

**AXA full year 2006 earnings**

**Balance sheet & Embedded Value**

**April 10, 2007**



*Be Life Confident*

## Cautionary statements concerning forward-looking statements

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 (including statements herein with respect to AXA's Ambition 2012 project and the objectives, financial and other, associated with that project, and to the integration of Winterthur).

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 numerous 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 that the AXA and Winterthur businesses will not be integrated successfully, our inability to achieve anticipated synergies from the Winterthur acquisition, the risk of future catastrophic events (including possible future pandemic and/or weather-related catastrophic events and/or terrorist related incidents), economic and market developments, legislative developments, regulatory actions or investigations, as well as litigations and/or other proceedings.

Please refer to AXA's Annual Report on Form 20-F and Document de Référence for the year ended December 31, 2005, for a description of certain important factors, risks and uncertainties that may affect AXA's business.

AXA undertakes no obligation to publicly update or revise any of these forward-looking statements, whether to reflect new information, future events or circumstances or otherwise.



## Definitions

2006 financial statements (excluding cash flows) are definitive and have been audited by AXA's independent auditors.

AXA's FY06 results have been prepared in accordance with IFRS and interpretations applicable and endorsed by the European Commission at year-end 2006.

Adjusted earnings, underlying earnings, Life & Saving EEV, Group EV and NBV are non-GAAP measures and as such are not audited, may not be comparable to similarly titled measures reported by other companies and should be read together with our GAAP measures. Management uses these non-GAAP measures as key indicators of performance in assessing AXA's various businesses and believes that the presentation of these measures provides useful and important information to shareholders and investors as measures of AXA's financial performance. For a reconciliation of underlying and adjusted earnings to net income see AXA press release dated February 22, 2007.

AXA Life & Savings EEV consists of the following elements: (i) Life & Savings Adjusted Net Assets Value (ANAV) which represents the tangible net assets. It is derived by aggregating the local regulatory (statutory) balance sheets of the life companies and reconcile with the Life & Savings IFRS shareholders' equity. (ii) Life & Savings Value of Inforce (VIF) which represents the discounted value of the local regulatory (statutory) profits projected over the entire future duration of existing liabilities.

Life & Savings New Business Value (NBV) is the value of the new business sold during the calendar year. The new business value includes both the initial cost (or strain) to sell new business and the future earnings and return of capital to the shareholder.

AXA Group EV is the Sum of Life & Savings EEV and Other Business Tangible Net Asset Value.

All figures mentioned in the presentation for the AXA Group as of the end of 2006 include Winterthur unless otherwise stated.



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2 : Winterthur, a value enhancing deal

3 : Another strong year of EV performance at AXA

4 : A solid balance sheet

**A very strong year of top line growth and increased profitability ahead of our Ambition 2012...**

	<b>2006</b>	<b>Δ FY06 / FY05</b>
<b>Growth (Euro m)</b>		
L&S APE <sup>(1)</sup>	6,234	+15%
Property & Casualty revenues <sup>(1)</sup>	19,793	+4%
Asset Management revenues <sup>(1)</sup>	4,406	+29%
<b>Profitability</b>		
L&S New business value (Euro m) <sup>(1)</sup>	1,501	+34%
L&S NBV/APE	24.1%	+3.5 pts
P&C Combined ratio	96.9%	-0.8 pt
A/M Underlying Cost Income ratio	67.6%	-1.5 pts



(1) Change at constant exchange rates and scope

...leading to double digit earnings growth...

	2006	Δ FY06 / FY05
<b>Earnings (Euro m)</b>		
Underlying earnings <sup>(1)</sup>	4,010	+21%
Adjusted earnings <sup>(1)</sup>	5,140	+20%
<b>Earnings per Share (Euro)</b>		
Underlying earnings per share <sup>(2)</sup>	1.95	+16%
Adjusted earnings per share <sup>(2)</sup>	2.51	+17%
Dividend <sup>(3)</sup>	1.06	+20%



- (1) Change at constant exchange rates
- (2) Fully diluted net of interest charge on perpetual debts (TSS&TSDI)
- (3) To be proposed at the May 14, 2007 Shareholders' meeting

**...and value creation**

**Strong EV performance at AXA**

20% total return on L&S EEV  
28% total return on Group EV<sup>(1)</sup>

**+**

**Acquisition of Winterthur**



**(1) Group EV = L&S EEV + Other Business Tangible Net Asset Value.**

Other Business Tangible Net Asset Value excludes all Intangibles and Fair Value of debt accounted for as equity

Full Year 2006 Earnings – Balance Sheet and Embedded Value – April 10, 2007 – 7

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2 : Winterthur, a value enhancing deal

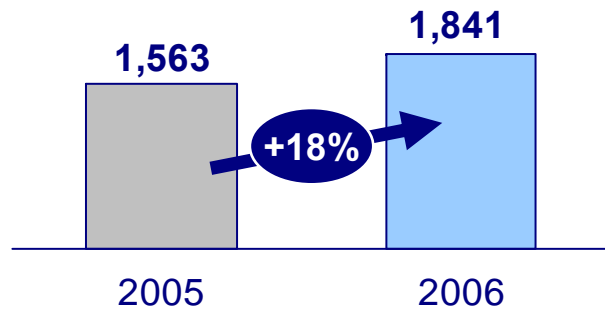
3 : Another strong year of EV performance at AXA

4 : A solid balance sheet

## Winterthur recorded robust results in 2006...

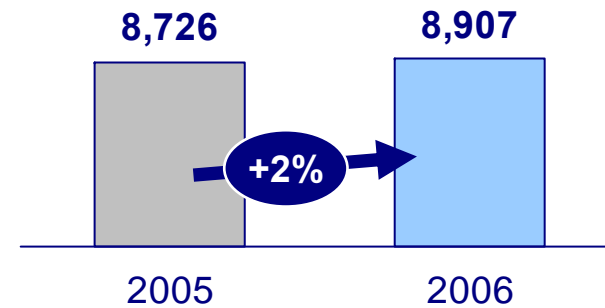
### Life & Pensions APE<sup>(1)</sup>

CHF million - USGAAP



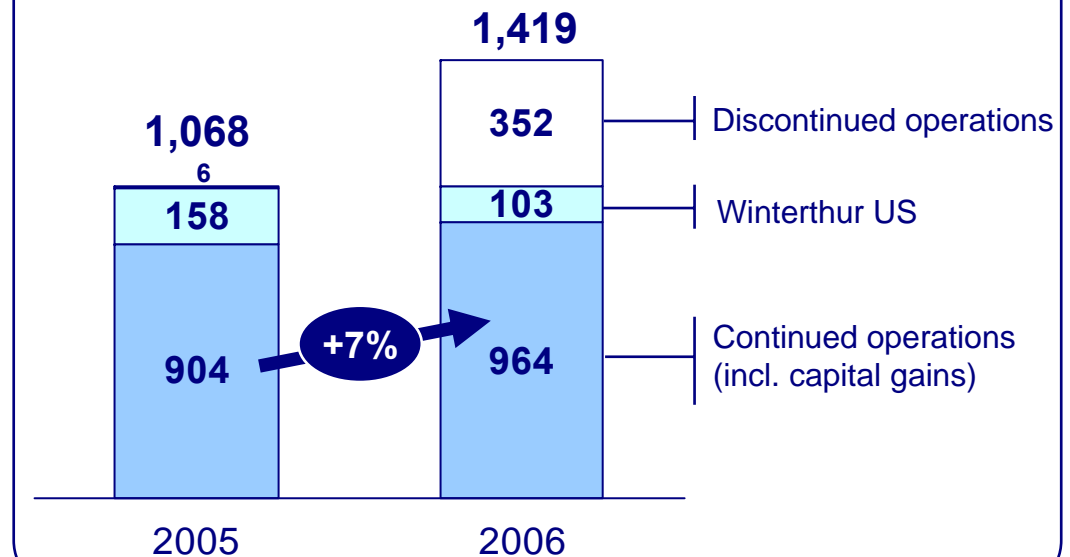
### Non life GWP

CHF million - USGAAP



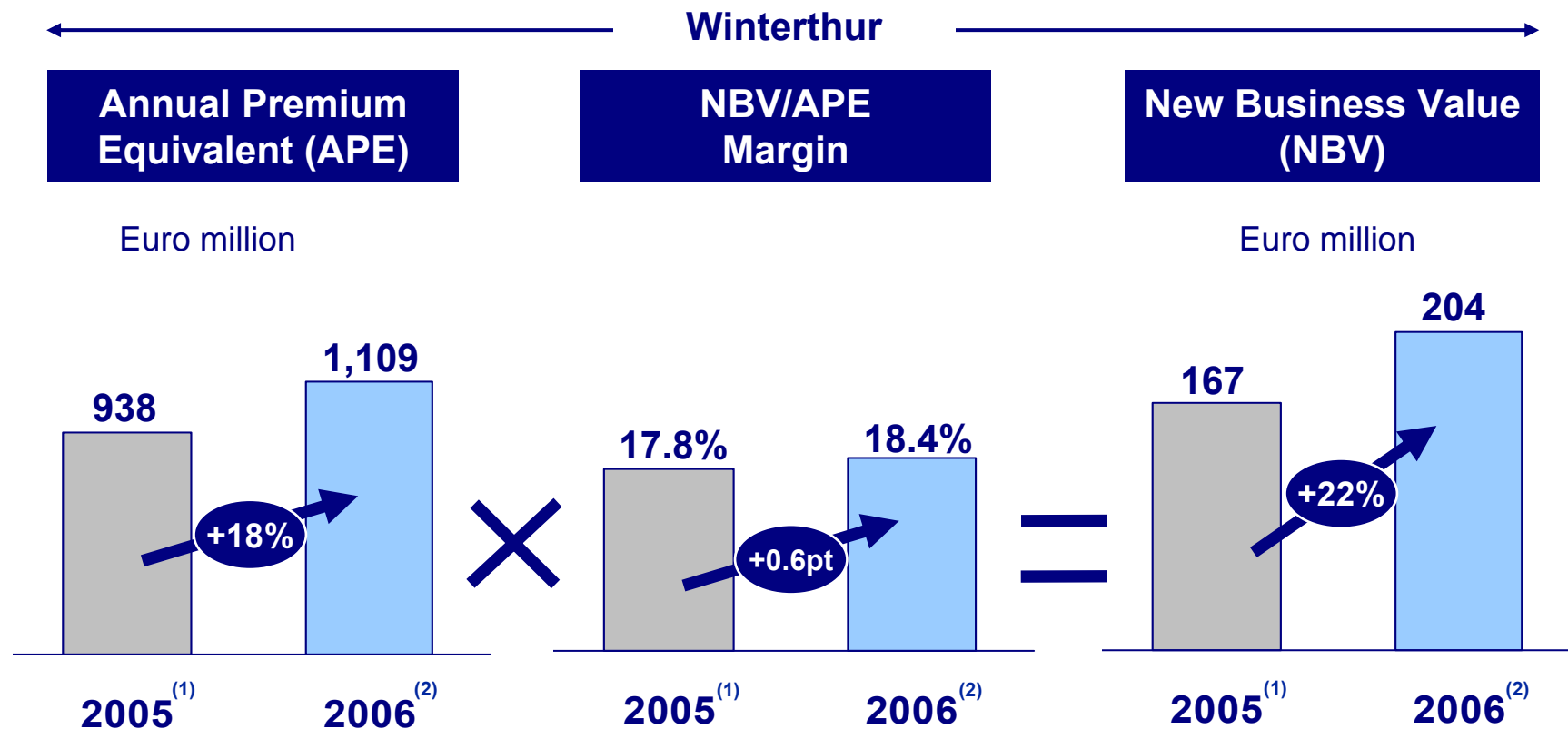
### Net income<sup>(2)</sup>

CHF million – USGAAP



(1) 100% basis  
(2) Economic segmental contribution

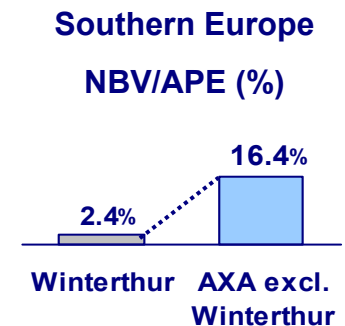
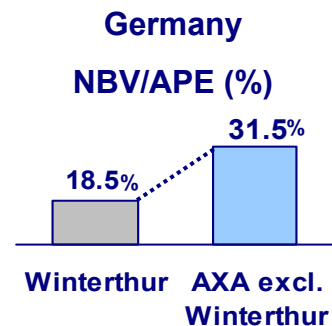
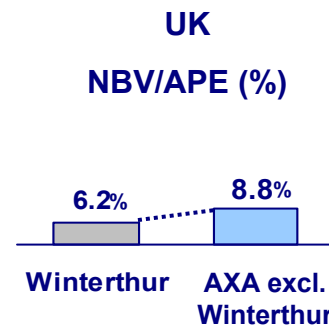
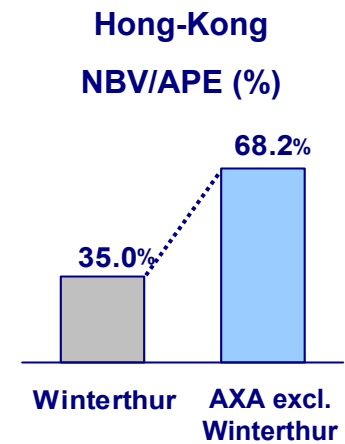
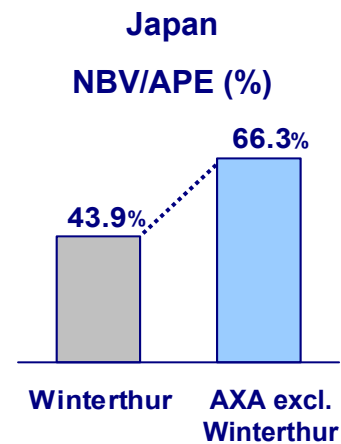
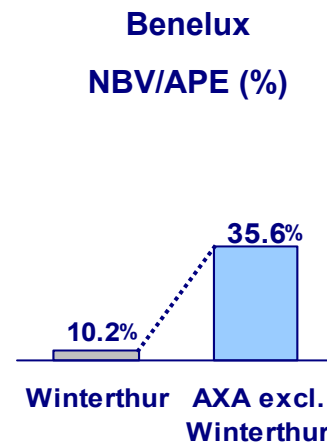
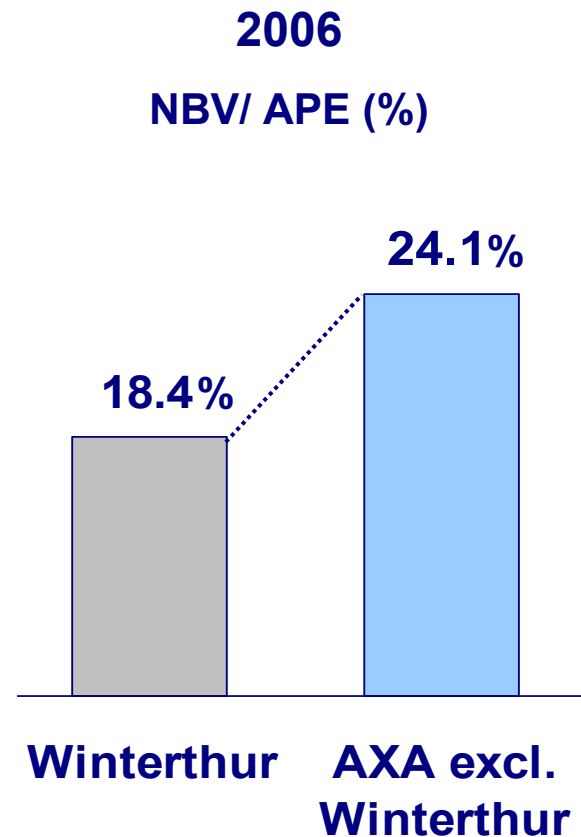
...with strong growth in L&S NBV due to both volume and margin...



(1) 2005 based on Winterthur published NBV

(2) 2006 based on AXA methodology. See page 42 for the analysis of the main differences with Winterthur methodology

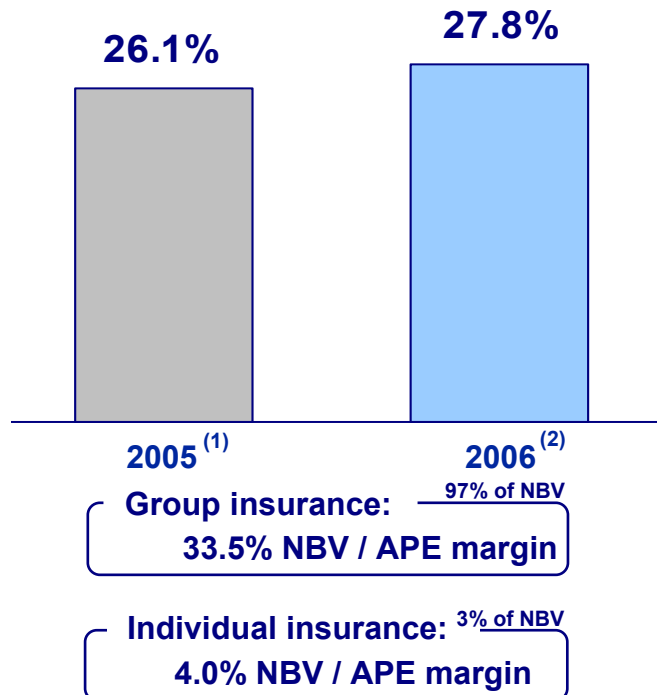
...while further NBV upside exists as integration within AXA should improve product mix and unit costs...



... and Swiss and CEE NBV margins remained high

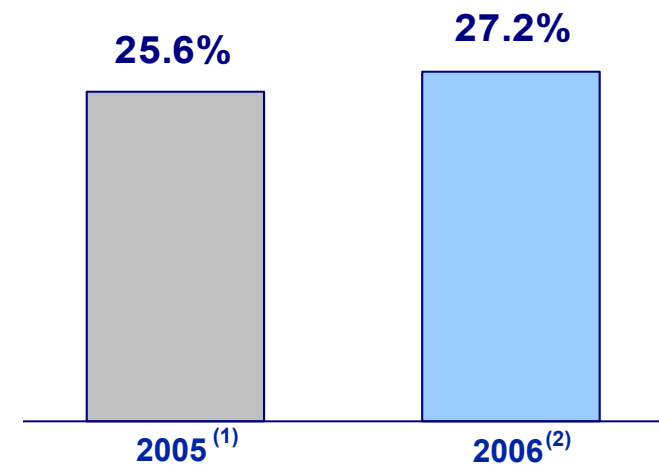
### 2006 Switzerland

#### NBV / APE margins (%)



### 2006 CEE

#### NBV / APE margins <sup>(3)</sup> (%)



(1) 2005 based on Winterthur published NBV

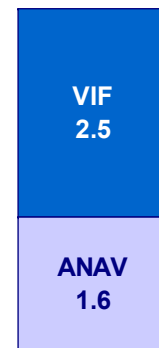
(2) 2006 based on AXA methodology. See page 42 for the analysis of the main differences with Winterthur methodology

(3) As an exception, CEE NBV is calculated on a deterministic basis

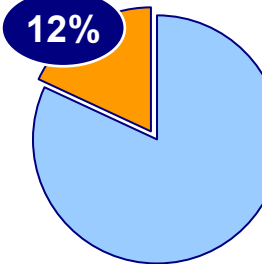
## Winterthur had a positive impact on AXA's 2006 EV

Winterthur contribution  
to AXA L&S EEV

Euro 4.1bn



Winterthur L&S EEV



AXA L&S EEV

Winterthur contribution  
to AXA Group EV

	<i>In Euro bn</i>
Winterthur L&S EEV	+4.1
Winterthur Other Business TNAV <sup>(1)</sup>	+1.3
<b>Consideration</b>	<b>+5.4</b>
	-7.9
	-2.5
Capital increase	+4.1
<b>Contribution to AXA Group EV</b>	<b>+1.7</b>

Elimination of intangibles  
mechanically creates a  
negative contribution...

...more than offset by the  
capital increase



(1) Tangible Net Asset value

## Purchase accounting should have limited impact on Winterthur underlying earnings contribution capacity

### Capital gains

Winterthur assets marked to market as of the end of 2006

**Realized gains contribution to Adjusted earnings will be limited in the near future**

### Intangibles

Goodwill:  
Euro 2.7bn<sup>(1)</sup>

▶ No amortization  
(subject to impairment tests )

Life VBI:  
Euro 1.7bn

▶ Euro -80m approx. net of tax in underlying earnings (from 2007), compared to Euro -83 intangible amortization charge in 2006 Winterthur USGAAP accounts

Customer intangible<sup>(2)</sup>:  
Euro 0.8bn

▶ Euro -60m approx. in net income (from 2007).  
No impact on underlying earnings

**Limited impact on AXA underlying earnings**



(1) Of which Euro 1.4bn for Life & Savings and Euro 1.3bn in P&C

(2) Of which Euro 0.2bn for Life & Savings and Euro 0.6bn for P&C

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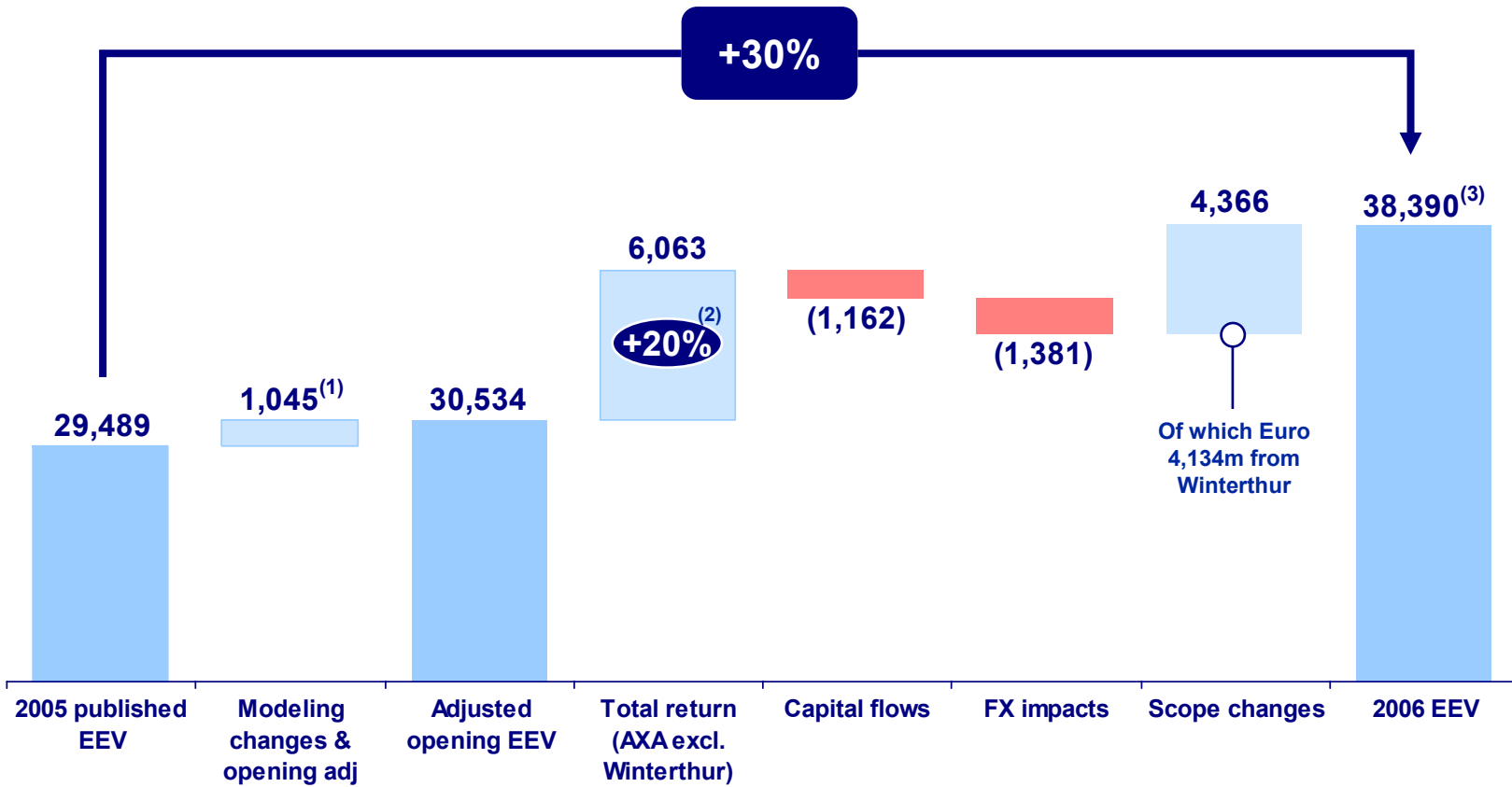
1 : Introduction

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Increase in L&S EEV primarily fuelled by business performance as well as Winterthur acquisition ...



(1) Modeling changes: Euro 608m of market calibration on interest rates and swaps + Other opening adjustments: Euro 437 m  
 (2) Total Return is assessed as follows: (Operating performance + NBV + Investment market conditions)/ Adjusted opening EEV  
 (3) Of which Euro 15,562 m ANAV (vs 13,568 in 2005) and Euro 22,828 m VIF (vs 15,921 in 2005)

## Strong operating performance was complemented by favorable market conditions

	2006		2005	
	Euro million	Contribution to adjusted opening (%)	Euro million	Contribution to adjusted opening (%)
Operating performance from existing business	2,252	7%	1,961	8%
NBV	1,501	5%	1,138	4%
<b>Operating return</b>	<b>3,752</b>	<b>+12%</b>	<b>3,100</b>	<b>+12%</b>
Current year investment experience	2,311	8%	401	2%
<b>Total return <sup>(1)</sup></b>	<b>6,063</b>	<b>+20%</b>	<b>3,500</b>	<b>+14%</b>

- Operating performance contribution: decrease from 8% to 7% due to lower IDR<sup>(2)</sup> used in 2006 and higher starting EEV<sup>(3)</sup>
- NBV contribution: increase from 4% to 5% reflecting the sharp increase in NBV and despite higher starting EEV<sup>(3)</sup>
- Current year investment experience: better actual market evolution (equity & FI) than expected in projections



(1) Total return is assessed as follows: ( Operating performance+ NBV + Investment market conditions)/ adjusted opening EEV

(2) Implied discount rate corresponds to the discount rate which would reproduce the market consistent VIF from a deterministic projection of statutory distributable earnings in an illustrative scenario

(3) Euro 1,045 m modeling adjustment is not included in the return. It reduces the return percentage by creating a higher base

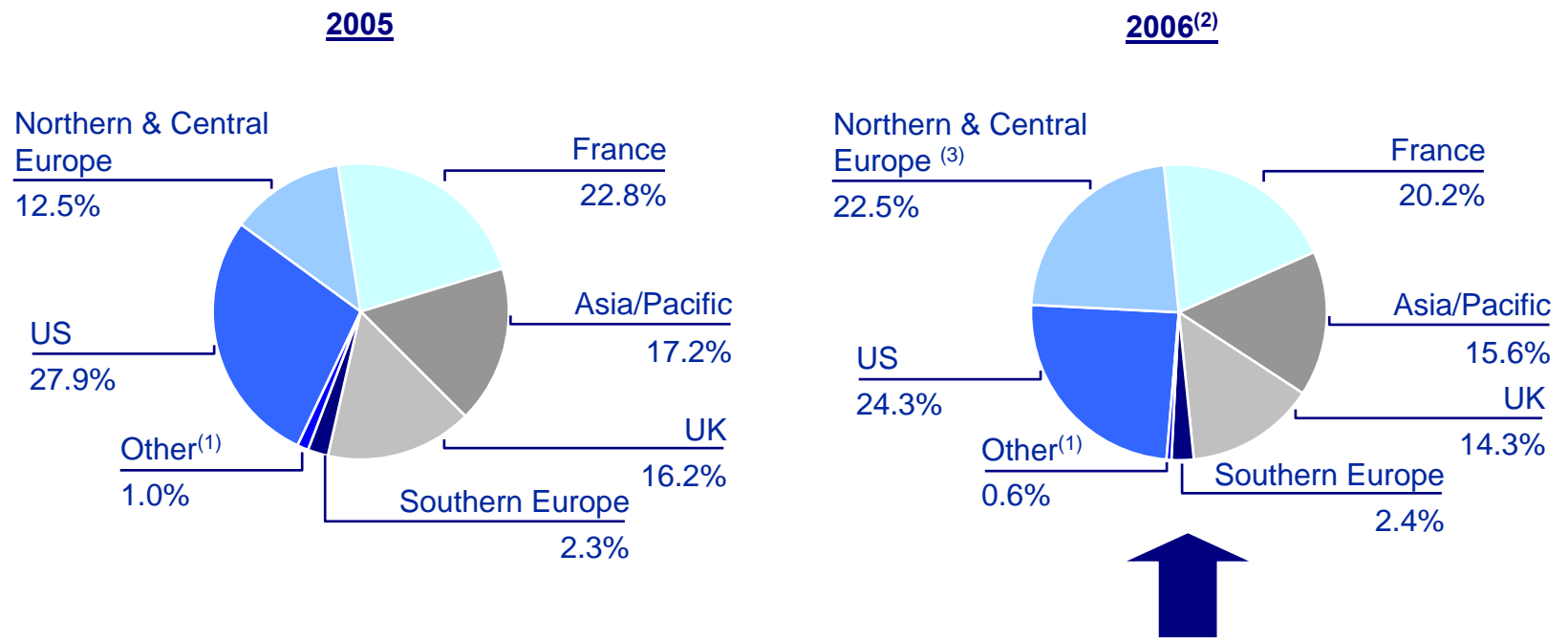
## Most countries showed very strong double digit total returns on L&S EEV

Return (in % adj. opening)	Operating perf.	NBV	Invest. experience	2006 total return	2005 total return
US	6%	5%	10%	21%	9%
France	11%	3%	8%	22%	11%
UK	0%	2%	3%	6%	11%
Japan	12%	15%	6%	34%	68%
Benelux	10%	4%	13%	27%	12%
Australia	12%	4%	3%	18%	26%
Hong-Kong	9%	7%	8%	23%	18%
Germany	3%	8%	14%	25%	-14%
Southern Europe	7%	3%	3%	14%	8%
<b>Total</b>	<b>7%</b>	<b>5%</b>	<b>8%</b>	<b>+20%</b>	<b>+14%</b>

▪ **UK:** Lower performance in 2006 compared to other countries because of tied up capital in inherited estate, low NBV as a percentage of EEV and negative operational experience due to unfavorable unit cost adjustment

▪ **Japan:** Less favorable investment experience in 2006 as 2005 showed significant bond unrealized gains increase

# AXA L&S EEV demonstrates genuine diversification further reinforced by Winterthur acquisition



Joint venture with MPS<sup>(4)</sup> in Italy will further increase geographic diversification



(1) Morocco, Luxembourg, Turkey, Slovakia, Canada, Singapore, Indonesia, Philippines & Thailand  
 (2) Breakdown excluding cross holding elimination restatement  
 (3) Of which 6% for Switzerland  
 (4) Closing subject to regulatory approval

## Sensitivity of L&S EEV to market conditions

Key sensitivities	Impact on L&S NBV <sup>(1)</sup>		Impact on L&S EEV	
	Euro million	%	Euro million	%
<b>Sensitivity to equity markets</b>				
<i>10% increase</i>	+154	+9%	+1,929	+5%
<i>10% decrease</i>	-159	-9%	-1,959	-5%
<b>Sensitivity to interest rates</b>				
<i>Upward 100bps parallel shift</i>	+164	+10%	-44	-0%
<i>Downward 100bps parallel shift</i>	-306	-18%	-1,453	-4%

## From Life & Savings EEV to Group EV 2006

Life & Savings EEV  
+  
Other Business  
Tangible Net Asset Value  
=  
Group EV

2006 Euro m	L&S	Other business	Group
<b>IFRS SH equity</b>	<b>35,497</b>	<b>11,729</b>	<b>47,226</b>
Goodwill	-7,415	-7,219	-14,634
Life DAC <sup>(1)</sup>	-6,896	0	-6,896
VBI & other intangibles	-3,703	-1,369	-5,072
TSS&TSDI	0	-7,253	-7,253
Other	-1,921 <sup>(2)</sup>	1,974 <sup>(3)</sup>	53
<b>Tangible NAV</b>	<b>15,562</b>	<b>-2,138</b>	<b>13,424</b>
Value in force	22,828	0	22,828
<b>E.V.</b>	<b>38,390</b>	<b>-2,138</b>	<b>36,252</b>

Negative contribution mainly due to:

1/ Full allocation of debt (Euro 16.6bn) to other business (holding segment)

2/ No allocation of Value In Force for Asset management and P&C

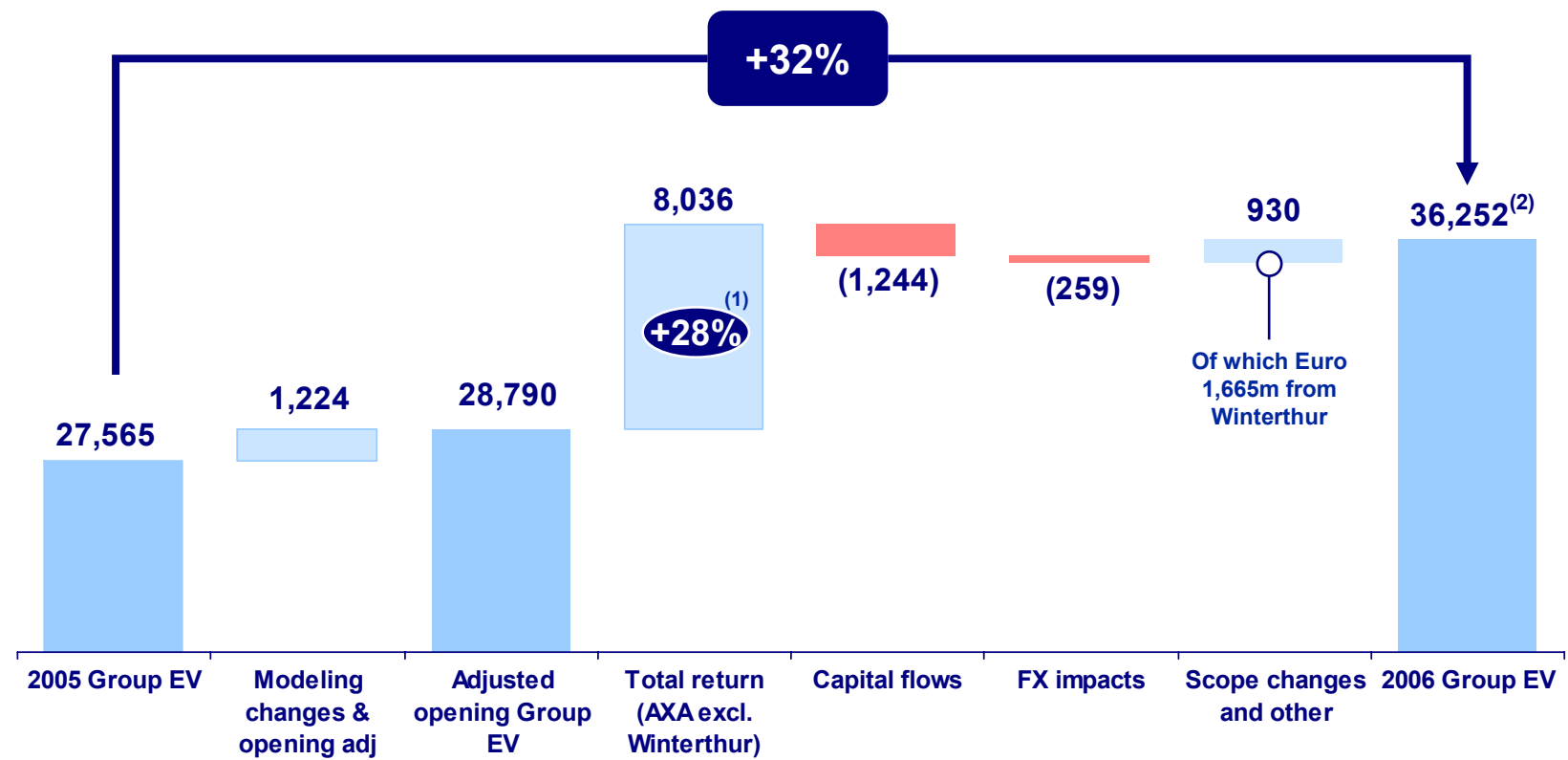


(1) P&C DAC is not eliminated as it is a short-term timing alignment (cut-off) rather than a long-term intangible

(2) Includes statutory to GAAP adjustments, net Unrealized Capital gains not included in shareholder equity net of unrealized capital gains projected in the VIF

(3) Includes Unrealized Capital gains not included in Shareholder equity and debt mark to market impact

# Increase in Group EV driven by 2006 results...



(1) As a percentage, Total return = (Operating return + Investment experience) / Adjusted opening group EV  
 (2) Of which Euro 22,828 VIF and 13,424 tangible NAV in 2006 (vs Euro 15,921 VIF and Euro 11,644 tangible NAV in 2005)

... mainly due to operating performance in Life & Savings, Non Life and Asset Management

Breakdown of Group EV Total Return (Euro Million)		2006	
Life & Savings		3,752	L&S EEV operating return
Other business		1,901	= Other business underlying earnings (Euro 1,685) + normative 4.5% capital growth on equity investments (Euro 328 m) + Net interest charge on TSS&TSDI (Euro -161m) + Other (Euro 49m)
<b>Operating return on Group EV</b>	<b>+20%</b>	<b>5,654</b>	
Life & Savings invest. exp.		2,311	L&S EEV current year investment experience
Other business invest. exp.		71	= Other business Net income (Euro 2,129m) -Other business underlying earnings (Euro 1,685) -Normative 4.5% equity capital growth (Euro 328) + Change in net Unrealized capital gains excluding AllianceBernstein (Euro 333m) + AllianceBernstein dividend correction (Euro -203m) <sup>(1)</sup> + Change in debt fair value (Euro -260m) + Other (Euro 86m)
<b>Total return on Group EV</b>	<b>+28%</b>	<b>8,036</b>	

Group EV return, unlike L&S EEV return, benefits from debt leverage as the debt is allocated to the Other business segment.



(1) Elimination of the dividends paid by AllianceBernstein to the Life & Savings segment in the US, which are considered as investment return by the Life & Savings segment and therefore need to be a negative investment return in Other than Life Business

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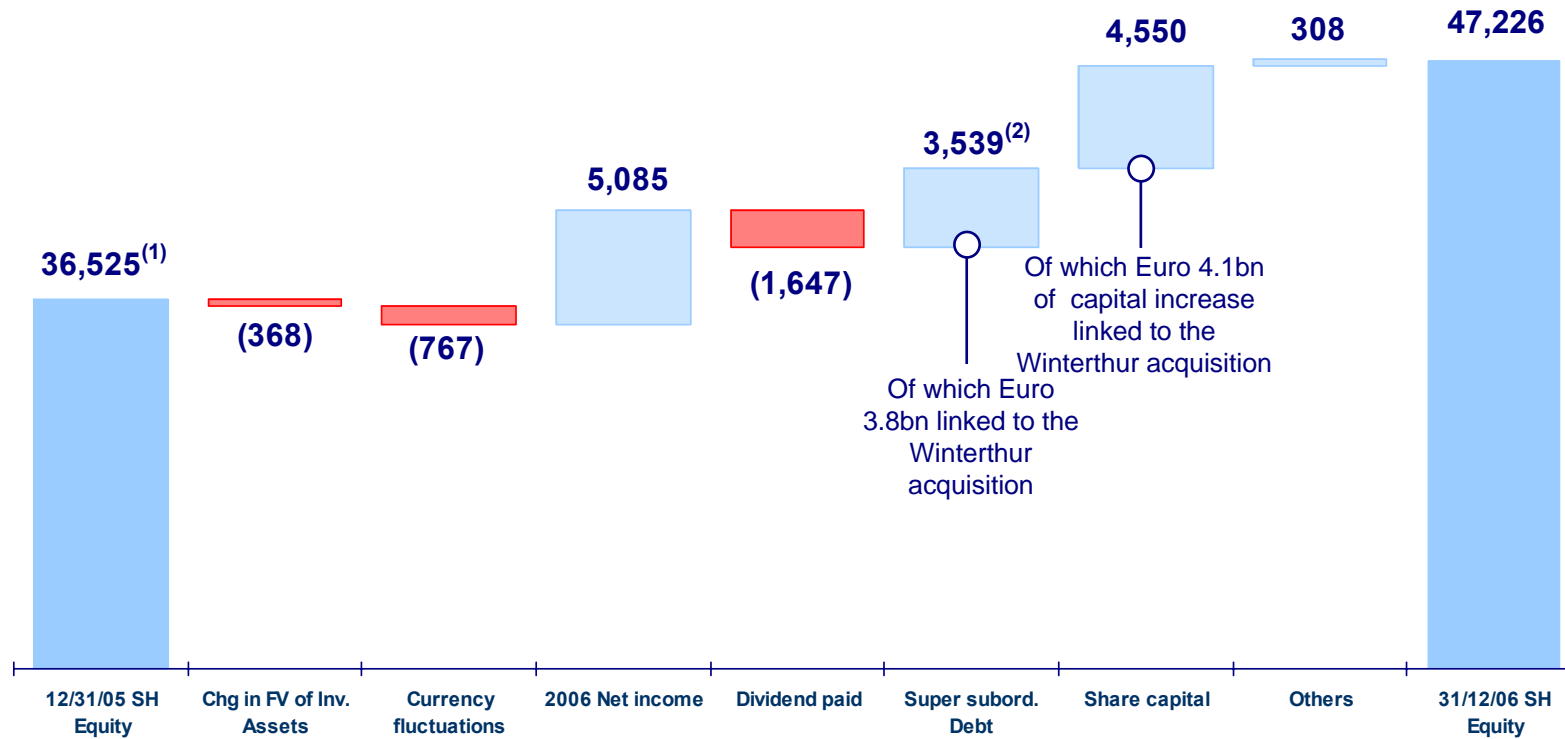
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The Euro 10.7 billion increase in Shareholders' equity was fuelled by strong earnings combined with Winterthur financing...

Consolidated shareholders' equity rollforward  
Euro million

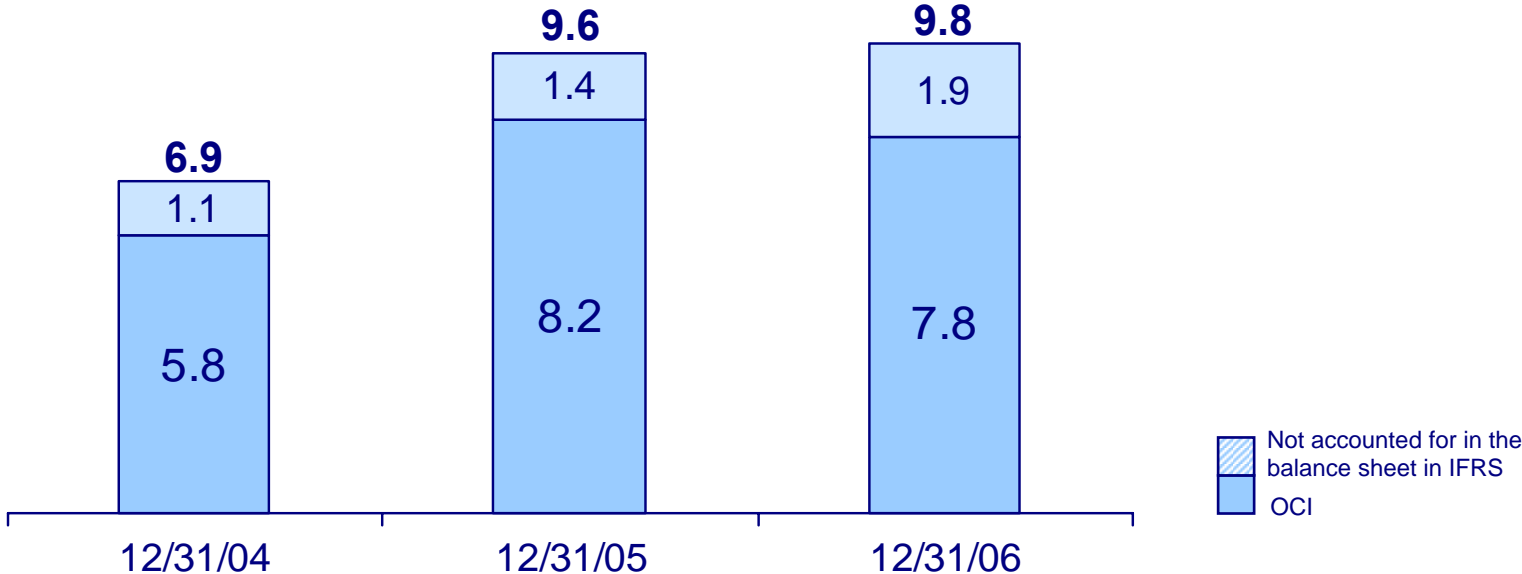


(1) Restated to include TSDI (+ Euro 2.7 billion)  
(2) Including accrued interests



**...unrealized capital gains reservoir remaining close to Euro 10 billion, despite 2006 high level of realized gains**

Unrealized capital gains attributable to shareholders (after tax)<sup>(1)</sup>



Winterthur's assets were marked to market as of December 31, 2006 resulting in the initial absence of unrealized capital gains on these assets

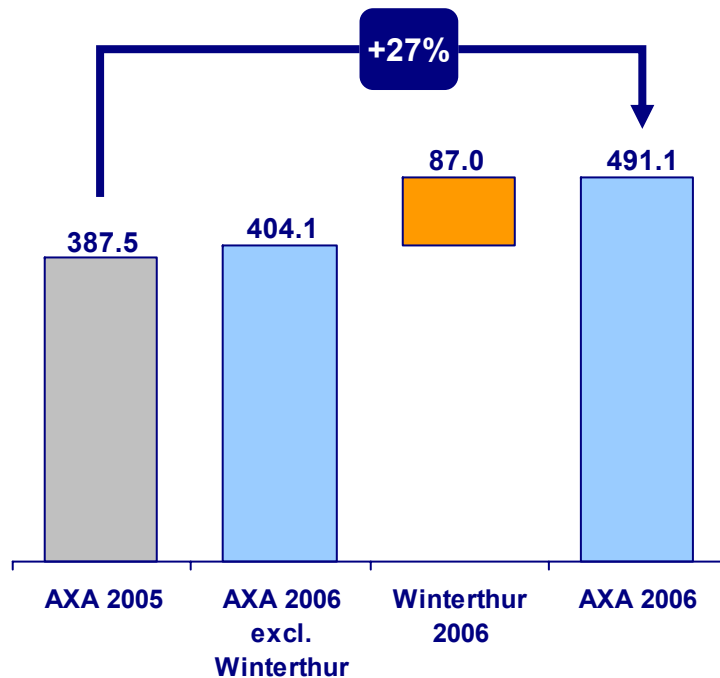


(1) Unlike previous year presentations unrealized gains on AllianceBernstein are excluded

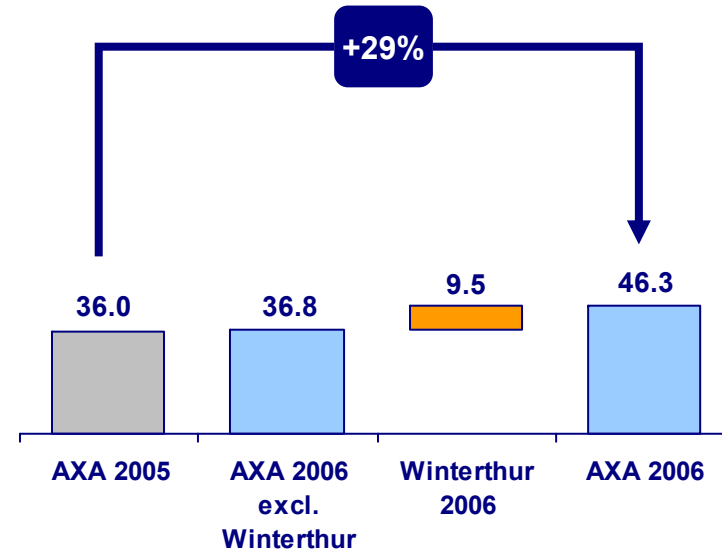


## Winterthur contributed Euro 87.0 billion to AXA's L&S reserves and Euro 9.5 billion in P&C

Gross Life & Savings reserves  
*Euro billion*

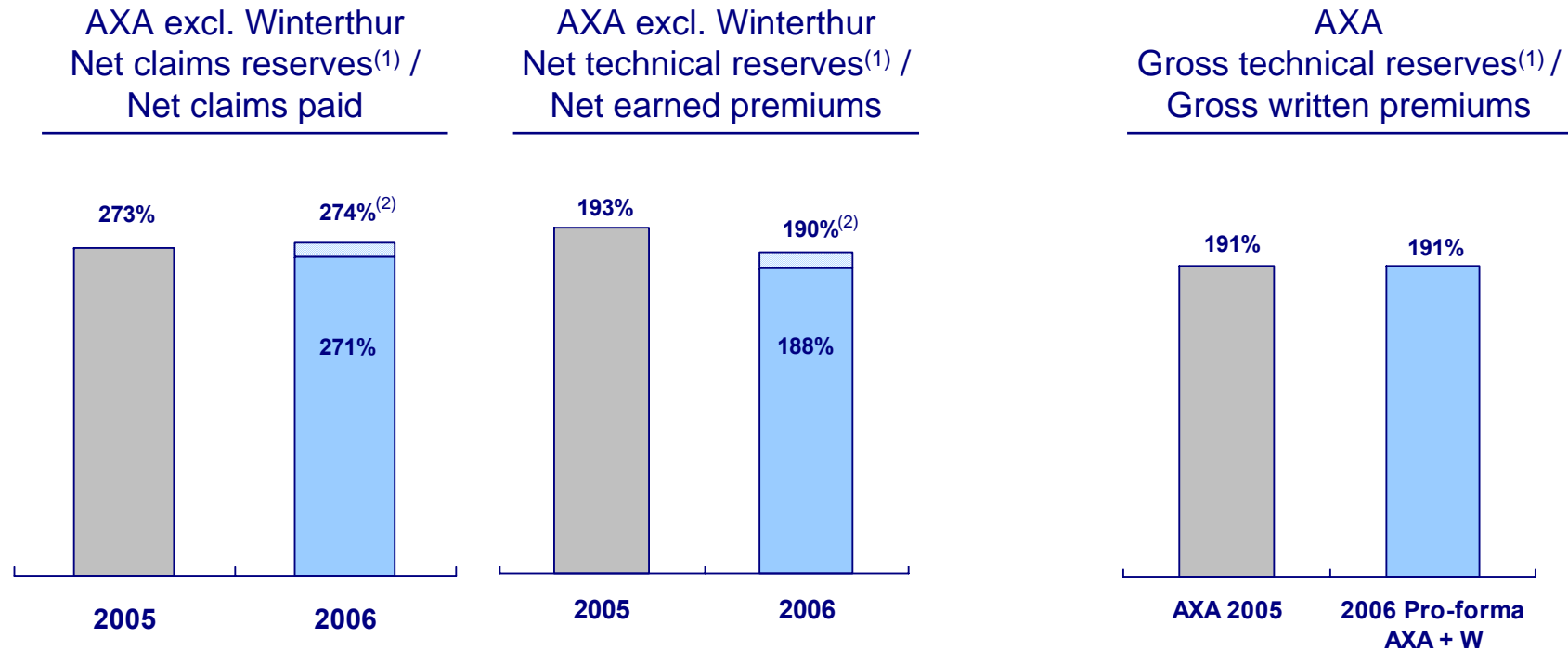


Gross P&C reserves<sup>(1)</sup>  
*Euro billion*



(1) Excluding international activities

## AXA's P&C reserves ratios remained at a very high level



...despite a reduction in current loss ratio which naturally drives the net technical reserves/ net earned premiums ratio down

Winterthur is aligned with AXA's policy

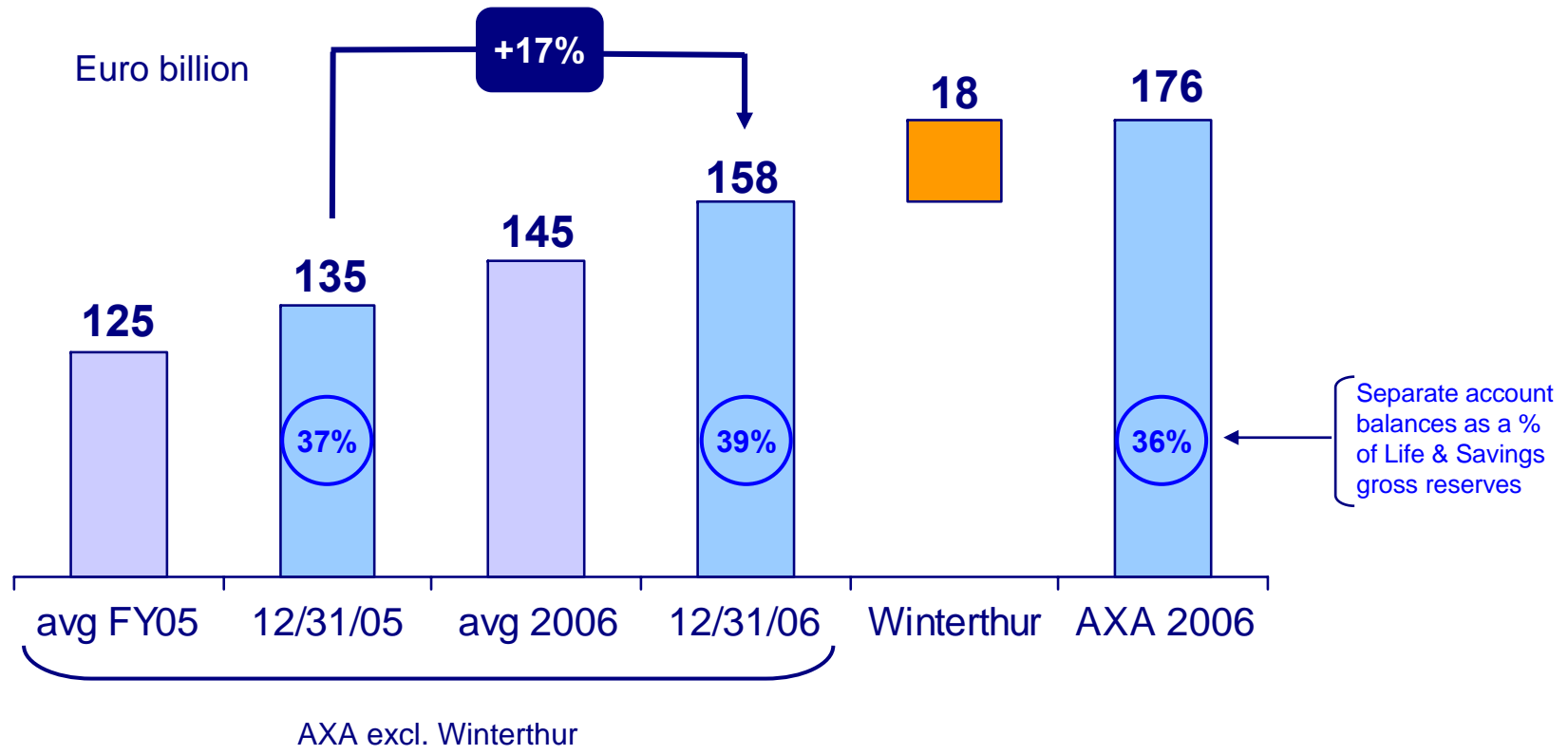


(1) Excluding international activities

(2) At constant scope = excluding the impact of the transfer of some German business in run-off into other international activities

# AXA's L&S reserves: higher separate account balances to start the year 2007 with

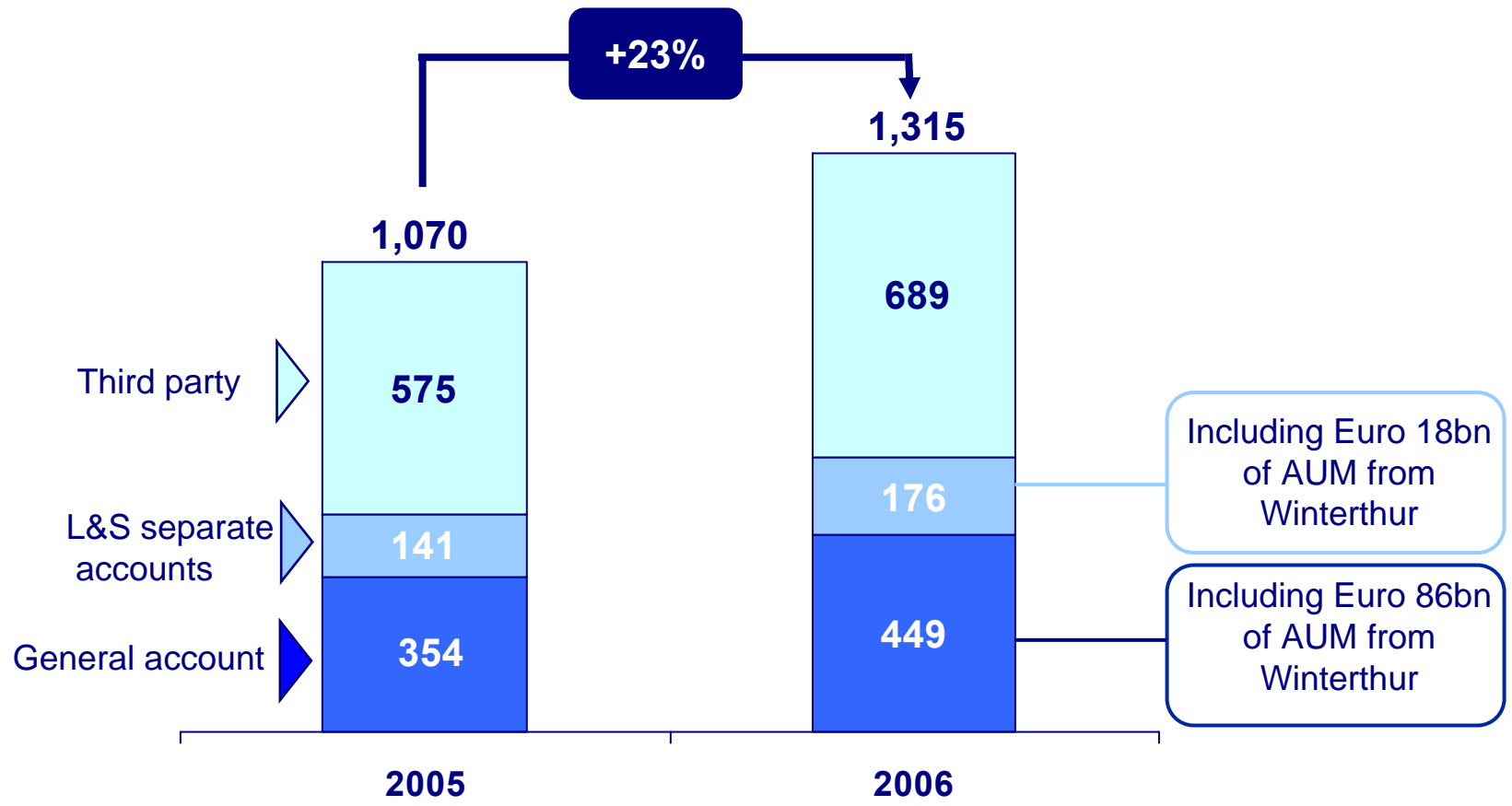
Life & Savings separate account balances<sup>(1)</sup>  
 All periods at December 31, 2006 exchange rates



(1) Contracts with financial risk borne by policyholders

# Double digit increase in AUM driven by strong net inflows, equity market appreciation and the integration of Winterthur

Assets Under Management  
Euro billion



## Winterthur integration had a minimal impact on our asset allocation

<i>Economic view, based on market value</i>	2006 Euro bn	2006 insurance assets				2005 Total
		L&S	P&C	Others	Total	
Fixed income	288 <sup>(1)</sup>	77%	70%	58%	75%	74%
Cash & repos	18	4%	5%	24%	5%	7%
Listed equities	41	10%	16%	12%	11%	11%
Real estate	20	5%	6%	6%	5%	4%
Alternative investments	9	2%	2%	0%	2%	2%
Policy loans	8	2%	0%	0%	2%	3%
<b>Total insurance assets</b>	<b>384<sup>(2)</sup></b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Breakdown of fixed income assets (€288 bn 75% of AXA Insurance assets)		
	Euro bn	%
Govies & public	140	36%
Corporate bonds	118	31%
Debt tranches of CDOs & ABS	11	3%
Other fixed income <sup>(1)</sup>	19	5%

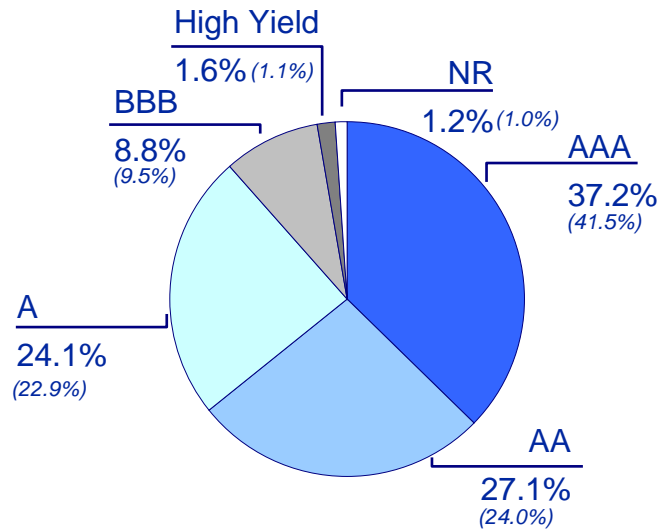
Breakdown of alternative investments (€9 bn 2% of AXA Insurance assets)		
	Euro bn	%
Hedge funds	5	1%
Private equity	3	1%
Equity tranches of CDOs & ABS	1	0%

(1) Includes individual Mortgages and Loans for Euro 17 bn (most of which are collateralized) and Agency Pools of Euro 2 bn

(2) Reconciliation to General Accounts AUM (Euro 449 bn): Euro 384 bn total Insurance Assets + Euro 34 bn With Profits + Euro 20 bn Non insurance Invested Assets (Asset Management, Other Financial Services and Holdings) + Euro 6 bn controlled investment funds + Euro 5 bn scope differences (mainly NSM vie, AXA Morocco and the former AXA in Switzerland).

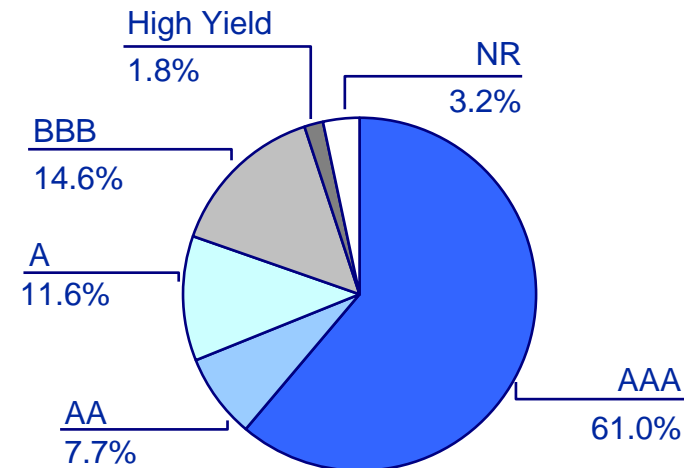
## Details of fixed income assets: a monitored credit exposure

### Economic breakdown of Fixed Income assets by rating<sup>(1)</sup> (Euro 272 bn: 71% total insurance assets)



Average rating at A+

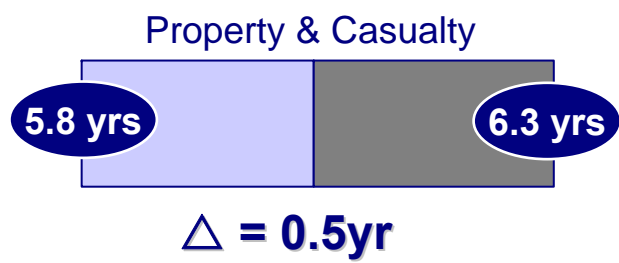
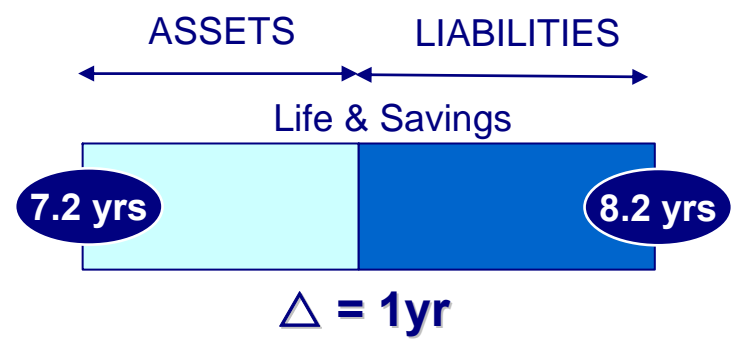
### Economic breakdown of debt tranches of CDOs & ABS by rating (Euro 11 bn : 3% total insurance assets)



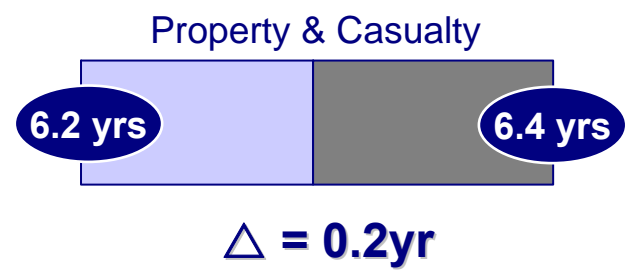
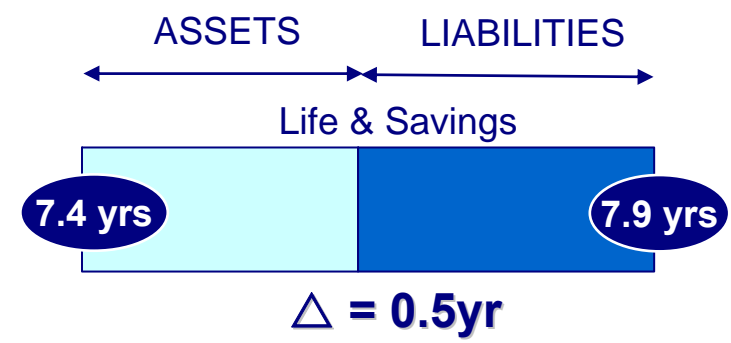
Including Euro 1.4 billion (or 0.4% of total insurance assets) of residential MBS tranches backed by sub-prime (US & non-US) of which 81.7% AAA-rated & 17.9% AA & A-rated.

**AXA reduced the duration gap while taking advantage of increasing bond yields**

**Duration gap at year end 2005**



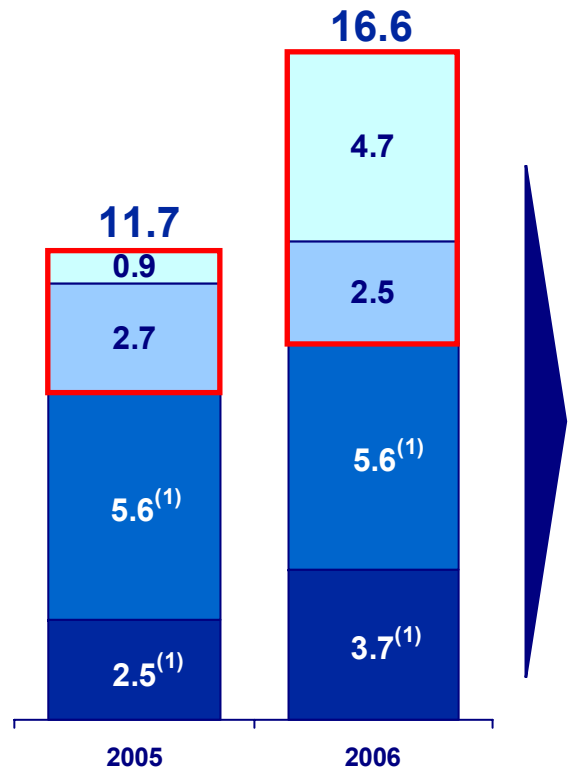
**Duration gap at year end 2006, including Winterthur<sup>(1)</sup>**



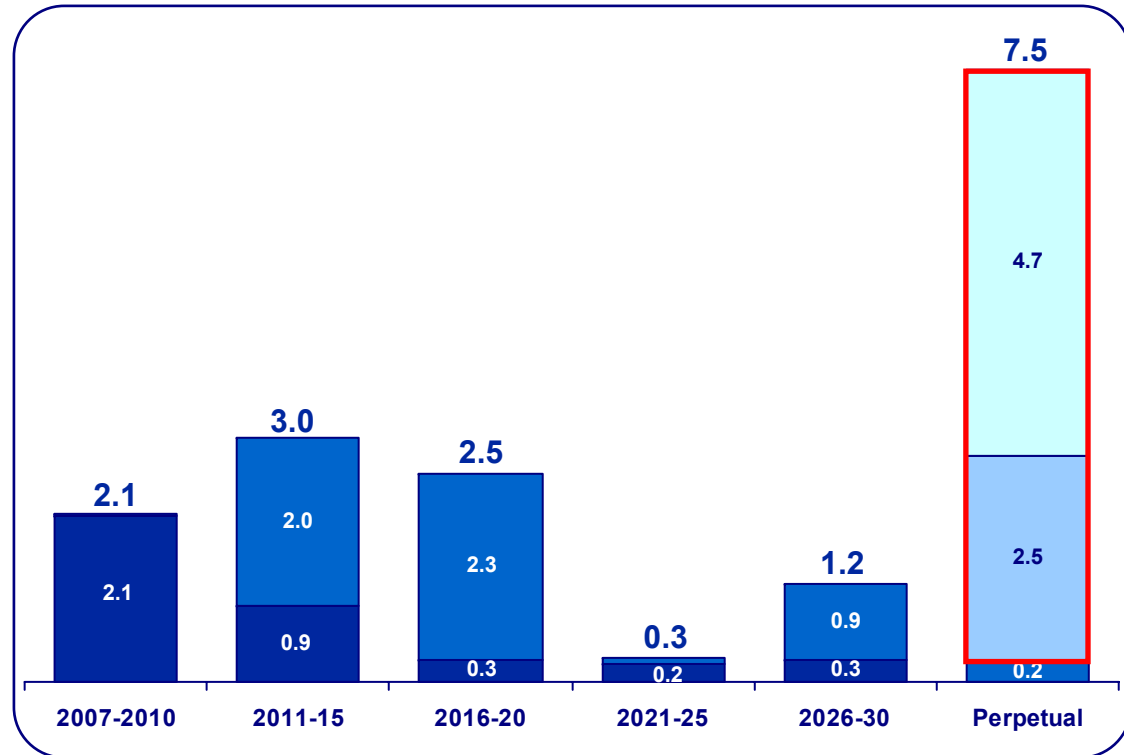
(1) Excluding Winterthur US P&C operations

# AXA increased the amount of long term financial resources to finance Winterthur

Total net debt in € bn



Legal maturity breakdown

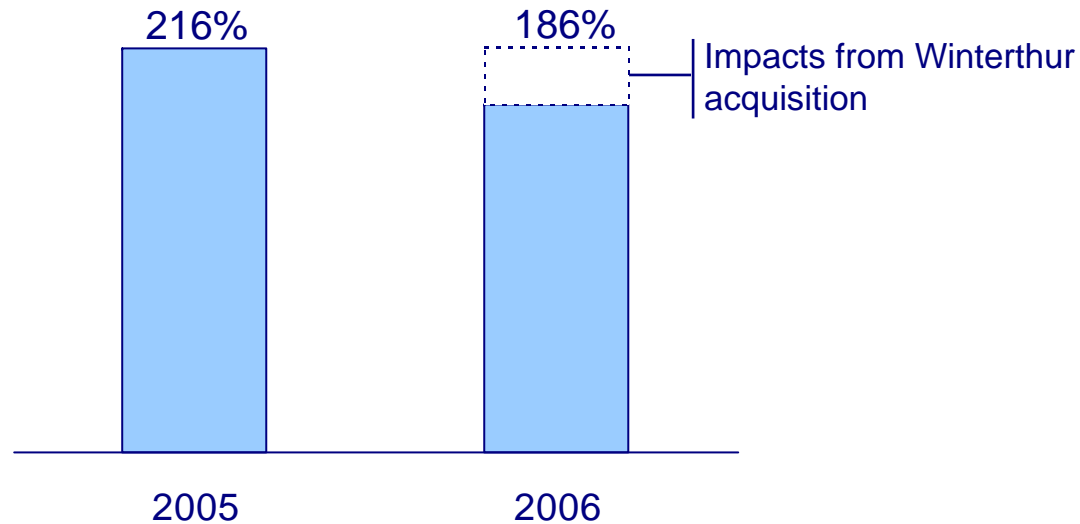


■ Subordinated debt     
   TSS = perpetual deeply subordinated notes } Booked in shareholders' equity  
■ Senior debt                     
   TSDI = perpetual subordinated notes

(1) Net of cash and including reversal of mark to market of interest rates derivatives

## Solvency remained very strong, despite rising interest rates and the acquisition of Winterthur

Consolidated European solvency margin<sup>(1)</sup>



We are committed to maintaining a very strong financial structure (based on economic capital, regulatory solvency, gearing, interest coverage and liquidity), consistent with a AA-range financial strength rating

## Estimated shareholder cash flows statement

<i>(in Euro billion)</i>	2005	2006
Adjusted earnings N-1	3.4	4.3
Differences between adjusted earnings and statutory results <sup>(1)</sup>	-0.4	-0.4
Increase in local solvency margin	-1.2	-1.0
Local capital optimization	0.8	0.0
<b>(A) Estimated shareholder cash flows from operating activities</b>	<b>2.6</b>	<b>3.0</b>
Dividend paid	-1.2	-1.6
Total investments	0.4	-9.6
Share purchase program & Exchangeable bond buy-back	-2.0	-0.3
<b>(B) Estimated shareholder cash flows from investing activities</b>	<b>-2.8</b>	<b>-11.5</b>
Capital increase	0.4	4.6
Debt changes	-0.1	4.0
<b>(C) Estimated shareholder cash flows from financing activities</b>	<b>0.2</b>	<b>8.6</b>
<b>(A)+(B)+(C)=0</b>		



2006 cash flows from operating activities net of dividend represented approximately 30% of 2005 adjusted earnings

**Non audited**

**Non GAAP**

## Upcoming 2007 events

May 10	First Quarter 2007 Activity Indicators release
May 14	Annual General Meeting
May 21	Dividend <sup>(1)</sup> payment
June 21	Presentation of AXA UK and AllianceBernstein activities
August 9	Half Year 2007 Earnings release
November 8	First Nine Months 2007 Activity Indicators release
November 13	Ambition 2012 update



(1) To be proposed at the May 14, 2007 Shareholders' meeting

Q&A





# Balance sheet & EEV

Appendices



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## AXA end of 2006 simplified balance sheet

@ December 31, 2006 (in € billion)	AXA excl. Winterthur	AXA	@ December 31, 2006 (in € billion)	AXA excl. Winterthur	AXA
Goodwill	13.3	16.1	Shareholders' Equity, Gp share	47.2	47.2
VBI	2.7	5.1	Minority interests	2.9	2.9
DAC & equivalent	15.6	15.9	<b>SH EQUITY &amp; MI</b>	<b>50.1</b>	<b>50.2</b>
Other intangibles	1.2	2.4	Technical reserves	462.4	560.4
Investments	497.7	599.0	Provisions for risks & charges	7.9	9.0
Other assets & receivables	67.8	68.0	Financing debt	9.3	9.3
Cash & Cash equivalents	17.9	21.2	Other liabilities	86.6	98.6
<b>ASSETS</b>	<b>616.3</b>	<b>727.6</b>	<b>LIABILITIES &amp; SH EQUITY</b>	<b>616.3</b>	<b>727.6</b>

## Asbestos - Net reserves of Euro 1,123 million as of 12/31/06, or a 33.6 years survival ratio<sup>(1)</sup>

<b>Asbestos net reserves as of 12/31/05</b>	<b>€ 966 m</b>
Net claims paid in 2006	€ -98 m
Other changes (including FX impacts)	€ 178 m
<b>AXA standalone Asbestos net reserves as of 12/31/06</b>	<b>€ 1,046 m</b>
Winterthur asbestos net reserves	€ 77m
<b>Asbestos net reserves as of 12/31/06</b>	<b>€ 1,123 m</b>

<b>3 year survival ratio, excluding commutations</b>	<b>33.6 yrs</b>
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*Reserves are: Not discounted  
Proven to be realistic if looking at past commutations*

- ▶ Asbestos reserves represented 2% of AXA's total P&C and International Insurance net reserves
- ▶ Winterthur does not impact our exposure profile as Winterthur's asbestos net reserve accounted for 1% of total Winterthur P&C and International Insurance net reserves
- ▶ 3 year survival ratio further improved in 2006 to 33.6 years, including Winterthur, and compares favorably with industry benchmarks



(1) (Net reserves including IBNR)/ average claims paid over the last 3 years

## **AXA and Winterthur had fundamentally similar approaches to EEV in 2005, with limited differences in implementation**

- Both used a bottom-up market consistent approach to valuing risk
- Both aligned EEV reporting with their primary accounts' segmentation
  
- Some refinements on the margin to unify methodology in 2006
  - 2005 approaches to investment market conditions varied (eg swaps vs govies), but in 2006 both aligned
  - AXA does not include profits earned by Investment Management companies for life business, consistent with its separate Asset Management segment in IFRS. AXA approach used for 2006.
  - Differing implementations to value Non Financial Risk. AXA approach used for 2006.
  - AXA discloses IDRs and IRRs, extended in 2006 to Winterthur
  - Some local alignments of country-specific issues completed for 2006

### **Limited overall impact on Winterthur value of refined methodologies**



## Return on Life & Savings EEV by country<sup>(1)</sup> (1/2)

Return (in % adj. opening)	Operating return	Invest. experience	2006 Total return
US	11%	10%	21%
France	14%	8%	22%
UK	3%	3%	6%
Japan	27%	6%	34%
Benelux	14%	13%	27%
Australia	16%	3%	18%
Hong-Kong	15%	8%	23%
Germany	11%	14%	25%
Southern Europe	10%	3%	14%
<b>Total</b>	<b>12%</b>	<b>8%</b>	<b>20%</b>

**Operating return** is driven by YE 2005 implied discount rate applied to VIF&Required Capital, plus expected return on surplus, plus operational variances, plus NBV. **Total return** then brings in investment variances, which include current year actual mark-to-market performance vs expected, and the impact of the change in investment market conditions on VIF (Risk free rate curves impacting future yields and discounts, volatilities impacting option costs).

**US:** Operating return of 11% includes unfavorable operational variances due to higher annuity lapses, partially offset by a tax clarification in 2006, positive mortality experience, higher investment spreads on AXA unit linked managed funds and lower expenses netting to a -1% impact. NBV contributes 5%. Total return of 21% includes dividends from AllianceBernstein and the impact of strong equity performance on unit-linked fund balances and on the employee pension plan assets.

**France:** Operating return of 14% includes favorable operational variances for the decrease of Loss Ratio on Group business and the success of an active commercial campaign to decrease highest guaranteed rate on Retirement business, partially offset by an increase of the administrative expenses netting to a 4% impact. NBV while growing strongly contributes only 3%. Total return of 22% is driven by the increase of the unrealized capital gains.

**UK:** Low Operating return at 3% reflects the impact of tied up capital in inherited estate, along with negative operational variance caused by higher costs experienced in 2006 than reflected in 2005 VIF, and higher surrenders in 2006 with some continuation anticipated in 2007 netting to a -5% impact. NBV contributes only 2%. Total return of 6% includes strong equity performance, including gains on AAPH shares.



(1) Excluding Winterthur

## Return on Life & Savings EEV by country<sup>(1)</sup> (2/2)

Return (in % adj. opening)	Operating return	Invest. experience	2006 Total return
US	11%	10%	21%
France	14%	8%	22%
UK	3%	3%	6%
Japan	27%	6%	34%
Benelux	14%	13%	27%
Australia	16%	3%	18%
Hong-Kong	15%	8%	23%
Germany	11%	14%	25%
Southern Europe	10%	3%	14%
<b>Total</b>	<b>12%</b>	<b>8%</b>	<b>20%</b>

**Japan:** Operating return of 27% includes favorable operational variances reflecting mortality improvement coupled with a lower assumed payout ratio to Group Life policyholders and an overall better retention netting to a 7% impact. NBV contributes 15%. Total return of 34% reflects the higher risk free rates that particularly increase the certainty equivalent value.

**Benelux:** Operating return of 14% includes operational variances of 3% and new business of 4%. Total return of 27% includes strong contribution from favorable business markets.

**Australia/NZ:** Operating return of 16% is largely driven by better than expected technical profits with improvement in the profitability of the group risk business and a repricing of the individual life risk riders as well as improvement in expense assumptions. NBV contributes 4%.

**Germany:** Despite the Euro 220 m of opening adjustment, the Operating return is strong at 11%. This performance is notably due to the strong NBV (TwinStar) more than offsetting the negative operational variance from higher expenses compared to 2005 with a net -4%. Total return of 25% reflects the higher risk free rates that decrease the cost of guarantees as well as strong equity performance.

**Southern Europe:** Operating return of 10% is comparable to 2005 return (8% in 2005) and includes small operational variances with less than 1% impact. NBV contributes 3%. Favorable financial market conditions explain the 3% investment experience.



(1) Excluding Winterthur

# Combined implied discount rates <sup>(1)</sup> per country and investment assumptions

## IDR

In %	NBV IDR <sup>(2)</sup>		VIF IDR	
	YE 2005	YE 2006	YE 2005	YE 2006
United States	8.41%	8.02%	8.25%	7.55%
France	6.03%	6.73%	8.32%	7.19%
United Kingdom	6.40%	5.52%	5.60%	6.34%
Switzerland	-	-	-	5.44%
Japan	3.65%	4.42%	10.80%	9.76%
Benelux	6.04%	6.58%	9.30%	8.70%
Australia	6.86%	7.23%	7.65%	7.88%
Hong-Kong	6.14%	7.22%	7.39%	7.57%
Germany	7.45%	5.57%	8.76%	6.76%
Southern Europe	5.13%	5.78%	6.58%	6.61%
<b>TOTAL Life &amp; Savings</b>	<b>6.22%</b>	<b>6.32%</b>	<b>7.97%</b>	<b>7.08%</b>

## Investment assumptions

2006 future returns	FI Return	Equity Return	Cash Return	Real Estate Return	"Other" Return
United States	7.15%	8.50%	4.30%	7.00%	6.47%
France	4.50%	7.50%	3.75%	6.00%	4.50%
United Kingdom	4.96%	7.50%	n/a	6.00%	n/a
Switzerland	3.50%	6.50%	2.80%	4.40%	n/a
Japan	3.82%	6.50%	2.02%	5.00%	5.00%
Benelux	4.69%	7.50%	3.89%	6.00%	3.37%
Australia	5.86%	9.00%	6.00%	7.50%	n/a
Hong-Kong	5.31%	9.33%	n/a	7.33%	n/a
Germany	5.49%	7.50%	2.00%	6.00%	n/a
Southern Europe	4.74%	7.50%	3.49%	5.70%	n/a



- (1) Implied discount rate (IDR) corresponds to the discount rate which would reproduce the market consistent VIF from a deterministic projection of statutory distributable earnings in an illustrative scenario
- (2) AXA excluding Winterthur

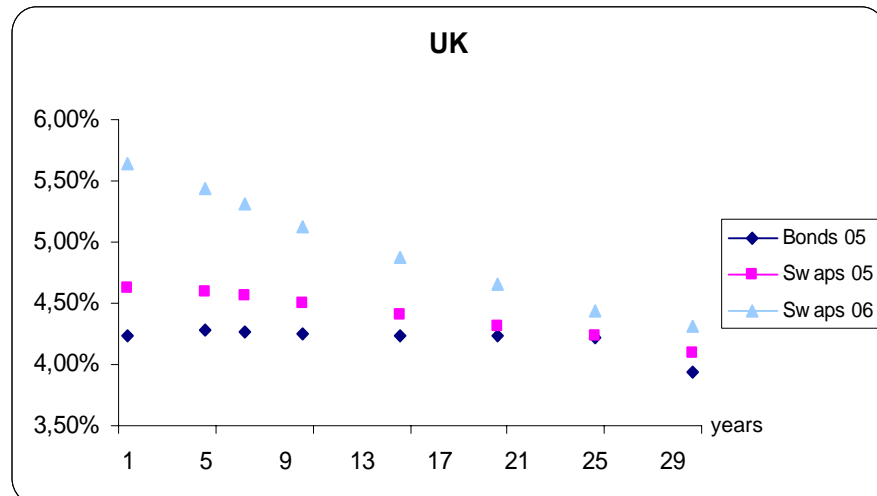
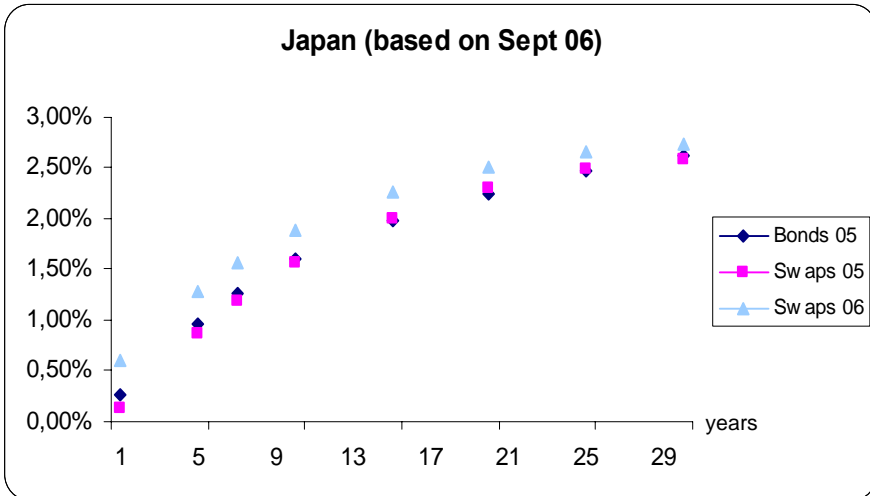
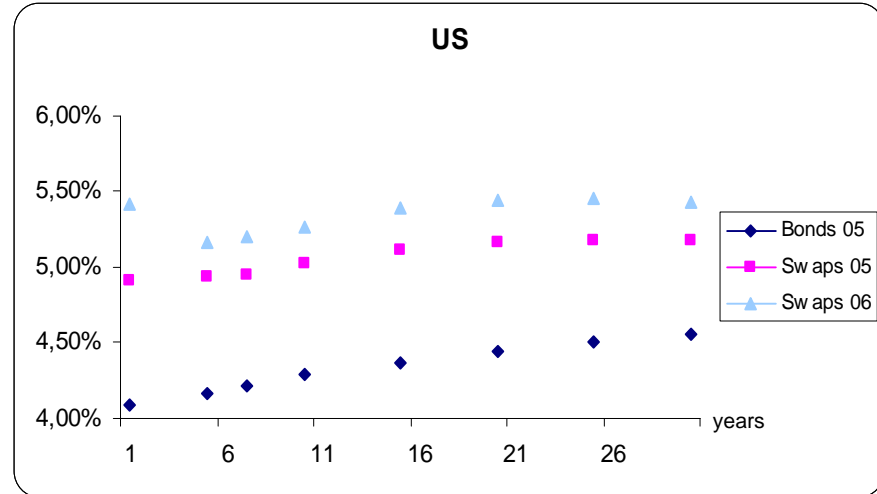
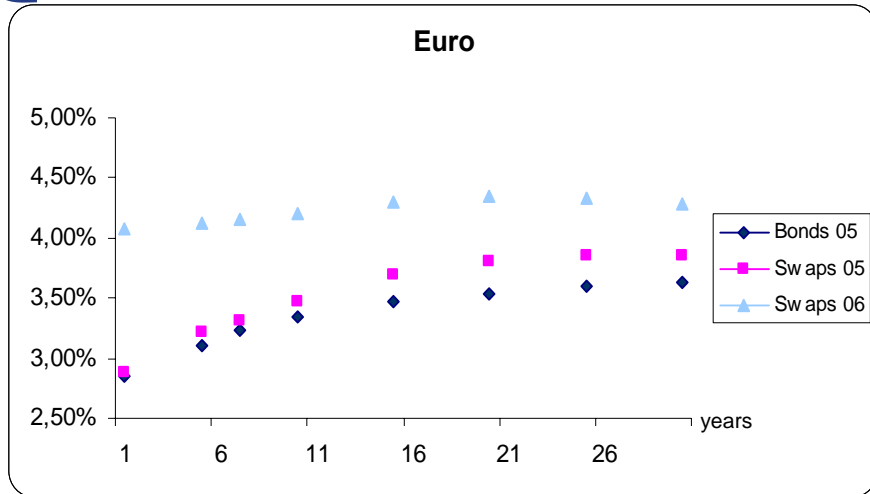
## Enhanced market consistency assumptions utilized across the Group (1/3)

Key parameters	2006	2005 (2005 restated)
<b>Yield curves (10 year maturity)</b>	€: 4.21%	€: 3.35% (3.48%)
<i>2006: Swap rates on the last business day of the accounting period</i>	\$: 5.27%	\$: 4.29% (5.02%)
<i>2005: Govies on the last business day of the accounting period</i>	Y*: 1.88%	Y: 1.61% (1.57%)
	£: 5.12%	£: 4.24% (4.50%)
<b>Equity implied volatility (10 year maturity)</b>	€: 22.8%	€: 20.7% (20.6%)
<i>2006: 1 year average of equity implied volatility</i>	\$: 21.0%	\$: 16.2% (19.8%)
<i>2005: Based on historical average equity implied volatility</i>	Y*: 21.8%	Y: 21.5% (19.2%)
	£: 20.9%	£: 18.2% (18.4%)
<b>Swaptions implied volatility (10 year maturity)</b>	€: 12.0%	€: 10.1% (14.2%)
<i>2006: 2 weeks average of swaption implied volatility</i>	\$: 11.7%	\$: 8.4% (13.3%)
<i>2005: Based on historical average swaption implied volatility</i>	Y*: 18.5%	Y: 11.9% (19.2%)
	£: 12.0%	£: 10.3% (12.4%)

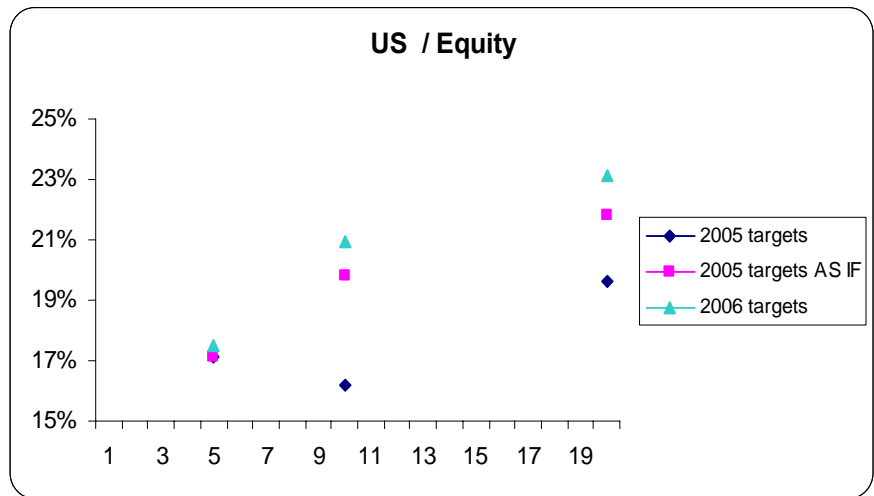
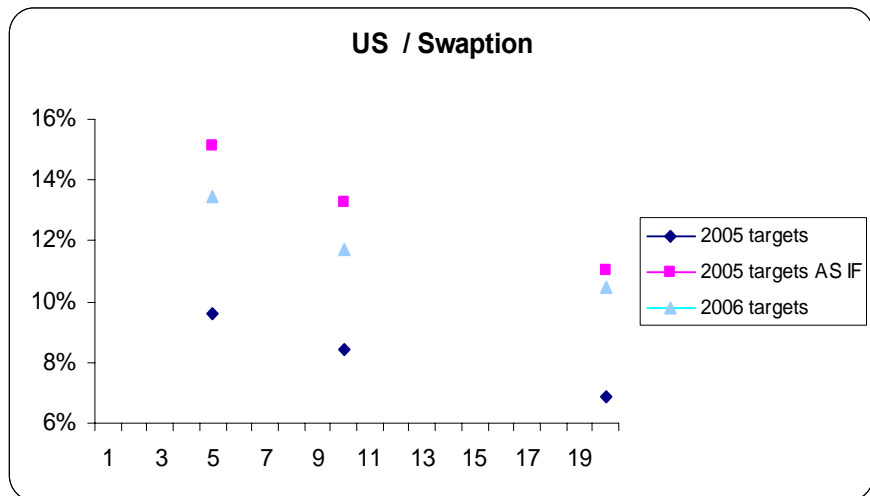
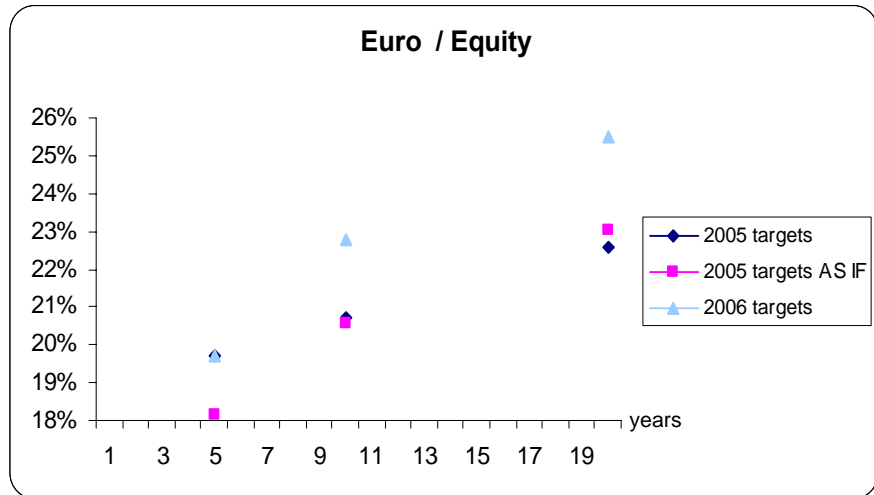
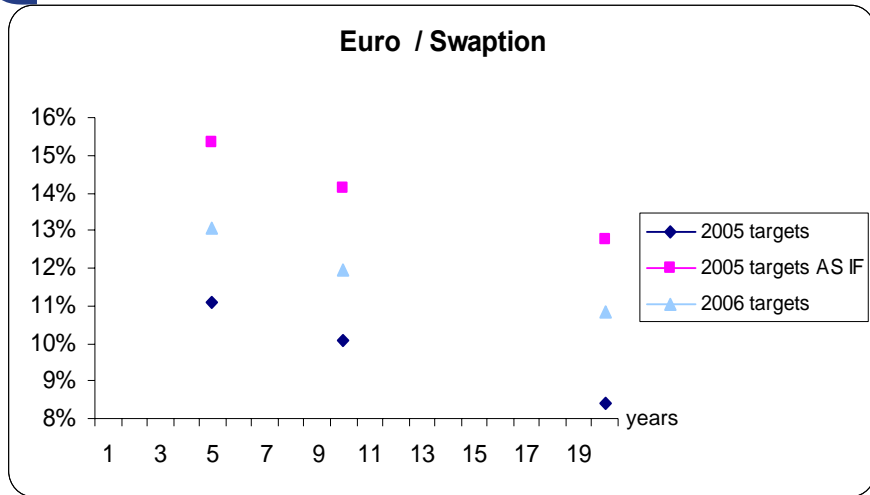


\*AXA excluding Winterthur

# Enhanced market consistency assumptions utilized across the Group (2/3)



# Enhanced market consistency assumptions utilized across the Group (3/3)





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