years ended December 31,						Gross insurance liabilities at December 31, 2007
	2007		2006 [a]		2005 [a]		
Personal line							
– Motor	8,709	35%	6,560	34%	6,180	33%	15,446
– Homeowners/household	3,564	14%	3,016	15%	2,790	15%	3,219
– Other	2,908	12%	2,441	13%	2,465	13%	5,517
Commercial line							
– Motor	1,618	6%	1,349	7%	1,295	7%	2,698
– Property damage	2,740	11%	2,204	11%	2,059	11%	3,075
– Liability	1,740	7%	1,390	7%	1,345	7%	6,950
– Other	3,313	13%	2,222	11%	2,086	11%	9,293
Other	345	1%	275	1%	336	2%	873
TOTAL	**24,937**	**100%**	**19,459**	**100%**	**18,556**	**100%**	**47,072**
Liabilities arising from policyholder's participation							205
TOTAL							**47,277**

(a) As described in Note 1.10 of "Part V – Consolidated Financial Statements", the contribution of discontinued operations is stated in a separate line of the income statement.

To attract and retain clients, new products are designed to add value for the clients and support cross-selling thus improving client retention.

DISTRIBUTION CHANNELS

AXA distributes its Property & Casualty insurance products through a number of channels that vary from country to country, including exclusive agents, brokers, salaried salesforces, direct sales and banks and other partnerships, including car dealers. In Europe, the same distribution channels are used by both AXA's Life & Savings operations and Property & Casualty operations. For a description of these distribution channels, please refer to the "Distribution channels" section in the Life & Savings segment of this Part 2.2.

Development of distribution channels is key to reach targeted customers and overall for the profitability of the activity.

The split of distribution channel used by AXA's Property & Casualty operations, based on gross revenues for the year ended December 31, 2007 and 2006, is presented below:

BASED ON GROSS REVENUES IN 2007

	General agents and salaried salesforce	Intermediaries, independent advisers & brokers	Direct Sales and marketing	Other networks, including coporate partnerships and bank networks
France	69%	26%	4%	1%
Germany	50%	45%	1%	5%
United Kingdom	3%	60%	25%	12%
Belgium	–	94%	2%	4%
Mediterranean Region	54%	33%	4%	9%
Switzerland	76%	21%	–	3%

BASED ON GROSS REVENUES IN 2006

	General agents and salaried salesforce	Intermediaries, independent advisers & brokers	Direct Sales and marketing	Other networks, including coporate partnerships and bank networks
France	69%	26%	4%	1%
Germany	48%	45%	2%	5%
United Kingdom	3%	62%	22%	13%
Belgium	1%	94%	3%	2%
Mediterranean Region	61%	26%	5%	8%

CEDED REINSURANCE

AXA's Property & Casualty operations use various types of reinsurance, primarily to limit their maximum exposure to catastrophic events, environmental pollution risks and certain other types of risks. A growing portion of AXA's Property & Casualty insurance exposures are ceded internally to AXA Cessions, which organizes external reinsurance programs. Total gross premiums ceded by AXA's Property & Casualty operations to third party reinsurers in 2007 amounted to €1,232 million (2006: €1,004 million).

INTERNATIONAL INSURANCE SEGMENT

Operations in this segment are principally focused on large risks, reinsurance, and assistance. The offered insurance products, which specifically relate to AXA Corporate Solutions Assurance, include coverage to large national and international corporations mainly relating to property damage, third party liability, marine, aviation and transport, construction risk, financial risk, and directors and officer liability. In addition, AXA Liabilities Managers is the Group's specialized unit in charge of managing the AXA Group's Property & Casualty run-off portfolios including risks underwritten by AXA RE for all periods prior to and including 2005. Reinsurance operations (AXA RE) principally focus on property damage, third party liability, marine and aviation property, and third-party liability reinsurance. The reserves corresponding to the ceded business are fully reinsured by Paris Ré, with AXA RE however keeping the risk of any deviation (positive or negative) as compared to the reserves constituted as at January 1, 2006 in respect of occurrence years 2005 and prior.

The businesses of the International Insurance activities are described below. The International Insurance segment accounted for €3.6 billion, or 4% of AXA's consolidated gross revenues for the year ended December 31, 2007 (2006: €3.7 billion or 5%).

AXA Corporate Solutions Assurance is the AXA Group subsidiary dedicated to large Property & Casualty risk insurance for large European companies, and to aviation and marine insurance companies worldwide.

AXA Cessions is an intra-group reinsurance company. Most of the companies within the AXA Group cede internally some of their major claims and catastrophic exposure to AXA Cessions which analyses, structures and places reinsurance programs for such risks with third-party reinsurers. It also provides advice in risk management and purchase of reinsurance cover to AXA Group subsidiaries.

AXA Assistance provides assistance services including medical aid for travellers, automobile-related road assistance, home assistance and health-related services mainly to banking and insurance companies, tour operators, telecommunication operators, gas, water and electricity utilities and automobile manufacturers. AXA Assistance has also developed its expertise in the market of home services.

AXA Liabilities Managers is the Group's specialized unit in charge of managing the AXA Group's Property & Casualty run-off portfolios. This entity manages the internal run-off portfolios of AXA UK, AXA Germany and AXA Belgium, as well as a number of stand-alone run-off companies of the "Other International Activities" segment. In connection with the disposal of AXA's reinsurance activities, AXA Liabilities Managers also manages the run-off of AXA RE as noted above.

The table below summarizes AXA's consolidated gross revenues and gross insurance liabilities (gross of reinsurance) for the International Insurance segment for the periods and at the dates indicated:

INTERNATIONAL INSURANCE

in Euro million, except percentages

	Gross revenues Years ended December 31,						Gross insurance liabilities at December 31, 2007
	2007		2006		2005		
AXA RE (a)	–	–	–	–	1,451	38%	–
AXA Corporate Solutions Assurance	1,805	51%	1,689	45%	1,605	42%	5,130
AXA Cessions	67	2%	56	2%	60	2%	239
AXA Assistance	699	20%	621	17%	549	14%	293
Other international activities (a)	996	28%	1,351	36%	147	4%	5,294
of which							
AXA RE	*896*	*25%*	*1,217*	*33%*	–	–	*2,937*
AXA Liabilities Managers	*18*	*1%*	*36*	*1%*	*36*	*1%*	*2,174*
AXA RE Life	*82*	*2%*	*98*	*3%*	*111*	*3%*	*182*
TOTAL	**3,568**	**100%**	**3,716**	**100%**	**3,813**	**100%**	**10,956**
Gross written premiums	*3,407*		*3,572*		*3,668*		–
Other revenues	*161*		*144*		*145*		–

(a) In 2006, transfer of reinsurance activities formerly led by AXA RE to AXA Liabilities Managers (recorded in "Other International Activities"), following the sale of AXA RE activities to Stone Point Capital.

MARKET AND COMPETITION

AXA Corporate Solutions Assurance. The competitors in the global risks market are acting at a worldwide level with multinational clients placing their risks far beyond their countries of origin via international programs or in key global marketplaces. After several years of rate increases and program restructuring, the market has experienced soft underwriting conditions from 2005 onwards, notably on Property and Casualty insurance and Aviation, Marine and Space insurance worlwide. 2007 confirmed this trend on rates, which is to some extent due to low occurence of major natural disasters in the recent years. AXA Corporate Solutions Assurance is among the top five large corporate risks insurers in Europe[1].

AXA Assistance is one of the three leading worldwide assistance companies[2], in a market seeing the emergence of some specialized niche players.

PRODUCTS AND SERVICES

AXA Corporate Solutions Assurance provides global insurance programs to large international corporations that require coverage for all their locations. AXA Corporate Solutions Assurance underwrites large insurance risks such as property damage, liability, construction risks, motor fleet, marine and aviation. AXA also offers loss-prevention and risk management services.

AXA Assistance provides both emergency and daily services, and health management through a new range of products and claims management. AXA Assistance has developed its expertise in managing crisis situations, whether they are of a political nature, health-related or linked to natural disasters.

The table below presents the International Insurance segment's gross revenues and gross insurance liabilities by major product for the periods and at the dates indicated:

INTERNATIONAL INSURANCE

in Euro million, except percentages

	Gross revenues Years ended December 31,						Gross insurance liabilities at December 31, 2007
	2007		2006		2005		
Property damage	957	28%	1,132	32%	1,273	35%	1,943
Motor, Marine, Aviation	956	28%	977	27%	1,010	28%	3,144
Casualty / Civil Liability	467	14%	493	14%	488	13%	3,846
Other	1,027	30%	969	27%	897	24%	2,013
TOTAL	**3,407**	**100%**	**3,572**	**100%**	**3,668**	**100%**	**10,946**
Derivatives relating to insurance and investment contracts							9
TOTAL							**10,956**

DISTRIBUTION CHANNELS

AXA Corporate Solutions Assurance mainly distributes its products through international brokers, but also domestic brokers. Marine and aviation business is distributed through specialized brokers.

AXA Assistance mainly operates as a business to business company although it also uses direct sales and marketing to sell its products. In countries in which AXA offers Property & Casualty insurance products such as France, Switzerland, Spain, the United Kingdom and Germany, AXA distribution networks offer assistance services in their insurance products. AXA Assistance aims at integrating service providers and developing capacities of distribution to final customers.

CEDED REINSURANCE AND RETROCESSION

AXA Corporate Solutions Assurance reviews annually its exposure to ensure that the risks underwritten are diversified geographically and by lines of business in order to manage concentration risk. In 2007, AXA Corporate Solutions Assurance ceded €714 million of premiums (2006: €738 million) to third-party reinsurers.

Also, in 2007, approximately €757 million of premiums were placed externally by **AXA Cessions** on behalf of AXA's insurance subsidiaries (2006: €664 million).

(1) Sources: Lehman Brothers, Merrill Lynch, JP Morgan, KBW, Annual Reports.
(2) Source: SNSA (National Syndicate of Insurance Companies).

ASSET MANAGEMENT SEGMENT

Asset Management is important to AXA, from both a strategic and profitability perspective. The development of Asset Management activities is a key part of AXA's financial services strategy, which seeks to capitalize on existing strengths and expand its client base. This strategy is based on the belief that its asset management expertise will enable AXA to benefit in the future from the expected growth in savings-related products in the markets in which it operates. The Asset Management segment accounted for €4.9 billion, or 5% of AXA's consolidated gross revenues for the year-ended December 31, 2007 (2006: €4.4 billion or 6%).

AXA's Asset Management companies are AllianceBernstein and AXA Investment Managers. The Asset Management companies manage assets on behalf of institutional clients, retail investors and private clients, as well as on behalf of companies affiliated with AXA.

AXA has asset management specialists' teams in each of its major markets: Western Europe, the United States and the Asia / Pacific region.

The table below sets forth the total assets managed by AllianceBernstein and AXA Investment Managers, including assets managed on behalf of third parties, and the fees earned by such companies on these assets for the indicated dates and periods.

ASSET MANAGEMENT SEGMENT

in Euro million

	2007	2006	2005
Assets managed by AXA's Asset Managers at December 31, (a)			
Managed on behalf of third parties (b)	657,957	651,184	542,925
Assets backing contracts with financial risk borne by policyholders	95,225	94,999	89,622
Other invested assets	338,672	282,573	290,145
TOTAL	**1,091,853**	**1,028,756**	**922,692**
Of which			
AllianceBernstein	543,465	544,123	490,612
AXA Investment Managers	548,388	484,633	432,080
Commissions and fees earned for the years ended December 31,			
AllianceBernstein	3,277	3,102	2,587
AXA Investment Managers	2,006	1,679	1,195
SUB-TOTAL	**5,283**	**4,781**	**3,783**
Intercompany eliminations	(420)	(375)	(343)
CONTRIBUTION TO AXA'S CONSOLIDATED GROSS REVENUES	**4,863**	**4,406**	**3,440**

(a) Based on estimated fair value at the dates indicated. Assets under management presented in this table are based on asset management companies only; AXA Group (including insurance companies) assets under management amounted to €1,281 billion, €1,278 billion (of which €104 billion linked to Winterthur) and €1,038 billion as of December 31, 2007, 2006 and 2005 respectively.
(b) Including Mutuelles AXA.

MARKET AND COMPETITION, PRODUCTS AND SERVICES, AND DISTRIBUTION CHANNELS

AllianceBernstein

AllianceBernstein, is a subsidiary of AXA Financial and is a leading global investment management firm based in the United States. AllianceBernstein provides diversified investment management and related services to individual investors, private clients and to a variety of institutional clients, including AXA Financial and its insurance subsidiaries (which collectively are AllianceBernstein's largest client) as well as unaffiliated entities such as corporate and public employee pension funds, endowment funds, and United States and foreign institutions and governments. AllianceBernstein Holding L.P. is listed on the New York Stock Exchange under the ticker symbol "AB".

AllianceBernstein provides diversified Asset Management and related services globally to a broad range of clients including:

- Diversified investment management services through separately managed accounts, hedge funds, mutual funds, and other investment vehicles to private clients (such as high net worth individuals, trusts and estates, and charitable foundations),
- Management of mutual funds sponsored by AllianceBernstein, its subsidiaries and affiliates, for individual investors,
- Management of investments on behalf of institutional investors, and
- Independent research and brokerage-related services for institutional investors.

At December 31, 2007, AllianceBernstein had €543 billion of assets under management, including €461 billion of assets managed on behalf of third party clients (2006: €544 billion and €454 billion, respectively).

AXA Investment Managers ("AXA IM")

AXA IM is a significant player in the international Asset Management business, headquartered in France. AXA IM provides its clients with a wide range of global products and expertise via mutual funds and dedicated portfolios. AXA IM's clients include (i) institutional investors, (ii) individual investors to whom mutual funds are distributed through AXA and external distribution networks, and (iii) AXA's insurance subsidiaries both for main fund and unit-linked fund backing insurance products.

AXA IM's worldwide growth is reflected in the set up of new subsidiaries in 2007 in China (joint venture with SPDB) and India (joint venture with Bharti and AXA Asia Pacific Holdings). In addition, in 2007, AXA IM assumed management responsibility for the majority of Winterthur's assets.

At December 31, 2007, AXA IM had €548 billion of assets under management, including €197 billion of assets managed on behalf of third party clients (2006: €485 billion and €197 billion respectively).

BANKING SEGMENT

The operations in the Banking segment are conducted primarily in Belgium, France and Germany. For the years ended December 31, 2007 and 2006, the Banking segment accounted for €0.3 billion and €0.4 billion, respectively, or less than 1%, of AXA's consolidated gross revenues.

This segment's operations principally include:

AXA BANK BELGIUM

AXA Bank Belgium, a subsidiary of AXA Belgium, offers a comprehensive range of financial services to individuals and small businesses and has a network of approximately 950 exclusive independent bank agents, who also support the sale of products offered by AXA Investment Managers and of insurance products offered by AXA Belgium. AXA Bank Belgium is the sixth bank in Belgium where the four largest banks represent 90% of the market[1].

AXA BANQUE

Based in Paris, AXA Banque had more than 610,000 registered customers at the end of 2007, with development focused on exclusive networks (exclusive agents and salaried salesforce) covering 75% of client scope. It offers a large range of retail banking products including deposit and saving accounts and consumer loans.

GERMAN BANK

AXA Bank targets private customers in retail banking, and is an important element of pensions and asset management of AXA Germany. The Bank had approximately 75,000 clients at year-end 2007. The major activities of AXA Bank are mortgage loans and mutual funds (retail portfolio management and custodian services only). These products are sold exclusively through the tied agent network of AXA Germany.

(1) AXA source.

> 2.2 INFORMATION ON THE COMPANY

Property & Casualty and International Insurance claims reserves

ESTABLISHMENT OF CLAIMS RESERVES

AXA is required by applicable insurance laws and regulations, and generally accepted accounting principles to establish reserves for outstanding claims (claims which have not yet been settled) and associated claims expenses that arise from its Property & Casualty and International Insurance operations.

LOSS RESERVE DEVELOPMENT TABLE

The loss reserve development table shows movements in loss reserves between 1997 and 2007, based on previously applied accounting standards, in accordance with IFRS 4. All contracts concerned are insurance contracts as defined by IFRS.

The first row entitled "Gross reserves for unpaid claims and claims expenses developed initially at the booking date" represents the loss reserves developed in the balance sheet on the reporting date for the year indicated in the column heading. For example, the amount of €31,168 million appearing in the first row of the table in the 2005 column represents all loss reserves developed in all years of occurrence prior to and including 2005, recognized on the company's balance sheet at December 31, 2005.

The second row entitled "Gross reserves for unpaid claims and claims expenses developed in 2007 adjusted for changes in exchange rates and scope of consolidation" indicates the amount that would have been developed initially at the booking date had the exchange rates for the current year been used (for reserves recognized by AXA Group entities that do not use the Euro as their functional currency) and assuming an identical scope of consolidation to that used for the last diagonal of the table.

Preparation of the last diagonal reflects the fact that, following the merger of some newly-acquired portfolios with the AXA Group's existing portfolios, it is not always technically possible to distinguish, within payments made in a given year in respect of prior occurrence years, between those relating to the historical portfolio and those relating to the recently-acquired portfolio. In these cases, the merged scope is used to prepare the last diagonal of the table, even in the columns corresponding to years before the one in which the most recent portfolio was acquired.

With effect from the development of loss reserves at end of 2006, however, AXA uses the method which consists in completing each column of the table using the same scope as that used for "Gross reserves for unpaid claims and claims expenses developed initially at the booking date". In practice, therefore, with effect from the 2006 column, the differences between the first and second rows are mainly due to exchange rate impacts and only marginally to changes in scope of consolidation.

Also with effect from year-end 2006, IBNR reserves related to construction insurance in France ("PSNEM") and the annuity reserves of the Property & Casualty segment have been included in the loss reserve development table for Property & Casualty and International Insurance (excluding AXA RE).

The first section of the table entitled "Cumulative payments" shows, for a given column N, the cumulative amount of payments related to years of occurrence prior to and including N, made since December 31 of year N.

The second part of the table entitled "Reserves re-estimated" shows, for a given column N, an estimate of the final cost of liabilities carried at December 31 of year N in respect of all years of occurrence prior to and including N, at each future period end. The final cost estimate varies year on year as information relating to losses still outstanding becomes more reliable.

The surplus (shortfall) of the initial reserves with respect to the re-estimated gross final cost for each year represents, for a given year N, the difference between the amount shown on the second row (gross reserves for unpaid claims and claims expenses developed in 2007 adjusted for changes in exchange rates and scope of consolidation) and the amount shown in the final diagonal under "Reserves re-estimated".

LOSS RESERVE DEVELOPMENT TABLE: PROPERTY & CASUALTY AND INTERNATIONAL INSURANCE (EXCLUDING AXA RE)

(in Euro million except percentages)

	1997 [b]	1998	1999 [c]	2000	2001	2002	2003	2004 [d]	2005	2006 [e]	2007
Gross reserves for unpaid claims and claims expenses developed initially at the booking date [d]	**20,371**	**20,941**	**26,656**	**26,916**	**28,636**	**28,465**	**27,825**	**29,128**	**31,168**	**41,301**	**44,020**
Gross reserves for unpaid claims and claims expenses developed in 2007 adjusted for changes in exchange rates and scope consolidation [d]	**21,132**	**21,633**	**23,809**	**24,592**	**26,072**	**26,724**	**27,556**	**28,409**	**29,884**	**42,627**	**44,020**
Cumulative payments at :											
One year later	4,737	4,745	7,727	6,807	6,715	6,371	6,075	6,180	6,084	7,652	
Two years later	6,632	6,818	11,184	10,302	9,900	9,554	9,233	8,871	8,700		
Three years later	8,087	9,361	13,474	12,378	12,440	11,846	11,332	10,580			
Four years later	10,338	10,632	14,798	14,220	14,140	13,411	12,518				
Five years later	11,218	11,384	16,239	15,297	15,410	14,159					
Six years later	11,512	12,435	16,554	16,420	15,816						
Seven years later	12,508	12,889	17,667	16,646							
Eight years later	12,970	13,557	17,742								
Nine years later	13,756	13,727									
Ten years later	13,864										
Reserves re-estimated at :											
One year later	19,425	19,040	23,041	27,069	27,425	26,856	27,527	29,179	29,878	40,966	
Two years later	17,510	19,407	26,294	25,919	25,718	26,219	26,791	27,833	27,084		
Three years later	17,971	22,048	25,542	24,864	25,610	25,835	26,920	25,572			
Four years later	20,162	21,485	24,409	24,665	25,542	25,783	24,994				
Five years later	19,873	20,804	24,304	24,658	25,756	24,076					
Six years later	19,052	20,820	24,174	25,093	24,112						
Seven years later	19,293	20,671	24,720	23,585							
Eight years later	19,267	21,049	23,387								
Nine years later	19,864	20,120									
Ten years later	18,986										
Cumulative redundancy (deficiency) from the initial gross reserves in excess of re-estimated gross reserves: [a]											
Amount	2,146	1,513	422	1,007	1,960	2,648	2,562	2,837	2,800	1,660	
Percentages	10.2%	7.0%	1.8%	4.1%	7.5%	9.9%	9.3%	10.0%	9.4%	3.9%	

(a) It is not appropriate to extrapolate future redundancies or future deficiences based on the loss reserve development presented in the table, as conditions and trends that have affected development of the liability in prior periods may not necessarily occur in the future periods. Redundancy/deficiency disclosed includes forex impact between this year and last year. This line also includes the impact of the unwind of discount rate on annuities (which are developed from 2006 on) for an amount of €100 million for 2006.

(b) AXA acquired Compagnie UAP ("UAP") on January 1, 1997. The operations of AXA and UAP were integrated in 1998. At the date of acquisition, UAP had net reserves of €13.7 billion. The outstanding claims reserves and claims expenses of UAP's Property & Casualty operations are included in the year end reserves as of December, 31, 1997 and after. Cumulative payments and reserve development for 1998 and after include the development of integrated Property & Casualty liabilities of AXA, including UAP, as loss development data specific to UAP are not available and there is no reasonable basis of allocating cumulative payments and reserves re-estimated between AXA and UAP post-acquisition.

(c) AXA acquired GRE in May 1999. GRE's operations have been integrated within AXA. At the time of acquisition, GRE's gross reserves totaled €5.6 billion.

(d) In 2004, AXA Corporate Solutions Assurance US, AXA RE P&C Insurance Company and AXA RE P&C Reinsurance were transferred from AXA RE to "other international activities". The reserves of AXA Corporate Solutions Assurance US were presented on an occurring year basis and included in the Property & Casualty loss reserve development table. The reserves of AXA RE P&C Insurance Company and AXA RE Reinsurance Company were presented on an underwriting year basis and included in the AXA RE loss reserve development table.

(e) In 2006, Winterthur's operations were integrated within AXA. Total loss reserves developed amounted to €41.3 billion including €8.7 billion in respect of Winterthur (final figure after PGAAP re-opening).

LOSS RESERVE DEVELOPMENT TABLE: AXA RE

On December 21, 2006, the AXA Group finalized an agreement to sell the AXA RE reinsurance business to Paris Ré Holding. Under the terms of the agreement, AXA retains exposure to any changes in the final cost of claims occurring before December 31, 2005. However, the proportional treaty set in place as part of the agreement between AXA RE and Paris Ré protects AXA entirely from any claims occurring after January 1, 2006. Consequently, the table below shows the development of loss reserves recognized in AXA RE's balance sheet at each year-end until December 31, 2005. Reserves recognized after that date, which correspond to exposure assumed fully by Paris Ré, have not been developed.

(in Euro million except percentages)

	1997	1998	1999	2000	2001 (c)	2002	2003	2004 (d)	2005
Gross reserves for unpaid claims and claims expenses developed initially at the booking date (a)	**2,880**	**3,060**	**3,396**	**3,455**	**5,868**	**4,778**	**4,200**	**3,314**	**4,523**
Gross reserves for unpaid claims and claims expenses developed in 2007 (d)	**2,880**	**3,060**	**3,396**	**3,453**	**5,868**	**4,778**	**3,742**	**3,314**	**4,253**
Initial retroceded reserves	(285)	(416)	(430)	(393)	(1,652)	(1,020)	(853)	(410)	(1,048)
Retroceded reserves in 2007 (d)	(285)	(416)	(430)	(393)	(1,652)	(1,020)	(461)	(502)	(1,048)
Initial net claims reserves:	**2,595**	**2,644**	**2,966**	**3,060**	**4,216**	**3,758**	**3,281**	**2,812**	**3,205**
Cumulative payments at:									
One year later	583	956	1,165	1,218	1,987	1,441	950	1,127	1,191
Two years later	1,094	1,594	1,893	1,860	3,198	2,113	1,543	1,574	1,688
Three years later	1,430	2,000	2,265	2,449	3,603	2,570	1,784	1,812	
Four years later	1,685	2,232	2,779	2,549	3,978	2,768	1,953		
Five years later	1,815	2,677	2,726	2,770	4,140	2,899			
Six years later	2,101	2,566	2,894	2,874	4,242				
Seven years later	1,971	2,697	2,966	2,939					
Eight years later	2,060	2,755	3,011						
Nine years later	2,114	2,794							
Ten years later	2,150								
Reserves re-estimated at:									
One year later	2,945	3,743	3,969	4,199	5,922	5,012	3,438	3,797	4,061
Two years later	3,159	3,817	4,105	4,061	6,183	4,163	3,642	3,621	3,745
Three years later	3,168	3,772	3,955	4,034	5,314	4,374	3,514	3,399	
Four years later	3,045	3,643	4,027	3,817	5,536	4,281	3,332		
Five years later	2,941	3,722	3,755	3,944	5,466	4,107			
Six years later	2,964	3,444	3,845	3,887	5,308				
Seven years later	2,724	3,521	3,797	3,766					
Eight years later	2,774	3,478	3,713						
Nine years later	2,736	3,403							
Ten years later	2,680								
Cumulative redundancy (deficiency) from the initial gross claims reserves in excess of (less than) re-estimated gross claims reserves	**200**	**(343)**	**(317)**	**(313)**	**560**	**671**	**410**	**(85)**	**508**
Re-estimated retroceded reserves	353	533	476	443	1,200	838	476	751	1,167
Premium adjustment (b)	637	724	1,034	1,281	1,387	1,289	580	374	403
Re-estimated net claims reserves	1,690	2,146	2,203	2,042	2,721	1,980	2,276	2,274	2,175
Initial net claims reserves in excess of (less than) re-estimated net claims reserves as at December 31, 2007									
Amount (a)	905	498	763	1,018	1,495	1,778	1,005	538	1,030
Percentages of original net reserve (a)	34.9%	18.8%	25.7%	33.3%	35.5%	47.3%	30.6%	19.1%	32.1%

(a) The loss reserve development table is presented on an underwriting year basis for AXA RE business. Accordingly reserves re-estimated and the excess of re-estimated reserves of the initial reserves include reserves for losses occurring up to twelve months subsequent to the original year-end. It is not appropriate to extrapolate future redundancies or future deficiencies based on the loss reserve development presented in the table, as conditions and trends that have affected the development of the liability in prior periods may not necessarily occur in future periods.

(b) Represents premiums earned subsequent to the accounting year end and premium reinstatements / experience-rated premiums received and accrued from the ceding insurers as assumed losses were incurred.

(c) In 2001, AXA RE's claims reserves were adversely affected by the September 11 attacks.

(d) In 2004, AXA Corporate Solutions Assurance US, AXA RE P&C Insurance Company and AXA RE P&C Reinsurance were transferred from AXA RE to the "other international activities". The reserves of AXA Corporate Solutions Assurance US were presented on an occurring year basis and included in the Property & Casualty loss reserve development table. The reserves of AXA RE P&C Insurance Company and AXA RE Reinsurance Company were presented on an underwriting year basis and included in the AXA RE loss reserve development table.

RECONCILIATION BETWEEN DEVELOPED RESERVES AND TOTAL RECOGNIZED CLAIM RESERVES

TOTAL GROSS CLAIM RESERVES

(in Euro million)

	2007	2006 Restated [c]	2005
Gross claims and other reserves developed			
Property & Casualty and International Insurance (excluding AXA RE) [a]	44,020	41,301	31,168
– of which future policy benefits annuity reserves	3,321	–	–
– of which construction reserves (PSNEM)	1,418	1,258	–
Future policy benefits annuity reserves (separately developed in 2006)	–	2,492	–
AXA RE [a]	–	–	4,253
Total gross claims and other reserves developed	**44,020**	**43,793**	**35,421**
Construction reserves (PSNEM) non developed	–	–	1,126
Future policy benefits annuity reserves non developed	–	–	1,528
Other reserves non developed [b]	4,734	5,242	2,098
of which AXA RE liabilities	*2,562*	*3,038*	–
Total gross claims and other reserves excluding Life & Savings Segment	**48,754**	**49,035**	**40,173**

(a) Total gross claims and other reserves developed are presented on the basis of the loss reserve development table. The reserves of AXA Corporate Solutions Insurance US were included in Property & Casualty and International Insurance loss reserves. The reserves of AXA RE P&C Insurance Company and AXA RE Reinsurance Company (€203 million in 2007, €282 million in 2006 and €409 million in 2005) were included in AXA RE's loss reserve development table.
(b) Including reserves on acceptations (€699 million in 2007, €771 million in 2006 and €938 million in 2005).
(c) In accordance with IFRS 3, i.e. within 12 months following the acquisition date, the Group has adjusted certain items impacting the allocation of Winterthur purchase price.

ENVIRONMENTAL, ASBESTOS AND OTHER EXPOSURES

AXA regularly reviews environmental, asbestos and other related exposures to ensure that loss provisions take into account recent developments and information. Further details are provided in Note 14 "Liabilities arising from insurance and investment contracts" included in "Part V – Consolidated Financial Statements" of this Annual Report.

> 2.2 INFORMATION ON THE COMPANY

Additional factors which may affect AXA's business

For information relating to certain additional matters that may affect AXA's business, see the "Risk factors" Section included in the Part IV, and the Part V "Consolidated Financial Statements" included in this Annual Report.

REGULATION

AXA is engaged in regulated business activities on a global basis through numerous operating subsidiaries and the Group's principal business activities of insurance and asset management are subject to comprehensive regulation and supervision in each of the various jurisdictions where the Group operates. AXA SA, the ultimate parent holding company of the AXA Group, is also subject to extensive regulation as a result of its listing on Euronext Paris and on the New York Stock Exchange and its control shareholding interest in numerous regulated insurance and asset management subsidiaries. Given that the AXA Group is headquartered in Paris, France, this supervision is based to a significant extent on European Union ("EU") directives, discussed more fully below, and on the French regulatory system. The AXA Group's principal regulators in France are the *Autorité des marchés financiers* ("AMF"), which is the French financial market regulator, and the *Autorité de Contrôle des Assurances et des Mutuelles* ("ACAM"), which is the principal French insurance regulator.

INSURANCE RELATED REGULATION

While the extent and nature of regulation varies from country to country, most jurisdictions in which AXA's insurance subsidiaries operate have laws and regulations governing sales practices, standards of solvency, levels of reserves, permitted types and concentrations of investments, business conduct, agent licensing, approval of policy forms and, for certain lines of insurance, approval or filing of rates. In certain jurisdictions, regulations limit sales commissions and certain other marketing expenses that may be incurred by the insurer. In general, insurers are required to file detailed annual financial statements with their supervisory agencies in each of the jurisdictions in which they do business. Such agencies may conduct regular or targeted examinations of the insurers' operations and accounts and make requests for information from the insurer. Certain jurisdictions also require registration and periodic reporting by holding companies that control a licensed insurer. This holding company legislation typically requires periodic disclosure concerning the corporation that controls the licensed insurer and other affiliated companies, including prior approval of transactions between the insurer and other affiliates such as inter-Group transfers of assets and payment of dividends by the controlled insurer. In general, these regulatory regimes are designed to protect the interests of policyholders rather than security holders.

EUROPE

In Europe, AXA operates in most major markets, including France, Germany, the United Kingdom ("UK") and Belgium through free-standing subsidiaries that are subject to a comprehensive regulatory regime based on the European Union ("EU") insurance directives on life insurance and insurance other than life insurance. These directives have been implemented in France, Germany, the UK and other European jurisdictions and are founded on the "home country control" principle, according to which the ongoing regulation of insurance companies, including their non-home country insurance operations (whether direct or through branches), is the responsibility of the home country insurance regulatory authority. The home country insurance regulator monitors compliance with applicable regulations, including regulations governing solvency, actuarial reserves, investment of assets, statutory accounting principles, internal governance and periodic reporting requirements. In France, ACAM monitors compliance with applicable regulations, the insurer's capital base and actuarial reserves, as well as the assets of the insurer that support such reserves. Selling activities of non-home country insurance operations, however, are generally supervised by the regulator in the country in which the sale of the insurance product takes place. As a result of the implementation of these directives, an insurance company that has been licensed to conduct insurance business in one jurisdiction of the EU may do business directly or through branches in all other jurisdictions of the EU without being subject to additional licensing requirements in the other jurisdictions.

The EU has also adopted various directives concerning solvency margin requirements for insurers and insurance groups.

- A 1998 EU directive, implemented into French law in 2002, requires insurance groups to calculate a consolidated solvency margin. In accordance with this directive, AXA must establish appropriate internal controls to ensure solvency sufficient to cover all of the Group's insurance liabilities, inform the French insurance regulatory authorities annually of certain intra-group transactions, and calculate on a consolidated basis the capital needed to meet the respective solvency requirements of the Group's insurance subsidiaries. Similar solvency requirements must be fulfilled by intermediate holding companies that own AXA Group insurance subsidiaries in different EU jurisdictions.

- A 2002 EU directive, implemented into French law in 2005, concerns the regulation and supervision of financial conglomerates and provides for the assessment of a financial conglomerate's capital requirements at the consolidated group level, the supervision of risk concentration and intra-group transactions, and the prevention of double-leveraging of the capital of a parent holding company, i.e. once at the holding parent level and a second time at the subsidiary level ("double gearing"). Although the AXA Group is not currently deemed a financial conglomerate within the meaning of this legislation by the French insurance regulator, there can be no assurance that it will not become (or be deemed) a financial conglomerate in the future. Due to the lack of uniform interpretation of this legislation by local insurance regulators throughout the various EU jurisdictions, AXA's Belgian subsidiary has been deemed a financial conglomerate by the Belgian insurance regulator and it is possible that other European subsidiaries of the AXA Group may also be deemed financial conglomerates by local regulators thereby subjecting them to the requirements of this law.
- The European Commission (the "Commission"), jointly with Member States, is carrying out a fundamental review of the regulatory capital regime of the insurance industry (the "Solvency 2" project) that will update the existing life, non-life, reinsurance and insurance groups directives. Its principal objective is to establish a solvency system that is better matched to the true risks of insurers, enabling supervisors to protect policyholders' interests as effectively as possible and in accordance with common principles across the EU. Solvency 2 is expected to be based on the concept of three pillars-minimum capital requirements, supervisory review of firms' assessments of risk and enhanced disclosure requirements. Its scope is expected to cover, among other matters, valuations, the treatment of insurance groups, the definition of capital and the overall level of capital requirements. Under Solvency 2, companies will be encouraged to improve their risk management processes and will be permitted to make use of internal economic capital models to enable a better understanding of risks and appropriate adaptation of the model to each insurer's specific business mix and risks. In 2007, the Commission adopted a draft directive setting forth various policy principles and guidelines that will act as a framework for the development of the Solvency 2 regime. Implementing measures will be adopted by the Commission and the Member States, supplementing this framework, and Solvency 2 is expected to be implemented by 2010.

In addition to these directives governing solvency of insurance companies and groups, in France, Germany, the UK, and certain other European jurisdictions, Property & Casualty insurers are required to maintain equalization reserves to protect against the impact of large claims and catastrophes. The basis on which these equalization reserves are established is set out in the local country regulations based on pre-established formulas applicable to certain lines of business and may be capped at a maximum level.

There have been a number of other initiatives in Europe with implications for AXA's European insurance subsidiaries, and the European insurance sector more generally, including the following:

- In September, 2007 the European Commission completed its investigation into certain practices relative to the European "business insurance" sector. Several of AXA's European subsidiaries received questionnaires from the Commission in connection with this investigation, which began in June 2005, and cooperated fully with the Commission. While the Commission's final report did not impose sanctions on any insurer or other party, it did suggest certain areas for possible legislative and/or regulatory action by European Member States including in connection with compensation of insurance intermediaries, certain pricing practices in insurance and reinsurance pools and various other areas. Management cannot predict with any certainty at this time the impact of these potential legislative or regulatory actions.
- In various European and other jurisdictions, including the UK, insurance and financial services regulators have adopted or are generally moving towards a "principles based" system of regulation founded on a set of general and broadly worded principles rather than detailed prescriptive rules. These principles, which provide regulators with broad discretion in their application, cover a variety of matters and are designed to ensure, among other matters, that insurers and other financial services providers treat their customers fairly, conduct their business with the requisite levels of integrity and ethics, maintain appropriate corporate governance practices and internal controls, and generally manage their businesses in a prudent manner taking into account their fiduciary duties and the interests of their customers.
- Finally, there are numerous other legislative and regulatory initiatives within various European jurisdictions relating to a variety of matters, including such matters as distribution practices and changes to tax laws that may affect the attractiveness of certain of our products, which currently have favorable tax treatment. For example, in Italy, since 2007, insurance companies are no longer permitted to enter into exclusive agency agreements with their agents and in the UK, recently adopted modifications to the capital gains tax regime are expected to reduce the attractiveness of certain products we sell including life insurance bonds and adversely impact sales of these products and tax matters.

UNITED STATES

In the United States, regulation of the insurance business remains principally at the state level, with AXA's insurance operations being subject to regulation and supervision by various states and territories. Within the U.S., the method of regulation varies but generally has its source in statutes that delegate regulatory and supervisory powers to a state insurance commissioner. While the extent of regulation varies by jurisdiction, most jurisdictions have laws and regulations governing approval of policy forms and rates, sales practices and business conduct, the standards of solvency that must be met and maintained (including risk-based capital measurements), the establishment and levels of reserves, the licensing of insurers and their agents, sales practices by agents, the nature of and limitations on permitted investments, restrictions on the size of risks which may be insured under a single policy, deposits of securities for the benefit of policyholders, methods of accounting, periodic examinations of the affairs of insurance companies, and the form and content of reports of financial condition and results of operations to be filed.

Certain of AXA's U.S. insurance, broker-dealer, investment adviser and investment management subsidiaries, including AXA Equitable Life Insurance Company ("AXA Equitable"), and certain life insurance policies and annuity contracts offered by them are subject to regulation under the Federal securities laws administered by the SEC and under certain state securities laws. The SEC conducts regular examinations of the operations of these companies, and from time to time, makes requests for information from them. The SEC, other governmental and regulatory authorities, including state insurance and securities regulators, and the Financial Institutions Regulatory Authority ("FINRA") may institute administrative or judicial proceedings which may result in censure, fines, the issuance of cease-and-desist orders, the suspension or expulsion of a broker-dealer or member, its officers or employees or other similar sanctions. Over time, AXA Financial's broker-dealer subsidiaries and its other subsidiaries have provided and, in certain cases continue to provide, information and documents to the SEC, FINRA, state attorneys general and other regulators on a wide range of issues, including, among other things, supervisory issues, market timing, late trading, valuation, suitability, e-mail policies and practices, replacements and exchanges of variable life insurance and annuities, collusive bidding and other inappropriate solicitation activities, "revenue sharing" and directed brokerage arrangements, investment company directed brokerage arrangements, fund portfolio brokerage commissions, mutual fund sales and marketing and "networking arrangements" as well as purchases and sales of "non-traditional insurance products" including finite reinsurance. In addition, investigations by state attorneys general and state insurance commissioners into collusive bidding, contingent commissions, finite reinsurance and revenue sharing practices as well as practices associated with replacements and exchanges of life insurance and annuities, gave rise to a number of state legislative initiatives in this area. Certain of AXA's U.S. and other subsidiaries have been the subject of, or otherwise involved in these investigations from time to time. Ongoing or future regulatory investigations could result in fines, other sanctions and/or other costs for AXA's subsidiaries and/or other legislative initiatives.

Several U.S. states, including the state of New York, regulate transactions between an insurer and its affiliates under insurance holding company acts that establish certain reporting requirements and place restrictions on provision of services and on intercompany transactions. State insurance regulators also have the discretionary authority to limit or prohibit new issuances of business to policyholders within their jurisdiction when, in their judgment, such regulators determine that the issuing insurer is not maintaining adequate statutory surplus or capital. Life insurers in the United States are also subject to risk-based capital ("RBC") guidelines, which provide a method of measuring the adjusted capital (statutory capital and surplus plus asset valuation allowance and other adjustments) that a life insurance company should have for regulatory purposes and that takes into account the risk characteristics of the company's investments and products. AXA Equitable and AXA's other U.S. life insurance subsidiaries expect that the statutory surplus will continue to be in excess of the minimum RBC levels required to avoid regulatory action.

Although the U.S. federal government generally does not directly regulate the insurance business, many federal laws affect the insurance business in a variety of ways, including the Federal Fair Credit Reporting Act related to the privacy of information and the USA PATRIOT Act of 2001 relating to, among other things, the establishment of anti-money laundering programs. Furthermore, many U.S. federal tax laws affect the business in a variety of ways. There are a number of existing, newly enacted or recently proposed U.S. federal legislative initiatives, including U.S. federal tax initiatives that may significantly affect AXA's U.S. life insurance subsidiaries. For example, in June 2001, legislation was enacted which, among other things, provides several years of lower rates for estate, gift and generation skipping taxes ("GST") as well as one year of estate and GST repeal (in 2010) before returning to 2001 law for the year 2011 and thereafter. Legislation has been proposed regarding extending or making permanent the repeal of the estate and generation skipping taxes or significantly increasing exemption amounts and lowering rates. If enacted, this legislation would have an adverse impact on sales and surrenders of life insurance in connection with estate planning. Other provisions of the 2001 legislation increased amounts which may be contributed to tax qualified retirement plans and allowed increased funding levels for tax qualified retirement products. These provisions, which were to expire after 2010, have now been made permanent. In 2003, reductions to income tax rates on long-term capital gains and qualifying corporate dividends were enacted which adversely impacted the attractiveness of cash value life insurance and annuity products relative to other investment alternatives that may qualify for these lower rates. While set to expire after 2010, there are proposals to extend or make such reduced rates permanent. Federal legislative proposals relating to the creation of new tax-favored savings accounts have been made for several years. Recently finalized Treasury regulations modify the rules for non-qualified deferred compensation and qualified plans (including tax sheltered annuities). Proposed legislation, to the extent enacted or adopted, and the complexity of recent Treasury regulations, could adversely affect certain sales of life insurance as well as the attractiveness of certain qualified plan arrangements, and the use of cash value life insurance and annuities for such arrangements. The U.S. Congress may also consider proposals for the comprehensive overhaul of the Federal tax law which, if enacted, could adversely impact the attractiveness of cash value life insurance, annuities and tax qualified retirement products. For example, in November 2005, The President's Advisory Panel on Federal Tax Reform announced its tax reform options that, if enacted by Congress, would make sweeping changes to many longstanding tax rules. These changes would include the creation of new tax-favored savings accounts that would replace many existing qualified plan arrangements and would eliminate certain tax benefits currently available to cash value life insurance and deferred annuity products by annually taxing any withdrawable cash value build-up in such products. Management believes that the enactment of these options into law in their current or similar form would adversely affect sales, funding and persistency of cash value life insurance and deferred annuity products. Management cannot predict what, if any, legislation will actually be proposed or enacted based on these options or what other proposals or legislation, if any, may be introduced or enacted relating to AXA Financial's business or what the effect of any such legislation might be.

On August 25, 1998, AXA, Winterthur Group and certain other European insurers signed a Memorandum of Understanding with certain U.S. insurance regulators and non-governmental Jewish organizations agreeing to the establishment of the

International Commission on Holocaust Era Insurance Claims ("ICHEIC"). ICHEIC conducted an investigatory process to determine the status of life insurance policies issued to Holocaust victims between 1920 and 1945 and settled thousands of claims filed with the ICHEIC with respect to policies issued by the European insurers participating in ICHEIC. After having completed its archival research and audit processes as well as the payment of all valid claims submitted by Holocaust victims and their heirs, the ICHEIC concluded its work in March 2007. As a result of its participation in the ICHEIC process, AXA benefits from a statement of interest issued by the U.S. federal government which provides that ICHEIC should be recognized as the exclusive remedy for all Holocaust era insurance claims. This statement of interest is intended to protect AXA against future civil litigation in the U.S. by Holocaust claimants and to encourage judges handing this type of litigation to dismiss these claims. While this statement of interest provides AXA with a certain level of protection against future lawsuits of this type in the U.S., it does not offer complete protection and, consequently, AXA could still be subject to litigation in the U.S. brought by Holocaust claimants.

New draft legislation has recently been introduced in the U.S. Congress that would require insurers that issued policies during the Holocaust era to furnish information concerning policies in force during that period to a federal registry maintained by the United States and subject the insurers to certain sanctions if they fail to do so. This proposed legislation would also create a federal private right of action permitting introduction of civil litigation in U.S. federal courts in connection with these matters. This legislation is currently pending and is under review and discussion by a number of interested parties. Management cannot predict with any certainty at this time whether this proposed legislation (or similar legislation) will ultimately be adopted or the magnitude of the potential impact it may have on the AXA Group if adopted.

ASIA-PACIFIC AND OTHER JURISDICTIONS

The other jurisdictions in which AXA operates, including those in the Asia-Pacific region, also have comprehensive regulatory regimes with which AXA must comply. In general, insurance laws and regulations grant supervisory authorities broad administrative powers, including the power to limit or restrict the conduct of business for failure to comply with such laws and regulations or to revoke an insurer's license to operate. Consequently, AXA's insurance subsidiaries operating in the Asia-Pacific region could be subject to regulatory orders limiting, restricting or terminating their regulated business activities in the event they fail to meet local regulatory requirements. In addition to licensing requirements, AXA's insurance operations in these jurisdictions are also generally regulated with respect to currency, policy terms and language, amount and types of security deposits, amount and type of reserves, amount and type of local investment and the share of profits to be paid to policyholders on participating policies. In certain jurisdictions, regulations governing constitution of technical reserves and similar regulations may prevent payment of dividends to shareholders and/or repatriation of assets.

AXA's life-insurance products' advantageous tax treatment may be eliminated or adversely impacted for certain products by changes in tax laws that are considered from time to time in jurisdictions in which AXA operates. For example, the Japanese legislature recently adopted a change in the tax treatment of Increasing Term Products that eliminated tax advantages of these products and adversely affected sales of these products in the Japanese market. As in other regions of the world, regulators in the Asia-Pacific region have broad discretion in their application of regulation and to investigate licensed insurers, on an individual or sector basis, to examine specific issues. For example, in Japan, the FSA ordered an extensive examination of claims payment practices in the life insurance sector during 2007. As part of this investigation, AXA Japan reviewed several hundred thousand life insurance payments over the past 5 years to determine whether benefits had been paid correctly.

ASSET MANAGEMENT RELATED REGULATION

AllianceBernstein and AXA Investment Managers are subject to extensive regulation in the various jurisdictions in which they operate. These regulations are generally designed to safeguard client assets and to ensure adequacy of disclosure concerning investment returns, risk characteristics of invested assets in various funds, suitability of investments for client investment objectives and risk tolerance, as well as the identity and qualifications of the investment manager. These regulations also generally grant supervisory agencies broad administrative powers, including the power to limit or restrict the conduct of business for failure to comply with such laws and regulations. In such event, the possible sanctions that may be imposed include the suspension of individual employees, limitations on engaging in business for specific periods, the revocation of the registration as an investment adviser, censures and fines.

AllianceBernstein and certain of its subsidiaries as well as certain U.S. subsidiaries of AXA Investment Managers and AXA Financial, Inc. are investment advisers registered under the United States Investment Advisers Act of 1940 (the "Investment Advisers Act"). Each of AllianceBernstein's U.S. mutual funds is registered with the SEC under the U.S. Investment Company Act of 1940 (the "Investment Company Act") and the shares of most of these funds are qualified for sale in all states in the United States and the District of Columbia, except for U.S. funds offered only to residents of a particular state. Certain subsidiaries of AllianceBernstein and AXA Financial, Inc. are also registered with the SEC as transfer agents and broker-dealers that are subject to minimum net capital requirements. Transactions between AXA Equitable and AllianceBernstein are subject to applicable provisions of the New York Insurance Law and transactions between AXA Investment Managers and its insurance company clients are subject to various insurance law regulations of the various jurisdictions where these clients are domiciled. These regulations generally require that the terms of transactions between the investment manager and its client be fair and equitable, that charges or fees for services performed be reasonable and that certain other standards be met. Fees must be determined either with reference to fees charged to unaffiliated clients for similar services or, in certain cases, which include ancillary service agreements, based on cost reimbursement.

FINANCIAL MARKET REGULATION AND RELATED MATTERS

As a publicly-traded company with its securities listed on both Euronext Paris and the New York Stock Exchange, the Company must comply with the relevant rules for listing and trading on each of these exchanges and with a number of other laws and regulations including French and U.S. securities laws administered and enforced by, respectively, the AMF in France and the SEC in the U.S. These listing rules, other laws and regulations govern a wide variety of matters including (i) timely and accurate disclosure of information to investors, (ii) presentation of financial information in accordance with IFRS requirements (as well as in accordance with certain SEC requirements), (iii) restrictions on presentation of non-GAAP measures in the U.S., (iv) auditor independence requirements (including prohibitions on auditors furnishing certain types of non-audit services), (v) numerous corporate governance requirements (including independence requirements for audit committee members), (vi) certification of certain public reports by AXA's Chief Executive Officer and Chief Financial Officer, and (vii) requirements to evaluate, document, and report on AXA's internal controls over financial reporting and disclosure controls and procedures. The scope and impact of these requirements on the day-to-day operations of AXA has increased significantly since the adoption of the Sarbanes-Oxley Act in the U.S. in 2002 and the adoption of similar legislation in other jurisdictions, including the Financial Security Law *(loi de sécurité financière)* in France in 2003. While the spirit of these laws is very similar, their technical requirements often vary and conflict with one another. Management has devoted substantial resources to ensure compliance with both the letter and spirit of these laws and anticipates that considerable resources will continue to be devoted to this area in the future.

In addition to these requirements, a number of recent legislative and regulatory initiatives in France, at the EU level or in other jurisdictions where AXA operates have potential implications for AXA and its subsidiaries. Certain of these initiatives may help create more uniform practices across the EU and facilitate the development of a more open and accessible European market for international companies like AXA. For instance, the European takeover directive, implemented into French law in 2006, provides a more uniform takeover regime within the EU, and the European directive relating to cross-border mergers, which is expected to be implemented into French law in early 2008, should considerably simplify the regulatory framework applicable to these mergers. However, others of these initiatives may increase the compliance burden, associated expense and regulatory risk for AXA and other market participants, including the following:

- Anti-money laundering and anti-terrorism legislations have been enacted and continue to evolve in the many jurisdictions in which AXA and its subsidiaries operate. These laws and regulations impose increasingly complex compliance requirements on international groups such as AXA and prohibit the Group from doing business with certain countries, individuals or organizations.
- Certain European jurisdictions have enacted legislation that impacts investment of the Group's proprietary assets and may also affect the Group's asset management activities for third-party clients in those jurisdictions, including by restricting investment in financial instruments issued by companies engaged in certain activities. These types of legislation, which often vary from one jurisdiction to another, increase compliance costs and risks for the Group in the various European jurisdictions where it operates.
- In France and at the EU level, there are continuing discussions concerning implementation of a "class action" litigation mechanism that would allow groups of plaintiffs to bring collective actions. The scope and form of any such mechanism, as well as the timing of introduction, are currently under discussion.

Insurance and Asset Management markets

LIFE & SAVINGS

France[1]. French Life Insurance market declined by 3% in 2007, especially on Individual lines business (−4%) whereas Group Life business increased by 7%. This negative market evolution can be explained by the impact of new law on inheritance tax enacted in 2007 and by some positive regulatory impacts (Fourgous, PEL…) which explained the exceptional growth in 2006 (+17%). In this context, AXA outperformed the market on individual lines business (+1.5%), in particular with the successful launch of Capital Resources (APE: €23 million). AXA France maintained its market position on Group business with a growth of 1.9% after an exceptional growth in 2006 (especially on retirement). On the total Life market, AXA ranked third.

United States[2]. In the annuity market, variable annuities were the product of choice with industry sales up 15% through the first nine months of the year, primarily driven by the demand for guaranteed living benefit riders. Industry fixed annuity sales continued to decrease (−8%) over the same period as a result of the continued low interest rate and competition from products such as bank certificates of deposit. In the Life insurance market, total Life industry sales were up 7% for the first nine months of 2007. Strong first half equity market performance, higher universal Life prices, greater tax clarity on some Group Life policies and expansion into other distribution channels buoyed variable Life sales (+8%) through the first three quarters of 2007. Life insurance products, such as universal Life, continued their strong sales in the first nine months of 2007, with industry universal Life sales up 10%. For the same period, fixed whole Life insurance sales increased by 1%, and term insurance sales increased by 7%. AXA gained market share, ranking second in the variable annuity market and ninth in the variable Life market for the first nine months of 2007.

United Kingdom[3]. New annualized business (new regular premiums plus 10% of single premiums) were 16% higher than the same period in 2006. Despite mild stock market instability, and concern over the proposed changes to capital gains tax announced in the Pre Budget Report, "Wealth Management" markets held up. Popularity of open architecture investment vehicles (Wrap and Self-Invested Personal Pensions) continued. Stock market falls commenced at the end of the period. The positive effects from individuals and corporates reviewing existing pension arrangements resulting from "A Day" Pension Simplification changes continued throughout the period. This also influenced increased activity in drawdown and annuity products. Large numbers of final salary scheme reconstructions also drove Corporate Personal Pensions growth, although the market fell off at the end of the period. The Protection market remained flat as mortgage sales were depressed by the ongoing credit crunch. Within the UK, the traditional IFA and multi-tie channels represented collectively 76% of total market new business. AXA's market share was 7.8% (as of September 2007).

Japan[4]. The Life insurance industry faced two main challenges during 2007: (i) the March 2007 announcement of a substantial reduction in the tax deductibility of the Increasing Term product (a key product for a number of insurers) led to most insurers discontinuing the product, and (ii) the regulator mandated retrospective review of all medical claims paid in the past five years which, following most insurers identifying claims which had been unpaid or underpaid, generated significant negative sentiment in the press for the industry. Whilst these conditions impacted many insurers, individual annuity sales sourced from bancassurance distribution channels continued to generate growth for a number of insurers. Changes in deregulation (notably bancassurance and the postal service privatisation), social infrastructure (including a population that is both ageing & declining) and customer sophistication are expected to continue to influence market dynamics. Being one of the most mature insurance markets, Japan continues to be a highly competitive market. AXA is 10th in the market based on the number of inforce policies (3rd for Medical products).

Germany[5]. In 2007, German Life & Savings market was flat. The trend away from traditional products in favour of unit-linked annuity products (+20% in terms of regular premiums and +75% in terms of single premiums) kept going on. 2007 was impacted by the increase in short-term and medium-term investment products (increase by 26% in terms of single premiums) which competed directly with banking products. The core products of the Retirement Earnings Law ("Alterseinkünftegesetz"), the "Rürup" pensions grew by 100% in terms of regular premiums. "Riester" products decreased by 25% in terms of regular premiums in 2007 due to one-off effect last year as 2006 benefited from fiscal incentives. In the Life market, AXA ranked sixth (2006 figures including DBV-Winterthur in terms of gross revenues). German Private Health

(1) Source: FFSA.
(2) Please note that the numbers quoted for the market data (Life and annuity) are for the nine months ended September 30, 2007. Source: LIMRA and VARDS (Morning Star).
(3) Please note that the numbers quoted for the market data are for the nine months ended September 30, 2007.
(4) Source: Insurance Research Institute. Statistics of Life Insurance Business in Japan. Fiscal Year 2006.
(5) Source: GDV. Please note that the full year figures are preliminary estimations.

insurance market grew by 2.9% impacted by two opposite effects, on the one hand the increases of the premium rates for Public Health insurance which favoured the switch from Public to Private and on the other hand the more stringent rules of the Health reform relating to the income threshold. In the Health market, AXA ranked fifth (2006 figures including DBV-Winterthur in terms of gross revenues).

Switzerland[1]. The Life market was flat. Switzerland was impacted by a low interest rate level with tighter margins and highly competitive re-investment activities of banks and autonomous pension "foundations". Estimated Group Life market growth in 2007 of +1.5% was mainly caused by intrinsic drivers such as salary increases and favourable economic environment. Customers benefited from increased pricing competition and enhanced customer retention services. The estimated Individual Life market growth of +1.6% derived from significantly increased unit-linked insurance product sales (+12.9%) and good re-investment opportunities due to large portfolio maturities in traditional insurance business. After the AXA Lausanne integration, AXA Winterthur ranked second both in Group Life and Individual Life.

Belgium[2]. The Life market returned to a normal trend in 2007 with a growth of approximately 9%, following a 2006 market downturn in Individual Investment and Savings, due to several tax changes. The growth was mainly attributable to non unit-linked market increase, estimated around +23%, whereas the unit-linked market sharp decline was estimated at around –31%. Corporate Life was expected to grow by nearly 13%. AXA ranked 4th [3].

Mediterranean Region. In Spain, the liquidity crisis and the domestic debt levels, along with a new fiscal law which removed tax advantages from insurance, led to growth of 2.1%[4]. In Italy, 2007 market forecast[5] for new business showed a 7.0% decrease, especially on bankinsurance (–10%) and agents networks (–19%) impacted by the strong drop in corporate contracts (–43%). After the recession started in 2003, the Portuguese economy started to recover, though the unemployment rate remained at high levels. The Life & Savings market grew by 6.9%[6]. Greece experienced a rapid growth, remaining as one of the European insurance markets with a low penetration rate. In this context, the Life & Savings segment grew in 2007 by 6.6%[7]. The Turkish economy maintained a fast growth. However, the competition of Private Protection Plan's companies led to a decrease of the savings business. In Morocco, the penetration rate remained very low and the market experienced a boost in the Bankinsurance business in the last years focused on capitalization and traditional risk products. In Spain, AXA ranked 9th; in Italy, it ranked 13th in a highly concentrated market; in Portugal, AXA was the 7th player in a market dominated by Bankinsurance channels; in Greece, AXA was ranked 10th; in Turkey, it ranked 4th; in Morocco, it ranked 3rd (combining both Property & Casualty and Life & Savings segments).

Australia / New Zealand. Regulatory change and complexity, the continuing shift of financial responsibility from government to individuals and the poor savings behaviors of most households drove demand for quality financial advice and, in turn, the need for comprehensive support services for advisers. Growth in the wealth management product markets in Australia and New Zealand continued to be driven by the ageing population, government support for self funded retirement and strong investment markets. Major regulatory changes in both countries in 2006 and 2007 aimed at encouraging retirement savings were expected to maintain momentum with market growth rates forecast of 11% per year[8] for the next five years. Financial protection product markets were underpinned by rising incomes, asset appreciation and widespread under-insurance, with expected growth rates of 10% per annum[9]. Both Australia and New Zealand have open, competitive and relatively concentrated markets. The top 10 companies accounted for around 60% of retail funds under management, 75% of net retail funds flow and close to 90% of new and in-force annual premiums in Australia[10]. AXA ranked 4th for retail wealth management and 5th in financial protection in Australia. AXA is unique amongst major competitors in operating across the entire wealth management and financial protection value chain – asset management, products, platforms, adviser services and financial advice. With open competition at each stage of the value chain, this end-to-end presence allows AXA to capture more overall margin and be less sensitive to the shifting of margin between different parts of the value chain.

Hong Kong. The economy of Hong Kong continued to be strong in 2007 with GDP growing by 6.2%[11] and the Hang Seng index growing by 39.3% in 2007. Hong Kong remained a very attractive Life insurance market, with high profit margins, high savings ratios and moderate Life insurance penetration. Individual Life market new business sales increased by 30%[12] for the nine months to September 2007. Life insurance premiums increased over the past few years partly because of growing product options, strong growth in unit-linked savings plan and the entry of banks and new distribution channels in the market. Hong Kong Life insurance market is relatively concentrated, with 53% of individual Life new business sales stemming from the top 5 companies. Following the acquisition of MLC Hong Kong in May 2006 and Winterthur Life (Hong Kong) in April 2007, and strong organic growth, AXA is now number three for inforce premiums and five for new business.

South East Asia & China. Strong economic growth momentum was observed in South East Asia throughout 2007, as GDP of the four middle-income **ASEAN** countries[13] grew by 5.7% in the first and 6.2% in the second half of the year. Neighboring expanded its GDP at an even faster pace (+11.5%) on the back of strong investment, solid consumption and resilient exports[14]. This strong macroeconomic environment set the stage for continued growth in the South

(1) Source: the Swiss Insurance Association statistics.
(2) Source: Assuralia (Belgian Professional Union of Insurance companies). Derived from the nine months ended September 30, 2007 figures.
(3) Source: Assuralia (Belgian Professional Union of Insurance companies) (data as of 2006).
(4) ICEA source.
(5) IAMA source as of November 2007.
(6) Source: Portuguese Insurance Association.
(7) Source: Hellenic Association of Insurance Companies as of September 2007.
(8) Source: Plan for Life as of September 2007.
(9) Source: DEXX&R.
(10) Source: Plan for Life as of September 2007.
(11) 3rd quarter 2007 year-on-year % change in real terms.
(12) Source: OCI statistics, 2006Q3YTD and 2007Q3YTD.
(13) Middle-income countries of the Association of South east Asian Nations: Indonesia, Malaysia, Philippines and Thailand.
(14) Asia Development Bank, Asia Economic Monitor, December 2007.

East Asian Life insurance markets where AXA is currently present. In particular, **Indonesia**'s Life insurance market returned to strong growth of 48%, with total premium income of €2.03 billion for the nine months ended September 30, 2007 (2006 – €1.37 billion)[1]. The **Philippines** remained a similarly attractive market with over €0.75 billion in Life insurance premiums and very low Life insurance penetration of 1%. **Thailand,** a market with a relatively low Life insurance penetration of 2.7%[2] grew to €3.73 billion[3] in annual Life premiums, a 41% increase versus prior year. Last but not least, **Singapore** – a market that can be characterized by large bank deposits and an affluent but underinsured population – recorded gross life premiums of €3.26 billion[4] for the nine months ended September 2007. Likewise, **China** kept its attractiveness, currently being the fourth largest Asian Life insurance market (after Japan, South Korea and Taiwan) with €36.66 billion[5] in annual Life premiums and a low Life insurance penetration rate of 2%.

Central and Eastern Europe. The Life market benefited from a strong development (respectively +9% in Poland[6], +13% in Hungary[7] and +14% in the Czech Republic[8]). AXA's market share over the Region increased from 1.9% in 2006 to 2.5% in 2007. AXA ranked ninth in Hungary, tenth in Czech Republic and twelfth in Poland. Pension Funds market followed the same trend. AXA ranked second in Czech Republic and Slovakia and fifth in Poland and Hungary with a market share of 7.4% over the region (as compared to 5.0% in 2006).

PROPERTY & CASUALTY

France[9]. In 2007, premiums grew by an estimated 2%. Motor business was estimated to have decreased by 0.5% in 2007 (–1% in 2006) due to a very competitive market with a continuing pressure on prices. Household business is estimated to have increased by 5% due to the high increase of property index. Commercial business is estimated to have increased by 3% mainly thanks to Liability and Construction lines. In the Property and Casualty market, AXA was the second player.

United Kingdom & Ireland[10]. Hardening of the United Kingdom market commenced, led by Motor which had modest upward trend throughout 2007. Household and Commercial remained soft, but Property lines were expected to harden following the summer floods. Liability lines were expected to be last to turn, with increases only offsetting claims inflation by 2009-2010. Within AXA, Personal Lines saw significant growth within Motor following the acquisition of Swiftcover and organic growth in household. Commercial lines revenues were flat reflecting difficult market conditions. AXA was up one position to 4th in the market. Overall growth in the Healthcare market remained limited and competition was intense but AXA growth of 12% was driven by new business deals, strong growth in International and product innovation. AXA continued to rank 2nd in the market, with a 1% growth in market share to 25.5%. In Ireland, the Motor market remained soft with intense competition and rates continued to fall. AXA ranked 4th in the Irish market[11].

Germany[12]. In 2007, total business decreased by 0.4% (to €55 billion). Personal and Commercial Motor lines fell by 1.8% in 2007 in the context of an intense price competition. Personal and Commercial Liability grew by 0.5%. Personal non-motor lines remained flat (property +0% and Accident +1%) as penetration was already high. Industrial property gross written premiums decreased by 5% due to pressure on prices. In the P&C market, AXA ranked fourth (2006 figures including DBV-Winterthur).

Switzerland[13]. The Swiss P&C market ranked first worldwide in both premiums per capita and premiums in % of GDP. While the market grew by 2.6% in 2006, mainly due to tariff increases in the Motor and Liability business lines, it started softening in 2007 at an expected 1% due to fierce competition. Motor business (25% of the market) should grow by 1.5%. Both Property and Workers Compensation lines of business slowed growth to about 0.9%. AXA Winterthur ranked first with a market share above 15%.

Belgium[14]. The Property & Casualty market 2007 growth rate was still fuelled by the introduction of the natural peril coverage in mid-2006 and tariff increases in Health. The Motor market, which represented 32% of total Property & Casualty market was estimated to have grown by approximately 1.5%, following significant market pressure, while household premiums estimated growth was about 9% (natural peril). The Workers' compensation market should confirm its growth pace in 2007 at around 4%. AXA continued to rank first in the market.

Mediterranean Region. In Spain, the relative slowdown of the economy had an impact on the car sales industry – which showed a slight deceleration – and on the building industry. Price competition continued in the Motor insurance market, which registered a 2.7%[15] growth. In Italy, 2007 market forecast in P&C[16] showed a 1.9% gross written premium increase. In Portugal, insurance activity faced an unfavourable economic environment (+0.1% in P&C[17]). After the recession started in 2003, the Portuguese economy started to recover, but the unemployment rate remained at high levels. New regulation allowed clients to cancel their

(1) Indonesia Life Insurance Industry (AAJI).
(2) Thai Life Assurance Association (TLAA).
(3) Thai Life Assurance Association (TLAA).
(4) Singapore Life Insurance Association.
(5) CIRC publication, 2006 (www.circ.gov.cn).
(6) Polish Financial Supervision Authority site.
(7) Q3 2007 report of the Association of Hungarian Insurance Companies (Mabisz).
(8) Czech association of insurance companies.
(9) Source: FFSA.
(10) The ranking figures are based on publicly available Interim Reported Results presentations, and are generally on an IFRS basis. They are reported on a different basis to statutory reporting through FSA Returns (which are UKGAAP).
(11) Based on data from Irish Insurance Federation 2006 fact files.
(12) Please note that the full year figures are preliminary estimations. Source: GDV.
(13) Based on a report by Swiss Re.
(14) Derived from the nine months ended September 30, 2007 figures (source: Assuralia Belgian Professional Union of Insurance companies).
(15) ICEA source.
(16) IAMA source.
(17) Portuguese Insurance Association source.

policies without mandatory notification, which increased cancellations and new business. Greece remained as one of the European insurance markets with a low penetration rate, and its P&C segment grew in 2007 by 8.5%[1]. The Turkish economy maintained a fast growth. Thus, Turkish P&C segment increased by 17%[2]. In Morocco, the penetration rate was still very low. In Spain, AXA ranked 2nd in the non-life market; in Italy, it ranked 8th in the market; in Portugal, AXA ranked 2nd; in Greece, it ranked 10th; in Turkey, AXA ranked 2nd; in Morocco, AXA ranked 3rd (combining both Property & Casualty and Life & Segment segments).

Asia (excluding Japan). Singapore. The insurance market grew by 12% in gross written premiums in the first three quarters of 2007 as compared to the same period last year. Underwriting results remained profitable but declined due to higher incurred loss ratios particularly in motor class of business. AXA ranked 4th with 7.2%[3] of market share (3rd for motor and 2nd for Marine cargo). **Hong Kong.** The P&C industry grew by 4.7% in Gross written premiums for the first three quarters of 2007). However, Motor business contracted by 3.9% despite the increase in number of insured vehicles due to the soft market. Underwriting results remained profitable although lower than prior year, which was mainly due to higher claims and management expenses. AXA ranked 8th with 3.1%[4] of market share. The company was the 1st for Motor in 2006. **Malaysia.** The P&C industry grew by 3.9% in gross written premiums for the first three quarters of 2007. However, underwriting results showed a small loss in the same period, attributable to higher claims ratio particularly in Motor. AXA Malaysia ranked 18th with 2.6%[5] of market share.

South Korea[6]. The Property & Casualty market increased by 16.5% in 2007. Motor premiums increased by 13%, following tariff rises after several years of continuing pressure on prices. Premiums for Long-term products (which include all contracts with a maturity above 3 years, in particular Health, Medical and Accident) grew significantly by 21.4%. They are now representing 54% of the total Property & Casualty market. Kyobo AXA ranked 1st in the Direct Motor insurance market, or 6th (up from 8th in 2006) in the total Motor market with a 4.4% market share. In the total P&C market, Kyobo AXA ranked 12th.

INTERNATIONAL INSURANCE

AXA Corporate Solutions Assurance is the AXA Group subsidiary dedicated to Property and Casualty insurance of large multinational corporations, and to Aviation, Marine and Space insurance worldwide. After several years of rate increases and programs restructuring, the market experienced soft underwriting conditions on these lines of business from 2005 onwards. 2007 confirmed this trend on rates, which is to some extent due to low occurrence of major natural disasters in the recent years. AXA corporate Solutions Assurance is among the top five large corporate risks insurers in Europe[7].

ASSET MANAGEMENT

Starting in mid-2007, increasing subprime mortgage delinquencies led to recessionary fears in the US, resulting in a pronounced decline in residential construction and consumer confidence. Reimbursment defaults notably in structured products used to re-fund the loans hit the financial markets which faced significant outflows as the institutional investors needed cash to back losses or wanted to shift away from risky corporate debt. This liquidity crisis led numerous European investors to sell "dynamic" monetary funds while underlying assets were not liquid.

These developments generated concerns that global economic growth would slow, which in turn, had caused volatility in global equity markets as headlines about subprime losses, credit tightening and reduced liquidity persisted. In this context, the credit market registered a major spread widening due to assets illiquidity. Financial institutions became also increasingly cautious about extending credit, as they sought to maintain sufficient collateral coverage and capital to absorb potential losses, causing global growth to decelerate. The coordinated response of the central banks through rate cuts or increased liquidity were an important factor in addressing this crisis. In this environment, global asset managers continued to face near-term challenges such as deteriorated investment returns and heightened volatility. However, offsetting this threat are positive long-term demographic trends reflecting the continuing shift of retirement assets from corporate and government programs to defined contribution and individual plans. This social transfer and the increasing number of global baby boomers approaching retirement represent tremendous opportunities for asset management firms. Global investors shifted increasingly their focus, raising demand for outcome-oriented advice and services, such as lifecycle and lifestyle funds designed to ensure the preservation of retirement assets. In Europe, in particular the continuing shift to open architecture provided opportunities for asset managers to grasp some of the current captive pools of assets. In addition, a dramatic widening of risk premiums provided the basis for enhanced absolute and relative investment returns, benefiting investors worldwide. The rise in demand for more sophisticated global investment solutions, including alternative investments such as hedge funds and private equity, created expanded opportunities and a distinct advantage for large, globally-diversified asset managers.

(1) Hellenic Association of Insurance Companies as of September 2007.
(2) Association of the Insurance and Reinsurance Companies of Turkey source as of September 2007.
(3) Source: Monetary Authority of Singapore.
(4) Source: Office of the Commissioner of Insurance.
(5) Source: Insurance Services Malaysia Bhd.
(6) Source: General Insurance Association of Korea.
(7) Sources: Lehman Brothers, Merrill Lynch, JP Morgan, KBW, Annual Reports.

Market conditions in 2007

FINANCIAL MARKETS

2007 was a year of contrasts. Activity in the financial sphere was robust, fuelled by abundant sources of liquidity. Credit expansion was continuing apace, and mergers/acquisitions were at record levels, with more than US$1.5 trillion transacted in the first quarter alone. However, the US real estate correction that began in 2006 gradually revealed the fragility of the so-called subprime market. By summer, it had already became evident to most observers that the subprime loans granted (worth around US$1.5 trillion, nearly 15% of the total mortgage market) could be in real trouble. Hence, a financial crisis was born. In the first half of August, the ECB (European Central Bank) had to step in and put a halt to the liquidity crisis that was forming. The Fed injected US$88 billion, and the ECB added €228 billion, between the 9th and the 16th of August. In addition, the central banks took steps intended to make it easier for banks to get cash, in particular by broadening the spectrum of securities eligible to be used as collateral for repos. At the end of the year, it became necessary to take yet other steps, including massive injections of liquidity, in order to prevent the substantial liquidity needs that emerged in late December from creating further tensions. Stateside, the Fed lowered its key rates three times, bringing the Fed Funds rate to 4.25%. The Bank of England also lowered its rates, while the ECB and the Bank of Japan left theirs untouched.

Stock Markets

Looking at the major global stock market indices, the MSCI global gained nearly 10%, including dividends. The MSCI emerging gained close to 40%, after adding 33% in 2006. The Dow Jones and the DJ Euro Stoxx appreciated by 8.9% and 7.3% respectively, while in Japan, the Nikkei lost 11% on the year.

Bond Markets

After a difficult start to the year for government bonds, the mounting worries and the change in monetary policy created the conditions for a much more positive situation. In fact, US government bonds were one of the year's big winners, outperforming their European counterparts. The US 10-year T-bond ended the year at 4%, a decline of nearly 70bps compared with the beginning of the year, while the Bund yield rose by nearly 30bps to 4.33%. The yield curve underwent a major steepening, with the spread between the yield on 2 and 10 year bonds surpassing 90bps in the United States. A similar phenomenon was observed in the United Kingdom. Credit spreads widened with the iTRAXX Main (Investment Grade) moving from 23.4bps to 50.0bps in 2007 while the iTRAXX Crossover (Below Investment Grade) increased from 219.5bps to 338.8bps.

Exchange rates

Compared to December 31, 2006, the Dollar lost nearly 11% against the Euro (Closing exchange rate moved from 1.32$ at the end of 2006 to 1.47$ at the end of December 2007). The same was true for the Yen at September 2007 but to a lesser extent (Closing exchange rate moved from 149.3 yens at the end of September 2006 used for Full Year accounts to 163.6 yens at the end of September 2007). The Pound Sterling lost nearly 9% against the Euro (Closing exchange rate moved from 0.672£ at the end of 2006 to 0.733£ at the end of December 2007). The Swiss Franc lost 3% against the Euro (Closing exchange rate moved from 1.61CHF at the end of 2006 to 1.66CHF at the end of December 2007).

On an average rate basis, the Dollar lost 9% against the Euro (from 1.26$ over 2006 to 1.37$ over 2007), whereas the Yen lost 11% against the Euro at September 2007 (from 142.9 yens for the twelve months to September 2006 used for Full Year accounts to 158.3 yens for the twelve months to September 2007). The Pound Sterling lost 0.3% against the Euro (from 0.682£ over 2006 to 0.684£ at the end of December 2007). The Swiss Franc lost 4% against the Euro (from 1.57CHF over 2006 to 1.64CHF at the end of December 2007).

> 2.3 ACTIVITY REPORT

Operating highlights

SIGNIFICANT ACQUISITIONS AND DISPOSALS

Acquisitions

On January 12, 2007 (closing date), AXA U.K. announced that it had reached an agreement with **insurance brokers Stuart Alexander and Layton Blackham** to acquire both businesses. AXA U.K. acquired both firms through its subsidiary Venture Preference Ltd, (VPL) which already owned 38.9% of Layton Blackham. The two companies are to be combined and will have considerable autonomy to develop the business and will maintain independent broking status. Quality accounts with current insurers will be maintained and grown. The total cash consideration paid for 61.1% of Layton Blackham and 100% of Stuart Alexander amounted to £58.5 million.

On February 7, 2007, AXA U.K. announced that it was to acquire the U.K.'s only 100% online insurer, **Swiftcover,** jointly owned by international insurer Primary Group and Swiftcover's management. The transaction was closed on March 22, 2007. Swiftcover is a business on the U.K. Personal direct market, with net inflows of 120,000 policies in 2006. The upfront cash consideration for Swiftcover amounted to £75 million, with an additional potential earn-out of £195 million maximum over the next 4 years, based on policy volume and combined ratio level.

In connection with **AllianceBernstein**'s acquisition of the business of Sanford C. Bernstein, Inc. in 2000, AXA Financial Inc. entered into a purchase agreement under which certain former shareholders of Sanford C. Bernstein have the right to sell ("Put") to AXA Financial, subject to certain restrictions set forth in the agreement, limited partnership interests in AllianceBernstein L.P. ("AllianceBernstein Units") issued at the time of the acquisition.
As of the end of 2006, AXA Financial, either directly or indirectly through wholly owned subsidiaries, had acquired a total of 24.5 million AllianceBernstein Units for an aggregate price of approximately $885.4 million through several purchases made pursuant to the Put. AXA Financial completed the purchase of another tranche of 8.16 million AllianceBernstein Units pursuant to the Put on February 23, 2007 for a total price of approximately $746 million. This purchase increased the consolidated economic interest of AXA Financial, Inc. and its subsidiaries in AllianceBernstein L.P. by approximately 3% from 60.3% to 63.2%.

On March 17, 2007, AXA Holdings Belgium S.A. reached an agreement with ELLA Holdings S.A. and its main shareholder Royalton Capital Investors to acquire 100% of the Hungarian retail bank **ELLA** and its affiliates. Originally specialized in on-line banking and today the fastest growing bank in Hungary in terms of volume and number of mortgage loans, ELLA is the 6th largest supplier of mortgage loans in the country with total assets of €375 million at the end of 2006. The combination of AXA Hungary's operations, the 5th largest company in the pensions market, with those of ELLA Bank is intended to emulate the successful business model of AXA in Belgium. The transaction was closed on July 27, 2007 and the purchase price amounted to €123 million.

On March 23, 2007, **AXA and Banca Monte dei Paschi di Siena (BMPS)** reached an agreement for the establishment of a long-term strategic partnership in Life and non-Life bancassurance as well as pensions business. AXA acquired 50% of MPS Vita (Life and savings) and MPS Danni (P&C), as well as 50% of BMPS open pension funds business. AXA will also manage the insurance companies' assets (€11.9 billion as of year-end 2007) and open pension funds assets (€0.3 billion as of year-end 2007). The partnership is a platform for developing AXA's and BMPS's operations in the Italian insurance market. Total cash consideration paid by AXA in this transaction was €1,165 million and was financed with internal resources. The transaction was closed on October 19, 2007.

On April 23, 2007 (closing date), AXA U.K. announced the acquisition of a leading independent commercial broker, **Smart & Cook.** The purchase of Smart & Cook completed a trio of acquisitions in recent months by AXA as it realized a strategic intent to become a national force in commercial broking.

AXA U.K. bought the entire share capital of Smart & Cook through its subsidiary Venture Preference Ltd (VPL) which also houses recently acquired Stuart Alexander and Layton Blackham, purchased in January 2007. The three companies will operate under the same structure, retaining independent broking status. The enlarged business will operate from 40 offices employing some 1,200 people.

On May 22, 2007, AXA acquired 75% of **Kyobo Auto** for an amount of KRW 88 billion (€70 million). The company has a leading position in the South Korean direct Motor insurance market with annual revenues of KRW 476 billion (€374 million) in 2007 and a market share above 30%. The Group ownership reached 90% as of the end of December 2007 following the buyback of minority interests. Thanks to this acquisition, the AXA Group will serve over 2 million clients through its direct distribution P&C operations worldwide.

On June 8, 2007, AXA and BNP Paribas announced they had reached an agreement for the establishment of a partnership on the Ukrainian Property & Casualty insurance market. AXA was to acquire from BNP Paribas' subsidiary UkrSibbank, a 50% stake in its insurance subsidiary: **Ukrainian Insurance Alliance (UIA).** AXA will have management control of the joint company, which will benefit from an exclusive bancassurance distribution agreement with UkrSibbank for an initial period of 10 years. The transaction was closed on November 23, 2007. The purchase price amounted to €12 million.

On July 5, 2007, AXA finalized definitive settlements with all claimants in litigations seeking nullity and avoidance (Nichtigkeits– und Anfechtungsklagen) of **the squeeze-out resolutions** adopted by the general meetings of **AXA Konzern AG** and Kölnische Verwaltungs-AG für Versicherungswerte on July 20 and July 21, 2006, respectively. Following the completion of these settlements, the squeeze-out resolutions have been registered in the commercial register of AXA Konzern AG and Kölnische Verwaltungs-AG für Versicherungswerte on July 5, 2007. Thus, these squeeze-out resolutions are now effective and AXA holds 100% of the shares of these two subsidiaries.
Following registration of these squeeze-out, further litigation with minority shareholders on valuation issues is expected in a compensation review procedure (Spruchverfahren) under German law. The total investment to reach a 100% ownership in AXA Konzern, KVAG, AXA Lebensversicherung and Deutsche Ärzteversicherung starting from the situation as at January 1, 2006 amounted to €367 million.

On July 27, 2007, AXA and UkrSibbank, the Ukrainian banking subsidiary of BNP Paribas, announced that they reached an agreement to acquire 99% of the share capital of **Vesko,** Ukraine's 6th largest P&C insurer. Vesko's revenues for 2006 of $28 million were well balanced between individual and Commercial lines and between proprietary and non-proprietary distribution. The transaction was closed on November 13, 2007. The combination of Vesko with Ukrainian Insurance Alliance will form the 3rd largest Property & Casualty insurer in Ukraine. The purchase price amounted to €17 million for AXA.

On September 12, 2007, AXA and **Bao Minh Insurance Corporation ("Bao Minh")** announced that they reached an agreement to establish a strategic partnership in the Vietnamese insurance market. As part of this agreement, AXA would acquire a 16.6% stake of the share capital of Bao Minh for a total amount of VND 1,194 billion (€54 million). Bao Minh is the 2nd largest player in the Vietnamese non-Life insurance market with a 21% market share. It is well positioned in all business lines and has a strong and diversified distribution network. As part of the partnership, and in order to fully benefit from the growth prospects of the Vietnamese market, Bao Minh would have access to the technical expertise of AXA's global and regional platforms. The transaction was closed on September 26, 2007.

On November 9, 2007, in the context of its strategic partnership with **BMPS,** AXA announced that it held a strategic interest equal to 2.052% of BMPS's total outstanding share capital. The acquisition of this interest was designed to reinforce the long-term relationship between the two companies and to demonstrate AXA's full support for BMPS's proposed acquisition of Banca Antonveneta. AXA would subscribe to its full allocation of BMPS shares as part of the rights issue contemplated by BMPS in connection with this acquisition. In line with the agreement between AXA and BMPS announced in March 2007, the bancassurance agreement between BMPS and AXA-MPS should be extended to Banca Antonveneta, significantly reinforcing AXA-MPS's competitive position on the Italian insurance market. The legal and financial conditions for this extension of the bancassurance agreement are subject to the closing of the acquisition of Banca Antonveneta by BMPS.

On December 21, 2007, AXA announced that it had reached an agreement with **Reso Garantia**'s **("RESO")** shareholders to acquire a 36.7% stake in the company for a total cash consideration of around €810 million. As part of this agreement, AXA will have the option to buy out the remaining stake through calls exercisable in 2010 and 2011. AXA and RESO's shareholders also agreed to form a joint venture to develop an operation on Russia's emerging Life & Savings market. Founded in 1991, RESO has built one of the leading P&C insurance franchises in Russia (7% market share), notably focused on retail Motor, and supported by a network of 18,000 agents, the 2nd largest in Russia. Under the terms of the agreement, RESO's current management team will continue to run the company and roll-out its successful strategy. AXA will have management control of the Life joint venture. With this acquisition, AXA will further reinforce its growth profile and increase its exposure to emerging insurance markets. This transaction is expected to be completed during the first half of 2008. As part of the agreement, AXA granted a 6-year $1 billion credit facility to RESO's main shareholder, fully secured by its shareholding in the company.

In 2006

In March 2006, AXA Canada acquired Winterthur Canada Financial Corporation, whose main asset was **The Citadel General Assurance Company ("Citadel").** The acquisition was financed internally by the AXA Group. The purchase price amounted to €221 million, and the related goodwill to €99 million.

On May 8, 2006, AXA Asia Pacific Holdings announced it had completed the acquisition of **MLC Hong Kong** and **MLC Indonesia.** The purchase price amounted to €340 million. Related intangibles amounted to €309 million, of which €116 million of goodwill and €194 million Value of Business in Force (net of tax).

On May 15, 2006, AXA announced **the squeeze-out of the minority shareholders of its German subsidiary** AXA Konzern AG, whereby it would acquire the 3.2% of AXA Konzern shares it did not already own at a price of €134.54 per ordinary share and preference share. The resolution of the squeeze-out was endorsed at the Annual General Meeting of AXA Konzern on July 20, 2006.
As announced on December 21, 2005, AXA made a voluntary public offer between January 9, 2006 and February 27, 2006 to purchase the minority shares of its German subsidiary **AXA Konzern AG** ("AXA Konzern") from minority shareholders at a price of €129.30 per ordinary and preference share. AXA reached a direct and indirect holding of 96.8% of the share capital of AXA Konzern as of the end of the offer period, thereby exceeding the 95% threshold that is a condition to launching a minority squeeze-out. Under the terms of the voluntary public offer, shareholders who tendered their shares to AXA at €129.30 per share during the offer

period would also benefit from the higher squeeze-out price of €134.54 per share. At the end of December 2006, the corresponding ownership rate of the Group in the German subsidiaries amounted to 96.84% generating an additional goodwill of €92 million.

AXA proceeded with a squeeze-out of the 0.44% minority shareholding in Kölnische Verwaltungs-Aktiengesellschaft für Versicherungswerte AG ("KVAG") at a price of €2,042.01 per ordinary share. The principal asset of KVAG was a 25.6% stake in AXA Konzern's share capital. The resolution of the squeeze-out was endorsed at the annual general meeting of KVAG, held on July 21, 2006. The total investment to reach a 100% ownership in both Axa Konzern and KVAG starting from the situation as at January 1, 2006 amounted to €309 million. A part of this amount remained to be paid in 2007 as the registration of the squeeze-out is subject to various procedures according to German law.

In order to further streamline the organization in Germany, AXA Konzern launched in parallel the squeeze-out of the minority shareholders of its listed life insurance subsidiaries. Upon the completion of these transactions, AXA would own directly or indirectly 100% of all its German subsidiaries.

AXA announced on June 14, 2006, that it had entered into a definitive agreement with Crédit Suisse Group under which AXA would acquire 100% of **Winterthur** for CHF12.3 billion (€7.9 billion) paid in cash.

In addition, AXA refinanced CHF1.1 billion (€0.7 billion) of internal loans redeemed to Crédit Suisse as of the closing date.

AXA secured the total financing of the acquisition of Winterthur through:

- €4.1 billion capital increase resulting in the issue of 208,265,897 new shares,
- €3.8 billion of perpetual deeply subordinated note issues,
- €0.7 billion financed through internal resources.

On December 22, 2006, AXA received all necessary regulatory approvals and consequently closed the acquisition of Winterthur.

On December 22, 2006, AXA Asia Pacific Holdings (AXA APH) reached an agreement with AXA SA to acquire **Winterthur Life Hong Kong Limited (WLHK).** This followed the announcement of the completion of AXA SA's acquisition of the Winterthur Group from Credit Suisse.

AXA APH acquired WLHK for consideration in the range of HK$1.7 billion to HK$2.4 billion ($AUD 278 million to $AUD 393 million). HK$1.9 billion ($AUD 311 million) were payable on completion. This amount was subject to an adjustment based on the future performance of the business measured in 2009. AXA APH obtained shareholder approval for this acquisition at the Annual General Meeting in 2007 and the transaction was completed in Q2, 2007. In addition, AXA APH declined the opportunity to acquire Winterthur's Indonesian life insurance operations and Japanese operations.

On October 16, 2006, AXA entered into an agreement with **Alpha Bank** to acquire its insurance subsidiary Alpha Insurance for €255 million. AXA and Alpha Bank signed a long-term exclusive agreement to pursue and strengthen the existing bancassurance partnership. Alpha Insurance is one of the top ten composite insurers on the Greek market with solid positions on profitable segments and a strong distribution network. Alpha Insurance recorded revenues of €151 million in 2005. It was integrated to AXA's Mediterranean Region platform. The transaction was completed in Q1, 2007.

On October 23, 2006, AXA UK announced that it had reached an agreement with the Board and two main institutional shareholders of Thinc Destini to acquire the entire share capital of **Thinc Destini.** AXA UK acquired Thinc Destini using a newly created company, Advisory Services Limited ("ASL"). Under the terms of the agreement with the two main institutional shareholders and the Offer, the shareholders of Thinc Destini shared up to £70 million based primarily on the financial performance of the business during 2009. The maximum amount was subject to certain deductions as detailed in the terms of the Offer. AXA UK had also agreed to fund the repayment of Thinc Destini's existing indebtedness, which arose primarily due to Thinc Destini's acquisition of a number of IFA businesses, and provide further working capital to the Thinc Destini Group, up to an aggregate amount of £30 million. The transaction which was subject to the satisfaction or waiver of certain conditions, including the Offer being accepted by Thinc Destini ordinary shareholders holding at least 90 per cent of the issued Thinc Destini ordinary shares closed on November 10, 2006.

On December 14, 2006, ONA and AXA entered into an agreement for the buy-out of ONA's 49% share in the capital of **AXA-ONA** (the holding company of AXA Assurance Maroc). The transaction valued AXA-ONA at MAD 6,382 billion (€573 million with December 31, 2006 exchange rate) for 100% of its share capital and was financed locally. Closing of this transaction was subject to regulatory approvals. AXA Assurance Maroc is 100% controlled by AXA. The transaction closed on March 19, 2007.

In 2005

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

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

Disposals

On January 4, 2007, AXA reached an agreement with QBE Insurance Group for the sale of **Winterthur's U.S. operations** for US$1,156 million (€920 million taking into account hedges put in place by AXA for this transaction at 1 Euro = 1.26 US$), and successfully completed the sale on May 31, 2007.

In addition, Winterthur U.S. repaid US$636 million, of which US$79 million had already been repaid in Q4 2006 (€506 million taking into account hedges put in place by AXA for this transaction at 1 Euro = 1.26 US$) of intercompany loans to Winterthur Group. This transaction followed AXA's decision to put Winterthur U.S. operations under strategic review, as initially announced on June 14, 2006.

On June 4, 2007, AXA announced that it had entered into a memorandum of understanding with SNS Reaal with a view to finalizing discussions on the sale of its Dutch operations, comprising 100% of **AXA Netherlands, Winterthur Netherlands and DBV Netherlands,** for a total cash consideration of €1,750 million, after consultation with trade unions and workers' councils.

AXA contemplated exiting the Dutch insurance market given the limited possibilities to reach a leading position through organic growth in the foreseeable future as this market is highly competitive and dominated by large local players.

AXA's Dutch operations concerned by this proposed transaction were treated as discontinued operations (held for sale) in AXA's 2007 consolidated financial statements. As a consequence, their earnings until closing were accounted for in net income for all reported years. Their contribution in 2007 amounted to €480 million (of which €406 million gains on disposal and €74 million result up to the closing date), which was accounted in net income. The transaction was closed on September 5, 2007.

On July 25, 2007, AXA announced it had reached an agreement with China Life Insurance Co Ltd., a Life insurance company incorporated in Taiwan, for the sale of **Winterthur Life Taiwan Branch (WLTB).** In 2006, WLTB had a premium volume of circa €100 million (US GAAP) and a 0.35% market share. The transaction was closed on October 31, 2007.

In 2006

AXA initiated in 2006 a strategic review regarding the future of its reinsurance activity, currently underwritten by **AXA RE** and reported in the "International Insurance" segment. Following the receipt of a binding offer on April 6, 2006 and consultation with the relevant workers' councils, AXA announced on June 6, 2006 the signing of a definitive agreement to cede **the business of AXA RE** to Paris Re Holdings Limited.

On December 21, 2006, AXA completed the sale of AXA RE's business to Paris Re Holdings, in which AXA had taken a 3.4% stake. Under the terms of the agreement, the business of AXA RE had been ceded to Paris Re Holdings, with the risks and corresponding net income related to AXA RE's 2006 claims experience accruing to Paris Re Holdings. This transaction generated a capital gain of €66 million net of tax on the business ceded. AXA guaranteed the reserves pertaining to losses incurred on or before December 31, 2005. Starting with the 2006 accounts, the accounting results of AXA RE accruing to the AXA Group mainly comprised the impact of the loss reserve developments on the corresponding run-off portfolio and were reported in the Other International Insurance segment.

In 2005

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

CAPITAL OPERATIONS

On January 11, 2007, meetings of holders of **AXA's 2014 and 2017 convertible bonds** were held to vote on an amendment of the final conversion dates of the bonds to January 26, 2007 in exchange for a cash payment in respect of the value of the conversion option.

The meeting of holders of the 2014 convertible bonds approved the amendment. Consequently, holders who did not convert their bonds by January 26, 2007, received €16.23 per bond on January 31, 2007.

The meeting of holders of the 2017 convertible bonds did not approve the amendment. Consequently, to fully neutralize the dilutive impact of the 2017 convertible bonds, AXA has purchased from a banking counterparty, for a total cash amount equivalent to the payment proposed to bondholders, call options on the AXA share with an automatic exercise feature. This feature is such that one option is automatically exercised upon each conversion of a convertible bond.

Consequently, each issuance of a new share resulting from the conversion of the bond will be offset by the delivery by the bank to AXA (and subsequent cancellation) of an AXA share; the issuance of a share in respect of the conversion of the bond and the cancellation by AXA of the AXA share received will offset each other.

As a result of this transaction, there will no longer be a change to the outstanding number of AXA shares created by the convertible bond conversion.

For AXA shareholders, these transactions resulted in the elimination, from an economic point of view, of the potential dilutive impact of the 2014 and 2017 convertible bonds (i.e. a maximum of 65.8 million shares). The total cash consideration paid by AXA amounted to €245 million.

On July 1, 2007, 50 free shares were allocated to each AXA employee worldwide. More than 100,000 AXA Group employees in 54 countries, will become shareholders and – depending on the country – will own the shares after two years (with a two year holding period) or after four years (without any holding period), providing they are still employed by AXA. Approved by AXA's shareholders during the annual shareholders' meeting on May 14, 2007, the resolution pertaining to **the "AXA Miles" program** allowed the Management Board to distribute free AXA shares to all AXA employees, representing up to 0.7% of AXA's share capital. This allocation of 50 free shares constitutes the first step in the "AXA Miles" program which is one of several key human resources initiatives of AXA's company-wide project "Ambition 2012".

During 2007, AXA pursued its share repurchase program to control the dilution arising from share-based compensation and employee Shareplan program and to hedge the AXA Miles granted to Group employees. Excluding shares repurchased through the liquidity agreement, AXA purchased 70.4 million of its own shares for a total amount of €2,126 million.

For several years, the AXA Group has been offering to its employees in and outside of France, the opportunity to subscribe for shares issued by way of a capital increase reserved for employees. In 2007, employees invested a total of €552 million leading to a total of 22.1 million newly issued shares. Employee (including agents) shareholders represented 5.23% of the outstanding share capital as of the end of 2007.

OTHER

On July 6, 2007, AXA announced the closing of the €450 million **securitization of its pan-European Motor insurance portfolio.** This transaction aimed at transferring to the financial markets the deviation above a certain level of the cost of claims on the underlying liabilities: over 6 million individual Motor contracts underwritten through multi-distribution channels and representing €2.6 billion of premiums in 2006, spread across a diversified portfolio covering 4 countries (Belgium, Germany, Italy and Spain).

On September 19, 2007, the AXA Group announced its integration into the **Dow Jones Sustainability Indexes,** which select the top 10% most advanced companies in terms of sustainable development in the world. This evolution was an independent confirmation of the relevance of the Group's sustainable development strategy since 2005.

On October 10, 2007, AXA announced the creation of a €100 million global **AXA RESEARCH FUND** to be launched in early 2008. AXA believes that the private sector can, and should, play an important role in promoting meaningful academic research consistent with its larger social responsibilities. In this context, the AXA Group decided to launch the AXA RESEARCH FUND managed by a Scientific Board chaired by Ezra Suleiman, professor of political science at Princeton University, and independent member of the AXA Supervisory Board. AXA committed a total of €100 million to the Fund over 5 years. The Fund will support academic research institutions and individuals involved in post doctorate research programs and will support academic research projects in different areas associated with AXA's business of Financial Protection.

On December 3, 2007, AXA has decided to coordinate its **European retail banking operations** through AXA Bank Europe, in close cooperation with its local insurance operations. The objective of these banking operations is to complement the Financial Protection offering with a range of retail banking products, while ensuring adequate development, control and risk management throughout Europe. AXA currently operates banking in Belgium, France, Germany and Hungary.

Events subsequent to December 31, 2007

In the United Kingdom, from January 31, 2008, a temporary deferral period of up to six months was introduced for certain transactions involving the **AXA Life Property Fund** (£1.2 billion or €1.7 billion at December 31, 2007) and **AXA Pension Property Fund** (£0.9 billion or €1.3 billion at December 31, 2007), which is allowed under the terms of the customer's policy. The transactions affected by the deferral are fund switches out, surrenders and transfers out of the fund. The deferred transaction will take place at the unit prices at the time the transaction is processed. The deferral period runs from the date the request is received by AXA. The imposition of this deferral period, consistent with policy terms, comes at a time when the demand for commercial property investment in the United Kingdom has been declining in recent months and when AXA has seen a significant increase in the level of withdrawals from these two Funds which invest in the United Kingdom commercial property. The contractual deferral period is designed to provide the funds' managers with sufficient time to liquidate properties in an orderly fashion and at fair prices in order to protect the interests of all investors in the fund. Customers invested in the funds have been notified along with their advisers. AXA is monitoring the liquidity situation of these funds closely. In the event that sufficient liquidity to honor all outstanding withdrawal requests by the end of the deferral period cannot be generated through sale of properties held by the funds and other sources of liquidity available to the funds, AXA U.K., as sponsor of the funds, will be required to provide the funds with sufficient liquidity to honor these withdrawal requests.

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

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

On March 4, 2008, AXA UK announced that it made a formal offer to purchase 100% of the share capital of **SBJ** Group. The purchase, which was unanimously recommended by the Board of SBJ, was successfully completed on March 19, 2008. The acquisition of SBJ will complement and enhance AXA's UK advisory and broking capability, bringing a number of strengths to the Group, including increased scale, a wider national presence and access to new market areas.
SBJ, with its strong management team and high quality staff, will represent significant progress towards AXA's stated strategic aim of building a leading presence in the advisory and broking markets. The businesses will continue to operate independently of AXA's insurance company interests.

(1) As of June 30, 2007 – Source: Association of the Insurance and Reinsurance Companies of Turkey.

> 2.3 ACTIVITY REPORT

Consolidated operating results

CONSOLIDATED GROSS REVENUES

CONSOLIDATED GROSS REVENUES [a]

(in Euro million)

	2007	2006 Restated [c]	2006 Published	2005 Restated [c]	2005 Published	2007/2006
Life & Savings	59,845	49,952	50,479	44,585	45,116	19.8%
of which Gross written premiums	*57,773*	*48,268*	*48,786*	*42,972*	*43,496*	*19.7%*
of which Fees and revenues from investment contracts with no participating feature	*740*	*608*	*608*	*509*	*509*	*21.8%*
Property & Casualty	25,016	19,510	19,793	18,600	18,874	28.2%
International Insurance	3,568	3,716	3,716	3,813	3,813	– 4.0%
Asset Management	4,863	4,406	4,406	3,440	3,440	10.4%
Banking [b]	339	377	377	424	424	-10.1%
Holdings and other companies [d]	2	4	4	4	4	– 39.0%
TOTAL	**93,633**	**77,966**	**78,775**	**70,865**	**71,671**	**20.1%**

(a) Net of intercompany eliminations.
(b) Excluding net realized capital gains and change in fair value of assets under fair value option and derivatives, net banking revenues and total consolidated revenues would respectively amount to €320 million and €93,617 million for the period of December 31, 2007.
(c) Restated means the restatement of The Netherlands' activities as discontinued businesses.
(d) Includes notably CDOs and real estate companies.

On a comparable basis means that the data for the current year period were restated using the prevailing foreign currency exchange rates for the same period of prior year (**constant exchange rate** basis). It also means that data in one of the two periods being compared were restated for the results of acquisitions, disposals and business transfers (**constant structural** basis) and for changes in accounting principles (**constant methodological** basis).
In particular, comparable basis for revenues and APE in this document means including Winterthur and net of intercompany transactions in both periods.

Consolidated gross revenues for full year 2007 reached €93,633 million, up 20% compared to 2006.

Taking into account the restatements to comparable basis, mainly the impact of restating 2006 for Winterthur (€13,401 million or –18.1 points) and the appreciation of the Euro against other currencies (€2,830 million or +3.6 points, mainly from the Japanese Yen and US Dollar), **gross consolidated revenues were up 5% on a comparable basis.**

Total Life & Savings New Business APE[1] reached €7,694 million, up 24% compared to 2006. On a comparable basis, New Business APE increased by 8%, mainly driven by the United States and the United Kingdom, partly offset by Japan and the Mediterranean Region.

The United States APE increased by 19% to €2,099 million due to strong growth in sales of Variable Annuities (up 20%) as well as in Life products. Variable Annuities growth was primarily driven by the continued expansion in the third party distribution networks, especially independent financial advisory firms. The addition of certain new product features also contributed to the increase in sales. The Universal Life product range was enhanced by the launch of an updated product in 2007 (Athena).

France APE increased by 3% to €1,360 million driven by both Individual lines and Group business despite a contracting insurance market. In Individual lines, the Accumulator-type product "Capital Ressources" launched in March 2007 recorded €23 million of APE. Group business growth was largely driven by Life & Health while Group retirement remained stable following a strong 2006 performance. Unit-linked share of total APE was stable at 25%.

Japan APE decreased by 17% to €567 million as certain Term products no longer benefit from a favorable tax environment. The lower Term product sales were partly offset by strong

(1) Annual premium equivalent is New regular premiums, plus one tenth of Single premium, in line with Group EEV methodology. APE is Group Share.

performance from medical and cancer product sales as part of the company's strategy to focus on these more profitable products (€+76 million) and the sales of US Dollar and Yen denominated variable annuity products (€+52 million) resulting in AXA increasing its bancassurance market share and becoming one of the top ten players. Unit-linked share of total APE increased to 21%.

United Kingdom APE was up 6% to €1,588 million. Wealth management was up 7% due to (i) individual pension business (up 14%) reflecting the strength of the combined AXA/Winterthur Individual pension offering as well as (ii) strong performance in the Offshore Estate Planning Bond (up 68%), partly offset by (iii) a drop in Offshore Bonds cash sales (–36%) resulting from a change in the tax environment for these products in 1Q07 and affecting negatively AXA U.K.'s APE growth momentum in 2H07. Protection business was up 27% driven by new distribution contracts and improved propositions to IFAs as well as effective direct marketing campaigns. Group pension was up 2%.

Germany APE was stable at €457 million principally due to (i) a strong growth in Investment & Savings (+12%), with notably the "TwinStar" Accumulator-type product (€84 million) (ii) the non recurrence of 2006 large cases in Life Group business and (iii) the negative impact of traditional Riester products (notably in Winterthur's portfolio) which had benefited in 2006 from strong inflows as a result of a fiscal incentive. share of total APE was 38%.

Switzerland APE increased by 2% to €222 million with (i) Individual Life & Savings up 16% reflecting the continuous increase in sales of new Unit-linked products (+148%) which were launched in October 2006 (WinLife Variant) and May 2007 (AXA Comfort), partly offset by (ii) Group Life down 3%. Unit-linked share of total APE increased to 8%.

Belgium APE was up 8% to €340 million due to (i) Individual Life (+5% to €307 million) driven by both non unit-linked (largely Crest 40) and unit-linked products (Twinstar launched in September 2007), and (ii) Group business (+60% to €33 million including €6 million from a 2007 large contract). Unit-linked share of total APE was 14%.

Mediterranean Region APE decreased by 5% to €206 million as a result of a drop in Group business (down 28%) due to the non recurrence of a 2006 outsourcing of pension fund contract in Spain. This was partly offset by the increase in Individual business (+2%) notably driven by the contribution of the Accumulator product (€13 million)[1]. Unit-linked share of total APE was 18%.

Central & Eastern Europe APE was up 59% to €107 million, mainly driven by Life and Savings business (+128% to €48 million), benefiting from strong unit-linked sales (+128% to €44 million) and gains in market share in the Pension Fund business (+27% to €59 million). Main countries contributing to the growth were Czech Republic (+82% to €37 million) and Poland (+56% to €49 million).

Australia / New Zealand APE was up 25% to €545 million mainly driven by continued strong inflows into Global Equity Value fund and ipac wholesale products, in addition to strong Personal superannuation flows into Summit & Generations platforms.

Hong Kong APE was up 12% to €139 million, reflecting strong growth in individual unit-linked regular premiums and group retirement sales and encouraging results from the new Citibank bancassurance agreement (signed in July 2007).

South East Asia & China APE was up 75% to €63 million. Philippines was up 126% to €8 million due to strong unit-linked sales notably in the bancassurance channel, Indonesia was up 112% to €21 million as clients moved to unit-linked products due to reduced local bank deposit rates, Thailand was up 70% to €14 million due to successful agent recruitment and improvements in bancassurance, Singapore was up 25% to €14 million and China was up 93% to €5 million.

Property & Casualty gross revenues were up 28% to €25,016 million, or +4% on a comparable basis mainly driven by United Kingdom & Ireland (+8% to €5,076 million), Mediterranean region (+5% to €5,276 million), France (+3% to €5,330 million), and Germany (+2% to €3,506 million).

Personal lines (60% of P&C premiums) were up 5% on a comparable basis, stemming from both Motor (+5%) and Non-Motor (+5%).

Motor revenues grew by 5% mainly driven by (i) the Mediterranean region up 8%, following new product launches in 2006 and 2007 (mainly "Protezione al volante" in Italy and "Dynamic 2" in Spain) and new segmented tariffs notably in Turkey, (ii) the United Kingdom & Ireland up 21%, largely as a result of the new business written through its Internet company, Swiftcover, which benefited from increased volumes through aggregator websites, (iii) Asia up 15% which confirmed its strong momentum, and partly offset by (iv) Germany (+1%), France (+0%) and Switzerland (–1%), recording positive net new contracts in a context of softening markets.

Non-Motor revenues increased by 5% mainly driven by (i) the United Kingdom & Ireland (+9%) as a result of strong performance in both Health and Travel businesses, (ii) Mediterranean Region (+6%) with positive contribution of all business lines and (iii) France and Germany, both up 2%.

Commercial lines (38% of P&C premiums) recorded a +2% growth on a comparable basis driven by both Non-Motor (+2%) and Motor (+2%).

Motor revenues were up 2%, with strong growth (i) in Germany (+5%) due to a higher number of vehicles in the existing fleets, (ii) in France (+2%) following increase in tariffs and (iii) in the United Kingdom & Ireland (+5%), partly offset by (iv) Mediterranean region (–4%) due to a lower contribution from former Winterthur fleet rental business further to a strategic decision, and (v) Belgium (–2%).

Non-Motor revenues were up 2%, with France (+7%) mainly driven by Construction and the United Kingdom & Ireland (+3%) largely driven by Health, partly offset by Belgium (–4%) due to the non-renewal of some less profitable contracts.

International Insurance revenues were down 4% or up 7% on a comparable basis to €3,568 million attributable to both AXA Corporate Solutions Assurance and AXA Assistance.

(1) AXA Spain and AXA Assicurazioni. AXA-MPS sales were not consolidated in Full Year 2007.

AXA Corporate Solutions Assurance revenues were up 7% both on reported and comparable bases to €1,805 million, driven by portfolio developments in Marine, Property, Motor and Construction.

AXA Assistance revenues were up 13% both on reported and comparable bases to €699 million mainly due to Home Serve business in the United Kingdom, and increased premiums in Travel business in Germany.

Asset Management revenues increased by 10% or +17% on a comparable basis to €4,863 million driven by higher average Assets under Management (+21% on a comparable basis) and business mix improvement.

AllianceBernstein revenues were up 6% or 15% on a comparable basis to €3,130 million largely due to higher base fees (+25%, with +28% in institutional clients, +20% in retail clients and +24% in private clients) driven by higher average assets under management (+21%) partly offset by lower performance fees (−66%), especially on hedge funds. Other revenues (mainly distribution fees, institutional research and other fees) were up 10%.
AllianceBernstein net inflows of €23 billion were strong across all client categories (€13 billion from institutional, €4 billion from retail and €6 billion from private clients).

AXA Investment Managers revenues increased by 20% or +21% on a comparable basis to €1,732 million mainly due to higher average assets under management. The favorable client and product mix evolution was offset by a slight decrease in performance fees.
AXA Investment Managers net inflows of €5 billion were driven by Institutional clients (€5 billion) and Main Fund (€1 billion) partly offset by retail segment (€−2 billion).

Net banking revenues in Banking segment were down 10% or −4% on a comparable basis to €339 million, mainly attributable to AXA Bank Belgium (−15% on a comparable basis to €216 million) in the context of an unfavourable yield curve and higher refinancing costs following higher short term interest rates.

CONSOLIDATED UNDERLYING, ADJUSTED EARNINGS AND NET INCOME

(in Euro million)

	2007	2006 Restated [c]	2006 Published	2005 Restated [b]	2005 Published
Gross written premiums	86,116	71,299	72,099	65,196	65,995
Fees and revenues from investment contracts with no participating feature	740	608	608	509	509
Revenues from insurance activities	**86,857**	**71,907**	**72,707**	**65,705**	**66,504**
Net revenues from banking activities	320	393	393	408	408
Revenues from other activities	6,441	5,684	5,693	4,725	4,733
TOTAL REVENUES	**93,617**	**77,984**	**78,793**	**70,838**	**71,645**
Change in unearned premium reserves net of unearned revenues and fees	**(609)**	**(474)**	**(498)**	**(491)**	**(502)**
Net investment result excluding financing expenses [a]	**24,572**	**30,286**	**30,774**	**30,268**	**30,928**
Technical charges relating to insurance activities [a]	(88,961)	(83,115)	(84,074)	(79,657)	(80,827)
Net result of reinsurance ceded	(1,050)	(1,450)	(1,455)	(125)	(141)
Bank operating expenses	(57)	(78)	(78)	(61)	(61)
Insurance acquisition expenses	(8,669)	(7,079)	(7,162)	(6,424)	(6,509)
Amortization of value of purchased life business in force	(357)	(232)	(241)	(528)	(529)
Administrative expenses	(10,089)	(8,668)	(8,751)	(8,475)	(8,570)
Valuation allowances on tangibles assets	4	18	18	(3)	(3)
Change in value of goodwill	(1)	–	–	–	–
Other	(419)	(448)	(451)	(194)	(197)
Other operating income and expenses	**(109,597)**	**(101,052)**	**(102,193)**	**(95,467)**	**(96,838)**
INCOME FROM OPERATING ACTIVITIES, GROSS OF TAX EXPENSE	**7,983**	**6,745**	**6,876**	**5,149**	**5,233**
Net income from investments in affiliates and associates	29	21	21	20	20
Financing expenses	(467)	(473)	(474)	(480)	(602)
OPERATING INCOME GROSS OF TAX EXPENSE	**7,545**	**6,293**	**6,423**	**4,688**	**4,651**
Income tax expenses	**(1,941)**	**(1,754)**	**(1,793)**	**(922)**	**(900)**
Minority interests in income or loss	**(642)**	**(620)**	**(620)**	**(492)**	**(492)**
UNDERLYING EARNINGS	**4,963**	**3,919**	**4,010**	**3,274**	**3,258**
Net realized capital gains or losses attributable to shareholders	1,175	1,107	1,130	910	850
ADJUSTED EARNINGS	**6,138**	**5,026**	**5,140**	**4,184**	**4,108**
Profit or loss on financial assets (under fair value option) & derivatives	(596)	(228)	(226)	121	149
Exceptional operations (including discontinued operations)	482	311	196	25	(72)
Goodwill and other related intangible impacts	(106)	(24)	(24)	(13)	(13)
Integration costs	(252)	–	–	–	–
NET INCOME	**5,666**	**5,085**	**5,085**	**4,318**	**4,173**

(a) For the periods ended December 31, 2007, December 31, 2006, and December 31, 2005, the change in fair value of assets backing contracts with financial risk borne by policyholders impacted the net investment result for respectively €7,476 million, €15,158 million and €13,589 million, and benefits and claims by the offsetting amounts respectively.

(b) Restated in full year 2005 means: (i) transfer of the forex impact from adjusted earnings to net income, (ii) following clarification of IFRIC agenda committee following IASB decision, AXA reclassified TSDI instruments (perpetual subordinated debts) into shareholders' equity with impact on net income, (iii) in line with new accounting FRS27, the reclassification in the United Kingdom of some With-Profit technical reserves to allow for all future terminal bonuses payable to With-Profit policyholders within the allocated policyholder reserves, previously held in the unallocated policyholder bonus reserve, without any impact on earnings, and (iv) the restatement of The Netherlands' activities as discontinued businesses.

(c) Restated in full year 2006 means the restatement of The Netherlands' activities as discontinued businesses.

NB: Line items of this income statement are on an underlying earnings basis, and not on a net income basis.

(in Euro million)

	2005 Published	Transfer of foreign exchange impact from adjusted earnings to net income	TSDI reclassification impact	The Netherlands Restatement	2005 Restated [(a)]
UNDERLYING EARNINGS	**3,258**	**–**	**79**	**(63)**	**3,274**
Net realized capital gains or losses attributable to shareholders [(b)]	850	94	–	(34)	910
ADJUSTED EARNINGS	**4,108**	**94**	**79**	**(97)**	**4,184**
Profit or loss on financial assets (under fair value option) & derivatives	149	(94)	66	–	121
Exceptional operations (including discontinued operations)	(72)	–	–	97	25
Goodwill and related intangibles	(13)	–	–	–	(13)
NET INCOME	**4,173**	**–**	**145**	**–**	**4,318**

(a) Restated means: (i) transfer of the forex impact from adjusted earnings to net income, (ii) following clarification of IFRIC agenda committee following IASB decision, AXA reclassified TSDI instruments (perpetual subordinated debts) into shareholders' equity with impact on net income, and (iii) the restatement of The Netherlands' activities as discontinued businesses. Please note that FRS 27 impact on the statement of income (underlying basis) are not detailed as they are not significant.
(b) €-94 million includes €-66 million related to foreign exchange impact on TSDI.

(in Euro million)

	2006 Published	The Netherlands Restatement	2006 Restated [(a)]
UNDERLYING EARNINGS	**4,010**	**(91)**	**3,919**
Net realized capital gains or losses attributable to shareholders	1,130	(23)	1,107
ADJUSTED EARNINGS	**5,140**	**(114)**	**5,026**
Profit or loss on financial assets (under fair value option) & derivatives	(226)	(1)	(228)
Exceptional operations (including discontinued operations)	196	115	311
Goodwill and related intangibles	(24)	–	(24)
NET INCOME	**5,085**	**–**	**5,085**

(a) Restated means the restatement of The Netherlands' activities as discontinued businesses.

UNDERLYING, ADJUSTED EARNINGS AND NET INCOME

(in Euro million)

	2007	2006 Restated [(a)]	2006 Published	2005 Restated [(b)]	2005 Published
Life & Savings	2,670	2,270	2,325	1,887	1,931
Property & Casualty	1,863	1,417	1,453	1,327	1,346
International Insurance	218	131	131	68	68
Asset Management	590	508	508	396	396
Banking	36	18	18	44	44
Holdings and other companies [(c)]	(414)	(424)	(424)	(448)	(527)
UNDERLYING EARNINGS	**4,963**	**3,919**	**4,010**	**3,274**	**3,258**
Net realized capital gains or losses attributable to shareholders	1,175	1,107	1,130	910	850
ADJUSTED EARNINGS	**6,138**	**5,026**	**5,140**	**4,184**	**4,108**
Profit or loss on financial assets (under fair value option) & derivatives	(596)	(228)	(226)	121	149
Exceptional operations (including discontinued operations)	482	311	196	25	(72)
Goodwill and related intangibles impacts	(106)	(24)	(24)	(13)	(13)
Integration costs	(252)	–	–	–	–
NET INCOME	**5,666**	**5,085**	**5,085**	**4,318**	**4,173**

(a) Restated in full year 2006 means the restatement of The Netherlands' activities as discontinued businesses.
(b) Restated in full year 2005 means: (i) transfer of the forex impact from adjusted earnings to net income, (ii) following clarification of IFRIC agenda committee following IASB decision, AXA reclassified TSDI instruments (perpetual subordinated debts) into shareholders' equity with impact on net income, and (iii) the restatement of The Netherlands' activities as discontinued businesses.
(c) Includes notably CDOs and real estate companies.

Group underlying earnings amounted to €4,963 million. Excluding the contribution of Winterthur in 2007 (€623 million) and on a constant exchange rate basis, underlying earnings grew by €572 million (+15%), attributable mainly to Life & Savings, Property & Casualty and Asset Management.

Life & Savings underlying earnings amounted to €2,670 million. Excluding the contribution of Winterthur (€286 million) and on a constant exchange rate basis, Life & Savings underlying earnings were up €230 million (+10%) mainly attributable to the United Kingdom (€+78 million), France (€+69 million), Germany (€+50 million), Belgium (€+22 million), partly offset by the United States (€–37 million).

Excluding the contribution of Winterthur and on a constant exchange rate basis, **underlying earnings** increased by €230 million mainly resulting from:

(i) An **improved investment margin** (€+84 million), primarily in France (€+48 million broadly in line with asset base evolution), the United Kingdom (€+46 million largely driven by Shareholders' participation in higher With-Profit bonuses as a result of high levels of With-Profit surrenders in 2007), Belgium (€+43 million mainly due to a decrease of the credited rates driven by the increased share of lower guaranteed rate products while the average rate of return of the assets increased slightly), partly compensated by the United States (€–90 million primarily driven by lower net investment income reflecting lower General Account asset levels and lower prepayments from mortgages and fixed maturity refinancing).

(ii) **HigherFees and Revenues** (€+927 million) principally due to the United States (€+322 million mainly due to higher fees earned on separate account business resulting from positive net cash flows, the impact of the market appreciation on separate account balances and higher fee structure), the United Kingdom (€+222 million principally due to the Thinc Group fees and revenues, an increase in Loadings on account balances, and an increase in deferred loadings amortization related to previously deferred income on short term offshore cash deals business largely written in Q4 2006 and Q1 2007, which is offset in the expense margin by amortization of previously deferred commissions), France (€+118 million mainly resulting from higher revenues on unit-linked account balance and higher sales on Life & Health products), Australia / New Zealand (€+98 million reflecting higher inflows and growth of funds under management and administration, following strong domestic market performance fuelled by changes in superannuation legislation), and Japan (€+66 million mainly driven by loadings on higher medical premiums).

(iii) **Lower tax and minority interests** (€+10 million) as the €25 million reduction in income tax expense mainly attributable to the United Kingdom (€+159 million due primarily to the non recurring 2006 net negative impact of €107 million due to reassessment of the likelihood of a future distribution from the attributed Inherited Estate), partly offset by France (€–67 million reflecting notably the increase of taxable income) and the United States (€–63 million principally due to the non recurrence of a €92 million favorable tax settlement in 2006, partially offset by a €36 million release of tax reserves in 2007), was offset by the €15 million increase in minority interests (€14 million attributable to Hong Kong following the increase in earnings).

This was partly offset by:

(iv) **Lower net technical margin** (€–16 million) mainly driven by the United States (€–126 million mainly due to lower GMDB/IB margins mainly due to residual interest rate risk and higher volatility, as well as higher Fixed Life's no lapse guarantee reserves resulting from increased sales of Universal Life to older clients), and the United Kingdom (€–71 million mainly as 2006 included favorable non recurring items including the reduction of possible endowment misselling provision and favorable movements in Unit-linked reserves following the finalization of compensation amounts to policyholders), partly offset by France (€+177 million mainly due to charges reclassified from technical margin to commission expenses in the context of the renewal of some group Life contracts, and the non recurrence of 2006 negative additional annuity reserves in Savings following change in regulatory mortality tables and additional reserves in individual disability business).

(v) **Higher expenses includingDeferred Acquisition Costs** (€–742 million impact), mainly in the United Kingdom (€–241 million mainly driven by the inclusion of the Thinc Group expenses, and amortization of previously deferred expenses on short term offshore cash deals largely written in Q4 2006 and Q1 2007 which is offset by an increase in deferred loadings amortization in fees and revenues), France (€–230 million notably from the impact of charges that were reclassified from technical items to commissions in the context of the renewal of some Group Life contracts, and increased general expenses mainly due to IT Costs and building lease), the United States (€–71 million mainly driven by DAC amortization increase reflecting lower DAC unlockings in 2007 and higher revenues from separate account fees), Japan (€–57 million mainly due to higher commissions as a result of variable annuity and medical sales growth, and higher non-commission expenses), and Australia / New Zealand (€–55 million reflecting higher commissions associated with increased fees and revenues).

(vi) **A higher level ofVBI amortization** (€–32 million) mainly attributable to the United Kingdom (€–38 million mainly as a result of higher lapses on Pension business).

Property & Casualty underlying earnings amounted to €1,863 million. Excluding the contribution of Winterthur (€340 million) and on a constant exchange rate basis, Property and Casualty underlying earnings increased by €111 million (+8%) driven by almost all countries except the United Kingdom (€–124 million):

(i) **Higher net technical result** (€+135 million), with **an all year loss ratio** increasing by 1.0 point to 69.5% of which 2.3 points related to major losses.

(ii) **Higher investment result** (€+159 million) mainly driven by the United Kingdom (€+43 million), the Mediterranean region (€+43 million), and France (€+32 million).

(iii) **Lower income tax expense and minority interests** (€+124 million) mainly due to Germany (€+82 million mainly reflecting the €42 million positive outcome of a tax audit on the ex-Albingia portfolio, and the €31 million favourable impact of the new income tax rate on the deferred tax liabilities), the United Kingdom (€+65 million notably reflecting the deterioration in the pre-tax result, and a benefit from a settlement on prior years), and Belgium (€+61 million including the €10 million positive contribution resulting from the favorable court decision from insurance companies on RDT ("Revenus Définitivement Taxés")), partly offset by the Mediterranean region (€–44 million in line with pre-tax earnings evolution).

Partly offset by:

(iv) **Higher expenses** (€−306 million) with a stable **expense ratio** at 28.4% (offsetting impacts between the acquisition ratio (+0.3 point) and the administrative expense ratio (−0.3 point)) driven by Germany (−1 point), and the Mediterranean region (−0.1 point), party offset by Belgium (+0.9 point) and the United Kingdom (+0.3 point).
As a consequence, excluding Winterthur, the **combined ratio** increased by 1.0 point to 97.9%.

International Insurance underlying earnings amounted to €218 million. Excluding the contribution of Winterthur (€19 million) and on a constant exchange rate basis, International Insurance underlying earnings increased by €70 million (+54%) mainly attributable to Other international activities (€+61 million), primarily due to the continuous favourable loss reserve development on some run-off portfolios in 2007.

Asset Management underlying earnings amounted to €590 million. Excluding the contribution of Winterthur (€14 million) and on a constant exchange rate basis, asset management underlying earnings increased by €105 million (+21%) attributable to both AllianceBernstein (€+41 million) and AXA Investment Managers (€+64 million), following:

(i) higher average assets under management (+21% both at AllianceBernstein and AXA Investment Managers),
(ii) improved business mix, and
(iii) better underlying cost income ratio by 0.5 point to 67.1%.

Banking' underlying earnings increased by €18 million (+100%) to €36 million, mainly attributable to AXA Bank Belgium (notably due to an increase in commercial margin).

Holdings and other companies' underlying earnings amounted to €−414 million. Excluding the contribution of Winterthur (€−36 million) and on a constant exchange rate basis, holdings underlying earnings increased by €36 million due to:

(i) The United Kingdom Holding (€+84 million) mainly due to the non recurring release in 2007 of a €66 million deferred tax provision held against un-remitted earnings.

Partly offset by,

(ii) German Holding (€−29 million) primarily as a result of the absence of positive one off impact related to the recognition of the corporate tax refund of €30 million in 2006.
(iii) AXA S.A. (€−11 million) as the €+77 million profit linked to foreign currency options hedging AXA Group underlying earnings denominated in foreign currencies, and €+59 million due to a lower financial charge mostly related to a strengthening of the Euro, were more than offset by €−36 million higher expenses including higher AXA trademark support further to Winterthur acquisition, and €−108 million due to the non recurrence of 2006 positive items, mostly linked to Winterthur acquisition financing.
(iv) AXA France Assurance (€−10 million) as a result of mainly due to higher tax expenses resulting from higher dividends (eliminated in consolidation) received from operational entities.

Group net capital gains attributable to shareholders amounted to €1,175 million (of which €−400 million net related to impairments, or €−927 million gross related to impairments compared to €−192 million gross in 2006). Excluding the contribution of Winterthur (€−48 million) and on a constant exchange rate basis, group net capital gains attributable to shareholders were up €124 million mainly due to the Mediterranean region (€+115 million to €177 million, of which €+104 million in Property & Casualty and €+11 million in Life & Savings), France (€+88 million to €362 million, of which €+65 million in Life & Savings and €+24 million in Property & Casualty), partly offset by the United States (€−65 million to €−32 million in Life & Savings), and Belgium (€−59 million to €338 million, of which €−43 million in Life & Savings and €−16 million in Property & Casualty).

Adjusted earnings amounted to €6,138 million. Excluding the contribution of Winterthur (€575 million) and on a constant exchange rate basis, adjusted earnings were up €695 million (+14%) as a result of higher underlying earnings and higher net capital gains.

Net Income amounted to €5,666 million. Excluding the contribution of Winterthur (€392 million) and on a constant exchange rate basis, net income increased by €335 million (+7%). This growth was the result of:

(i) **Higher adjusted earnings** (€+695 million excluding Winterthur and on a constant exchange rate basis).
(ii) **Lower result on financial assets accounted for under fair value option and derivatives including foreign exchange impact:** €−368 million to €−596 million. These €−596 million can be analyzed as follows (a) a change in Fair Value and realized gains on mutual funds & other assets under fair value option of €−205 million mainly driven by €−138 million in Belgium Life & Savings and Property & Casualty, €−75 million in France Life & Savings, and €−45 million in Japan Life & Savings, partly offset by Switzerland Life & Savings and Property & Casualty (€+28 million) and Germany Property & Casualty (€+36 million), and (b) a change in Fair Value on derivatives, Forex and Tax of €−391 million, mainly driven by €−303 million in AXA SA, €−51 million in Japan Life & Savings and €−48 million in Switzerland Life & Savings and Property & Casualty.
(iii) **Higher charges on goodwill and other related intangible:** €−82 million (or €−30 million excluding Winterthur and on a constant exchange rate basis) to €−106 million, of which €−54 million at Winterthur related to amortization of customer intangible and €−52 million at AXA mainly attributable to the United Kingdom of customer intangible amortization related to brokers' acquisition and the United States following impairment of intangibles related to the wind down of USFL.
(iv) **Higher exceptional operations result including discontinued operations:** €+171 million (or €+166 million excluding Winterthur and on a constant exchange rate basis) to €482 million:
  - Following the June 4, 2007 announcement of the Dutch activities' sale to SNS REAAL, the Group has classified The Netherlands as **a discontinued operation,** i.e. impacting net income only, with a retroactive application. The contribution of The Netherlands in 2007 amounted to €480 million (of which €406 million gains on disposal and €74 million result up to the closing date), compared to €123 million in 2006.
  - **Full year 2007 exceptional operations (€+2 million).**
  - **Full year 2006 exceptional operations (€+189 million)** mainly related to (i) €86 million dilution gains in AllianceBernstein and €4 million related to sale of Alliance Cash Management business, (ii) Tax refund related to the sale of DLJ (€43 million), release of

contingency provision related to the sale of Advest (€3 million) and dilution gains (€9 million) in the US holdings, and (iii) €66 million related to the gain on the sale of AXA RE's business.

(v) **Integration costs of €–252 million** of which €–163 million at AXA (of which €–148 million related to Winterthur integration) and €–89 million at Winterthur.

CONSOLIDATED SHAREHOLDERS' EQUITY

As of December 31, 2007, consolidated shareholders' equity totaled €45.6 billion. The movements in shareholders' equity since December 31, 2006 are presented in the table below:

(in Euro million)

	Shareholders' Equity
At December 31, 2006	**47,226**
– Share Capital	(74)
– Capital in excess of nominal value	(1,126)
– Equity-share based compensation	92
– Treasury shares sold or bought in open market	(195)
– Change in equity component of compound financial instruments	(109)
– Super subordinated debt and perpetual debts (including accrued interests)	238
– Fair value recorded in shareholders' equity	(2,983)
– Impact of currency fluctuations	(1,392)
– Cash dividend	(2,218)
– Other	(93)
– Net income for the period	5,666
– Actuarial gains and losses on pension benefits	612
At December 31, 2007	**45,642**

SHAREHOLDER VALUE

Earnings Per Share ("EPS")

(in euro million except ordinary shares in million)

	2007		2006 Restated (a)		2006 Published		2005 Restated (b)		2005 Published		Var. 2007 versus 2006 Restated	
	Basic	Fully diluted	Basic	Fully diluted	Basic	Fully diluted	Basic	Fully diluted	Basic	Fully diluted	Basic	Fully diluted
Weighted average number of shares (c)	2,042.7	2,060.8	1,947.8	2,031.7	1,947.8	2,031.7	1,917.5	1,991.0	1,880.9	1,954.4		
Net income	5,666	5,666	5,085	5,199	5,085	5,199	4,318	4,428	4,173	4,283		
Net income (Euro per Share)	*2.77*	*2.75*	*2.61*	*2.56*	*2.61*	*2.56*	*2.25*	*2.22*	*2.22*	*2.19*	*6.2%*	*7.4%*
Adjusted earnings	6,138	6,138	5,026	5,140	5,140	5,254	4,184	4,294	4,108	4,218		
Adjusted earnings (Euro per Share)	*3.01*	*2.98*	*2.58*	*2.53*	*2.64*	*2.59*	*2.18*	*2.16*	*2.18*	*2.16*	*16.5%*	*17.7%*
Underlying earnings	4,963	4,963	3,919	4,032	4,010	4,124	3,274	3,383	3,258	3,368		
Underlying earnings (Euro per Share)	*2.43*	*2.41*	*2.01*	*1.98*	*2.06*	*2.03*	*1.71*	*1.70*	*1.73*	*1.72*	*20.8%*	*21.3%*

(a) Restated in full year 2006 means the restatement of The Netherlands' activities as discontinued businesses.

(b) Restated in full year 2005 means: (i) transfer of the forex impact from adjusted earnings to net income, (ii) following clarification of IFRIC agenda committee following IASB decision, AXA reclassified TSDI instruments (perpetual subordinated debts) into shareholders' equity with impact on net income, (iii) the restatement of The Netherlands' activities as discontinued businesses.

(c) Following the capital increase related to Winterthur acquisition, the weighted average number of shares has been restated (IAS 33 §26) in 2006 and 2005 by using an adjustment factor of 1,019.

Return On Equity ("ROE")

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

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

(in Euro million)

	Period ended, December 31, 2007	Period ended, December 31, 2006	Change in % points
ROE	**13.1%**	**13.2%**	**0.0%**
Net income	5,666	5,085	
Average shareholders' equity	43,096	38,644	
Adjusted ROE	**19.7%**	**19.2%**	**0.4%**
Adjusted earnings (a)	5,848	4,866	
Average shareholders' equity (b)	29,744	25,294	
Underlying ROE	**15.7%**	**14.9%**	**0.8%**
Underlying earnings (a)	4,673	3,759	
Average shareholders' equity (b)	29,744	25,294	

(a) Including adjustement to reflect financial charges related to perpetual debt (recorded through shareholders' equity).

(b) Excluding change in fair value on invested assets and derivatives (recorded through shareholders equity), and excluding perpetual debt (recorded through shareholders' equity).

Life & Savings Segment

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

LIFE & SAVINGS SEGMENT [a]

(in Euro million)

	2007	2006 Restated [c]	2006 Published	2005 Restated [d]	2005 Published
Gross written premiums	57,807	48,275	48,793	42,978	43,502
Fees and revenues from investment contracts without participating feature	740	608	608	509	509
Revenues from insurance activities	***58,548***	***48,883***	***49,401***	***43,487***	***44,011***
Net revenues from banking activities	–	–	–	–	–
Revenues from other activities	1,332	1,076	1,084	1,107	1,115
TOTAL REVENUES	**59,879**	**49,959**	**50,485**	**44,595**	**45,126**
Change in unearned premium reserves net of unearned revenues and fees	**(275)**	**(250)**	**(271)**	**(183)**	**(197)**
Net investment result excluding financing expenses [b]	**21,857**	**28,198**	**28,656**	**28,315**	**28,946**
Technical charges relating to insurance activities [b]	(69,987)	(68,236)	(69,052)	(63,710)	(64,721)
Net result of reinsurance ceded	33	(27)	(28)	(6)	(7)
Bank operating expenses	–	–	–	–	–
Insurance acquisition expenses	(3,726)	(3,065)	(3,073)	(2,798)	(2,827)
Amortization of value of purchased life business in force	(357)	(232)	(241)	(528)	(529)
Administrative expenses	(3,382)	(2,814)	(2,863)	(2,967)	(3,017)
Valuation allowances on tangible assets	1	7	7	(4)	(4)
Change in value of goodwill	–	–	–	–	–
Other	(189)	(110)	(111)	(155)	(156)
Other operating income and expenses	**(77,607)**	**(74,477)**	**(75,361)**	**(70,169)**	**(71,262)**
INCOME FROM OPERATING ACTIVITIES, GROSS OF TAX EXPENSE	**3,855**	**3,430**	**3,509**	**2,558**	**2,613**
Net income from investments in affiliates and associates	22	12	12	10	10
Financing expenses	(69)	(76)	(76)	(119)	(119)
OPERATING INCOME GROSS OF TAX EXPENSE	**3,808**	**3,366**	**3,445**	**2,449**	**2,504**
Income tax expenses	**(924)**	**(903)**	**(928)**	**(413)**	**(424)**
Minority interests in income or loss	**(213)**	**(193)**	**(193)**	**(149)**	**(149)**
UNDERLYING EARNINGS	**2,670**	**2,270**	**2,325**	**1,887**	**1,931**
Net realized capital gains or losses attributable to shareholders	567	575	597	437	432
ADJUSTED EARNINGS	**3,238**	**2,845**	**2,921**	**2,323**	**2,362**
Profit or loss on financial assets (under fair value option) & derivatives	(237)	48	49	18	50
Exceptional operations (including discontinued operations)	(1)	74	(3)	71	–
Goodwill and other related intangible impacts	(39)	(10)	(10)	(8)	(8)
Integration costs	(63)	–	–	–	–
NET INCOME	**2,899**	**2,957**	**2,957**	**2,404**	**2,404**

(a) Before intercompany transactions.
(b) For the periods ended December 31, 2007, December 31, 2006, and December 31, 2005, the change in fair value of assets backing contracts with financial risk borne by policyholders impacted the net investment result for respectively €7,468 million, €15,158 million and €13,589 million, and benefits and claims by the offsetting amounts respectively.
(c) Restated in full year 2006 means the restatement of The Netherlands' activities as discontinued businesses.
(d) Restated in full year 2005 means: (i) transfer of the forex impact from adjusted earnings to net income, (ii) in line with new accounting FRS27, the reclassification in the United Kingdom of some With-Profit technical reserves to allow for all future terminal bonuses payable to With-Profit policyholders within the allocated policyholder reserves, previously held in the unallocated policyholder bonus reserve, without any impact on earnings, and (iii) the restatement of The Netherlands' activities as discontinued businesses.

CONSOLIDATED GROSS REVENUES

(in Euro million)

	2007	2006 Restated [(a)]	2006 Published	2005 Restated [(a)]	2005 Published
France	15,052	14,802	14,802	13,237	13,237
United States	16,244	15,390	15,390	13,940	13,940
United Kingdom	4,628	4,292	4,292	2,395	2,395
Japan	5,116	5,027	5,027	4,735	4,735
Germany	6,201	3,681	3,681	3,585	3,585
Switzerland	4,133	141	141	116	116
Belgium	3,075	2,512	2,512	2,734	2,734
Mediterranean Region [(b)]	1,924	1,476	1,476	1,562	1,562
Other countries	3,507	2,637	3,164	2,290	2,822
TOTAL	**59,879**	**49,959**	**50,485**	**44,595**	**45,126**
Intercompany transactions	(35)	(7)	(7)	(10)	(10)
Contribution to consolidated gross revenues	**59,845**	**49,952**	**50,479**	**44,585**	**45,116**

(a) Restated means the restatement of The Netherlands' activities as discontinued businesses.
(b) Mediterranean Region includes Italy, Spain, Portugal, Greece, Turkey and Morocco.

UNDERLYING, ADJUSTED EARNINGS AND NET INCOME

(in Euro million)

	2007	2006 Restated [(a)]	2006 Published	2005 Restated [(b)]	2005 Published
France	531	462	462	387	387
United States	883	1,000	1,000	866	866
United Kingdom	255	155	155	85	85
Japan	254	256	256	266	266
Germany	182	69	69	30	30
Switzerland	165	3	3	2	2
Belgium	90	65	65	56	56
Mediterranean Region [(c)]	73	57	57	50	50
Other countries	237	203	258	146	190
UNDERLYING EARNINGS	**2,670**	**2,270**	**2,325**	**1,887**	**1,931**
Net realized capital gains or losses attributable to shareholders	567	575	597	437	432
ADJUSTED EARNINGS	**3,238**	**2,845**	**2,921**	**2,323**	**2,362**
Profit or loss on financial assets (under fair value option) & derivatives	(237)	48	49	18	50
Exceptional operations (including discontinued operations)	(1)	74	(3)	71	–
Goodwill and related intangible impacts	(39)	(10)	(10)	(8)	(8)
Integration costs	(63)	–	–	–	–
NET INCOME	**2,899**	**2,957**	**2,957**	**2,404**	**2,404**

(a) Restated in full year 2006 means the restatement of The Netherlands' activities as discontinued businesses.
(b) Restated in full year 2005 means: (i) transfer of the forex impact from adjusted earnings to net income, and (ii) the restatement of The Netherlands' activities as discontinued businesses.
(c) Mediterranean Region includes Italy, Spain, Portugal, Greece, Turkey and Morocco.

LIFE & SAVINGS OPERATIONS – FRANCE

(in Euro million)

	2007	2006 Published	2005 Restated [(a)]	2005 Published
Gross revenues	**15,052**	**14,802**	**13,237**	**13,237**
APE (group share)	*1,360*	*1,231*	*1,075*	*1,075*
Investment margin	937	890	938	938
Fees & revenues	1,463	1,345	1,196	1,196
Net technical margin	265	88	70	70
Expenses	(1,911)	(1,680)	(1,590)	(1,590)
Amortization of VBI	(43)	(68)	(48)	(48)
Underlying operating earnings before tax	**711**	**575**	**565**	**565**
Income tax expenses / benefits	(178)	(111)	(176)	(176)
Minority interests	(2)	(2)	(3)	(3)
Underlying earnings group share	**531**	**462**	**387**	**387**
Net capital gains or losses attributable to shareholders net of income tax	269	204	191	154
Adjusted earnings group share	**800**	**666**	**578**	**540**
Profit or loss on financial assets (under fair value option) & derivatives	(91)	110	52	90
Exceptional operations (including discontinued operations)	–	–	–	–
Goodwill and other related intangibles impacts	–	–	–	–
Integration costs	–	–	–	
Net income group share	**709**	**776**	**630**	**630**

(a) Restated means : transfer of the forex impact from adjusted earnings to net income.

Gross revenues increased by €250 million (+2%) to €15,052 million with positive contribution of both Individual and Group businesses.

APE increased by €129 million to €1,360 million or 3% on a comparable basis driven by both Individual lines and Group business despite a contracting insurance market. In Individual lines, the Accumulator-type product "Capital Resources" launched in March 2007 recorded €23 million of APE. Group business growth was largely driven by Life & Health while Group retirement remained stable following a strong 2006 performance. Unit-linked share in total APE was stable at 25%.

Investment margin increased by €48 million (+5%) to €937 million broadly in line with the increase in asset base.

Fees & revenues were up €118 million (+9%) to €1,463 million mainly resulting from higher revenues on unit-linked account balance (€+61 million) and higher sales of Life & Health products (€+43 million).

Net technical margin rose by €177 million to €265 million due to (i) €97 million charges reclassified from technical margin to commission expenses in the context of the renewal of some group Life contracts, (ii) the positive impact resulting from higher discount rates used for Life and Health Group Annuity reserves (€+23 million), and (iii) the non recurrence of 2006 negative additional annuity reserves in Savings following change in regulatory mortality tables (€+21 million) and additional reserves in individual disability business (€+24 million).

Expenses increased by €230 million to €–1,911 million due to (i) the €97 million impact of charges that were reclassified from technical items to commissions in the context of the renewal of some Group Life contracts, (ii) higher commissions (€+49 million to €–799 million) resulting from a volume effect, (iii) a €52 million increased general expenses mainly due to IT Costs and building lease, and (iv) higher amortization net of capitalization of deferred acquisition costs (€+32 million).

Amortization of VBI decreased by €25 million (–37%) to €–43 million mainly due to a 2006 exceptional impact of UAP portfolio segment amortization (acquired in 1999).

Underlying cost income ratio improved by 2.0 points to 73.3%.

Income tax expenses increased by €67 million to €–178 million reflecting the increase of taxable income and an exceptionally low tax rate (€+15 million) in 2006.

As a consequence, **underlying earnings** increased by €69 million (+15%) to €531 million.

Adjusted earnings increased by €134 million (+20%) to €800 million, resulting from the improvement in the underlying earnings (€69 million) and a €65 million higher increase in net realized gains to €269 million, mainly driven by important gains on real estate disposals.

Net income decreased by €67 million (–9%) to €709 million mainly due to the adjusted earnings evolution and a €–201 million lower contribution of assets under fair value option and derivatives (mainly due to (i) €–91 million on real estate funds designated at market value (lower market reevaluation coupled with a €–51 million impact on deferred tax liabilities linked to an increased taxation of such real estate investments), as well as (ii) to the negative change in fair value in 2007 of some equities and some mutual funds exposed to credit and asset backed securities (versus positive change in fair value of such assets in 2006)).

LIFE & SAVINGS OPERATIONS – UNITED STATES

(in Euro million)

	2007	2006	2005
Gross revenues	**16,244**	**15,390**	**13,940**
APE (group share)	*2,099*	*1,922*	*1,700*
Investment margin	704	858	807
Fees & revenues	1,792	1,632	1,404
Net technical margin	466	634	632
Expenses	(1,647)	(1,725)	(1,572)
Amortization of VBI	(69)	(65)	(51)
Underlying operating earnings before tax	**1,247**	**1,333**	**1,220**
Income tax expenses / benefits	(363)	(334)	(354)
Minority interests	–	–	(0)
Underlying earnings group share	**883**	**1,000**	**866**
Net capital gains or losses attributable to shareholders net of income tax	(32)	30	5
Adjusted earnings group share	**851**	**1,029**	**871**
Profit or loss on financial assets (under fair value option) & derivatives	40	–	9
Exceptional operations (including discontinued operations)	(7)	–	–
Goodwill and other related intangibles impacts	(21)	(10)	(8)
Integration costs	–	–	–
Net income group share	**863**	**1,020**	**872**
Average exchange rate : 1.00 € = $	*1.3699*	*1.2563*	*1.2453*

Gross revenues increased by €854 million (+6%) to €16,244 million on a reported basis. On a comparable basis, gross revenues increased by €2,323 million (+15%).

- *Variable Annuity premiums* increased by 19%. First year Variable Annuity premiums increased by 22%, with Wholesale channel Variable Annuity sales up 27%.
- *Life premiums* increased by 7%, including a 34% increase in first year Life premiums driven by strong Wholesale channel growth due to strong Fixed Universal Life sales.
- *Other revenues* (mainly from mutual funds) were up 18% due primarily to higher Asset Management fees.

APE increased by €177 million (+9%) to €2,099 million on a reported basis, or +19% on a comparable basis due to strong growth in sales of Variable Annuities (up 20%) as well as in Life products. Variable Annuities growth was primarily driven by the continued expansion in the third party distribution networks, especially independent financial advisory firms. The addition of product features also contributed to the increase in sales. Universal Life product range was enhanced by the launch of an updated product for 2007 (Athena).

Investment margin decreased by €154 million to €704 million. On a constant exchange rate basis, investment margin decreased by €90 million (–11%). Investment income decreased by €68 million reflecting lower General Account asset levels and lower prepayments from mortgages and fixed maturity refinancing, partially offset by higher income from Alternative Investments. Interest and bonus credited increased by €23 million as lower account asset levels were more than offset by the non recurrence of a 2006 reserve release on discontinued operations as well as higher interest credited on pre-demutualization participating annuity business.

Fees & revenues increased by €160 million to €1,792 million. On a constant exchange rate basis, fees & revenues increased by €322 million (+20%), mainly due to higher fees earned on separate account business resulting from positive net cash flows, the impact of the market appreciation on separate account balances and higher fee structure.

Net technical margin decreased by €168 million to €466 million. On a constant exchange rate basis, net technical margin decreased by €126 million (–20%) primarily due to lower GMDB/IB margins mainly due to residual interest rate risk and higher volatility, as well as €37 million higher Fixed Life's no lapse guarantee reserves resulting from increased sales of Universal Life to older clients.

Expenses (including commissions and DAC) decreased by €78 million to €–1,647 million. On a constant exchange rate basis, expenses increased by €71 million (+4%) due to:

- Expenses, net of capitalization (including commissions), increased by €31 million on a constant exchange rate basis principally due to higher commissions and a 3% increase in general expenses partially offset by increased DAC capitalization.
- DAC amortization increased by €40 million on a constant exchange rate basis reflecting lower DAC unlockings in 2007 and higher revenues from separate account fees.

VBI amortization increased by €3 million to €–69 million. On a constant exchange rate basis, VBI amortization increased by €9 million (+14%).

Underlying cost income ratio increased to 57.9% versus 57.3% in 2006, notably due to a lower technical margin.

Income tax expense increased by €30 million to €–363 million. On a constant exchange rate basis, income tax expense increased by €63 million (+19%) principally due to the non recurrence of a €92 million favorable tax settlement in 2006, partially offset by a €36 million release of tax reserves in 2007.

Underlying earnings decreased by €116 million to €883 million. On a constant exchange rate basis, underlying earnings decreased by €37 million (–4%).

Adjusted earnings decreased by €179 million to €851 million. On a constant exchange rate basis, adjusted earnings decreased by €102 million (–10%), primarily due to lower underlying earnings, impairment charges on fixed maturities (€82 million gross of which €31 million on Northern Rock) and lower capital gains net of DAC/VBI reactivity.

Net income decreased by €157 million to €863 million. On a constant exchange rate basis, net income decreased by €79 million (–8%), primarily due to the decrease in adjusted earnings, a €13 million impairment of intangibles related to the wind down of USFL and €8 million in restructuring charges associated with the transfer of the Enterprise retail mutual funds to Goldman Sachs, partially offset by a €44 million increase in the mark to market impact mainly on derivatives not eligible to hedge accounting due to lower interest rates in the U.S.

LIFE & SAVINGS OPERATIONS – UNITED KINGDOM

(in Euro million)

	2007	2006 Published	2005 Restated [a]	2005 Published
Gross revenues	**4,628**	**4,292**	**2,395**	**2,395**
APE (group share)	*1,588*	*1,134*	*817*	*817*
Investment margin	258	198	181	181
Fees & revenues	889	591	457	457
Net technical margin	90	160	94	94
Expenses	(967)	(645)	(657)	(657)
Amortization of VBI	(46)	(7)	(22)	(22)
Underlying operating earnings before tax	**224**	**297**	**54**	**54**
Income tax expenses / benefits	31	(142)	31	31
Minority interests	–	–	–	–
Underlying earnings group share	**255**	**155**	**85**	**85**
Net capital gains or losses attributable to shareholders net of income tax	(26)	10	7	14
Adjusted earnings group share	**229**	**165**	**92**	**98**
Profit or loss on financial assets (under fair value option) & derivatives	21	(27)	(48)	(54)
Exceptional operations (including discontinued operations)	–	–	–	–
Goodwill and other related intangibles impacts	(11)	–	–	–
Integration costs	(23)	–	–	–
Net income group share	**216**	**138**	**44**	**44**
Average exchange rate : 1.00 € = £	*0.6845*	*0.6817*	*0.6840*	*0.6840*

(a) Restated means: transfer of the forex impact from adjusted earnings to net income.

Gross revenues increased by €336 million (+8%) to €4,628 million on a reported basis, of which €73 million was due to the inclusion of Thinc Group (formerly Thinc Destini, a financial intermediary business). On a comparable basis, including Winterthur in both periods and excluding Thinc Group in 2007, gross revenues increased by €26 million (+1%):

- *Investment & Savings (80% of gross revenues)* were down 2% largely due to lower volumes of Onshore Bond business and Offshore cash sales.
- *Life Insurance Premiums (20% of gross revenues)* increased by 13% due to increased volumes of Creditor Insurance single premiums and higher AXA Protection Account and direct business volumes.

APE increased by €454 million (+40%) to €1,588 million on a reported basis or +6% on a comparable basis. Wealth management was up 7% due to (i) individual pension business (up 14%) reflecting the strength of the combined AXA/Winterthur Individual pension offering as well as (ii) strong performance in the Offshore Estate Planning Bond (up 68%), partly offset by (iii) a drop in Offshore Bonds cash sales (–36%) resulting from a change in the tax environment of these products in 1Q07. Protection business was up 27% driven by new deals and improved propositions to IFAs as well as effective direct marketing campaigns. Group pension was up 2%.

Investment margin increased by €59 million on a reported basis to €258 million. Excluding Winterthur and on a constant exchange rate basis, investment margin increased by €46 million (+23%) largely driven by Shareholders' participation in higher With-Profit bonuses (annual and Terminal bonuses) as a result of high levels of With-Profit surrenders in 2007.
Winterthur contribution amounted to €15 million.

Fees & revenues increased by €297 million on a reported basis. Excluding Winterthur and on a constant exchange rate basis, fees & revenues increased by €222 million (+38%) driven by:

- the Thinc Group fees & revenues of €73 million;
- an increase of €82 million in Loadings on account balances, largely due to positive net new money into unit-linked funds;
- a decrease of €13 million in Loadings on premiums reflecting lower initial margins on unit-linked new business;
- an increase of €91 million in deferred loadings amortization related to previously deferred income on short term offshore cash deals business largely written in Q4 2006 and Q1 2007, which is offset in the expense margin by the amortization of previously deferred commissions.

Winterthur contribution amounted to €78 million.

Net technical margin decreased by €69 million to €90 million on a reported basis. Excluding Winterthur and on constant exchange rate basis, net technical margin decreased by €71 million (–45%) as 2006 included favorable non recurring items (€88 million which notably included the reduction of possible endowment misselling provision and favorable movements in Unit-linked reserves following the finalization of compensation amounts to policyholders), partly offset by various reserves releases (€+29 million) including a further 2007 release of possible endowment misselling provision.
Winterthur contribution amounted to €2 million.

Expenses net of policyholder allocation[1] increased by €322 million to €−967 million on a reported basis. Excluding Winterthur and on a constant exchange rate basis, expenses increased by €241 million (+37%) as a result of (i) the inclusion of the Thinc Group expenses (€92 million), (ii) amortization of €91 million of previously deferred expenses on short term offshore cash deals largely written in Q4 2006 and Q1 2007, (iii) higher administrative expenses (€54 million) including costs of direct marketing campaigns and the development of a new Wrap platform and (iv) higher commissions net of DAC/DOC capitalization (€12 million) reflecting growth in new business.
Winterthur contribution amounted to €−85 million.

VBI amortization increased by €39 million to €−46 million on a reported basis. Excluding Winterthur and on a constant exchange rate basis, VBI amortization increased by €38 million mainly as a result of higher lapses on Pension business.
Winterthur contribution amounted to €−2 million.

The **underlying cost income ratio** increased from 68.7% to 81.9%. Excluding Winterthur, underlying cost income ratio increased by 12.5 points from 68.7% to 81.2% primarily due to the 2006 net technical margin positive one offs (7 points), the inclusion of Thinc Group (2 points), and the impact of the Wrap platform proposition (1.6 point).

Income tax expenses decreased by €173 million to a benefit of €31 million on a reported basis. Excluding Winterthur and on a constant exchange rate basis, the reduction of €159 million was due primarily to a 2007 one off gain of €29 million due to a reduction in the rate of U.K. Corporation Tax applied to deferred tax balances, and the non recurring 2006 net negative impact of €107 million due to the reassessment of the likelihood of a future distribution from the attributed Inherited Estate.
Winterthur contribution amounted to €14 million.

Underlying earnings increased by €99 million to €255 million on a reported basis. Excluding Winterthur and on a constant exchange rate basis, underlying earnings improved by €78 million (+50%).
Winterthur contribution amounted to €23 million.

Adjusted earnings increased by €64 million to €229 million on a reported basis. Excluding Winterthur and on a constant exchange rate basis, adjusted earnings increased by €42 million (+26%) reflecting the increase in underlying earnings reduced by impairments (€10 million) mainly attributable to Northern Rock depreciation (€9 million) and net realized losses on corporate bonds (€19 million) in 2007.
Winterthur contribution amounted to €23 million.

Net income increased by €78 million to €216 million on a reported basis. Excluding Winterthur and on a constant exchange rate basis, net income increased by €61 million (+44%) including a €+51 million favorable impact due to the decrease in undiscounted tax adjustment on unrealized gains attributable to policyholders in Unit-linked Life funds[2] offset by €22 million of costs in respect of the integration of Winterthur and Thinc Group, and €7 million of Thinc Group customer intangible amortization.
Winterthur contribution amounted to €18 million.

(1) Part of these expenses are located in the With-Profit funds and therefore are borne by policyholders.
(2) The deferred policyholder tax on unrealized gains is undiscounted when provided on Life unit linked assets and discounted when provided on unit linked liabilities. The IFRS restatement between discounted deferred tax provision and undiscounted amount flows through net income.

LIFE & SAVINGS OPERATIONS – JAPAN

(in Euro million)

	2007	2006	2005
Gross revenues	**5,116**	**5,027**	**4,735**
APE (group share)	*567*	*651*	*589*
Investment margin	3	–	–
Fees & revenues	992	931	889
Net technical margin	135	130	175
Expenses	(641)	(604)	(635)
Amortization of VBI	(76)	(31)	(351)
Underlying operating earnings before tax	**413**	**426**	**78**
Income tax expenses / benefits	(154)	(164)	195
Minority interests	(5)	(6)	(7)
Underlying earnings group share	**254**	**256**	**266**
Net capital gains or losses attributable to shareholders net of income tax	65	38	120
Adjusted earnings group share	**319**	**293**	**385**
Profit or loss on financial assets (under fair value option) & derivatives	(96)	(37)	6
Exceptional operations (including discontinued operations)	–	–	–
Goodwill and other related intangibles impacts	–	–	–
Integration costs	(4)	–	–
Net income group share	**219**	**256**	**392**
Average exchange rate: 1.00 € = Yen	*158.255*	*142.949*	*136.286*

Gross revenues increased by 2% to €5,116 million on a reported basis. On a comparable basis, and excluding group pension transfers (€51 million versus €299 million last year), revenues increased by €254 million (+5%) to €5,070 million, driven by:

- *Life* (42% of gross revenues): Revenues decreased by 4% (€–88 million) to €2,140 million driven by lower Endowment, Whole Life, Group Life and LTPA regular premiums (€–120 million), partially offset by higher Increasing Term revenue (€+35 million) reflecting the inforce block growth following strong sales until its discontinuation in March 2007.
- *Health* (26% of gross revenues): Revenues increased by 18% (€+215 million) to €1,299 million due to higher conversions following a one time 1Q07 program which upgraded selected old Medical Whole Life policies to more recent product generations (€+78 million), and the move from lower margin Term products to more profitable medical products (€+68 million). Winterthur's revenues increased by €68 million mainly driven by Cancer sales.
- *Investment & Savings* (32% of gross revenues excluding group pension transfers): Revenues increased by 8% (€+127 million) to €1,631 million with higher revenues from the launch of the Accumulator type products (€+540 million) and strong sales of other variable annuity products (€+55 million) being partially offset by (i) €–316 million lower SPA revenues (US dollar-denominated variable annuity product) following strong "post-launch" salaried salesforce sales in Q1-2006 and (ii) lower regular premium individual fixed annuities (€–132 million), this product being no longer actively promoted as part of Bancassurance's transition to higher margin variable annuity products.

APE declined by 13% to €567 million on a reported basis. On a comparable basis, APE decreased by 17% (€–134 million) mainly driven by individual business which decreased by 18% (€–123 million), notably:

- *Life:* APE decreased by 47% (€–213 million) to €220 million mainly due to (i) €–182 million lower Increasing Term & LTPA sales following the announcement of tax regulation changes in March 2007 and April 2006 respectively, (ii) €–50 million Term Rider sales following the strategy to rebalance the non-proprietary portfolio to more profitable medical products, (iii) €–17 million lower Whole Life and Endowment sales (products not actively sold), partially offset by (iv) €+36 million higher LTTP sales and the newly launched universal Life product.
- *Health:* APE increased by 39% (€+76 million) to €245 million driven by €+48 million higher sales of Cancer product and €+27 million reflecting the successful implementation of the strategy to rebalance the portfolio towards more profitable medical products.
- *Investments & Savings:* APE increased by 15% (€+13 million) to €91 million due mainly to the €+52 million contribution of Accumulator-type products and €+7 million other variable annuity sales, partially offset by €–34 million lower SPA sales and €–12 million lower Fixed Annuity sales.

Unit-linked share in total APE was 21%.

Investment margin increased by €3 million on a reported basis to €3 million. Excluding the contribution of Winterthur and on a constant exchange rate basis, investment margin remained constant at €0 million, with higher investment income (€+77 million) driven by higher income from fixed maturities and stronger returns from alternative investments being fully allocated to policyholders' credited interests (€–77 million).

Winterthur contribution amounted to €3 million.

Fees & revenues increased by €61 million (+7%) on a reported basis to €992 million. Excluding the contribution of Winterthur and on a constant exchange rate basis, fees & revenues were up €66 million (+7%) mainly driven by loadings on higher medical premiums.
Winterthur contribution amounted to €91 million.

Net technical margin increased by €5 million (+4%) on a reported basis to €135 million. Excluding the contribution of Winterthur and on a constant exchange rate basis, net technical margin decreased by €2 million (–2%):

- Mortality margin increased by €41 million to €121 million mainly due to the change in assumptions on the annuity portfolio (€–14 million in 2006 compared to €+31 million in 2007).
- Surrender margin decreased by €44 million to €–6 million predominantly due to the combined impacts of the 1Q07 medical whole Life conversion program (€–20 million) and normalized Safety-Plus surrenders from high 2006 levels (€–22 million).

Winterthur contribution amounted to €20 million.

Expenses increased by €37 million (+6%) on a reported basis to €–641 million. Excluding the contribution of Winterthur and on a constant exchange rate basis, expenses increased by €57 million (+9%) driven mainly by:

- €26 million (+7%) higher commissions as a result of variable annuity and medical sales growth combined with the business mix shift towards more profitable and higher commission-paying medical products.
- €22 million (+6%) higher non-commission expenses following increases in advertising spend, outsourcing expenses and payroll costs (including increased overtime & temp staff resulting from industry claim checking).
- €8 million higher net DAC expenses.

Winterthur contribution amounted to €–44 million.

VBI amortization increased by €46 million on a reported basis to €–76 million. Excluding the contribution of Winterthur and on a constant exchange rate basis, VBI amortization increased by €15 million (+50%) driven by the combination of the one time 1Q07 old Medical Whole Life policies upgrade program (€9 million), higher Term & Whole Life surrenders and, to a lesser extent, differences between the positive impact of actuarial assumption changes (€33 million in 2007 versus €36 million in 2006).
Winterthur contribution amounted to €–35 million.

The **Underlying cost income ratio** increased from 59.9% to 63.4% on a reported basis. Excluding the contribution of Winterthur, the underlying cost income ratio increased from 59.9% to 62.9% as higher fees & revenues were more than offset by higher expenses, lower technical margin, and higher VBI amortization.

Income tax expenses declined by €10 million on a reported basis to €–154 million. Excluding the contribution of Winterthur and on a constant exchange rate basis, income tax expenses declined by €9 million (–5%) following a decline in taxable income.
Winterthur contribution amounted to €–14 million reflecting taxable income of €36 million.

Underlying earnings declined slightly by €2 million (–1%) on a reported basis to €254 million. Excluding the contribution of Winterthur and on a constant exchange rate basis, underlying earnings remained flat.
Winterthur contribution amounted to €22 million.

Adjusted earnings increased by €25 million (+9%) on a reported basis to €319 million. Excluding the contribution of Winterthur and on a constant exchange rate basis, adjusted earnings increased by €36 million or 12% mainly driven by (i) higher net capital gains (€+18 million) mainly on Euro governments bonds following the asset portfolio rebalancing towards Japanese bonds and (ii) lower credited interests funded with capital gains (€+37 million), partially offset by (iii) the related tax & DAC/VBI reactivity (€–21 million).
Winterthur contribution amounted to €21 million.

Net income declined by €38 million (–15%) on a reported basis to €219 million. Excluding the contribution of Winterthur and on a constant exchange rate basis, net income declined by €35 million (–13%) as the €+36 million higher adjusted earnings were more than offset by losses arising from derivatives notably following the adverse yen to Euro/US dollar exchange rate movement (€–38 million) and the change of fair value of assets designated at fair value through P&L mostly invested in fixed income (€–32 million).
Winterthur contribution amounted to €18 million including €–2 million integration costs.

LIFE & SAVINGS OPERATIONS – GERMANY

(in Euro million)

	2007	2006	2005
Gross revenues	**6,201**	**3,681**	**3,585**
APE (group share)	*457*	*287*	*270*
Investment margin	139	96	66
Fees & revenues	229	127	88
Net technical margin	112	50	44
Expenses	(136)	(92)	(82)
Amortization of VBI	(23)	(9)	(11)
Underlying operating earnings before tax	**321**	**171**	**105**
Income tax expenses / benefits	(134)	(99)	(72)
Minority interests	(4)	(3)	(3)
Underlying earnings group share	**182**	**69**	**30**
Net capital gains or losses attributable to shareholders net of income tax	(1)	6	2
Adjusted earnings group share	**182**	**75**	**32**
Profit or loss on financial assets (under fair value option) & derivatives	3	6	4
Exceptional operations (including discontinued operations)	–	–	–
Goodwill and other related intangibles impacts	–	–	–
Integration costs	(6)	–	–
Net income group share	**179**	**81**	**36**

Gross revenues increased by €2,520 million (+68%) to €6,201 million on a reported basis. On a comparable basis, revenues decreased by €51 million (–1%) mainly due to lower traditional endowment business and lower Group business resulting from reduced share in medical councils as well as high single premium business in 2006. The decline was partly offset by Investment & Savings both unit-linked (especially "Twinstar" products) and non unit-linked premiums ("WinCash" product) as well as continuous growth in Health.

APE increased by €170 million on a reported basis to €457 million. On a comparable basis, APE was stable as the strong growth in Investment & Savings (+12%), with notably the "TwinStar" Accumulator-type product (€84 million) was offset by (i) the non recurrence of 2006 large cases in Life Group business as well as (ii) the negative impact of traditional Riester products (notably in Winterthur's portfolio) which had benefited last year from strong inflows as a result of a 2006 fiscal incentive. Unit-linked share in total APE was 38%.

Investment margin increased by €43 million to €139 million. Excluding Winterthur, investment margin increased by €17 million (+18%) mainly driven by higher investment income due to equity dividends and fixed income yields (increases in duration and spread) as well as higher asset base mainly due to portfolio growth in Health, supported by lower policyholder participation rate.
Winterthur contribution amounted to €26 million.

Fees & revenues increased strongly by €102 million to €229 million. Excluding Winterthur, fees & revenues increased by €31 million (+24%), driven by the growth in Health business and lower policyholder participation in Life and Health.
Winterthur contribution amounted to €71 million.

Net technical margin increased by €62 million to €112 million. Excluding Winterthur, net technical margin was up €26 million (+53%) due to improved technical result combined with lower policyholder participation in Life and Health.
Winterthur contribution amounted to €36 million.

Expenses increased by €44 million to €–136 million. Excluding Winterthur, expenses increased by €18 million (+19%) mainly due to higher DAC amortization as well as lower policyholders' participation rates on expenses.
Winterthur contribution amounted to €–26 million.

VBI amortization increased by €14 million to €–23 million. Excluding Winterthur, VBI amortization increased by €3 million (+34%).
Winterthur contribution amounted to €–11 million.

Underlying cost income ratio amounted to 33.1%. Excluding Winterthur, the ratio improved to 35.2% from 37.2% due to higher gross margin.

Income tax expenses increased by €35 million to €–134 million. Excluding Winterthur, income tax expenses increased by €3 million (+3%) as a €28 million favourable impact of the new income tax rate (32% versus 40%, applicable on current income from 2008) on deferred tax liabilities partly offset the higher taxable income.
Winterthur contribution amounted to €–31 million, benefiting from an additional €28 million positive impact of the new income tax rate on the deferred tax liabilities.

Underlying earnings increased by €113 million to €182 million. Excluding Winterthur, underlying earnings increased by €50 million (+73%).
Winterthur contribution amounted to €63 million.

Adjusted earnings increased by €106 million to €182 million. Excluding Winterthur, adjusted earnings increased by €58 million (+77%) including €7 million higher net capital gains (mainly on equities).
Winterthur contributed €48 million.

Net income increased by €97 million to €179 million. Excluding Winterthur, net income increased by €47 million (+58%) including integration costs (€–3 million) and the change in fair value on financial assets and derivatives under fair value option (€–7 million).
Winterthur contribution amounted to €50 million including integration costs (€–2 million).

LIFE & SAVINGS OPERATIONS – SWITZERLAND

(in Euro million)

	2007	2006	2005
Gross revenues	**4,133**	**141**	**116**
APE (group share) [(a)]	*222*	–	–
Investment margin	61	3	2
Fees & revenues	212	11	10
Net technical margin	137	2	3
Expenses	(167)	(13)	(12)
Amortization of VBI	(29)	–	–
Underlying operating earnings before tax	**214**	**3**	**3**
Income tax expenses / benefits	(49)	–	–
Minority interests	–	–	–
Underlying earnings group share	**165**	**3**	**2**
Net capital gains and losses attributable to shareholders net of income tax	(15)	4	2
Adjusted earnings group share	**149**	**7**	**4**
Profit or loss on financial assets (under fair value option) & derivatives	(10)	–	–
Exceptional operations (including discontinued operations)	7	–	–
Goodwill and other related intangibles impacts	(5)	–	–
Integration costs	(7)	–	–
Net income group share	**135**	**7**	**4**

(a) AXA Switzerland was not in the scope of APE in 2006, nor in 2005. Starting 2007, and as a result of Winterthur acquisition AXA Switzerland is in the scope of APE.

Gross revenues reached €4,133 million. On a comparable basis, gross revenues decreased by €40 million (–1%):

- *Group Life* decreased by €37 million (–1%) to €3,423 million as 2006 recorded a non-recurring high level of premiums related to the transfer of vested benefits on new contracts.
- *Individual Life* increased by €22 million (+3%) to €693 million, due to strong growth in unit-linked business of €74 million (+190%) to €108 million whereas traditional business decreased by €52 million (–8%) to €585 million.

APE increased by €4 million (+2%) on a comparable basis to €222 million with Individual Life & Savings up 16% reflecting the continuous increase in sales of new Unit-Linked products (+148%) which were launched in October 2006 (WinLife Variant) and May 2007 (AXA Comfort), partly offset by Group Life down 3%. Unit-linked share of total APE increased to 8%.

2006 and 2005 numbers are related to AXA Switzerland before the Winterthur acquisition. As this acquisition increased dramatically the size of AXA in Switzerland, the following comments focus only on overall Switzerland numbers in 2007, without comparison to 2006.

Investment margin amounted to €61 million of which €55 million in Group Life favoured by increasing yields on bonds as well as equity dividends, partly offset by policyholders bonus distributed under the Swiss legal quote rule.

Fees & revenues (mainly loadings on premiums) amounted to €212 million, including €100 million in Group Life and €112 million in Individual Life (of which €11 million on Unit-Linked products).

Net technical margin reached €137 million, showing a strong contribution of mortality and disability technical result. Individual Life technical margin amounted to €81 million and Group Life technical margin amounted to €57 million net of policyholder bonus distributed under the Swiss legal quote rule.

Expenses amounted to €–167 million, of which €–107 million in Group Life (mainly non-commissions expenses reflecting the predominance of direct distribution). Other expenses (mainly related to Individual Life) amounted to €–60 million.

As a result and taking into account a **VBI amortization** of €–29 million (of which €–12 million in Group Life and €–17 million in Individual Life), **Underlying cost income ratio** was 47.8%.

Underlying earnings reached €165 million, taking into account **Income tax expenses** of €–49 million.

Adjusted earnings reached €149 million as the underlying earnings contribution was partly offset by €–15 million net capital losses on equities and bond securities.

Net income amounted to €135 million including adjusted earnings of €149 million and realized gains resulting from the sale of Winplan (€+7 million), offset by a change in fair value of assets under fair value option and derivatives (€–10 million), amortization of Winterthur customer intangible (€–5 million), and Winterthur integration costs (€–7 million).

LIFE & SAVINGS OPERATIONS – BELGIUM

(in Euro million)

	2007	2006	2005
Gross revenues	**3,075**	**2,512**	**2,734**
APE (group share)	*340*	*300*	*336*
Investment margin	143	86	74
Fees & revenues	162	146	143
Net technical margin	57	56	49
Expenses	(252)	(194)	(183)
Amortization of VBI	(3)	(7)	(2)
Underlying operating earnings before tax	**107**	**87**	**81**
Income tax expenses / benefits	(17)	(22)	(25)
Minority interests	–	–	–
Underlying earnings group share	**90**	**65**	**56**
Net capital gains or losses attributable to shareholders net of income tax	206	255	85
Adjusted earnings group share	**297**	**320**	**141**
Profit or loss on financial assets (under fair value option) & derivatives	(93)	(10)	(11)
Exceptional operations (including discontinued operations)	–	–	–
Goodwill and other related intangibles impacts	–	–	–
Integration costs	(13)	–	–
Net income group share	**191**	**310**	**131**

Gross revenues increased by €563 million (+22%) to €3,075 million on a reported basis. On a comparable basis, gross revenues increased by €315 million (+11%) due to the increase in both Individual Life (+9%) and Group Life (+22%).

- *Individual Life and Savings revenues* increased by 9% to €2,453 million driven by the growth of unit-linked products (+48% to €432 million) with the reclassification of AXA Life Invest products from investment to insurance products and the launch of TwinStar in September 2007, and non unit-linked products (mainly Crest 40) by 5% to €1,707 million. Traditional Life products decreased by 4% to €313 million.
- *Group Life and Savings revenues* increased by 22% to €619 million due to exceptional 2007 high production (including a €63 million single premium contract).

APE increased by €40 million to €340 million on a reported basis. On a comparable basis, APE was up 8% to €340 million due to (i) individual life (+5% to €307 million) driven by both non unit-linked (largely Crest 40) and unit-linked products (TwinStar launched in September 2007), and (ii) Group business (+60% to €33 million including €6 million from a 2007 large case). Unit-linked share in total APE was 14%.

Investment margin increased by €57 million to €143 million on a reported basis. Excluding Winterthur, investment margin increased by €43 million (+50%) mainly due to a decrease of the credited rate driven by the increased share of lower guaranteed rate products (Crest 30 and Crest 40) while the average rate of return of the assets increased slightly.
Winterthur Investment margin amounted to €13 million.

Fees & revenues increased by €16 million to €162 million on a reported basis. Excluding the contribution of Winterthur, fees and revenues increased by €3 million (+2%).
Winterthur contribution amounted to €13 million.

Net technical margin increased by €1 million to €57 million on a reported basis. Excluding the contribution of Winterthur, the net technical margin slightly decreased by €3 million (–5%) mainly due to a less favorable mortality experience in 2007.
Winterthur contribution amounted to €4 million.

Expenses increased by €58 million to €–252 million on a reported basis. Excluding the contribution of Winterthur, expenses increased by €32 million (+17%) mainly due to override commissions (€+19 million or +20%), acquisition costs (€+9 million or +17%), and administrative expenses (€+5 million or +8%).
Winterthur contribution amounted to €–25 million.

VBI amortization decreased by €4 million to €–3 million.

Underlying cost income ratio increased from 69.8% to 70.5% on a reported basis. Excluding Winterthur contribution, underlying cost income ratio improved by 0.6 point to 69.2% due to the strong increase of underlying investment margin.

Income tax expenses decreased by €5 million to €–17 million on a reported basis. Excluding the contribution of Winterthur, income tax expenses decreased by €7 million (–32%) including the €26 million positive contribution resulting from the favorable court decision from insurance companies on RDT ("Revenus Définitivement Taxés": tax exemption on 95% of dividends on equities newly extended to insurance companies).
Winterthur contribution amounted to €–2 million.

Underlying earnings increased by €25 million to €90 million on a reported basis. Excluding the contribution of Winterthur, underlying earnings increased by €22 million (+34%). This increase reflected higher investment margin partly offset by higher expenses.
Winterthur contribution amounted to €3 million.

Adjusted earnings decreased by €24 million (–7%) to €297 million on a reported basis. Excluding the contribution of Winterthur, adjusted earnings decreased by €21 million (–6%) due to lower net realized capital gains following a high level in 2006 (€255 million) partly offset by the increase in underlying earnings (€+22 million).
Winterthur contribution amounted to €–3 million.

Net income decreased by €120 million to €191 million on a reported basis. Excluding the contribution of Winterthur, net income decreased by €91 million (–29%), including €–9 million integration costs and unfavourable change in fair value on fixed income mutual funds under fair value option due to interest rate increase.
Winterthur contribution amounted to €–28 million including €–4 million integration costs.

LIFE & SAVINGS OPERATIONS – MEDITERRANEAN REGION

(in Euro million)

	2007	2006 Published	2005 Restated [(a)]	2005 Published
Gross revenues	**1,924**	**1,476**	**1,562**	**1,562**
APE (group share)	*206*	*143*	*140*	*140*
Investment margin	91	73	56	56
Fees & revenues	172	108	109	109
Net technical margin	52	42	45	45
Expenses	(205)	(129)	(123)	(123)
Amortization of VBI	(9)	(5)	(6)	(6)
Underlying operating earnings before tax	**100**	**88**	**81**	**81**
Income tax expenses / benefits	(21)	(24)	(25)	(25)
Minority interests	(6)	(7)	(6)	(6)
Underlying earnings group share	**73**	**57**	**50**	**50**
Net capital gains or losses attributable to shareholders net of income tax	19	7	10	10
Adjusted earnings group share	**92**	**64**	**60**	**60**
Profit or loss on financial assets (under fair value option) & derivatives	–	–	3	3
Exceptional operations (including discontinued operations)	–	–	–	–
Goodwill and other related intangibles impacts	–	–	–	–
Integration costs	(8)	–	–	–
Net income group share	**84**	**63**	**63**	**63**

(a) Restated means: transfer of the forex impact from adjusted earnings to net income.

The scope of the following analysis includes Italy (AXA alone), Spain (Winterthur + AXA), Portugal, Greece (Alpha Insurance, consolidated as of 01/01/2007), Turkey and Morocco. For volume indicators the comparable basis reflects this scope, for both 2006 and 2007. For earnings, Winterthur Spain is excluded from the comparable basis.
MPS (Italy) P&L will be consolidated from 2008 on (full consolidation with an opening balance sheet as of 31/12/2007).

Gross revenues increased by 30% on a reported basis to €1,924 million. On a comparable basis (including Winterthur in Spain and Alpha Insurance in Greece for both periods), revenues were down 5% (€–87 million) mainly due to (i) a non recurring single premium in Spain, related to the outsourcing of pension funds, in 2006 (€–116 million), (ii) a lower amount of activity with institutional clients (€–43 million), as well as (iii) a decrease on other non unit-linked individual saving products (€–84 million) – such as *Protezione Patrimonio* or *Flexiplus* – driven by the current market interest rate trend, which reduced the commercial attractiveness of these products, and due to a switch of new business towards a more profitable business. These were partially offset by the higher sales of individual unit-linked products – mainly driven by the new Accumulator product launched mid March in Spain and early June in Italy, increasing by €+151 million.

APE increased by 44% to €206 million on a reported basis. On a comparable basis, APE decreased by 5% as a result of a drop in Group business (down 28%) due to the non recurrence of a 2006 outsourcing of pension fund contract in Winterthur. This was partly offset by the increase in individual business (+2%) notably driven by the contribution of Accumulator product (€13 million). Unit-linked share in total APE was 18%.

Investment margin increased by €18 million on reported basis to €91 million. Excluding Winterthur and on a constant exchange rate basis, investment margin increased by €3 million (+4%).
Winterthur contribution amounted to €15 million.

Fees & revenues increased by €64 million on a reported basis to €172 million. Excluding Winterthur and on a constant exchange rate basis, fees & revenues increased by €38 million, or +35%. Excluding the contribution of Alpha Insurance (€26 million), fees & revenues increased by €13 million (+12%) due to new business mix with higher loadings, especially index linked and unit-linked products.
Winterthur contribution amounted to €25 million.

Net technical margin rose by €10 million on a reported basis to €52 million. Excluding Winterthur and on a constant exchange rate basis, net technical margin increased by €3 million, due to the €3 million contribution of Alpha Insurance.
Winterthur contribution amounted to €7 million.

Expenses increased by €76 million on a reported basis to €–205 million. Excluding Winterthur and on a constant exchange rate basis, expenses increased by €40 million or 31%. Excluding the contribution of Alpha Insurance (€27 million), expenses increased by €13 million (+10%) due to higher non-commission general expenses (€+6 million), mainly driven by the launch of Accumulator, and higher commissions driven by a more profitable business mix (€+5 million).
Winterthur contribution amounted to €36 million.

VBI amortization increased by €4 million on a reported basis to €–9 million. Excluding Winterthur and on a constant exchange rate basis, VBI amortization was down €–2 million.
Winterthur contribution amounted to €–5 million.

Underlying cost income ratio increased by 7.9 points on a reported basis to 68.2%. Excluding Winterthur and on a constant exchange rate basis, underlying cost income ratio increased by 4.7 points to 64.9% of which +3.2 points impact of Alpha Insurance.

Income tax expenses decreased by €3 million on a reported basis to €−21 million. Excluding Winterthur and on a constant exchange rate basis, income tax expenses decreased by €3 million, despite the €5 million increase on pre-tax earnings, following lower tax rate in the main countries.
Winterthur contribution amounted to zero.

Underlying earnings increased by €16 million (+29%) on a reported basis to €73 million. Excluding Winterthur and on a constant exchange rate basis, underlying earnings increased by €10 million. Excluding Alpha Insurance's contribution (€+2 million) and the acquisition of the minority shares in Morocco (€+4 million), underlying earnings increased by €4 million.
Winterthur contribution amounted to €7 million.

Adjusted earnings increased by €29 million on a reported basis to €92 million. Excluding Winterthur and on a constant exchange rate basis, adjusted earnings increased by €20 million (or +32%) including €10 million net capital gains.
Winterthur contribution amounted to €8 million.

Net income increased by €21 million on a reported basis to €84 million. Excluding Winterthur and on a constant exchange rate basis, net income increased by €16 million (+26%) with €−4 million integration costs.
Winterthur contribution amounted to €4 million including €−4 million integration costs.

LIFE & SAVINGS OPERATIONS – OTHER COUNTRIES

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

CONSOLIDATED GROSS REVENUES

(in Euro million)

	2007	2006 Restated (a)	2006 Published	2005 Restated (a)	2005 Published
Australia / New Zealand	1,384	1,254	1,254	1,225	1,225
Hong Kong	1,257	1,041	1,041	832	832
The Netherlands	–	–	527	–	531
Central and Eastern Europe	423	–	–	–	–
Other countries	443	343	343	233	233
Canada	122	115	115	71	71
Luxembourg	64	48	48	38	38
South East Asia (b)	257	180	180	124	124
TOTAL	**3,507**	**2,637**	**3,164**	**2,290**	**2,822**
Intercompany transactions	–	–	–	(1)	(1)
Contribution to consolidated gross revenues	**3,507**	**2,637**	**3,164**	**2,289**	**2,820**

(a) Restated means the restatement of The Netherlands' activities as discontinued businesses.
(b) Includes Indonesia and Singapore.

UNDERLYING, ADJUSTED EARNINGS AND NET INCOME

(in Euro million)

	2007	2006 Restated (a)	2006 Published	2005 Restated (b)	2005 Published
Australia / New Zealand	99	83	83	64	64
Hong Kong	126	111	111	84	84
The Netherlands	–	–	55	–	44
Central and Eastern Europe	–	–	–	–	–
Other countries	12	9	9	(1)	(1)
Canada	2	4	4	(3)	(3)
Luxembourg	4	5	5	2	2
South East Asia (c)	6	–	–	–	–
China	(1)	–	–	–	–
UNDERLYING EARNINGS	**237**	**203**	**258**	**146**	**190**
Net realized capital gains or losses attributable to shareholders	83	22	43	13	40
ADJUSTED EARNINGS	**319**	**225**	**301**	**159**	**230**
Profit or loss on financial assets (under fair value option) & derivatives	(10)	6	7	2	3
Exceptional operations (including discontinued operations)	–	74	(3)	72	–
Goodwill and related intangibles impacts	(2)	–	–	–	–
Integration costs	(3)	–	–	–	–
NET INCOME	**304**	**304**	**304**	**232**	**232**

(a) Restated in full year 2006 means the restatement of The Netherlands' activities as discontinued businesses.
(b) Restated in full year 2005 means: (i) transfer of the forex impact from adjusted earnings to net income, and (ii) the restatement of The Netherlands' activities as discontinued businesses.
(c) Includes Indonesia, Thailand, Philippines and Singapore.

Australia and New Zealand[1]

Mutual fund retail net sales increased by €750 million (+38% on a comparable basis) to €2,609 million. This is a key area of growth in Australia and reflects continued strong inflows into the mezzanine "global equity fund" as well as into Personal superannuation sold through Summit and Generations platforms. Furthermore, recent legislative changes in Australia led to a one-time spike in superannuation contributions in Q2 and Q3' 2007 as clients took advantage of transitional superannuation concessions.

Gross revenues were up €131 million to €1,384 million (+7% on a comparable basis), given:

– *Revenues from mutual fund and advice business* increased by €94 million (+23% on a comparable basis) to €367 million due to continuing growth in funds under management.

(1) AXA interest in AXA Asia Pacific Holdings is 53.86% broken down into 53.00% direct interest holding and an additional 0.86% owned by the AAPH Executive plan trust.

- *Gross written premiums and fees* increased by €37 million to €1,018 million (+2% on a comparable basis), reflecting the impact of a shift from old to new style superannuation products that offset the growth in individual Life & Savings. As a reminder, new superannuation products are now predominantly sold through the Summit and Generations platforms and are thus accounted for on a fee basis – in contrast to old style superannuation products that were treated as insurance contracts.

APE was up 25% to €545 million mainly driven by continued strong inflows into Global Equity Value fund and ipac wholesale products, in addition to strong Personal superannuation flows into Summit & Generations platforms.

Underlying earnings were up €14 million (+17%) on a constant exchange rate basis to €99 million. On a 100% ownership basis, the evolution of underlying earnings was as follows:

- **Investment margin** was up €6 million to €29 million mainly due to increasing bond yields and higher dividend income on assets backing policy liabilities.
- **Fees & revenues** were up €98 million to €732 million, reflecting higher inflows and growth of funds under management and administration, following strong domestic market performance.
- **Net technical margin** was down €17 million to €6 million, due to less favourable claims termination experience in individual Life as well as non-recurring refinements in the group risk business.
- **Expenses** (including amortization of VBI) were up €51 million to €–561 million, reflecting higher commissions associated with increased fees & revenues.
- **Tax expense** was up €13 million to €–23 million mainly due to the increase in underlying earnings.

Overall, the **underlying cost to income ratio** improved from 74.9% to 73.1% as a result of higher fees & revenues.

Adjusted earnings were up €63 million (+66%) on a constant exchange rate basis to €162 million, reflecting the increase in underlying earnings and higher capital gains.

Net income was up €59 million (+59%) on a constant exchange rate basis to €162 million, in line with the adjusted earnings increase.

Hong Kong[1]

Gross revenues were up €216 million (+21%) to €1,257 million on a reported basis. This included €110 million from MLC and €236 million from Winterthur. On a comparable basis – excluding the impact of MLC but including Winterthur in both periods and at constant exchange rates – gross revenues were up 4% reflecting the successful launch of a new unit-linked investment & savings type product for which only fee income rather than premium contributions are accounted for in gross revenues.

APE was up 39% to €139 million on a reported basis, with a contribution of the Winterthur business of €28 million and a full year impact of former MLC agents (€+3 million; company acquired in May and consolidated only 8 months in 2006). On a comparable basis, APE grew by 12%, reflecting strong growth in individual unit-linked regular premiums and group retirement sales and encouraging results from the new Citibank bancassurance agreement (signed in July 2007). Unit-linked share increased to 53%.

Underlying earnings increased by €15 million (+13%) to €126 million. Excluding Winterthur and on a constant exchange rate basis, underlying earnings increased by €22 million (+20%) mainly due to an increase in the investment margin driven by higher income, an increase in fees and revenues as a consequence of strong sales and in-force portfolio growth as well as a full year of earnings from former MLC business.
MLC and Winterthur contributions amounted to €14 million and €5 million, respectively.

The **underlying cost income ratio** improved from 38.7% to 35.9%, or to 34.4% excluding Winterthur. This improvement reflected higher underlying earnings and lower expenses driven by a one-off recovery for a final settlement of a legal case as well as lower VBI amortization.

Adjusted earnings increased by €24 million (+20%) to €143 million. Excluding Winterthur and on a constant exchange rate basis, adjusted earnings increased by €32 million (+27%), driven by the increase in underlying earnings and higher net capital gains as a result of strong equity markets.
MLC and Winterthur contributions amounted to €13 million and €5 million, respectively.

Net income increased by €25 million (+22%) to €141 million. Excluding Winterthur and on a constant exchange rate basis, net income increased by €36 million (+31%) in line with adjusted earnings.
MLC and Winterthur contributions amounted to €13 million and €3 million (including €–2 million of integration costs), respectively.

Central and Eastern Europe

Gross revenues increased by 13% on a comparable basis to €423 million driven by positive contribution of all countries.

APE was up 59% on a comparable basis to €107 million, mainly driven by Life and Savings business (+128% to €48 million), benefiting from strong unit-linked sales (+128% to €44 million), and gains in market share in the Pension Fund business (+27% to €59 million). Main countries contributing to the growth were Czech Republic (+82% to €37 million) and Poland (+56% to €49 million).

Underlying earnings amounted to €0 million, as the positive investment margin, fees & revenues, and net technical margins (respectively €18 million, €80 million and €13 million, on a 100% basis), were offset by expenses (€–111 million on a 100% basis including €–12 million VBI amortization and €–16 million investments to accelerate growth and to develop AXA brand) and income tax (€–3 million).

Overall, the **underlying cost income ratio** was 98.5% in 2007.

Adjusted earnings amounted to €1 million, driven by underlying earnings and €2 million capital gains attributable to shareholders.

(1) AXA interest in AXA Asia Pacific Holdings is 53.86% broken down into 53.00% direct interest holding and an additional 0.86% owned by the AAPH Executive plan trust.

Net income amounted to €−1 million, as the adjusted earnings were offset by €−1 million integration costs of Winterthur (mainly rebranding costs) and €−2 million amortization of customer intangible assets.

Canada

Gross revenues increased by €11 million to €122 million on a constant exchange rate basis mainly due to the growth in Group Health (€6 million) and Individual Life & Savings (€4 million).

Underlying earnings, adjusted earnings and net income decreased by €2 million to €2 million on a constant exchange rate basis mainly due to the negative impact of a change in tax regulation.

South East Asia and China

APE of *South East Asia* entities[1] increased by 73% on a comparable basis[2] to €58 million, reflecting the strong relationships with bancassurance partners and an expanding agency footprint. APE in *China* was up 93% on a comparable basis to €5 million due to a buoyant investment market, the launch of the new AXA Adviser channel and continued growth in bancassurance.

Underlying earnings of *South East Asia* were up €6 million to €6 million as a consequence of an increase in sales volume and additional months of operation[3]. *China*[4] reported an underlying loss of €1 million due to business development expenses that included the opening of several new branches.

Net income of *South East Asia* increased by €5 million to €8 million in line with underlying earnings. *China*'s net income was €−15 million given the impact of its entry in the scope of consolidation (one-time recognition of past losses).

(1) Indonesia, Singapore (both fully consolidated, except for AXA Mandiri JV), Thailand and Philippines (both equity consolidated).
(2) All SEA entities reported APE for the first time in 2007.
(3) Indonesia, Thailand, Philippines and China only reported 9 months of earnings in 2006.
(4) China was consolidated for the first time in 2007 using the equity method.

> 2.3 ACTIVITY REPORT

Property & Casualty Segment

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

PROPERTY AND CASUALTY SEGMENT [a]

(in Euro million)

	2007	2006 Restated [b]	2006 Published	2005 Restated [c]	2005 Published
Gross written premiums	25,101	19,548	19,830	18,638	18,913
Fees and revenues from investment contracts without participating feature	–	–	–	–	–
Revenues from insurance activities	***25,101***	***19,548***	***19,830***	***18,638***	***18,913***
Net revenues from banking activities	–	–	–	–	–
Revenues from other activities	79	52	52	43	43
TOTAL REVENUES	**25,180**	**19,600**	**19,882**	**18,681**	**18,956**
Change in unearned premium reserves net of unearned revenues and fees	**(362)**	**(139)**	**(142)**	**(272)**	**(269)**
Net investment result excluding financing expenses	**2,057**	**1,564**	**1,594**	**1,433**	**1,461**
Technical charges relating to insurance activities	(16,702)	(12,697)	(12,841)	(12,187)	(12,347)
Net result of reinsurance ceded	(599)	(629)	(632)	(565)	(581)
Bank operating expenses	–	–	–	–	–
Insurance acquisition expenses	(4,634)	(3,712)	(3,787)	(3,327)	(3,382)
Amortization of value of purchased life business in force	–	–	–	–	–
Administrative expenses	(2,274)	(1,817)	(1,851)	(1,915)	(1,960)
Valuation allowances on tangible assets	4	11	11	(1)	(1)
Change in value of goodwill	–	–	–	–	–
Other	(24)	(18)	(20)	14	12
Other operating income and expenses	**(24,229)**	**(18,863)**	**(19,120)**	**(17,980)**	**(18,259)**
INCOME FROM OPERATING ACTIVITIES, GROSS OF TAX EXPENSE	**2,647**	**2,162**	**2,213**	**1,862**	**1,890**
Net income from investments in affiliates and associates	5	9	9	3	3
Financing expenses	(13)	(8)	(8)	(11)	(11)
OPERATING INCOME GROSS OF TAX EXPENSE	**2,639**	**2,163**	**2,214**	**1,854**	**1,882**
Income tax expense	**(726)**	**(704)**	**(719)**	**(483)**	**(493)**
Minority interests in income or loss	**(50)**	**(42)**	**(42)**	**(44)**	**(44)**
UNDERLYING EARNINGS	**1,863**	**1,417**	**1,453**	**1,327**	**1,346**
Net realized capital gains or losses attributable to shareholders	562	440	441	335	307
ADJUSTED EARNINGS	**2,425**	**1,857**	**1,895**	**1,662**	**1,653**
Profit or loss on financial assets (under fair value option) & derivatives	4	70	71	51	85
Exceptional operations (including discontinued operations)	(2)	51	13	25	–
Goodwill and other related intangible impacts	(67)	(2)	(2)	(1)	(1)
Integration costs	(142)	–	–	–	–
NET INCOME	**2,218**	**1,977**	**1,977**	**1,737**	**1,737**

(a) Before intercompany transactions.
(b) Restated in full year 2006 means the restatement of The Netherlands' activities as discontinued businesses.
(c) Restated in full year 2005 means: (i) transfer of the forex impact from adjusted earnings to net income, and (ii) the restatement of The Netherlands' activities as discontinued businesses.

CONSOLIDATED GROSS REVENUES

(in Euro million)

	2007	2006 Restated [a]	2006 Published	2005 Restated [a]	2005 Published
France	5,377	5,219	5,219	5,096	5,096
United Kingdom & Ireland	5,111	4,742	4,742	4,413	4,413
Germany	3,531	2,759	2,759	2,798	2,798
Belgium	2,130	1,520	1,520	1,462	1,462
Mediterranean Region [b]	5,298	3,831	3,831	3,612	3,612
Switzerland	1,981	95	95	90	90
Other countries	1,752	1,435	1,717	1,210	1,485
TOTAL	**25,180**	**19,600**	**19,882**	**18,681**	**18,956**
Intercompany transactions	(164)	(89)	(89)	(81)	(81)
Contribution to consolidated gross revenues	**25,016**	**19,510**	**19,793**	**18,600**	**18,874**

(a) Restated means the restatement of The Netherlands' activities as discontinued businesses.
(b) Mediterranean Region includes Italy, Spain, Portugal, Greece, Turkey and Morocco.

UNDERLYING, ADJUSTED EARNINGS AND NET INCOME

(in Euro million)

	2007	2006 Restated [a]	2006 Published	2005 Restated [b]	2005 Published
France	426	382	382	363	363
United Kingdom & Ireland	262	386	386	399	399
Germany	325	181	181	178	178
Belgium	216	147	147	128	128
Mediterranean Region [c]	362	173	173	146	146
Switzerland	125	7	7	2	2
Other countries	147	140	176	111	130
UNDERLYING EARNINGS	**1,863**	**1,417**	**1,453**	**1,327**	**1,346**
Net realized capital gains or losses attributable to shareholders	562	440	441	335	307
ADJUSTED EARNINGS	**2,425**	**1,857**	**1,895**	**1,662**	**1,653**
Profit or loss on financial assets (under fair value option) & derivatives	4	70	71	51	85
Exceptional operations (including discontinued operations)	(2)	51	13	25	–
Goodwill and related intangibles impacts	(67)	(2)	(2)	(1)	(1)
Integration costs	(142)	–	–	–	–
NET INCOME	**2,218**	**1,977**	**1,977**	**1,737**	**1,737**

(a) Restated in full year 2006 means the restatement of The Netherlands' activities as discontinued businesses.
(b) Restated in full year 2005 means: (i) transfer of the forex impact from adjusted earnings to net income, and (ii) the restatement of The Netherlands' activities as discontinued businesses.
(c) Mediterranean Region includes Italy, Spain, Portugal, Greece, Turkey and Morocco.

PROPERTY & CASUALTY OPERATIONS – FRANCE

(in Euro million)

	2007	2006 Published	2005 Restated [a]	2005 Published
Gross revenues	**5,377**	**5,219**	**5,096**	**5,096**
Current accident year loss ratio (net)	74.3%	74.6%	74.0%	74.0%
All accident year loss ratio (net)	72.7%	73.5%	73.5%	73.5%
Net technical result	**1,467**	**1,390**	**1,345**	**1,345**
Expense ratio	24.2%	24.1%	24.4%	24.4%
Net investment result	495	464	464	464
Underlying operating earnings before tax	**657**	**592**	**569**	**569**
Income tax expenses / benefits	(230)	(210)	(206)	(206)
Net income from investments in affiliates and associates	–	–	–	–
Minority interests	–	–	–	–
Underlying earnings group share	**426**	**382**	**363**	**363**
Net capital gains or losses attributable to shareholders net of income tax	93	70	85	57
Adjusted earnings group share	**519**	**452**	**448**	**419**
Profit or loss on financial assets (under fair value option) & derivatives	34	64	17	45
Exceptional operations (including discontinued operations)	–	–	–	–
Goodwill and other related intangibles impacts	–	–	–	–
Integration costs	–	–	–	–
Net income group share	**553**	**515**	**464**	**464**

(a) Restated means: transfer of the forex impact from adjusted earnings to net income.

Gross revenues amounted to €5,377 million. On a comparable basis, gross revenues increased by 3%:

- *Personal lines* (60% of gross revenues) increased by 1% to €3,185 million, mainly reflecting (i) positive net inflows in Household (+40K new contracts) combined with an increase in the average premium and (ii) positive net inflows in Motor (+99K new contracts) offset by lower average premium in the context of a still very competitive market.
- *Commercial lines* (40% of gross revenues) increased by 6% to €2,145 million driven by Construction following positive portfolio development.

Net technical result improved by €77 million or 6% to €1,467 million driven by 0.7 point improvement of the all accident year net loss ratio to 72.7%

- The **current accident year loss ratio** improved by 0.3 point to 74.3%, reflecting the favorable claims experience in Property (both Personal and Commercial lines) and natural events, partly offset by an increase on Personal Motor current accident year net loss ratio (impact of 0.4 point on total loss ratio).
- **Prior accident year net technical result** increased by €25 million to €85 million, mainly due to a higher level of positive loss reserves development in Property.

Expense ratio increased slightly by 0.2 point to 24.2% following higher tied agents commissions and a 0.1 point non commission ratio increase due to higher cost of buildings lease, taxes and advertising costs.

As a consequence, the **combined ratio** improved by 0.5 point to 97.0%.

Net investment result improved by €32 million to €495 million driven by higher income from fixed maturities resulting from a higher asset base.

Income tax expenses were up €20 million to €–230 million in line with increased taxable income.

Underlying earnings increased by €44 million (+12%) to €426 million reflecting an improved combined ratio and the growth in net investment result.

Adjusted earnings improved by €68 million (+15%) to €519 million resulting from the underlying earnings increase (€+44 million) and from higher net realised capital gains (€+24 million to €93 million) notably on equities.

Net income increased by €38 million (+7%) to €553 million under the combined effect of (i) higher adjusted earnings (€+68 million) partly offset by an unfavourable change in fair value of assets under fair value option (€–59 million), due to negative impacts on fixed maturity mutual funds, and (ii) change in fair value on derivatives (€+31 million) explained by positive impacts on equity swaps.

PROPERTY & CASUALTY OPERATIONS – UNITED KINGDOM & IRELAND

(in Euro million)

	2007	2006 Published	2005 Restated (a)	2005 Published
Gross revenues	**5,111**	**4,742**	**4,413**	**4,413**
Current accident year loss ratio (net)	71.8%	63.6%	65.1%	65.1%
All accident year loss ratio (net)	66.4%	61.8%	63.1%	63.1%
Net technical result	**1,663**	**1,790**	**1,610**	**1,610**
Expense ratio	35.0%	34.7%	33.3%	33.3%
Net investment result	380	338	283	283
Underlying operating earnings before tax	**311**	**501**	**442**	**442**
Income tax expenses / benefits	(49)	(114)	(43)	(43)
Net income from investments in affiliates and associates	–	–	–	–
Minority interests	(1)	–	–	–
Underlying earnings group share	**262**	**386**	**399**	**399**
Net capital gains or losses attributable to shareholders net of income tax	71	75	62	64
Adjusted earnings group share	**333**	**461**	**461**	**464**
Profit or loss on financial assets (under fair value option) & derivatives	(5)	(9)	3	–
Exceptional operations (including discontinued operations)	–	–	–	–
Goodwill and other related intangibles impacts	(17)	–	–	–
Integration costs	(4)	–	–	–
Net income group share	**307**	**451**	**464**	**464**
Average exchange rate: 1.00 € = £	*0.6845*	*0.6817*	*0.6840*	*0.6840*

(a) Restated means: transfer of the forex impact from adjusted earnings to net income.

Gross revenues increased by 8% to €5,111 million on a reported basis, and by 8% on a comparable basis reflecting significant growth in:

- *Personal lines* (52% of gross revenues) revenues were up 12% to €2,662 million, mainly due to Motor growth of 21% to €747 million principally arising from new business written through the Internet platform Swiftcover which benefited from increased volumes through the aggregator websites, 10% growth across all classes in Health and 32% growth in Travel as a result of increased volumes from delegated authority business, partly offset by a decrease in the creditor business (–23%) due to a market contraction.
- *Commercial* (46% of gross revenues) revenues were up 3% to €2,365 million predominantly reflecting strong growth in AXA PPP Health business.

Net technical result decreased by €127 million to €1,663 million on a reported basis, or €121 million (–7%) on a constant exchange rate basis:

- The **current accident year loss ratio** increased by 8.1 points to 71.8%, mainly as a result of adverse weather events, including Kyrill storm (€56 million, +1.1 point), the June and July floods (€271 million, +5.5 points) and 0.9 point higher loss ratio on U.K. Commercial lines. While Commercial lines remained profitable overall, market pressure, including from new entrants, prevented rate increases from keeping up with claims inflation.
- The **all accident year loss ratio** increased by 4.6 points to 66.4%, as the adverse current accident year loss ratio was partially offset by favorable development in prior years reserves development (€268 million in 2007).

Expense ratio deteriorated by 0.3 point to 35.0%, with the acquisition ratio down 0.2 point due to the favourable impact from lower profit commissions resulting from adverse weather events, more than offset by +0.5 point in administrative expenses due to +0.3 point for the brokers and +0.2 point to support volume growth in PPP Health business.

As a result, the **combined ratio** amounted to 101.4%, a deterioration of 4.9 points from 96.5% in 2006.

Net investment result increased by €42 million to €380 million on a reported basis, or €43 million (+13%) on a constant exchange rate, as a result of higher average investment returns.

Income tax expenses decreased by €65 million to €–49 million on both current and constant exchange rate bases, reflecting the deterioration in the pre-tax result, and a €32 million benefit from a settlement on prior years, partly offset by a negative €18 million due to the decrease in deferred tax assets following the reduction in the Corporate tax rate (from 30% to 28%).

Underlying earnings decreased by €124 million to €262 million on a reported basis, or €124 million (–32%) on a constant exchange rate basis, primarily reflecting the adverse weather events experienced during the year including Kyrill storm and the June and July floods, partially offset by favorable prior year reserves development and a reduction in income tax expenses.

Adjusted earnings decreased by €128 million to €333 million on a reported basis, or €127 million (–28%) on a constant exchange rate basis, primarily as a result of the decrease in underlying earnings and €32 million higher realized capital gains offset by €36 million impairment charges including €13 million on Northern Rock.

Net income decreased by €144 million to €307 million on a reported basis, or €143 million (–32%) on a constant exchange rate basis, in line with the adjusted earnings evolution and €17 million of customer intangible amortization related to brokers' acquisition.

PROPERTY & CASUALTY OPERATIONS – GERMANY

(in Euro million)

	2007	2006 Published	2005 Restated [(a)]	2005 Published
Gross revenues	**3,531**	**2,759**	**2,798**	**2,798**
Current accident year loss ratio (net)	78.7%	74.2%	72.2%	72.2%
All accident year loss ratio (net)	69.0%	67.8%	65.8%	65.8%
Net technical result	**1,094**	**889**	**958**	**958**
Expense ratio	29.3%	30.3%	32.5%	32.5%
Net investment result	339	239	218	218
Underlying operating earnings before tax	**401**	**293**	**266**	**266**
Income tax expenses / benefits	(74)	(108)	(76)	(76)
Net income from investments in affiliates and associates	5	4	3	3
Minority interests	(7)	(7)	(15)	(15)
Underlying earnings group share	**325**	**181**	**178**	**178**
Net capital gains or losses attributable to shareholders net of income tax	92	77	87	80
Adjusted earnings group share	**416**	**259**	**265**	**258**
Profit or loss on financial assets (under fair value option) & derivatives	29	26	30	37
Exceptional operations (including discontinued operations)	–	(3)	–	–
Goodwill and other related intangibles impacts	–	–	–	–
Integration costs	(36)	–	–	–
Net income group share	**410**	**282**	**295**	**295**

(a) Restated means: transfer of the forex impact from adjusted earnings to net income.

Gross revenues increased by 28% to €3,531 million on a reported basis. On a comparable basis, revenues were up 2% despite the softening market:

- *Personal lines* (64% of gross revenues) revenues were up 1% to €2,243 million. Motor was up 1% due to the strong positive net inflows. Property and Liability increased by 2% and +3% respectively, following the successful launch of the new packaged product "Profischutz" for professionals and trades people.
- *Commercial lines* (30% of gross revenues) revenues were up 2% to €1,061 million mainly due to Motor as a result of higher average number of vehicles in existing fleets as well as to new business in Liability (+3%).
- *Other lines* (6% of the P&C premiums) grew by 6% to €202 million triggered by improved premiums in AXA Art (7%) and Assumed Business.

Net technical result increased by 23% to €1,094 million. Excluding Winterthur, net technical result decreased by €31 million (–3%).

- The **current accident year loss ratio** increased by 4.5 points to 78.7%, mainly driven by natural events and higher large claims impact. Excluding Winterthur, the current accident year loss ratio increased by 3.0 points to 77.2 % driven by the storm "Kyrill" with an impact of 1.9 point in 2007 and higher large claims charge on Commercial Property and Liability lines.
  Winterthur current accident year loss ratio amounted to 84.4%, of which the Kyrill impact amounted to 1.4 point.
- The **all accident year loss ratio** increased by 1.2 point to 69.0%. Excluding Winterthur, the all accident year loss ratio increased by 1.8 point to 69.5%, due to the higher current accident year loss ratio, partly offset by a non recurring increase in claim handling costs reserve in 2006.
  Winterthur net technical result amounted to €236 million with an all accident year loss ratio of 66.7%.

Expense ratio amounted to 29.3%. Excluding Winterthur, the expense ratio improved by 1.0 point to 29.3% mainly due to a slight positive volume effect while overall expenses decreased by €11 million explained by the release of provisions on bad debts in reinsurance business and lower marketing expenses, partly offset by the release of VAT provisions in 2006.
Winterthur expense ratio amounted to 29.3%.

As a result, **combined ratio** amounted to 98.2% including the "Kyrill" impact of 1.8 point. Excluding Winterthur, the combined ratio deteriorated by 0.7 point to 98.8%.
Winterthur combined ratio amounted to 95.9%.

Net investment result increased by €100 million to €339 million. Excluding Winterthur, net investment result increased by €23 million (+10%) mainly as a result of a shift in the asset-mix towards higher yielding bonds as well as higher dividends from equities.
Winterthur contribution amounted to €77 million.

Income tax expenses decreased by €35 million to €–74 million. Excluding Winterthur, income tax expense decreased by €79 million (–73%) reflecting the €42 million positive outcome of a tax audit on the ex-Albingia portfolio, the €31 million favourable impact of the new income tax rate on the deferred tax liabilities (32% versus 40% applicable on current income from 2008), and a €12 million tax reserve release.
Winterthur contribution amounted to €–45 million.

Underlying earnings increased by €143 million to €325 million. Excluding Winterthur, underlying earnings

increased by €84 million (+46%), primarily reflecting the significantly lower underlying taxes due to the one-off effects in 2007 and the increase of the net investment result.
Winterthur contribution amounted to €59 million.

Adjusted earnings increased by €158 million to €416 million. Excluding Winterthur, adjusted earnings increased by €109 million (+42%) mainly driven by higher underlying earnings and higher net capital gains notably on equities.
Winterthur contribution amounted to €48 million.

Net income increased by €128 million to €410 million. Excluding Winterthur, net income increased by €89 million (+32%) driven by the increase in adjusted earnings, partially offset by €−24 million integration costs.
Winterthur contribution amounted to €38 million including €−12 million integration costs.

PROPERTY & CASUALTY OPERATIONS – BELGIUM

(in Euro million)

	2007	2006	2005
Gross revenues	**2,130**	**1,520**	**1,462**
Current accident year loss ratio (net)	77.6%	78.1%	81.4%
All accident year loss ratio (net)	67.5%	66.0%	70.0%
Net technical result	**693**	**512**	**439**
Expense ratio	29.8%	29.3%	28.7%
Net investment result	235	178	167
Underlying operating earnings before tax	**290**	**245**	**183**
Income tax expenses / benefits	(73)	(98)	(55)
Net income from investments in affiliates and associates	–	–	–
Minority interests	–	–	–
Underlying earnings group share	**216**	**147**	**128**
Net capital gains or losses attributable to shareholders net of income tax	119	142	53
Adjusted earnings group share	**335**	**290**	**181**
Profit or loss on financial assets (under fair value option) & derivatives	(29)	(6)	1
Exceptional operations (including discontinued operations)	–	–	–
Goodwill and other related intangibles impacts	–	–	–
Integration costs	(34)	–	–
Net income group share	**272**	**283**	**183**

Gross revenues increased by 40% to €2,130 million on a reported basis. On a comparable basis, gross revenues increased by 1%.

- *Personal lines* (60% of the P&C premiums) revenues were up 4% due to the implementation of the Natural Disaster guarantee in the household policies and Motor portfolio growth.
- *Commercial lines* (40% of the P&C premiums) revenues were down 3% reflecting losses in portfolio in the context of strong pressure on prices.

Net technical result increased by €181 million to €693 million. Excluding the contribution of Winterthur, net technical result decreased by €27 million to €485 million. Winterthur net technical result amounted to €207 million.

- The **current accident year loss ratio** decreased by 0.4 point to 77.6%. Excluding the contribution of Winterthur, the current accident year loss ratio increased by 1.2 point to 79.2%, mainly due to the Kyrill storm (2.1 points impact).
  Winterthur current accident loss ratio amounted to 73.4% (0.8 point Kyrill impact).
- The **all accident year loss ratio** increased by 1.4 point to 67.5%. Excluding the contribution of Winterthur, the all accident year loss ratio increased by 2.5 points to 68.5%, reflecting the unfavorable current accident year loss ratio and a decrease in prior years' results (€–16 million).
  Winterthur all accident year loss ratio amounted to 64.8%.

Expense ratio increased by 0.5 point to 29.8%. Excluding the contribution of Winterthur, the expense ratio deteriorated by 0.9 point to 30.3% driven by override commissions (0.6 point impact) and administrative expenses (0.3 point impact).
Winterthur expense ratio amounted to 28.6%.

As a result, the **combined ratio** deteriorated by 1.9 point to 97.3%. Excluding the contribution of Winterthur, the underlying combined ratio deteriorated by 3.4 points to 98.7%.
Winterthur combined ratio amounted to 93.4%.

Net investment result increased by €57 million to €235 million. Excluding the contribution of Winterthur, net investment result increased by €5 million (+3%) to €183 million.
Winterthur contribution amounted to €52 million.

Income tax expenses decreased by €24 million to €–73 million. Excluding the contribution of Winterthur, income tax expenses decreased by €61 million (–62.5%) including a €10 million positive contribution resulting from the favorable court decision from insurance companies on RDT ("Revenus Définitivement Taxés": tax exemption on 95% of dividends on equities newly extended to insurance companies).
Winterthur contribution amounted to €–37 million.

Underlying earnings increased by €69 million to €216 million. Excluding the contribution of Winterthur, underlying earnings increased by €16 million (+11%).
Winterthur contribution amounted to €54 million.

Adjusted earnings increased by €45 million to €335 million. Excluding the contribution of Winterthur, adjusted earnings slightly decreased by €–1 million, as the €16 million increase in underlying earnings was offset by a €16 million decrease in realized capital gains after a very high level in the first half year 2006 (€130 million).
Winterthur contribution amounted to €46 million.

Net income decreased by €11 million to €272 million. Excluding the contribution of Winterthur, net income decreased by €38 million (–13%) resulting from a €–22 million integration costs and a €–17 million unfavourable change in fair value on fixed income mutual funds under fair value option due to interest rate increase.
Winterthur contribution amounted to €26 million including €–12 million integration costs.

PROPERTY & CASUALTY OPERATIONS – MEDITERRANEAN REGION

(in Euro million)

	2007	2006 Published	2005 Restated (a)	2005 Published
Gross revenues	**5,298**	**3,831**	**3,612**	**3,612**
Current accident year loss ratio (net)	76.5%	77.2%	77.5%	77.5%
All accident year loss ratio (net)	72.1%	74.8%	76.2%	76.2%
Net technical result	**1,453**	**941**	**827**	**827**
Expense ratio	23.3%	23.3%	23.2%	23.2%
Net investment result	351	245	226	226
Underlying operating earnings before tax	**591**	**314**	**246**	**246**
Income tax expenses / benefits	(195)	(106)	(72)	(72)
Net income from investments in affiliates and associates	–	–	–	–
Minority interests	(34)	(34)	(28)	(28)
Underlying earnings group share	**362**	**173**	**146**	**146**
Net capital gains or losses attributable to shareholders net of income tax	172	57	29	29
Adjusted earnings group share	**534**	**231**	**176**	**175**
Profit or loss on financial assets (under fair value option) & derivatives	(16)	(1)	1	2
Exceptional operations (including discontinued operations)	(2)	–	–	–
Goodwill and other related intangibles impacts	(28)	–	–	–
Integration costs	(60)	–	–	–
Net income group share	**428**	**230**	**177**	**177**

(a) Restated means: transfer of the forex impact from adjusted earnings to net income.

The scope of the following analysis includes Italy (AXA alone), Spain (Winterthur+AXA), Portugal, Greece (Alpha Insurance consolidated as of 01/01/2007), Turkey and Morocco. For volume indicators the comparable basis reflects this scope, for both 2006 and 2007. For earnings, Winterthur Spain is excluded from the comparable basis.
MPS (Italy) P&L will be consolidated from 2008 on (full consolidation with an opening balance sheet as of 31/12/2007).

Gross revenues increased by 38% on reported basis to €5,298 million. On a comparable basis (including Winterthur in Spain and Alpha Insurance in Greece for both periods), revenues increased by 5%:

- *Personal lines* (71% of the P&C premiums) increased by 8% to €3,789 million. Motor business (+8%) benefited from higher volumes (+419 K contracts) driven by the strong success of the new products and tariffs. Average premium remained stable as the higher weight of "full-cover" policies (especially in Spain and Turkey) was offset by the strong market competition and the higher weight of motorbike policies. Non-motor lines (+6%) were driven by Property lines (+7%) and Health (+6%).
- *Commercial lines* (28% of the P&C premiums) were up 1% to €1,508 million driven by non motor lines (+2%), especially Health and Workers' Compensation, partly offset by Motor (−4%) due to a lower contribution from former Winterthur fleet rental business, and low profitable Mechanical guarantees (−76%).

Net technical result increased by €512 million on a reported basis to €1,453 million. Excluding Winterthur and on a constant exchange rate basis, net technical result increased by €166 million (+18%). Excluding the newly acquired Greek entity contribution (€+29 million), net technical result increased by €137 million (+15%).

- The **current accident year loss ratio** stood at 76.5% (−0.7 point). Excluding Winterthur, it deteriorated by 0.8 point to 78.0%, mainly driven by an increase in motor personal lines (+2.0 points) following the strong new business impact and the stable average premium (as compared to a 4% average weighed inflation rate).
  Winterthur current accident year loss ratio stood at 71.1%.
- The **all accident year loss ratio** stood at 72.1% (−2.8 points). Excluding Winterthur, it improved by 1.8 point to 73.0% thanks to the favourable development of claims reserves from previous year (€+115 million) mainly focused on motor lines (€+138 million).
  The Winterthur all accident year loss ratio stood at 68.6%.
  Winterthur contribution amounted to €346 million.

Expense ratio remained stable at 23.3% on a reported basis. Excluding Winterthur, expense ratio decreased by 0.1 point to 23.1% as the increase in the commission ratio, mainly driven by an exceptional reimbursement of commissions in 2006 (€9 million) and a higher weight of the household portfolio in 2007, was offset by (i) the synergies arising in Spain from the merger with Winterthur (€8 million) and (ii) lower expenses on staff reduction plan in Portugal (€6 million).
The Winterthur expense ratio stood at 23.8%.

As a result, the **combined ratio** improved by 2.7 points to 95.4%. Excluding Winterthur, the combined ratio improved by 2.0 points to 96.1%, driven by the lower loss ratio.
The Winterthur combined ratio stood at 92.5%.

Net investment result increased by €106 million on a reported basis to €351 million. Excluding Winterthur and on a constant exchange rate basis, net investment result increased by €43 million (+18%) driven by higher asset base, interest rates and dividends, and the implementation of a more dynamic asset management strategy including the switch to assets with a higher duration.
Winterthur contribution amounted to €63 million.

Income tax expenses increased by €89 million on a reported basis to €–195 million. Excluding Winterthur and on a constant exchange rate basis, income tax expenses increased by €45 million (+42%). Tax rate remained stable as positive and negative exceptional elements compensated each other (positive litigation settlement in Italy (€+16 million), negative impact of decrease in tax rate in most countries due to a significant Deferred Tax Asset position (€–11 million), and Deferred Tax Liability cancellation in Italy (€–5 million) in 2006).
Winterthur contribution amounted to €43 million.

Underlying earnings increased by €188 million on a reported basis to €362 million. Excluding Winterthur and on a constant exchange rate basis, underlying earnings increased by €86 million (+49%). Excluding the acquisition of Greece and Morocco minority shares, underlying earnings increased by €68 million (+36%).
Winterthur contribution amounted to €103 million.

Adjusted earnings rose by €303 million on a reported basis to €534 million. Excluding Winterthur and on a constant exchange rate basis, adjusted earnings increased by €190 million (+82%) including €+104 million higher net capital gains mostly focused on equities (mainly in Morocco) and real estate.
Winterthur contribution amounted to €114 million.

Net income increased by €198 million on a reported basis to €428 million. Excluding Winterthur and on a constant exchange rate basis, net income increased by €148 million (+64%) including integration costs in AXA Spain (€–25 million) and the decrease in fair value of invested assets under fair value option through P&L (€–19 million).
Winterthur contribution amounted to €51 million including €–35 million integration costs.

PROPERTY & CASUALTY OPERATIONS – SWITZERLAND

(in Euro million)

	2007	2006	2005
Gross revenues	**1,981**	**95**	**90**
Current accident year loss ratio (net)	77.6%	63.3%	66.4%
All accident year loss ratio (net)	75.2%	72.2%	75.6%
Net technical result	**490**	**27**	**21**
Expense ratio	24.0%	24.1%	26.9%
Net investment result	142	4	3
Underlying operating earnings before tax	**159**	**8**	**1**
Income tax expenses / benefits	(33)	(1)	1
Net income from investments in affiliates and associates	–	–	–
Minority interests	(1)	–	–
Underlying earnings group share	**125**	**7**	**2**
Net capital gains or losses attributable to shareholders net of income tax	(6)	2	1
Adjusted earnings group share	**119**	**9**	**3**
Profit or loss on financial assets (under fair value option) & derivatives	(10)	–	–
Exceptional operations (including discontinued operations)	–	–	–
Goodwill and other related intangibles impacts	(17)	–	–
Integration costs	(7)	–	–
Net income group share	**84**	**9**	**3**

Gross revenues amounted to €1,981 million. On a comparable basis, gross revenues were stable both on Motor (the acquisition of new clients offsetting the impact of tariff reduction), and non-Motor (the impact of tariff increase in Workers' compensation and Property offsetting a decrease in Health and Transport reflecting fierce competition).

2006 and 2005 numbers are related to AXA Switzerland before the Winterthur acquisition. As this acquisition increased dramatically the size of AXA in Switzerland, the following comments focus only on overall Switzerland numbers in 2007 without comparison to 2006.

Net technical result reached €490 million:
- The **current accident year loss ratio** stood at 77.6 % with a claim experience characterized by a very substantial level of large losses (notably flood and hail events impacting both Motor and Property lines of business).
- **Prior years net technical result**amounted to €47 million mainly driven by positive reserve development in Health and Liability.

Expense ratio stood at 24.0 %.

As a result, the **combined ratio** stood at 99.2 %.

Net investment result reached €142 million.

Income tax expenses amounted to €–33 million.

Underlying earnings reached €125 million.

Adjusted earnings amounted to €119 million stemming from the underlying earnings contribution and €–6 million net capital losses mainly on equities.

Net income reached €84 million including a change in fair value of assets under fair value option and derivatives (€–10 million), Winterthur integration costs (€–7 million), and amortization of Winterthur customer intangible assets (€–17 million).

PROPERTY & CASUALTY OPERATIONS – OTHER COUNTRIES

CONSOLIDATED GROSS REVENUES

(in Euro million)

	2007	2006 Restated (a)	2006 Published	2005 Restated (a)	2005 Published
Canada	1,085	1,059	1,059	858	858
The Netherlands	–	–	282	–	275
Other countries	667	376	376	352	352
Japan	167	158	158	140	140
Asia (excluding Japan) (b)	205	149	149	144	144
Luxembourg	80	69	69	69	69
Central and Eastern Europe	12	–	–	–	–
South Korea	203	–	–	–	–
TOTAL	**1,752**	**1,435**	**1,717**	**1,210**	**1,485**
Intercompany transactions	(9)	(4)	(4)	(5)	(5)
Contribution to consolidated gross revenues	**1,743**	**1,431**	**1,713**	**1,206**	**1,481**

(a) Restated means the restatement of The Netherlands' activities as discontinued businesses.
(b) Includes Hong Kong, Singapore and Malaysia (Malaysia has been fully consolidated for the first time in 2007).

UNDERLYING, ADJUSTED EARNINGS AND NET INCOME

(in Euro million)

	2007	2006 Restated (b)	2006 Published	2005 Restated (a)	2005 Published
Canada	125	113	113	80	80
The Netherlands	–	–	36	–	19
Other countries	22	27	27	31	31
Japan	–	1	1	5	5
Asia (Excluding Japan) (c)	18	23	23	18	18
Luxembourg	12	9	9	8	8
Central and Eastern Europe	(10)	(6)	(6)	–	–
South Korea	3	–	–	–	–
UNDERLYING EARNINGS	**147**	**140**	**176**	**111**	**130**
Net realized capital gains or losses attributable to shareholders	22	16	18	18	23
ADJUSTED EARNINGS	**169**	**157**	**194**	**129**	**153**
Profit or loss on financial assets (under fair value option) & derivatives	1	(2)	(1)	(2)	–
Exceptional operations (including discontinued operations)	–	54	16	25	–
Goodwill and related intangibles impacts	(5)	(2)	(2)	(1)	(1)
Integration costs	(1)	–	–	–	–
NET INCOME	**164**	**206**	**206**	**152**	**152**

(a) Restated in full year 2005 means: (i) transfer of the forex impact from adjusted earnings to net income, and (ii) the restatement of The Netherlands' activities as discontinued businesses.
(b) Restated in full year 2006 means the restatement of The Netherlands' activities as discontinued businesses.
(c) Includes Malaysia, Hong Kong and Singapore.

Canada

Gross revenues amounted to €1,085 million. On a comparable basis, gross revenues increased by €57 million (+5%) as a result of a €+34 million impact of the 24 month policies first launched in 2005 and a €+23 million growth in premiums mainly reflecting increased volume during the second half of the year.

Underlying earnings amounted to €125 million. On a constant exchange rate basis, underlying earnings increased by €16 million mainly resulting from 1.2 point improvement (excluding restructuring costs in 2006 related to Citadel) in the combined ratio to 89.0% and higher investment income (€+5 million) driven by an increased investment base.

Adjusted earnings increased by €13 million on a constant exchange rate basis to €135 million, driven by the improvement in underlying earnings by €16 million partly offset by lower net capital gains of €–2 million.

Net income increased by €19 million on a constant exchange rate basis to €134 million, as a result of higher adjusted earnings (€+13 million), the non-recurring impact of 2006 Citadel's restructuring costs (€+4 million), and the impact of foreign exchange (€+2 million).

Japan

Gross written premiums increased by 17% on a constant exchange rate basis to €167 million, mainly driven by Motor business growth. Motor revenues accounted for 96% of the total and rose by 18%.

Underlying earnings decreased by €1 million on both current and constant exchange rate bases to €0 million. The combined ratio reached 102.5%, slightly increasing compared to 2006, due to the deterioration of the loss ratio (+2.2 points at 65.5%) following unfavourable reserve developments on previous years. The expense ratio improved by 1.5 points to 37%, despite the additional costs linked to the launch of new products.

Adjusted earnings and **net income** were in line with underlying earnings.

Asia (excluding Japan)

Singapore

Gross written premiums increased by €8 million on a constant exchange rate basis to €90 million, mainly driven by Private Motor, Commercial Property and Marine, notably thanks to a new rating structure and marketing campaigns.

Underlying earnings decreased by €1 million on a constant exchange rate basis to €8 million, mainly attributable to the lower underwriting results (€2 million) due to worsening Motor claims experience. The combined ratio increased from 90.2% to 93.7%.

Adjusted earnings and **net income** remained stable at €10 million as higher realized capital gains offset the lower underwriting results.

Hong Kong

Gross written premiums decreased by €1 million on a constant exchange rate basis to €57 million, mainly attributable to the loss of a major account in Motor business (€2 million) and the hard market condition.

Underlying earnings decreased by €3 million on a constant exchange rate basis to €5 million, due to a worsening claims experience with several large claims, which led to an increase in the combined ratio from 95.2% to 99.6%.

Both **adjusted earnings** and **net income** increased by €3 million on a constant exchange rate basis to €12 million, mainly due to an increase in capital gains (€5 million), which offset the lower underlying earnings.

Malaysia

Malaysia has been fully consolidated for the first time in 2007 (versus equity method consolidation in 2006).

Gross written premiums were €58 million. On a comparable basis, premiums increased by €2 million, mainly attributable to a growth in private Motor and Health business.

Underlying earnings remained stable on a constant exchange rate basis to €5 million, a slight increase of the combined ratio (from 81.4% to 83.5%) being offset by a higher investment income.

Adjusted earnings increased by €1 million to €7 million.

Net income decreased by €11 million to €7 million, attributable to recognition of net asset value through P&L for the first time consolidation last year (€13 million). Excluding this impact, net income increased by €1 million following the trend of adjusted earnings.

Poland

Gross revenues increased to €12 million mainly reflecting the positive development of the activity in Motor with 43 K new contracts.

Underlying earnings decreased by €4 million to €–10 million mainly due to expenses resulting from the launch of the activity.

Net income decreased by €4 million to €–10 million resulting from the underlying earnings decrease.

South Korea

Kyobo Auto is a newly acquired entity that contributed 6 months to earnings in 2007.

Gross written premiums reached €203 million over 6 months. Motor accounted for 94% of total revenues, driven by the strong growth of the portfolio as well as the recent rate increase.
Motor net new inflows reached 39 K policies over 6 months, bringing the total portfolio as of the end of December to 873 K contracts.

Underlying earnings reached €3 million over 6 months. The combined ratio reached 99.8% with a loss ratio at 72.5% and an expense ratio at 27.3%.

Adjusted earnings were in line with underlying earnings.

Net income was €0 million, including the impact of the acquired portfolio amortization.

International Insurance Segment

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

CONSOLIDATED GROSS REVENUES

(in Euro million)

	2007	2006	2005
AXA RE	–	–	1,460
AXA Corporate Solutions Assurance	1,823	1,697	1,614
AXA Cessions	69	57	60
AXA Assistance	809	702	621
Other (a)	1,002	1,355	147
TOTAL	**3,703**	**3,811**	**3,903**
Intercompany transactions	(135)	(95)	(90)
Contribution to consolidated gross revenues	**3,568**	**3,716**	**3,813**

(a) Including €896 million in 2007 (€1,217 million in full year 2006) of business fronted by AXA RE and fully reinsured by Paris RE (fronting arrangement set in place from January 1, 2006 to September 30, 2007 in the context of the sale of AXA RE's business to Paris RE).

UNDERLYING, ADJUSTED EARNINGS AND NET INCOME

(in Euro million)

	2007	2006 Published	2005 Restated (a)	2005 Published
AXA RE	–	–	11	11
AXA Corporate Solutions Assurance	97	84	72	72
AXA Cessions	13	15	9	9
AXA Assistance	19	21	17	17
Other (b)	89	11	(41)	(41)
UNDERLYING EARNINGS	**218**	**131**	**68**	**68**
Net realized capital gains or losses attributable to shareholders	23	60	88	94
ADJUSTED EARNINGS	**241**	**191**	**156**	**162**
Profit or loss on financial assets (under fair value option) & derivatives	(1)	(1)	5	(1)
Exceptional operations (including discontinued operations)	3	66	23	23
Goodwill and related intangibles impacts	–	(12)	–	–
Integration costs	–	–	–	–
NET INCOME	**243**	**244**	**184**	**184**

(a) Restated means the transfer of the forex impact from adjusted earnings to net income.
(b) Including AXA RE, other non life run-off businesses managed by AXA Liabilities Managers and AXA RE Life.

AXA CORPORATE SOLUTIONS ASSURANCE

(in Euro million)

	2007	2006 Published	2005 Restated (b)	2005 Published
Gross revenues	**1,823**	**1,697**	**1,614**	**1,614**
Current accident year loss ratio (net) (a)	94.1%	88.7%	88.9%	88.9%
All accident year loss ratio (net)	87.8%	87.3%	87.9%	87.9%
Net technical result	**220**	**207**	**189**	**189**
Expense ratio	12.3%	12.8%	12.9%	12.9%
Net investment result	163	144	123	123
Underlying operating earnings before tax	**161**	**144**	**110**	**110**
Income tax expenses / benefits	(63)	(59)	(37)	(37)
Net income from investments in affiliates and associates	–	–	–	–
Minority interests	(1)	(1)	(1)	(1)
Underlying earnings group share	**97**	**84**	**72**	**72**
Net capital gains or losses attributable to shareholders net of income tax	27	32	20	30
Adjusted earnings group share	**124**	**116**	**92**	**102**
Profit or loss on financial assets (under fair value option) & derivatives	1	1	5	(5)
Exceptional operations (including discontinued operations)	–	–	–	–
Goodwill and other related intangibles impacts	–	–	–	–
Integration costs	–	–	–	–
Net income group share	**125**	**117**	**97**	**97**

(a) Current accident year claim charges (including claims handling expenses) / Current accident year earned revenues (excluding premium adjustments on previous years).
(b) Restated means: transfer of the forex impact from adjusted earnings to net income.

Gross revenues increased by €125 million (or +7%) to €1,823 million driven by portfolio developments in Marine, Property, Motor and Construction.

The **net technical result** increased by €13 million to €220 million:

- The **current accident year net technical result** decreased by €74 million to €105 million mainly due to higher large losses (€+88 million to €274 million) and a decrease in premium rates especially in Aviation and Property.
- The **prior accident year net technical result** increased by €87 million to €115 million due to positive reserve developments in Marine, Property and Aviation.

As a consequence, the all accident year loss ratio increased by 0.5 point to 87.8 %.

Expenses increased by €14 million to €220 million resulting from a commission increase (€+17 million to €106 million) following both (i) an activity growth and an exceptional impact in 2006 (the non-renewal of a large motor contract with high commission rate), and (ii) a slight general expenses decrease (€–3 million).

Expense ratio decreased by 0.5 point to 12.3%.

As a result, the **combined ratio** remained stable at 100.1%.

Net investment result increased by €18 million to €163 million due to a higher asset base.

Income tax expenses increased by €4 million to €–63 million with the effective tax rate decreasing by 1.9 point mainly due to the activation of past years tax deficits in Germany.

As a consequence, **underlying earnings** increased by €13 million to €97 million.

Adjusted earnings increased by €8 million to €124 million resulting from the underlying earnings increase and partly offset by a decrease of €5 million to €27 million of realized gains.

Net income increased by €7 million to €125 million in line with adjusted earnings evolution.

AXA CESSIONS

Underlying earnings decreased by €1 million to €13 million mainly as a result of Kyrill storm (€–3 million impact).

AXA ASSISTANCE

Gross revenues increased by 15% to €809 million or +16% on a comparable basis mainly due to Home Serve business in the United Kingdom (€+27 million), increased premiums in Travel business in Germany (€+15 million) and a good commercial performance in France.

Underlying earnings decreased by €2 million to €19 million mainly due to a provision for litigation.
Excluding this exceptional one-off expense, underlying earnings amounted to €26 million.

Adjusted earnings and **net income** decreased by €3 million to €19 million in line with underlying earnings evolution.

OTHER INTERNATIONAL ACTIVITIES

Underlying earnings increased by €78 million to €89 million. Excluding the contribution of Winterthur and on a constant exchange rate basis, underlying earnings increased by €61 million mainly due to (i) the continuous favourable loss reserve development on some run-off portfolios in 2007 (€117 million pre-tax including AXA RE run-off), (ii) lower reserve strengthening on Asbestos, and (iii) €19 million improvement in Life run-off portfolio fully explained by the cost of fully hedging the remaining exposure of this portfolio in 2006.

Winterthur contribution amounted to €19 million, notably due to the favourable run-off development.

Adjusted earnings increased by €45 million to €84 million. Excluding Winterthur contribution and on a constant exchange rate basis, adjusted earnings increased by €28 million (+72%) reflecting the underlying positive impact (€+61 million), partly offset by lower net realized gains (€–32 million). Winterthur contribution amounted to €19 million.

Net income decreased by €8 million to €84 million. Excluding Winterthur contribution and on a constant exchange rate basis, net income decreased by €25 million (–27%) mainly as a result of the non recurring €66 million gain after tax on the sale of AXA RE's business in 2006 partly offset by the €+28 million improvement in adjusted earnings, and the €12 million charge in 2006 related to the impairment of the goodwill formerly allocated to the reinsurance business. Winterthur contribution amounted to €19 million.

> 2.3 ACTIVITY REPORT

Asset Management Segment

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

CONSOLIDATED GROSS REVENUES

(in Euro million)

	2007	2006	2005
AllianceBernstein	3,277	3,102	2,581
AXA Investment Managers	2,006	1,679	1,195
TOTAL	**5,283**	**4,781**	**3,776**
Intercompany transactions	(420)	(375)	(343)
Contribution to consolidated gross revenues	**4,863**	**4,406**	**3,433**

UNDERLYING, ADJUSTED EARNINGS AND NET INCOME

(in Euro million)

	2007	2006 Published	2005 Restated [(a)]	2005 Published
AllianceBernstein	314	302	240	240
AXA Investment Managers	276	206	156	156
UNDERLYING EARNINGS	**590**	**508**	**396**	**396**
Net realized capital gains or losses attributable to shareholders	1	1	6	5
ADJUSTED EARNINGS	**591**	**509**	**402**	**402**
Profit or loss on financial assets (under fair value option) & derivatives	3	10	10	11
Exceptional operations (including discontinued operations)	(2)	91	3	3
Goodwill and related intangibles impacts	–	–	(4)	(4)
Integration costs	(5)	–	–	–
NET INCOME	**588**	**610**	**411**	**411**

(a) Restated means the transfer of the forex impact from adjusted earnings to net income.

ALLIANCEBERNSTEIN

(in Euro million)

	2007	2006	2005
Gross revenues	**3,277**	**3,102**	**2,581**
Net investment result	2	23	(21)
Total revenues	**3,279**	**3,125**	**2,560**
General expenses	(2,306)	(2,204)	(1,852)
Underlying operating earnings before tax	**973**	**921**	**707**
Income tax expenses / benefits	(313)	(260)	(193)
Net income from investment in affiliates and associates	–	–	–
Minority interests	(346)	(359)	(274)
Underlying earnings group share	**314**	**302**	**240**
Net capital gains or losses attributable to shareholders net of income tax	1	1	6
Adjusted earnings group share	**315**	**303**	**246**
Profit or loss on financial assets (under fair value option) & derivatives	–	–	–
Exceptional operations (including discontinued operations)	(2)	91	8
Goodwill and other related intangibles impacts	–	–	–
Integration costs	–	–	–
Net income group share	**313**	**394**	**254**
Average exchange rate: 1,00 € = $	*1.3699*	*1.2563*	*1.2453*

Assets under management ("AUM") decreased by €0.7 billion to €543 billion, as the strong global net inflows of €23 billion across all client categories (€13 billion from institutional clients, €4 billion from retail clients and €6 billion from private clients) and the €37 billion market appreciation were offset by a negative €62 billion exchange rate impact.

Gross revenues increased by 15% on a comparable basis to €3,277 million, largely due to higher base fees (+25%, with +28% in institutional clients, +20% in retail clients and +24% in private clients) driven by higher average assets under management (+21%) partly offset by lower performance fees (−66%), especially on hedge funds. Other revenues (mainly distribution fees, institutional research and other fees) were up 10%.

General expenses increased by €102 million to €−2,306 million. On a constant exchange rate basis, general expenses increased by €310 million (+14%), mainly due to higher compensation expenses (€+228 million) from higher headcount, increased occupancy from expansion of offices in New York and overseas (€+25 million) and higher technology costs (€+29 million), offset by lower professional fees (€−14 million).

The **underlying cost income ratio** improved by 0.4 point to 66.8%.

Income tax expenses increased by €53 million to €−313 million. On a constant exchange rate basis, income tax expenses increased by €81 million (+31%) due to +15% higher pre tax-earnings and a higher effective tax rate resulting from increased earnings from foreign subsidiaries.
As a result of the acquisition of 8.16 million private units in February 2007, AXA Financial's ownership interest in AllianceBernstein increased 3 points from approximately 60.3% at December 31, 2006 to 63.2% at December 31, 2007.

Underlying earnings increased by €13 million (+4%), or €41 million on a constant exchange rate basis to €314 million of which €+16 million due to the increased ownership interest.

Adjusted earnings increased by €13 million to €315 million. On a constant exchange rate basis, adjusted earnings increased by €41 million (+14%) in line with the underlying earnings evolution.

Net income decreased by €80 million to €313 million. On a constant exchange rate basis, net income decreased by €52 million (−13%) as higher underlying earnings were more than offset by the non-recurrence of 2006 one-time items of €85 million, mainly dilution gain from the issuance of AllianceBernstein Holding units and related reversal of deferred tax Liability from prior period (€81 million).

AXA INVESTMENT MANAGERS ("AXA IM")

(in Euro million)

	2007	2006 Published	2005 Restated [(a)]	2005 Published
Gross revenues	**2,006**	**1,679**	**1,195**	**1,195**
Net investment result	38	30	27	27
Total revenues	**2,043**	**1,709**	**1,222**	**1,222**
General expenses	(1,577)	(1,330)	(956)	(956)
Underlying operating earnings before tax	**466**	**379**	**267**	**267**
Income tax expenses / benefits	(141)	(132)	(78)	(78)
Net income from investment in affiliates and associates	–	–	–	–
Minority interests	(49)	(41)	(32)	(32)
Underlying earnings group share	**276**	**206**	**156**	**156**
Net capital gains or losses attributable to shareholders net of income tax	–	–	–	(1)
Adjusted earnings group share	**276**	**206**	**156**	**156**
Profit or loss on financial assets (under fair value option) & derivatives	3	10	10	11
Exceptional operations (including discontinued operations)	–	–	(5)	(5)
Goodwill and other related intangibles impacts	–	–	(4)	(4)
Integration costs	(5)	–	–	–
Net income group share	**274**	**216**	**156**	**156**

(a) Restated means: transfer of the forex impact from adjusted earnings to net income.

Assets under management (AUM) increased by €64 billion to €548 billion from year-end 2006 (+13% on a reported basis). This variation was driven by €5 billion Net New Money (including €5 billion from third-party institutional clients), €7 billion market appreciation and €68 billion change in scope (mainly from the integration of Winterthur), partly offset by €–16 billion unfavorable exchange rate variation.

Gross revenues increased by €327 million (+19%) to €2,006 million on a reported basis. On a comparable basis, gross revenues increased by 21% mainly due to higher average assets under management. The favorable client and product mix evolution was offset by a slight decrease in performance fees.

General expenses increased by €247 million (+19%) to €–1,577 million on a reported basis at a lower pace than revenues. This evolution was mainly explained by more commissions paid to third-party agents (directly correlated with the increase in revenues), more staff to support the business development, and higher staff incentive.

Underlying cost income ratio improved by 0.7 point from 68.3% to 67.6%.

Underlying and adjusted earnings increased by €70 million to €276 million on a reported basis.

Net income increased by €58 million to €274 million on a reported basis mainly driven by the underlying earnings growth as the negative change in fair value of "AWF and FIIS US" Libor plus funds[1] (€–45 million net of tax) was partly offset by positive impacts from carried interests, forex and real estate funds.

(1) On July 23, 2007, **AXA Investment Managers (AXA IM)** announced that, based on the assessment that the U.S. Mortgage-Backed and Structured Securities' markets were experiencing a liquidity crisis, AXA IM had taken exceptional and temporary steps in order to ensure that redemptions incurred by the **U.S Libor Plus** strategy would not induce further pressure, by ensuring liquidity in the funds. In particular, AXA IM agreed to match all redemptions that will be carried out by clients in these funds in subscribing a number of shares equal to the number redeemed at the prevailing NAV, and that up until market liquidity gets back to normal. At December 31, 2007, AXA IM marked-to-market investment in Libor Plus funds was €305 million.

Banking

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

CONSOLIDATED GROSS REVENUES

(in Euro million)

	2007	2006	2005
AXA Bank (Belgium)	246	306	339
AXA Banque (France)	85	59	70
Others [(a)]	43	32	28
TOTAL	**374**	**397**	**437**
Intercompany transactions	(35)	(19)	(13)
Contribution to consolidated gross revenues	**339**	**377**	**424**

(a) Includes notably German banks.

UNDERLYING, ADJUSTED EARNINGS AND NET INCOME

(in Euro million)

	2007	2006	2005
AXA Bank (Belgium)	40	21	50
AXA Banque (France)	–	–	(8)
Others [(a)]	(4)	(3)	3
UNDERLYING EARNINGS	**36**	**18**	**44**
Net realized capital gains or losses attributable to shareholders	(5)	8	6
ADJUSTED EARNINGS	**31**	**26**	**50**
Profit or loss on financial assets (under fair value option) & derivatives	–	(15)	8
Exceptional operations (including discontinued operations)	–	(1)	2
Goodwill and related intangibles impacts	–	–	–
Integration costs	(25)	–	–
NET INCOME	**6**	**10**	**60**

(a) Includes notably German banks.

AXA BANK (BELGIUM)

Net banking revenues were down €–60 million or 20% to €246 million. On a comparable basis (since the first half year 2007, commissions paid on deposit accounts and current accounts are included in commercial margin and not anymore in Distribution commissions), net banking revenues were down €–38 million or 15%, in the context of an unfavourable yield curve and higher refinancing costs following higher short term interest rates.

Underlying earnings increased by €19 million to €40 million mainly due to an increase in commercial margin (€+18 million) and a decrease in expenses (€+17 million) partly offset by lower fixed income capital gains (€–16 million) and higher credit losses (€–5 million).

Adjusted earnings increased by €6 million to €35 million notably driven by the increase in underlying earnings (€+19 million) partly offset by a decrease in capital gains on equities (€–6 million) and an impairment charge of €7 million.

Net income decreased by €18 million to €12 million driven by higher integration costs related to early retirement pension plan (€–25 million), lower change in fair value in mutual funds (€–14 million) and the non-recurrence of 2006 trading equities activity (€–5 million) partly offset by the change in fair value of loans covered by fair value hedge and related derivatives (€15 million) and the increase in adjusted earnings.

AXA BANQUE (FRANCE)

Underlying and adjusted earnings remained stable at breakeven.

Net income increased by €14 million to €–4 million, reflecting a €14 million less negative impact of the change in fair value of macro-hedge derivatives instruments (from €–17 million to €–4 million).

OTHER

AXA BANK (Germany)

Net banking revenues decreased by €3 million to €24 million mainly due to increasing refinancing expenses for the credit business.

Underlying earnings, adjusted earnings and net income decreased by €4 million to €–2 million due to lower revenues and higher expenses.

Holdings and other companies

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

UNDERLYING, ADJUSTED EARNINGS AND NET INCOME

(in Euro million)

	2007	2006 Restated (a)	2006 Published	2005 Restated (b)	2005 Published
AXA	(224)	(219)	(219)	(203)	(282)
Other French holdings companies	(9)	1	1	(12)	(12)
Foreign holdings companies	(202)	(239)	(239)	(255)	(255)
Others (c)	20	33	33	23	23
UNDERLYING EARNINGS	**(414)**	**(424)**	**(424)**	**(448)**	**(527)**
Net realized capital gains or losses attributable to shareholders	27	23	23	39	6
ADJUSTED EARNINGS	**(388)**	**(402)**	**(401)**	**(409)**	**(520)**
Profit or loss on financial assets (under fair value option) & derivatives	(365)	(341)	(341)	30	(4)
Exceptional operations (including discontinued operations)	483	31	30	(99)	(99)
Goodwill and related intangibles impacts	–	–	–	–	–
Integration costs	(17)	–	–	–	–
NET INCOME	**(287)**	**(712)**	**(712)**	**(478)**	**(623)**

(a) Restated in full year 2006 means the restatement of The Netherlands' activities as discontinued businesses.
(b) Restated in full year 2005 means: (i) transfer of the forex impact from adjusted earnings to net income, (ii) following clarification of IFRIC agenda committee following IASB decision, AXA reclassified TSDI instruments (perpetual subordinated debts) into shareholders' equity with impact on net income, and (iii) the restatement of The Netherlands' activities as discontinued businesses.
(c) Includes notably CDOs and Real Estate entities.

AXA[1]

Underlying earnings decreased by €4 million to €–224 million mainly due to:

- €+77 million profit linked to foreign currency options hedging AXA Group underlying earnings denominated in foreign currencies (2007 dollar earnings hedged at 1.28$/€ compared to 1.37 average rate),
- €+59 million due to a lower financial charge mostly related to a strengthening of the Euro (versus main other currencies) which reduced the interest charge denominated in foreign currencies and a positive carry (notably Yen/Euro) on interest swaps backing debts,
- €–36 million higher expenses including higher AXA trademark support further to Winterthur acquisition,
- and €–108 million due to the non-recurrence of 2006 positive items of which (i) €69 million financial income on proceeds from Winterthur financing (capital increase and Perpetual Deeply Subordinated Debts issues) and (ii) €39 million tax benefit.

Adjusted earnings decreased by 22 million to €–212 million including a €17 million decrease in realized capital gains.

The mark to market of derivatives non eligible to hedge accounting is booked in net income which accounted for €–218 million on interest rate derivatives and €–85 million on foreign exchange instruments notably covering debt instruments accounted for in shareholders' equity. Compared to 2006, **net income** was up €52 million to €–532 million of which:

- €+91 million change in the mark to market of interest rate and foreign exchange derivatives instruments, and
- €–17 million of Winterthur integration costs (wind down costs related to the head office).

(1) All the figures are after tax.

OTHER FRENCH HOLDING COMPANIES

AXA France Assurance

Underlying earnings decreased by €10 million to €−23 million mainly due to higher tax expenses (€+12 million) resulting from higher dividends (eliminated in consolidation) received from operational entities.

Adjusted earnings decreased by €14 million to €−25 million resulting from the underlying earnings decrease.

Net income decreased by €18 million to €−25 million resulting from the adjusted earnings decrease and the non recurring 2006 tax gain (€3 million).

Other French holdings

Underlying earnings remained stable to €14 million.

Adjusted earnings increased by €19 million to €34 million due to realized capital gains on shares by €20 million.

Net income decreased by €25 million mainly due to the change in fair value of derivatives not eligible to hedge accounting (a €30 million loss versus a €15 million profit in 2006).

FOREIGN HOLDING COMPANIES

AXA Financial Inc.

Underlying earnings increased by €30 million (+22%) to €−105 million. On a constant exchange rate basis, underlying earnings increased by €21 million (+16%) due to a €23 million decrease in stock based compensation, partially offset by higher interest expense on new intercompany borrowings from AXA in 2007.

Adjusted earnings increased by €30 million (+22%) or €+20 million (+15%) on a constant exchange rate basis to €−105 million.

Net income decreased by €36 million (−47%) to €−112 million. On a constant exchange rate basis, net income decreased €46 million (−60%) reflecting the non-recurrence of an after-tax gain related to the sale of Advest and an exceptional adjustment to taxes, both in 2006, and a negative impact from the mark to market on interest rate swaps, partially offset by an after-tax gain on the sale of Frontier Trust in 2007.

AXA Asia Pacific Holdings [1, 2]

Underlying earnings remained stable at €−24 million. A reduction in net interest expense was offset by the relative EUR/AUD foreign exchange impact. Adjusted earnings and net income increased by €2 million and €5 million respectively mainly due to relative AUD/NZD and AUD/USD foreign exchange impacts.

AXA UK Holdings

Underlying earnings increased by €89 million to nil. Excluding Winterthur and on a constant exchange rate basis, underlying earnings increased by €84 million principally resulting from the non recurring release in 2007 of a €66 million deferred tax provision held against un-remitted earnings as well as €8 million arising from a reduction in tax provision following the decrease in Corporation Tax rate.
Winterthur contribution amounted to €5 million.

Adjusted earnings increased by €89 million to nil in line with the evolution of underlying earnings.

Net income increased by €59 million to €−27 million, or €55 million excluding Winterthur and on a constant exchange rate basis, as the growth in adjusted earnings was partly offset by the negative foreign exchange rate impact on a euro denominated intercompany loan.

German Holding companies

Underlying earnings decreased by €64 million to €−35 million. Excluding Winterthur, underlying earnings decreased by €29 million (−102%) primarily driven by the absence of positive one-off impact related to the recognition of the corporate tax refund of €30 million in 2006.
Winterthur contribution amounted to €−35 million.

Adjusted earnings and **net income** decreased by €57 million to €−38 million. Excluding Winterthur, adjusted earnings and net income decreased by €20 million (−104%) in line with the underlying earnings evolution, partly offset by the non-recurrence of a €10 million impairment on a participation in 2006.

Belgium Holding companies

Underlying earnings decreased by €6 million to €−16 million due to €−9 million taxes on higher received dividends partly compensated by €+6 million related to the interest income on a €1 billion loan granted to AXA SA following the sale of AXA Netherlands.

Adjusted earnings decreased by €−8 million to €−16 million in line with underlying earnings evolution.

Net income increased by €471 million to €462 million following the sale of the Dutch activities end of August to SNS REAAL. It was decided to present all their contributions (result up to the closing date €74 million and gains on disposal €406 million) in one Geographical and Activity segment in view to isolate this 2007 non-recurring event. Belgium was chosen since it is the main shareholder of the former AXA Netherland subsidiary, but also because the gain was only realized on the historical AXA activities; the other shareholders are Germany Holding (for the former DBV activities) and Switzerland Life and Holding (for the former Winterthur activities).

OTHER

CFP subgroup

Underlying earnings decreased by €16 million to €18 million due to lower contribution of the run-off portfolios in 2007.

(1) All comparisons to prior year figures are on a constant exchange rate basis.
(2) AXA interest in AXA Asia Pacific Group is 53.86% broken down into 53.00% direct interest holding and an additional 0.86% owned by the AAPH Executive plan trust.

Outlook

2008 has started in a less favorable environment with very volatile and bearish equity markets, a continuation of the liquidity crisis, concerns about a slowdown of the world economic growth, lower interest rates and high credit spreads.

In this environment and assuming equity markets stabilize at current levels, AXA should achieve positive revenue and underlying earnings growth in 2008:

- In the Life & Savings segment (50% of earnings[1]), AXA should continue to benefit from positive cash-flows as both our general account products and unit linked products with secondary guarantees are well-suited for customers in the current environment.
- Our Property & Casualty and International businesses (39% of earnings[1]) should continue to benefit from our strong and growing market positions as well as from a gradual positive turn of the cycle in some of AXA's markets.
- Asset Management (11% of earnings[1]) mix of assets, tight expense management and long term track record should partly offset the negative impact from equity markets.

Our Ambition 2012 program continues as planned.

(1) Underlying earnings excluding Banking and Holdings and other companies segments.

2.3 ACTIVITY REPORT

Glossary

Comparable basis for revenues and annualized premiums equivalent

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

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

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

(ii) Goodwill and other related intangible impacts, and

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

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

Net realized gains or losses attributable to shareholders include:

- realized gains and losses (on assets not designated under fair value option or trading assets) and change in impairment valuation allowance, net of tax,
- related impact on policyholder participation net of tax (Life business),
- DAC and VBI amortization or other reactivity to those elements if any (Life business).

Earnings Per Share (EPS) represent AXA's consolidated adjusted earnings, divided by the weighted average number of outstanding ordinary shares.

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

Life & Savings Margin Analysis

Life & Savings Margin Analysis is presented on an underlying basis.

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

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

- For insurance contracts and investment contracts with Discretionary Participation Features (DPF):
  - (i) Gross premiums (net of deposits), fees and other revenues are allocated in the Margin Analysis based on the nature of the revenue between "Fees and Revenues" and "Net Technical Margin".
  - (ii) Policyholders' interest in participating contracts is reflected as a change in insurance benefits in the Statement of Income. In the Margin Analysis, it is allocated to the related margin, that is primarily the "Investment Margin" and the "Net Technical Margin".
  - (iii) The "Investment Margin" represents the net investment result in the Statement of Income and is adjusted to take into account the related policyholders' participation (see above) as well as changes in specific reserves linked to invested assets' returns and to exclude the fees on (or contractual charges included in) contracts with the financial risk borne by policyholders, which are included in "Fees and Revenues".
  - (iv) Change in URR (Unearned Revenue Reserve – capitalization net of amortization) is presented in the line "Change in unearned premiums net of unearned revenues and fees" in the underlying Statement of Income, whereas it is located in the line "Fees & Revenues" in the Margin Analysis.

– For investment contracts without DPF:
  (i) Deposit accounting is applied. As a consequence, fees and charges related to these contracts are presented in the underlying Statement of Income within Gross consolidated revenues on a separate line, and in Margin Analysis in the lines "Fees & Revenues" and "Net Technical Margin".
  (ii) Change in UFR (Unearned Fees Reserve– capitalization net of amortization) is presented in the line "Change in unearned premiums net of unearned revenues & fees" in the underlying Statement of Income, whereas it is located in the line "Fees & Revenues" in the Margin Analysis.

Underlying investment margin includes the following items:
(i) Net investment income.
(ii) Interests and bonuses credited to policyholders and unallocated policyholder bonuses (and the change in specific reserves purely linked to invested assets returns) related to the net investment income.

Underlying fees & revenues include:
(i) Revenues derived from mutual fund sales (which are part of consolidated revenues).
(ii) Loading charged to policyholders on premiums / deposits and fees on funds under management for separate account (unit-linked) business.
(iii) Loading on (or contractual charges included in) premiums / deposits received on all non unit-linked product lines,
(iv) Deferral income such as capitalization net of amortization of URR (Unearned Revenue Reserve) and UFR (Unearned Fee Reserve).
(v) Other fee revenues, e.g., fees received on financial planning or sales of third-party products.

Underlying net technical result includes the following components:
(i) Mortality/morbidity margin: The amount charged to the policyholder in respect of mortality/morbidity for the related period less benefits and claims. It is equal to the difference between income for assuming risk and the actual cost of benefits, including changes in valuation assumptions and additional reserves for mortality risk. This margin does not include the claims handling costs and change in claims handling cost reserves.
(ii) Surrender margin: The difference between the benefit reserve and the surrender value paid to the policyholder in the event of early contract termination.
(iii) Policyholder bonuses if the policyholder participates in the risk margin.
(iv) Other changes in insurance reserves and economic hedging strategy impacts related to insurance contracts valuated according to the "selective unlocking" accounting policy allowing Liability adjustment so as to better reflect the current interest rates for these contracts.
(v) Ceded reinsurance result.

Underlying expenses are:
(i) Acquisition expenses, including commissions and general expenses allocated to new business, related to insurance products as well as to other activities (e.g., mutual fund sales).
(ii) Capitalization of acquisition expenses linked to new business: Deferred Acquisition Costs (DAC) and net rights to future management fees only for investment contracts without DPF.
(iii) Amortization of acquisition expenses on current year and prior year new business, including the impact of interest capitalized: amortization charge for Deferred Acquisition Costs (DAC) and net rights to future management fees only for investment contracts without DPF.
(iv) Administrative expenses.
(v) Claims handling costs.
(vi) Policyholder bonuses if the policyholder participates in the expenses of the company.

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

Life & Savings underlying cost income ratio: Underlying expenses plus underlying VBI amortization divided by "underlying" operating margin, where "Underlying" operating margin is the sum of (i) Underlying investment margin; (ii) Underlying fees and revenues, and (iii) Underlying net technical margin (all items defined above).

Property & Casualty (including AXA Corporate Solutions Assurance)

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

Underlying net technical result is the sum of the following components:
(i) Earned premiums, gross of reinsurance.
(ii) Claims charges, gross of reinsurance.
(iii) Change in claims reserves, including claims handling costs reserves, gross of reinsurance, less the recurring interests credited to insurance annuity reserves.
(iv) Claims handling costs.
(v) Net result of ceded reinsurance.

Underlying expense ratio is the ratio of:
(i) Underlying expenses (excluding claims handling costs), to
(ii) Earned revenues, gross of reinsurance.

Underlying expenses include two components: expenses (including commissions) related to acquisition of contracts (with the related **acquisition ratio**) and all other expenses (with the related **administrative expense ratio**). Underlying expenses excludes customer intangible amortization and integration costs related to newly acquired company.

Current accident year loss ratio net of reinsurance is the ratio of:
(i) [current year claims charge gross of reinsurance + claims-handling costs + result of reinsurance ceded on current accident year excluding the recurring interests credited to the insurance annuity reserves], to
(ii) Earned revenues, gross of reinsurance.

All accident year loss ratio net of reinsurance is the ratio of:
(i) [all accident years claims charge gross of reinsurance + claims-handling costs + result of reinsurance ceded on all accident years excluding the recurring interests credited to the insurance annuity reserves], to
(ii) Earned revenues, gross of reinsurance.

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

Asset Management

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

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

2.4 Liquidity and capital resources

Information in this section should be read in conjunction with note 4 to the Consolidated Financial Statements included in Part V of this Annual Report and is covered by the Statutory Auditor's Report on the Consolidated Financial Statements.

Over the past several years, AXA has expanded its insurance and asset management operations through a combination of acquisitions, direct investments and organic growth. This expansion has been funded primarily through a combination of (i) proceeds from the sale of non-core businesses and assets, (ii) dividends received from operating subsidiaries, (iii) proceeds from the issuance of subordinated convertible debt securities, other subordinated debt securities and borrowings (including debt issued by subsidiaries), and (iv) the issuance of ordinary shares.

The Company and each of its major operating subsidiaries are responsible for financing their operations. The Company, as the holding company for the AXA Group, coordinates these activities and, in this role, participates in financing the operations of certain subsidiaries. Certain of AXA's subsidiaries, including AXA France Assurance, AXA Financial Inc., AXA Asia Pacific Holdings and AXA UK Plc. are also holding companies and are dependent on dividends received from their own subsidiaries to meet their obligations. Operating entities have to meet multiple regulatory constraints, in particular, a minimum solvency ratio. The level of internal dividends paid by operating entities to the Company (or other Group companies) must therefore take into account these constraints as well as potential future regulatory changes. However, based on the information currently available, AXA does not believe that such restrictions constitute a material limitation on its ability to meet its obligations or pay dividends.

AXA'S INSURANCE OPERATIONS

The principal sources of funds for AXA's insurance operations are premiums, investment income and proceeds from sales of invested assets. These funds are mainly used to pay policyholder benefits, claims and claims expenses, policy surrenders and other operating expenses, and to purchase invested assets. The liquidity of the Group's insurance operations is affected by, among other things, the overall quality of AXA's investments and the Group's ability to liquidate its invested assets to meet policyholder benefits and insurance claims as they fall due.

Life & Savings

Liquidity needs can also be affected by fluctuations in the level of surrenders, withdrawals and guarantees to policyholders including guarantees in the form of minimum income benefits or death benefits, particularly on variable annuity business (see Part 2.2 – "Information on the Company" Segment Information – Life & Savings – Surrenders and lapses).

The investment strategy of AXA's Life & Savings subsidiaries is designed to match the investment returns and estimated maturity of their investments with expected payments on insurance contracts. Entities regularly monitor the valuation and duration of their investments and the performance of their financial assets. Financial market performance may affect the level of surrenders and withdrawals on life insurance policies, as well as projected immediate and long-term cash needs. Entities adjust their investment portfolios to reflect such considerations.

Property & Casualty and International Insurance

Liquidity needs can be affected by actual claims experience if significantly different from the estimated claims experience (see Note 14.6 of Part V – Consolidated Financial Statements).

Insurance cash flows are generally positive but can be negative in the case of exceptional events. A portion of these cash flows is invested in liquid, short-term bonds and other listed securities in order to manage the liquidity risk that may arise from such events.

Asset Management and Banking activities

These subsidiaries' principal sources of liquidity are operating cash flows, proceeds from the issuance of ordinary shares (where applicable), drawings on credit facilities, repository agreements, and other borrowings from credit institutions.

The financing needs of asset management subsidiaries arise from their activities, which require working capital, in particular to finance prepaid commissions on some mutual fund-type products.

SOURCES OF LIQUIDITY

At December 31, 2007, AXA's consolidated balance sheet included cash and cash equivalents of €17.2 billion (2006: €19.8 billion), net of bank overdrafts of €1.5 billion (2006: €1.3 billion). At December 31, 2007, the Company's cash and cash equivalents amounted to €2,533 million net of bank overdrafts (€9 million in 2007) versus €187 million at December 31, 2006 net of bank overdrafts (€130 million in 2006), an increase of €2,346 million in anticipation of the financing of a stake in Russia's second largest insurer Reso Garantia, which was announced in December 2007, and of the third largest Mexican insurer ING Seguros, which was announced in February 2008.

As part of its risk control system, AXA has for a number of years paid close attention to contractual clauses, particularly those that may lead to early redemption of securities issued by it. A large portion of AXA's debts consists of subordinated bonds with no early redemption clauses, except in the event of liquidation. Early redemption clauses for debts are in general avoided by AXA. AXA is not currently exposed to early redemption clauses that could have a significant impact on its financial structure. Furthermore, AXA has no ratings triggers in its bank facilities.

Subordinated debt

At December 31, 2007, the Company had outstanding subordinated debt (excluding accrued interests) of €6,778 million (€7,862 million in 2006).

On a consolidated basis, subordinated debt (including derivative instruments) totaled €6,146 million after taking into account all intra-group eliminations and excluding perpetual debts (TSS / TSDI, which are included in shareholders' equity, as described in Note 1.11.2 of Part V – Consolidated Financial Statements), compared to €5,563 million at December 31, 2006.

The increase of €583 million, or €739 million increase on a constant exchange rate basis (€156 million exchange rate impact, mainly stemming from dollar-denominated subordinated debt), was mainly due to the decrease in market value of interest rate swaps following the rise in rates in the Euro zone (€578 million), the consolidation of MPS Vita and Danni (€134 million), and a new debt in AXA Bank Belgium (€50 million), partially offset by the repayment of a €57 million debt by AXA RE Finance.

Starting January 2007, only the AXA's 2017 bonds are still convertible (6.6 millions bonds at December 31, 2007). To neutralize the dilutive impact of the 2017 convertible bonds, AXA has purchased from a banking counterparty, for a total cash amount equivalent to the payment proposed to "bondholders 2017", call options on the AXA share with an automatic exercise feature. This feature is such that one option is automatically exercised upon each conversion of a convertible bond. Consequently, each issuance of a new share resulting from the conversion of the bond will be offset by the delivery by the bank to AXA (and subsequent cancellation) of an AXA share. This issuance of a new share in respect of the conversion of the bond and the cancellation by AXA of the AXA share received will offset each other. As a result of this mechanism, conversion of AXA 2017 convertible bonds will not result in an increase of AXA's outstanding shares.

At December 31, 2007, the number of shares issuable as a result of bond conversions was 27.5 million versus 65.7 million at the end of 2006.

Movements in these items are described in Note 16 of Part V – "Consolidated Financial Statements".

The contractual maturities of financing debts are detailed in Note 16.4 of Part V – "Consolidated Financial Statements".

Financing debt instruments issued

The Company's financing debt instruments issued (excluding accrued interests) totaled €3,549 million at December 31, 2007, an increase of €981 million compared to 2006 principally related to commercial paper issues.

On a consolidated basis, AXA's total financing debt instruments issued amounted to €4,535 million at December 31, 2007, an increase of €847 million from €3,688 million at the end of 2006. On a constant exchange rate basis, the increase was €1,001 million (exchange rate movements had an impact of €155 million), mainly due to AXA SA issues of commercial paper (€961 million).

Movements in this item are described in Note 16 of Part V – "Consolidated Financial Statements".

Financing debt owed to credit institutions

At December 31, 2007, the amount of debt owed by AXA and its subsidiaries to credit institutions was €175 million versus €95 million at the end of 2006. The increase of €82 million on constant exchange rate basis was mainly due to a new debt in Morocco to finance the minority interests' buyout of AXA ONA (€127 million), and the consolidation of MPS Vita and Danni (€50 million), partially offset by a decrease of €85 million following the sale of the Netherlands, and the repayment of a €10 million debt in Switzerland.

Other debt (other than financing debt)

Other debt instruments issued

At December 31, 2007, other debt instruments issued totaled €1,560 million, down from €4,715 million at the end of 2006. The decline of €3,155 million (or €3,090 million on a constant exchange rate basis) resulted mainly from a €2,796 million decrease following the sale of the Netherlands (included Holland Homes SPEs, which securitized mortgages in the Dutch DBV Life business), and a €428 million decrease in CDO's instruments.

Other debts owed to credit institutions (including bank overdrafts)

At December 31, 2007, other debts owed to credit institutions totaled €4,700 million (including €1,493 million of bank overdrafts), up €704 million compared to €3,996 million at the end of 2006 (including €1,338 million of bank overdrafts). The increase was €745 million on a constant exchange rate basis, and was attributable primarily to the following items:

- a €529 million increase in Hungary due to the consolidation of ELLA Bank,
- a €193 million increase in bank overdrafts,
- a €164 million increase in deposits under AXA SA's collateral agreements,
- a first-time consolidation of real estate companies European Retail Income Venture II (€104 million), Real Estate Opportunity Fund II (€124 million), European Logistics Income Venture (€90 million) and Alternative Property Income Venture (€55 million), and a €96 million increase in European Retail Income Venture's debt,

Partly offset by:

- a €324 million decrease in AXA Bank Belgium term accounts in relation with the interbanking activity slowdown,

– a €126 million decrease of AXA Sun Life's other debt owed to credit institutions.

Movements in this item are described in Note 17 of Part V – Consolidated Financial Statements.

Issuance and cancellation of ordinary shares

For several years, the AXA Group has been offering to its employees, the opportunity to subscribe for shares issued by way of a capital increase reserved to employees. In 2007, employees invested a total of €552 million leading to a total of 22.1 million newly issued shares. Employee (including agents) shareholders represented 5.23% of the outstanding share capital at the end of 2007.

During 2007, AXA pursued its share repurchase program to control the dilution arising from share-based compensation and employee Shareplan program and to hedge the AXA Miles granted to Group employees, as discussed below. Excluding shares repurchased through the liquidity agreement, AXA purchased 70.4 million of its own shares for a total amount of €2,126 million.

On July 1, 2007, 50 free shares were allocated to each AXA employee worldwide under the "AXA Miles" program. More than 100,000 AXA Group employees in 54 countries will become shareholders and – depending on the country – will own the shares after two years (with a two year holding period) or after four years (without any holding period), providing they are still employed by AXA. Approved by AXA's shareholders during the Annual Shareholders' Meeting on May 14, 2007, the resolution pertaining to the "AXA Miles" program authorized the Management Board to distribute free AXA shares to all AXA employees, representing up to 0.7% of AXA's share capital. This allocation of 50 free shares constitutes the first step in the "AXA Miles" program which is one of several key human resources initiatives of AXA's company-wide project "Ambition 2012".

Dividends received

Dividends paid to the Company totaled €2,177 million in 2007 (2006: €1,581 million, 2005: €1,420 million), of which approximately €213 million were in currencies other than the Euro (2006: €109 million, 2005: €74 million). The €596 million increase in dividends in 2007 was mainly due to:

(i) a €550 million increase in dividends received from European companies to €1,830 million, including a €741 million increase from AXA France Assurance as a result of the high level of capital gains realized in 2006. The main contributors to the €1,830 million were AXA France Assurance and AXA Holdings Belgium, which generated a dividend of €1,415 million and €110 million, respectively;

(ii) a €104 million increase in dividends received from insurance companies outside Europe to €213 million, principally due to AXA Canada with a dividend of €80 million;

(iii) a €58 million decrease in dividends received from financial subsidiaries to €134 million, including €92 million decrease linked to Compagnie Financière de Paris, which paid out in 2006 an exceptional dividend of €121 million. On the other hand, the dividend paid by AXA Investment Managers reached €73 million, compared to €26 million in 2006, reflecting its earnings' increase.

The Company is not subject to restrictions on dividend payments, provided that its accumulated profits are sufficient to cover them. However, many Group's subsidiaries, particularly insurance companies, are subject to restrictions on the amount of dividends they can pay to shareholders. For more information on these restrictions, see Note 28.3 of Part V – Consolidated Financial Statements.

The Company anticipates that cash dividends received from operating subsidiaries will continue to cover its operating expenses including planned capital investment in existing operations, interest payments on its outstanding debts and borrowings, and dividend payments during each of the next three years. AXA expects that anticipated investments in subsidiaries and existing operations, future acquisitions and strategic investments will be funded from available cash flow remaining after payments of dividends and operating expenses, proceeds from the sale of non-strategic assets and businesses and future issues of debt and equity securities.

USES OF FUNDS

Interests paid by the Company in 2007 totaled €938 million (2006: €530 million, 2005: €518 million) or €646 million after the impact of hedging derivative instruments (2006: €408 million, 2005: €267 million). On a consolidated basis, total interests paid in cash in 2007 were €554 million (2006: €539 million, 2005: €568 million).

Dividends paid to AXA shareholders in 2007 totaled €2,218 million in respect of the 2006 financial year, or €1.06 per share, versus €0.88 per share paid in respect of the 2005 financial year (€1,647 million in total). All of these dividends were paid in cash.

SOLVENCY MARGIN

Each insurance company within AXA is required by local regulations to maintain a minimum solvency margin. The primary objective of the solvency margin requirements is to protect policyholders. AXA's insurance subsidiaries are in compliance with the applicable solvency requirements.

The solvency margin calculation is based on a formula that contains variables related to economic, financial and technical parameters. It also takes into account the matching of specific categories of assets and liabilities.

A European Directive dated October 27, 1998 requires a consolidated solvency margin calculation effective for periods ending on or after December 31, 2001. France transposed this directive under an ordinance dated August 29, 2001, decreed on March 14, 2002 and applicable from 2002. Additional supervision of credit institutions, investment companies and insurance companies belonging to "financial conglomerates" was introduced by the European Parliament and Council Directive 2002/87/EC of December 16, 2002. France transposed this directive through an ordinance dated December 12, 2004, which introduced the notion of financial conglomerate into the Insurance Code. According to article 20 of the Insurance Code, the provisions of this ordinance applied for the first time to periods starting on or after January 1, 2005.

The various components of what the Group considers as available capital are determined in accordance with these regulatory requirements under Solvency I. At December 31, 2007, available managed capital amounted to €31.0 billion (€36.9 billion at December 31, 2006 and €34.8 billion at December 31, 2005) of which:

(i) consolidated shareholders' equity after dividend proposal: €33.8 billion (€32.5 billion at December 31, 2006 and €25.5 billion at December 31, 2005), including minority interests, but excluding reserves relating to changes in fair value through equity (available for sale assets) and deeply subordinated debts,
(ii) unrealized capital gains: €13.0 billion (€17.3 billion at December 31, 2006 and €18.2 billion at December 31, 2005),
(iii) admitted subordinated debt: €10.1 billion (€9.9 billion at December 31, 2006 and €8.1 billion at December 31, 2005),
(iv) locally admitted assets: €2.9 billion (€3.1 billion at December 31, 2006 and €2.4 billion at December 31, 2005),
(v) less intangible assets (excluding goodwill on AllianceBernstein as it is part of its net consolidated book value): €24.5 billion (€23.3 billion at December 31, 2006 and €17.5 billion at December 31, 2005) and less the net consolidated book value of its equity interests in credit institutions, investment companies and financial institutions: €4.9 billion (€3.7 billion at December 31, 2006 and €3.9 billion at December 31, 2005).

AXA is not considered as a financial conglomerate. However, in accordance with the decree of September 19, 2005, if a company is not subject to the additional supervision applicable to a financial conglomerate, its solvency margin is nevertheless reduced by the amount of its equity interests in credit institutions, investment companies or financial institutions.

In accordance with the practical methods of calculation implemented by AXA in line with existing regulations, AXA's adjusted solvency ratio was estimated at 154% at December 31, 2007 compared to 186% at the end of 2006 (216% at the end of 2005). The decline resulted mainly from the decrease of the unrealized capital gains. The calculation methodology must be reviewed by the Autorité de Contrôle des Assurances et des Mutuelles (ACAM), which governs, in France, the application of these directives.

SUBSEQUENT EVENTS AFTER DECEMBER 31, 2007 IMPACTING AXA'S LIQUIDITY

A dividend per share of €1.20 will be proposed at AXA's Annual Shareholders' Meeting that will be held on April 22, 2008. The dividend will be payable on April 29, 2008 with an ex-dividend date of April 24, 2008. For individuals whose fiscal residence is in France, this dividend gives rise to a 40% tax relief equal to €0.48 per share and the 11% social contributions will be withheld when dividend is paid. In the case of the option for an income withholding tax *("Prélèvement Libératoire")*, the 11% social contributions will be withheld with an additional income tax *("Prélèvement libératoire")* at 18% and the 40% tax allowance will be not applicable.

Please refer to note 29 of Part V – "Consolidated Financial Statements for other subsequent events".

PART III

CORPORATE GOVERNANCE, EXECUTIVE COMPENSATION, MAJOR SHAREHOLDERS AND RELATED MATTERS

3.1 Directors, Senior Management and Employees

Implementing sound corporate governance principles has been a priority at AXA for many years. AXA's ordinary shares are publicly traded on Euronext Paris and its ADRs and ADSs are publicly traded on the New York Stock Exchange. Consequently, AXA is subject to prevailing corporate governance requirements and practices in both France and the United States including the Sarbanes-Oxley Act, the French Commercial Code and the recommendations resulting from the consolidation of the reports from the AFEP and the MEDEF dated 1995 ("Vienot"), 1999 ("Vienot II") and 2002 ("Bouton"), which describe certain standards and practices of corporate governance for French listed companies (hereafter the "Report AFEP / MEDEF").

GOVERNANCE

Structure: Management Board and Supervisory Board

Since 1997, AXA has had a dual corporate governance structure consisting of a Management Board and a Supervisory Board. This governance structure is designed to clearly separate the powers and responsibilities of management from those of supervision.

AXA's Supervisory Board has established four Committees to review specific matters and report back to the Supervisory Board. In addition, AXA has a 14 member Executive Committee established to assist the Management Board in the performance of its duties.

SUPERVISORY BOARD

Role and powers

The Supervisory Board supervises the Company's activities and reports to the shareholders. The Supervisory Board appoints and dismisses members of the Company's Management Board and supervises the executive management of AXA. Members of the Management Board may also be dismissed directly by AXA's shareholders pursuant to a resolution duly adopted at a shareholders' meeting.

Article 12 of the Company's Bylaws specifies that the following types of transactions or issues require the prior approval of the Supervisory Board:

- the issuance of securities with a direct or indirect claim on the equity securities of the Company;
- proposed share buyback programs submitted to shareholders for approval;
- financing operations that may have a material impact on the Company's financial position;
- any contemplated acquisition by the Company, whatever its form;
- agreements to form strategic partnerships;
- the establishment of any stock option plan or the granting of restricted shares *(actions gratuites)* to employees of the Company or to employees and officers of subsidiaries, as well as the granting of stock options or restricted shares to members of the Management Board;
- proposals to amend the Company's Bylaws submitted to shareholders for approval;
- appropriations of earnings and dividends for the previous year submitted to shareholders for approval; and
- interim and final dividend payment dates.

Operating procedures

The guidelines governing the operation, organization and compensation of the Supervisory Board and its Committees are set forth in the Board's Rules of Procedure, which notably describes the powers, the missions and the duties of the Supervisory Board and its Committees.

The Supervisory Board meets at least five times a year. Prior to each meeting, Supervisory Board members receive documentation concerning matters to be reviewed, generally eight days in advance.

The Company's Bylaws require members of the Supervisory Board to own at least 100 AXA ordinary shares. In addition, to ensure that their interests and those of the Company are appropriately aligned, the Board's Rules of Procedure provide that Supervisory Board members must own AXA shares in an amount at least equal to the amount of directors fees received in the course of any given year.

Composition

On December 31, 2007, the Supervisory Board was comprised of 14 members elected by the shareholders. Currently, 4 members of the Supervisory Board are nationals of countries other than France. In accordance with French law, one member of the Supervisory Board is elected by the Company's shareholders every four years from among a list of candidates selected by the employee shareholders of the AXA Group pursuant to an internal selection process. No member of the Supervisory Board is elected directly by the employees. The Supervisory Board does not have any non voting members (censor).

The Supervisory Board has assessed the independence of all of its members on the basis of the recommendations contained in the Report AFEP / MEDEF and, for the members of the Audit Committee, on the basis of the criteria set forth in the Sarbanes-Oxley Act. As of February 27, 2008, ten of the fourteen Supervisory Board members are independent members in accordance with the criteria established in the Report AFEP / MEDEF, as appreciated by the Supervisory Board or the American Sarbanes-Oxley Act: Dominique Reiniche, Léo Apotheker, Jacques de Chateauvieux, Norbert Dentressangle, Jean-Martin Folz, Anthony Hamilton, Henri Lachmann, Gérard Mestrallet, Giuseppe Mussari and Ezra Suleiman. In addition, the Supervisory Board has determined that all the members of the Audit Committee meet the independence criteria set forth in the Sarbanes-Oxley Act.

Composition of the Supervisory Board on December 31, 2007

Name (age) and office presently held at AXA	Principal occupation (as of December 31, 2007)	Principal business address	First appointment / term of office
Claude Bébéar (72) Chairman of the Supervisory Board	Chairman of the Supervisory Board of AXA	AXA 25, avenue Matignon 75008 Paris	June 1988 / 2008 Annual General Meeting
Jean-René Fourtou (68) [c] Vice-Chairman of the Supervisory Board [d]	Chairman of the Supervisory Board of Vivendi	Vivendi 42, avenue de Friedland 75008 Paris	April 1990 / 2011 Annual General Meeting
Léo Apotheker (54) [a] [c] Member of the Supervisory Board	Deputy CEO and President Customer Solutions & Operations of SAP AG	SAP 141, bd Haussmann 75008 Paris	February 2005 / 2011 Annual General Meeting
Jacques de Chateauvieux (57) [a] Member of the Supervisory Board [e]	Chairman and CEO of BOURBON	BOURBON 33, rue du Louvre 75002 Paris	April 2005 / 2009 Annual General Meeting
Norbert Dentressangle (53) [a] Member of the Supervisory Board	Chairman and CEO of Financière Norbert Dentressangle	Financière Norbert Dentressangle – BP 83 Les Pierrelles Beausemblant 26241 Saint-Vallier-sur-Rhône Cedex	May 2006 / 2010 Annual General Meeting
Jean-Martin Folz (61) [a] [b] Member of the Supervisory Board	Chairman of the AFEP *(Association Française des Entreprises Privées)*	AFEP 11, avenue Delcassé 75008 Paris	May 2007 / 2011 Annual General Meeting
Anthony Hamilton (66) [a] Member of the Supervisory Board	Non-executive Chairman of AXA UK PLC (United Kingdom) and AXA Equity and Law (United Kingdom)	AXA UK PLC 5 Old Broad Street London EC2N 1AD UK	January 1996 / 2009 Annual General Meeting
Henri Lachmann (69) [a] Member of the Supervisory Board	Chairman of the Supervisory Board of Schneider Electric	Schneider Electric 43-45, bd Franklin Roosevelt 92500 Rueil-Malmaison	May 1996 / 2009 Annual General Meeting
Gérard Mestrallet (59) [a] [c] Member of the Supervisory Board	Chairman and CEO of Suez	Suez 16, rue de la Ville l'Evêque 75008 Paris	January 1997 / 2011 Annual General Meeting
Giuseppe Mussari (45) [a] [b] Member of the Supervisory Board	Chairman of the Board of Banca Monte dei Paschi di Siena S.p.A. (Italy)	Banca Monte dei Paschi di Siena S.p.A. Piazza Salimbeni, 3 53100 Siena – Italy	May 2007 / 2011 Annual General Meeting
Michel Pébereau (66) Member of the Supervisory Board	Chairman of the Board of Directors of BNP Paribas	BNP Paribas 3, rue d'Antin 75002 Paris	January 1997 / 2009 Annual General Meeting
Mrs. Dominique Reiniche (52) [a] Member of the Supervisory Board	Chairman Europe of The Coca-Cola Company	The Coca-Cola Company Groupe Europe 27, rue Camille Desmoulins 92784 Issy-les-Moulineaux Cedex 9	April 2005 / 2009 Annual General Meeting
Ezra Suleiman (66) [a] [c] Member of the Supervisory Board	Professor of Political Sciences at the University of Princeton (United States)	EPS/PIIRS Aaron Burr Hall Princeton University Princeton, N.J. 08544 – United States	April 2003 / 2011 Annual General Meeting
Jacques Tabourot (62) Member of the Supervisory Board, representing the employee shareholders	Member of the Supervisory Board, representing the employee shareholders	AXA 25, avenue Matignon 75008 Paris	April 2004 / 2008 Annual General Meeting

(a) Independent.
(b) Appointed by the shareholders on May 14, 2007.
(c) Reappointed by the shareholders on May 14, 2007.
(d) Mr. Jean-René Fourtou has resigned from his Vice-Chairman of the Supervisory Board function since February 27, 2008. He has been replaced by Mr. Jacques de Chateauvieux.
(e) Mr. Jacques de Chateauvieux has been appointed Vice-Chairman of the Supervisory Board since February 27, 2008. He has replaced Mr. Jean-René Fourtou.

At the Company's General Meeting of shareholders scheduled for April 22, 2008:

- Mr. François Martineau (56) is expected to be elected for a 4-year term, replacing Mr. Claude Bébéar as a member of the Supervisory Board, whose term of office will expire at the close of the Company's Annual Meeting of Shareholders on April 22, 2008. Mr. François Martineau is currently Attorney at Law (Paris Bar).
- A new "employee shareholders' representative" is expected to be elected for a 4-year term replacing Mr. Jacques Tabourot, whose term of office will expire at the close of this Meeting.

Supervisory Board activities in 2007

In 2007, the Supervisory Board met 9 times and the overall attendance rate was 87.30%. Within the framework of its principal missions such as described above the Supervisory Board notably focused on the following issues:

- review of the Group strategy;
- examination of the financial statements for the 2006 fiscal year;
- review of the reports of the Supervisory Board Committees;
- authorization of the main projects of acquisitions and disposals;
- examination of agreements to form strategic partnerships projects;
- authorization of the share buyback program.

Information on current members of the Supervisory Board

Claude BÉBÉAR,
Chairman of the AXA Supervisory Board
72, French nationality.
Business address
AXA – 25, avenue Matignon – 75008 Paris, France

Expertise and experience

Mr. Claude Bébéar is a graduate of the Ecole Polytechnique. Since 1958, Mr. Bébéar has spent his entire career in the insurance sector. From 1975 to 2000, he headed a group of insurance companies which became AXA in 1985. Currently, Mr. Bébéar is Chairman of the Supervisory Board of AXA. Mr. Bébéar established and chairs the Institut du Mécénat de Solidarité, a humanitarian and social welfare organization, as well as the Institut Montaigne, an independent political think tank.

Directorships currently held

AXA Assurances IARD Mutuelle, *Director*
AXA Assurances Vie Mutuelle, *Director*
BNP Paribas, *Director*
Vivendi, *Member of the Supervisory Board*
Schneider Electric, *Censor (non-voting member of the Board)*

Previous directorships held during the last five years

FINAXA, *Chairman and Chief Executive Officer*
AXA Courtage Assurance Mutuelle, *Director*
AXA Conseil Vie Assurance Mutuelle, *Director*
Vivendi, *Director*
Schneider Electric, *Director*
Lor Patrimoine[1], *Director*
AXA Financial, Inc.[1] (United States), *Director*

(1) AXA Group company.

Jacques de CHATEAUVIEUX,
Vice-Chairman and Member of the AXA Supervisory Board
57, French nationality.
Business address
BOURBON – 33, rue du Louvre – 75002 Paris, France

Expertise and experience

Mr. Jacques de Chateauvieux is a graduate of the Institut Supérieur de Gestion and of Columbia University (New York). In 1975, he joined l'Union des Transports Aériens as a Management auditor.
Since 1979 Mr. Jacques de Chateauvieux has been Chairman and Chief Executive Officer of BOURBON. From 1989 to 2001, he turned BOURBON into an international conglomerate and then floated it an the Paris Stock Exchange in 1998. From 2001, he set about a refocusing strategy which would make BOURBON a world leader in offshore oil and gas marine services. Mr Jacques de Chateauvieux has been a member of the AXA Supervisory Board since 2005.

Directorships currently held

BOURBON, *Chairman and Chief Executive Officer*
JACCAR, *Chairman and Chief Executive Officer*
SAPMER, *Chairman of the Board of Directors*
CBo Territoria, *Chairman of the Board of Directors*
Director or member of the Supervisory Board:

- INNODIS
- SINOPACIFIC Shipbuilding Group (China)

Previous directorships held during the last five years

Vindemia S.A.S., *Chairman*
Antenne Réunion Télévision, *Chairman*
Happy World Foods, Ltd, *Director*

Léo APOTHEKER,
Member of the AXA Supervisory Board
54, German nationality.
Business address
SAP – 141, boulevard Haussmann – 75008 Paris, France

Expertise and experience

Mr. Léo Apotheker has a Bachelor's degree in Economics & International Relations. He started his career in 1978 at the Hebrew University as Senior Controller in the Finance Department. In 1984, he joined Mc Cormack & Dodge as European Operations Director. In 1988, he became Chairman and Chief Executive Officer of SAP France & Belgium. In 1995 he was appointed Chairman (France) of SAP AG and in 1997 he became Chief Executive Officer for South West Europe region. In 2000, he was appointed Chairman EMEA (Europe, Middle East and Africa) and he became member of the Extended Management Board of SAP AG. In July 2002, he became President Customer Solutions & Operations, Member of the Executive Committee of SAP AG. Since March 2006, Mr. Léo Apotheker has been President Customer Solutions & Operations and Deputy Chief Executive Officer of SAP AG.

Directorships currently held

SAP AG, *Deputy Chief Executive Officer & President Customer Solutions & Operations*
Director or member of the Supervisory Board:

- SAP America, Inc. (United States)
- SAP Global Marketing Inc. (United States)

- SAP Asia Pte. Ltd (Singapore)
- SAP JAPAN Co., Ltd (Japan)
- SAP FRANCE S.A.
- S.A.P. ITALIA Sistemi, applicazioni, prodotti in data processing S.p.A. (Italy)
- SAP Hellas "Systems Application and Data Processing S.A." (Greece)
- SAP (Beijing) Software System Co., Ltd (China)

Schneider Electric, *Censor (non-voting member of the Board)*

Previous directorships held during the last five years

SAP AG, *Chairman Global Field Operations*
Ginger S.A., *Director*
SAP Manage Ltd (Israel), *Director*
SAP Systems Integration AG (Germany), *Director*
SAP Finland Oy (Finland), *Director*
SAP Danmark A/S (Denmark), *Director*
Enigma Inc. (United States), *Director*
SAP Svenska Aktiebolag (Sweden), *Director*

Norbert DENTRESSANGLE,
Member of the AXA Supervisory Board
53, French nationality.
Business address
Financière Norbert Dentressangle – BP 83 – Les Pierrelles – Beausemblant – 26241 Saint-Vallier-sur-Rhône-Cedex, France

Expertise and experience

In 1979, Mr. Norbert Dentressangle founded the Norbert Dentressangle Group, a transportation and logistics specialist, and served as its Chairman until 1998. He is currently Chairman of the Supervisory Board of Groupe Norbert Dentressangle. Mr. Norbert Dentressangle is also, since its creation in 1988, Chairman of the Board of Directors and Chief Executive Officer of Financière Norbert Dentressangle, the family-owned holding company which, in addition to a majority stake in Groupe Norbert Dentressangle, has also held equity interests in real estate, industrial and business service firms.

Directorships currently held

Financière Norbert Dentressangle, *Chairman and Chief Executive Officer*
Groupe Norbert Dentressangle, *Chairman of the Supervisory Board*
Financière de Cuzieu (SAS), *Chairman*
ND Investissements (SAS), *Chairman*
SOFADE (SAS), *Chief Executive Officer*
Director or member of the Supervisory Board:
- SEB
- SOGEBAIL

Previous directorships held during the last five years

Director or member of the Supervisory Board:
- FINAIXAM
- Emin Leydier (SAS)
- Siparex Croissance
- Egnatia
- *Permanent Representative of Financière Norbert Dentressangle to the Board of* Via Location
- *Permanent Representative of Financière Norbert Dentressangle to the Board of* Financière Egnatia

Jean-Martin FOLZ,
Member of the AXA Supervisory Board
61, French nationality.
Business address
Association Française des Entreprises Privées (AFEP) – 11, avenue Delcassé – 75008 Paris, France

Expertise and experience

Mr. Jean-Martin Folz is a graduate of the Ecole Polytechnique and ingénieur des Mines. Between 1975 and 1978 he held various government cabinet positions; his last position held was head of cabinet of the Secretary of State for Industry. In 1978, he joined Rhône-Poulenc to run the Saint-Fons plant, and then he was promoted to Senior Executive Vice-President of Rhône-Poulenc Specialty Chemicals. In 1984, he became Senior Executive Vice-President and then Chairman and Chief Executive Officer of Jeumont-Schneider (a Schneider subsidiary). In 1987, he was appointed Chief Executive Officer of Péchiney and Chairman of Carbone Lorraine (in 1988). In 1991, he became Group Chief Executive Officer of Eridania Béghin-Say and Chairman of Béghin-Say. Jean-Martin Folz joined PSA Peugeot Citroën in 1995 and became Chairman in 1997. He left PSA in February 2007.

Directorships currently held

Director or member of the Supervisory Board:
- Saint-Gobain
- Société Générale
- Alstom
- Carrefour
- Solvay (Belgium)

Previous directorships held during the last five years

Peugeot SA, *Chairman of the Management Board*
Automobiles Peugeot, Automobiles Citroën, Banque PSA Finance, Peugeot Citroën Automobiles, *Chairman*
Faurecia, *Director*

Jean-René FOURTOU,
Member of the AXA Supervisory Board
68, French nationality.
Business address
Vivendi – 42, avenue de Friedland – 75008 Paris, France

Expertise and experience

Mr. Jean-René Fourtou is a graduate of the Ecole Polytechnique. In 1963, he joined Bossard & Michel as a consultant. In 1972, he became Chief Operating Officer of Bossard Consultants and Chairman and Chief Executive Officer of the Bossard Group in 1977. In 1986, he was appointed Chairman and Chief Executive Officer of the Rhône-Poulenc Group. From December 1999 to May 2002, he served as Vice-Chairman and Chief Operating Officer of Aventis. He is the Honorary Chairman of the International Chamber of Commerce. Mr. Fourtou co-chairs the Franco-Moroccan Economic Impetus Group created in September 2005, the objective of which is to propose measures for the improvement of economic relations between the two countries.

Directorships currently held

Vivendi, *Chairman of the Supervisory Board*
Groupe Canal+, *Chairman of the Supervisory Board*

Director, member of the Supervisory Board or member of the Management Committee:
- CapGemini SA
- Sanofi Aventis SA
- AXA Millésimes (SAS)[1]
- NBC Universal (United States)
- Maroc Telecom (Morocco)
- Nestlé (Switzerland)

Previous directorships held during the last five years

Vivendi Universal, *Chairman and Chief Executive Officer*
Vivendi Environnement, *Chairman of the Supervisory Board*
AXA Assurances IARD Mutuelle, *Vice-Chairman of the Board of Directors*
AXA Assurances Vie Mutuelle, *Vice-Chairman of the Board of Directors*
AXA Courtage Assurance Mutuelle, *Vice-Chairman of the Board of Directors*
USI Entertainment Inc (United States), *Chief Executive Officer*
EADS (Netherlands), *Director*
Aventis, *Director*
USA Interactive (United States), *Director*

Anthony HAMILTON,
Member of the AXA Supervisory Board
66, British nationality.
Business address
AXA UK PLC – 5 Old Broad Street – London EC2N 1AD – UK

Expertise and experience

Mr. Anthony Hamilton is a graduate of Oxford University. His early career was spent in London and New York working for the investment banks Schroders, Morgan Grenfell, and Wainright. In 1978 he joined Fox-Pitt, Kelton and was appointed Chief Executive Officer in 1994. In 1993, he became a non-executive Director of AXA Equity and Law (Chairman, 1995) and in 1997 a non-executive Director of AXA UK. Since September 2000, Mr. Anthony Hamilton has been Chairman of AXA UK.

Directorships currently held

AXA UK PLC[1] (United Kingdom), *Non-executive Chairman*
AXA Equity and Law[1] (United Kingdom), *Non-executive Chairman*
Director or member of the Supervisory Board:
- AXA Financial, Inc.[1] (United States)
- Binley Limited (United Kingdom)
- Tawa plc (United Kingdom)
- Golf Club of Valderrama (Spain)
- AXA Equitable Life Insurance Company[1] (United States)
- MONY Life Insurance Company[1] (United States)
- MONY Life Insurance Company of America[1] (United States)

Previous directorships held during the last five years

Chairman:
- Fox-Pitt, Kelton Group Limited (United Kingdom)
- Fox-Pitt, Kelton Nominees Limited (United Kingdom)

Director or member of the Supervisory Board:
- Pinault-Printemps-Redoute
- Fox-Pitt, Kelton Limited (United Kingdom)
- Swiss Re Capital Markets Limited (United Kingdom)
- CX Reinsurance (United Kingdom)

Henri LACHMANN,
Member of the AXA Supervisory Board
69, French nationality.
Business address
Schneider Electric – 43-45, bd Franklin Roosevelt, 92500 Rueil-Malmaison, France

Expertise and experience

Mr. Henri Lachmann is a graduate of the Ecole des Hautes Etudes Commerciales (HEC) and holds an accounting degree. In 1963, he joined Arthur Andersen, the international auditing firm, where he served successively as Auditor, then, as Manager of the Accounting Review Department. In 1970, he joined the Strafor Facom Group where he held various management positions until June 1981, when he was appointed Group Chairman. Director of Schneider Electric since 1996, Mr. Henri Lachmann became Chairman and Chief Executive Officer of the Group in 1999. Since 2006, he has been Chairman of the Supervisory Board of the Group.

Directorships currently held

Schneider Electric, *Chairman of the Supervisory Board*
Centre Chirurgical Marie-Lannelongue, *Chairman of the Board of Directors*
Vivendi, *Vice-Chairman and Member of the Supervisory Board*
Director, member of the Supervisory Board or Management Committee:
- AXA Assurances IARD Mutuelle
- Groupe Norbert Dentressangle
- AXA Millésimes (SAS)[1]

Fimalac, *Censor (non-voting member of the Board)*
Tajan, *Censor (non-voting member of the Board)*
Institut Montaigne, *Vice-Chairman and Treasurer*

Previous directorships held during the last five years

Schneider Electric, *Chairman and Chief Executive Officer*
Vice-Chairman of the Board of Directors and Director:
- AXA Assurances IARD Mutuelle
- AXA Assurances Vie Mutuelle
- AXA Courtage Assurance Mutuelle

FINAXA, *Director*
Vivendi Universal, *Director*
AXA Holding Maroc[1] (formerly AXA-ONA) (Morocco), *Director*

Gérard MESTRALLET,
Member of the AXA Supervisory Board
59, French nationality.
Business address
Suez – 16, rue de la Ville l'Evêque – 75008 Paris, France

Expertise and experience

Mr. Gérard Mestrallet is a graduate of the Ecole Polytechnique and the Ecole Nationale d'Administration (ENA). He joined the Compagnie de Suez in 1984 as Vice-President, Special Projects. In 1986, he was appointed Executive Vice-President, Industry and then in February 1991, Executive Director and Chairman of the Management Committee of Société Générale de Belgique. In 1995, he became Chairman and Chief Executive Officer of Compagnie de Suez and in June 1997, Chairman of the Management Board of the Suez Lyonnaise des Eaux. On May 4, 2001, Gérard Mestrallet was appointed Chairman and Chief Executive Officer of Suez.

(1) AXA Group company.

Directorships currently held

Suez, *Chairman and Chief Executive Officer*
Chairman of the Board of Directors:
- Suez Energie Services
- Suez Environnement
- Suez-Tractebel (Belgium)
- Electrabel (Belgium)

Vice-Chairman of the Board of Directors:
- Hisusa (Spain)
- Aguas de Barcelona (Spain)

Director or member of the Supervisory Board:
- Saint-Gobain
- Pargesa Holding S.A (Switzerland)

Previous directorships held during the last five years

Société Générale de Belgique (Belgium), *Chairman*
Hisusa (Spain), *Chairman*
Sociedad General de Aguas de Barcelona (Spain), *Vice-Chairman*
Director or member of the Supervisory Board:
- Crédit Agricole S.A.
- Taittinger

Giuseppe MUSSARI,
Member of the AXA Supervisory Board
45, Italian nationality.
Business address
Banca Monte dei Paschi di Siena S.p.A. – Piazza Salimbeni, 3 – 53100 Siena – Italy

Expertise and experience

Mr. Giuseppe Mussari is a graduate in Law from the University of Siena (Barrister registered in the Rolls of the Court of Siena since 1993). In 1998, he became Deputy Chairman of the Criminal Section of the Court of Siena and then in 2000 Chairman of the Criminal Section of the Court of Siena. In July 2001, he was appointed Chairman of the Monte dei Paschi di Siena Foundation. Since April 2006, Mr. Giuseppe Mussari is Chairman of Banca Monte dei Paschi di Siena (BMPS).

Directorships currently held

Banca Monte dei Paschi di Siena S.p.A., *Chairman of the Board*
Cassa dei Depositi e Prestiti (Bank for Deposits and Loans), *Chairman of the Guidance Committee*
Italian Bankers' Association, *Director and member of the Executive Committee*
Director:
- Sansedoni SpA (Italy)
- Rosselli Foundation
- Cotec Foundation
- China Foundation

Member:
- Guidance Committee of Toscana Life Sciences Foundation
- Promoting Committee of Symbola Foundation
- General Council of Clear Pacts Consortium

Previous directorships held during the last five years

Monte dei Paschi di Siena Foundation, *Chairman*
Chigiana Music Academy Foundation, *Chairman*
Mecenate 90 Association, *Chairman*
Siena Biotech, *Chairman of the Ethical Monitoring Committee*
ACRI, *Vice-Chairman*
Ravello Foundation, *Director*

Michel PÉBEREAU,
Member of the AXA Supervisory Board
66, French nationality.
Business address
BNP Paribas – 3, rue d'Antin – 75002 Paris, France

Expertise and experience

Mr. Michel Pébereau is a graduate of the Ecole Polytechnique and the Ecole Nationale d'Administration (ENA). In 1967, he started his career as auditor at the Treasury *(inspecteur des finances)*. In 1970, he became project leader and then adviser to the Cabinet of the Finance Minister (Valéry Giscard d'Estaing). In 1978, he was appointed Head of the Finance Minister's Cabinet (René Monory). In 1982, he became Chief Executive Officer of Crédit Commercial de France and then in 1987 Chairman and Chief Executive Officer of Crédit Commercial de France. In 1993, he became Chairman and Chief Executive Officer of Banque Nationale de Paris. Since 2004, Mr. Michel Pébereau has been Chairman of the Board of Directors of BNP Paribas.

Directorships currently held

BNP Paribas, *Chairman of the Board of Directors*
Director or member of the Supervisory Board:
- Saint-Gobain
- Total
- Lafarge
- EADS N.V. (the Netherlands)
- Banque Marocaine pour le Commerce et l'Industrie (BMCI) (Morocco)
- Pargesa Holding S.A. (Switzerland)

Galeries Lafayette, *Censor (non-voting member of the Board)*

Previous directorships held during the last five years

BNP Paribas, *Chairman and Chief Executive Officer*
Director or member of the Supervisory Board:
- Total Fina Elf
- Dresdner Bank AG (Germany)
- BNP Paribas UK (United Kingdom)

Dominique REINICHE,
Member of the AXA Supervisory Board
52, French nationality.
Business address
The Coca-Cola Company – Groupe Europe – 27, rue Camille Desmoulins – 92784 Issy-les-Moulineaux Cedex 9, France

Expertise and experience

Mrs. Dominique Reiniche is a graduate of the Essec. In 1978, she joined Procter & Gamble and in 1983 became Associate Advertising Manager. In 1986, she joined Kraft Jacobs Suchard and was apppointed Marketing & Strategy Manager. In 1992, she joined Coca-Cola Entreprise as a Marketing & Responsible "Compte-clé" Manager. In 1998, she was appointed Chairman and Chief Executive Officer of Coca-Cola Entreprise and Vice-Chairman of Coca Cola Enterprises – Europe Group in 2002. From January 2003 to May 2005, she was Chairman of Coca-Cola Enterprises – Groupe Europe. Since May 2005, Mrs. Dominique Reiniche is Chairman Europe of the Coca-Cola Company.

Directorships currently held

The Coca-Cola Company, *Chairman Europe*
ING Direct, *member of the Advisory Board*

Previous directorships held during the last five years

Coca-Cola Enterprise – Groupe Europe, *Chairman and Chief Executive Officer*
MEDEF, *member of the Executive Committee*

Ezra SULEIMAN,
Member of the AXA Supervisory Board
66, American nationality.
Business address
EPS/PIIRS – Aaron Burr Hall – Princeton University – Princeton, N.J. 08544 – United States

Expertise and experience

Mr. Ezra Suleiman is a graduate of Harvard University and of Columbia University. In 1973, he started his career as a Professor at the University of California, Los Angeles. In 1985, he became Chairman of the Commission "Europe", Fullbright Commission. Since September 1979, Mr. Ezra Suleiman has been a Professor of Political Sciences at Princeton University.

Directorships currently held

Political Sciences at the University of Princeton (United States), *Professor*
European Studies Center at the University of Princeton (United States), *Manager*
Director:
- AXA Financial, Inc.[1] (United States)
- AXA Equitable Life Insurance Company[1] (United States)
- MONY Life Insurance Company[1] (United States)
- MONY Life Insurance Company of America[1] (United States)

Institut Montaigne, *Member of the Management Committee*
Member of the Editorial Committee:
- Comparative Politics
- La Revue des Deux Mondes
- Politique Internationale
- Politique Américaine

Council on Foreign Relations (New York), *Member*
HEC International, *member of Advisory Board*

Previous directorships held during the last five years

Institut d'Etudes Politiques (Paris), *Associate Professor*
Centre Américain, Institut d'Etudes Politiques (Paris), *member of the Management Committee*

Jacques TABOUROT,
Member of the AXA Supervisory Board, representing the employee shareholders
62, French nationality.
Business address
AXA – 25, avenue Matignon – 75008 Paris, France

Expertise and experience

Mr. Jacques Tabourot started his career in 1972 with Deloitte as an auditor. In 1978, he became deputy Chief Accounting Officer and then Chief Accounting Officer of Secours. In 1986, he was appointed head of AXA's consolidation then subsequently Chief Accounting Officer of the AXA Group. From 1990 to 2005, he was lecturer for masters in banking and finance at the University Panthéon-Assas Paris II. Since April 2004, Mr. Jacques Tabourot is a member of the Supervisory Board of AXA, representing the employee shareholders.

(1) AXA Group company.

Service contracts between the AXA Group and members of the Supervisory Board

Mr. Jacques Tabourot, who is the employee shareholders representative on the Supervisory Board, is currently party to an employment contract with the GIE AXA, an entity of the AXA Group as a "Cadre de réserve". As such, he remains employee of the GIE AXA and he receives a reduced compensation. He is exempted from activity but may be recalled in order to carry out missions within the GIE AXA or others companies of the AXA Group, during periods which, in total, could not exceed 18 months. This contract will expire on April 1st, 2008.

Family Relationship

To the knowledge of the Company, there are no family relationships among the members of the Supervisory Board or with members of the Management Board.

Self-review of the Supervisory Board activity

The Supervisory Board conducts each year an annual self-review. This process involves individual interviews and a detailed questionnaire designed to help the Board assess its effectiveness and areas for potential improvement.

SUPERVISORY BOARD COMMITTEES

The Supervisory Board has four Committees: (1) the Audit Committee, (2) the Finance Committee, (3) the Selection, Ethics, Governance and Human Resources Committee, and (4) the Compensation Committee.

The role, organization and operating procedures of each Committee are set forth in the Supervisory Board's Rules of Procedure and in a dedicated charter for the Audit Committee. Each Committee issues opinions, proposals or recommendations to the Supervisory Board within the scope of its responsibilities and is empowered to undertake or commission studies that may be of interest for the Supervisory Board. Each Committee may invite outside participants to attend its meetings. Committee Chairmen report on completed Committee work at the following scheduled Supervisory Board meeting.
Committees have no decision making authority.

Audit Committee

Composition

On December 31, 2007, the Audit Committee had four members having either finance or accounting expertise, all of whom were determined by the Supervisory Board to be independent according to the criteria contained in the Report AFEP / MEDEF as appreciated by the Supervisory Board and in the Sarbanes-Oxley Act. They were Anthony Hamilton (Chairman), Jean-Martin Folz, Henri Lachmann and Ezra Suleiman.

Missions and activities

The scope of the Audit Committee's responsibilities is set forth in an Audit Committee Charter which defines the Committee's principal missions, including the following:

- to review the Company's interim and annual financial statements and certain financial disclosures by the Company;
- to control the appointment, compensation and replacement of the Company's auditors and to oversee the Company's auditors and, where legally permissible, the auditors of the Company's subsidiaries;
- to review the external auditors' proposed audit scopes, audit plans and coordination with the Company's internal audit Department and to review the result of their work, their recommendations and obtain timely reports concerning the status of these matters;
- to assess the independence of the Company's external auditors by examining their relationships with the AXA Group and, in particular, by examining all fees for audit services, audit related services and any other services;
- to review with the Management Board and the Head of Group Audit department the structure and missions of the Company's internal audit function; and
- to review such other matters as the Committee deems necessary or appropriate from time to time in order to assess the Group's internal control environment, risk management practices and risk exposures.

The Audit Committee met seven times in 2007. The overall attendance rate was 92.86%. Within the framework of its principal missions such as described above, the Committee notably focused on the following issues:

- annual and interim financial statements;
- 2007 Group Audit Plan;
- SOX 404 update;
- fraud report;
- local internal audit plans summary;
- IFRS to US GAAP reconciliation;
- auditors action plan;
- significant litigation and regulatory matters;
- Form 20F;
- update of the Audit Committee Charter.

The external auditors of the Group, the Group Chief Financial Officer, the Deputy Group Chief Financial Officer, the Group Chief Accounting Officer as well as the head of the Group Internal Audit department attend the Committee's meetings.

For the fulfilment of its missions, the Committee may request external consulting expertise.

Finance Committee

Composition

As of December 31, 2007, the Finance Committee had five members, two of whom met the independence criteria set forth in the Report AFEP / MEDEF as appreciated by the Supervisory Board. Those members were: Claude Bébéar (Chairman), Léo Apotheker, Henri Lachmann, Michel Pébereau and Jacques Tabourot.

Missions and activities

The Finance Committee has the following principal missions:

- to review the Group's financial structure and the broad outlines of AXA's asset management policy;
- to examine plans to sell real-estate or equity interests with an appraised value exceeding the authorizations granted to the Management Board by the Supervisory Board;
- to review all material financial transactions involving AXA that are proposed by the Management Board; and
- to examine all acquisition plans in excess of €500 million.

The Finance Committee met four times in 2007. The global attendance rate was 89.47%. Within the framework of its principal missions such as described above the Committee notably focused on the following issues:

- examination of AXA's financial structure;
- examination of the financial resolutions proposed to the AXA shareholders' assembly;
- recommended dividend;
- acquisitions and disposals;
- share repurchase program;
- subprime and market funds;
- AXA Group exposure to ABS & CDO's/CLO's;
- credit risk update.

Selection, Ethics, Governance and Human Resources Committee

Composition

As of December 31, 2007, the Selection, Ethics, Governance and Human Resources Committee was comprised of four members, two of whom met the independence criteria set forth in the Report AFEP / MEDEF as appreciated by the Supervisory Board. Its members were: Jean-René Fourtou (Chairman), Gérard Mestrallet, Michel Pébereau and Ezra Suleiman.

Missions and activities

The Selection, Ethics, Governance and Human Resources Committee has the following principal missions:

- to formulate recommendations to the Supervisory Board on proposed appointments to the Supervisory Board or the Management Board, including their respective Chairmen and Vice-Chairmen, as well as on all appointments to the Supervisory Board's Committees, including their respective Chairmen;
- to make suggestions to the Supervisory Board regarding succession plans for Management Board members, and to be informed of the succession plans for the Group's other principal executive officers;
- to be notified of the appointments of AXA's principal executive officers, in particular members of the Executive Committee; and
- to be notified of AXA's strategy in terms of Human Resources management.

The Selection, Ethics, Governance and Human Resources Committee met three times in 2007. The global attendance rate was 83.33%. Within the framework of its principal

missions such as described above the Committee notably focused on the following issues:
- composition of the Supervisory Board and its Committees;
- AXA Miles program (allotment of free shares to all employees of the Group);
- Executive Committee and main Group CEOs: changes and perspectives;
- equity plans 2007-2008;
- 2012 and Beyond;
- emerging countries staffing;
- 2007 Shareplan final results.

Early in 2007, the Committee reviewed the qualifications of the Supervisory Board candidates (MM. Jean-Martin Folz and Giuseppe Mussari) whose appointment was put to the vote of shareholders on May 14, 2007.

The Committee also examined the impact of the changes in the Supervisory Board members on the composition of its four special-purpose Committees.

Compensation Committee

Composition

As of December 31, 2007, the Compensation Committee had four members who all qualify as independent pursuant to the criteria set forth in the Report AFEP / MEDEF as appreciated by the Supervisory Board: Jacques de Chateauvieux (Chairman), Norbert Dentressangle, Anthony Hamilton and Gérard Mestrallet.

Missions and activities

The Compensation Committee has the following principal missions:
- to make recommendations to the Supervisory Board on compensation levels for each Management Board member, on the amount of directors' fees proposed to the Company's shareholders for approval, and on stock options, free share or other equity compensation grants to members of the Management Board;
- to examine the performance of the Management Board members and to give an account of its conclusions to the Supervisory Board;
- to issue an opinion on the Management Board recommendations related to the policies and procedures governing executive pay and the Company's proposed stock option, free share and other equity compensation grants to AXA Group employees; and
- to be informed by the Management Board of compensation levels set by the boards of AXA Group subsidiaries for their principal executive officers.

The Compensation Committee met three times in 2007. The global attendance rate was 91.67%. Within the framework of its principal missions such as described above the Committee notably focused on the following issues:
- compensation paid to members of the Management Board and the Executive Committee;
- stock-options: valuation principles;
- Supervisory Board members' fees;
- Equity plan 2007.

MANAGEMENT BOARD

The AXA Management Board is currently comprised of six members, each of whom serves for a 3-year term expiring on October 11, 2009.

The Management Board generally holds weekly meetings to discuss Group strategy and operations.

The Management Board operates in accordance with the Company's Bylaws and the Rules of Procedures of the Supervisory Board and Management Board.

While the Management Board operates as a collective decision-making body under French law, each Management Board member has been assigned responsibility for a specific area of the Company's management.

Composition of the Management Board on December 31, 2007

Name (age)	Principal Office presently held in AXA (as of December 31, 2007)	Principal business address	First appointment / term of office
Henri de Castries (53)	Chairman of the Management Board	AXA 25, avenue Matignon 75008 Paris	January 19, 2000 / October 11, 2009
Alfred Bouckaert (61)	Member of the Management Board, Chief Executive Officer for Northern, Central and Eastern Europe	AXA Belgium Boulevard du Souverain, 25 1170 Brussels – Belgium	October 11, 2006 / October 11, 2009
Claude Brunet (50)	Member of the Management Board, in charge of Transversal Operations and Projects, Human Resources, Brand and Communication	AXA 25, avenue Matignon 75008 Paris	February 26, 2003 / October 11, 2009
Christopher Condron (60)	Member of the Management Board, President and CEO of AXA Financial, Inc. (United States)	AXA Financial, Inc. 1290, avenue of the Americas 10104 New York NY – USA	July 4, 2001 / October 11, 2009
Denis Duverne (54)	Member of the Management Board, Group Chief Financial Officer	AXA 25, avenue Matignon 75008 Paris	February 26, 2003 / October 11, 2009
François Pierson (60)	Member of the Management Board, Chairman and CEO of AXA France, also responsible for Large Risks, Assistance and AXA Canada	AXA France Terrasse 1 – 313 Terrasses de l'Arche 92727 Nanterre Cedex	November 28, 2001 / October 11, 2009

Members of the Management Board devote substantially all of their professional time to management of the Group and do not hold outside directorships or engage in professional activities outside the AXA Group that interfere with or impede in any material way their availability to focus on the Group and its business.

Expertise and experience of the Management Board members

Henri de CASTRIES,
Chairman of the Management Board
53, French nationality.

Mr. Henri de Castries is a graduate of the Ecole des Hautes Etudes Commerciales (HEC) and obtained a law degree before completing preparatory studies for the Ecole Nationale d'Administration (ENA). After graduating from ENA, Henri de Castries began his career with the French Finance Ministry Inspection Office. Mr. de Castries joined AXA's corporate finance department on September 1, 1989. He was appointed Corporate Secretary in 1991 and was appointed Senior Executive Vice-President for the Group's asset management, financial and real-estate businesses in 1993. In 1997, Mr. de Castries was appointed Chairman of The Equitable Companies Incorporated (now AXA Financial). Mr. de Castries has been Chairman of the AXA Management Board since May of 2000.

Positions currently held in the AXA Group

Chairman of the Management Board: AXA
Chairman of the Board of Directors:
- AXA Assurances IARD Mutuelle
- AXA Assurances Vie Mutuelle
- AXA Financial, Inc. (United States)

Director:
- AXA France IARD
- AXA France Vie
- AXA Belgium SA (Belgium)
- AXA Holdings Belgium (Belgium)
- AXA UK PLC (United Kingdom)
- AllianceBernstein Corporation (United States)
- AXA Equitable Life Insurance Company (United States)
- AXA America Holdings, Inc. (United States)
- MONY Life Insurance Company (United States)
- MONY Life Insurance Company of America (United States)

Previous directorships held during the last five years

Chairman of the Board of Directors:
- AXA Conseil Vie Assurance Mutuelle
- AXA Courtage Assurance Mutuelle

Vice-Chairman of the Board of Directors:
- FINAXA

Director or member of the Supervisory Board:
- AXA France Assurance
- AXA France Collectives
- Lor Patrimoine
- AXA Konzern AG (Germany)

Alfred BOUCKAERT,
Member of the Management Board
61, Belgian nationality.

In 1968, Mr. Alfred Bouckaert started working as a stockbroker with JM Finn & Co in London. In 1972, he joined Chase Manhattan Bank where he held various commercial and credit posts before becoming Chase's Manager of Commercial Banking for Belgium. In 1984, he was appointed General Manager of Chase in Copenhagen (Denmark) and General Manager and Country Manager of Chase in Belgium in 1986. In 1989, Chase Manhattan Bank's Belgian operations were sold to Crédit Lyonnais France. Alfred Bouckaert was in charge of merging Chase's and Crédit Lyonnais's Belgian Operations. In 1994, he was asked by Crédit Lyonnais to head the bank's European Operations. In 1999, he became Managing Director of AXA Royale Belge and AXA also appointed him Country Manager for the Benelux (Belgium, The Netherlands, Luxembourg). In 2005, Mr. Bouckaert became General Manager of the Group's Northern European Region (Belgium, The Netherlands, Luxembourg, Germany, Switzerland). Since October 2006, Alfred Bouckaert is a member of the AXA Management Board, in charge of operations in the Northern, Central & Eastern Europe Region (Belgium, The Netherlands, Luxembourg, Germany, Switzerland, Poland (Life insurance), Czech Republic, Solvak Republic, Hungary).

Positions currently held in the AXA Group

Member of the Management Board: AXA
Managing Director:
- AXA Holdings Belgium (Belgium)

Chairman of the Board of Directors:
- AXA Belgium SA (Belgium)
- AXA Participations Belgium (Belgium)
- AXA Bank Belgium (Belgium)
- AXA Luxembourg (Luxembourg)
- AXA Assurances Luxembourg SA (Luxembourg)
- AXA Assurances Vie Luxembourg (Luxembourg)
- AXA Konzern AG (Germany)
- AXA Service AG (Germany)
- AXA ART Versicherung AG (Germany)
- "Winterthur" Société Suisse d'Assurances (Switzerland)
- Winterthur Vie (Switzerland)

Director of member of the Supervisory Board:
- L'Ardenne Prévoyante (Belgium)
- Contere (Luxembourg)
- AXA Lebensversicherung AG (Germany)
- AXA Versicherung AG (Germany)
- AXA Insurance SA (Greece)

Permanent representative of AXA to the Supervisory Board of Ukrainian Insurance Alliance (Ukraine) and Insurance Company Vesko (Ukraine)

Positions currently held outside the AXA Group

Consuco (Belgium), patrimonial family company
De Waere (Belgium), patrimonial family company

Previous directorships held during the last five years

Managing Director: AXA Belgium SA (Belgium)
Chairman of the Board of Directors:
- L'Ardenne Prévoyante (Belgium)
- Viaxis (Belgium)

Chairman Managing Director:
- Royale Belge Investissements (Belgium)

Director:
- Servis (Belgium)
- Servis-Life (Belgium)
- AXA Nederland BV (The Netherlands)
- AXA Verzekeringen (The Netherlands)
- AXA Bank AG (Germany)

Claude BRUNET,
Member of the Management Board
50, French nationality.

Mr. Claude Brunet is a graduate of the Ecole Supérieure des Travaux Publics (ESTP). In 1991, he became Corporate Sales Division Head of Ford Switzerland and in 1992 became Corporate Sales Division Head of Ford France. In 1993, he was appointed Chairman and Chief Executive Officer of Ford Belgium and in 1996 he became Chairman and Chief Executive Officer of Ford France. In 2001, he joined the AXA Group as a member of the Executive Committee. Since February 2003, Claude Brunet has been a member of the AXA Management Board, in charge of Transversal Operations and Projects, Human Resources, Brand and Communications.

Positions currently held in the AXA Group

Member of the Management Board: AXA
Chairman: AXA Technology Services (SAS)
Chairman of the Management Board: GIE AXA Université
Director:
- AXA Group Solutions
- GIE AXA Group Solutions
- AXA Aurora Ibérica S.A. de Seguros y Reaseguros (Spain)
- AXA Aurora Vida S.A. de Seguros y Reaseguros (Spain)
- AXA Mediterranean Holding, S.A. (Spain) (formerly AXA Aurora S.A.)
- AXA Business Services (India)
- AXA Japan Holding Co., Ltd (Japan)

Permanent representative of AXA to the board of AXA Cessions

Previous directorships held during the last five years

Director or member of the Supervisory Board:
- AXA RE
- AXA Konzern AG (Germany)

Christopher CONDRON,
Member of the Management Board
60, American nationality.

Mr. Christopher Condron has a bachelor's degree in Business Management from the University of Scranton. In 1989, he became head of the Private Client Group of The Boston Company, now Mellon Private Asset Management. In 1993, he was appointed Executive Vice-President of Mellon and, in 1994, became Vice-Chairman of Mellon. In 1999, Mr. Condron became President & Chief Operating Officer of Mellon Financial Corporation. Since May 2001, Christopher Condron has been President and CEO of AXA Financial, Inc. and Chairman of the Board, President (since May 2002) and Chief Executive Officer of AXA Equitable Life Insurance Company. Since July 2001, he has been a member of the AXA Management Board.

Positions currently held in the AXA Group

Member of the Management Board: AXA
Director, President and Chief Executive Officer:
- AXA Financial, Inc. (United States)

Director, Chairman of the Board, President and Chief Executive Officer:
- AXA Equitable Life Insurance Company (United States)
- AXA Equitable Life Financial Services, LLC (United States)
- MONY Life Insurance Company (United States)
- MONY Life Insurance Company of America (United States)
- MONY Financial Services, Inc. (United States)
- AXA Life and Annuity Company (United States)
- AXA Distribution Holding Corporation (United States)

Director and President: AXA America Holdings, Inc. (United States)
Director, Chairman and President: ACMC, Inc. (United States)
Director:
- AllianceBernstein Corporation (United States)
- AXA Art Insurance Corporation (United States)
- American Council of Life Insurers (ACLI) (United States)

Director, Vice-Chairman and Member: Financial Services Roundtable (United States)

Positions currently held outside the AXA Group

Central Supply Corp (United States), *Director*
KBW, Inc. (United States), *Director*
The American Ireland Fund (United States), *Director and Treasurer*
President's Business Council of the University of Scranton, *Chairman*

Previous directorships held during the last five years

Chairman of the Board, "President" and Chief Executive Officer:
- MONY Holdings, LLC (United States)

Director and Chairman:
- U.S. Financial Life Insurance Company (United States)
- Financial Marketing, Inc. (United States)

Denis DUVERNE,
Member of the Management Board
54, French nationality.

Mr. Denis Duverne is a graduate of the Ecole des Hautes Etudes Commerciales (HEC). After graduating from the Ecole Nationale d'Administration (ENA), he started his career in 1984 as commercial counselor for the French Consulate General in New York before becoming Director of the Corporate Taxes Department for the French Ministry of Finance in 1986. In 1988, he became Deputy Assistant Secretary for Tax Policy for the French Ministry of Finance and, in 1991, he was appointed Corporate Secretary of Compagnie Financière IBI. In 1992, he became a member of the Executive Committee of Banque Colbert, in charge of operations. In 1995, Mr. Denis Duverne joined the AXA Group and assumed responsibility for supervision of AXA's operations in the US and the UK and managed the reorganization of AXA companies in Belgium and the United Kingdom. Since February 2003, Mr. Denis Duverne has been a member of the AXA Management Board, in charge of Finance, Control and Strategy.

Positions currently held in the AXA Group

Member of the Management Board: AXA
Chairman and Chief Executive Officer:
- AXA America Holdings, Inc. (United States)

Director:
- AXA France IARD
- AXA France Vie
- AXA Belgium SA (Belgium)
- AXA Holdings Belgium (Belgium)
- AXA Assicurazioni S.p.A. (Italy)
- AXA Italia S.p.A. (Italy)
- AXA MPS Assicurazioni Vita S.p.A. (Italy)

- AXA MPS Assicurazioni Danni S.p.A. (Italy)
- AXA UK PLC (United Kingdom)
- AXA Financial, Inc. (United States)
- AXA Equitable Life Insurance Company (United States)
- AllianceBernstein Corporation (United States)
- MONY Life Insurance Company (United States)
- MONY Life Insurance Company of America (United States)

Previous directorships held during the last five years

Director:
- AXA France Assurance
- AXA France Collectives

François PIERSON,
Member of the Management Board
60, French nationality.

After studies of Sciences and Management at the University Paris Dauphine, Mr. François Pierson joined AGP in 1974 and became Sales Director. In 1990, he became General Manager of the South-East Region of AXA Assurances in France and Director of Distribution. In 1995, he was appointed Deputy Chief Executive of AXA Assurances and, in 1997, he became Chief Executive Officer of UAP Vie and of Alpha Assurances. In 1999, he became Chief Executive Officer of AXA Assurances. Since November 2001, Mr. François Pierson has been a member of the AXA Management Board as well as Chief Executive Officer of AXA France and responsible of the Group's Large Risks activities, AXA Assistance and AXA Canada.

Positions currently held in the AXA Group

Member of the Management Board: AXA
Chairman and Chief Executive Officer:
- AXA France IARD
- AXA France Vie

Chairman: AXA France Assurance (SAS)
Chairman of the Board of Directors: AXA Corporate Solutions Assurance
Vice-Chairman of the Board of Directors: AXA Canada Inc. (Canada)
Director:
- AXA Assurances IARD Mutuelle
- AXA Assurances Vie Mutuelle
- AXA Assurances Inc. (Canada)
- AXA Japan Holdings Ltd (Japan)
- AXA Holding Maroc (Morocco) (formerly AXA-ONA)
- AXA Assurance Maroc (Morocco)

Positions currently held outside the AXA Group

Permanent representative of AXA France IARD to the board of UCAR

Previous directorships held during the last five years

Chairman of the Board of Directors:
- AXA France Collectives
- AXA Conseil Vie
- AXA Conseil IARD
- AXA Courtage IARD

Chief Executive Officer:
- AXA Conseil Vie Assurance Mutuelle

Chief Executive Officer – non Director:
- AXA Assurances IARD Mutuelle
- AXA Assurances Vie Mutuelle
- AXA Courtage Assurance Mutuelle

Director or member of the Supervisory Board:
- AXA ART
- AXA Santé Mutuelle Assurance
- AXA Banque
- AXA France Finance
- Natio Assurance
- AXA Assistance France

Permanent Representative of:
- AXA France IARD to the Board of AXA RE
- AXA Courtage IARD to the Board of AXA Investment Managers

Service contracts between the AXA Group and members of the Management Board

The French members of the AXA Management Board (Henri de Castries, Claude Brunet, Denis Duverne and François Pierson) are employed by AXA under employment contracts.

Christopher Condron and Alfred Bouckaert, also members of the Management Board, have employment contracts, respectively, with AXA Equitable in the United States and AXA Holdings Belgium. For a description of termination provisions of those contracts, please refer to Section 3.2 "Full disclosure on executive compensation and share ownership" below.

Family Relationship

To the knowledge of the Company, there are no family relationships among the members of the Management Board or with members of the Supervisory Board.

Other information on members of the Management Board and of the Supervisory Board

Conflicts of interests

The members of the Management Board do not hold any directorships or other positions with companies outside the AXA Group, except for a limited number of outside directorships which do not interfere with or impede in any material way their availability to focus on the Group and its business. Certain members of the Supervisory Board, however, are executive officers and/or directors of companies that may have dealings from time to time with the AXA Group including extensions of credit, purchases of securities (for their own account or for third parties), underwriting of securities and/or furnishing of other types of services or goods. These dealings are generally fully negotiated and performed on arm's length terms and conditions. Consequently, AXA does not believe these dealings give rise to any potential conflicts of interests between the duties to AXA of the Supervisory and Management Boards' members and their private interests and/or other duties.

To the best of the Company's knowledge, there are no arrangements or understandings that have been entered into with major shareholders, customers, suppliers or others pursuant to which a member of the Management Board or the Supervisory Board was selected, except for Mr. Giuseppe Mussari who was proposed for election to AXA's Supervisory Board consistent with the terms of a bancassurance partnership agreement entered into in March 2007 between AXA and Banca Monte dei Paschi di Siena (BMPS), an Italian bank. This agreement, among other matters, provides that the AXA shareholders shall nominate a representative of BMPS on AXA's Supervisory Board. Mr. Giuseppe Mussari was nominated for election consistent with the terms of this agreement and was elected to the AXA's Supervisory Board at the Company's General Shareholders' Meeting on May 14, 2007.

Absence of any conviction in relation to fraudulent offences, any official public incrimination and/or sanctions, or any responsibility in a bankruptcy for the last 5 years

To the best of the Company's knowledge, none of the members of its Management Board or Supervisory Board has been, during the last 5 years (i) subject to any conviction in relation to fraudulent offences or to any official public incrimination and/or sanction by statutory or regulatory authorities, (ii) disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer, or (iii) associated as a member of the administrative, management or supervisory bodies with any company that has declared bankruptcy or been put into receivership or liquidation, provided, however, that AXA has from time to time sold, discontinued and/or restructured certain business operations and voluntarily liquidated affiliated companies in connection with these or similar transactions and certain members of AXA's Management Board and/or Supervisory Board may have been associated with other companies that have undertaken similar solvent liquidations.

EXECUTIVE COMMITTEE

The Executive Committee's principal mission is to review AXA Group's strategy.

AXA has an Executive Committee which is an internal management committee mainly composed of members of AXA's Management Board and CEOs of the Group's principal subsidiaries and / or business units. The seven principal business units of the Group are: Mediterranean region; Northern, Central and Eastern Europe region; United States; Asia-Pacific region and Japan; United Kingdom and Ireland; AXA Investment Managers; France / Canada / AXA Corporate Solutions / AXA Assistance.

The Executive Committee conducts quarterly business reviews (QBRs), during which performance of the AXA Group is reviewed. These reviews were introduced in 2000 to provide a clear and consistent framework for:

- reviewing operational performance and monitoring the progress of key projects using quantifiable standards of measurement defined in collaboration with the Management Board;
- assessing the status of Group transversal projects; and
- exchanging ideas and information on key Group strategic orientations.

As an internal management committee, the Executive Committee has no formal decision making authority. Its principal role is to assist the Management Board in effectively managing the Group's operating businesses, considering strategic initiatives and such other areas as the Management Board deems appropriate.

As of December 31, 2007, the Executive Committee was comprised of the following fourteen members, including eight non-French nationals:

Jean-Raymond Abat	Chief Executive Officer of the Mediterranean region business unit
Alfred Bouckaert	Member of the Management Board, Chief Executive Officer for the Northern, Central and Eastern Europe business unit
Claude Brunet	Member of the Management Board, in charge of Transversal Operations, Human Resources, Brand and Communications
Henri de Castries	Chairman of the Management Board
Christopher Condron	Member of the Management Board, President and Chief Executive Officer of AXA Financial, Inc. (United States)
John R. Dacey	Chief Executive Officer for the Japan Asia-Pacific business unit
Denis Duverne	Member of the Management Board, Group Chief Financial Officer
Philippe Egger	Chief Executive Officer of Insurance activities in Switzerland
Frank Keuper	Chief Executive Officer of AXA Konzern AG (Germany)
Gerald Lieberman	President and Chief Operating Officer of AllianceBernstein (United States)
Nicolas Moreau	Chief Executive Officer of AXA UK-Ireland and Chairman of the Board of Directors of AXA Investment Managers
Andrew Penn	Chief Executive Officer of AXA Asia-Pacific Holdings (Australia)
François Pierson	Member of the Management Board, Chairman and Chief Executive Officer of AXA France, responsible for Large Risks, Assistance and AXA Canada
Eugène Teysen	Chief Executive Officer of Insurance and Bank activities in Belgium

SUBSIDIARIES

AXA's principal subsidiaries, whether publicly traded or not, are governed by:

- a board of directors whose membership includes independent or non-executive directors; and
- various board committees including a compensation committee and an audit committee, whose membership includes independent or non-executive directors.

Over the past years, AXA initiated a process designed to harmonize corporate governance standards throughout the Group. This effort is focused, among other matters, on standardizing, to the extent practicable, principles relating to a number of corporate governance matters including board composition and size, directors' independence criteria, Board Committees' and their roles, and directors' fees.

The Group Governance Standards require the Boards of AXA's principal subsidiaries to establish an Audit Committee and a Compensation Committee in addition to any other Board committees that they consider necessary or appropriate for their specific businesses. The role, duties, and composition of these Committees (including the requirements for participation of independent directors) are specified in a detailed Audit Committee Standard and Compensation Committee Standard. The Audit Committee Standard requires the Company's Audit Committee to be composed entirely of independent directors and the Audit Committee's of Group subsidiaries to have a significant component of independent directors in order to ensure that this Committee is strongly independent of management given its critical role in reviewing financial results and other financial information prepared by management, financial reporting and control processes, critical accounting policies, particular accounting issues, fraud and similar issues. In addition, the Group's Compensation Committee Standard requires that the Compensation Committee have a minimum of one independent director to ensure a level of independent review and judgment on all senior executive compensation matters.

EMPLOYEES

The table below sets forth the number of salaried employees of the AXA Group over the past three years broken down by line of business and geographic region:

SALARIED EMPLOYEES

(Full Time Equivalent)

	At December 31, 2005	At December 31, 2006 Published	At January 1, 2007 [a]	At December 31, 2007
Insurance	**68,684**	**69,528**	**87,472**	**90,130**
– France [b]	15,503	15,310	15,310	15,580
– United States	6,104	6,090	6,090	6,011
– Japan	3,028	3,011	3,307	3,441
– United Kingdom [d]	14,055	14,017	16,867	18,472
– Germany	7,302	7,360	10,825	10,625
– Switzerland	194	201	5,220	5,237
– Belgium (including AXA Bank Belgium) [c]	4,787	4,606	5,981	5,762
– Mediterranean Region	4,565	4,430	7,731	7,544
– Other countries	6,950	8,556	10,130	10,580
Of which Australia/New Zealand	*2,274*	*2,530*	*2,530*	*3,029*
Of which Hong Kong	*1,043*	*1,067*	*1,598*	*1,376*
Of which Canada	*1,884*	*2,182*	*2,182*	*2,207*
Of which the Netherlands	*639*	*657*	–	–
Of which Turkey	*606*	*573*	–	–
Of which Morocco	*504*	*504*	–	–
Of which Luxembourg	–	*170*	*170*	*181*
Of which Singapore	–	*347*	*347*	*423*
Of which Indonesia	–	–	*362*	*305*
Of which South Korea	–	–	*1,464*	*1,464*
Of which Malaysia	–	–	*338*	*338*
Of which Poland	–	–	*338*	*488*
Of which Hungary	–	–	*464*	*370*
Of which Slovakia	–	–	*108*	*115*
Of which Czech Republic	–	–	*229*	*284*
Of which South East Asia	–	*362*	–	–
Of which Central and Eastern Europe	–	*164*	–	–
– International Insurance	5,716	5,947	6,011	6,878
AXA RE	*463*	–	–	–
AXA Corporate Solutions Assurance	*1,159*	*1,171*	*1,171*	*1,198*
AXA Cessions	*130*	*122*	*122*	*130*
AXA Assistance	*3,639*	*4,239*	*4,239*	*5,084*
Other transnational activities	*325*	*415*	*479*	*466*
Asset management	**6,760**	**7,577**	**7,586**	**8,523**
– AllianceBernstein	4,330	4,932	4,932	5,604
– AXA Investment Managers	2,430	2,645	2,654	2,919
Other Financial services (excluding AXA Bank Belgium) [c]	**568**	**625**	**625**	**675**
– France	488	547	547	596
– Germany	80	78	78	79
Services Group	**625**	**646**	**646**	**681**
AXA Technology, AXA Consulting and e-business	**2,163**	**2,649**	**2,979**	**3,525**
TOTAL (EXCLUDING WINTERTHUR AT THE END OF 2006)	**78,800**	**81,025**	**99,308**	**103,534**
TOTAL WINTERTHUR AT THE END OF 2006 [e]		**14,984**		
TOTAL	**78,800**	**96,009**	**99,308**	**103,534**

Employees of non-consolidated companies or companies accounted for using the equity method are not included in the above table. Employees of companies proportionally consolidated are included, pro-rata, in accordance with the percentage of consolidation.

(a) The employees at January 1, 2007 are included on a constant structural basis in relation to employees at December 31, 2007. The main restatements are:
- Acquisition of Thinc Group and Venture Preference Limited with 544 and 1,439 salaried employees, respectively.
- Uniov and Union disposals (–49 and –152 salaried employees, respectively).
- Acquisition of Alpha Insurance in Greece with 333 salaried employees; Montepaschi Vita and Montepaschi Danni in Italy with 140 and 53 salaried employees, respectively.
- Transfer of all salaried employees of Morocco and Turkey entities to the Mediterranean Region (504 and 573 salaried employees, respectively).
- Disposal of the Netherlands entities (–1,022 salaried employees).
- Acquisition of Kyobo (1,464 salaried employees).
- AXA Affin General Insurance Berhad minority interests' buyout in Malaysia (338 salaried employees).
- Acquisition of ELLA Bank in Hungary (229 salaried employees).
- Winplan disposal with –18 salaried employees.
- Transfer of some salaried employees of Winterthur Switzerland entities to AXA Technology (330 salaried employees).

(b) A portion of the employees of AXA' s French affiliates are included in GIEs. In addition, the employees included in insurance and financial services activities in France are included in the "cadre de convention" of 4 not consolidated "mutuelles".

(c) Employees of AXA Belgium provide services in common for both the insurance activities and the bank activities. Consequently, split is not available.

(d) Including Ireland since January 1, 2004 and AXA Business Services in India.

(e) Starting January 1, 2007, ex Winterthur employees are allocated by business and country in the table

3.2 Full disclosure on executive compensation and share ownership

EXECUTIVE COMPENSATION AND SUPERVISORY BOARD MEMBERS FEES

Compensation of the Management Board and the Executive Committee members

The general principles of AXA's executive compensation policy are regularly presented to the Remuneration Committee of the AXA Supervisory Board. This policy applies to all executive officers of the Group and is adapted to local regulations under the supervision of the Boards of Directors and compensation committees of the Company's subsidiaries. The effective application of these principles is regularly reviewed by the Remuneration Committee of AXA.

The executive compensation policy aims at:
- attracting, retaining and motivating the best talents,
- driving superior performance,
- aligning compensation levels with business performance.

It follows 3 guiding principles:
- compensation competitiveness on international markets,
- internal equity, based on individual and collective performance,
- financial ability to pay.

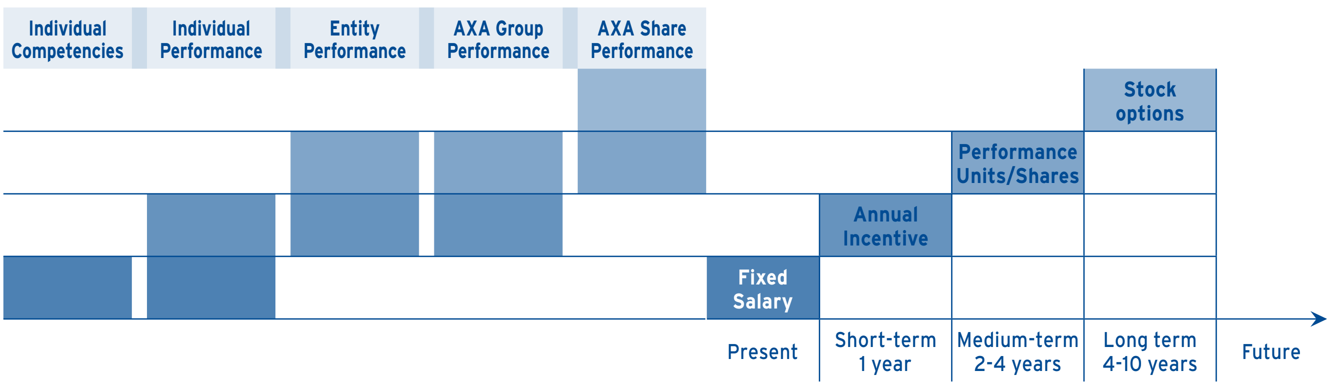
Executive compensation is therefore structured so as to foster and reward performance:
- both at individual level and collective level (local business entity and AXA Group),
- both with a short-term, medium-term and long-term focus.

Executive compensation includes a fixed and a variable component. The fixed component is targeted to fall within the lower quartile of the market. The variable component is tied to AXA's global performance, local performance, and the attainment of the executive's individual objectives, weighted to reflect his or her level of responsibility. The variable portion is designed to represent the principal component of the executive's annual global compensation such that, in the case of successful attainment of the objectives, the compensation levels of AXA executives will be in the top two quartiles of the going market rate.

The compensation of Management Board members is approved by the Supervisory Board, based on the Compensation Committee's recommendation.

The fixed compensation of the Chairman of the Management Board (€500,000) has not changed since he was appointed in May 2000.

The variable component of his pay is calculated on the basis of a predefined target amount (€2,500,000 in 2007) and includes three components:
- Group performance, as measured by underlying earnings, P&C revenues and new business value in Life & Savings,
- AXA stock performance, measured in comparison to that of its competitors,
- Individual performance, which is evaluated by the Remuneration Committee on the basis of the specific strategic objectives set at the beginning of the year.



The part linked to the Group results and the AXA share performance accounts for 63% and the part linked to the individual performance for 37% of the variable remuneration.

The amounts awarded to the Chairman of the Management Board as variable compensation demonstrate the genuine variability of this pay component:

	Real	Target
Variable compensation for the year 2000 paid in 2001	€1,381,373	€1,750,000
Variable compensation for the year 2001 paid in 2002	€719,967	€1,750,000
Variable compensation for the year 2002 paid in 2003	€1,419,277	€2,000,000
Variable compensation for the year 2003 paid in 2004	€1,824,728	€2,000,000
Variable compensation for the year 2004 paid in 2005	€2,304,277	€2,000,000
Variable compensation for the year 2005 paid in 2006	€2,671,626	€2,000,000
Variable compensation for the year 2006 paid in 2007	€3,045,987	€2,500,000
Variable compensation for the year 2007 paid in 2008	€2,644,366	€2,500,000

For other members of the Management Board, four factors are taken into consideration:

- Group performance, as measured by underlying earnings, P&C revenues and new business value in Life & Savings,
- AXA stock performance, measured in comparison to that of its competitors,
- performance of the business unit or functional area of responsibility, measured against objectives set at the beginning of the year,
- their individual performance, evaluated on the basis of predetermined strategic objectives.

For Management Board members who have an operational role (A. Bouckaert, C. Condron and F. Pierson), the part of their variable remuneration linked to the AXA Group results and the AXA share performance accounts for 30%, the part linked to their operational entity results for 40% and the part linked to their individual performance for 30%.

For Management Board members who have a functional responsibility (C. Brunet and D. Duverne), the part of their variable remuneration linked to the AXA Group results and the AXA share performance accounts for 40%, the part linked to the performance of their functional area of responsibility for 30% and the part linked to their individual performance for 30%.

For the other members of the Executive Committee, the variable component of pay also depends on Group performance, the performance of their business unit and their individual performance.

The part of their variable remuneration linked to the Group results accounts for 20%, the part linked to their operational entity's results for 40% and the part linked to their individual performance for 40%.

The performance of operational entities is determined on the basis of a grid made of the following performance indicators:

- underlying earnings,
- adjusted earnings,
- technical operating cash flow (Life net inflow),
- P&C revenues,
- Life New Business Value,
- combined ratio,
- expenses.

The table below provides the following information:

- gross compensation paid by the Group in respect of 2007 (e), i.e. the fixed component paid in 2007 (a), the variable component earned in 2007 and paid in 2008 (including expatriation allowances paid in 2007) (b), any directors' fees paid by AXA Group companies in 2007 (c) and benefits in kind for the year 2007 (d);
- gross compensation paid by the Group in 2007 (g), i.e. the fixed component paid in 2007 (a), the variable component earned in respect of 2006 and paid in 2007 (including expatriation allowances paid in 2007) (f), any directors' fees paid by AXA Group companies in 2007 (c) and benefits in kind for the year 2007 (d);
- and gross compensation paid by the Group in 2006, i.e. fixed compensation paid in 2006, the variable component earned in respect of 2005 and paid in 2006 (including expatriation allowances paid in 2006), any directors' fees paid by AXA Group companies in 2006 and benefits in kind for the year 2006.

This table also enables comparisons between compensation earned in respect of 2007 and that paid in 2006 and 2007.

	Fixed component for 2007 (€) paid in 2007 (a)	Variable component for 2007 (€) (b)	Director's fees paid in 2007 (€) (c)	Benefits in kind 2007 (€) (d)	Total compensation paid in respect of 2007 (€) (e) = (a)+(b)+(c)+(d)	Variable component paid in 2007 (€) (f)	Total compensation paid in 2007 (€) (g) = (a)+(f)+(c)+(d)	Variable component paid in 2006 (€)	Total compensation paid in 2006 (€)
Management Board members									
H. de Castries (in France)	500,000	2,644,366	142,840	4,150	3,291,356	3,045,987	3,692,977	2,671,626	3,365,659
A. Bouckaert (in Belgium) (1)	600,000	980,000	178,517	2,074	1,760,591	777,293	1,557,884	667,823	1,402,696
C. Brunet (in France)	350,000	918,473	52,513	4,150	1,325,136	929,443	1,336,106	954,859	1,369,009
C. Condron (in the US) (2)	730,000	3,248,500	–	258,754	4,237,254	3,358,000	4,346,754	3,502,400	4,515,758
D. Duverne (in France)	430,000	1,400,415	35,524	4,150	1,870,089	1,427,388	1,897,062	1,219,548	1,670,958
F. Pierson (in France)	400,000	1,180,000	–	13,866	1,593,866	1,299,266	1,713,132	1,339,621	1,796,679
Other Executive Committee members									
J.R. Abat (in Spain) (3)	300,000	612,253	51,454	36,007	999,714	523,334	910,795	518,717	854,079
J. Dacey (in France) (4)	365,532	1,093,723	–	9,420	1,468,675	684,348	1,059,300	–	–
P. Egger (in Switzerland) (5)	243,600	410,466	–	–	654,066	14,616	258,216	–	–
F. Keuper (in Germany) (6)	450,000	720,000	24,682	13,203	1,207,885	–	487,885	–	–
J. Lieberman (in the US)	146,000	8,336,600	–	145,120	8,627,720	8,336,600	8,627,720	8,055,520	8,337,360
N. Moreau (in the UK) (7)	438,300	1,022,700	–	240,291	1,701,291	1,719,157	2,397,748	1,375,151	1,927,175
A. Penn (in Australia) (8)	551,135	672,100	–	32,680	1,255,915	427,700	1,011,515	401,029	856,596
E. Teysen (in Belgium) (9)	400,000	560,000	–	3,071	963,071	467,551	870,622	179,156	597,381
TOTAL	**5,904,567**	**23,799,596**	**485,530**	**766,936**	**30,956,629**	**23,010,683**	**30,167,716**	**20,885,450**	**26,693,350**

In the table above, remuneration that is not paid in Euro have been converted on the basis of yearly average exchange rate i.e. for 2007: USD/EUR 0.730; GBP/EUR 1.461; AUD/EUR 0.611; CHF/EUR 0.609.

(1) A. Bouckaert did also receive in 2007 a cash amount of €646,294 in respect of the Performance Units granted in 2004 and 2005 (see section "Performance shares and performance units" hereafter).
(2) C. Condron did also receive in 2007 a cash amount equivalent to €4,096,420 in respect of the Performance Units granted in 2004 and 2005 (see section "Performance shares and performance units" hereafter).
(3) Compensation and benefits in kind paid to J.R. Abat include benefits paid in respect of his expatriate status in Spain.
J.R. Abat did also receive in 2007 a cash amount of €591,285 in respect of the Performance Units granted in 2004 and 2005 (see section "Performance shares and performance units" hereafter).
(4) J. Dacey was employed by Winterthur until January 1, 2007 and was appointed as member of the Executive Committee on April 11, 2007. Compensation and benefits in kind paid to J. Dacey include benefits paid in respect of his expatriate status in France since April 1, 2007. Of his €365,532 fixed component, €19,163 have been paid in 2008.
(5) P. Egger was employed by Winterthur until January 1, 2007 and was appointed as member of the Executive Committee on January 1, 2007.
(6) F. Keuper was employed by Winterthur until January 1, 2007 and was appointed as member of the Executive Committee on April 11, 2007.
(7) Compensation and benefits in kind paid to N. Moreau include benefits paid in respect of his expatriate status in the UK since July 1, 2006.
(8) A. Penn did also receive in 2007 a cash amount equivalent to €38,411 in respect of the Performance Units granted in 2004 and 2005 (see section "Performance shares and performance units" hereafter).
(9) E. Teysen joined AXA on August 16, 2005 and has been appointed as member of the Executive Committee on January 1, 2007.

Substantial differences in the tax systems to which AXA's executive officers are subject make meaningful comparisons of the compensation and benefits they earn difficult. For information, the relevant marginal tax rates are as follows: Germany: 51.36%; Australia: 46.50%; Belgium: 53.50%; the United States (New York): 43.27%; Spain: 43%; France: 51%, including an additional 11% for social taxes; the United Kingdom: 40% and Switzerland (Zurich): 42.5%.

Supervisory Board members fees

Directors' fees paid to Supervisory Board members

The members of the Supervisory Board do not receive compensation from the Company, with the exception of a fee for attending meetings. The amount of directors' fees paid to AXA's Supervisory Board members is indicated in the table below.

(gross amounts, in €)

	Directors' fees earned in 2008 for 2007	Directors' fees earned in 2007 for 2006
Current members of the Supervisory Board		
Claude Bébéar – Chairman	132,462.00	123,456.79
Léo Apotheker	51,895.00	40,326.11
Jacques de Chateauvieux – Vice-Chairman (a)	55,031.00	47,957.26
Norbert Dentressangle	50,231.00	31,370.05
Jean-Martin Folz	43,652.67	–
Jean-René Fourtou (a)	100,558.00	110,136.74
Anthony Hamilton	112,631.00	66,446.15
Henri Lachmann	85,431.00	69,030.57
Gérard Mestrallet	56,679.00	50,021.64
Giuseppe Mussari	30,836.67	–
Michel Pébereau	61,463.00	66,446.15
Mrs Dominique Reiniche	47,047.00	42,008.35
Ezra Suleiman	101,431.00	93,728.39
Jacques Tabourot	66,231.00	65,283.95
Former members of the Supervisory Board		
David Dautresme	65,810.33	127,601.71
Henri Hottinguer	38,610.33	66,186.13
TOTAL	**1,100,000.00**	**1,000,000.00**

(a) On February 27, 2008, J.-R. Fourtou resigned as Vice-Chairman of the Supervisory Board and was replaced by J. de Chateauvieux with immediate effect.

The overall amount of directors' fees to be paid is determined by the shareholders, in accordance with applicable laws, and apportioned by the Supervisory Board to its members for their Board and Committee duties as follows:

- half of the amount of directors' fees is distributed evenly among members of the Supervisory Board as a fixed component, with the Chairman and Vice-Chairman each receiving a double fee;
- a portion of the remainder is distributed among members of the Supervisory Board in proportion to their actual attendance at the meetings of the Supervisory Board, with the Chairman and Vice-Chairman each receiving a double fee;
- the remainder is allocated by the Supervisory Board to the various specialized Committees and distributed among their members in proportion to their actual attendance at Committee meetings, with the Chairmen of Committees receiving a double fee.

Due to the importance of their role and the significant demand on their time, members of the Audit Committee receive a higher proportion of directors' fees.

Retirement and pre-retirement pension payments

The Chairman of the Supervisory Board (Claude Bébéar) has received during the year 2007 a total amount of retirement pension of €438,971.

The representative of the employee-shareholders at the Supervisory Board (Jacques Tabourot) has received during the year 2007 a total amount of €223,447 as a pre-retirement compensation.

COMMITMENTS MADE TO MANAGEMENT BOARD AND SUPERVISORY BOARD MEMBERS

Pension

The French members of the AXA Management Board (Henri de Castries, Claude Brunet, Denis Duverne and François Pierson), and the representative of the employee-shareholders at the Supervisory Board (Jacques Tabourot) participate, as all other executives *(directeurs)* of AXA Group entities in France, to a supplementary pension scheme pursuant to article 39 of the French Tax Code *(Code Général des Impôts)*.

This scheme, which exists since January 1, 1992, has been modified with effect from January 1, 2005.

The new scheme has been approved by the Supervisory Board on December 22, 2004, after having been presented for advice to all work councils and central work councils in France during the last quarter of 2004.

Under this scheme, a supplementary pension is paid to executives who retire immediately upon leaving the AXA Group, at 60 at the earliest, and who have a minimum length of service of 10 years, of which at least 5 years as an executive.

The amount of the supplementary pension is calculated at the time of retirement and is in addition to the total amount of retirement pensions paid under mandatory schemes (Social Security, ARRCO, AGIRC) and under any other retirement scheme to which the beneficiary may have participated during his/her career, both within or outside the AXA Group.

The amount of the supplementary pension aims, for a minimum executive seniority of 20 years, at achieving a global pension equivalent to:

- 40% of the average gross remuneration of the past 5 years preceding the retirement date, if this average is superior to 12 annual Social Security ceilings;
- 50% of the average gross remuneration of the past 5 years preceding the retirement date, if this average is inferior to 8 annual Social Security ceilings;
- 2.4 Social Security ceilings +20% of the average gross remuneration of the past 5 years preceding the retirement date, if this average is between 8 and 12 annual Social Security ceilings.

Reduced rates apply for an executive seniority of less than 20 years. As an example, with 10 years of executive seniority, the supplementary pension allows to reach a global pension equivalent to 34% instead of 40%. This rate is reduced to 20% for an executive seniority of 5 years, and no supplementary pension is paid for an executive seniority of less than 5 years.

In case of departure from the Group before retirement, no supplementary pension is paid.

Christopher Condron, member of the Management Board and employee of AXA Equitable in the United States, benefits from a contractual supplementary pension arrangement providing for a payment at the age of 65 of an annual pension equivalent to 2% of his annual gross remuneration per year of service within the AXA Group.

The annual gross remuneration is defined as the average of the 36 highest monthly remunerations received during the past 60 months preceding retirement.

Alfred Bouckaert, member of the Management Board, benefits from a contractual supplementary pension arrangement with AXA Holdings Belgium providing for a capital at the age of 65 equivalent to N/40 x (25% T1 + 75% T2) x 12.2221, where:
N = number of years of service
T1 = annual Social Security ceiling (€44,995 in 2007)
T2 = part of the fixed salary exceeding T1.

In case of retirement between 60 and 65, the 25% and 75% coefficients are reduced by 1.6% per year of anticipation.

The financing of this scheme is ensured by an employee contribution of 4% of fixed salary, and a contribution by AXA Holdings Belgium in order to guarantee the capital due at the age of 65.

The total amount set aside or accrued by the Company and its subsidiaries to provide pension or retirement to the aforementioned executives was €34.8 million as at December 31, 2007.

Termination provisions

The French members of the AXA Management Board (Henri de Castries, Claude Brunet, Denis Duverne and

François Pierson) benefit, as all other executives of AXA Group companies in France, from the regulations provided for under the Collective Agreement of March 3, 1993 signed by the *Fédération Française des Sociétés d'Assurances* (F.F.S.A), the *Syndicat National des Cadres de Direction de l'Assurance* (CFE-CGC) and the *Syndicat du Personnel de Direction des Sociétés d'Assurances et de Capitalisation* (S.D.A.C).

Christopher Condron, member of the Management Board and employee of AXA Equitable and AXA Financial (together "AXA Equitable") in the United States, benefits from a contractual clause stating that in case of termination of its position within AXA Equitable by this company for any other reason than gross misconduct, he would continue to receive from AXA Equitable during a period of 2 years after his departure a remuneration equivalent to his fixed salary plus target annual bonus, i.e. currently $5.5 million. Payment of this remuneration would cease as soon as he would resume a professional activity during the 2 year period.

Alfred Bouckaert, member of the Management Board, benefits from a contractual clause with AXA Holdings Belgium stating that in case of termination of its position within AXA Holdings Belgium by this company for any other reason than gross misconduct, he would be given a 24 month notice period. If the notice period is not served, he would receive from AXA Holdings Belgium an indemnity equivalent to 24 month remuneration, calculated on the basis of his fixed salary and variable compensation received during the past 12 months preceding the termination of his contract.

STOCK OPTIONS

Since 1989, AXA has promoted a stock options program, for its directors, officers and employees in France and abroad, aimed at rewarding their performance and aligning their interests with those of the Group by linking them to AXA's stock performance over the long term.

Within the global cap authorized by the shareholders, the Supervisory Board approves all stock options programs prior to their implementation.

To date, AXA has opted to grant subscription options, with the exception of options granted until 2005 to certain employees of AXA Financial, which were purchase options on ADRs.

Stock options are valid for a period of 10 years. They are granted at market value, with no discount, and become exercisable upon vesting, generally in thirds between 2 and 4 years following the grant date.

Annual grants are generally made during the first quarter of the year. In 2007, grants were made 20 trading days after the date annual consolidated earnings were released, i.e. on May 10, 2007 and the strike price was equal to the average of the stock price during the 20 trading days before the grant date.

In the United States, options may be granted during the year to newly-hired or newly-promoted employees or when the performance measures that give rise to option grants are available after the first quarter of the year.

Each year, the Management Board proposes a global option pool to the Supervisory Board's approval. The pool of options allocated to beneficiaries of each business unit is essentially determined on the basis of its contribution to Group performance the previous year.

Individual option grants are determined on the basis of the following criteria:
- importance of the job ➩ role
- importance of the individual in the job ➩ retention
- importance of the individual in the future ➩ potential
- quality of the individual contribution ➩ performance

Individual option grants are decided by the Management Board, provided that grants to members of the Management Board shall receive the prior approval of the Supervisory Board (acting on the recommendation of its Compensation Committee).

Since 2006, options granted to Management Board and Executive Committee members, as well as since 2007 to any beneficiary receiving a minimum of 5,000 options, are associated with a performance condition: the last tranche, i.e. 1/3 of the options granted, will be exercisable only if the AXA share price has outperformed the Euro Stoxx Insurance index over the period from the grant date to the date at which the last tranche becomes exercisable.

If this performance condition is not met at that date, a new test will occur at each anniversary date and the last tranche will be exercisable from one of these dates only if the performance condition is met.

If the performance condition has not been met at the expiry date of the options, the last tranche of options will be automatically cancelled.

In 2007, AXA stock options were granted as follows:
- 9,745,234 subscription options at a weighted average price of €34.01 granted to 4,933 employees, representing 0.47% of the share capital,
- 8,440 purchase options on ADRs granted by AXA Financial at an average price of $43.50 to 10 beneficiaries in the United States.

On December 31, 2007, 7,634 AXA employees own 77,152,941 outstanding subscription options, representing 3.74%[1] of the share capital on the same date, and 3,269 employees in the United States[2] own 18,950,545 outstanding purchase options on ADRs, representing 0.90% of the share capital.

(1) This percentage has been calculated disregarding the dilution related to the exercise of stock options.
(2) In light of an AXA Financial all-employee stock options program in 2001.

Stock options plans summary

AXA

Date of grant	Date of the Shareholders Meeting	Total options granted (adjusted numbers) [c]	Number of beneficiaries	Total options granted to Management Board	Number of beneficiaries Management Board (current form)	Total options granted to Executive Committee	Number of beneficiaries Executive Committee (current form)
20/04/1998	12/05/1997	9,540,732	348	728,866	3	978,690	8
20/04/1998	12/05/1997	274,880	9	–	–	–	–
07/05/1998 [a]	28/05/1997	1,549,509	1	–	–	–	–
26/05/1999 [a]	26/05/1999	479,243	1	–	–	–	–
26/05/1999 [a]	28/05/1997	682,888	1	–	–	–	–
09/06/1999	05/05/1999	4,328,985	180	645,568	4	808,003	6
09/06/1999	12/05/1997	3,219,178	168	–	–	54,144	2
18/11/1999	05/05/1999	472,601	91	–	–	–	–
05/07/2000	05/05/1999	7,786,291	889	595,299	4	738,992	9
05/07/2000 [a]	26/05/1999	794,123	5	290,535	1	290,535	1
12/07/2000	05/05/1999	282,637	113	–	–	25,520	1
13/11/2000	05/05/1999	299,702	98	–	–	–	–
09/05/2001	09/05/2001	10,066,038	1,419	1,436,926	5	1,669,708	10
30/05/2001 [a]	26/05/1999	871,600	1	–	–	–	–
27/02/2002	09/05/2001	10,075,899	1,655	1,703,784	5	2,043,412	11
14/03/2003	03/05/2002	2,904,151	229	2,196,444	5	2,170,786	8
14/03/2003	09/05/2001	8,206,592	1,721	–	–	647,643	3

In the table above all dates that are indicated shall read day/month/year.
(a) Options that were initially granted by FINAXA that merged into AXA on December 16, 2005.
(b) Options exercised by the heirs of a deceased beneficiary.
(c) Adjustments made, pursuant to applicable regulation, as a result of operations on the AXA stock (such as share capital increases with preferential subscription rights granted to shareholders).

Starting date of the exercise of options	Expiry date	Vesting schedule	Exercise price in Euro (adjusted price) (c)	Discount	Number of options exercised as at 31/12/2007	Options cancelled, forfeited or not granted as at 31/12/2007	Balance as at 31/12/2007
20/04/2000	20/04/2008	25.00% – 20/04/2000 50.00% – 20/04/2001 75.00% – 20/04/2002 100.00% – 20/04/2003	23.04	5.00%	4,167,140	2,698,362	2,675,230
20/04/2000	20/04/2008	25.00% – 20/04/2000 50.00% – 20/04/2001 75.00% – 20/04/2002 100.00% – 20/04/2003	24.25	–	131,594	54,144	89,142
07/05/2000	07/05/2008	25.00% – 07/05/2000 50.00% – 07/05/2001 75.00% – 07/05/2002 100.00% – 07/05/2003	21.46	5.00%	280,000	–	1,269,509
26/05/2001	26/05/2009	25.00% – 26/05/2001 50.00% – 26/05/2002 75.00% – 26/05/2003 100.00% – 26/05/2004	23.91	–	–	–	479,243
26/05/2001	26/05/2009	25.00% – 26/05/2001 50.00% – 26/05/2002 75.00% – 26/05/2003 100.00% – 26/05/2004	23.91	–	–	–	682,888
09/06/2001	09/06/2009	25.00% – 09/06/2001 50.00% – 09/06/2002 75.00% – 09/06/2003 100.00% – 09/06/2004	27.52	–	315,570	1,220,298	2,793,117
09/06/2001	09/06/2009	25.00% – 09/06/2001 50.00% – 09/06/2002 75.00% – 09/06/2003 100.00% – 09/06/2004	27.52	–	491,814	1,010,858	1,716,506
18/11/2001	18/11/2009	25.00% – 18/11/2001 50.00% – 18/11/2002 75.00% – 18/11/2003 100.00% – 18/11/2004	31.45	–	4,996	268,557	199,048
05/07/2002	05/07/2010	33.33% – 05/07/2002 66.67% – 05/07/2003 100.00% – 05/07/2004	39.91	–	–	2,648,448	5,137,843
05/07/2002	05/07/2010	33.33% – 05/07/2002 66.67% – 05/07/2003 100.00% – 05/07/2004	42.29	–	–	251,796	542,327
12/07/2002	12/07/2010	25.00% – 12/07/2002 50.00% – 12/07/2003 75.00% – 12/07/2004 100.00% – 12/07/2005	40.01	–	–	175,626	107,011
13/11/2002	13/11/2010	33.33% – 13/11/2002 66.67% – 13/11/2003 100.00% – 13/11/2004	37.74	–	–	74,160	225,542
09/05/2003	09/05/2011	33.33% – 09/05/2003 66.67% – 09/05/2004 100.00% – 09/05/2005	31.49	–	92,377	2,595,373	7,378,288
30/05/2003	30/05/2011	33.33% – 30/05/2003 66.67% – 30/05/2004 100.00% – 30/05/2005	33.37	–	–	–	871,600
27/02/2004	27/02/2012	33.33% – 27/02/2004 66.67% – 27/02/2005 100.00% – 27/02/2006	20.45	–	2,593,950	1,361,602	6,120,347
14/03/2005	14/03/2013	33.33% – 14/03/2005 66.67% – 14/03/2006 100.00% – 14/03/2007	10.73	–	1,775,255	126,501	1,002,395
14/03/2005	14/03/2013	33.33% – 14/03/2005 66.67% – 14/03/2006 100.00% – 14/03/2007	10.73	–	3,848,325	779,508	3,578,759

Date of grant	Date of the Shareholders Meeting	Total options granted (adjusted numbers) [c]	Number of beneficiaries	Total options granted to Management Board	Number of beneficiaries Management Board (current form)	Total options granted to Executive Committee	Number of beneficiaries Executive Committee (current form)
02/04/2003 [a]	30/05/2001	1,781,935	3	–	–	–	–
26/03/2004	03/05/2002	10,478,765	2,186	1,974,888	5	2,503,499	11
14/04/2004 [a]	21/05/2002	484,222	1	–	–	–	–
29/03/2005	03/05/2002	8,644,096	2,132	1,757,867	5	2,288,179	11
29/03/2005	03/05/2002	3,608,908	774	485,356	1	485,356	1
06/06/2005	03/05/2002	16,575	5	–	–	–	–
27/06/2005	03/05/2002	235,108	238	–	–	–	–
01/07/2005	03/05/2002	24,442	1	–	–	–	–
28/07/2005 [a]	11/05/2004	478,722	1	–	–	–	–
21/09/2005	20/04/2005	111,715	6	–	–	–	–
31/03/2006	20/04/2005	2,702,580	861	592,713	1	592,713	1
31/03/2006	20/04/2005	7,446,718	2,418	1,552,335	5	2,098,845	11
31/03/2006	20/04/2005	1,194,073	1,002	–	–	–	–
25/09/2006	20/04/2005	52,451	10	–	–	–	–
25/09/2006	20/04/2005	22,257	29	–	–	–	–
13/11/2006	20/04/2005	7,233	5	–	–	–	–
10/05/2007	20/04/2005	6,656,555	2,866	928,000	4	1,229,500	8
10/05/2007	20/04/2005	1,772,400	876	437,890	1	437,890	1
10/05/2007	20/04/2005	1,280,987	1,163	–	–	–	–
24/09/2007	20/04/2005	10,427	4	–	–	–	–
24/09/2007	20/04/2005	12,281	16	–	–	–	–
19/11/2007	20/04/2005	4,577	2	–	–	–	–
19/11/2007	20/04/2005	8,007	6	–	–	–	–

In the table above all dates that are indicated shall read day/month/year.
(a) Options that were initially granted by FINAXA that merged into AXA on December 16, 2005.
(b) Options exercised by the heirs of a deceased beneficiary.
(c) Adjustments made, pursuant to applicable regulation, as a result of operations on the AXA stock (such as share capital increases with preferential subscription rights granted to shareholders).

Starting date of the exercise of options	Expiry date	Vesting schedule	Exercise price in Euro (adjusted price) [(c)]	Discount	Number of options exercised as at 31/12/2007	Options cancelled, forfeited or not granted as at 31/12/2007	Balance as at 31/12/2007
02/04/2005	02/04/2013	33.33% – 02/04/2005 66.67% – 02/04/2006 100.00% – 02/04/2007	12.11	–	547,589	–	1,234,346
26/03/2006	26/03/2014	33.33% – 26/03/2006 66.67% – 26/03/2007 100.00% – 26/03/2008	17.31	–	1,075,006	856,082	8,547,677
14/04/2006	14/04/2014	33.33% – 14/04/2006 66.67% – 14/04/2007 100.00% – 14/04/2008	15.37	–	–	–	484,222
29/03/2007	29/03/2015	33.33% – 29/03/2007 66.67% – 29/03/2008 100.00% – 29/03/2009	20.18	–	278,098	588,103	7,777,895
29/03/2007	29/03/2015	33.33% – 29/03/2007 66.67% – 29/03/2008 100.00% – 29/03/2009	20.44	–	76,290	274,309	3,258,309
06/06/2007	06/06/2015	33.33% – 06/06/2007 66.67% – 06/06/2008 100.00% – 06/06/2009	19.48	–	–	3,218	13,357
27/06/2007	27/06/2015	33.33% – 27/06/2007 66.67% – 27/06/2008 100.00% – 27/06/2009	19.79	–	1,634	8,054	225,420
01/07/2007	01/07/2015	33.33% – 01/07/2007 66.67% – 01/07/2008 100.00% – 01/07/2009	20.40	–	–	–	24,442
28/07/2007	28/07/2015	33.33% – 28/07/2007 66.67% – 28/07/2008 100.00% – 28/07/2009	21.04	–	–	478,722	–
21/09/2007	21/09/2015	33.33% – 21/09/2007 66.67% – 21/09/2008 100.00% – 21/09/2009	21.48	–	–	49,213	62,502
31/03/2008	31/03/2016	33.33% – 31/03/2008 66.67% – 31/03/2009 100.00% – 31/03/2010	28.61	–	–	46,405	2,656,175
31/03/2008	31/03/2016	33.33% – 31/03/2008 66.67% – 31/03/2009 100.00% – 31/03/2010	28.43	–	2,809 [(b)]	401,601	7,042,308
31/03/2010	31/03/2016	100.00% – 31/03/2010	28.61	–	–	9,852	1,184,221
25/09/2008	25/09/2016	33.33% – 25/09/2008 66.67% – 25/09/2009 100.00% – 25/09/2010	28.71	–	–	–	52,451
25/09/2010	25/09/2016	100.00% – 25/09/2010	28.71	–	–	260	21,997
13/11/2010	13/11/2016	100.00% – 13/11/2010	30.31	–	–	–	7,233
10/05/2009	10/05/2017	33.33% – 10/05/2009 66.67% – 10/05/2010 100.00% – 10/05/2011	33.75	–	–	52,275	6,604,280
10/05/2009	10/05/2017	33.33% – 10/05/2009 66.67% – 10/05/2010 100.00% – 10/05/2011	34.61	–	–	1,368	1,771,032
10/05/2011	10/05/2017	100.00% – 10/05/2011	34.61	–	–	–	1,280,987
24/09/2009	24/09/2017	33.33% – 24/09/2009 66.67% – 24/09/2010 100.00% – 24/09/2011	30.45	–	–	–	10,427
24/09/2011	24/09/2017	100.00% – 24/09/2011	30.45	–	–	–	12,281
19/11/2009	19/11/2017	33.33% – 19/11/2009 66.67% – 19/11/2010 100.00% – 19/11/2011	29.23	–	–	–	4,577
19/11/2011	19/11/2017	100.00% – 19/11/2011	29.23	–	–	–	8,007

Stock options granted and/or exercised by management bodies' members in 2007

	AXA STOCK OPTIONS					AXA ADR STOCK OPTIONS				
	Options granted			Options exercised		Options granted			Options exercised	
Beneficiaries	Number	Expiry date	Price (€)	Number [(a)]	Price (€)	Number	Expiry date	Price (USD)	Number	Price (USD)
Management Board members										
H. de CASTRIES (Chairman) [(b)]	–	–	–	4,969 350,000 84,000	10.73 10.73 10.73	–	–	–	111,180 18,734	35.100 16.014
A. BOUCKAERT (Belgium)	200,000	10/05/2017	33.75	–	–	–	–	–	–	–
C. BRUNET	168,000	10/05/2017	33.75	17,000 31,000	10.73 10.73	–	–	–	–	–
C. CONDRON (USA)	437,890	10/05/2017	34.61	–	–	–	–	–	46,894 165,000	20.16 20.16
D. DUVERNE	320,000	10/05/2017	33.75	11,000 75,064 7,000 18,700 80,000 83,300 42,900	11.00 11.00 10.73 10.73 10.73 23.04 10.73	–	–	–	81,198 18,734	35.100 16.014
F. PIERSON	240,000	10/05/2017	33.75	100,000 50,000	10.73 10.73	–	–	–	–	–
Supervisory Board members										
C. BEBEAR (Chairman)	n/a	n/a	n/a	280,000 22,000 22,000	21.46 12.11 12.11	n/a	n/a	n/a	–	–
J. TABOUROT	n/a	n/a	n/a	10,823 10,000	23.04 23.04	n/a	n/a	n/a	–	–

In the table above all dates that are indicated shall read day/month/year.
(a) Underligned numbers indicate exercises of options where the AXA shares have been retained by the beneficiaries or donated upon exercise.
(b) Mr. de Castries, at his own initiative, renounced to be granted options in 2007.
NB: At the date of grant, May 10, 2007, the fair value of these options for accounting purposes under IFRS was deemed to be €6.67 per share. This is an historic value at the date of grant calculated for accounting purposes pursuant to the methodology described in Note 25.3.1 to AXA's 2007 Consolidated Financial Statements included in Part V of this Annual Report and does not represent a current market or other current valuation of these options or the actual amounts that may be realized on exercise of these options if and when they become vested.

Stock options granted and/or exercised by the top 10 beneficiaries (outside the Management Board) during 2007

Stock options granted or exercised by the top 10 beneficiaries (outside the Management Board) during 2007	Number of options granted or exercised	Weighted average price (Euro)
Stock options granted in 2007 by AXA to the 10 employees of the Company or of eligible AXA Group's subsidiaries who received the highest number of stock options	636,926	33.88
Stock options exercised in 2007 by the 10 employees of the Company or of eligible AXA Group's subsidiaries who exercised the highest number of stock options	1,406,927	16.89

Stock options held by management bodies' members and Executive Committee members (options granted but not exercised as at December 31, 2007)

Beneficiaries	AXA	AXA ADR [(a)]
Management Board members		
H. de Castries (Chairman)	5,704,351	162,394
A. Bouckaert (Belgium)	1,155,982	–
C. Brunet	1,241,723	–
C. Condron (United States)	1,515,959	1,363,457
D. Duverne	2,012,101	–
F. Pierson	2,194,676	–
Other Executive Committee members		
J.R. Abat (in Spain)	623,219	–
J. Dacey (in France)	52,500	–
P. Egger (in Switzerland)	37,500	–
F. Keuper (in Germany)	52,500	–
J. Lieberman (in the US) [(b)]	–	–
N. Moreau (in the UK) [(c)]	480,943	–
A. Penn (in Australia) [(d)]	47,112	–
E. Teysen (in Belgium)	165,798	–
Supervisory Board members		
C. Bébéar (Chairman)	4,615,062	292,310
J. Tabourot	80,743	–

(a) As part of AXA's buyout of minority interests in AXA Financial, the outstanding options on AXA Financial ordinary shares were converted into options on AXA American Depository Shares (ADR) on January 2, 2001.
(b) Also owns 80,000 stock options on AllianceBernstein.
(c) Also owns 7,562 stock options on AXA Investment Managers.
(d) Also owns 1,116,501 stock options on AXA Asia Pacific Holdings.

PERFORMANCE SHARES AND PERFORMANCE UNITS

Since 2004, stock options have been partially replaced by performance units.

From 2005 onwards, performance units have been replaced in France by performance shares. Performance shares are free shares subject to performance conditions.

Performance units/shares aim at:
- Rewarding and retaining the best talents by associating them to the intrinsic performance of the AXA Group and of their operational business unit as well as to the performance of the AXA stock price in the medium-term (2 to 4 years);
- Reducing shareholder dilution by granting less stock options.

Grant criteria for performance units are similar to those used for stock options.

The principle of performance units/shares is as follows:
- Each beneficiary receives an initial grant of performance units/shares which will be used to calculate the actual number of units/shares that will be definitely acquired at the end of a 2-year acquisition period (3 years for the 2004 performance unit plan), under the condition that the beneficiary is still employed by the AXA Group at that date.
- During each year of the acquisition period, half of the performance units/shares initially granted (one third for the 2004 performance unit plan) is subject to collective performance conditions measuring both the AXA Group performance and the beneficiary's operational business unit performance, based on pre-determined targets.
- The performance targets in 2004 and 2005 have been:
  - for the business units: underlying earnings and adjusted earnings;
  - for the AXA Group: underlying earnings and adjusted earnings per share.
- The performance targets in 2006 have been for both the AXA Group and the operational business unit:
  - underlying earnings, P&C revenues and New Business Value in Life & Savings.

- The degree of achievement for each target determines the number of units/shares definitively granted to the beneficiary, which may vary between 0% and 130%.
- At the end of the acquisition period, units/shares initially granted each year become definitely acquired depending on the degree of performance targets, subject to the beneficiary being still employed by the AXA Group.

As far as performance units are concerned:
- Each unit is valued based on the average opening price of the AXA stock during the past 20 trading days of the acquisition period.
- If the number of units definitely acquired is equal to or higher than 1,000 the beneficiary only receives 70% of the value in cash to allow him/her to pay social contributions and income taxes calculated on 100% of that value. 30% of the value is reinvested into AXA shares which are restricted from sale during a 2-year period, in order to develop employees' share ownership and align employees and shareholders' interests.

As far as performance shares are concerned:
- Shares that are definitely acquired at the end of the acquisition period are restricted from sale during a 2-year period.

The amounts corresponding to performance units are charged to expenses each year under the variable accounting method, but do not create any dilution for shareholders since no new shares are issued.

Performance shares, even if shares ultimately delivered to beneficiaries are newly issued shares (until now, AXA has always delivered existing shares), represent less shareholder dilution than stock options, due to the smaller grant volume.

The first performance unit plan was launched on March 26, 2004 and 1,037,116 performance units have been initially granted to 2,554 beneficiaries in and outside France.

The 3-year acquisition period of this plan ended on March 26, 2007 and at that date 645,604 performance units were definitely acquired by 1,537 beneficiaries. The settlement of these performance units was made both in cash (€17.4 million) and in shares (91,997 shares) subject to a 2-year restriction period until March 26, 2009.

A second performance unit plan was launched on March 29, 2005 and 939,880 performance units have been initially granted to 1,707 beneficiaries outside France.

The 2-year acquisition period of this plan ended on March 29, 2007 and at that date 960,520 performance units were definitely acquired by 1,532 beneficiaries. The settlement of these performance units was made both in cash (€25.3 million) and in shares (152,379 shares) subject to a 2-year restriction period until March 29, 2009.

A third performance unit plan was launched on March 31, 2006 and 1,453,441 performance units were initially granted to 2,072 beneficiaries outside France. The 2-year acquisition period will end on March 31, 2008.

A fourth performance unit plan was launched on May 10, 2007 and 1,361,869 performance units were initially granted to 2,346 beneficiaries outside France. The 2-year acquisition period of this plan will end on May 10, 2009.

The first performance shares plan was launched on April 21, 2005, after approval having been obtained at the Annual General Meeting of April 20, 2005. A total of 743,310 performance shares were granted to 1,154 beneficiaries in France.

Furthermore, 770 employees in France have elected to renounce to their performance units granted in 2004 and were granted on April 21, 2005 an equivalent number of free shares. As a total, they received 250,306 performance shares and 143,630 restricted shares (free shares the acquisition of which are not subject to the achievement of performance targets).

The 2-year acquisition period of this plan ended on April 21, 2007 and at that date 1,202,986 performance shares were definitely acquired by 1,341 beneficiaries. The shares are subject to a 2-year restriction period until April 21, 2009.

A second performance shares plan was launched on March 31, 2006. A total of 893,326 performance shares were granted to 1,186 beneficiaries in France. The 2-year acquisition period of this plan will end on March 31, 2008. The shares acquired will be subject to a 2-year restriction period until March 31, 2010.

A third performance shares plan was launched on May 10, 2007. A total of 782,432 performance shares were granted to 1,433 beneficiaries in France. The 2-year acquisition period will end on May 10, 2009. The shares acquired will be subject to a 2-year restriction period until May 10, 2011.

Performance Units/Shares Summary

Performance units

Initial grant		Units actually granted	Units at stake at 31/12/2007	Units cancelled at 31/12/2007	Units acquired at 31/12/2007	Balance at 31/12/2007	Acquisition	
Date	Units granted						Date	Units acquired
26/03/2004	1,037,116	–	–	484,934	–	–	26/03/2007	645,604
29/03/2005	938,880	–	–	81,334	–	–	29/03/2007	960,520
31/03/2006	1,453,441	757,539	679,438	84,437	11,724	1,416,731	31/03/2008	–
10/05/2007	1,361,869	–	1,336,319	8,070	17,480	1,336,319	10/05/2009	–

NB:
– In the table above all dates that are indicated shall read day/month/year.
– 28,076 Performance Units granted in 2006 and 2007 to AXA Netherlands employees have been definitely acquired in 2007 following the disposal of AXA business in the Netherlands.
–1,128 Performance Units granted in 2006 have been acquired further to the deaths of 3 beneficiaries in 2006 and 2007.

Performance/Restricted shares

Initial grant		Shares actually granted	Shares at stake at 31/12/2007	Shares cancelled at 31/12/2007	Shares acquired at 31/12/2007	Balance at 31/12/2007	Acquisition	
Date	Shares granted						Date	Shares acquired
21/04/2005	743,310	–	–	19,621	–	–	21/04/2007	793,139
21/04/2005	250,306 (a)	–	–	4,741	–	–	21/04/2007	268,965
21/04/2005	143,630 (b)	–	–	2,690	–	–	21/04/2007	140,882
31/03/2006	893,326	471,399	434,401	24,550	380	898,698	31/03/2008	–
10/05/2007	782,432	–	776,852	5,580	–	776,852	10/05/2009	–

In the table above all dates that are indicated shall read day/month/year.
(a) Performance shares granted as a replacement for 250,306 Performance Units 2004 cancelled.
(b) Restricted shares granted as a replacement for 143,630 Performance Units 2004 cancelled.

NB: 380 shares granted in 2006 have been acquired further to the death of a beneficiary in 2007.

Performance units/shares initially granted to the top 10 beneficiaries (outside the Management Board) during 2007

	Number initially granted
Performance units granted in 2007 to the 10 employees of the Company or of eligible AXA Group's subsidiairies who received the highest number of performance units	88,243
Performance shares granted in 2007 by AXA to the 10 employees of the Company or of eligible AXA Group's subsidiairies who received the highest number of performance shares	59,700

Performance units/shares grants for the Management Board members are[1]:

Performance Units Plan 2004

	Initial grant		Units actually granted	Units at stake at 31/12/2007
	Date	Units granted		
H. de Castries	26/03/2004	61,276	23,489	–
A. Bouckaert	26/03/2004	9,804	11,523 (a)	–
C. Brunet	26/03/2004	16,851	6,460	–
C. Condron	26/03/2004	75,902	85,045 (b)	–
D. Duverne	26/03/2004	23,898	9,161	–
F. Pierson	26/03/2004	27,574	10,887	–

In the table above all dates that are indicated shall read day/month/year.
(a) The settlement of 11,523 Performance Units acquired by A. Bouckaert has been made through a cash payment of €253,917.68 and 3,457 AXA shares subject to a minimum of 2-year restriction period, i.e. until March 26, 2009.
(b) The settlement of 85,045 Performance Units acquired by C. Condron has been made through a cash payment of 2,480,877.32 US dollars and 25,514 AXA ADRs subject to a minimum of 2-year restriction period, i.e. until March 26, 2009.

Performance Units/Shares Plan 2005

	Initial grant		Shares/Units actually granted	Shares/Units at stake at 31/12/2007
	Date	Shares/Units granted		
H. de Castries	21/04/2005	102,127	111,677	–
	21/04/2005	40,851 (a)	44,673	–
	21/04/2005	23,489 (b)	23,489	–
A. Bouckaert (c)	29/03/2005	15,319	17,920 (d)	–
C. Brunet	21/04/2005	28,085	30,712	–
	21/04/2005	11,234 (a)	12,286	–
	21/04/2005	6,460 (b)	6,460	–
C. Condron (c)	29/03/2005	97,071	107,469 (e)	–
D. Duverne	21/04/2005	42,894	46,905	–
	21/04/2005	15,932 (a)	17,423	–
	21/04/2005	9,161 (b)	9,161	–
F. Pierson	21/04/2005	45,957	50,198	–
	21/04/2005	18,383 (a)	20,080	–
	21/04/2005	10,887 (b)	10,887	–

In the table above all dates that are indicated shall read day/month/year.
(a) Performance shares granted as a replacement for Performance Units 2004 cancelled.
(b) Restricted shares granted as a replacement for Performance Units 2004 cancelled.
(c) The numbers indicated for A. Bouckaert and C. Condron correspond to Performance Units.
(d) The settlement of 17,920 Performance Units acquired by A. Bouckaert has been made through a cash payment of €392,376.32 and 5,376 AXA shares subject to a minimum of 2-year restriction period, i.e. until March 29, 2009.
(e) The settlement of 107,469 Performance Units acquired by C. Condron has been made through a cash payment equivalent to €2,353,131.84 and 32,241 AXA ADRs subject to a minimum of 2-year restriction period, i.e. until March 29, 2009.
NB: The shares acquired by H. de Castries, C. Brunet, D. Duverne and F. Pierson are subject to a minimum 2-year restriction period, i.e. until April 21, 2009.

(1) At the date of grant of the Performance Units/Shares plans described above, the price of the AXA share (as used for IFRS valuation purposes) was €17.7 for the 2004 plan, €19.5 for the 2005 plan, €29.0 for the 2006 plan and €33.8 for the 2007 plan. This is an historic value at the date of grant and does not represent a current market or other current valuation of these Performance Units/Shares or the actual proceeds if and when they become vested.

Units cancelled at 31/12/2007	Units acquired at 31/12/2007	Balance at 31/12/2007	Acquisition	
			Date	Units acquired
64,340	–	–	–	–
–	–	–	26/03/2007	11,523 [(a)]
17,694	–	–	–	–
–	–	–	26/03/2007	85,045 [(b)]
25,093	–	–	–	–
29,270	–	–	–	–

Shares/Units cancelled at 31/12/2007	Shares/Units acquired at 31/12/2007	Balance at 31/12/2007	Acquisition	
			Date	Shares/Units acquired
–	–	–	21/04/2007	111,677
–	–	–	21/04/2007	44,673
–	–	–	21/04/2007	23,489
–	–	–	29/03/2007	17,920 [(d)]
–	–	–	21/04/2007	30,712
–	–	–	21/04/2007	12,286
–	–	–	21/04/2007	6,460
–	–	–	29/03/2007	107,469 [(e)]
–	–	–	21/04/2007	46,905
–	–	–	21/04/2007	17,423
–	–	–	21/04/2007	9,161
–	–	–	21/04/2007	50,198
–	–	–	21/04/2007	20,080
–	–	–	21/04/2007	10,887

Performance Units/Shares Plan 2006

	Initial grant		Shares/Units actually granted	Shares/Units at stake at 31/12/2007
	Date	Shares/Units granted		
H. de Castries	31/03/2006	57,191	30,512	28,595
A. Bouckaert [(a)]	31/03/2006	14,706	8,259	7,353
C. Brunet	31/03/2006	19,608	10,461	9,804
C. Condron [(a)]	31/03/2006	59,271	32,632	29,636
D. Duverne	31/03/2006	31,864	17,000	15,932
F. Pierson	31/03/2006	31,864	17,078	15,932

In the table above all dates that are indicated shall read day/month/year.
(a) The numbers indicated for A. Bouckaert and C. Condron correspond to Performance Units.

Performance Units/Shares Plan 2007

	Initial grant		Shares/Units actually granted	Shares/Units at stake at 31/12/2007
	Date	Shares/Units granted		
H. de Castries	–	–	–	–
A. Bouckaert [(a)]	10/05/2007	20,000	–	20,000
C. Brunet	10/05/2007	16,800	–	16,800
C. Condron [(a)]	10/05/2007	43,789	–	43,789
D. Duverne	10/05/2007	32,000	–	32,000
F. Pierson	10/05/2007	24,000	–	24,000

In the table above all dates that are indicated shall read day/month/year.
(a) The numbers indicated for A. Bouckaert and C. Condron correspond to Performance Units.

SHARE OWNERSHIP OF MANAGEMENT BOARD AND SUPERVISORY BOARD MEMBERS

Members of the Management Board

To the best knowledge of the Company, each of the Management Board member held, as of December 31, 2007, the number of AXA shares or ADR, and units of AXA Actionnariat mutual funds indicated in the table below.

	Number of shares and number of units of mutual funds owned as of December 31, 2007		
	AXA Shares	AXA ADR	Units of AXA Actionnariat mutual funds
Henri de Castries (Chairman)	1,346,278	18,734	–
Alfred Bouckaert (Belgium)	8,833	–	100,461
Claude Brunet	212,988	–	31
Christopher Condron (United States)	–	198,087	39,170
Denis Duverne	705,871	18,734	627
François Pierson	112,609	–	16,191

As proposed by the Management Board, the Supervisory Board has decided to implement as from January 1, 2007 a shareholding policy applicable to all members of the Management Board and of the Executive Committee.

This policy requires that each member of the Management Board and the Executive Committee holds, during the entire duration of their functions, a minimum number of AXA shares representing a multiple of their annual target total cash remuneration (fixed salary plus target annual variable remuneration).

- The Chairman of the Management Board is required to hold the equivalent of 3 years target total cash remuneration.
- Other Management Board members are required to hold the equivalent of 2 years target total cash remuneration.

Shares/Units cancelled at 31/12/2007	Shares/Units acquired at 31/12/2007	Balance at 31/12/2007	Acquisition	
			Date	Shares/Units acquired
–	–	59,107	31/03/2008	–
–	–	15,612	31/03/2008	–
–	–	20,265	31/03/2008	–
–	–	62,268	31/03/2008	–
–	–	32,932	31/03/2008	–
–	–	33,010	31/03/2008	–

Shares/Units cancelled at 31/12/2007	Shares/Units acquired at 31/12/2007	Balance at 31/12/2007	Acquisition	
			Date	Shares/Units acquired
–	–	–	–	–
–	–	20,000	10/05/2009	–
–	–	16,800	10/05/2009	–
–	–	43,789	10/05/2009	–
–	–	32,000	10/05/2009	–
–	–	24,000	10/05/2009	–

- Executive Committee members are required to hold the equivalent of 1.5 years target total cash remuneration.

The following count towards the shareholding requirements:
- AXA shares or ADRs owned, whether they have been acquired directly on the market, through stock options exercise or through performance shares/units or restricted shares.
- Units of AXA mutual funds invested at 100% in AXA shares or ADRs.
- Shares of listed companies of the AXA Group (AllianceBernstein, AXA Asia Pacific Holdings).

The following are not considered:
- AXA stock options or ADR stock options that have not yet been exercised.
- Performance shares, performance units or restricted shares granted but not yet definitely acquired.

Each member of the Management Board and of the Executive Committee should meet this requirement within a period of 5 years from the latter of (i) January 1, 2007 and (ii) their appointment date at the Management Board or Executive Committee.

The Supervisory Board also decided that, as long as a Management Board member has not met this shareholding requirement, the stock options and performance shares granted to him/her after January 1, 2007 will be subject to the following obligations:
- as far as stock options granted after January 1, 2007 are concerned, a Management Board member who does not meet his/her shareholding requirement will, at every stock option exercise, hold a minimum number of shares equivalent to 25% of the pre-tax capital gain realised (i.e. in France about 50% of the post-tax capital gain). These shares will have to be held during the whole duration of the Management Board mandate;
- as far as free shares ("performance shares") granted after January 1, 2007 are concerned, a Management Board member who does not meet his/her shareholding requirement will, at every share acquisition date, hold a minimum of 25% of these shares during the whole duration of the Management Board mandate.

When a Management Board member already meets the above shareholding requirements, there will be no obligation when he/she exercises stock options or acquires shares.

As at December 31, 2007, based on the AXA share value at that date (price of €27.39), every member of the Management Board met the shareholding requirement.

	Annual Target Compensation (€)			Shareholding requirement		
	Fixed salary	Target STIC	Total Target Cash	Number of years	Amount (€)	Target date
Henri de Castries	500,000	2,500,000	3,000,000	3	9,000,000	01/01/12
Denis Duverne	430,000	1,250,000	1,680,000	2	3,360,000	01/01/12
Claude Brunet	350,000	900,000	1,250,000	2	2,500,000	01/01/12
François Pierson	400,000	1,150,000	1,550,000	2	3,100,000	01/01/12
Alfred Bouckaert	600,000	900,000	1,500,000	2	3,000,000	01/01/12
Christopher Condron	679,000	3,055,500	3,734,500	2	7,469,000	01/01/12

Remunerations indicated in the table above are the ones for 2007.

Transactions involving Company stock completed in 2007 by members of the Management Board

To the best of the Company's knowledge, the members of the Management Board made the following disclosures in the course of 2007 concerning their transactions involving Company stock. Detailed information about all of these transactions, as well as individual disclosures filed in accordance with Articles 223-22 and 223-25 of the AMF's *(Autorité des marchés financiers)* General Regulations, are published on the Company's website (www.axa.com) and on the the AMF website (www.amf-france.org).

Members of the Management Board

Name	Sale of AXA Shares (Number)	Purchase of AXA Shares (Number)	Freely allotted shares		Subscription options	
			AXA Shares (Number)	AXA ADR (Number)	Subscription to AXA Shares (Number)	Subscription to AXA ADR (Number)
Henri de Castries	–	–	179,839	–	438,969	18,734
Alfred Bouckaert	–	–	8,833	–	–	–
Claude Brunet	–	–	49,458	–	31,000	–
Christopher Condron	–	–	–	57,755	–	–
Denis Duverne	–	–	73,489	–	317,964	18,734
François Pierson	–	–	81,165	–	100,000	–

		Shareholding at 31/12/2007			
Number of years	Amount (€)	AXA shares	AXA ADRs	AXA funds	AllianceBernstein shares
12.5	37,481,870	1,346,278	18,734	–	2,000
11.8	19,856,107	705,871	18,734	627	–
4.7	5,834,590	212,988	–	31	–
2.2	3,485,816	112,609	–	14,657	–
2.0	2,993,563	8,833	–	100,461	–
3.9	14,399,180	–	534,033		–

Subscription and sale		Sale of units of AXA Group mutual funds invested in ordinary shares of AXA Shares (Number)	Equity issue reserved for employees (Shareplan)	
AXA Shares (Number)	AXA ADS (Number)		Subscription to units of AXA Group mutual funds invested in AXA shares (Number)	Subscription to AXA ADR (Number)
–	111,180	33,850	33,850	–
–	–	–	15,587	–
17,000	–	12,570	12,596	–
–	211,894	–	–	4,797
–	81,198	17,397	17,397	–
50,000	–	–	–	–

Members of the Supervisory Board

To the best knowledge of the Company, each of the Supervisory Board member held, as of December 31, 2007, the number of AXA shares or ADR indicated in the table below.

	Number of shares owned as of December 31, 2007	
	AXA Shares	AXA ADR
Claude Bébéar – Chairman	2,628,222	–
Léo Apotheker	1,150	–
Jacques de Chateauvieux – Vice-Chairman [(a)]	2,170	–
Norbert Dentressangle	2,861	–
Jean-Martin Folz	1,000	–
Jean-René Fourtou [(a)]	10,780	1,356
Anthony Hamilton	4,436	7,343
Henri Lachmann	1,714	–
Gérard Mestrallet	2,825	–
Giuseppe Mussari	100	–
Michel Pébereau	4,666	–
Mrs. Dominique Reiniche	1,000	–
Ezra Suleiman	3,225	–
Jacques Tabourot	90,188	–

(a) On February 27, 2008, J.-R. Fourtou resigned as Vice-Chairman of the Supervisory Board and was replaced by J. de Chateauvieux with immediate effect.

Transactions involving Company stock completed in 2007 by members of the Supervisory Board

To the best of the Company's knowledge, several members of the Supervisory Board made the following disclosures in the course of 2007 concerning their transactions involving Company stock. Detailed information about all of these transactions, as well as individual disclosures filed in accordance with Articles 223-22 and 223-25 of the AMF's *(Autorité des marchés financiers)* General Regulations, are published on the Company's website (www.axa.com) and on the the AMF website (www.amf-france.org).

Name	Sale of AXA Shares (Number)	Purchase of AXA Shares (Number)	Freely allotted shares		Subscription options	
			AXA Shares (Number)	AXA ADR (Number)	Subscription to AXA Shares (Number)	Subscription to AXA ADR (Number)
Claude Bébéar	–	–	–	–	324,000	–
Léo Apotheker	–	900	–	–	–	–
Norbert Dentressangle	–	195	–	–	–	–
Jacques Tabourot	–	–	–	–	10,000	–

Subscription and sale		Sale of units of AXA Group mutual funds invested in AXA shares (Number)	Equity issue reserved for employees (Shareplan)	
AXA Shares (Number)	AXA ADS (Number)		Subscription to units of AXA Group fund invested in ordinary shares of AXA stock (Number)	Subscription to AXA ADR (Number)
–	–	–	2,610	–
–	–	–	–	–
–	–	–	–	–
10,823	–	2,076	2,409	–

3.3 Description of the Company's share repurchase program

Pursuant to article 241-2 of the AMF General Regulations, this section constitutes the description of the Company's share repurchase program that will be submitted to the Shareholders' approval on April 22, 2008.

Date of the Shareholders' meeting called to authorize the program

April 22, 2008.

Treasury shares (held directly by the Company and owned by subsidiaries) as of February 29, 2008

The table below illustrates the number of AXA shares and the percentage of shares directly (treasury shares) or indirectly (shares hold by the subsidiaries) held by the Company.

	Number of shares	% of share capital (a)	Par value (in Euro)
Treasury shares held directly by the Company	11,644,231	0.57%	26,665,289 €
Treasury shares owned by Company subsidiaries (directly and indirectly)	21,282,002	1.03%	48,735,785 €
TOTAL	**32,926,233**	**1.60%**	**75,401,074 €**

(a) Percentage calculated on the basis of the share capital of the Company as recorded by the Chairman of the Management Board on January 24, 2008.

Analysis of treasury shares in terms of objectives as of February 29, 2008

	Liquidity agreement	Hedging of free shares granted to employees	Cancellation
Number of treasury shares	4,000,000	7,644,231	–

Objectives of the Company's share repurchase program

Pursuant to the provisions of the European Commission Regulation n° 2273/2003 which came into force on December 22, 2003 and in accordance with market practices allowed by the AMF, the objectives of the Company's share repurchase program that will be submitted to the Shareholders' approval on April 22, 2008 are the following:

a) optimizing the liquidity of AXA securities, notably to foster regular and liquid trading in the securities through a liquidity agreement that complies with the AFEI Code of conduct approved by the AMF, entered into with an investment services provider (liquidity provider) in compliance with the market practice accepted by the AMF,

b) (i) hedging stock options offered to some or all employees or eligible directors and officers of the Company and/or affiliates as defined in Article L.225-180 of the French Commercial Code,
(ii) granting free shares *(actions gratuites)* to employees and former employees of the AXA Group enrolled in an employee savings plan sponsored by the Company or the AXA Group, and/or
(iii) granting free shares to some or all employees and eligible directors and officers of the Company and its affiliates as defined in Article L.225-197-2 of the French Commercial Code, in accordance with the provisions of Articles L.225-197-1 *et seq.* of the French Commercial Code,

c) holding or tendering such shares later in payment or in exchange, especially in connection with acquisitions, in compliance with the market practices accepted by the AMF,

d) delivering shares upon the exercise of rights attached to bonds with an immediate or future claim on shares of the Company,

e) cancelling some or all of these shares, subject to the Shareholders' Meeting of April 22, 2008 approval of the 20th extraordinary resolution hereinafter, which authorizes this cancellation, and/or, more generally,

f) performing any other types of operations in compliance with the laws and regulations in force.

Maximum percentage of share capital, maximum number and types of securities that may be repurchased by the Company and maximum purchase price

Share repurchase program submitted to Shareholders approval on April 22, 2008			
Type of securities	Maximum % of share capital	Maximum number of shares (a)	Maximum purchase price (per share)
Shares	10%	206,075,349	€45

(a) This number corresponds to the theoretical maximum number of shares that may be purchased by the Company, calculated on the basis of the Share Capital as of February 29, 2008, i.e. 4,719,125,496.68 € divided into 2,060,753,492 securities. Based on the number of securities held by the Company on that date, AXA may purchase up to 194,431,118 of its own shares.

Duration of the repurchase program

18 months, subject to the approval of the program by the Shareholders' Meeting of April 22, 2008.

Table of transactions made during the current share repurchase program (until February 29, 2008)

Number of shares purchased since the beginning of the program	88,369,265
Number of shares sold since the beginning of the program	22,263,001
Number of shares transferred since the beginning of the program	2,305
Number of shares cancelled since the beginning of the program	63,103,647

The Company has not used derivatives in connection with the previous share repurchase program. All of the share repurchases have been made in cash.

TRANSACTIONS COMPLETED IN 2007 BY AXA IN ITS OWN SHARES

In connection with its share repurchase programs, which were approved respectively by AXA's Shareholders at their Annual Meeting held on May 4, 2006 (8th resolution) and at their Annual Meeting held on May 14, 2007 (13th resolution), AXA, in accordance with the provisions of article L.225-209 of the French Commercial Code, has continued the liquidity agreement put in place on May 16, 2005 that complies with the AFEI Code of Conduct approved by AMF with an initial duration of one year tacitly renewable, and entrusted its implementation to Crédit Agricole Cheuvreux.

Between January 1, 2007 and May 13, 2007, 8,906,796 shares were purchased under this liquidity agreement for an average weighted gross unit price of €32.08, and 9,581,677 shares were sold for an average weighted gross unit price of €32.35. Related transaction fees incurred over the same period amounted to €134,000.

Between May 14, 2007 and December 31, 2007, 18,574,843 shares were purchased under this liquidity agreement for an average weighted gross unit price of €29.59, and 16,704,843 shares were sold for an average weighted gross unit price of €29.92. Related transaction fees incurred over the same period amounted to €266,000.

In addition, and in connection with the two share repurchase programs mentioned above (liquidity agreements being excluded), AXA repurchased 13,602,000 of its own shares between January 1, 2007 and May 13, 2007 for an average weighted gross unit price of €33.74 and between May 14, 2007 and December 31, 2007 AXA repurchased 56,946,264 of its own shares for an average weighted gross unit price of €29.28, i.e. a total of 70,548,264 repurchased shares for the year 2007 which corresponds to an amount of €1,470,654 as of the related transaction fees.

These 70,548,264 treasury shares were acquired to enable the Company to reduce the dilution from the exercise of stock options and the issue of shares in connection with the capital increase reserved for the employees of November 2007 (Shareplan 2007). The purpose of these operations of repurchase was also to cover the grant of free shares to employees of the Group.

At its meeting on December 17, 2007, the AXA Management Board decided to reduce AXA's share capital through the cancellation of 63,103,647 treasury shares.

As a result, on December 31, 2007 the number of treasury shares held under the liquidity agreement was 2,250,000, and the number of treasury shares, allocated to the purpose of hedging, was 7,646,268, i.e. a total of 9,896,268 shares held directly by the Company, equal to 0.48% of AXA's share capital at the year-end closing date, acquired for an aggregate purchase price of €294,806,315 (with a par value of €2.29 per share).

3.4 Major Shareholders and Related Party Transactions

CAPITAL OWNERSHIP

As of December 31, 2007, AXA's fully paid up issued and outstanding share capital totaled €4,719,125,496.68 divided into 2,060,753,492 shares, each with a par value of €2.29 and eligible for dividends as of January 1, 2007.

To the best of the Company's knowledge, the table below summarizes the ownership of its issued outstanding ordinary shares and voting power as of December 31, 2007:

	Number of shares	Capital ownership	Voting power [(a)]
Mutuelles AXA [(b)]	298,481,986	14.48%	20.84%
Treasury shares held directly by the Company	9,896,268	0.48%	[0.42%] [(c)]
Treasury shares held by Company subsidiaries (directly and indirectly)	20,859,062	1.01%	[0.88%] [(c)]
Employees and agents	107,755,703	5.23%	6.01%
General public	1,623,760,473	78.80%	71.85%
TOTAL	**2,060,753,492 [(d)]**	**100%**	**100%**

(a) In this table voting power is calculated on the basis of all the shares to which the votes are attached, notwithstanding the fact that they may be deprived of voting power by law or otherwise (for example, treasury shares are deprived of voting power under French law).
(b) AXA Assurances IARD Mutuelle and AXA Assurances Vie Mutuelle.
(c) Voting power will be valid again once the shares to which they are attached stop being treasury shares.
(d) Source: Euronext Notice as of January 11, 2008.

To the best of the Company's knowledge, no shareholder held more than 5% of the Company's outstanding ordinary shares as of December 31, 2007, except (i) as indicated in the table above, and (ii) BNP Paribas which held 5.87% of AXA's outstanding ordinary shares which represented 7.67% of the total voting power at that date.

Certain of the Company's shares are entitled to double voting rights as described in Part VI "Certain additional information", "Voting rights" Section of this Annual Report. Of the Company's 2,060,753,492 outstanding ordinary shares as of December 31, 2007, 319,921,480 shares entitled their holders to double voting rights as of that date.

To the best of the Company's knowledge, as of December 31, 2007, subsidiaries of the Company do not hold any AXA ordinary shares that are pledged. Third parties who own AXA ordinary shares may have pledged them for a variety of reasons including as collateral for loans or in connection with other arrangements, however, as of December 31, 2007, the Company was not aware of any pledge material in any respect to the Company.

Significant changes in capital ownership

Significant changes in ownership of the Company's share capital between December 31, 2005 and December 31, 2007 are set forth in the table below.

	As of December 31, 2007 [(a)]			
	Number of shares	Capital ownership (%)	Number of votes	Voting power (%)
Mutuelles AXA [(b)]	298,481,986	14.48%	496,139,340	20.84%
Treasury shares held directly by the Company	9,896,268	0.48%	[9,896,268] [(c)]	[0.42%] [(c)]
Treasury shares held by Company subsidiaries (directly and indirectly) [(e)]	20,859,062	1.01%	[20,859,062] [(c)]	[0.88%] [(c)]
Employees and agents	107,755,703	5.23%	143,111,767	6.01%
General public	1,623,760,473	78.80%	1,710,668,535	71.85%
TOTAL	**2,060,753,492 [(d)]**	**100%**	**2,380,674,972**	**100%**

(a) In this table voting power is calculated on the basis of all the shares to which the votes are attached, notwithstanding the fact that they may be deprived of voting power by law or otherwise (for example, treasury shares are deprived of voting power under French law).
(b) AXA Assurances IARD Mutuelle and AXA Assurances Vie Mutuelle.
(c) Voting power will be valid again once the shares to which they are attached stop being treasury shares.
(d) Source: Euronext Notice as of January 11, 2008.
(e) Treasury shares as indicated in Note 13 to "Consolidated Financial Statements" included in Part V of this Annual Report

Fully diluted capital as of December 31, 2007

The following table indicates the Company's fully diluted share capital, assuming that the maximum number of new shares is issued following the exercise of all outstanding stock options and warrants.

	Fully diluted capital
Ordinary shares issued on December 31, 2007 [(a)]	2,060,753,492
Stock options	77,152,941
Stock subscription warrants related to the Shareplan operation in Germany	3,981,073
Maximum total number of shares	2,141,887,506

(a) Source: Euronext Notice as of January 11, 2008.

As of December 31, 2006 [(a)]				As of December 31, 2005 [(a)]			
Number of shares	Capital ownership (%)	Number of votes	Voting power (%)	Number of shares	Capital ownership (%)	Number of votes	Voting power (%)
298,481,986	14.26%	485,761,485	20.65%	267,711,761	14.30%	498,858,517	22.85%
2,554,613	0.12%	[2,554,613] [(c)]	[0.11%] [(c)]	653,857	0.03%	[653,857] [(c)]	[0.03] [(c)]
26,991,283	1.29%	[26,991,283] [(c)]	[1.15%] [(c)]	35,347,654	1.89%	[35,347,654] [(c)]	[1.62%] [(c)]
105,004,498	5.02%	151,907,600	6.46%	105,672,937	5.65%	152,473,475	6.98%
1,659,855,934	79.31%	1,685,036,402	71.63%	1,462,218,795	78.13%	1,496,294,334	68.52%
2,092,888,314	**100%**	**2,352,251,383**	**100%**	**1,871,605,004**	**100%**	**2,183,627,837**	**100%**

AXA SUBORDINATED CONVERTIBLE BONDS AS OF DECEMBER 31, 2007

	Subordinated convertible bonds from February 17, 2000
Number of bonds	6,646,524
Issue price	€165.50
Total principal amount	€1,099,999,722
Closing date	February 17, 2000
Maturity date	January 1, 2017
Coupon	3.75%
Conversion	Starting February 17, 2000: 4.15 [(a)] shares for 1 bond
Maturity of the bonds	Total redemption on January 1, 2017 at 269.16 euros per bond, i.e. 162.63% of the nominal amount
Early redemption	– The Company may purchase the notes on any Stock Exchange or otherwise in accordance with applicable law, including by way of tender for purchase or exchange, – at the option of the issuer, in cash, from January 1, 2007 at a price with a gross 6.00% actuarial yield, if the Company's share average over 10 consecutive days is above 125% of the anticipated repayment price, – at any time, at the option of the issuer, at 269.16 euros if the number of bonds in circulation is below 10% of the number of bonds issued.
Number of bonds in circulation as of December 31, 2007	6,636,946

(a) Following the capital increase with preferential subscription rights made by AXA in June 2006 to finance part of the Winterthur acquisition, the conditions of conversion of AXA 3.75% 2017 convertible bond have been adjusted. The conversion ratio has been increased from 4.06 to 4.15 AXA shares with a par value of 2.29 euros for 1 convertible bond (see Euronext notice n° 2006-2063 published on July 18, 2006).

RELATED PARTY TRANSACTIONS, EMPLOYEE SHAREHOLDERS AND CROSS-SHAREHOLDING AGREEMENTS

Related party transactions

For information concerning related party transactions, please see Part V "Consolidated Financial Statements" – Note 27 "Related Party Transactions" of this Annual Report.

Employee shareholders

Shareplan

Since 1993, the AXA Group has promoted employee shareholding by offering each year to its employees an opportunity to become shareholders through a special equity issue reserved exclusively for them.

By virtue of the authorization granted by the shareholders at the Annual General Meeting of May 14, 2007, the Management Board increased share capital through the issue of shares to employees of the Group under the Shareplan 2007 program. The shareholders waived their preferential subscription rights so that this offering could be made to employees.

In countries that met the legal and tax requirements, two investment options were proposed in 2007:
– the traditional plan, available in 35 countries,
– the leveraged plan, offered in 35 countries.

The traditional plan allowed employees to subscribe through a personal investment to AXA shares (either through mutual funds (FCPE) or through direct share ownership) with a 20% discount. The shares are held within the Group Company Savings Plan and are restricted from sale during a period of 5 years (except specific early exit cases allowed by applicable laws). Employees are subject to the share price appreciation, up or down, as compared to the subscription price.

The leveraged plan allowed employees to subscribe, on the basis of 10 times their personal investment, to AXA shares (either through mutual funds (FCPE) or through direct share ownership) with a 14.26% discount in 2007. The shares are held within the Group Company Savings Plan and are restricted from sale during a period of 5 years (except specific early exit cases allowed by applicable laws). Employees benefit from a guarantee on their personal investment, as well as 75% of the share appreciation, as compared to the non-discounted reference price.
The leveraged plan is not accessible to Management Board and Executive Committee members.

New mutual funds (FCPE) with direct voting rights have been created since 2005 to allow beneficiaries, in most cases, to directly exercise their voting rights.

The Shareplan 2007 program was carried out through a share issue that took place in November 2007 and was open to almost all Group employees through voluntary contributions:

– 43,877 employees took part in Shareplan 2007, up 49% compared to Shareplan 2006 (29,389 participants).

– The total amount invested was €552.3 million, up 47% compared to Shareplan 2006 (€375.5 million), as follows:
  • €74 million in the traditional plan (versus €51.8 million in 2006);
  • €478.3 in the leveraged plan (versus €323.7 million in 2006).

– A total of 22 million new ordinary shares were issued, each with a par value of €2.29. These shares began earning dividends on January 1, 2007.

As of December 31, 2007, AXA employees and agents held 5.23% of the Group's outstanding ordinary shares and 6.01% of the voting rights. These shares are owned through mutual funds or directly, in the form of shares or ADRs.

AXA Miles

In order to reward its employees for the results obtained in 2005 and 2006 and to foster their engagement to the success of its "Ambition 2012" project, AXA has implemented a worldwide program of granting free shares to all its employees, called "AXA Miles".

By virtue of the authorization granted by the shareholders at the Annual General Meeting of May 14, 2007, the Management Board has granted on July 1, 2007 a number of 50 AXA shares to each employee of the AXA Group, with the exception of Management Board and Executive Committee members.

By granting the same number of shares to all employees having at least 3 months of service at July 1, 2007, whatever their position within the organisation, their hierarchical level, their country or their remuneration level, the AXA Group wanted to demonstrate that everyone has a role to play in attaining objectives of Ambition 2012 and should share its success.

The AXA Miles program resulted in a grant of 5,586,900 AXA shares to 111,738 employees in 54 countries.

The totality of these shares have been purchased by AXA and the program will not entail any capital increase.

In 24 countries, including France, the shares granted will be acquired after a 2-year acquisition period (i.e. on July 1, 2009), subject to a presence condition within the AXA Group, and will then be subject to a 2-year restriction period (i.e. until July 1, 2011).

In the other 30 countries, the shares granted will be acquired after a 4-year acquisition period (i.e. on July 1, 2011), subject to a presence condition within the AXA Group, but will not be subject to any restriction period.

A second grant of 50 shares to all employees will be made on July 1, 2009, following the same rules, if the AXA Group has met at end 2008 the two following objectives:

– underlying earnings per share at least equal to €2.41,
– customer satisfaction index at least equal to 82%.

Cross-Shareholding Agreements

AXA has entered into cross-shareholding agreements with BNP Paribas and Schneider which are described hereafter.

Agreement with BNP Paribas

On December 15, 2005, and after authorization by the AXA Supervisory Board on June 29, 2005, the AXA Group and the BNP Paribas Group entered into an agreement that replaces a prior agreement between them dated September 12, 2001.

The new agreement maintains the provisions of the prior agreement concerning minimal and stable cross-shareholdings. Pursuant to the agreement, the AXA Group undertakes to hold at least 43,412,598 shares of BNP Paribas stock and the BNP Paribas Group undertakes to hold at least 61,587,465 shares of AXA stock. These amounts are subject to adjustment to reflect the impact of certain capital transactions, including, but not limited to: capital increases, free allotments of stock, stock splits or similar transactions. In addition, the parties have agreed to a reciprocal repurchase option in the event of a hostile takeover attempt on either AXA or BNP Paribas.

In force for a period of five years from the date of signature, this agreement is renewable automatically for an initial period of two years and for successive periods of one year thereafter, unless one of the two parties decides to terminate beforehand, in which case the terminating party is required to give three months notice prior to the next renewal date.

The agreement was made public by the AMF *(Autorité des marchés financiers)* on December 21, 2005.

Agreement with Schneider

On May 15, 2006, and after authorization by the AXA Supervisory Board on December 21, 2005, the AXA Group, the Mutuelles AXA and the Schneider Group entered into an agreement that provides for the maintenance of minimal cross-shareholdings. Under the terms of this agreement, the AXA Group undertakes to hold at least 2,583,300 shares of Schneider stock and the Schneider Group undertakes to hold at least 8,816,681 AXA ordinary shares. The number of shares held under this cross-shareholding agreement will be adjusted as needed to reflect the impact of certain capital transactions, including, but not limited to: capital increases, free allotments of stock, stock splits or similar transactions. In addition, the parties have agreed to a reciprocal repurchase option in the event of a hostile takeover attempt on either AXA or Schneider.

In force for a period of one year from the date of signature, this agreement is renewable automatically for successive periods of one year thereafter, unless one of the parties decides to terminate beforehand, in which case the terminating party is required to give three months notice prior to the next renewal date.

The agreement was made public by the AMF *(Autorité des marchés financiers)* on May 31, 2006.

PricewaterhouseCoopers Audit
62, rue de Villiers
92208 Neuilly-sur-Seine Cedex

Mazars & Guérard
61, rue Henri Régnault
92400 Courbevoie

Special report of the Statutory Auditors on regulated agreements and commitments

(for the year ended December 31, 2007)

This is a free translation into English of the Statutory Auditors' report issued in French and which is provided solely for the convenience of English readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders of **AXA**
25, avenue Matignon
75008 Paris

In our capacity as Statutory Auditors of AXA, we hereby submit our report on regulated agreements and commitments which we have been informed of.

It does not fall within the scope of our assignment to ascertain the potential existence of other agreements and commitments but rather, on the basis of the information that was supplied to us, to inform you, the shareholders, of the relevant features of those agreements of which we have been informed. It is not our responsibility to express an opinion on the utility or merits of such agreements. Pursuant to Article R-225-58 of the French Commercial Code, you are asked to form an opinion on the relevance of such agreements for the purpose of approving them.

We performed our work in accordance with the professional standards applicable in France: those standards require that we plan and perform the review to check whether the evidence supporting the information in our possession is consistent with that information.

Agreements and commitments authorized during the 2007 fiscal year:

In accordance with Article L.225-86 of the French Commercial Code, no regulated commitment or agreement was submitted to us.

Agreements and commitments approved in prior fiscal years that remained in force in 2007:

Pursuant to Article R.225-57 of the French Commercial Code, we have been informed that the following commitments and regulated agreements, approved in prior fiscal years, remained in force in 2007:

With France Telecom

AXA Technology Services (as the Principal), AXA (as the Guarantor) and France Telecom entered into an agreement on December 15, 2003, after the Supervisory Board granted its authorization on December 10, 2003. This agreement entrusts the management of all AXA Group communications networks worldwide to a single global provider, and contains a clause committing to expenditures totaling approximately 280 million euros over the term of the agreement (six and a half years starting from July 1st, 2003). It also provides for a contract performance guarantee from AXA to France Telecom on behalf of AXA Technology Services, the amount of which is capped at 50 million euros, and the term of which is the term of the aforementioned agreement.

With the BNP Paribas Group

On December 15, 2005 and after authorization on June 29, 2005 by the AXA Supervisory Board, the AXA Group (AXA and its subsidiaries) and the BNP Paribas Group entered into an agreement that replaces the one in force since September 12, 2001 (and amended on October 26, 2004).
The new agreement contains provisions in terms of minimal and stable cross-shareholdings (the AXA Group undertakes initially to hold at least 43,412,598 shares of BNP Paribas stock; the BNP Paribas Group undertakes initially to hold at least 61,587,465 shares of AXA stock; these amounts will be adjusted thereafter to reflect the impact of capital transactions, including but not limited to free allotments of stock or share tenders involving the same company (stock splits or regrouping, etc.), and capital increases involving either BNP Paribas or AXA), and also provides for a reciprocal repurchase option in the event of a hostile takeover on either AXA or BNP Paribas.
In force for a period of five years as of the date of signature, this agreement is renewable automatically for an initial period of two years and for successive periods of one year thereafter, unless one of the two parties decides to terminate beforehand, in which case it is required to give three months notice prior to the next renewal date.

The agreement was made public by the AMF (*Autorité des marchés financiers*) on December 21, 2005.

With Schneider

On May 15, 2006, and after authorization on December 21, 2005 by the AXA Supervisory Board, the AXA Group (the AXA Mutuelles, AXA and its subsidiaries) and the Schneider Group entered into an agreement that provides for the maintenance of minimal cross-shareholdings. Under the terms of this agreement, the AXA Group undertakes to hold at least 2,583,300 shares of Schneider stock and the Schneider Group undertakes to hold at least 8,816,681 shares of AXA stock. The number of shares held under this cross-shareholding agreement will be adjusted as needed to reflect the impact of capital transactions, including but not limited to free allotments of stock or share tenders involving the same company (stock splits or regrouping, etc.). In addition, the parties have consented to a reciprocal repurchase option in the event of a hostile takeover on either AXA or Schneider. In force for a period of one year as of the date of signature, this agreement is renewable automatically for successive periods of one year thereafter, unless one of the parties decides to terminate beforehand, in which case it is required to give three months notice prior to the next renewal date.

The agreement was made public by the AMF (*Autorité des marchés financiers*) on May 31, 2006.

Courbevoie and Neuilly sur Seine, March 25, 2008

The Statutory Auditors

PricewaterhouseCoopers Audit	Mazars & Guérard
Yves Nicolas – Eric Dupont	Patrick de Cambourg – Jean-Claude Pauly

3.5 The Offer and Listing

MARKETS

The principal trading market for the Company's ordinary shares is the Compartment A of Euronext Paris. The AXA ADSs, each representing one AXA ordinary share, are listed on the New York Stock Exchange.

Trading on Euronext Paris

Official trading of listed securities on Euronext Paris, including the Company's ordinary shares, is transacted through French stockbrokers (*sociétés de bourse*) and takes place continuously on each business day in Paris from 9:00 a.m. to 5:25 p.m. (Paris time), with a fixing of the closing price at 5:30 p.m.

In France, the Company's ordinary shares are included in the principal index published by Euronext Paris (the "CAC 40 Index"). The Company's ordinary shares are also included in Euronext 100, the index representing Euronext's blue chip companies based on market capitalization. The Company's ordinary shares are also included in the Dow Jones STOXX 50 and Dow Jones Euro STOXX 50, blue chip indices comprised of the 50 most highly capitalized and most actively traded equities throughout Europe and within the Eurozone, respectively. In addition, the Company's ordinary shares are also included in the Dow Jones Euro Stoxx Insurance, the insurance related index for companies within the Eurozone.

The table below sets forth, for the periods indicated, the reported high and low prices (closing and intraday) in Euro for the Company's ordinary shares on Euronext Paris:

Calendar Period	Closing High (€) [a]	Closing Low (€) [a]	Intraday High (€)	Intraday Low (€)
2003	**16.67**	**8.76**	**17.05**	**8.75**
2004	**18.76**	**15.47**	**18.99**	**15.30**
2005				
First quarter	20.96	17.72	21.03	17.56
Second quarter	20.73	18.55	20.79	18.39
Third quarter	22.62	20.21	22.68	19.50
Fourth quarter	27.43	21.93	27.54	21.83
Annual	27.43	17.72	27.54	17.56
2006				
First quarter	29.48	25.59	30.05	25.15
Second quarter	29.92	23.41	30.08	23.00
Third quarter	29.52	24.28	29.62	23.92
Fourth quarter	31.13	28.07	31.26	28.06
Annual	31.13	23.41	31.26	23.00
2007				
First quarter	34.42	29.53	34.48	29.50
Second quarter	34.61	31.00	34.88	30.55
Third quarter	32.72	27.78	32.95	27.56
Fourth quarter	32.28	25.33	32.49	25.12
Annual	34.61	25.33	34.88	25.12

(a) Following the issue of new shares with preferential subscription rights made by AXA in June 2006 (see Euronext notice n° 2006-1670 published on June 14, 2006), historical share prices have been adjusted on the basis of the theoretical value of the right (see Euronext notice n° 2006-1719 published on June 16, 2006).

Calendar Period	Closing High (€) [(a)]	Closing Low (€) [(a)]	Intraday High (€)	Intraday Low (€)
2007 and 2008				
August 2007	30.07	27.78	30.28	27.56
September 2007	31.38	28.13	31.57	27.86
October 2007	32.28	29.71	32.49	29.27
November 2007	30.37	25.33	30.94	25.12
December 2007	28.66	26.45	28.99	26.19
January 2008	26.98	22.01	27.60	20.41
February 2008	23.88	20.99	24.42	20.06

(a) Following the issue of new shares with preferential subscription rights made by AXA in June 2006 (see Euronext notice n° 2006-1670 published on June 14, 2006), historical share prices have been adjusted on the basis of the theoretical value of the right (see Euronext notice n° 2006-1719 published on June 16, 2006).

Trading on the New York Stock Exchange

The Bank of New York serves as depositary with respect to the Company's ADSs traded on the NYSE. Each ADS represents the right to receive one ordinary share.

The table below sets forth, for the periods indicated, the reported high and low prices (closing and intraday) in U.S. dollars for the Company's ADSs on the NYSE:

Calendar Period	Closing High ($)	Closing Low ($)	Intraday High ($)	Intraday Low ($)
2003	**21.47**	**10.32**	**21.49**	**9.96**
2004	**24.82**	**19.18**	**24.94**	**19.00**
2005				
First quarter	28.32	23.40	28.48	23.35
Second quarter	26.86	24.17	27.02	24.04
Third quarter	28.75	24.83	28.77	24.51
Fourth quarter	33.33	26.96	33.35	26.70
Annual	33.33	23.40	33.35	23.35
2006				
First quarter	35.86	31.47	35.96	31.40
Second quarter	38.62	30.13	38.76	29.81
Third quarter	37.80	30.73	37.80	30.36
Fourth quarter	40.55	36.92	40.70	36.72
Annual	40.55	30.13	40.70	29.81
2007				
First quarter	45.33	39.82	45.39	38.94
Second quarter	47.01	41.19	47.10	41.17
Third quarter	44.96	37.51	45.25	36.57
Fourth quarter	45.55	37.72	45.85	37.68
Annual	47.01	37.51	47.10	36.57
2007 and 2008				
August 2007	41.42	37.51	41.81	36.57
September 2007	44.61	39.17	44.80	38.67
October 2007	45.55	42.39	45.85	41.83
November 2007	43.85	37.72	44.04	37.68
December 2007	42.17	38.05	42.40	37.72
January 2008	39.69	33.52	40.17	31.35
February 2008	35.83	30.67	36.13	30.09

We cannot assure you of the market price of the Company's ordinary shares or ADSs, and past price is no indication of future performance. We urge you to obtain current market quotations for these securities.

PART IV

RISK FACTORS, CERTAIN DISCLOSURES ABOUT MARKET RISKS AND RELATED MATTERS

4.1 RISK FACTORS

4.2 QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK AND RISK FACTORS

4.3 CERTAIN FINANCIAL INFORMATION

4.1 Risk Factors

You should carefully consider the following risks. These risks could materially affect our business, results of operations or financial condition, cause the trading price of our ordinary shares and/or ADSs to decline materially or cause our actual results to differ materially from those expected or those expressed in any forward looking statements made by or on behalf of the Company. The risks described below are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially adversely affect our business, financial condition, results of operations or cash flows.

RISKS RELATING TO THE FINANCIAL MARKETS

A decline or increased volatility in the securities markets may adversely affect our business and profitability

Fluctuations in the securities markets may affect sales of our participating life insurance and pension products, mutual funds, asset management services and products with financial risk borne by the policyholders (unit-linked), including variable annuity products and variable life products. In particular, protracted or steep declines in the stock or bond markets typically reduce the popularity of unit-linked products.

The level of volatility in the financial markets in which we invest and the overall investment returns earned in those markets substantially affect our profitability. Our investment returns, and thus our profitability, may be adversely impacted from time to time by conditions affecting our specific investments and, more generally, by securities market, real estate market and other market fluctuations. Our ability to make a profit on insurance products and investment products, including fixed and guaranteed products, depends in part on the returns on investments supporting our obligations under these products, and the value of specific investments may fluctuate substantially depending on the foregoing conditions. Certain types of insurance and investment products that we offer may expose us to risks associated with fluctuations in financial markets, including certain types of interest sensitive or variable products such as guaranteed annuities or variable annuities, which have crediting or other guaranteed rates or guaranteed minimum benefits not necessarily related to prevailing market interest rates or investment returns on underlying assets. AXA uses hedging techniques to manage its exposure under certain of these guarantees. Increased volatility in the financial markets may increase the cost of these hedges and/or negatively affect AXA's ability to hedge certain of these risks which may adversely affect our profitability.

The growth of our asset management business depends to a significant extent on factors such as investment returns and risk management. Poor performance in the financial markets, in general, and/or specific events or conditions that significantly increase volatility, reduce the availability of credit, adversely affect liquidity or otherwise impair normal functioning of the financial markets, such as the "sub-prime" crisis that has been adversely affecting the global credit and equity markets since mid-2007, may adversely affect the value of the assets we manage, as well as our ability to accumulate and retain those assets since clients may choose to withdraw assets under management in these circumstances. These trends may, in turn, adversely impact the revenues and profits that we earn from management of those assets and could have a material adverse effect on our financial condition and results of operations.

In addition, increased financial market volatility, the reduced availability of credit and other effects of the "sub-prime" crisis since mid-2007 including slowing economic growth, the risk of recession, and increasingly negative consumer sentiment in certain of our major markets may adversely affect our revenues, profitability, ability to pursue attractive acquisition opportunities and to achieve our growth targets which may adversely affect the prices of our ordinary shares and other securities.

Losses due to defaults by third parties, impairment of our investment assets and unrealized losses could negatively affect the value of our investments and reduce our profitability

Third parties that owe us money, securities or other assets may not perform under their obligations. These parties include issuers whose securities we hold in our investment portfolios (including mortgage-backed, asset-backed and other types of securities), borrowers under mortgages and other loans that we extend, reinsurers to which we have ceded insurance risks, customers, trading counterparties, counterparties under swap and other derivative contracts, clearing agents, exchanges, clearing houses and other financial intermediaries. In addition, defaults by parties with which we have no direct contractual relation, such as a default by a credit insurer that has insured bonds, structured finance products or other securities we may hold in our investment portfolios, may adversely impact the value of those securities and potentially adversely affect the financial markets more generally. These parties may default on their obligations due to bankruptcy, lack of liquidity, downturns in the economy or real estate market, operational failure or other reasons. Negative trends and investment climates in our major markets may result in an increase in investment impairments on our investment assets due to defaults, unrealized losses, credit downgrades or overall declines in securities markets.

The default of a major market participant (including, for example, a default by a credit insurer) could disrupt the securities markets or clearance and settlement systems in our major markets, which could in turn cause market declines or volatility. A failure of a major market participant could also cause some clearance and settlement systems to assess members of that system or could lead to a chain of defaults that could adversely affect us. For risks relating to defaults by reinsurers and retrocessionaires to which we have transferred part of our risks, see "Risks relating to the nature of our business and the environment in which we operate – Reinsurance may not be adequate to protect us against losses and we may incur losses due to the inability of our reinsurers to meet their obligations".

Interest rate volatility may adversely affect our profitability

During periods of declining interest rates, life insurance and annuity products may be relatively more attractive to consumers, resulting in increased premium payments on products with flexible premium features, and a higher percentage of insurance policies remaining in force from year-to-year. During a low interest rate period, our investment earnings may be lower because the interest earnings on our fixed income investments will likely have declined in parallel with market interest rates which would also cause unrealized losses on our assets recorded at fair value under IFRS. In addition, mortgages and fixed maturity securities in our investment portfolios will be more likely to be prepaid or redeemed as borrowers seek to borrow at lower interest rates. Consequently, we may be required to reinvest the proceeds in securities bearing lower interest rates. Accordingly, during periods of declining interest rates, our profitability may suffer as the result of a decrease in the spread between interest rates charged to policyholders and returns on our investment portfolios.

Conversely, in periods of increasing interest rates, surrenders of life insurance policies and fixed annuity contracts may increase as policyholders choose to forego insurance protection and seek higher investment returns. Obtaining cash to satisfy these obligations may require us to liquidate fixed maturity investments at a time when market prices for those assets are depressed because of increases in interest rates. This may result in realized investment losses. Regardless of whether we realize an investment loss, these cash payments would result in a decrease in total invested assets, and may decrease our net income. Premature withdrawals may also cause us to accelerate amortization of deferred policy acquisition costs, which would also reduce our net income.

The profitability of our spread-based businesses depends in large part upon our ability to manage interest rate spreads, and the credit and other risks inherent in our investment portfolios. For example, in Japan, the movements in rates over the last decade have had a significant impact on many Japanese life insurers, including our Japanese life insurance subsidiaries, which issued long-term policies and contracts with guaranteed fixed rates during periods of significantly higher interest rates but that now operate (and invest their assets) in Japan's low interest rate deflationary environment which has resulted in "negative spread" on certain of these guaranteed rate policies and contracts.

While we monitor and manage risks of this nature carefully, we cannot guarantee that we will successfully manage our interest rate spreads or the potential negative impact of those risks.

Market conditions and other factors could adversely affect our goodwill

Business and market conditions may impact the amount of goodwill we carry in our consolidated balance sheet. As the value of certain parts of our businesses, including in particular our asset management businesses, is significantly impacted by such factors as the state of financial markets and ongoing operating performance, significant declines in the financial markets or operating performance could also result in impairment of other goodwill carried by us and result in significant write-downs, which could be material.

Fluctuations in currency exchange rates may affect our reported earnings

AXA publishes its consolidated financial statements in Euro. For the year ended December 31, 2007, a significant portion of AXA's insurance gross premiums and financial services revenues, as well as AXA's benefits, claims and other deductions, were denominated in currencies other than the Euro, primarily U.S. dollars, pounds sterling, Japanese yen, Swiss francs and Australian dollars. AXA's obligations are denominated either in Euro or other currencies, the value of which is subject to foreign currency exchange rate fluctuations.

While AXA seeks to manage its exposure to foreign currency fluctuations through hedging, fluctuations in the exchange rates may have a significant impact on AXA's results of operations and cash flows. For example, continued strength of the Euro against the US dollar and other major currencies in 2008 and future periods may adversely affect AXA's results of operations and the price of its securities.

Capital market conditions may adversely impact our regulatory capital requirements

The Company's insurance subsidiaries are subject to the regulatory capital requirements in the jurisdictions where they do business, which are designed to monitor capital adequacy and to protect policyholders. The level of an insurer's required capital is impacted by many factors including, but not limited to, business mix, product design, sales volume, invested assets, liabilities, reserves and movements in the capital markets, including interest rates and equity markets. Regulatory capital requirements may increase, possibly significantly, during periods of declining equity markets and/or lower interest rates. Management monitors capital requirements on an ongoing basis and believes that the Company's insurance subsidiaries have (or have the ability to access) the necessary capital resources to support their business. However, to the extent such capital requirements are not met, our business and results of operations could be adversely affected. Insurance laws provide insurance regulators the authority to require various actions by, or take various actions against, insurers whose regulatory capital levels fail to meet statutory minimums, including the authority to limit or prohibit the issuance of new business.

RISKS RELATING TO THE INFLATION

In certain of our principal markets, inflation, as measured by consumer price indices or other means, has increased, in some cases significantly, over recent periods. A sustained increase in the inflation rate in our principal markets would have multiple impacts on AXA and may negatively affect our business, solvency position and results of operations. For example, a sustained increase in the inflation rate may result in an increase in market interest rates which may (i) decrease the value of certain fixed income securities we hold in our investment portfolios resulting in reduced levels of unrealized capital gains available to us which could negatively impact our solvency margin position and net income, (ii) result in increased surrenders of certain Life & Savings products, particularly, those with fixed rates below market rates, and (iii) require us, as an issuer of securities, to pay higher interest rates on debt securities we issue in the financial markets from time to time to finance our operations which would increase our interest expenses and reduce our results of operations. A significant and sustained increase in inflation has historically also been associated with decreased prices for equity securities and sluggish performance of equity markets generally. A sustained decline in equity markets may (i) result in impairment charges to equity securities that we hold in our investment portfolios and reduced levels of unrealized capital gains available to us which would reduce our net income and negatively impact our solvency position, (ii) negatively impact performance, future sales and surrenders of our unit-linked products where underlying investments are often allocated to equity funds, and (iii) negatively impact the ability of our asset management subsidiaries to retain and attract assets under management, as well as the value of assets they do manage, which may negatively impact their results of operations. In addition, in the context of certain Property & Casualty risks underwritten by our insurance subsidiaries (particularly "long-tail" risks), a sustained increase in inflation with a resulting increase in market interest rates may result in (i) claims inflation (i.e. an increase the amount ultimately paid to settle claims several years after the policy coverage period or event giving rise to the claim), coupled with (ii) an underestimation of corresponding claims reserves at the time of establishment due to a failure to fully anticipate increased inflation and its effect on the amounts ultimately payable to policyholders, and, consequently, (iii) actual claims payments significantly exceeding associated insurance reserves which would negatively impact our results of operations. In addition, a failure to accurately anticipate higher inflation and factor it into our product pricing assumptions, may result in a systemic mis-pricing of our products resulting in underwriting losses which would negatively impact our results of operations. For additional information, please see Part IV, Section 4.2 "Quantitative and Qualitative Disclosures About Market Risk and Risk Factors" in this Annual Report.

RISKS RELATING TO THE NATURE OF OUR BUSINESS AND THE ENVIRONMENT IN WHICH WE OPERATE

We have announced a multi-year "Ambition 2012" program with aspirational earnings, revenue growth and other targets. Our ability to realize our Ambition 2012 objectives is subject to multiple risks and uncertainties and there is no guarantee that these objectives will be achieved

In 2004, management publicly disclosed its "Ambition 2012" program pursuant to which AXA announced its intention to become the "preferred company" for its customers, shareholders and employees by 2012. Performance indicators relating to this program include objectives such as doubling revenues and trebling earnings per share over the period 2004-2012. While AXA is actively pursuing its announced objectives and has implemented multiple initiatives designed to help achieve them, there can be no assurance that these goals will be reached. Failure to meet the targets set forth in its "Ambition 2012" program may have a significant impact on AXA's stock price, its image, investors' and employees' confidence in AXA's management as well as its results of operations and cash flows.

We may not be able to sustain the growth of our insurance and asset management businesses

The strong growth of our insurance and asset management businesses in recent years, both organically and through acquisitions, may not be sustainable in future years. Increased volatility in the financial markets and reduced availability of credit since mid-2007 coupled with slowing economic growth, the risk of recession, and increasingly negative consumer sentiment in certain of our major markets pose significant risks to our ability to achieve the growth targets we have established as part of the Company's Ambition 2012 plan and to our ability to continue growing through acquisitions. In addition, our ability to sustain growth consistent with these targets may be adversely affected by regulatory changes, including changes in the tax laws applicable to our Life & Savings products and operations. The Group has implemented global product "reuse" initiatives designed to drive product innovation and reuse of successful products, such as our "accumulator" line of annuity products, across major markets where we operate around the world. Our Life & Savings products often involve complex features and guarantees that are not easily translated and transposed into the legal, regulatory and tax regimes across multiple jurisdictions. Our inability to successfully execute these product reuse initiatives in a timely manner could adversely affect the growth of our Life & Savings business.

We use numerous assumptions to determine the appropriate level of insurance reserves and deferred acquisition costs (DAC) and to calculate certain widely used industry measures of value such as Life & Savings New Business Value (NBV) and European Embedded Value (EEV), which involve a significant degree of management judgement and predictions about the future that are inherently uncertain; if these assumptions are not correct, it may have adverse impact on our results of operations and/or performance indicators, such as NBV, that may adversely affect the price of our securities

The establishment of insurance reserves, including the impact of minimum guarantees which are contained within certain of our variable annuity products, the adequacy test performed on the reserves for life policies and the establishment of DAC, NBV and EEV are inherently uncertain processes involving assumptions about factors such as policyholder behavior (e.g. lapses, persistency, etc.), court decisions, changes in laws and regulations, social, economic and demographic trends, inflation, investment returns and other factors, and, in the life insurance business, assumptions concerning mortality and morbidity trends. The use of different assumptions about these factors could have a material effect on insurance provisions and underwriting expenses. Changes in assumptions may lead to changes in the insurance provisions over time. Furthermore, some of these assumptions can be volatile. For example, our NBV is sensitive to interest rate movements and, consequently, incorrect assumptions about future interest rates may have a significant impact on our NBV and a corresponding impact on the trading price of our securities.

If our established loss reserves for our Property & Casualty and International Insurance businesses are insufficient, our earnings will be adversely affected

In accordance with industry practices and accounting and regulatory requirements, we establish reserves for claims and claims expenses related to our Property & Casualty and International Insurance businesses. With the exception of disability annuities and workers compensation liabilities that are deemed structured settlements, the claims reserves are not discounted. Reserves do not represent an exact calculation of liability, but instead represent estimates, generally using actuarial projection techniques at a given accounting date. These reserve estimates are expectations of what the ultimate settlement and administration of claims will cost based on our assessment of facts and circumstances then known, review of historical settlement patterns, estimates of trends in claims severity, frequency, legal theories of liability and other factors. The process of estimating the insurance claims reserves is based on the most current information available at the time the reserves are originally established. However, claims reserves are subject to change due to the number of variables which affect the ultimate cost of claims, such as:

- development in claims (frequency, severity and pattern of claims) between the amount estimated and actual experience;
- changes arising due to the time lag between the occurrence of the insured event, notification of the claim (from the insured party, a third party or a ceding company) and the final settlement (payment) of the claim, primarily attributable to long tail casualty claims that may take several years to settle due to the size and nature of the claim, and the occurrence of large natural catastrophes late in the financial year for which limited information may be available at year-end;
- judicial trends;
- expenses incurred in resolving claims;
- regulatory and legislative changes;
- changes in economic conditions, including inflation and foreign currency fluctuations; and
- changes in costs of repairs and medical costs.

Many of these items are not directly quantifiable, particularly on a prospective basis. As a result, actual losses may significantly differ from the original gross reserves established. Consequently, the reserves may need to be re-estimated reflecting those changes resulting in loss reserve redundancies (in cases where the original gross claims reserve was overstated) or deficiencies (in cases where the original gross claims reserve was understated). Adjustments to reserves are reflected in current results of operations.

We continually review the adequacy of the established claims reserves, including emerging claims development, and actual claims compared to the original assumptions used to estimate gross claims reserves. Based on current information available, we believe that our claims reserves are sufficient. However, because the establishment of claims reserves is an inherently uncertain process involving estimates, there can be no assurance that ultimate losses will not materially exceed our claims reserves and have a material adverse effect on our earnings. For example, there is a high degree of uncertainty with respect to future exposure from asbestos claims because of significant issues surrounding the liabilities of insurers, diverging legal interpretations and judgments in different jurisdictions and aggressive asbestos related litigation, particularly in the U.S. and increasingly in the UK and other European countries. These uncertainties include the extent of coverage under insurance policies, whether or not particular claims are subject to an aggregate limit, the number of occurrences involved in particular claims and new theories of insured and insurer liability. We have established reserves for insurance and reinsurance contracts related to environmental pollution and asbestos at December 31, 2007, which represent our best estimate of ultimate claims exposure at December 31, 2007 based on our current knowledge of facts and law. However, given uncertainties surrounding the related claims, there can be no assurance that ultimate losses will not materially exceed our claims reserves and have a material adverse effect on our earnings. For additional information, see "Environmental Pollution and Asbestos" in Note 14 to AXA's consolidated financial statements included in the Part V of this Annual Report.

The claims experience in our Life & Savings businesses could be inconsistent with the assumptions we use to price our products and establish our reserves and adversely affect our earnings

In our Life & Savings businesses, our earnings depend significantly upon the extent to which our actual claims experience is consistent with the assumptions we use in setting the prices for our products and establishing the liabilities for obligations for technical provisions and claims. AXA uses both its own experience and industry data to develop estimates of future policy benefits, including information used in pricing the insurance products and establishing the related actuarial liabilities. However, there can be no assurance that actual experience will match these estimates. To the extent that our actual benefits paid to policyholders are less favorable than the underlying assumptions used in initially establishing the future policy benefit reserves, or events or trends cause us to change the underlying assumptions, we may be required to increase our liabilities, which may reduce our net income. For example, certain variable annuity products issued or reinsured by certain of our subsidiaries contain guaranteed minimum death benefit ("GMDB") and guaranteed minimum income benefit ("GMIB") features. The determination of GMDB and GMIB liabilities is based on models that involve numerous estimates and subjective judgments, including those regarding expected market rates of return and volatility, GMIB election rates, contract surrender rates and mortality experience. Determination of liabilities for our other lines of Life & Savings business, such as our annuity business, as well as our disability income business, also involve numerous assumptions and subjective judgments as to mortality and morbidity experience, investment returns, expenses, policy surrender rates, policy lapse rates, and other matters. There can be no assurance that the actual experience on these products will not differ, upwards or downwards, from management's estimates. In addition, certain acquisition costs related to the sale of new policies and the purchase of policies already in force have been recorded as assets on our balance sheet and are being amortized into income over time. If the assumptions relating to various factors, including the future profitability of these policies (such as future claims, investment income and expenses) and policy lapses and surrenders are not realized, the amortization of these costs could be accelerated and may even require write-offs due to unrecoverability. These factors could have a material adverse effect on our business, results of operations and financial condition.

Our operating results may be materially adversely affected by the occurrence of natural or man-made disasters and pandemic diseases

Unpredictable events, such as hurricanes, windstorms, hailstorms, earthquakes, fires, explosions and floods, as well as other natural or man-made disasters, including acts of terrorism, have the potential to adversely affect our operating results. Over the past several years, changing weather patterns and climatic conditions, such as global warming, have added to the unpredictability and frequency of natural disasters in certain parts of the world and created additional uncertainty as to future trends and exposures. We generally seek to reduce our exposure to these events through individual risk selection, monitoring risk accumulation and purchase of reinsurance. We have experienced in the past, and could experience in the future, material losses from such disasters and catastrophic events, which are inherently unpredictable and which could have a material adverse effect on our financial position and results of operations.

Other risks, such as an outbreak of a pandemic disease, such as the Avian Influenza A Virus (H5N1), could also adversely affect our business and operating results. While outbreaks of the Avian Flu have occurred among poultry or wild birds in a number of countries in Asia, parts of Europe, and in Africa, transmission to humans has been rare. If the virus mutates to a form that can be transmitted from human to human, it has the potential to spread rapidly worldwide and result in mortality and morbidity rates that far exceed the assumptions that we have used in pricing certain of our products. Both the contagion and mortality rates regarding any mutated H5N1 virus that can be transmitted from human to human are highly speculative at this point in time and we continue to monitor the developing facts. A significant global outbreak could have a material adverse effect on our life insurance business, operating results and liquidity due to increased mortality and morbidity rates.

A downgrade in the claims paying ability and credit strength ratings of AXA could adversely impact our business and results of operations

Claims paying and credit strength ratings have become an increasingly important factor in establishing the competitive position of insurance companies. Rating agencies review their ratings, and their rating methodologies, periodically and our current ratings may not be maintained in the future. A downgrade or the potential for a downgrade in these ratings could adversely affect our business and results of operations, including through a reduction in the number of new insurance policies that we underwrite and/or an increase in surrender or termination rates of our policies already inforce, as well as the costs to us of obtaining reinsurance. A downgrade in our ratings may also adversely affect our cost of raising debt.

We face increased competition in all of our business segments, including the global financial services industry, as a result of continuing consolidation

We face strong and increasing competition in all our business lines. Our competitors include mutual fund companies, asset management firms, private equity firms, hedge funds, commercial banks and other insurance companies, many of which are regulated differently than we are and offer alternative products or more competitive pricing than we do. The recent consolidation in the global financial services industry has also enhanced the competitive position of some of our competitors by broadening the range of their products and services, and increasing their distribution channels and their access to capital. In addition, development of alternative distribution channels for certain types of insurance and securities products, including through the internet, may result in increasing competition as well as pressure on margins for certain types of products. These competitive pressures could result in increased pricing pressures on a number of our products and services, particularly as competitors seek to win market share, and may harm our ability to maintain or increase our profitability.

Reinsurance may not be adequate to protect us against losses and we may incur losses due to the inability of our reinsurers to meet their obligations

In the normal course of business, AXA seeks to reduce losses that may arise from catastrophes or other events that cause unfavorable underwriting results through reinsurance. Under the reinsurance arrangements, other insurers assume a portion of the losses and related expenses; however, we remain liable as the direct insurer on all risks reinsured. Consequently, ceded reinsurance arrangements do not eliminate our obligation to pay claims and we are subject to our reinsurers' credit risk with respect to our ability to recover amounts due from them. Although we evaluate periodically the financial condition of our reinsurers to minimize our exposure to significant losses from reinsurer insolvencies, our reinsurers may become financially unsound by the time their financial obligation becomes due. The reinsurance market has become increasingly concentrated following recent mergers and acquisitions, which have reduced the number of major reinsurance providers. The inability of any reinsurer to meet its financial obligations to us could negatively impact our results of operations. In addition, the availability, amount and cost of reinsurance depend on general market conditions and may fluctuate significantly. Reinsurance may not be available to us in the future at commercially reasonable rates and any decrease in the amount of our reinsurance will increase our risk of loss.

Our Hedging programs may be inadequate to protect us against the full extent of the exposure or losses we seek to mitigate

We use derivatives, including exchange traded equity futures contracts, interest rate swaps and floor contracts, to help reduce the economic impact of, among other things, unfavorable changes in GMDB, GMIB and WBL exposures due to movements in the equity and fixed income markets. The operation of our hedging program is based on models involving numerous estimates and subjective judgments, including among others, mortality, lapse rates, election rates, volatility and interest rates. There can be no assurance that ultimate actual experience will not differ materially from our assumptions, which could adversely impact results of operations and financial condition. For example, if there are extreme or unanticipated levels of volatility in the market and/or if interest rates remain at significantly low levels, we could experience losses associated with product guarantee features. Similarly, we could also experience losses to the extent that the separate account investment options under perform the corresponding indices used in our hedging program.

Changes in tax laws and regulations, including elimination of tax benefits for our products, may adversely affect sales of our insurance and investment advisory products, and also impact our deferred tax assets

Changes to tax laws may affect the attractiveness of certain of our products, which currently have favorable tax treatment. From time to time, governments in the jurisdictions in which we operate, have considered or implemented proposals for changes in tax law that could adversely affect our products. These proposals have included proposals to levy tax on the undistributed increase in value of life insurance policies or annuities or similar proposals that affect the tax-favored status of life insurance products and annuities in certain jurisdictions as well as other changes that could adversely affect the attractiveness of our products. For example, in the UK, recently adopted modifications to the capital gains tax regime are expected to reduce the attractiveness of certain products we sell including life insurance bonds and adversely impact sales of these products. In addition legislation enacted in the United States in the spring of 2001 increased the size of estates exempt from the federal estate tax. This legislation is phasing in reductions in the estate tax rate between 2002 and 2009 and will repeal the estate tax entirely in 2010. Under the legislation, however, the estate tax will be reinstated, without the increased exemption or reduced rate, in 2011 and will be in effect thereafter. This legislation, and possible future changes to it such as extending or making permanent its repeal or reform to reduce the impact of estate taxes, could have a negative impact on the sales of estate planning products by U.S. life insurance companies, including our U.S. subsidiaries. The enactment of these or other similar types of legislation in the various countries where we operate, including proposals in the U.S. to create or favor alternative tax-favored long-term savings vehicles, could result in a significant decrease in sales of our currently tax-favored products.

In addition, changes in tax laws or regulations or an operating performance below currently anticipated levels may lead to a significant impairment of deferred tax assets, in which case we could be obligated to write off certain tax assets. Tax assets may also need to be written down if certain assumptions of profitability prove to be incorrect, as losses incurred for longer than expected will make it more unlikely that we would be able to use our tax assets. Any such development may have a material adverse impact on our results of operations.

The Property & Casualty insurance business is cyclical, which may impact our results

The Property & Casualty insurance business is cyclical. Although no two cycles are the same, these cycles have typically lasted for periods ranging from two to six years. Periods of intense price competition due to excessive underwriting capacity, periods of shortages of underwriting capacity permitting more favorable rates, consequent fluctuations in underwriting results and the occurrence of other losses characterize the conditions in these cycles. Historically, Property & Casualty insurers have experienced significant fluctuations in operating results due to volatile and sometimes unpredictable developments, many of which are beyond the direct control of the insurer, including competition, frequency or severity of catastrophic events, levels of capacity, general economic conditions and other factors. This may cause a decline in revenues during certain cycles if we choose not to reduce our Property & Casualty product prices in order to maintain our market position and profitability. We may therefore experience the effects of such cyclicality, changes in customer expectations of appropriate premium levels, the frequency or severity of claims or other loss events, or other factors affecting the Property & Casualty insurance business, which could have an adverse effect on our results of operations and financial condition.

Our business is subject to extensive laws and regulation and to significant litigation risks in the various countries where we operate; changes in existing or new laws and government regulations in these countries and/or an adverse outcome in any significant pending or future litigation or regulatory investigation may have an adverse effect on our business, financial condition, results of operations, reputation or image in the marketplace

We are subject to detailed and comprehensive regulation and supervision in all the jurisdictions in which we operate. Our insurance operations are subject to insurance laws and regulations, which are generally intended to protect policyholders, not our shareholders or creditors. Changes in existing insurance laws and regulations may materially affect the way in which we conduct our business and the products we offer. In addition, changes in pension and employee benefit regulation, social security regulation, financial services regulation, taxation and the regulation of securities products and transactions may also adversely affect our ability to sell new policies or our claims exposure on existing policies. Our asset management operations are also subject to extensive regulation in their respective jurisdictions. These regulations are primarily intended to protect investors in the securities markets or investment advisory clients and generally grant supervisory authorities broad regulatory powers. Changes to these laws and regulations may adversely affect our asset management operations. We are also subject to increasing regulation under various laws and regulations governing the solvency of insurers and other financial institutions including with respect to such matters as capital adequacy, intra-group transactions, "double-gearing" of capital at multiple levels within a consolidated group (e.g. at the consolidated Group, holding company and operating company levels). As a large, multinational financial services provider we are also increasingly subject to detailed and comprehensive regulations governing such matters as money laundering, "know your customer," prohibited transactions with countries or counterparties subject to sanctions, and bribery and other anti-corruption measures.

We are faced with significant compliance challenges due to the fact that our regulatory environment is evolving rapidly and supervisory authorities around the world are assuming an increasingly active and aggressive role in interpreting and enforcing regulations in the jurisdictions where we do business. We have been and may become in the future subject to regulatory investigations which, together with the civil actions often following these investigations, may affect our image, brand, relations with regulators and/or results of operations. For a discussion of regulations which affect our business, please see the "Additional Factors which may affect AXA's Business" Section included in the Part II "The AXA Group: Our global business operations, recent financial performance and financial condition" of this Annual Report. We cannot predict with any certainty the potential effects that any change in applicable laws or regulations, their interpretation or enforcement, or that any enactment of new regulation or legislation in the future may have on the business, financial condition or results of operations of our various businesses.

We have been named as defendants in numerous lawsuits (both class actions and individual lawsuits) and involved in various regulatory investigations and examinations and may be involved in more in the future. These actions arise in various contexts including in connection with our activities as an insurer, securities issuer, employer, investment advisor, investor and taxpayer. Any one or a combination of this lawsuits or regulatory investigations could have a material adverse effect on our financial condition and results of operations.

Certain of these lawsuits and investigations seek significant or unspecified amounts of damages, including punitive damages, and certain of the regulatory authorities involved in these proceedings have substantial powers over the conduct and operations of our business.
Due to the nature of certain of these lawsuits and investigations, we cannot make an estimate of loss or predict with any certainty the potential impact of these suits or investigations on our business, financial condition or results of operations. Please see Part V – Note 30 "Litigation" and the "Additional Factors which may affect AXA's Business" included in the Part II, Section 2.2 of this Annual Report for additional information on these matters.

Increased geopolitical risks following the terrorist attacks in the United States and elsewhere and any future terrorist attacks may have a continuing negative impact on certain of our businesses

We cannot assess with any degree of certainty the future effects on our businesses of terrorist attacks that have occurred and may occur in the future throughout the world, and other responsive actions, including war.

The terrorist attacks and responsive actions in recent years have significantly adversely affected general economic, financial and political conditions, increasing many of the risks in our businesses. Such attacks and actions may have a continuing negative effect on our businesses and results of operations over time. Our general account investment portfolios include investments in industries that we believe may be adversely affected by the terrorist attacks and responsive actions, including airlines, lodging and entertainment companies and non-life insurance companies. The effect of these events on the valuation of these investments is uncertain and could lead to impairments due to lasting declines in the value of investments. The cost, and possibly, the availability, in the future, of reinsurance coverage against terrorist attacks for our various insurance operations is uncertain. In addition, the rating agencies could reexamine the ratings affecting the insurance industry generally, including our companies.

As a global business, we are exposed to various local political, regulatory and economic conditions, business risks and challenges which may affect the demand for our products and services, the value of our investment portfolios and the credit quality of local counterparties

We offer our products and services in Europe, North America, the Asia/Pacific region, the Middle East and Africa through wholly-owned and majority-owned subsidiaries, joint ventures, companies in which we hold non-controlling equity stakes, agents and independent contractors. Our international operations expose us to different local political, regulatory, business and financial risks and challenges which may affect the demand for our products and services, the value of our investment portfolios, the required levels of capital and surplus, and the credit quality of local counterparties. These risks include, for example, political, social or economic instability in countries in which we operate, fluctuations in foreign currency exchange rates, credit risks of our local borrowers and counterparties, lack of local business experience in certain markets, risks associated with exposure to insurance industry insolvencies through policyholder guarantee funds or similar mechanisms set up in foreign markets and, in certain cases, risks associated with the potential incompatibility with foreign partners, especially in countries in which we are conducting business through entities we do not control. Our expansion in emerging markets requires us to respond to rapid changes in market conditions in these countries. Our overall success as a global business depends, in part, upon our ability to succeed in different economic, social and political conditions. We may not continue to succeed in developing and implementing policies and strategies that are effective in certain locations where we do business.

Finally, our results of operations and financial condition may be materially affected, from time to time, by the general economic conditions such as the levels of employment, consumer lending or inflation, in the countries in which we operate.

We increasingly operate in markets with less developed judiciary and dispute resolution systems; in the event of disputes in these markets, the quality and the effectiveness of such systems could have an adverse effect on our operations and results of operations

In the less developed markets in which we operate, judiciary and dispute resolution systems may be less developed. As a result in case of a breach of contract, regulatory enforcement action or other dispute we may have difficulties in making and enforcing claims against contractual counterparties and, if claims are made against us, we might encounter difficulties in defending such claims. If we become party to legal or regulatory proceedings in a market with an insufficiently developed judiciary system, it could have an adverse effect on our operations and results of operations.

Inadequate or failed processes or systems, human factors or external events may adversely affect our profitability, reputation or operational effectiveness

Operational risk is inherent in our business and can manifest itself in various ways, including business interruption, poor vendor performance, information systems malfunctions or failures, regulatory breaches, human errors, employee misconduct, and external fraud. These events can potentially result in financial loss, harm to our reputation and/or hinder our operational effectiveness. Management attempts to control these risks and keep operational risk at low levels by maintaining a sound and well controlled environment in light of the characteristics of our business, markets and regulatory environment in which we operate. Notwithstanding these measures, operational risk is part of the business environment in which we operate and we may incur losses from time to time due to these types or risks.

OTHER RISKS RELATING TO OUR OPERATIONS

As a holding company, we are dependent on our subsidiaries to cover our operating expenses and dividend payments

Our insurance and financial services operations are generally conducted through direct and indirect subsidiaries. As a holding company, our principal sources of funds are dividends from subsidiaries and funds that may be raised from time to time through the issuance of debt or equity securities or through bank or other borrowings.

We expect that dividends received from subsidiaries will continue to cover our operating expenses, including (i) interest payments on our outstanding financing arrangements and (ii) dividend payments with respect to our outstanding ordinary shares. We expect that future acquisitions and strategic investments will be funded from available cash flow remaining after the payment of dividends and operating expenses (including interest expenses), cash on hand from previous securities offerings, proceeds of future offerings of securities, and proceeds from the sale of non-core assets. Certain of our significant subsidiaries, including AXA France Assurance, AXA Financial, AXA UK Holdings, AXA Japan, AXA Asia-Pacific Holdings, and AXA Germany, are also holding companies and are dependent on dividends from their respective subsidiaries for funds to meet their obligations. In addition, certain of our principal insurance subsidiaries are subject to restrictions on the amount of dividends and debt repayments that can be paid to us and our affiliates. While we do not believe that these restrictions currently constitute a material limitation on our ability to meet our obligations or pay dividends on our shares, these restrictions may lead to a material limitation in the future. For further details, see the "liquidity and capital ressources" Section included in Part II and the Part V – Note 28.3 "Other items: Restrictions on Dividend Payments to Shareholders" of this Annual Report.

Compliance with the Sarbanes-Oxley Act entails significant expenditure and managerial attention, and non-compliance with the Sarbanes-Oxley Act may adversely affect us

The U.S. Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act") and the related regulations subsequently implemented by the SEC and the NYSE required changes to some of our accounting and corporate governance practices, including the requirement to issue a report on our internal controls over financial reporting as required by Section 404 of the Sarbanes-Oxley Act. We expect that compliance with these rules and regulations will continue to require significant management attention and will continue to require significant expenditures for accounting, legal and other services. In addition, because Section 404 of the Sarbanes-Oxley Act requires our auditors to audit and issue an attestation report on our internal controls over financial reporting each year, undertaking significant internal restructurings (such as information technology restructurings), corporate development activities or other initiatives that may affect our internal control environment, may become more difficult and costly. This may have an adverse effect on our business and/or our ability to compete with our competitors that are not subject to the Sarbanes-Oxley Act. Our inability to achieve or maintain compliance with Section 404 and other provisions of the Sarbanes-Oxley Act and related rules and regulations may have a material adverse effect on us including on our reputation and image in the global marketplace.

Our acquisitions may divert management attention and other resources and involve risks of additional liabilities

In recent years, we have completed a number of acquisitions around the world, such as the acquisition of Winterthur Group from Crédit Suisse completed on December 22, 2006. We may make further acquisitions in the future. Growth by acquisition involves risks that could adversely affect our operating results, including the substantial amount of management time that may be diverted from operations to pursue and complete acquisitions. Our acquisitions could also result in the incurrence of additional indebtedness, costs, contingent liabilities, and impairment and amortization expenses related to goodwill and other intangible assets, all of which could materially adversely affect our businesses, financial condition and results of operations. Future acquisitions may have a dilutive effect on the ownership and voting percentages of existing shareholders. We may also finance future acquisitions with debt issuances or by entering into credit facilities, each of which could adversely affect our businesses, financial condition and results of operations. The businesses we have recently acquired include Life & Savings, Property & Casualty, Asset Management, distribution businesses and retail banking operations. There could be unforeseen liabilities that arise out of the businesses we have acquired and may acquire in the future which may not be covered by, or exceed the amounts of any indemnities provided to us by the sellers.

Our acquisitions may cause integration issues and we may not achieve the level of synergies anticipated

We may face difficulties in managing and integrating the operations and personnel we acquire. Significant delays in completing the integration of acquired companies may cause us to lose key employees and/or customers of these companies. We may also experience difficulties in rationalizing and integrating the information technology ("IT") systems of acquired companies, including accounting information systems, with our existing IT systems. Delays and unforeseen costs in the integration process would require extensive management attention and resources and could jeopardize the timely production of the financial information required for inclusion in the consolidated financial statements and the timely reporting to relevant regulatory authorities. These integration issues may prevent us from achieving the level of synergies forecast.

For example, our ability to achieve the synergies announced in connection with the Winterthur acquisition depends on AXA's ability to execute the market-by-market integration of Winterthur in an efficient and timely manner and on a number of other factors, including the ability to achieve projected synergies in IT, reinsurance, human resources and various other areas.

We may have contingent liabilities from discontinued, divested and run-off businesses and may incur other off-balance sheet liabilities that may result in charges to the income statement

We may, from time to time, retain insurance or reinsurance obligations and other contingent liabilities in connection with our divestiture, liquidation or run-off of various businesses. For example, on December 21, 2006, we completed the disposition of AXA RE's business, our reinsurance subsidiary, but retained the risk related to adverse deviation of claims reserves for all accident years prior to January 1, 2006.

Our reserves for these types of obligations and liabilities may be inadequate which could cause us to take additional charges that could be material to our results of operations. We may also, from time to time and in the course of our business provide guarantees and enter into derivative and other types of off-balance sheet transactions that could result in income statement charges. For additional information, see Part V – Note 28 "Contingent assets and liabilities and unrecognized contractual commitments" and also Part V – Note 19 "Derivative Instruments" of this Annual Report.

The failure to maintain and modernize our information systems could adversely affect our business

Our business depends significantly on effective information systems, and we have many different information systems for our various businesses. We must commit significant resources to maintain and enhance our existing information systems, and develop new ones in order to keep pace with the evolving information technology, industry and regulatory standards and customer preferences. If we do not maintain adequate information systems, we may not be able to gather and rely on adequate information to base our pricing, underwriting and reserving decisions. We may also have difficulties in attracting new customers and preserving our existing customer base. In addition, underperforming information systems could cause us to become subject to a higher number of customer, provider and agent disputes, may increase our litigation and regulatory exposure and make us incur higher administrative expenses, including remediation costs.

Significant shareholders of AXA may have interests conflicting with your interests

The Mutuelles AXA, two French mutual insurance companies, acting as a Group, owned at December 31, 2007, approximately 14.48% of the issued ordinary shares of AXA representing approximately 20.84% of the voting power of AXA's shares. Many of the shares owned by the Mutuelles AXA have double voting rights pursuant to the provisions of AXA's articles of association, see the "Additional information" Section included in the Part VI of this Annual Report. The Mutuelles AXA have stated their intention to collectively vote their shares in AXA. We cannot assure you that the interests of the Mutuelles AXA will not, from time to time, conflict with your interests as a shareholder. For example, even though the Mutuelles AXA do not hold a majority of the total voting power in AXA, efforts by the Mutuelles AXA to decline or deter a future offer to acquire control of AXA, which other shareholders may find attractive, may prevent other shareholders from realizing a premium for their AXA ordinary shares or ADRs. The Mutuelles AXA may decide to increase their interest in AXA or to sell all or a portion of the ordinary shares they own at some future date.

RISKS RELATED TO OWNERSHIP OF AXA ADSs OR ORDINARY SHARES

The trading price of AXA ADSs and dividends paid on AXA ADSs may be materially adversely affected by fluctuations in the exchange rate for converting Euro into U.S. dollars

Fluctuations in the exchange rate for converting Euro into U.S. dollars may affect the value of AXA ADSs. Specifically, as the relative value of the Euro against the U.S. dollar declines, each of the following values will also decline:

- the U.S. dollar equivalent of the Euro trading price of AXA ordinary shares on Euronext Paris which may consequently cause the trading price of AXA ADSs in the United States to also decline;
- the U.S. dollar equivalent of the proceeds that a holder of AXA ADSs would receive upon the sale in France of any AXA ordinary shares withdrawn from the depositary; and
- the U.S. dollar equivalent of cash dividends paid in Euro on the AXA ordinary shares represented by the AXA ADSs.

The holders of AXA ADSs may not be able to exercise their voting rights due to delays in notification to and by the depositary

The depositary for the AXA ADSs may not receive voting materials for AXA ordinary shares represented by AXA ADSs in time to ensure that holders of AXA ADSs can instruct the depositary to vote their shares. In addition, the depositary's liability to holders of AXA ADSs for failing to carry out voting instructions or for the manner of carrying out voting instructions is limited by the Deposit Agreement governing the AXA ADR facility. As a result, holders of AXA ADSs may not be able to exercise their right to vote and have limited recourse against the depositary or AXA if their shares are not voted according to their request.

Holders of AXA ADSs will have limited recourse if AXA or the depositary fails to meet its obligations under the Deposit Agreement and they wish to involve AXA or the depositary in a legal proceeding

The Deposit Agreement expressly limits the obligations and liability of AXA and the depositary. Neither AXA nor the depositary will be liable if they:

- are prevented from or delayed in performing any obligation by circumstances beyond their control;
- exercise or fail to exercise discretion under the Deposit Agreement; or

– take any action based upon the advice of, or information from, legal counsels, accountants, any person presenting ordinary shares for deposit, any holder or owner of an AXA ADR or any other person believed by AXA or the depositary in good faith to be competent to give such advice or information. In addition, the depositary and AXA have the obligation to participate in any action, suit or other proceeding with respect to the AXA ADSs which may involve them in expense or liability only if they are indemnified.

These provisions of the Deposit Agreement will limit the ability of holders of AXA ADSs to obtain recourse if AXA or the depositary fails to meet their obligations under the Deposit Agreement or if they wish to involve AXA or the depositary in a legal proceeding.

The holders of AXA ADSs in the United States may not be able to participate in offerings of rights, warrants or similar securities to holders of our ordinary shares on the same terms and conditions as holders of our ordinary shares

In the event that we offer rights, warrants or similar securities to the holders of our ordinary shares or distribute dividends payable, in whole or in part, in securities, the Deposit Agreement provides that the depositary (after consultation with AXA) shall have discretion as to the procedure to be followed in making such rights or other securities available to ADR holders including disposing of such rights or other securities and distributing the net proceeds in U.S. dollars to ADR holders. Given the significant number of AXA ADR holders in the U.S., AXA generally would be required to register with the SEC any public offering of rights, warrants or other securities made to its ADR holders unless an exemption from the registration requirements of the U.S. securities laws is available. Registering such an offering with the SEC can be a lengthy process which may be inconsistent with the timetable for a global capital raising operation. Consequently, we have in the past elected and may in the future elect not to make such an offer in the U.S., including to our ADR holders in the U.S. and rather only conduct such an offering in an "offshore" transaction in accordance with "Regulation S" under the U.S. Securities Act of 1933, as amended. Therefore, there can be no assurance that our ADR holders will be able to participate in such an offering in the same manner as our ordinary shareholders.

Our ADSs and ordinary share price could be volatile and could drop unexpectedly and you may not be able to sell your ADRs or ordinary shares at or above the price you paid

The price at which our ADSs and ordinary shares will trade may be affected by a large number of factors, some of which will be specific to us and our operations and some of which will be related to the insurance industry and equity markets generally. As a result of these factors, you may not be able to resell your ADSs or ordinary shares at or above the price which you paid for them. In particular, the following factors, in addition to other risk factors described in this Section, may have a significant impact on the market price of our ADSs or ordinary shares:

– investor perception of our Company, including actual or anticipated variations in our revenues, earnings or other operating results;
– announcement of intended acquisitions, disposals or financings or speculations of such acquisitions, disposals or financings;
– changes in our dividend policy, which could result from changes in our cash flow and capital position;
– sales of blocks of our shares by significant shareholders;
– hedging activities on our shares;
– a downgrade of our credit or financial strength ratings, including placement on credit watch, or rumors of such downgrades;
– actual or potential litigation involving us or the insurance or asset management industries generally;
– changes in financial estimates and recommendations by securities research analysts;
– fluctuations in foreign exchange rates and interest rates;
– the performance of other companies in the financial services' sector;
– regulatory developments in the principal markets in which we operate;
– international or local political, economic and market conditions; and
– unforeseen events such as natural disasters or terrorist attacks and other developments stemming from such events and the uncertainty related to these developments.

As a "foreign private issuer" in the United States, AXA is exempt from certain rules under the U.S. securities laws and is permitted to file less information with the SEC than U.S. companies

As a "foreign private issuer," AXA is exempt from certain rules under the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), that impose certain disclosure obligations and procedural requirements for proxy solicitations under Section 14 of the Exchange Act. In addition, AXA's officers, directors and principal shareholders are exempt from the reporting and "short-swing" profit recovery provisions of Section 16 of the Exchange Act and the rules under the Exchange Act with respect to their purchases and sales of AXA ordinary shares and ADRs. Moreover, AXA is not required to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act, and for years ended December 31, 2007 and thereafter, AXA will no longer be required to reconcile its IFRS financial statements to US GAAP provided that AXA continues to publish its primary IFRS financial statements in accordance with IFRS as published by the IASB. In addition, AXA is not required to comply with Regulation FD, which restricts the selective disclosure of material information. Accordingly, there may be less publicly available information concerning AXA than there is for U.S. public companies.

Judgments of United States courts may not be enforceable against us

Judgments of United States courts, including those predicated on the civil liability provisions of the Federal securities laws of the United States, may not be enforceable in French courts. As a result, our shareholders who obtain a judgment against us in the United States may not be able to require us to pay the amount of the judgment.

The Risk Management organization

Information in this section should be read in conjunction with note 4 to the Consolidated Financial Statements included in Part V of this Annual Report and is covered by the Statutory Auditor's Report on the Consolidated Financial Statements.

Within the Finance Department, the aim of Risk Management is to identify, quantify and manage the main risks to which the Group is exposed. To achieve this, the Risk Management Department develops and uses various methods and tools to assess and monitor risk.

These systems and tools allow optimal management of risks taken by the Group and, by facilitating a more accurate assessment of risk exposure, help to reduce earnings volatility and to optimize the Group's allocation of capital to its various businesses.

Within the AXA Group, Risk Management is coordinated by a central team, supported by local Risk Management teams within each operational entity.

RISK MANAGEMENT PRINCIPLES AND PRIORITIES

In order to make a tangible and measurable contribution to the Group's activities, Risk Management has three key characteristics:

- Pragmatic: focusing on clearly identified priorities.
- Operational: working directly with the Group's businesses.
- Decentralized: based on the subsidiarity principle, in line with the Group's general organization.

Risk Management has five main priorities:

- Co-ordinating and monitoring asset-liability management (ALM) and carrying out Economic Capital calculation and analyses.
- Approving new products prior to launch and promoting product innovation.
- Managing insurance exposures, in particular reviewing Property & Casualty reserves and optimizing reinsurance strategies.
- Identifying and assessing operational risk.
- Managing information systems: projection, simulation, risk assessment, consolidation and reporting.

THE AXA GROUP'S RISK MANAGEMENT : AXA CESSIONS AND GROUP RISK MANAGEMENT

The Group's risk management structure is mainly based around the Group Risk Management (GRM) department and AXA Cessions.

GRM, under the authority of the Group Chief Risk Officer, is responsible for defining AXA's standards as regards main risks. This includes developing and deploying tools for assessing and managing risk.

GRM also coordinates risk detection and management at the Group level, and indirectly at the subsidiaries' level. In particular, this includes all procedures for reporting risk and consolidating risk at Group level. GRM coordinates the local Risk Management teams of the Group's various subsidiaries. In line with Group governance principles, this coordination focuses on minimum Group-wide requirements defined by GRM in terms of organization, resources and results.

AXA Cessions advises and supports the Group's Property & Casualty and Life & Savings companies with their reinsurance strategy and centralizes the Group's purchasing of reinsurance. Its role is defined more precisely in sections "Pre-launch product approval and exposure monitoring" and "Definition of reinsurance requirements and analysis of underwriting" of this chapter.

LOCAL TEAMS

Local Risk Management teams are in particular in charge of applying AXA risk management standards and implementing the minimum requirements set by GRM.

The Risk Management departments of operational entities are managed by local Chief Risk Officers, who report directly to local CFOs. The roles and responsibilities of local Risk Management departments are formally approved by the executive committees of Group entities. These roles and responsibilities comply with the Group's Risk Management priorities (see section "Risk Management principles and priorities" above) and consist of:

- Leading efforts to determine the Economic Capital of local entities and developing the necessary tools. The Risk

Management department performs these tasks using a uniform set of techniques including stochastic models. These modelling techniques allow an assessment of AXA's risk exposure based on the large number of scenarios examined in this type of approach. These tools complement more traditional deterministic forecasting tools, such as stress scenarios. Besides the specific conclusions for each product line and each unit, these analyses measure the level of assets with respect to the economic capital required to cover a level of assumed risks consistent with a AA credit rating.

– Controlling the implementation of ALM policies, and in particular monitoring the strategic asset allocation of local entities (see section "Management processes").
– Implementing pre-launch product approval procedures, and in particular reviewing risk-adjusted profitability analyses (see section "Pre-launch product approval and exposure monitoring").
– Reviewing local technical reserves and optimizing entities' reinsurance strategy (see section "Implementation of the reinsurance strategy Role of AXA Cessions").
– Identifying, quantifying and monitoring the main operational risks (see section "General principles").
– Carrying out risk reporting defined by GRM.

Market Risk

Information in this section should be read in conjunction with note 4 to the Consolidated Financial Statements included in Part V of this Annual Report and is covered by the Statutory Auditor's Report on the Consolidated Financial Statements.

AXA is exposed to financial market risks through its financial protection business and through the financing of its activities as part of its equity and debt management. These two distinct sets of risks can be summarized as follows:

ASSET-LIABILITY MANAGEMENT OF INSURANCE PORTFOLIOS

One of the basic functions of the insurance business is to invest premiums received from customers with a view to settling any claims that might occur. The way these premiums are invested must take into account the way in which any claims will be settled. This is the role of asset-liability management. In an effort to protect and enhance shareholder value, AXA actively manages its exposure to market risks.

Primary responsibility for risk management, including market risk, rests with the Group's local subsidiaries, which have the best knowledge of their products, policyholders and risk profile. This approach allows subsidiaries to react in an accurate and targeted manner to changes in financial markets, insurance cycles and the political and economic environment in which they operate.

A wide variety of risk management techniques are used to control and mitigate the market risks to which the AXA Group's operational entities and the Group itself are exposed. These techniques include:
- ALM, and in particular the definition of optimal strategic asset allocations.
- Hedging of financial risks when they exceed the tolerance levels set by the Group. This includes Variable Annuities' guaranteed benefit hedging. All products needed to set up hedging programs involving derivative instruments are executed with the assistance of the Group's specialist asset management teams (AXA Investment Managers and AllianceBernstein).
- Reinsurance is also used in GMIB (Guaranteed Minimum Income Benefit) products, to mitigate financial risks.
- The overall balance of the product range leads to some natural hedging effects between different products.
- Exposure analyses are carried out to monitor certain specifically identified risks.

AXA's exposure to market risk is reduced by its broad range of operations and geographical positions, which provides good risk diversification. Furthermore, a large portion of AXA's Life & Savings operations involve unit-linked products, in which most of the financial risk is borne directly by policyholders (the shareholder's value is however still sensitive to financial market evolution).

ALM figures and information on the AXA Group's main implementation, co-ordination and control processes are set out below.

Asset-liability and market risk management: General quantitative information

There is a clear distinction between the issues involved in the Life & Savings and Property & Casualty businesses:

Description of Life & Savings insurance reserves: Risk profiles

The market risks to which Life & Savings subsidiaries are exposed arise from a number of factors:
- A decline in returns on assets (due in particular to a sustained fall in yields on fixed-income investments or in equity markets) could reduce the investment margin if the return on new invested assets is not sufficient to cover contractual interest rates payable to life insurance policyholders.
- A rise in yields on fixed-income investments reduces the value of fixed-income portfolios and could have an adverse impact on the solvency margin and surrender levels on certain contracts, if competitive pressures lead to higher rates of policyholder profit participation on new contracts.
- A decline in equity and real estate prices may reduce the level of unrealized capital gains and therefore solvency margins, as well as available surpluses.
- Exposure to foreign-exchange risk is generally limited for the Group's Life & Savings companies. Foreign-currency commitments are matched to a large extent by assets in the same currency.

The policies put in place to manage these risks are tailored to each product type and the risks relating to it.

The percentages provided below, relating to the breakdown of life insurance reserves by product type and thus by AXA's obligations to its policyholders, are derived from management data:
- 30% at the end of 2007 (30% at the end of 2006 and 29% at the end of 2005) of the Group's Life & Savings technical reserves cover separate-account (unit-linked) products that do not materially affect AXA's risk exposure. This category includes products that provide a guarantee on invested capital in the event of death. On these products, the underlying financial market performance is passed on to policyholders in full. In cases where these products include interest-rate guarantees, they are usually covered by a financial partner within the separate account. Overall, therefore, they present only a limited market risk for the Group through reduction of shareholders' value.

- 8% at the end of 2007 (7% at the end of 2006 and 9% at the end of 2005) of the Group's Life & Savings technical reserves cover separate-account products with related interest-rate guarantees provided by the insurance company. Suitable risk management policies have been put in place:
  - Derivatives are used as part of the dynamic management of risks related to guaranteed benefits on separate-account savings products, in order to cover guaranteed minimum death benefits, guaranteed minimum withdrawal benefits and guaranteed minimum income benefits. In the United States, derivatives are used to help reduce the economic impact of, among other things, unfavorable changes in GMDB, GMIB and WBL exposures due to movements in the equity and fixed income markets.
  - When these separate account products show a material risk of transfer to products that offer guaranteed-rate annuities, hedging programs that use derivatives are also put in place.
- 17% at the end of 2007 (18% at the end of 2006 and 20% at the end of 2005) of the Group's Life & Savings technical reserves cover products without guaranteed cash values upon surrender.
  - The in-force "With-Profit" policies of AXA UK are managed with a significant surplus of free assets, used to adjust performance over the duration of such policies while at the same time reflecting financial market performance in policyholders' revenues.
  - Annuities in the payout phase are usually backed by fixed-income assets with maturities that match the underlying payout schedules, thereby avoiding reinvestment and liquidity risks.
  - In the UK, surrender options on guaranteed-rate annuities are monitored through specific analyses and partially covered by interest-rate options.
- 14% at the end of 2007 (12% at the end of 2006 and 7% at the end of 2005) of the Group's Life & Savings technical reserves are related to products offering one-year guaranteed rates that are updated every year. The risks arising from a sustained fall in interest rates in the financial markets are limited for these types of products, which mainly concern policies in France and collective policies in Japan. Hedging derivatives programs are often implemented to cover long-term fixed maturities from the risk of an increase of interest rates.
- 32% at the end of 2007 (33% at the end of 2006 and 35% at the end of 2005) of the Group's Life & Savings technical reserves cover other products. These reserves cover both surrender guarantees and, in some cases, a guaranteed long-term rate. Related risks are managed in the following ways:
  - Products that are not surrender-sensitive are usually backed by fixed-income investments whose maturities and interest rates are generally sufficient to cover guaranteed benefits, so as to reduce the reinvestment risk as far as possible.
  - Other products are managed with the surplus required to cover guarantees.
  - Hedging programs that make use of derivatives may be set up to hedge the risk of a fall (floor) or a rise (cap) in interest rates.

Description of Property & Casualty insurance reserves

Property & Casualty technical reserves break down as follows.

(in Euro million)

	Technical liabilities		
	December 31, 2007	December 31, 2006 restated (a)	December 31, 2005
Personal – Motor	15,446	14,835	11,330
Personal – Property	3,219	3,059	2,501
Personal – Other	5,517	5,762	4,855
Personal – Sub-total	**24,182**	**23,656**	**18,686**
Commercial – Motor	2,698	2,679	2,255
Commercial – Property	3,075	2,748	2,332
Commercial – Professional liability	6,950	7,244	5,523
Commercial – Other	9,293	9,011	5,802
Commercial – Sub-total	**22,016**	**21,682**	**15,912**
Other	874	872	1,400
TOTAL PROPERTY & CASUALTY INSURANCE EXCLUDING INTERNATIONAL INSURANCE	**47,072**	**46,210**	**35,998**
Property	1,943	2,288	3,172
Motor, marine, aviation	3,144	3,294	3,541
Professional liability	3,846	3,935	3,069
Other	2,013	2,786	2,089
TOTAL – INTERNATIONAL INSURANCE	**10,946**	**12,304**	**11,870**
TOTAL PROPERTY & CASUALTY INSURANCE INCLUDING INTERNATIONAL INSURANCE	**58,018**	**58,514**	**47,868**

(a) In accordance with IFRS 3, i.e. within 12 months following the acquisition date, the Group has adjusted certain items impacting the allocation of Winterthur purchase price.

The obligations of Property & Casualty insurance companies are much less dependent on asset values than those of Life & Savings companies. Consequently, market fluctuations are fully reflected in their net asset value and fully borne by the shareholders. However, long-tail activities are more sensitive to movements in financial markets. The principal market risks are as follows:

- A rise in fixed maturity yields reduces the value of fixed maturity portfolios and may lead to a liquidity risk in these portfolios or a real loss of value if the rise in yields is related to a rise in inflation.
- Lower yields on fixed-income investments increase the value of fixed maturity portfolios, and therefore generally do not present a material risk, with the exception of certain contracts (disability and worker's compensation income) that provide guaranteed rates. On the other hand, a prolonged period of low yields would have an impact on the pricing of these products.
- Foreign-exchange rate risk is relatively limited as commitments in foreign currencies are largely backed by assets in the same currencies.
- Inflation is a risk, since it increases the compensation payable to policyholders, with the effect that, if it is not adequately taken into consideration, actual claims payments may exceed the reserves set aside. This risk is particularly significant for long-tail businesses.

The investments of Property & Casualty insurance companies are therefore managed so as to optimize the return on assets while bearing in mind both the aforementioned risks and the requirements in terms of regulatory solvency and covering commitments. A large portion of investments is made in liquid fixed maturities, to ensure the payment of exceptional benefits and claims that may arise.

Once these factors have been taken into consideration, there is some capacity to make diversified investments (real estate or equity securities) that offer a natural hedge against inflation and optimize yields while minimizing volatility risk.

Management processes

Management processes involve three stages :

- The first consists of defining general ALM organizational principles, allowing the most effective investment strategy.
- The second involves implementing investment processes and precise governance principles.
- The third consists of asset management companies applying the investment strategy.

ALM co-ordination

GENERAL ORGANIZATIONAL PRINCIPLES

The definition and co-ordination of ALM involves six major stages:

- Detailed analysis of the liability structure by insurance companies.
- Definition and proposal of a strategic asset allocation that factors in the long-term outlook as well as short-term constraints (see below).
- Validation of these strategic allocations by the entity's risk management unit and investment committee.
- Implementation of these strategic allocations by insurance companies through the definition of management contracts with asset management companies and not related to the unit linked business of the entities.
- Tactical allocation and stock selection by asset management companies as part of management contracts and not related to the unit linked business of the entities.
- Performance and reporting analysis.

These detailed analyses are performed on the non unit-linked business of the insurance companies, the financial risk of the unit linked business being directly borne by the policyholder.

LONG-TERM OUTLOOK: MODELING AND PROJECTING FUTURE CASH FLOWS

Long-term analysis is carried out in order to model commitments resulting from insurance policies and to define asset allocation so that these commitments can be met with a high degree of confidence while maximizing the expected return.

This work is carried out by Risk Management departments (local and central teams) and takes the form of detailed annual analyses that use consistent methods based on deterministic and stochastic scenarios. The aim of these analyses is to maximize the increase in economic value while complying with risk constraints. They are carried out by all significant Group entities, and provide the following information for the main product lines:

- The amount of assets needed to meet commitments in a specific proportion of cases depending on risk tolerance (for example, in 99% of cases over 10 years).
- The present value of future margins generated by insurance portfolios.

This information is aggregated across AXA's insurance operations, which allows strategic asset allocation to be monitored and adjusted if necessary.

SHORT-/MEDIUM-TERM OUTLOOK

These analyses are designed to validate AXA's ability to satisfy capital adequacy requirements over the short and medium terms. These requirements are included as constraints in asset-liability analyses.

The process is based primarily on monitoring and analyzing local and consolidated capital adequacy and solvency margin requirements. It is intended to ensure that AXA complies with its regulatory commitments and makes optimum use of capital resources at all times.

In addition, AXA's insurance operations are subject to local regulatory requirements in most jurisdictions in which AXA operates. These local regulations prescribe:

- The category, nature and diversification (by issuer, geographical zone and type) of investments.
- The minimum proportion of assets invested in the local currency taking into account technical commitments denominated in this currency (congruence rule).
- As part of an ongoing capital allocation process, subsidiaries perform twice-yearly simulations on the various regulatory constraints applicable to them using extreme scenarios for assets (in terms of both the market value of equity securities and interest rate trends). The Group Central Finance Department consolidates these models, enabling it to assess the extent of each subsidiary's financial flexibility. The results are presented to the Finance Committee of AXA's Supervisory Board on a regular basis.

– ALM constraints are also taken into account when new products are being designed as part of the product approval process (see section "Pre-launch product approval and exposure monitoring").

Monitoring investment processes

AXA manages its financial market risk as part of disciplined and organized investment processes.

As stated in the previous section, insurance subsidiaries are responsible for monitoring risks through the use of liability structure analysis and asset-liability matching techniques. They define the strategic asset allocation policy, which is implemented by asset management companies appointed via investment management agreements. Insurance subsidiaries are responsible for monitoring and controlling the investment policy carried out on their behalf by these asset management companies.

Risks relating to investments are controlled through an appropriate governance structure and through reliable reporting procedures.

GOVERNANCE

An Investment Committee, made up of managers from the financial and operational sides of the insurance company and also, in certain cases, representatives of its board of directors, approves investment strategy and assesses the quality of the results obtained.

The investment committees of significant entities include representatives of the AXA Group, and of GRM in particular.

These investment processes are part of a broader Group-level framework, which includes:
– defining standards for managing investments and assessing asset-liability mismatch risk (see section above),
– consolidating market risks at Group level.

At Group level, an ALM Co-ordination Committee, supervised by the Group Chief Financial Officer, determines general asset-liability management policy guidelines and evaluates the results, which are then submitted to the Management Board and to the Finance Committee of AXA's Supervisory Board.

REPORTING: QUARTERLY ASSET REPORTING

Operational entities produce an asset allocation statement every quarter, to ensure that strategic allocations are being implemented. This allows regular monitoring of certain key ALM indicators such as the duration and convexity of fixed income portfolios.

This work is carried out by local teams and then consolidated by GRM to give an overview for the whole Group and to allow any required action to be taken.

Tactical allocation duties of Group asset management companies (AXA Investment Managers and AllianceBernstein)

Asset management specialists, primarily AXA subsidiaries (AXA Investment Managers (AXA IM) and AllianceBernstein), are responsible for the day-to-day management of investments. Processes have been put in place in these companies to manage investments without exceeding agreed risk tolerance thresholds stipulated by their client insurance companies in investment management agreements. This organization makes the skills required in these activities available for the benefit of all Group insurance companies.

All products that involve hedging programs using derivative instruments are executed with the help of dedicated teams at AXA IM and AllianceBernstein. This organization means that all entities benefit from the best possible expertise and a high level of legal and operational security in these transactions, which are sometimes complex.

MARKET RISKS: FINANCIAL RISKS RELATING TO THE MANAGEMENT OF HOLDING COMPANIES' FOREIGN EXCHANGE EXPOSURE AND DEBT

The main financial risks relating to the management of foreign's exposure and debt are as follows:
– Interest-rate risk.
– Exchange-rate risk.
– Liquidity risk.

For the purpose of optimizing the financial management and control of financial risks, the Group Central Finance Department has defined and introduced formal management standards, as well as guidelines for monitoring and assessing financial risks, which enable it to measure the positions of each affiliate in a consistent manner. These standards have been validated by the Management Board.

The Group Central Finance Department produces monthly reporting data that consolidate interest rate, foreign exchange and liquidity exposures, as well as the interest expenses of holding companies. It bases its analyses on reports submitted by subsidiaries, which are responsible for the quality of the data. This consolidated reporting includes medium-term forecasts.

Together with information about hedging strategies, reporting documents are sent regularly to and validated by the Finance Committee of AXA's Supervisory Board.

In addition, the risk resulting from possible dividend restrictions or limitations on the ability to reduce shareholders' equity in the countries where AXA operates is also monitored. The Group's operating subsidiaries must comply with local regulations, particularly minimum solvency requirements. As a result, internal dividend pay-outs must take into account these constraints and possible future regulatory changes.

Interest-rate risk

DEFINITION: interest-rate risk may result from:
– a mismatch between types of interest rates (fixed versus floating),
– a mismatch between floating rate benchmarks,
– a mismatch between floating rate renewal dates.

POLICY: the policy is defined in order to monitor and limit the potential medium-term variation in interest expenses and consequently to protect future levels of interest expenses, regardless of movements in interest rates.

ASSESSMENT:
- Variability analyses assess the change in interest expenses over the duration of the strategic plan resulting from a 1% rise in interest rates.
- Interest-rate sensitivity analyses assess changes in the value of interest-rate positions by currency and by maturity following a 1% upward shift in the yield curve.

Exchange-rate risk

DEFINITION: exchange-rate risk results from a mismatch between the currency of an asset (particularly net foreign currency investments in subsidiaries) and the currency in which it is financed.

POLICY: the objective is to limit variations in net foreign currency-denominated assets resulting from movements in exchange rates. The purpose of the policy is therefore to protect the value of AXA's net foreign-currency investments in its subsidiaries and thus Group consolidated shareholders' equity against currency fluctuations. It is also designed to protect other key indicators such as adjusted net asset value, European embedded value and solvency ratios against such fluctuations.

ASSESSMENT: exchange rate sensitivity analyses measure the annual change in interest expenses resulting from a 10% appreciation in the Euro against all other currencies together with the impact on shareholders' equity, gearing ratio and European solvency margin.

Liquidity risk

DEFINITION: liquidity risk results from a mismatch between the date on which an asset matures and the date on which a liability falls due.

POLICY: the policy establishes the amount of confirmed credit lines required by AXA to weather a liquidity crisis and sets constraints on the debt maturity profile. In addition, liquidity is secured by Group standards, particularly through a procedure for tendering eligible assets to the European Central Bank's tender operations.

ASSESSMENT: maturity schedule of consolidated debt and available credit lines.

MANAGEMENT: liquidity risk is managed carefully and conservatively by keeping a long maturity on financial resources (debts) – mostly subordinated – and by maintaining a large amount of confirmed credit facilities (around €6.2 billion undrawn at December 31, 2007 and around €6.0 billion undrawn at December 31, 2006).

Furthermore, the Group's liquidity profile is strengthened by the following factors:
- The Group's financial strength gives it broad access to various different markets via standardized debt programs: for example, at the end of 2007, €5 billion (€3 billion at the end of 2006) of commercial paper and a €12 billion (€12 billion at the end of 2006) program under EMTN documentation.
- AXA remains constantly vigilant regarding contractual documentation clauses that may be binding on the Group. This helps AXA limit its exposure to default or early repayment clauses that may have a material adverse effect on its consolidated financial position.
- AXA maintains significant liquidity, amounting to €17.2 billion at December 31, 2007 (€19.8 billion at the end of 2006). More than half of this liquidity is managed within the AXA Trésorerie Europe economic interest grouping (GIE), which was specifically set up to centralize management of the liquidity held by units operating within the Euro zone. This GIE reflects the solid liquidity position of the Group, since it had an average cash balance of around €9.4 billion in 2007 (€13.4 billion in 2006), which was invested in a liquid portfolio with a very short maturity.
- In addition, to deal with any liquidity crises that may arise, the Group has, under its liquidity contingency plan, around €18 billion of assets eligible to European Central Bank tenders (of which €8 billion immediately available), creating a very large alternative source of refinancing.

EXCHANGE-RATE RISK RELATED TO THE OPERATING ACTIVITIES OF GROUP SUBSIDIARIES

In the insurance companies (including Winterthur subsidiaries) that accounted for 90% of Group assets at December 31, 2007 (90% at the end of 2006), assets and liabilities with foreign currency exposure were generally matched or hedged.

- **Life& Savings business** (79% of Group assets both at the end of 2007 and 2006) :

  In France, AXA is exposed to exchange-rate risk through the units it owns in certain investment funds partly invested in foreign currencies (particularly US dollar: €1,645 million vs €1,607 million in 2006, pound sterling: €338 million vs €343million in 2006 and Japanese yen : €335 million vs €349 million in 2006). AXA France owns these units in order to diversify its investments and enable policyholders to benefit from the performance of international financial markets. AXA France controls and limits its exposure to exchange-rate risk by using foreign exchange derivatives (forwards €2,915 million vs €2,698 million in 2006).

  In the UK, the Life & Savings segment is exposed to exchange-rate risk in both non-profit and With-Profit funds. The exposure in the non-profit funds arises mainly through foreign-currency investments in Group companies with a market value of €868 million (€889 million in 2006), of which €175 million of fixed maturity holding in AXA Belgium (€177 million in 2006) is hedged. The majority of other investments held in the non-profit funds in currency, market value of €161 million (€135 million in 2006), is hedged through foreign exchange derivative instruments.

  The UK non-profit funds have Euro denominated Credit Default Swaps in place with a nominal value of €199 million (nil in 2006).

  The exposure in With-Profits funds arises on assets with a market value of €2,770 million (€2,996 million in 2006). Its foreign currency liabilities in the fund are €136 million (€188 million in 2006). The UK Life & Savings segment holds some foreign exchange derivative instruments (including swaptions held in connection with Guaranteed Annuity Options).

In the past, AXA Japan's investment strategy led the company to invest outside the Japanese market in order to benefit from higher returns. As of the end of the year, the total assets denominated in foreign currencies (mainly US dollar) represented an amount of €6,083 million (€10,025 million at the end of 2006). Excluding assets backing unit-linked contracts, the corresponding exchange rate risk was fully hedged through the use of derivatives. In 2007, AXA Japan continued to decrease its investment in foreign markets, mainly in Euro fixed maturities (€–3,408 million compared to last year to €1,535 million at the end of 2007).

Companies in the German Life & Savings segment hold some investments denominated in foreign currencies for €3,558 million (€3,577 million in 2006), both directly and indirectly through investment funds, with the aim of diversifying their investments and taking advantage of foreign markets' performance. These investments are mainly in US dollars €2,629 million (€2,092 million in 2006), but also in pound sterling for €674 million (€1,018 million in 2006) and Japanese yen for €178 million (€151 million in 2006). Exchange-rate risk exposure is hedged using forwards (notional €2,542 million vs €2,241 million in 2006) and currency swap (notional €430 million vs €423 million in 2006).

Swiss entities are exposed to exchange rate risk through foreign-currency investments in Group companies (mainly in Japan and CEE) and other investments in foreign currencies (mainly Euro and US Dollar) due to limited investment possibilities and traditional low interest rate environment in Switzerland. As a result, they hold foreign exchange exposure on shares as well as on fixed maturities denominated in currencies other than Swiss Francs. However foreign exchange exposure on fixed maturities is hedged back into Swiss Francs with mainly foreign exchange forwards and to a minor degree foreign exchange options.
Switzerland Life & Savings foreign exchange exposure amounted to €13,604 million (circa 47% of assets) at the end of 2007, of which €10,729 million were hedged with mainly foreign exchange forwards (€7,641 million) and call/put strategy (€2,396 million).

In Belgium and the US, the Group's Life & Savings companies do not have any significant exposure to exchange-rate risk.

These countries accounted for 90% at the end of 2007 (94% at the end of 2006) of the Group's Life & Savings companies' assets.

– **Property & Casualty business** (9% of Group assets both at the end of 2007 and 2006):

In France, AXA is exposed to exchange-rate risk through the units it owns in certain investment funds partly invested in foreign currencies mainly US dollar (€492 million vs. €649 million in 2006) and to a lesser extent Pound Sterling and Japanese Yen in order to diversify its investments. It controls and limits its exposure to exchange-rate risk by using foreign exchange derivatives (forwards €867 million vs. €1,021 million in 2006).

In Belgium, AXA manages a US dollar run-off portfolio, which is fully hedged with investments in the same currency amounting to around €110 million (€130 million at the end of 2006).

German P&C segment is exposed to US dollar exchange-rate risk on certain investment funds for €829 million (€733 million in 2006). Remaining exchange-rate risk exposure, mainly concerning the pound sterling €211 million (€264 million in 2006) and the Japanese yen for €62 million (€63 million in 2006), is incurred for the purpose of diversifying investments. It controls and limits its exchange-rate risk by using forwards (notional €785 million vs €587 million in 2006) and currency swap (notional €124 million vs none in 2006).

In the UK and Ireland, AXA is exposed to exchange-rate risk through its AXA Insurance subsidiary, which operates in pound sterling but has diversified its investment portfolio in line with its ALM objectives. At December 31, 2007, AXA Insurance managed around €86 million (€146 million in 2006) of directly owned foreign-currency investments. The UK and Ireland P&C segment also has investments totalling €184 million (€113 million in 2006) of CDO equity and Currency funds which predominately invest in foreign-currency investments, equal to around 3.1% (1.7% in 2006) of its investment portfolio. The UK has Euro denominated Credit Default Swaps in place with a nominal value of €285 million (nil in 2006). In addition, AXA UK's Irish subsidiary also operates in Northern Ireland, and so manages a portfolio of pound sterling policies in an amount of €140 million (€134 million in 2006), hedged with investments in the same currency of €150 million (€137 million in 2006).

In Switzerland P&C, foreign exchange exposure amounted to €2,145 million (circa 36% of assets) at the end of 2007, of which €1,666 million were hedged with foreign exchange forwards (€1,057 million) and call/put strategy (€609 million).

These countries accounted for 77% at the end of 2007 (78% at the end of 2006) of the Group's Property & Casualty companies' assets.

– **International Insurance business** (2% of Group assets at the end of 2007 and 3% at the end of 2006): In the course of its business, AXA Corporate Solutions Assurance carries insurance liabilities, some of which are denominated in foreign currencies, particularly in US dollar (€984 million at the end of 2007 versus €1,118 million at the end of 2006) and, to a lesser extent, pound sterling (€590 million at the end of 2007 versus €607 million at the end of 2006). The company carries assets denominated in foreign currencies to ensure the balance sheet congruence. The congruence between the company's foreign-currency assets and liabilities is regularly adjusted, but is subject to unpredictable loss occurrence and the corresponding movements in reserves.

– **As regards holding companies** (6% of Group assets at the end of 2007 and 6% at the end of 2006), AXA SA has, since 2001, adopted a hedging policy on net investments denominated in foreign currencies, which aims at protecting the group's consolidated shareholders' equity against currency fluctuations, using cross-currency swaps and foreign-currency debt.
At December 31, 2007, the main hedging positions were as follows:
- USD11.3 billion or €7.7 billion (USD11.1 billion or €8.4 billion at the end of 2006) in respect of the US activities, including USD7.7 billion or €5.2 billion (USD7 billion or €5.3 billion at the end of 2006) via cross-currency swaps,

- JPY599 billion or €3.6 billion (JPY456 billion or €2.9 billion at the end of 2006) in respect of the activities in Japan, mainly in the form of cross-currency swaps,
- £1.9 billion or €2.6 billion (£1.2 billion or €1.8 billion at the end of 2006) in respect of the UK business, mainly in the form of debt,
- C$1.7 billion or €1.2 billion (C$1 billion or €0.7 billion at the end of 2006) in respect of the Canadian business in the form of cross-currency swaps,
- CHF5 billion or €3 billion in respect of the Switzerland business. As of January 1, 2007, AXA SA's activities in Switzerland following the acquisition of the Winterthur Group were hedged in an amount of CHF5 billion.

AXA SA's assets accounted for most of the assets of Group holding companies at the end of 2007.

INTEREST RATES & EQUITY RISK RELATED TO THE OPERATING ACTIVITIES OF GROUP SUBSIDIARIES

AXA performs sensitivity analyses to estimate Group exposure to movements in interest rates and equity risk.

These analyses quantify the potential impact on the Group of positive and adverse changes in financial markets.

The AXA Group analyses sensitivity to movements in interest rates and equity markets in three main ways:

- It analyses the sensitivity of European Embedded Value (EEV) in the Life & Savings business.
- It analyses the sensitivity of the fair value of assets less liabilities for the Property & Casualty business.
- It analyses the sensitivity of the fair value of Group debt to movements in interest rates.

These analyses cover AXA SA, which carries most of the Group's debt, along with the largest subsidiaries in France, the USA, the UK, Belgium, Switzerland, Germany, Mediterranean Region (Spain, Portugal, Italy, Morocco, Turkey and Greece), Australia, Hong-Kong and Japan. These analyses also include the Winterthur Group. At December 31, 2007, these subsidiaries represented more than 95% of AXA's consolidated invested assets within its insurance operations.

€ million

	2007			2006		
	Life & Savings	Other than Life & Savings	Total	Life & Savings	Other than Life & Savings	Total
IFRS shareholders' equity at December 31	33,488	12,153	45,642	35,600	11,625	47,226
Net unrealized capital gains, not included in shareholders' equity	683	1,394	2,077	545	1,338	1,882
Excluded perpetual debt (TSS/TSDI)	–	(7,781)	(7,781)	–	(7,253)	(7,253)
Mark to market of debt	–	(77)	(77)	–	(616)	(616)
Excluded Intangibles	(17,833)	(9,339)	(27,172)	(18,075)	(7,852)	(25,928)
Unrealized capital gains projected in Life & Savings VIF & other stat-GAAP adjustments	(599)	–	(599)	(2,508)	–	(2,508)
Life & Savings Adjusted Net asset Value (ANAV) and Other Business Tangible Net Asset Value (TNAV)	15,738	(3,650)	12,088	15,562	(2,758)	12,803
Life & Savings VIF	22,752		22,752	22,828		22,828
Group EV = Life & Savings EEV + Other Business TNAV at December 31	38,490	(3,650)	34,840	38,390	(2,758)	35,632

"Embedded Value" (EV) is a valuation methodology often used for long term insurance business. It attempts to measure the present value of cash available to shareholders now and in the future and accordingly is presented net of taxes and minority interests. "European Embedded Value" (EEV) is a refinement of this methodology based on Principles issued by the CFO Forum of European insurers, which AXA adopted during 2005. AXA publishes EEV only for its Life & Savings business.

In addition to Life & Savings EEV, AXA calculates a "Group EV" which adds to the Life & Savings EEV the Tangible Net Asset Value (TNAV) for other-than-life businesses.

The Group EV is not an estimate of AXA's "fair value", regardless of how one might define "fair value". It does not include the value of business to be sold in the future, nor does it include any value for future profits from existing business for other-than-life businesses i.e. Property & Casualty, International Insurance, Asset Management and Banking. However, the Life & Savings EEV is a key management metric measuring the risk-adjusted value of the business and tracking its evolution over time, and the Group EV provides a crucial link to processes that impact total Group value but can not be seen within the life and savings segment, such as hedging strategies executed at the Group level and also the impact of leverage on the Group.

The schedule above shows the reconciliation of Group EV to IFRS Shareholders' equity. The Life & Savings ANAV is derived by aggregating the local regulatory (statutory) balance sheets and reconciling with the Life & Savings IFRS shareholders' equity on the following main adjustments:

- Addition of unrealized capital gains/losses not included in Shareholders' equity.

- Elimination of the value of intangibles.
- Subtraction of unrealized capital gains included in the projection of future cash-flows (VIF).
- Adjustment for the differences between AXA's consolidated accounting basis and local regulatory bases.

Adding the Life & Savings VIF to the Life & Savings ANAV completes the Life & Savings EEV.

The "TNAV" for other-than-life business is reflecting the consolidated IFRS shareholders' equity adjusted for the elimination of all intangible assets and all perpetual debt (TSS/TSDI) that are treated as equity in IFRS. The TNAV for other-than-life business is adjusted also for any unrealized capital gains or losses not already included in equity and the impact of the mark to market of debt.

The Group EV equals the Life & Savings EEV plus the Other Business TNAV.

The Life & Savings VIF calculation by its nature involves many assumptions about the future. For Life & Savings EEV, AXA has adopted a "market-consistent" approach to setting asset return assumptions. Each cash flow is discounted at an appropriate discount factor, so that starting with Euro 1 of fixed maturity or of equity, projecting expected cash flows, and discounting, will simply give Euro 1 of value. Mechanically, this can be described as assuming that all assets will earn the risk-free rate defined by the current market in the future. However, cash flows are projected not only in a single scenario, but rather a stochastic set of scenarios is created, with the set maintaining the market-consistent condition that Euro 1 of any asset projected into the future gives a present value of Euro 1. Future earnings available to shareholders are assessed across this range of stochastic scenarios, with the present value being the Life & Savings VIF. AXA's major assumptions include:

- Actuarial assumptions reflect best estimates based on recent experience.
- No productivity gains are assumed in future expenses, while future inflation averaging 2.2% was assumed in 2006 and 2007.
- Expenses are adjusted for non-recurring expenses and one-time strategic spending.
- Some benefit from future mortality improvement on Life business is included, while annuity business does have an allowance for the costs of longevity increasing in all markets.
- Non-financial risks are provided for through the cost of holding capital consistent with the level to obtain a AA rating at each operation.
- A weighted average tax rate of 33.4% in 2006 and 32.4% in 2007.

As described above, the Life & Savings VIF valuation under AXA's market-consistent framework does not depend on assumed future asset returns, but rather on the actual risk-free yield curves observable in the market on each valuation date (consistent with financial market practices for valuing assets, the swap curve is used as the basis for risk-free yields). The Life & Savings VIF valuation also depends on stochastic projections of multiple scenarios, rather than a single scenario.

The sensitivity of the Life & Savings EEV and of the Other Business Tangible Net Asset Value to changes in major economic assumptions has been calculated as follows for the 2007 and 2006 values:

- **Upward parallel shift of 100 basis points in reference interest rates** simulates a sudden shock to the initial conditions. This means changes to: 1) the current market values of fixed-interest assets, with related possible changes to projected capital gains/losses and/or fee revenues, 2) future reinvestment rates for all asset classes, and 3) risk-discount rates. Inflation rates are not changed. Policyholder and management behavior is adjusted following normal behavioral modeling.
  As noted in the definitions, these calculations reflect discount rate changes in Life & Savings as well as changes to the value of fixed-income assets, but no changes in value for asset classes such as equities or real estate are assumed to accompany the reference interest rate movements (although for Life & Savings future returns are impacted as these equal the risk-free rate on average across scenarios in the market consistent valuation). In reality, changes in value of other asset classes would probably lead to different results than shown here. It is also possible that a gradual movement in rates would produce different results than a sudden shock.

- **Downward parallel shift of 100 basis points in reference interest rates** is the same as above but with a shift downward. Where the shift of 100 basis points would drop rates below 0%, they are floored at zero.

- **10% higher value of equity markets at the start of the projection** simulates a shock to the initial conditions just for equities. This means changes to current market values of equities, with related possible changes to projected capital gains/losses and/or fee revenues. Policyholder and management behavior is adjusted to be consistent with these conditions.
  As noted in the definitions, these calculations reflect a shock to the initial conditions for equities, but no changes in value for asset classes such as fixed maturities or real estate are assumed to accompany the equity change. In reality, changes in value of other asset classes would probably lead to different results than shown here. It is also possible that a gradual movement in equity would produce different results than a sudden shock.

- **10% lower value of equity markets at the start of the projection** same as above but a decrease.

	2007						2006					
	Life & Savings		Other than Life & Savings		Group		Life & Savings		Other than Life & Savings		Group	
	€ million	% Group EV	€ million	% Group EV	€ million	% Group EV	€ million	% Group EV	€ million	% Group EV	€ million	% Group EV
Estimated upward parallel shift of 100 bp in reference interest rates	318	1%	(1,280)	−4%	(962)	−3%	156	–	(1,116)	−3%	(961)	−3%
Estimated downward parallel shift of 100 bp in reference interest rates	(1,416)	−4%	1,466	4%	50	–	(1,434)	−4%	1,284	4%	(149)	–
10% higher value of equity markets at start of projection	1,594	5%	997	3%	2,591	7%	1,929	5%	1,105	3%	3,034	9%
10% lower value of equity markets at start of projection	(1,639)	−5%	(997)	−3%	(2,636)	−8%	(1,959)	−5%	(1,104)	−3%	(3,063)	−9%

All sensitivities are presented net of tax and minority interests, and where applicable net of policyholder participation.

Interest rate sensitivities for Life & Savings business of 1% to upward 100bp and −4% to downward 100bp (2006: 0% and −4%) reflect a close duration match of assets and liabilities across most of the business.
In most markets there is an asymmetry predominantly driven by guaranteed interest rates having higher value when rates decrease, while higher reinvestment rates would need to be shared with policyholders limiting shareholder gains in a higher rate environment. However this classical pattern is not followed in the UK, where the business has significantly less interest rate guarantees and the EEV behaves more like a portfolio of fixed income assets.
In addition higher interest rates affect the value both positvely through higher investment rate and negatively through lower starting value of fixed income assets and higher discount rates for future profits. For different product types these interactions produce different results.

Interest rate sensitivities for Other-Than-Life business of −4% to upward 100bp and 4% to downward 100bp (2006: −3% and 4%) reflect mainly the net of tax impacts on fixed-income assets (−5% to upward), offset somewhat by debt and derivatives on the debt (+1% to upward). The majority of other-than-life reserves are not sensitive to interest rate changes.

Equity market sensitivities for Life & Savings business of 5% to upward 10% or −5% to downward are more nearly symmetrical, with no complicating effects from changes of discount rates. The limited asymmetries reflect the impact of guarantees and profit-sharing rules, along with some hedging programs to limit potential losses. The impacts of equity market value changes can come through general account exposures or through changing asset balances impacting future fee revenue on separate account business.

Equity market sensitivities for Other-Than-Life business of 3% to upward 10% or −3% to downward (2006: 3% and −3%) reflect the net-of-tax impacts on equity including derivatives on the equity.

> 4.2 QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK AND RISK FACTORS

Controlling exposure and insurance risk

Information in this section should be read in conjunction with note 4 to the Consolidated Financial Statements included in Part V of this Annual Report and is covered by the Statutory Auditor's Report on the Consolidated Financial Statements.

The Group's insurance activities expose it to various risks with a wide range of time horizons. Natural risks arising from climate change, particularly global warming, are long-term risks to which AXA Group pays close attention. On a more short-term view, insurance risks are covered mainly through procedures governing pre-launch product approval, exposure analyses, the use of reinsurance and the financial markets (catastrophe bonds, mortality bonds) and reviews of technical reserves.

NATURAL RISKS: CLIMATE CHANGE

The changing and growing risks caused by climate change and, more specifically, by global warming, represent a major challenge for all human activities and particularly insurance operations.

Global warming is now proven beyond doubt, although experts may disagree on its magnitude and projection. Very broadly, global warming leads to higher maximum and minimum temperatures, with more hot days (heatwaves) as well as heavier and more frequent cyclonic precipitation events. These phenomena have already been observed and could become more prevalent, albeit to different extents, across almost all land surfaces on the planet.

The latest publications by the IPCC (Intergovernmental Panel on Climate Change 4th assessment report 2007) point in the same direction. Even if it remains very difficult to estimate the local effect of climate change due to the large number of local geographical factors to be taken into account (sea currents, reliefs etc.), some results are now available at a regional level and used in our catastrophe risk estimations. However, it is still very difficult to estimate the consequences of extreme events (heatwaves, droughts and floods, high winds and intense precipitation caused by cyclones), which are of particular concern to insurance companies; this has led the Group to launch the AXA Research Fund which will support academic research projects in Climate.

Aside from the immediate destruction caused mainly by flooding and to a lesser extent by drought, climate change will have major implications for most human activities, particularly agriculture, timber production, healthcare and water activities, and therefore for the insurance used to protect them.

These changes already affect and will affect in future a large number of insurance sectors (property, agricultural, business interruption, civil liability, marine and aviation, life, health, etc.). The insurance sector thus faces major challenges in the coming years in the form of potential increases in property and casualty claims, the emergence of new liability claims and growing uncertainties about the size of maximum possible losses, which have become harder to assess and to predict on the basis of past events. Furthermore, certain key economic sectors, which work together with the insurance sector, are set to undergo radical changes, due in particular to future greenhouse gas emission constraints laid down in the Kyoto protocol, which came into force on February 16, 2005.

Gradual premium rate adjustments will be required to widely reflect these risk factors, but are not likely to be sufficient to cover risks underwritten in the most exposed areas to flood or cyclone.

By seeking to develop new solutions and actively contributing to the overall debate about the issues involved – particularly as part of the Carbon Disclosure Project – AXA, along with other major market players, intends to promote a better understanding and better forecasting of the risks resulting from global warming.

PANDEMIC / EXTREME MORTALITY RISK

Recent developments relating to bird flu have attracted increasing attention to risks associated with pandemics. Although assessing pandemic risks involves a significant amount of various assumptions, it generates increasing interest and requires the development and implementation of an appropriate risk management strategy.

As a result, and as part of its mortality risk management, AXA issued in 2006 a bond on which the redemption amount depends on general mortality thresholds. This instrument was created by AXA Cessions and transformed where needed by AXA Cessions into reinsurance capacity for AXA Group subsidiaries.

PRE-LAUNCH PRODUCT APPROVAL AND EXPOSURE MONITORING

Risks relating to new product launches, particularly underwriting, pricing and ALM risks is managed on a gross basis (before taking into account reinsurance), primarily by

AXA's operational entities. These have a set of actuarial tools for this purpose, enabling them to price products and then monitor their profitability over time.

The principal Risk Management tools are as follows:
- Pre-launch approval procedures for new products.
- Exposure analyses.
- Optimization of reinsurance strategies (see section "Definition of reinsurance requirements and analysis of underwriting").

Product approval

In its Individual Life & Savings activities, the AXA Group has set up pre-launch product approval procedures in each of its principal subsidiaries. These procedures are defined and implemented locally, and are structured and harmonized using the minimum requirements defined by GRM. The main characteristics of these procedures are as follows:
- Although the decision to launch a new product is taken locally, it must be the result of a documented approval process that complies with local governance practices.
- All significant Individual Life & Savings products must go through this process.
- Guarantees and options embedded in the product must be quantified using stochastic methods defined by GRM in order to ensure that they are correctly reflected in pricing. This work also gives a better understanding of any asset-liability mismatch risk and the actual economic capital requirement at the product design stage.
- Pricing reports are sent to GRM prior to launch.

These procedures are intended to ensure that new risks underwritten by the Group have undergone a rigorous prior approval process before the products are offered to customers. This harmonized approach also facilitates the sharing of product innovation within the Group. Similar methods have been developed for the underwriting of specific Property & Casualty risks, while maintaining the principle of local decision-making based on a documented approval procedure. The profitability analysis framework has been adapted to the Property & Casualty business, and special efforts have been made to formalize the quantitative requirements.

Exposure analysis

A uniform Group-wide framework for quantifying all risks has been developed by GRM using stochastic modeling tools factoring in asset and insurance risks. This framework includes pricing control systems used by insurance operations as part of their product development process, such as those described in the previous section.

This type of analysis quantifies and demonstrates the benefits of the diversification created by AXA's wide range of businesses and regional operations.

In addition to these exposure analyses, additional studies are undertaken to model Life & Savings risks (mortality, longevity, long-term care etc.).

In the Life & Savings business, therefore, the aforementioned tools allow mortality/longevity risks to be analyzed on a multi-country basis. The AXA Group regularly monitors its exposure to these risks. It uses the results of its work to enhance the structure of its product ranges and its reinsurance coverage.

Definition of reinsurance requirements and analysis of underwriting

Reinsurance purchasing is an important part of the Group's insurance activities and risk management. For the Property & Casualty and Life & Savings operations, reinsurance programs are set up as follows:
- Reinsurance placement is mainly handled centrally by AXA Cessions. Prior to ceding risks, in-depth actuarial analyses and modeling are conducted on each portfolio by AXA Cessions and GRM to optimize the quality and cost of reinsurance cover. These analyses are performed in collaboration with the technical and reinsurance departments of Group operational entities. They measure frequency risks as well as specific severity risks (natural catastrophe, storms, flooding, earthquakes). They provide guidance for determining the most appropriate reinsurance cover (retention levels and scope of cover) for each portfolio and for each type of risk in accordance with objectives and capital allocation constraints.

Estimates of catastrophic risks are carried out on the basis of several pieces of modeling software available in the market. Although these softwares are vital to allow objective discussions with reinsurers, it is regularly assessed within GRM and adjusted to the specific features of AXA's portfolio. Experience shows that these softwares give imperfect estimates of real exposure, and can underestimate some important factors such as inflation following a major catastrophe or the effects of climate change. In addition, it does not factor in risks relating to legal developments requiring an insurer retrospectively to cover a risk that it believed it had excluded from its policies.

Since 2006, this work has been extended to the Life & Savings business based on the same procedures as in the Property & Casualty business. Certain entities now arrange reinsurance partially through AXA Cessions, which has set up a retention pool protected by Group covers placed on the Reinsurance Market.

IMPLEMENTATION OF THE REINSURANCE STRATEGY: ROLE OF AXA CESSIONS

After analysis work, the Group's various operating subsidiaries place their reinsurance requirements with AXA Cessions. However, only a small part of most treaties is placed directly in the reinsurance market. Most risk is combined at the AXA Cessions level to form internal Group reinsurance pools by line of business.

The retention rate and coverage applied to these pools are designed to protect the Group effectively at low cost. Coverage is arranged through the reinsurance market or directly in the financial market through securitization (cat bonds).

In 2007, four pools were managed by AXA Cessions :
- Property (Catastrophe and per risk + Personal Accident).
- General Liability.
- Marine.
- Life.

For the motor liability segment, AXA Cessions has arranged Group protection for all entities.

All local entities' ceding reinsurance are collectively protected by this Group coverage. The net financial results of this Group protection are then retroceded to these entities.

Finally, in addition to the analyses described above, AXA regularly monitors its exposure to its main reinsurers, as described in the section relating to credit risk management.

PROPERTY & CASUALTY RESERVES

In addition to controlling upstream risks through prior product approval and analyzing the reinsurance strategy, the Property & Casualty businesses specifically monitor reserve risks. Reserves have to be booked for claims as they are incurred or reported. These reserves are measured individually for each file by the claims departments.

Additional reserves for incurred but not reported (IBNR) claims, along with reserves not enough reserved (IBNER – incurred but not enough reported) are also booked. Various statistical and actuarial methods are used in these calculations. Calculations are initially carried out locally by the technical departments in charge, and are then reviewed by local risk management teams.

GRM has an annual review program to ensure the validity and coherence of the models used within the Group, in accordance with actuarial principles and accounting rules in force.

The Group's methods are based on applicable accounting and actuarial standards as well as internal and industry best practice.

Actuaries in charge of assessing reserves for claims payable do not use a single method but a selection of approaches such as:
- Methods based on the development of claims (paid or incurred) using triangulation methods (e.g. chain ladder and link ratio) for which past experience is applied to each loss occurrence or underwriting year, in order to make reserves projections until their estimated final development.
- Methods based on claims ratios (such as the ultimate claims ratio or the additional claims ratio).
- Hybrid methods (such as Bornhuetter-Ferguson and Cape Cod).
- Methods based on frequency and severity estimates.

The analysis is segmented differently depending on product type, geographical location, distribution channel, local regulation and other factors, in order to obtain a homogeneous claims base and ensure an appropriate analysis of reserves.

Assumptions depend on available data relating to reported losses at the time of the estimates, as well as local regulations, claims management procedures, pricing, underwriting information and the type of activities and claims (coverage type, attritional or major claims, recent or old occurrence).

They also depend on economic, social and environmental factors, as well as on the legislative and political context, which are important variables in terms of reserves. Assumptions are made following discussions with claims managers, pricing actuaries, underwriters and other specialised departments. These discussions lead to the definition of reasonable estimate ranges.

However, it must be kept in mind that estimates are based mainly on assumptions that may prove different from subsequent experience, particularly in the event of changes in the economic environment (e.g. a rise in inflation), in the legal environment (case law) and in the social environment (class action suits), and especially if they affect the Group's main portfolios simultaneously.

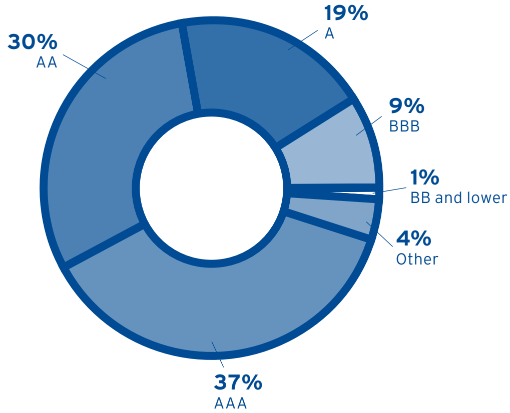
Credit Risk

Information in this section (except the Credit Derivatives pie chart) should be read in conjunction with note 4 to the Consolidated Financial Statements included in Part V of this Annual Report and is covered by the Statutory Auditor's Report on the Consolidated Financial Statements.

Counterparty credit risk is defined as the risk that a third party in a transaction will default on its commitments. Given the nature of its core business activities, AXA monitors two major types of counterparties, using methods suitable to each type:

- Investment portfolios held by the Group's insurance operations (excluding assets backing separate-account products where the financial risk is borne by policyholders) as well as by banks and holding companies. These portfolios give rise to counterparty risk through the fixed maturities and derivative products held within them.
- Receivables from reinsurers resulting from reinsurance ceded by AXA.

At December 31, 2007, the breakdown of the fixed maturity portfolio (€303.2 billion) by credit rating category was as follows:



INVESTED ASSETS

AXA has a database consolidating the Group's listed assets and analyzing them by issuer, credit rating, sector and geographic region, in order to assess the risk of concentration in its equity and fixed maturity portfolios. This database allows AXA to monitor exposure to the default risk of a given issuer, particularly through holding its fixed maturities. It also allows the monitoring of equity exposure.

As regards fixed maturity issues, total issuer-specific exposure limits are set at Group level and at the level of each subsidiary. These limits depend on the issuer's risk, assessed via its credit rating and type (corporate, government, stateowned companies and agencies).

These tools allow GRM to ensure compliance with limits. The ALM Supervisory Committee is regularly kept informed of the work performed.

These tools also enable coordinated contingency measures to be taken for the most sensitive counterparties.

At December 31, 2006, the breakdown of the fixed maturity portfolio (€298.3 billion) by rating was: 40% in AAA, 26% in AA, 22% in A, 9% in BBB, 1% in BB and lower, and 1% in other.

At December 31, 2005, the breakdown of the fixed maturity portfolio (€241.0 billion) by rating was: 41% in AAA, 23% in AA, 22% in A, 10% in BBB, 1% in BB and lower, and 3% in other.

Credit risk diversification and analysis policies, particularly using credit ratings, are implemented by investment departments and monitored by Risk Management teams.

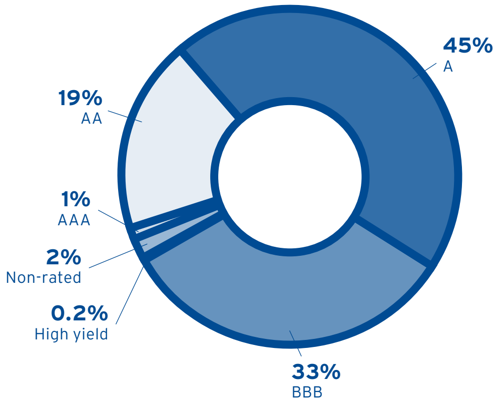
CREDIT DERIVATIVES

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

At December 31, 2007, the nominal amount of positions taken through credit derivatives was €19.5 billion including €4 billion of CDSs held though CDOs and €15.5 billion (or €13.7 billion net of hedges) of CDSs.

For these €13.7 billion CDSs, the credit risk taken by the AXA Group through these instruments is included in analyses of bond portfolios as described in the previous section. Limits applied to issuers take into account these credit derivative positions.

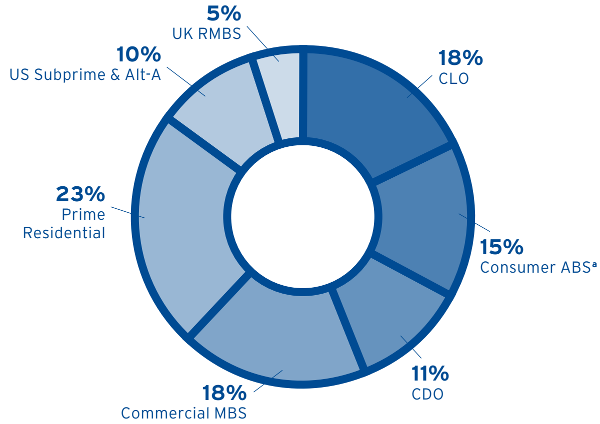
The breakdown of these CDS's underlying bonds by rating (resulting from management information) is as follows:



Credit risk relating to CDOs is monitored separately, depending on the tranches held, and regardless of the type of collateral (bonds or credit derivatives). Note that the CDOs are consolidated in AXA's balance sheet, in line with IFRS rules, even though AXA's investments in these CDO's assets are limited.

ASSET BACKED SECURITIES BY UNDERLYING TYPE OF ASSET (excluding Collateralized Mortgage Obligations (CMOs))

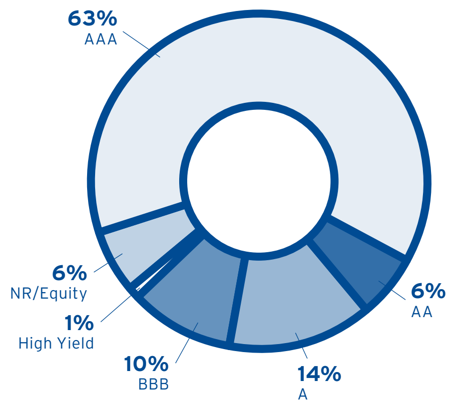
At December 31 2007, the total amount of ABS (excluding CMOs) was €16.2 billion and the economic breakdown was as follows:



(a) Mainly consumer loan ABS (plus some leases ans operating ABS assets).

At December 31, 2007, AXA's invested assets included an exposure to US subprime residential and Alt A mortgage loans of approximately €1.6 billion (84% equaling or above AA rating and 54% estimated policyholders' participation).

The analysis by rating of the ABS portfolio was as follows and shows that 70% were AAA & AA.



The negative mark-to-market evolution of the ABS assets over the year 2007 was evaluated at €–1.5 billion (of which €–0.7 billion was in the income statement and €–0.8 billion was in shareholders' equity), or €–0.6 billion net of policyholders participation, tax and VBI/DAC reactivity, of which €–0.3 billion was in the income statement and €–0.3 billion was in shareholders' equity.

MONOLINES

As at December 31, 2007, the direct general account (excluding the UK With-Profits) exposure to Monolines was insignificant and the indirect general account (excluding the UK With-Profits) exposure (bonds enhanced by Monoline reinsurers) was €379 million (of which €128 million Ambac and €162 million MBIA).

Note that MBIA reinsures 100% of all credit insurance risks (excluding cumulative losses between $0 and $13 million (ca 0.12%) and between $110 and $200 million (ca 1.05% and 1.9%) reinsured to other third party reinsurers) on a diversified portfolio of wrapped US municipal bonds underwritten by AXA RE (prior to its run-off).
The main characteristics of this portfolio are :

- 5,000+ different issues (83% AA & A, all investment grade) with aggregate principal amount of approximatively €7 billion,
- Portfolio underwritten between 1998 and 2004,
- No default since inception.

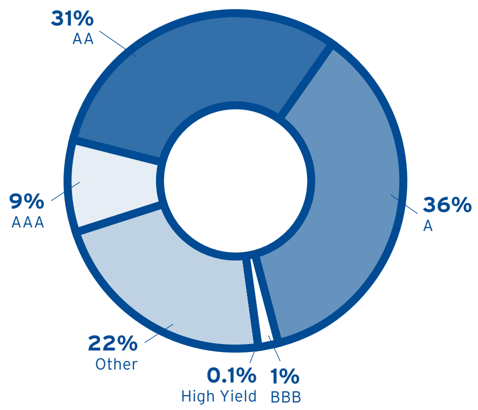
RECEIVABLES FROM REINSURERS: RATING PROCESSES AND FACTORS

To manage the risk of reinsurer insolvency, a Security Committee is in charge of assessing reinsurer quality and acceptable commitments. The committee is under GRM's authority and is run by AXA Cessions. This risk is monitored to avoid any excessive exposure to a specific reinsurer. The security committee meets monthly – and more frequently during renewal periods – and decides on any action to be taken with the aim of limiting AXA's exposure to the risk of default by any of its reinsurers.

Furthermore, AXA summarizes and analyzes its exposure to all reinsurers by factoring in all positions with reinsurers (claims, premiums, reserves, deposits, pledges and security deposits).

The Group's top 50 reinsurers accounted for 78% of reinsurers' share of insurance and investment contract liabilities in 2007.

The breakdown of all reserves ceded to reinsurers by reinsurer rating at December 31, 2007 (€11.3 billion) is as follows, taking into account only the ratings of these top 50 reinsurers:



At December 31, 2006, the breakdown of reserves ceded to reinsurers (€12.0 billion) by reinsurer rating was: 11% in AAA, 30% in AA, 15% in A, 2% in BBB/BB/B, 17% in Paris Ré (reserves ceded to Paris Ré as part of the AXA RE disposal, which were not split by ratings at the end of 2006), and 25% in other.

The "other" caption relates to reserves ceded to reinsurance pools, reserves ceded to reinsurers with which the AXA Group does limited business (not in the top 50) and reinsurers not rated by the main rating agencies.

> 4.2 QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK AND RISK FACTORS

Operational risks

GENERAL PRINCIPLES

Guided by the principles set forth by the Basel Committee on banking supervision, AXA defines operational risk as the risk of loss resulting from inadequate or failed processes, people or systems. This inadequacy or failure may come from internal or external causes.

Responsibility for managing day-to-day operational risks lies mainly with subsidiaries, which are best positioned to take the appropriate measures to mitigate the risks facing their organizations. However, AXA has defined a Group framework for identifying, quantifying and monitoring the main operational risks involving the deployment of a common system.

AXA has classified its operational risks as follows:
- Internal fraud.
- External fraud.
- Employment practices & workplace safety.
- Clients and business practices.
- Damage to physical assets.
- Business disruption and system failures.
- Execution, products, delivery and process management.

On this basis, AXA develops quantification methods to estimate the capital allocation needed to cover operational risks based on models inspired by those proposed by the Basel Committee for banking supervision.

PROFESSIONAL ETHICS

AXA adopted the AXA Group Compliance and Ethics Guide ("the Guide") in February 2004. The Guide was updated in 2006. It defines rules for day-to-day professional conduct. The Guide covers a variety of matters including specific rules concerning conflicts of interest, transactions involving AXA securities and those of its listed subsidiaries, anti money laundering, confidentiality and control of sensitive information, and data protection and storage.

MONEY LAUNDERING AND TERRORIST FINANCING RISK

AXA is firmly committed to combating money laundering and terrorist financing. This commitment is enshrined in a charter first drawn up in 2002, which was approved by the Management and Supervisory Boards. In line with this charter, each entity is required to introduce procedures based on certain general principles, on top of applicable local regulations, and to appoint an anti-money laundering officer. The "know your customer" principle is crucial in this respect, and is fundamental to all transactions. The Group Charter is reviewed and adjusted on a regular basis by taking into account international legal and regulatory developments.

REGULATORY RISKS

For the regulatory environment in which AXA operates including regulatory risks, please see "Additional factors which may affect AXA's business" in Part II (Section 2.2) of this Annual Report.

LEGAL AND ARBITRATION PROCEEDINGS

Please see Part V – Note 30 "Litigation" of this Annual Report.

SOCIAL AND ENVIRONMENTAL RISKS

With respect to its employment practices, AXA's key challenge is to retain employees and position itself as an employer that is able to attract top talent.

Environmental risks are limited because AXA's core business activities are generally non-polluting.

INSURANCE COVER

The AXA Group's general policy concerning the insurance of transferable risks

In general, AXA Group's purchasing of insurance is decentralized as far as possible. However, internal Group solutions are used wherever practical. Subsidiaries are responsible for identifying risks and purchasing their own insurance, such as property damage and public liability insurance according to the local exposures and market conditions.

As part of the general governance priniciples, subsidiaries may arrange protection with external insurers or with an internal AXA Group insurer. AXA Cessions maintains an inventory of local insurance contracts.

AXA Cessions is mandated to buy certain types of group-wide insurance coverage for risks shared by all entities. These policies, covering directors and officers' liability, professional liability and fraud, are set out below.

Exposure to common risks and group-wide insurance programs

Group-wide insurance programs cover all AXA Group entities with the exception of AXA Asia Pacific Holdings and AXA Financial and their subsidiaries, who traditionally arrange cover within their local market.

AXA Group insurance programs are designed to meet the specific requirements of a large financial institution in its main businesses of insurance, banking, assistance, investment, and asset management.

The Group Insurances are reviewed annually to ensure that AXA has achieved the market's best terms, conditions, rates, limits and overall protection. The insurers used by the Group are acknowledged international leaders. The financial solidity of each insurer is checked and approved according to AXA Group standards.

All AXA Group programs are arranged through AXA Cessions in consultation with local entities and the approval of the Management Board.

For the policy year 2007-2008, the total cost for Directors and Officers Liability, Professional Indemnity and Fraud Insurance equalled appoximately €9.2 million, excluding taxes and commissions.

4.3 Certain Financial Information

Please see Part V "Consolidated Financial Statements" of this Annual Report.

LEGAL PROCEEDINGS

Please see Part V – Note 30 "Litigation" of this Annual Report.

DIVIDEND POLICY

The Company has paid dividends on its ordinary shares in each of the past five years. The Company pays dividends in Euro. Future dividends will depend on AXA's earnings, financial condition and other factors. Proposals for dividend payments are made at the discretion of the Management Board, subject to prior approval by the Supervisory Board, and are submitted for final approval to AXA's shareholders at their Annual General Meeting.

AXA determines its dividend policy on the basis of its adjusted earnings minus interest charges on perpetual debt, and currently intends to distribute 40 to 50% of that sum on a recurrent basis.

For further information on the dividends declared and paid in the most recent five years and on the Company's dividend policy, see Part II "The AXA Group: Our global business operations, recent financial performance and financial condition", "Dividends" Section and Part VI "Certain additional information", "Dividends" Section of this Annual Report.

SIGNIFICANT CHANGES

For a description of certain developments since the date of the annual financial statements included in this Annual Report, please see Part V – Note 29 "Subsequent events" of this Annual Report.

PART V
CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

ASSETS

(in Euro million)

Notes		December 31, 2007	December 31, 2006 Restated [i]	December 31, 2005 Restated [h]
5	Goodwill	16,308	16,101	13,559
6	Value of purchased business in force [a]	4,373	5,030	2,623
7	Deferred acquisition costs and equivalent [b] [h]	16,757	15,896	14,767
8	Other intangible assets	3,288	2,350	1,074
	Intangible assets	**40,726**	**39,377**	**32,023**
	Investments in real estate property	16,182	18,625	12,810
	Invested financial assets [c]	360,051	358,718	286,647
	Loans [d]	25,177	28,860	18,332
	Assets backing contracts where the financial risk is borne by policyholders [e]	182,827	176,562	141,410
9	**Investments from insurance activities**	**584,237**	**582,765**	**459,200**
9	**Investments from banking and other activities**	**13,703**	**16,295**	**10,084**
10	**Investments in associates – Equity method**	**147**	**144**	**208**
	Reinsurers' share in insurance and investment contracts liabilities	**11,315**	**12,038**	**9,087**
	Tangible assets	1,470	1,727	1,247
	Other long-term assets [f]	564	456	281
	Deferred policyholders' participation asset	965	460	–
18	Deferred tax asset	3,151	3,198	3,757
	Other assets	**6,150**	**5,840**	**5,285**
	Receivables arising from direct insurance and inward reinsurance operations	12,140	11,873	9,713
	Receivables arising from outward reinsurance operations	913	805	888
	Receivables arising from banking activities	17,260	14,063	12,818
	Receivables – current tax	1,314	989	806
	Other receivables [g]	15,658	18,919	14,358
11	**Receivables**	**47,285**	**46,648**	**38,585**
	Assets held for sale including discontinued operations	**680**	**3,333**	**102**
12	**Cash and cash equivalents**	**18,684**	**21,169**	**21,402**
	TOTAL ASSETS	**722,927**	**727,609**	**575,974**

All financial amounts are shown net of derivatives impact (please refer to note 19).
(a) Amounts gross of tax.
(b) Amounts gross of unearned revenue reserves and unearned fee reserves.
(c) Financial assets excluding loans and assets backing contracts where the financial risk is borne by policyholders. Includes fixed maturities, equities, controlled and non controlled investment funds.
(d) Includes policy loans.
(e) Includes assets backing contracts where the financial risk is borne by policyholders with Guaranteed Minimum features.
(f) Includes long-term assets, i.e. when maturity is above 1 year.
(g) Includes short-term assets, i.e. when maturity is below 1 year.
(h) As described in note 1.12.2, the adoption in 2006 of FRS27 in the United Kingdom led to adjustments to 2005. The effect of these adjustments is set out in note 14.
(i) In accordance with IFRS 3, i.e. within 12 months following the acquisition date, the Group has adjusted certain items impacting the allocation of Winterthur purchase price.

LIABILITIES

(in Euro million)

Notes		December 31, 2007	December 31, 2006 Restated (k)	December 31, 2005 Restated (h)
	Share capital and capital in excess of nominal value	21,080	22,670	18,120
	Reserves and translation reserve (j)	18,896	19,471	14,087
	Net income for the period (j)	5,666	5,085	4,318
	Shareholders' equity - Group share	**45,642**	**47,225**	**36,525**
	Minority interests	**3,272**	**2,940**	**2,763**
13	**Total minority interests and shareholders' equity**	**48,913**	**50,166**	**39,288**
	Liabilities arising from insurance contracts (h)	310,709	323,361	247,717
	Liabilities arising from insurance contracts where the financial risk is borne by policyholders (a)	113,654	108,984	92,888
	Total liabilities arising from insurance contracts (b)	**424,363**	**432,345**	**340,605**
	Liabilities arising from investment contracts with discretionary participating features (h)	40,121	32,606	33,267
	Liabilities arising from investment contracts with no discretionary participating features	1,452	1,121	926
	Liabilities arising from investment contracts where the financial risk is borne by policyholders (c)	69,587	67,673	48,549
	Total liabilities arising from investment contracts (b)	**111,161**	**101,399**	**82,742**
	Unearned revenue and unearned fee reserves (h)	2,232	2,080	1,726
	Liabilities arising from policyholders' participation (d) (h)	19,322	24,940	23,284
	Derivatives relating to insurance and investment contracts	(187)	(163)	(148)
14	**Liabilities arising from insurance and investment contracts**	**556,892**	**560,602**	**448,208**
15	**Provisions for risks and charges**	**8,654**	**8,845**	**8,761**
	Subordinated debt (j)	6,146	5,563	5,073
	Financing debt instruments issued	4,535	3,688	2,817
	Financing debt owed to credit institutions	175	95	17
16	**Financing debt (e)**	**10,856**	**9,347**	**7,906**
18	**Deferred tax liability (h)**	**5,534**	**6,861**	**7,338**
	Minority interests of controlled investment funds and puttable instruments held by minority interests holders (f)	7,751	7,224	5,115
	Other debt instruments issued and bank overdrafts (g) (i)	6,260	8,711	8,411
	Payables arising from direct insurance and inward reinsurance operations	7,033	7,947	4,680
	Payables arising from outward reinsurance operations	6,024	5,849	3,507
	Payables arising from banking activities (g) (i)	18,713	16,992	12,083
	Payables – current tax	2,394	2,055	1,382
	Derivatives relating to other financial liabilities	140	124	303
	Other payables	43,693	41,074	28,993
17	**Payables**	**92,008**	**89,976**	**64,473**
	Liabilities held for sale including discontinued operations	**70**	**1,812**	**-**
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**722,927**	**727,609**	**575,974**

(a) Also includes liabilities arising from contracts with Guaranteed Minimum features.
(b) Amounts shown gross of reinsurers' share in liabilities arising from contracts.
(c) Liabilities arising from investment contracts with discretionary participating features and investment contracts with no discretionary participating features where the financial risk is borne by policyholders.
(d) Also includes liabilities arising from deferred policyholders' participation.
(e) Financing debt amounts are shown net of effect of derivative instruments (please refer to note 19).
(f) Mainly comprises minority interests of controlled mutual funds puttable at fair value – also includes put options granted to minority shareholders.
(g) Includes effect of derivative instruments (please refer to note 19).
(h) As described in note 1.12.2, the adoption in 2006 of FRS 27 in the United Kingdom led to adjustments to 2005. The effect of these adjustments is set out in note 14.
(i) From January 1, 2006 on, liabilities relating to securities sold under repurchase agreements in the Belgian banking business have been presented as payables resulting from banking operations instead of debt instruments issued (other than financing debts) and bank overdrafts. The amount at stake at December 31, 2005, was €3,242 million.
(j) As described in note 1.11.2, perpetual subordinated notes were reclassified under shareholders' equity in 2006 with retrospective application to 2005. Details are provided in note 13.
(k) In accordance with IFRS 3, i.e. within 12 months following the acquisition date, the Group has adjusted certain items impacting the allocation of Winterthur purchase price.

LIABILITIES

(in Euro million)

	December 31, 2007	December 31, 2006 Restated [k]	December 31, 2005 Restated [h]
Liabilities arising from insurance contracts where the financial risk is borne by policyholders	113,654	108,984	92,888
Liabilities arising from investment contracts where the financial risk is borne by policyholders	69,587	67,673	48,549
Total Liabilities arising from contracts where the financial risk is borne by policyholders	**183,241**	**176,657**	**141,437**
Liabilities arising from insurance contracts [h]	310,709	323,361	247,717
Liabilities arising from investment contracts with discretionary participating features [h]	40,121	32,606	33,267
Liabilities arising from investment contracts with no discretionary participating features	1,452	1,121	926
Total Liabilities arising from insurance and investment contracts	**352,283**	**357,088**	**281,910**

(h) As described in note 1.12.2, the adoption in 2006 of FRS 27 in the United Kingdom led to adjustments to 2005. The effect of these adjustments is set out in note 14.
(k) In accordance with IFRS 3, i.e. within 12 months following the acquisition date, the Group has adjusted certain items impacting the allocation of Winterthur purchase price.

> CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statement of income

CONSOLIDATED STATEMENT OF INCOME

(In Euro million, except EPS in euros)

Notes		December 31, 2007	December 31, 2006 [l]	December 31, 2005 Restated [k] [l]
	Gross written premiums	86,116	71,299	65,196
	Fees and charges relating to investment contracts with no participating features	740	608	509
	Revenues from insurance activities	**86,857**	**71,907**	**65,705**
	Net revenues from banking activities	336	376	428
	Revenues from other activities [a]	6,441	5,684	4,731
20	**Total revenues**	**93,633**	**77,966**	**70,865**
	Change in unearned premiums net of unearned revenues and fees [k]	**(612)**	**(452)**	**(472)**
	Net investment income [b]	17,470	14,184	13,681
	Net realized investment gains and losses [c]	5,264	4,225	3,506
	Change in fair value of financial instruments at fair value through profit and loss [j]	4,084	14,338	15,715
	Change in financial instruments impairment [d]	(927)	(192)	(208)
21	**Net investment result excluding financing expenses**	**25,891**	**32,555**	**32,693**
	Technical charges relating to insurance activities [e] [k]	(89,590)	(83,877)	(80,614)
22	Net result from outward reinsurance	(1,047)	(1,450)	(125)
	Bank operating expenses	(57)	(78)	(61)
24	Acquisition costs [f] [k]	(8,705)	(7,108)	(6,453)
	Amortization of the value of purchased business in force	(357)	(274)	(557)
24	Administrative expenses	(10,462)	(8,705)	(8,501)
	Change in tangible assets impairment	2	18	(3)
	Change in goodwill impairment and other intangible assets impairment [i]	(148)	(12)	(70)
	Other income and expenses [g]	(397)	(518)	(78)
	Other operating income and expenses	**(110,760)**	**(102,004)**	**(96,462)**
	Income from operating activities before tax	**8,152**	**8,066**	**6,623**
10	Income arising from investments in associates – Equity method	13	34	20
23	Financing debts expenses [h] [j]	(471)	(473)	(480)
	Operating income before tax	**7,695**	**7,626**	**6,163**
18	Income tax [j] [k]	(1,783)	(1,991)	(1,454)
	Net operating result	**5,911**	**5,635**	**4,709**
	Result from discontinued operations net of tax	**480**	**123**	**97**
	Net consolidated income	**6,391**	**5,758**	**4,806**
	Split between :			
	Net income Group share	5,666	5,085	4,318
	Minority interests share in net consolidated result	725	673	488
26	**Earnings per share**	**2.77**	**2.61**	**2.25**
	Fully diluted earnings per share	**2.75**	**2.56**	**2.22**

(a) Excludes insurance and banking activities.
(b) Net of investment management costs.
(c) Includes impairment releases on invested assets sold.
(d) Excludes impairment releases on invested assets sold.
(e) Includes changes in liabilities arising from insurance contracts and investment contracts (with or without participating features) where the financial risk is borne by policyholders for an amount of €7,476 million euro as a balancing entry to the change in fair value of financial instruments at fair value through profit and loss (€15,158 million in 2006 and €13,589 million in 2005).
(f) Includes acquisition costs and change in deferred acquisition costs relating to insurance contracts and investment contracts with discretionary participating features as well as change in net rights to future management fees relating to investment contracts with no discretionary participating features.
(g) Notably includes financial charges in relation to other debt instruments issued and bank overdrafts.
(h) Includes net balance of income and expenses related to derivatives on financing debt (however excludes change in fair value of these derivatives).
(i) Includes change in goodwill impairment, negative goodwill, as well as amortization and impairment of intangible assets created during business combinations.
(j) As described in note 1.11.2, perpetual subordinated notes were reclassified under shareholders' equity in 2006 with retrospective application to 2005. Details are provided in note 13.
(k) As described in note 1.12.2, the adoption in 2006 of FRS 27 in the United Kingdom led to adjustments to 2005. The effect of these adjustments is set out in note 14.
(l) As described in note 1.10, the contribution of discontinued operations is stated on a separate line of the income statement.

Consolidated statement of cash flows

(in Euro million)

	December 31, 2007	December 31, 2006 [n]	December 31, 2005 [n]
Operating income before tax [l] [m]	**7,695**	**7,626**	**6,163**
Net amortization expense [b]	855	508	816
Change in goodwill impairment	4	12	70
Net change in deferred acquisition costs and equivalent	(1,911)	(1,371)	(1,518)
Net increase / (write back) in impairment on investments, tangible and other intangible assets	963	174	212
Change in fair value of investments and financial instruments accounted for at fair value through profit and loss	(4,547)	(14,085)	(15,567)
Net change in liabilities arising from insurance and investment contracts [c]	22,940	28,567	30,892
Net increase / (write back) in other provisions [d]	26	59	(23)
Income arising from investments in associates – Equity method	(13)	(34)	(20)
Adjustment of non cash balances included in the operating income before tax	**18,317**	**13,829**	**14,862**
Net realized investment gains and losses	(6,257)	(4,733)	(3,872)
Financing debt expenses	471	473	480
Adjustment of balances included in operating income before tax for reclassification to investing or financing activities	**(5,786)**	**(4,260)**	**(3,392)**
Dividends recorded in profit and loss during the period	(2,543)	(2,014)	(1,765)
Interests paid & received recorded in profit and loss during the period	(16,237)	(13,210)	(12,702)
Adjustment of transactions from accrued to cash basis	**(18,780)**	**(15,224)**	**(14,468)**
Net cash impact of deposit accounting	1,474	199	1,201
Dividends and interim dividends collected	2,737	1,973	1,784
Interests collected	18,155	14,232	12,901
Change in operating receivables and payables [e]	(1,978)	2,823	(1,058)
Net cash provided by other assets and liabilities [f]	(1,528)	(1,711)	(676)
Tax expenses paid	(2,292)	(1,620)	(1,078)
Other operating cash impact and non cash adjustment [l]	1,401	1,294	165
Net cash impact of transactions with cash impact not included in the operating income before tax	**17,967**	**17,188**	**13,239**
NET CASH PROVIDED BY OPERATING ACTIVITIES	**19,413**	**19,160**	**16,404**
Purchase of subsidiaries and affiliated companies, net of cash acquired	(3,275)	(6,850)	(1,583)
Disposal of subsidiaries and affiliated companies, net of cash ceded [k]	2,735	117	930
Net cash related to changes in scope of consolidation	**(540)**	**(6,732)**	**(653)**
Sales of fixed maturities [f]	72,633	66,798	70,186
Sales of equities and non controlled investment funds [f] [g]	34,258	18,890	18,605
Sales of investment properties held directly or not [f]	2,802	2,104	948
Sales and/or repayment of loans and other assets [f] [h]	35,262	19,500	11,838
Net cash related to sales and repayments of financial assets [f] [g] [h]	**144,955**	**107,292**	**101,578**
Purchases of fixed maturities [f]	(88,785)	(83,789)	(79,293)
Purchases of equity securities and non consolidated investment funds [f] [g]	(33,114)	(19,829)	(18,650)
Purchases of investment properties held directly or not [f]	(1,292)	(1,575)	(991)
Purchases and/or issues of loans and other assets [f] [h]	(44,917)	(27,574)	(20,688)
Net cash related to purchases and issuance of financial assets [f] [g] [h]	**(168,108)**	**(132,768)**	**(119,622)**
Sales of tangible and intangible assets	174	130	225
Purchases of tangible and intangible assets	(486)	(294)	(214)

(in Euro million)

	December 31, 2007	December 31, 2006 [n]	December 31, 2005 [n]
Net cash related to sales and purchases of tangible and intangible assets	**(312)**	**(164)**	**11**
Increase in collateral payable / Decrease in collateral receivable	5,766	9,714	7,720
Decrease in collateral payable / Increase in collateral receivable	(289)	(3,355)	(1,666)
Net cash impact of assets lending / borrowing collateral receivables and payables	**5,477**	**6,359**	**6,054**
Other investing cash impact and non cash adjustment	**(15)**	**(34)**	**(401)**
NET CASH PROVIDED BY INVESTING ACTIVITIES	**(18,543)**	**(26,047)**	**(13,033)**
Issuance of equity instruments [i]	2,547	8,600	652
Repayments of equity instruments [i] [l]	(1,046)	(34)	(517)
Transactions on treasury shares	(1,913)	(305)	(512)
Dividends payout	(2,714)	(2,124)	(1,308)
Interests on perpetual debt paid [l]	(421)	(166)	(157)
Net cash related to transactions with shareholders	**(3,547)**	**5,971**	**(1,842)**
Cash provided by financial debt issuances	1,112	1,406	301
Cash used for financing debt repayments	(179)	(352)	(2,557)
Interests on financing debt paid [j] [l]	(554)	(539)	(568)
Net cash related to Group financing	**379**	**515**	**(2,823)**
Other financing cash impact and non cash adjustment	**4**	**8**	**(32)**
NET CASH PROVIDED BY FINANCING ACTIVITIES	**(3,164)**	**6,494**	**(4,698)**
NET CASH PROVIDED BY DISCONTINUED OPERATIONS	**105**	**242**	**(72)**
Cash and cash equivalents as at January 1 [a]	**19,831**	**20,640**	**21,830**
Net cash provided by operating activities	19,413	19,160	16,404
Net cash provided by investing activities	(18,543)	(26,047)	(13,033)
Net cash provided by financing activities	(3,164)	6,494	(4,698)
Net cash provided by discontinued operations	105	242	(72)
Impact of change in scope on cash and cash equivalent	43	(7)	138
Net impact of foreign exchange fluctuations and reclassification on cash and cash equivalents	(494)	(649)	71
Cash and cash equivalents as at December 31 [a]	**17,192**	**19,831**	**20,640**

(a) The "Cash and cash equivalents" balances shown in the statement of consolidated cash flows do not include cash balances of consolidated investment funds from the Satellite Investment Portfolio (see note 1.7.2). As described in note 1.19, the "Cash and cash equivalents" item in the statement of consolidated cash flows excludes cash backing contracts where the financial risk is borne by policyholders (unit-linked contracts). The effect on the 2006 cash flow statement is as follows :
– a €1,008 million decrease of the "Purchase of subsidiaries and affiliated companies, net of cash acquired" item corresponding to the cash backing unit-linked contracts of Winterthur entities acquired during the period;
– a €238 million increase of the "Sales and/or repayment of loans and other assets" item;
– a €350 million decrease of the "Purchases and/or issues of loans and other assets" item;
As a consequence of the three impacts detailed above, the "Net cash provided by investing activities" shows a decrease of €1,120 million.
The "Net impact of foreign exchange fluctuations and reclassification on cash and cash equivalents" item has also been decreased by €6,839 million.
The impact on the closing position of "Cash and cash equivalents" as at December 31, 2006 is a decrease of €7,959 million.
(b) Includes the capitalization of premiums/discounts and related amortization as well as amortization of investment and owner occupied properties (held directly).
(c) Includes the impact of reinsurance. This item also includes the change in liabilities arising from contracts where the financial risk is borne by policyholders.
(d) Mainly includes changes in provisions for risks and charges, provisions for bad debts/doubtful receivables and change in impairment of assets held for sale.
(e) Also includes changes relating to repository transactions and equivalent for banking activities.
(f) Includes corresponding derivatives.
(g) Includes non controlled investments funds and equities held directly or by consolidated funds.
(h) Also includes purchases and sales of assets backing contracts where the financial risk is borne by policyholders.
(i) Also includes issuance and repayments of perpetual debts.
(j) Includes the net cash impact of interest margins relating to hedging derivatives on financing debts.
(k) At December 31, 2007, this item includes the disposal of Winterthur's US Property & Casualty subsidiary and the disposal of the Netherlands operations.
(l) As described in note 1.11.2, perpetual subordinated notes have been transferred in 2006 from the "subordinated debt" item to the "shareholders' equity" item of the balance sheet, and are treated similarly to deeply subordinated notes. The effect on the 2005 cash flow statement of this reclassification is as follows:
– a €102 million increase in "Operating income before tax";
– a €515 million reclassification of repayments of perpetual subordinated notes from the "Cash used for financing debt repayments" item to "Repayments of equity instruments" items;
– a €157 million reclassification of interests paid on perpetual subordinated notes and deeply subordinated notes from the "Interests on financing debt paid" item to "Interests on perpetual debt paid" item.
(m) As described in note 1.19, the statement of consolidated cash flows now starts from "Operating income before tax", whereas it used to start from "income from operating activities, gross of tax expenses".
(n) As described in note 1.10, the contribution of discontinued operations is stated on a separate line of the income statement.

(in Euro million)

	December 31, 2007	December 31, 2006	December 31, 2005
Cash and cash equivalents as at December 31	18,684	21,169	21,402
Bank overdrafts [a]	(1,493)	(1,338)	(762)
Cash and cash equivalents as at December 31 [b]	**17,192**	**19,831**	**20,640**

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

Consolidated Statement of recognized income and expense for the period

(in Euro million)

	December 31, 2007	December 31, 2006	December 31, 2005
Reserves relating to changes in fair value through shareholders' equity	(3,016)	(291)	2,420
Translation reserves	(1,571)	(969)	1,592
Employee benefits actuarial gains and losses through OCI	628	260	(418)
Net gains and losses recognized directly through shareholders' equity	**(3,959)**	**(1,000)**	**3,594**
Net income of the period	6,391	5,758	4,806
Total recognized income and expense for the period (SORIE)	**2,433**	**4,758**	**8,400**
Split between :			
Group share in the total recognized income and expense for the period (SORIE)	1,942	4,198	7,683
Minority interests' share in the total recognized income and expense for the period (SORIE)	490	560	717

The presentational amendments of the consolidated statement of shareholders' equity which is now replaced by the statement of recognized income and expense for the period are explained in note 1.19.

The consolidated statement of shareholders' equity is presented in note 13.

> CONSOLIDATED FINANCIAL STATEMENTS

Notes to the consolidated financial statements

NOTE 1 > ACCOUNTING PRINCIPLES

1.1. GENERAL INFORMATION

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

AXA operates in the following primary business segments:
- Life & Savings,
- Property & Casualty,
- International Insurance,
- Asset Management,
- Banking.

AXA has its primary listing on Euronext Paris and has been listed since June 25, 1996 on the New York Stock Exchange.

The consolidated financial statements were finalized by the Management Board on March 17, 2008 and examined by the Supervisory Board on March 19, 2008.

1.2. GENERAL ACCOUNTING PRINCIPLES

1.2.1. Basis for preparation

AXA's consolidated financial statements are prepared as at December 31. However, certain entities within AXA have a reporting year end that does not coincide with December 31, in particular AXA Life Japan, which has a September 30 financial year end.

The consolidated financial statements were prepared in accordance with IFRS standards and IFRIC interpretations that were definitive and effective as at December 31, 2007, as adopted by the European Commission before the balance sheet date. However, the Group does not use the "carve out" option to avoid applying all the hedge accounting principles required by IAS 39. As a consequence, the consolidated financial statements also comply with IFRS as issued by the Internationl Accounting Standards Board ("IASB").

Standards and interpretations published and effective at January 1, 2007

IFRS 7 – Financial Instruments: Disclosures and the amendment to IAS 1 – Capital Disclosures, both published in August 2005 and applicable from January 1, 2007, relate to additional information provided in the notes to the full-year consolidated financial statements on the Group's financial instruments, insurance contracts and capital. These two standards have no impact on the Group's income or financial position.

The application of the following interpretations, as of January 1, 2007, has no significant impact on the Group's consolidated financial statements:

IFRIC 7 – Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies.

IFRIC 8 – Scope of IFRS 2.

FRIC 9 – Reassessment of Embedded Derivatives, clarifies whether a reassessment should be made regarding whether an embedded derivative needs to be separated from the host contract after the initial hybrid contract has been recognized. IFRIC 9 concludes that reassessment is prohibited unless there is a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract, in which case reassessment is required.

IFRIC 10 – Interim Financial Reporting and Impairment states that impairment cannot be released when a company, in its interim financial statements, has recognised a loss of value on goodwill, an unlisted equity instrument or a financial asset recognised at cost. This interpretation is consistent with the accounting principles previously applied by the Group.

Standards and interpretations published but not yet effective

IFRS 8 – Operating Segments, published in November 2006 and applicable from January 1, 2009, replaces IAS 14 – Segment Reporting. The new standard requires disclosed operating segments to be based on the segmentation used in the entity's internal reporting, on the basis of which operational heads allocate capital and resources to the various segments and assess the segments' performance.

The standard requires the entity to explain the basis on which segments are determined, and provide a reconciliation between consolidated balance sheet and income statement amounts. The standard is not expected to have a significant impact on the Group's financial statements.

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

The Group has not elected for early adoption of *IFRIC 11 – Group and Treasury Share Transactions,* published on November 2, 2006 and applicable to full-year reporting periods starting on or after March 1, 2007. This IFRIC addresses the application of IFRS 2 to share-based payment arrangements in three cases. When an entity chooses or is required to buy its own equity instruments to settle the share-based payment obligation, the arrangement should be accounted for as equity-settled share-based payment transactions. When a parent grants employees of a subsidiary rights to its equity instruments, assuming the transaction is recorded as an equity-settled transaction in the consolidated financial statements, the subsidiary would also record the transaction as an equity-settled transaction in its financial statements. When a subsidiary grants its employees rights to equity instruments of its parent, the subsidiary should record the transaction as a cash-settled share-based payment transaction. IFRIC 11 is effective for annual periods beginning on or after March 1, 2007. The impact of this interpretation on the consolidated financial statements is estimated to be immaterial.

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

The Group has not elected for early adoption of *IFRIC 14 – IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction,* published on July 4, 2007 and applicable to full-year reporting periods starting on or after January 1, 2008 . The impact of this interpretation on the consolidated financial statements is estimated to be immaterial.

There are no standards or interpretations published by the IASB and effective as at January 1, 2007 or not yet effective, but not yet endorsed by the European Commission, which are applicable to the Group.

Preparation of financial statements

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

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

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

1.2.2. First time adoption of IFRS

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

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

Purchase Accounting, goodwill and other intangibles related to past business combinations performed prior to January 1, 2004

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

Currency Translation Differences

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

Pension accounting

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

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

1.3. CONSOLIDATION

1.3.1. Scope and basis of consolidation

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Goodwill

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

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

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

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

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

Minority interests buyouts

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

Put over minority interests

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

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

Intra-group transactions

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

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

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

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

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

1.4. FOREIGN CURRENCY TRANSLATION OF FINANCIAL STATEMENTS AND TRANSACTIONS

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

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

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

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

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

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

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

1.5. SEGMENT REPORTING

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

1.6. INTANGIBLE ASSETS

1.6.1. Goodwill and impairment of goodwill

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

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

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

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

1.6.3. Other intangible assets

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

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

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

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

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

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

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

1.7. INVESTMENTS FROM INSURANCE, BANKING AND OTHER ACTIVITIES

Investments include investment in real estate properties and financial instruments including equities, fixed maturities and loans.

1.7.1. Investment properties

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

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

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

Investment properties that totally or partially back liabilities arising from:
- contracts where the financial risk is borne by policyholders,
- "With-Profit" contracts where dividends are based on real estate assets,

are recognized at fair value with changes in fair value flowing in the statement of income.

1.7.2. Financial instruments

Classification

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

At inception, the option to designate financial assets and liabilities at fair value with change in fair value recognized through income statement is mainly used by the Group in the following circumstances:
- financial assets when electing the fair value option allows the Group to solve accounting mismatch, and in particular:
  - assets backing liabilities arising from contracts where the financial risk is borne by policyholders;
  - assets included in hedging strategies set out by the Group for economical reasons but not eligible for hedge accounting as defined by IAS 39;
  - debts held by structured bond funds controlled and consolidated by the Group and made up of CDOs (Collateralized Debt Obligations).
- portfolios of managed financial assets whose profitability is valued on a fair value basis: mainly securities held by consolidated investment funds, managed according to the Group risk management policy ("Satellite Investment Portfolio", see definition below).

In practice, assets held through consolidated investment funds are classified:
- either as assets of the "Core Investment Portfolios" which include assets backing liabilities arising from insurance and investment contracts, managed according to AXA's ALM strategy;
- or as assets of the "Satellite Investment Portfolios", reflecting the strategic asset allocation based on a dynamic asset management aimed at maximizing returns.

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

Assets designated as available-for-sale, trading assets, investements designated as at fair value through P&L and all derivatives are measured at fair value, i.e. the amount for which an asset could be exchanged, between knowledgeable, willing parties in an arm's length transaction. The Group applies the IAS 39 fair value hierarchy as detailed in Note 9.

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

Impairment of financial assets

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

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

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

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

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

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

1.8. ASSETS BACKING LIABILITIES ARISING FROM CONTRACTS WHERE THE FINANCIAL RISK IS BORNE BY POLICYHOLDERS

Assets backing liabilities arising from insurance or investment contracts where the financial risk is borne by policyholders are presented in a separate aggregate of the balance sheet so that they are shown in a symmetrical manner to the corresponding liabilities. This presentation is considered more relevant for the users and consistent with the liquidity order recommended by IAS 1 for financial institutions, since the risks are borne by policyholders, whatever the type of assets backing liabilities (investment properties, fixed maturities or equities, etc). Details of these assets are provided in the notes.

1.9. DERIVATIVE INSTRUMENTS

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

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

Fair value hedge

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

Cash flow hedge

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

Net investment hedge

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

Derivatives not qualifying for hedge accounting

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

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

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

The purpose and conditions of the use of derivatives within the Group is detailed in Note 19.

1.10. ASSETS / LIABILITIES HELD FOR SALE AND ASSETS / LIABILITIES INCLUDING DISCONTINUED OPERATIONS

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

In the event of a discontinuation of operations representing either a business line, a main and distinct geographical region or a subsidiary acquired solely with a view to reselling, their after-tax contribution is stated on a separate line of the income statement. For comparison purposes, the same applies to the presentation of income statements relating to previous periods that are included in the financial statements. This separate line also includes the post-tax gain / loss recognized on the disposal of the discontinued operation at the date of loss of control.

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

1.11. SHARE CAPITAL AND SHAREHOLDERS' EQUITY

1.11.1. Share capital

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

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

1.11.2. Perpetual debts

Perpetual debts and any related interest charges are classified either in shareholders' equity (in the "other reserves" aggregate) or as liabilities depending on contract clauses.

Before December 31, 2006, the Group classified within shareholders' equity only perpetual debts on which interest payments could be cancelled on the condition that no dividend is paid to shareholders nor any interest paid on other securities of the same type. Perpetual instruments on which interest payments could be deferred while remaining due (cumulative interests) were recognized as liabilities under financing debts. These consisted mainly of perpetual subordinated notes issued by the Group.

Following the publication of the IFRIC Agenda Committee's IFRIC Update in November 2006, based on the IASB's intervention on the matter, the Group reconsidered its accounting treatment of perpetual subordinated notes. Although interests remain due at settlement date, instruments classification must be performed on a going concern basis. Only contractual obligations should be taken into consideration and not the prospect of redemption under economic constraints, (e.g. step up clauses or pressure from shareholders to pay a dividend). Taking into account the clarification, the Group has reclassified these instruments in 2006, previously recognized as liabilities and interest charges recognized in the statement of income, in shareholders' equity. This change in accounting treatment has been applied retrospectively to all periods presented at the end of 2006.

1.11.3. Compound financial instruments

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

1.11.4. Treasury shares

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

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

1.12. LIABILITIES ARISING FROM INSURANCE AND INVESTMENT CONTRACTS

1.12.1. Contracts classification

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

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

A number of insurance and investment contracts contain discretionary participating features. These features entitle the contract holder to receive additional benefits or bonuses on the top of these standard benefits :
- they are likely to represent a significant portion of the overall contractual benefits;
- their amount or timing is contractually at the discretion of the Group; and
- they are contractually based on the performance of a group of contracts, the investment returns of a financial asset portfolio or the company profits, a fund or another entity that issues the contract.

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

The Group classifies its insurance and investment contracts into six categories:
- liabilities arising from insurance contracts,
- liabilities arising from insurance contracts where the financial risk is borne by policyholders,
- liabilities arising from investment contracts with discretionary participating features,

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

The two last categories are presented on a single line item in the balance sheet: "Liabilities arising from investment contracts where the financial risk is borne by policyholders".

1.12.2. Insurance contracts and investment contracts with discretionary participating features

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

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

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

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

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

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

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

The "Liabilities arising from policyholders participation" caption includes the entire "Fund for Future Appropriation" (FFA) relating to UK with-profit contracts, which principally covers future terminal bonuses according to the terms of these contracts. The combination of provisions on with-profit contracts and the FFA varies in line with the market value of the assets supporting the participating with-profit funds. Following the adoption of UK Financial Reporting standard FRS27, reserves relating to with-profit contracts and the FFA were subject to a change in accounting policies in 2006, that was applied retrospectively, consistently with what other UK insurance companies applied. Reserves were adjusted on a "realistic" basis, and related deferred acquisition costs and unearned revenues reserves were cancelled. These adjustements had no impact on net income or shareholders' equity. The presentational impact of applying this standard is detailed in note 14. This change in accounting principles only applied to the Group's UK with-profit contracts.

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

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

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

Claims reserves (non-life insurance)

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

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

Unearned revenues reserves

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

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

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

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

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

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

Liability adequacy test (LAT)

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

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

Embedded derivatives in insurance and investment contracts with discretionary participating features

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

1.12.3. Investment contracts with no discretionary participating features

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

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

Unearned fees reserve

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

1.13. REINSURANCE: CEDED REINSURANCE

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

1.14. FINANCING DEBTS

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

1.15. OTHER LIABILITIES

1.15.1. Income taxes

The current income tax expense (benefit) is recorded in the income statement on the basis of net amounts estimated to be payable (or recoverable) in relation to taxable operations recorded during the year and based on the local tax regulation.

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

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

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

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

1.15.2. Pensions and other post-retirement benefits

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

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

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

1.15.3. Share-based compensation plans

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

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

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

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

1.16. PROVISIONS FOR RISKS, CHARGES AND CONTINGENT LIABILITIES

1.16.1. Restructuring costs

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

1.16.2. Other provisions and contingencies

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

Provisions are not recognized for future operating losses. The same applies to contingent liabilities, except if identified at the time of a business combination (see section 1.3.2).

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

1.17. REVENUE RECOGNITION

1.17.1. Gross written premiums

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

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

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

1.17.3. Deposit accounting

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

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

1.17.4. Unbundling

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

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

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

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

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

1.17.6. Net revenues from banking activities

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

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

1.17.7. Revenues from other activities

Revenues from other activities mainly include:

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

1.17.8. Net investment result excluding financing expenses

The net investment result includes:

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

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

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

1.18. SUBSEQUENT EVENTS

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

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

1.19. PRESENTATION OF THE FINANCIAL STATEMENTS

Consolidated Statement of Recognized Income and Expense for the period

The Consolidated Statement of Recognized Income and Expense for the period (SORIE) includes all gains and losses over the period, that is, in addition to net income for the period, any changes in unrealized gains and losses on available for sale securities, the reserve of cash flow hedging derivatives, reserves for currency translation and employee benefits' actuarial gains and losses through OCI. This statement shows only changes in reserves over the period, in addition to net income. The reconciliation with the related reserves recognized through equity is shown in Note 13. This statement also shows transactions with shareholders and all changes in equity for the periods presented.

Consolidated statement of cash flows

Following the change in the consolidated income statement format regarding the "Change in goodwill impairment" item, and in order to make the presentation more consistent with that adopted by its peers, the Group changed in 2006 the starting point of the consolidated statement of cash flows. The consolidated statement of cash flows now starts with "Net operating result before tax", whereas it used to be with "Income from operating activities, gross of tax expenses". As a result, the following income statement items are now included in the starting point of the consolidated statement of cash flows: "Change in goodwill impairment", "Income arising from investments in associates – Equity method" and "Financing debt expenses".

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

Segment reporting

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

2.1. CONSOLIDATED COMPANIES

2.1.1. Main fully consolidated companies

Parent and Holding Companies	Change in scope	December 31, 2007		December 31, 2006	
		Voting rights	Ownership interest	Voting rights	Ownership interest
France					
AXA		Parent company		Parent company	
AXA China		100.00	77.39	100.00	76.82
AXA France Assurance		100.00	100.00	100.00	100.00
Colisée Excellence		100.00	100.00	100.00	100.00
AXA Participations II		100.00	100.00	100.00	100.00
Mofipar	Merged with AXA	–	–	100.00	100.00
Oudinot Participation		100.00	100.00	100.00	100.00
Société Beaujon		99.99	99.99	99.99	99.99
AXA Technology Services		100.00	99.99	100.00	99.99
United States					
AXA Financial, Inc.		100.00	100.00	100.00	100.00
AXA America Holding Inc.		100.00	100.00	100.00	100.00
United Kingdom					
Guardian Royal Exchange Plc		100.00	99.99	100.00	99.99
AXA UK Plc		100.00	99.99	100.00	99.99
AXA Equity & Law Plc		99.96	99.96	99.96	99.96
Winterthur (UK) Holdings Ltd		100.00	99.99	100.00	100.00
Ireland					
AXA Life Europe		100.00	100.00	100.00	100.00
Asia/Pacific (excluding Japan)					
National Mutual International Pty Ltd		100.00	53.86	100.00	52.69
AXA Life Singapore Holding [(a)]		100.00	53.86	100.00	52.69
AXA Asia Pacific Holdings Ltd		53.00	53.86	53.71	52.69
Japan					
AXA Japan Holding		98.11	98.11	97.69	97.69
Germany					
Kölnische Verwaltungs AG für Versicherungswerte		100.00	100.00	99.56	98.76
AXA Konzern AG		100.00	100.00	96.84	96.52
DBV-Winterthur Holding AG		96.69	96.69	96.69	96.69
WinCom Versicherungs-Holding AG		100.00	100.00	100.00	100.00
Winterthur Beteiligungs-Gesellschaft mbH		100.00	100.00	100.00	100.00
Belgium					
AXA Holdings Belgium		100.00	99.92	100.00	99.92
Royale Belge Investissement	Merged with AXA Luxembourg SA	–	–	100.00	99.92
Luxembourg					
AXA Luxembourg SA		100.00	99.92	100.00	99.92
The Netherlands					
AXA Verzekeringen	Disposed	–	–	100.00	99.92
AXA Nederland BV	Disposed	–	–	100.00	99.92
Vinci BV		100.00	100.00	100.00	100.00
DBV Holding N.V	Disposed	–	–	100.00	96.69
Winterthur Verzekeringen Holding B.V.	Disposed	–	–	100.00	100.00

(a) Wholly owned by AXA Asia Pacific Holdings Limited.

Parent and Holding Companies	Change in scope	December 31, 2007 Voting rights	December 31, 2007 Ownership interest	December 31, 2006 Voting rights	December 31, 2006 Ownership interest
Spain					
AXA Aurora S.A.	Merged with Hispanowin S.A.	–	–	100.00	100.00
Hispanowin S.A.		100.00	100.00	100.00	100.00
Italy					
AXA Italia SpA		100.00	100.00	100.00	100.00
Switzerland					
Finance Solutions SARL		100.00	100.00	100.00	100.00
Morocco					
AXA Ona		100.00	100.00	51.00	51.00
Turkey					
AXA Oyak Holding AS		50.00	50.00	50.00	50.00

Life & Savings and Property & Casualty	Change in scope	December 31, 2007 Voting rights	December 31, 2007 Ownership interest	December 31, 2006 Voting rights	December 31, 2006 Ownership interest
France					
AXA France Iard		99.92	99.92	99.92	99.92
Avanssur (formerly Direct Assurances Iard)		100.00	100.00	100.00	100.00
AXA France Vie		99.77	99.77	99.77	99.77
AXA Protection Juridique		98.51	98.51	98.51	98.51
United States					
AXA Financial (sub-group)		100.00	100.00	100.00	100.00
Canada					
AXA Canada Inc. (sub group including Citadel)		100.00	100.00	100.00	100.00
United Kingdom					
AXA Insurance Plc		100.00	99.99	100.00	99.99
AXA Sun Life Plc		100.00	99.99	100.00	99.99
AXA PPP Group Plc	Merged with PPP Healthcare Limited	–	–	100.00	99.99
AXA PPP Healthcare Limited		100.00	99.99	100.00	99.99
Thinc Group	Acquired	100.00	99.99	–	–
Venture Preference Limited	Acquired	95.40	95.40	–	–
Winterthur Life UK Limited		100.00	99.99	100.00	100.00
Whale CDO Equity Fund	Acquired	100.00	99.99	–	–
Ireland					
AXA Insurance Limited		100.00	99.99	100.00	99.99
Asia/Pacific (excluding Japan)					
AXA Life Insurance Singapore [(a)]		100.00	53.86	100.00	52.69
AXA Australia New Zealand		100.00	53.86	100.00	52.69
AXA China Region Limited (including MLC Hong-Kong) [(a)]		100.00	53.86	100.00	52.69
AXA General Insurance Hong Kong Ltd		100.00	100.00	100.00	100.00
AXA Insurance Singapore		100.00	100.00	100.00	100.00
PT AXA Life Indonesia		80.00	43.09	80.00	42.15
MLC Indonesia		100.00	53.86	100.00	52.69
Kyobo Automobile Insurance	Acquired	90.08	90.08	–	–
Winterthur Life (Hong Kong) Ltd. [(a)]	Decrease in ownership interest following sale to AXA Asia Pacific Holdings	100.00	53.86	100.00	100.00
AXA Affin General Insurance Berhad	Previously consolidated by equity method	50.48	50.48	–	–

(a) Wholly owned by AXA Asia Pacific Holdings Limited.

Life & Savings and Property & Casualty	Change in scope	December 31, 2007		December 31, 2006	
		Voting rights	Ownership interest	Voting rights	Ownership interest
Japan					
AXA Life Insurance		100.00	98.11	100.00	97.69
AXA Non Life Insurance Co Ltd		100.00	98.11	100.00	97.69
Winterthur Swiss Life Insurance Co., Ltd.		100.00	98.11	100.00	100.00
Germany					
AXA Versicherung AG		100.00	100.00	100.00	96.52
AXA Art		100.00	100.00	100.00	96.52
AXA Leben Versicherung AG		100.00	100.00	100.00	96.52
Pro Bav Pensionskasse		100.00	100.00	100.00	96.52
Deutsche Aerzteversicherung		100.00	100.00	97.87	94.47
AXA Kranken Versicherung AG		100.00	100.00	99.69	96.23
DBV-Winterthur Krankenversicherung AG		100.00	96.69	100.00	96.69
DBV-Winterthur Lebensversicherung AG		99.74	96.44	99.74	96.44
Winsecura Pensionskasse AG		100.00	96.44	100.00	96.44
Rheinisch-Westfälische Sterbekasse Lebensversicherung AG		100.00	96.69	100.00	96.69
DBV Deutsche Beamten-Versicherung AG		100.00	96.69	100.00	96.69
DBV-Winterthur Versicherung AG (DWS)		100.00	96.69	100.00	96.69
DBV-WinSelect Versicherung AG		100.00	96.69	100.00	96.69
Belgium					
Ardenne Prévoyante		100.00	99.92	100.00	99.92
AXA Belgium SA		100.00	99.92	100.00	99.92
Servis (formerly Assurance de la Poste)		100.00	99.92	100.00	99.92
Assurances de la Poste Vie		100.00	99.92	100.00	99.92
Winterthur Europe Assurances - Vie		100.00	100.00	99.81	99.81
Winterthur Europe Assurances - Non Vie		100.00	100.00	99.81	99.81
Les Assurés Réunis		99.93	99.93	99.93	99.74
Touring Assurances SA		100.00	100.00	100.00	99.81
Luxembourg					
AXA Assurances Luxembourg		100.00	99.92	100.00	99.92
AXA Assurances Vie Luxembourg		100.00	99.92	100.00	99.92
The Netherlands					
AXA Leven N.V.	Disposed	–	–	100.00	99.92
AXA Schade N.V.	Disposed	–	–	100.00	99.92
Winterthur Leven NV	Disposed	–	–	100.00	100.00
DBV Leven N.V.	Disposed	–	–	100.00	96.69
DBV Schade	Disposed	–	–	100.00	96.69
DBV Finance BV	Disposed	–	–	100.00	96.69
Winterthur Schade N.V.	Disposed	–	–	100.00	100.00
Spain					
Hilo Direct SA de Seguros y Reaseguros		100.00	100.00	100.00	100.00
AXA Aurora SA Iberica de Seguros y Reaseguros		99.70	99.70	99.70	99.70
AXA Aurora SA Vida de Seguros y Reaseguros		99.70	99.70	99.70	99.70
AXA Aurora SA Vida		99.96	99.67	99.96	99.67
Winterthur Vida y Pensiones		100.00	100.00	100.00	100.00
Winterthur Seguros Generales, S.A. de Seguros y Reaseguros		100.00	100.00	100.00	100.00
Winterthur Salud (SA de Seguros)		100.00	100.00	100.00	100.00

Life & Savings and Property & Casualty	Change in scope	December 31, 2007		December 31, 2006	
		Voting rights	Ownership interest	Voting rights	Ownership interest
Italy					
AXA Interlife		100.00	100.00	100.00	100.00
UAP Vita		100.00	100.00	100.00	100.00
AXA Assicurazioni e Investimenti		100.00	99.99	100.00	99.99
AXA-MPS Vita	Acquired	50.00 + 1 voting right	50.00	–	–
AXA-MPS Danni	Acquired	50.00 + 1 voting right	50.00	–	–
Portugal					
AXA Portugal Companhia de Seguros SA		99.61	99.37	99.61	99.37
AXA Portugal Companhia de Seguros de Vida SA		95.09	94.89	95.09	94.89
Seguro Directo		100.00	100.00	100.00	100.00
Morocco					
AXA Assurance Maroc	Minority interest acquisition	100.00	100.00	100.00	51.00
Turkey					
AXA Oyak Hayat Sigorta AS		100.00	50.00	100.00	50.00
AXA Oyak Sigorta AS		70.96	35.48	70.96	35.48
Switzerland					
AXA Compagnie d'Assurances sur la Vie	Merged with Winterthur Life	–	–	100.00	100.00
AXA Compagnie d'Assurances	Merged with Winterthur Swiss Insurance P&C	–	–	100.00	100.00
Winterthur Life		100.00	100.00	100.00	100.00
Winterthur-ARAG Legal Assistance		66.67	66.67	66.67	66.67
Winterthur Swiss Insurance Company Holding		100.00	100.00	100.00	100.00
Winterthur Swiss Insurance P&C		100.00	100.00	100.00	100.00
Greece					
AXA Insurance Life	Acquired	99.57	99.57	–	–
AXA Insurance P&C	Acquired	99.57	99.57	–	–
Central and Eastern Europe					
Winterthur Czech Republic Pension Funds		79.97	79.97	79.97	79.97
Winterthur Czech Republic Insurance		65.01	65.01	65.01	65.01
Winterthur Hungary		65.00	65.00	65.00	65.00
Winterthur Poland		65.00	65.00	65.00	65.00
Winterthur Poland Pension Funds		70.00	70.00	70.00	70.00
Winterthur Slovakia		100.00	100.00	88.21	88.21

International Insurance (entities having worldwide activities)	Change in scope	December 31, 2007		December 31, 2006	
		Voting rights	Ownership interest	Voting rights	Ownership interest
AXA Corporate Solutions Assurance (sub-group)		98.75	98.75	98.75	98.75
AXA Cessions		100.00	100.00	100.00	100.00
AXA Assistance SA (sub-group)		100.00	100.00	100.00	100.00
AXA Global Risks UK		100.00	100.00	100.00	100.00
Saint-Georges Ré		100.00	100.00	100.00	100.00
AXA LM Switzerland		100.00	100.00	100.00	100.00
Winplan	Disposed	–	–	100.00	100.00
Harrington	Deconsolidated	–	–	100.00	100.00

Asset Management (entities having world-wide activities)	Change in scope	December 31, 2007		December 31, 2006	
		Voting rights	Ownership interest	Voting rights	Ownership interest
AXA Investment Managers (sub-group) [(a)]		95.04	95.02	94.82	94.58
AllianceBernstein (sub-group)		63.18	63.18	60.28	60.28
Winterthur Investment Management AG		100.00	95.02	100.00	100.00

(a) Including Framlington.

Banking	Change in scope	December 31, 2007		December 31, 2006	
		Voting rights	Ownership interest	Voting rights	Ownership interest
France					
AXA Banque		100.00	99.89	100.00	99.92
AXA Banque Financement		65.00	64.93	65.00	64.95
Germany					
AXA Bank AG		100.00	100.00	100.00	96.52
Belgium					
AXA Bank Belgium		100.00	99.92	100.00	99.92
Hungary					
ELLA Bank	Acquired	100.00	99.92	–	–

Other Financial Services	Change in scope	December 31, 2007		December 31, 2006	
		Voting rights	Ownership interest	Voting rights	Ownership interest
France					
Compagnie Financière de Paris		100.00	100.00	100.00	100.00
Sofinad		100.00	99.99	100.00	99.99
The Netherlands					
Holland Homes I	Disposed	–	–	100.00	100.00
Holland Homes II	Disposed	–	–	100.00	100.00
Holland Homes III	Disposed	–	–	100.00	100.00
Holland Homes IV	Disposed	–	–	100.00	100.00

The main changes to the Group scope of consolidation in 2007 are described below.

Main acquired entities in 2007 are :

- **Thinc Group**(ex-Thinc Destini) in the United Kingdom,
- **Venture Preference Ltd** (Smart and Cook, Stuart Alexander and Layton Blackham) in the United Kingdom,
- **Alpha Insurance**in Greece,
- **Kyobo Automobile Insurance** in South Korea,
- **AXA-MPS Vita and Danni**in Italy,
- **ELLA Bank**in Hungary.

The cumulative opening balance sheet for the main entities acquired over the period is shown in Note 5.

Winterthur's U.S. Property and Casualty subsidiary, which was acquired at the end of 2006 with the intention to sale it within the following 12 months, was consolidated at December 31, 2006 and classified under "Assets held for sale". The sale was closed during the first half of 2007 and the subsidiary is no longer part of the scope of consolidation.

On October 31, 2007, AXA closed the sale of **Winterthur Life Taiwan Branch (WLTB),** to China Life Insurance Co Ltd., a life insurance company incorporated in Taiwan.

On September 5, 2007, AXA completed the sale of its Dutch operations, comprising 100% of **AXA Netherlands, Winterthur Netherlands and DBV Netherlands.**

Consolidated investment and investment funds

Consolidated investment funds represented total invested assets of €110,162 million at the end of 2007 (€98,124 million at the end of 2006 and €78,812 million at the end of 2005), corresponding to 294 funds, mainly in France, the United Kingdom, Switzerland, Germany, Japan, Australia and the Mediterranean Region, and in majority relating to the Life & Savings segment.

The 35 consolidated real estate companies corresponded to total invested assets of €9,226 million at the end of 2007 (€9,425 million at the end of 2006 and €6,977 million at the end of 2005), mainly in France and Germany.

The 6 consolidated CDOs represented total investments of €1,024 million at the end of 2007 (€1,410 million at the end of 2006 and €1,806 million at the end of 2005). These CDO's are consolidated in AXA's Balance Sheet in line with IFRS rules even though AXA's investments in these CDO's assets represented only approximately €212 million out of the €1,024 million.

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

In most investment funds (particularly open-ended investment funds), minority interests do not meet the definition of shareholders' equity. They are therefore presented as liabilities under "Minority interests of controlled investment funds and puttable instruments held by minority interest holders". At December 31, 2007, minority interests in controlled investment funds amounted to €7,116 million (€6,099 million at December 31, 2006 and €4,326 million at December 31, 2005).

2.1.2. Proportionately consolidated companies

Life & Savings and Property & Casualty	Change in scope	December 31, 2007		December 31, 2006	
		Voting rights	Ownership interest	Voting rights	Ownership interest
France					
Natio Assurances		50.00	49.96	50.00	49.96
NSM Vie		39.98	39.98	39.98	39.98
Fonds Immobiliers Paris Office Funds		50.00	49.91	50.00	49.91

2.1.3. Investments in companies consolidated by equity method

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

	Change in scope	December 31, 2007		December 31, 2006	
		Voting rights	Ownership interest	Voting rights	Ownership interest
France					
Argovie		95.23	95.01	95.23	95.01
Banque de Marchés et d'Arbitrages		27.71	27.70	27.71	27.70
Asia/Pacific					
AXA Affin General Insurance Berhard	Fully consolidated	–	–	50.48	50.48
Philippines AXA Life Insurance Corporation		45.00	24.24	44.98	23.70
Krungthai AXA Life Insurance Company Ltd		50.00	26.93	50.00	26.34
AXA Mimmetals Assurance Co Ltd	Newly consolidated	51.00	39.47	–	–
PT AXA Mandiri Financial Services		51.00	27.47	51.00	26.87

AXA announced on December 21, 2007 that the Group had reached an agreement with Reso Garantia's ("RESO") shareholders to acquire a 36.7% stake in the company for a total cash consideration of around €810 million. As part of this agreement, AXA will have the option to buy out the remaining stake through calls exercisable in 2010 and 2011. This transaction is expected to be completed during the first half of 2008 and therefore is not recognized in the financial statements as at December 31, 2007.

Investment funds and real estate entities consolidated by equity method

At December 31, 2007, real estate companies consolidated by equity method represented total assets of €538 million (€693 million at the end of 2006, including €298 million relating to real estate companies arising from the Winterthur acquisition and €234 million at the end of 2005) and investment funds consolidated by equity method represented total assets of €1,234 million, mainly in France and the United States (€1,376 million at the end of 2006 and €1,346 million at the end of 2005).

2.2. CONSOLIDATED ENTITIES RELATING TO SPECIFIC OPERATIONS

Securitization of mortgage loans in the life portfolio of DBV in the Netherlands

The Holland Homes mortgage securitization structures previously set up by Winterthur Group were consolidated within DBV's operations in the Netherlands. Such structures were no longer recognized following the sale of AXA's operations in the Netherlands.

Acacia

The Acacia SPV is consolidated within the operations of AXA France Vie. This structure was put in place for 5 years in order to improve AXA France Vie assets/liabilities adequacy ratio by ceding receivables resulting from eligible insurance operations against cash. The main impact is a €250 million increase in the AXA Group's other liabilities, and a parallel increase in receivables.

Securitization of motor insurance portfolios

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

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

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

AXA Japan

In 2002, AXA Japan transferred 102 buildings with net book value of JPY 40 billion to a fund owned by a third party and AXA Japan for JPY 43 billion, with a view to sell the buildings to other parties.

Due to AXA Japan's continuing involvement in managing these buildings, the Group is considered to retain almost all of the risks and benefits relating to ownership of the transferred assets, and so the assets have been kept on the balance sheet. The remaining assets relating to this transaction kept on the balance sheet at the end of 2007 totaled JPY 7 billion (€44 million).

Matignon Finances

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

NOTE 3 > SEGMENTAL INFORMATION

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

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

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

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

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

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

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

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

3.1. SEGMENTAL BALANCE SHEET

3.1.1. Assets

(In Euro million)

	December 31, 2007							
	Life & Savings	Property & Casualty	International Insurance	Asset Management	Banking	Holdings companies (b)	Inter-segment eliminations	TOTAL
Intangible assets	27,987	7,538	65	4,522	170	444	–	40,726
Investments	527,406	56,973	9,238	1,130	5,180	14,414	(16,254)	598,087
Reinsurer's share in insurance and investment contracts liabilities	4,846	2,349	4,380	–	–	–	(261)	11 315
Other assets & receivables (a)	14,568	809	4,668	2,529	17,818	43,009	(11,282)	72,119
Assets held for sale including discontinued operations	680	–	–	–	–	–	–	680
TOTAL ASSETS	**575,488**	**67,669**	**18,351**	**8,180**	**23,168**	**57,866**	**(27,797)**	**722,927**
Of which:								
France	141,709	17,450	–	–	–	–	–	159,158
United States	113,521	–	–	–	–	–	–	113,521
United Kingdom	101,878	10,053	–	–	–	–	–	111,931
Japan	36,699	–	–	–	–	–	–	36,699
Germany	58,314	10,325	–	–	–	–	–	68,639
Belgium	26,648	10,687	–	–	–	–	–	37,335
Switzerland	41,006	3,826	–	–	–	–	–	44,833
Other countries and other transnational activities	55,714	15,328	18,351	8,180	23,168	57,866	(27,797)	150,811
TOTAL ASSETS	**575,488**	**67,669**	**18,351**	**8,180**	**23,168**	**57,866**	**(27,797)**	**722,927**

(a) Including cash and cash equivalents, deposits and guarantees, various debtors and assets covering employee benefit liabilities.
(b) Including SPEs and CDOs previously disclosed in the Other Financial services segment which has been renamed "Banking".

(In Euro million)

	December 31, 2006 Restated (a)							
	Life & Savings	Property & Casualty	International Insurance	Asset Management	Banking	Holding companies (c)	Inter-segment eliminations	TOTAL
Intangible assets	27,814	6,228	66	4,834	71	364	–	39,377
Investments	525,316	54,996	9,770	665	8,472	12,604	(12,621)	599,203
Reinsurers' share in insurance and investment contracts liabilities	5,055	2,269	4,985	–	–	–	(272)	12,038
Other assets & receivables (b)	18,028	708	4,916	4,469	15,295	41,115	(10,872)	73,658
Assets held for sale including discontinued operations	235	3,098	–	–	–	–	–	3,333
TOTAL ASSETS	**576,449**	**67,299**	**19,737**	**9,967**	**23,838**	**54,083**	**(23,764)**	**727,609**
Of which:								
France	136,092	16,924	–	–	–	–	–	153,016
United States	120,215	–	–	–	–	–	–	120,215
United Kingdom	107,125	10,135	–	–	–	–	–	117,259
Japan	39,422	–	–	–	–	–	–	39,422
Germany	57,847	10,179	–	–	–	–	–	68,026
Belgium	24,991	10,669	–	–	–	–	–	35,660
Switzerland	41,342	5,168	–	–	–	–	–	46,510
Other countries and other transnational activities	49,415	14,224	19,737	9,967	23,838	54,083	(23,764)	147,500
TOTAL ASSETS	**576,449**	**67,299**	**19,737**	**9,967**	**23,838**	**54,083**	**(23,764)**	**727,609**

(a) In accordance with IFRS 3, i.e. within 12 months following the acquisition date, the Group has adjusted certain items impacting the allocation of Winterthur purchase price.
(b) Including cash and cash equivalents, deposits and guarantees, various debtors and assets covering employee benefit liabilities.
(c) Including SPEs and CDOs previously disclosed in the Other Financial services segment which has been renamed "Banking".

(In Euro million)

	December 31, 2005 Restated [c]							
	Life & Savings [b]	Property & Casualty	International Insurance	Asset Management	Banking	Holding companies [b]	Inter-segment eliminations	TOTAL
Intangible assets [c]	22,977	3,470	169	4,972	70	363	–	32,023
Investments	414,933	41,054	9,870	421	6,418	7,670	(10,874)	469,492
Reinsurer's share in insurance and investment contracts liabilities	4,356	2,014	3,015	–	–	–	(298)	9,087
Other assets & receivables [a]	15,157	5,125	3,119	3,842	12,460	31,914	(6,346)	65,271
Assets held for sale including discontinued operations	100	2	–	–	–	–	–	102
TOTAL ASSETS	**457,523**	**51,665**	**16,173**	**9,235**	**18,949**	**39,947**	**(17,517)**	**575,974**
Of which								
France	124,756	15,758	–	–	–	–	–	140,514
United States	123,290	–	–	–	–	–	–	123,290
United Kingdom [c]	83,748	9,629	–	–	–	–	–	93,377
Japan	34,405	–	–	–	–	–	–	34,405
Germany	34,103	8,383	–	–	–	–	–	42,486
Belgium	19,454	7,493	–	–	–	–	–	26,947
Other countries and other transnational activities	37,767	10,403	16,173	9,235	18,949	39,947	(17,517)	114,956
TOTAL ASSETS	**457,523**	**51,665**	**16,173**	**9,235**	**18,949**	**39,947**	**(17,517)**	**575,974**

(a) Including cash and cash equivalents, deposits and guarantees, various debtors and assets covering employee benefit liabilities.
(b) Including SPEs and CDOs previously disclosed in the Other Finanacial Services segment which has been renamed "Banking".
(c) As described in note 1.12.2, the adoption in 2006 of FRS 27 in the UK led to adjustments to 2005. The effect of these adjustments is set out in note 14.

3.1.2. Liabilities

(in Euro million)

	December 31, 2007							
	Life & Savings	Property & Casualty	International Insurance	Asset Management	Banking	Holding companies [b]	Inter-segment eliminations	TOTAL
Liabilities arising from insurance contracts [a]	366,487	47,138	11,058	–	–	–	(320)	424,363
Liabilities arising from investment contracts [a]	111,161	–	–	–	–	–	–	111,161
Unearned revenues and unearned fees reserves	2,232	–	–	–	–	–	–	2,232
Liabilities arising from policyholder's participation	19,121	205	–	–	–	–	(4)	19,322
Derivatives relating to insurance and investment contracts	(196)	–	9	–	–	–	–	(187)
Provisions for risks and charges	4,988	2,376	277	207	168	638	–	8,654
Financing debt	3,218	220	503	550	540	15,923	(10,098)	10,856
Deferred tax liability	4,013	1,043	174	118	(5)	191	–	5,534
Payables	48,041	11,696	6,194	5,171	22,441	15,841	(17,375)	92,008
Liabilities from held for sale including discontinued operations	61	9	–	–	–	–	–	70
TOTAL LIABILITIES EXCLUDING CONSOLIDATED SHAREHOLDERS' EQUITY	**559,125**	**62,687**	**18,216**	**6,046**	**23,144**	**32,593**	**(27,797)**	**674,014**

(a) Also includes changes in liabilities arising from insurance contracts and investment contracts where the financial risk is borne by policyholders.
(b) Including SPEs and CDOs previously disclosed in the Other Financial Services segment which has been renamed "Banking".

(In Euro million)

	December 31, 2006 Restated (a)							
	Life & Savings	Property & Casualty	International Insurance	Asset Management	Banking	Holding companies (c)	Inter-segment eliminations	TOTAL
Liabilities arising from insurance contracts (b)	374,506	46,275	11,888	–	–	–	(323)	432,345
Liabilities arising from investment contracts (b)	100,856	–	543	–	–	–	–	101,399
Unearned revenues and unearned fees reserves	2,080	–	–	–	–	–	–	2,080
Liabilities arising from policyholder's participation	24,764	184	–	–	–	–	(8)	24,940
Derivatives relating to insurance and investment contracts	(130)	–	(33)	–	–	–	–	(163)
Provisions for risks and charges	4,788	2,844	307	166	159	580	–	8,845
Financing debt	2,512	36	454	644	531	13,514	(8,344)	9,347
Deferred tax liability	4,978	1,526	193	102	–	62	–	6,861
Payables	44,651	11,114	6,160	6,596	23,101	13,217	(14,861)	89,976
Liabilities from held for sale including discontinued operations	–	1,812	–	–	–	–	–	1,812
TOTAL LIABILITIES EXCLUDING CONSOLIDATED SHAREHOLDERS' EQUITY	**559,005**	**63,789**	**19,513**	**7,508**	**23,792**	**27,373**	**(23,536)**	**677,443**
OF WHICH WINTERTHUR TOTAL LIABILITIES EXCLUDING SHAREHOLDER'S EQUITY	**93,669**	**14,787**	**1,612**	**4**	**2,885**	**2,018**	**(3,763)**	**111,212**

(a) In accordance with IFRS 3, i.e. within 12 months following the acquisition date, the Group has adjusted certain items impacting the allocation of Winterthur purchase price.
(b) Also includes changes in liabilities arising from insurance contracts and investment contracts where the financial risk is borne by policyholders.
(c) Including SPEs and CDOs previously disclosed in the Other Financial Services segment which has been renamed "Banking".

(In Euro million)

	December 31, 2005 Restated (d)							
	Life & Savings	Property & Casualty	International Insurance	Asset Management	Banking	Holding companies (b)	Inter-segment eliminations	TOTAL
Liabilities arising from insurance contracts (a) (d)	292,796	36,151	12,014	–	–	–	(355)	340,605
Liabilities arising from investment contracts (a) (d)	82,742	–	–	–	–	–	–	82,742
Unearned revenues and unearned fees reserves (d)	1,726	–	–	–	–	–	–	1,726
Liabilities arising from policyholder's participation (d)	23,278	19	–	–	–	–	(13)	23,284
Derivatives relating to insurance and investment contracts	(147)	–	(1)	–	–	–	–	(148)
Provisions for risks and charges	5,221	2,699	93	99	168	481	–	8,761
Financing debt (c)	3,011	130	738	783	490	12,607	(9,853)	7,906
Deferred tax liability (d)	5,057	1,270	239	233	27	512	–	7,338
Payables	30,252	6,686	2,545	5,836	18,184	8,266	(7,296)	64,473
Liabilities from held for saleincluding discontinued operations	–	–	–	–	–	–	–	–
TOTAL LIABILITIES EXCLUDING CONSOLIDATED SHAREHOLDERS' EQUITY	**443,936**	**46,954**	**15,628**	**6,951**	**18,869**	**21,866**	**(17,517)**	**536,686**

(a) Also includes changes in liabilities arising from insurance contracts and investment contracts where the financial risk is borne by policyholders.
(b) Including SPEs and CDOs previously disclosed in the Other Financial Services segment which has been renamed "Banking".
(c) As described in note 1.11.2, perpetual subordinated notes have been reclassified under shareholders' equity in 2006 with retrospective application to 2005. Details are provided in note 13.
(d) As described in note 1.12.2, the adoption in 2006 of FRS 27 in the UK led to adjustments to 2005. The effect of these adjustments is set out in note 14.

3.2. SEGMENTAL CONSOLIDATED STATEMENT OF INCOME

(In Euro million)

	December 31, 2007							
	Life & Savings	Property & Casualty	International Insurance	Asset Management	Banking	Holding companies [a]	Inter-segment eliminations	TOTAL
Gross written premiums	57,807	25,101	3,497	–	–	–	(289)	86,116
Fees and charges relating to investment contracts with no participating features	740	–	–	–	–	–	–	740
Revenues from insurance activities	**58,548**	**25,101**	**3,497**	**–**	**–**	**–**	**(289)**	**86,857**
Net revenues from banking activities	–	–	–	–	369	6	(39)	336
Revenues from other activities	1,332	79	205	5,283	5	1	(465)	6,441
Total revenues	**59,879**	**25,180**	**3,703**	**5,283**	**374**	**7**	**(793)**	**93,633**
Change in unearned premiums net of unearned revenues and fees	**(278)**	**(362)**	**28**	**–**	**–**	**–**	**–**	**(612)**
Net investment income	14,898	2,059	353	78	4	675	(598)	17,470
Net realized investment gains and losses	4,196	953	(0)	8	–	107	–	5,264
Change in fair value of financial instruments at fair value through profit & loss	4,691	(75)	38	(22)	–	(550)	3	4,084
Change in financial instruments impairment	(655)	(251)	(6)	–	–	(14)	–	(927)
Net investment result excluding financing expenses	**23,129**	**2,687**	**385**	**64**	**4**	**217**	**(595)**	**25,891**
Technical charges relating to insurance activities	(70,595)	(16,723)	(2,525)	–	–	–	254	(89,590)
Net result from outward reinsurance	32	(599)	(555)	–	–	–	74	(1,047)
Bank operating expenses	–	–	–	–	(55)	(2)	–	(57)
Acquisition costs	(3,744)	(4,652)	(319)	–	–	–	10	(8,705)
Amortization of the value of purchased business in force	(357)	–	–	–	–	–	–	(357)
Administrative expenses	(3,514)	(2,452)	(351)	(3,647)	(322)	(529)	351	(10,462)
Change in tangible assets impairment	(0)	3	(0)	(0)	–	–	–	2
Change in goodwill impairment and other intangible assets impairment	(58)	(89)	–	–	(1)	–	–	(148)
Other income and expenses	(231)	(24)	31	(251)	33	(70)	114	(397)
Other operating income and expenses	**(78,465)**	**(24,536)**	**(3,718)**	**(3,898)**	**(344)**	**(601)**	**803**	**(110,760)**
Income from operating activities before tax	**4,265**	**2,969**	**396**	**1,449**	**34**	**(377)**	**(584)**	**8,152**
Income arising from investments in associates – Equity method	6	5	1	–	–	2	–	13
Financing debts expenses	(91)	(13)	(22)	(39)	(26)	(864)	583	(471)
Operating income before tax	**4,180**	**2,961**	**375**	**1,411**	**8**	**(1,239)**	**(1)**	**7,695**
Income tax	***(994)***	***(693)***	***(129)***	***(424)***	***(1)***	***458***	***1***	***(1,783)***
Net operating result	**3,186**	**2,267**	**245**	**987**	**7**	**(781)**	**–**	**5,911**
Result from discontinued operations net of tax	–	–	–	–	–	480	–	480
Net consolidated income	**3,186**	**2,267**	**245**	**987**	**7**	**(301)**	**–**	**6,391**
Split between :								
Net income Group share	*2,899*	*2,218*	*243*	*588*	*6*	*(287)*	–	*5,666*
Minority interests share in net consolidated result	*287*	*49*	*3*	*399*	*1*	*(14)*	–	*725*

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

(In Euro million)

	December 31, 2006 [a]							
	Life & Savings	Property & Casualty	International Insurance	Asset Management	Banking	Holding companies [b]	Inter-segment eliminations	TOTAL
Gross written premiums	48,275	19,548	3,625	–	–	–	(149)	71,299
Fees and charges relating to investment contracts with no participating features	608	–	–	–	–	–	–	608
Revenues from insurance activities	**48,883**	**19,548**	**3,625**	**–**	**–**	**–**	**(149)**	**71,907**
Net revenues from banking activities	–	–	–	–	394	4	(22)	376
Revenues from other activities	1,076	52	186	4,781	6	–	(417)	5,684
Total revenues	**49,959**	**19,600**	**3,811**	**4,781**	**400**	**4**	**(588)**	**77,966**
Change in unearned premiums net of unearned revenues and fees	**(229)**	**(139)**	**(84)**	**–**	**–**	**–**	**–**	**(452)**
Net investment income	12,125	1,562	300	85	–	540	(429)	14,184
Net realized investment gains and losses	3,443	594	132	50	–	6	–	4,225
Change in fair value of financial instruments at fair value through profit & loss	14,687	50	35	47	–	(482)	–	14,338
Change in financial instruments impairment	(134)	(47)	(2)	–	–	(9)	–	(192)
Net investment result excluding financing expenses	**30,122**	**2,159**	**465**	**182**	**–**	**55**	**(429)**	**32,555**
Technical charges relating to insurance activities	(68,999)	(12,697)	(2,272)	–	–	–	(90)	(83,877)
Net result from outward reinsurance	(27)	(629)	(893)	–	–	–	99	(1,450)
Bank operating expenses	–	–	–	–	(89)	11	–	(78)
Acquisition costs	(3,095)	(3,712)	(300)	–	–	–	(2)	(7,108)
Amortization of the value of purchased business in force	(274)	–	–	–	–	–	–	(274)
Administrative expenses	(2,822)	(1,826)	(345)	(3,288)	(305)	(409)	290	(8,705)
Change in tangible assets impairment	7	11	–	–	–	1	–	18
Change in goodwill impairment and other intangible assets impairment	–	–	(12)	–	–	–	–	(12)
Other income and expenses	(166)	(18)	4	(264)	16	(206)	116	(518)
Other operating income and expenses	**(75,375)**	**(18,872)**	**(3,819)**	**(3,552)**	**(378)**	**(603)**	**594**	**(102,004)**
Income from operating activities before tax	**4,477**	**2,748**	**374**	**1,412**	**22**	**(544)**	**(423)**	**8,066**
Income arising from investments in associates – Equity method	12	22	–	–	–	–	–	34
Financing debts expenses	(106)	(8)	(22)	(33)	(23)	(704)	423	(473)
Operating income before tax	**4,383**	**2,762**	**352**	**1,379**	**(1)**	**(1,248)**	**–**	**7,626**
Income tax	***(1,285)***	***(769)***	***(105)***	***(362)***	***12***	***518***	***–***	***(1,991)***
Net operating result	**3,098**	**1,993**	**247**	**1,017**	**11**	**(730)**	**–**	**5,635**
Result from discontinued operations net of tax	77	45	–	–	–	–	–	123
Net consolidated income	**3,175**	**2,038**	**247**	**1,017**	**11**	**(730)**	**–**	**5,758**
Split between:								
Net income Group share	*2,957*	*1,977*	*244*	*610*	*10*	*(712)*	*–*	*5,085*
Minority interests share in net consolidated result	*218*	*61*	*3*	*407*	*1*	*(17)*	*–*	*673*

(a) As described in note 1.10, the contribution of discontinued operations is stated on a separate line of the income statement.
(b) Including SPEs and CDOs previously disclosed in the Other Financial Services segment which has been renamed "Banking".

(In Euro million)

	December 31, 2005 Restated (a) (b)							
	Life & Savings (b)	Property & Casualty	International Insurance	Asset Management	Banking	Holding (d)	Inter-segment eliminations	TOTAL
Gross written premiums	42,978	18,638	3,725	–	–	–	(145)	65,196
Fees and charges relating to investment contracts with no participating features	509	–	–	–	–	–	–	509
Revenues from insurance activities	**43,487**	**18,638**	**3,725**	**–**	**–**	**–**	**(145)**	**65,705**
Net revenues from banking activities	–	–	–	–	437	4	(13)	428
Revenues from other activities	1,107	43	178	3,783	–	–	(380)	4,731
Total revenues	**44,595**	**18,681**	**3,903**	**3,783**	**437**	**4**	**(538)**	**70,865**
Change in unearned premiums net of unearned revenues and fees (b)	**(165)**	**(272)**	**(33)**	**–**	**–**	**–**	**(3)**	**(473)**
Net investment income	11,762	1,414	357	27	–	430	(311)	13,681
Net realized investment gains and losses	2,847	490	133	33	–	2	–	3,506
Change in fair value of financial instruments at fair value through profit & loss (c)	15,611	82	(6)	11	–	19	(3)	15,715
Change in financial instruments impairment	(105)	(84)	(3)	–	–	(16)	–	(208)
Net investment result excluding financing expenses	**30,115**	**1,902**	**482**	**72**	**–**	**435**	**(314)**	**32,693**
Technical charges relating to insurance activities (b)	(64,668)	(12,187)	(3,796)	–	–	–	36	(80,614)
Net result from outward reinsurance	(6)	(565)	317	–	–	–	130	(125)
Bank operating expenses	–	–	–	–	(64)	3	–	(61)
Acquisition costs (b)	(2,826)	(3,327)	(316)	–	–	–	16	(6,453)
Amortization of the value of purchased business in force	(557)	–	–	–	–	–	–	(557)
Administrative expenses	(2,967)	(1,915)	(322)	(2,807)	(289)	(407)	207	(8,501)
Change in tangible assets impairment	(4)	(1)	3	–	–	–	–	(3)
Change in goodwill impairment and other intangible assets impairment	(70)	–	–	–	–	–	–	(70)
Other income and expenses	(16)	14	18	(18)	17	(196)	103	(78)
Other operating income and expenses	**(71,115)**	**(17,981)**	**(4,096)**	**(2,825)**	**(336)**	**(600)**	**492**	**(96,462)**
Income from operating activities before tax	**3,430**	**2,330**	**256**	**1,029**	**101**	**(161)**	**(363)**	**6,623**
Income arising from investments in associates – Equity method	10	3	1	–	–	6	–	20
Financing debts expenses (c)	(119)	(11)	(30)	(21)	(20)	(643)	363	(480)
Operating income before tax	**3,322**	**2,323**	**227**	**1,008**	**80**	**(798)**	**–**	**6,163**
Income tax (b) (c)	***(820)***	***(553)***	***(41)***	***(280)***	***(20)***	***261***	***–***	***(1,454)***
Net operating result	**2,502**	**1,770**	**186**	**727**	**61**	**(536)**	**–**	**4,709**
Result from discontinued operations net of tax	72	25	–	–	–	–	–	97
Net consolidated income	**2,573**	**1,795**	**186**	**727**	**61**	**(536)**	**–**	**4,806**
Split between :								
Net income Group share	*2,404*	*1,737*	*184*	*411*	*60*	*(478)*	*–*	*4,318*
Minority interests share in net consolidated result	*169*	*58*	*2*	*317*	*1*	*(59)*	*–*	*488*

(a) As described in note 1.10, the contribution of discontinued operations is stated on a separate line of the income statement.
(b) As described in note 1.12.2, the adoption in 2006 of FRS 27 in the UK led to adjustments to 2005. The effect of these adjustments is set out in note 14.
(c) As described in note 1.11.2, perpetual subordinated notes have been reclassified under shareholders' equity in 2006 with retrospective application to 2005. Details are provided in note 13.
(d) Including SPEs and CDOs previously disclosed in the Other Financial Services segment which has been renamed "Banking".

NOTE 4 > FINANCIAL AND INSURANCE RISK MANAGEMENT

All of the following paragraphs form an integral part of the Group financial statements. They appear in Section 4.2 "Quantitative and Qualitative Disclosures About Market Risk and Risk Factors" and Section 2.4 "Liquidity and capital resources" sections of this Annual Report:

4.1. RISK MANAGEMENT ORGANIZATION

Please refer to pages 176 to 177 of the "Quantitative and Qualitative Disclosures About Market Risk and Risk Factors" section.

4.2. MARKET RISKS (INCLUDING SENSITIVITY ANALYSES)

Please refer to pages 178 to 186 of the "Quantitative and Qualitative Disclosures About Market Risk and Risk Factors" section.

4.3. CONTROLLING EXPOSURE AND INSURANCE RISK

Please refer to pages 187 to 189 of the "Quantitative and Qualitative Disclosures About Market Risk and Risk Factors" section.

4.4. CREDIT RISK

Please refer to pages 190 to 192 of the "Quantitative and Qualitative Disclosures About Market Risk and Risk Factors" section, except for the breakdown of CDS by underlying bond rating on page 191.

4.5. LIQUIDITY AND CAPITAL RESOURCES

Please refer to pages 110 to 113, "Liquidity and capital resources" section.

NOTE 5 > GOODWILL

5.1. GOODWILL

An analysis of goodwill is presented in the table below:

(in Euro million)

	Transaction year	Gross value December 31, 2007	Accumulated impairment December 31, 2007	Net value December 31, 2007	Gross value December 31, 2006 Restated [(a)]	Accumulated impairment December 31, 2006	Net value December 31, 2006 Restated [(a)]	Gross value December 31, 2005	Accumulated impairment December 31, 2005	Net value December 31, 2005
AXA-MPS Vita and Danni	2007	465	–	465	–	–	–	–	–	–
Alpha Insurance	2007	123	–	123	–	–	–	–	–	–
ELLA Bank (Hungary)	2007	53	–	53	–	–	–	–	–	–
United Kingdom Non life brokers [(c)]	2007	246	–	246	–	–	–	–	–	–
Swiftcover	2007	321	–	321	–	–	–	–	–	–
Thinc Group	2006	58	–	58	–	–	–	–	–	–
Winterthur	2006	2,574	–	2,574	2,793	–	2,793	–	–	–
MLC	2006	103	–	103	116	–	116	–	–	–
AXA Framlington	2005	87	–	87	87	–	87	142	–	142
Seguro Directo	2005	31	–	31	31	–	31	31	–	31
MONY	2004	182	–	182	220	–	220	246	–	246
IPAC	2002	210	–	210	191	–	191	109	–	109
AXA Equity & Law	2001	348	–	348	385	–	385	377	–	377
Sterling Grace	2001	128	–	128	130	–	130	142	–	142
AXA Financial, Inc. (minority buyout)	2000	2,571	–	2,571	2,885	–	2,885	3,223	–	3,223
Sanford C. Bernstein [(d)]	2000	3,219	–	3,219	3,574	–	3,574	3,675	–	3,675
SLPH (AXA UK Holdings) (minority buyout)	2000	1,388	–	1,388	1,541	–	1,541	1,525	–	1,525
Nippon Dantaï (AXA Nichidan) [(b)]	2000	1,119	59	1,060	1,225	64	1,161	1,343	70	1,273
AXA China Region (minority buyout)	2000	218	–	218	246	–	246	274	–	274
AXA Aurora (minority buyout)	2000	120	–	120	120	–	120	120	–	120
AXA Rosenberg	1999	93	–	93	112	–	112	117	–	117
Guardian Royal Exchange (Albingia)	1999	676	–	676	695	–	695	691	–	691
Royale Belge	1998	452	–	452	547	33	514	547	33	514
UAP	1997	705	–	705	631	–	631	534	–	534
Others		878	1	878	683	14	669	576	7	568
TOTAL		**16,367**	**59**	**16,308**	**16,213**	**112**	**16,101**	**13,670**	**111**	**13,559**
of which:					–	–	–	–	–	–
Life & Savings		7,576	59	7,517	7,980	64	7,916	6,736	70	6,666
Property & Casualty		4,352	1	4,352	3,619	35	3,584	2,090	35	2,055
International Insurance		7	–	7	15	12	3	20	5	15
Asset Management		4,199	–	4,199	4,505	–	4,505	4,733	–	4,733
Others		233	–	233	94	–	94	91	–	91

(a) In accordance with IFRS 3, i.e. within 12 months following the acquisition date, the Group has adjusted certain items impacting the allocation of Winterthur purchase price.
(b) Following a revaluation of deferred tax assets booked at the time of the Nippon Dantaï acquisition, goodwill was reduced by an equivalent amount (Đ70 million in 2005).
(c) Corresponding to Venture Preference Limited.
(d) Including the goodwill in connection with the put to re-purchase units of the former shareholders of Sanford C. Bernstein.

Cumulative amortization booked under French GAAP at December 31, 2003 was deducted from the gross value. Goodwill presented in the table above also includes the balancing entry for the revaluation of minority interests relating to buyout commitments recognized as liabilities under the "Minorities of controlled investments funds and puttable instruments held by minority interest holders" caption.

- The amounts relating to the puts owned by minority shareholders in Sanford C. Bernstein and presented in the Sanford C. Bernstein item of the table above totaled €328 million at December 31, 2007 (€785 million at December 31, 2006 and €559 million at December 31, 2005).
- Goodwill relating to puts owned by minority shareholders in former Winterthur subsidiaries in Central and Eastern Europe and disclosed in the Winterthur item of the above table was recorded on the Group's balance sheet at December 31, 2007 for €81million (€71 million at December 31, 2006).

5.2. CHANGE IN GOODWILL

5.2.1. Goodwill – Change in gross value

(in Euro million)

	Gross value January 1, 2007	Acquisitions during the period	Disposals during the period	Goodwill adjustments	Currency translation adjustment	Other changes (a)	Gross value December 31, 2007
AXA MPS Vita and Danni	–	465	–	–	–	–	465
Alpha Insurance	–	123	–	–	–	–	123
ELLA Bank (Hungary)	–	54	–	–	(1)	–	53
United Kingdom Non life brokers (c)	–	264	–	–	(17)	–	246
Swiftcover	–	344	–	–	(23)	–	321
Thinc Group	–	62	–	–	(4)	–	58
Winterthur (b)	2,793	–	(160)	4	(67)	4	2,574
MLC	116	–	–	–	(13)	–	103
AXA Framlington	87	–	–	–	–	–	87
Seguro Directo	31	–	–	–	–	–	31
Mony	220	–	–	(16)	(22)	–	182
IPAC	191	12	–	6	(1)	3	210
AXA Equity & Law (b)	385	–	(5)	–	(32)	–	348
Sterling Grace	130	–	–	–	(2)	–	128
AXA Financial, Inc. (minority buyout)	2,885	–	–	(11)	(303)	–	2,571
Sanford C. Bernstein	3,574	–	–	(14)	(378)	38	3,219
SLPH (AXA UK Holdings) (minority buyout)	1,541	–	–	(33)	(120)	–	1,388
Nippon Dantaï (AXA Nichidan)	1,225	–	–	–	(106)	–	1,119
AXA China Region (minority buyout)	246	–	–	–	(28)	–	218
AXA Aurora (minority buyout)	120	–	–	–	–	–	120
AXA Rosenberg	112	–	–	–	(19)	–	93
Guardian Royal Exchange	695	–	–	–	(18)	–	676
Royale Belge (b)	547	–	(96)	–	–	–	452
UAP (d)	631	96	–	–	(23)	–	705
Others	683	155	(1)	79	(32)	(6)	878
TOTAL	**16,213**	**1,573**	**(261)**	**14**	**(1,209)**	**38**	**16,367**
Of which:							
Life & Savings	7,980	445	(179)	(49)	(624)	3	7,576
Property & Casualty	3,619	916	(83)	–	(109)	10	4,353
International Insurance	15	4	–	–	–	(12)	7
Asset Management	4,505	155	–	(26)	(473)	38	4,199
Others	94	54	–	88	(3)	–	233

(a) Including the impact of exercises and revaluations of minority interest buyout commitments.
(b) The decrease in 2007 corresponds to the disposal of the Netherlands operations.
(c) Corresponding to Venture Preference Limited.
(d) The increase is due to the minority buyout of AXA Konzern AG.

(in Euro million)

	Gross value January 1, 2006	Acquisitions during the period Restated (a)	Disposals during the period	Goodwill adjustments	Currency translation adjustment	Other changes (b)	Gross value December 31, 2006 Restated (a)
Winterthur	–	2,793	–	–	–	–	2,793
MLC	–	121	–	–	(6)	–	116
Framlington	142	–	–	–	–	(54)	87
Seguro Directo	31	–	–	–	–	–	31
MONY	246	–	–	–	(26)	–	220
IPAC (c)	109	86	–	(1)	(3)	–	191
AXA Equity & Law	377	–	–	–	8	–	385
Sterling Grace	142	–	–	–	(12)	–	130
AXA Financial, Inc. (minority buyout)	3,223	–	–	–	(338)	–	2,885
Sanford C. Bernstein	3,675	–	–	–	(400)	298	3,574
SLPH (AXA UK Holdings) (minority buyout)	1,525	–	–	–	17	(1)	1,541
Nippon Dantaï (AXA Nichidan)	1,343	–	–	–	(118)	–	1,225
AXA China Region (minority buyout)	274	–	–	–	(28)	–	246
AXA Aurora (minority buyout)	120	–	–	–	–	–	120
AXA Rosenberg	117	5	–	–	(10)	–	112
Guardian Royal Exchange	691	–	–	–	4	–	695
Royale Belge	547	–	–	–	–	–	547
UAP	534	92	–	–	5	–	631
Others	576	122	(1)	3	(38)	20	683
TOTAL 2006	**13,670**	**3,221**	**(1)**	**2**	**(943)**	**264**	**16,213**
TOTAL 2005	**12,244**	**189**	**(152)**	**9**	**1,153**	**225**	**13,670**
TOTAL 2006	**13,670**	**3,221**	**(1)**	**2**	**(943)**	**264**	**16,213**
Of which :							
Life & Savings	6,736	1,698	–	(1)	(457)	5	7,980
Property & Casualty	2,090	1,504	(1)	–	5	20	3,619
International Insurance	20	–	–	–	–	(5)	15
Asset Management	4,733	19	–	–	(490)	244	4,505
Others	91	–	–	3	(1)	–	94

(a) In accordance with IFRS 3, i.e. within 12 months following the acquisition date, the Group has adjusted certain items impacting the allocation of Winterthur purchase price.
(b) Including the impact of exercises and revaluations of minority interests buyout commitments.
(c) Including €83 million due to the acquisition of Tynan Mackenzie in 2006.

5.2.2. Goodwill – Change in impairment

(in Euro million)

	Cumulative impairment January 1, 2007	Increase in impairment during the period	Increase in impairment relating to goodwill created on acquisitions during the period	Write back of impairment of goodwill sold during the period	Accumulated impairment losses transferred out relating to goodwill transferred in the "held for sale" category	Currency translation adjustment	Other changes	Cumulative impairment December 31, 2007
Nippon Dantaï (AXA Nichidan)	64	–	–	–	–	(6)	–	59
Royale Belge [(a)]	33	–	–	(33)	–	–	–	–
Others	14	–	–	–	–	–	(13)	1
TOTAL	**112**	**–**	**–**	**(33)**	**–**	**(6)**	**(13)**	**59**
Of which:								
Life & Savings	64	–	–	–	–	(6)	–	59
Property & Casualty	35	–	–	(33)	–	–	(1)	1
International Insurance	12	–	–	–	–	–	(12)	–
Asset Management	–	–	–	–	–	–	–	–
Others	–	–	–	–	–	–	–	–

(a) The decrease in 2007 corresponds to the disposal of the Netherlands operations.

(in Euro million)

	Cumulative impairment January 1, 2006	Increase in impairment during the period	Increase in impairment relating to goodwill created on acquisitions during the period	Write back of impairment of goodwill sold during the period	Accumulated impairment losses transferred out relating to goodwill transferred in the "held for sale" category	Currency translation adjustment	Other changes	Cumulative impairment December 31, 2006
Nippon Dantaï (AXA Nichidan)	70	–	–	–	–	(6)	–	64
Royale Belge	33	–	–	–	–	–	–	33
Others	7	–	–	–	–	–	7	14
TOTAL 2006	**111**	**–**	**–**	**–**	**–**	**(6)**	**7**	**112**
TOTAL 2005	**40**	**–**	**–**	**–**	**–**	**–**	**70**	**111**
TOTAL 2006	**111**	**–**	**–**	**–**	**–**	**(6)**	**7**	**112**
Of which:								
Life & Savings	70	–	–	–	–	(6)	–	64
Property & Casualty	35	–	–	–	–	–	–	35
International Insurance	5	–	–	–	–	–	7	12
Asset Management	–	–	–	–	–	–	–	–
Others	–	–	–	–	–	–	–	–

5.3. OTHER INFORMATION RELATING TO GOODWILL

Goodwill is mainly attributable to the following business combinations and entities:

5.3.1. Acquisitions during the period

The main acquisitions of the year 2007 were the following:

- Acquisition of 100% of **Alpha Insurance** (a subsidiary of Alpha Bank) for €255 million. AXA and Alpha Bank, Greece's second largest bank, have signed a long-term exclusive agreement to pursue and strengthen the existing bancassurance partnership. The transaction closed on March 28, 2007.
  At December 31, 2007, the goodwill had a net value of €123 million.
- AXA UK completed the acquisition of **Thinc Group** (formerly Thinc Destini), by increasing its stake in Thinc Destini to 100% for €51 million. This company's main business is brokerage of Life & Savings products.
  At December 31, 2007, the goodwill had a net value of €58 million.
- AXA UK acquired a 95.4% interest in insurance brokers **Stuart Alexander, Layton Blackham and Smart & Cook** for €282 million. These three companies will operate under the same structure, Venture Preference Ltd, retaining their status as independent Property & Casualty insurance brokers.
  At December 31, 2007, the goodwill had a net value of €246 million.
- On February 7, 2007, AXA U.K. announced that it was to acquire the U.K.'s only 100% online insurer, **Swiftcover,** jointly owned by international insurer Primary Group and Swiftcover's management for €359 million. The transaction was closed on March 22, 2007. Swiftcover is a business targeting the U.K. Personal direct market, with net inflows of 120,000 policies in 2006. The upfront cash consideration for Swiftcover amounted to €112 million, with an additional potential earn-out of €244 million maximum over the next 4 years, based on policy volume and combined ratio level.
  At December 31, 2007, the goodwill had a net value of €321 million.
- On May 22 , 2007, AXA acquired 75% of **Kyobo Auto** for an amount of KRW 88 billion (€70 million). The company has a leading position in the South Korean direct Motor insurance market with annual revenues of KRW 476 billion (€374 million) in 2007 and a market share above 30%. As of the end of the year, the group's ownership reached 90% following the buyback of minority interests.
  At December 31, 2007, the goodwill had a net value of €53 million.
- On March 17, 2007, AXA Holdings Belgium SA reached an agreement with ELLA Holdings S.A. and its main shareholder Royalton Capital Investors to acquire 100% of the Hungarian retail bank **ELLA** and its affiliates. Originally specialized in on-line banking and today the fastest growing bank in terms of volume and number of mortgage loans in Hungary, ELLA is the 6th largest supplier of mortgage loans in the country with total assets of €375 million at the end of 2006. The combination of AXA Hungary's operations, the 5th largest company in the pensions market, with those of ELLA Bank is intended to emulate the successful business model of AXA in Belgium. The transaction was closed on July 27, 2007 and the purchase price amounted to €123 million.
  At December 31, 2007, the goodwill had a net value of €53 million.
- AXA and BMPS finalized a long-term agreement (announced in March 2007) in life and non-life bancassurance as well as in pension business in Italy on October 19, 2007 after having received all required regulatory approvals. As part of this agreement, AXA acquired 50% of **MPS Vita** (Life & Savings) and **MPS Danni** (Property & Casualty), 50% of **BMPS open pension funds business** and will manage the insurance companies' assets (€13 billion as of year-end 2006) and open pension funds' assets (€0.3 billion as of year-end 2006).
  AXA has management control of the partnership, including the CEO appointment. AXA also holds the majority of voting rights (50% + 1 voting right) at the ordinary general meetings. There is equal representation of AXA and BMPS on the Board of the insurance companies, however AXA benefits from a casting vote except on certain matters for which BMPS holds veto rights given the use of its banking network for the distribution of the products. As a result, AXA fully consolidates the newly owned companies with the recognition of minority interests in the net income and shareholders' equity amounting to 50% of consolidated amounts.
  Total cash consideration paid by AXA in this transaction was €1,165 million.

The transaction gave rise to :

- A value of the business in force (€71 million gross of minority interests and net of tax) to be amortized over the useful life of the underlying products.
- A value of the distribution agreement (€581 million gross of minority interests and net of tax) in relation with the future new business measured on the basis of the product mix previously underwritten (as the partnership would be exited at full appraisal value, and the value of the distribution agreement was clearly identified and will still be at exit date, it was measured separately and considered as having an indefinite useful life (not amortized and tested at least annually for impairment)).
- A goodwill amounting to €465 million.

The closing date of the transaction was October 19, 2007 and the opening balance sheet was as of December 31, 2007. This option was taken in order to allow MPS Vita and Danni to comply with AXA's reporting processes and deadlines which are shorter than the one's MPS had in the past while the 2 months' activity did no have any significant impact on the financial statements.

Assets and liabilities at the acquisition dates of Swiftcover, Thinc Destini, Alpha Insurance, ELLA bank, AXA-MPS Vita and AXA-MPS Danni, Stuart Alexander, Layton Blackham and Smart & Cook totaled:

(in Euro million)

At acquisition date	Fair value of assets and liabilities
Deferred acquisition costs and equivalent	27
Intangible assets	1,218
Investments	17,365
Other assets	1,325
Assets held for sale including discontinued operations	–
TOTAL ASSETS (EXCLUDING GOODWILL)	**19,934**
Liabilities arising from insurance and investment contracts	16,861
Provisions for risks and charges	21
Other payables	1,439
Liabilities held for sale including discontinued operations	–
TOTAL LIABILITIES	**18,321**
Total Net Asset Value	**1,613**
Minority interests	703
Total Net Acquired Asset Value	**910**
ACQUISITION COST	
Share purchase price	1,888
Deferred consideration	307
Cost attributable	28
Acquisition cost	**2,222**
Goodwill	**1,312**

5.3.2. Disposals during the period

Winterthur's U.S. Property & Casualty subsidiary, which was acquired at the end of 2006 with the intention to sell within the following 12 months, was consolidated at December 31, 2006 and classified under "Assets held for sale". The sale closed on May 31, 2007 for €920 million. The transaction did not lead to the recognition of realized gains.

On July 25, 2007, AXA announced it had reached an agreement with China Life Insurance Co Ltd., a life insurance company incorporated in Taiwan, for the sale of **Winterthur Life Taiwan Branch (WLTB).** In 2006, WLTB had a 0.35% market share. The transaction was closed on October 31, 2007. As the purchase opening balance sheet of Winterthur was adjusted with the actual transaction price, the transaction did not lead to the recognition of realized gains.

A memorandum of understanding on the disposal of **AXA Netherlands, Winterthur Netherlands and DBV Netherlands** was signed during the first half of 2007. The assets and liabilities of these companies, which were still consolidated at June 30, 2007, were included under "Assets/liabilities held for sale and Assets/liabilities relating to discontinued operations". The subsidiary Vinci BV was not part of this disposal agreement. AXA announced on September 5, 2007 that it had successfully completed the sale for a total cash consideration of €1,797 million, leading to a total amount of realized gain of €406 million included in the line "Result from discontinued operations net of tax" of group statement of net income, in addition to the contribution of Dutch operations until the sale.

5.3.3. Winterthur acquisition (2006) and 2007 adjustments to the opening balance sheet

In accordance with IFRS 3, all assets, liabilities and contingent liabilities of Winterthur were provisionally estimated at fair value based on their position at December 31, 2006.

Winterthur was acquired shortly before the 2006 financial year-end and additional information obtained since the time of the acquisition has led to a review of certain items affecting the allocation of the purchase price during the year 2007, i.e. within 12 months following the acquisition as specified by IFRS 3.

A provisional goodwill amounting to €2,762 million excluding the goodwill related to put options held by minority shareholders of Winterthur's former subsidiaries in Central and Eastern Europe (see note 5.1) was recognised at the time of the initial allocation of the purchase price. Based on new information obtained during the year 2007, goodwill was increased by €32 million, to €2,793 million. This increase in goodwill was due to adjustments to the Swiss pension schemes, the sale of Winterthur Life Taiwan Branch to China Life Insurance Company, Ltd. (Taiwan) and adjustments in reserves mainly in Belgium and Germany. These adjustments and the sale of the former Winterthur's subsidiaries in the Netherlands led to a geographical goodwill reallocation between the remaining held entities.

On December 22, 2006, AXA completed its acquisition of Winterthur after having received all regulatory authorizations following the signature of an agreement on June 14, 2006 with the Credit Suisse Group whereby AXA would buy 100% of Winterthur for a CHF12.3 billion (€7.9 billion) consideration in cash. In addition, AXA refinanced CHF1.1 billion (€0.7 billion) of loans granted by the Credit Suisse Group to Winterthur.

The Group financed this transaction with a balanced mix of equity and debt. AXA raised €4.1 billion cash through a share capital increase in July 2006, and a further €3.8 billion through issues of deeply subordinated debts in July, October and December in Euro, Sterling, Australian and US dollars (see note 13).

Intangible assets totaling €3,449 million gross were identified. They included :

- €2,307 million gross relating to the value of purchased business in-force, consisting of the present value of future profits on contracts already in-force at the acquisition date. The present value of future profits took into consideration the cost of capital and was estimated using actuarial assumptions based on projections made at purchase date but also using a discount rate that includes a risk premium,
- €1,141 million gross of Life & Savings and Property & Casualty customer relationships intangible. For both Life & Savings and Property & Casualty activities, it represents the value of future cash flows expected from renewals and the cross-selling of new products to customers known and identified at the time of the acquisition. In the Property & Casualty business, these projections include assumptions regarding claims, expenses and financial revenues. For Life & Savings, it was estimated on the basis of the new business value when the portion relating to customers with inforce policies can be identified, measured and recognized separately.

These intangible assets are amortized over the residual life of the contracts.

The residual goodwill mainly represented expected synergies, especially cost cuttings and other customer-related items that could not be measured reliably or recognized separately.

5.3.4. Transactions of recent past periods

Acquisition of MLC Hong Kong and Indonesia (2006)

On May 8, 2006, AXA Asia Pacific Holdings (AXA APH) announced that it had completed the acquisition of **MLC Hong Kong and MLC Indonesia.** The purchase price was €340 million. This led to the recognition of €116 million of goodwill and €194 million of intangible assets (Value of purchased Business In force), for a total of €309 million (net of tax).

At December 31, 2007, goodwill on this entity totaled €103 million.

Acquisition of Citadel (2006)

On March 1, 2006, AXA Canada acquired Citadel for €221 million, generating initial goodwill of €99 million.

At December 31, 2007, goodwill on this entity totaled €98 million.

Buyout of minorities – AXA Konzern AG (2007 and 2006)

On July 5, 2007, AXA finalized definitive settlements with all claimants in litigations seeking nullity and avoidance (Nichtigkeits- und Anfechtungsklagen) of **the squeeze-out resolutions** adopted by the general meetings of **AXA Konzern AG** and Kölnische Verwaltungs-AG für Versicherungswerte AG on July 20 and July 21 2006, respectively. In parallel, AXA Konzern finalized in 2007 the squeeze-out of the minority shareholders of its life insurance companies AXA Lebensversicherung AG (0.86% of the share capital) and Deutsche Ärzteversicherung AG (2.13% of the share capital). These squeeze-out resolutions are now effective and AXA holds 100% of the shares of these four subsidiaries.
Following registration of these squeeze-outs, further litigation with minority shareholders on valuation issues is expected in a compensation review procedure (Spruchverfahren) under German law.

The total investment to reach a 100% ownership in AXA Konzern, KVAG, AXA Lebensversicherung and Deutsche Ärzteversicherung starting from the situation as at January 1, 2006 amounted to €367 million.

The additonal goodwill generated by these transactions amounted to €96 million in 2007.

Buyout of minorities – Tynan Mackenzie (2006)

On September 27, 2006, AXA Asia Pacific Holdings (AXA APH) acquired 66.7% of Tynan Mackenzie for €99 million. AXA APH had acquired a 33.3% stake in Tynan Mackenzie in January 2002 for €16 million, generating initial goodwill of €14 million.

At December 31, 2007, goodwill on this entity totaled €12 million.

Acquisition of Framlington (2005)

On October 31, 2005, AXA Investment Managers acquired the Framlington Group for £208 million (€303 million). This transaction led to the recognition of £91 million intangibles net of tax and gross of minority interest (€133 million) and goodwill of £97 million (€142 million).

At December 31, 2007, this goodwill had a net value of €87 million.

Acquisition of Seguro Directo (2005)

On October 18, 2005, AXA acquired the insurance company Seguro Directo. The total transaction consideration was €42 million. This transaction gave rise to goodwill of €31 million.

At December 31, 2007, the net value of this goodwill was €31 million.

5.3.5. Assets/ Liabilities held for sale and Assets/ Liabilities relating to discontinued operations

No entities are presented as held for sale activities at December 31, 2007. The related captions only include real estate properties held for sale. All entities previously shown on these line items were sold within 12 months.

NOTE 6 > VALUE OF PURCHASED LIFE BUSINESS INFORCE

The change in Value of Business Inforce ("VBI") in the Life & Savings segment was as follows:

(in Euro million)

	2007	2006 Restated (a) (b)	2005 (b)
Gross carrying value as at January 1	8,110	5,760	5,474
Accumulated amortization and impairment	(2,686)	(2,444)	(1,821)
Shadow accounting on VBI	(394)	(694)	(530)
Net carrying value as at January 1	**5,030**	**2,623**	**3,123**
Increase following Life portfolio acquisitions	–	–	–
Decrease following Life portfolio disposals	–	–	–
Increase following new subsidiaries' acquisitions	105	2,555	–
Decrease following subsidiaries' disposals	-	–	–
Decrease following the transfer of portfolios as "held for sale" category	–	–	–
Impacts on VBI of changes in scope and portfolios transfers	**105**	**2,555**	**–**
VBI capitalization	7	7	8
Capitalized interests	155	135	152
Amortization and impairment for the period	(519)	(416)	(717)
Changes in VBI amortization, capitalization and impairment	**(357)**	**(274)**	**(557)**
Change in shadow accounting on VBI	111	291	(161)
Currency translation	(278)	(123)	180
Other changes	(238)	(41)	36
Net carrying value as at December 31	**4,373**	**5,030**	**2,623**
Gross carrying value as at December 31	7,449	8,110	5,760
Accumulated amortization and impairment	(2,809)	(2,686)	(2,444)
Shadow accounting on VBI	(266)	(394)	(694)

(a) In accordance with IFRS 3, i.e. within 12 months following the acquisition date, the Group has adjusted certain items impacting the allocation of Winterthur purchase price.
(b) As described in note 1.10, the contribution of discontinued operations is stated on a separate line of the income statement.

In 2007, the €105 million increase in VBI following new subsidiaries' acquisitions related to AXA-MPS Vita and Danni, and the impact of other changes was due to the Netherlands operations disposal (€238 million).

In 2006, the €2,555 million increase in VBI following new subsidiaries' acquisitions consisted of €2,307 million relating to Winterthur and €248 million relating to MLC Hong Kong.

In 2005, amortization included an exceptional charge of €219 million in Japan, reflecting a change in future financial assumptions.

NOTE 7 > DEFERRED ACQUISITION COSTS AND EQUIVALENT

7.1. BREAKDOWN OF DEFERRED ACQUISITION COSTS (DAC) AND EQUIVALENT

(in Euro million)

	December 31, 2007	December 31, 2006	December 31, 2005 Restated [c]
Net deferred acquisition costs relating to Life & Savings [a] [c]	14,045	13,653	13,249
Net rights to future managements fees [b]	1,236	1,152	960
Shadow accounting on DAC	(291)	(606)	(889)
Deferred acquisition costs and equivalent relating to Life & Savings	**14,990**	**14,199**	**13,320**
Deferred acquisition costs and equivalent relating to Property & Casualty and International Insurance	**1,767**	**1,697**	**1,447**
Net deferred acquisition costs and equivalent	**16,757**	**15,896**	**14,767**

(a) Applicable to Life & Savings insurance contracts and investment contracts with discretionary participation features according to IFRS 4. Amounts net of accumulated amortization.
(b) Applicable to investment contracts with no discretionary participation features.
(c) As described in note 1.12.2, in 2006 the adoption of FRS 27 in the United Kingdom has led to adjustments to 2005. The effects of these adjustments are set out in note 14.

In 2006, the increase in deferred acquisition costs and equivalent in the Property & Casualty and International Insurance businesses was mainly due to the Winterthur acquisition (€284 million).

In accordance with practices used in past acquisitions, and based on previous accounting methods that are still authorized under IFRS for insurance contracts, deferred acquisition costs in the Winterthur's Property & Casualty business have been maintained on the balance sheet. The value of unearned premiums net of these costs represents an estimate of the fair value of these Property & Casualty liabilities.

7.2. ROLLFORWARD OF DEFERRED ACQUISITION COSTS AND EQUIVALENT – LIFE & SAVINGS

Changes in deferred acquisition costs and equivalent for Life & Savings were as follows:

(in Euro million)

	December 31, 2007		December 31, 2006 [d]		December 31, 2005 Restated [d]	
	Life & Savings Deferred Acquisition Costs [a]	Rights to future management fees [b]	Life & Savings Deferred Acquisition Costs [a] [c]	Rights to future management fees [b]	Life & Savings Deferred Acquisition Costs [a] [c]	Rights to future management fees [b]
Life & Savings deferred acquisition costs and equivalent net carrying value as at January 1	**13,047**	**1,152**	**12,360**	**960**	**10,273**	**692**
Amortization and impairment for the period [c]	(2,121)	(180)	(1,956)	(92)	(1,630)	(60)
Capitalized interests for the period	639	–	623	–	588	–
DAC and similar costs capitalization for the period	3,104	362	2,501	265	2,225	309
Changes in amortization, capitalization and impairment	**1,622**	**183**	**1,168**	**173**	**1,185**	**249**
Shadow accounting on DAC	306	–	262	–	(86)	–
Currency translation	(940)	(98)	(833)	19	915	19
Other changes [c]	(281)	–	89	–	74	(1)
Life & Savings deferred acquisition costs and equivalent net carrying value as at December 31	**13,754**	**1,236**	**13,047**	**1,152**	**12,360**	**960**
TOTAL	**14,990**		**14,199**		**13,320**	

(a) Relating to contracts subject to IFRS 4, i.e. insurance contracts and investment contracts with discretionary participating features.
(b) Applicable to investment contracts with no discretionary participation features.
(c) As described in note 1.12.2, in 2006 the adoption of FRS 27 in the United Kingdom has led to adjustments to 2005. The effects of these adjustments are set out in note 14.
(d) As described in note 1.10, the contribution of discontinued operations is stated on a separate line of the income statement

In 2007, the €–281 million in other changes was mainly due to the Netherlands disposal (€–279 million).

7.3. DEFERRED ACQUISITION COSTS AND EQUIVALENT, NET OF AMORTIZATION, UNEARNED REVENUE RESERVES AND UNEARNED FEE RESERVES – LIFE & SAVINGS

The value of Life & Savings deferred acquisition costs and equivalent, net of amortization, unearned revenue reserves and unearned fee reserves, was as follows:

(in Euro million)

	December 31, 2007		December 31, 2006		December 31, 2005 Restated [c]	
	Life & Savings Deferred Acquisition Costs [a]	Rights to future management fees [b]	Life & Savings Deferred Acquisition Costs [a]	Rights to future management fees [b]	Life & Savings Deferred Acquisition Costs [a]	Rights to future management fees [b]
DAC and equivalent [c]	**13,754**	**1,236**	**13,047**	**1,152**	**12,360**	**960**
of which shadow DAC	*(291)*	–	*(606)*	–	*(889)*	–
Unearned revenues and unearned fees reserves [c]	**1,823**	**409**	**1,741**	**339**	**1,532**	**194**
of which shadow unearned revenues reserves	*(138)*	–	*(291)*	–	*(431)*	–
DAC net of unearned revenues and unearned fees reserves	11,931	827	11,306	813	10,828	766
TOTAL for all types of contracts	**12,758**		**12,119**		**11,594**	

DAC = Deferred Acquisition Costs.
(a) Relating to contracts subject to IFRS 4, i.e. insurance contracts and investment contracts with discretionary participating features.
(b) Applicable to investment contracts with no discretionary participation features (IAS 39).
(c) As described in note 1.12.2, the adoption of FRS 27 in the United Kingdom has led to adjustments to 2005. The effects of these adjustments are set out in note 14.

NOTE 8 > OTHER INTANGIBLE ASSETS

8.1. BREAKDOWN OF OTHER INTANGIBLE ASSETS

Other intangible assets represented €3,288 million net value at December 31, 2007 and mainly included:

(in Euro million)

	Gross value	Accumulated amortization	Impairment	Net Value December 31, 2007	Net Value December 31, 2006	Net Value December 31, 2005
Software capitalized	1,652	(1,186)	(1)	465	430	392
Intangible assets recognized in business combinations	2,896	(143)	(34)	2,718	1,817	599
Other intangible assets	188	(83)	–	105	103	83
TOTAL INTANGIBLE ASSETS	**4,735**	**(1,412)**	**(35)**	**3,288**	**2,350**	**1,074**

8.2. BREAKDOWN OF INTANGIBLE ASSETS RECOGNIZED IN BUSINESS COMBINATIONS

(in Euro million)

	December 31, 2007			
	Gross value	Accumulated amortization	Impairment	Net value
AXA-MPS Vita and Danni	785	–	–	785
ELLA Bank (Hungary)	43	(1)	–	42
Alpha insurance	97	(3)	–	94
United Kingdom Non life brokers	88	(10)	–	77
Thinc Group	42	(6)	–	36
Winterthur	1,095	(76)	–	1,019
AXA Rosenberg	250	(7)	–	243
Citadel	21	(4)	–	17
MONY	73	(23)	(34)	16
Swiftcover	34	(3)	–	30
Other	368	(9)	–	359
TOTAL	**2,896**	**(143)**	**(34)**	**2,718**

(in Euro million)

	December 31, 2006			
	Gross value	Accumulated amortization	Impairment	Net value
Winterthur	1,142	–	–	1,142
AXA Rosenberg	273	(8)	–	265
Citadel	20	(2)	–	18
MONY	110	(22)	(8)	81
Others	313	(1)	–	312
TOTAL	**1,857**	**(32)**	**(8)**	**1,817**

8.3. CHANGE IN INTANGIBLE ASSETS RECOGNIZED IN BUSINESS COMBINATIONS

(in Euro million)

	Net value at January 1, 2007	Acquisition during the period	Purchase increases following adjustments	Amortization and impairment allowance	Disposal during the period	Purchase decreases following adjustments	Amortization and impairment write back following disposal	Currency impact	Net value at December 31, 2007
AXA-MPS Vita and Danni	–	785	–	–	–	–	–	–	785
ELLA Bank (Hungary)	–	44	–	(1)	–	–	–	–	42
Alpha insurance	–	97	–	(3)	–	–	–	–	94
United Kingdom Non life brokers	–	94	–	(11)	–	–	–	(5)	77
Thinc Group	–	45	–	(7)	–	–	–	(3)	36
Winterthur	1,142	(16)	–	(77)	–	(8)	–	(21)	1,019
AXA Rosenberg	265	–	–	–	–	–	–	(22)	243
Citadel	18	–	–	(2)	–	–	–	1	17
MONY	81	–	–	(33)	(27)	–	–	(4)	16
Swiftcover	–	36	–	(4)	–	–	–	(2)	30
Other	312	58	–	(7)	–	–	–	(3)	359
TOTAL	**1,817**	**1,142**	**–**	**(145)**	**(27)**	**(8)**	**–**	**(60)**	**2,718**

(in Euro million)

	Net value at January 1, 2006	Acquisition during the period	Purchase increases following adjustments	Amortization and impairment allowance	Disposal during the period	Purchase decreases following adjustments	Amortization and impairment write back following disposal	Currency impact	Net value at December 31, 2006
Winterthur	–	1,142	–	–	–	–	–	–	1,142
AXA Rosenberg	182	–	78	–	–	–	–	5	265
Citadel	–	19	–	–	–	–	–	(1)	18
MONY	106	–	–	(15)	–	–	–	(10)	81
Others	311	2	–	–	–	–	–	–	312
TOTAL	**599**	**1,163**	**78**	**(16)**	**–**	**–**	**–**	**(7)**	**1,817**

NOTE 9 > INVESTMENTS

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

Real estate

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

Financial instruments

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

The fair values of financial instruments that are not traded in an active market are estimated:
- using external and independent pricing services such as brokers or arranging banks for example in the case of CDOs, or
- determined using valuation techniques.

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

Note 9.9 provides a detail of held assets measured at fair value valued by reference to an active market and those valued on the basis of valuation techniques.

9.1. BREAKDOWN OF INVESTMENTS

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

Details of the effect of derivatives are provided in section 19.3.

(in Euro million)

	December 31, 2007								
	Insurance			Other activities			Total		
	Fair value	Net book value	% (value balance sheet)	Fair value	Net book value	% (value balance sheet)	Fair value	Net book value	% (value balance sheet)
Investment properties at amortized cost	17,778	12,045	2.06%	1,867	1,776	12.96%	19,645	13,821	2.31%
Investment properties at fair value through profit & loss (c)	4,137	4,137	0.71%	–	–	–	4,137	4,137	0.69%
Macro hedge and other derivatives	–	–	–	–	–	–	–	–	–
Investment properties	**21,915**	**16,182**	**2.77%**	**1,867**	**1,776**	**12.96%**	**23,782**	**17,958**	**3.00%**
Fixed maturities held to maturity	–	–	–	–	–	0.00%	–	–	0.00%
Fixed maturities available for sale	241,766	241,766	41.38%	4,935	4,935	36.01%	246,701	246,701	41.26%
Fixed maturities at fair value through profit & loss (c)	55,152	55,152	9.44%	822	822	6.00%	55,974	55,974	9.36%
Fixed maturities held for trading	120	120	0.02%	1,019	1,019	7.44%	1,139	1,139	0.19%
Non quoted fixed maturities (amortized cost)	–	–	–	–	–	–	–	–	–
Fixed maturities	**297,039**	**297,039**	**50.84%**	**6,775**	**6,775**	**49.44%**	**303,814**	**303,814**	**50.81%**
Equities available for sale	33,350	33,350	5.71%	2,546	2,546	18.58%	35,896	35,896	6.00%
Equities at fair value through profit & loss (c)	19,322	19,322	3.31%	271	271	1.98%	19,593	19,593	3.28%
Equities held for trading	127	127	0.02%	325	325	2.37%	452	452	0.08%
Equities	**52,799**	**52,799**	**9.04%**	**3,141**	**3,141**	**22.92%**	**55,940**	**55,940**	**9.36%**
Non controlled investment funds available for sale	3,449	3,449	0.59%	142	142	1.03%	3,591	3,591	0.60%
Non controlled investment funds at fair value through profit & loss (c)	2,298	2,298	0.39%	134	134	0.98%	2,433	2,433	0.41%
Non controlled investment funds held for trading	135	135	0.02%	8	8	0.06%	143	143	0.02%
Non controlled investment funds	**5,882**	**5,882**	**1.01%**	**284**	**284**	**2.07%**	**6,166**	**6,166**	**1.03%**
Other assets held by consolidated investment funds designated at fair value through profit & loss	**4,358**	**4,358**	**0.75%**	**166**	**166**	**1.21%**	**4,524**	**4,524**	**0.76%**
Macro hedge and other derivatives	**(27)**	**(27)**	**N/A**	**1,312**	**1,312**	**9.58%**	**1,285**	**1,285**	**0.21%**
Financial investments	**360,051**	**360,051**	**61.63%**	**11,679**	**11,679**	**85.23%**	**371,730**	**371,730**	**62.17%**
Loans held to maturity	–	–	–	–	–	–	–	–	–
Loans available for sale	926	926	0.16%	41	41	0.30%	968	968	0.16%
Loans designated at fair value through profit & loss (c)	39	39	0.01%	1	1	0.01%	40	40	0.01%
Loans held for trading	–	–	–	77	77	0.56%	77	77	0.01%
Mortgage loans	12,738	12,817	2.19%	1	1	0.01%	12,740	12,818	2.14%
Other loans (a)	11,310	11,395	1.95%	121	121	0.88%	11,430	11,515	1.93%
Macro hedge and other derivatives	–	–	–	7	7	0.05%	7	7	–
Loans	**25,013**	**25,177**	**4.31%**	**248**	**248**	**1.81%**	**25,261**	**25,425**	**4.25%**
Assets backing contracts where the financial risk is borne by policyholders	**182,827**	**182,827**	**31.29%**				**182,827**	**182,827**	**30.58%**
FINANCIAL ASSETS	**589,806**	**584,237**	**100.00%**	**13,793**	**13,703**	**100.00%**	**603,599**	**597,939**	**100.00%**
Financial investments and loans (b)	385,064	385,228	65.94%	11,926	11,926	87.04%	396,991	397,154	66.42%
– of which quoted	298,670	298,685	51.12%	8,507	8,507	62.09%	307,177	307,193	51.38%
– of which unquoted	86,394	86,543	14.81%	3,419	3,419	24.95%	89,813	89,962	15.05%
Financial assets (excluding those backing contracts where the financial risk is borne by policyholders)	**406,979**	**401,410**	**68.71%**						
Life & Savings	343,656	338,623	57.96%						
Property & Casualty	54,650	54,115	9.26%						
International Insurance	8,673	8,672	1.48%						

(a) Mainly includes policy loans.
(b) Excluding investments backing contracts where the financial risk is borne by policyholders.
(c) Use of fair value option.

(in Euro million)

	December 31, 2006 Restated [d]								
	Insurance			Other activities			Total		
	Fair value	Net book value	% (value Balance sheet)	Fair value	Net book value	% (value Balance sheet)	Fair value	Net book value	% (value Balance sheet)
Investment properties at amortized cost	18,235	13,260	2.28%	731	548	3.36%	18,966	13,808	2.30%
Investment properties at fair value through profit & loss [c]	5,364	5,364	0.92%	608	608	3.73%	5,972	5,972	1.00%
Macro hedge and speculative derivatives	–	–	–	–	–	–	–	–	–
Investment properties	**23,599**	**18,625**	**3.20%**	**1,339**	**1,156**	**7.09%**	**24,938**	**19,780**	**3.30%**
Fixed maturities held to maturity	–	–	–	–	–	–	–	–	–
Fixed maturities available for sale	241,258	241,258	41.40%	5,645	5,645	34.64%	246,903	246,903	41.22%
Fixed maturities at fair value through profit & loss [c]	49,591	49,591	8.51%	182	182	1.11%	49,772	49,772	8.31%
Fixed maturities held for trading	94	94	0.02%	1,203	1,203	7.38%	1,297	1,297	0.22%
Non quoted fixed maturities (amortized cost)	10	10	–	1	1	0.01%	11	11	–
Fixed maturities	**290,953**	**290,953**	**49.93%**	**7,031**	**7,031**	**43.15%**	**297,984**	**297,984**	**49.74%**
Equities available for sale	35,604	35,604	6.11%	2,733	2,733	16.77%	38,337	38,337	6.40%
Equities at fair value through profit & loss [c]	22,050	22,050	3.78%	123	123	0.75%	22,173	22,173	3.70%
Equities held for trading	142	142	0.02%	332	332	2.04%	474	474	0.08%
Equities	**57,797**	**57,797**	**9.92%**	**3,187**	**3,187**	**19.56%**	**60,984**	**60,984**	**10.18%**
Non controlled investment funds available for sale	4,599	4,599	0.79%	226	226	1.39%	4,825	4,825	0.81%
Non controlled investment funds at fair value through profit & loss [c]	2,319	2,319	0.40%	155	155	0.95%	2,474	2,474	0.41%
Non controlled investment funds held for trading	80	80	0.01%	33	33	0.20%	113	113	0.02%
Non controlled investment funds	**6,998**	**6,998**	**1.20%**	**414**	**414**	**2.54%**	**7,412**	**7,412**	**1.24%**
Other assets held by controlled investment funds designated at fair value through profit & loss	**3,144**	**3,144**	**0.54%**	**–**	**–**	**–**	**3,144**	**3,144**	**0.52%**
Macro hedge and speculative derivatives	**(175)**	**(175)**	**N/A**	**875**	**875**	**5.37%**	**701**	**701**	**0.12%**
Financial investments	**358,718**	**358,718**	**61.55%**	**11,507**	**11,507**	**70.62%**	**370,225**	**370,225**	**61.80%**
Loans held to maturity	–	–	–	–	–	–	–	–	–
Loans available for sale	824	824	0.14%	26	26	0.16%	850	850	0.14%
Loans designated at fair value through profit & loss [c]	378	378	0.06%	2,768	2,768	16.99%	3,146	3,146	0.53%
Loans held for trading	–	–	–	227	227	1.39%	227	227	0.04%
Mortgage loans	13,178	13,079	2.24%	13	13	0.08%	13,190	13,092	2.19%
Other loans [a]	14,632	14,578	2.50%	592	591	3.63%	15,224	15,170	2.53%
Macro hedge and speculative derivatives	–	–	–	8	8	0.05%	8	8	–
Loans	**29,012**	**28,860**	**4.95%**	**3,632**	**3,632**	**22.29%**	**32,644**	**32,492**	**5.42%**
Assets backing contracts where the financial risk is borne by policyholders	**176,562**	**176,562**	**30.30%**				**176,562**	**176,562**	**29.47%**
FINANCIAL ASSETS	**587,891**	**582,765**	**100.00%**	**16,479**	**16,295**	**100.00%**	**604,370**	**599,059**	**100.00%**
Financial investments and loans [b]	387,730	387,578	66.51%	15,139	15,139	92.91%	402,869	402,717	67.22%
– of which quoted	298,074	298,074	51.15%	9,681	9,681	59.41%	307,755	307,755	51.37%
– of which unquoted	89,656	89,504	15.36%	5,458	5,458	33.49%	95,114	94,962	15.85%
Financial assets (excluding those backing contrats where the financial risk is borne by policyholders)	**411,329**	**406,202**	**69.70%**						
Life & Savings	348,979	344,382	59.09%						
Property & Casualty	53,600	53,071	9.11%						
International Insurance	8,749	8,749	1.50%						

(a) Mainly Includes policy loans.
(b) Excluding investments backing contracts where the financial risk is borne by policyholders.
(c) Use of fair value option.
(d) In accordance with IFRS 3, i.e. within 12 months following the acquisition date, the Group has adjusted certain items impacting the allocation of Winterthur purchase price.

In 2006, the integration of Winterthur increased total investments by €101,342 million.

(in Euro million)

	December 31, 2005								
	Insurance			Other activities			Total		
	Fair value	Net book value	% (value Balance sheet)	Fair value	Net book value	% (value Balance sheet)	Fair value	Net book value	% (value Balance sheet)
Investment properties at amortized cost	11,256	7,832	1.71%	357	314	3.12%	11,613	8,146	1.74%
Investment properties at fair value through profit & loss [c]	4,979	4,979	1.08%	–	–	–	4,979	4,979	1.06%
Macro hedge and speculative derivatives	–	–	–	–	–	–	–	–	–
Investment properties	**16,235**	**12,810**	**2.79%**	**357**	**314**	**3.12%**	**16,592**	**13,124**	**2.80%**
Fixed maturities held to maturity	–	–	–	–	–	–	–	–	–
Fixed maturities available for sale	189,451	189,451	41.26%	5,739	5,739	56.91%	195,190	195,190	41.59%
Fixed maturities at fair value through profit & loss [c]	43,413	43,413	9.45%	737	737	7.30%	44,150	44,150	9.41%
Fixed maturities held for trading	142	142	0.03%	1,547	1,547	15.34%	1,689	1,689	0.36%
Non quoted fixed maturities (amortized cost)	20	20	0.00%	2	2	0.02%	22	22	–
Fixed maturities	**233,027**	**233,027**	**50.75%**	**8,025**	**8,025**	**79.58%**	**241,052**	**241,052**	**51.37%**
Equities available for sale	27,680	27,680	6.03%	571	571	5.67%	28,251	28,252	6.02%
Equities at fair value through profit & loss [c]	18,804	18,804	4.09%	48	48	0.48%	18,852	18,852	4.02%
Equities held for trading	101	101	0.02%	308	308	3.06%	409	409	0.09%
Equities	**46,585**	**46,585**	**10.14%**	**928**	**928**	**9.20%**	**47,512**	**47,513**	**10.12%**
Non controlled investment funds available for sale	3,221	3,221	0.70%	201	201	1.99%	3,422	3,422	0.73%
Non controlled investment funds at fair value through profit & loss [c]	1,917	1,917	0.42%	73	73	0.73%	1,990	1,990	0.42%
Non controlled investment funds held for trading	195	195	0.04%	22	22	0.22%	217	217	0.05%
Non controlled investment funds	**5,333**	**5,333**	**1.16%**	**296**	**296**	**2.94%**	**5,629**	**5,629**	**1.20%**
Other assets held by controlled investment funds designated at fair value through profit & loss	**1,912**	**1,912**	**0.42%**	**–**	**–**	**–**	**1,912**	**1,912**	**0.41%**
Macro hedge and speculative derivatives	**(209)**	**(209)**	**N/A**	**198**	**198**	**1.97%**	**(11)**	**(11)**	**N/A**
Financial investments	**286,647**	**286,647**	**62.42%**	**9,447**	**9,447**	**93.68%**	**296,093**	**296,094**	**63.09%**
Loans held to maturity	–	–	–	1	1	0.01%	1	1	–
Loans available for sale	–	–	–	23	23	0.23%	23	23	–
Loans designated at fair value through profit & loss [c]	125	125	0.03%	–	–	–	125	125	0.03%
Loans held for trading	–	–	–	248	248	2.46%	248	248	0.05%
Mortgage loans	7,548	7,230	1.57%	(38)	(38)	N/A	7,510	7,192	1.53%
Other loans [a]	11,054	10,977	2.39%	74	74	0.74%	11,129	11,051	2.35%
Macro hedge and speculative derivatives	–	–	–	15	15	0.15%	15	15	–
Loans	**18,728**	**18,332**	**3.99%**	**323**	**323**	**3.20%**	**19,051**	**18,655**	**3.98%**
Assets backing contracts where the financial risk is borne by policyholders	**141,410**	**141,410**	**30.79%**				**141,410**	**141,410**	**30.13%**
FINANCIAL ASSETS	**463,020**	**459,200**	**100.00%**	**10,127**	**10,084**	**100.00%**	**473,146**	**469,284**	**100.00%**
Financial investments and loans [b]	305,375	304,980	66.42%	9,770	9,770	96.88%	315,144	314,749	67.07%
– of which quoted	244,342	244,342	53.21%	8,741	8,741	86.69%	253,083	253,083	53.93%
– of which unquoted	61,032	60,637	13.20%	1,028	1,028	10.20%	62,061	61,665	13.14%
Financial assets (excluding those backing contrats where the financial risk is borne by policyholders)	**321,609**	**317,790**	**69.21%**						
Life & Savings	272,271	268,885	58.56%						
Property & Casualty	39,892	39,458	8.59%						
International Insurance	9,447	9,447	2.06%						

(a) Mainly Includes policy loans.
(b) Excluding investments backing contracts where the financial risk is borne by policyholders.
(c) Use of fair value option.

9.2. INVESTMENT PROPERTIES

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

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

(in Euro million)

	December 31, 2007					December 31,2006 Restated [a]					December 31, 2005				
	Gross value	Impairment	Accu-mulated impairment	Carrying value	Fair value	Gross value	Impairment	Accu-mulated impairment	Carrying value	Fai value	Gross value	Impairment	Accu-mulated impairment	Carrying value	Fair value
Investment properties at amortized cost															
Insurance	13,548	(1,357)	(166)	12,045	17,778	14,930	(1,473)	(197)	13,260	18,235	9,650	(1,474)	(345)	7,832	11,256
Others	1,777	(1)	–	1,776	1,867	565	(17)	–	548	731	319	(5)	–	314	357
All activities	15,325	(1,358)	(166)	13,821	19,645	15,495	(1,490)	(197)	13,808	18,966	9,970	(1,479)	(345)	8,146	11,613

(a) In accordance with IFRS 3, i.e. within 12 months following the acquisition date, the Group has adjusted certain items impacting the allocation of Winterthur purchase price.

In 2006, the integration of Winterthur increased the amount of investment properties by €5,623 million on a fair value basis. €5,506 million of this increase related to the insurance business, while €117 million related to other activities.

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

(in Euro million)

	Impairment – Investment properties			Amortization – Investment properties		
	2007	2006	2005	2007	2006	2005
January 1	**197**	**345**	**253**	**1,490**	**1,479**	**1,324**
Increase for the period	55	19	88	246	219	222
Write back following sale or reimbursement	(50)	(83)	(88)	(208)	(158)	(91)
Write back following recovery in value	(17)	(57)	(68)			
Others [a]	(20)	(28)	160	(171)	(50)	24
December 31	**166**	**197**	**345**	**1,358**	**1,490**	**1,479**

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

9.3. UNREALIZED GAINS AND LOSSES ON FINANCIAL INVESTMENTS

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

INSURANCE	December 31, 2007				
	Amortized cost (a)	Fair value	Net book value (b)	Unrealized gains	Unrealized losses
Fixed maturities available for sale	242,608	241,220	241,220	4,762	6,150
Non quoted fixed maturities (amortized cost)	–	–	–	–	–
Equities available for sale	24,320	33,249	33,249	9,413	484
Non consolidated investment funds available for sale	3,109	3,446	3,446	368	31

(a) Net of impairment – including premiums/discounts and related accumulated amortization.
(b) Net of impairment (details in note 9.8).

OTHER ACTIVITIES	December 31, 2007				
	Amortized cost (a)	Fair value	Net book value (b)	Unrealized gains	Unrealized losses
Fixed maturities available for sale	5,037	4,933	4,933	2	106
Non quoted fixed maturities (amortized cost)	–	–	–	–	–
Equities available for sale	2,575	2,550	2,550	133	158
Non consolidated investment funds available for sale	142	142	142	1	1

(a) Net of impairment - including premiums/discounts and related accumulated amortization.
(b) Net of impairment (details in note 9.8).

TOTAL	December 31, 2007				
	Amortized cost (a)	Fair value	Net book value (b)	Unrealized gains	Unrealized losses
Fixed maturities available for sale	247,645	246,153	246,153	4,764	6,256
Non quoted fixed maturities (amortized cost)	–	–	–	–	–
Equities available for sale	26,896	35,799	35,799	9,545	642
Non consolidated investment funds available for sale	3,251	3,588	3,588	369	33

(a) Net of impairment - including premiums/discounts and related accumulated amortization.
(b) Net of impairment (details in note 9.8).

See also table 9.8.1 Breakdown of financial assets subject to impairment.

(in Euro million)

December 31, 2006					December 31, 2005				
Amortized cost (a)	Fair value	Net book value (b)	Unrealized gains	Unrealized losses	Amortized cost (a)	Fair value	Net book value (b)	Unrealized gains	Unrealized losses
234,964	241,652	241,652	8,158	1,470	175,729	189,382	189,382	14,554	901
10	10	10	–	–	20	20	20	–	–
25,354	35,761	35,761	10,551	144	19,715	27,857	27,858	8,229	86
4,188	4,593	4,593	428	24	2,702	3,132	3,132	438	8

(in Euro million)

December 31, 2006					December 31, 2005				
Amortized cost (a)	Fair value	Net book value (b)	Unrealized gains	Unrealized losses	Amortized cost (a)	Fair value	Net book value (b)	Unrealized gains	Unrealized losses
5,697	5,645	5,645	5	57	5,724	5,740	5,740	26	10
1	1	1	–	–	2	2	2	–	–
2,450	2,744	2,744	295	–	405	571	571	167	–
225	226	226	1	–	199	201	201	2	–

(in Euro million)

December 31, 2006					December 31, 2005				
Amortized cost (a)	Fair value	Net book value (b)	Unrealized gains	Unrealized losses	Amortized cost (a)	Fair value	Net book value (b)	Unrealized gains	Unrealized losses
240,661	247,297	247,297	8,163	1,527	181,453	195,123	195,123	14,580	910
11	11	11	–	–	22	22	22	–	–
27,804	38,505	38,505	10,846	144	20,120	28,428	28,429	8,396	87
4,414	4,819	4,819	429	24	2,901	3,333	3,333	440	8

9.4. FIXED MATURITIES BY TYPE OF ISSUER

The table below sets out the bond portfolio by issuer type, excluding macro hedging derivatives and other derivatives but including the effect of hedging derivatives (IAS 39) and economic hedging derivatives that do not form part of a hedge relationship under IAS 39. Details of the effect of derivatives are provided in section 19.3.

(in Euro million)

	December 31, 2007 Carrying value	December 31, 2006 Carrying value	December 31, 2005 Carrying value
Government fixed maturities	128,583	130,947	112,139
Fixed maturities issued by local authorities	6,182	6,493	2,319
Fixed maturities issued by government agencies and state-owned companies (b)	20,392	23,083	10,713
Corporate fixed maturities	132,800	123,971	102,236
Fixed maturities guaranteed by a mortgage	9,629	11,329	7,779
Fixed maturities issued by other issuers (a)	5,661	2,434	5,829
Hedging derivatives and other derivatives	569	(274)	36
FIXED MATURITIES	**303,814**	**297,984**	**241,052**

(a) Includes fixed maturity investment funds.
(b) Means that the state has a blocking minority interest.

In 2006, the integration of Winterthur increased the total amount of fixed maturities on the balance sheet by €55,315 million. The increase related mostly to government fixed maturities (€12,594 million), fixed maturities of local authorities (€5,136 million), fixed maturities of government agencies and state-owned companies (€10,104 million), corporate fixed maturities (€22,673 million) and fixed maturities guaranted by a mortage (€4,130 million).

Additional information on the credit risk associated with fixed maturities is provided in Note 4 "Management of financial and insurance risks".

9.5. CONTRACTUAL MATURITIES AND EXPOSURE TO INTEREST RATE RISK

The tables below set out the contractual maturities of debt instruments held by the Group. Effective maturities may differ from those presented, mainly because some assets include clauses allowing early redemption, with or without penalty.

Non-quoted fixed maturities, the effect of derivatives (detailed in section 19.3) and loans and fixed maturities backing contracts where the financial risk is borne by policyholders are excluded from the table below. The effect of derivatives modifies in certain cases the profile of the assets below. Most of the fixed maturities and loans held by the group are fixed-rate debt instruments (i.e. exposed to fair value interest rate risk).

(in Euro million)

	December 31, 2007 Net carrying amount by maturity			
	12 months or less	More than 1 year up to 5 years	More than 5 years	Total net carrying value
Fixed maturities available for sale	13,160	56,197	163,514	232,871
Fixed maturities at fair value through profit and loss [(a)]	17,739	8,883	22,698	49,320
Sub-total fixed maturities	**30,899**	**65,080**	**186,212**	**282,191**
Loans at amortized cost	2,920	5,459	12,712	21,091
Loans available for sale	46	5	913	963
Loans at fair value through profit and loss [(a)]	5	39	(4)	40
Sub-total Loans	**2,971**	**5,502**	**13,621**	**22,094**
TOTAL – Invested financial assets exposed to fair value interest rate risk	**33,870**	**70,583**	**199,833**	**304,286**
Fixed maturities available for sale	430	2,783	10,069	13,282
Fixed maturities at fair value through profit and loss [(a)]	380	5,332	2,060	7,772
Sub-total fixed maturities	**810**	**8,115**	**12,129**	**21,054**
Loans at amortized cost	422	341	1,251	2,015
Loans available for sale	3	2	–	5
Loans designated at fair value through profit and loss [(a)]	–	17	59	77
Sub-total loans	**425**	**360**	**1,311**	**2,096**
TOTAL – Invested financial assets exposed to cash flow interest rate risk	**1,235**	**8,475**	**13,440**	**23,150**
Total invested financial assets exposed to interest rate risk	**35,105**	**79,057**	**213,273**	**327,436**

(a) Corresponds to financial assets held for trading purposes and financial assets recognized at fair value through profit and loss.

(in Euro million)

	December 31,2006 Restated [b] Net carrying amount by maturity			
	12 months or less	More than 1 year up to 5 years	More than 5 years	Total net carrying value
Fixed maturities available for sale	11,970	58,182	168,619	238,771
Fixed maturities at fair value through profit and loss [a]	18,389	56,028	21,073	45,803
Sub-total fixed maturities	**30,359**	**64,523**	**189,691**	**284,574**
Loans at amortized cost	3,048	7,064	13,831	23,943
Loans available for sale	52	135	658	845
Loans at fair value through profit and loss [a]	21	19	43	84
Sub-total loans	**3,121**	**7,218**	**14,532**	**24,871**
TOTAL – Invested financial assets exposed to fair value interest rate risk	**33,480**	**71,741**	**204,224**	**309,445**
Fixed maturities available for sale	121	1,021	7,384	8,527
Fixed maturities at fair value through profit and loss [a]	342	3,964	839	5,146
Sub-total fixed maturities	**463**	**4,986**	**8,224**	**13,673**
Loans at amortized cost	855	526	2,110	3,491
Loans available for sale	–	–	–	–
Loans designated at fair value through profit and loss [a]	296	24	3,017	3,337
Sub-total loans	**1,151**	**550**	**5,127**	**6,828**
TOTAL – Invested financial assets exposed to cash flow interest rate risk	**1,614**	**5,536**	**13,350**	**20,501**
Total invested financial assets exposed to interest rate risk	**35,095**	**77,277**	**217,574**	**329,946**

(a) Corresponds to financial assets held for trading purposes and financial assets recognized at fair value through profit and loss.
(b) In accordance with IFRS 3, i.e. within 12 months following the acquisition date, the Group has adjusted certain items impacting the allocation of Winterthur purchase price.

(in Euro million)

	December 31, 2005 Net carrying amount by maturity			
	12 months or less	More than 1 year up to 5 years	More than 5 years	Total net carrying value
Fixed maturities available for sale	10,697	41,974	132,598	185,270
Fixed maturities at fair value through profit and loss [(a)]	2,999	31,701	10,388	45,089
Sub-total fixed maturities	**13,697**	**73,675**	**142,986**	**230,358**
Loans at amortized cost	599	3,531	10,961	15,091
Loans available for sale	–	21	2	23
Loans at fair value through profit and loss [(a)]	17	33	76	125
Sub-total loans	**616**	**3,585**	**11,038**	**15,239**
TOTAL – Invested financial assets exposed to fair value interest rate risk	**14,313**	**77,260**	**154,025**	**245,597**
Fixed maturities available for sale	319	2,027	7,506	9,853
Fixed maturities at fair value through profit and loss [(a)]	54	35	693	782
Sub-total fixed maturities	**373**	**2,063**	**8,199**	**10,635**
Loans at amortized cost	358	476	1,748	2,583
Loans available for sale	–	–	–	–
Loans designated at fair value through profit and loss [(a)]	–	–	248	248
Sub-total loans	**358**	**476**	**1,996**	**2,831**
TOTAL – Invested financial assets exposed to cash flow interest rate risk	**732**	**2,539**	**10,195**	**13,466**
Total invested financial assets exposed to interest rate risk	**15,044**	**79,800**	**164,219**	**259,063**

(a) Corresponds to financial assets held for trading purposes and financial assets recognized at fair value through profit and loss.

9.6. EXPOSURE TO PRICE RISK

After excluding the effect of derivatives (detailed in section 19.3) and equities of real estate companies, the breakdown by industry of equities owned across the Group is as follows:

December 31, 2007	Finance	Services	Energy
Equities available for sale	12,819	2,765	5,056
Equities at fair value through profit and loss	2,739	2,243	388
Sub-total: Equities held directly	**15,558**	**5,008**	**5,443**
Equities held by controlled investment funds [(a)]	5,519	433	218
Total Equities as at December 31, 2007	**21,077**	**5,440**	**5,662**

(a) Recognized at fair value through profit and loss.

December 31, 2006	Finance	Services	Energy
Equities available for sale	16,040	4,020	3,942
Equities at fair value through profit and loss	4,224	2,735	282
Sub-total : Equities held directly	**20,264**	**6,755**	**4,224**
Equities held by controlled investment funds [(a)]	2,324	385	347
Total Equities as at December 31, 2006	**22,588**	**7,140**	**4,571**

(a) Recognized at fair value through profit and loss.

In 2006, the integration of Winterthur increased the total amount of equities by €7,801 million, including €5,813 million available for sale, €1,188 million at fair value through profit and loss and €800 million held by controlled investment funds.

December 31, 2005	Finance	Services	Energy
Equities available for sale	10,034	3,055	3,214
Equities at fair value through profit and loss	3,383	3,530	144
Sub-total : Equities held directly	**13,417**	**6,585**	**3,359**
Equities held by controlled investment funds (a)	3,871	691	352
Total Equities as at December 31, 2005	**17,288**	**7,276**	**3,710**

(in Euro million)

Communications	Industrial	Consumer goods	Raw material	Technology	Other	TOTAL
1,808	4,663	2,910	1,885	1,819	2,074	35,799
730	1,503	1,314	1,074	324	636	10,952
2,538	**6,165**	**4,224**	**2,959**	**2,144**	**2,711**	**46,750**
139	396	51	168	82	2,087	9,093
2,677	**6,561**	**4,275**	**3,127**	**2,226**	**4,797**	**55,843**

(in Euro million)

Communications	Industrial	Consumer goods	Raw material	Technology	Other	TOTAL
1,447	4,355	2,911	1,971	1,860	1,960	38,505
854	1,642	1,544	876	300	751	13,208
2,300	**5,997**	**4,455**	**2,847**	**2,160**	**2,711**	**51,713**
97	858	653	393	513	3,894	9,465
2,398	**6,856**	**5,108**	**3,240**	**2,672**	**6,605**	**61,178**

(in Euro million)

Communications	Industrial	Consumer goods	Raw material	Technology	Other	TOTAL
1,117	3,853	1,892	1,553	1,316	2,394	28,429
51	511	460	606	226	1,986	10,897
1,168	**4,364**	**2,352**	**2,159**	**1,542**	**4,380**	**39,326**
181	376	53	399	315	2,126	8,364
1,349	**4,740**	**2,405**	**2,559**	**1,857**	**6,506**	**47,690**

9.7. NON-CONTROLLED INVESTMENT FUNDS

Non-controlled investment funds break down as follows:

	December 31, 2007					
	Insurance		Other activities		Total	
	Fair value (a)	Amortized Cost	Fair value (a)	Amortized Cost	Fair value (a)	Amortized Cost
Non controlled investment funds available for sale mainly holding equities	1,512	1,349	29	29	1,541	1,379
Non controlled investment funds at fair value through profit and loss mainly holding equities	660	–	108	–	768	–
Non controlled investment funds trading mainly holding equities	135	–	8	–	143	–
Non controlled investment funds mainly holding equities	**2,307**	**–**	**145**	**–**	**2,451**	**–**
Non controlled investment funds available for sale mainly holding fixed maturities	931	856	–	–	931	856
Non controlled investment funds mainly as at fair value through profit and loss mainly holding fixed maturities	51	–	–	–	51	–
Non controlled investment funds trading mainly holding fixed maturities	–	–	–	–	–	–
Non controlled investment funds mainly holding fixed maturities	**982**	**–**	**–**	**–**	**982**	**–**
Other non controlled investment funds available for sale	1,003	903	113	113	1,116	1,016
Other non controlled investment funds at fair value through profit and loss	389	–	26	–	415	–
Other non controlled investment funds held for trading	–	–	–	–	–	–
Other non controlled investment funds	**1,392**	**–**	**139**	**–**	**1,531**	**–**
Non controlled investment funds – Equity method (b)	**1,160**	**–**	**–**	**–**	**1,160**	**–**
Derivatives (hedge accounting) and other derivatives	**42**	**40**	**–**	**–**	**42**	**40**
TOTAL	**5,882**	**–**	**284**	**–**	**6,166**	**–**

(a) Amounts are presented excluding macro hedging and other derivatives but including the effect of hedging derivatives (IAS 39) and economic hedging derivatives that do not form part of a hedge relationship within the meaning of IAS 39.
(b) The carrying value of non controlled investment funds – Equity method is disclosed in the fair value column.

In 2006, Winterthur's contribution to the increase in non-controlled investment funds was €924 million for the ones valued at fair value through profit and loss and €859 million for the ones valued at amortized cost.

(in Euro million)

December 31, 2006						December 31, 2005					
Insurance		Other activities		Total		Insurance		Other activities		Total	
Fair value [(a)]	Amortized Cost	Fair value [(a)]	Amortized Cost	Fair value [(a)]	Amortized Cost	Fair value [(a)]	Amortized Cost	Fair value [(a)]	Amortized Cost	Fair value [(a)]	Amortized Cost
1,432	1,215	18	18	1,450	1,233	1,045	847	3	1	1,048	848
628	–	155	–	782	–	699	–	73	–	772	–
80	–	33	–	113	–	–	–	22	–	22	–
2,140	**–**	**205**	**–**	**2,345**	**–**	**1,743**	**–**	**98**	**–**	**1,841**	**–**
1,480	1,438	–	–	1,480	1,438	859	818	–	–	859	818
46	–	–	–	46	–	8	–	–	–	8	–
–	–	–	–	–	–	195	–	–	–	195	–
1,527	**–**	**–**	**–**	**1,527**	**–**	**1,062**	**–**	**–**	**–**	**1,063**	**–**
1,680	1,535	208	208	1,888	1,743	1,228	1,037	198	198	1,426	1,235
353	–	–	–	353	–	129	–	–	–	129	–
–	–	–	–	–	–	–	–	–	–	–	–
2,033	**–**	**208**	**–**	**2,241**	**–**	**1,357**	**–**	**198**	**–**	**1,555**	**–**
1,294	**–**	**–**	**–**	**1,294**	**–**	**1,081**	**–**	**–**	**–**	**1,081**	**–**
4	**9**	**–**	**–**	**4**	**9**	**89**	**(2)**	**–**	**–**	**89**	**(2)**
6,998	**–**	**414**	**–**	**7,412**	**–**	**5,333**	**–**	**296**	**–**	**5,629**	**–**

9.8. FINANCIAL ASSETS SUBJECT TO IMPAIRMENT

9.8.1. Breakdown of financial assets subject to impairment (excluding investment properties)

Each investment item is presented net of the effect of hedging derivatives (IAS 39) and economic hedging derivatives that do not form part of a hedge relationship under IAS 39 (excluding macro hedging derivatives and other derivatives). Details of the effect of derivatives are provided in section 19.3.

	December 31, 2007				
	Cost before impairment and revaluation to fair value (a)	Impairment	Cost after impairment but before revaluation to fair value (b)	Revaluation to fair value	Net book value (Carrying value)
Fixed maturities available for sale	248,507	(373)	248,133	(1,433)	246,701
Non quoted fixed maturities (amortized cost)	–	–	–	–	–
Fixed maturities	**248,507**	**(373)**	**248,134**	**(1,433)**	**246,701**
Equities available for sale	**29,287**	**(2,307)**	**26,980**	**8,916**	**35,896**
Non controlled investment funds available for sale	**3,352**	**(97)**	**3,254**	**337**	**3,591**
Loans held to maturity	–	–	–	–	–
Loans available for sale	1,014	(0)	1,014	(46)	968
Mortgage loans	12,831	(13)	12,818	–	12,818
Other loans (c)	11,546	(53)	11,493	23	11,515
Loans	**25,391**	**(66)**	**25,325**	**(23)**	**25,301**
TOTAL	**306,536**	**(2,843)**	**303,693**	**7,796**	**311,489**

(a) Asset value including impact of discounts/premiums and accrued interests, but before impairment and revaluation to fair value of assets available for sale.
(b) Asset value including impairment, discounts/premiums and accrued interests, but before revaluation to fair value of assets available for sale.
(c) Including policy loans.
(d) In accordance with IFRS 3, i.e. within 12 months following the acquisition date, the Group has adjusted certain items impacting the allocation of Winterthur purchase price.

(in Euro million)

December 31, 2006 Restated [d]					December 31, 2005				
Cost before impairment and revaluation to fair value [a]	Impairment	Cost after impairment but before revaluation to fair value [b]	Revaluation to fair value	Net book value (Carrying value)	Cost before impairment and revaluation to fair value [a]	Impairment	Cost after impairment but before revaluation to fair value [b]	Revaluation to fair value	Net book value (Carrying value)
240,998	(138)	240,860	6,043	246,903	181,085	(126)	180,959	14,231	195,190
11	–	11	–	11	23	–	22	–	22
241,009	**(138)**	**240,871**	**6,043**	**246,915**	**181,108**	**(126)**	**180,982**	**14,231**	**195,213**
30,393	**(2,504)**	**27,890**	**10,447**	**38,337**	**23,357**	**(3,210)**	**20,147**	**8,105**	**28,252**
4,497	**(77)**	**4,420**	**405**	**4,825**	**3,017**	**(118)**	**2,899**	**522**	**3,422**
–	–	–	–	–	1	–	1	–	1
845	–	845	5	850	23	–	23	–	23
13,115	(24)	13,092	–	13,092	7,260	(26)	7,235	(43)	7,192
15,248	(75)	15,173	(3)	15,170	11,126	(79)	11,047	4	11,051
29,208	**(99)**	**29,109**	**2**	**29,111**	**18,411**	**(105)**	**18,306**	**(39)**	**18,267**
305,107	**(2,817)**	**302,290**	**16,898**	**319,188**	**225,892**	**(3,558)**	**222,334**	**22,819**	**245,153**

9.8.2. Change in impairment on invested assets (excluding investment properties)

(in Euro million)

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

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

(in Euro million)

	January 1, 2006	Increase for the period [(b)]	Write back following sale or reimbursement [(b)]	Write back following recovery in value	Other [(b) (a)]	December 31, 2006
Impairment – fixed maturities	126	79	(39)	(1)	(28)	138
Impairment – equities	3,210	143	(699)	–	(150)	2,504
Impairment – non controlled investment funds	118	5	(42)	–	(3)	77
Impairment – loans	105	26	(11)	(21)	–	99
TOTAL	**3,558**	**253**	**(791)**	**(22)**	**(180)**	**2,817**

(a) Changes in the scope of consolidation and impact of changes in exchange rates.
(b) As described in note 1.10, the contribution of discontinued operations is stated on a separate line of the income statement.

(in Euro million)

	January 1, 2005	Increase for the period [(b)]	Write back following sale or reimbursement [(b)]	Write back following recovery in value [(b)]	Other [(b) (a)]	December 31, 2005
Impairment – fixed maturities	363	26	(167)	(3)	(92)	126
Impairment – equities	3,939	135	(893)	–	28	3,210
Impairment – non controlled investment funds	166	10	(66)	–	8	118
Impairment – loans	332	37	(25)	(15)	(224)	105
TOTAL	**4,800**	**207**	**(1,151)**	**(18)**	**(280)**	**3,558**

(a) Changes in the scope of consolidation and impact of changes in exchange rates.
(b) As described in note 1.10, the contribution of discontinued operations is stated on a separate line of the income statement.

9.9. FINANCIAL ASSETS RECOGNIZED AT FAIR VALUE EXCLUDING DERIVATIVES

Amounts presented exclude the impact of all derivatives (set out in notes 19.3 and 19.5) and investment funds consolidated by equity method. Investment funds consolidated by equity method represented assets of €1,160 million at December 31, 2007 (€1,294 million at December 31, 2006 and €1,081 million at December 31, 2005).

The breakdown by valuation method of financial assets recognized at fair value is as follows:

(in Euro million)

	December 31, 2007			December 31, 2006			December 31, 2005		
	Fair value determined directly by reference to an active market (1)	Fair value estimated using valuation techniques (2)	TOTAL	Fair value determined directly by reference to an active market (1)	Fair value estimated using valuation techniques (2)	TOTAL	Fair value determined directly by reference to an active market (1)	Fair value estimated using valuation techniques (2)	TOTAL
Fixed maturities	207,030	39,123	246,153	208,638	38,659	247,297	170,873	24,250	195,123
Equities	32,075	3,723	35,799	34,961	3,544	38,505	26,770	1,658	28,428
Non controlled investment funds	2,182	1,406	3,588	3,662	1,157	4,819	3,065	267	3,333
Loans	5	963	968	792	53	845	–	23	23
Financial assets available for sale	**241,292**	**45,215**	**286,508**	**248,053**	**43,413**	**291,467**	**200,709**	**26,198**	**226,907**
Investment properties	2,667	1,469	4,137	4,800	1,172	5,972	3,871	1,108	4,979
Fixed maturities	44,288	11,639	55,927	45,248	4,458	49,706	39,527	4,655	44,182
Equities	14,435	5,158	19,593	18,461	3,737	22,198	16,308	2,545	18,852
Non controlled investment funds	436	798	1,234	315	866	1,182	288	621	909
Other assets held by controlled investment funds designated as at fair value through profit and loss	2,152	2,366	4,518	1,738	1,407	3,145	647	1,264	1,910
Loans	–	40	40	82	3,111	3,194	125	–	125
Financial assets at fair value through profit and loss	**63,978**	**21,471**	**85,448**	**70,645**	**14,751**	**85,397**	**60,766**	**10,193**	**70,957**
Fixed maturities	723	442	1,165	582	662	1,244	727	962	1,689
Equities	452	–	452	474	–	474	407	2	409
Non controlled investment funds	118	25	143	109	4	113	217	–	217
Loans	77	–	77	227	–	227	248	–	248
Assets held for trading	**1,369**	**467**	**1,836**	**1,392**	**666**	**2,057**	**1,600**	**963**	**2,563**
TOTAL FINANCIAL ASSETS ACCOUNTED FOR AT FAIR VALUE	**306,639**	**67,153**	**373,792**	**320,090**	**58,830**	**378,920**	**263,075**	**37,354**	**300,427**

NB: This tables excludes assests backing contracts where the financial risk is borne by policyholders.

Methods applied to determine the fair value of held assets measured at fair value in the financial statements are described in the introduction to Note 9. The group applies the IAS39 fair value hierarchy.

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

Fair values estimated using valuation techniques (2) include:
- values provided at the request of the Group by pricing services and which are not readily publicly available or values provided by external parties which are readily available but relate to assets for which the market is not always active, and
- assets measured on the basis of internal models including assumptions supported by observable data or mark to model valuations.

The amount of assets measured at fair value using in whole or in part a valuation technique based on assumptions that are not supported by prices from current market transactions and not based on available observable market data is less than 1.5% of financial invested assets held by the Group excluding assets backing contracts where the financial risk is borne by policyholders. When running this analysis, external valuations are considered as observable data determined by market participants.

9.10. INVESTMENTS BACKING CONTRACTS WHERE THE FINANCIAL RISK IS BORNE BY POLICYHOLDERS

(in Euro million)

	Fair Value [(a)]		
	December 31, 2007	December 31, 2006	December 31, 2005
Investment properties	3,733	3,957	3,127
Equities & non controlled investment funds	155,397	148,286	114,636
Fixed maturities	15,321	14,368	16,390
Others	8,377	9,951	7,257
Total Insurance activities	**182,827**	**176,562**	**141,410**

(a) Fair value equals carrying value.

These investments (including investment properties) are measured at fair value through profit and loss. Financial assets included in these investments are stated at fair value through profit and loss under the fair value option.

At the end of 2006, investments backing contracts where the financial risk is borne by policyholders included €18,293 million attributable to Winterthur.

As described in note 4 (Management of financial and insurance risks), the financial risk associated with these contracts is borne by policyholders, except for contracts that offer some investment-related guarantees.

NOTE 10 > INVESTMENTS IN ASSOCIATES CONSOLIDATED BY EQUITY METHOD

(in Euro million)

	2007					
	January 1	Acquisitions & disposals	Contribution to net income	Currency translation impact	Other changes (a)	December 31
AXA Affin General Insurance Berhad	29	–	–	–	(29)	–
AXA Mandiri Financial Services	6	–	4	(1)	(1)	8
Argovie	27	–	2	–	(2)	27
Banque de marchés et d'arbitrage	7	–	–	–	–	7
AXA Asia Pacific Holdings associates	14	2	9	–	(5)	20
Roland Rechtsschutz Versicherung AG	25	–	5	–	(2)	27
Winterthur Life (Hong Kong) Ltd. (b)	1	–	–	–	–	–
Krungthai AXA Life Insurance Company Ltd	13	–	3	1	–	18
Philippines AXA Life Insurance Corporation	11	–	5	(1)	–	14
Other	11	3	(14)	–	27	27
TOTAL	**144**	**5**	**13**	**(2)**	**(13)**	**147**

(a) Includes dividend distributions and changes in consolidation method.
(b) Following its sale to AXA Asia Pacific Holdings, this entity is now fully consolidated.

In 2007, "other changes" notably included :

- The change in consolidation method of AXA Affin General Insurance Berhad. This company is now fully consolidated (€–29 million).
- The entry in the scope of consolidation of AXA Minmetals as at December 31, 2007 (€16 million).

(in Euro million)

	2006					
	January 1	Acquisitions & disposals	Contribution to net income	Currency translation impact	Other changes (a)	December 31
AXA Affin General Insurance Berhad	–	–	18	–	11	29
AXA Mandiri Financial Services	–	–	2	–	3	6
Argovie	26	–	2	–	(1)	27
Banque de marchés et d'arbitrage	11	–	–	–	(4)	7
CFP – Crédit	34	–	–	–	(34)	–
AXA Insurance Investment Holding	41	–	–	–	(41)	–
AXA Asia Pacific Holdings associates	26	(14)	8	–	(6)	14
Parfimmo	24	–	–	–	(24)	–
Roland Rechtsschutz Versicherung AG	24	–	4	–	(2)	25
Winterthur Life (Hong Kong) Ltd.	–	1	–	–	–	1
Krungthai AXA Life Insurance Company Ltd	–	–	(4)	1	16	13
Philippines AXA Life Insurance Corporation	–	–	3	(2)	10	11
Other	23	–	(1)	–	(11)	11
TOTAL	**208**	**(14)**	**34**	**(1)**	**(83)**	**144**

(a) Includes dividend distributions and changes in consolidation method.

In 2006, "other changes" notably included:

- The merger of associate CFP-Crédit with fully consolidated CFP (€−34 million).
- The sale of AXA RE (included in the Other items: €−2 million) and Parfimmo in Belgium (€−24 million).
- The liquidation of AXA Insurance Investment Holding in Singapore (€−41 million).
- The entries into the scope of consolidation of Krungthai AXA Life Insurance Company Ltd (€16 million), Philippines AXA Life Insurance Corporation (€10 million), AXA Mandiri Financial Services (€3 million) and AXA Affin General Insurance Berhad in Asia-Pacific (€11 million).
- The merger of AXA Asia Pacific Holdings subsidiaries with AXA Bharti and AXA Affin.

(in Euro million)

	2005					
	January 1	Acquisitions & disposals	Contribution to net income	Currency translation impact	Other changes (a)	December 31
AXA Insurance Hong Kong	13	–	–	–	(13)	–
AXA insurance Singapore	42	–	–	–	(42)	–
Argovie	26	–	2	–	(2)	26
Banque de marché et d'arbitrage	9	–	2	–	–	11
CFP – Crédit	33	–	1	–	–	34
AXA General Insurance Hong Kong	55	–	–	–	(55)	–
AXA Insurance Investment Holding	5	–	–	3	32	41
Hilo Direct SA de Seguros y Reaseguros	–	–	–	–	–	–
AXA Oyak (3 Turkish entities)	71	–	–	–	(71)	–
AXA Asia Pacific Holdings associates	20	1	8	–	(2)	26
Parfimmo	–	9	1	–	14	24
Roland Rechtsschutz Versicherung AG	23	–	3	–	(2)	24
Other	33	–	5	–	(14)	23
TOTAL	**330**	**10**	**21**	**3**	**(156)**	**208**

(a) Includes dividend distributions and changes in consolidation method.

In 2005, "other changes" related mainly to changes in consolidation method. The following companies are now fully consolidated:

- Turkish Life, Non life and holding companies (€−71 million).
- Hong Kong Non life companies (€−68 million).
- Singapore Non life companies (€−42 million).

In the years ended December 31, 2007, 2006 and 2005, AXA received cash dividends from equity-accounted companies respectively totaling €9 million, €4 million and €20 million.

This excludes investment funds and real estate companies consolidated by equity method, which are presented under financial investments.

NOTE 11 > RECEIVABLES

(in Euro million)

	December 31, 2007				December 31, 2006 Restated [b]				December 31, 2005	
	Gross value	Impairment	Carrying value	Fair value	Gross value	Impairment	Carrying value	Fair value	Carrying value	Fair value
Deposits and Guarantees	1,310	–	1,310	1,310	1,078	–	1,078	1,078	905	905
Current accounts receivable from other companies	996	(40)	956	956	845	(6)	839	840	760	760
Receivables from policyholders, brokers and general agents	3,607	(269)	3,338	3,338	3,586	(255)	3,331	3,330	2,903	2,903
Premiums earned but not written	1,812	–	1,812	1,812	1,895	–	1,895	1,895	1,883	1,883
Other receivables	4,747	(24)	4,724	4,724	4,752	(20)	4,732	4,732	3,262	3,262
Receivables arising from direct insurance and inward reinsurance operations	**12,473**	**(333)**	**12,140**	**12,140**	**12,155**	**(282)**	**11,873**	**11,874**	**9,714**	**9,714**
Deposits and Guarantees	63	–	63	63	15	–	15	15	8	8
Receivables from reinsurers	834	(71)	762	762	837	(97)	740	740	840	840
Other receivables	94	(7)	87	87	50	–	50	50	40	40
Receivables arising from outward reinsurance operations	**991**	**(79)**	**913**	**913**	**902**	**(97)**	**805**	**805**	**888**	**888**
Receivables arising from banking activities	17,651	(391)	17,260	17,176	14,456	(393)	14,063	14,026	12,818	13,072
Receivables – current tax	1,314	–	1,314	1,314	989	–	989	990	806	806
Receivables relating to investments under lending agreements and equivalent	4,462	–	4,462	4,462	4,732	–	4,732	4,732	1,667	1,667
Others [a]	11,406	(210)	11,196	11,196	14,220	(34)	14,187	14,190	12,691	12,707
Other receivables	**34,833**	**(601)**	**34,232**	**34,148**	**34,397**	**(427)**	**33,971**	**33,937**	**27,983**	**28,252**
TOTAL RECEIVABLES	**48,297**	**(1,012)**	**47,285**	**47,201**	**47,454**	**(805)**	**46,648**	**46,615**	**38,585**	**38,854**

(a) Includes separate assets related to employee benefits (see note 25.2).
(b) In accordance with IFRS 3, i.e. within 12 months following the acquisition date, the Group has adjusted certain items impacting the allocation of Winterthur purchase price.

The Winterthur group's receivables totaled €2,125 million at December 31, 2006.

Credit risk exposure, mainly relating to receivables from reinsurers, is covered in Note 4 "Financial and insurance risk management".

NOTE 12 > CASH AND CASH EQUIVALENTS

Cash and cash equivalents break down as follows:

(in Euro million)

	December 31, 2007 Carrying value [a]	December 31, 2006 Carrying value [a] [b]	December 31, 2005 Carrying value [a] [b]
Arising from insurance activities	14,211	17,742	19,458
Arising from banking activities	178	283	140
Arising from other activities [b]	4,295	3,144	1,804
Cash and cash equivalents	**18,684**	**21,169**	**21,402**

(a) Fair value is equal to net carrying value.
(b) Including SPEs and CDOs previously disclosed in the caption "Arising from banking activities".

As at December 31, 2006 the integration of Winterthur had an impact of €3,264 million on cash and cash equivalents.

This table excludes cash held by consolidated investment funds in the "Satellite Investment Portfolio", as defined in section 1.7.2.

NOTE 13 > SHAREHOLDERS' EQUITY, MINORITY INTERESTS AND OTHER EQUITY

13.1. IMPACT OF TRANSACTIONS WITH SHAREHOLDERS

13.1.1. Change in shareholders' equity group share in 2007

a) Share capital and capital in excess of nominal value

In 2007, the following transactions had an impact on AXA's share capital and capital in excess of nominal value:

- Capital reduction of €–1,899 million by cancelling shares acquired under the share buyback program (including €–145 million in nominal share capital);
- Employee share offering (November 2007) for €552 million (including €51 million in nominal share capital); and
- Exercise of stock options and share subscription rights for a total of €152 million (including €20 million in nominal share capital).

b) Treasury shares

At December 31, 2007, the Company and its subsidiaries owned approximately 31 million AXA shares, an increase of 1 million shares or €99 million compared to December 31, 2006. This item also includes a €96 million premium paid in 2007 for call options on AXA shares.

During the year, AXA pursued its share purchase program to control dilution arising from share-based compensation and employee Shareplan program, and purchased 70.4 million shares for a total amount of €2,125 million (including "AXA Miles"). Of these €2,125 million, €1,899 million were cancelled by a decrease in share capital.
In addition, AXA paid a €96 million premium for call options on AXA shares with an automatic exercise feature, to fully neutralize the dilutive impact of the 2017 convertible bonds.

At December 31, 2007, the carrying value of treasury shares and related derivatives was €620 million, representing 1.49% of the share capital. This figure included €18 million relating to AXA shares held by consolidated mutual funds (0.9 million shares) not used to back contracts where the financial risk is borne by policyholders.

At December 31, 2007, 2.7 million treasury shares backing contracts where the financial risk is borne by policyholders held in controlled funds were not deducted from shareholders'equity. Their total estimated historical cost was €74 million and their market value €75 million at the end of December 2007.

c) Perpetual debt and related interest

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

In 2007, the change in other reserves was due to :

(i) a €1,749 million issue of perpetual deeply subordinated note, a €–833 million repayment of deeply subordinated debt, €–289 million in interest expense, and €–388 million in exchange differences.
The perpetual deeply subordinated notes were issued to finance the repayment of maturing borrowings, and comprised the following:
  - a €750 milllion perpetual deeply subordinated note placed on October 5, 2007, and
  - a £700 million perpetual deeply subordinated note (approximately €1.0 billion) placed on October 16, 2007.

(ii) a €109 million decrease in equity component of financial instruments issued: following the decision taken during the meeting of holders of the 2014 AXA convertible bonds to have a final conversion date of the bonds on January 26, 2007 in exchange for a cash payment in respect of the value of the conversion option, the equity component of the bond (i.e. the conversion option), representing an amount of €109 million, has been cancelled as a counterpart to the payment.

At December 31, 2007, 2006 and 2005, perpetual debt recognized in shareholders' equity broke down as follows:

	December 31, 2007		December 31, 2006		December 31, 2005	
	Value of the perpetual debt in currency of issuance (in million)	Value of the perpetual debt in Euro million	Value of the perpetual debt in currency of issuance (in million)	Value of the perpetual debt in Euro million	Value of the perpetual debt in currency of issuance (in million)	Value of the perpetual debt in Euro million
October 29, 2004 – 375 M€ rate CMS 10 years – in euro	375	375	375	375	375	375
December 22, 2004 – 250 M€ rate CMS 10 years – in euro	250	250	250	250	250	250
January 25, 2005 – 250 M€ 6% in euro	250	250	250	250	250	250
July 6, 2006 – 1000 M€ 5.777% in euro	1,000	994	1,000	995	–	–
July 6, 2006 – 500 M£ 6.666% in GBP	500	676	500	739	–	–
July 6, 2006 – 350 M£ 6.6862% in GBP	350	477	350	521	–	–
October 26, 2006 – 600 M$AUD 6.5% in AUD	600	355	600	356	–	–
November 7, 2006 – 150 M$AUD rate 6.5% in AUD	150	89	150	89	–	–
December 11, 2006, 750m $ (TSS) non call 12 years, in USD	750	507	750	567	–	–
December 11, 2006, 750m $ (TSS) non call 30 years, in USD	750	507	750	567	–	–
750 M Ð (TSS) (October 5, 2007) 6.211 % not before 10 years EUR	750	746	–	–	–	–
700 M £ (TSS) (October 16, 2007) 6.772 % not before 12 years GBP	700	952	–	–	–	–
Sub-total Perpetual Deeply Subordinated notes ("TSS")	**–**	**6,179**	**–**	**4,709**	**–**	**875**
Perpetual notes – variable 3.55% to 5% in EUR	844	844	1,404	1,404	1,404	1,404
Perpetual notes – variable 3.55% to 5% in JPY	27,000	164	27,000	172	27,000	194
Perpetual notes – variable 3.55% to 5% in USD	875	594	1,275	968	1,275	1,081
Sub-total Deeply Subordinated notes ("TSDI")	**–**	**1,602**	**–**	**2,544**	**–**	**2,679**
Equity component of convertible debt	95	95	203	203	203	203
TOTAL	**–**	**7,875**	**–**	**7,457**	**–**	**3,757**

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

- €–657 million at December 31, 2007, making a total of €7,219 million,
- €–367 million at December 31, 2006, making a total of €7,090 million, and
- €–207 million at December 31, 2005, making a total of €3,550 million.

Some of these instruments contained the following features:

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

d) Dividends paid

At the May 14, 2007 shareholders' meeting, shareholders approved a dividend distribution of €2,218 million with respect to the 2006 financial year.

13.1.2. Change in shareholders' equity group share in 2006

a) Share capital and capital in excess of nominal value

In 2006, the following transactions had an impact on AXA's share capital and capital in excess of nominal value:

- A rights issue with preferential subscription rights made on July 11, 2006 to finance the acquisition of Winterthur for a total amount of €4,091 million (including €477 million in nominal share capital);
- Employee share offering (November 2006) for €375 million (including €35 million in nominal share capital);
- Capital reduction of €–305 million by cancelling shares acquired under the share buyback program (including €–26 million in nominal share capital);
- Exercise of stock options for a total of €131 million (including €19 million in nominal share capital);
- Conversion of share subscription rights for €8 million (including €1 million in nominal share capital);
- Other transactions (mainly bond conversions and capital gains on treasury shares) for a total of €7 million.

b) Treasury shares

At December 31, 2006, the Company and its subsidiaries owned approximately 30 million AXA shares, a decrease of €137 million with respect to December 31, 2005. The decrease was mainly due to the exercise of AXA stock options by employees of AXA Financial, which led to the sale of 6 million treasury shares during the period.

At December 31, 2006, the carrying value of treasury shares and related derivatives was €521 million, representing 1.41% of the share capital. This figure included €43 million relating to AXA shares held by consolidated mutual funds (2.1 million shares) not used to back contracts where the financial risk is borne by policyholders.

At December 31, 2006, 4.1 million treasury shares backing contracts where the financial risk is borne by policyholders held in controlled funds were not deducted from shareholders' equity. Their total estimated historical cost was €121 million and their market value €127 million at the end of December 2006.

c) Perpetual debt and related interest

In 2006, the change in other reserves was due to a €3,794 million issue of perpetual deeply subordinated notes, €–160 million in interest expense, and €–95 million in foreign exchange differences.
The perpetual deeply subordinated notes were issued to finance the acquisition of Winterthur, and comprised the following:

- a triple tranche perpetual deeply subordinated notes placed on July 6, 2006 for a total amount of approximately €2.2 billion:
  - i) €1 billion for the Euro perpetual non call ten years tranche (issued at a spread of 150 basis points over Euribor),
  - ii) £500 million for the Sterling perpetual non call ten years tranche (issued at a spread of 150 basis points over Libor), and
  - iii) £350 million for the Sterling perpetual non call twenty years (issued at a spread of 175 basis points over Libor);
- AXA also placed in October 2006 a triple tranche Australian perpetual deeply subordinated note issue for a total amount of AU$750 million (approximately €0.5 billion);
- On December 11, 2006 AXA priced a two-tranche perpetual deeply subordinated note issue for a total amount of US$1.5 billion (approximately €1.1 billion):
  - i) US$750 million for the US$ perpetual deeply subordinated non call twelve years tranche, and
  - ii) US$750 million for the US$ perpetual deeply subordinated non call thirty years tranche.

d) Dividends paid

The shareholders' meeting of May 4, 2006, approved a dividend payout of €1,647 million in respect of financial year 2005.

13.1.3. Change in shareholders' equity group share in 2005

a) Share capital and capital in excess of nominal value

In 2005, the following transactions had an impact on AXA's nominal share capital and capital in excess of nominal value:

- AXA-Finaxa merger, led to a net reduction of €–940 million (including a €–88 million reduction in nominal share capital).
- The December 2005 capital increase reserved for employees led to an increase of €303 million (including a €37 million increase in nominal share capital).
- The buyback of AXA shares led to a net reduction of €–512 million (including a €–45 million reduction in nominal share capital).
- Exercise of stock options led to an increase of €53 million (including a €11 million increase in nominal share capital).
- Other transactions (mainly bond conversions and capital gains on AXA shares) led to an increase of €46 million.

b) Treasury shares

At December 31, 2005, the Company and its subsidiaries owned approximately 36 million AXA shares, an increase of €272 million with respect to December 31, 2004. The increase was mainly due to the purchase of €307 million of AXA shares by AXA Financial following the exercise of call options contracted during 2004 to cover AXA Financial's employee stock option plans.

At December 31, 2005, the carrying value of treasury shares and related derivatives was €658 million, representing 1.92% of outstanding ordinary shares. This figure included €37 million relating to AXA shares held by consolidated mutual funds (2.2 million shares) not used to back contracts where the financial risk is borne by policyholders.
At December 31, 2005, 4.5 million treasury shares backing contracts where the financial risk is borne by policyholders were not deducted from shareholders' equity (as they were held in controlled funds). Their total estimated historical value was €80 million and their market value €124 million at end 2005.

c) Perpetual debt and related interest

As described in paragraph 1.11.2 on accounting principles, the subordinated perpetual notes issued by the Group do not qualify as liabilities under IFRS. The corresponding financing debts were retrospectively restated as shareholders' equity for a total of €2,679 million at December 31, 2005, and €3,048 million at December 31, 2004. The fair value of subordinated debt was reduced by €2,650 million at the end of 2005 and €3,002 million at the end of 2004. The restatement of subordinated perpetual debt had the following impact on the 2005 income statement: change in fair value of financial instruments at fair value through profit & loss (€102 million); financing debts expenses (€121 million); income tax (€78 million).

The change in other reserves was mainly due to the following:

- €250 million issue of deeply subordinated notes through the Euro Medium Term Notes (EMTN) program;
- €515 million redemption of perpetual deeply subordinated notes;
- €–112 million in interest expense on the perpetual deeply subordinated and subordinated notes;
- €–146 million foreign exchange impact.

d) Dividends paid

Dividends paid by AXA totaled €1,164 million in 2005 in respect of the 2004 financial year, as approved by the shareholders meeting of April 20, 2005.

13.2. RECOGNIZED INCOME AND EXPENSE FOR THE PERIOD

The statement of recognized income and expense for the period (SORIE), which is a part of the consolidated statement of shareholders' equity, includes net income for the period, the reserve relating to the change in fair value of available for sale financial instruments, the translation reserve, and actuarial gains and losses on employee benefit obligations.

13.2.1. Recognized income and expense for 2007

a) Reserve related to changes in fair value of available for sale financial instruments included in shareholders' equity

The change in reserves for unrealized gains totaled €–2,917 million, mainly relating to France (€–750 million), Belgium (€–674 million), Germany (€–375 million), the United Kingdom (€–182 million), the United States (€–174 million) and the Company (€–240 million). The reduction in gross unrealized gains of available for sale financial assets totaled €–10,048 million, mainly due to fixed maturities (€–8,128 million) following a rise in interest rates during the year, and equity securities (€–1,798 million).

The following table shows a reconciliation between gross unrealized gains and losses on available for sale financial assets and the corresponding reserve recognized in shareholders' equity:

(in Euro million)

	December 31, 2007	December 31, 2006	December 31, 2005
Gross unrealized gains and losses [(a)]	**7,702**	**17,751**	**22,424**
Less unrealized gains and losses attributable to:			
Shadow accounting on policyholders' participation [(b)]	(1,832)	(7,242)	(10,342)
Shadow accounting on Deferred Acquisition Costs [(c)]	(152)	(315)	(458)
Shadow accounting on Value of purchased Business In force	(266)	(394)	(694)
Unallocated unrealized gains and losses before tax	**5,452**	**9,800**	**10,930**
Deferred tax	(698)	(1,833)	(2,565)
Unrealized gains and losses (net of tax) – 100% – Total	**4,753**	**7,966**	**8,365**
Minority interests' share in unrealized gains and losses [(d)]	**(48)**	**(275)**	**(220)**
Translation reserves [(e)]	140	71	(34)
Unrealized gains and losses (Net Group share)	**4,846**	**7,763**	**8,111**

(a) Unrealized gains on total available for sale invested assets including loans, and including assets held by equity accounted companies.
(b) Including shadow accounting impact on premium deficiency liabilities, after revaluation of available for sale securities.
(c) Net of Shadow accounting on unearned revenues and fees reserves.
(d) Including currency impact attributable to minority interests.
(e) Group share.

The change in reserves relating to changes in fair value of assets in 2007, 2006 and 2005 broke down as follows:

(in Euro million)

	December 31, 2007	December 31, 2006	December 31, 2005
Unrealized gains and losses (net of tax) 100%, as at January 1	**7,966**	**8,365**	**5,832**
Transfer in the income statement on the period [(a)]	(1,309)	(791)	(399)
Investments bought in the current accounting period and changes in value	(1,659)	206	2,638
Foreign exchange impact	(76)	(106)	150
Change in scope and other changes	(166)	292	143
Unrealized gains and losses (net of tax) 100%, as at December 31	**4,753**	**7,966**	**8,365**

(a) Transfer induced by disposal of financial assets, impairment write-back following reevaluation, or tranfer of expenses following impairment charge during the period, and fixed maturities discount premium impacts.

b) Translation reserve

The impact of foreign exchange rate movements (€–1,392 million) was mainly due to the United States (€–1,242 million, principally due to the difference between the 2006 and 2007 closing $/€ exchange rates: $1.32 for €1 at the end of 2006 compared to $1.47 for €1 at the end of 2007), the United Kingdom (€–470 million), and Japan (€–311 million), partially offset by the change in fair value of currency hedges set up by the Company to hedge net investments in foreign operations (€638 million).

c) Employee benefits actuarial gains and losses

The main contributors to the €612 million change in actuarial gains and losses on employee benefit obligations were the United Kingdom (€+299 million), Germany (€+137 million), the United States (€+53 million) and France (€51 million). Pension liabilities often have longer duration that the assets held. In the 2007 context of rising interest rates and stability of equity markets, pension liabilities declined more that the corresponding assets, leading to a positive impact on Group shareholders' equity.

Additional information on pension benefits is provided in Note 25.2.

13.2.2. Recognized income and expense for 2006

a) Reserve related to changes in fair value of available for sale financial instruments included in shareholders' equity

The change in reserves for unrealized gains totaled €–349 million, mainly relating to the United Kingdom (€–164 million), the United States (€–137 million) and Japan (€–88 million). The reduction in gross unrealized gains of available for sale financial assets totaled €–4,675 million, and was mainly due to fixed maturities (€–7,029 million) following a rise in interest rates during the year, partially offset by an increase in unrealized gains on equity securities (€2,393 million).

b) Translation reserve

The impact of exchange rate movements (€–764 million) was mainly attributable to the United States (€–1,218 million, principally due to the difference between the 2006 and 2005 closing $/€ exchange rates: $1.32 for €1 at the end of 2006 compared to $1.18 for €1 at the end of 2005), Japan (€–291 million) and Canada (€–81 million), partially offset by the change in fair value of currency hedges set up by the Company to hedge net investments in foreign operations (€841 million).

c) Employee benefits actuarial gains and losses

The main contributors to the €252 million change in actuarial gains and losses on employee benefit obligations were the United States (€146 million), Germany (€63 million) and the Netherlands (€16 million).

13.2.3. Recognized income and expense for 2005

a) Reserve related to changes in fair value of available for sale financial instruments included in shareholders' equity

The impact of change in fair value of assets (€2,391 million) mainly related to France (€1,060 million), Belgium (€710 million) and Japan (€347 million), partially offset by an adverse impact in the United States (€–385 million).

b) Translation reserve

The impact of exchange rate movements (€1,361 million) was mainly attributable to the United States (€1,671 million, principally due to the difference between the 2005 and 2004 closing $/€ exchange rates: $1.18 for €1 at the end of 2005 compared to $1.36 for €1 at the end of 2004), Australia (€99 million) and Canada (€97 million), partially offset by the change in fair value of currency hedges set up by the Company to hedge net investments in foreign operations (€–576 million).

c) Employee benefits actuarial gains and losses

The main contributors to the €–415 million change in actuarial gains and losses on the employee benefit liabilities were the United Kingdom (€–131 million), Germany (€–128 million) and the United States (€–95 million).

13.3. CHANGE IN MINORITY INTERESTS

Under IFRS, minority interests in most investment funds in which the Group invests consist of instruments that holders can redeem at will at fair value, and qualify as a liability rather than shareholders' equity items. Please refer to note 17 – Debt (other than financing debt). The same is true for puttable instruments held by minority interest holders.

13.3.1. Change in minority interests in 2007

The €–331 million decrease in minority interests to €3,272 million was mainly due to:

- positive net income for the period (€+725 million);
- changes in the scope of consolidation (€+449 million), mainly due to the acquisition of 50% of MPS Vita and Danni (€+700 million), partly offset by the buyout of minority interests in Morocco (€–256 million);
- change in translation reserves (€–182 million); and
- other movements (€–608 million), mainly including dividends paid to minority interests (€–544 million).

13.3.2. Change in minority interests in 2006

The €178 million increase in minority interests to €2,940 million was mainly due to:

- consolidation of Winterthur (€70 million), mainly in Germany (€56 million) and Switzerland (€12 million);
- changes in the scope of consolidation in other group entities (€–60 million), mainly due to the buyout of minority interests in AXA Konzern (Germany);
- change in translation reserves (€–205 million);
- net income for the period (€673 million);
- other movements (€394 million), mainly comprising dividends paid to minority interests (€–440 million).

13.3.3. Change in minority interests in 2005

The €452 million increase in minority interests to €2,763 million was mainly due to:

- net income for the period (€488 million);
- dividends paid to minority interests (€–359 million);
- change in translation reserves (€–230 million);
- changes in the scope of consolidation (€23 million), notably from previously equity accounted Turkish entities;
- other movements (€69 million), mainly including movements in reserves related to changes in fair value of available for sale assets.

13.4. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share Capital				
	Number of shares (in thousands)	Nominal value (euros)	Share Capital	Capital in excess of nominal value	Treasury shares
Shareholders' equity as at January 1, 2007	**2,092,888**	**2.29**	**4,793**	**18,398**	**(521)**
Capital	(32,135)	2.29	(74)	–	–
Capital in excess of nominal value	–	–	–	(1,126)	–
Equity — share based compensation	–	–	–	92	–
Change in scope of consolidation	–	–	–	–	–
Treasury shares	–	–	–	–	(195)
Equity component of compound financial instruments	–	–	–	–	–
Deeply subordinated debt	–	–	–	–	–
Accrued interests — Deeply subordinated debt	–	–	–	–	–
Other	–	–	–	–	–
Dividends paid	–	–	–	–	–
Impact of transactions with shareholders	**(32,135)**	**2.29**	**(74)**	**(1,035)**	**(195)**
Reserves relating to changes in fair value through shareholders' equity	–	–	–	–	–
Translation reserves	–	–	–	–	–
Employee benefits actuarial gains and losses through OCI [b]	–	–	–	–	–
Net income of the period	–	–	–	–	–
Total recognized income and expense for the period (SORIE)	**–**	**–**	**–**	**–**	**–**
Shareholders' equity as at December 31, 2007	**2,060,753**	**2.29**	**4,719**	**17,363**	**(716)**

NB : amounts are presented net of impacts of shadow accounting and of its effects on policyholders' benefit, deferred acquisition costs, and value of business in force.
(a) Mainly perpetual subordinated debts (TSS, TSDI), and equity components of compounded financial instruments (e.g convertible bonds).
(b) Actuarial gains and losses accrued since opening January 1, 2007.

(In Euro million, except for number of shares and nominal value)

	Attibutable to shareholders							
	Other reserves							
	Reserves relating to the change in fair value of financial instruments available for sale	Reserves relating to the change in fair value of hedge accounting derivatives (cash flow hedge)	Reserves relating to revaluation of tangible assets	Other [(a)]	Translation reserve	Undistributed profits and other reserves	Shareholders' Equity Group share	Minority interests
	7,763	**55**	**4**	**7,090**	**(86)**	**9,730**	**47,226**	**2,940**
	–	–	–	–	–	–	(74)	–
	–	–	–	–	–	–	(1,126)	–
	–	–	–	–	–	–	92	–
	(36)	–	–	–	(4)	–	(40)	449
	–	–	–	–	–	–	(195)	–
	–	–	–	(109)	–	–	(109)	–
	–	–	–	528	–	–	528	–
	–	–	–	(290)	–	–	(290)	–
	–	–	–	–	–	(93)	(93)	(608)
	–	–	–	–	–	(2,218)	(2,218)	–
	(36)	**–**	**–**	**129**	**(4)**	**(2,312)**	**(3,526)**	**(159)**
	(2,880)	(67)	–	–	–	–	(2,947)	(69)
	–	–	–	–	(1,388)	–	(1,388)	(182)
	–	–	–	–	–	612	612	16
	–	–	–	–	–	5,666	5,666	725
	(2,880)	**(67)**	**–**	**–**	**(1,388)**	**6,278**	**1,942**	**490**
	4,846	**(11)**	**4**	**7,219**	**(1,478)**	**13,697**	**45,642**	**3,272**

	Share Capital				
	Number of shares (in thousands)	Nominal value (euros)	Share Capital	Capital in excess of nominal value	Treasury shares
Shareholders' equity as at January 1, 2006	**1,871,605**	**2.29**	**4,286**	**14,492**	**(658)**
Capital	221,283	2.29	507	–	–
Capital in excess of nominal value	–	–	–	3,800	–
Equity – share based compensation	–	–	–	106	–
Change in scope of consolidation	–	–	–	–	–
Treasury shares	–	–	–	–	137
Equity component of compound financial instruments	–	–	–	–	–
Deeply subordinated debt	–	–	–	–	–
Accrued interests – Deeply subordinated debt	–	–	–	–	–
Other	–	–	–	–	–
Dividends paid	–	–	–	–	–
Impact of transactions with shareholders	**221,283**	**2.29**	**507**	**3,906**	**137**
Reserves relating to changes in fair value through shareholders' equity	–	–	–	–	–
Translation reserves	–	–	–	–	–
Employee benefits actuarial gains and losses through OCI (b)	–	–	–	–	–
Net income of the period	–	–	–	–	–
Total recognized income and expense for the period (SORIE)			**–**	**–**	**–**
Shareholders' equity as at December 31, 2006	**2,092,888**	**2.29**	**4,793**	**18,398**	**(521)**

NB: amounts are presented net of impacts of shadow accounting and of its effects on policyholders' benefit, deferred acquisition costs, and value of business in force.
The changes in minority interests over the period has been restated in accordance with the presentation principles described in note 1.18.
(a) Mainly perpetual subordinated debt (TSS, TSDI), and equity components of compounded financial instruments (e.g convertible bonds).
(b) Actuarial gains and losses accrued since opening January 1, 2006.

(In Euro million, except for number of shares and nominal value)

Attibutable to shareholders							
Other reserves							
Reserves relating to the change in fair value of financial instruments available for sale	Reserves relating to the change in fair value of hedge accounting derivatives (cash flow hedge)	Reserves relating to revaluation of tangible assets	Other [a]	Translation reserve	Undistributed profits and other reserves	Shareholders' Equity Group share	Minority interests
8,111	**75**	**3**	**3,550**	**681**	**5,985**	**36,525**	**2,763**
–	–	–	–	–	–	507	
–	–	–	–	–	–	3,800	
–	–	–	–	–	–	106	
7	–	–	–	–	–	7	11
–	–	–	–	–	–	137	
–	–	–	–	–	–	–	
–	–	–	3,699	–	–	3,699	
–	–	–	(160)	–	–	(160)	
–	–	–	–	(2)	55	53	(394)
–	–	–	–	–	(1,647)	(1,647)	–
7	**–**	**–**	**3,539**	**(2)**	**(1,592)**	**6,502**	**(383)**
(355)	(20)	–	–	–	–	(375)	84
–	–	–	–	(764)	–	(764)	(205)
–	–	–	–	–	252	252	8
–	–	–	–	–	5,085	5,085	673
(355)	**(20)**	**–**	**–**	**(764)**	**5,337**	**4,198**	**560**
7,763	**55**	**4**	**7,090**	**(86)**	**9,730**	**47,226**	**2,940**

	Share Capital				
	Number of shares (in thousands)	Nominal value (euros)	Share Capital	Capital in excess of nominal value	Treasury shares
Shareholders' equity as at January 1, 2005	**1,908,444**	**2.29**	**4,370**	**15,401**	**(386)**
Capital	(36,839)	2.29	(84)	–	–
Capital in excess of nominal value	–	–	–	(966)	–
Equity – share based compensation	–	–	–	57	–
Change in scope of consolidation	–	–	–	–	–
Treasury shares	–	–	–	–	(272)
Equity component of compound financial instruments	–	–	–	–	–
Deeply subordinated debt	–	–	–	–	–
Accrued interests – Deeply subordinated debt	–	–	–	–	–
Other	–	–	–	–	–
Dividends paid	–	–	–	–	–
Impact of transactions with shareholders	**(36,839)**	**2.29**	**(84)**	**(909)**	**(272)**
Reserves relating to changes in fair value through shareholders' equity	–	–	–	–	–
Translation reserves	–	–	–	–	–
Employee benefits actuarial gains and losses through OCI [(b)]	–	–	–	–	–
Net income of the period	–	–	–	–	–
Total recognized income and expense for the period (SORIE)			**–**	**–**	**–**
Shareholders' equity as at December 31, 2005	**1,871,605**	**2.29**	**4,286**	**14,492**	**(658)**

NB : amounts are presented net of impacts of shadow accounting and of its effects on policyholders' benefit, deferred aquisition costs, and value of business in force.
(a) Mainly perpetual subordinated debts (TSS, TSDI), and equity components of compounded financial instruments (e.g convertible bonds).
(b) Actuarial gains and losses accrued since opening January 1, 2005.

(In Euro million, except for number of shares and nominal value)

Attibutable to shareholders							
Other reserves							
Reserves relating to the change in fair value of financial instruments available for sale	Reserves relating to the change in fair value of hedge accounting derivatives (cash flow hedge)	Reserves relating to revaluation of tangible assets	Other [a]	Translation reserve	Undistributed profits and other reserves	Shareholders' equity Group share	Minority interests
5,720	**53**	**–**	**3,782**	**(686)**	**3,316**	**31,571**	**2,311**
–	–	–	–	–	–	(84)	
–	–	–	–	–	–	(966)	
–	–	–	–	–	–	57	
(2)	–	–	–	–	–	(2)	23
–	–	–	–	–	–	(272)	
–	–	–	–	–	–	–	
–	–	–	(119)	–	–	(119)	
–	–	–	(112)	–	–	(112)	
–	–	–	(1)	5	(70)	(65)	(289)
–	–	–	–	–	(1,164)	(1,164)	–
(2)	**–**	**–**	**(232)**	**5**	**(1,234)**	**(2,728)**	**(265)**
2,393	22	3	–	–	–	2,418	2
–	–	–	–	1,361	–	1,361	230
–	–	–	–	–	(415)	(415)	(3)
–	–	–	–	–	4,318	4,318	488
2,393	**22**	**3**	**–**	**1,361**	**3,903**	**7,683**	**717**
8,111	**75**	**3**	**3,550**	**681**	**5,985**	**36,525**	**2,763**

NOTE 14 > LIABILITIES ARISING FROM INSURANCE AND INVESTMENT CONTRACTS

Following the adoption of the United Kingdom standard FRS 27, as described in note 1.12.2 "accounting principles", the impacts on December 31, 2005 balance sheet and 2005 income statement were as follows:

Impacts on December 31, 2005 balance sheet :

- deferred acquisition costs were restated by €–708 million;
- liabilities arising from insurance contracts were increased by €1,517 million, including €1,196 million in individual

14.1. LIABILITIES ARISING FROM INSURANCE CONTRACTS (GROSS AND REINSURERS' SHARE)

Liabilities arising from insurance contracts, including those where the financial risk is borne by policyholders, were split by segment as follows:

	December 31, 2007			
	Life & Savings	Property & Casualty	International Insurance	Total
Future policy benefit reserves Life & Savings [(d)]	239,649	–	228	239,877
Unearned premium reserves	254	8,239	798	9,291
Claim reserves [(a)]	9,460	34,813	9,860	54,132
of which IBNR [(e)]	*2,729*	*6,672*	*4,218*	*13,620*
Liability adequacy test reserves	–	–	–	–
Other reserves [(b)]	3,329	4,020	61	7,410
Liabilities arising from insurance contracts	**252,691**	**47,072**	**10,946**	**310,709**
Of which measured at current market assumptions [(c)]	*19*	–	*33*	*52*
Future policy benefit reserves	113,559	–	–	113,559
Claim reserves [(a)]	76	–	–	76
of which IBNR [(e)]	–	–	–	–
Other reserves	18	–	–	18
Liabilities arising from insurance contracts where the financial risk is borne by policyholders	**113,654**		**–**	**113,654**
Of which measured at current market assumptions [(c)]	–	–	–	–
Reinsurers' share in future policy benefit reserves	3,994	–	6	4,000
Reinsurers' share in unearned premium reserves	6	317	472	795
Reinsurers' share in claim reserves [(a)]	455	1,964	3,861	6,280
of which IBNR [(e)]	*174*	*279*	*1,345*	*1,798*
Reinsurers' share in other reserves	158	16	–	174
Reinsurers' share in liabilities arising from insurance contracts	**4,613**	**2,298**	**4,340**	**11,250**
Of which measured at current market assumptions [(c)]	–	–	–	–
Reinsurers' share in future policy benefit reserves	18	–	–	18
Reinsurers' share in claim reserves [(a)]	–	–	–	–
of which IBNR [(e)]	–	–	–	–
Reinsurers' share in other reserves	–	–	–	–
Reinsurers share in liabilities arising from insurance contracts where the financial risk is borne by policyholders	**18**	**–**	**–**	**18**
Of which measured at current market assumptions [(c)]	*11*	–	–	*11*
TOTAL LIABILITIES ARISING FROM INSURANCE CONTRACTS, NET OF REINSURANCE CEDED	**361,715**	**44,774**	**6,607**	**413,095**

NB : Excludes derivatives related to insurance and investment contracts, which are detailed in section 19.4.
Liabilities relating to unearned revenues and fees, and to policyholders participation (gross and reinsurers' share), along with derivative instruments relating to insurance and investment contracts, are excluded from the table above. However, the provision for credit risk on reinsurers share in technical liabilities is included.
(a) Includes reserves for claim handling costs.
(b) Notably includes non-life annuities mathematical reserves.
(c) See note 1.12.2 – Reserves measured according to the option offered by IFRS 4.24 for selective re-measurement of reserves at current market assumptions.
(d) As described in note 1.12.2, the adoption of FRS27 in the United Kingdom has led to adjustments to 2005 (see the first paragraph of this note).
(e) For the detail of P&C and International Insurance IBNR, see note 20.2.4.
(f) In accordance with IFRS 3, i.e. within 12 months following the acquisition date, the Group has adjusted certain items impacting the allocation of Winterthur purchase price.

savings contracts, €6 million in group savings contracts and €315 million in life contracts;
- liabilities arising from investment contracts with discretionary participating features increased by €377 million, including €317 million in individual savings contracts and €60 million in group savings contracts;
- liabilities arising from policyholders' participation were reduced by €–2,382 million;
- unearned revenues and unearned fee reserves were reduced by €–109 million;
- deferred tax liabilities were reduced by €–111 million.

Impacts on 2005 income statement :

- the change in unearned premium reserves net of unearned revenues and fees was increased by €0.6 million;
- technical charges relating to insurance activities were reduced by €0.4 million;
- acquisition costs were restated by €0.8 million;
- income tax was decreased by €1 million.

The overall impact on 2005 net income was therefore nil.

(in Euro million)

December 31, 2006 Restated (f)				December 31, 2005			
Life & Savings	Property & Casualty	International Insurance	Total	Life & Savings	Property & Casualty	International Insurance	Total
252,682	–	285	252,967	191,579	–	373	191,952
262	7,762	889	8,913	76	6,501	821	7,398
9,027	35,039	10,534	54,600	5,405	26,602	10,623	42,629
2,793	*6,965*	*4,275*	*14,033*	*2,262*	*6,306*	*4,853*	*13,421*
17	–	–	17	21	–	–	21
3,402	3,410	52	6,864	2,768	2,895	53	5,717
265,391	**46,210**	**11,760**	**323,361**	**199,849**	**35,998**	**11,870**	**247,717**
(263)	*–*	*57*	*(205)*	*–*	*–*	*163*	*163*
108,891	–	–	108,891	92,803	–	–	92,803
85	–	–	85	69	–	–	69
7	*–*	*–*	*7*	*6*	*–*	*–*	*6*
8	–	–	8	16	–	–	16
108,984	**–**	**–**	**108,984**	**92,888**	**–**	**–**	**92,888**
189	*–*	*–*	*189*	*(141)*	*–*	*–*	*(141)*
4,217	–	11	4,228	3,710	–	8	3,718
5	215	554	775	5	128	134	267
442	1,964	4,348	6,754	376	1,791	2,692	4,859
154	*267*	*1,424*	*1,844*	*9*	*416*	*1,092*	*1,516*
154	27	–	181	140	37	–	177
4,818	**2,206**	**4,913**	**11,937**	**4,230**	**1,956**	**2,834**	**9,020**
–	–	–	–	–	–	–	–
20	–	–	20	10	–	–	10
2	–	–	2	–	–	–	–
–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–
22	**–**	**–**	**22**	**10**	**–**	**–**	**10**
10	*–*	*–*	*10*	*8*	*–*	*–*	*8*
369,534	**44,004**	**6,848**	**420,386**	**288,497**	**34,043**	**9,036**	**331,576**

At the end of 2006, total liabilities arising from insurance contracts included €78,569 million gross of reinsurance related to Winterthur. Net of reinsurance, the corresponding amount was €77,331 million.

At the end of 2007, insurance liabilities relating to UK with-profit insurance contracts excluding the FFA (Fund for Future Appropriation) were €17,761 million versus €20,358 million at the end of 2006 (of which €2,006 million relating to Winterthur) and €18,169 million at the end of 2005.

14.2. LIABILITIES ARISING FROM INVESTMENT CONTRACTS (GROSS AND REINSURERS' SHARE)

The following table shows a segmental breakdown of liabilities arising from investment contracts, including those where the financial risk is borne by policyholders:

	December 31, 2007		
	Life & Savings	International Insurance	Total investment contracts
Future policy benefit reserves [c]	39,906	–	39,906
Unearned premium reserves	–	–	–
Claim reserves [a]	208	–	208
Liability adequacy test reserves	–	–	–
Other reserves	7	–	7
Liabilities arising from investment contracts with discretionary participating features	**40,121**	**–**	**40,121**
Of which measured at current market assumptions [b]	–	–	–
Future policy benefit reserves	1,350	–	1,350
Claim reserves [a]	98	–	98
Other reserves	5	–	5
Liabilities arising from investment contracts with no discretionary participating features	**1,452**	**–**	**1,452**
Future policy benefit reserves	69,472	–	69,472
Claim reserves [a]	15	–	15
Other reserves	100	–	100
Liabilities arising from investment contracts where the financial risk is borne by policyholders	**69,587**	**–**	**69,587**
Reinsurers' share in future policy benefit reserves	13	–	13
Reinsurers' share in unearned premium reserves	–	–	–
Reinsurers' share in claim reserves [a]	–	–	–
Reinsurers' share in other reserves	–	–	–
Reinsurers' share in liabilities arising from investment contracts with discretionary participating features	**13**	**–**	**13**
Of which measured at current market assumptions [b]	–	–	–
Reinsurers' share in future policy benefit reserves	–	–	–
Reinsurers' share in claim reserves [a]	–	–	–
Reinsurers' share in other reserves	–	–	–
Reinsurers share in liabilities arising from investment contracts with no discretionary participating features	**–**	**–**	**–**
Reinsurers' share in future policy benefit reserves	9	–	9
Reinsurers' share in claim reserves [a]	–	–	–
Reinsurers' share in other reserves	–	–	–
Reinsurers share in liabilities arising from investment contracts where the financial risk is borne by policyholders	**9**	**–**	**9**
TOTAL LIABILITIES ARISING FROM INVESTMENT CONTRACTS – NET OF REINSURANCE CEDED	**111,138**	**–**	**111,138**

Liabilities relating to unearned revenues and fees, and to policyholder bonuses (gross and reinsurers' share), along with derivative instruments relating to insurance and investment contracts, are excluded from the table above.
(a) Includes reserves for claim handling costs.
(b) See note 1.12.2. – Reserves mesured according to the option opened by IFRS 4.24 for selective re-measurement of reserves at current market assumptions.
(c) as described in note 1.12.2, the adoption of FRS27 in the United Kingdom has led to adjustments to 2005 (see the first paragraph of this note).
(d) In accordance with IFRS 3, i.e. within 12 months following the acquisition date, the Group has adjusted certain items impacting the allocation of Winterthur purchase price.

(in Euro million)

December 31, 2006 Restated (d)		December 31, 2005	
Life & Savings	Total investment contracts	Life & Savings	Total investment contracts
32,456	32,456	33,119	33,119
–	–	–	–
143	143	127	127
–	–	–	–
6	6	21	21
32,606	**32,606**	**33,267**	**33,267**
–	–	–	–
1,120	1,120	925	925
1	1	1	1
–	–	–	–
1,121	**1,121**	**926**	**926**
66,927	67,467	48,298	48,298
25	27	2	2
178	178	248	248
67,129	**67,673**	**48,549**	**48,549**
12	12	13	13
–	–	–	–
–	–	–	–
–	–	–	–
12	**12**	**13**	**13**
–	–	–	–
–	–	–	–
–	–	–	–
–	–	–	–
–	**–**	**–**	**–**
9	9	8	8
–	–	–	–
–	–	–	–
9	**9**	**8**	**8**
100,836	**101,379**	**82,720**	**82,720**

At the end of 2007, investment liabilities relating to UK with-profit insurance contracts excluding the FFA (Fund for Future Appropriation) amounted to €8,515 million, versus €10,323 million at the end of 2006 (of which €223 million relating to Winterthur) and €10,363 million at the end of 2005.

14.3. CHANGE IN CLAIM RESERVES FOR PROPERTY & CASUALTY AND INTERNATIONAL INSURANCE (INSURANCE CONTRACTS)

14.3.1. Change in gross claim reserves (including reinsurance)

(in Euro million)

	2007			2006 Restated (c) (d)			2005 (d)		
	Property & Casualty	International Insurance	Total	Property & Casualty	International Insurance	Total	Property & Casualty	International Insurance	Total
Claim reserves as of January 1	33,733	10,275	44,007	25,614	10,366	35,980	23,708	8,890	32,599
Claim handling cost reserves as of January 1	1,306	259	1,566	988	257	1,245	891	257	1,148
Gross claim reserves as of January 1 (a)	**35,039**	**10,534**	**45,573**	**26,602**	**10,623**	**37,225**	**24,599**	**9,147**	**33,747**
Current year change	16,823	2,203	19,027	12,573	2,018	14,590	11,909	3,208	15,117
Loss reserves development (prior years)	(1,531)	(157)	(1,687)	(827)	(132)	(959)	(620)	199	(421)
Total claim expenses (b)	**15,293**	**2,047**	**17,339**	**11,746**	**1,886**	**13,631**	**11,288**	**3,407**	**14,696**
Claim payments (current year)	(7,552)	(1,182)	(8,734)	(5,462)	(1,622)	(7,083)	(5,166)	(1,358)	(6,525)
Claim payments (prior years)	(6,614)	(1,035)	(7,649)	(5,106)	(1,062)	(6,169)	(5,110)	(1,231)	(6,341)
Claim payments (b)	**(14,167)**	**(2,217)**	**(16,383)**	**(10,568)**	**(2,684)**	**(13,252)**	**(10,276)**	**(2,590)**	**(12,866)**
Change in scope of consolidation and change in accounting method	**(919)**	**(275)**	**(1,195)**	**7,359**	**1,239**	**8,598**	**666**	**35**	**701**
Impact of foreign currency fluctuation	**(432)**	**(529)**	**(961)**	**(99)**	**(530)**	**(629)**	**324**	**622**	**946**
Claim reserves as at December 31	33,426	9,598	43,024	33,625	10,275	43,899	25,614	10,366	35,980
Claim handling cost reserves as of December 31	1,387	262	1,649	1,306	259	1,566	988	257	1,245
Gross claim reserves as of December 31 (a)	**34,813**	**9,860**	**44,673**	**34,931**	**10,534**	**45,465**	**26,602**	**10,623**	**37,225**

(a) Excluding "other policy benefits liabilities" (mainly mathematical annuity reserves), which totaled €2.9 billion in 2005, €3.4 billion in 2006 including €0.5 billion for Winterthur and €3.3 billion in 2007 .
(b) Excluding claim handling cost reserves.
(c) In accordance with IFRS 3, i.e. within 12 months following the acquisition date, the Group has adjusted certain items impacting the allocation of Winterthur purchase price.
(d) As described in note 1.10, the contribution of discontinued operations is stated on a separate line of the income statement.

For Property & Casualty, changes in the scope of consolidation in 2007 amounted to €−919 million, mainly due to:

- The disposal of the Netherlands operations (€−657 million).
- In Switzerland, the transfer of annuities reserve from claims reserve to other policy benefits reserve (€−681 million).
- In France, the entry of NSA (Nationale Suisse Assurances) in the scope of consolidation (€154 million).
- In the Mediterranean Region, the entry of AXA-MPS Danni and Alpha Insurance in the scope of consolidation (€65 million and €71million respectively).
- In South Korea, the entry of Kyobo Auto in the scope of consolidation (€51 million).
- The change in consolidation method (full consolidation instead of equity-method) in Malaysia (€41 million).

For International Insurance, changes in the scope of consolidation in 2007 amounted to €−275 million mainly due to:

- The disposal of AXA RE Asia Pacific (€−123 million).
- The disposal of Compagnie Générale de Réassurance de Monte Carlo (€−57 million).
- The reclassification to the "Reinsurers share in insurance and investment contracts liabilities" aggregate of the balance sheet assets of a risk provision for credit risk on reinsurers' balances (€−39 million) and change of consolidation scope (€−74 million) at AXA Cessions.

For Property & Casualty, changes in the scope of consolidation in 2006 amounted to €7,359 million, mainly due to:
- The entry of Winterthur companies in the scope of consolidation (€7,884 million).
- In Germany, removals from scope of consolidation (€–794 million), mainly due to transfer of the run-off portfolio to AXA Liabilities Managers, which belongs to the International Insurance segment (€–640 million), and the disposal of DARAG (€–127 million).
- In Canada, the entry of Citadel in the scope of consolidation (€250 million).

For International Insurance, changes in the scope of consolidation in 2006 amounted to €1,239 million, mainly due to:
- The entry of Winterthur companies in the scope of consolidation (€612 million).
- The transfer of the German run-off portfolio (€640 million).

For Property & Casualty, changes in the scope of consolidation in 2005 amounted to €697 million, mainly due to:
- The change in consolidation method (full consolidation method instead of equity-method) in Turkey (€82 million), Hong Kong (€116 million) and Singapore (€63 million);
- The transfer of the disability business from the Life & Savings segment to the Property & Casualty segment in the Netherlands (€116 million).
- The entry of Daev Sach (Germany) in the scope of consolidation (€57 million).

14.3.2. Change in reinsurers' share

(in Euro million)

	2007			2006 (a)			2005 (a)		
	Property & Casualty	International Insurance	Total	Property & Casualty	International Insurance	Total	Property & Casualty	International Insurance	Total
Reinsurers' share in claim reserves as of January 1	**1,964**	**4,348**	**6,312**	**1,791**	**2,692**	**4,483**	**1,628**	**2,051**	**3,680**
Reinsurers' share in total claim expenses	573	784	1,357	307	716	1,023	308	1,265	1,573
Reinsurers' share in claim payments	(576)	(1,151)	(1,727)	(356)	1,014	657	(321)	(832)	(1,154)
Change in scope of consolidation, portfolio transfers and change in accounting principles	22	(44)	(22)	240	144	384	153	58	211
Impact of foreign currency fluctuation	(19)	(323)	(341)	(18)	(218)	(236)	22	150	172
Reinsurers' share in claim reserves as of December 31	**1,964**	**3,861**	**5,825**	**1,964**	**4,348**	**6,312**	**1,791**	**2,692**	**4,483**

(a) As described in note 1.10, the contribution of discontinued operations is stated on a separate line of the income statement.

For Property & Casualty, changes in the scope of consolidation in 2007 amounted to €22 million, mainly due to:
- The disposal of the Netherlands operations (€–120 million).
- In France, the entry of NSA (Nationale Suisse Assurances) in the scope of consolidation (€30 million).
- In the Mediterranean Region, the entry of AXA-MPS Danni and Alpha Insurance in the scope of consolidation (€6 million and €25 million respectively).
- In South Korea, the entry of Kyobo Auto in the scope of consolidation (€25 million).
- The change in consolidation method (full consolidation instead of equity-method) in Malaysia (€20 million).

For International Insurance, changes in the scope of consolidation in 2007 amounted to €–44 million, mainly due to:
- The disposal of Compagnie Générale de Réassurance de Monte Carlo (€–20 million).
- The change of consolidation scope (€–24 million) at AXA transnational activities.

For Property & Casualty, changes in the scope of consolidation in 2006 amounted to €240 million, mainly due to:
- The entry of Winterthur companies in the scope of consolidation (€424 million).
- €–169 million in Germany mainly due to transfer of the run-off portfolio to AXA Liabilities Managers, International Insurance segment (€–125 million) and the disposal of DARAG (€–43 million).
- In Canada, the entry of Citadel in the scope of consolidation (€24 million).

For International Insurance, changes in the scope of consolidation in 2006 amounted to €144 million, mainly due to:
- The entry of Winterthur companies in the scope of consolidation (€6 million).
- The transfer of the German run-off portfolio (€125 million).

For Property & Casualty, changes in the scope of consolidation in 2005 amounted to €153 million, mainly due to:
- The change in consolidation method in Turkey (€17 million), Hong Kong (€42 million) and Singapore (€20 million).
- The transfer of the disability business from the Life & Savings segment to the Property & Casualty segment in the Netherlands (€60 million).

14.4. CHANGE IN FUTURE POLICY BENEFIT RESERVES (LIFE & SAVINGS)

14.4.1. Change in gross future policy benefit reserves (including reinsurance)

(in Euro million)

	2007			2006 Restated [d]			2005 Restated [c]		
	Insurance contracts	Investment contracts	Total	Insurance contracts	Investment contracts	Total	Insurance contracts	Investment contracts	Total
Gross future policy benefit reserves as of January 1	**361,590**	**100,503**	**462,093**	**284,403**	**82,342**	**366,745**	**251,339**	**71,513**	**322,852**
Net pure premiums	44,333	14,917	59,249	37,618	9,837	47,454	32,538	9,505	42,044
Claims paid	(38,116)	(15,502)	(53,618)	(30,678)	(10,040)	(40,718)	(27,132)	(8,158)	(35,290)
Change in future policy benefit reserves [a] [c]	12,147	2,944	15,091	17,611	2,438	20,049	12,642	5,790	18,431
Technical income and other	**(81)**	**1,257**	**1,176**	**90**	**2,216**	**2,306**	**501**	**1,690**	**2,191**
Transfers [b]	(69)	69	(0)	1,702	(1,699)	3	(231)	231	(0)
Change in scope of consolidation and change in accounting method [c]	(8,393)	12,173	3,780	64,944	14,785	79,729	(546)	(97)	(644)
Impact of foreign currency fluctuation [c]	(18,195)	(5,633)	(23,828)	(14,099)	624	(13,475)	15,293	1,868	17,162
Gross future policy benefit reserves as of December 31 [c]	**353,208**	**110,728**	**463,936**	**361,590**	**100,503**	**462,093**	**284,403**	**82,342**	**366,745**

(a) Also includes interests credited, policyholders participation, adjustments on contracts where the financial risk is borne by policyholders.
(b) Internal AXA transfers.
(c) As described in note 1.12.2 on accounting principles, the adoption of FRS 27 in the United Kingdom led to restatements to 2005 (see the first paragraph of this note).
(d) In accordance with IFRS 3, i.e. within 12 months following the acquisition date, the Group has adjusted certain items impacting the allocation of Winterthur purchase price.

N.B.: This table summarizes future policy benefit reserves arising from insurance and investment contracts for the Life & Savings segment, whether or not the risk is borne by policyholders (i.e. including unit-linked business).

In 2007, changes in the scope of consolidation totaled €3,780 million, mainly due to:

- The disposal of the Netherlands (€–9,890 million).
- The transfer of €–2,495 million towards pension liabilities in Switzerland.
- The entries in the scope of consolidation of AXA-MPS Vita (€3,661 million insurance liabilities and €12,548 million investment liabilities) and Alpha Insurance (€188 million).
- In Germany, €–337 million corresponding to the continued reduction in AXA Germany's co-insurance share of HÄK-BÄK medical profession pools (€–305 million) and co-insurance share of press employees business (€–29 million).

In 2006, changes in the scope of consolidation totaled €79,729 million, mainly due to:

- The entries in the scope of consolidation of:
  - Winterthur: €79,218 million (including €64,564 million related to insurance contracts and €14,654 million related to investment contracts).
  - Citadel in Canada (€56 million).
  - MLC in Hong Kong: €391 million (including €304 million related to insurance contracts and €87 million to investment contracts).
  - In Malaysia: €95 million (insurance contracts).
- Continued reduction in AXA Germany's co-insurance share of HÄK-BÄK medical profession pools (€–304 million).
- In the Mediterranean Region, reclassification of policyholder participation reserves to the future policy benefit reserves: €273 million (including €229 million related to insurance contracts, and €44 million related to investment contracts).

In 2005, changes in the scope of consolidation mainly included the reduction in AXA Germany's co-insurance share of HÄK-BÄK medical profession pools (€–354 million), the sale of the Health business (€–142 million) and the transfer of the disability business from the Life & Savings segment to the Property & Casualty segment in the Netherlands (€–116 million).

14.4.2. Change in reinsurers' share

(in Euro million)

	2007			2006			2005		
	Insurance contracts	Investment contracts	Total	Insurance contracts	Investment contracts	Total	Insurance contracts	Investment contracts	Total
Reinsurers' share in future policy benefit reserves as of January 1	**4,237**	**20**	**4,258**	**3,720**	**21**	**3,741**	**3,391**	**–**	**3,391**
Ceded net pure premiums	582	2	583	493	1	495	463	11	473
Ceded claims paid	(590)	(1)	(591)	(540)	(3)	(543)	(559)	(3)	(562)
Reinsurers' share of change in future policy benefit reserves (a)	25	–	25	91	–	91	47	–	47
Ceded technical income and other	77	1	78	69	1	70	91	1	92
Transfers (b)	–	–	–	(0)	–	(0)	(12)	12	(0)
Change in scope of consolidation and change in accounting method	–	–	–	694	–	694	(57)	–	(57)
Impact of foreign currency fluctuation	(308)	–	(308)	(289)	–	(289)	356	–	356
Reinsurers' share in future policy benefit reserves as of December 31	**4,012**	**22**	**4,034**	**4,237**	**20**	**4,258**	**3,720**	**21**	**3,741**

(a) Interests credited, policyholders bonus, adjustments on contracts where the financial risk is borne by policyholders.
(b) Internal AXA transfers.

In 2006, changes in the scope of consolidation (€694 million) mainly comprised the integration of Winterthur (€687 million).

14.5. LIABILITIES ARISING FROM INVESTMENT CONTRACTS BY ACCOUNTING METHOD

(in Euro million)

	Carrying value		
	December 31, 2007	December 31, 2006 Restated (f)	December 31, 2005 Restated (e)
(Non Unit-Linked) – Liabilities arising from :			
Investment contracts with Discretionnary Participation Features (DPF) measured according to existing accounting policies (a) (d) (e)	40,121	32,606	33,267
Investment contracts with Discretionnary Participation Features (DPF) measured with current assumptions (b)	–	–	–
Investment contract with no Discretionnary Participation Features (DPF) measured at amortized cost	911	510	219
Investment contract with no Discretionnary Participation Features (DPF) measured at fair value	541	611	707
(Unit-Linked) – Liabilities arising from contracts where financial risk is borne by policyholders :			
Investment contract with Discretionnary Participation Features (DPF) measured according to existing accounting policies (a) & (c)	10,414	11,007	9,712
Features in investment contracts with Discretionnary Participation Features (DPF) measured with current assumptions (b)	–	–	–
Investment contract with no Discretionnary Participation Features (DPF) measured at current unit value (d)	59,173	56,665	38,836
TOTAL LIABILITIES ARISING FROM INVESTMENT CONTRACTS	**111,161**	**101,399**	**82,742**

(a) In accordance with IFRS 4 standards which allow, under certain conditions, to continue to use a previous system of reference to liabilities arising from contracts with discretionary participating features.
(b) See note 1.12.2. – Reserves measured according to IFRS 4.24 option which allows to evaluate certain portfolios with current assumptions.
(c) & (d) As unit-linked contracts, they share the same reserves measurement determined on the basis of held assets units fair value ("current unit value"). Only the valuation of related assets is different:
– for unit-linked contracts with a discretionary participating feature (c), an asset representing the deferred acquisition costs is recognized in continuity with French GAAP;
– for unit-linked contracts with no discretionary participating feature (d), an asset representing the rights to future management fees is recognized in accordance with IAS 18 ("DOC") – see section 1.2.5.
N.B. : This information is presented net of the impact of derivatives, which is described in note 19.4.1.
(e) As described in note 1.12.2 on accounting principles, the adoption of FRS 27 in the United Kingdom led to restatements to 2005 (see the first paragraph of this note).
(f) In accordance with IFRS 3, i.e. within 12 months following the acquisition date, the Group has adjusted certain items impacting the allocation of Winterthur purchase price.

The recognition of investment contracts with a discretionary participating features is subject to IFRS 4, which allows under certain conditions the continued use of principles applied before the adoption of IFRS.

However, these contracts must be treated in accordance with IAS 32 with regards to the disclosures to be provided in the notes to Financial Statements. IAS 32 requires the reporting of fair value or value ranges for these contracts, unless the Group cannot reliably measure the participating features.

In Phase I, the IAS Board acknowledged the difficulties involved in the recognition of discretionary participating features. In addition, the IAS Board has numerous projects underway that could influence the definition of fair value of discretionary participating features. Discussions on these issues are highly complex, and are not yet sufficiently advanced, particularly the Discussion Paper setting out the possibility of adopting US standard FAS 157 "Fair Value Measurement" in IFRSs. Phase II discussions concerning insurance and investment contracts with a discretionary participating features were only re-activated at IAS Board level in December 2005 and have to date produced little guidance regarding the fair value measurement of these contracts. Even though the Phase II Discussion Paper was published in May 2007, there are too many remaining uncertainties and AXA cannot reliably disclose fair value or value ranges for investment contracts with a discretionary participating features.

14.6. LOSS RESERVE DEVELOPMENT TABLE

The loss reserve development table shows movements in loss reserves between 1997 and 2007, based on previously applied accounting standards, in accordance with IFRS 4. All contracts concerned are insurance contracts as defined by IFRS.

The first row entitled "Gross reserves for unpaid claims and claims expenses developed initially at the booking date" represents the loss reserves developed in the balance sheet on the reporting date for the year indicated in the column heading. For example, the amount of €31,168 million appearing in the first row of the table in the 2005 column represents all loss reserves developed in all years of occurrence prior to and including 2005, recognized on the company's balance sheet at December 31, 2005.

The second row entitled "Gross reserves for unpaid claims and claims expenses developed in 2007 adjusted for changes in exchange rates and scope of consolidation" indicates the amount that would have been developed initially at the booking date had the exchange rates for the current year been used (for reserves recognized by AXA Group entities that do not use the Euro as their functional currency) and assuming an identical scope of consolidation to that used for the last diagonal of the table.

Preparation of the last diagonal reflects the fact that, following the merger of some newly-acquired portfolios with the AXA Group's existing portfolios, it is not always technically possible to distinguish, within payments made in a given year in respect of prior occurrence years, between those relating to the historical portfolio and those relating to the recently-acquired portfolio. In these cases, the merged scope is used to prepare the last diagonal of the table, even in the columns corresponding to years before the one in which the most recent portfolio was acquired.

With effect from the development of loss reserves at end of 2006, however, AXA uses the method which consists in completing each column of the table using the same scope as that used for "Gross reserves for unpaid claims and claims expenses developed initially at the booking date". In practice, therefore, with effect from the 2006 column, the differences between the first and second rows are mainly due to exchange rate impacts and only marginally to changes in scope of consolidation.

Also with effect from year-end 2006, IBNR reserves related to construction insurance in France ("PSNEM") and the annuity reserves of the Property & Casualty segment have been included in the loss reserve development table for Property & Casualty and International Insurance (excluding AXA RE).

The first section of the table entitled "Cumulative payments" shows, for a given column N, the cumulative amount of payments related to years of occurrence prior to and including N, made since December 31 of year N.

The second part of the table entitled "Reserves re-estimated" shows, for a given column N, an estimate of the final cost of liabilities carried at December 31 of year N in respect of all years of occurrence prior to and including N, at each future period end. The final cost estimate varies year on year as information relating to losses still outstanding becomes more reliable.

The surplus (shortfall) of the initial reserves with respect to the re-estimated gross final cost for each year represents, for a given year N, the difference between the amount shown on the second row (gross reserves for unpaid claims and claims expenses developed in 2007 adjusted for changes in exchange rates and scope of consolidation) and the amount shown in the final diagonal under "Reserves re-estimated".

a) Loss reserve development table: Property & Casualty and International Insurance (excluding AXA RE)

(in Euro million except percentages)

	1997 (b)	1998	1999 (c)	2000	2001	2002	2003	2004 (d)	2005	2006 (e)	2007
Gross reserves for unpaid claims and claims expenses developed initially at the booking date (d)	20,371	20,941	26,656	26,916	28,636	28,465	27,825	29,128	31,168	41,301	44,020
Gross reserves for unpaid claims and claims expenses developed in 2007 adjusted for changes in exchange rates and scope of consolidation (d)	21,132	21,633	23,809	24,592	26,072	26,724	27,556	28,409	29,884	42,627	44,020
Cumulative payments at :											
One year later	4,737	4,745	7,727	6,807	6,715	6,371	6,075	6,180	6,084	7,652	
Two years later	6,632	6,818	11,184	10,302	9,900	9,554	9,233	8,871	8,700		
Three years later	8,087	9,361	13,474	12,378	12,440	11,846	11,332	10,580			
Four years later	10,338	10,632	14,798	14,220	14,140	13,411	12,518				
Five years later	11,218	11,384	16,239	15,297	15,410	14,159					
Six years later	11,512	12,435	16,554	16,420	15,816						
Seven years later	12,508	12,889	17,667	16,646							
Eight years later	12,970	13,557	17,742								
Nine years later	13,756	13,727									
Ten years later	13,864										
Reserves re-estimated at :											
One year later	19,425	19,040	23,041	27,069	27,425	26,856	27,527	29,179	29,878	40,966	
Two years later	17,510	19,407	26,294	25,919	25,718	26,219	26,791	27,833	27,084		
Three years later	17,971	22,048	25,542	24,864	25,610	25,835	26,920	25,572			
Four years later	20,162	21,485	24,409	24,665	25,542	25,783	24,994				
Five years later	19,873	20,804	24,304	24,658	25,756	24,076					
Six years later	19,052	20,820	24,174	25,093	24,112						
Seven years later	19,293	20,671	24,720	23,585							
Eight years later	19,267	21,049	23,387								
Nine years later	19,864	20,120									
Ten years later	18,986										
Cumulative redundancy (deficiency) from the initial gross reserves in excess of re-estimated gross reserves: (a)											
Amount	2,146	1,513	422	1,007	1,960	2,648	2,562	2,837	2,800	1,660	
Percentages	10.2%	7.0%	1.8%	4.1%	7.5%	9.9%	9.3%	10.0%	9.4%	3.9%	

(a) It is not appropriate to extrapolate future redundancies or future deficiences based on the loss reserve development presented in the table, as conditions and trends that have affected development of the liability in prior periods may not necessarily occur in the future periods. Redundancies/deficiencies disclosed above include forex impact between this year and last year. This line also includes the impact of the unwind of discount rate on annuities (which are developed from 2006 on) for an amount of €100 million for 2006.

(b) AXA acquired Compagnie UAP ("UAP") on January 1, 1997. The operations of AXA and UAP were integrated in 1998. At the date of acquisition, UAP had net reserves of €13.7 billion. The outstanding claims reserves and claims expenses of UAP's Property & Casualty operations are included in the year end reserves as of December, 31, 1997 and after. Cumulative payments and reserve development for 1998 and after include the development of integrated Property & Casualty liabilities of AXA, including UAP, as loss development data specific to UAP are not available and there is no reasonable basis of allocating cumulative payments and reserves re-estimated between AXA and UAP post-acquisition.

(c) AXA acquired GRE in May 1999. GRE's operations have been integrated within AXA. At the time of acquisition, GRE's gross reserves totaled €5.6 billion.

(d) In 2004, AXA Corporate Solutions Assurance US, AXA RE P&C Insurance Company and AXA RE P&C Reinsurance were transferred from AXA RE to "other international activities". The reserves of AXA Corporate Solutions Assurance US were presented on an occurring year basis and included in the Property & Casualty loss reserve development table. The reserves of AXA RE P&C Insurance Company and AXA RE Reinsurance Company were presented on an underwriting year basis and included in the AXA RE loss reserve development table.

(e) In 2006, Winterthur's operations were integrated within AXA. Total loss reserves developed amounted to €41.3 billion including €8.7 billion in respect of Winterthur (final figure after PGAAP re-opening).

b) Loss reserves development table: AXA RE

On December 21, 2006, the AXA Group finalized an agreement to sell the AXA RE reinsurance business to Paris Ré Holding. Under the terms of the agreement, AXA retains exposure to any changes in the final cost of claims occurring before December 31, 2005. However, the proportional treaty set in place as part of the agreement between AXA RE and Paris Ré protects AXA entirely from any claims occurring after January 1, 2006. Consequently, the table below shows the development of loss reserves recognized in AXA RE's balance sheet at each year-end until December 31, 2005. Reserves recognized after that date, which correspond to exposure assumed fully by Paris Ré, have not been developed.

(in Euro million except percentages)

	1997	1998	1999	2000	2001 [c]	2002	2003	2004 [d]	2005
Gross reserves for unpaid claims and claims expenses developed initially at the booking date [a]	**2,880**	**3,060**	**3,396**	**3,455**	**5,868**	**4,778**	**4,200**	**3,314**	**4,523**
Gross reserves for unpaid claims and claims expenses developed in 2007 [d]	**2,880**	**3,060**	**3,396**	**3,453**	**5,868**	**4,778**	**3,742**	**3,314**	**4,253**
Initial retroceded reserves	(285)	(416)	(430)	(393)	(1,652)	(1,020)	(853)	(410)	(1,048)
Retroceded reserves in 2007 [d]	(285)	(416)	(430)	(393)	(1,652)	(1,020)	(461)	(502)	(1,048)
Initial net claims reserves :	**2,595**	**2,644**	**2,966**	**3,060**	**4,216**	**3,758**	**3,281**	**2,812**	**3,205**
Cumulative payments at:									
One year later	583	956	1,165	1,218	1,987	1,441	950	1,127	1,191
Two years later	1,094	1,594	1,893	1,860	3,198	2,113	1,543	1,574	1,688
Three years later	1,430	2,000	2,265	2,449	3,603	2,570	1,784	1,812	
Four years later	1,685	2,232	2,779	2,549	3,978	2,768	1,953		
Five years later	1,815	2,677	2,726	2,770	4,140	2,899			
Six years later	2,101	2,566	2,894	2,874	4,242				
Seven years later	1,971	2,697	2,966	2,939					
Eight years later	2060	2,755	3,011						
Nine years later	2,114	2,794							
Ten years later	2,150								
Reserves re-estimated at:									
One year later	2,945	3,743	3,969	4,199	5,922	5,012	3,438	3,797	4,061
Two years later	3,159	3,817	4,105	4,061	6,183	4,163	3,642	3,621	3,745
Three years later	3,168	3,772	3,955	4,034	5,314	4,374	3,514	3,399	
Four years later	3,045	3,643	4,027	3,817	5,536	4,281	3,332		
Five years later	2,941	3,722	3,755	3,944	5,466	4,107			
Six years later	2,964	3,444	3,845	3,887	5,308				
Seven years later	2,724	3,521	3,797	3,766					
Eight years later	2,774	3,478	3,713						
Nine years later	2,736	3,403							
Ten years later	2,680								
Cumulative redundancy (deficiency) from the initial gross claims reserves in excess of (less than) re-estimated gross claims reserves	**200**	**(343)**	**(317)**	**(313)**	**560**	**671**	**410**	**(85)**	**508**
Re-estimated retroceded reserves	353	533	476	443	1,200	838	476	751	1,167
Premium adjustment [b]	637	724	1,034	1,281	1,387	1,289	580	374	403
Re-estimated net claims reserves	1,690	2,146	2,203	2,042	2,721	1,980	2,276	2,274	2,175
Initial net claims reserves in excess of (less than) re-estimated net claims reserves as at December 31, 2007									
Amount [a]	905	498	763	1,018	1,495	1,778	1,005	538	1,030
Percentages of original net reserve [a]	34.9%	18.8%	25.7%	33.3%	35.5%	47.3%	30.6%	19.1%	32.1%

(a) The loss reserve development table is presented on an underwriting year basis for AXA RE business. Accordingly reserves re-estimated and the excess of re-estimated reserves of the initial reserves include reserves for losses occurring up to twelve months subsequent to the original year-end. It is not appropriate to extrapolate future redundancies or future deficiencies based on the loss reserve development presented in the table, as conditions and trends that have affected the development of the liability in prior periods may not necessarily occur in future periods.

(b) Represents premiums earned subsequent to the accounting year end and premium reinstatements / experience-rated premiums received and accrued from the ceding insurers as assumed losses were incurred.

(c) In 2001, AXA RE's claims reserves were adversely affected by the September 11 attacks.

(d) In 2004, AXA Corporate Solutions Assurance US, AXA RE P&C Insurance Company and AXA RE P&C Reinsurance were transferred from AXA RE to the "other international activities". The reserves of AXA Corporate Solutions Assurance US were presented on an occurring year basis and included in the Property & Casualty loss reserve development table. The reserves of AXA RE P&C Insurance Company and AXA RE Reinsurance Company were presented on an underwriting year basis and included in the AXA RE loss reserve development table.

c) Reconciliation between developed reserves and total recognized claim reserves

(in Euro million)

	2007	2006 Restated [c]	2005
Gross claims and other reserves developed			
Property & Casualty and International Insurance (excluding AXA RE) [a]	44,020	41,301	31,168
– of which future policy benefits annuity reserves	3,321	–	–
– of which construction reserves (PSNEM)	1,418	1,258	–
Future policy benefits annuity reserves (separately developed in 2006)	–	2,492	–
AXA RE [a]	–	–	4,253
Total gross claims and other reserves developed	**44,020**	**43,793**	**35,421**
Construction reserves (PSNEM) non developed	–	–	1,126
Future policy benefits annuity reserves non developed	–	–	1,528
Other reserves non developed [b]	4,734	5,242	2,098
of which AXA RE liabilities	*2,562*	*3,038*	–
Total gross claims and other reserves excluding Life & Savings Segment	**48,754**	**49,035**	**40,173**

(a) Total gross claims and other reserves developed are presented on the basis of the loss reserve development table. The reserves of AXA Corporate Solutions Insurance US were included in Property & Casualty and International Insurance loss reserves. The reserves of AXA RE P&C Insurance Company and AXA RE Reinsurance Company (€203 million in 2007, €282 million in 2006 and €409 million in 2005) were included in AXA RE's loss reserve development table.
(b) Including reserves on acceptations (€699 million in 2007, €771 million in 2006 and €938 million in 2005).
(c) In accordance with IFRS 3, i.e. within 12 months following the acquisition date, the Group has adjusted certain items impacting the allocation of Winterthur purchase price.

14.7. ENVIRONMENTAL POLLUTION AND ASBESTOS

AXA continues to receive claims from policies written in prior years asserting damages from asbestos-related and environmental-related exposures. These asbestos claims relate primarily to bodily injuries suffered by those who came in contact with asbestos, while environmental claims relate primarily to pollution related clean-up costs.

AXA's exposure to asbestos and environmental ("A&E") claims originates primarily from the following contracts :

- Insurance or reinsurance of US-originated risks: this exposure arises primarily from the reinsurance of US cedants or from direct policies written in the London Market (excess of primary covers). The underlying exposure is made-up of both asbestos and pollution claims.
- Employers Liability insurance in Europe: this created exposure to asbestos-related claims, in particular on the UK market.

There is considerable uncertainty as to the future cost of A&E claims. The ultimate cost of claims is very much dependent on legal factors that are difficult to predict with any certainty. There have been in the past, and continue to be, frequent occurrences of inconsistent court decisions and judicial interpretations regarding the extent of liability and the level of damages awarded.

It is common to have issues of allocation of responsibility among potentially responsible parties, as well as involvement of multiple insurers and multiple policy periods. Such issues raise considerable coverage issues.

Asbestos-related claims typically have very long latency periods. For instance, mesothelioma can take in excess of 40 years to develop after inhalation of asbestos fibres. This latency period makes it difficult to estimate accurately the future number of asbestos-related claims, the future potential liability associated with such claims and creates unusual sensitivity to future legal and economic developments.

AXA actively manages its exposure to A&E claims. Most of the Group's A&E claims are managed by AXA Liabilities Managers, a specialized unit in charge of managing the Group's non-life run-offs.

AXA Liabilities Managers manages these risks in a proactive manner, with a view to reducing AXA's exposure to the uncertainties in these claims. All A&E claims are thus managed by dedicated teams of experts who use a variety of claims-resolution techniques including settlements, policy buy-backs and, in certain cases, litigation. In addition, AXA Liabilities Managers focuses specifically on final resolutions of exposures, either through commutations or other solutions.

The calculation of reserves for A&E risks raises specific difficulties as conventional reserving techniques cannot be used for evaluating IBNR. As a result, AXA evaluates the future cost of those claims using a range of specific methods based either on exposure analysis, frequency / cost projections or reserving benchmarks. A&E reserves are reviewed on a yearly basis to ensure that they adequately reflect the latest claims experience, as well as legal and economic developments. Consistent with AXA's reserving practices, and despite the particularly long-tail nature of those risks, reserves for A&E are undiscounted.

Due to the uncertainty surrounding A&E claims, it is not possible to determine their future cost with the same degree of certainty as for other types of claims. Although AXA considers its reserves for A&E claims to be adequate, it is possible that, under some adverse scenarios, they may turn out to be insufficient to cover future losses.

At year-end 2007, key data relating to A&E claims were as follows:

KEY RESERVES DATA FOR ASBESTOS

Data in Euro million, unless otherwise stated

	2007		2006	
	Gross	Net	Gross	Net
EVOLUTION OF RESERVES				
Claims reserves at beginning of year [(a)]	1,176	1,123	1,046	966
Change in scope [(b)]	(37)	(27)	85	77
Impact of change in exchange rates	(86)	(90)	(48)	(45)
Claims incurred [(a)]	157	146	206	223
Claims paid [(a)]	(38)	(28)	(113)	(98)
Claims reserves at end of year [(a)]	**1,172**	**1,124**	**1,176**	**1,123**
of which reported claims	251	216	268	227
of which IBNR claims	921	908	908	896
RESERVES ADEQUACY RATIOS				
3 – Year survival ratio excluding commutations [(c)]	36 years	38 years	32 years	34 years
IBNR / Case Reserves	367%	421%	338%	394%
Cumulative Payments to date / Projected Ultimate Cost	31%	29%	35%	33%

(a) includes claims expense reserves.
(b) includes sale of the Netherlands operations in 2007 and integration of Winterthur in 2006.
(c) Average yearly payments over the last 3 years (excluding in respect of commutations) / Reserves at year end.

KEY RESERVES DATA FOR ENVIRONMENTAL POLLUTION

Data in Euro million, unless otherwise stated

	2007		2006	
	Gross	Net	Gross	Net
EVOLUTION OF RESERVES				
Claims reserves at beginning of year [(a)]	102	92	151	134
Change in scope [(b)]	(4)	(4)	9	9
Impact of change in exchange rates	(4)	(7)	(10)	(10)
Claims incurred [(a)]	(8)	(10)	(17)	(13)
Claims paid [(a)]	(4)	(3)	(31)	(28)
Claims reserves at end of year [(a)]	**82**	**68**	**102**	**92**
of which reported claims	*40*	*34*	*46*	*39*
of which IBNR claims	*42*	*34*	*56*	*53*
RESERVES ADEQUACY RATIOS				
3 – Year survival ratio excluding commutations [(c)]	20 years	21 years	16 years	22 years
IBNR / Case Reserves	103%	100%	122%	134%
Cumulative Payments to date / Projected Ultimate Cost	61%	61%	66%	61%

(a) includes claims expense reserves.
(b) includes sale of the Netherlands operations in 2007 and integration of Winterthur in 2006.
(c) Average yearly payments over the last 3 years (excluding in respect of commutations) / Reserves at year end.

As a result of the sale of the Netherlands operations and Compagnie Générale de Réassurance de Monte Carlo, AXA's reserves for A&E claims decreased by €31 million on a net of reinsurance basis (of which €27 million in respect of environmental asbestos and €4 million in respect of pollution).

In 2007, AXA paid claims and legal costs of €31 million (including €28 million in respect of asbestos and €3 million in respect of environmental pollution). This was significantly lower than last year (€126 million) as last year was impacted by an exceptionally high level of liabilities commuted.

In 2007, AXA incurred losses and loss expenses of €136 million net of reinsurance (respectively €146 million in respect of asbestos and €–10 million in respect of environmental pollution). This was primarily due to a higher-than-anticipated number of losses reported in respect of asbestos-related exposures in the United Kingdom.

As a result of those various changes and after allowing for movements in exchange rates, AXA held total reserves for A&E (net of reinsurance) of €1,192 million at year-end 2007. The main reserves adequacy ratios (especially those for asbestos claims) improved compared to their 2006 levels, due to the combined impact of low yearly payments and increase in IBNR.

14.8. LIABILITIES ARISING FROM POLICYHOLDERS' PARTICIPATION

LIABILITIES ARISING FROM POLICYHOLDERS' PARTICIPATION

(in Euro million)

	December 31, 2007	December 31, 2006 restated (b)	December 31, 2005
Policyholders' participation reserves	11,450	11,453	7,478
Fund for Future Appropriation (FFA) – UK With-Profits contracts (a)	3,629	4,668	4,529
Policyholders' deferred participation liabilities	4,244	8,819	11,276
TOTAL	**19,322**	**24,940**	**23,284**

(a) As described in note 1.12.2 on accounting principles, the adoption of FRS 27 in the United Kingdom led to restatements in 2005 (see the first paragraph of this note 14 for details).
(b) In accordance with IFRS 3, i.e. within 12 months following the acquisition date, the Group has adjusted certain items impacting the allocation of Winterthur purchase price.

The deferred policyholders' participation liability also includes the impact of shadow accounting (see definition in 1.12.2) mainly in relation to unrealized gains and losses on invested financial assets available for sale as described in 13.2.1.

14.9. PAYMENT AND SURRENDER PROJECTIONS AND COMPONENTS OF INSURANCE CONTRACT LIABILITIES

In the tables presented in section 14.9.1 and 14.9.2, liabilities arising from Life & Savings and Property & Casualty insurance and investment contracts exclude contracts where the financial risk is borne by policyholders. These liabilities are not exposed to interest-rate or duration risk, except unit-linked contracts with performance guarantees. Subsidiaries hold unit-linked assets backing the corresponding liabilities arising from these contracts. Occasional mismatches result solely from administrative timing differences in the processing of day-to-day operations.

14.9.1. Payment and surrender projections

The tables below show the breakdown of projected payments and surrenders related to Life & Savings and Property & Casualty insurance and investment contracts excluding contracts where the financial risk is borne by policyholders. Actual maturities may differ significantly from the estimates set out below, mainly because some of the contracts contain a surrender option controlled by the policyholder that may reduce their duration.

The projections shown below cannot be compared with the reserves carried on the balance sheet and are higher than the published balance sheet figures because they represent expected cash flows without any discounting element. They are also shown net of inflows of periodical premiums payable by policyholders.

EXPECTED PAYMENTS BY PERIODS

(in Euro million)

	2007			
	12 months or less	More than 1 year up to 5 years	More than 5 years	TOTAL
Liabilities arising from insurance and investment contracts	23,461	70,482	308,239	402,182
of which Life and Savings liabilities relating to contracts including a surrender option with some surrender benefit before maturity	*11,663*	*49,030*	*207,362*	*268,054*

The figures shown in the first line represent estimated cash outflows in connection to death, incapacity and disability claims, surrenders, annuities, minimum guaranteed benefits for unit-linked contracts, Property & Casualty and Health claims, net of premiums due from policyholders under contracts in-force. These cash flows are based on assumptions regarding mortality, incapacity and disability, surrender and settlement frequency for Property & Casualty, which are consistent with past experience in the Group's business. They are gross of reinsurance. Given the strong use of estimates, it is likely that actual payments will differ.

EXPECTED PAYMENTS BY PERIODS

(in Euro million)

	2006			
	12 months or less	More than 1 year up to 5 years	More than 5 years	TOTAL
Liabilities arising from insurance and investment contracts	19,845	76,988	409,458	506,291
of which Life and Savings liabilities relating to contracts including a surrender option with some surrender benefit before maturity	*5,061*	*42,870*	*220,690*	*268,621*

The figures shown in the first line represent estimated cash outflows in connection to death, incapacity and disability claims, surrenders, annuities, minimum guaranteed benefits for unit-linked contracts, Property & Casualty and Health claims, net of premiums due from policyholders under contracts in-force. These cash flows are based on assumptions regarding mortality, incapacity and disability, surrender and settlement frequency for Property & Casualty, which are consistent with past experience in the Group's business. They are gross of reinsurance. Given the strong use of estimates, it is likely that actual payments will differ.

14.9.2. Components of insurance contract liabilities

The table hereafter and related comments exclude contracts where the financial risk is borne by policyholders (unit-linked contracts).

The general principles for establishing insurance liabilities are set out in note 1 of this report. Liabilities are based on estimates, and one of the key assumptions used in these estimates is the discount rate.

As shown in the table below, as at December 31, 2007: (i) 90% of Life & Savings reserves (excluding unit-linked contracts) are discounted, (ii) 13% are subject to a revision of the discount rate and (iii) 77% retain the rate set at subscription, subject to the liability adequacy test described in note 1.

By convention, contracts with zero guaranteed rates are deemed not-discounted, except for products offering guaranteed rates updated annually and for one year: these contracts are presented in discounted reserves.

Reserves for savings contracts with non-zero guaranteed rates are discounted at the technical interest rate.

Contracts for which the assumptions are revised in the financial statements at closing mainly consist of certain UK With-Profit contracts and reserves for guarantees (Guaranteed Minimum Death Benefits etc.).

In Property & Casualty business, most reserves (94%) are not discounted, except for disability contracts and annuity motor mathematical reserves, where the discount rate is revised regularly.

The rates presented in the table below are weighted average rates for all the portfolios under consideration. They should be analyzed with care. For contracts with guaranteed rates that are revised annually, rates are crystallized at the closing date. The risk factors associated with the contracts are set out in note 4.

COMPONENTS OF INSURANCE CONTRACT LIABILITIES

(in Euro million)

	December 31, 2007		December 31, 2006 Restated [b]		December 31, 2005	
	Carrying value	Average discount rate %	Carrying value	Average discount rate %	Carrying value	Average discount rate %
Life & Savings – locked-in discount rate [a]	225,765	2.82%	235,220	3.00%	193,557	3.40%
Life & Savings – unlocked discount rate [b]	39,094	3.19%	43,438	3.31%	30,615	3.17%
Life & Savings – undiscounted reserves	29,406		20,459		7,976	
Sub-total Life & Savings	**294,264**		**299,117**		**232,148**	
Non Life – locked-in discount rate [a]	2,090	4.25%	2,172	4.16%	2,082	3.57%
Non Life – unlocked discount rate	1,490	2.64%	753	2.13%	844	2.17%
Non Life – undiscounted reserves [b]	54,438		55,046		44,942	
Sub-total – Non Life	**58,018**		**57,971**		**47,868**	
Total insurance and investment contracts	**352,283**		**357,088**		**280,017**	

(a) Subject to liability adequacy tests.
Amounts are presented excluding the impact of derivatives on insurance and investment contracts (presented in section 19.4) and excluding liabilities related to unearned revenues and fees, and to policyholders participations. Liabilities relating to contracts where the financial risk is borne by policyholders are also excluded.
(b) In accordance with IFRS 3, i.e. within 12 months following the acquisition date, the Group has adjusted certain items impacting the allocation of Winterthur purchase price.

The impact of the unlocking of discount rates relating to Life & Savings unlocked discounted reserves was €142 million for 2007 (for 2006, €150 million) gross of policyholders participation and tax impacts and was included in the income statement of the period.

14.9.3. Major business areas

The tables in note 20 set out the Group's major insurance business areas, and reflect the Group's high level of diversification.

14.10. EMBEDDED DERIVATIVES MEETING THE DEFINITION OF AN INSURANCE CONTRACT

AXA sells insurance contracts that contain a variety of options and guarantees for contract-holders. These features are described in Note 4. They are not embedded derivatives which AXA reports separately at fair value because:

- many of the features would be considered clearly and closely related to the host contract, and
- many of the features themselves would qualify as insurance contracts under phase I.

This note describes the features that are embedded derivatives and meet the definition of an insurance contract on a stand-alone basis. The primary features can be divided into two main categories: guaranteed minimum death benefits (GMDBs) or guaranteed minimum income benefits (GMIBs) offered on unit-linked contracts and guaranteed annuity purchase rates.

GMDB features provide a guaranteed death benefit which may be higher than the contract account balances of the unit-linked contract, depending on performance of the unit-linked assets. GMIB features provide a guaranteed lifetime annuity which may be elected by the contract-holder after a stipulated waiting period, and which may larger than what the contract account balance could purchase at then-current annuity purchase rates.

The risk of GMDB and GMIB features to AXA is that protracted under-performance of the financial markets could result in benefits being higher than the accumulated policyholder account balances could support. Reserves are established for these features on the basis of actuarial assumptions related to projected benefits and related contract charges. The determination of estimated GMDB and GMIB liabilities is based on models which involve numerous estimates and subjective judgments, including those regarding expected market rates of return and volatility, contract surrender rates and GMIB election rates. There can be no assurance that ultimate experience will not differ from management's estimates. In addition to providing for risk through establishing reserves, AXA also manages the risk through a combination of reinsurance programs and active financial risk management programs including investment in exchange-traded futures contracts and other instruments.

Guaranteed annuity purchase rates provide contract-holders with a guarantee that at a future date the accumulated balance on their contract will be sufficient to purchase a lifetime annuity at currently defined rates. The risk to AXA in these features is either that longevity will improve significantly so that contract-holders electing to exercise this benefit will live longer than assumed in the guaranteed purchase rates, or that investment returns during the payout period will be lower than assumed in the guaranteed purchase rates. Reserves are established for these features on the basis of actuarial assumptions related to projected benefits and related contract charges. The determination of this estimated liability is based on models which involved numerous estimates and subjective judgments, including those regarding expected rates of return and volatility, contract surrender rate, mortality, and benefit election rates. There can be no assurance that ultimate experience will not differ from management's estimates. In addition to providing for risk through establishing reserves, AXA also manages these risks through asset-liability management programs including interest rate floors to protect against a decline in interest rates.

15.1. BREAKDOWN OF PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges include the following items:

(in Euro million)

	December 31, 2007	December 31, 2006 Restated [(a)]	December 31, 2005
Employee benefits	6,954	7,476	7,755
Share-based compensation	184	167	91
Restructuring provisions	166	104	163
Lawsuits contingency provisions	319	217	217
Liability warranty provisions	19	39	1
Contingent liabilities relating to business combinations	–	–	–
Other provisions for risks and charges	1,012	842	534
TOTAL PROVISIONS FOR RISKS AND CHARGES	**8,654**	**8,845**	**8,761**

(a) In accordance with IFRS 3, i.e. within 12 months following the acquisition date, the Group has adjusted certain items impacting the allocation of Winterthur purchase price.

Provisions for risks and charges carried by Winterthur subsidiaries amounted to €986 million at the end of 2006.

Comments on provisions relating to employee benefits can be found in Note 25 "Employees".

15.2. CHANGE IN PROVISIONS FOR RISKS AND CHARGES (EXCLUDING EMPLOYEE BENEFITS AND SHARE-BASED COMPENSATION)

Changes in provisions for risks and charges are set out below:

(in Euro million)

	2007					
	Restructuring provisions	Lawsuits contingency provisions	Liability warranty provisions	Contingent liabilities relating to business combinations	Other provisions for risks and charges	TOTAL
Carrying value – January, 1	**104**	**217**	**39**	**–**	**842**	**1,201**
Impact of change in scope of consolidation and changes in accounting method	(4)	120	–	–	227	342
Increase in provisions	114	72	1	–	178	365
Write back after use	(36)	(62)	(21)	–	(143)	(262)
Write back after final cost review	(5)	(23)	–	–	(48)	(76)
Impact of foreign exchange fluctuations	(7)	(6)	1	–	(43)	(56)
Carrying value – December, 31	**166**	**319**	**19**	**–**	**1,012**	**1,516**

(in Euro million)

	2006 Restated (a)						2005
	Restructuring provisions	Lawsuits contingency provisions	Liability warranty provisions	Contingent liabilities relating to business combinations	Other provisions for risks and charges	TOTAL	TOTAL
Carrying value - January, 1	**163**	**217**	**1**	**–**	**534**	**914**	**1,048**
Impact of change in scope of consolidation and changes in accounting method	15	54	39	–	330	439	(131)
Increase in provisions	8	12	(1)	–	263	283	305
Write back after use	(68)	(50)	–	–	(209)	(327)	(277)
Write back after final cost review	(5)	(16)	–	–	(72)	(93)	(73)
Impact of foreign exchange fluctuations	(9)	–	–	–	(5)	(14)	39
Carrying value - December, 31	**104**	**217**	**39**	**–**	**842**	**1,201**	**914**

(a) In accordance with IFRS 3, i.e. within 12 months following the acquisition date, the Group has adjusted certain items impacting the allocation of Winterthur purchase price.

16.1. FINANCING DEBT BY ISSUANCE

(in Euro million)

	December 31, 2007 Carrying value	December 31, 2006 Carrying value	December 31, 2005 Restated [(b)] Carrying value
AXA [(b)]	**5,381**	**4,908**	**4,432**
Debt component of subordinated convertible notes due 2014 (euro)	1,714	1,660	1,608
Debt component of subordinated convertible notes, 3.75% due 2017 (euro)	1,212	1,168	1,127
Subordinated convertible notes due 2020 (euro)	180	180	180
U.S. registered redeemable subordinated debt, 8.60% 2030 (USD)	797	960	1,118
U.S. registered redeemable subordinated debt, 7.125% 2020 (GBP)	443	484	474
U.S. registered redeemable subordinated debt, 6.75% 2020 (euro)	1,062	1,062	1,062
Derivatives on debts instruments issued [(a)]	(27)	(605)	(1,137)
AXA Financial	**137**	**153**	**171**
Surplus Notes, 7.70 %, due 2015	136	152	169
MONY Life 11.25% Surplus Notes due 2024	1	1	2
AXA Bank Belgium	**466**	**416**	**378**
Subordinated notes, 2.80% to 6.90%, due 2016	466	416	378
AXA-MPS Vita and Danni	**134**	**–**	**–**
Subordinated Notes, euribor 6 months + 81bp	134	–	–
Other subordinated debt (under €100 million)	**28**	**86**	**92**
SUBORDINATED DEBT	**6,146**	**5,563**	**5,073**
AXA	**3,163**	**2,198**	**842**
Euro Medium Term Notes, 6.0% due through 2013, and BMTN	955	971	1,041
Commercial paper	2,311	1,350	–
Derivatives on financing debt instruments issued [(a)]	(103)	(124)	(199)
AXA Financial	**949**	**1,077**	**1,187**
Senior notes , 7.75%, due 2010	325	363	405
Senior notes , 7%, due 2028	236	264	295
Senior notes , 6.5%, due 2008	170	190	212
Senior notes MONY, 8.35%, due 2010	218	250	285
Derivatives on financing debt instruments issued [(a)]	–	10	(11)
AXA UK Holdings	**210**	**229**	**225**
GRE : Loan Notes, 6.625%, due 2023	210	229	225
AXA Equitable	**238**	**266**	**566**
Mortgage notes, floating rate	238	266	297
Closed-Block MONY, 6.44%, due 2017	–	–	254
Derivatives on financing debt instruments issued [(a)]	–	–	15
Other financing debt instruments issued (less than €100 million)	**(25)**	**(81)**	**(2)**
Other financing debt instruments issued under €100 million	36	11	11
Derivatives relating to other debt instruments issued [(a)]	(60)	(92)	(14)
FINANCING DEBT INSTRUMENTS ISSUED	**4,535**	**3,688**	**2,817**
Netherlands Holdings	**–**	**10**	**17**
AXA Investment Managers	**–**	**–**	**–**
Morocco	**124**	**–**	**–**
Other financing debts owed to credit institutions (under €100 million)	**51**	**85**	**–**
FINANCING DEBT OWED TO CREDIT INSTITUTIONS	**175**	**95**	**17**
TOTAL FINANCING DEBT	**10,856**	**9,347**	**7,906**

(a) Hedging instruments according to IAS 39 and economic hedge derivatives which are not acting as hedge under IAS 39.
(b) As described in note 1.11.2, perpetual subordinated notes were reclassified under shareholders' equity in 2006 with retrospective application to 2005. Details are provided in Note 13.

Total financing debt increased by €1,509 million between December 31, 2006 and December 31, 2007, or by €1,822 million at constant exchange rates, to €10,856 million. Movements in exchange rates decreased financing debt by €313 million, mainly on AXA SA redeemable subordinated notes denominated in foreign currencies and AXA Financial senior bonds. The increase at constant exchange rates was mainly due to :

i. a €739 million increase in subordinated debt (including derivative instruments) arising mainly from the decrease in market value of interest rate swaps following the rise in rates in the Euro zone (€578 million), the consolidation of AXA-MPS Vita and Danni (€134 million) and a new debt in AXA Bank Belgium (€50 million), partially offset by the repayment of €57 million debt by AXA RE Finance;

ii. a €1,001 million increase in financing debt instruments issued arising mainly from AXA SA issues of commercial paper (€961 million);

iii. a €82 million increase in financing debt owed to credit institutions mainly arising from a new debt in Morocco to finance the minority interests' buyout of AXA ONA (€127 million) and the consolidation of AXA-MPS Vita and Danni (€50 million), partially offset by a €85 million decrease following the sale of the Netherlands and repayment of a €10 million debt in Switzerland.

Derivative instruments hedging financing debts are commented in Note 19.

16.2. FAIR VALUE MEASUREMENT METHODOLOGY – FINANCING DEBT

(in Euro million)

	December 31, 2007		December 31, 2006		December 31, 2005	
	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
Subordinated debt at cost [(b)]	6,173	6,698	6,168	7,228	6,210	7,473
Derivatives on subordinated debt [(a)]	(27)	(27)	(605)	(605)	(1,137)	(1,137)
Subordinated debt	**6,146**	**6,671**	**5,563**	**6,623**	**5,073**	**6,337**
Financing debt instruments issued at cost	4,698	4,722	3,894	3,962	3,025	3,091
Derivatives on financing debt instruments issued [(a)]	(163)	(163)	(206)	(206)	(208)	(208)
Financing debt instruments issued	**4,535**	**4,559**	**3,688**	**3,756**	**2,817**	**2,883**
Financing debts owed to credit institutions at cost	175	175	95	95	17	17
Financing debt owed to credit institutions	**175**	**175**	**95**	**95**	**17**	**17**
FINANCING DEBT	**10,856**	**11,405**	**9,347**	**10,475**	**7,906**	**9,236**

(a) Hedging instruments according to IAS 39 and economic hedge derivatives which are not acting as hedge under IAS 39.
(b) As described in note 1.11.2, perpetual subordinated notes were reclassified under shareholders' equity in 2006 with retrospective application to 2005. Details are provided in Note 13.

The Group does not hold any financing debt designated at fair value through profit & loss (fair value option or trading instruments).

16.3. FAIR VALUE MEASUREMENT OF FINANCING DEBT

Information on the fair value figures presented in this note is provided in addition to information on carrying values and should be used with caution. On the one hand, these estimates are based on snapshots taking into account closing dates of parameters such as interest rates and spreads, which in fact fluctuate over time, and resulting in instantaneous values, and on the other hand because there are many possible methods of making these estimates.

Data used when calculating the fair value of financing debt (financing debt instruments issued or financing debt owed to credit institutions) are period-end market data that reflect (i) market interest rates by currency, (ii) AXA's average spread by maturity and currency, distinguishing subordinated and senior debt and (iii) options included in issue contracts, such as issuer redemption options.

The fair value of subordinated convertible bonds is equal to the quoted price for these instruments at the end of the period. Therefore, reported fair value includes the value of the conversion option, which is included as a component of equity.

The fair value of financing debt at December 31, 2007, excluding accrued interests, was €11,405 million, including related hedging derivative instruments.

16.4. EXPOSURE TO INTEREST-RATE RISK AND CONTRACTUAL MATURITIES

The tables below set out the contractual maturities of financing debt (excluding the impact of derivatives). Effective maturities may differ from those presented, mainly because some instruments include clauses allowing early redemption, with or without penalty.

(in Euro million)

	Carrying value of financing debt by contractual maturity as at December 31,			Total carrying value
	12 months or less	More than 1 year up to 5 years	More than 5 years (a)	
2007	2,829	1,654	6,563	11,046
2006	1,854	1,011	7,293	10,158
2005	311	385	8,555	9,251

Excludes the impact of derivatives (detailed in section 19.4.).

(b) As described in note 1.11.2, perpetual subordinated notes were reclassified under shareholders' equity in 2006 with retrospective application to 2005. Details are provided in Note 13.

NOTE 17 > PAYABLES

17.1. BREAKDOWN OF PAYABLES

(in Euro million)

	December 31, 2007 Carrying value	December 31, 2006 Restated [b] Carrying value	December 31, 2005 Carrying value
Minority interests of controlled investment funds and other puttable instruments held by minority interest holders	7,751	7,224	5,115
Other debt instrument issued and bank overdrafts	6,260	8,711	8,411
Payables arising from direct insurance and inward reinsurance operations	7,033	7,947	4,680
Payables arising from outward reinsurance operations	6,024	5,849	3,507
Payables arising from banking operations	18,713	16,992	12,083
Payables – current tax position	2,394	2,055	1,382
Derivatives relating to other financial liabilities [a]	140	124	303
Debts relating to investments under lending agreements and equivalent	29,068	24,098	14,771
Other payables	14,626	16,976	14,222
Payables	**92,008**	**89,976**	**64,473**

(a) Also includes speculative derivatives relating to other financial liabilities
(b) In accordance with IFRS 3, i.e. within 12 months following the acquisition date, the Group has adjusted certain items impacting the allocation of Winterthur purchase price

Movements in the **"Minority interests in controlled investment funds and other puttable instruments held by minority interest holders"** caption depend on:

- Changes in minority interests in controlled investment funds and changes in their fair value. An identical change in invested assets held by these funds is also recorded.
- Buyouts of minority interests for which the Group holds an unconditional commitment and changes in value of related puttable instruments. Entries balancing these movements are recorded in goodwill.

Minority interests in funds under this caption, totaled €7,192 million at December 31, 2007 (€6,100 million at December 31, 2006 and €4,326 million at December 31, 2005).

Other puttable instruments held by minority interest holders totaled €559 million at December 31, 2007 (€1,124 million at December 31, 2006 and €789 million December 31, 2005). They represented the put option granted to minority shareholders of Sanford C. Bernstein (€425 million) and put options held by the minority shareholders of former Winterthur subsidiaries in Central and Eastern Europe (€134 million).

"Debts relating to investments under lending agreements and equivalent" totaled €29,068 million at December 31, 2007, an increase of €4,970 million (€5,825 million at constant exchange rates) mainly attributable to France (€3,205 million), Switzerland (€1,246 million), AXA China Region (€652 million) and Japan (€467 million).

At December 31, 2006, Winterthur's contribution to €89,976 million total payables amounted to €9,262 million.

17.2. OTHER DEBT INSTRUMENTS ISSUED, NOTES AND BANK OVERDRAFTS (OTHER THAN FINANCING DEBT) BY ISSUANCE

(in Euro million)

	December 31, 2007 Carrying value	December 31, 2006 Carrying value	December 31, 2005 Carrying value
AllianceBernstein	**362**	**254**	**345**
"Senior" notes, 5.625%, expiration date 2006	–	–	345
Short term commercial paper, 4.3%	362	254	–
French bank	**–**	**–**	**5**
AXA Banque	–	–	5
AXA SA debts subscribed on behalf of French, English and German subsidiaries	**86**	**150**	**186**
CDO (Collateralized Debt Obligations) and Real Estate Vehicles	**827**	**1,275**	**1,507**
CDO ARIA2 tranche A-23E7	–	–	48
CDO ARIA2 tranche A-23U7	–	–	93
CDO ARIA2 tranche U-21E7	31	34	–
Aria A-1E5	176	195	194
Aria B-1E5	–	–	55
Aria C-1E5	42	55	53
Aria P-2G7	226	310	288
Concerto 2	124	382	476
Jazz 1	227	300	299
Australia / New Zealand	**184**	**174**	**141**
Sterling Grace	184	174	141
Other financial services in France	**–**	**–**	**35**
Other	–	–	35
Derivatives on other debt instruments issued (other than financing debt) – Other financial services	–	–	–
DBV	**–**	**2,796**	**–**
HOHO 1: class A Senior Class A Mortgage-backed notes, maturity 2030, 3 months Euribor + 0.31%, Floating	–	190	–
HOHO 1: class B Mezzanine Class B Subordinated Mortgage-backed notes, maturity 2030, 7%, Fixed rated	–	13	–
HOHO 1: class C Junior Class C Subordinated Mortgage-backed notes, maturity 2030, 8%, Fixed rated	–	5	–
HOHO 2: class A1 Senior Class A1 Mortgage-backed notes, maturity 2080, 3 months Euribor + 0.26%, Floating	–	263	–
HOHO 2: class A2 Senior Class A2 Mortgage-backed notes, maturity 2080, 4.73%, Fixed rated	–	54	–
HOHO 2: class B Mezzanine Class B Mortgage-backed notes, maturity 2080, 5.04%, Fixed rated	–	18	–
HOHO 2: class C Junior Class C Mortgage-backed notes, maturity 2080, 5.64%, Fixed rated	–	7	–
HOHO 2: class D Subordinated Class D Notes, maturity 2080, 3 months Euribor + 3.75%, Floating	–	4	–
HOHO 3: class A Senior Class A Mortgage-backed notes, maturity 2083, 3 months Euribor + 0.13%, Floating	–	707	–
HOHO 3: class B Mezzanine Class B Subordinated Mortgage-backed notes, maturity 2083, 3 months Euribor + 0.19%, Floating	–	19	–
HOHO 3: class C Junior Class C Subordinated Mortgage-backed notes, maturity 2083, 3 months Euribor + 0.29%, Floating	–	9	–
HOHO 3: class D Subordinated Class D Notes, maturity 2083, 3 months Euribor + 1.40%, Floating	–	7	–
HOHO 4: class A Senior Class A Mortgage-backed Floating rate notes, maturity 2083, 3 months Euribor + 0.03%, Floating	–	1,492	–
HOHO 4: class B Subordinated Class B Floating rate notes, maturity 2083, 3 months Euribor + 0.35%, Floating	–	10	–
Other	**101**	**66**	**13**
OTHER DEBT INSTRUMENTS ISSUED (OTHER THAN FINANCING DEBT)	**1,560**	**4,715**	**2,233**

(in Euro million)

	December 31, 2007 Carrying value	December 31, 2006 Carrying value	December 31, 2005 Carrying value
CDO (Collateralized Debt Obligations)	**94**	**161**	**284**
Jazz 1	94	161	284
Banks in France	**10**	**38**	**50**
AXA Banque	10	38	50
Banks in Germany	**64**	**125**	**215**
AXA Vorsorgebank	64	125	215
Banks in Belgium	**702**	**1,026**	**4,563**
AXA Bank Belgium	702	1,026	4,563
Banks in Hungary	**525**	**–**	**–**
ELLA Bank	525	–	–
Real estate investment funds	**1,356**	**895**	**177**
ERIV: AFET Amortizing mortgage loan based on EURIBOR 3 month + 1.45 point, maturity date: 2011	203	214	–
ERIV: CORTEFIEL Mortgage loan based on Euribor 3 month + 0.85 point, maturity date: 2013 + 2x1 year	100	165	–
Vendome Commerce: AFET Amortizing mortgage loan based on EURIBOR 3 month + 1.45 point, maturity date: 2011	203	214	–
REOF2: HSHNordBank – Mortgage loan based on Euribor 3 month + 0.65, maturity date: 2012	124	–	–
ERIV2: RBS_Mortgage loan based on Euribor + 0.85 point, maturity date: 2014	104	–	–
Other debts (a)	623	301	177
Other	**454**	**416**	**126**
Derivatives on other issued debt (other than financing debt) – Other	**2**	**(3)**	**–**
OTHER DEBT (OTHER THAN FINANCING DEBT) – OWED TO CREDIT INSTITUTIONS	**3,207**	**2,658**	**5,415**
Bank overdrafts	**1,493**	**1,338**	**762**
OTHER DEBT INSTRUMENTS ISSUED, NOTES (OTHER THAN FINANCING DEBT) AND BANK OVERDRAFTS	**6,260**	**8,711**	**8,411**

(a) Including European Office Income Venture debt which was presented in 2005 in caption "Other debt instruments issued (other than financing debt)" and totaling €177 million at end 2005.

At December 31, 2007, other debt instruments issued (other than financing debt) and bank overdrafts totaled €6,260 million, a decrease of €2,451 million compared to December 31, 2006, or €2,344 million at constant exchange rates mainly due to:

- a €2,796 million decrease following the sale of the Netherlands (included Holland Homes SPEs, which securitized mortgages in the Dutch DBV Life business),
- a €428 million decrease of CDO's other debts instruments issued,
- a €324 million decrease in AXA Bank Belgium term accounts in relation with the interbanking activity slowdown,
- a €126 million decrease of AXA Sun Life's other debt owed to credit institutions.

These movements were partly offset by:

- a €193 million increase in bank overdrafts,
- a €164 million increase in deposits under AXA SA's collateral agreements,
- first-time consolidation of real estate companies European Retail Income Venture II (€104 million), Real Estate Opportunity Fund II (€124 million), European Logistics Income Venture (€90 million) and Alternative Property Income Venture (€55 million) and a €96 million increase in European Retail Income Venture's debt,
- a €529 million increase in Hungary due to the consolidation of ELLA Bank.

17.3. FAIR VALUE MEASUREMENT OF OTHER DEBT INSTRUMENTS ISSUED AND BANK OVERDRAFTS (OTHER THAN FINANCING DEBT)

The fair value of other debt instruments issued and bank overdrafts (other than financing debt) was €6,259 million at December 31, 2007. Among the elements included in the preceeding table, fair value is only calculated for other debt instruments issued. Other items mainly comprise repository agreements balances or short-term interbank liabilities carried by Group banks. By nature, their fair value is very similar to their nominal value.

17.3.1. Other debt instruments issued and bank overdrafts (other than financing debt) by accounting method

(in Euro million)

	December 31, 2007 Carrying value	December 31, 2006 Carrying value	December 31, 2005 Carrying value
Debt instruments issued at cost	666	586	902
Debt instruments issued held as trading	–	–	–
Debt instruments issued designated as at fair value through profit & loss	895	4,129	1,508
Debt instruments issued	**1,560**	**4,715**	**2,410**
Debt owed to credit institutions held at cost	3,205	2,535	5,112
Debt owed to credit institutions held as trading	–	–	–
Debt owed to credit institutions designated as at fair value through profit & loss	–	126	127
Debt owed to credit institutions	**3,205**	**2,661**	**5,239**
Bank overdrafts	**1,493**	**1,338**	**762**
DEBT INSTRUMENTS ISSUED AND BANK OVERDRAFTS (OTHER THAN FINANCING DEBT) (a)	**6,258**	**8,714**	**8,411**
Including debt at fair value through profit & loss	*895*	*4,255*	*1,637*

(a) Excludes the impact of derivatives.

17.3.2. Other debt instruments issued, notes and bank overdrafts measured at fair value

(in Euro million)

	December 31, 2007			December 31, 2006			December 31, 2005		
	Fair value determined directly by reference to an active market	Fair value estimated using valuation technique	Total	Fair value determined directly by reference to an active market	Fair value estimated using valuation technique	Total	Fair value determined directly by reference to an active market	Fair value estimated using valuation technique	Total
Debt instruments issued held as trading	–	–	–	–	–	–	–	–	–
Debt instruments issued designated as at fair value through profit & loss	202	693	895	594	3,536	4,129	726	782	1,508
Debt instruments issued (other than financing debt) (a)	**202**	**693**	**895**	**594**	**3,536**	**4,129**	**726**	**782**	**1,508**
Debt owed to credit institutions held as trading	–	–	–	–	–	–	–	–	–
Debt owed to credit institutions designated as at fair value through profit & loss	–	–	–	126	–	126	129	–	129
Debt owed to credit institutions (other than financing debt) (a)	**–**	**–**	**–**	**126**	**–**	**126**	**129**	**–**	**129**

(a) Excludes the impact of derivatives.

The fair value option is used to measure debt other than financing debt designated at fair value through profit and loss included in the table above. The decrease in debt measured at fair value through profit and loss is mainly due to the sale of the Netherlands operations.

17.4. PAYABLES ARISING FROM DIRECT INSURANCE, INWARD REINSURANCE OPERATIONS AND DIRECT OUTWARD REINSURANCE OPERATIONS

(in Euro million)

	December 31, 2007		December 31, 2006		December 31, 2005	
	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
Deposit and guarantees	183	183	275	275	45	45
Current accounts payable to other companies	1,842	1,842	1,223	1,223	771	771
Payables to policyholders, brokers and general agent	4,116	4,116	6,248	6,248	3,494	3,494
Other payables	891	891	201	201	371	371
Payables arising from direct insurance and inward reinsurance operations	**7,033**	**7,033**	**7,947**	**7,947**	**4,680**	**4,680**
Deposit and guarantees	1,805	1,805	1,850	1,850	1,508	1,508
Current account payable to other companies [(a)]	4,128	4,128	3,941	3,941	1,927	1,927
Other payables	90	90	58	58	72	72
Payables arising from direct outward reinsurance operations	**6,024**	**6,024**	**5,849**	**5,849**	**3,507**	**3,507**

(a) Includes a quota share reinsurance treaty between AXA RE and Paris Ré (€2,431 million in 2007 and €2,214 million in 2006) as part of the Group's sale of AXA RE's business in 2006.

At December 31, 2007, payables arising from direct insurance and inward reinsurance operations totaled €7,033 million, a decrease of €914 million compared to December 31, 2006 (€7,947 million including Winterthur's contribution of €3,451 million).

At December 31, 2007, payables arising from direct outward reinsurance operations totaled €6,024 million, an increase of €175 million compared to December 31, 2006 (€5,849 million including Winterthur's contribution of €372 million).

17.5. EXPOSURE TO INTEREST-RATE RISK AND CONTRACTUAL MATURITIES

The tables below set out the contractual maturities of other debt instruments issued, notes and bank overdrafts (excluding the impact of derivatives). Effective maturities may differ from those presented, mainly because some instruments include clauses allowing early redemption, with or without penalty.

(in Euro million)

	Carrying value of other debt instruments issued, notes and bank overdrafts by contractual maturity as at December 31,			Total carrying value
	12 months or less	More than 1 year up to 5 years	More than 5 years	
2007	3,373	973	1,912	6,258
2006	3,526	795	4,394	8,714
2005	6,158	168	2,085	8,411

Excludes the impact of derivatives (detailed in section 19.4.).

18.1. TAX EXPENSE

18.1.1. Breakdown of tax expense between current and deferred tax

The income tax charge was split as follows:

(in Euro million)

	December 31, 2007	December 31, 2006 [b]	December 31, 2005 [b] Restated [a]
Income tax – France [a]	**396**	**175**	**284**
Current	598	1,043	191
Deferred	(202)	(867)	93
Income tax – Foreign countries [a]	**1,387**	**1,816**	**1,170**
Current	1,732	991	1,059
Deferred	(344)	825	111
TOTAL INCOME TAX FROM CONTINUED OPERATIONS	**1,783**	**1,991**	**1,454**
Income tax on discontinued activities (current)	23	46	42
Income tax on discontinued activities (deferred)	4	6	(6)
TOTAL INCOME TAX FROM DISCONTINUED OPERATIONS	**28**	**52**	**36**
TOTAL INCOME TAX	**1,811**	**2,043**	**1,490**

(a) As described in notes 1.12.2 and 1.11.2 on accounting principles, in 2006, the adoption of FRS 27 in the United Kingdom and the reclassification of Perpetual Deeply Subordinated notes to shareholders' equity led to adjustements to 2005 (see notes 13 and 14 respectively for details).
(b) As described in note 1.10, the contribution of discontinued operations is stated on a separate line of the income statement.

The current tax amount due on foreign income amounted to €1,732 million in 2007 (€991 million and €1,059 million respectively in 2006 and 2005), including €283 million policyholders tax (€243 million and €163 million respectively in 2006 and 2005). A deferred tax write back of €–344 million in 2007 (€825 million and €111 million respectively in 2006 and 2005) corresponding to tax due on foreign income is disclosed in the table above, including €–189 million policyholders tax (€169 million and €395 million respectively in 2006 and 2005).

Policyholders tax is a specific tax levied on the life business of UK and Australian insurance companies charged to policyholders.

18.1.2. Tax proof

The reconciliation between the theoretical tax charge (pre-tax profit multiplied by the applicable tax rate in France for the period concerned) and the effective tax charge was as follows:

(in Euro million)

	December 31, 2007	December 31, 2006 (b)	December 31, 2005 (b)
Income from operating activities, gross of tax expenses (excluding discontinued activities and result from investments consolidated using equity method)	7,681	7,593	6,142
Notional tax rate	34.43%	34.43%	34.93%
Notional tax charge	**2,645**	**2,614**	**2,150**
Impact of rate differences on notional tax charge	(118)	(68)	(117)
Impact of the change in tax rates	(25)	(82)	(24)
Impact of differences in tax rate and impact of taxes not linked to pre-tax income	(45)	77	318
Impact of differences in tax rates and tax basis	**(188)**	**(73)**	**178**
Tax losses of prior years used in the current year without DTA recognized previously	(45)	(51)	(32)
Deferred tax assets recognized on tax losses of prior years	(9)	(82)	(16)
Deferred tax assets not recognized on tax losses of the year	13	18	11
Derecognition of deferred tax assets on tax losses of prior years (a)	1	19	(387)
Tax losses impact	**(39)**	**(95)**	**(423)**
Permanent differences on financial incomes and expenses	(555)	(385)	(664)
Permanent differences on other incomes and expenses	135	30	44
Impact of permanent differences	**(420)**	**(355)**	**(621)**
Corrections of tax relating to prior years	(170)	(204)	(177)
Derecognition of other deferred tax assets (a)	(32)	(4)	(34)
Other	(12)	108	382
Impact of correction, decrease in value and other elements	**(214)**	**(100)**	**170**
Effective tax charge	**1,784**	**1,991**	**1,454**
Effective tax rate (%)	**23.22%**	**26.22%**	**23.68%**

(a) Derecognition of DTA (Deferred Tax Assets) arising on tax losses is shown in "Tax losses impact".
(b) As described in note 1.10, the contribution of discontinued operations is stated on a separate line of the income statement.

The applicable tax rate broke down as follows:

(in Euro million)

	December 31, 2007		December 31, 2006 (c)		December 31, 2005 (c)	
	Income from operating activities, gross of tax expenses (a)	Notional tax rate	Income from operating activities, gross of tax expenses (a)	Notional tax rate	Income from operating activities, gross of tax expenses (a)	Notional tax rate
France	1,243	34.43%	856	34.43%	1,209	34.93%
United States	2,027	35.00%	2,152	35.00%	1,815	35.00%
United Kingdom	409	30.00%	879	30.00%	930	30.00%
Japan	353	36.21%	427	36.21%	25	36.21%
Germany	687	40.00%	573	40.00%	505	40.00%
Belgium	409	33.99%	681	33.99%	420	33.99%
Switzerland (b)	280	22.00%	–	–	–	–
Other Countries	2,273	–	2,025	–	1,238	–
TOTAL	**7,681**	**–**	**7,593**	**–**	**6,142**	**–**

(a) Excluding discontinued activities and contribution from equity-accounted companies.
(b) In 2006 and 2005, before the integration of Winthertur, Switzerland was presented in "Other Countries".
(c) As described in note 1.10, the contribution of discontinued operations is stated on a separate line of the income statement.

18.2. DEFERRED TAX

Net deferred tax balances broke down as follows:

(in Euro million)

	December 31, 2007			December 31, 2006 Restated [b]	December 31, 2005
	Deferred tax assets	Deferred tax liabilities	Net deferred tax position	Net deferred tax position	Net deferred tax position
Deferred tax Assets/ (Liabilities) concerning:					
– Deferred tax through profit & loss	7,517	8,242	(725)	(897)	(380)
– Deferred tax through reserves relating to the fair value adjustment of available for sale investments	678	1,378	(701)	(1,833)	(2,557)
– Deferred tax through reserves relating to the fair value adjustment of cash flow hedge derivatives	13	16	(3)	(28)	(65)
– Deferred tax through reserves relating to the revaluation of tangible assets	–	1	(1)	(1)	(1)
– Deferred tax through reserves relating to gains and losses on defined benefits pension plans	32	99	(67)	224	369
– Deferred tax through reserves in relation to stock options	98	1	97	142	87
Net deferred tax excluding policyholders' tax	**8,338**	**9,739**	**(1,401)**	**(2,395)**	**(2,547)**
Policyholder tax – Net deferred tax assets / (liabilities) [a]	207	1,190	(982)	(1,268)	(1,033)
Total net deferred tax	**8,545**	**10,928**	**(2,383)**	**(3,663)**	**(3,580)**

(a) As described in note 1.12.2 on accounting principles, in 2006, the adoption of FRS 27 in the United Kingdom led to adjustements to 2005 (see note 14 for details).
(b) In accordance with IFRS 3, i.e. within 12 months following the acquisition date, the Group has adjusted certain items impacting the allocation of Winterthur purchase price.

In the table above, the "net deferred tax position" column corresponds to the net between deferred tax assets and deferred tax liabilities carried on the Group's consolidated balance sheet. However, the breakdown of DTA/DTL disclosed in the table corresponds to the deferred tax before any netting occurs for the balance sheet presentation purpose.

(in Euro million)

	2007					
	Opening	Movements through profit & loss	Movements through OCI	Forex impact	Change in scope and other variations	Closing
Deferred tax through profit & loss	(897)	363	–	53	(244)	(725)
Deferred tax through reserves relating to the fair value adjustment of available for sale assets	(1,833)	–	1,048	31	53	(701)
Deferred tax through reserves relating to the fair value adjustment of cash flow hedge derivatives	(28)	–	26	–	(1)	(3)
Deferred tax through reserves relating to the revaluation of tangible assets	(1)	–	–	–	–	(1)
Deferred tax through reserves relating to gains and losses on defined benefits pension plans	224	–	(283)	(1)	(7)	(67)
Deferred tax through reserves in relation to stock options	142	–	1	(13)	(34)	97
Net deferred tax assets / (liabilities) excluding policyholder tax	**(2,395)**	**363**	**792**	**70**	**(232)**	**(1,401)**
Policyholder tax – Deferred tax through profit & loss	(1,268)	183	–	94	7	(984)
Policyholder tax – Deferred tax through reserves relating to the fair value adjustment of available for sale assets	–	–	3	–	–	2
Policyholder tax – Deferred tax through reserves relating to the fair value adjustment of cash flow hedge derivatives	–	–	–	–	–	–
Policyholder tax – Net deferred tax assets/ (liabilities)	**(1,268)**	**183**	**3**	**94**	**7**	**(982)**
Total net deferred tax assets/ (liabilities)	**(3,663)**	**547**	**795**	**164**	**(226)**	**(2,383)**

(in Euro million)

	2006 Restated (a)					
	Opening	Movements through profit & loss	Movements through OCI	Forex impact	Change in scope and other variations	Closing
Deferred tax through profit & loss	(380)	194	–	56	(767)	(897)
Deferred tax through reserves relating to the fair value adjustment of available for sale investments	(2,557)	–	697	41	(14)	(1,833)
Deferred tax through reserves relating to the fair value adjustment of cash flow hedge derivatives	(65)	–	16	–	21	(28)
Deferred tax through reserves relating to the revaluation of tangible assets	(1)	–	–	(0)	–	(1)
Deferred tax through reserves relating to gains and losses on defined benefits pension plans	369	–	(129)	(5)	(12)	224
Deferred tax through reserves in relation to stock options	87	–	67	(12)	–	142
Net deferred tax assets / (liabilities) excluding policyholder tax	**(2,547)**	**194**	**652**	**79**	**(772)**	**(2,395)**
Policyholder tax – Deferred tax through profit & loss	(1,026)	(157)	–	(23)	(61)	(1,268)
Policyholder tax – Deferred tax through reserves relating to the fair value adjustment of available for sale investments	(7)	–	7	–	–	–
Policyholder tax – Deferred tax through reserves relating to the fair value adjustment of cash flow hedge derivatives	–	–	2	–	(2)	–
Policyholder tax – Net deferred tax assets / (liabilities)	**(1,033)**	**(157)**	**8**	**(24)**	**(63)**	**(1,268)**
Total net deferred tax assets / liabilities	**(3,580)**	**37**	**660**	**55**	**(834)**	**(3,663)**

(a) In accordance with IFRS 3, i.e. within 12 months following the acquisition date, the Group has adjusted certain items impacting the allocation of Winterthur purchase price.

(in Euro million)

	2005					
	Opening	Movements through profit & loss	Movements through OCI	Forex impact	Change in scope and other variations	Closing
Deferred tax through profit & loss	(316)	198	–	(75)	(187)	(380)
Deferred tax through reserves relating to the fair value adjustment of avaliable for sale investments	(2,243)	–	(296)	(61)	42	(2,557)
Deferred tax through reserves relating to the fair value adjustment of cash flow hedge derivatives	(55)	(1)	(10)	–	–	(65)
Deferred tax through reserves relating to the revaluation of tangible assets	–	–	(1)	–	–	(1)
Deferred tax through reserves relating to gains and losses on defined benefits pension plans	140	–	216	12	1	369
Deferred tax through reserves in relation to stock options	–	–	63	5	20	87
Net deferred tax assets / (liabilities) excluding policyholder tax	**(2,474)**	**197**	**(29)**	**(119)**	**(124)**	**(2,547)**
Policyholder tax – Deferred tax through profit & loss (a)	(579)	(396)	–	(19)	(144)	(1,026)
Policyholder tax – Deferred tax through reserves relating to the fair value adjustment of avalaible for sale investments	(5)	–	(2)	–	–	(7)
Policyholder tax – Deferred tax through reserves relating to the fair value adjustment of cash flow hedge derivatives	2	–	(2)	2	(3)	–
Policyholder tax – Net deferred tax assets / (liabilities)	**(582)**	**(396)**	**(3)**	**(18)**	**(146)**	**(1,033)**
Total net deferred tax assets / liabilities	**(3,056)**	**(198)**	**(32)**	**(136)**	**(270)**	**(3,580)**

(a) As described in notes 1.12.2 and 1.11.2 on accounting principles, the adoption of FRS27 in the United Kingdom and the reclassification of Perpetual Deeply Subordinated notes to sheraholders'equity led to adjustements to 2005 (see notes 13 and 14 respectively for details).

Recognized Deferred Tax Assets (DTA) by maturity and expiration date:

The tables below break down: (i) in the first part the maturity by which the Group expects to use the Deferred Tax Assets (DTA) accounted at the year end; (ii) in the second part, the "expiry date" of the Deferred Tax Assets (DTA), i.e. the latest date the Group can use them.

	DTA maturity date 1 year	DTA maturity date 2 years	DTA maturity date 3 years
DTA recognized on tax loss carryforward	175	171	19
Other recognized deferred tax	1,745	368	326
TOTAL RECOGNIZED DTA BY EXPECTED DATE OF DTA POSSIBLE USE	**1,921**	**539**	**345**
Corresponding carryforward losses	681	621	89
DTA recognized on tax loss carryforward	5	39	12
Other recognized deferred tax	397	55	67
TOTAL RECOGNIZED DTA BY LATEST DATE OF DTA POSSIBLE USE	**402**	**94**	**79**
Corresponding carryforward losses	17	173	49

	DTA maturity date 1 year	DTA maturity date 2 years	DTA maturity date 3 years
DTA recognized on tax loss carryforward	261	57	48
Other recognized deferred tax	1,703	378	346
TOTAL RECOGNIZED DTA BY EXPECTED DATE OF DTA POSSIBLE USE	**1,963**	**436**	**394**
Corresponding carryforward losses	876	188	171
DTA recognized on tax loss carryforward	5	2	46
Other recognized deferred tax	351	54	57
TOTAL RECOGNIZED DTA BY LATEST DATE OF DTA POSSIBLE USE	**356**	**57**	**103**
Corresponding carryforward losses	18	7	128

(a) In accordance with IFRS 3, i.e. within 12 months following the acquisition date, the Group has adjusted certain items impacting the allocation of Winterthur purchase price.

(in Euro million)

2007						
DTA maturity date 4 years	DTA maturity date 5 years	DTA maturity date 6 years	DTA maturity date between 7 and 11 years	DTA maturity date > 11 years	No maturity date	TOTAL
21	24	18	32	10	–	469
354	446	127	624	3,879	–	7,868
374	**470**	**144**	**656**	**3,888**	**–**	**8,338**
100	116	73	167	22	–	1,869
20	9	8	5	4	369	470
89	149	16	218	1,025	5,854	7,868
108	**158**	**24**	**223**	**1,028**	**6,223**	**8,338**
66	38	32	11	5	1,479	1,869

(in Euro million)

2006 Restated [a]						
DTA maturity date 4 years	DTA maturity date 5 years	DTA maturity date 6 years	DTA maturity date between 7 and 11 years	DTA maturity date > 11 years	No maturity date	TOTAL
25	30	16	11	10	–	457
366	574	157	1,780	2,228	–	7,534
391	**604**	**174**	**1,791**	**2,238**	**–**	**7,991**
114	128	82	77	45	–	1,682
32	19	7	9	10	327	457
80	151	13	239	986	5,606	7,538
112	**170**	**21**	**248**	**995**	**5,933**	**7,995**
89	52	20	25	45	1,298	1,682

Unrecognized Deferred Tax Assets (DTA) by expiration date:

The tables below break down the potential Deferred Tax Assets (DTA) which have not been recorded in the accounts at the year end as consider unrecoverable and the "expiry date", i.e the latest date the Group could use them.

	DTA maturity date 1 year	DTA maturity date 2 years	DTA maturity date 3 years
Unrecognized DTA on tax loss carryforward	6	6	1
Other unrecognized deferred tax	–	–	–
TOTAL UNRECOGNIZED DTA BY EXPIRATION DATE OF DTA POSSIBLE USE	**6**	**6**	**1**
Corresponding carryforward losses	19	15	3

	DTA maturity date 1 year	DTA maturity date 2 years	DTA maturity date 3 years
Unrecognized DTA on tax loss carryforward	–	2	82
Other unrecognized deferred tax	4	–	–
TOTAL UNRECOGNIZED DTA BY EXPIRATION DATE OF DTA POSSIBLE USE	**4**	**2**	**82**
Corresponding carryforward losses	–	7	363

(a) In accordance with IFRS 3, i.e. within 12 months following the acquisition date, the Group has adjusted certain items impacting the allocation of Winterthur purchase price.

(in Euro million)

2007						
DTA maturity date 4 years	DTA maturity date 5 years	DTA maturity date 6 years	DTA maturity date between 7 and 11 years	DTA maturity date > 11 years	No maturity date	TOTAL
11	6	14	2	6	108	159
–	–	–	5	–	–	5
11	**6**	**14**	**7**	**6**	**108**	**164**
29	14	38	6	35	209	370

(in Euro million)

2006 Restated [a]						
DTA maturity date 4 years	DTA maturity date 5 years	DTA maturity date 6 years	DTA maturity date between 7 and 11 years	DTA maturity date > 11 years	No maturity date	TOTAL
20	14	12	(14)	–	114	229
–	–	–	–	1	305	310
20	**14**	**12**	**(14)**	**1**	**419**	**539**
71	36	30	11	–	415	933

NOTE 19 > DERIVATIVE INSTRUMENTS

This note includes all type of derivatives excluding derivative instruments that meet the definition of equity instruments (see Note 13 for details) or derivative instruments held by consolidated investment funds in the "satellite investment portfolio" (see Note 1.7.2.) which are recognized at fair value in accordance with IAS 39.

19.1. DERIVATIVE INSTRUMENTS: MATURITIES, NOTIONAL VALUES AND FAIR VALUES

	Maturity of notional amount as at December 31, 2007 (a)						Notional amount		
	< 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	> 5 years	December 31, 2007	December 31, 2006	December 31, 2005
Interest rate swaps	10,311	7,380	8,463	4,692	3,481	36,154	70,480	68,749	78,392
Currency swaps	11,507	4,431	4,143	2,386	2,768	10,446	35,681	34,462	26,237
Basic swaps	–	–	119	–	68	32	220	314	792
Equity swaps	2,189	52	20	15	–	55	2,331	1,337	1,124
Total return swaps	4,648	–	–	2	22	2,923	7,595	6,976	1,770
SWAPS	**28,655**	**11,863**	**12,745**	**7,095**	**6,338**	**49,611**	**116,307**	**111,837**	**108,315**
Caps	–	7,162	7,000	1,051	405	8,511	24,128	25,382	42,326
Floors	–	8,148	4,094	4,074	–	2,037	18,353	24,308	20,626
Collars	1,000	–	–	–	–	–	1,000	–	–
Swaptions	1,759	753	308	366	317	4,773	8,275	11,203	2,526
Calls bought	1,023	6	16	9	–	2,318	3,371	4,760	1,338
Calls sold	3,032	–	–	–	–	–	3,032	11	108
Puts bought	3,107	2,285	76	85	77	739	6,369	1,463	796
Puts sold	133	4	–	–	–	–	137	2,309	143
OPTIONS	**10,053**	**18,358**	**11,494**	**5,584**	**799**	**18,378**	**64,665**	**69,436**	**67,862**
Forwards / Futures bought	8,731	101	1	–	82	–	8,916	12,024	1,712
Forwards / Futures sold	26,019	4,416	4	–	84	209	30,732	34,101	19,499
FORWARDS / FUTURES	**34,751**	**4,518**	**5**	**–**	**166**	**209**	**39,649**	**46,124**	**21,211**
CREDIT DERIVATIVES	**16**	**1,362**	**5,665**	**1,053**	**2,141**	**1,032**	**11,269**	**9,854**	**9,771**
Other derivatives	3	9	–	400	6	1,269	1,687	638	13
TOTAL	**73,478**	**36,109**	**29,909**	**14,131**	**9,450**	**70,499**	**233,576**	**237,890**	**207,172**

NB: This table includes all derivatives (assets and liabilities), i.e. hedge, macrohedge and other, asset and liability positions.
(a) By convention, notional amounts are displayed in absolute value, and exclude potential netting out.

(in Euro million)

Positive fair value			Negative fair value			Net fair value			Change in fair value 2007/2006
December 31, 2007	December 31, 2006	December 31, 2005	December 31, 2007	December 31, 2006	December 31, 2005	December 31, 2007	December 31, 2006	December 31, 2005	
956	1,307	2,113	1,344	1,099	777	(388)	208	1,336	(596)
2,311	1,854	958	688	693	909	1,622	1,161	49	462
2	17	54	2	5	3	–	11	50	(11)
86	171	50	54	246	95	32	(75)	(46)	107
510	365	273	347	225	8	163	140	265	23
3,865	**3,713**	**3,447**	**2,435**	**2,268**	**1,792**	**1,429**	**1,445**	**1,656**	**(16)**
20	17	18	118	207	255	(98)	(190)	(237)	93
109	7	10	–	–	–	109	7	10	103
–	–	–	–	–	–	–	–	–	–
128	253	115	–	–	–	128	253	115	(125)
93	174	14	–	–	2	93	174	13	(81)
–	–	1	18	–	1	(18)	(0)	–	(18)
124	68	–	–	12	19	124	56	(19)	68
–	–	–	–	8	–	–	(8)	–	8
475	**518**	**160**	**136**	**227**	**277**	**339**	**292**	**(117)**	**48**
60	241	13	84	31	5	(24)	211	8	(235)
303	153	42	54	1,291	597	249	(1,138)	(556)	1,387
363	**395**	**55**	**138**	**1,322**	**602**	**225**	**(927)**	**(548)**	**1,152**
83	**54**	**21**	**68**	**9**	**33**	**15**	**45**	**(12)**	**(29)**
110	86	8	11	7	–	99	79	8	20
4,896	**4,766**	**3,691**	**2,788**	**3,833**	**2,704**	**2,107**	**933**	**987**	**1,174**

19.2. HEDGE ACCOUNTING DERIVATIVES

Hedging derivative instruments broke down as follows:

(in Euro million)

	December 31, 2007									
	Derivative instruments used in fair value hedging relationship		Derivative instruments used in a cash flow hedging relationship		Derivative instruments used in hedge of net investment in a foreign operation		Macro-hedges and other derivative instruments not qualifying under IAS 39 but generally used as economic hedges		Total	
	Notional amount	Fair value	Notional amount	Fair value	Notional amount	Fair value	Notional amount	Fair value	Notional amount	Fair value
Interest rate swaps	4,115	(16)	1,151	8	–	1	65,215	(381)	70,480	(388)
Currency swaps	133	–	427	26	14,163	1,510	20,958	86	35,681	1,622
Basic swaps	–	–	–	–	–	–	220	–	220	–
Equity swaps	1,754	(1)	–	–	–	–	577	32	2,331	32
Total return swaps	–	–	–	–	–	–	7,595	163	7,595	163
SWAPS	**6,002**	**(17)**	**1,578**	**34**	**14,163**	**1,511**	**94,564**	**(99)**	**116,307**	**1,429**
Caps	–	–	–	–	290	3	23,838	(101)	24,128	(98)
Floors	–	–	–	–	–	–	18,353	109	18,353	109
Collars	–	–	–	–	–	–	1,000	–	1,000	–
Swaptions	–	–	1,767	27	–	–	6,509	101	8,275	128
Calls bought	–	–	–	–	–	–	3,371	93	3,371	93
Calls sold	–	–	–	–	–	–	3,032	(18)	3,032	(18)
Puts bought	–	–	–	–	–	–	6,369	124	6,369	124
Puts sold	–	–	–	–	–	–	137	–	137	–
OPTIONS	**–**	**–**	**1,767**	**27**	**290**	**3**	**62,609**	**309**	**64,665**	**339**
Forwards / Futures bought	1,021	(38)	–	–	–	–	7,895	14	8,916	(24)
Forwards / Futures sold	3,276	79	–	–	209	(3)	27,247	173	30,732	249
FORWARDS / FUTURES	**4,297**	**41**	**–**	**–**	**209**	**(3)**	**35,143**	**187**	**39,649**	**225**
CREDIT DERIVATIVES	**–**	**–**	**–**	**–**	**–**	**–**	**11,269**	**15**	**11,269**	**15**
Other derivatives	–	–	–	–	–	–	1,687	99	1,687	99
TOTAL	**10,298**	**24**	**3,345**	**61**	**14,662**	**1,511**	**205,271**	**511**	**233,576**	**2,107**

NB: This table includes all derivatives (assets and liabilities), i.e. hedging, macrohedging and other, asset and liability positions.

(in Euro million)

	December 31, 2006									
	Derivative instruments used in fair value hedging relationship		Derivative instruments used in a cash flow hedging relationship		Derivative instruments used in hedge of net investment in a foreign operation		Macro-hedges and other derivative instruments not qualifying under IAS 39 but generally used as economic hedges		Total	
	Notional amount	Fair value	Notional amount	Fair value	Notional amount	Fair value	Notional amount	Fair value	Notional amount	Fair value
Interest rate swaps	3,728	(97)	996	59	–	–	64,025	246	68,749	208
Currency swaps	164	6	234	15	9,554	1,093	24,509	46	34,462	1,161
Basic swaps	–	–	–	–	–	–	314	11	314	11
Equity swaps	1,224	(153)	–	–	–	–	112	78	1,337	(75)
Total return swaps	–	–	–	–	–	–	6,976	140	6,976	140
SWAPS	**5,117**	**(245)**	**1,230**	**75**	**9,554**	**1,093**	**95,937**	**522**	**111,837**	**1,445**
Caps	–	–	–	–	290	3	25,092	(193)	25,382	(190)
Floors	–	–	–	–	–	–	24,308	7	24,308	7
Collars	–	–	–	–	–	–	–	–	–	–
Swaptions	–	–	2,539	94	–	–	8,665	159	11,203	253
Calls bought	–	–	–	–	1,554	46	3,206	128	4,760	174
Calls sold	–	–	–	–	–	–	11	–	11	–
Puts bought	–	–	–	–	–	–	1,463	56	1,463	56
Puts sold	–	–	–	–	1,566	(4)	743	(4)	2,309	(8)
OPTIONS	**–**	**–**	**2,539**	**94**	**3,410**	**45**	**63,488**	**153**	**69,436**	**292**
Forwards / Futures bought	872	6	–	–	208	4	10,943	201	12,024	211
Forwards / Futures sold	3,215	(35)	–	–	2,392	26	28,493	(1,129)	34,101	(1,138)
FORWARDS / FUTURES	**4,088**	**(29)**	**–**	**–**	**2,600**	**30**	**39,437**	**(928)**	**46,124**	**(927)**
CREDIT DERIVATIVES	**–**	**–**	**–**	**–**	**–**	**–**	**9,854**	**45**	**9,854**	**45**
Other derivatives	–	–	–	–	–	21	638	58	638	79
TOTAL	**9,204**	**(274)**	**3,769**	**169**	**15,564**	**1,189**	**209,353**	**(150)**	**237,890**	**933**

NB: This table includes all derivatives (assets and liabilities), i.e. hedging, macrohedging and other, asset and liability positions.

(in Euro million)

	December 31, 2005									
	Derivative instruments used in fair value hedging relationship		Derivative instruments used in a cash flow hedging relationship		Derivative instruments used in hedge of net investment in a foreign operation		Macro-hedges and other derivative instruments not qualifying under IAS 39 but generally used as economic hedges		Total	
	Notional amount	Fair value	Notional amount	Fair value	Notional amount	Fair value	Notional amount	Fair value	Notional amount	Fair value
Interest rate swaps	6,395	204	1,030	78	240	(2)	70,727	1,056	78,392	1,336
Currency swaps	2,554	(151)	20	(1)	9,484	228	14,179	(26)	26,237	49
Basic swaps	–	–	–	–	–	–	792	50	792	50
Equity swaps	378	(104)	–	–	–	–	746	59	1,124	(46)
Total return swaps	–	–	–	–	–	–	1,770	265	1,770	265
SWAPS	**9,327**	**(51)**	**1,050**	**77**	**9,724**	**226**	**88,213**	**1,404**	**108,315**	**1,656**
Caps	–	–	–	–	–	–	42,326	(237)	42,326	(237)
Floors	–	–	–	–	–	–	20,626	10	20,626	10
Collars	–	–	–	–	–	–	–	–	–	–
Swaptions	–	–	–	–	–	–	2,526	115	2,526	115
Calls bought	–	–	–	–	–	–	1,338	13	1,338	13
Calls sold	–	–	–	–	–	–	108	–	108	–
Puts bought	–	–	–	–	–	–	796	(19)	796	(19)
Puts sold	–	–	–	–	–	–	143	–	143	–
OPTIONS	**–**	**–**	**–**	**–**	**–**	**–**	**67,862**	**(117)**	**67,862**	**(117)**
Forwards / Futures bought	–	–	–	–	–	–	1,712	8	1,712	8
Forwards / Futures sold	795	(50)	–	–	–	–	18,704	(506)	19,499	(556)
FORWARDS / FUTURES	**795**	**(50)**	**–**	**–**	**–**	**–**	**20,416**	**(498)**	**21,211**	**(548)**
CREDIT DERIVATIVES	**–**	**–**	**–**	**–**	**–**	**–**	**9,771**	**(12)**	**9,771**	**(12)**
Other derivatives	–	–	–	–	–	6	13	2	13	8
TOTAL	**10,122**	**(101)**	**1,050**	**77**	**9,724**	**232**	**186,275**	**779**	**207,172**	**987**

NB: This table includes all derivatives (assets and liabilities), i.e. hedging, macrohedging and other, asset and liability positions.

Note 4 to the financial statements refers to Risk Management within the Group, and describes its main principles and guidelines. In general, derivatives are used by the various entities and by the Company for economic hedging purposes, with the exception of certain credit derivatives. However, the notion of hedge accounting within the meaning of IAS 39 only applies to a small portion of derivatives used by the Group. The overall objectives of the economic hedging implemented by AXA are described briefly below, along with details of any items that qualify for hedge accounting in the meaning of IAS 39.

In the tables above, the fourth column includes derivatives that do not qualify for hedge accounting under IAS 39, but whose objective is nevertheless to provide economic hedging of a risk, with the exception of certain credit derivatives. They include "macro-hedging" derivatives as defined by the IASB in its amendment to IAS 39.

AXA uses derivative instruments to manage various types of risks, including interest rate risk, exchange rate risk, credit risk and hedging of some equity and real estate exposures.

As at December 31, 2007, the notional amount of all derivative instruments, for trading and non-trading purposes, totaled €233 billion (€238 billion and €207 billion respectively at the end of 2006 and 2005). Their net fair value as at December 31, 2007 totaled €2,107 million (€933 million and €987 million respectively at the end of 2006 and 2005).

While notional amount is the most commonly used measure of volume in the derivatives market, it is not used as a measure of risk because the notional amount greatly exceeds the possible credit and market loss that could arise from such transactions. The AXA Group is exposed to credit risk in respect of its counterparties to the derivative instruments, but is not exposed to credit risk on the entire notional amounts. The notional amounts do not represent the amounts actually exchanged by the parties and thus are not a measure of the AXA Group's exposure to derivative instruments. The AXA Group's exposure is represented by the market value of a derivative contract at a given point in time.

The Risk Management and associated economic hedging strategies are defined and managed by AXA's local operations in line with accounting regulations. Such economic hedging strategies include (i) managing interest-rate exposures on fixed maturity investments, long-term debt and guaranteed interest rates on insurance contracts, (ii) managing foreign-currency exposures on foreign-currency denominated investments and liabilities, and (iii) managing liquidity positions (including the ability to pay benefits and claims when due) in connection with asset-liability management and local regulatory requirements for insurance and banking operations.

As at December 31, 2007 and based on notional amounts, (i) 50% of the derivative instruments used consisted in swap contracts (47% and 52% respectively at the end of 2006 and 2005), (ii) 28% were option products (mainly caps, floors and collars) (29% and 33% respectively at the end of December 2006 and 2005), (iii) 17% were futures and forwards (mainly other than foreign currency products) versus 19% and 10% respectively at the end of 2006 and 2005, and (iv) 5% were credit derivatives, compared to 4% and 5% respectively at the end of 2006 and 2005. Credit derivatives are an alternative option to investing in fixed maturities issued by private sector companies.

As at December 31, 2007, the notional amount of hedging derivative instruments as defined by IAS 39 (fair value, cash flow and net investment hedges) of the AXA Group totaled €28,305 million (€28,537 million at the end of 2006 and €20,897 million at the end of 2005). Their net fair value was €1,596 million (€1,083 million at the end of 2006 and €208 million at the end of 2005).

a) Swaps

Swap contracts are agreements between two parties to exchange one set of cash flows for another. Payments are made on the basis of the swap's notional value. AXA primarily uses (i) interest-rate swap contracts to manage cash flows arising from interest received or paid, and (ii) currency swap contracts to manage foreign-currency denominated cash flows or investments.

On a consolidated basis, the notional amount of such instruments at December 31, 2007 was €116,307 million (€111,837 million at the end of 2006 and €108,315 million at the end of 2005). Their market value was €1,429 million (€1,445 million at the end of 2006 and €1,656 million at the end of 2005).

At December 31, 2007, interest-rate swaps accounted for 61% of all swaps used by AXA (versus 61% and 72% respectively at the end of 2006 and 2005). They are used mainly by (i) the Company to limit its interest-rate exposure on debt issued or amounts borrowed (notional value of €46,481 million compared to €39,602 million and €31,612 million respectively at the end of 2006 and 2005), (ii) AXA Bank Belgium to hedge interest-rate risk exposures arising in the context of its ordinary banking activities, in order to achieve an appropriate interest-rate spread between its interest-earning assets and interest-bearing liabilities (notional value of €10,799 million versus €11,864 million and €28,283 million respectively at the end of 2006 and 2005, the decrease being due to a diversification in asset allocation as part of an active treasury portfolio management policy) and (iii) AXA Japan (notional amount of €3,226 million versus €4,202 million and €7,402 million respectively at the end of 2006 and 2005) to limit its risk exposure to interest-rate on its invested assets (fixed maturities held directly and through consolidated mutual funds). The decrease in notional value in 2007 at AXA Japan was mainly due to the sale of bonds denominated in dollar within the consolidated mutual funds, the proceeds of which were reinvested in Japanese bonds.

Currency swaps constitute another part of AXA's hedging strategies to manage foreign currency cash flow exposures, and are primarily used by AXA parent company (€28,698 million at end 2007 versus €21,968 million and €17,156 million respectively at the end of 2006 and 2005), and by AXA Japan mainly to hedge the foreign currency exposure related to internal debts and loans (€1,259 million versus €3,071 million and €5,057 million respectively at the end of 2006 and 2005).

At December 31, 2007, 81% of the total notional amount of swaps did not qualify for hedge accounting under IAS 39 (86% at the end of 2006 and 81% at the end of 2005), and included €61,291 million for the Company (€51,203 million at the end of 2006 and €38,566 million at the end of 2005) and €13,901 million for AXA Bank Belgium (versus €16,728 million at the end of 2006 and €27,826 million at the end of 2005) mainly composed of interest-rate swaps and total return swaps that generate short-term profits.

The notional amounts of swaps used in fair value hedge relationships totaled €6,002 million as at December 31, 2007 (€5,117 million at the end of 2006 and €9,327 million at the end of 2005), including €850 million for the Company to hedge a part of its financing debts, €1,632 million for AXA Japan (mainly including €927 million of interest rate swaps on proper euro bonds and €705 million of equity swaps), and €2,180 million for AXA Bank Belgium to hedge a portfolio interest risk.

The notional amounts of swaps used in cash flow hedge relationships totaled €1,578 million (€1,230 million at the end of 2006 and €1,050 million at the end of 2005), including €521 million of interest-rate swaps in Belgium (Life & Savings business), €598 million in Germany in CDO investments, and €289 million of interest-rate swaps at the Australian holding company.

The notional amounts of swaps used in net foreign investment hedge relationships totaled €14,163 million (€9,554 million at the end of 2006 and €9,724 million at the end of 2005), including €13,084 million of currency swaps used by the Company.

b) Options

The option portfolio consists mainly of caps and floors. **Interest rate caps and floors** are option-like agreements where the seller agrees to pay the counterparty an amount equal to the difference, based on a notional amount, between the interest rate of the specified index and the interest rate cap or floor. These products are used to hedge against interest rate increases (caps) or decreases (floor). The notional amount of these instruments at December 31, 2007 was €42,481 million (€49,690 million and €62,952 million respectively at the end of 2006 and 2005), the decrease being mainly attributable to the United States and France, where some hedges matured at the end of 2007 and were not replaced immediately. They represented 66% of the total notional amount of all options (72% and 93% respectively at the end of 2006 and 2005). Their fair value was €11 million (€–184 million at the end of 2006 and €–226 million at the end of 2005).

Caps and floors are used predominantly by the United States and French Life & Savings operations to hedge interest rates on contracts with guaranteed rates of return.

Swaptions represented 13% of the total notional amount of options as at December 31, 2007, mainly (i) in Switzerland for €2,767 million (€4,191 million at the end of 2006) including € 1,767 million (€2,089 million at the end of 2006) used to hedge the risk of reinvestment by the Swiss Individual Life & Savings business, (ii) in Belgium life for €2,366 million to hedge against a fall in rates in the traditional life fund and in a specific corporate life fund (€1,148 million and €627 million respectively) and against the risk of customer loss following an increase in rates in segregated funds (Crest for €591 million), and in Germany (€1,500 million).

c) Futures and Forwards

Futures are contracts that obligate settlement at a specified price and on a specified future date and can be traded on the market. **Forwards** are over-the-counter contracts.

On a consolidated basis, the notional amount of futures and forwards at December 31, 2007 was €39,649 million (€46,124 million at the end of 2006 and €21,211 million at the end of 2005). Their market value was €225 million (€–927 million at the end of 2006 and €–548 million at the end of 2005).

Currency futures and forward contracts accounted for 76% of these instruments (based on notional amounts at December 31, 2007), compared to 81% at the end of 2006 and 80% at the end of 2005. Swiss entities held futures and forwards for a total notional amount of €16,780 million (€19,642 million at the end of 2006), including €4,297 million (€3,653 million at the end of 2006) designated as fair value hedges and €12,483 million (€13,775 million at the end of 2006) that did not qualify for hedge accounting under IAS 39.

AXA Japan also uses futures and forward foreign currency contracts (for a total notional amount of €5,518 million) to hedge exchange-rate risk arising from its investments in US and European fixed-maturity bonds, mainly held in controlled funds. In accordance with IAS 21 and IAS 39, some or all of the translation difference relating to these bonds is recognized in profit & loss and offsets most of the change in market value of associated derivative instruments, which is also recognized in profit & loss. In substance, therefore, these contracts act as hedges without the need to use hedge accounting within the meaning of IAS 39.

Additionally, AXA's United States insurance operations use forwards and futures for the dynamic risks management program associated with the guaranteed minimum benefits on unit-linked products.

Other futures were predominantly used by insurance operations to hedge future operating margins.

As a result, 89% of the notional value of futures and forwards at the end of 2007 were used in hedging relationships that do not qualify for hedge accounting under IAS 39 (86% and 96% respectively at the end of 2006 and 2005).

d) Credit derivatives

AXA mainly uses credit derivatives to manage the exposures of its assets and liabilities to interest-rate risks, but may also use them to enhance returns on invested assets.

At December 31, 2007, the notional amount of credit derivatives carried by the Group was €19,523 million, of which:

– €8,254 million relating to exposures held within investment funds of the "satellite investment portfolio" (see Note 1.7.2.) not detailed in this note. Such credit default swaps were used mainly in France (€6,998 million) and Belgium (€895 million) as an alternative to corporate bond portfolios.
– €11,269 million held directly or within "core investment portfolio" or CDOs with a fair value of €15 million detailed in the present note.

Such credit derivatives were mainly used in CDOs to build their collateral portfolio (for a total notional amount of

€4,003 million at the end of 2007 versus €4,272 million at the end of 2006 and €4,612 million at the end of 2005). AXA Japan invested also in credit default swaps (€4,253 million at the end of 2007 versus €4,676 million at the end of 2006 and €4,623 million at the end of 2005) and used them on highly rated bonds to enhance the returns on its portfolio, a simple alternative to investing directly in corporate bonds.

e) Mortality derivatives

On November 13, 2006, AXA announced a €1 billion pluri-annual shelf program to transfer mortality risk to the capital markets, of which approximately €345 million (converted at the transaction date) was invested in 2006. This risk transfer resulted in a derivative contract between AXA and a special purpose vehicle called Osiris Capital plc, indexed to the mortality levels observed in various countries in which AXA operates (France, Japan, Australia and the United States for the 2006 investment). It is shown under the line item "Other derivatives".

19.3. EFFECT OF HEDGING ON FINANCIAL INVESTMENTS

The impact of derivative instruments is presented in the balance sheet within their related underlying financial assets (and liabilities, see section 19.4.). The table below sets out the impact of derivative instruments on the related underlying assets.

	Insurance			
	Net value excluding effect of hedging value [(a)]	Impact of derivative instruments subject to hedge accounting [(b)]	Impact of other derivative instruments [(c)]	Net value including effect of derivatives [(d)]
Investment property at amortized cost	12,025	–	20	12,045
Investment property at fair value through profit & loss	4,137	–	–	4,137
Macro hedge and speculative derivatives	–	–	–	–
Investment property	**16,161**	**–**	**20**	**16,182**
Fixed maturities held to maturity	–	–	–	–
Fixed maturities available for sale	241,220	(9)	556	241,766
Fixed maturities at fair value through profit & loss	55,095	–	58	55,152
Fixed maturities held for trading	123	–	(3)	120
Non quoted fixed maturities (amortized cost)	–	–	–	–
Fixed maturities	**296,438**	**(9)**	**610**	**297,039**
Equities available for sale	33,249	37	64	33,350
Equities at fair value through profit & loss	19,322	–	–	19,322
Equities held for trading	127	–	–	127
Equities	**52,697**	**37**	**64**	**52,799**
Non controlled investment funds available for sale	3,446	3	–	3,449
Non controlled investment funds at fair value through profit & loss	2,260	–	38	2,298
Non controlled investment funds held for trading	135	–	–	135
Non controlled investment funds	**5,841**	**3**	**38**	**5,882**
Other investments [(f)]	**4,352**	**–**	**6**	**4,358**
Macro hedge and speculative derivatives	**(27)**	**–**	**–**	**(27)**
TOTAL FINANCIAL INVESTMENTS	**359,301**	**32**	**719**	**360,051**
Loans held to maturity	–	–	–	–
Loans available for sale	926	–	–	926
Loans at fair value through profit & loss	39	–	–	39
Loans held for trading	–	–	–	–
Mortgage loans	12,817	–	–	12,817
Others [(e)]	11,370	–	24	11,395
Macro hedge and speculative derivatives	–	–	–	–
Loans	**25,152**	**–**	**24**	**25,177**
Financial investments backing contracts where financial risks is borne by policyholders	**182,726**	**–**	**101**	**182,827**
TOTAL FINANCIAL ASSETS	**583,340**	**32**	**865**	**584,237**
Derivative instruments hedging net investment in a foriegn operation (assets) [(g)]	**–**	**–**	**–**	**–**

(a) Net book value, i.e net of impairment, discount premiums and related amortization, including accrued interest, but excluding any impact of derivatives.
(b) Excluding macro hedge and other derivatives.
(c) Macro hedge and other derivatives.
(d) Net book value (see (a)), but including effect of hedging instruments (IAS 39), economic hedging instruments not acting as hedging under IAS 39, macrohedge and other derivatives.
(e) Notably includes policy loans, lease receivables and other loans.
(f) Other investments held through consolidated investment funds at fair value through profit and loss.
(g) Derivatives instruments used in hedge of net investment in a foreign operation, and not attached to a debt on the face of the balance sheet.

(in Euro million)

December 31, 2007							
Banking and other activities				Total			
Net value excluding effect of hedging value [(a)]	Impact of derivative instruments subject to hedge accounting [(b)]	Impact of other derivative instruments [(c)]	Net value including effect of derivatives [(d)]	Net value excluding effect of hedging value [(a)]	Impact of derivative instruments subject to hedge accounting [(b)]	Impact of other derivative instruments [(c)]	Net value including effect of derivatives [(d)]
1,776	–	–	1,776	13,801	–	20	13,821
–	–	–	–	4,137	–	–	4,137
–	–	–	–	–	–	–	–
1,776	**–**	**–**	**1,776**	**17,937**	**–**	**20**	**17,958**
–	–	–	–	–	–	–	–
4,933	1	–	4,935	246,153	(8)	556	246,701
832	–	(11)	822	55,927	–	47	55,974
1,042	–	(23)	1,019	1,165	–	(26)	1,139
–	–	–	–	–	–	–	–
6,808	**1**	**(34)**	**6,775**	**303,246**	**(8)**	**577**	**303,814**
2,550	–	(5)	2,546	35,799	37	59	35,896
271	–	–	271	19,593	–	–	19,593
325	–	–	325	452	–	–	452
3,146	**–**	**(5)**	**3,141**	**55,843**	**37**	**59**	**55,940**
142	–	–	142	3,588	3	–	3,591
134	–	–	134	2,394	–	38	2,433
8	–	–	8	143	–	–	143
284	**–**	**–**	**284**	**6,124**	**3**	**38**	**6,166**
166	**–**	**–**	**166**	**4,518**	**–**	**6**	**4,524**
1,312	**–**	**–**	**1,312**	**1,285**	**–**	**–**	**1,285**
11,716	**1**	**(38)**	**11,679**	**371,016**	**33**	**681**	**371,730**
–	–	–	–	–	–	–	–
41	–	–	41	968	–	–	968
1	–	–	1	40	–	–	40
77	–	–	77	77	–	–	77
1	–	–	1	12,818	–	–	12,818
121	–	–	121	11,491	–	24	11,515
7	–	–	7	7	–	–	7
248	**–**	**–**	**248**	**25,400**	**–**	**24**	**25,425**
–	**–**	**–**	**–**	**182,726**	**–**	**101**	**182,827**
13,740	**1**	**(38)**	**13,703**	**597,080**	**33**	**827**	**597,939**
–	**–**	**–**	**–**	**–**	**–**	**–**	**–**

	Insurance			
	Net value excluding effect of hedging value [(a)]	Impact of derivative instruments subject to hedge accounting [(b)]	Impact of other derivative instruments [(c)]	Net value including effect of derivatives [(d)]
Investment property at amortized cost	13,260	–	–	13,260
Investment property at fair value through profit & loss	5,364	–	–	5,364
Macro hedge and speculative derivatives	–	–	–	–
Investment property	**18,625**	**–**	**–**	**18,625**
Fixed maturities held to maturity	–	–	–	–
Fixed maturities available for sale	241,652	(83)	(311)	241,258
Fixed maturities at fair value through profit & loss	49,520	–	71	49,591
Fixed maturities held for trading	71	–	23	94
Non quoted fixed maturities (amortized cost)	10	–	–	10
Fixed maturities	**291,253**	**(83)**	**(217)**	**290,953**
Equities available for sale	35,761	(149)	(8)	35,604
Equities at fair value through profit & loss	22,076	(25)	–	22,050
Equities held for trading	142	–	–	142
Equities	**57,979**	**(175)**	**(8)**	**57,797**
Non controlled investment funds available for sale	4,593	6	–	4,599
Non controlled investment funds at fair value through profit & loss	2,321	13	(15)	2,319
Non controlled investment funds held for trading	80	–	–	80
Non controlled investment funds	**6,994**	**19**	**(15)**	**6,998**
Other investments [(f)]	**3,145**	**–**	**(1)**	**3,144**
Macro hedge and speculative derivatives	**(175)**	**–**	**–**	**(175)**
TOTAL FINANCIAL INVESTMENTS	**359,197**	**(238)**	**(241)**	**358,718**
Loans held to maturity	–	–	–	–
Loans available for sale	819	–	5	824
Loans at fair value through profit & loss	378	–	–	378
Loans held for trading	–	–	–	–
Mortgage loans	13,077	–	2	13,079
Others [(e)]	14,589	–	(11)	14,578
Macro hedge and speculative derivatives	–	–	–	–
Loans	**28,864**	**–**	**(4)**	**28,860**
Financial investments backing contracts where financial risks is borne by policyholders	**176,479**	**–**	**83**	**176,562**
TOTAL FINANCIAL ASSETS	**583,164**	**(238)**	**(162)**	**582,765**
Derivative instruments hedging net investment in a foriegn operation (assets) [(g)]	**–**	**–**	**–**	**–**

(a) Net book value, i.e net of impairment, discount premiums and related amortization, including accrued interest, but excluding any impact of derivatives.
(b) Excluding macro hedge and other derivatives, i.e. excluding economic hedges that do not qualify for hedge accounting under IAS 39, macro-hedging and other derivatives.
(c) Macro hedge and other derivatives.
(d) Net book value (see (a)), but including effect of hedging instruments (IAS 39), economic hedging instruments not acting as hedging under IAS 39, macrohedge and other derivatives.
(e) Notably includes policy loans, lease receivables and other loans.
(f) Other investments held through consolidated investment funds at fair value through profit and loss.
(g) Derivatives instruments used in hedge of net investment in a foreign operation, and not attached to a debt on the face of the balance sheet.
(h) In accordance with IFRS 3, i.e. within 12 months following the acquisition date, the Group has adjusted certain items affecting the allocation of Winterthur purchase price.

(in Euro million)

December 31, 2006 Restated [h]							
Banking and other activities				Total			
Net value excluding effect of hedging value [a]	Impact of derivative instruments subject to hedge accounting [b]	Impact of other derivative instruments [c]	Net value including effect of derivatives [d]	Net value excluding effect of hedging value [a]	Impact of derivative instruments subject to hedge accounting [b]	Impact of other derivative instruments [c]	Net value including effect of derivatives [d]
548	–	–	548	13,808	–	–	13,808
608	–	–	608	5,972	–	–	5,972
–	–	–	–	–	–	–	–
1,156	**–**	**–**	**1,156**	**19,780**	**–**	**–**	**19,780**
–	–	–	–	–	–	–	–
5,645	–	–	5,645	247,297	(83)	(311)	246,903
186	–	(4)	182	49,706	–	67	49,772
1,172	–	31	1,203	1,244	–	54	1,297
1	–	–	1	11	–	–	11
7,005	**–**	**26**	**7,031**	**298,258**	**(83)**	**(191)**	**297,984**
2,744	–	(11)	2,733	38,505	(149)	(19)	38,337
123	–	–	123	22,198	(25)	–	22,173
332	–	–	332	474	–	(0)	474
3,199	**–**	**(11)**	**3,187**	**61,178**	**(175)**	**(19)**	**60,984**
226	–	–	226	4,819	6	(0)	4,825
155	–	–	155	2,476	13	(15)	2,474
33	–	–	33	113	–	–	113
414	**–**	**–**	**414**	**7,407**	**19**	**(15)**	**7,412**
–	**–**	**–**	**–**	**3,145**	**–**	**(1)**	**3,144**
875	**–**	**–**	**875**	**701**	**–**	**–**	**701**
11,492	**–**	**15**	**11,507**	**370,689**	**(238)**	**(226)**	**370,225**
–	–	–	–	–	–	–	–
26	–	–	26	845	–	5	850
2,815	–	(48)	2,768	3,194	–	(47)	3,146
227	–	–	227	227	–	–	227
13	–	–	13	13,090	–	2	13,092
591	–	–	591	15,181	–	(11)	15,170
8	–	–	8	8	–	–	8
3,680	**–**	**(48)**	**3,632**	**32,544**	**–**	**(52)**	**32,492**
–	**–**	**–**	**–**	**176,479**	**–**	**83**	**176,562**
16,328	**–**	**(33)**	**16,295**	**599,492**	**(238)**	**(195)**	**599,059**
–	**–**	**–**	**–**	**–**	**–**	**–**	**–**

	Insurance			
	Net value excluding effect of hedging value [(a)]	Impact of derivative instruments subject to hedge accounting [(b)]	Impact of other derivative instruments [(c)]	Net value including effect of derivatives [(d)]
Investment property at amortized cost	7,832	–	–	7,832
Investment property at fair value through profit & loss	4,979	–	–	4,979
Macro hedge and speculative derivatives	–	–	–	–
Investment property	**12,810**	**–**	**–**	**12,810**
Fixed maturities held to maturity	–	–	–	–
Fixed maturities available for sale	189,382	(166)	235	189,451
Fixed maturities at fair value through profit & loss	43,403	–	10	43,413
Fixed maturities held for trading	142	–	–	142
Non quoted fixed maturities (amortized cost)	20	–	–	20
Fixed maturities	**232,948**	**(166)**	**246**	**233,027**
Equities available for sale	27,858	(104)	(73)	27,680
Equities at fair value through profit & loss	18,804	–	–	18,804
Equities held for trading	101	–	–	101
Equities	**46,762**	**(104)**	**(73)**	**46,585**
Non controlled investment funds available for sale	3,132	–	89	3,221
Non controlled investment funds at fair value through profit & loss	1,916	–	–	1,917
Non controlled investment funds held for trading	195	–	–	195
Non controlled investment funds	**5,243**	**–**	**89**	**5,333**
Other investments [(f)]	**1,911**	**–**	**1**	**1,912**
Macro hedge and speculative derivatives	**(209)**	**–**	**–**	**(209)**
TOTAL FINANCIAL INVESTMENTS	**286,655**	**(271)**	**263**	**286,647**
Loans held to maturity	–	–	–	–
Loans available for sale	–	–	–	–
Loans at fair value through profit & loss	125	–	–	125
Loans held for trading	–	–	–	–
Mortgage loans	7,230	–	–	7,230
Others [(e)]	10,976	–	1	10,977
Macro hedge and speculative derivatives	–	–	–	–
Loans	**18,332**	**–**	**1**	**18,332**
Financial investments backing contracts where financial risks is borne by policyholders	**141,397**	**–**	**13**	**141,410**
TOTAL FINANCIAL ASSETS	**459,194**	**(271)**	**277**	**459,200**
Derivative instruments hedging net investment in a foriegn operation (assets) [(g)]	**–**	**–**	**–**	**–**

(a) Net book value, i.e net of impairment, discount premiums and related amortization, including interest accrued but not yet due, but excluding any impact of derivatives.
(b) Excluding macrohedge and other derivatives, i.e. excluding economic hedges that do not qualify for hedge accounting under IAS 39, macro-hedging and other derivatives.
(c) Macrohedge and other derivatives.
(d) Net book value (see (a)), but including effect of hedging instruments (IAS 39), economic hedging instruments not acting as hedging under IAS 39, macrohedge and other derivatives.
(e) Notably includes policy loans, lease receivables and other loans.
(f) Other investments held through consolidated investment funds at fair value through profit and loss.
(g) Derivatives instruments used in hedge of net investment in a foreign operation, and not attached to a debt on the face of the balance sheet.

(in Euro million)

December 31, 2005							
Banking and other activities				Total			
Net value excluding effect of hedging value [a]	Impact of derivative instruments subject to hedge accounting [b]	Impact of other derivative instruments [c]	Net value including effect of derivatives [d]	Net value excluding effect of hedging value [a]	Impact of derivative instruments subject to hedge accounting [b]	Impact of other derivative instruments [c]	Net value including effect of derivatives [d]
314	–	–	314	8,146	–	–	8,146
–	–	–	–	4,979	–	–	4,979
–	–	–	–	–	–	–	–
314	**–**	**–**	**314**	**13,124**	**–**	**–**	**13,124**
–	–	–	–	–	–	–	–
5,740	–	(1)	5,739	195,123	(166)	234	195,190
779	–	(42)	737	44,182	–	(32)	44,150
1,547	–	–	1,547	1,689	–	–	1,689
2	–	–	2	22	–	–	22
8,068	**–**	**(44)**	**8,025**	**241,016**	**(166)**	**202**	**241,052**
571	–	–	571	28,429	(104)	(73)	28,252
48	–	–	48	18,852	–	–	18,852
308	–	–	308	409	–	–	409
928	**–**	**–**	**928**	**47,690**	**(104)**	**(73)**	**47,513**
201	–	–	201	3,333	–	89	3,422
73	–	–	73	1,990	–	–	1,990
22	–	–	22	217	–	–	217
296	**–**	**–**	**296**	**5,540**	**–**	**89**	**5,629**
–	**–**	**–**	**–**	**1,911**	**–**	**1**	**1,912**
198	**–**	**–**	**198**	**(11)**	**–**	**–**	**(11)**
9,491	**–**	**(44)**	**9,447**	**296,146**	**(271)**	**219**	**296,094**
1	–	–	1	1	–	–	1
23	–	–	23	23	–	–	23
–	–	–	–	125	–	–	125
248	–	–	248	248	–	–	248
20	(58)	–	(38)	7,250	(58)	–	7,192
74	–	–	74	11,051	–	1	11,051
15	–	–	15	15	–	–	15
381	**(58)**	**–**	**323**	**18,712**	**(58)**	**1**	**18,655**
–	**–**	**–**	**–**	**141,397**	**–**	**13**	**141,410**
10,186	**(58)**	**(44)**	**10,084**	**469,379**	**(329)**	**233**	**469,284**
–	**–**	**–**	**–**	**–**	**–**	**–**	**–**

19.4. EFFECT OF HEDGING ON LIABILITIES

The impact of derivative instruments is presented in the balance sheet within their related underlying financial liabilities (and assets, see section 19.3). The tables below set out the impact of derivative instruments on the related underlying liabilities.

19.4.1. Liabilities arising from insurance and investment contracts

	December 31, 2007			
	Net carrying value excluding effect of hedging value	Impact of derivative instruments subject to hedge accounting	Impact of other derivative instruments	Value incluying effects of derivatives
Liabilities arising from insurance contracts [(a)]	310,709	–	(98)	310,611
Liabilities arising from insurance contracts where the financial risk is borne by policyholders	113,654	–	–	113,654
Total liabilities arising from insurance contracts	**424,363**	**–**	**(98)**	**424,265**
Liabilities arising from investment contracts with discretionary participating features [(a)]	40,121	–	(102)	40,019
Liabilities arising from investment contracts with no discretionary participating features	1,452	–	–	1,452
Liabilities arising from investment contracts where the financial risk is borne by policyholders	69,587	–	–	69,587
Total liabilities arising from investment contracts	**111,161**	**–**	**(102)**	**111,059**
Macro hedge derivative instruments on insurance and investment contracts (liabilities)	**–**	**–**	**13**	**–**

(a) As described in note 1.12.2 on accounting principles, the adoption of FRS 27 in the United Kingdom led to adjustments to 2005 figures (see note 14 for details).
(b) In accordance with IFRS 3, i.e. within 12 months following the acquisition date, the Group has adjusted certain items impacting the allocation of Winterthur purchase price.

19.4.2. Other financial liabilities

	December 31, 2007			
	Value before effect of derivative instruments	Impact of derivative instruments subject to hedge accounting	Impact of other derivative instruments	Value including effects of derivatives
Subordinated debt [(a)]	6,173	(531)	504	6,146
Financing debt instruments issued	4,698	(106)	(57)	4,535
Financing debt owed to credit institutions	175	–	–	175
Financing debt [(b)]	**11,046**	**(637)**	**447**	**10,856**
Minority interest of controlled investment funds and puttable instruments held by minority interests holders	7,751	–	–	7,751
Other debt instruments issued, notes and bank overdrafts	6,258	2	–	6,260
Payables arising from direct insurance and inward reinsurance operations	7,033	(14)	–	7,018
Payables arising from outward reinsurance operations	6,024	–	–	6,024
Payables arising from banking activities [(b)]	18,443	–	271	18,713
Payables –– current tax position	2,394	–	–	2,394
Other payables	43,693	8	26	43,727
Derivatives relating to other financial liabilities			120	120
Other debts [(c)]	**91,595**	**(4)**	**417**	**92,008**
Derivative instruments hedging net investment in a foreign operation (liabilities) [(d)]	**–**	**–**	**–**	**–**

(a) As described in note 1.11.2, perpetual subordinated notes were reclassified under shareholders' equity in 2006 with retrospective application to 2005. Details are provided in Note 13.
(b) Financing debt, other debt instruments issued, notes and bank overdrafts, and Payables arising from banking activities issued are disclosed in the balance sheet net of the impact of derivatives. As a result, the amount showing in the column "value including effect of derivatives" is their net book value.
(c) Other debts are presented excluding the effect of derivatives on the face of the balance sheet.
(d) Derivative instruments used to hedge the net investment in a foreign operation, and not attached to a debt on the face of the balance sheet.
(e) In accordance with IFRS 3, i.e. within 12 months following the acquisition date, the Group has adjusted certain items impacting the allocation of Winterthur purchase price.

(in Euro million)

December 31, 2006 Restated (b)				December 31, 2005			
Net carrying value excluding effect of hedging value	Impact of derivative instruments subject to hedge accounting	Impact of other derivative instruments	Value incluying effects of derivatives	Net carrying value excluding effect of hedging value	Impact of derivative instruments subject to hedge accounting	Impact of other derivative instruments	Value incluying effects of derivatives
323,361	(21)	(67)	323,274	247,717	(6)	(94)	247,617
108,984	–	–	108,984	92,888	–	–	92,888
432,345	**(21)**	**(67)**	**432,258**	**340,605**	**(6)**	**(94)**	**340,505**
32,606	–	–	32,606	33,267	–	–	33,267
1,121	–	(62)	1,059	926	–	(52)	873
67,673	–	–	67,673	48,549	–	–	48,549
101,399	**–**	**(62)**	**101,338**	**82,742**	**–**	**(52)**	**82,689**
–	**–**	**(13)**	**–**	**–**	**–**	**5**	**–**

(in Euro million)

December 31, 2006 Restated (e)				December 31, 2005			
Value before effect of derivative instruments	Impact of derivative instruments subject to hedge accounting	Impact of other derivative instruments	Value including effects of derivatives	Value before effect of derivative instruments	Impact of derivative instruments subject to hedge accounting	Impact of other derivative instruments	Value including effects of derivatives
6,168	(648)	43	5,563	6,210	(617)	(519)	5,073
3,894	(127)	(79)	3,688	3,025	(199)	(9)	2,817
95	–	–	95	17	–	–	17
10,158	**(775)**	**(36)**	**9,347**	**9,251**	**(817)**	**(528)**	**7,906**
7,224	–	–	7,224	5,115	18	–	5,133
8,714	(3)	–	8,711	8,413	(3)	–	8,411
7,947	–	–	7,947	4,680	–	–	4,680
5,849	–	–	5,849	3,507	–	–	3,507
16,817	–	175	16,992	11,970	–	113	12,083
2,055	–	–	2,055	1,382	–	–	1,382
41,074	(2)	121	41,194	28,993	14	–	29,007
		5	5			4	4
89,680	**(5)**	**301**	**89,976**	**64,059**	**30**	**117**	**64,206**
–	**–**	**–**	**–**	**–**	**–**	**267**	**–**

19.5. BREAKDOWN OF DERIVATIVE INSTRUMENTS BY VALUATION METHOD

	December 31, 2007		
	Fair value determined directly by reference to an active market	Fair value estimated using valuation technique	Total
Derivative instruments on financial assets subject to hedge accounting	54	(22)	33
Other derivative instruments on financial assets [(a)]	293	533	827
Macro hedge and speculative derivatives on financial assets	956	335	1,292
Total – derivative instruments relating to financial assets	**1,304**	**847**	**2,151**
Derivatives (hedge accounting) – Reinsurance	–	–	–
Other derivatives – Reinsurance [(a)]	–	–	–
Macro hedge – Reinsurance	–	–	–
Total – derivative instruments relating to insurance and investment contracts	**–**	**–**	**–**
Derivatives on other receivables (hedge accounting)	–	(9)	(9)
Other derivatives on other receivables	–	1	1
Total derivative instruments relating to other receivables	**–**	**(8)**	**(8)**
Total net value of derivative instruments – assets (1)			**2,143**
Derivatives on insurance & investment contracts (hedge accounting)	–	–	–
Other derivatives on insurance & investment contracts [(a)]	(27)	(174)	(201)
Macro hedge derivatives on insurance and investment contracts	–	13	13
Total derivative instruments relating to insurance and investment contracts	(27)	(160)	(187)
Derivative instruments relating to financing debt and other financial liabilities subject to hedge accounting	(626)	(15)	(642)
Other derivative instruments relating to financing debt and other financial liabilities [(b)]	510	83	593
Derivative instruments relating to financing debt, operating debt and other financial liabilities	**(116)**	**68**	**(48)**
Macro hedge banking activities and other derivatives (including speculative derivatives)	**–**	**271**	**271**
Total net value of derivative instruments – liabilities (2)			**35**
Net fair value (1) – (2)			**2,108**

(a) Other derivatives instruments that do not qualify for hedge accounting according to IAS 39.
(b) Including speculative derivatives, if any, relating to financing debt and other financial liabilities.

(in Euro million)

	December 31, 2006			December 31, 2005		
	Fair value determined directly by reference to an active market	Fair value estimated using valuation technique	Total	Fair value determined directly by reference to an active market	Fair value estimated using valuation technique	Total
	67	(305)	(238)	(2)	(326)	(329)
	64	(258)	(195)	19	214	233
	7	701	708	11	(8)	3
	138	**138**	**276**	**28**	**(120)**	**(92)**
	–	–	–	–	–	–
	–	–	–	–	–	–
	–	–	–	–	–	–
	–	**–**	**–**	**–**	**–**	**–**
	–	(19)	(19)	–	–	–
	–	–	–	–	–	–
	–	**(19)**	**(19)**	**–**	**–**	**–**
			257			**(92)**
	(21)	–	(21)	(6)	–	(6)
	1	(130)	(129)	–	(147)	(147)
	–	(13)	(13)	5	–	5
	(19)	(143)	(163)	(1)	(146)	(148)
	2	(781)	(780)	–	(784)	(784)
	16	75	90	7	(267)	(260)
	17	**(707)**	**(689)**	**7**	**(1,051)**	**(1,044)**
	–	**175**	**175**	**–**	**113**	**113**
			(677)			**(1,079)**
			933			**987**

NOTE 20 > REVENUES BY SEGMENT AND NET REVENUES FROM BANKING ACTIVITIES

20.1. TOTAL REVENUES

TOTAL REVENUES [a]

(in Euro million)

	December 31, 2007	December 31, 2006 [c]	December 31, 2005 [c]
LIFE & SAVINGS	**59,845**	**49,952**	**44,585**
of which direct premiums	*55,330*	*45,998*	*40,539*
of which reinsurance assumed	*2,442*	*2,270*	*2,433*
of which fees and charges on investment contracts with no participation features	*740*	*608*	*509*
of which revenues from other activities	*1,332*	*1,076*	*1,104*
France	15,045	14,797	13,228
United States	16,243	15,389	13,940
United Kingdom	4,628	4,292	2,395
Japan	5,116	5,027	4,735
Germany	6,200	3,681	3,585
Switzerland	4,116	–	–
Belgium	3,072	2,512	2,734
Mediterranean Region	1,918	–	–
Other countries	3,507	4,255	3,966
PROPERTY & CASUALTY	**25,016**	**19,510**	**18,600**
of which direct premiums	*24,727*	*19,280*	*18,308*
of which reinsurance assumed	*210*	*179*	*248*
of which revenues from other activities	*79*	*52*	*43*
France	5,330	5,187	5,070
Germany	3,506	2,745	2,785
United Kingdom and Ireland	5,076	4,721	4,393
Switzerland	1,974	–	–
Belgium	2,112	1,511	1,451
Mediterranean Region	5,276	–	–
Other countries	1,743	5,347	4,899
INTERNATIONAL INSURANCE	**3,568**	**3,716**	**3,813**
of which direct premiums	*1,915*	*1,792*	*1,711*
of which reinsurance assumed	*1,492*	*1,780*	*1,957*
of which revenues from other activities	*161*	*144*	*145*
AXA RE	–	–	1,451
AXA Corporate Solutions Assurance	1,805	1,689	1,605
AXA Cessions	67	56	60
AXA Assistance	699	621	549
Other	996	1,351	147
ASSET MANAGEMENT	**4,863**	**4,406**	**3,440**
AllianceBernstein	3,130	2,961	2,472
AXA Investment Managers	1,732	1,445	968
BANKING	**339**	**377**	**424**
French banks	85	57	64
AXA Bank Belgium	216	21	24
German banks	19	293	336
Other Banks	20	6	–
Holdings [b]	**2**	**4**	**4**
TOTAL	**93,633**	**77,966**	**70,865**

(a) Net of intercompany elimination
(b) Including SPEs and CDOs previously disclosed in the Other Financial services segment which has been renamed "Banking".
(c) As described in note 1.10, the contribution of discontinued operations is stated on a separate line of the income statement.

Given the Group's scale and diversity, none of its clients accounts for more than 10% of its business.

20.2. SEGMENT INFORMATION

20.2.1. Life & Savings

(in Euro million)

	December 31, 2007			December 31, 2006 Restated [e] [f]			December 31, 2005 [f]		
	Gross written premiums	Liabilities arising from insurance contracts [b]	Liabilities arising from investment contracts [b]	Gross written premiums	Liabilities arising from insurance contracts [b]	Liabilities arising from investment contracts [b]	Gross written premiums	Liabilities arising from insurance contracts [b]	Liabilities arising from investment contracts [b]
Retirement/annuity/investment contracts (individual) [d]	28,264	172,219	42,716	26,038	172,276	34,705	22,468	157,061	34,580
Retirement/annuity/investment contracts (group) [d]	3,388	23,287	6,909	2,986	22,880	7,445	2,609	16,904	8,119
Life contracts (including endowment contracts) [d]	18,095	143,163	910	12,837	152,432	1,464	11,567	97,532	280
Health contracts	5,966	13,989	–	4,468	12,772	–	4,387	7,794	–
Other	2,059	13,688	–	1,938	14,014	–	1,942	13,445	–
SUB-TOTAL	**57,773**	**366,345**	**50,536**	**48,268**	**374,374**	**43,613**	**42,972**	**292,737**	**42,979**
Fees and charges relating to investment contracts with no participating features [c]	740	–	60,625	608	–	57,243	509	–	39,762
Fees, commissions and other revenues	1,332	–	–	1,076	–	–	1,104	–	–
TOTAL	**59,845**	**366,345**	**111,161**	**49,952**	**374,374**	**100,856**	**44,585**	**292,737**	**82,742**
Asset backing contracts with financial risk borne by policyholders (unit-linked) [a]	21,529	113,654	69,587	18,512	108,984	67,129	12,947	92,888	48,549
UK "With-Profit" business	*976*	*17,761*	*8,515*	*941*	*20,358*	*10,323*	*953*	*16,652*	*9,986*

(a) Relates to contracts where the financial risk is borne by policyholders.
(b) Excludes liabilities relating to unearned revenues and fees, and policyholder bonuses, along with derivatives relating to insurance and investment contracts.
(c) Relates to liabilities arising from investment contracts without discretionary participation features and investment contracts without discretionary participation features where the financial risk is borne by policyholders.
(d) As described in note 1.12.2 on accounting principles, the adoption of FRS 27 in the United Kingdom led to adjustements to 2005 (see note 14 for details).
(e) In accordance with IFRS 3, i.e. within 12 months following the acquisition date, the Group has adjusted certain items impacting the allocation of Winterthur purchase price.
(f) As described in note 1.10, the contribution of discontinued operations is stated on a seperate line of the income statement.

At December 31, 2006, Winterthur contributed €68,483 million and €14,675 million to Life & Savings liabilities arising from insurance contracts and liabilities arising from investment contracts, respectively.

20.2.2. Property & Casualty

(in Euro million)

	Gross written premiums [b]			Liabilities arising from insurance contracts		
	December 31, 2007	December 31, 2006	December 31, 2005	December 31, 2007	December 31, 2006 Restated [a]	December 31, 2005
Personal lines	**15,181**	**12,018**	**11,435**	**24,182**	**23,656**	**18,686**
Motor	8,709	6,560	6,180	15,446	14,835	11,330
Property damage	3,564	3,016	2,790	3,219	3,059	2,501
Health	1,107	937	887	1,442	1,488	1,305
Other	1,801	1,505	1,578	4,075	4,274	3,550
Commercial lines	**9,411**	**7,166**	**6,785**	**22,016**	**21,466**	**15,912**
Motor	1,618	1,349	1,295	2,698	2,679	2,255
Property damage	2,740	2,204	2,059	3,075	2,748	2,332
Liability	1,740	1,390	1,345	6,950	7,028	5,523
Health	1,558	852	787	2,799	2,757	848
Other	1,755	1,370	1,300	6,494	6,254	4,954
Other	**345**	**275**	**336**	**873**	**872**	**1,400**
SUB-TOTAL	**24,937**	**19,459**	**18,556**	**47,072**	**45,994**	**35,998**
Fees, commissions and other revenues	79	52	43			
TOTAL	**25,016**	**19,510**	**18,600**	**47,072**	**45,994**	**35,998**

(a) In accordance with IFRS 3, i.e. within 12 months following the acquisition date, the Group has adjusted certain items impacting the allocation of Winterthur purchase price.
(b) As described in note 1.10, the contribution of discontinued operations is stated on a seperate line of the income statement

At December 31, 2006, Winterthur contributed €9,467 million to Property & Casualty liabilities arising from insurance contracts.

20.2.3. International Insurance

(in Euro million)

	Gross written premiums			Liabilities arising from insurance contracts		
	December 31, 2007	December 31, 2006	December 31, 2005	December 31, 2007	December 31, 2006	December 31, 2005
Property	957	1,132	1,273	1,943	2,288	3,172
Motor, Marine, Aviation	956	977	1,010	3,144	3,294	3,541
Casualty/Liability	467	493	488	3,846	3,935	3,069
Other	1,027	969	897	2,013	2,786	2,089
SUB-TOTAL	**3,407**	**3,572**	**3,668**	**10,946**	**12,304**	**11,870**
Fees, commissions and other revenues	161	144	145			
TOTAL	**3,568**	**3,716**	**3,813**	**10,946**	**12,304**	**11,870**

At December 31, 2006, Winterthur contributed €1,163 million to International Insurance liabilities arising from insurance contracts.

20.2.4. Liabilities arising from insurance contracts in the Property & Casualty and International Insurance segments

(in Euro million)

	December 31, 2007					
	Claims reserves	IBNR	Claim expense reserves	TOTAL Claim reserves including IBNR and expenses	Unearned premium reserves & others	TOTAL Technical Liabilities
Personal lines						
Motor	9,751	1,569	447	11,793	3,653	15,446
Physical damage	1,199	466	80	1,754	1,466	3,219
Other	2,368	975	143	3,506	2,011	5,517
Sub-total Personal lines	**13,318**	**3,011**	**671**	**17,053**	**7,129**	**24,182**
Commercial lines						
Motor	1,741	423	68	2,238	460	2,698
Physical damage	1,695	315	57	2,075	1,000	3,075
Professional liability	4,675	1,482	191	6,425	524	6,950
Other	5,036	1,034	188	6,282	3,010	9,293
Sub-total Commercial lines	**13,146**	**3,253**	**504**	**17,020**	**4,995**	**22,016**
Other	467	231	35	740	134	874
Total – Property & Casualty excluding International Insurance	**26,931**	**6,495**	**1,209**	**34,813**	**12,259**	**47,072**
Physical damage	948	693	38	1,694	249	1,943
Motor, Marine, Aviation	1,852	1,069	47	2,985	159	3,144
Professional liability	1,747	1,871	68	3,716	130	3,846
Other	902	516	38	1,464	550	2,013
Total – International Insurance	**5,450**	**4,148**	**191**	**9,860**	**1,087**	**10,946**
Total – Property & Casualty including International Insurance	**32,381**	**10,643**	**1,401**	**44,673**	**13,345**	**58,018**

(in Euro million)

	December 31, 2006 restated [a]						December 31, 2005
	Claims reserves	IBNR	Claim expense reserves	TOTAL Claim reserves including IBNR and expenses	Unearned premium reserves & others	TOTAL Technical Liabilities	TOTAL Technical Liabilities
Personal lines							
Motor	9,382	1,720	442	11,544	3,291	14,835	11,330
Physical damage	1,147	428	87	1,661	1,398	3,059	2,501
Other	2,446	1,072	166	3,684	2,079	5,762	4,855
Sub-total Personal lines	**12,975**	**3,220**	**694**	**16,889**	**6,767**	**23,656**	**18,686**
Commercial lines							
Motor	1,688	499	72	2,259	420	2,679	2,255
Physical damage	1,435	327	63	1,825	923	2,748	2,332
Professional liability [a]	4,864	1,570	260	6,694	550	7,244	5,523
Other	5,408	1,025	188	6,620	2,390	9,011	5,802
Sub-total Commercial lines	**13,395**	**3,421**	**582**	**17,398**	**4,284**	**21,682**	**15,912**
Other	550	171	30	752	120	872	1,400
Total – Property & Casualty excluding International Insurance	**26,920**	**6,813**	**1,306**	**35,039**	**11,171**	**46,210**	**35,998**
Physical damage	1,193	742	59	1,994	294	2,288	3,172
Motor, Marine, Aviation	1,829	1,217	61	3,107	187	3,294	3,541
Professional liability	1,987	1,702	99	3,788	147	3,935	3,069
Other	1,090	513	41	1,644	1,142	2,786	2,089
Total – International Insurance	**6,099**	**4,175**	**259**	**10,534**	**1,770**	**12,304**	**11,870**
Total – Property & Casualty including International Insurance	**33,019**	**10,988**	**1,566**	**45,573**	**12,941**	**58,514**	**47,868**

(a) In accordance with IFRS 3, i.e. within 12 months following the acquisition date, the Group has adjusted certain items impacting the allocation of Winterthur.

20.3. NET REVENUES FROM BANKING ACTIVITIES

(in Euro million)

	December 31, 2007	December 31, 2006	December 31, 2005
Interest received and equivalent	696	579	552
Interest paid and equivalent	(612)	(429)	(386)
Net interest and equivalent	**84**	**150**	**166**
Commissions received	74	66	57
Commissions paid	(27)	(23)	(23)
Net commissions	**47**	**43**	**34**
Investment income	196	183	169
Realized investment gains and losses	23	36	55
Change in fair value of financial instruments at fair value through profit & loss	(7)	(31)	7
Change in financial instruments impairment	(9)	–	(1)
Net investment result	**202**	**188**	**230**
Net other bank operating income	**3**	**1**	**(2)**
Net revenues from banking activities	**336**	**381**	**428**

NOTE 21 > NET INVESTMENT RESULT EXCLUDING FINANCING EXPENSES

Net investment result (excluding financing expenses) from the financial assets of insurance companies and companies in other business segments (excluding revenues from the financial assets of banks included in net revenues from banking activities) was as follows:

(in Euro million)

	December 31, 2007				
	Net investment income	Net realized investment gains and losses	Change in fair value of financial instruments at fair value through profit & loss	Change in financial instruments impairment	Net investment result
Investment properties at amortized cost	524	633	–	(38)	1,119
Investment properties at fair value through profit & loss	263	527	(541)	–	250
Investment properties	**787**	**1,160**	**(541)**	**(38)**	**1,369**
Fixed maturities held to maturity	–	–	–	–	–
Fixed maturities available for sale	10,367	(351)	–	(390)	9,625
Fixed maturities at fair value through profit & loss (a)	2,256	106	(1,481)	–	881
Fixed maturities held for trading	55	1	(2)	–	54
Non quoted fixed maturities (amortized cost)	–	–	–	–	–
Fixed maturities	**12,678**	**(245)**	**(1,483)**	**(390)**	**10,560**
Equities available for sale	1,219	2,470	(285)	(463)	2,942
Equities at fair value through profit & loss (b)	785	2,585	(1,632)	–	1,738
Equities held for trading	25	–	3	–	27
Equities	**2,028**	**5,056**	**(1,914)**	**(463)**	**4,708**
Non controlled investment funds available for sale	89	157	–	(38)	208
Non controlled investment funds at fair value through profit & loss	222	14	14	–	250
Non controlled investment funds held for trading	–	3	(1)	–	2
Non controlled investment funds	**311**	**174**	**13**	**(38)**	**460**
Other assets held by consolidated investment funds designated at fair value through profit & loss	**206**	**20**	**66**		**292**
Loans held to maturity	–	–	–	–	–
Loans available for sale	74	–	–	–	73
Loans at fair value through profit & loss	–	–	51	–	51
Loans held for trading	9	–	(3)	–	6
Mortgage loans	674	1	–	–	675
Other loans	494	11	–	1	507
Loans	**1,252**	**12**	**47**	**1**	**1,312**
Assets backing contracts where the financial risk is borne by policyholders	**801**		**7,476**		**8,277**
Hedge accounting derivatives			**(179)**		**(179)**
Other derivatives	**(82)**	**16**	**978**		**911**
Investment management expenses	**(914)**				**(914)**
Other	**403**	**(930)**	**(379)**	**1**	**(905)**
NET INVESTMENT RESULT	**17,470**	**5,264**	**4,084**	**(927)**	**25,891**

(a) Including fixed maturities held by consolidated investment funds, designated at fair value through profit & loss.
(b) Including equity securities held by consolidated investment funds, designated at fair value through profit & loss.

(in Euro million)

	December 31, 2006 [c]				
	Net investment income	Net realized investment gains and losses	Change in fair value of financial instruments at fair value through profit & loss	Change in financial instruments impairment	Net investment result
Investment properties at amortized cost	511	361	–	38	910
Investment properties at fair value through profit & loss	278	336	384	–	998
Investment properties	**789**	**698**	**384**	**38**	**1,909**
Fixed maturities held to maturity	–	–	–	–	–
Fixed maturities available for sale	8,418	(58)	–	(78)	8,282
Fixed maturities at fair value through profit & loss [a]	2,068	195	(1,322)	–	941
Fixed maturities held for trading	71	(10)	(9)	–	52
Non quoted fixed maturities (amortized cost)	–	–	–	–	–
Fixed maturities	**10,558**	**127**	**(1,331)**	**(78)**	**9,274**
Equities available for sale	846	2,198	127	(143)	3,028
Equities at fair value through profit & loss [b]	639	1,071	869	–	2,579
Equities held for trading	49	–	35	–	84
Equities	**1,534**	**3,269**	**1,031**	**(143)**	**5,691**
Non controlled investment funds available for sale	82	213	–	(5)	291
Non controlled investment funds at fair value through profit & loss	192	42	(13)	–	221
Non controlled investment funds held for trading	–	3	–	–	3
Non controlled investment funds	**274**	**258**	**(13)**	**(5)**	**515**
Other assets held by consolidated investment funds designated at fair value through profit & loss	**208**	**(7)**	**16**		**217**
Loans held to maturity	–	–	–	–	–
Loans available for sale	33	1	–	–	34
Loans at fair value through profit & loss	–	–	(166)	–	(166)
Loans held for trading	16	–	–	–	16
Mortgage loans	452	(3)	–	(2)	447
Other loans	384	–	–	–	385
Loans	**885**	**(2)**	**(166)**	**(2)**	**716**
Assets backing contracts where the financial risk is borne by policyholders	**527**		**15,158**		**15,685**
Hedge accounting derivatives			**(460)**		**(460)**
Other derivatives	**(163)**	**140**	**(490)**		**(514)**
Investment management expenses	**(898)**				**(898)**
Other	**471**	**(258)**	**208**	**(2)**	**419**
NET INVESTMENT RESULT	**14,184**	**4,225**	**14,338**	**(192)**	**32,555**

(a) Including fixed maturities held by consolidated investment funds, designated at fair value through profit & loss.
(b) Including equity securities held by consolidated investment funds, designated at fair value through profit & loss.
(c) As described in note 1.10, the contribution of discontinued operations is stated on a separate line of the income statement.

(in Euro million)

	December 31, 2005 [c]				
	Net investment income	Net realized investment gains and losses	Change in fair value of financial instruments at fair value through profit & loss	Change in financial instruments impairment	Net investment result
Investment properties at amortized cost	513	183	–	(19)	677
Investment properties at fair value through profit & loss	283	99	375	–	757
Investment properties	**796**	**282**	**375**	**(20)**	**1,433**
Fixed maturities held to maturity	–	–	–	–	–
Fixed maturities available for sale	7,986	436	–	(23)	8,399
Fixed maturities at fair value through profit & loss [(a)]	2,037	297	175	–	2,510
Fixed maturities held for trading	90	120	27	–	236
Non quoted fixed maturities (amortized cost)	–	–	–	–	–
Fixed maturities	**10,113**	**854**	**202**	**(23)**	**11,146**
Equities available for sale	738	1,451	–	(134)	2,054
Equities at fair value through profit & loss [(b)]	690	1,119	1,321	–	3,129
Equities held for trading	(7)	15	172	–	180
Equities	**1,420**	**2,584**	**1,493**	**(134)**	**5,363**
Non controlled investment funds available for sale	35	147	–	(10)	173
Non controlled investment funds at fair value through profit & loss	160	34	47	–	241
Non controlled investment funds held for trading	–	3	1	–	5
Non controlled investment funds	**194**	**185**	**48**	**(10)**	**418**
Other assets held by consolidated investment funds designated at fair value through profit & loss	**141**	**(1)**	**93**	**–**	**234**
Loans held to maturity	–	–	–	–	–
Loans available for sale	1	–	–	–	1
Loans at fair value through profit & loss	(3)	–	75	–	72
Loans held for trading	–	(122)	(12)	–	(134)
Mortgage loans	478	(4)	–	(12)	462
Other loans	439	11	–	(7)	443
Loans	**915**	**(115)**	**63**	**(19)**	**844**
Assets backing contracts where the financial risk is borne by policyholders	**590**		**13,589**		**14,179**
Hedge accounting derivatives	**–**	**–**	**(195)**		**(195)**
Other derivatives	**(331)**	**(94)**	**(108)**		**(534)**
Investment management expenses	**(577)**				**(577)**
Other [(d)]	**419**	**(190)**	**155**	**(3)**	**381**
NET INVESTMENT RESULT	**13,681**	**3,506**	**15,715**	**(208)**	**32,693**

(a) Including fixed maturities held by consolidated investment funds, designated at fair value through profit & loss.
(b) Including equity securities held by consolidated investment funds, designated at fair value through profit & loss.
(c) As described in note 1.10, the contribution of discontinued operations is stated on a separate line of the income statement.
(d) As described in note 1.11.2, perpetual subordinated notes were reclassified under shareholders' equity in 2006 with retrospective application to 2005. Details are provided in note 13.

Net investment income is presented net of impairment charges on directly-owned investment properties, and net of amortization of fixed maturities' premiums/discounts. All investment management fees are also included in the aggregate figure.

Realized investment gains and losses include write-backs of impairments following investment sales.

The change in fair value of investments at fair value through profit & loss consists mainly of adjustments relating to investments backing contracts where the financial risk is borne by policyholders.

The change in financial instruments impairment includes impairment charges on investments, and releases of impairment reserves only following a recovery in value. Write-backs of impairments following investment sales are included in the net realized capital gains or losses on investments aggregate.

Changes in the fair value of financial instruments designated at fair value through profit & loss, relating to available-for-sale equities and fixed maturities, correspond to the change in fair value of underlying items in fair value hedges (as defined by IAS 39) notably in Japan.

NOTE 22 > NET RESULT OF REINSURANCE CEDED

(in Euro million)

	December 31, 2007				
	Life & Savings	Property & Casualty	International Insurance	Inter-segment eliminations	TOTAL
Premiums ceded and unearned premium ceded	(1,050)	(1,309)	(1,810)	292	(3,878)
Claims ceded (including change in claim reserves)	959	573	994	(209)	2,316
Commissions received from reinsurers	124	137	262	(8)	515
Net result of reinsurance ceded	**32**	**(599)**	**(555)**	**74**	**(1,047)**

(in Euro million)

	December 31, 2006 [a]				
	Life & Savings	Property & Casualty	International Insurance	Inter-segment eliminations	TOTAL
Premiums ceded and unearned premium ceded	(926)	(1,032)	(1,965)	158	(3,764)
Claims ceded (including change in claim reserves)	859	308	777	(63)	1,882
Commissions received from reinsurers	40	94	294	3	432
Net result of reinsurance ceded	**(27)**	**(629)**	**(893)**	**99**	**(1,450)**

(a) As described in note 1.10, the contribution of discontinued operations is stated on a separate line of the income statement.

(in Euro million)

	December 31, 2005 [a]				
	Life & Savings	Property & Casualty	International Insurance	Inter-segment eliminations	TOTAL
Premiums ceded and unearned premium ceded	(941)	(974)	(1,122)	146	(2,891)
Claims ceded (including change in claim reserves)	862	316	1,273	(13)	2,438
Commissions received from reinsurers	73	93	166	(3)	329
Net result of reinsurance ceded	**(6)**	**(565)**	**317**	**130**	**(125)**

(a) As described in note 1.10, the contribution of discontinued operations is stated on a separate line of the income statement.

In 2007, the €+403 million improvement in the net result of reinsurance ceded compared to 2006 was mainly attributable to the International Insurance operations for which net result of reinsurance improved by €338 million due to :

- AXA Liabilities Managers up €+153 million fuelled by (i) the transfer to Paris Ré of AXA RE's gross technical result for the year together with (ii) an improved ceded result driven by lower premiums ceded in 2007.
- AXA Corporate Solutions Assurance (up €+170 million) due to higher loss recovery following higher occurrence of large claims gross of reinsurance in 2007.

NOTE 23 > FINANCING DEBT EXPENSES

Financing debt expenses of €471 million in 2007 included incomes and expenses relating to hedging derivative instruments on financing debt, mainly for AXA SA (€211 million in 2007).

As described in note 1.10, the contribution of discontinued operations is stated on a separate line of the income statement and as a consequence the financing debt expenses in 2006 and 2005 were restated and were respectively €473 million and €480 million. They included incomes and expenses relating to hedging derivatives instruments on financing debt, mainly for AXA SA (€142 million in 2006 and €176 million in 2005).

NOTE 24 > EXPENSES BY TYPE

24.1. ACQUISITION COSTS

	Life & Savings	Property & Casualty	International Insurance	Total Insurance
Acquisition costs – gross [(a)]	5,548	4,761	316	10,625
Change in deferred acquisition costs and equivalents [(b)]	(1,804)	(109)	2	(1,911)
Net acquisition costs	**3,744**	**4,652**	**319**	**8,715**

(a) Includes all acquisition expenses relating to insurance and investment contracts before capitalization/amortization of deferred acquisition costs and equivalents.
(b) Change (capitalization and amortization) in deferred acquisition costs relating to insurance and investment contracts with discretionary participation features and changes in net rights to future management fees relating to investment contracts with no discretionary participation features.
(c) As described in note 1.10, the contribution of discontinued operations is stated on a separate line of the income statement.

24.2. EXPENSES BY TYPE

	Life & Savings	Property & Casualty	International Insurance	Total Insurance
Acquisition costs – gross [(a)]	5,548	4,761	316	10,625
Claims handling expenses [(b)]	465	1,170	366	2,001
Investment management expenses [(c)]	488	78	4	570
Administrative expenses	3,514	2,452	351	6,316
Banking expenses	–	–	–	–
Write back of depreciation for tangible assets	–	(3)	0	(2)
Other income/expenses	108	13	(33)	88
TOTAL EXPENSES BY DESTINATION	**10,122**	**8,471**	**1,005**	**19,599**
Breakdown of expenses by type				
Staff costs [(d)]	2,750	2,447	336	5,533
Outsourcing and professional services	318	161	30	509
IT costs	393	355	43	791
Increase / (write back) of provisions for risk and charges	47	(58)	12	0
Charges relating to owner occupied properties	283	256	53	591
Commissions paid	4,381	4,114	458	8,953
Other expenses	1,949	1,197	73	3,220

(a) Includes all acquisition expenses relating to insurance and investment contracts before capitalization/amortization of deferred acquisition costs and equivalents.
(b) Claims handling expenses are included in the "Technical charges relating to insurance activities" profit & loss caption.
(c) Investment management expenses are included in the "Net investment income" profit & loss caption.
(d) Amount detailed in Note 25.
(e) As described in note 1.10, the contribution of discontinued operations is stated on a separate line of the income statement.

(in Euro million)

December 31, 2007					December 31, 2006 [c]	December 31, 2005 [c]
Asset management	Banking	Holdings	Inter-segment eliminations	TOTAL	TOTAL	TOTAL
–	–	–	(10)	10,615	8,479	7,972
–	–	–	–	(1,911)	(1,371)	(1,518)
–	**–**	**–**	**(10)**	**8,705**	**7,108**	**6,454**

(in Euro million)

December 31, 2007					December 31, 2006 [e]	December 31, 2005 [e]
Asset management	Banking	Holdings	Inter-segment eliminations	TOTAL	TOTAL	TOTAL
–	–	–	(10)	10,615	8,479	7,972
–	–	–	(2)	1,999	1,627	1,558
–	–	0	(182)	388	363	126
3,647	322	529	(351)	10,462	8,705	8,501
–	55	2	–	57	78	61
0	–	0	–	(2)	(18)	3
234	(26)	(75)	49	271	292	(32)
3,881	**351**	**456**	**(496)**	**23,790**	**19,526**	**18,188**
1,904	177	437	–	8,051	6,473	5,985
165	21	68	(9)	754	628	517
118	7	189	–	1,105	886	843
57	(9)	(19)	–	30	22	(196)
238	10	17	(2)	854	709	643
918	39	–	(327)	9,582	7,927	7,474
481	107	(235)	(158)	3,415	2,881	2,921

25.1. BREAKDOWN OF STAFF COSTS

BREAKDOWN OF STAFF COSTS

(in Euro million)

	December 31, 2007	December 31, 2006 [b]	December 31, 2005 [b]
Wages and benefits	6,196	5,012	4,651
Social contributions	755	686	623
Employee benefits costs	397	258	267
Share based compensation	195	185	115
Other staff costs and employees' profit sharing [a]	508	332	329
TOTAL STAFF COSTS	**8,051**	**6,473**	**5,985**

(a) Including redundancies and early retirement costs (triggering event = set up of the plan), and employees' profit sharing in France.
(b) As described in note 1.10, the contribution of discontinued operations is stated on a separate line of the income statement.

25.2. EMPLOYEE BENEFITS

25.2.1. Defined contribution plans

The cost of the contributions paid was recognized as an expense in the income statement, and amounted to €75 million for the year ended December 31, 2007 (€88 million in 2006 and €72 million in 2005).

25.2.2. Defined benefit plans

The assumptions for each plan are consistent with the economic features of the countries in which the liabilities lie. The weighted-average assumptions used by AXA for pension plans in the principal regions in which AXA operates were as follows:

DECEMBER 2007 ASSUMPTIONS

	Europe	North America	Japan	Other
Pension benefit obligation – assumptions at end of 2007				
Discount rate	5.2%	6.2%	2.1%	6.7%
Salary increase for future years	3.7%	5.7%	0.0%	4.5%
Inflation	2.4%	2.5%	0.0%	2.5%
Net periodic benefit cost – assumptions at beginning of 2007				
Discount rate	4.3%	5.7%	2.0%	6.3%
Expected return on plan assets	6.6%	8.5%	1.1%	7.6%
Salary increase for future years	3.8%	5.8%	0.0%	4.5%

The assumptions used for 2006 and 2005 were as follows:

DECEMBER 2006 ASSUMPTIONS

	Europe	North America	Japan	Other
Pension benefit obligation – assumptions at end of 2006				
Discount rate	4.3%	5.7%	2.0%	6.3%
Salary increase for future years	3.8%	5.8%	0.0%	4.5%
Inflation	2.5%	2.5%	0.0%	2.5%
Net periodic benefit cost – assumptions at beginning of 2006				
Discount rate	4.3%	5.6%	1.9%	5.4%
Expected return on plan assets	6.2%	7.3%	1.1%	6.9%
Salary increase for future years	2.7%	5.2%	0.0%	5.0%

DECEMBER 2005 ASSUMPTIONS

	Europe	North America	Japan	Other
Pension benefit obligation – assumptions at end of 2005				
Discount rate	4.3%	5.6%	1.9%	5.4%
Salary increase for future years	2.7%	5.2%	0.0%	5.0%
Net periodic benefit cost – assumptions at beginning of 2005				
Discount rate	5.1%	5.8%	1.9%	6.6%
Expected return on plan assets	6.5%	5.2%	1.3%	6.6%
Salary increase for future years	3.5%	5.6%	0.0%	3.6%

Some plans do not have benefits linked to inflation or to salary increase.

The acquisition of Winterthur at the end of 2006 had a significant impact on the assumptions used by introducing a significant Swiss weighting into the European economic mix.

25.2.3. Annual change in pension benefit obligation

The annual change in the Defined Benefit Obligation (DBO) is calculated on the basis of:
- Service cost for the period (representing the increase in the DBO attributable to one year of additional service).
- Interest cost (cost of one year less discounting).
- Benefits paid.
- Actuarial gains and losses (change in long term assumptions, change in staff, etc.).
- Change in plans.

25.2.4. Balance sheet information

The balance sheet information for employee benefits captures the difference between the Defined Benefit Obligation (DBO), the fair value of the corresponding invested plan assets, and any unrecognized past service cost. When this difference is positive, a contingency and loss reserve is recognized in the balance sheet as a liability. When it is negative, a prepaid asset is recognized in the balance sheet.
In addition, in accordance with IAS 19, a category of assets referred to as "separate assets" is also recorded in the balance sheet. As defined by IFRS, separate assets are assets that may not be used to offset the DBO. Separate assets are insurance contracts issued by AXA to back its defined benefit pension plans. The accounting consequence of these separate assets is a potential increase in the accrued liability or decrease in the prepaid asset. These assets are shown separately in the following table. These funds are dedicated to specific insurance contracts and are not available to general creditors, so their economic nature is no different from plan assets. However, as the separate account assets are available to the pension plan through an insurance contract, IFRS requires their categorization as separate assets despite their economic nature.
During 2007, AXA reviewed the treatment of separate assets and insurance contracts backing the pension obligation in the United States and in Switzerland in light of prevailing practice that has developed in the industry. In the United States, the insurance contract was amended to add a transferability clause, and so its treatment is changing to being plan assets rather than separate assets as shown in prior years. In Switzerland, where the issue arose after the acquisition of Winterthur, AXA has amended its practice to eliminate the insurance contract rather than treat it as a plan asset as was originally presented.
AXA Group has decided to use the Statement of Recognized Income and Expense (SoRIE) option available under IAS 19. Under the SoRIE option, actuarial gains and losses are recognized in full in the period in which they occurred, but outside of profit or loss, and are presented on a separate line of the SoRIE in shareholders' equity (see Statement of consolidated shareholders' equity).
Actuarial gains and losses result from experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and changes in actuarial assumptions. They also include differences between the expected and actual returns on plan assets.
Unrecognized past service cost represents non-vested benefits on the date of a change in the amount of benefits following an amendment to the plan. It is amortized on a straight-line basis over the average vesting period.

The table below presents the change in benefit obligation and the change in plan assets associated with pension plans and other benefit plans sponsored by AXA, together with an analysis of separate assets as of December 31, 2007.

The sale of the Netherlands took place in 2007. The Netherlands is included in the 2005 and 2006 data but excluded from the 2007 data.

(in Euro million)

	Pension benefits			Other benefits		
	2007	2006	2005	2007	2006	2005
Change in benefit obligation						
Benefit obligation at the beginning of the year	14,734	11,421	9,573	604	716	581
Service cost	295	229	206	7	13	14
Interest cost	649	501	517	31	31	36
Amendments (including acquisitions and disposals) [a]	(261)	3,625	46	18	(7)	18
Actuarial (gains) and losses	(1,055)	(227)	1,083	(56)	(35)	4
Benefits paid	(443)	(419)	(402)	–	(49)	(50)
Benefits directly paid by the employer	(227)	(128)	(115)	(45)	–	–
Impact of foreign currency fluctuations	(737)	(268)	513	(54)	(66)	113
Benefit obligation at the end of the year (A)	**12,955**	**14,734**	**11,421**	**506**	**604**	**716**
Change in plan assets						
Fair value of plan assets at the beginning of the year	8,216	4,693	3,869	9	14	9
Actual return on plan assets	477	395	689	(3)	(4)	3
Employer contributions	62	114	136	–	4	5
Employee contributions	42	11	11	–	–	2
Net transfer In (out) (including acquisitions and disposals) [a] [b] [c]	(811)	3,220	88	(3)	–	1
Benefits paid	(383)	(246)	(234)	–	(4)	(6)
Impact of foreign currency fluctuations	(546)	28	135	–	–	–
Fair value of plan assets at the end of the year (B)	**7,057**	**8,216**	**4,693**	**3**	**9**	**14**
Change in separate assets						
Fair value of separate assets at the beginning of the year	2,480	2,697	2,265	–	–	–
Actual return on separate assets	12	221	206	–	–	–
Employer contributions	88	39	197	–	–	–
Employee contributions	12	4	4	–	–	–
Net transfer In (out) (including acquisitions and disposals) [a] [b]	(1,724)	(85)	(82)	–	–	–
Benefits paid	(60)	(168)	(168)	–	–	–
Impact of foreign currency fluctuations	(69)	(227)	274	–	–	–
Fair value of separate assets at the end of the year	**739**	**2,480**	**2,697**	**–**	**–**	**–**
Funded Status						
Underfunded status (plan by plan)	(6,098)	(6,530)	(6,729)	(502)	(595)	(703)
Overfunded status (plan by plan)	200	12	1	–	–	–
Funded statuts (B) – (A)	(5,898)	(6,519)	(6,728)	(502)	(595)	(703)
Unrecognized past service cost	80	89	74	1	–	–
Liability and asset recognized in the balance sheet (excluding separate assets)						
Plans with a positive net position (Asset)	199	11	1	–	–	–
Plans with a negative net position (Liability)	(6,017)	(6,440)	(6,655)	(501)	(595)	(703)
Net position (excluding separate assets)	**(5,818)**	**(6,430)**	**(6,654)**	**(501)**	**(595)**	**(703)**
Net economic funding position (including separate assets)						
Net position (excluding separate assets)	(5,818)	(6,430)	(6,654)	(501)	(595)	(703)
Fair value of separate assets at the end of the year	739	2,480	2,697	–	–	–
Net economic funding position (including separate assets)	**(5,079)**	**(3,950)**	**(3,957)**	**(501)**	**(595)**	**(703)**

(a) This amount includes the sale of the Netherlands in 2007 and the acquisition of Winterthur in 2006.
(b) This amount includes the effect of the requalification of assets in the United States as plan assets rather than separate assets.
(c) This amount includes the effect of the elimination of the insurance contract in Switzerland.

For pension plans where the fair value of plan assets exceeds the benefit obligation, the aggregate fair value of plan assets and aggregate benefit obligation were €2,364 million and €2,164 million, respectively, as at December 31, 2007.
For pension plans where the benefit obligation exceeds the fair value of plan assets, the aggregate benefit obligation and fair value of plan assets were €10,791 million and €4,693 million, respectively, as at December 31, 2007.

25.2.5. Pension and other benefits expense

The annual expense for employee pension and other benefits recorded in the income statement, for the years ended December 31, 2007, 2006 and 2005 is presented below:

(in Euro million)

	Pension benefits			Other benefits		
	2007	2006	2005	2007	2006	2005
Pension and other benefits expense						
Service cost	295	229	206	7	13	14
Interest cost	649	501	517	31	31	36
Expected return on plan assets	(489)	(314)	(269)	–	–	–
Expected return on separate assets	(33)	(172)	(189)	–	–	–
Amortization of unrecognized amounts	9	6	(12)	2	–	–
Settlements, curtailments and employee contributions	(60)	(24)	4	–	(20)	16
Pension and other benefits expense	**371**	**225**	**257**	**40**	**23**	**66**

The increase in expense from 2006 to 2007 is largely due to the inclusion of former Winterthur employees (their benefits are included in year end 2006 balances but appear in expenses for the first time in 2007).

25.2.6. Net economic funding position

The evolution in the net economic funding position from January 1, 2007 to December 31, 2007 captures both the change in the liability recorded in the Group's balance sheet and the change in separate assets, as presented in the table below:

(in Euro million)

	Pension benefits			Other benefits		
	2007	2006	2005	2007	2006	2005
Net economic funding position evolution						
Opening position	(3,950)	(3,957)	(3,401)	(595)	(703)	(572)
Pension and other benefits expense	(371)	(225)	(257)	(40)	(23)	(66)
Employer contributions and benefits directly paid	378	242	328	45	49	49
Net transfer In (out) (including acquisitions and disposals) [(a) (b)]	(2,280)	(485)	121	(20)	(8)	(23)
SoRIE impact	1,022	392	(667)	54	24	(28)
Exchange rate impact	123	83	(81)	54	66	(64)
Closing position	**(5,079)**	**(3,950)**	**(3,957)**	**(501)**	**(595)**	**(703)**

(a) This amount includes the sale of the Netherlands.
(b) This amount includes the effect of the elimination of the insurance contract in Switzerland.

The evolution during 2007 which appears to show a deterioration of the net economic funding position for pension benefits is due to the elimination of the Swiss insurance contract from plan assets; without this elimination the evolution would be positive which corresponds to the overall economic reality due primarily to the increase in discount rates.

25.2.7. Change in the liability recognized in the balance sheet (excluding separate assets)

The rollforward of the balance sheet liability from January 1, 2007 to December 31, 2007 captures only the evolution of the liability recorded in the Group's balance sheet and not the separate assets. Therefore it is not a full economic picture. The table below shows the detailed rollforward of the balance sheet liability, with the separate assets added at each year end.

(in Euro million)

	Pension benefits			Other benefits		
	2007	2006	2005	2007	2006	2005
Change in the liability recognized in the balance sheet						
Balance sheet liability at the beginning of the year	(6,430)	(6,654)	(5,666)	(595)	(703)	(572)
Pension and other benefits expense	(371)	(225)	(257)	(40)	(23)	(66)
Adjustment due to separate assets	(23)	(232)	(210)	–	–	–
Employer contributions	62	114	136	–	4	5
Benefits directly paid by the employer	227	128	115	45	45	44
Benefits paid through separate assets	60	168	168	–	–	–
Net transfer In (out) (including acquisitions and disposals) (a) (b)	(2,253)	(548)	–	(20)	(8)	(23)
Net transfer of separate assets to plan assets (c)	1,695	155	82	–	–	–
Actuarial gains and losses recognized in the SORIE component	1,022	392	(667)	54	24	(28)
Exchange rate impact	191	272	(355)	54	66	(64)
Balance sheet liability at the end of the year	**(5,818)**	**(6,430)**	**(6,654)**	**(501)**	**(595)**	**(703)**
Fair value of separate assets at the end of the year	739	2,480	2,697	–	–	–
Net economic funding position at the end of the year	**(5,079)**	**(3,950)**	**(3,957)**	**(501)**	**(595)**	**(703)**

(a) This amount includes the sale of the Netherlands.
(b) This amount includes the effect of the elimination of the insurance contract in Switzerland.
(c) This amount includes the effect of the requalification of assets in the United States as plan assets rather than separate assets.

25.2.8. Change in actuarial gains and losses recognized in the balance sheet in the SORIE component of shareholders' equity

The Statement of Recognized Income and Expense (SORIE) is an integral part of the statement of changes in shareholders' equity. It includes actuarial gains and losses as well as net income for the period (see Note 13).
The table shows the change in the SoRIE component between January 1, 2005 and December 31, 2007 due to adjustments arising on plan liabilities and adjustments arising on plan assets.

(in Euro million)

	Pension benefits			Other Benefits		
	2007	2006	2005	2007	2006	2005
Opening actuarial gains and losses recognized in shareholders' equity	**(720)**	**(1,112)**	**(445)**	**(4)**	**(28)**	**–**
Experience and assumptions adjustments on plan liabilities	1,055	226	(1,053)	57	28	(30)
Experience adjustments on plan assets	(33)	141	426	(3)	(5)	3
Adjustment due to the sale of the Netherlands	(4)	–	–	(1)	–	–
Exchange rate impact	10	24	(40)	(5)	–	(1)
Closing actuarial gains and losses recognized in shareholders' equity	**308**	**(720)**	**(1,112)**	**45**	**(4)**	**(28)**

During 2007, the change in the SORIE component of shareholders' equity after deduction of deferred tax and policyholder benefits was €612 million (€252 million in 2006 and €−415 million in 2005). The main driver of the change is the increase in discount rates. As at December 31, 2007, the cumulative impact amounted to €101 million (€−478 million at the end of 2006).

25.2.9. Near-term cash flows (benefits paid and employer contributions)

a) Benefits paid

(in Euro million)

	Pension benefits	Other benefits
Estimated future benefits paid		
2008	762	40
2009	731	40
2010	760	39
2011	769	38
2012	785	37
Five years thereafter	4,175	169

b) Employer contributions to plan and separate assets

The estimated amount of 2008 employer contributions for pension benefits is €184 million (€280 million estimated in 2006 for 2007). The estimated amount for other benefits is nil (€24 million estimated in 2006 for 2007). These amounts are subject to uncertainty as they will be driven by 2008 economics.

25.2.10. Asset mix at the end of 2007

The table below shows the plan asset mix at the end of 2007:

	Total Group	Europe	North America	Other
Plan asset mix				
Equity securities	58%	52%	72%	56%
Fixed maturities	29%	34%	19%	25%
Real estate	6%	4%	9%	9%
Other	7%	10%	0%	10%
TOTAL	**100%**	**100%**	**100%**	**100%**
TOTAL in Euro million	**7,060**	**4,686**	**2,120**	**255**

The table below shows the total asset mix i.e, for plan assets and separate assets:

	Total Group	Europe	North America	Other
Total asset mix				
Equity securities	55%	48%	72%	56%
Fixed maturities	32%	38%	19%	25%
Real estate	6%	4%	9%	9%
Other	7%	10%	0%	10%
TOTAL	**100%**	**100%**	**100%**	**100%**
TOTAL in Euro million	**7,799**	**5,425**	**2,120**	**255**

As pension liabilities have a long-term nature, a mix of bond, equity, and real estate investments is used in the plan assets. The percentage of equities is higher in the Anglo-Saxon countries, where investment strategy is often determined by Plan trustees. This asset mix generates some degree of volatility in returns, but, over the long-term, is expected to provide a higher return than pure bond investments. Higher return is consistent with past experience, but may not be the case in the future.

The asset mix is maintained close to the target level, with minor fluctuations over time due to shifting fair values of assets.

Various methods are used to determine the expected long-term return on the Group's asset depending on geographic area. Globally, it is based on historic returns adjusted for future expectations in each asset class. In addition, external consultants review or determine these assumptions to guarantee their appropriateness for each country.

The elimination of the insurance contract in Switzerland and the requalification of assets in the United States as plan assets rather than separate assets have an impact on the evolution of asset mix between 2006 and 2007.

25.2.11. Other employee benefits funded on a pay-as-you-go basis

In the United States, AXA Financial provides certain medical and life insurance benefits (collectively, "postretirement benefits") for qualifying employees, managers and agents retiring from AXA Financial based on years of service and age. The life insurance benefits are related to age and salary at retirement for certain grandfathered retirees, and a flat dollar amount for others. AXA Financial continues to fund the postretirement benefits costs for these plans on a pay-as-you-go basis.

For 2007, postretirement benefits payments were made in the amounts of €37 million (€42 million in 2006 and €39 million in 2005).

25.2.12. Balance sheet reconciliation

(in Euro million)

	2007	2006	2005
Balance sheet reconciliation			
Net position (excluding separate assets) [(a)]:			
Employee benefit liabilities	(6,319)	(7,025)	(7,357)
Other liabilities	(290)	(290)	(375)
TOTAL	**(6,609)**	**(7,315)**	**(7,732)**

(a) The net position corresponds to a liability of €6,954 million (as at December 31, 2007) included in the provision for risks and charges and an asset for €345 million (as at December 31, 2007) included in the balance sheet under the item "Other long term assets".

25.3. SHARE-BASED COMPENSATION

All figures 100%, gross of tax (in Euro million)

	2007	2006 [b]	2005
Cost by plan			
AXA SA stock options [a]	40.3	33.2	27.1
2003 grants	*2.1*	*3.0*	*6.3*
2004 grants	*5.5*	*8.2*	*12.6*
2005 grants	*8.5*	*10.9*	*8.2*
2006 grants	*14.7*	*11.1*	–
2007 grants	*9.6*		
AXA stock options for AXA Financial	19.5	24.0	16.0
2005 AXA SA grants	*2.5*	*4.3*	*3.3*
2006 AXA SA grants	*3.4*	*11.2*	–
2007 AXA SA grants	*9.9*		
AXA ADR grants	*3.6*	*8.5*	*12.7*
AXA Group shareplan	24.7	16.3	10.5
Classic Plan	*6.0*	*4.3*	*1.7*
Leverage Plan	*18.7*	*12.0*	*8.8*
AXA performances shares	23.6	13.6	5.9
2005 grants	*4.7*	*8.4*	*5.2*
2006 grants	*14.6*	*4.1*	–
2007 grants	*3.7*		
Restricted shares 2005	*0.6*	*1.1*	*0.7*
AXA performances units plans	40.4	48.8	14.8
2004 equity grants	*(0.0)*	*0.6*	*0.7*
2005 equity grants	*0.1*	*1.7*	*1.1*
2006 equity grants	*4.5*	*1.3*	–
2007 equity grants	*0.9*		
2004 cash grants	*1.2*	*11.8*	*5.7*
2005 cash grants	*1.7*	*22.0*	*7.3*
2006 cash grants	*22.1*	*11.5*	–
2007 cash grants	*10.0*		
AXA Miles	23.8		
Plan 2007 (2+2)	*15.1*		
Plan 2007 (4+0)	*8.7*		
AXA Financial share-based compensation instruments	4.9	13.0	39.4
AXA Financial TSAR	*0.3*	*8.3*	*29.0*
AXA Financial Restricted Shares and PARS	*4.6*	*4.7*	*10.4*
AXA APH stock option plan	7.8	5.5	4.0
AllianceBernstein share-based compensation instruments	10.6		
TOTAL	**195.6**	**155.3**	**117.6**

(a) The total 2007 cost of the AXA SA stock option plans shown above excludes the cost of the stock options granted to the employees of AXA Netherlands, which was sold in 2007. The expense corresponding to the amortization period before the transaction has been included in the results arising from discontinued operations. The remaining cost (including the cost triggered by accelerated vesting given to the employees) has been deducted from the capital gain of the transaction. 2006 and 2005 profit and loss have not been restated from the €0.2 million expense related to AXA SA stock options for AXA Netherlands.

(b) For 2006, the total cost of €155.3 million does not include the cost generated by the liquidity guarantee granted by AXA SA to old AXA IM stock option plans, which amounted to a non-recurring cost of €30 million in 2006.

In accordance with IFRS 2, the total employee share based compensation cost of €195.6 million shown above includes expenses from share-based compensation instruments for grants made after November 7, 2002 which had not yet vested at December 31, 2003.

The cost includes the expenses from share-based compensation instruments issued by the Group as well as by AXA subsidiaries.

25.3.1. Share-based compensation instruments issued by the Group

AXA SA STOCK OPTIONS

Executive officers and other key employees may be granted options to purchase ordinary AXA shares under employee stock option plans. While the precise terms and conditions of each option grant may vary, options are currently (i) granted at a price not less than the average closing price of the ordinary share on the Paris Stock Exchange during the 20 trading days preceding the date of grant, (ii) valid for a maximum term of ten years, and (iii) vest in installments of 33.33% per year on each of the second, third and fourth anniversaries of the grant date.

For members of the Executive Committee (2006 Grants) and employees who are granted more than 5,000 options (2007 Grants), the first two installments vest unconditionally at the end of the vesting period. However, the final installment will only vest if AXA shares outperform the DowJones Europe Stoxx Insurance index sometime after 4 years and before the maturity of the options.

The following table shows AXA SA stock options granted under all plans, and not only the ones granted after November 7, 2002.

AXA SA STOCK OPTION PLANS

	Options (in million)			Weighted price (in Euro)		
	2007	**2006**	**2005**	**2007**	**2006**	**2005**
Options AXA						
Outstanding on January 1	70.6	67.2	59.8	23.71	22.42	22.06
Granted	9.7	11.4	12.4	34.01	29.09	16.24
Capital increase	–	1.2	–	–	–	–
Exercised	(7.4)	(8.2)	(3.9)	18.23	15.95	11.50
Cancelled and expired	(1.4)	(1.0)	(1.1)	25.47	24.34	22.22
Outstanding at December 31	71.6	70.6	67.2	26.13	23.71	22.42
Options ex-FINAXA						
Outstanding on January 1	6.4	6.4	–	22.23	21.85	–
Conversion from FINAXA	–	–	6.4	–	–	21.85
Capital increase	–	0.1	–	–	–	–
Exercised	(0.8)	(0.2)	–	15.27	9.24	–
Cancelled and expired	–	–	–	–	–	–
Outstanding at December 31	5.6	6.4	6.4	23.26	22.23	21.85
TOTAL AXA AND EX-FINAXA	**77.2**	**77.0**	**73.6**	**25.92**	**23.58**	**22.37**

The number of outstanding options and the number of exercisable options as at December 31, 2007 are shown below by maturity date:

EXERCISABLE UNTIL

In million

	Outstanding options			Exercisable options		
	2007	2006	2005	2007	2006	2005
Options AXA						
July 9, 2006	0.0	0.0	0.6	0.0	0.0	0.6
January 21, 2007	0.0	0.0	1.9	0.0	0.0	1.9
September 9, 2007	0.0	0.1	0.2	0.0	0.1	0.2
September 29, 2007	0.0	0.0	0.1	0.0	0.0	0.1
April 19, 2008	2.8	5.0	6.1	2.8	5.0	6.1
June 8, 2009	4.5	5.0	5.2	4.5	5.0	5.2
November 17, 2009	0.2	0.2	0.2	0.2	0.2	0.2
July 11, 2010	0.1	0.1	0.1	0.1	0.1	0.1
July 4, 2010	5.1	5.3	5.3	5.1	5.3	5.3
November 12, 2010	0.2	0.2	0.2	0.2	0.2	0.2
May 8, 2011	7.4	7.6	7.6	7.4	7.6	7.6
February 26, 2012	6.1	6.8	8.5	6.1	6.8	5.2
March 13, 2013	4.6	7.4	9.1	4.6	5.0	1.9
March 25, 2014	8.5	9.3	9.9	5.7	3.1	–
March 28, 2015	7.8	8.3	8.4	2.6	–	–
March 28, 2015	3.3	3.5	3.5	1.1	–	–
June 5, 2015	0.0	0.0	0.0	0.0	–	–
June 26, 2015	0.2	0.2	0.2	0.1	–	–
June 30, 2015	0.0	0.0	0.0	0.0	–	–
September 20, 2015	0.1	0.1	0.1	0.0	–	–
March 30, 2016	7.0	7.3	–	–	–	–
March 30, 2016	3.8	3.9	–	–	–	–
September 24, 2016	0.1	0.1	–	–	–	–
November 12, 2016	0.0	0.0	–	–	–	–
May 9, 2017	3.1	–	–	–	–	–
May 9, 2017	6.6	–	–	–	–	–
September 23, 2017	0.0	–	–	–	–	–
November 18, 2007	0.0	–	–	–	–	–
Total AXA	**71.6**	**70.6**	**67.2**	**40.5**	**38.4**	**34.5**
Options ex-FINAXA						
July 9, 2006	0.0	0.0	0.2	0.0	0.0	0.2
May 6, 2008	1.3	1.5	1.5	1.3	1.5	1.5
May 25, 2009	1.2	1.2	1.1	1.2	1.2	1.1
July 4, 2010	0.5	0.5	0.5	0.5	0.5	0.5
May 29, 2011	0.9	0.9	0.9	0.9	0.9	0.6
April 2, 2013	1.2	1.8	1.7	1.2	1.2	0.6
April 13, 2014	0.5	0.5	0.5	0.3	0.2	0.0
Total ex-FINAXA	**5.6**	**6.4**	**6.4**	**5.4**	**5.5**	**4.6**
Total AXA and ex-FINAXA	**77.2**	**77.0**	**73.6**	**45.9**	**43.9**	**39.1**

OPTIONS AXA AND EX-FINAXA

	Outstanding options		Exercisable options	
	Number (in million)	Exercise price (in Euro)	Number (in million)	Exercise price (in Euro)
Price range				
€6.48 – €12.96	5.8	11.2	5.8	11.2
€12.96 – €19.44	9.0	17.6	6.0	17.6
€19.44 – €25.92	22.7	21.3	15.1	21.6
€25.92 – €32.40	23.1	29.9	12.1	30.6
€32.40 – €38.87	10.8	34.1	1.1	34.4
€38.87 – €45.35	5.8	40.9	5.8	40.9
€6.48 – €45.35	**77.2**	**25.92**	**45.9**	**24.87**

Information on options granted after November 7, 2002 is shown in the table below:

POST NOVEMBER 7, 2002 AXA SA STOCK OPTION PLANS

	Options (in million)			Weighted price (in Euro)		
	2007	2006	2005	2007	2006	2005
Options						
Outstanding on January 1	40.2	31.2	20.5	20.14	16.89	14.26
Granted	9.7	11.4	12.4	34.01	29.09	20.69
Capital increase	–	0.5	–	–	–	–
Exercised	(3.7)	(2.3)	(1.0)	12.85	12.60	10.96
Cancelled and expired	(1.1)	(0.6)	(0.6)	23.00	19.96	8.91
Outstanding at December 31	45.1	40.2	31.2	24.03	20.14	16.89
Options ex-FINAXA						
Outstanding on January 1	2.3	2.2		12.81	12.81	
Conversion from FINAXA	–	–	2.2	–	–	12.81
Capital increase	–	0.0	–	–	–	–
Exercised	(0.5)	–	–	12.11	–	–
Cancelled and expired	–	–	–	–	–	–
Outstanding at December 31	1.7	2.3	2.2	13.03	12.81	12.81
Total AXA and ex-FINAXA	**46.9**	**42.5**	**33.4**	**23.63**	**19.74**	**16.62**

The number of outstanding options and the number of exercisable options at December 31, 2007 are shown below by maturity date for AXA SA plans granted after November 7, 2002:

EXERCISABLE UNTIL

in million

	Outstanding options			Exercisable options		
	2007	2006	2005	2007	2006	2005
Options AXA						
March 13, 2013	4.6	7.4	9.1	4.6	5.0	1.9
March 25, 2014	8.5	9.3	9.9	5.7	3.1	–
March 28, 2015	7.8	8.3	8.4	2.6	–	–
March 28, 2015	3.3	3.5	3.5	1.1	–	–
June 5, 2015	0.0	0.0	0.0	0.0	–	–
June 26, 2015	0.2	0.2	0.2	0.1	–	–
June 30, 2015	0.0	0.0	0.0	0.0	–	–
September 20, 2015	0.1	0.1	0.1	0.0	–	–
March 30, 2016	7.0	7.3	–	–	–	–
March 30, 2016	3.8	3.9	–	–	–	–
September 24, 2016	0.1	0.1	–	–	–	–
November 12, 2016	0.0	0.0	–	–	–	–
May 9, 2017	3.1	–	–	–	–	–
May 9, 2017	6.6	–	–	–	–	–
September 23, 2017	0.0	–	–	–	–	–
November 18, 2007	0.0	–	–	–	–	–
Total AXA	**45.1**	**40.2**	**31.2**	**14.1**	**8.0**	**1.9**
Options ex-FINAXA						
April 2, 2013	1.2	1.8	1.7	1.2	1.2	0.6
April 13, 2014	0.5	0.5	0.5	0.3	0.2	0.0
Total ex-FINAXA	**1.7**	**2.3**	**2.2**	**1.6**	**1.3**	**0.6**
Total AXA and ex-FINAXA	**46.9**	**42.5**	**33.4**	**15.6**	**9.4**	**2.5**

	Outstanding options		Exercisable options	
	Number (in million)	Exercise price (in Euro)	Number (in million)	Exercise price (in Euro)
Price range				
€6.48 – €12.96	5.8	11.20	5.8	11.20
€12.96 – €19.44	9.0	17.56	6.0	17.56
€19.44 – €25.92	11.4	20.68	3.8	20.68
€25.92 – €32.40	11.0	29.10	–	–
€32.40 – €38.87	9.7	34.02	–	–
€38.87 – €45.35	–	–	–	–
€6.48 – €45.35	**46.9**	**23.63**	**15.6**	**15.95**

The fair value of AXA SA stock options is calculated using the Black and Scholes option pricing model. The effect of expected early exercise is taken into account through the use of an expected life assumption based on historical data. AXA SA share price volatility is estimated on the basis of implied volatility, which is checked against an analysis of historical volatility to ensure consistency. The expected AXA SA dividend yield is based on the market consensus. The risk-free interest rate is based on the Euro Swap Rate curve for the appropriate term.

The option pricing assumptions and fair value for plans issued in 2007, 2006 and 2005 are as follows:

	2007	2006	2005
Assumptions			
Dividend yield	4.22%	3.5%	3.15%
Volatility	27.50%	28.00%	25.00%
Risk-free interest rate	4.40%	3.90%	3.31%
Expected life (in years)	6.0	6.0	6.0
Weighted average fair value per option at grant date in Euro	6.80 [(a)]	6.48	4.15

(a) For employees who have been granted more than 5,000 options, the final instalment will only vest if AXA share price outperforms the Dow Jones Euro Stoxx Insurance Index. The options with performance criteria have been valued at €6.67 per option based on a Monte Carlo model. The options without performance criteria have been valued at €7.02 per option based an Black&Scholes model.

The total cost of the AXA SA plans is amortized over the vesting period and an estimated 5% pre-vesting lapse rate is applied. On that basis, the expense recognized in profit and loss for the year ended December 31, 2007 was €56.2 million (€2.1 million for the 2003 grants, €5.5 million for the 2004 grants, €11.0 million for the 2005 grants, €18.1 million for the 2006 grants, €19.5 million for the 2007 grants). Among the 2005, 2006 and 2007 grants, the expense relating to AXA SA share options granted to AXA Financial employees was €15.9 million.

AXA ADR STOCK OPTIONS

AXA Financial may grant options to purchase AXA ADRs. These options are issued at the market value of AXA ADRs on the date of grant. Options granted prior to 2004 vest over a three-year period, with one third vesting on each anniversary date. However, starting in 2004, new grants generally vest over a four-year period with one third vesting on each of the second, third and fourth anniversary dates (generally in March). Options currently issued and outstanding have a 10-year contractual term from their date of grant.

The following tables show a summary of AXA Financial's AXA ADR stock option plans:

AXA ADR STOCK OPTION PLANS

	Options (in million)			Weighted price (in US $)		
	2007	2006	2005	2007	2006	2005
Options						
Outstanding on January 1	26.8	38.6	44.0	$23.40	$24.06	$23.03
Granted	–	0.7	1.8	–	$23.26	$26.77
Capital increase	0	0	–	–	–	–
Exercised	(7.4)	(9.1)	(5.7)	$24.12	$22.08	$15.68
Cancelled and expired	(0.4)	(3.4)	(1.5)	$22.54	$33.57	$29.22
Outstanding at December 31	**19.0**	**26.8**	**38.6**	**$22.64**	**$23.40**	**$24.06**

The 0.7 million options shown for 2006 in the "granted" line in the table above is largely the adjustment made to offset the dilution due to the capital increase done to finance the acquisition of Winterthur, as employees and associates now receive AXA SA shares rather than ADR options.

	Outstanding options		Exercisable options	
	Number (in million)	Exercise price (in US $)	Number (in million)	Exercise price (in US $)
$9.93 – $12.72	3.2	$12.30	3.2	$12.30
$13.10 – $16.35	0.2	$15.93	0.2	$15.93
$17.54 – $22.24	7.2	$19.46	5.6	$19.27
$25.41 – $32.18	7.2	$28.89	5.6	$29.63
$35.10	1.1	$35.10	1.1	$35.10
$9.93 – $ 35.10	**19.0**	**$22.64**	**15.7**	**$22.53**

The following table shows information for grants after November 7, 2002:

POST NOVEMBER 7, 2002 AXA ADR STOCK OPTION PLANS

	Options (in million)			Weighted price (in US $)		
	2007	2006	2005	2007	2006	2005
Options						
Outstanding on January 1	11.3	14.0	14.5	$18.70	$18.18	$16.36
Granted	–	0.1	1.8	–	$34.23	$26.77
Capital increase	–	–	(1.9)	–	–	–
Exercised	(1.9)	(2.5)	(0.4)	$17.41	$13.85	$12.82
Cancelled and expired	(0.3)	(0.3)	(0.4)	$21.75	$21.29	$18.59
Outstanding at December 31	**9.1**	**11.3**	**14.0**	**$18.85**	**$18.70**	**$18.18**

	Outstanding options		Exercisable options	
	Number (in million)	Exercise price (in US $)	Number (in million)	Exercise price (in US $)
Price range				
$9.93 – $15.12	2.8	$12.26	2.8	$12.26
$19.50 – $27.45	6.2	$21.85	3	$20.48
$9.93 – $27.45	**9.1**	**$18.85**	**5.8**	**$16.52**

The fair value of AXA ADR stock options is calculated using the Black and Scholes option pricing model. The effect of expected early exercise is taken into account through the use of an expected life assumption based on historical data. AXA ADR volatility is based on AXA SA ordinary shares volatility, adjusted for the US$/€ exchange rate volatility.

The expected dividend yield on AXA SA shares is based on the market consensus. The risk-free interest rate is based on the U.S. Treasury bond curve for the appropriate maturity.

The option pricing assumptions and fair value for plans issued in 2005 are as follows:

	2005
Assumptions	
Dividend yield	3.01%
Volatility	25.00%
Risk-free interest rate	4.27%
Expected life (in years)	5
Weighted average fair value per option at grant date in Euro	5.65

From 2005 on, there are no more AXA ADR grants to employees, and only a limited number of AXA Equitable Life sales associates continue to receive AXA ADR grants.

AXA GROUP SHAREPLAN

AXA offers its employees the opportunity to become shareholders through special employee share offerings. In countries that meet the legal and fiscal requirements, two investments options are available: the traditional plan and the leveraged plan.

In the traditional plan, employees invest in AXA shares at a discount to the market price for unrestricted shares. In the leveraged plan, an independent bank supplements the employees' investment so that the total investment is a multiple of the contribution made by the employees. This total sum is invested in AXA shares at a discount to market price for unrestricted shares. After a period of five years, employees receive a percentage of any gains made on the investment, with a guaranteed minimum equal to the amount of their initial investment.

The cost of this plan is valued taking into account the five-year lock-up period, as recommended by the CNC (Conseil National de la Comptabilité). The CNC approach values the restricted shares through a replication strategy whereby the employee would sell the restricted shares forward at the end of the lock-up period, borrow enough money to buy unrestricted shares immediately, and uses the proceeds of the forward sale together with dividends paid during the lock-up period to finance the loan. For the leveraged plan, the cost also includes the opportunity gain implicitly provided by AXA by enabling its employees to benefit from an institutional price for derivatives as opposed to a retail price.

On September 24, 2007, the AXA Group made an employee share offering at €23.22 per share for the traditional plan (discount of 20% to the reference price of €29.03 representing the average over the twenty trading days preceding the date of announcement) and €24.89 per share for the leveraged plan. Subscriptions amounted to 22.1 million shares, increasing the share capital by €552.3 million. This offering represented a total cost of €24.7 million taking into account the five-year lock-up period.

In 2007, the cost of the lock-up period was measured at 13.45% for the traditional plan and 13.15% for the leveraged plan (different discounts). In addition to the lock-up cost, the opportunity gain offered to the employees under the leveraged plan was measured at 2.24%.

The table below shows the main features of the plan, the amounts subscribed, valuation assumptions, and the cost of the plan for 2007, 2006 and 2005.

PLAN MAIN FEATURES

		2007		2006		2005	
		Traditional	Leveraged	Traditional	Leveraged	Traditional	Leveraged
	Plan maturity (in years)	5	5	5	5	5	5
[a]	Discount to face value	20.00%	14.25%	20.00%	15.21%	20.00%	17.50%
	Reference price (in Euro)	29.03		28.60		22.15	
	Subscription price (in Euro)	23.22	24.89	22.88	24.25	18.06	18.63
	Amount subscribed by employee (in Euro million)	74.0	47.0	51.8	32.0	33.7	26.8
	Total amount subscribed (in Euro million)	74.0	478.3	51.8	323.7	33.7	270.6
	Total number of shares subscribed (in million shares)	3.2	18.9	2.3	13.2	1.9	14.4
	Interest rate on employee loan	7.54%	7.47%	7.01%	7.34%	7.16%	7.62%
	5-year risk-free rate (euro zone)	3.89%		3.66%		3.09%	
	Dividend yield	5.30%		3.96%		2.24%	
	Early exit rate	4.61%		3.34%		3.20%	
	Interest rate for borrowing securities (repo)	0.25%		0.20%		0.00%	
	Retail / institutional volatility spread	N/A	4.60%	N/A	4.20%	N/A	4.40%
[b]	Cost of the lock-up for the employee	13.45%	13.15%	13.41%	14.32%	16.07%	> 17.50%
[c]	Opportunity gain	N/A	2.24%	N/A	2.26%	N/A	2.68%
	Total cost for AXA = [a] – [b] + [c] (equivalent to a discount)	6.55%	3.35%	6.59%	3.15%	3.93%	2.68%
	Total cost for AXA (in Euro million)	6.0	18.7	4.3	12.0	1.7	8.8

AXA MILES

On July 1, 2007, AXA granted 50 free shares per employee to all employees of the Group. In total, 2.3 million shares were granted to 46,900 employees in 24 countries on the 2+2 plan (i.e. two-year vesting period with a subsequent two-year restriction period), and 3.2 million shares were granted to 64,838 employees in 30 countries on the 4+0 plan (i.e. four-year vesting period with no subsequent restriction period).

	Number of employees	Number of AXA Miles
Plan 2+2	46,900	2,345,000
Plan 4+0	64,838	3,241,900
Total	**111,738**	**5,586,900**

The free shares are valued using the CNC approach described in the AXA Group Shareplan section using assumptions adapted to the structure of the plan (2+2 or 4+0 plan), based on a market price of €32 per share on July 1, 2007.

The total cost of the AXA Miles is amortised over the vesting period and an estimated 5% pre-vesting lapse rate is applied. On that basis, the expense recognized in the profit & loss for the year ended December 31, 2007 was €23.8 million.

OTHER SHARE-BASED COMPENSATION

To a lesser extent, AXA issued Performance Units in 2004, 2005, 2006 and 2007. During the vesting period, the Performance Units initially granted are subject to non-market performance criteria. The value of each Performance Unit is equal to the average AXA share price before the settlement (which is cash rather than equity-settled in most cases).
The total cost of the Performance Units recorded in earnings in 2007 was €40.1 million (€5.4 million for the equity-settled portion and €34.7 million for the cash-settled portion).

In 2005, 2006 and 2007, Performance Shares were issued in France only.
Performance Shares are similar to Performance Units, but the payment is equity-settled rather than cash-settled. In France, most of the Performance Units granted to employees have been converted into Performance Shares. The total cost of Performance Shares was €23.6 million in 2007.

25.3.2. Share-based compensation instruments issued by local entities

Only those plans that are material at Group level are described below.

AXA ASIA PACIFIC HOLDING STOCK OPTION PLAN

AXA APH grants stock options based on AXA APH shares, with both market and non-market performance conditions. These plans are valued according to the IFRS applicable in Australia. The total cost for this plan in 2007 was €7.8 million.

AXA FINANCIAL SHARE-BASED COMPENSATION PLANS

The total cost of AXA Financial's share-based compensation plans in 2007 included €0.3 million in respect of AXA Financial Stock Appreciation Rights (as they are subject to variations in the basis of recognition due to changes in the market value of AXA ADRs) and €4.6 million in respect of AXA ADR Restricted Shares and Performance Accelerated Restricted Shares granted to senior executives and non-employee directors.

ALLIANCEBERNSTEIN SHARE-BASED COMPENSATION PLANS

AllianceBernstein grants Restricted Units and options to acquire AllianceBernstein Units, which are valued and booked according to IFRS principles. These plans have not been disclosed in prior years in the AXA Group annual report for materiality reasons.

In 2007, AllianceBernstein granted to certain key employees the right to receive part of their deferred compensation in the form of options to acquire AllianceBernstein units. Because of this new plan, the total cost of share-based compensation plans granted by AllianceBernstein became material at Group level. The 2007 total cost (including old and new plans) amounted to €10.6 million.

Options to acquire AllianceBernstein Units were granted as follows: 3,708,939 options were granted during 2007; 9,712 were granted during 2006; and 17,604 options were granted during 2005.

25.4. COMPENSATION OF MANAGEMENT AND OFFICERS

In 2007:
- Short-term benefits: compensation paid to members of the Management Board in respect of 2007 totaled €14.1 million, including fixed salary, bonuses, directors' fees and benefits in kind.
- Long-term benefits: amounts provisioned or recognized by AXA SA and its subsidiaries for the payment of pensions or retirement benefits to its corporate officers (members of the Management Board, Chairman of the Supervisory Board and the employees' representative on the Supervisory Board) totaled €34.8 million.
- Share-based compensation: the expense recognized in 2007 in respect of share-based compensation granted to Management Board members was €16 million.

In 2006:
- Short-term benefits: compensation paid to members of the Management Board in respect of 2006 totaled €14.9 million, including fixed salary, bonuses, directors' fees and benefits in kind.
- Long-term benefits: amounts provisioned or recognized by AXA SA and its subsidiaries for the payment of pensions or retirement benefits to its corporate officers (members of the Management Board, Chairman of the Supervisory Board and the employees' representative on the Supervisory Board) totaled €33.8 million.
- Share-based compensation: the expense recognized in 2006 in respect of share-based compensation granted to Management Board members was €13 million.

25.5. SALARIED WORKFORCE

At December 31, 2007, the Group employed 103,534 salaried people on a full-time equivalent basis (96,009 in 2006, including 14,984 Winterthur employees, and 78,800 in 2005).

The increase in 2007 compared to 2006 was mainly due to:
- in the United Kingdom: the acquisition of Thinc Group and Venture Preference Limited with 544 and 1,439 employees, respectively, and growth in PPP Healthcare (449 employees);
- the acquisition of Alpha Insurance in Greece with 333 employees, and of AXA-MPS Vita and Danni in Italy with 140 and 53 employees, respectively;
- the acquisition of Kyobo Auto in South Korea (1,464 employees);
- the acquistion of ELLA Bank in Hungary (229 employees);
- an increase at AllianceBernstein (672 employees) mainly in the teams which manage institutional investments, private clients, mutual funds and corporates, due to the growth of the activity;
- an increase in the Assistance business (845 employees) mainly in France, Spain, Benelux, the UK and the US;
- an increase in Australia/New Zealand with 499 employees due to a growing activity.

NOTE 26 > NET INCOME PER ORDINARY SHARE

The Group calculates a basic net income per ordinary share and a diluted net income per ordinary share:

- The calculation of the basic net income per ordinary share assumes no dilution and is based on the weighted average number of outstanding ordinary shares during the period.
- The calculation of diluted net income per ordinary share takes into account shares that may be issued as a result of stock option plans. The effect of stock option plans on the number of fully diluted shares is taken into account only if options are considered to be exercisable on the basis of the average stock price of the AXA share over the period.

As of January 1, 2007, the effect of convertible bonds is no longer integrated in the calculation of diluted net income per ordinary share.

On January 11, 2007, the meetings of holders of AXA's 2014 and 2017 convertible bonds were held to vote on an amendment of the final conversion dates of the bonds to January 26, 2007 in exchange for a cash payment in respect of the value of the conversion option. The meeting of holders of the 2014 convertible bonds approved the amendment. Consequently, holders who did not convert their bonds by January 26, 2007, received €16.23 per bond on January 31, 2007. The meeting of holders of the 2017 convertible bonds did not approve the amendment. Consequently, to fully neutralize the dilutive impact of the 2017 convertible bonds, AXA purchased from a banking counterparty, for a total cash amount equivalent to the payment proposed to bondholders, call options on AXA shares with an automatic exercise feature. This feature is such that one option is automatically exercised upon each conversion of a convertible bond. Consequently, each issuance of a new share resulting from the conversion of the bond will be offset by the delivery by the bank to AXA (and subsequent cancellation) of an AXA share. The issuance of a share in respect of the conversion of the bond and the cancellation by AXA of the AXA share received will offset each other. As a result of this transaction, there will no longer be a change to the outstanding number of AXA outstanding shares created by the convertible bond conversion.

As a result, the fully diluted number of shares at December 31, 2007 was 2,061 million.

(in Euro million) [c]

		December 31, 2007	December 31, 2006	December 31, 2005 Restated [d] [f]
NET INCOME GROUP SHARE	**A**	**5,666**	**5,085**	**4,318**
Weighted average number of ordinary shares (net of treasury shares) – opening		2,063	1,855	1,921
Increase in capital (excluding stock option exercised) [a]		2	97	–
Stock options exercised [a]		4	3	2
Treasury shares [a]		0	3	(1)
Impact of merger AXA-FINAXA [a]		0	0	(2)
Share purchase program [a]		(27)	(11)	(3)
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES	**B**	**2,043**	**1,948**	**1,917**
NET INCOME PER ORDINARY SHARE [e]	**C = A / B**	**2.77**	**2.61**	**2.25**
Potentially dilutive instruments :				
– Stock options		16	16	8
– Subordinated convertible Notes – February 8, 2000 due 2017		–	28	27
– Subordinated convertible Notes – February 8, 1999 due 2014		–	38	37
– Other		2	2	1
FULLY DILUTED – WEIGHTED AVERAGE NUMBER OF SHARES	**D**	**2,061**	**2,032**	**1,991**
NET INCOME [b]	**E**	**5,666**	**5,199**	**4,428**
FULLY DILUTED NET INCOME PER ORDINARY SHARE [e]	**F = E / D**	**2.75**	**2.56**	**2.22**

(a) Weighted average.
(b) Taking into account the impact of potentially dilutive instruments.
(c) Except for number of shares (million of units) and earnings per share (Euro).
(d) Following any significant capital increase with a stock price lower than the market price, average number of shares and consequently net income per share over each period shall be restated to take into account this event (application of an adjustment factor of 1.019456).
(e) Basic and diluted net income per share from discontinued operations represented €0.05 for full year 2005, €0.06 for full year 2006 and €0.23 for full year 2007.
(f) As described in note 1.11.2, perpetual subordinated notes were reclassified under shareholders' equity in 2006 with retrospective application to 2005. Details are provided in note 13.

NOTE 27 > RELATED-PARTY TRANSACTIONS

In 2007, the Company was party to the following transactions with related parties which may be deemed to have been material to AXA or the related party in question or unusual in their nature or conditions.

Relationships with the Mutuelles AXA

The Mutuelles AXA (AXA Assurances IARD Mutuelle and AXA Assurances Vie Mutuelle) are two mutual insurance companies engaged in the Property & Casualty insurance business and Life & Savings insurance business in France. The Mutuelles AXA have no shares outstanding and the business of each Mutuelle is supervised by a board of directors elected by delegates representing policyholders. The Company and the Mutuelles have in common certain members of management and certain members of the Company's Supervisory Board and Management Board serve as directors or executive officers of the Mutuelles AXA.

The insurance businesses of the Mutuelles AXA and the insurance businesses of the Company's French insurance subsidiaries use similar distribution channels and are managed as a single business, subject to legal and management arrangements established to maintain the legal distinctions between their respective businesses. Certain of the costs and expenses of operating these businesses (other than commissions) are shared by these subsidiaries and the Mutuelles AXA and allocated among them through a *Groupement d'Intérêt Economique* or "GIE" which is a type of French inter-company partnership more fully described below. There are no agreements between the Mutuelles AXA and the Group's insurance subsidiaries that restrict in any way their ability to compete with one another.

The Property & Casualty insurance business generated in France by insurance brokers is underwritten through a coinsurance arrangement between AXA France IARD, a Property & Casualty insurance subsidiary of the Company, and AXA Assurances IARD Mutuelle. Technical results are shared between entities in proportion with their written premiums. Aggregate written premiums recorded in the agreement amounted to €1,531 million in 2007 (of which €1,363 million was attributed to AXA France IARD).

Groupement d'Intérêt Economique (GIE)

From time to time the Company enters into GIEs with certain of its subsidiaries. GIEs are French intercompany partnerships, governed by French law, created to perform various common services for their members and to allocate associated costs and expenses among their members. The allocation of costs and expenses invoiced to GIE members may be based on various agreed criteria including particular activity drivers. These GIEs cover a variety of common services including services performed by the AXA Group's central functions for the benefit of AXA Group companies (such as finance, accounting and reporting, tax, legal, marketing and brand, internal audit, human resources, procurement, information systems, risk management, cash management, etc.) as well as certain other services. Expenses invoiced by these GIEs to the Company and its subsidiaries are generally invoiced at cost and are included in the consolidated expenses reflected on Company's audited consolidated financial statements.

Loans/Guarantees/Capital Contributions, etc.

AXA has given numerous commitments and guarantees, including financing commitments, guarantees given to financial institutions and customers, pledged assets, collateralized commitments and letters of credit. For a detailed description of these commitments and guarantees, see Note 28 "Contingent assets and liabilities and unrecognized contractual commitments". Certain of these guarantees are given by the Company for the benefit of its subsidiaries and affiliates for various business purposes including to promote development of their business (e.g. to facilitate acquisitions, integration of acquired businesses, internal restructurings, sales or other disposals of assets or businesses or similar transactions), to support their credit ratings, and/or to promote efficient use of the Group's capital resources. In this context, the Company may guarantee repayment of loans extended from one of its subsidiaries to another guarantee obligations of its subsidiaries to third parties or provide other types of guarantee for the benefit of its subsidiaries. The beneficiaries of these guarantees are generally required to compensate the Company at a negotiated rate based on prevailing market rates and conditions for guarantees of a similar nature. In addition, from time to time, the Company may provide comfort or similar letters to rating agencies and/or regulators for the benefit of its subsidiaries and affiliates for various business purposes, including facilitating specific transactions, achieving target ratings levels and, more generally, helping develop the business of these subsidiaries.

The Company, from time to time, makes capital contributions loans, other extensions of credit, or otherwise provides liquidity to its subsidiaries and affiliates to finance their business operations (e.g. to facilitate acquisitions, integration of acquired businesses, internal restructurings, or similar transactions) or for other business purposes. These transactions may involve the Company acquiring different types of securities (e.g. ordinary shares, preferred shares, senior debt securities, subordinated debt securities, etc.) or assets from its subsidiaries and affiliates from time to time. Loans or other extensions of credit bear interest at varying rates that generally reflect prevailing market rates at the respective dates such loans were originated.

In addition, the Company may enter into various other types of transactions with its subsidiaries and affiliates from time to time in connection with liquidity, solvency and capital management initiatives designed to promote efficient use of the Group's capital resources which may involve loans or other extensions of credit, acquisitions or sales of securities or other assets, swaps or other types of derivatives, securitization transactions or other similar types of arrangements or transactions.

Key Management and Directors

To the best of the Company's knowledge, based on information reported to it, at December 31, 2007, there were no loans outstanding from the Group to any member of AXA's Management Board or Supervisory Board other than: (i) one loan to a member of AXA's Management Board (loan originated in 2002 in the original principal amount of €200,000, bearing interest at a rate of 4.58% annually and with a 10-year term); (ii) two loans to another member of AXA's Management Board (a loan originated in 1999 in the original principal amount of €152,449 bearing interest at a rate of 4.50% annually and with a 10 year term and a second loan originated in 2000 in the original principal amount of €76,225 bearing interest at a rate of 5.80% annually and with a 10 year term); and (iii) one loan to a member of AXA's Supervisory Board (loan originated in 2007 in the original principal amount of €5,275,955 bearing interest at a rate of 4.70% annually and with a 7-year term). In addition, the Management Board member with the two loans outstanding at December 31, 2007 referred to in (ii) above had the following other recent loans or loan commitments from a banking subsidiary of the Company: (i) a short-term loan originated and fully repaid in October 2007 (loan in the original principal amount of €536,500 bearing interest at annual rate of 1 month Euribor + 115 basis points); and (ii) a commitment for a secured short-term loan entered into during the first quarter of 2008 for a loan in the principal amount of €1,073,000 at annual rate of 1 month Euribor + 115 basis points). These loans and loan commitments were made in the ordinary course of business of the Group's banking subsidiary at prevailing market terms and conditions at the time of origination.

Various executive officers and directors of the Group may, from time to time, purchase insurance, wealth management or other products or services offered by AXA in the ordinary course of its business. The terms and conditions of these transactions are substantially similar to the terms and conditions generally available to the public or to AXA employees generally.

NOTE 28 > CONTINGENTS ASSETS AND LIABILITIES AND UNRECOGNIZED CONTRACTUAL COMMITMENTS

28.1. BREAKDOWN OF COMMITMENTS RECEIVED

(in Euro million)

	December 31, 2007	December 31, 2006	December 31, 2005
Financing commitments	**8.156**	**8.308**	**8.280**
Credit institutions	8.127	8.308	8.280
Customers	28	-	-
Guarantee commitments	**4.844**	**4.088**	**3.985**
Credit institutions	478	287	252
Customers	4.366	3.801	3.733
Other	**26.475**	**25.304**	**18.174**
Pledged securities and collaterized commitments	24.004	21.665	14.241
Letters of credit	1.431	1.233	1.075
Other commitments	1.040	2.407	2.858
TOTAL	**39.474**	**37.700**	**30.440**

Off-balance sheet commitments received by AXA totaled €39,474 million at the end of 2007, an increase of €1,774 million compared to the end of 2006.

At the end of 2006, the integration of Winterthur contributed €2,959 million to off balance sheet commitments received, mainly including €2,934 million of collateral for mortgage loans.

Off-balance sheet commitments received were up €1,774 million at the end of 2007, mainly due to pledged securities and collaterized commitments (€+2,339 million) and guarantee commitments received from customers (€+566 million), partly offset by a decrease in other commitments (€–1,367 million). These commitments broke down as follows:

Financing commitments received totaled €8,156 million at the end of 2007 and mainly consisted of:
- AXA SA credit lines (€6,268 million),
- AllianceBernstein credit lines (€928 million) mainly comprising credit facilities (€475 million) and revolving credit facilities (€316 million) from various banks and other lenders,
- bank credit lines granted to AXA Life Japan as part of its Life & Savings operations (€330 million),
- The United States holding company's share in a Group cash facility since July 9, 2004 (€340 million),
- credit facilities received by AXA RE (€253 million).

Guarantee commitments received amounted to €4,844 million, and mainly consisted of:
- guarantees received from customers of AXA Bank Belgium and Belgium Life & Savings (€3,196 million), and from AXA Banque (French bank) (€1,033 million) principally in the form of mortgages and,
- guarantees received from credit institutions by Italy Property & Casualty (€103 million) in the case of the failure of general agents, and from AXA Banque (€219 million).

At the end of 2007, guarantee commitments received increased by €756 million compared to the end of 2006, mainly due to (i) an increase in guarantees received from credit institutions by AXA Banque (€+207 million) following the strong growth of credit in 2007 (and thus in outstanding property loans), and (ii) an increase in AXA Bank Belgium (€+228 million) on guarantees received by customers on house loans and credits to small businesses.

Pledged securities and collaterized commitments received totaled €24,004 million at the end of 2007, and mainly consisted of:
- Mortgage security interests taken by AXA Bank Belgium for home loans and other business loans (€15,087 million).
- €5,030 million in Japan, including securities received as guarantees for cash deposits given in security lending transactions (€4,413 million) and for short-term security borrowings (€617 million). Commitments were also given on these products.
- Collaterized commitments in Switzerland Life & Savings (€2,249 million), mainly relating to mortgage loans.
- Pledged securities representing technical commitments made by reinsurers, mainly for France Life & Savings (€230 million) and AXA Corporate Solutions Assurance (€298 million).

The €2,339 million increase in pledged securities and collaterized commitments received in 2007 resulted mainly from new guarantees received by AXA Bank Belgium (€+2,510 million), mainly in mortgage commitments relating to residential contracts.

Letters of credit received amounted to €1,431 million at the end of 2007, mainly in the United States (€1,283 million), a €198 million increase compared to the end of 2006.

Other commitments received totaled €1,040 million at the end of 2007, broken down as follows:
- €777 million received by France Life & Savings,
- €107 million commitments received by AXA Bank Belgium related to Forex and Money Market activities,
- €100 million commitments on real estate properties in the United Kingdom, and
- €34 million received by AXA RE, to purchase real estate funds from AXA REIM.

The €–1,367 million decrease in other commitments received mainly included (i) a €601 million decrease in commitments received by France Life & Savings, (ii) a €767 million decrease in International Insurance, and (iii) the termination of the commitments received last year from external shareholders of an AXA real estate entity (€–150 million).

28.2. BREAKDOWN OF COMMITMENTS GIVEN

(In Euro million)

	December 31, 2007					December 31, 2006	December 31, 2005
	Due in one year or less	Due after one year through three years	Due after three years through five years	Due after five years	TOTAL	TOTAL	TOTAL
Financing commitments	**2,247**	**332**	**246**	**326**	**3,151**	**3,974**	**2,077**
Credit institutions	244	332	224	134	934	1,376	85
Customers	2,003	–	22	192	2,217	2,598	1,991
Guarantee commitments	**1,091**	**2,349**	**672**	**1,241**	**5,353**	**5,677**	**6,506**
Credit institutions	697	857	668	1,162	3,384	3,020	2,317
Customers	395	1,492	3	79	1,969	2,657	4,189
Other	**14,133**	**3,768**	**1,322**	**6,011**	**25,233**	**22,795**	**17,110**
Pledged securities and collaterized commitments	12,639	56	20	1,887	14,601	15,821	10,428
Letters of credit	96	1	1	477	576	673	926
Other commitments	1,397	3,711	1,301	3,647	10,056	6,301	5,757
TOTAL	**17,471**	**6,449**	**2,240**	**7,578**	**33,737**	**32,446**	**25,693**

Commitments given totaled €33,737 million at the end of 2007, an increase of €1,291 million as compared to the end of 2006.
At the end of 2006, the integration of Winterthur contributed €2,217 million to commitments given.

Financing commitments given totaled €3,151 million at the end of 2007, and consisted of:
- Financing commitments to customers (€2,217 million), mainly comprising commitments given by AXA Bank Belgium in the context of its retail activities (€933 million), and credit lines and overdraft authorizations granted by AXA Banque (French bank) to its customers (€1,084 million). These commitments were almost stable compared to 2006.
- Financing commitments to credit institutions (€934 million), including notably €676 million given by Switzerland Life & Savings to private equity funds (in line with 2006 commitment).

Financing commitments given decreased by €823 million, including €–392 million attributable to the sale of the Netherlands, and €–530 million in the United States (where commitments given to Limited Partnership are shown as other commitments from 2007 on).

Guarantee commitments given totaled €5,353 million at the end of 2007, and consisted of:
- Guarantee commitments given to credit institutions (€3,384 million) including mainly guarantees given by AXA SA mainly to credit institutions (€3,053 million).
- Guarantees commitments given to customers (€1,969 million) mainly including (i) gap guarantees on structured products granted by AXA Banque to funds managed by AXA Investment Managers (€1,601 million), and (ii) a guarantee provided by Australia Life & Savings as part of its mutual fund distribution business, guaranteeing that customers will recoup their initial investment in the funds (€290 million).

Guarantee commitments given decreased by €325 million overall, mainly due to (i) the decrease in gap guarantees on structured products given by AXA Banque on 3 mutual funds which were terminated in 2007 (€–318 million), and (ii) the decrease of guarantee commitments given to customers by Australia Life & Savings (€–218 million), partly offset by (iii) an increase in guarantees given by AXA SA mainly related to credit lines granted to the Group's entities (€+348 million).

Pledged securities and collaterized commitments given totaled €14,601 million at the end of 2007, and mainly consisted of:

- €8,407 million in Japan Life & Savings, including securities given as guarantees for cash deposits received in securities lending transactions (€7,478 million), securities pledged as part of derivative transactions (€198 million), securities given as guarantees for short-term security borrowings by Japanese entities (€711 million) – commitments were also received on these products.
- Securities pledged by AXA Bank Belgium to financial institutions in respect of security repurchase agreement (€4,104 million) and security interests given to the National Bank of Belgium for clearing-house activities (€1,273 million).

Overall, pledged assets and collaterized commitments given decreased by €1,219 million in 2007 mainly due to a decrease in securities pledged under Japanese stock lending transactions (€–1,238 million).

Letters of credit given totaled €576 million at the end of 2007, and were mainly related to the run-off activities of reinsurance operations.

Other commitments given totaled €10,056 million at the end of 2007 and consisted mainly of:

- €2,193 million commitments given by the German entities relating mainly to (i) future acquisitions in private equity funds (€557 million) and a multi-tranche loan (€965 million), and (ii) a commitment given to "Protektor", the German insurance guarantee fund (€449 million) in the case of a bankruptcy of the insurance companies.
- €2,968 million commitments given by France Life & Savings, €621 million given by France Property & Casualty, and €123 million given by AXA Corporate Solutions, notably including €2,045 million on Private Equity Funds.
- €1,065 million in the United Kingdom, mainly in commitments due to the Parallel Ventures (€136 million) and AXA Private Equity funds (€696 million). These funds are vehicles (partnerships and similar vehicles) that allow exposure to private equity investments in the United Kingdom, United States and European markets.
- €587 million of commitments given by the United States mainly to Limited Partnerships, that were previously classified as financing commitments.
- €250 million of commitments given by AXA France Assurance (French holding company) for the consolidated SPV Acacia.
- AXA issued the following subordinated debt instruments (i) €1,524 million at 2.5% issued in February 1999 and due in 2014, and (ii) €1,099 million at 3.75% issued in February 2000 and due in 2017. The difference between the issue price and the redemption price (in the event of non-conversion for the debt maturing in 2017) is amortized over the life of the instrument at the effective interest rate for each issue. The unamortized balance at the end of 2007 was €983 million.

The scheme governing the financial reorganisation of AXA Sun Life in 2001 (the "Scheme") details arrangements under which assets from the inherited estate, attributed to AXA through the reorganisation, may be transferred on a temporary, or permanent basis to the With Profits Funds as required to support the capital requirements of these funds, as determined under the scheme.

In the case of a temporary transfer, assets and related investment income remain attributable to AXA as they will be returned when they are no longer required to support the capital requirements of the With Profits Funds, under the stringent tests set out in the scheme.

If all or part of the assets transferred are unlikely to be returned in the foreseeable future (taking into consideration the duration of the in force With-Profit policies), then the relevant part of the transfer would be designated permanent. Only a permanent transfer to the With Profits Funds would result in a charge against the profit and loss account. The maximum amount that could be transferred under the Scheme is capped at the market value of surplus assets in the Non Profit Funds, which was £1,000 million (€1,364 million) at December 31, 2007. The actual transfer at that date was nil.

On December 15, 2005, and after authorization on June 29, 2005 by the AXA Supervisory Board, the AXA Group (AXA and its subsidiaries) and the BNP Paribas Group entered into an agreement that replaces the one in force since September 12, 2001 (and amended on October 26, 2004).

The new agreement maintains the existing provisions in terms of minimal and stable cross-shareholdings (the AXA Group undertakes initially to hold at least 43,412,598 shares of BNP Paribas stock; the BNP Paribas Group undertakes initially to hold at least 61,587,465 shares of AXA stock; these amounts will be adjusted thereafter to reflect the impact of capital transactions, including but not limited to free allotments of stock or share tenders involving the same company (stock splits, business re-combinations, etc.), and capital increases involving either BNP Paribas or AXA), and also provides for a reciprocal repurchase option in the event of a hostile takeover attempt on either AXA or BNP Paribas.

In force for a period of five years as of the date of signature, this agreement is renewable automatically for an initial period of two years and for successive periods of one year thereafter, unless one of the two parties decides to terminate beforehand, in which case it is required to give three months notice prior to the next renewal date.

The agreement was made public by the AMF (*Autorité des marchés financiers*) on December 21, 2005.

On May 15, 2006, and after authorization on December 21, 2005 by the AXA Supervisory Board, the AXA Group (the AXA Mutuelles, AXA and its subsidiaries) and the Schneider Group entered into an agreement that provides for the maintenance of minimal cross-shareholdings. Under the terms of this agreement, the AXA Group undertakes to hold at least 2,583,300 shares of Schneider stock and the Schneider Group undertakes to hold at least 8,816,681 shares of AXA stock. The number of shares held under this cross-shareholding agreement will be adjusted as needed to reflect the impact of capital transactions, including but not limited to free allotments of stock or share tenders involving the same company (stock splits, business re-combinations, etc.). In addition, the parties have consented to a reciprocal repurchase option in the event of a hostile takeover attempt on either AXA or Schneider.

In force for a period of one year as of the date of signature, this agreement is renewable automatically for successive periods of one year thereafter, unless one of the two parties decides to terminate beforehand, in which case it is required to give three months notice prior to the next renewal date.

The agreement was made public by the AMF on May 31, 2006.

In addition to other employment-related obligations, various AXA subsidiaries are required to indemnify their employees against certain liabilities and costs that they may incur from time to time in performing activities within the scope of their employment duties. These activities may include, for example, service as a director, officer, agent, general partner, or in a similar capacity for (i) an AXA Group company other than the employee's principal employer or (ii) a company outside the AXA Group where service is at the request of (or for the benefit of) the Group (e.g. joint ventures, partnerships, or special-purpose investment companies or funds). The potential amount of compensation relating to commitments covered by these obligations cannot be evaluated with any certainty.

28.3. OTHER ITEMS: RESTRICTION ON DIVIDEND PAYMENTS TO SHAREHOLDERS

Some AXA subsidiaries, principally insurance companies, are subject to restrictions on the amount of funds they may transfer in the form of cash dividends or otherwise.

In most cases, the amounts available for distribution from AXA's insurance subsidiaries are limited to net income for the year and retained earnings calculated in accordance with the accounting policies used by the subsidiaries to prepare their financial statements. Further restrictions may be imposed by the local insurance regulators in countries where AXA operates. In some cases, amounts available for distribution are also subject to regulatory capital adequacy tests or the approval of an independent actuary, or subject to individual provisions contained in a company's by-laws.

In accordance with European Union directives, insurance companies with their registered office in a European Union member country are required to maintain minimum solvency ratios which must be supported by capital, retained earnings and reserves and unrealized capital gains on marketable securities and real estate as reported in regulatory filings in France or subject to approval by local regulators in some countries. AXA's insurance operations in countries outside the European Union are also subject to local capital adequacy and solvency margin regulations. At December 31, 2007, AXA's subsidiaries complied with the applicable solvency and capital adequacy requirements.

In the United Kingdom, from January 31, 2008, a temporary deferral period of up to six months was introduced for certain transactions involving the **AXA Life Property Fund** (£1.2 billion or €1.7 billion at December 31, 2007) and **AXA Pension Property Fund** (£0.9 billion or €1.3 billion at December 31, 2007), which is allowed under the terms of the customer's policy. The transactions affected by the deferral are fund switches out, surrenders and transfers out of the fund. The deferred transaction will take place at the unit prices at the time the transaction is processed. The deferral period runs from the date the request is received by AXA. The imposition of this deferral period, consistent with policy terms, comes at a time when the demand for commercial property investment in the United Kingdom has been declining in recent months and when AXA has seen a significant increase in the level of withdrawals from these two Funds which invest in the United Kingdom commercial property. The contractual deferral period is designed to provide the funds' managers with sufficient time to liquidate properties in an orderly fashion and at fair prices in order to protect the interests of all investors in the fund. Customers invested in the funds have been notified along with their advisers. AXA is monitoring the liquidity situation of these funds closely. In the event that sufficient liquidity to honor all outstanding withdrawal requests by the end of the deferral period cannot be generated through sale of properties held by the funds and other sources of liquidity available to the funds, AXA U.K., as sponsor of the funds, will be required to provide the funds with sufficient liquidity to honor these withdrawal requests.

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

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

On March 4, 2008, AXA UK announced that it made a formal offer to purchase 100% of the share capital of **SBJ** Group. The purchase, which was unanimously recommended by the Board of SBJ, was successfully completed on March 19, 2008. The acquisition of SBJ will complement and enhance AXA's UK advisory and broking capability, bringing a number of strengths to the Group, including increased scale, a wider national presence and access to new market areas.
SBJ, with its strong management team and high quality staff, will represent significant progress towards AXA's stated strategic aim of building a leading presence in the advisory and broking markets. The businesses will continue to operate independently of AXA's insurance company interests.

(1) As of June 30, 2007 – Source: Association of the Insurance and Reinsurance Companies of Turkey.

NOTE 30 > LITIGATION

30.1. MATTERS DIRECTLY CONCERNING AXA SA

AXA SA is involved in lawsuits (both class actions and individual litigations), investigations, and other actions (the **"Parent Company Litigations"**) arising in the various jurisdictions where it does business, including the following:

In 2007, AXA SA completed the squeeze-out of the minority shareholders at two German subsidiaries, AXA Konzern AG ("AKAG") and Kölnische Verwaltungs-AG für Versicherungswerte ("KVAG"). Following the effective date of these squeeze outs in July 2007, certain former AKAG and KVAG shareholders brought an action alleging that the cash compensation offered by AXA SA was not adequate. Management believes that these claims are without merit and intends to vigorously defend them.

30.2. MATTERS CONCERNING AXA SUBSIDIARIES

In addition to the Parent Company Litigations, several AXA subsidiaries are involved in lawsuits (both class action and individual), investigations, and other actions (the **"Subsidiary Litigations"**) arising in the various jurisdictions where they do business. The Subsidiary Litigations include the following:

30.2.1. United States Matters

In the United States, AXA's U.S. subsidiaries are involved in a number of lawsuits, investigations and other actions in various states and jurisdictions where they do business. A detailed description of these matters involving AXA Financial, Inc. and its subsidiaries (including AXA Equitable and AllianceBernstein) is included in the annual reports on Form 10-K for the year ended December 31, 2007 and subsequent reports on Form 10-Q, respectively, of AXA Financial, Inc. (SEC file no. 1-11166), AXA Equitable (SEC file no. 0-25280) and AllianceBernstein (SEC file no. 000-29961) filed with the SEC (collectively, the **"Subsidiary SEC Reports"**). The Subsidiary SEC Reports are publicly available and copies can be obtained through the SEC's EDGAR system (www.sec.gov), or on the websites of these companies.

The Subsidiary Litigations include the following matters concerning AXA Financial, AXA Equitable and AllianceBernstein which are discussed, among other litigations and related matters, in the Subsidiary SEC Reports:

AXA Financial and AXA Equitable Matters

A number of lawsuits have been filed against insurers in the United States involving insurers' sales practices, alleged agent misconduct or misrepresentation, alleged failure to properly supervise agents, compensation of intermediaries and numerous other matters. Some of these actions have resulted in the award of substantial judgements against insurers (including material amounts of punitive damages) or in substantial settlements. In certain jurisdictions, juries have substantial discretion in awarding punitive damages.

AXA Equitable and certain of its subsidiaries, like other life and health insurers in the US, are involved in these types of litigations as well as a wide variety of other matters including the following:

- A putative class action entitled *Stefanie Hirt, et al. v. The Equitable Retirement Plan for Employees, Managers and Agents, et al.,* was filed in August 2001 in the District Court for the Southern District of New-York against The Equitable Retirement Plan for Employees, Managers and Agents (the "Retirement Plan") and The Officers Committee on Benefit Plans of AXA Equitable Life Insurance Company, as Plan Administrator. The action was brought by participants in the Retirement Plan who allege that a change effective January 1989 in the pension benefit formula from a final average pay formula to a cash balance formula violates the Employee Retirement Income Security Act of 1974 ("ERISA"). By order dated May 2003, the court certified the case as a class action, including a sub-class of all current and former Retirement Plan participants, who were subject to a 1991 change in application of the cash balance formula. In September 2006, the court granted summary judgment in favor of the defendants ruling that (a) the cash balance provisions of the Retirement Plan do not violate the age discrimination provisions of ERISA, (b) while the notice of plan changes provided to participants in 1990 was not adequate, the notice of plan changes provided to participants in 1992 satisfied the ERISA notice requirements regarding delivery and content, and (c) the claims of the named plaintiffs are barred by statute of limitations. The Court found that other individual class members were not precluded from asserting claims for additional benefit accruals from January 1991 through January 1993 to the extent that such individuals could show that the statute of limitations did not bar their claims. In October 2006, plaintiffs filed a notice of appeal. Defendants have crossed-appealed. The appeal has been fully briefed and a court hearing has been scheduled on April 22, 2008.
- In September 2004 and November 2004, respectively, petitions for appraisal entitled *Cede & Co v. AXA Financial Inc.* and *Highfields Capital, Ltd v. AXA Financial, Inc.* were filed in the Delaware Court of Chancery by or on behalf of certain former MONY stockholders holding approximately 3.6 million shares of MONY common stock. The petitions sought a judicial appraisal of the value of those shares pursuant to Section 262 of the General Corporation Law of the State of Delaware. In February 2005, the Delaware Court of Chancery consolidated the two actions for all purposes. Following a trial in April 2007, the court awarded the plaintiffs $24.97 per MONY share held by them plus interest at an agreed upon rate. The amount awarded was less than the $31.00 per share paid to all other

shareholders of MONY by AXA Financial in connection with the acquisition of MONY, which was completed in 2004. The plaintiffs did not appeal this decision, which is final.

- In June 2006, AXA Equitable received a demand for arbitration from Centre Life Insurance Company ("Centre Life") seeking to rescind the 100% quota share reinsurance agreement, effective July 1, 2000, between Centre Life and AXA Equitable, under which Centre Life reinsures portions of AXA Equitable's individual disability income insurance business. The arbitration demand alleges that AXA Equitable provided Centre Life with inaccurate and incomplete data upon which Centre Life relied in order to establish the reinsurance premium paid by AXA Equitable as consideration in the transaction. In July 2007, Centre Life filed an amended arbitration claim in which Centre Life alleges claims substantially similar to those included in the original arbitration claim and seeks damages of $191.4 million plus statutory interest and attorneys' fees. The arbitration is scheduled for March 2008.
- AXA Equitable and/or AXA Advisors LLC is currently the subject of four putative class actions filed between July 2006 and September 2007 in Federal court alleging certain wage and hour violations with regard to certain sales personnel. Each of the cases seeks substantially the same relief under essentially the same theories of recovery: violation of the Fair Labor Standards Act for failure to pay minimum wage and overtime and violation of similar provisions under state labor laws in the respective states. In September 2007, the parties agreed to consolidate in the Northern District of California all four pending actions: *Meola v. AXA Advisors and AXA Equitable; Lennon v. AXA Advisors, et al.; Bolea v. AXA Advisors, LLC and AXA Equitable, et. al.;* and *Dhruv v. AXA Advisors, LLC, et al.* Plaintiffs seek compensatory damages, restitution of all wages improperly withheld or deducted, punitive damages, penalties, and attorneys' fees.
- A putative class action entitled *Eagan, et al. v. AXA Equitable Life Insurance Company* was filed in the District Court for the Central District of California in December 2006 against AXA Equitable as plan sponsor and fiduciary for an ERISA retiree health plan. The action was brought by two plan participants on behalf of all past and present employees and agents who received retiree medical benefits from AXA Equitable at any time after January 1, 2004, or who will receive such benefits in 2006 or later, excluding certain retired agents. Plaintiffs allege that (a) AXA Equitable's adoption of a revised version of its retiree health plan in 1993 (the "1993 Plan") was not authorized or effective, (b) that AXA Equitable has therefore breached the retiree health plan by imposing the terms of the 1993 Plan on plaintiffs and other retirees, (c) even if the 1993 Plan is controlling, AXA Equitable has violated the terms of the retiree health plan by imposing health care costs and coverage on plaintiffs and other retirees that are not authorized under the 1993 Plan, and (d) AXA Equitable breached fiduciary duties owed to plaintiffs and retirees by allegedly misrepresenting and failing to disclose information to them. The plaintiffs seek compensatory damages, restitution and injunctive relief prohibiting AXA Equitable from violating the terms of the applicable plan, together with interest and attorneys' fees. In March 2007, AXA Equitable filed a motion to dismiss. In September 2007, AXA Equitable answered the amended complaint. In October 2007, a discovery and motion schedule was set, with a trial date of May 2009.

AllianceBernstein Matters

On December 18, 2003, AllianceBernstein settled with the SEC and the Office of the New York State Attorney General ("NYAG") regarding their investigations into trading practices in the shares of certain mutual funds sponsored by AllianceBernstein. AllianceBernstein's agreement with the SEC was reflected in an Order of the SEC dated December 18, 2003 (amended and restated January 15, 2004). AllianceBernstein's final agreement with the NYAG was reflected in an Assurance of Discontinuance dated September 1, 2004.

AllianceBernstein has taken a number of initiatives to resolve these matters. Most noteworthy was the establishment of a $250 million restitution fund to compensate fund shareholders for the adverse effect of market timing (the "Restitution Fund") and the reduction of its fees by 20% (on a weighted average basis) with respect to investment advisory agreements with its sponsored U.S. long-term open-end retail funds for a minimum of five years, commencing on January 1, 2004 (AllianceBernstein has indicated that it does not intend to increase these fees at the end of this period). With the approval of the independent directors of AllianceBernstein's U.S. registered mutual fund boards and the staff of the SEC, AllianceBernstein retained an Independent Distribution Consultant ("IDC") to develop a plan for the distribution of the Restitution Fund. To the extent it is determined that the harm to mutual fund shareholders caused by market timing exceeds $200 million, AllianceBernstein will be required to contribute additional monies to the Restitution Fund. In September 2005, the IDC submitted to the SEC staff the portion of his report concerning his methodology for determining damages and a proposed distribution plan, which addresses the mechanics of distribution and in February 2006 the final portion of this report was submitted. The Restitution Fund proceeds will not be distributed until after the SEC has issued an order approving the distribution plan. Until then it is not possible to predict the exact timing, method or amount of the distribution.

In addition to the matters set forth above, AXA Financial, AXA Equitable and AllianceBernstein, as well as certain of AXA's other U.S. subsidiaries, are involved in various other types of lawsuits (both class action and individual), regulatory inquiries, investigations or actions, including in connection with the ownership and/or management of real estate, asset management activities, corporate transactions, employee benefit disputes, alleged discrimination in employment practices, as well as other matters. For additional details on these matters, please see the Subsidiary SEC Reports.

30.2.2. Other Subsidiary Litigations

Philips Litigation

From 1998 through 2001, subsidiaries of AXA, along with a syndicate of other insurers, participated in the Philips worldwide liability program (the "Policy") providing certain insurance covers for Philips N.V. ("Philips") and its subsidiaries on a worldwide basis. Thompson Hayward Agriculture & Nutrition LLC ("THAN"), an indirect U.S. subsidiary of Philips, made a claim under the Policy in respect of asbestos-related claims resulting from its distribution of raw asbestos fiber from 1961 to 1980. The insurers (including AXA Group subsidiaries) commenced a proceeding in the Netherlands in accordance with the forum selection clause in the Policy claiming that the Policy was void due to Philips' non-disclosure of material information concerning the existence and nature of THAN's business in connection with the underwriting and subscription of the Policy. This Dutch litigation is currently pending. THAN initiated a competing lawsuit in the U.S. federal District Court for the District of Kansas, claiming that its asbestos exposure should be covered under the Policy. The Kansas court dismissed the action for lack of jurisdiction and THAN's appeal of this decision was dismissed by the 10th Circuit United States Court of Appeals on June 12, 2007. Subsequent to this dismissal, Philips indicated to the insurers that it may put THAN into bankruptcy in the US. AXA's acquisition of Winterthur Group on December 22, 2006, increased the AXA Group's potential exposure in this matter because Winterthur Group insurers held a significant participation in the Philips program. Management believes that the claims of Philips and its subsidiaries in connection with these matters are without merit and intends to vigorously defend the AXA Group's interests.

RBS Warranty Claim

The Royal Bank of Scotland Group plc ("RBS") filed a lawsuit against Winterthur (UK) Holdings Limited and Winterthur Swiss Insurance Company (together "Winterthur") on September 29, 2005. The litigation involves claims for (a) breach of warranty; and (b) misrepresentation, in connection with a share purchase agreement dated June 11, 2003 concerning the sale of Churchill Insurance Group plc by Winterthur (UK) Holdings Limited to RBS. The amount claimed by RBS is £37.1 million (on RBS's primary case) or £50.5 million (on RBS's secondary case), plus interest and costs. A trial is set for October 2008. Management believes that the claims of RBS in this matter are without merit and intends to vigorously defend this claim.

WTC Litigation

Subsequent to September 11, 2001, litigation commenced in New York concerning whether the attack and destruction of the World Trade Center constituted a single occurrence or two separate occurrences for property insurance coverage purposes. The jury verdicts rendered to date in this litigation with respect to the insurance company defendants have been mixed. A jury verdict for one group of defendants deemed to have written coverage on a broker's form determined that the attack on the WTC constituted one occurrence for property insurance coverage purposes. A second jury verdict for the remaining defendants, which were deemed to have written coverage on other forms, determined that the attack on the WTC constituted two occurrences for property insurance coverage purposes. On May 23, 2007, certain insurers and all insureds publicly announced that they had reached a settlement of substantially all issues in dispute among these parties in the litigation and on July 9, 2007, these parties entered into a final settlement agreement. While AXA is not party to this litigation, certain of its subsidiaries may be affected by the outcome. Management believes, however, that the ultimate outcome of these matters will not be material to the consolidated financial position or results of operations of the AXA Group, taken as a whole.

In addition to the matters described above, AXA and certain of its subsidiaries are involved in various legal actions and proceedings of a character normally incident to their business. AXA and its subsidiaries are also subject to comprehensive regulation and supervision in each of the various jurisdictions where the Group operates and, from time to time, are subject to regulatory examinations, investigations and other actions as well as to proposed changes in law and/or regulation that may significantly impact their business and results of operations. For additional information on these matters, please see *"Additional factors that may affect AXA's Business"* in Part II of this Annual Report. Among the matters discussed therein is proposed legislation recently introduced in the US Congress House of Representatives in 2006 that would require European insurers that issued policies during the Holocaust era to furnish information concerning policies in force during that period to a federal registry maintained by the United States and would subject the insurers to certain sanctions if they fail to do so. This proposed legislation would also create a federal private right of action permitting introduction of civil litigation in US federal courts in connection with these matters. This legislation is currently pending. Management can not predict with any certainty at this time whether this proposed legislation will ultimately be adopted or the magnitude of the potential impact it may have on the AXA Group if adopted.

Some of the Parent Company Litigations and Subsidiary Litigations have been brought on behalf of various alleged classes of claimants, and certain of the claimants in these actions seek significant or unspecified amounts of damages, including punitive damages. In some jurisdictions, juries have substantial discretion in awarding punitive damages. Although the outcome of any lawsuit cannot be predicted with certainty, particularly in the early stages of an action, management believes that the ultimate resolution of the Parent Company Litigations and the Subsidiary Litigations should not have a material adverse effect on the consolidated financial position of AXA, taken as a whole. However, due to the nature of such lawsuits and investigations and the frequency of large damage awards in certain jurisdictions (particularly the United States) that bear little or no relation to actual economic damages incurred by plaintiffs, AXA's management cannot make an estimate of loss, if any, or predict whether or not the Parent Company Litigations or Subsidiary Litigations will have a material adverse effect on the AXA's consolidated results of operations in any particular period.

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92208 Neuilly-sur-Seine Cedex

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Report of the Statutory Auditors on the consolidated financial statements

(for the year ended December 31, 2007)

This is a free translation into English of the report of the Statutory Auditors issued in French and is provided solely for the convenience of English readers. The report of the Statutory Auditors includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the consolidated financial statements and includes an explanatory paragraph discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or information taken outside of the consolidated financial statements.

This report together with the Statutory Auditors' report addressing financial and accounting information in the Chairman's report on internal control, should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders of **AXA**
25, avenue Matignon
75008 Paris

Following our appointment as statutory auditors by your Annual General Meeting, we have audited the accompanying consolidated financial statements of AXA for the year ended December 31, 2007.

The consolidated financial statements have been approved by the Management Board. Our role is to express an opinion on these financial statements based on our audit.

I – Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements for the fiscal year 2007 give a true and fair view of the assets and liabilities and of the financial position of the group as of December 31, 2007 and of the results of its operations for the year then ended in accordance with the IFRS adopted by the European Union.

II – Justification of our assessments

In accordance with the requirements of Article L.823-9 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the following matters:

- Your company details in notes 1.7.2, 4.4 and 9 of the notes to the financial consolidated statements its direct and indirect exposure to the current market crisis and the valuation methods it applies to financial assets.

  We have assessed the appropriateness of the process put in place to identify these exposures, of the financial assets valuation, as well as of the information disclosed in the above mentioned notes.
- Certain consolidated balance sheet items that are specific to insurance and reinsurance business are estimated on the basis of statistical and actuarial data, such as actuarial reserves, deferred acquisition costs and their amortization, and the value of business in force. The methods and assumptions used to calculate the carrying values of these items are described in notes 1.12, 1.6.4 and 1.6.2 of the notes to the consolidated financial statements.

  We have assessed the reasonableness of the assumptions used to calculate these values, particularly with respect to the Group's experience and its regulatory and economic environments. We also assessed the overall consistency of these assumptions.
- The carrying values of purchase goodwill are tested at each closing for recoverability using the methods described in note 1.6.1 to the consolidated financial statements.

  We have assessed whether the valuation approaches used rely on assumptions that are consistent with the forecasts that emerge from the strategic plans established by the AXA Group.
- Deferred tax assets and liabilities are recorded and measured using the methods described in note 1.15.1 of the notes to the consolidated financial statements.

We have verified that the valuation methods used take into account the nature of tax differences, business plans established by the Group and, when accounting policies permit, its intentions.

– Derivatives and hedging activities are recognized in accordance with the methods and procedures described in note 1.9 to the consolidated financial statements.

  We have assessed whether the hedging activities recognized in this manner have been duly documented, and whether this documentation includes an explanation of the hedging relationship, its efficiency and the Group's objective in terms of risk management and hedging strategy.

The assessments were made in the context of our audit of the consolidated financial statements, taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III – Specific verification

In accordance with professional standards applicable in France, we have also verified, the information given in the Group's Management Report. We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Neuilly-sur-Seine and Courbevoie, March 26, 2008

The Statutory Auditors

PricewaterhouseCoopers
Yves Nicolas – Eric Dupont

Audit Mazars & Guérard
Patrick de Cambourg – Jean-Claude Pauly

PART VI

CERTAIN ADDITIONAL INFORMATION

MEMORANDUM AND ARTICLES OF ASSOCIATION

DESCRIPTION OF AXA'S CAPITAL STOCK

Memorandum and Articles of Association

We summarize below certain material provisions of applicable French law and our memorandum and articles of association (“statuts”). You may obtain copies of our statuts in French from the *Greffe* of the Paris Trade and Companies Register *(Registre du Commerce et des Sociétés)*.

MEMORANDUM AND ARTICLES OF ASSOCIATION

The Company is a holding company organized under the laws of France as a *Société Anonyme (SA)* (a form of limited liability company), with a Supervisory Board and a Management Board. The Company’s principal office is located at 25, avenue Matignon, 75008 Paris, France and AXA is registered with the Paris Trade and Companies Register *(Registre du Commerce et des Sociétés)* under number 572 093 920.

OBJECTS AND PURPOSES

Under Article 3 of its statuts AXA’s corporate purpose is generally to:

- hold equity interests whatever their forms in any French or foreign companies or businesses, including insurance companies or businesses,
- acquire, manage and sell all listed or unlisted shares or securities, including all real and movable property, as well as all rights, listed or unlisted stock, and movable property related to said assets, and
- perform any and all industrial, commercial, financial, real estate or movable property transactions, directly or indirectly related to any of the foregoing.

MANAGEMENT BOARD AND SUPERVISORY BOARD MEMBERS

In addition to French law provisions, AXA’s statuts and the Supervisory Board’s Rules of Procedure include a number of specific provisions concerning members of the Supervisory Board and Management Board, including the following:

Compensation

Upon the proposal of the Compensation Committee, the Supervisory Board approves the amount and terms of compensation for each of the members of the Management Board. Members of the Supervisory Board receive a fixed directors’ annual fee, the overall amount of which is determined by the shareholders at their Annual Meeting and apportioned by the Supervisory Board among its members. The Supervisory Board also may authorize that its members be compensated for the performance of special tasks or assignments in accordance with the provisions of French company law. In addition to directors’ fees, the Supervisory Board may decide to grant remuneration to its Chairman and Vice-Chairman. Any Supervisory Board decision to award such compensation requires approval of the Supervisory Board (majority vote) at a duly convened meeting where at least half the members are present. For further information please see Part III “Corporate governance, executive compensation, major shareholders and related matters” of this Annual Report.

Retirement

Any member of the Management Board who, during a fiscal year, reaches the age of sixty-five while in office is automatically deemed to have resigned at the end of that fiscal year. However, when a member of the Management Board reaches that age, the Supervisory Board may choose to extend his term of office one or several times, provided that the total extended period does not exceed three years.

Under the Company’s statuts the age limit for members of the Supervisory Board is seventy. Notwithstanding the foregoing, members of the Supervisory Board who have exceeded such age limit can be appointed by shareholders for a two-year period, renewable once. However, in any case, the number of members of the Supervisory Board who have exceeded the age of seventy shall be no more than one third of the active members of the Supervisory Board.

Shareholding

Article 10 A-2 of AXA’s statuts provides that each member of the Supervisory Board must own at least 100 AXA ordinary shares during his or her term of office.

Neither French law nor AXA’s statuts require members of the Management Board to be shareholders of the Company. However, the Supervisory Board, acting on the recommendation of the Compensation Committee, has adopted guidelines for share ownership applicable to members of the Management Board. These guidelines provide that each member of the Management Board is required to hold a certain number of shares based on his annual compensation: (i) for the Chairman of the Management

Board: ownership of shares worth at least three times his total annual compensation, and (ii) for the other members of the Management Board: ownership of shares worth at least twice their total annual compensation.

As of December 31, 2007, all members of the Management Board were in compliance with this requirement.

For additional information concerning the respective powers of the Management and Supervisory Boards, please see Part III "Corporate governance, executive compensation, major shareholders and related matters" of this Annual Report.

Description of AXA's Capital Stock

TRANSACTIONS INVOLVING AXA'S REGISTERED SHARE CAPITAL

As of December 31, 2007, there were 2,060,753,492 ordinary shares outstanding, each with a par value of €2.29. All these ordinary shares were fully paid and non assessable. These shares began earning dividends on January 1, 2007.

The following table sets forth changes in the number of outstanding ordinary shares from December 31, 2004 to December 31, 2007:

Date	Operations	Number of shares issued or cancelled	Issue or merger premium (in euro)	Number of shares after the operation	Amount of share capital after the operation (in euro)
2005	Exercise of stock options	46,789	305,298	1,908,490,959	4,370,444,296
	Exercise of stock options	2,224,844	17,509,581	1,910,715,803	4,375,539,189
	Exercise of stock subscription warrants	27,983	308,505	1,910,743,786	4,375,603,270
	Share capital increase following the definitive completion of the merger of FINAXA into AXA	299,012,355	4,308,368,615	2,209,756,141	5,060,341,563
	Exercise of stock options	480,947	5,232,868	2,210,237,088	5,061,442,932
	Exercise of stock subscription warrants	6,871	90,044	2,210,243,959	5,061,458,666
	Share capital reduction by cancellation of shares	– 19,809,693	– 466,353,090	2,190,434,266	5,016,094,469
	New equity issue reserved for employees of AXA (Shareplan 2005)	16,252,190	265,440,086	2,206,686,456	5,053,311,984
2006	Share capital reduction (through the cancellation of shares) following the merger of FINAXA into AXA	– 337,490,816	– 5,379,990,858	1,869,195,640	4,280,458,016
	Exercise of stock options	2,021,262	18,942,856	1,871,216,902	4,285,086,706
	Exercise of stock subscription warrants	4,780	64,773	1,871,221,682	4,285,097,652
	Conversions of bonds	383,322	4,781,199	1,871,605,004	4,285,975,459
	Exercise of stock options	342,06	4,372,946	1,871,947,064	4,286,758,777
	Exercise of stock subscription warrants	14,525	152,438	1,871,961,589	4,286,792,039
	Conversions of bonds	6,749	84,135	1,871,968,338	4,286,807,494
	Exercise of stock options	1,814,067	24,155,528	1,873,782,405	4,290,961,707
	Exercise of stock subscription warrants	19,634	258,328	1,873,802,039	4,291,006,669
	Conversions of bonds	11,826	147,538	1,873,813,865	4,291,033,751
	Exercise of stock subscription warrants	1,326	11,714	1,873,815,191	4,291,036,787
	Exercise of stock options	239,089	3,073,711	1,874,054,280	4,291,584,301
	Exercise of stock options	303,146	2,981,361	1,874,357,426	4,292,278,506
	Exercise of stock subscription warrants	6,120	86,465	1,874,363,546	4,292,292,520
	Conversions of bonds	29,532	1,133,918	1,874,393,078	4,292,360,149
	Share capital increase in connection with the acquisition of Winterthur	208,265,897	3,613,841,064	2,082,658,975	4,769,289,053
	Exercise of stock subscription warrants	353,546	6,484,188	2,083,012,521	4,770,098,673
	Exercise of stock options	2,846,266	43,083,028	2,085,858,787	4,776,616,622

Date	Operations	Number of shares issued or cancelled	Issue or merger premium (in euro)	Number of shares after the operation	Amount of share capital after the operation (in euro)
	Exercise of stock subscription warrants	3,953	47,259	2,085,862,740	4,776,625,675
	Share capital reduction by cancellation of shares	– 11,273,270	– 279,268,697	2,074,589,470	4,750,809,886
	New equity issue reserved for employees of AXA (Shareplan 2006)	15,472,458	339,536,543	2,090,061,928	4,786,241,815
	Exercise of stock options	2,806,976	34,374,263	2,092,868,904	4,792,669,790
	Exercise of stock subscription warrants	19,352	282,006	2,092,888,256	4,792,714,106
	Conversions of bonds	58	2,184	2,092,888,314	4,792,714,239
2007	Exercise of stock options	607,008	11,581,463	2,093,495,322	4,794,104,287
	Exercise of stock subscription warrants	12,371	164,220	2,093,507,693	4,794,132,617
	Conversions of bonds	36,688	1,374,419	2,093,544,381	4,794,216,632
	Exercise of stock options	3,875,494	57,905,093	2,097,419,875	4,803,091,514
	Exercise of stock subscription warrants	29,340	366,052	2,097,449,215	4,803,158,702
	Conversions of bonds	4	156	2,097,449,219	4,803,158,712
	Exercise of stock options	1,608,041	23,764,903	2,099,057,260	4,806,841,125
	Exercise of stock subscription warrants	578,880	5,081,670	2,099,636,140	4,808,166,761
	New equity issue reserved for employees of AXA (Shareplan 2007)	22,088,600	501,196,189	2,121,724,740	4,858,749,655
	Share capital reduction by cancellation of shares	– 63,103,647	– 1,754,535,072	2,058,621,093	4,714,242,303
	Exercise of stock options	2,118,017	32,372,471	2,060,739,110	4,719,092,562
	Exercise of stock subscription warrants	13,718	250 991	2,060,752,828	4,719,123,976
12/31/2007	Conversions of bonds	664	24,959	2,060,753,492	4,719,125,497

CHANGES IN SHARE CAPITAL

Capital increase

Pursuant to the statuts of AXA and French law and subject to the exceptions described below, the share capital of AXA may be increased only with the approval of two-thirds of the shareholders present or represented by proxy voting together as a single class at an extraordinary general meeting.

Increases in AXA's share capital may be affected by the issuance of additional ordinary shares which may be:
- for cash,
- in satisfaction of indebtedness incurred by AXA,
- for assets contributed to AXA in kind,
- by capitalization of existing reserves, profits or share premium,
- upon conversion, exchange or repayment of securities giving access to shares through AXA shares,
- upon the exercise of share warrants or other similar securities consisting of rights to subscribe for ordinary shares or of stock options, or
- in place of a cash dividend.

The increase in share capital effected by capitalization of reserves, profits or share premium, requires a simple majority of the votes cast at an extraordinary meeting of shareholders. In the case of an increase in share capital in connection with the payment of a stock dividend (instead of a cash dividend), the voting and quorum procedures of an ordinary meeting of shareholders apply.

The shareholders may delegate to the Management Board the right to carry out any increase in share capital, provided that the shareholders, acting in an extraordinary shareholders' meeting, have previously authorized this increase. The Management Board may further sub-delegate this right to AXA's Chairman and Chief Executive Officer of the Management Board.

Capital decrease

As provided in the French Commercial Code, AXA's share capital may generally be decreased only with the approval of two-thirds of the shareholders present or represented by proxy voting together as a single class at an extraordinary shareholders' meeting. The number of shares may be reduced in the event that AXA either exchanges or repurchases and cancels shares. As a general matter, reductions of capital occur pro-rata among all shareholders, except (1) in the case of a share repurchase program, or a public tender offer to repurchase shares (*"offre publique de rachat d'actions"* (OPRA)), where such a reduction occurs pro-rata only among tendering shareholders; and (2) in the case where all shareholders unanimously consent to a non pro-rata reduction. AXA may not repurchase more than 10%

of its share capital within 18 months from the date of the shareholders' meeting authorizing a shares repurchase program. In addition, AXA may not cancel more than 10% of its outstanding share capital over any 24-month period and may not hold more than 10% of its share capital in self-held shares and shares owned by subsidiaries.

Self-held shares must be fully paid and held by AXA in registered form. Self-held shares are deemed outstanding under French law but are not entitled to dividends, voting rights or preemptive rights.

Cross shareholdings and holding of AXA shares by AXA subsidiaries

With the exception of treasury shares that may be held by subsidiaries but which are non-voting, French law prohibits a company from holding AXA shares if AXA holds more than 10% of that company's share capital. French law also prohibits AXA from owning any interest in a French company holding more than 10% of AXA's share capital. In the event of a cross-shareholding that violates this rule, the Company owning the smaller percentage of shares in the other company must sell its interests. Until sold, these shares are not entitled to voting rights. Failure to sell the shares held in violation of this rule is a criminal offence under French law.

Preemptive rights

Under French law, shareholders have preemptive rights to subscribe on a pro-rata basis for additional shares of any equity securities or other securities giving a right, directly or indirectly, to equity securities issued by AXA for cash. During the subscription period relating to a particular offering of shares, shareholders may transfer preferential subscription rights that they have not previously waived. In order to issue additional ordinary shares without preemptive rights, beyond issuances already approved by AXA shareholders, AXA must obtain the approval of its shareholders, together in an extraordinary meeting of AXA shareholders, and voting following a two-thirds majority of the voting rights.

DIVIDENDS

AXA may distribute dividends to its shareholders from net income in each fiscal year after deductions for depreciation and provisions, as increased or reduced by any profit or loss carried forward from prior years, and as reduced by the legal reserve fund allocation described below.

Under French law, AXA is required to allocate 5% of its net income in each fiscal year, after reduction for losses carried forward from previous years, if any, to a legal reserve fund until the amount in that fund equals 10% of the nominal amount of its share capital. The legal reserve is distributable only upon AXA's liquidation.

Upon proposal by AXA's Management Board and subject to prior approval by the Supervisory Board, the shareholders of AXA may decide to allocate all or part of distributable profits to special or general reserves, to carry them forward to the next fiscal year as retained earnings, or to allocate them to the shareholders as dividends. If AXA has earned a distributable profit since the end of the previous fiscal year, as reflected in an interim balance sheet certified by its auditors, the Management Board may distribute interim dividends to the extent of the distributable profit without shareholders approval in accordance with French law. AXA's statuts require AXA to distribute dividends between its shareholders pro-rata according to their share holdings in the capital. Dividends are usually paid within the few business days following the date of the shareholders' meeting approving their distribution. The right to receive the dividend is due to the shareholders at the date of payout.

Under AXA's statuts, the actual dividend payment date is decided by the Management Board after a prior authorization by the Supervisory Board. AXA must pay any dividends within nine months of the end of its fiscal year. Dividends not claimed within five years of the date of payout become the property of the French Treasury Department.

Under AXA's statuts, at an ordinary annual general meeting, the shareholders may grant an option to each shareholder to receive dividends in either cash or additional ordinary shares.

FORM, HOLDING AND TRANSFER OF SECURITIES

French regulations provide that AXA ordinary shares are not represented by share certificates but by book-entry only.

AXA's statuts provide that AXA ordinary shares may be held in registered or bearer form. Any owner of ordinary shares of AXA may elect to have its ordinary shares held in registered form and registered in its name in an account currently maintained by BNP Paribas for, and on behalf of AXA, or held in bearer form and recorded in its name in an account maintained by an accredited financial intermediary, such as a French broker, bank or other authorized financial institution. Any shareholder may, at its expense, change from one form of holding to the other. Both methods are operated through Euroclear France (which we refer to in this Annual Report as "Euroclear"), an organization that maintains share and other securities accounts of French publicly quoted companies and a central depositary system through which transfers of shares and other securities in French publicly quoted companies between accredited financial intermediaries are recorded.

When AXA ordinary shares are held in bearer form by a beneficial owner who is not a resident of France, Euroclear may agree to issue, upon request by AXA, a bearer depository receipt *("certificat représentatif")* with respect to such ordinary shares for use only outside France. In this case, the name of the holder is deleted from the accredited financial intermediary's books. Shares ownership, represented by a bearer depository receipt, will pass upon delivery of the relevant receipt outside France.

Registered ordinary shares must be converted into bearer shares before being traded on the Euronext Paris and, accordingly, must be registered in an account maintained by an accredited intermediary. A shareholder may initiate a transfer by giving selling instructions to the relevant accredited intermediary. Ordinary shares held in bearer form may be transferred through accredited financial intermediaries and may be traded without further requirement. A fee or commission is payable to the broker involved in the transaction, regardless of whether the transaction occurs within or outside France. Normally, no registration duty is payable in France, unless a transfer instrument has been executed in France.

DISCLOSURE REQUIREMENTS WHEN HOLDINGS EXCEED SPECIFIED THRESHOLDS

French law provides that any person or entity that, directly or indirectly, acting alone or in concert with other shareholders, becomes the owner of more than 5%, 10%, 15%, 20%, 25%, 33%, 50%, 66%, 90% or 95% of the outstanding share capital or voting rights of AXA (including through ownership of ADRs representing ADSs), or whose holding falls below any of these thresholds, must notify AXA and the AMF in writing within five trading days of exceeding or falling below the relevant level and indicate the number of ordinary shares and voting rights it holds.

In addition, the statuts of AXA provide that any individual or entity acting alone or in concert with others, that acquires ordinary shares resulting in a direct or indirect holding of 0.5% or more of the outstanding share capital or voting rights of AXA, including through the acquisition of ADRs representing the ADSs, must notify AXA by registered letter with return receipt requested within five days of the date of the acquisition *("inscription en compte")* of the ordinary shares or in the case of a holder of ADRs representing ADSs, within five days of the registration of the ADRs representing the ADSs, as a result of which the shareholder, acting alone or in concert with others, has reached or exceeded that percentage. The individual or entity must further notify AXA pursuant to the above conditions each time an additional 0.5% threshold is passed. Any shareholder, including any holder of ADRs representing the ADSs, whose holding falls below any of these thresholds must also notify AXA. In addition and to permit holders of ordinary shares to give the notices required by law and the statuts, AXA is required to publish each month, the number of outstanding AXA ordinary shares and the corresponding number of voting rights, if there has been any change during the course of the month.

French law imposes additional reporting requirements on persons who, acting alone or in concert with others, acquire more than 10% or 20% of the outstanding shares or voting rights in AXA. These persons must file with the AMF and AXA a report disclosing their intentions for the 12-month period following the acquisition. The report must specify whether the acquirer intends to continue purchasing shares, to acquire control of AXA or to seek election of nominees to the Management Board or Supervisory Board. This report must be filed within ten trading days from the date that either of these thresholds has been crossed. The report is published by the AMF. Upon any change of intention, the acquirer must file a new report.

In order to facilitate compliance with the notification requirements concerning thresholds, a holder of ADRs representing ADSs, may deliver any such notification with respect to ADRs representing ADSs to The Bank of New York, which will, as soon as practicable, forward the notification to AXA and the AMF.

If a shareholder (including an owner of ADRs representing ADSs) fails to comply with these notification requirements, the shareholder will be deprived of voting rights attached to the shares he holds (or underlying its ADRs) in excess of the relevant threshold at all shareholders' meetings held until the end of a two-year period following the date on which the shareholder has complied with the notification requirements. Failure to comply with the notification requirements set forth in AXA's statuts will trigger the same voting limitations upon a request, registered in the minutes of the relevant shareholders' general meeting, by one or more shareholders holding 5% or more of the share capital.

Furthermore, any shareholder who fails to comply with these notification requirements may have all or part of its voting rights (with respect to all of its AXA shares, not only those in excess of the relevant threshold) suspended for a period of no longer than five years by commercial court decree at the request of the Chairman of the Management Board, any AXA shareholder or the AMF. Such shareholders may also be subject to criminal penalties under French law.

Under applicable French stock market regulations, and subject to limited exemptions granted by the AMF, any person or persons acting in concert acquiring one-third or more of the share capital or voting rights of AXA must immediately notify the AMF and initiate a public tender offer for the balance of AXA's outstanding share capital. The tender offer must also be extended to all securities issued by AXA that are convertible into or exchangeable for equity securities.

Pursuant to French law and AXA's statuts, AXA may obtain from Euroclear, at its own cost and at any time, the name, nationality, address and number of shares held by each holder of ordinary shares and other equity-linked securities with the right to vote in general meetings of shareholders. Whenever these holders are not resident in France and hold such ordinary shares and other equity-linked securities through accredited financial intermediaries, AXA may obtain such information from the relevant accredited financial intermediaries (through Euroclear), at AXA's own cost. Subject to certain limited exceptions provided by French law, holders who fail to comply with AXA's request for information will not be permitted to exercise voting rights with respect to any such ordinary shares or other equity-linked securities or to receive dividends pertaining thereto, if any, until the date on which these holders comply with AXA's request for information.

VOTING RIGHTS

Each AXA ordinary share entitles its holder to one vote at all meetings of AXA shareholders, subject to the provisions concerning double voting rights described below. As a result of the decision of the General Meeting of the shareholders of the Company held on May 26, 1977, each ordinary share fully paid and held in registered form by the same person for at least two full fiscal years entitles its holder to double voting rights with respect to such ordinary share at any meeting of

AXA shareholders, whether ordinary or extraordinary. The double voting right will automatically terminate for any share that has been converted into a bearer share or for which ownership has been transferred. Any transfer of shares as a result of inheritance, division of community property by spouses or donation to a spouse or heir will not affect the double voting rights of such shares.

In the event of a capital increase by capitalization of existing reserves, profits or share premium, shares granted freely to any shareholder as a result of the holding by that shareholder of shares entitled to double voting rights will also carry double voting rights. Double voting rights may be terminated at any time upon the decision of an extraordinary general meeting of shareholders, provided that such decision is confirmed by a two-thirds majority of the holders of double voting rights voting separately.

LIQUIDATION RIGHTS

If AXA is liquidated, the assets remaining after it pays its debts, liquidation expenses and all prior claims will first be used to repay AXA shareholders up to the amount of the liquidation balance and of the shares par value held by each shareholder. Any surplus will be divided among all shareholders, subject to rights arising, if any, from the different classes of shares, in duty proportion of the rights they own in the Company's Capital share.

SHAREHOLDERS' MEETINGS

Under French law, prior to any ordinary and/or extraordinary shareholders' meeting, a notice of Meeting must be published in the *Bulletin des annonces légales obligatoires*, or "BALO", at least 35 days prior to the meeting date (or 15 days if convened, in the event that the Company is subject to a tender offer, for purposes of approving measures the implementation of which would be likely to cause such tender offer to fail) and must indicate, in particular, the agenda and the proposed resolutions.

At least fifteen days (or six days if convened, in the event that the Company is subject to a tender offer, for purposes of approving measures the implementation of which would be likely to cause such tender offer to fail) prior to the date set for the meeting on first call, and at least six days (or four days if convened, in the event that the Company is subject to a tender offer, for purposes of approving measures the implementation of which would be likely to cause such tender offer to fail) before any second call, the Company shall send a final notice containing, among other things, the final agenda, place, date and other information in respect of the meeting by mail to all registered shareholders who have held shares for more than one month prior to the date of this final notice and publish this final notice in a newspaper as well as in the BALO.

Shareholders are convened, meet, and deliberate in accordance with applicable French law and AXA's statuts. All shareholders are entitled to attend these meetings, either in person or by proxy, provided that they show valid proof of ID and share ownership. The right to attend the shareholders' meetings of companies whose stock is traded on a regulated market or transactions of a central depository is evidenced by an accounting entry showing the number of shares in the name of the shareholder of record (or the intermediary of record for the account) in accordance with the seventh paragraph of Article L. 228-1 of the French Commercial Code, on the third business day preceding the meeting at midnight (Paris time), either in the nominee share ownership records kept by the Company or in the bearer share records kept by a qualified intermediary. The accounting registration or recording of the shares in the bearer share accounts on the books of the qualified intermediary is evidenced by a certificate of attendance delivered by the latter.

Shareholders may participate either in person, be represented by a spouse, another shareholder or the Chairman of the meeting, or, as provided for by the statuts and subject to approval by the Management Board, participate by videoconference or by any means of telecommunications allowing shareholders to be identified in accordance with applicable laws. In addition, a holder of bearer shares who is not a French resident may be represented at shareholders' meetings by an appointed intermediary.

In accordance with applicable laws and regulations, shareholders may also transmit in paper form and/or, subject to approval by the Management Board published in the notice of Meeting, proxy or mail voting cards by electronic means.

MODIFICATION OF SHAREHOLDER RIGHTS

Under French law, shareholders of a French joint stock corporation *(société anonyme)* generally have the power to amend the statuts of the Company. Such an amendment requires the approval of two-thirds of the shareholders attending or represented at an extraordinary shareholders' meeting. However, no such extraordinary shareholders' meetings may decide (i) to increase the liability of the shareholders in respect of the company or a third-party; or (ii) to undermine the individual rights vested in each shareholder (such as voting rights, the right to distributable profits of the company when allocated as dividends, the right to sell one's shares and the right to sue the company).

ANTI-TAKEOVER PROVISIONS

There are no French anti-takeover statutes similar to the anti-takeover statutes enacted by certain states in the United States. However, a number of French law provisions including certain provisions of the European Directive of April 21, 2004 concerning takeover bids implemented in France in 2006, may have certain anti-takeover effects. In the case of AXA, the relevant provisions include, among other things, the Company's ability to repurchase its own shares regarding legal requirements and the existence of AXA shares with double voting rights.

French law requires mergers and certain consolidations to be approved by two-thirds of the shareholders present or represented at the extraordinary general meeting called to decide on such matters. French law also requires the affirmative vote of the shareholders of the surviving corporation of a merger at an extraordinary general meeting. However, no general meeting of shareholders of the merged company is required in the case of a merger of a wholly-owned subsidiary with its parent company.

CONVERTIBLE/EXCHANGEABLE BONDS

For information on convertible/exchangeable bonds and notes issued by the Company, see Note 13 "Shareholders' Equity, Minority Interests and Other Equity" of the Consolidated Financial Statements included in this Annual Report as Part V.

Appendices

> APPENDIX I

Chairman of the Supervisory Board's Report

The present Report presents, according to the provisions of article L.225-68 of the French Commercial Code, the conditions of preparation and organisation of the Supervisory Board's work (Part I) as well as the internal control procedures implemented by the Company (Part 2). The present Report also presents the principles and the rules adopted by the Supervisory Board in order to determine the compensation and the advantages granted to the corporate officers (Part 3).

PART 1 > CONDITIONS OF PREPARATION AND ORGANISATION OF THE SUPERVISORY BOARD'S WORK

For information on the conditions of preparation and organisation of the Supervisory Board's work please see Part III – "Corporate governance, executive compensation, major shareholders and related matters", "Supervisory Board" and "Supervisory Board Committees" Sections of this Annual Report.

PART 2 > INTERNAL CONTROL PROCEDURES IMPLEMENTED BY THE COMPANY

INTRODUCTION

In accordance with article L. 225-68 of the French Commercial Code, the Chairman of the Supervisory Board has prepared the report below relating to the internal control procedures implemented by the Company at Group level. In this report, the term "Group" refers to the Company together with its direct and indirect subsidiaries falling into the scope of consolidation of the Company.

The purpose of the internal control system maintened by AXA is to anticipate and mitigate the risks linked to AXA's business. Making effective risk management solutions available to clients presupposes AXA's ability to effectively monitor its own risks. Implementing and monitoring stringent internal control policies and procedures throughout the Group is critical to AXA's daily operations and long-term development.

The internal control system maintened by management and deployed by the various entities of the Group, is designed to ensure, in particular, compliance with applicable laws and regulations, the reliability of financial information, and the monitoring of operations.

In this context, AXA has decided to adopt the "Internal Control – Integrated Framework", publicly known as COSO (Committee Of Sponsoring Organizations) of the Treadway Commission, the name of the committee that designed this standard. This report is structured around various COSO components, with a specific focus on controls in place over financial and accounting information.

CONTROL ENVIRONMENT

The control environment is the basis of an internal control system. AXA therefore promotes the establishment of a disciplined internal control environment throughout the Group, designed to ensure in particular that:

- Group strategy, operational objectives, reporting lines with subsidiaries and accountability for executing objectives are clear,
- AXA's principal subsidiaries, whether traded on a public stock market or not, have appointed independent (non-executive) directors to their boards of directors and audit committees,
- formal guidelines are in place for all businesses and operations, in particular the Group Compliance and Ethics Guide, anti-fraud and anti-money laundering policies,

- operating processes are subject to controls and ongoing improvement, notably via the Group-wide continuous process improvement program called "AXA Way" and through the Sarbanes-Oxley 404 compliance program to evaluate the Group's internal control over financial reporting,
- AXA employees have appropriate resources to operate. The corporate Human Resources Department has implemented processes for assessing and monitoring AXA employees, as well as providing ongoing training and development opportunities.

SETTING AND REVIEWING BUSINESS OBJECTIVES

Setting business objectives and strategic planning process

The aim of AXA's strategic planning process is to ensure coherent Group wide strategies and action plans, and the three-year forecasts developed by the Group's main subsidiaries. Subject to various analyses and adjustments between Group Management (MB, Group Strategic Plan Steering Committee, Group Management Services (GMS) teams, including Group Strategic Planning (GSP) and Business Support and Development (BSD)) and the entities, this process results in a consolidated forecast that is used as the basis for the Group's budget and forms the basis of the objectives contained in each operating unit's annual target letter.

Each year, the principal operating business units of the Group present the following information for each of their business segments (Property & Casualty insurance, life insurance, asset management, banking), with a rolling three-year outlook:
- analysis of business strategies and entity positioning,
- quantitative targets (revenues, expenses, profitability, productivity and quality indicators) based on a central set of economic forecasts,
- description of corresponding action plans, including HR and IT systems aspects,
- specific information depending on the Group's priorities – Ambition 2012.

This process enables Group Management to set targets that are consistent with its ambitions.

Business Support and Development (BSD)

As indicated above, the Group has a decentralized organization structured around seven business units.

AXA's Management Board maintains ongoing relationships with all of these BUs through its BSD organization, which reports back to Group Management on key projects being considered or under way at business unit level.
Operating units draw up their strategic plans in accordance with preset targets by the Management Board. The BSD teams prepare these preset targets, send them to the business units and monitor BUs progress.

In addition, the BSD teams collect and review all the relevant information concerning the business model, the market position or any other issue that may be of interest to the Management Board. The BSD teams pass on specific information to facilitate and monitor the execution of the strategic plan.

BSD officers also sit on boards of directors of main entities, and are involved in major BU projects, such as acquisitions, partnerships and restructuring.

RISK ASSESSMENT AND MANAGEMENT

A sophisticated risk management process has been put in place to ensure that the aforementioned objectives are met.

Corporate governance bodies

Management Board and Supervisory Board

AXA has a dual governance structure, consisting of a Management Board and a Supervisory Board. To ensure that Group business is actively managed between Quarterly Business Reviews, the Management Board's six members meet generally every week to discuss strategy and operations.

Each Management Board member is assigned responsibility for some specific aspects of the Company's management, including finance and control.

Executive Committee

In carrying out its duties, the Management Board is assisted by an Executive Committee, whose composition reflects the Group's structure. It consists of:
- the members of the Management Board,
- the executives of main business units.

The Executive Committee meets quarterly as part of the QBR process.

QBRs (Quarterly Business Reviews)

Quarterly Business Reviews are divided into two parts:
- meetings between the Management Board and each business unit,
- a meeting attended by Executive Committee members.

In preparation for individual meetings with the Management Board, each business unit provides the Board with formal quarterly information updates on its performance, operational questions that are specific to it, and transversal issues.

In 2007, the following transversal issues were examined in detail:
- P&C segmented price elasticity,
- "Accumulator" type business' development,
- the "Passport 2012" implementation, a tool designed by HR enabling each employee to formalize his contribution to the strategic initiative Ambition 2012,
- Winterthur integration,
- expense management & productivity.

During the actual review meeting, the Management Board compares the actual business and performance of each business unit with the targets set out in the budget and in the annual target letter. The business unit's performance is also assessed based on the market trends, the competitive environment and regulatory issues. In this way, quarterly business reviews enable the Management Board to monitor operations on a regular basis.

QBRs also provide members of the Executive Committee with regular and formal opportunities to meet and discuss the Group's strategic priorities for the years to come, to develop action plans and monitor their execution.

In addition, members of the Executive Committee share their local achievements during these meetings, and efforts are made to encourage the reuse of winning practices and success stories in areas touching on the business as well as on its people.

Further, the Executive Committee meeting is the venue for discussion on actions that need to be taken to optimize Group operations.

Internal departments

Risk Management Department

The role of Risk Management is to identify, quantify and manage the main risks to which AXA is exposed. To this end, the Risk Management Department develops and deploys a number of risk measurements, monitoring instruments and methods, including a set of standardized stochastic modeling tools.

When appropriate, this work leads to the implementation of decisions that affect the Group's risk profile, helping to reduce the volatility of AXA's earnings through improved understanding of the risks taken and to optimize capital allocation.

A central team, Group Risk Management (GRM), supported by local risk management teams within each operating unit, coordinates Risk Management for the Group. The types of risk covered include operating risks, asset and liability risks, and asset/liability mismatch risks. The principal control processes that fall under the responsibility of the Risk Management Department are described below:

- the local Risk Management Department carries out regular reviews of the technical reserves established by Property & Casualty and reinsurance operating units. GRM performs regular reviews of models followed throughout the Group in order to ensure the consistency between actuarial and financial standards,
- GRM conducts a decentralized review of risk-adjusted pricing and profitability for new products prior to launch; this review is centralized for variable annuity products with secondary guarantees, and submitted to the Management Board,
- the asset/liability management policy, in place at operating unit level, is monitored and controlled through an annual detailed analysis of asset/liability matching. This work is undertaken to validate the strategic allocations of invested assets. In addition, a quarterly reporting process is used to monitor portfolio developments and detect deviations from strategic asset allocations as well as with respect to benchmarks determined with asset managers,
- economic capital is estimated annually for each product line and operating unit and then aggregated at the Group level. This is one of the main uses of the stochastic modeling tools developed and implemented by the GRM. This work enables asset, liability and operational risks to be modeled together,
- GRM proposes annually to the Management Board, with the support of AXA Cessions, the main features of the Property & Casualty reinsurance coverage program of the Group,
- credit and concentration risks in the Group's asset portfolios (equities and bonds) are managed by the Risk Management department and aggregated at the Group level. GRM also monitors the corresponding exposures on a monthly basis, and ensures that local operating units comply with the concentration limits established by the Group.

Summary findings are then presented to the Management Board, for decision-making purposes when appropriate. The Supervisory Board and the Audit Committee are also informed.

Reinsurance – AXA Cessions

Property & Casualty reinsurance policy is implemented by operating units with the help of AXA Cessions, a reinsurance company fully dedicated to servicing Group entities. Operating units define their needs on the basis of cost constraints and risk exposure reduction targets. With the main exception of facultative reinsurance operations that are ceded directly by entities to reinsurers, the majority of treaty reinsurance is ceded to AXA Cessions. AXA Cessions has state of the art expertise, particularly in carrying out analysis of the Group's exposure to catastrophic risks. Its role consists also in organizing intra-Group mutualization as well as the cession of some risks towards market reinsurers. AXA Cessions manages re-insurer counterparty risk through a Security Committee.

The involvement of AXA Cessions in the Life reinsurance of AXA operating units is growing. As of today a minority part of the Group's Life reinsurance cessions are handled through AXA Cessions as per the Property & Casualty process described above.

Internal Audit

Several years ago, the Group Audit Department set up a risk-based planning process for local internal audit teams. The aim of the risk-based planning process is to identify each entity's risk exposure and to evaluate the internal control systems that have been adopted in order to prevent and/or limit the level of risks.

Determining the main risks faced by a business is a crucial part of the internal audit planning process. It ensures that internal audit assignments focus on those areas of highest risk. In addition, internal and external auditors hold meetings to exchange views on the risks that the Group faces and to consider action plans by the business to mitigate risk.

Group Information System (IS) Department

A dedicated organization, Group IS Department, has been set up to handle IT risks:

- Group IS defines Group IT strategy and policy, in particular in relation to information security and IT governance,
- AXA Technology Services (AXA Tech) is responsible for supplying IT infrastructure service delivery (servers, storage, desktops and telecoms) for 80% of the Group,
- AXA Group Solutions offers AXA subsidiaries shared IT support application solutions that are consistent with the Group's general strategy,
- the IT departments of local operating companies develop and maintain the software used in the business; 20% of them also manage their own IT infrastructures.

Group IS sets Information Security standards and monitors their application.

The Management Board mandates the development and publication of Information Security policy to the entities, and is kept informed of implementation status.

Group IS works through Transversal Officers (TOs) to ensure adequate reporting at Group Management level on strategic or large-scale projects. The TOs report on implementation status of Group IS strategy as well as the status of large projects to the Group COO (Chief Operating Officer) and the Group CFO (Chief Financial Officer) and maintain ongoing relationships with all key operating units.

AXA Tech is responsible for ensuring that IT security policy is consistently and transparently implemented at the infrastructure level, in cooperation with their clients, the operating companies.

Crisis Management and Business Continuity

At Group level, a dedicated team is responsible for defining standard regarding Crisis Management and Business Continuity, and monitoring their implementation at local level. In 2007, Crisis Management and Business Continuity issues faced by AXA entities have been reviewed and this has led the Group team to develop a new ("second generation") Business Continuity Maturity Model. The existing Standard for Business Continuity has been rewritten, taking into account Crisis Management and Crisis Communication aspects, and the updated Crisis Management & Business Continuity Standard is to be discussed and approved by the Management Board in the course of 2008. Then, the updated Standard and the Business Continuity Maturity Model will be rolled out across the Group in the second half of 2008.

Group Marketing

The Group Marketing Department works closely with subsidiaries of the Group in seven areas: strategic marketing and customer insight, offer and innovation, quality of service, customer programs, distribution, brand, marketing business plan and performance monitoring.

For each of these areas, the priority missions are described as below:

- support Group strategy and develop a set of shared methods, such as the program conducted with AXA subsidiaries on service quality, the deployment of a methodology known as Customer Value Management, and the identification of significant sources of growth,
- challenge AXA subsidiaries in their action plans design and implementation through the drawing up of Marketing Business Plans,
- develop a set of key performance indicators, with the aim of measuring Group and subsidiaries performance, in particular for customer and distributor satisfaction, as well as customer retention and distribution network performance,
- identify and capitalize on local best practices, knowledge and expertise to step up the pace of their broader adoption within the Group, such as the measure of advertising efficiency and the launch of a structure dedicated to the third-party distribution).

Group Procurement Department

In order to reduce procurement costs and improve the management of the relationship with its major suppliers and vendors, AXA has set up a Group Procurement Department. Its primary missions are to (i) develop procurement expertise based on the Group Procurement Standard within the main operating units so as to build a talent pool of professional buyers, (ii) negotiate global agreements with suppliers and vendors in compliance with the Standard, and (iii) reduce the overall costs and risks by establishing contractual and ethical standards.

The Management Board approves Group procurement strategy and is kept informed on its implementation status.

Group Legal Department (DJC – Direction Juridique Centrale)

The Group Legal Department is responsible for identifying and managing the significant legal risks to which the Group is exposed. It provides expertise and advice on all significant corporate legal matters at the Group level and manages the legal aspects of transactions undertaken by the Group as well as significant litigation, regulatory, and compliance matters. The Group Legal Department works closely with the Legal Departments of AXA's principal subsidiaries on legal, regulatory, and compliance matters impacting those companies.

Finance and Control Department (DCFG)

The role of the DCFG is described in detail in paragraphs "Monitoring of financial commitments" and "Management of the Group financial structure".

Planning, Budget, Result and Central Department (PBRC)

The role of the Group's PBRC Department is described in detail in the paragraph "Consolidation Management, Reporting, and Control over Financial and Accounting Information".

Control Procedures – Definition of Group's procedures and standards

Compliance Guide

The Group Compliance and Ethics Guide was adopted by the Management Board in 2004. The Guide applies to all Group companies and employees, subject to compliance with local legislation and is available on the Group website (www.axa.com) under the heading "Corporate Governance".

The Guide was updated in 2005 and a new release was communicated in March 2006 by the Group Chief Financial Officer (CFO) to CEOs and Chief Financial Officers (CFOs), heads of legal departments, of HR and of internal communications throughout the Group together with local implementation guidelines. Any problems encountered with, local adaptation of the Guide due to legal requirements, distribution, understanding or certification must be reported to Group relevant departments.

Anti-money laundering/Counter terrorist financing and Anti-fraud procedures

AXA is firmly committed to combating money laundering and terrorist financing and has maintained a Group AML Charter since 2002. In line with this charter, each entity is required to introduce procedures based on certain general principles, on top of applicable local regulations, and to appoint an anti-money laundering officer. The "know your customer" principle is crucial in this respect, and is fundamental to all transactions. The Group Charter is reviewed and adjusted on a regular basis by taking into account international legal and regulatory developments.

As far as the fight against internal fraud is concerned, a formal policy has been put into place and a network of correspondents dedicated to this task was set up in 2005. Internal fraud has been divided up into four specific categories: Fraudulent Financial Reporting; Misappropriation of Assets; Improper or Fraudulent Financial Activity; Senior Management Frauds.

The Group monitors internal frauds reported by entities on a semi-annual basis. The Group Internal Fraud Officer organizes annual training days for local Fraud Officers. In 2006, a Group-led fraud assessment and review was conducted in the Group's major entities. In 2007, the entities reviewed their fraud risk assessments in light of new threats.

Monitoring of financial commitments

Financial commitments are monitored as part of the consolidation process, under which each subsidiary transmits information to the PBRC (Plan Budget Résultat Centrale).

AXA's financial commitments fall into three main categories.

COLLATERAL, SECURITIES, PLEDGES AND GUARANTEES

The collateral, securities, pledges and guarantees are governed by the Supervisory Board's internal regulations, which set notably an authorized annual limit, along with limits for each type of commitment. They are also subject to a specific procedure. The DJC and the DCFG are responsible for supervising these commitments and in particular for analyzing their legal nature, arranging their prior validation by management, and monitoring their execution. Most of these commitments are granted to subsidiaries to the ultimate benefit of third-parties, or relate to intra-Group loans.

DERIVATIVES INSTRUMENTS

For managing and optimizing interest rate and exchange rate risk, the DCFG is authorized to use derivative instruments, mainly interest rate and currency swaps, options, caps and floors. These instruments, which may be either standard or structured, are used as part of strategies reviewed by the Supervisory Board's Finance Committee. Persons authorized to commit the Company and trade such transactions are listed in a book of signatures, available for distribution to bank counterparts.

The DCFG is organized in such a way as to separate the responsibilities of the team in charge of initiating derivatives transactions from those of the team in charge of controlling related risks. The latter is in charge of publishing detailed set of reports, allowing consolidating and controlling interest rate and foreign exchange exposures. Furthermore, derivative transactions are valued on a daily basis by the Group, through an integrated trading, risk and operations management software. Valuations are individually checked with an external banking source on a semi-annual basis.

Whenever a hedging strategy is implemented, the DCFG is in charge, if needed, of establishing the necessary documentation and efficiency testing for the hedging instruments' classification.

OTHER COMMITMENTS

DCFG is responsible for managing liquidity risk. Therefore, DCFG determines the required amount of committed credit facilities needed by the Group to weather a liquidity crisis, and sets constraints on the debt maturity profile.

AXA remains constantly vigilant regarding contractual documentation clauses that may be binding on the Group. This helps monitor that the AXA Group is not exposed to default or early repayment clauses that may have a material adverse effect on its consolidated financial position.

Information about off-balance sheet commitments can be found in the appendix to the Company's annual financial statements.

Management of the Group financial structure

The Supervisory Board's Finance Committee and the Management Board are regularly informed by the CFO of major projects and changes relating to the management of the Group's consolidated financial position, and examine reports and forecasts periodically. These forecasts, together with sensitivity analyses which factor in extreme financial market swing scenarii, are also updated monthly and presented as part of the Group Management performance indicators.

In addition, the Finance Committee reviews the risk analysis methods, measurement standards and action plans that allow the Group to maintain a solid financial position. It also determines the scope of action of the Management.

Working in close collaboration with local finance teams, the DCFG (i) defines and manages subsidiaries' capital adequacy, (ii) defines and manages the Group's liquidity policy, and (iii) coordinates and centralizes the Group's financing policy.

MONITORING GROUP AND SUBSIDIARY CAPITAL ADEQUACY

Local solvency regulations

Each subsidiary's Finance Department is responsible for producing regulatory information and for liaising with local regulators.

As part of the recurrent capital allocation process, each subsidiary sends periodic reports to the DCFG including actual and forecasted solvency positions, enabling the latter to verify the subsidiaries' capital adequacy with respect to local regulatory constraints.

In addition, subsidiaries carry out simulations that take into account their regulatory requirements using extreme scenarii concerning assets (market value of equities and interest rate movements). These simulations are consolidated by the DCFG, enabling the latter to measure each subsidiary's financial flexibility.

Consolidated solvency

The Group is subject to regulations that require additional monitoring for insurance companies. Consequently, the PBRC Department calculates an adjusted solvency margin on the basis of the Group's consolidated financial statements. This information is transmitted to the ACAM (the French insurance industry supervisory Commission).

The DCFG also maintains a three-year forecast of the Group's consolidated solvency margin at all times, as well as sensitivity analyses using extreme equity market and interest rate scenarii.

LIQUIDITY RISK MONITORING AND MANAGEMENT

The liquidity risk is managed by AXA's various operating units. The DCFG monitors this risk at the consolidated level, carrying out standardized measurements of the maturity of resources available to the Group. To this end, the DCFG has devised formal principles for monitoring and measuring resources, along with liquidity risk management standards:

- liquidity is managed centrally and conservatively by the DCFG, through a significant amount of unused confirmed medium-term credit facilities maintained as a back-up at all times, and using long-term and mainly subordinated debt resources,
- "GIE AXA Trésorerie Europe", an inter-company partnership (GIE), carries out centralized cash management for AXA operating units in the Euro zone, using Group standards designed to ensure liquidity due to the profile of invested assets, particularly through the ownership of a significant portfolio of assets defined as eligible by the European Central Bank (ECB),
- a liquidity contingency plan at the Group level also provides AXA with the ability to withstand a liquidity crisis.

GROUP FINANCING POLICY AND MANAGEMENT OF CONSOLIDATED DEBT

To ensure that the Group has ample financial flexibility, the DCFG liaises with AXA subsidiaries to coordinate consolidated debt, and also manages this debt in terms of interest rate and exchange rate risk. The DCFG has devised formal principles for managing and measuring resources in terms of interest rate and exchange rate risk, with the aim of maintaining a standardized consolidated position. To this end, it relies on information transmitted by subsidiaries. An accounting reconciliation is carried out at the end of each half-year period.

The structure of financial resources and debt ratios are managed to ensure that they remain compatible with the Group's financial strength rating targets, even in adverse circumstances of rising interest rates, declining equity markets and falling profits. The structure of financial resources, as well as the repayment schedule and debt service costs, is managed on the basis of a three-year plan.

Evaluation and Testing of Internal Controls

The Group conducts an annual evaluation of the effectiveness of its internal control over financial reporting and its disclosure controls and procedures. This evaluation is designed to support annual certifications required to be filed with the United States Securities and Exchange Commission (SEC) by AXA's Chief Executive Officer and Chief Financial Officer under Sections 302, 906 and 404 of the US Sarbanes-Oxley Act (SOX). AXA is subject to SOX as a result of its listing on the New York Stock Exchange. For the year ended December 31, 2006, Management concluded that the design and operation of the Group's internal control over financial reporting were effective as of December 31, 2006 based on criteria established in COSO and that the Group's disclosure controls ans procedures were also effective at that date.

PricewaterhouseCoopers, AXA's financial statement auditor for its accounts filed with the SEC, delivered an unqualified "integrated audit" opinion on the Group's consolidated financial statements and internal control over financial reporting for the year ended December 31, 2006. PwC's "integrated audit" opinion can be found in Item 18 of the Group's 2006 Annual Report on Form 20-F filed with the SEC.

INFORMATION AND COMMUNICATION

Investor Relations

The quality of financial and accounting information depends upon the production, review and validation of financial information between the different services of the Group Finance Department, and on the principle of having a single source of information. With very few exceptions, all financial information reported by the Group comes from the PBRC Department. Exceptions arise occasionally when the financial markets request management information that does not originate from the Group's accounting and financial consolidation systems.

Financial and accounting information is monitored in different ways depending on the medium used, with the aim of enhancing disclosures in both qualitative and quantitative terms:

Financial communication media (press releases, press and financial market presentations, etc.)
Information issued via these media is produced by the Investor Relations Department, and is intended to give a clear and intelligible overview of the Group's business and operations (e.g., earnings release, merger and acquisition, financing…). Key announcements are reviewed and validated by the Finance Department and the Legal Department prior to submission for approval to the Management Board. Press releases concerning financial statements are reviewed by the Supervisory Board. The External Auditors also review press releases concerning annual and half-year accounts closings.

The Group Financial Communications Department coordinates relations with analysts and with AXA Group investors.

Annual Report *(Document de Référence)*
Several departments within AXA (Investor Relations, Internal Communications and Group Legal) are involved in preparing the Annual Report. The PBRC Department coordinates its preparation and ensures the overall consistency of information. Each contributor works to ensure that the Annual Report complies with standards and is clear. The Annual Report is reviewed by the Management Board.

All information contained in these legal documents is also audited by the External Auditors in accordance with professional standards applicable in France.

Communications and Sustainable Development

The Communications and Sustainable Development (CSD) Department defines the Group policy and monitors its roll out worldwide in terms of internal communications, press relations (policy, tools and support), sustainable development, communications to individual shareholders and corporate philanthropy. CSD has the necessary resources to release accurate, time sensitive and reliable information and to manage any image impairment risk. In addition, CSD ensures that information flows smoothly and is shared throughout the Group. To achieve this aim, it uses a variety of media, including but not limited to, internet and intranet, document databases, periodic in-house publications, and relies on its internal correspondent network and information processes.

ONGOING ASSESSMENT, MONITORING AND IMPROVEMENT OF INTERNAL CONTROL PROCEDURES

Evaluating corporate governance structures

The Supervisory Board and some of its specialized Sub-Committees use regular self-assessment as a means to improve performance. The procedures used to evaluate the Supervisory Board and its Committees are described in the first section of this report. In accordance with the law, the Supervisory Board exerts a permanent control on the Management Board.

Group Audit

Role

The Group Audit Department works on behalf of the Management Board and the Audit Committee to assess the effectiveness and efficiency of the Group's control systems. All Group subsidiaries, companies, activities and projects fall within its scope.

The Group Audit Department operates in accordance with a Charter approved by the Management Board and Audit Committee.

The internal audit profession has its own international organization, the Institute of Internal Auditors (IIA), which has drawn up a set of international standards governing practice. These standards have been recognized by regulators and adopted by the Group Audit Department, for application globally.

Organization and resources

AXA's internal audit organization is structured around a central Group Audit Department that coordinates and supervises the Group's overall internal audit process and capability, and internal audit teams set up within Group subsidiaries. The Group Audit Department operates mainly through:

- management of internal audit teams within operating units,
- strategic and transversal internal audit assignments.

The head of the Group Audit Department reports to the Chairman of AXA's Management Board (with a functional reporting line to AXA's Chief Financial Officer) and also has a direct and regular contact with the Chairman of AXA's Audit Committee.

Local internal audit teams are placed under the responsibility of a Chief Audit Executive, who reports directly to the local Chief Executive Officer or Chief Financial Officer or a member of the local Executive Committee, and also to the local internal audit committee. These local teams also have a reporting line to the Group Audit Department.

Scope of operations

The Group Audit Department fulfills its responsibilities as follows:

- coordinating internal audit teams, through establishing internal audit directives and standards, the annual risk-based audit process, and by monitoring the quality of work completed,
- ensuring that adequate resources are made available to internal audit teams, and monitors on an annual basis the internal audit teams' performance and coverage,
- carrying out strategic and transversal internal audits, which are intended to determine whether the local business management is effectively fulfilling their planning, organizational, governance and supervisory roles. These audit assignments are carried out exclusively in accordance with the written instructions of the Chairman of the Management Board.

Local internal audit teams focus mainly on identifying the key risks facing their business units, and on evaluating the design and operation of associated controls.

Monitoring audit recommendations

Audit assignments generally culminate in a report with a set of recommendations for the audited unit or business. All Internal Audit teams in the Group report the major findings and action plans to their local executive management and their local Audit Committee.

Group Audit recommendations and related action plans are subject to regular monitoring, the results of which are submitted to the Management Board and Audit Committee for review.

The Audit Committees in the Group play a strong role in monitoring the plans, staffing and reporting from the local Internal Audit teams.

AXA Way

In 2002, AXA launched AXA Way, its continuous process improvement program designed to optimize customer service quality, increase market share and develop distribution. A central unit, at Group level, is in charge of managing a common methodology, defining standards, setting up global targets, tracking and monitoring the projects. This unit is also responsible for training local AXA Way teams.

Local operating units develop AXA Way projects with the support of an AXA Way Leader, and the sponsoring of a local Chief AXA Way Officer (who is also a member of the Executive Committee). While these projects are carried out on the basis of the aforementioned Group method, it is sufficiently flexible and can be adapted to take local issues into account.

Since the launch of AXA strategic initiative Ambition 2012 in 2005, AXA Way has been enabling the Differentiation Strategy, aiming to make of AXA the preferred company. Key strategic processes have been identified, action plans have been set up and all AXA Way teams are highly engaged to raise the service quality level for exceeding our Customer expectations.

"Scope" survey to the Group's employees

Since 1993, AXA has conducted periodic surveys that encourage employees to express their views on what it is like to work for AXA. Survey findings are communicated to all AXA employees, and serve as the basis of a formal dialogue with management that leads to the development of targeted action plans. A summary of the process and resulting plans are reviewed by the Management Board. In 2002, the Scope survey process became an annual event.

Major incident reporting system

In accordance with the AXA Compliance Guide, AXA employees may submit any concerns they may have regarding issues related to accounting, internal control, auditing or fraud directly to the Chairman of AXA's Audit Committee. AXA employees also have the option of speaking with their supervisor, or with a representative of their HR, Legal or Compliance Department or the AXA Legal Department.

In late 2005, the CNIL (Commission Nationale de l'Informatique et des Libertés) adopted and published guidelines on whistle-blowing hotlines that set forth its position on the matter. AXA conducted a review of its own major incident reporting system to ensure compliance with the CNIL guidelines.

CONSOLIDATION MANAGEMENT, REPORTING, AND CONTROL OVER FINANCIAL AND ACCOUNTING INFORMATION

Principles

The PBRC (Planning, Budgets, Results and Central) Department within the Group Finance Department is responsible for consolidation, management reporting and control over financial and accounting information. It works with local PBR units within the finance departments of Group subsidiaries. PBRC policies and procedures allow an adequate monitoring and supervision at the decentralized locations.

The PBRC's role encompasses:
- establishing and distributing consolidation standards and Group reporting standards, and managing the worldwide network of PBR teams,
- managing the Group's economic and accounting reporting system,
- managing and coordinating the Group's accounts' into IFRS,
- coordinating the production of AXA's *Document de Référence* filed with the AMF,
- coordinating AXA's Form 20-F filed with the SEC,
- developing and using management control tools,
- analyzing quantitative data on Group business and results, and key performance indicators,
- liaising with the External Auditors (independent accountants) and contributing to Audit Committee meetings as required.

Financial and accounting information is consolidated within the Finance Department in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. As it relates to the financial statements included in this Annual Report, there is no difference between IFRS as adopted by the E.U. and IFRS as adopted by the International Accounting Standard Board.

Respective responsibilities of the local and central PBR Departments

The subsidiaries are responsible for the consolidation and the control of the financial information produced in their consolidation sub-group whereas PBRC reviews this information and produces the Group's consolidated financial statements and related summaries at Group level.

The role of the PBRC in this process is as follows:
- upstream of the consolidation and control process, it is responsible for the information transmission system – comprised of the consolidation system, consolidation guidelines, reporting guidelines and guidelines for measuring embedded value – and for issuing instructions to subsidiaries,
- downstream of the consolidation and control process, it is responsible for reviewing financial and accounting information produced by subsidiaries, and for producing the various outputs, including the *Document de Référence,*
- it is also responsible for monitoring and resolving technical accounting issues specific to the Company and the entities.

The consolidation system is managed and updated by a dedicated team. Financial accounting data that comply with the Group's accounting standards and that reflect consolidation rules under IFRS accounting standards are entered into the system locally.

This system is also used to deliver the management reporting information used to produce an economic perspective on the consolidated financial statements. The process through which this management reporting information is produced and validated is the same as that used to prepare consolidated financial information.

Group accounting standards, which are consistent with accounting and regulatory principles for consolidated financial statements, are set forth in the AXA Group Consolidation Guidelines. Updated regularly by PBRC experts, these guidelines are submitted to AXA's independent auditors for review and validation before being made available to AXA subsidiaries.

Control mechanisms

As indicated in the previous paragraph, AXA subsidiaries are responsible for controlling the financial information produced locally for consolidation purposes. In this respect, the CFO of each entity sign offs on the accuracy of consolidated figures reported through Magnitude (consolidation tool of the Group) and their compliance with both the Group accounting manual and instructions.

Moreover, the review and analysis of financial and accounting information, which is consolidated using the aforementioned system and accompanied by comments from subsidiaries that make up the various consolidation sub-groups, are carried out by teams that liaise with subsidiaries on a full-time basis. In particular, these teams review:

- restatements of local GAAP to comply with Group Standards and consolidation principles,
- all items in the financial statements, including:
  - information provided to the Investor Relations Department,
  - notes to the consolidated financial statements,
  - all additional information to the notes and published in the Group's interim and annual report,
- the analysis of results, shareholders' equity and the main balance sheet items,
- the activity and management reports.

This organization is used for all AXA Group publications, i.e. interim and annual consolidated financial statements, quarterly revenue releases, and an annual statement of embedded value.

In all cases, the procedures are those described above, along with close collaboration with the Statutory Auditors of the Group, which generally work as follows:

- all changes in accounting standards are anticipated in collaboration with AXA's accountants and its statutory auditors and implemented after approval adopted by the internal accountants, as well as the statutory auditors,
- the main audit issues are addressed and resolved in the phase prior to accounts closing through "clearance meetings" with local and central statutory auditors, and local and central finance teams,
- the principal options for closing the consolidated accounts are presented to the Management Board and then to the Audit Committee,
- the auditing of financial and accounting data is finalized at the accounts closing stage in meetings attended by local and central finance teams, as well as local and central statutory auditors who present the outcome of their audit work.

Other information

Along with work relating to the preparation of financial statements, the PBRC Department produces monthly activity reports, quarterly profitability reports and one half-year and two full-year sets of forecasts for internal use, and consolidates the financial data contained in the budget and the strategic plan. The PBRC team and the statutory auditors identify risks and validate the proposed accounting principles and accounts closing options, working on both annual and half-year financial statements.

CONCLUSION

By implementing the aforementioned structures of corporate governance and human resources, as well as the internal departments, procedures and standards described above, AXA has set up an internal control system that is considered as being adapted to the risks of its business.

Naturally, this system is not foolproof. However, it does constitute a robust control structure for a global organization such as AXA.

Neither the control environment nor the control system is static. Consequently, AXA remains attentive to changes in this area, so that continuous improvements can be made to its own internal control system.

PART 3 > COMPENSATION

For information on the principles and the rules adopted by the Supervisory Board in order to determine the compensation and the advantages granted to the corporate officers please see Part III – "Corporate governance, executive compensation, major shareholders and related matters", "Full disclosure on executive and employees compensation and share in capital" Section 3.2 of this Annual Report.

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex

Mazars & Guérard
61, rue Henri Régnault
92400 Courbevoie

Report of the Statutory Auditors, prepared in compliance with the Article L.225-235 of the French Commercial Code, on the report prepared by the Chairman of the AXA Supervisory Board pertaining to the internal control procedures relating to the preparation and treatment of financial and accounting information

(For the year ended December 31, 2007)

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders of **AXA**
25, avenue Matignon
75008 Paris

In our capacity as Statutory Auditors of AXA, and in compliance with the requirements of the Article L.225-235 of the French Commercial Code, we hereby submit our report on the report prepared by the Chairman of the Supervisory Board of your Company pursuant to Article L.225-68 of the aforementioned Code, for the year ended December 31, 2007.

It is the role of the Chairman of the Supervisory Board to give an account, in his report, notably of the conditions in which the duties of the Supervisory Board are prepared and organized and of the internal control procedures in place within the company. It is our responsibility to report to you our observations on the information set out in the Chairman's report on the internal control procedures relating to the preparation and processing of financial and accounting information to establish the consolidated financial statements in accordance with IFRS, as adopted by the European Union.

We performed our procedures in accordance with professional standards applicable in France. These require us to perform procedures to assess the fairness of the information set out in the Chairman's report on the internal control procedures relating to the preparation and processing of financial and accounting information to prepare the consolidated financial statements in accordance with IFRS, as adopted by the European Union. These procedures notably consisted of:

- Reviewing the internal control procedures pertaining to the preparation and treatment of accounting and financial information used to establish the consolidated financial statements in accordance with IFRS, as adopted by the European Union, and underlying the information disclosed in the Chairman's report and in the existing documentation;
- Reviewing the work serving as the basis for the information and data provided in this report and the existing documentation;
- Assessing if the potential material deficiencies of internal control procedures relating to the preparation and processing of financial and accounting information that we may have identified in the course of our mission are appropriately disclosed in the Chairman's report.

On the basis of these procedures, we have no matter to report in connection with the information contained in the report of the Chairman of the Supervisory Board, which was prepared in accordance with the requirements of Article L.225-68 of the French Commercial Code, relating to the internal control procedures applied within the Company in connection with the preparation and treatment of accounting and financial information used to establish the consolidated financial statements in accordance with IFRS, as adopted by the European Union.

Neuilly-sur-Seine and Courbevoie, March 25, 2008

The Statutory Auditors

PricewaterhouseCoopers Audit
Yves Nicolas – Eric Dupont

Mazars & Guérard
Patrick de Cambourg – Jean-Claude Pauly

> APPENDIX II

OTHER LEGAL INFORMATION

ANNUAL INFORMATION DOCUMENT

Pursuant to Article 222-7 of the AMF General Regulations, the table below sets forth all information published or otherwise made public by the Company over of the previous twelve months, in one or more States that are party to the Agreement on the European Economic Area (EEA) or in one or more countries outside the EEA in order to fulfill the legal or regulatory obligations in those countries with respect to financial instruments, issuers of financial instruments or financial markets.

Information published over the previous 12 months	Where the information can be obtained
Press releases [(a)]	**www.amf-france.org www.axa.com**
AXA 1Q07 revenues up 34%, driven by strong organic growth and Winterthur integration (05/10/2007)	
AXA 2007 annual Shareholders' Meeting approves all resolutions, of which: free shares attribution plan to all AXA employees as part of the Company wide project Ambition 2012, appointment of two new directors, Jean-Martin Folz and Giuseppe Mussari (05/14/2007)	
AXA has completed the sale of Winterthur's US property & casualty insurance operations (06/01/2007)	
AXA to sell its Dutch operations to SNS Reaal for €1,750 million (06/04/2007)	
AXA launches its second securitization of motor insurance risks on a Pan-European portfolio (06/04/2007)	
AXA and BNP Paribas to join forces on the Ukrainian property & casualty insurance market (06/08/2007)	
AXA to hold today an investor conference on AllianceBernstein and AXA UK activities (06/21/2007)	
AXA allocates 50 free shares to all AXA employees worldwide (07/02/2007)	
AXA announces the success of its second securitization of motor insurance risk (07/06/2007)	
AXA to sell its operations in Taiwan to China Life Insurance Co. Ltd (07/25/2007)	
AXA and BNP Paribas extend their partnership to take the 3rd place on the Ukrainian property & casualty insurance market (07/27/2007)	
Strong first half 2007 performance (08/09/2007)	
AXA launches its 2007 employee share offering (Shareplan 2007) (08/20/2007)	
AXA has completed the sale of its Dutch insurance operations (09/06/2007)	
AXA and Bao Minh Insurance enter into a strategic partnership in the Vietnamese insurance market (09/12/2007)	
AXA announces the subscription prices for 2007 employee share offering (Shareplan 2007) (09/18/2007)	
AXA joins the Dow Jones Sustainability STOXX and World Indices (09/19/2007)	
AXA launches €100 million research fund to promote academic research (10/10/2007)	
The climatic challenge: businesses spring into action! (10/18/2007)	
AXA and BMPS finalize their partnership agreement on the Italian financial protection market (10/19/2007)	
Filing of AXA's Annual Report on Form 20-F for the year ended December 31, 2006 (10/29/2007)	
9M07 activity indicators confirm AXA's sustained growth momentum (11/08/2007)	
AXA reinforces its partnership with BMPS (11/09/2007)	
AXA to hold today in Paris its investor conference on Ambition 2012 (11/13/2007)	
Renewed success of AXA employee share offering in 2007: total subscription up by 47% (11/29/2007)	

(a) Press releases issued prior to May 10, 2007 were listed in the Annual Information Document of AXA's FY 2006 Annual Report.

Information published over the previous 12 months	Where the information can be obtained
AXA creates AXA Bank Europe to enhance the coordination of AXA's European retail banking operations (12/03/2007)	
AXA to take a stake in Russia's 2nd largest insurer Reso Garantia (12/21/2007)	
AXA records very strong FY07 top line growth (01/31/2008)	
Appointments: Group IT, AXA Technology Services, Central & Eastern Europe Region (01/31/2008)	
AXA to buy-out Oyak's 50% stake in AXA Oyak, Turkey's 2nd largest insurer (02/06/2008)	
AXA acquires leading Mexican insurer ING Seguros (02/12/2008)	
Appointment release: AXA recruits a new brand Director (02/21/2008)	
AXA records solid performance in full year 2007 (02/28/2008)	
Chair of the AXA Supervisory Board (02/28/2008)	
Appointment release: appointments at AXA Mediterranean Region (03/04/2008)	
Appointment release: appointment in Mexico (03/05/2008)	
AXA Research Fund: applications open and financing available (03/18/2008)	
Bulletin of Required Legal Notices Publications (BALO)	**www.journal-officiel.gouv.fr**
2006 Annual Financial Statements before Shareholders' Meeting (04/25/2007)	
Turnover 1st quarter of 2007 (05/14/2007)	
2006 Annual Financial Statements after Shareholders' Meeting (06/01/2007)	
Turnover 2nd quarter of 2007 (08/13/2007)	
2007 Half Year Financial Statements (10/15/2007)	
Turnover 3rd quarter of 2007 (11/12/2007)	
Turnover 4th quarter of 2007 (02/04/2008)	
Notice of Meeting (Shareholders' Meeting to be held on 04/22/2008) (02/29/2008)	
Documents filed with the Trade Registry *(Greffe)*	**www.infogreffe.fr**
Extract of the minutes of the Shareholders' Meeting of 05/14/2006 regarding the appointment of new members of the Supervisory Board (06/18/2007)	
Bylaws as at 05/14/2007 (06/04/2007)	
Extract of the minutes of the Shareholders' Meeting of 05/14/2006 regarding the modifications of the Bylaws (06/04/2007)	
Bylaws as at 07/16/2007 (07/06/2007)	
Extract of the minutes of the Management Board of 07/16/2007 regarding the increase of the share capital (07/26/2007)	
Bylaws as at 11/28/2007 (12/07/2007)	
Extract of the minutes of the Management Board of 11/28/2007 regarding the increase of the share capital (12/07/2007)	
Bylaws as at 12/17/2007 (12/26/2007)	
Extract of the minutes of the Management Board of 07/17/2007 regarding the decrease of the share capital (12/26/2007)	
Extract of the minutes of the Management Board of 01/07/2008 regarding the increase of the share capital (02/01/2008)	
Decision of the Chairman of the Management Board of 01/24/2008 regarding the increase of the share capital (02/01/2008)	
Bylaws as at 01/24/2008 (02/01/2008)	
Documents at the disposal of the Shareholders	**Headquarters of the Company 25, avenue Matignon 75008 Paris – France**
Ordinary and Extraordinary General Meeting – May 14, 2007	
A copy of the "BALO" dated March 14, 2007 containing the Notice of Meeting	
A copy of the "BALO" dated April 6, 2007 and a copy of a Legal Advertisement Newspaper *"La Gazette du Palais"* dated April 7, 2007 containing the Notice of Convening	
A copy of the convening file sent to the shareholders as well as all documents at the disposal of the shareholders (R.225-81 and R.225-86)	
Copies and acknowledgement of receipts of the recorded delivery letters sent to Statutory Auditors	

Information published over the previous 12 months		Where the information can be obtained
The attendance sheet signed by the present members		
The shareholders' proxies to a person		
The vote by correspondence		
The 2006 financial statements ("BALO" dated April 25, 2007)		
The Management Board Report		
The Report of the Chairman of the Supervisory Board		
The Supervisory Board comments on the Management Board Report and on the 2006 financial statements		
The Auditors' reports		
The projects of resolutions		
A copy of the bylaws		
Transactions on AXA shares		**www.axa.com www.amf-france.org**
Disclosure of trading in the Company's shares by members of the Management Board and the Supervisory Board		
01/03/2007 Kip Condron	09/25/2007 Jacques Tabourot	
01/12/2007 Kip Condron	09/28/2007 Henri de Castries	
01/25/2007 Léo Apotheker	10/01/2007 François Pierson	
02/23/2007 Norbert Dentressangle	10/01/2007 Denis Duverne	
02/27/2007 Norbert Dentressangle	10/12/2007 Henri de Castries	
03/26/2007 Alfred Bouckaert	10/30/2007 Jacques Tabourot	
03/26/2007 Kip Condron	11/15/2007 Denis Duverne	
03/29/2007 Kip Condron	11/28/2007 Henri de Castries	
03/29/2007 Alfred Bouckaert	11/28/2007 Kip Condron	
04/21/2007 Denis Duverne	11/28/2007 Alfred Bouckaert	
04/21/2007 François Pierson	11/28/2007 Claude Brunet	
04/21/2007 Henri de Castries	11/28/2007 Denis Duverne	
04/21/2007 Claude Brunet	11/28/2007 Claude Bébéar	
05/09/2007 Jacques Tabourot	11/28/2007 Jacques Tabourot	
06/14/2007 Denis Duverne	12/14/2007 Claude Bébéar	
06/15/2007 Claude Bébéar	12/14/2007 Denis Duverne	
07/02/2007 François Pierson	12/14/2007 Henri de Castries	
08/10/2007 Norbert Dentressangle	12/17/2007 Denis Duverne	
09/06/2007 Denis Duverne	12/17/2007 Claude Brunet	
09/20/2007 Claude Brunet	12/17/2007 Henri de Castries	
09/24/2007 Denis Duverne	02/08/2008 Claude Bébéar	
09/24/2007 Henri de Castries	03/14/2008 François Pierson	
Disclosure of trading in own shares by the Company		
From April 2 to April 3, 2007	From August 20 to August 24, 2007	
From April 16 to April 20, 2007	From August 27 to August 31, 2007	
From April 23 to April 27, 2007	From September 3 to September 7, 2007	
From April 30 to May 4, 2007	From September 10 to September 14, 2007	
From May 7 to May 11, 2007	From September 17 to September 21, 2007	
From June 4 to June 8, 2007	From September 24 to September 27, 2007	
From June 11 to June 13, 2007	From November 14 to November 16, 2007	
From August 9 to August 10, 2007	On November 19, 2007	
From August 13 to August 17, 2007	On December 28, 2007	

Information published over the previous 12 months		Where the information can be obtained
Six month reports on AXA's liquidity agreement		
As of June 30, 2007	As of December 31, 2007	
Disclosures of share ownership thresholds		**www.amf-france.org**
-		
Official public notice of shareholders' agreement clauses		**www.amf-france.org**
-		
Documents published abroad (20-F / 6-K)		**www.sec.gov**
Form 6-K for May 2007: Press Release issued on May 10, 2007 by AXA, announcing its first quarter revenues		
Form 6-K for June 2007: Press Release issued on June 4, 2007 by AXA, announcing the sale of its principal Dutch insurance operations to SNS Reaal		
Free Translation of AXA's French *Document de Référence* for the year ended December 31, 2006 filed with the AMF (the French stock exchange regulatory authority) on April 20, 2007		
Form 20-F (submitted as June 28, 2007)		
Form 6-K for August 2007: Press Release issued on August 9, 2007 by AXA, announcing first half 2007 performance		
Form 6-K for November 2007: Press Release issued on November 8, 2007 by AXA, announcing first nine months 2007 activity indicators		
Press Release issued on November 13, 2007 by AXA, announcing the investor conference on Ambition 2012 to be held on November 13, 2007		
Form 6-K for January 2008: Press Release issued on January 31, 2008 by AXA, announcing its full year 2007 activity indicators		
Form 6-K for February 2008: Press Release issued on February 28, 2008 by AXA, announcing its consolidated earnings for the full year 2007		

DOCUMENTS PERTAINING TO THE COMPANY

The following documents may be consulted at the AXA Group Legal Department located 21, avenue Matignon – 75008 Paris (France) during normal business hours in 2008 and in 2009 until the filing of AXA's next Annual Report (*Document de Référence*):

- The Bylaws of the Company;
- The reports and other documents prepared by any expert at the Company's request, any part of which is included onto or referred to in this Annual Report;
- The parent Company financial statements as well as the consolidated financial statements of the Company for each of the two financial years preceding the publication of this Annual Report.

> APPENDIX III

Statement of the person responsible for the Annual Report (*Document de Référence*)

STATEMENT OF THE PERSON RESPONSIBLE

I, the undersigned, having taken all reasonable care to ensure that such is the case, hereby certify that the information contain in this Annual Report (*Document de Référence*) is, to the best of my knowledge, in accordance with the facts and contains no material omission likely to affect this import.

I confirm that, to the best of my knowledge, the financial statements have been drawn up in accordance with applicable accounting standards and accurately show the position of the assets and liabilities, the financial position and the profit or loss of the Company and of all businesses and firms included within the scope of the consolidated Group, and that the Management Report, the various sections of which are mentioned on page 473 of the present Annual Report, accurately reflects the evolution of the business, the results and the financial position of the Company and of all businesses and firms included within the scope of the consolidated Group, and describes the main risks and contingencies which they are faced with.

The Statutory Auditors have provided me with a letter of completion of assignment, whereby they state that they have verified the information relating to the financial position and the financial statements contained in this document, and that they have perused the entire document.

Paris, March 28, 2008

Henri de Castries
Chairman of the Management Board

PERSON RESPONSIBLE FOR FINANCIAL INFORMATION

Denis Duverne
Member of the Management Board,
Group Chief Financial Officer

AXA
25, avenue Matignon, 75008 Paris

> APPENDIX IV

Statutory Auditors

The Statutory Auditors are:

INCUMBENT AUDITORS

PRICEWATERHOUSECOOPERS AUDIT:

63, rue de Villiers – 92208 Neuilly-sur-Seine, represented by Mr. Yves Nicolas and Mr. Eric Dupont, first appointed on February 28, 1989. The current appointment is for a term of 6 years, until the Annual General Meeting of the shareholders called to approve the financial statements for the fiscal year 2011.

Membership in a professional body:

PricewaterhouseCoopers Audit is registered as an independent auditor with the *Compagnie Régionale des Commissaires aux Comptes de Versailles.*

MAZARS & GUÉRARD:

Exaltis – 61, rue Henri Régnault – 92075 Paris-La Défense Cedex, represented by Mr. Patrick de Cambourg and Mr. Jean-Claude Pauly, first appointed on June 8, 1994. The current appointment is for a term of 6 years, until the Annual General Meeting of the shareholders called to approve the financial statements for the fiscal year 2009.

Membership in a professional body:

Mazars & Guérard is registered as an independent auditor with the *Compagnie Régionale des Commissaires aux Comptes de Paris.*

ALTERNATE AUDITORS

Mr. Patrick Frotiée: 63, rue de Villiers – 92208 Neuilly-sur-Seine, first appointed on May 17, 1995. The current appointment is for a term of 6 years, until the Annual General Meeting of the shareholders called to approve the financial statements for the fiscal year 2011.

Mr. Jean Louis Simon: Exaltis – 61, rue Henri Régnault – 92075 Paris-La Défense Cedex, first appointed on April 21, 2004. The current appointment is for a term of 6 years, until the Annual General Meeting of the shareholders called to approve the financial statements for the fiscal year 2009.

FEES PAID TO STATUTORY AUDITORS IN 2007 AND 2006

Pursuant to Article 222-8 of the AMF General Regulations, the table below shows the fee amounts paid by AXA to each of the statutory auditors in charge of auditing the Group's financial statements, distinguishing between the fees for, on the one hand, the legal mission of statutory auditors of the statements, as well as the diligence directly related to them, and, on the other hand, for other services.

	Amounts (before VAT)	
	2007	**2006**
Audit		
Statutory audit and certification examination of local and consolidated financial statements	43,969	48,417
Parent company (AXA SA)	*3,214*	*4,520*
Fully consolidated subsidiaries	*40,755*	*43,897*
Other diligences and services directly related to the statutory auditors' mission	4,521	5,718
Parent company (AXA SA)	*326*	*1,057*
Fully consolidated subsidiaries	*4,195*	*4,661*
Sub-total	**48,490**	**54,134**
Other services rendered by the networks to the fully integrated subsidiaries		
Legal, tax and employment consulting	4,796	4,474
Other	457	242
Sub-total	**5,253**	**4,717**
TOTAL	**53,743**	**58,851**
Affiliated Companies/Mutual funds	10,571	8,930
TOTAL	**64,314**	**67,781**

(in Euro thousand)

PricewaterhouseCoopers		Mazars & Guérard			
%		Amounts (before VAT)		%	
2007	2006	2007	2006	2007	2006
82%	82%	7,160	4,830	91%	89%
6%	*8%*	*571*	*756*	*7%*	*14%*
76%	*75%*	*6,589*	*4,074*	*84%*	*75%*
8%	10%	296	355	4%	7%
1%	*2%*		*258*	*0%*	*5%*
8%	*8%*	*296*	*97*	*4%*	*2%*
90%	**92%**	**7,455**	**5,185**	**95%**	**95%**
9%	8%	52	33	1%	1%
1%	0%	330	233	4%	4%
10%	**8%**	**382**	**266**	**5%**	**5%**
100%	**100%**	**7,837**	**5,451**	**100%**	**100%**
		1,297	1,635		
		9,134	**7,086**		

> APPENDIX V

Financial authorizations

VALID FINANCIAL AUTHORIZATIONS TO ISSUE SHARES OR OTHER TYPE OF SECURITIES AS OF DECEMBER 31, 2007

The authorizations to issue shares or other type of securities that were valid as of December 31, 2007 are summarized in the tables below:

Issues with preferential subscription rights granted to shareholders

Securities	Maximum nominal amount in case of debt instruments issuance in Euro	Maximum nominal amount of the capital increase in Euro	Term	Expiration
Capitalization of reserves, earnings or premiums	–	1 billion [(a)]	26 months	July 14, 2009
Ordinary shares and other securities granting a claim to shares of the Company through subscription, conversion, exchange, redemption, presentation of a warrant or otherwise [(d)]	6 billion [(b)]	1.5 billion [(c)]	26 months	July 14, 2009

Issues without preferential subscription rights granted to shareholders

Securities	Maximum nominal amount in case of debt instruments issuance in Euro	Maximum nominal amount of the capital increase in Euro	Term	Expiration
Ordinary shares or securities granting a claim to shares of the Company at maturity through subscription, conversion, exchange, redemption, presentation of a warrant or otherwise [(d)]	6 billion [(b)]	1 billion [(c)]	26 months	July 14, 2009
Shares or other securities giving access to the capital, reserved for employees	–	150 million [(a)]	26 months	July 14, 2009
Performance shares *(actions gratuites)*	–	0.5% of the share capital [(e)]	38 months	June 20, 2008
Restricted shares *(actions gratuites)* / Ambition 2012 Plan [(f)]	–	0.7% of the share capital [(g)]	38 months	July 14, 2010
Shares issued in connection with the exercise of stock options	–	2.5% of the share capital [(h)]	38 months	June 20, 2008

(a) Independent ceiling.
(b) The aggregate nominal value of debt instruments associated with the issue of securities with or without preferential subscription rights may not exceed the global upper limit of €6 billion. This upper limit is separate and distinct from the amount of the securities that give the right to grant debt securities with no claim to the share capital of the Company (ceiling of €2 billion).
(c) The aggregate nominal value of the capital increase with or without preferential subscription rights may not exceed the global upper limit of €1.5 billion.
(d) Including the issue of ordinary shares or securities for up to 10% of the share capital in accordance with the terms and conditions determined by the Shareholders' Meeting of May 14, 2007, in the event of a public offer initiated by the Company, in consideration for contributions in kind for up to 10% of the share capital, or as result of a securities issue by subsidiaries of AXA.
(e) At the date of the Shareholders' Meeting of April 20, 2005.
(f) Existing shares and/or issued shares.
(g) At the date on which restricted shares are granted by the Management Board.
(h) At the date on which options are granted by the Management Board.

NEW FINANCIAL AUTHORIZATIONS

The following authorizations to issue shares or securities granting a claim to shares of the Company require the shareholders' consent. They will be submitted to the shareholders for approval on April 22, 2008:

Issues without preferential subscription rights

Securities	Maximum nominal amount of the capital increase in Euro	Term	Expiration
Performance shares *(actions gratuites)*	1% of the share capital [(a)]	38 months	June 22, 2011
Shares issued in connection with the exercise of stock options	2% of the share capital [(b)]	38 months	June 22, 2011
Shares or other securities giving access to the capital, reserved for employees	100 million [(c)]	18 months	October 22, 2009
Shares reserved to a category of beneficiaries in connection with offerings reserved for employees	100 million [(c)]	18 months	October 22, 2009

(a) At the date on which performance shares are granted by the Management Board.
(b) At the date on which options are granted by the Management Board.
(c) Common ceiling.

USE IN 2007 OF THE VARIOUS FINANCIAL AUTHORIZATIONS PERTAINING TO CAPITAL INCREASES

Equity issue reserved for employees

By virtue of the authorization granted by the shareholders at the Annual General Meeting of May 14, 2007 (23rd resolution), the Management Board increased share capital in one offering, through the issue of shares to employees of the Group under the Shareplan 2007 program. The shareholders waived their preferential subscription rights so that this offering could be made to employees. In the countries that met the legal and tax requirements, two investment options were proposed in 2007:
- the traditional plan, offered in 35 countries,
- the leveraged plan, offered in 35 countries.

New mutual funds with direct voting rights have been created to allow beneficiaries, in most cases, to directly exercise their voting rights at AXA's Shareholders' Meeting.

The Shareplan 2007 program was carried out through a share issue that took place in November and was open to all Group employees in 36 countries through voluntary contributions.

Approximately 44,000 employees in 36 countries took part in Shareplan 2007, and participating employees invested a total of approximately €552 million (versus €375 million invested in November 2006), as follows:
- €74 million in the traditional plan (versus €51.8 million in November 2006);
- €478.3 million in the leveraged plan (versus €323.7 million in November 2006).

AXA issued in November 2007 a total of approximately 22 million new ordinary shares each with a par value of €2.29, all of which were entitled to dividends for 2007.

Performance / restricted shares and stock options

Stock options

In 2007, by virtue of the authorization granted by the shareholders at the Annual General Meeting of April 20, 2005 (26th resolution), 9,745,234 stock options giving the right to their beneficiaries to subscribe new AXA ordinary shares have been granted by the AXA Management Board.

Performance / restricted shares

In 2007, by virtue of the authorizations granted by the shareholders at the Annual General Meeting of April 20, 2005 (25th resolution) and May 14, 2007 (24th resolution), 6,369,332 performance / restricted shares have been granted by the AXA Management Board (i.e. 782,432 shares by virtue of the 2005 authorization and 5,586,900 shares by virtue of the 2007 authorization). No later than at the end of the acquisition period of the shares, which can be 2009 or 2011 depending on the country of its beneficiary, the AXA Management Board will decide whether these performance / restricted shares are existing or newly issued AXA shares.

> APPENDIX VI

AXA Parent Company financial statements

MANAGEMENT BOARD'S REPORT

Parent company financial statements

Net income

Net income for the year ended December 31, 2007 was €1,765 million, compared with €1,433 million for the year ended December 31, 2006.

Dividends received from subsidiaries amounted to €2,177 million, corresponding to an increase of €596 million from the previous year.

Dividends received from European companies reached €1,830 million, which represented an increase of €550 million compared with 2006, including €741 million from AXA France Assurance as a result of the high level of capital gains realised in 2006. The main contributors were again AXA France Assurance and AXA Holdings Belgium, which generated €1,415 million and €110 million respectively. AXA RE, whose activities were sold during 2006, distributed €143 million, corresponding to the whole amount of its 2006 earnings and its reserves available for distribution. AXA UK did not pay a dividend in 2007 owing to the local financing of acquisitions.

Dividends from insurance companies outside Europe contributed to a total of €213 million, up €103 million principally due to the €80 million dividends paid by AXA Canada. AXA Financial did not pay any dividend, as the priority has been given to grant loans for $700 million from the US insurance subsidiaries to AXA SA.

The income received from financial subsidiaries came to €134 million, down €58 million, including €92 million linked to Compagnie Financière de Paris, which paid out in 2006 an exceptional dividend of €121 million. On the other hand, the dividend paid by AXA Investment Managers reached €73 million, compared to €26 million in 2006, reflecting its earnings' increase.

Net financial expenses, including interest expenses net of interests from loans and investments, totaled €538 million, compared to €334 million in 2006.

Financial income increased by €149 million to €450 million:

- Income from loans and receivables grew by €102 million, €50 million of which were attributable to the interests on the loans taken on by AXA SA and initially granted by the Crédit Suisse Group to Winterthur subsidiaries, and €52 million to the new loans granted to subsidiaries to finance their development.
- The €100 million increase in income from swaps, was essentially driven by the derivative instruments used to hedge net investments in foreign subsidiaries. The Company benefited both from an increase in Euro interest rates on swaps' receiving legs and from depreciation in the US Dollar, which reduced its borrowing costs, as well as from an increase in its debts denominated in foreign currencies with interest rates more favourable than the Euro one, such as in Yen.
- Conversely, income from cash holdings fell by €55 million. During 2006, the Company received €106 million financial income on proceeds from Winterthur financing, between the date of issuance, and the closing date. This was partially offset by a surplus cash position averaging €1.5 billion in 2007, which generated €40 million in net treasury income.

Financial charges increased by €354 million to €988 million.

Interests on the perpetual deeply subordinated notes increased by €192 million owing to the issuances completed during the second half of 2006 to finance the acquisition of Winterthur and to issues of £700 million and €750 million during 2007. In addition, the loans granted by subsidiaries to the Company generated €61 million of additional financial charges.

Lastly, interest payments on commercial paper grew by €70 million as a result of an average outstanding amount higher by €1.5 billion in 2007, and the rise in short term interest rates.

Operating charges came to €232 million, up €42 million, owing primarily to initiatives taken to by the Group to promote its brand, notably following the Winterthur acquisition.

The **net gain on capital operations,** which stood at €421 million in 2006, came to €318 million in 2007, broken down as follows:

- Net foreign-exchange gains of €564 million, versus €533 million in 2006, owing principally to the renewal of net foreign-currency investment hedges, which matured during the financial year and in respect of which AXA SA benefited from a more favorable exchange rate vis-à-vis the Euro, giving rise to a €480 million gain. In addition, hedging of the 2007 earnings made by the Group's consolidated units against currency fluctuations generated a gain of €105 million net of the cost of these protections, which were implemented through currency options.
- Capital gains, net of provision release, amounted to €288 million and primarily included the gain of €350 million linked to the transfer of AXA Japan Holding shares within the Group.

– Allowances to provisions for contingent liabilities amounted to €287 million, well up from €104 million in 2006, and primarily comprised the annual allowance of €92 million for redemption premiums on bond issues, as well as a financial provision of €159 million reflecting the negative mark-to-market of an equity swap negotiated with another subsidiary of the Group covering an equity portfolio.
– Allowances to provisions for financial investments amounted to €112 million, including €103 million related to AXA RE given the exceptional dividend payment.
– Net exceptional items amounted to €155 million and notably comprised a charge of €149 million arising from the repurchase in January 2007 of the option to convert the convertible bonds maturing in 2014 in order to eliminate the potentially dilutive impact of these bonds.

The net **income tax benefit** amounted to €40 million, compared with a loss of €46 million in 2006. This change was related principally to an increase of financial charges and to a reduced taxation of unrealized foreign exchange differences at year-end 2007.

Balance sheet

At December 31, 2007, total assets were €55,608 million, versus €51,707 million at December 31, 2006.

ASSETS

Intangible fixed assets totaled €322 million. They mainly included the AXA brand contributed by FINAXA as part of the merger in 2005 and valued at €307 million based on brand royalties billed to Group subsidiaries and to the Mutuelles AXA.

Investments in subsidiaries net of valuation allowances, totaled €47,733 million, versus €46,756 million at year-end 2006, representing an increase of €977 million.
– AXA SA acquired full ownership of Hispanowin, Winterthur's Spanish holding company for €1,584 million from Winterthur Swiss Insurance Company,
– AXA SA increased its investment in AXA Investment Managers by €118 million through notably the buy-out of the shares in the latter owned by AXA Nederland,
– AXA Life Europe, a company created to write unit-linked life insurance contracts with guaranteed minimum features via its various branches in several European countries, received a capital injection of €111 million,
– on the opposite, Winterthur Swiss Insurance Company repurchased some of its own shares from AXA SA, for a book value of €367 million,
– in connection with the restructuring measures carried out following the acquisition of Winterthur in 2006, the Company sold some AXA Holding Japan shares to Winterthur Life for a €488 million book value.

Receivables from subsidiaries amounted €3,142 million, up €96 million from €3,046 million at end 2006, €1,269 million of which were attributable to new loans granted to support subsidiaries' growth, offset by the repayment of loans amounting to €1,191 million granted to Financière Solutions, an entity financing Winterthur's subsidiaries.

Other fixed assets increased by €500 million, including €264 million in AXA shares, mainly intended to cover share-based compensations and €153 million in bonds, including €82 million related to the securitization of a pan-European personal motor insurance portfolio.

Loans decreased by €449 million, with €499 million linked to the repayment of a short term advance granted in 2006 to GIE AXA Trésorerie Europe.

Tax receivables chiefly showed €36 million in surplus tax payments.

Miscellaneous receivables totaled €337 million as at December 31, 2007, mainly coming from financial interests receivables.

Marketable securities, which amounted to €437 million, represented the Company's investment in mutual funds managed by the Group.

Cash equivalents came to €2,542 million, in anticipation of the financing of the acquisitions of a stake in Russia's second largest insurer Reso Garantia, which was announced late 2007, and of the third largest Mexican insurer ING Mexico, which was announced early 2008.

Cash instruments, which amounted to €105 million, included €87 million related to the remainder of the premium, spread over ten years, paid in January 2007 in respect of the call options put in place to eliminate the dilutive impact of the convertible bonds maturing in 2017.

LIABILITIES

Shareholders' equity, before 2007 net income and after payment of dividends in respect of the prior year was €28,768 million. This represents a reduction of €1,188 million, which was attributable to:
– the cancellation of 63 million AXA shares with a value of €1,899 million under the share repurchase program aimed at controling dilution resulting from the exercise of stock subscription options and employees' Shareplan program, and at hedging the allotment of free shares to employees,
– offset in part by an increase in shareholders' equity of €707 million, including €552 million through the issue of shares to employees of the Group, Shareplan, and €144 million through the exercise of stock options.

Other shareholders' equity includes perpetual deeply subordinated notes, which amounted to €6,323 million compared to €4,824 million in 2006, representing an increase of €1,499 million. To finance the repayment of maturing borrowings, two new perpetual deeply subordinated notes were issued during 2007 for €750 million and £700 million, representing a total amount of €1,755 million. In addition, positive currency effects came to €309 million.

Provisions for contingent liabilities stood at €1,166 million. They mainly consist in €514 million in provisions for the redemption of premiums on bonds, €153 million for exchange-rate risks and €227 million for the possible repayment of tax savings to subsidiaries belonging to the French tax consolidation group.

Subordinated debts amounted to €6,891 million, down €1,085 million from €7,976 million at end-2006 as a result of the redemption of two perpetual deeply subordinated notes, one in an amount of $400 million and the other in an amount of €559 million, representing a total of €833 million, plus €252 million in favourable currency effects.

Financial debts rose by €3,602 million to €8,576 million, including €978 million linked to commercial paper issues, with €1,950 million corresponding to short-term loans granted by Group entities and €790 million in debt in connection with the acquisition of Hispanowin.

The €937 million in **other payables** principally included a current account advance of €790 million vis-à-vis Winterthur Swiss Insurance Company in connection with the acquisition of Hispanowin shares, plus €122 million in accrued expenses.

Unrealized foreign exchange gains amounted to €1,118 million in 2007, up from €663 million at December 31, 2006. This item reflects the positive effects derived from the revaluation of foreign currency-denominated loans and liabilities at the balance sheet exchange rate. This item recorded an increase on the previous year owing primarily to the appreciation in the Euro against the US Dollar.

Appropriation of earnings

The amount available for the appropriation of 2007 earnings comprises:

– net income for the year	€1,765,325,129
– allocation to retained earnings	€713,797,107
representing a total for appropriation of:	€2,479,122,236

The Management Board proposes that this amount be appropriated as follows:

– dividend	€2,472,904,190
– allocation to retained earnings	€6,218,046

The corresponding dividends on the shares owned by the Company at the time of the dividend payment, if any, will be allocated to retained earnings.

BALANCE SHEET

Assets

(in euro millions)

	December 31, 2007 Gross carrying value	December 31, 2007 Amortizations and provisions	December 31, 2007 Net carrying value	Net carrying value as at December 31, 2006	Net carrying value as at December 31, 2005
FIXED ASSETS					
INTANGIBLE ASSETS	322	–	322	322	324
TANGIBLE ASSETS					
Land	–	–	–	–	2
Buildings and other fixed assets	1	–	1	2	7
FINANCIAL ASSETS					
Investments in subsidiaries	48,310	577	47,733	46,756	37,428
Receivables from subsidiaries	3,152	10	3,142	3,046	2,483
Other financial assets	776	–	776	228	106
Loans	72	12	60	510	13
	52,633	**599**	**52,034**	**50,864**	**40,363**
CURRENT ASSETS					
OPERATING RECEIVABLES					
Tax receivables	40	–	40	3	274
Receivables and subsidiaries' current accounts	337	2	335	333	427
Securities	437	–	437	–	–
Cash instruments	105	–	105	60	6
Cash and cash equivalents	2,542	–	2,542	317	320
Prepaid expenses	8	–	8	8	6
	3,468	**2**	**3,466**	**722**	**1,033**
PREPAYMENTS AND ACCRUED INCOME					
Deferred charges	246	191	55	57	36
Bond redemption premiums	4	–	4	4	4
Unrealized foreign exchange losses	50	–	50	60	85
TOTAL ASSETS	**56,401**	**792**	**55,608**	**51,707**	**41,521**

Liabilities

(in euro millions)

	As at December 31, 2007	As at December 31, 2006	As at December 31, 2005
SHAREHOLDERS' EQUITY			
CAPITAL			
Ordinary shares	4,719	4,793	4,286
CAPITAL IN EXCESS OF NOMINAL VALUE			
Issue premiums	15,910	17,030	13,235
Merger and contribution premiums	1,060	1,058	1,058
RESERVES			
Legal reserve	479	433	433
Specific reserves for long term capital gains	2,016	2,016	2,016
Other reserves	3,866	3,866	3,866
Retained earnings	714	1,531	2,029
Tax driven provision	4	–	–
Net income for the financial year	1,765	1,433	1,137
	30,533	**32,160**	**28,060**
OTHER SHAREHOLDERS' EQUITY			
Perpetual subordinated notes	6,323	4,824	892
	6,323	**4,824**	**892**
PROVISIONS FOR CONTINGENT LIABILITIES	**1,166**	**817**	**1,139**
LIABILITIES			
SUBORDINATED DEBTS	6,891	7,976	8,214
FINANCIAL DEBTS	8,576	4,974	2,468
OPERATING PAYABLES			
Tax payables	–	98	1
Social payables	1	1	1
OTHER PAYABLES			
Debts on fixed assets	54	54	54
Other	937	114	229
Cash instruments	–	15	–
Deferred income	9	10	2
	16,469	**13,242**	**10,969**
PREPAYMENTS AND ACCRUED EXPENSE			
Unrealized foreign exchange gains	1,117	663	461
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**55,608**	**51,707**	**41,521**

INCOME STATEMENT

(in euro millions)

		2007	2006	2005
I. RESULT ON ORDINARY ACTIVITIES				
FINANCIAL & OPERATING REVENUES				
Dividends received from subsidiaries		2,178	1,581	1,420
Revenues on short-term investments		450	301	369
Releases and expense transfers				1
Other revenues		7	7	7
	I	**2,635**	**1,889**	**1,796**
OPERATING EXPENSES				
External expenses and other expenses		(220)	(180)	(178)
Tax expenses		(2)	(1)	(1)
Payroll and compensation		(5)	(6)	(6)
Interest expense		(988)	(635)	(551)
Allowances: for depreciation of buildings and deferred charges		(12)	(10)	(19)
Other expenses				
	II	**(1,228)**	**(832)**	**(755)**
OPERATING PROFIT	**(III = I + II)**	**1,407**	**1,057**	**1,041**
CONTRIBUTION ON COMMON OPERATIONS	**IV**	**–**	**–**	**–**
FINANCIAL OPERATIONS ON SECURITIES				
Net income on sales of short-term securities		–	–	2
INVESTMENT RESULT ON SECURITIES	**V**	**–**	**–**	**2**
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX	**(VI = III + IV + V)**	**1,407**	**1,057**	**1,043**
II. RESULT ON CAPITAL OPERATIONS				
Proceeds from the sale of fixed assets		1,916	115	16
Releases of provisions for contingent liabilities		2	2	21
Releases of equity shares provisions		24	66	36
Foreign exchange result		564	533	(220)
Net book value on the sale of fixed assets		(1,633)	(102)	(29)
Allowances to provisions for contingent liabilities		(287)	(104)	(108)
Allowances to equity shares provisions		(112)	(89)	(15)
Exceptional result		(155)	–	(230)
	VII	**318**	**421**	**(529)**
INCOME TAX BENEFIT / EXPENSE	**VIII**	**40**	**(45)**	**623**
III. NET INCOME FOR THE FINANCIAL YEAR	**VI + VII +VIII**	**1,765**	**1,433**	**1,137**

FINANCIAL RESULTS OVER THE PAST FIVE YEARS

(in euro millions)

	01/01/2003 12/31/2003	01/01/2004 12/31/2004	01/01/2005 12/31/2005	01/01/2006 12/31/2006	01/01/2007 12/31/2007
1 – CLOSING BALANCE SHEET SUMMARY					
a) Ordinary shares (nominal value)	4,072	4,370	4,286	4,793	4,719
b) Ordinary shares (numbers in million)	1,778	1,908	1,872	2,093	2,061
c) Bonds convertible into shares (numbers in million)	126	16	16	16	7 (a)
2 – INCOME STATEMENT SUMMARY					
a) Gross revenues before sales tax	1,474	1,349	1,788	1,882	2,628
b) Pre-tax income from continuing operations, before depreciation, amortization and releases	846	660	1,061	1,067	1,420
c) Income tax expense / benefit	(32)	30	623	(46)	40
d) Net after-tax income after depreciation, amortization and releases	863	519	1,137	1,433	1,765
e) Net dividend distribution	676	1,164	1,647	2,218	2,473
3 – PER SHARE DATA					
a) After tax income, before depreciation, amortization and releases	0.51	0.33	0.65	0.75	1.08
b) After tax income, after depreciation, amortization and releases	0.49	0.27	0.61	0.68	0.86
c) Net dividend per share	0.38	0.61	0.88	1.06	1.20 (b)

(a) Since January 2007, only the AXA's 2017 bonds can still be converted (6.6 millions bonds as at December 31, 2007). In order to neutralize the dilutive impact of the 2017 convertible bonds, AXA has purchased from a banking counterparty, for a total cash amount equivalent to the payment proposed to "bondholders 2017", call options on the AXA shares with an automatic exercise feature. This feature is such that one option is automatically exercised upon each conversion of a convertible bond. Consequently, each issuance of a new share resulting from the conversion of a bond will be offset by the delivery by the bank to AXA (and subsequent cancellation) of an AXA share; the issuance of a share in respect of the conversion of the bond and the cancellation by AXA of the AXA share received will offset each other.

(b) Dividend of €1.20 per share proposed to the Shareholders' Meeting on April 22, 2008, based on 2,060,753,492 outstanding shares.

STATEMENT OF CASH FLOWS

(in euro millions)

	From 01/01/2007 to 12/31/2007	From 01/01/2006 to 12/31/2006	From 01/01/2005 to 12/31/2005
CASH INFLOWS			
Profit on ordinary activities before tax	1,407	1,057	1,043
Loss due to cancellation of bonds	–	–	236
Result on capital operations before tax	318	421	(530)
Income tax expense/benefit	40	(46)	623
Changes in reserves and amortization	462	(288)	146
Cash flow for the year	**2,228**	**1,144**	**1,518**
Increases in shareholders' equity	703	4,605	356
New borrowings	4,959	7,074	1,075
Sale or decrease in fixed assets			
– Tangible fixed assets	3	8	3
– Financial assets	4,622	1,934	2,373
TOTAL CASH INFLOWS	**12,515**	**14,765**	**5,325**
CASH OUTFLOWS			
Dividends paid out during the year	2,203	1,635	1,164
Repayments of financial debts	1,025	835	1,033
Purchase of fixed assets			
– Tangible fixed assets	–	–	3
– Financial assets	4,450	12,447	1,768
Reduction of capital	1,899	305	1,794
TOTAL CASH OUTFLOWS	**9,577**	**15,222**	**5,762**
CHANGE IN WORKING CAPITAL	**2,938**	**(457)**	**(436)**
Short-term equivalents			
Change in:			
– operating receivables	462	(307)	216
– operating payables	15	(79)	72
– cash and cash equivalents	2,461	(71)	(724)
TOTAL	**2,938**	**(457)**	**(436)**

SUBSIDIARIES AND PARTICIPATING INTERESTS

	Share capital 1	Other shareholders' equity 2	Percentage of capital held 3	Gross Book Value of securities held 4
A. DETAILED INFORMATION CONCERNING SUBSIDIARIES AND INVESTMENTS ACCOUNTING FOR IN EXCESS OF 1% OF AXA'S SHAREHOLDERS' EQUITY				
1) Subsidiaries (at least 50%-owned)				
CIE FINANCIÈRE DE PARIS 137, rue Victor Hugo – 92687 LEVALLOIS-PERRET	9	38	99.99%	184
AXA GLOBAL RISKS 140, Frenchurch Street EC3M 6BL LONDON	100	(51)	100.00%	109
AXA ASSISTANCE 12 bis, boulevard des Frères Voisins – 92130 ISSY-LES-MOULINEAUX	42	15	99.99%	48
AXA CANADA (b) 2020 rue University – MONTREAL – QUEBEC H 3A 2A5	272	365	100.00%	104
AXA LIFE EUROPE Wolfe Tone Street – DUBLIN – IRLANDE	1	242	100.00%	243
AXA EQUITY AND LAW PLC 5 Old Broad Street London EC2N 1AD	1	1,444	99.96%	1,133
AXA OYAK HOLDING AS Meclisi Mebusan caddasi n 81 Oyak hann – Salipazari 80040 – ISTANBUL	128	4	50,00%	74
AXA PARTICIPATION 2 23, avenue Matignon – 75008 PARIS	3	497	100.00%	455
AXA FRANCE ASSURANCE 26, rue Drouot – 75009 PARIS	378	3,537	100.00%	3,415
AXA JAPAN HOLDING COMPANY LIMITED 1-17-3 Shirokane – Minato-ku 108 – 8020 TOKYO	1,276	1,684	78.01%	3,185
VINCI B.V. Graadt van Roggenweg 500 – Postbus 30800 3503 AP UTRECHT – PAYS-BAS	1,439	2,587	100.00%	4,285
AXA GENERAL INSURANCE HONG KONG 30th F, Hong Kong Telecom Tower, Taikoo Place, 979 King's Road QUARRY BAY – HONG KONG	14	25	99.99%	65
LOR PATRIMOINE 23, avenue Matignon – 75008 PARIS	53	–	99.99%	53
AXA RE PARIS 39, rue du Colisée – 75008 PARIS	444	197	99.99%	984
AXA UK PLC (b) 5 Old Broad Street London EC2N 1AD	1,414	3,693	78.31%	4,556
AXA MEDITERRANEAN HOLDING Calle monseñor Palmer numéro 1 – PALMA DE MALLORCA	98	1,158	100.00%	2,149
OUDINOT PARTICIPATIONS 39, rue du Colisée – 75008 PARIS	9,150	3,657	100.00%	12,299
AXA ITALIA SpA 15, Via Leopardi – 20123 MILANO	624	63	98.24%	715
AXA LIFE HONG KONG 151 Gloucester Road – Wan Chai – HONG KONG	5	1	100.00%	90
AXA HOLDING MAROC 120, avenue hassan II – CASABLANCA 21000	209	16	100.00%	229
AXA PORTUGAL COMPANHIA DE SEGUROS Rua Gonçalo Sampaio n° 39 – 4002-001 PORTO	37	37	83.01%	72

(a) For Insurance companies: gross written premiums.
For real estate companies: rental revenues.
For holding companies: dividends.
For financial services companies: gross banking revenues.
(b) Consolidated data.

(in euro millions)

Net Book Value of securities held 5	Loans and cash advances given by the company still outstanding 6	Guarantees and commitments given by the company 7	Last closing revenues available [(a)] 8	Last closing result available 9	Dividends received 10	Closing date and other observations 11
59	10	–	4	13	29	Dec. 31, 2007
60	–	15		11	–	Dec. 31, 2007
48	28	–	809	19	4	Dec. 31, 2007
104	–	–	1,085	136	80	Dec. 31, 2007
243	–	121	–	–	–	Dec. 31, 2007
1,133	–	–	–	–	–	Dec. 31, 2007
74	–	–	–	–	13	Dec. 31, 2007
455	–	–	20	24	27	Dec. 31, 2007
3,415	–	–	1,504	1,471	1,415	Dec. 31, 2007
3,185	–	–	–	(67)	–	Sept. 30, 2007
4,285	–	–	33	29	36	Dec. 31, 2007
65	–	–	68	12	9	Dec. 31, 2007
53	–	–	–	3	–	Dec. 31, 2007
881	150	38	900	240	142	Dec. 31, 2007
4,556	409	454	9,740	480	–	Dec. 31, 2007
2,149	500	9	174	182	–	Dec. 31, 2007
12,299	–	–	–	–	–	Dec. 31, 2007
715	–	–	45	43	44	Dec. 31, 2007
7	–	–	–	–	–	Dec. 31, 2007
229	–	–	40	7	–	Dec. 31, 2007
72	–	–	384	28	24	Dec. 31, 2007

	Share capital 1	Other shareholders' equity 2	Percentage of capital held 3	Gross Book Value of securities held 4
SAINT-GEORGES RE 9, avenue de Messine – 75009 PARIS	10	4	99.99%	82
AXA HOLDINGS BELGIUM 25, boulevard du Souverain – 1170 BRUXELLES	453	1,499	84.30%	3,885
AXA TECHNOLOGY SERVICES Les collines de l'Arche – 76 route de la Demi-lune – 92057 PARIS LA DÉFENSE	25	1	99.78%	73
KYOBO AUTO ASSURANCE 395-70 Shindaebang-dong, Dongjak-gu – SEOUL	94	6	90.08%	154
WINTERTHUR EUROPE ASSURANCE Avenue des Arts 56 B-1000 BRUXELLES	200	8	99.99%	610
WINTERTHUR SWISS INSURANCE COMPANY General Guisan-str, 40 CH-8401 – WINTERTHUR	104	473	100.00%	5,171
AXA INVESTMENT MANAGERS Cœur Défense – Tour B – La Défense 4 – 100, esplanade du Général de Gaulle – 92932 PARIS LA DÉFENSE	52	732	53.81%	334
2) Participating interests (10 to 50%-owned)				
AXA KONZERN AG Colonia – Allée 10 - 20 – 51067 KÖLN	80	1,186	34.63%	2,120
BAO MINH INSURANCE CORPORATION 26 Ton That Dam, Districk 1, Ho Chi Minh City – VIETNAM	18	4	16.60%	53
AXA ASIA PACIFIC HOLDING LIMITED [(b)] 447 Collins Street – MELBOURNE Victoria 3000	401	1,094	44.36%	541
SUB-TOTAL A				**47,470**
B. GENERAL INFORMATION ABOUT OTHER UNITS AND PARTICIPATING INTERESTS				
1) Subsidiaries not shown in section A				
a) French subsidiaries (total)				161
b) Foreign subsidiaries (total)				205
2) Participating interests not shown in section A				
a) in French companies (total)				39
b) in foreign companies (total)				33
TOTAL (A+B)				**47,908**

(a) For Insurance companies: gross written premiums.
For real estate companies: rental revenues.
For holding companies: dividends.
For financial services companies: gross banking revenues.
(b) consolidated data.

(in euro millions)

Net Book Value of securities held 5	Loans and cash advances given by the company still outstanding 6	Guarantees and commitments given by the company 7	Last closing revenues available [a] 8	Last closing result available 9	Dividends received 10	Closing date and other observations 11
33	–	–	–	14	14	Dec. 31, 2007
3,885	–	–	891	1,218	110	Dec. 31, 2007
27	–	270	1	1	–	Dec. 31, 2007
154	–	–	203	–	–	Dec. 31, 2007
610	–	–	714	12	–	Dec. 31, 2007
5,171	–	1,563	1,949	1,527	8	Dec. 31, 2007
334	369	–	72	42	73	Dec. 31, 2007
2,120	235	–	143	137	18	Dec. 31, 2007
53	–	–	61	4	–	Dec. 31, 2007
541	768	–	–	542	92	Dec. 31, 2007
47,016	**2,469**	**2,471**	**18,840**	**6,128**	**2,138**	
116	52	18			17	
145	66	14			18	
35						
19					1	
47,332	**2,587**	**2,503**	**18,840**	**6,128**	**2,175**	

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2007

Net income for the period ended December 31, 2007 was €1,765 million, compared with €1,433 million at December 31, 2006.

Total assets at December 31, 2007 were €55,608 million, compared with €51,707 million at December 31, 2006.

1. HIGHLIGHTS

The significant account movements are presented in the tables in these notes.

2. ACCOUNTING PRINCIPLES

2.1 General principles

The financial statements as at December 31, 2007 are prepared and presented in accordance with the provisions of the 1999 Chart of Accounts.

AXA SA has applied CRC regulation 2000-06 relating to liabilities since January 1, 2002. Application of this regulation has had no impact on the company's financial statements.

AXA has applied regulations 2002-10 relating to depreciation and amortisation of assets since January 1, 2005, as amended by CRC regulation 03-07, and 2004-06 relating to the definition, recognition and measurement of assets. Application of this regulation has had no impact on the Company's financial statements.

2.2 Presentation of the financial statements

Balance sheet

Intangible assets include concessions, patents and brands, as well as goodwill of merger.
Tangible assets include investments in real estate broken down into land and buildings, as well as fixtures and fittings.

Financial assets are represented by (i) subsidiaries and affiliates plus related receivables and (ii) other financial assets and loans.

Securities are classified using the following criteria:
- Investments in subsidiaries and affiliates are securities representing at least 10% of the share capital of the issuing company plus those which AXA deems held for the long term.
- Other financial assets comprise securities representing less than 10% of the share capital and not investments in subsidiaries and affiliates.

Treasury shares acquired through a liquidity contract and the share buyback program is classified as "Other investments", as are mutual fund units acquired through the liquidity contract.

Income

The statement of income distinguishes between ordinary operations and capital operations.
- Ordinary operations include dividends, income from other investments, financial expenses, operating expenses and income from transactions in investments.
- Capital operations include gains or losses on the disposal of investments in subsidiaries and affiliates and portfolio management investments, impairment allowances and reversals in respect of these securities and related receivables, gains and losses arising from exchange rate movements, charges and reversals of provisions for risks and charges, plus exceptional income and expense.
- Disposals of investments in subsidiaries and affiliates are measured using the weighted average unit cost method.

To improve the transparency of the financial statements, charges and releases of provisions for exchange rate risk are recognised under translation variance; similarly, charges and reversals of provisions for tax repayment risk are recognised directly under tax.

2.3. Tangible assets

Tangible assets are recognised at acquisition cost or transfer value. Buildings are depreciated using the straight line method over fifty years, and fitting out work is depreciated over five or ten years as appropriate.

2.4 Intangible assets

Intangible assets totalled €322 million. They mainly included the AXA brand contributed by FINAXA as part of the merger in 2005 and valued at €307 million based on brand royalties billed to Group subsidiaries and to the Mutuelles AXA.

2.5 Financial assets

Financial assets are measured at acquisition cost or transfer cost. At the balance sheet date, the acquisition cost is compared with the fair value, and the lower of these two values is then recognised in the balance sheet.

The fair value of investments in subsidiaries and affiliates is their going concern value for the firm. This may be determined as a function of either the share price or equity, including unrealised gains, and prospects for the subsidiary.

This multivariate analysis reflects the long-term nature of ownership of subsidiaries and excludes factors relating to short-term market volatility. Net book value is compared with the going concern value, which is the value of the assets and expected profits of existing and new business, taking into account the entity's future prospects. The value of future profits is estimated on the basis of calculations

of the European Embedded Value of the Life, Savings and Pensions businesses published by the Group, or similar calculations for other activities.
For other investments, the fair value is the share price for listed securities and the likely trading value for unlisted securities.

2.6. Receivables

Receivables are measured at nominal value. An impairment provision is charged in the event of risk of non-recovery.

2.7. Marketable securities

At the balance sheet date, the acquisition cost is compared with the fair value, which is the realisable value, for SICAV and FCP mutual funds, and with the average share price in the last month before the balance sheet date for other securities.

2.8. Asset accrual account

Expenses charged over more than one period are loan issue costs which are spread over the lifetime of the issue, or for a maximum of 10 years where there is no predetermined maturity for the loan.

2.9. Subordinated bonds

AXA SA has issued two subordinated bonds:
- 2.5% bonds, maturity January 1, 2014: 9,185,581 bonds with a par value of €165 and a redemption value of €230.88 were in circulation at December 31, 2007. The redemption premium amounts to €606 million.
- 3.75% bonds, maturity January 1, 2017: 6,636,946 bonds with a par value of €165.50 and a redemption value of €269.16 were in circulation at December 31, 2007. The redemption premium amounts to €688 million.

These bonds have been recognised using the single transaction approach. The redemption premium, being the difference between the value at par and the redemption value of the bond issue, was not recognised as a liability at the time of the bond issue. Redemption premiums have been amortised since 2002 and will be until maturity of the issue, using the compound interest method. The yield to maturity used is the rate which enables future payment of the redemption premium, assuming the two bonds were issued on January 1, 2002, namely 2.84% for the 1999 issue and 3.29% for the 2000 issue. The charge for the period amounts to €92 million, and the existing provision at December 31, 2007 is €514 million. The unamortised balance of €780 million is recognized as an off-balance sheet commitment.

On January 11, 2007, the meetings of holders of AXA's 2014 and 2017 convertible bonds were held to vote on an amendment of the final conversion dates of the bonds to January 26, 2007 in exchange for a cash payment in respect of the value of the conversion option.
The General Meeting of 2014 convertible bondholders accepted the amendment. As a result, holders who did not convert their bonds by January 26, 2007 received €16.23 per bond on January 31, 2007. The payment by AXA SA amounted to €149 million and was recognized through the income statement.
The General Meeting of 2017 bondholders did not approve the amendment. As a result, to fully neutralise the dilution impact of the 2017 convertible bonds, AXA bought call options on AXA shares with an automatic exercise mechanism from a bank counterparty for a total cash amount equivalent to the payment proposed to bondholders. This €96 million premium is spread over the residual ten-year term of the bond.

2.10. Retirement benefit obligations

For the purpose of discounting benefit commitments, additional provisions have been recognised to cover future retirement benefit obligations and post-retirement benefits. The value measured has given rise to an adjustment of the provision, the total value of which is posted to the balance sheet as a liability, amounted to €21 million at December 31, 2007.

2.11. Unrealized foreign exchange gains/losses

Foreign currency receivables and liabilities are adjusted at the balance sheet date exchange rate. The matching item for this adjustment is a translation variance asset account where the difference is an unrealized loss, and a translation variance liability account where there is an unrealized gain. These items do not pass through the income statement but a provision for foreign exchange risk is created to recognize unrealized losses relating to the translation variance asset.

A translation variance asset relating to a debt which is hedged by the purchase of a currency future does not give rise to recognition of a provision. The same is done true for loans which are hedged from origination through exchange rate swaps. If a loan or borrowing generates an unrealized translation loss, but is hedged, a provision for unhedged risk is registered.

2.12. Derivative products

- Interest rate swaps: these transactions are recognised by applying the accrued interest method. A distinction is made in the income statement and balance sheet between income from the principal transaction, which is the subject of the swap, and the net income from the swap transaction. The nominal value of the swaps serving as bases for interest rate swaps is recognised off-balance sheet.
- Derivative products qualifying as hedges against foreign exchange risk (exchange rate or currency swaps, currency futures purchases) are recognised off-balance sheet as a reciprocal liability and receivable commitment. For currency options, the premium paid on acquisition is recognized as an asset on the balance sheet in the "cash instruments" account. At the moment the option is exercised, the premium is recorded in the income statement. The same is true when the option is not exercised at term. For option sales, a provision for risks and charges is recognized to take into account the unrealized loss. Other derivative instruments are recognized under off-balance sheet at their nominal value. Unrealized losses arising from the estimated market value

of these financial instruments give rise to recognition of a provision for foreign exchange loss.

- Equity derivative products: equity option rights paid or received are posted to a suspense account on payment or receipt of funds. At the balance sheet date, if the option has not been exercised, the rights received representing possible income are not recognized in the income statement. A provision is created against rights paid if it is likely, given market trends, that the option will not be exercised. When the option is exercised, this forms a supplement to the acquisition price of the underlying, and a supplement to the sale price where the option is sold.

2.13. Other shareholder's equity

Perpetual deeply subordinated notes are classified as "Other shareholder's equity" where, as for ordinary shares, there is no contractual obligation to remit cash or any other financial asset.

Other shareholder's equity includes €6,323 million of perpetuals deeply subordinated notes, an increase of €1,499 million from the 2006 figure of €4,824 million. In order to finance maturing issues, two new bonds were issued in 2007 in the amounts of €750 million and £700 million, totalling €1,755 million. Favourable currency effects on perpetual subordinated bonds amount to €309 million.

2.14. Provisions for risks and charges

The Company heads a tax consolidation regime group. The tax consolidation regime provides that tax savings should be recognized directly in the Company's financial statements. However, a provision for the return of tax savings is recognised where there is a high probability that the benefit will accrue to subsidiaries as a result of the prospect of future taxable income resulting from the Group's strategic planning.

3. NOTES TO THE BALANCE SHEET (IN MILLIONS OF EUROS)

3.0. Movements in intangible assets

This account includes the AXA brand, transferred by FINAXA at the time of the merger, and valued at €307 million. It also includes €16 million of goodwill recognised following the complete transfer of assets and liabilities between Société de Gestion Civile Immobilière (SGCI) and the Company.

3.1. Movements in financial assets (before provisions)

(in Euro million)

	Gross value at 31/12/2006	Acquisitions	Disposals	Gross value at 31/12/2007
Investments in subsidiaries	47,255	2,750 (a)	1,696 (b)	48,309
Receivables on affiliates	3,056	5,083	4,987	3,152
Other financial assets	233	4,086 (c)	3,543	776
Loans	530	43	500 (d)	72
TOTAL	**51,074**	**11,962**	**10,726**	**52,310**

(a) Of which:
- Acquisition from Winterthur Swiss Insurance Company of 100% of Hispanowin, Winterthur's Spanish holding company, for €1,584 million.
- €118 million increase in investment in AXA Investment Managers, in particular by purchasing shares owned by AXA Nederland.
- €111 million capitalisation of AXA Life Europe.

(b) Of which:
- Purchase by Winterthur Swiss Insurance Company of a share of its own stock for a €367 million book value.
- Sale of AXA Holding Japan shares to Winterthur Life, the net book value of which was €488 million.

(c) Of which €264 million increase in AXA shares, mainly intended to cover share-based compensations plans , and €153 million relating to bonds, of which €82 million in respect of securitisation of a pan-European portfolio of individual motor insurance.

(d) Of which €499 million in repayment of the short-term advance to GIE AXA Trésorerie.

3.2. Movement in provisions for impairment of financial assets

(in Euro million)

	Provisions at December 31, 2006	Allowances	Releases	Provisions at December 31, 2007
Investments in subsidiaries	500	112	35	577
Receivables from affiliates	10	–	–	10
Long-term investments and receivables	5	–	5	–
Loans	20	–	8	12
TOTAL	**535**	**112**	**48**	**599**

3.3. Statement of receivables by maturity

(in Euro million)

	Gross value	Less than 1 year	1 to 5 years	More than 5 years
Receivables on affiliates	3,152	277	698	1,177
Tax receivables	40	40	–	–
Loans	72	10	44	18
Miscellaneous receivables	337	337	–	–
TOTAL	**3,601**	**1,664**	**742**	**1,195**

3.4. Miscellaneous receivables and subsidiaries' current accounts

(in Euro million)

Income receivable	39
Miscellaneous debtors	175
Accrued interest on swaps	37
Subsidiaries' current accounts	86
TOTAL	**337**

3.5. Expenses payable over more than one period

(in Euro million)

	Gross value	Amount amortised at 31/12/2006	Charge for the period	Net value at 31/12/2007
Bond issue expenses	99	86	5	8
Other debt issue expenses	76	22	7	47
Investment acquisition expenses	71	71	–	–
TOTAL	**246**	**179**	**12**	**55**

Since January 1, 2007, acquisition expenses on investments in affiliates are capitalised (included in the purchase price) and are subject to amortization over five years.

3.6. Unrealized foreign exchange losses

This mainly comprises €45 million of translation variance recognised on loans in foreign currencies.

3.7. Share capital

AXA's share capital is represented by 2,060,753,492 shares with a par value of €2.29, giving a total value of €4,719,125,496.68 at December 31, 2007.

3.8. Movement in equity

Total € million (and € per share)

	31/12/2006	31/12/2007
Net income	1,433	1,765
Per share	0,68	0,86
Movement in equity compared with opening balance	4,099	(1,626)
Per share	1,96	(0,79)
Proposed dividend [(a)]	2,218	2,473
Per share	1,06	1,20

(a) Proposed to April 22, 2008 on Annual General Meeting.

(in Euro million)

Equity at December 31, 2006	**32,159**
Capital increase for employees	552
Exercise of equity instruments	152
Capital reduction (relating to purchase of shares) [(a)]	(1,899)
Other	3
Dividends paid out	(2,203)
Net income for the period	1,765
Tax driven provision	4
Equity at December 31, 2007	**30,533**

(a) Cancellation of 63 million AXA shares with a value of €1,899 million under the share purchase program aimed at controlling dilution resulting from share-based compensations and employees' Shareplan progam.

3.9. Other shareholder's equity

Other equity amounts to €6,323 million, compared with €4,824 million in 2006.

In 2007, the Company issued two perpetual deeply subordinated notes for €750 million and £700 million.

(in Euro million)

	Montant au 31/12/2006	Emissions	Variation de change	Montant au 31/12/2007
Perpetual Deeply Subordinated Notes (nominal)	4,729	1,755	279	6,205
Accrued interests	95	118	95	118
TOTAL	**4,824**	**1,873**	**374**	**6,323**

3.10 Provisions for risks and charges

(in Euro million)

	Value at beginning of period	Allowances for the period	Releases for the period (provisions used)	Releases for the period (provisions not used)	Value at end of period
Provisions for deferred taxes	267	6	18 [(a)]	–	255
Provisions for real estate	3	–	–	–	3
Provisions for subsidiary risks	2	2	–	–	4
Provision for foreign exchange losses	82	71	–	–	153
Provisions for social commitments	20	3	1	–	22
Other provisions for risks	22	195 [(b)]	2	–	215
Amortization of bond redemption premiums	421	92	–	–	513
TOTAL	**817**	**369**	**21**	**–**	**1,165**

(a) This reversal is net of charges: it represents total tax to be recognised in respect of movements in deficits between December 31, 2006 and December 31, 2007. The €255 million provision for deferred tax includes a €227 million provision for the risk of tax savings being paid back to consolidated subsidiaries.
(b) This charge includes a €159 million financial provision reflecting the negative mark to market for an equity swap with another Group subsidiary to hedge an equity portfolio.

3.11. Subordinated bonds

(in Euro million)

	Value at December 31, 2007	Less than one year	More than 5 years
Perpetual subordinated notes	734	12	722
Subordinated perpetual EMTN	892	12	880
Subordinated bonds 2.5% 2014	1,554	38	1,516
Subordinated bonds 3.75% 2017	1,139	41	1,098
Redeemable subordinated bond 6.75% 2020 (€)	1,083	3	1,080
Redeemable subordinated bond 8.60% 2030 ($)	851	3	849
Redeemable subordinated bond 7.125% 2020 (£)	445	1	444
Other subordinated debt	192	2	190
TOTAL	**6,891**	**112**	**6 779**

Subordinated debts amounted to €6,891 million, compared with €7,976 million in 2006. This €1,085 million reduction was due to the repayment of two perpetual subordinated bonds, one in the amount of $400m and the other €559 million, for a total of €833 million, plus €252 million of exchange rate gains.

The perpetual subordinated notes are perpetual bonds. The Company has the option of deferring payment of the coupons under certain conditions. Nonetheless, the coupons must be paid when these conditions cease to be met or on redemption of the instruments. Where payment is deferred for an extended period, the coupons remain payable by law. Similarly, in the absence of dividends being paid, unpaid coupons accumulated over years will be recognized as payable on any liquidation. These instruments are classified as debt on the basis of this contractual obligation to pay the coupons.

3.12. Financing debt

(in Euro million)

	Value at December 31, 2007	Less than 1 year	1 to 5 years	More than 5 years
Euro Medium Term Notes	1,039	–	39	1,000
Deposits for collateral contracts	289	289	–	–
Medium Term Negotiable Notes	30	–	30	–
Loans granted by Group entities	4,658	1,367	3,291	–
Commercial paper and bank overdrafts	2,488	2,488	–	–
Accrued interests	71	71	–	–
TOTAL	**8,576**	**4,215**	**3,360**	**1,000**

3.13. Statement of operating liabilities

(in Euro million)

	Value	Less than 1 year	1 to 5 years
Asset-related payables [(a)]	54	–	54
Other payables [(b)] and tax and social security liabilities	937	937	–
TOTAL	**991**	**937**	**54**

(a) Remaining capital to be called up
(b) Of which €790 million of current account in respect of Winterthur Swiss Insurance Company for the acquisition of Hispanowin shares, and €122 million of expenses payable.

Unrealized foreign exchange gains amounted to €1,118 million in 2007, compared with €663 million at December 31, 2006. This account is the matching item for exchange rate gains arising from the revaluation of foreign-currency denominated liabilities and receivables at the balance sheet date exchange rate. This account shows an increase compared with the prior period, which is mainly due to the euro's appreciation against the dollar. These are unrealized gains representing the foreign currency position at the balance sheet date; they are not recognized through the income statement, in accordance with accounting regulations.

4. NOTES TO THE STATEMENT OF INCOME

4.1. Executive remuneration

- Directors' fees €1,100 k
- Other remuneration (net of rebilling) €5,800 k

The Company had 5 employees at the balance sheet date.

4.2 Income tax

Income tax amounted to €40 million, compared with an expense of €46 million in 2006. This movement was mainly due to a rise in financing expense and lower tax on translation variance unrealized at the 2007 balance sheet date.

(in Euro million)

	Income before tax	Tax [(a)]	Net income
Ordinary income	1,407	258 [(b)]	1,665
Income from capital operations	318	(248) [(c)]	70
Other tax		30	30
Total	**1,725**	**40**	**1,765**

(a) Dividends received from investments in subsidiaries are under the fiscal "parent-subsidiary" regime and are tax-exempt.
(b) The tax expense includes the deduction or taxation of unrealized income or expense not recognized in the income statement, such as on and off-balance sheet translation variance.
(c) A positive sign indicates tax income.

5. OFF-BALANCE SHEET COMMITMENTS

5.1. Summary of off-balance sheet commitments

(in Euro million)

	Notional value (Commitments given)	Market value
Financial futures instruments		
Foreign exchange Forward	209	(3)
Swaps		
Interest rate swaps	46,055	(402)
Equity swap	2,363	(173)
Foreign Exchange swaps (short term)	5,822	5
Cross Currency swaps (long term)	20,830	1,536
Options		
Caps	290	(26)
Foreign Exchange Options	883	32
Equity options	1,786	0
Other commitments	**Commitments given**	**Commitments received**
Credit lines (authorized but not drawn)	1,285	6,268
Internal group guarantees and securities		
Commitments to buy back shares and bonds from Group entities	672	
Other commitments (financial guarantees given to Group entities)	5,828	611
Subordinated bond redemption premium (see § 2.9 of this note)	780	

5.2 Commitments in respect of shareholder pacts

On December 15, 2005, and after authorization on June 29, 2005 by the AXA Supervisory Board, the AXA Group (AXA and its subsidiaries) and the BNP Paribas Group entered into an agreement that replaces the one in force since September 12, 2001 (and amended on October 26, 2004).
The new agreement maintains the existing provisions in terms of minimal and stable cross-shareholdings (the AXA Group undertakes initially to hold at least 43,412,598 shares of BNP Paribas stock; the BNP Paribas Group undertakes initially to hold at least 61,587,465 shares of AXA stock; these amounts will be adjusted thereafter to reflect the impact of capital transactions, including but not limited to free allotments of stock or share tenders involving the same company (stock splits, business re-combinations, etc.), and capital increases involving either BNP Paribas or AXA), and also provides for a reciprocal repurchase option in the event of a hostile takeover attempt on either AXA or BNP Paribas.
In force for a period of five years as of the date of signature, this agreement is renewable automatically for an initial period of two years and for successive periods of one year thereafter, unless one of the two parties decides to terminate beforehand, in which case it is required to give three months notice prior to the next renewal date.
The agreement was made public by the AMF (*Autorité des marchés financiers*) on December 21, 2005.

On May 15, 2006, and after authorization on December 21, 2005 by the AXA Supervisory Board, the AXA Group (the AXA Mutuelles, AXA and its subsidiaries) and the Schneider Group entered into an agreement that provides for the maintenance of minimal cross-shareholdings. Under the terms of this agreement, the AXA Group undertakes to hold at least 2,583,300 shares of Schneider stock and the Schneider Group undertakes to hold at least 8,816,681 shares of AXA stock. The number of shares held under this cross-shareholding agreement will be adjusted as needed to reflect the impact of capital transactions, including but not limited to free allotments of stock or share tenders involving the same company (stock splits, business re-combinations, etc.). In addition, the parties have consented to a reciprocal repurchase option in the event of a hostile takeover attempt on either AXA or Schneider.
In force for a period of one year as of the date of signature, this agreement is renewable automatically for successive periods of one year thereafter, unless one of the two parties decides to terminate beforehand, in which case it is required to give three months notice prior to the next renewal date.
The agreement was made public by the AMF on May 31, 2006.

6. SENSITIVITY

By virtue of its business, AXA SA is mainly exposed to interest rate and exchange rate risk in financial markets.
The table below shows an estimate of changes in the fair value of debt, loans and hedging instruments in the event of a 1% rise in the interest rate curve or a 10% depreciation of the euro.

Sensitivity	Change in fair value	
	Interest rates: +1%	Exchange rate: +10% [a]
Debts [b]	(4.5%) (i)	3.8% (ii)
Loans [c]	2% (i)	4.5% (ii)
Derivatives [d]	15.8% (i)	(129.7%) (ii)

(a) 10% depreciation of the euro.
(b) External debt (excluding intra-group debt) before hedging.
(c) Loans are net of internal refinancing.
(d) Both eligible and ineligible derivatives under IFRS.
(i) A 1% rise in interest rates leads to a 4.5% decrease in the fair value of debt, a 2% increase in the fair value of loans, and a 15.8% rise in the fair value of derivatives.
(ii) A 10% depreciation of the euro leads to a 3.8% increase in the fair value of debt, a 4.5% increase in the fair value of loans and a 129.7% decrease in the fair value of derivatives.
The information on fair value presented above should be used with care
– Since these estimates are based on the use of measurements such as interest rates and spreads at the balance sheet date; such measurements may fluctuate over time.
– And because there are a number of possible ways to perform these calculations.

The information used for calculating the fair value of financing debt is market prices at the end of the period, using (i) market rates for each currency, (ii) AXA's average spread by maturity and for the main currencies, distinguishing between subordinated debt and senior debt, and (iii) options included in issue contracts, such as issuer redemption options.

This note does not omit any material commitment or any which might become material in the future.

7. OTHER INFORMATION

(in Euro million)

Affiliated companies (consolidated entities) (value net of provisions for impairment)	
Investments	€47,462 million
Of which:	
– AXA Konzern AG	€2,120 million
– AXA Italia S.p.A.	€715 million
– AXA France Assurance	€3,415 million
– AXA UK Plc	€4,556 million
– AXA Holdings Belgium	€3,885 million
– Oudinot Participations	€12,299 million
– AXA Japan Holding Company Limited	€3,185 million
– Vinci BV	€4,285 million
– AXA Ré Paris	€881 million
– AXA Equity & Law Plc	€1,133 million
– AXA Méditerranean Holding	€2,149 million
– AXA Asia Pacific Holding	€541 million
– Winterthur Swiss Insurance Company	€5,171 million
– Winterthur Europe Assurances	€610 million
Receivables relating to affiliated	€3,278 million
Payables relating to affiliated	€5,690 million
Financial income and expense in respect of affiliates	
Financial expense	€133 million
Financial income	€2,341 million

PricewaterhouseCoopers Audit
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92208 Neuilly-sur-Seine Cedex

Mazars & Guérard
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92400 Courbevoie

Report of Statutory Auditors on the Company's financial statements

(For the year ended December 31, 2007)

This is a free translation into English of the Statutory Auditors' report issued in French and which is provided solely for the convenience of English readers. The Statutory Auditors' report includes information specifically required by French law in all audit reports, whether qualified or not, which is presented below in the opinion on the financial statements. This information includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole, and not to provide separate assurance on individual account captions or information taken outside of the consolidated financial statements.

This report, together with the Statutory Auditors' report addressing financial and accounting information in the Chairman's report on internal control, should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders of **AXA**
25, avenue Matignon
75008 Paris

In compliance with the assignment entrusted to us by the shareholders, we hereby submit our report for the year ended December 31, 2007 on:
- the audit of the financial statements of AXA, as attached to this report,
- the justifications of our assessments,
- the specific verifications and information required by French law.

The above mentioned financial statements are the responsibility of the Management Board. Our role is to express an opinion on these financial statements based on our audit.

I –Opinion on the Company's financial statements

We conducted our audit in accordance with the professional standards applicable in France, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements give a true and fair view of the Company's financial position and its assets and liabilities as of December 31, 2007 and of the results of its operations for the year then ended in accordance with accounting rules and principles applicable in France.

II – Justifications of our assessments

In accordance with the requirements of Article L.823-9 of the French Commercial Code relating to the justification of our assessments, we would like to bring to your attention the following matters:
- Financial assets are recorded using the methods applying to each category and described in paragraph 2.5 of the notes to the financial statements. We have assessed whether the impairment tests performed by the Company depending on the invested assets situation and the volatility of financial markets are appropriate and we also assessed the reasonableness of the resulting provisions. On investments in subsidiaries for which impairment is based on the value in use and the intent to hold, we have assessed the data used to determine the value in use of the main investments in this portfolio and obtained confirmation of the intent to hold.
- In accordance with the policies described in paragraph 2.9, liabilities are recorded at the year-end for redemption premiums on convertible notes issued by the Company whenever the prevailing stock price is lower than the discounted redemption value of the underlying note. We have tested the reasonableness of the assumptions used to establish these estimates against factors such as stock price volatility and the maturities of outstanding convertible notes issued by the Company.

The assessments were made in the context of our audit of the financial statements, taken as a whole, and therefore contributed to the formation of our opinion expressed in the first part of this report.

III – Specific verifications and information

In addition, we have carried out specific verifications required by law, in accordance with the professional standards applicable in France.

We have no matter to report regarding:

– the fairness of the management report provided by the Management Board and the documents remitted to the Shareholders on the Company's financial situation and financial statements, and their conformity with the financial statements,

– the fairness of the information provided in the Management Board report on compensation and benefits paid to AXA executives, as well as commitments made to them when they assumed, changed or ceased to exercise their duties, or thereafter.

As required by law, we have verified that the information pertaining to equity and controlling interests of the Company and to the identity of owners of equity interest in the Company has been duly disclosed in the aforementioned Management Board Report.

Neuilly-sur-Seine and Courbevoie, March 25, 2008

The Statutory Auditors

PricewaterhouseCoopers Audit
Eric Dupont – Yves Nicolas

Mazars & Guérard
Patrick de Cambourg – Jean-Claude Pauly

› APPENDIX VII

Life & Savings European Embedded Value plus Other Business Tangible Net Asset Value

2007 LIFE & SAVINGS EUROPEAN EMBEDDED VALUE

Euro million – Group share

	ANAV	VIF	EEV
Opening Life & Savings EEV at 12/31/06	**15,562**	**22,828**	**38,390**
Subsidiary ownership structure changes	(1,003)	–	(1,003)
Other Modeling changes and opening adjustments	692	(578)	114
Adjusted opening Life & Savings EEV	**15,251**	**22,250**	**37,501**
Total Return on Life & Savings EEV	2,736	2,273	5,009
Capital Flows	(1,645)	–	(1,645)
Exchange rate movements impact	(734)	(1,301)	(2,036)
Life & Savings EEV of acquired / disinvested business	131	(470)	(340)
Closing Life & Savings EEV at 12/31/07	**15,738**	**22,752**	**38,490**
OPERATING RETURN ON LIFE & SAVINGS EEV			**11%**
TOTAL RETURN ON LIFE & SAVINGS EEV			**13%**
Change	**1%**	**–**	**–**
Change at constant FX	**6%**	**5%**	**6%**
Change at constant FX and scope	**5%**	**7%**	**6%**

2007 LIFE & SAVINGS NEW BUSINESS VALUE

Euro million, except when otherwise noted Group share

	2006	2007	Change	Change at comparable basis
Annual Premium Equivalent (APE)	7,343	7,694	5%	8%
Present Value of Expected Premiums (PVEP)	68,783	70,152	2%	6%
New Business Value (NBV)	1,705	1,772	4%	8%
NBV/APE	**23.2%**	**23.0%**	**– 0.2 pts**	**0.1 pts**
NBV/PVEP	**2.5%**	**2.5%**	**0.0 pts**	**0.0 pts**

Change is on a comparable basis: at constant exchange rates, methodology and scope.

"Embedded Value" (EV) is a valuation methodology often used for long term insurance business. It attempts to measure the present value of cash available to shareholders now and in the future. "European Embedded Value" (EEV) is a refinement of this methodology based on Principles issued by the CFO Forum of European insurers, which AXA adopted during 2005.

AXA publishes EEV only for its Life & Savings business. The value can be considered in two pieces,

1) "Adjusted Net Asset Value" (ANAV) which measures the current balance sheet wealth,
2) "Value of Inforce" (VIF) which measures the present value of future shareholder profits for business currently in the portfolio, adjusted for the cost of holding capital that can not be distributed while the business is in force.

"Life & Savings New Business Value" (NBV) measures the value of new business sold during the year. It includes the VIF on new business, and also the upfront costs associated with acquiring new business (often called "strain"). Therefore NBV combines elements which increase VIF balances from one year to the next and elements which reduce the ANAV from one year to the next. Life & Savings EEV does not include any value for future sales.

"Life & Savings Annualized Premium Equivalent" (APE) is a measure of new business volume which includes sales of regular recurring premium business at 100% but sales of single premium business at only 10%. The "APE Margin" is the ratio of NBV to APE.

"Life & Savings Present Value of Expected Premium" (PVEP) is a measure of new business volume which includes the present value of the future premiums expected to be received over time for business sold in the current year. The "PVEP Margin" is the ratio of NBV to PVEP.

In addition to Life & Savings EEV, AXA calculates a "Group EV" which adds to the Life & Savings EEV the Tangible Net Asset Value for other-than-life businesses.

The Group EV is not an estimate of AXA's "fair value", regardless of how one might define "fair value". It does not include the value of business to be sold in the future, nor does it include any value for future profits from existing business for other-than-life businesses i.e. Property & Casualty, International Insurance, Asset Management and Other Financial Services.

The Group EV can be reconciled to Life & Savings IFRS Shareholder's equity as follows (in Euro million):

Euro million – Group share

	Life & Savings	Other than Life & Savings	Total
Shareholders' equity at 12/31/2007	**33,488**	**12,153**	**45,642**
Net unrealized capital gains not included in Shareholders' equity	683	1,394	2,077
Excluded perpetual debts (TSS/TSDI)		(7,781)	(7,781)
Mark to Market of debt		(77)	(77)
Excluded Intangibles	(17,833)	(9,339)	(27,172)
Unrealized capital gains projected in Life & Savings VIF & other Stat-GAAP adjustments	(599)		(599)
Life & Savings Adjusted Net Asset Value (ANAV) + Other Business Tangible Net Asset Value (TNAV)	**15,738**	**(3,650)**	**12,088**
Life & Savings VIF	**22,752**		**22,752**
Group EV = Life & Savings EEV + Other Business TNAV at 12/31/2007	**38,490**	**(3,650)**	**34,840**

The Life & Savings ANAV is derived by aggregating the local regulatory (statutory) balance sheets and reconciling with the Life & Savings IFRS shareholders' equity on the following main adjustments:

- Addition of unrealized capital gains/losses not included in Shareholders' equity,
- Elimination of the value of intangibles,
- Subtraction of unrealized capital gains included in the projection of future cash flows (VIF),
- Adjustment for the differences between AXA's consolidated accounting basis and local regulatory bases.

Adding the Life & Savings VIF to the Life & Savings ANAV completes the Life & Savings EEV.

The Tangible Net Asset Value ("TNAV") for other-than-life business is reflecting the consolidated IFRS shareholders' equity adjusted for the elimination of all intangible assets and all debt (TSS/TSDI) that are treated as equity in IFRS.

The TNAV for other-than-life business is adjusted also for any unrealized capital gains or losses not already included in equity and the impact of the mark to market of debt.

The Group EV equals the Life & Savings EEV plus the Other Business TNAV.

The Life & Savings ANAV can be further segmented into two pieces: 1) the Required Capital which represents an amount consistent with obtaining a AA rating at each operation, net of implicit items that can support capital requirements, and 2) the Free Surplus, which represents the excess of ANAV over the Required Capital.

Euro million – Group share

	2006	2007
Required Capital	12,675	13,565
Free Surplus	2,887	2,174
Life & Savings ANAV	**15,562**	**15,738**

The Life & Savings VIF calculation by its nature involves many assumptions about the future. For Life & Savings EEV, AXA has adopted a "market-consistent" approach to setting asset return assumptions. Each cash flow is discounted at an appropriate discount factor, so that starting with Euro 1 of bond or of equity, projecting expected cash flows, and discounting, will simply give Euro 1 of value. Mechanically, this can be described in a short-cut as assuming that all assets will earn the risk-free rate defined by the current market in the future. However, cash flows are projected not only in a single scenario, but rather a stochastic set of scenarios is created, with the set maintaining the market-consistent condition that Euro 1 of any asset projected into the future gives a present value of Euro 1. Future earnings available to shareholders are assessed across this range of stochastic scenarios, with the present value being the Life & Savings VIF. Our major assumptions include:

- Actuarial assumptions reflect best estimates based on recent experience.
- No productivity gains are assumed in future expenses, while future inflation averaging 2.2% was assumed in 2006 and 2007.
- Expenses are adjusted for non-recurring expenses and one-time strategic spending.
- Some benefit from future mortality improvement on Life business is included, while annuity business does have an allowance for the costs of longevity increasing in all markets.
- Non-financial risks are provided for through the cost of holding capital consistent with the level to obtain a AA rating at each operation.
- A weighted average tax rate of 33.4% in 2006 and 32.4% in 2007.

As described above, the Life & Savings VIF valuation under AXA's market-consistent framework does not depend on assumed future asset returns, but rather on the actual risk-free yield curves observable in the market on each valuation date (consistent with financial market practices for valuing assets, the swap curve is used as the basis for risk-free yields). The Life & Savings VIF valuation also depends on stochastic projections of multiple scenarios, rather than a single scenario. For comparison to traditional Embedded Values and other techniques, AXA performs a calculation that determines the "Implied Risk Discount Rate" (IDR) which would equate the cash flows from a single scenario with "real world" economic assumption to the Life & Savings VIF. The following table summarizes the "real world" assumptions for 2006 and 2007 used in determining the IDRs:

FI Return		Equity Return		Cash Return		Real Estate Return	
2006	2007	2006	2007	2006	2007	2006	2007
5.25%	5.58%	7.69%	8.05%	3.59%	4.09%	6.13%	7.34%

Separate IDRs are calculated for the total inforce portfolio at the end of the year and the new business sold during the year:

VIF IDR	
2006	2007
7.57%	7.61%

NBV IDR	
2006	2007
6.24%	6.05%

2006 IDR shown in these tables are for AXA including Winterthur, although Winterthur NBV written in 2006 was before the acquisition was final and was not part of AXA's 2006 results.

In addition to providing a comparison basis to other valuation techniques, the VIF IDR for 2006 also provides an element of the movement analysis between 2006 and 2007.

The following table presents an analysis of the movement of Life & Savings EEV between 2006 and 2007:

Euro million – Group share

	Life & Savings EEV
Opening Life & Savings EEV at 12/31/06	**38,390**
Subsidiary ownership structure changes	(1,003)
Other opening adjustment	114
Adjusted opening Life & Savings EEV	**37,501**
Operating performance from existing business:	2,457
Expected return on VIF + Required capital (Unwind of IDR)	*2,526*
Expected return on surplus	*90*
Operational experience changes	*131*
Operational assumption changes	*(291)*
New Business Value	1,772
Operating Return on Life & Savings EEV	**4,229**
Current year investment experience	781
Change in investment assumptions	
Total Return on Life & Savings EEV	**5,009**
Capital Flows	(1,645)
Exchange rate movements impact	(2,036)
Life & Savings EEV of acquired / disinvested business	(340)
Closing Life & Savings EEV at 12/31/07	**38,490**

Subsidiary ownership structure changes reflects impacts from transfers which were made between Group companies of shares in other Group entities. At the total Life & Savings level the impact is to reduce EV by €–1,003 million although at the total Group level the impact is nil.

Operating performance from existing business considers the movements in EEV related to the business inforce at the beginning of the year, excluding the investment impacts that are shown below. The total operating performance of €2,457 million is analyzed in several components:

- **Expectedreturn on VIF + Required capital (Unwind of IDR)** of €2,526 million is the mechanical effect of rolling forward the beginning of year VIF at the prior year Implied Risk Discount Rate (the unwind calculation is based on IDR multiplied by VIF + Required Capital).
- **Expectedreturn on surplus** of €90 million is the expected after-tax profit on surplus assets (using the illustrative real world investment scenarios used to calculate IDR for the prior year) in excess of those supporting the VIF. The expected return is not large because (i) AXA generally does not retain large free surplus balances within its Life & Savings operations and (ii) the expected return on surplus is lower than the IDR.
- **Operational experience changes** of €131 million is the impact of actual versus expected experience for items like mortality, expenses, lapse rates, etc.
- **Operational assumptions changes** of €–291 million is the impact on VIF of changes in future assumptions for items like mortality, expenses, lapse rates, etc.

2007 New Business Value of €1,772 million reflects the strain (first year loss) and VIF impacts described above.

Operating Return on Life & Savings EEV of €4,229 million is the combination of the New Business Value and the operating performance from existing business as just outlined. It represents 11% of the Opening Life & Savings EEV.

Current year investment experience of €781 million includes (i) the variance in experience during 2007 from that expected in the illustrative real world investment scenario at the end of 2006, and (ii) the change in value created by reflecting year-end 2007 yield curves and investment conditions in the EEV rather than those of year-end 2006.

Change in investment assumptions is zero. This line would reflect changes to investment assumptions such as volatilities and correlations between asset classes, which are not directly driven by investment market data observed at year-end. For 2007 no such changes were made.

Total Return on Life & Savings EEV before currency effects and capital flows of €5,009 million combines the Operating Return with the Investment impacts. It represents 13% of the Opening Life & Savings EEV.

Capital flows of €–1,645 million reflect net transfers out of the Life & Savings segment in 2007 including dividends paid, received and capital injections.

Exchange rate movements impact of €–2,036 million is predominantly due to the strengthening of the Euro versus the Dollar and the Yen. This amount does not reflect the impact of AXA's foreign currency hedging program which is in the Holdings segment.

Life & Savings EEV of acquired/disinvested business of €−340 million was mainly related to the disposal of the Netherlands partially offset by realized Life & Savings Segment gains with this sale and MPS acquisition in Italy.

Closing Life & Savings EEV of €38,490 million is the total value at the end of the year, representing the prior year balance plus opening adjustments, plus Total Return, plus capital flows, plus EEV of acquired/disinvested business and the exchange rate impact.

The following table provides an analysis of movement of the **Group EV** between 2006 and 2007:

Euro million – Group share

	Life & Savings EEV	Other business TNAV	Total
Group EV = Life & Savings EEV + Other Business TNAV at 12/31/06	**38,390**	**(2,758) (a)**	**35,632**
Subsidiary ownership structure changes	(1,003)	1,003	–
Other Modeling changes and opening adjustments	114	(187)	(73)
Adjusted opening Group EV = Life & Savings EEV + Other Business TNAV	**37,501**	**(1,942)**	**35,559**
Operating return	4,229	2,577 (b)	6,806
Current year investment experience	781	(1,205)	(424)
Total Return	5,009	1,372	6,382
Dividends paid – received	(1,708)	(510)	(2,218)
Capital Flows	63	(629)	(565)
Exchange rate movements impact	(2,036)	1,342	(694)
Acquired / Disinvested business	(340)	(1,196)	(1,536)
Share and Convertible buy back	–	(2,319)	(2,319)
Other issued capital	–	232	232
Closing Group EV = Life & Savings EEV + Other Business TNAV at 12/31/07	**38,490**	**(3,650)**	**34,840**
Operating Return on Group EV	**–**	**–**	**19%**
Total Return on Group EV	**–**	**–**	**18%**
Change	**–**	**– 32%**	**– 2%**
Change at constant FX and scope	**6%**	**– 38%**	**4%**

(a) Other business tangible net asset value 2006 has been adjusted to correct the mark-to-market of debt and correction of Goodwill in Group Share amount to tie to the updated one in the Financial Supplement

(b) Other Business operating return = underlying earnings (€2,293m) + normative 4.5% capital growth on equity investments (€448m) – Net interest charge on TSS & TSDI (€290m) + elimination of expense for equity-settled share based compensation (€127m).

The Other Business Tangible Net Asset Value's decrease of 32% (38% decrease at constant currency and scope) to €–3 650 million was due to the dividends paid to shareholders and share buybacks as well as the elimination of intangibles from the acquired business, which more than offset the positive contribution of the operating return and exchange rate movements of other business.

The 19% **operating return on Group EV** was driven by the very solid business performance of the year in all business segments (Life & Savings, Property & Casualty and Asset Management). **Group EV return,** unlike Life & Savings EEV return, benefits from debt leverage as the debt is allocated to the Other Business segment.

LIFE & SAVINGS EUROPEAN EMBEDDED VALUE SENSITIVITIES

The sensitivity of the Life & Savings EEV and NBV to changes in major assumptions has been calculated as follows for the 2007 values (measured in Euro million, Group share):

LIFE & SAVINGS EEV SENSITIVITIES

Euro million – Group share

	Life & Savings EEV Impact	Life & Savings NBV Impact
Estimated upward parallel shift of 100 bp in reference interest rates	318	230
Estimated downward parallel shift of 100 bp in reference interest rates	(1,416)	(400)
10% higher value of equity markets at start of projection	1,594	45
10% lower value of equity markets at start of projection	(1,639)	(53)
10% higher value of real estate at start of projection	491	10
10% lower value of real estate at start of projection	(493)	(11)
Overall 10% decrease in the lapse rates	1,179	151
Overall and permanent decrease of 10% in expenses	1,164	103
5% lower mortality rate for annuity business	(158)	(2)
5% lower mortality rate for life business	550	60
Upward parallel shift of 25% of the volatility on equity markets	(746)	(107)
Upward parallel shift of 25% of the volatility on bonds	(372)	(42)

An independent actuarial consultancy, Tillinghast, was hired by AXA to perform a review on the Life & Savings EEV, and has issued the following statement of opinion:

"Tillinghast, the insurance consulting business of Towers Perrin, has assisted AXA in developing the methodology and has reviewed the assumptions used in the Life & Savings European Embedded Value (EEV) at December 31, 2007, and the 2007 Life & Savings New Business Value (NBV) for the principal life operations of the AXA Group. Our review included the analysis of movement in embedded value from December 31, 2006, and the sensitivities shown above.

Tillinghast has concluded that the methodology and assumptions comply with the EEV Principles. In particular:

- The methodology makes allowance for the aggregate risks in the covered business through the market consistent methodology described in Section V of the EEV Report, which includes a stochastic allowance for the cost of financial options and guarantees;
- The operating assumptions have been set with appropriate regard to past, current and expected future experience;
- The economic assumptions used are internally consistent and consistent with observable market data; and
- For participating business, the assumed bonus rates, and the allocation of profit between policyholders and shareholders, are consistent with the projection assumptions, established company practice and local market practice.

The methodology and assumptions used also comply with the EEV Guidance (noting the disclosed exception concerning the treatment of affiliated investment management companies, where the value of their profits for managing assets for the Life & Savings segment are not included in the Life & Savings EEV).

Tillinghast has also performed limited high-level checks on the results of the calculations and has confirmed that any issues discovered do not have a material impact on the disclosed embedded values, new business values, analysis of movement, and sensitivities. Tillinghast has not, however, performed detailed checks on the models and processes involved.

In arriving at these conclusions, Tillinghast relied on data and information provided by AXA. This opinion is made solely to AXA in accordance with the terms of Tillinghast's engagement letter. To the fullest extent permitted by applicable law, Tillinghast does not accept or assume any responsibility, duty of care or liability to anyone other than AXA for or in connection with its review work, the opinions it has formed, or for any statement set forth in this opinion."

> APPENDIX VIII

Shareholders' Meeting – April 22, 2008

AGENDA

ORDINARY RESOLUTIONS

First resolution

Approval of the Company's financial statements for 2007 – parent only

Second resolution

Approval of the consolidated financial statements for 2007

Third resolution

Earnings appropriation and declaration of a dividend of €1.20 per share

Fourth resolution

Approval of the Auditors' Special Report on regulated agreements

Fifth resolution

Appointment of Mr. François Martineau to serve as a member of the Supervisory Board

Sixth resolution
(Not approved by the Management Board)

Appointment of Mr. Francis Allemand to serve as a member of the Supervisory Board, upon the recommendation of the employee shareholders of the AXA Group

Seventh resolution
(Not approved by the Management Board)

Appointment of Mr. Gilles Bernard to serve as a member of the Supervisory Board, upon the recommendation of the employee shareholders of the AXA Group

Eighth resolution
(Not approved by the Management Board)

Appointment of Mr. Alain Chourlin to serve as a member of the Supervisory Board, upon the recommendation of the employee shareholders of the AXA Group

Ninth resolution

Appointment of Ms. Wendy Cooper to serve as a member of the Supervisory Board, upon the recommendation of the employee shareholders of the AXA Group

Tenth resolution
(Not approved by the Management Board)

Appointment of Mr. Rodney Koch to serve as a member of the Supervisory Board, upon the recommendation of the employee shareholders of the AXA Group

Eleventh resolution
(Not approved by the Management Board)

Appointment of Mr. Hans Nasshoven to serve as a member of the Supervisory Board, upon the recommendation of the employee shareholders of the AXA Group

Twelfth resolution
(Not approved by the Management Board)

Appointment of Mr. Frédéric Souhard to serve as a member of the Supervisory Board, upon the recommendation of the employee shareholders of the AXA Group

Thirteenth resolution
(Not approved by the Management Board)

Appointment of Mr. Jason Steinberg to serve as a member of the Supervisory Board, upon the recommendation of the employee shareholders of the AXA Group

Fourteenth resolution
(Not approved by the Management Board)

Appointment of Mr. Andrew Whalen to serve as a member of the Supervisory Board, upon the recommendation of the employee shareholders of the AXA Group

Fifteenth resolution

Authorization granted to the Management Board to purchase the Company's shares

EXTRAORDINARY RESOLUTIONS

Sixteenth resolution

Authorization granted to the Management Board to allot free shares to employees and eligible corporate officers of the AXA Group

Seventeenth resolution

Authorization granted to the Management Board to allot stock purchase and/or stock subscription options to employees and eligible corporate officers of the AXA Group

Eighteenth resolution

Authorization granted to the Management Board to increase the Company's share capital by the issue of shares or other securities with a claim on the Company's share capital, reserved for members of the Company's savings plan

Nineteenth resolution

Authorization granted to the Management Board to increase the Company's share capital, with waiver of the preferential subscription rights, to a category of beneficiaries

Twentieth resolution

Authorization granted to the Management Board to reduce the share capital through the cancellation of shares

Twenty-first resolution

Authorization to comply with all formal requirements in connection with this Meeting

REPORT OF AXA'S MANAGEMENT BOARD ON THE PROPOSED RESOLUTIONS

To the Shareholders of AXA:

We have called you to this joint Ordinary and Extraordinary Meeting to submit a number of resolutions for your consideration, pertaining to:

- Approval of the parent Company and consolidated financial statements of AXA for the year ended December 31, 2007, determination of the dividend payable in respect of 2007, and approval of the special report submitted by the Statutory Auditors on regulated agreements (I);
- Appointment of two new members to the Supervisory Board (II);
- Renewal of the authorizations relative to the stock repurchase program and the cancellation of shares (III);
- Renewal of the authorizations granted to the Management Board to grant stock subscription or purchase options as well as free shares to eligible employees of the AXA Group (IV); and
- Renewal of the authorization granted to the Management Board to issue equity securities or other types of securities with a claim on the share capital of the Company through the Company savings plans (V).

I – Approval of annual financial statements

Ordinary resolutions 1 to 4

The first items on the agenda pertain to the approval of AXA's parent Company **(first resolution)** and consolidated **(second resolution)** financial statements. AXA's parent company financial statements for the year ended December 31, 2007 show a profit of 1,765 million euros, compared with 1,433 million euros for the year ended December 31, 2006, which is an increase of 23%. The consolidated financial statements for fiscal year 2007 show net income Group share of 5,666 million euros, compared with 5,085 million euros for the preceding fiscal year, which is an increase of 11.43 %. For more information on AXA's financial statements for 2007 and on the business of the Company during the 2007 fiscal year or since January 1st, 2008, please refer to the Management Board Report that is included in the 2007 Annual Report *(Document de Référence)* filed with the AMF *(Autorité des marchés financiers)* which is available, in accordance with applicable legislation, in particular on AXA's website **(www.axa.com)**.

The purpose of the **third resolution** is to determine the appropriation of earnings for fiscal year 2007. The amount available for earnings appropriation is 2,479,122,236 euros, which is comprised of earnings for the period ended of 1,765,325,129 euros and retained earnings of 713,797,107 euros. Accordingly, the Management Board of your Company has decided to recommend this year the payment of a dividend of 1.20 euros per share, representing a global distribution of 2,472,904,190 euros, which is an increase of 11.47% compared with last year. The rest of the distributable earnings, a total of 6,218,046 euros, will be allocated to Retained Earnings. If approved, this dividend would be paid out on April 29, 2008 and the ex-dividend date would be on April 24, 2008. In accordance with the Bylaws of AXA, this proposed earnings appropriation and the date of the dividend payout were approved by the Supervisory Board of your Company at its Meeting on February 27, 2008.

The proposed dividend entitles eligible recipients to the 40% tax relief set forth in paragraph 2°, of Article 158.3 of the French General Tax Code (Code Général des Impôts). It applies to natural persons resident in France for tax purposes, and it amounts to 0.48 euros per share. As a reminder, Article 117 quater of the French General Tax Code, as it results from the 2008 Finance Act, provides that natural persons who are French residents for tax purposes, and whose income is eligible for the 40% tax relief may, barring certain exceptions, opt to have an 18% flat deduction at source, calculated on the basis of the gross amount of income received.

Exercising the option for a flat deduction at source is binding and have to be renewed at each payment. However, the aforementioned option leads to the loss of the 40% tax relief mentioned above, of the lump-sum abatement of 1,525 euros or 3,050 euros, depending on marital status, and of the tax credit ceiling on other distributions that the natural person has received in the course of the same calendar year.

The flat deduction at source, which is done immediately, is paid by the institution in charge of payment within the first two weeks of the month following the date of the dividend payout. The welfare taxes (CSG, CRDS and welfare deduction) due by the persons who are French residents for tax purposes are in any case paid at the date of the dividend payout.

Pursuant to the relevant provisions of Article 243 bis of the French General Tax Code, the table below summarizes dividend payout information, with and without the 40% tax relief, in the previous three fiscal years.

	Fiscal year 2004	Fiscal year 2005	Fiscal year 2006
Dividend per share	€0.61 (a)	€0.88 (b)	€1.06 (c)
Dividend with tax relief	€0.61 (a)	€0.88 (b)	€1.06 (c)
Dividend without tax relief	–	–	–

(a) This amount of distributable dividend entitled the natural persons resident in France for tax purposes to a 50% tax relief. This dividend payout was made in 2005.
(b) This amount of distributable dividend entitled the natural persons resident in France for tax purposes to a 40% tax relief. This dividend payout was made in 2006.
(c) This amount of distributable dividend entitled the natural persons resident in France for tax purposes to a 40% tax relief. This dividend payout was made in 2007.

In the **fourth resolution,** you are being asked to approve the special report of the Statutory Auditors on the so-called regulated agreements. It is specified under this resolution that no new regulated agreements were entered into in fiscal year 2007. There are three agreements that were authorized in years prior to 2007 that remained in force in 2007: they are the shareholders agreement with the Schneider group on the maintenance of cross-shareholdings, the shareholders agreement with the BNP Paribas group on the maintenance of cross-shareholdings, and the contract with France Telecom pertaining to the AXA Group's communications networks.

II – Appointment of new members to the Supervisory Board

Ordinary resolutions 5 to 14

Appointment of Mr. François Martineau **(5th resolution)**

The term of office of Mr. Claude Bébéar as a member of the Supervisory Board, is set to expire at the close of this Meeting. Accordingly, you are being asked to appoint Mr. François Martineau to replace him for a term of four years, pursuant to Article 10 of the Bylaws of your Company. If appointed, Mr. François Martineau's term of office would therefore expire at the close of the Shareholders' Meeting called in 2012 to approve the financial statements for the fiscal year ending on December 31, 2011. The Supervisory Board, following the recommendation of its Selection, Ethics, Governance and Human Resources Committee, has issued a favorable opinion on the appointment of Mr. François Martineau to serve as a member of the AXA Supervisory Board. The Supervisory Board has assessed the independence of Mr. François Martineau on the basis of the recommendations contained in the Report AFEP / MEDEF dated 2002 and came to the conclusion that Mr. Martineau shall be considered as independent. A brief biography of Mr. François Martineau appears in the exhibits to this report.

Appointment of a member of the Supervisory Board on the recommendation of the employee shareholders of the AXA Group **(6th to 14th resolutions)**

The term of office of Mr. Jacques Tabourot as a member of the Supervisory Board, who was appointed in 2004 on the recommendation of the employee shareholders mentioned in Article L.225-102 of the French Commercial Code *(Code de commerce),* is set to expire at the close of this Meeting. Accordingly, we are asking you to designate his replacement, who will serve for a term of four years. In compliance with applicable regulations and with Article 10. C of the Bylaws of your Company, in early 2008 the Management Board conducted the process of consulting AXA Group employee shareholders, via a direct consultation of the latter (the "Direct Process") and via a vote of the Supervisory Boards of FCPE *(Fonds Communs de Placement d'Entreprise)* mutual-type funds with indirect voting rights (the "Indirect Process"). Once these consultations were completed, seven candidates were selected under the direct process (for each of these candidates, the percentage of votes received during the official voting process is indicated): Ms. Wendy Cooper (44.56%) and Messrs Francis Allemand (3.51%), Gilles Bernard (4.12%), Alain Chourlin (2.91%), Rodney Koch (7.68%), Jason Steinberg (4.28%) and Andrew Whalen (19.01%). Under the indirect process, two candidates were selected: Mr. Frédéric Souhard, designated by the French FCPE Group, and Mr. Hans Nasshoven, designated by the International FCPE Group. The proposed appointment of each candidate is the subject of a separate resolution, and you, the Shareholders, are being asked to vote on each one of them. A short biography of each candidate may be found in the exhibits to this report.

It falls within the competence of the Management Board to issue an opinion on every proposed resolution that is submitted to the Shareholders. As a consequence, the Management Board has decided to recommend that the shareholders vote in favor of the ninth resolution (*Appointment of Ms. Wendy Cooper to serve as a member of the Supervisory Board, upon the recommendation of the employee shareholders of the AXA Group*) and, consequently, to reject resolutions 6 to 8 as well as 10 to 14. This recommendation of the Management Board was approved by the AXA Supervisory Board, after its own Selection, Ethics, Governance and Human Resources Committee issued a positive opinion on the appointment of Ms. Wendy Cooper to serve as a member of the Supervisory Board.

Both the Management Board and the Supervisory Board believe that Ms. Wendy Cooper is the best candidate to serve as an employee shareholders representative on the AXA Supervisory Board for the following reasons: (i) she received strong support from the employee shareholders with direct voting rights during the preliminary phase for selection of candidates, (ii) the nomination of Ms. Cooper as a Board member would internationalize and feminize the Supervisory Board, and (iii) the American employees of AXA's subsidiaries in the US hold, behind France, the largest portion of assets in the Group employees savings plans.

The Management Board also recommends that the shareholders vote in favor of only one of the sixth to the fourteenth resolutions, and that they reject the others, because the Bylaws of your Company request the appointment of only one member of the Supervisory Board designated on the recommendation of the employee shareholders. It should be noted, however, that in the event that several of the resolutions numbering from the sixth to the fourteenth receive more votes in favor than a majority of all the votes cast by the shareholders present at the Meeting or duly represented, only that resolution receiving the highest number of votes in favor shall be considered as having passed; the other resolutions in the aforementioned series shall be considered as rejected.

III — Authorization enabling the Company to buy shares of its own stock and, as the case may be, to cancel these shares

Ordinary resolution 15 and extraordinary resolution 20

The Management Board requests that Shareholders once again authorize the Board to purchase up to 10% of the Company's outstanding share capital, or 5% of the total number of shares comprising the share capital in the case of shares acquired by the Company for the purpose of holding them for subsequent payment or tender in a merger, spin-off or contribution.

These shares may be acquired for the purpose of: a) optimizing the liquidity of AXA securities, notably to foster regular and liquid trading in the securities through a liquidity contract that complies with the AFEI Code of conduct approved by the AMF, entered into with an investment services provider in compliance with the market practice accepted by the AMF; b) (i) hedging stock options offered to some or all employees or eligible corporate officers of the AXA Group, (ii) granting free shares to employees and former employees enrolled in a company savings plan, and (iii) granting free shares to employees and eligible corporate officers of the AXA Group in connection with the provisions of Articles L.225-197-1 and following of the French Commercial Code, c) holding and tendering such shares later in payment or in exchange, in connection with potential external growth acquisitions, in compliance with the market practice accepted by the AMF, d) delivering shares upon the exercise of rights attached to bonds with an immediate or future claim on shares of the Company, e) cancelling some or all of these shares, subject to Shareholders approval of the 20th resolution hereinafter, which authorizes this cancellation and/or, more generally, f) performing all operations in compliance with the laws and regulations in force, it being specified that in the event the Management Board intends to use this authorization to purchase stock for objectives other than those explicitly mentioned above, the shareholders will be informed beforehand by any means allowed under applicable regulations.

The maximum unit price of purchase may not exceed 45 euros.

The acquisition, sale or transfer of these shares may be completed and paid for by all appropriate means in accordance with applicable laws and regulations, including through open market transactions or private agreements, over-the-counter and in particular through block trades, by using financial derivatives or warrants or, more generally, through securities with a claim on shares of the Company, or through public offerings, at such time as the Management Board shall decide.

In the event of a public offer on the Company's shares, the Company may opt to pursue the execution of its stock repurchase program in accordance with Article 232-17 of the AMF's General Regulations, but only if (i) the offer to purchase Company shares is paid for exclusively in cash and (ii) the repurchase transactions are conducted within the context of the pursuit of a program that is under way, are consistent with the objectives mentioned in points b) and d) above and not likely to compromise the success of the offer. In this respect, the Management Board believes it is important that the Company may, if need be, repurchase shares of its own stock even in the event of a public offer, in order to comply with its obligations *vis-à-vis* bond holders that have an immediate or future claim on shares of the Company (objective d) described above) or for the purpose of hedging stock purchase options or free shares plans (objective b) described above).

The Management Board recommends that this authorization would cancel and replace the unused portion of the authorization granted by the Shareholders at their Meeting of May 14, 2007, under the thirteenth resolution. If passed, it will remain in force for a period of not more than 18 months, starting from the date of this Shareholders' Meeting.

In compliance with Article 12 of the Bylaws of your Company, this resolution was approved by the Supervisory Board of AXA at its meeting on February 27, 2008.

In the **20th resolution,** the Shareholders are also being asked to grant full authority to the Management Board, which may delegate such authority, to cancel in one or more times, the shares acquired by the Company by virtue of the 15th resolution submitted to this General Meeting, within the limit of 10% of the Company's share capital in any given 24-month period, and to reduce the Company's share capital accordingly, pursuant to the relevant provisions of Article L.225-209 of the French Commercial Code.

IV – Authorizations to be granted to the Management Board to allot free shares and stock options

Free allotments of shares – Extraordinary resolution 16

Pursuant to the relevant provisions of Articles L.225-197-1 and following of the French Commercial Code, we are recommending that you authorize the Management Board, for a period of thirty-eight months starting from the date of this Meeting, to freely allot existing shares or shares of the Company to be issued, in one or more times, to members of personnel chosen from among the employees and eligible corporate officers of the AXA Group.

The rationale behind freely allotting these shares is to reward and retain the best talents by associating them with the intrinsic performance of the AXA Group and of their entity as well as the performance of the AXA share price on the medium-term (2 to 4 years). At first, the number of free shares initially granted is determined for each entity, usually regarding its participation to the Group earnings as for the previous fiscal year. The allotment finally granted will be decided by the Management Board for each beneficiary according to the following criteria: the importance of the job, the importance of the individual in the job, the importance of the individual in the future i.e. his potential and the quality of the individual contribution.

The total number of freely allotted shares offered by virtue of this authorization may not exceed 1% of the number of shares comprising the Company's share capital on the date the Management Board decides their allotment, it being specified that this upper limit is independent from the ceiling provided for stock options in the 17th resolution and from the ceilings set in the other financial authorizations proposed to this Meeting or adopted by the Annual General Meeting of May 14, 2007 and that are still in force.

These shares would be considered as definitively granted after an acquisition period of at least two years, and the beneficiaries would then have to hold their freely allotted shares for a minimum period of two years as of the definitive grant date. However, the Management Board may decide not to impose or to reduce this mandatory holding period for shares whose acquisition period has been set to last for at least four years. Moreover, AXA's policy is that freely allotted shares be definitely granted under the conditions that (i) the beneficiary is still employed by the AXA Group at the date of the definitive grant and that (ii) some conditions of collective performance, measuring both the AXA Group performance and the beneficiary's entity performance, have been fulfilled. Those performance conditions are being modified each year depending on the strategic targets of the AXA Group. As an example, the targets used in 2007 were related to the underlying earnings and adjusted earnings, both for the AXA Group and the entity of the beneficiary. In 2006, the performance targets were for both the AXA Group and the entities, the underlying earnings, the P&C revenue and the New Business Value in Life.

Pursuant to the provisions of applicable law, as for the shares freely granted to the eligible corporate officers according to the aforementioned authorization, the Supervisory Board may decide that those shares may not be disposed of for as long as the beneficiaries hold their positions, or it may specify the number of shares that those beneficiaries must own as registered shareholders for as long as they hold their positions.

The aforementioned authorization would cancel and replace the unused portion of that given by the Shareholders at their Annual Meeting held on April 20, 2005 under the 25th resolution, which also authorized the Management Board to freely allot Company shares. However, this authorization would not cancel and replace the one granted to the Management Board under the 24th resolution by the Shareholders at their Annual Meeting held on May 14, 2007, which authorized the Management Board to grant free shares to all employees of the AXA Group in connection with the "Ambition 2012" plan (24th resolution). In fact, these two authorizations address very different objectives and are completely separate from one another.

By virtue of the aforementioned 24th resolution passed by the Shareholders on May 14, 2007, the Management Board of your Company granted 50 free shares of stock to nearly 112,000 AXA employees worldwide, working in 54 different countries, on July 1st, 2007. In 2009, the Management Board plans to make a second grant of 50 free shares of stock to all AXA employees, provided that at year-end 2008 the Group's performance and achievements are in line with its Ambition 2012 plan objectives, measured on the basis of the following two criteria: underlying earnings per share above 2.41 euros (net of interest on TSS and TSDI debt) and a customer satisfaction index higher than 82%.

The Bylaws of your Company require that the Management Board obtain the prior consent of the Supervisory Board if it decides to make use of this authorization. As provided for by law, the Management Board shall inform the Shareholders at the Annual General Meeting of all transactions carried out by virtue of this authorization.

For more information on AXA's policy regarding free allotment of shares, please refer to the Section "Executive Compensation" of the 2007 Annual Report *(Document de Référence)* filed with the AMF *(Autorité des marchés financiers)*.

Stock subscription or purchase options — Extraordinary resolution 17

Pursuant to Articles L.225-177 to L.225-185 of the French Commercial Code, we are asking you to authorize the Management Board, for a period of thirty-eight months starting from the close of this Meeting, to grant to some or all employees and eligible corporate officers of the AXA Group, in one or more times, stock subscription and/or stock purchase options, giving the right to subscribe newly issued shares or to purchase existing shares acquired through shares repurchase programs carried out by the Company in accordance with the law.

The aim of stock subscription or purchase options is to encourage beneficiaries to take an active interest in the development of their company by allowing them to share in the possible appreciation of the value of the shares to which these options entitle them. Grant criteria used for options are similar to those used for freely allotted shares and that are described above.

The terms and conditions proposed by the Management Board for setting the purchase or subscription price for the shares acquired through the exercise of options are the following.

The Management Board shall determine, on the day it grants the options, the subscription or purchase price of the shares in accordance and within the limits set forth by applicable laws, provided that such price shall not be lower than the average price of the Company's shares on the Paris Stock Exchange over the twenty trading days preceding the date on which the Management Board grants the options.

All options so granted shall be exercised within a period of ten years commencing from the grant date. In accordance with applicable legislation, as for the options granted to the eligible corporate officers, the Supervisory Board may prohibit the exercise of options for as long as their beneficiaries hold their positions or immediate resale with the obligation to own in registered form all or some of the shares that result from the exercise of options for as long as they hold their position. Notwithstanding the foregoing, if the Supervisory Board decides to prohibit, pursuant to the provisions of Article L.225-185 of the French Commercial Code, the exercise of the options for as long as the beneficiaries hold their positions, the deadline for exercise shall not expire before a minimum period of six months starting from the date the prohibition ends. The period for exercising the options will be postponed accordingly.

The total number of subscription options granted under this authorization shall not entitle beneficiaries to subscribe to a number of shares exceeding 2% of the number of shares comprising the share capital of the Company on the date on which the Management Board grants such options, an amount that is separate from the ceiling set under the resolution concerning the free allotment of shares (16th resolution of this Meeting) and from the ceilings set in the other financial authorizations proposed to this Meeting or adopted by the Annual General Meeting of May 14, 2007 and that are still in force.

As provided for by law, the Management Board would have all necessary powers to determine the list of option grantees as well as the number of options to be granted to each one, and to set the other terms and conditions governing these options.

This authorization, if granted, would cancel and replace the unused portion of that granted by the Shareholders at their Annual General Meeting held on April 20, 2005 under the twenty-sixth resolution, which authorized the Management Board to grant stock options.

As provided for by law, the Management Board shall inform each year the Shareholders at the ordinary General Meeting of transactions carried out within the framework of this authorization.

For more information on AXA's policy regarding stock subscription and purchase options, please refer to the Section "Executive Compensation" of the 2007 Annual Report *(Document de Référence)* filed with the AMF *(Autorité des marchés financiers)*.

V – Authorizations to be granted to the Management Board to issue equity securities or other securities with a claim on the capital of the Company through employees savings plan

Under the **18th resolution,** we are asking the Shareholders, as provided for by Articles L.225-138-1 and L.225-129-6 of the French Commercial Code, and Articles L.443-1 and following of the French Labor Code, to authorize the Management Board, with the option of sub-delegation to any person authorized by law, to increase the share capital, in one or several offerings, at its sole discretion, through the issue of shares or other securities granting access to the Company's share capital, and reserved for employees or former employees, who are enrolled in AXA's employer-sponsored Company savings plan, for a period of eighteen months and up to a maximum nominal amount of 100 million euros. This authorization would also entail a waiver by the Shareholders of their preferential subscription rights with respect to equity securities or other securities issued by virtue of this delegation in favor of members of a company savings plan, possibly for free allotment. It also entails a waiver of their preferential subscription right to subscribe to shares that the Company may issue for any securities that may be issued by virtue of this resolution.

In accordance with applicable laws, the discount off the average price of the Company's shares on the Paris Stock Exchange over the twenty trading days prior to the day on which the Management Board formally determines the opening date of the subscription period, shall not exceed 20%. However the subscription price shall not be higher than this average.

However, you would also be authorizing the Management Board to reduce or waive the aforementioned discount, as it deems appropriate, in particular to take into account new international accounting standards, or locally applicable legal, accounting, tax or social provisions.

Continuing on from the 18th resolution, the **19th resolution** proposes to authorize the Management Board to decide to increase the share capital of the Company, in one or more times, these issues of shares being reserved to the category of beneficiaries having the following characteristics: any bank or any entity held by such bank, which, at the request of the Company, participates in the implementation of a structured offer for employees and corporate officers of entities affiliated to the Company within the meaning of Articles L.225-180 of the French Commercial Code and L.444-3 of the French Labor Code and incorporated outside France.

Such a capital increase would allow employees and corporate officers of entities of the AXA Group, who are residents in certain countries outside France, to benefit from an offer as close as possible, in terms of economic profile and taking into account legal or tax constraints that may exist locally, to the offer which would be made to the other employees of the group pursuant to the use of a 18th resolution.

Total nominal amount of shares that may be issued by virtue of this authorization will be limited to 100 million euros and will be deducted from the total nominal amount of shares that may be issued pursuant to the 18th resolution of this Meeting so as the total amount of the capital increase that could result from the implementation of the 18th and 19th resolutions should not exceed 100 million euros of nominal value.

The subscription price of the shares issued pursuant to this authorization shall not be more than 20% lower than the average of the quoted price of the shares of the Company on the Paris Stock Exchange during the twenty trading days preceding the decision setting the subscription opening date to a capital increase realised by virtue of the eighteenth resolution, or higher than this average; the Management Board shall be entitled to decide to reduce or cancel any discount so granted, as it deems appropriate, in order to take into account, legal, social, tax or accountancy regulatory rules applicable locally.

In the event the Management Board would decide to use the authorizations above, supplementary reports will be established by the Management Board and the Statutory Auditors, in compliance with the legislation currently in force.

VI – Formalities

Extraordinary resolution 21

This **21st resolution** grants full authority to carry out all formal publication, filing and other requirements, as the case may be, following this Annual Meeting.

SUPPLEMENTARY MANAGEMENT BOARD REPORT – CAPITAL INCREASE RESERVED FOR AXA GROUP EMPLOYEES (NOVEMBER 28, 2007)

At its meeting on May 28, 2007, the AXA Management Board decided to increase the share capital of the Company by issuing a maximum number of 65,502,183 shares of the Company for employees of the AXA Group companies, in France and abroad.

This issuance was conducted within the framework of the authorization granted to the Management Board under the twenty-third resolution adopted by the Shareholders at their Meeting on May 14, 2007, by virtue of the relevant provisions of Articles L.225-138-1 and L.225-129-6 and following of the French Commercial Code and L.443-1 of the French Labour Code.

The decision of the Shareholders' Meeting mentionned above entailed the waiver by Shareholders of their preferential subscription rights to the shares or securities to be issued and, as the case may be, freely allotted to employees of the Group, and a waiver of the preferential subscription rights to the ordinary shares of stock that the aforementioned securities may give access.

This authorization was granted to the Management Board for a period of 26 months as of the date of the Shareholders' Meeting in question, for the purpose of increasing the Company's share capital in one or more issues, acting on the basis of its own deliberations, by issuing shares reserved for Group employees or former employees, provided they are members of the AXA Group employee savings plan *(Plan d'Epargne d'Entreprise du Groupe)* or the International Employee Stock Purchase Plan (IESPP), up to a maximum nominal amount of 150 million euros.

In addition to the traditional plan for increasing capital for the benefit of employees, the Group offered investment leverage plans. In connection with this investment leverage plan, several different mutual funds were set up for French residents and for residents of other countries.

The holders of fund units were entitled to an investment leverage mechanism, which allowed them to limit their personal contribution to 10% of the subscription price for these shares, while also being guaranteed – via a swap made by the fund – that the break-up value of their units upon fund wind-up and/or at maturity, or in cases provided for by law, in the event of any early redemption before this date, would be equal to their personal contribution and a percentage of the gain on all of the shares for which they have subscribed via the fund.

Fund regulations, approved by the AMF (*Autorité des marchés financiers*) on July 3, 2007 and July 13, 2007, provide further details on this operation.

The subscription price, decided by the Management Board at its Meeting on September 17, 2007, was based on a reference price equal to the arithmetical average of the 20 opening stock price quotes for the AXA shares on Eurolist by Euronext Paris S.A. over a period of 20 trading days from August 20, 2007 through September 14, 2007.

In connection with the traditional plan, for all countries (including Germany), the subscription price was equal to 80% of this reference price (or its counter-value in local currency), and in connection with the investment leverage plan, for all countries (excluding Germany, where it was equal to 100% of the reference price), the subscription price was equal to 85.75% of this reference price (or its counter-value in local currency).

Employees subscribed for a total of €50,582,894 (nominal value) in this reserved capital increase, duly noted by the Management Board on November 28, 2007, consisting in the issuance of:
- 3,186,392 new shares subscribed at a price of €23.23 each under the traditional plan, earning dividends as from January 1, 2007,
- 17,023,582 new shares subscribed at a price of €24.89 each under the investment leverage plan (excluding Germany), earning dividends as from January 1, 2007,
- 1,878,626 shares with stock warrants subscribed at a price of €29.03 each, earning dividends as of January 1, 2007, under the investment leverage plan in Germany.

Impact of the capital increase

A shareholder who holds 1% of AXA's share capital prior to this capital increase reserved for employees, would hold 0.989% after the increase, which represents a decrease of 1.04%.

For the shareholder who holds 1 share of AXA stock prior to the completion of this capital increase reserved for employees, the percentage share in AXA's consolidated shareholders' equity would increase by 0.15% based on the financial statements dated June 30, 2007, from €21.80 to €21.83.

The announcement made by the Management Board on November 29, 2007, relating to the issuance of 22,088,600 new shares, did not have any material impact on the AXA share price on the date it was released.

The Management Board

AXA SUPERVISORY BOARD'S COMMENTS ON THE MANAGEMENT BOARD'S REPORT AND THE FINANCIAL STATEMENTS

Dear Shareholders,

Your Supervisory Board met nine times in 2007. In accordance with applicable regulations and AXA's Bylaws, the Board completed all the checks and controls on the operations and business of the Management Board it deems appropriate, based on the works of its four special-purpose Committees (Selection, Ethics, Governance and Human Resources Committee, which held three meetings; Compensation Committee, which held three meetings; Finance Committee, which held four meetings; Audit Committee, which held seven meetings).

Your Supervisory Board, in particular, sought to ensure particularly that its own organization resulted in good corporate governance of the Company.

In accordance with applicable laws, the Management Board submitted to the Supervisory Board for its review AXA's financial statements for 2007 (Company's financial statements – parent only – and the consolidated financial statements) as well as the Management Board's report on the Company's and the Group's business for the financial year elapsed.

The Supervisory Board states to the Shareholders' Meeting that it does not have any comment on the financial statements and report submitted by the Management Board.

In addition, the Supervisory Board reviewed the financial resolutions put to the vote at your Meeting, and requiring its prior authorisation. These resolutions were approved by the Supervisory Board, which does not have any objections or specific remarks in respect thereof.

Furthermore, as Mr. Claude Bébéar's term of office as a member of the Board is set to expire at the close of the Meeting of April 22, 2008, the Management Board asks you to consider the appointment of Mr. François Martineau to replace him. Following the recommendation of its Selection, Ethics, Governance and Human Resources Committee, the Board has issued a favourable opinion on the appointment of Mr. Martineau, whose know-how and skills as an international lawyer will constitute an important contribution to the Supervisory Board.

The term of office of Mr. Jacques Tabourot, who was appointed by the Shareholders' Meeting in 2004 on the recommendation of the employee shareholders of the AXA Group, is also due to expire at the close of the Meeting of April 22, 2008. This Meeting is also required to replace him. Amongst the nine candidates whom you are called to vote on, the Supervisory Board, following the recommendation on its Selection, Ethics, Governance and Human Resources Committee, issued a favourable opinion on the appointment of Ms. Wendy Cooper, whose nomination is recommended by the Management Board.

Consequently, the Board recommends you to approve the 2007 financial statements as well as all of the other resolutions put to the vote at your Meeting and approved by the Management Board.

The 2007 financial year has been another very good year in terms of results, which confirms the profitability and the strong internal growth pace of the AXA Group, its capacity to manage significant external growth transactions constituting a valuable contribution and the relevance of the Group strategy.

We would like to thank specially the employees of the AXA Group and the Management Board for the quality of their work and their high commitment to the success of the Company.

The Supervisory Board is confident that the AXA Group has the ability to ensure the long-term growth of the Group with ambitous objectives.

The Supervisory Board

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Special report of the Statutory Auditors on the free allotment of existing or new shares reserved for employees and corporate officers

(Article L.225-197-1 of the French Commercial Code)
(Annual Meeting of Shareholders of April 22, 2008 – 16th resolution)

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders of **AXA**
25, avenue Matignon
75008 Paris

In our capacity as Statutory Auditors of AXA, and in accordance with the relevant terms of Article L.225-197-1 of the French Commercial Code, we have prepared this report on the proposed free allotment of existing or new shares to some or all employees and eligible corporate officers of the Company and its affiliated companies or economic interest groups, within the meaning of Article L.225-197-2 of the French Commercial Code.

Your Management Board is asking that you grant it the authority to freely allot shares, either existing or new. The Management Board is required to prepare a special report on this transaction that it wishes to undertake. Our role is to examine this report and to report to you of any comments we may have on information that are disclosed to you in connection with the proposed transaction.

Given the absence of professional standards with respect to this type of transaction, which was made possible under laws passed on December 30, 2004 and on December 30, 2006, we have performed the procedures that we deemed necessary. In particular, we have verified that the conditions proposed and set forth in the Management Board report are consistent with the requirements of relevant legislation on this type of transaction.

We have no particular observations to make on the information given in the Management Board report on the proposed free allotment of shares.

Neuilly-sur-Seine and Courbevoie, March 25, 2008

The Statutory Auditors

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Special report of the Independent Auditors on stock purchase or stock subscription options granted to eligible employees

(Annual Meeting of Shareholders of April 22, 2008 – 17th resolution)

This is a free translation into English of the statutory auditors' report issued in French and which is provided solely for the convenience of English readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders of **AXA**
25, avenue Matignon
75008 Paris

In our capacity as Statutory Auditors of AXA and in accordance with the terms of our assignment pursuant to Article L.225-177 and the second paragraph of Article R.225-144 of the French Commercial Code, we hereby submit our report on stock purchase or subscription options granted to some or all employees and to some or all eligible corporate officers of the Company or any of its affiliated companies or any economic interest groups within the meaning of Article L.225-180 of the French Commercial Code.

It is the responsibility of the Management Board to establish a report on the reasons for, on the terms under which these stock purchase and/or stock subscription options may be granted, and on the proposed modalities for the purpose of determining the purchase or subscription price. Our role is to express a conclusion on the projected terms and conditions under which the subscription or purchase price is established.

We performed our work in accordance with the standards of our profession applicable in France. Those standards require that we plan and perform the review required to check that the terms and conditions for setting the subscription or purchase price are mentioned in the Management Board Report, that they comply with legislation in force, and that they do not appear to be manifestly inappropriate.

We have no particular matter to express on the projected terms and conditions.

Neuilly-sur-Seine and Courbevoie, March 25, 2008

The Statutory Auditors

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Special report of Statutory Auditors on the equity issue reserved for employees

(Annual Meeting of Shareholders held on April 22, 2008 – 18^{th} resolution)

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders of **AXA**
25, avenue Matignon
75008 Paris

In our capacity as Statutory Auditors of AXA, and in accordance with Article L.225-135 and following of the French Commercial Code, we hereby submit our report on the proposed capital increase with preferential subscription rights waived, for up to a nominal amount of 100 million euros, by issuing shares or other securities giving a claim to the share capital of the Company reserved for employees and former employees of your Company and affiliated companies or economic interest groups within the meaning of Article L.225-180 of the aforementioned French Commercial Code, a transaction that is being submitted for your consideration and vote.

This capital increase is being submitted to your approval pursuant to Articles L.225-129-6 of the French Commercial Code and L.443-5 of the French Labour Code.

Your Management Board is asking that you, acting on the basis of its report, delegate, over a period of 18 months, to it the authority to determine the terms of this transaction and is proposing that you waive your preferential subscription rights to any shares issued by virtue of this delegation.

Your Management Board is required to prepare a report in compliance with Articles R.225-113 and R.225-114 of the French Commercial Code. Our role is to assess on the fairness of the financial information taken from the financial statements, on the proposed waiver of preferential subscription rights and on certain other disclosures pertaining to the issuance and contained in this report.

It is specified that:

- The discount may not exceed 20% of the average prices of the AXA stock on the Paris Stock Exchange during the twenty trading days preceding the Management Board's decision setting the starting date of subscription.
- The Management Board may reduce or eliminate the aforementioned discount, as it deems appropriate, in particular to take into account the new international accounting standards, or, *inter alia*, locally applicable legal, accounting, tax or social regulations.
- The Management Board may also substitute all or part of the discount with the allotment of shares or other securities with a claim to the Company's capital, in application of the provisions indicated in its report.

We performed our work in accordance with the standards of our profession applicable in France. These standards require us to perform procedures to examine and verify the content of the Management Board report on this transaction and the methods used to determine the issue price of the equity securities to be created.

Notwithstanding subsequent review of the terms and conditions under which any of these capital increases may be decided, we have nothing to report in connection with the information given on the basis used to calculate the subscription price of the equity securities to be issued, as disclosed in the Management Board report.

As the amount of the issue price is not yet determined, we express no conclusion on the final terms and conditions under which the capital increase will be carried out and consequently on the proposal that is made to you to waive your preferential subscription rights.

In compliance with Article R.225-116 of the French Commercial Code, we will prepare a supplementary report when and if your Management Board makes use of this authorization.

Neuilly-sur-Seine and Courbevoie, March 25, 2008

The Statutory Auditors

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Report of the Statutory Auditors on the capital increase with waiver of the preferential subscription rights of the Shareholders reserved for a category of beneficiaries

(Annual Meeting of Shareholders held on April 22, 2008 – 19th resolution)

This is a free translation into English of the Statutory Auditors' report issued in French and which is provided solely for the convenience of English readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders of **AXA**
25, avenue Matignon
75008 Paris

In our capacity as Statutory Auditors of AXA, and in accordance with the terms of our assignment pursuant to Articles L.225-135 and following of the French Commercial Code, we hereby submit our report on the contemplated increase of the share capital with preferential subscription rights waived, up to a maximum nominal amount of €100 million, and reserved for a category of beneficiaries, on which you are being asked to deliberate and vote.

Acting on the basis of its report, your Management Board is asking you to delegate to it full authority, for a period of eighteen months, to determine the terms and conditions of this transaction and to waive your preferential subscription rights.

It is the responsibility of your Management Board to prepare a report in accordance with Articles R.225-113 and R.225-114 of the French Commercial Code. We are required to give our opinion on the fairness of the figures taken from the financial statements, on the proposal to waive the preferential subscription rights and on other disclosures pertaining to the issuance and contained in this report.

It is understood that:
– the aggregate nominal amount which may result from this resolution and the 18th resolution shall not exceed the nominal amount of EUR 100,000,000.00;
– your Management Board is asking you to waive the preferential subscription rights of the shareholders to the shares to be issued in connection with this authorization and to reserve the subscription to the category of beneficiaries having the following characteristics: any bank or any entity held by such bank, which, at the request of the Company, participates in the implementation of a structured offer for employees and corporate officers of companies or economic interest groups affiliated to the Company within the meaning of Articles L.225-180 of the French Commercial Code and L.444-3 of the French Labour Code, which are residents in certain countries outside France, and having an economics profile, similar to the offer which would be made in connection with a capital increase conducted under the 18th resolution;
– the Management Board may grant a discount on the subscription price of the new shares that shall not be more than 20% than the average of the quoted price of the shares of the Company on the Paris Stock Exchange during the twenty trading days preceding the decision of the Management Board setting the subscription opening date to a capital increase realised by virtue of the 18th resolution;
– the Management Board shall be entitled to reduce or cancel any discount so granted in order to take into account new international accounting standards, *inter alia*, locally applicable legal, accounting, tax or social provisions.

We performed our work in accordance with the standards of our profession applicable in France. Those standards require that we plan and perform procedures to verify the fairness of the information provided in the report of the Management Board and the fairness of the terms and conditions under which the issue price is being determined.

Notwithstanding subsequent review of the terms and conditions under which the proposed share capital increase may be conducted, we have no particular observations to make with respect to the methods used to determine the issue price that are described in the report of the Management Board.

As the amount of the issue price is not yet determined, we express no conclusion on the final terms and conditions under which the capital increase will be carried out and consequently on the proposal that is made to you to waive your preferential subscription rights.

In compliance with Article R.225-116 of the French Commercial Code, we will prepare a supplementary report when and if your Management Board makes use of this authorization.

Neuilly-sur-Seine and Courbevoie, March 25, 2008

The Statutory Auditors

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Special report of the Statutory Auditors on the reduction of share capital by cancellation of repurchased shares

(Annual Shareholders' Meeting of April 22, 2008 – 20th resolution)

This is a free translation into English of the Statutory Auditors' report issued in French and which is provided solely for the convenience of English readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders of **AXA**
25, avenue Matignon
75008 Paris

In our capacity as Statutory Auditors of AXA and as required under the provisions of Article L.225-209, paragraph 7, of the French Commercial Code in the event of a reduction of capital by cancellation of repurchased shares, we hereby present our report on our assessment of the reasons for and terms of the proposed capital reduction.

We performed our work in accordance with the standards applicable in France. Those standards require that we plan and perform procedures to assess whether the reasons for and terms of the capital reduction are proper.

This transaction is related to the share repurchase program under which the Company may repurchase its own shares up to a maximum of 10% of its share capital under the conditions set forth in Article L.225-209 of the French Commercial Code. This program is also being submitted for approval by the Shareholders' Meeting (15th resolution), and would be granted for a period of eighteen months.

The Management Board is asking you to delegate to it full authority, for a period of eighteen months, to cancel shares purchased under the proposed share repurchase program up to a maximum of 10% of the share capital per 24-month period.

We have no matters to report as to the reasons for and terms of the proposed capital reduction, provided that such a transaction is subject to your prior approval of the proposed share repurchase program.

Neuilly-sur-Seine and Courbevoie, March 25, 2008

The Statutory Auditors

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Supplementary report of the Statutory Auditors on the capital increase reserved for employees with waiver of the preferential subscription rights

(Management Board Meeting of November 28, 2007)

This is a free translation into English of the Statutory Auditors' report issued in French and which is provided solely for the convenience of English readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders of **AXA**
25, avenue Matignon
75008 Paris

In our capacity as Statutory Auditors of AXA and pursuant to the provisions of Article R.225-116 of the French Commercial Code, we hereby present a supplementary report to our special report of April 10, 2007 on the issuance of shares with waiver of the preferential subscription rights as decided by the Annual General Meeting of May 14, 2007.

This Meeting delegated authority to the Management Board to carry out such transactions over a period of twenty-six months, up to a maximum nominal amount of €150 million.

Exercising the powers entrusted to it, the Management Board decided, at its Meeting of November 28, 2007, to conduct a capital increase of a nominal amount of €50,582,894 via the issuance of:
- 3,186,392 new shares at a subscription price of €23.23 each under the classic plan reserved for employees of the Company, of affiliated companies that are directly or indirectly controlled by the Company, and of affiliated economic interest groups, and earning dividends as from January 1, 2007;
- 17,023,582 new shares at a subscription price of €24.89 each under the investment leverage plan reserved for employees of the Company, of affiliated companies that are directly or indirectly controlled by the Company (except for German employees), and of affiliated economic interest groups, and earning dividends as from January 1, 2007;
- 1,878,626 shares with stock warrants attached at a subscription price of €29.03 each, earnings dividends as from January 1, 2007, under the investment leverage plan offered to employees in Germany.

It is the responsibility of the Management Board to prepare a supplementary report in accordance with Articles R.225-115 and R.225-116 of the French Commercial Code. We are required to give our opinion on the fairness of the figures taken from the financial statements, on the proposal to waive the shareholders' preferential subscription rights and on certain other information provided in this report.

We performed our work in accordance with the standards of our profession applicable in France. Those standards require that we plan and perform procedures to verify:
- the fairness of the figures taken from the interim financial statements on June 30, 2007, prepared under the responsibility of the Management Board in accordance with the same methods and pursuant to the same presentation as the last financial statements. We conducted a limited review of those interim financial statements in accordance with the professional standards applicable in France;
- the conformity of the terms and conditions of the transaction with the delegation of authority granted by the Annual General Meeting, and the fairness of the information provided in the supplementary report of the Management Board on the calculation of the subscription price and its amount.

We have no matters to report on:
- the fairness of the figures taken from the Company's financial statements and given in the supplementary report of the Management Board;
- the conformity of the terms and conditions of the transaction with the delegation of authority granted by the Annual General Meeting of May 14, 2007 and with the information provided at that Meeting;
- the proposal to waive the shareholders' preferential subscription rights, which you have already approved, and the calculation method of the subscription price and final amount of the issue price;
- the presentation of the impact of the issue on the position of holders of shares or securities giving access to the share capital based on the shareholders' equity and the stock price.

Neuilly-sur-Seine and Courbevoie, November 30, 2007

The Statutory Auditors

PricewaterhouseCoopers Audit
Eric Dupont – Yves Nicolas

Mazars & Guérard
Patrick de Cambourg – Jean-Claude Pauly

ORDINARY RESOLUTIONS

First resolution

Approval of the Company's financial statements for 2007 – parent only

The Shareholders, having fulfilled the quorum and majority requirements pertaining to ordinary general meetings, and having reviewed the Management Board Reports, the Supervisory Board Report relative to the Management Board Report and the financial statements for the year ended December 31, 2007, and the Auditors' Report on the financial statements,

hereby approve the financial statements of AXA (the "Company") for the year ended December 31, 2007 as presented, together with the transactions reflected therein or referred to in the aforementioned reports, showing a profit of €1,765,325,129.

Second resolution

Approval of the consolidated financial statements for 2007

The Shareholders, having fulfilled the quorum and majority requirements pertaining to ordinary general meetings, and having reviewed the Management Board Reports, the Supervisory Board Report relative to the Management Board Report and the financial statements for the year ended December 31, 2007, and the Auditors' Report on the consolidated financial statements,

hereby approve the Company's consolidated financial statements for the year ended December 31, 2007 as presented, together with the transactions reflected therein or referred to in the aforementioned reports.

Third resolution

Earnings appropriation and declaration of a dividend of €1.20 per share

The Shareholders, having fulfilled the quorum and majority requirements pertaining to ordinary general meetings, upon the proposal of the Management Board and having noted that earnings for the year ended December 31, 2007 amount to €1,765,325,129,

hereby note that earnings for the year ended December 31, 2007 increased by prior-year retained earnings bring the distributable earnings amount up to: €2,479,122,236

hereby resolve to allocate the total distributable earnings as follows:
- to the payment of a dividend of €2,472,904,190
- to retained earnings €6,218,046

The Shareholders further resolve that the dividend of €1.20 for each of the 2,060,753,492 ordinary share earning dividends as from January 1st, 2007, shall be made available for payment on April 29, 2008.

In accordance with paragraph 2° of Article 158.3 of the French General Tax Code *(Code Général des Impôts)*, natural persons resident in France for tax purposes will be eligible for 40% tax relief on the dividend, or €0.48 per share.

Other than the dividend referred to above, no other earnings, whether or not eligible for the above-mentioned 40% tax relief, are distributed pursuant to this General Meeting.

For information, the following dividends per share, dividends with tax relief and dividends without tax relief were granted for the preceding three fiscal years:

	Fiscal year 2004	Fiscal year 2005	Fiscal year 2006
Dividend per share	€0.61 (a)	€0.88 (b)	€1.06 (c)
Dividend with tax relief	€0.61 (a)	€0.88 (b)	€1.06 (c)
Dividend without tax relief	–	–	–

(a) This amount of distributable dividend entitled the natural persons resident in France for tax purposes to 50% tax relief. This dividend payout was made in 2005.
(b) This amount of distributable dividend entitled the natural persons resident in France for tax purposes to 40% tax relief. This dividend payout was made in 2006.
(c) This amount of distributable dividend entitled the natural persons resident in France for tax purposes to 40% tax relief. This dividend payout was made in 2007.

As for the dividend received from January 1st, 2008, the beneficiaries who have opted for a flat deduction at source will not be entitled to the aforementioned tax relief.

In the event that the Company holds certain of its own shares at the time dividends are made available for payment, the corresponding dividends shall be appropriated to retained earnings.

Fourth resolution

Approval of the Auditors' Special Report on regulated agreements

The Shareholders, having fulfilled the quorum and majority requirements pertaining to ordinary general meetings, and having reviewed the Auditors' Special Report on agreements falling within the scope of Article L.225-86 of the French Commercial Code *(Code de commerce)*, hereby approve the aforementioned report, which does not mention the existence of any new regulated agreements falling within the scope of the aforementioned Article and that were concluded during the year ended December 31, 2007.

Fifth resolution

Appointment of Mr. François Martineau to serve as a member of the Supervisory Board

The Shareholders, having fulfilled the quorum and majority requirements pertaining to ordinary general meetings, hereby appoint Mr. François Martineau to serve as a member of the Supervisory Board, replacing Mr. Claude Bébéar whose term of office expires at the end of this General Meeting, for a four-year term, as provided for in Article 10 of the Company's Bylaws, expiring at the close of the General Meeting of Shareholders in 2012 called to approve the financial statements for the year ending December 31, 2011.

Sixth resolution (Not approved by the Management Board)

Appointment of Mr. Francis Allemand to serve as a member of the Supervisory Board, upon the recommendation of the employee shareholders of the AXA Group

The Shareholders, having fulfilled the quorum and majority requirements pertaining to ordinary general meetings, having reviewed the Management Board Report, and Article 10. C of the Company's Bylaws in particular, and upon the recommendation of the employee shareholders mentioned in Article L.225-102 of the French Commercial Code,

- hereby appoint Mr. Francis Allemand to serve as a member of the Supervisory Board, replacing Mr. Jacques Tabourot, whose term of office expires at the end of this General Meeting, for a four-year term, as provided for in Article 10. C of the Company's Bylaws, expiring at the close of the General Meeting of Shareholders in 2012 called to approve the financial statements for the year ending December 31, 2011;
- also decide that (i) in the event that several of the resolutions numbering from the sixth to the fourteenth resolution receive more votes in favor than a majority of all the votes to which the shareholders present today or duly represented may cast, only that resolution receiving the highest number of votes in favor shall be considered as having passed; the other resolutions in the aforementioned series shall be considered as rejected; and finally decide that (ii) in the event that none of the resolutions numbering from the sixth to the fourteenth resolution receive more votes in favor than a majority of all the votes to which the shareholders present today or duly represented may cast, then no candidate shall be appointed to serve as a member of the Supervisory Board by the present General Meeting.

Seventh resolution (Not approved by the Management Board)

Appointment of Mr. Gilles Bernard to serve as a member of the Supervisory Board, upon the recommendation of the employee shareholders of the AXA Group

The Shareholders, having fulfilled the quorum and majority requirements pertaining to ordinary general meetings, having reviewed the Management Board Report, and Article 10. C of the Company's Bylaws in particular, and upon the recommendation of the employee shareholders mentioned in Article L.225-102 of the French Commercial Code,

- hereby appoint Mr. Gilles Bernard to serve as a member of the Supervisory Board, replacing Mr. Jacques Tabourot, whose term of office expires at the end of this General Meeting, for a four-year term, as provided for in Article 10. C of the Company's Bylaws, expiring at the close of the General Meeting of Shareholders in 2012 called to approve the financial statements for the year ending December 31, 2011;
- also decide that (i) in the event that several of the resolutions numbering from the sixth to the fourteenth resolution receive more votes in favor than a majority of all the votes to which the shareholders present today or duly represented may cast, only that resolution receiving the highest number of votes in favor shall be considered as having passed; the other resolutions in the aforementioned series shall be considered as rejected; and finally decide that (ii) in the event that none of the resolutions numbering from the sixth to the fourteenth resolution receive more votes in favor than a majority of all the votes to which the shareholders present today or duly represented may cast, then no candidate shall be appointed to serve as a member of the Supervisory Board by the present General Meeting.

Eighth resolution (Not approved by the Management Board)

Appointment of Mr. Alain Chourlin to serve as a member of the Supervisory Board, upon the recommendation of the employee shareholders of the AXA Group

The Shareholders, having fulfilled the quorum and majority requirements pertaining to ordinary general meetings, having reviewed the Management Board Report, and Article 10. C of the Company's Bylaws in particular, and upon the recommendation of the employee shareholders mentioned in Article L.225-102 of the French Commercial Code,

- hereby appoint Mr. Alain Chourlin to serve as a member of the Supervisory Board, replacing Mr. Jacques Tabourot, whose term of office expires at the end of this General Meeting, for a four-year term, as provided for in Article 10. C of the Company's Bylaws, expiring at the close of the General Meeting of Shareholders in 2012 called to approve the financial statements for the year ending December 31, 2011;
- also decide that (i) in the event that several of the resolutions numbering from the sixth to the fourteenth resolution receive more votes in favor than a majority of all the votes to which the shareholders present today or duly represented may cast, only that resolution receiving the highest number of votes in favor shall be considered as having passed; the other resolutions in the aforementioned series shall be considered as rejected; and finally decide that (ii) in the event that none of the resolutions numbering from the sixth to the fourteenth resolution receive more votes in favor than a majority of all the votes to which the shareholders present today or duly represented may cast, then no candidate shall be appointed to serve as a member of the Supervisory Board by the present General Meeting.

Ninth resolution

Appointment of Ms. Wendy Cooper to serve as a member of the Supervisory Board, upon the recommendation of the employee shareholders of the AXA Group

The Shareholders, having fulfilled the quorum and majority requirements pertaining to ordinary general meetings, having reviewed the Management Board Report, and Article 10. C of the Company's Bylaws in particular, and upon the recommendation of the employee shareholders mentioned in Article L.225-102 of the French Commercial Code,

- hereby appoint Ms. Wendy Cooper to serve as a member of the Supervisory Board, replacing Mr. Jacques Tabourot, whose term of office expires at the end of this General Meeting, for a four-year term, as provided for in Article 10. C of the Company's Bylaws, expiring at the close of the General Meeting of Shareholders in 2012 called to approve the financial statements for the year ending December 31, 2011;
- also decide that (i) in the event that several of the resolutions numbering from the sixth to the fourteenth resolution receive more votes in favor than a majority of all the votes to which the shareholders present today or duly represented may cast, only that resolution receiving the highest number of votes in favor shall be considered as having passed; the other resolutions in the aforementioned series shall be considered as rejected; and finally decide that (ii) in the event that none of the resolutions numbering from the sixth to the fourteenth resolution receive more votes in favor than a majority of all the votes to which the shareholders present today or duly represented may cast, then no candidate shall be appointed to serve as a member of the Supervisory Board by the present General Meeting.

Tenth resolution (Not approved by the Management Board)

Appointment of Mr. Rodney Koch to serve as a member of the Supervisory Board, upon the recommendation of the employee shareholders of the AXA Group

The Shareholders, having fulfilled the quorum and majority requirements pertaining to ordinary general meetings, having reviewed the Management Board Report, and Article 10. C of the Company's Bylaws in particular, and upon the recommendation of the employee shareholders mentioned in Article L.225-102 of the French Commercial Code,

- hereby appoint Mr. Rodney Koch to serve as a member of the Supervisory Board, replacing Mr. Jacques Tabourot, whose term of office expires at the end of this General Meeting, for a four-year term, as provided for in Article 10. C of the Company's Bylaws, expiring at the close of the General Meeting of Shareholders in 2012 called to approve the financial statements for the year ending December 31, 2011;
- also decide that (i) in the event that several of the resolutions numbering from the sixth to the fourteenth resolution receive more votes in favor than a majority of all the votes to which the shareholders present today or duly represented may cast, only that resolution receiving the highest number of votes in favor shall be considered as having passed; the other resolutions in the aforementioned series shall be considered as rejected; and finally decide that (ii) in the event that none of the resolutions numbering from the sixth to the fourteenth resolution receive more votes in favor than a majority of all the votes to which the shareholders present today or duly represented may cast, then no candidate shall be appointed to serve as a member of the Supervisory Board by the present General Meeting.

Eleventh resolution (Not approved by the Management Board)

Appointment of Mr. Hans Nasshoven to serve as a member of the Supervisory Board, upon the recommendation of the employee shareholders of the AXA Group

The Shareholders, having fulfilled the quorum and majority requirements pertaining to ordinary general meetings, having reviewed the Management Board Report, and Article 10. C of the Company's Bylaws in particular, and upon the recommendation of the employee shareholders mentioned in Article L.225-102 of the French Commercial Code,

- hereby appoint Mr. Hans Nasshoven to serve as a member of the Supervisory Board, replacing Mr. Jacques Tabourot, whose term of office expires at the end of this General Meeting, for a four-year term, as provided for in Article 10. C of the Company's Bylaws, expiring at the close of the General Meeting of Shareholders in 2012 called to approve the financial statements for the year ending December 31, 2011;
- also decide that (i) in the event that several of the resolutions numbering from the sixth to the fourteenth resolution receive more votes in favor than a majority of all the votes to which the shareholders present today or duly represented may cast, only that resolution receiving the highest number of votes in favor shall be considered as having passed; the other resolutions in the aforementioned series shall be considered as rejected; and finally decide that (ii) in the event that none of the resolutions numbering from the sixth to the fourteenth resolution receive more votes in favor than a majority of all the votes to which the shareholders present today or duly represented may cast, then no candidate shall be appointed to serve as a member of the Supervisory Board by the present General Meeting.

Twelfth resolution (Not approved by the Management Board)

Appointment of Mr. Frédéric Souhard to serve as a member of the Supervisory Board, upon the recommendation of the employee shareholders of the AXA Group

The Shareholders, having fulfilled the quorum and majority requirements pertaining to ordinary general meetings, having reviewed the Management Board Report, and Article 10. C of the Company's Bylaws in particular, and upon the recommendation of the employee shareholders mentioned in Article L.225-102 of the French Commercial Code,

- hereby appoint Mr. Frédéric Souhard to serve as a member of the Supervisory Board, replacing Mr. Jacques Tabourot, whose term of office expires at the end of this General Meeting, for a four-year term, as provided for in Article 10. C of the Company's Bylaws, expiring at the close of the General Meeting of Shareholders in 2012 called to approve the financial statements for the year ending December 31, 2011;
- also decide that (i) in the event that several of the resolutions numbering from the sixth to the fourteenth resolution receive more votes in favor than a majority of all the votes to which the shareholders present today or duly represented may cast, only that resolution receiving the highest number of votes in favor shall be considered as having passed; the other resolutions in the aforementioned series shall be considered as rejected; and finally decide that (ii) in the event that none of the resolutions numbering from the sixth to the fourteenth resolution receive more votes in favor than a majority of all the votes to which the shareholders present today or duly represented may cast, then no candidate shall be appointed to serve as a member of the Supervisory Board by the present General Meeting.

Thirteenth resolution
(Not approved by the Management Board)

Appointment of Mr. Jason Steinberg to serve as a member of the Supervisory Board, upon the recommendation of the employee shareholders of the AXA Group

The Shareholders, having fulfilled the quorum and majority requirements pertaining to ordinary general meetings, having reviewed the Management Board Report, and Article 10. C of the Company's Bylaws in particular, and upon the recommendation of the employee shareholders mentioned in Article L.225-102 of the French Commercial Code,

- hereby appoint Mr. Jason Steinberg to serve as a member of the Supervisory Board, replacing Mr. Jacques Tabourot, whose term of office expires at the end of this General Meeting, for a four-year term, as provided for in Article 10. C of the Company's Bylaws, expiring at the close of the General Meeting of Shareholders in 2012 called to approve the financial statements for the year ending December 31, 2011;
- also decide that (i) in the event that several of the resolutions numbering from the sixth to the fourteenth resolution receive more votes in favor than a majority of all the votes to which the shareholders present today or duly represented may cast, only that resolution receiving the highest number of votes in favor shall be considered as having passed; the other resolutions in the aforementioned series shall be considered as rejected; and finally decide that (ii) in the event that none of the resolutions numbering from the sixth to the fourteenth resolution receive more votes in favor than a majority of all the votes to which the shareholders present today or duly represented may cast, then no candidate shall be appointed to serve as a member of the Supervisory Board by the present General Meeting.

Fourteenth resolution
(Not approved by the Management Board)

Appointment of Mr. Andrew Whalen to serve as a member of the Supervisory Board, upon the recommendation of the employee shareholders of the AXA Group

The Shareholders, having fulfilled the quorum and majority requirements pertaining to ordinary general meetings, having reviewed the Management Board Report, and Article 10. C of the Company's Bylaws in particular, and upon the recommendation of the employee shareholders mentioned in Article L.225-102 of the French Commercial Code,

- hereby appoint Mr. Andrew Whalen to serve as a member of the Supervisory Board, replacing Mr. Jacques Tabourot, whose term of office expires at the end of this General Meeting, for a four-year term, as provided for in Article 10. C of the Company's Bylaws, expiring at the close of the General Meeting of Shareholders in 2012 called to approve the financial statements for the year ending December 31, 2011;
- also decide that (i) in the event that several of the resolutions numbering from the sixth to the fourteenth resolution receive more votes in favor than a majority of all the votes to which the shareholders present today or duly represented may cast, only that resolution receiving the highest number of votes in favor shall be considered as having passed; the other resolutions in the aforementioned series shall be considered as rejected; and finally decide that (ii) in the event that none of the resolutions numbering from the sixth to the fourteenth resolution receive more votes than a majority of all the votes to which the shareholders present today or duly represented may cast, then no candidate shall be appointed to serve as a member of the Supervisory Board by the present General Meeting.

Fifteenth resolution

Authorization granted to the Management Board to purchase the Company's shares

The Shareholders, having fulfilled the quorum and majority requirements pertaining to ordinary general meetings, and having reviewed the Management Board Report:

1) Hereby authorize the Management Board, pursuant to Articles L.225-209 and following of the French Commercial Code, to purchase a maximum of 10% of the total number of shares comprising the Company's share capital at any given time, or 5% of the total number of shares comprising the Company's share capital in the case of shares acquired by the Company for the purpose of holding them for subsequent payment or tender in a merger, spin-off or contribution, it being specified that these limits may be assessed at any time whatsoever, by applying the percentage to an adjusted amount of equity capital after the completion of capital transactions that may affect it after the date of this Meeting. The number of shares of its own stock that the Company can hold at any given time must not exceed 10% of the shares comprising its outstanding share capital;
2) Resolve that these shares may be acquired for the purpose of: a) optimizing the liquidity of AXA securities, notably to foster regular and liquid trading in the securities through a liquidity contract that complies with the *Association Française des Entreprises d'Investissement* (AFEI) Code of conduct approved by the *Autorité des marchés financiers* (AMF) entered into with an investment service provider in compliance with the market practice accepted by the AMF, b) (i) hedging stock options offered to some or all employees or eligible corporate officers of the Company and/or affiliated entities or economic interest groups as defined in Article L.225-180 of the French Commercial Code, (ii) granting free shares to employees and former employees enrolled in a company savings plan sponsored by the Company or the AXA Group and/or (iii) granting free shares to some or all employees or eligible corporate officers of the Company and/or its affiliated entities or economic interest groups as defined in Article L.225-197-2 of the French Commercial Code, in accordance with the provisions of Articles L.225-197-1 and following of the French Commercial Code, c) holding shares for subsequent payment or exchange in connection with potential external growth acquisitions, in compliance with the market practice accepted by the AMF, d) delivering shares upon exercise of rights attached to bonds giving access to the Company's share capital by way of repayment, conversion, exchange, presentation of a warrant or in any other manner e) canceling some or all of these shares subject to shareholders approval of the twentieth resolution hereinafter, which authorizes this cancellation, and/or, more generally, f) performing all operations in compliance with the laws and regulations in force;
3) Resolve that the maximum purchase price per share shall not exceed €45. However, the Management Board may, in the event of transactions involving the Company's share capital, in particular a modification of the shares nominal value, a capital increase via the capitalization of reserves, a stock split or a re-bundling of shares, adjust the maximum purchase price indicated above to take into account the impact of such transactions on the value of the share;

4) Determine, pursuant to Article R.225-151 of the French Commercial Code, that the maximum global amount allocated to the share repurchase program under this resolution is €9,273,390,705, corresponding to no more than 206,075,349 shares acquired on the basis of the maximal unit price of €45 determined above, and of the share capital as of February 18th, 2008 (date on which the Management Board approved this resolution);
5) Resolve that the acquisition, sale or transfer of these shares may be completed and paid for by all appropriate means in accordance with applicable laws and regulations, including through open market transactions or private agreements, over-the-counter and in particular through block trades, by using financial derivatives or warrants or, more generally, through securities with a claim on shares of the Company, or through public offerings, at such time as the Management Board shall decide;
6) Resolve that, in the event of a public offer on the AXA shares, the Company may opt to pursue the execution of its share repurchase program in accordance with Article 232-17 of the AMF general regulations, and only if (i) the offer to purchase Company shares is paid for exclusively in cash and if (ii) the repurchase transactions are conducted pursuant to a program that is under way, related to the objectives mentioned above in points b) and d) of paragraph 2) above and not likely to compromise the success of the offer.

The Shareholders grant full authority to the Management Board, which may delegate this authority as it deems appropriate and in accordance with applicable laws, to implement this authorization, to determine the terms and conditions in accordance with applicable laws and this resolution, and in particular the power to execute share trading orders, conclude any agreements including for the purpose of complying record-keeping requirements on buy and sell transactions, file all required disclosures with the AMF or any other such organizations, comply with all formal, legal and other requirements and, as a general matter, take all measures necessary or appropriate in connection therewith.

This authorization replaces and renders null and void the unused portion of the authorization granted by the Shareholders at their Meeting of May 14, 2007, under the thirteenth resolution. It shall remain in force for a period of not more than 18 months, starting from the date of this Meeting.

EXTRAORDINARY RESOLUTIONS

Sixteenth resolution

Authorization granted to the Management Board to allot free shares to employees and eligible corporate officers of the AXA Group

The Shareholders, having fulfilled the quorum and majority requirements pertaining to extraordinary general meetings, and having reviewed the Management Board Report and the Auditors' Special Report, pursuant to the provisions of Articles L.225-197-1 and following of the French Commercial Code, authorize the Management Board to allot free existing shares or shares of the Company to be issued, in accordance with the terms and conditions set forth below.

These shares may be granted, in one or several times, to some or all employees and eligible corporate officers of the Company and its affiliated companies or economic interest groups within the meaning of Article L.225-197-2 of the French Commercial Code.

The total number of freely allotted shares granted by virtue of this authorization may not exceed 1% of the number of shares comprising the Company's share capital on the day of their allotment by the Management Board, it being specified that this upper limit does not take into account the number of shares that may be issued in connection with any adjustments made to safeguard the rights of the beneficiaries of free share allotments.

These shares shall be definitively granted:
i) either, for all or some part of the shares granted, after a minimum acquisition period of four years has expired,
ii) or after a minimum acquisition period of two years has expired.

These shares shall be subject to a minimum holding period of two years, commencing on the date as of which these shares are definitively granted. Notwithstanding the foregoing, the Management Board may decide not to impose or to shorten this mandatory holding period for shares whose acquisition period has been set to last for at least four years.

The grant of shares shall be definitive, as shall the option of freely transferring, selling or assigning these shares, before the end of the acquisition period determined by the Management Board in case of a disablement of the beneficiary as set forth under Article L.225-197-1 of the French Commercial Code.

This authorization automatically entails in favor of the beneficiaries of freely allotted shares a waiver by the Shareholders of (i) their preferential subscription rights to any shares that are issued for free allotment by virtue of this resolution, (ii) their rights on any part of the reserves, profits or premiums which will be capitalised for the purpose of this allotment and (iii) any existing shares freely allotted. The corresponding capital increase shall be considered definitely completed by sole virtue of the definitive granting of the freely allotted shares to their beneficiaries.
The Shareholders hereby empower the Management Board, acting within the limits set forth above, to do whatever is necessary to give effect to this extraordinary resolution, in particular to:

- Determine the eligible beneficiaries of shares and the number of shares granted to each;
- Determine the dates, terms and conditions under which these shares may be granted, in particular the period following which these grants shall be considered as definitive and, if need be, the required holding period for each beneficiary;
- Determine the conditions, notably regarding the performance of the Company, of the AXA Group or of its affiliated entities, as well as, if need be, the criteria according to which the shares will be allotted;
- Determine if the freely allotted shares are to be issued or existing, and in the event that newly issued shares are granted, increase the share capital through the capitalization of reserves, profits or premiums, set the amount and the nature of reserves, profits or premiums to be incorporated into the capital, record the amount of any capital increase, amend the Bylaws accordingly and , more

generally, take all subsequent formalities or measures that may be required;
- Stipulate the possibility, during the acquisition period, of making adjustments to the number of free allotted shares as a result of possible operations on the Company's share capital in order to preserve the beneficiaries' rights; provided that the shares allotted as a consequence of these adjustments, if any, will be deemed allotted on the same day as for the shares initially granted;
- More generally, with the option of sub-delegation, record the dates on which the shares are definitively granted and the dates as of which these shares may be sold according to applicable legal restrictions, conclude any agreements, draw up any documents, carry out the related formalities and filings and accomplish any other actions that may be required.

As provided for by law, the Management Board shall inform the Shareholders at their ordinary General Meeting of all transactions carried out by virtue of this authorization.

This authorization, which cancels and replaces the unused portion of that given by the Shareholders on April 20, 2005 under the twenty-fifth resolution, is granted for a period of 38 months as of the date of this Meeting.

Seventeenth resolution

Authorization granted to the Management Board to allot stock purchase and/or stock subscription options to employees and eligible corporate officers of the AXA Group

The Shareholders, having fulfilled the quorum and majority requirements pertaining to extraordinary general meetings, and having reviewed the Management Board Report and the Auditors' Special Report,

1) Hereby authorize the Management Board, in accordance with Articles L.225-177 and following of the French Commercial Code, to grant, in one or more times, Company's stock purchase and/or stock subscription options to some or all employees and to some or all eligible corporate officers of the Company or any of its affiliated companies or any economic interest groups within the meaning of Article L.225-180 of the French Commercial Code.

   The total number of options granted under this authorization shall not entitle option holders to subscribe to a number of shares exceeding 2% of the share capital of the Company on the date on which the Management Board grants such options, it being specified that this upper limit does not take into account the number of shares to be issued, as the case may be, in connection with adjustments that may be necessary to safeguard the rights of option holders, as the law provides.

2) The Management Board shall determine, on the day it grants the options, the subscription or purchase price of the shares in accordance with the terms and within the limits set forth by applicable laws, provided that such price shall not be lower than the average price of the Company's shares on the Paris Stock Exchange over the twenty trading days preceding the date on which the Management Board grants the options.

   During the option's validity period, their price shall not be modified, unless the Company carries out one of the financial or securities transactions specified by applicable law. In this event and acting in accordance with applicable laws, the Management Board shall take the measures necessary to safeguard the interests of the the options holders, taking into account the impact of the transaction(s). The Management Board may temporarily suspend the right to exercise options in the event of a financial transaction that gives rise to an adjustment pursuant to Article L.225-181, paragraph 2 of the French Commercial Code, or in the event of any other financial transaction for which it deems useful the suspension of said right.

3) This authorization automatically entails a waiver by the Shareholders of their preferential subscription rights, in favor of the beneficiaries of subscription options, to the shares that will be issued as options are exercised.

4) The Management Board shall determine the terms and conditions under which the options shall be granted. Said terms and conditions may include clauses prohibiting the immediate resale of all or part of such shares; notwithstanding the foregoing, the maximum period of this prohibition is set at three years starting from the option exercise date. As an exception to the foregoing, the Supervisory Board may, acting in accordance with applicable legislation with respect to the corporate officers of the Company concerned, enact clauses prohibiting the exercise of options for as long as they hold their position or immediate resale with the obligation to hold in registered form all or part of the shares that result from the exercise of options for as long as they hold their position.

   Purchase and subscription options shall be exercised before the expiration date determined by the Management Board, which may not exceed 10 years starting from the grant date. Notwithstanding the foregoing, in case of a prohibited exercise of these options imposed by the Supervisory Board to a corporate officer pursuant to the provisions of Article L.225-185 of the French Commercial Code, the deadline for exercise shall not expire before a minimum period of six months starting from the date the prohibition expires and will be postponed accordingly.

   Options shall not be granted to persons who personally own a portion of share capital that exceeds the upper threshold provided for by law.

   No stock subscription and/or purchase options whatsoever shall be granted less than twenty trading days after the detachment from the shares of a coupon entitling the bearer to a dividend or a capital increase, or during the ten trading days before and after the date when the consolidated financial statements or parent financial statements are made public.

5) The Shareholders hereby grant all powers to the Management Board, as provided for by law, the Company's Bylaws, and this authorization, to implement this resolution and notably to determine the type of options granted (stock subscription options or stock purchase options), set the price and conditions of the granting of options, determine the list of beneficiaries and the number of options granted to each of them, determine the option period(s) and the other terms under which the options may be exercised, determine the terms and conditions under which the price and number of shares to be subscribed or purchased shall be adjusted in accordance with prevailing regulations, undertake or have undertaken all formalities

required to finalize the capital increase(s) to be carried out in accordance with this authorization, amend the Bylaws accordingly and, more generally, to do whatever is necessary to implement this resolution.

As provided for by law, the Management Board shall inform the Shareholders at their ordinary General Meeting of transactions carried out pursuant to this authorization.

This authorization, which cancels and replaces the unused portion of that granted by the Shareholders on April 20, 2005 under the twenty-sixth resolution, is granted for a period of 38 months as of the date of this Meeting.

Eighteenth resolution

Authorization granted to the Management Board to increase the Company's share capital by the issue of shares or other securities with a claim on the Company's share capital, reserved for members of the Company's savings plan

The Shareholders, having fulfilled the quorum and majority requirements pertaining to extraordinary general meetings, having reviewed the Management Board Report and the Auditors' Special Report, drawn up in compliance with legislation currently in force,

1) Hereby authorize the Management Board in accordance with Articles L.225-138-1 and L.225-129-6 of the French Commercial Code, and Articles L.443-1 and following of the French Labor Code, to issue equity, in one or several offerings, at its sole discretion, through the issue of shares or other securities granting access to the Company's share capital, and reserved for employees or former employees of the Company and its affiliated companies or economic interest groups within the meaning of Article L.225-180 of the French Commercial Code and Article L.444-3 of the French Labor Code, who are enrolled in AXA's employer-sponsored Company savings plan, provided the issue of shares may be paid either in cash or through the incorporation of reserves, earnings or premiums and the free allotment of shares or other securities granting access to capital to employees;
2) Hereby resolve that the nominal amount of shares issued by virtue of this resolution shall not exceed 100 million euros. Furthermore, this maximum amount does not take into account the face value of ordinary shares that may be issued for the purpose of making any adjustments that may be required to safeguard the rights of holders of securities with a claim on the Company's share capital, pursuant to applicable laws, provided that the aggregate nominal amount of capital increase which may result from this resolution and the nineteenth resolution shall not exceed the nominal amount of 100 million euros;
3) Resolve that this authorization entails a waiver by the Shareholders of their preferential subscription rights with respect to shares or other securities issued by virtue of this authorization for members of a company savings plan, as well as with respect to shares or other securities to be issued, possibly for free allotment, in connection with this resolution. It also entails a waiver of their preferential right to subscribe to ordinary shares to which these securities may give access;
4) Hereby resolve that pursuant to Article L.443-5 of the French Labor Code, the discount off the average price of the Company's shares on the Paris Stock Exchange during the twenty trading days preceding the day on which the Management Board formally determines the opening date of the subscription period shall not exceed 20%. Notwithstanding the foregoing, the Shareholders expressly authorize the Management Board to reduce or waive the aforementioned discount, as it deems appropriate, in particular to take into account the new international accounting standards, or, *inter alia,* locally applicable legal, accounting, tax or social regulations. The Management Board may also substitute all or part of the discount with the allotment of shares or other securities with a claim on the Company's share capital, in accordance with the provisions below;
5) Resolve that the Management Board shall be allowed to make grants of free shares or other securities giving immediate or deferred access to the share capital of the Company, it being understood that the total benefit resulting from this grant *("abondement")* may not exceed applicable legal or regulatory thresholds;
6) Resolve that the characteristics of any other securities giving access to the share capital of the Company shall be determined by the Management Board in accordance with the conditions set forth in applicable laws and regulations;
7) Within the limits and under the terms and conditions stipulated hereinabove, the Shareholders hereby grant full authority to the Management Board to determine the terms and conditions of such transactions, in particular:
   - to decide whether the issues may be subscribed by eligible employees directly or through employee mutual funds;
   - to reduce, if it deems appropriate, the number of companies participating in the offer compared with the number of companies eligible for the employer-sponsored company savings plan;
   - to determine the procedures and conditions of the issuances that will be effected by virtue of this authorization, in particular regarding the terms of full payment, dividend earning and subscription price, in accordance with applicable legislation;
   - to determine the opening and closing dates of the subscription period;
   - to set the deadline for full payment of the shares or other securities subscribed;
   - to record the amount of the capital increase to be carried out in accordance with the number of shares or other securities with a claim on the Company's share capital subscribed;
   - at its sole discretion and as it deems appropriate, to charge the expenses related to the capital increases to the amount of the resulting premiums, and to draw from this amount the sums required to bring the legal reserve to one-tenth of the new share capital resulting from each increase;
   - to take all measures and undertake all subsequent formalities necessary regarding the share capital increases, in particular those pertaining to the listing of the securities thereby created, and more generally to do whatever is necessary to implement this resolution.

The Management Board may delegate, to any person authorized by law, full authority to carry out the share capital increase, as well as the authority to postpone it, to the extent and in accordance with the terms and conditions that it may define in advance.

This authorization, which cancels and replaces the unused portion of that granted by the Shareholders at their Meeting of May 14, 2007 under the twenty-third resolution, shall remain in force for a period of 18 months as from the date of this Meeting.

Nineteenth resolution

Authorization granted to the Management Board to increase the Company's share capital with waiver of the preferential subscription rights, to a category of beneficiaries

The Shareholders, having fulfilled the quorum and majority requirements pertaining to extraordinary general meetings, having reviewed the Management Board Report and the Auditors' Special Report, and in compliance with the French Commercial Code, notably the provisions of its Articles L.225-129 and following and L.225-138:

1) Authorize the Management Board to decide to increase the share capital of the Company, in one or more times, through the issue of ordinary shares within the limit of a maximum number of shares representing a nominal amount of 100 million euros, these issues being reserved to the category of beneficiaries defined hereafter provided that the aggregate amount that may be carried out under this resolution and the eighteenth resolution of this Meeting shall not exceed the nominal amount of 100 million euros;
2) Decide to waive the preferential subscription rights of the shareholders to the shares to be issued under this authorization and to reserve the subscription to the category of beneficiaries having the following characteristics: any bank or any entity held by such bank, which, at the request of the Company, participates in the implementation of a structured offer for employees and corporate officers of companies or economic interest groups affiliated to the Company within the meaning of Articles L.225-180 of the French Commercial and L.444-3 of the French Labor Code, incorporated outside France, allowing them to benefit from an offer as close as possible, in terms of economic profile, to an offer that would be made under the 18th resolution;
3) Decide that the subscription price of the shares issued pursuant to this authorization shall not be more than 20% lower than the average of the quoted price of the shares of the Company on the Paris Stock Exchange during the twenty trading days preceding the decision setting the subscription opening date to a capital increase realised by virtue of the eighteenth resolution, or higher than this average; the Management Board shall be entitled to decide to reduce or cancel any discount so granted in order to take into account, legal, social, tax or accountancy regulatory rules applicable locally;
4) Decide that the Management Board will have full powers, with authority to subdelegate such powers within the limits of the law, to implement this authorization, and in particular to:
   - Set the date and the subscription price of the shares to be issued, as well as the other terms and conditions of the issues, including, the date (which may be retroactive) on which the shares to be issued will pay dividends, and the terms of payment of the issue price;
   - Set the list of beneficiaries of the cancellation of the preferential subscription rights within the category above defined as well as the number of shares to be subscribed by each of them;
   - Record the amount of the capital increase and amend the Bylaws accordingly;
   - Offset expenses against the amount of the issue premium if it deems appropriate;
   - Take any measures necessary to complete the issues;
   - Carry out all formalities following the capital increases and generally do whatever is necessary.

Any issue of shares pursuant to this resolution shall be completed within 18 months as from the date of this Meeting.

Twentieth resolution

Authorization granted to the Management Board to reduce the share capital through the cancellation of shares

The Shareholders, having fulfilled the quorum and majority requirements pertaining to extraordinary general meetings, and having reviewed the Management Board Report and the Auditors' Special Report,

1) Hereby authorize the Management Board, pursuant to the provisions of Article L.225-209 of the French Commercial Code and subject to the approval of the fifteenth resolution hereabove, to cancel, in one or more times, the shares acquired by the Company by virtue of the fifteenth resolution of this General Meeting, within the limit of 10% of the Company's share capital within any given 24-month period, and to reduce the Company's share capital accordingly;
2) Grant full authority to the Management Board, which may delegate such authority, to effect this capital reduction or reductions, and in particular to decide the amount of such capital reduction, to determine its terms, to amend the Bylaws accordingly and, more generally, to undertake all steps and formalities and make all disclosures that are required.

This authorization, which cancels and replaces the unused portion of the prior authorization granted by the Shareholders at their Meeting of May 14, 2007 under the twenty-fifth resolution, shall remain in force for a period of 18 months as from the date of this Meeting.

Twenty-first resolution

Authorization to comply with all formal requirements in connection with this Meeting

The Shareholders, having fulfilled the quorum and majority requirements pertaining to extraordinary meetings, hereby grant full authority to the bearer of an original, an extract or a copy of these minutes to comply with all formal publication, filing and other requirements and more generally to do whatever is necessary.

Appointment as a member of the Supervisory Board

FRANÇOIS MARTINEAU

Born on June 11, 1951

Principal function
Attorney at Law

Number of AXA shares
Number of AXA shares held as of December 31, 2007: -

CURRENT MANDATES AND POSITIONS

Partner
SCP Lussan & Associés

Vice-Chairman and director
Bred Banque Populaire
Assurances Mutuelles Le Conservateur
Associations Mutuelles Le Conservateur

Director
Conservateur Finance
AXA Assurances IARD Mutuelle
AXA Assurances Vie Mutuelle

PREVIOUS MANDATES AND POSITIONS HELD DURING THE LAST 5 YEARS

Not applicable

EDUCATION

Philosophy Degree – University of Paris IV
Law Masters – University of Paris I
Graduate of the Institute of Political Sciences (SciencesPo Paris)
Certificat d'Aptitude à la Profession d'Avocat (CAPA)

PROFESSIONAL EXPERIENCE

1976
Attorney at Law, Paris Bar

1981
"Conférence" Secretary

1985
Lecturer at the University of Paris I: Civil Procedure

1995
Professor at the Paris Bar School (EFB)

1998
Honorary Professor at the Law and Political Sciences School of Lima (Peru)

1996
Expert at the Council of Europe: various missions in Eastern Europe countries regarding the reform of the Code of the Judicial Organization, the reform of the magistrates and lawyers training and the revision of the Code of civil procedure

Since 1987
Partner of SCP Lussan & Associés, law firm

Appointment as a member of the Supervisory Board, upon the recommendation of the employee shareholders of the AXA Group (not approved by the Management Board)

FRANCIS ALLEMAND

Born on January 27, 1955

Principal function
Member of the European Works Council and staff representative - AXA Belgium (Belgium)

Number of AXA shares
Number of units held as of December 31, 2007 in AXA Mutual funds invested in AXA shares: 214

CURRENT MANDATES AND POSITIONS

Member
European Works Council and staff representative – AXA Belgium (Belgium)

PROFESSIONAL EXPERIENCE

For 30 years
Works in AXA Belgium (Belgium)

PREVIOUS MANDATES AND POSITIONS HELD DURING THE LAST 5 YEARS

Not applicable

EDUCATION

Humanities – Science

Appointment as a member of the Supervisory Board, upon the recommendation of the employee shareholders of the AXA Group (not approved by the Management Board)

GILLES BERNARD

Born on July 16, 1953

Principal function
Auditing Consultant – AXA France

Number of AXA shares
Number of units held as of December 31, 2007 in AXA Mutuals funds invested in AXA shares: 8,142

CURRENT MANDATES AND POSITIONS

Auditing Consultant
AXA France

Chairman
AXA Actions Relais France 2007 Mutual fund

PROFESSIONAL EXPERIENCE

Since 1983
Works in AXA
– Life underwriting division
– Internal Audit
– Safety and security division

PREVIOUS MANDATES AND POSITIONS HELD DURING THE LAST 5 YEARS

Chairman
AXA Actions Relais 2005 et 2006 Mutual fund
AXA Diversifiés 2002 to 2004 Mutual fund

EDUCATION

Ecole Nationale d'Assurance

Appointment as a member of the Supervisory Board, upon the recommendation of the employee shareholders of the AXA Group (not approved by the Management Board)

ALAIN CHOURLIN

Born on June 22, 1946

Principal function
Company Secretary of the North-East Region Distribution and Sales division – AXA France

Number of AXA shares
Number of units held as of December 31, 2007 in AXA Mutuals funds invested in AXA shares: 8,632

CURRENT MANDATES AND POSITIONS

Company Secretary
North-East Region Distribution and Sales division – AXA France

PREVIOUS MANDATES AND POSITIONS HELD DURING THE LAST 5 YEARS

Head of Sales
East Region – AXA Assurances

Head of Distribution
North-East Region – AXA France

EDUCATION

Masters in Economic Sciences

PROFESSIONAL EXPERIENCE

Since 1973
Works in AXA
- Head of Sales in the East Region – AXA Assurances
- Head of the Distribution in the North-East Region – AXA France
- Company Secretary of the North-East Region Distribution and Sales division – AXA France

Appointment as a member of the Supervisory Board, upon the recommendation of the employee shareholders of the AXA Group (approved by the Management Board)

WENDY E. COOPER

Born on July 21, 1950

Principal function
Senior Vice President & Associate General Counsel AXA Equitable (United States)

Number of AXA shares
Number of AXA shares and/or AXA ADR held on December 31, 2007: 22,786 plus 404 units held in the 401(k) Plan of AXA Equitable

CURRENT MANDATES AND POSITIONS

Senior Vice President & Associate General Counsel
AXA Equitable (United States)

Employee of AXA Equitable, responsible for the Government Relations function representing the Company's legislative and regulatory positions before U.S. Congress, state legislatures, state insurance departments, state and national trade associations and other external audiences (manages 6 persons).

PREVIOUS MANDATES AND POSITIONS HELD DURING THE LAST 5 YEARS

Not applicable

EDUCATION

Fordham Law School, New York, NY J.D.
Associate Editor Fordham Law Review
Allegheny College, Meadville, PA B.A.
Magna Cum Laude, Phi Beta Kappa

PROFESSIONAL EXPERIENCE

1981 – 1987
Assistant Counsel to New York Governors Carey and Cuomo

August 1987 – March 1995
First Deputy Superintendent of Insurance of the New York Insurance Department

January 1990 – June 1990
Acting Superintendent of Insurance of the New York Insurance Department

May 1995
Joined The Equitable, predecessor to AXA Equitable as Vice President & Associate General Counsel

Since September 1999
Senior Vice President & Associate General Counsel AXA Equitable (United States)

Appointment as a member of the Supervisory Board, upon the recommendation of the employee shareholders of the AXA Group (not approved by the Management Board)

RODNEY KOCH

Born on May 28, 1959

Principal function
Lead Developer & AXA Way Greenbelt – Syracuse Operations Center – IT – Distribution – AXA Financial, Inc. (United States)

Number of AXA shares
Number of AXA shares and/or AXA ADR held on December 31, 2007: 3,941 plus 628 units held in the 401(k) Plan of AXA Equitable

CURRENT MANDATES AND POSITIONS

Lead Developer & AXA Way Greenbelt "Help Desk Triage Team"
Syracuse Operations Center – IT –
Distribution – AXA Financial, Inc. (United States)

PREVIOUS MANDATES AND POSITIONS HELD DURING THE LAST 5 YEARS

2005-2007
WebStation and AXA Partners Siebel System Support

2004-2005
Licensing Appointment & Registration System Development

2002-2004
MONY Partners Contact Management System Development & Support

PROFESSIONAL EXPERIENCE

2000 – 2001
MONY IVR Technical Team Lead

1998 – 2000
MONY Enterprise Architect

Professional Associations
2006 – 2008
Project Management Institute - Member

1983 – 2008
Institute of Management Accountants - Member

1989 – 1999
GUIDE International (IBM North America User Group)
– Project/Group Manager (1989-1993)
– Board of Directors – Treasurer (1993-1995)
– Delegate to SHARE Europe Conference (1994)
– Managing Director of Marketing (1995-1999)

EDUCATION

M.B.A. - Syracuse University
B.S. - Accounting, Illinois State

Professional Certifications
Certified Management Accountant (CMA)
Passed Certified Public Accountant Exam (not licensed)
CLU, ChFC, FLMI
Competent Toast Master
Certified Siebel Consultant

Appointment as a member of the Supervisory Board, upon the recommendation of the employee shareholders of the AXA Group (not approved by the Management Board)

HANS NASSHOVEN

Born on December 2nd, 1950

Principal function
Member of the Works Council of Head Office in AXA Service AG (Germany)

Number of AXA shares
Number of units held on December 31, 2007 in AXA Mutual funds invested in AXA shares: 246

CURRENT MANDATES AND POSITIONS

Member of the Works Council of Head Office
AXA Service AG (Germany)

Delegate
General Works Council

Expert IT advisor
General Works Council

Member
AXA's European Works Council

Chairman of the Board
AXA Hearts in Action Germany

Chairman of the Supervisory Board
AXA Plan 2002-2006 Germany

PREVIOUS MANDATES AND POSITIONS HELD DURING THE LAST 5 YEARS

Not applicable

EDUCATION

Nixdorf Computer AG Apprenticeship as toolmaker (1965-1969)
Training course at Nixdorf Academy to become programmer (1969-1971)

PROFESSIONAL EXPERIENCE

1972-1975
IT Developer Sector: Administration Affairs (American Embassy in Bonn)

1975
IT – Developer Sector: Accounting, Mortgages, acquired knowledge of Works Constitutions Act

Appointment as a member of the Supervisory Board, upon the recommendation of the employee shareholders of the AXA Group (not approved by the Management Board)

FRÉDÉRIC SOUHARD

Born on March 8, 1956

Principal function
Régleur de sinistres - AXA France

Number of AXA shares
Number of units held as of December 31, 2007 in AXA Mutuals Funds invested in AXA shares: 2,352

CURRENT MANDATES AND POSITIONS

Régleur de sinistres
AXA France

Chairman
Actionnariat Salariés AXA Mutual fund
Economic Commission of the Group Works Council for France

Member
AXA's European Works Council
Group Works Council for France
Central Works Council – AXA France

PROFESSIONAL EXPERIENCE

For more than 15 years
Worked in the Accounting Department (private individual and professional sinisters) – AXA France.
Currently, full-time dedicated to elective and representative mandates at the level of the Group European Works Council, the Group Works Council in France and the Group Works Council of AXA France.

PREVIOUS MANDATES AND POSITIONS HELD DURING THE LAST 5 YEARS

Not applicable

EDUCATION

Finance and Accounting Degree (DUT)

Appointment as a member of the Supervisory Board, upon the recommendation of the employee shareholders of the AXA Group (not approved by the Management Board)

JASON STEINBERG

Born on July 19, 1973

Principal function
AXA Way Black Belt – AXA Equitable (United States)

Number of AXA shares
Number of AXA shares and/or AXA ADR held on December 31, 2007: 3,040 plus 2,254 units held in the 401(k) Plan of AXA Equitable

CURRENT MANDATES AND POSITIONS

AXA Way Black Belt
AXA Equitable (United States): to lead Six Sigma improvement projects that redesign business processes to increase revenue and productivity and reduce costs in an effort to improve customer satisfaction. Partner with business representatives together with senior level sponsorship to assess current processes, generate solutions and implement improvements.

PREVIOUS MANDATES AND POSITIONS HELD DURING THE LAST 5 YEARS

Manager of the Departments
Accumulator Commissions,
Accumulator Death Claims,
Accumulator Disbursements, and
Accumulator Fund Transfers Processing

EDUCATION

Bachelors of Science in Business and Economics – State University of New York at Oneonta

PROFESSIONAL EXPERIENCE

From 1994 to 1998
Assistant Branch Manager, Branch Operations Coordinator and Head Teller at Fleet Bank (now Bank of America – United States)

From 1998 to 2006
Manager, Accumulator Operations at AXA Financial, Inc. (United States)

Since February 2006
Black Belt, AXA Way at AXA Financial, Inc. (United States)

Appointment as a member of the Supervisory Board, upon the recommendation of the employee shareholders of the AXA Group (not approved by the Management Board)

ANDREW WHALEN

Born on September 6, 1956

Principal function
Branch Asset Management Specialist – AXA Financial, Inc. (United States)

Number of AXA shares
Number of AXA shares and/or AXA ADR held on December 31, 2007: 414 plus 10,375 units held in the 401(k) Plan of AXA Equitable

CURRENT MANDATES AND POSITIONS

Branch Asset Management Specialist
AXA Financial, Inc. (United States)

PREVIOUS MANDATES AND POSITIONS HELD DURING THE LAST 5 YEARS

Not applicable

EDUCATION

Marketing Degree from SUNY at Plattsburgh
CLU Degree (1992)
ChFC Degree (1994)

PROFESSIONAL EXPERIENCE

Since 1985
Branch Asset Management Specialist at AXA Financial, Inc. (facilitate the sales of investment products in the Upstate NY branch offices this includes the AXA Equitable Variable Annuity lineup as well as the LPL Investement platform).

› APPENDIX IX

Social and environmental information

In accordance with the relevant provisions of the French Commercial Code resulting from the New Economic Regulations Act (*Loi sur les Nouvelles Régulations Economiques*) adopted in May 2001, the Company herewith discloses the way in which it takes into account the social and environmental consequences of its business and activities.

Further information on AXA Group's social and environmental activities or practices is available in the Activity and Sustainable Development Report and on AXA Group's website (www.axa.com), notably within the "Corporate Responsibility" section. The 2007 Activity and Sustainable Development Report will be available online at www.axa.com or upon request to the Individual Shareholders Department, 25 Avenue Matignon, 75008 Paris, France.

SOCIAL INFORMATION

As a holding company, the Company has no other active employees than the French members of its Management Board. Detailed information on their remuneration is provided in Part III, section 3.2 of this Annual Report.

The provisions of the master agreement (*"Accord-cadre"*) on work organization, scheduling and the reduced workweek, signed on February 1, 2000, do not apply to the Company's employees.

AXA SA employees are not eligible for *"participation"* benefits as provided for in the agreement on Group profit-sharing dated March 24, 2006 and signed within the Group Union Representation, but they do benefit from a share in the organization's profits. In 2007, the total profit sharing-based amount (*"intéressement"*) distributed to AXA SA employees was 77,670 euros. AXA SA employees also benefit from the Group's Savings Plan.

The Company, having essentially an activity of holding company, has no material local employment or regional development impacts, nor does it resort to subcontracting.

In 2006, AXA's Supervisory Board adopted a new version of its Compliance and Ethics Guide, available via its public (www.axa.com) and private (Group intranet) websites. The purpose of this Guide is to describe the Group's main internal regulations aimed at ensuring that all AXA Group entities and their employees share a common understanding of applicable ethical norms and practices, and that employee work is performed in compliance with said norms.

AXA SA contributes to social actions such as the AXA Research Fund (a partnership between AXA SA and academic circles launched in 2007 and providing a €100 million funding over 5 years), the *"Vocation Patrimoine"* program (an international world heritage protection program in partnership with the UNESCO), and the acquisition of several "national treasures" (in collaboration with the Louvre Museum, the Quai Branly Museum, and the Museum of Fine Arts of Lyon). More detailed information on these initiatives is available on www.axa.com.

In addition to national regulations, AXA has, in February 2003, adhered and committed to respect and promote the ten guiding principles of the United Nations Global Compact relating to human rights, labour rights, the environment and the fight against corruption. These principles are essentially based on the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development and the United Nations Convention against Corruption.

ENVIRONMENTAL INFORMATION

Because AXA SA is a holding company, its activity has no significant impact on the environment. Being fully aware of environmental issues at stake, however, AXA has defined several environmental and sustainable development objectives for its main operating entities.

Within this framework, AXA has fixed quantitative objectives for the 2007-2009 period with regards to energy, CO_2 emissions, and paper and water consumption, as follows:

- Power consumption (kWh/FTE): 5% reduction.
- CO_2 emissions (T/FTE): 5% reduction.
- Water consumption (m^3/FTE): 5% reduction.
- Paper consumption (T/FTE): 2.5% reduction.

In addition to these core objectives, a further area for action has been identified: a more effective electronic waste management, notably in connection with the Waste Electronic and Electrical Equipment (WEEE) Directive.

All the above objectives are regularly monitored, including via an annual reporting process, in order to assist local entities in gradually defining and implementing action plans. More information on this topic (policy, procedures, programs and results) is or will be available on www.axa.com and in the 2007 Activity and Sustainable Development Report.

› APPENDIX X

Management Board's Report – Correspondence table

This *Document de Référence* includes all the compulsory matters required to be covered in the Management Board's Report of AXA established pursuant to articles L.225-100 and L.225-100-2 of the French Commercial Code.

You will find below the references to the extracts of the *Document de Référence* corresponding to the parts of the Management Board's Report as approved by the Management Board of the Company.

	PAGES
SECTIONS	
1. Business and trends / Earnings / Financial position and key performance indicators	44 to 113 and 410 to 430
2. Use of financial instruments by the Company when relevant for assessing its assets and liabilities, financial position, and profits and losses	110 to 113; 176 to 194 and 316 to 333
3. Description of major risk factors and uncertainties	166 to 194
4. Acquisition of significant equity interests in companies headquartered in France	n/a
5. Events subsequent to fiscal year end / Outlook	54; 372 and 106
6. Dividend distributions over the last three years	8
7. Information on market and liquidity risks (interest rate, exchange rate and stock price fluctuation risk)	176 to 194
8. Purchase and sale of the Company's own shares	155
9. Executive compensation	132 to 153
10. Transactions involving Company stock competed in 2007 by corporate officers	150 to 153
11. Directorships and positions held by corporate officers of the Company	118 to 122 and 125 to 127
12. Relevant provisions in the event of a public takeover bid on the Company	386 to 387
13. Capital ownership	156 to 157
14. Employee shareholders	158 to 159
15. Adjustment of the rights of holders of securities with a claim on the capital of the Company	n/a
16. Social and environmental information	472
17. Research and development activities	n/a
EXHIBITS	
18. Table of the capital increase delegations	408 to 409
19. Table of the Company's financial results over the last five years	416
20. Chairman of the Supervisory Board's Report	390 to 398

› APPENDIX XI

Commission Regulation of April 29, 2004 Correspondence table

Annual Report
(*Document de Référence*)
filed with the AMF on March 28, 2008

Pages

INFORMATION ITEMS – ANNEX 1 OF THE COMMISSION REGULATION N° 809/2004

OTHER PERIODICAL INFORMATION REQUIRED BY THE AMF GENERAL REGULATIONS

* Pursuant to Article 28 of Commission Regulation (EC) n° 809/2004 of April 29, 2004, the following items are incorporated by reference:
- AXA's consolidated financial statements for the year ended December 31, 2006 and the Statutory Auditors' report on them, respectively presented on pages 250-438 and on pages 439-440 of the Annual Report (*Document de Référence*) n° D07-0362 filed with the AMF (*Autorité des Marchés Financiers*) on April 20, 2007;
- AXA's consolidated financial statements for the year ended December 31, 2005 and the Statutory Auditors' report on them, respectively presented on pages 232-396 and on pages 397-398 of the Annual Report (*Document de Référence*) n° D06-0267 filed with the AMF (*Autorité des Marchés Financiers*) on April 13, 2006.

> APPENDIX XII

Annual Financial Report Correspondence table

This *Document de Référence* includes all the components of the Annual Financial Report (*Rapport Financier Annuel*) referred to in paragraph I of article L.451-1-2 of the French Monetary and Financial Code as well as in article 222-3 of the AMF General Regulations.

You will find below the references to the extracts of the *Document de Référence* corresponding to the various parts of the Annual Financial Report.

Contacts

Readers can address any comments and questions on this document to:

Analysts and Institutional Investors

In Paris, AXA Group
Financial Communication Department
25, avenue Matignon – 75008 Paris – France
Tel.: + 33 (0) 1 40 75 57 00
E-mail: infos.web@axa.com – Internet: www.axa.com

In New York, AXA Financial
Financial Communication Department
1290, avenue of the Americas
New York, NY 10104 – USA
Tel.: + 1 212 314 2902 – Fax: + 1 212 707 1805

Individual Shareholders

AXA Group
Individual Shareholder Communications
25, avenue Matignon – 75008 Paris – France
Tel.: + 33 (0) 1 40 75 48 43 – Fax: + 33 (0) 1 40 75 59 54
E-mail: actionnaires.web@axa.com

Conception
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Realisation
DESIGN MEDIA

Annual Report 2007 – *Document de Référence*
This Annual Report is also available on the Company's website at www.axa.com.

Reference: 952878/03-08

www.axa.com