

Société Générale The Premium Review

Paris – December 4, 2008

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CEO, Chairman of the Management Board

redefining / standards



**How does the
crisis impact**



The insurance industry?

Insurance markets are facing short term challenges...

P&C market trends

- Lower GDP growth has a direct, but limited impact on top line growth in mature markets
- Claims likely to increase in commercial lines in a recessionary environment

Life & Savings market trends

- Volatility drives clients away from unit-linked products into general account and short term savings products
- Pure unit-linked products likely to take time to recover from the current crisis

... but some positive trends are also emerging...

- + More favorable conditions for price increases. The trend is already gaining traction in reinsurance, and should gradually emerge in retail lines
- + Declining inflation risk

- + Low interest rate environment favors long-term savings
- + Customer appetite for protection and guaranteed products

...and the crisis does not impair the fundamental growth potential of the insurance industry

➤ Impacts of the crisis on insurance long term growth drivers



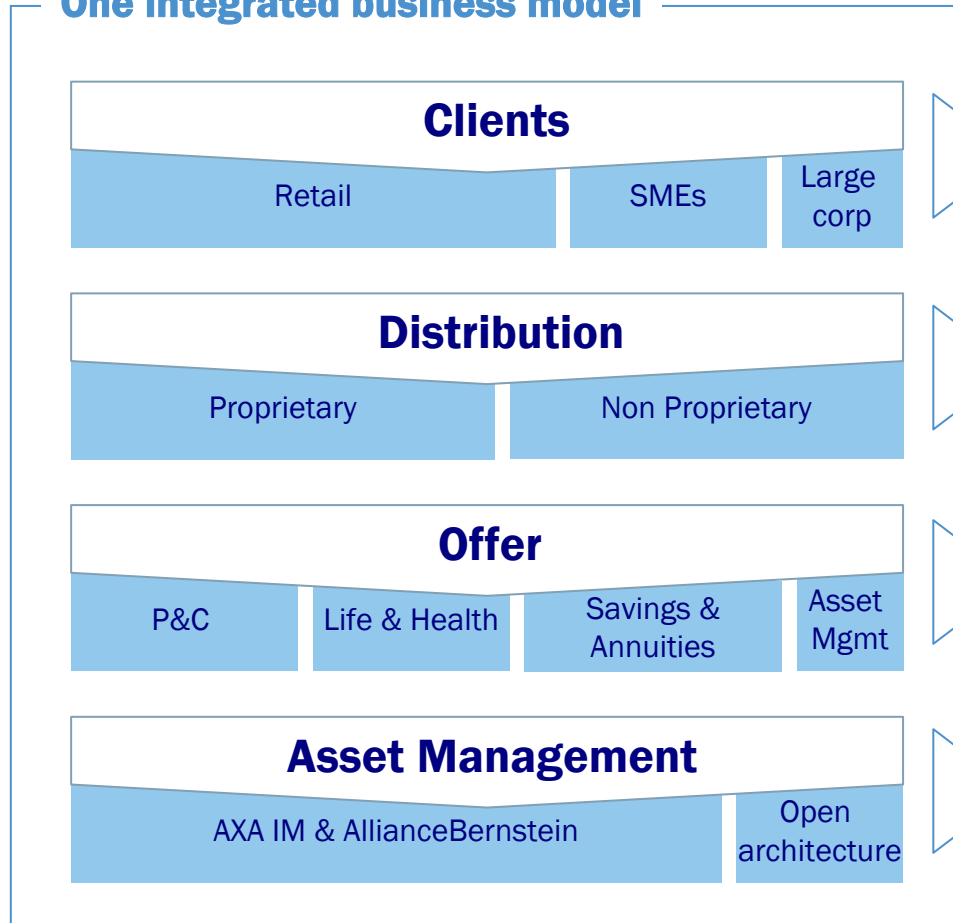
**How does the
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AXA's strategy?

Current crisis comforts AXA's focused strategy...

One integrated business model



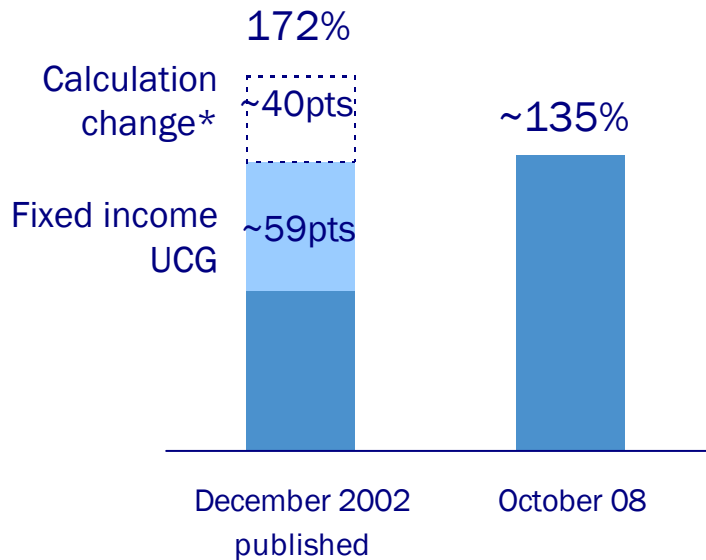
First lessons from the crisis

- Need to deliver on customer centricity
- Strength of the protection provider is key (flight to quality)
- Resilience of proprietary networks
- New opportunities on non-proprietary distribution
- Need to further develop protection offer, even on the savings side (VAs)
- Attractiveness of our positioning on bank short-term savings offer
- As for insurance, diversification of expertise is a competitive advantage
- Guided architecture and sub advisory are winning models

> **Current turmoil does not question our positioning and reinforces long term needs of our clients**

...and we have the balance sheet ...

Regulatory solvency is stronger than in 2002...



Underlying solvency margin generation	~ 10pts	~ 20pts
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* adjustments for L&S and P&C VIF and treatment of financial services' operations (2005 change)

...and we can absorb further shocks

Solvency ratio sensitivities from Oct 31, 08 level:

Equities:
-20%
-8 pts

Corporate credit default rate: 1%**

-1 pt

ABS default rate: 3%

-1 pt

** excluding financials

- AA/Aa3/AA ratings with stable outlook
- Solvency 2's QIS4 results confirm our AA financial strength

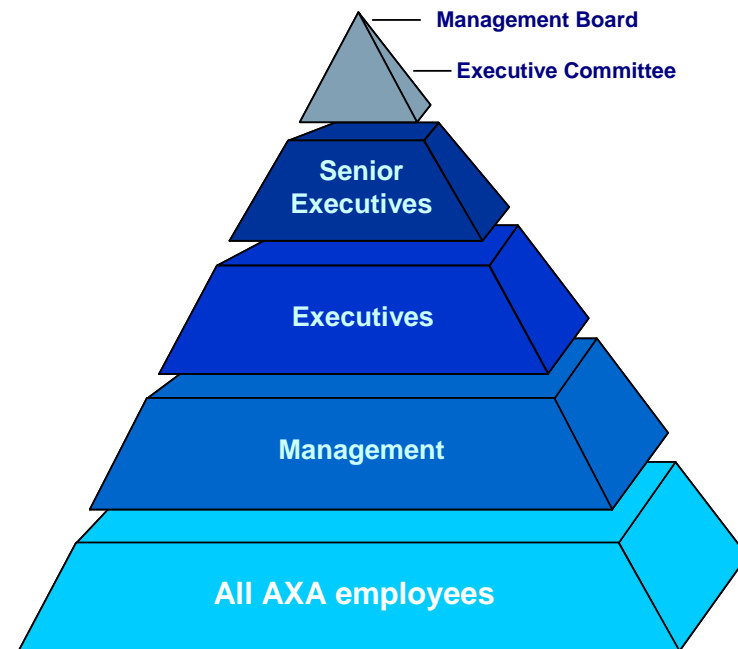
> **No need for a capital increase**

...and the people to support it

- HR are a core priority of AXA's Management Board, as people will make the success of our differentiation strategy

Competence ⊗ **Engagement**

- AXA employees share a very strong culture of result
Management teams are progressing on leadership competence
- High level of engagement overall, with over 100,000 employee shareholders.
30% of AXA employees participated to AXA Shareplan 2008 (Q4)

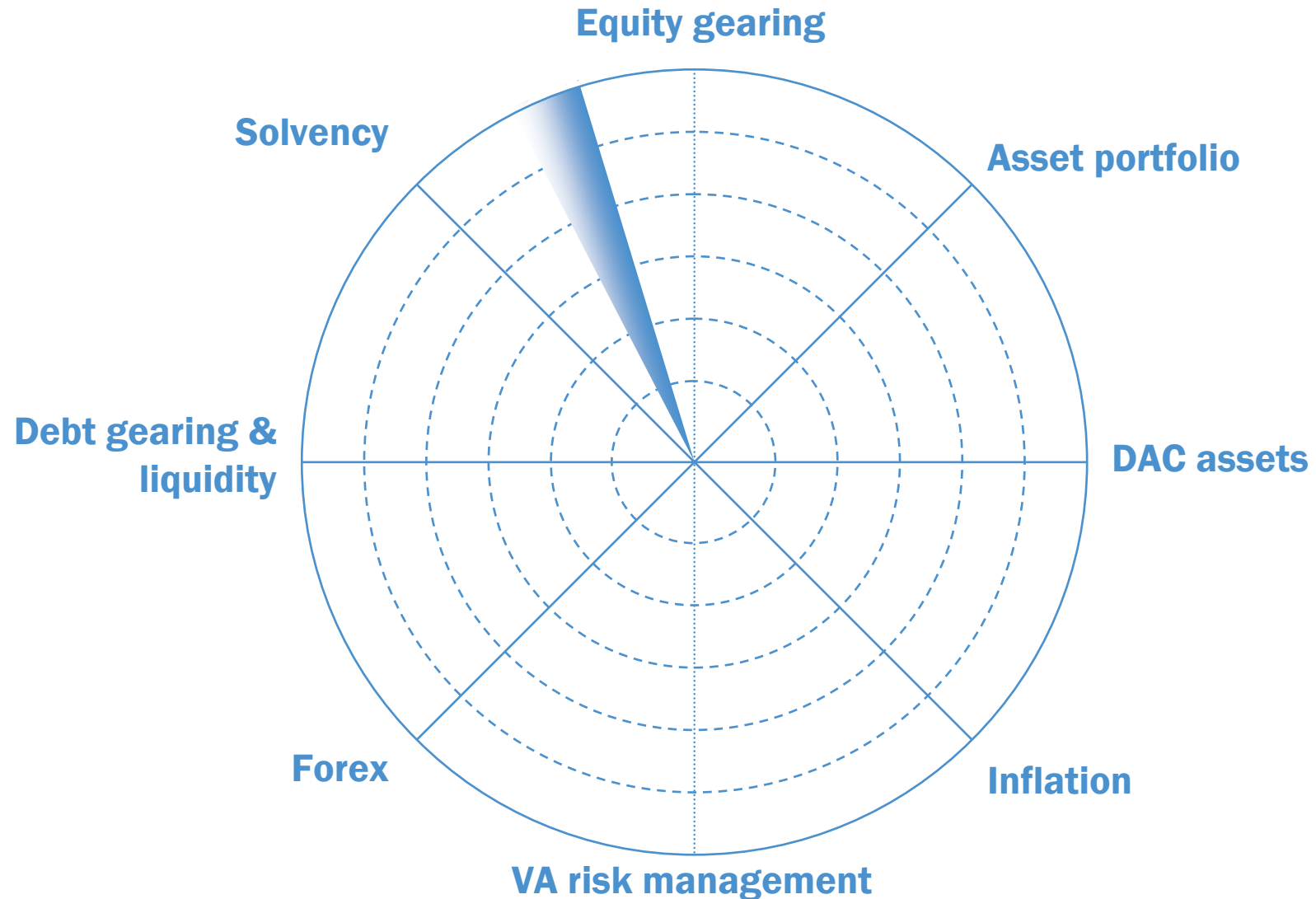


**How does the
crisis impact**



Management priorities?

Risk management is our #1 priority



Customer centricity is a key differentiating factor: delivering on a global strategy of proof



Service Commitments



Multi-Access



Offer & Innovation



Personal advise & Yearly follow-up



Welcome and On boarding



Distribution Preference



Reward Loyalty



Claims initiative



Clear Communication



Customer-Facing Behaviors

AXA's local operations face specific challenges and opportunities...

- **Expense management** in Life & Savings (US, UK and Australia) and asset management businesses (AXA IM and AllianceBernstein)
- **Pricing actions** in both life (e.g. redesign of Variable Annuity range in the US) and in property & casualty, benefiting from more favorable market conditions
- **Retention programs**, focusing on net inflows, and supported by specific offers (e.g. AXA Bank Europe short term savings)
- **Investment performance** at AllianceBernstein
- **Growth in Asia**: accelerate development in emerging Asia, notably in India. Manage low growth in Japan due to decision not to launch a GMAB

...while we continue to optimize our global platform...

New claims management program

- Euro 0.7 billion of additional cost savings (3 points of combined ratio) from claims management by 2012

Roll-out of Architas subadvisory platform

- Ability to offer attractive open architecture products with better margins and better risk management

Set up of AXA Global Direct

- Direct should grow at double digit rate to 2012, to represent >20% of AXA personal motor revenues

Set up of AXA Global Distributors

- First mover advantage to capture a Euro 35 bn market opportunity of distributing VAs through retail banks

...and we are well positioned to seize growth opportunities: clients, talents, businesses

- There have never been so many opportunities for external growth in the insurance sector:
 - Small players / Distressed players / streamlining of inefficient models (e.g. bancassurance)
 - There are very few players left with the ability to make deals
- Current environment offers opportunities to revisit priorities:
 - From targets with high goodwill to targets with strong cash flows
- Buying a balance sheet is not the only way to seize opportunities
 - AXA can be an attractive proposition for competitors' clients and talents

- > **Opportunities triggered by the crisis will not disappear: it's a buyers' market**
- > **AXA is well positioned to benefit from the situation, but will be as disciplined as ever**

Conclusion



Emerging stronger
from the crisis

The environment has changed, but we should come out of the crisis better positioned

- **Current crisis is without precedent, but the model we have built is holding up**
 - Earnings: strong level of underlying profitability, despite financial market impacts
 - Balance sheet: we manage solvency to avoid unwarranted shareholders' dilution
 - Strategy: long-term demand for financial protection comforts our positioning

- **Management of short term priorities protects AXA's earnings power**
 - Risk management, with a specific focus on assets and VA hedging cost
 - Protecting margins through price increases and expense management

- **We do not want to sacrifice our long term commitment to employee engagement and customer centricity: we can build on flight to quality**

