

Ambition 2012

Oppenheim Conference – Nov 28, 2006

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Cautionary statements concerning forward-looking statements

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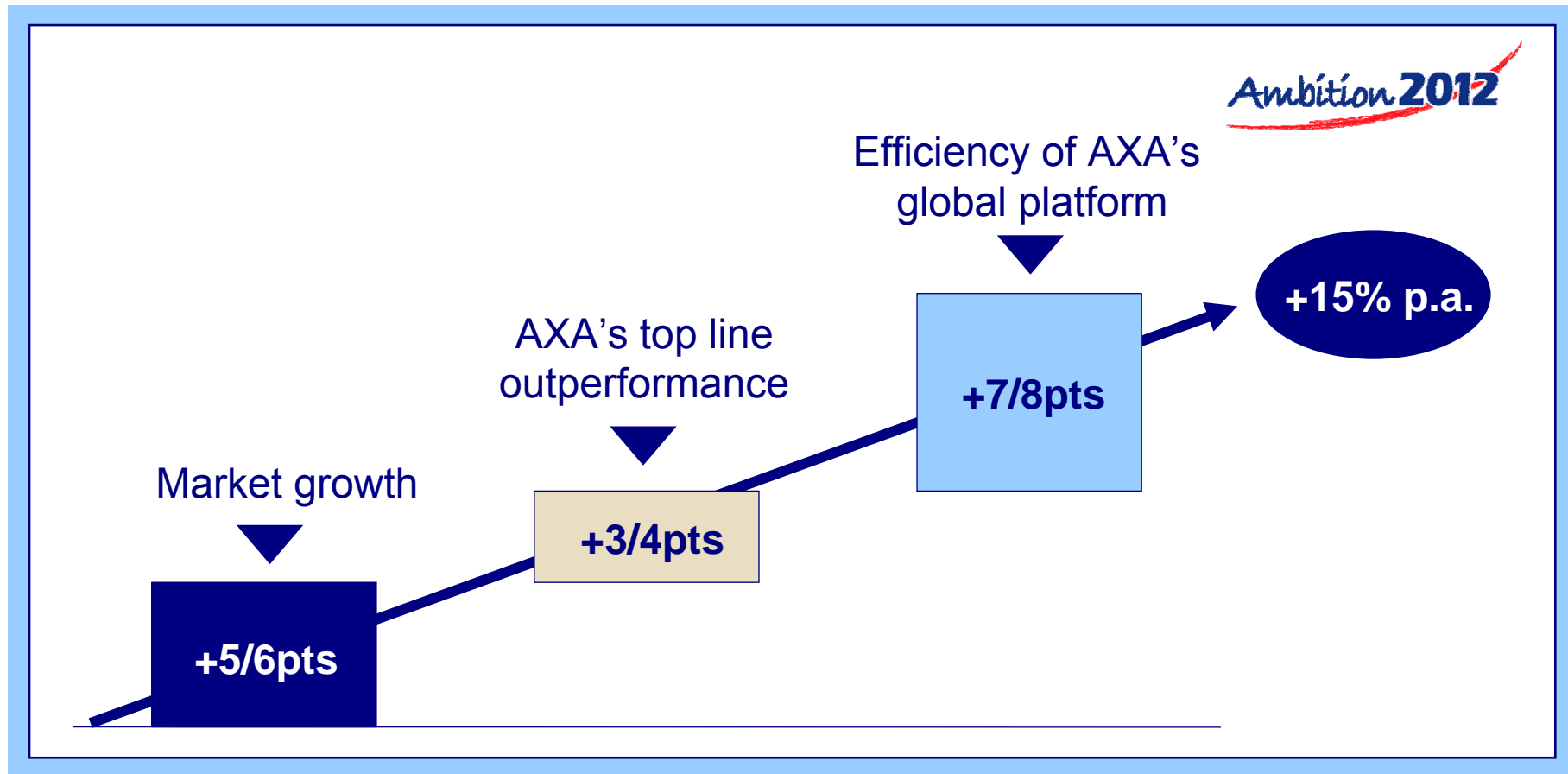
We undertake no obligation to publicly update or revise any of these forward-looking statements, whether to reflect new information, future events or circumstances or otherwise.



Agenda

1. **Ambition 2012: a growth-oriented company project**
2. Outperforming growing markets
3. Leveraging AXA's global platform
4. Conclusion: delivering on Ambition 2012 targets

A growth-oriented company project: Underlying earnings per share x3 between 2004 and 2012

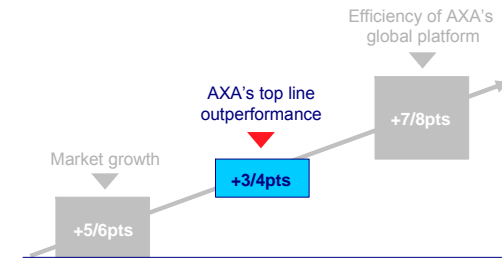


▶ Based on 2005 performance, compound average growth rate required to reach 2012 target is +13.5%

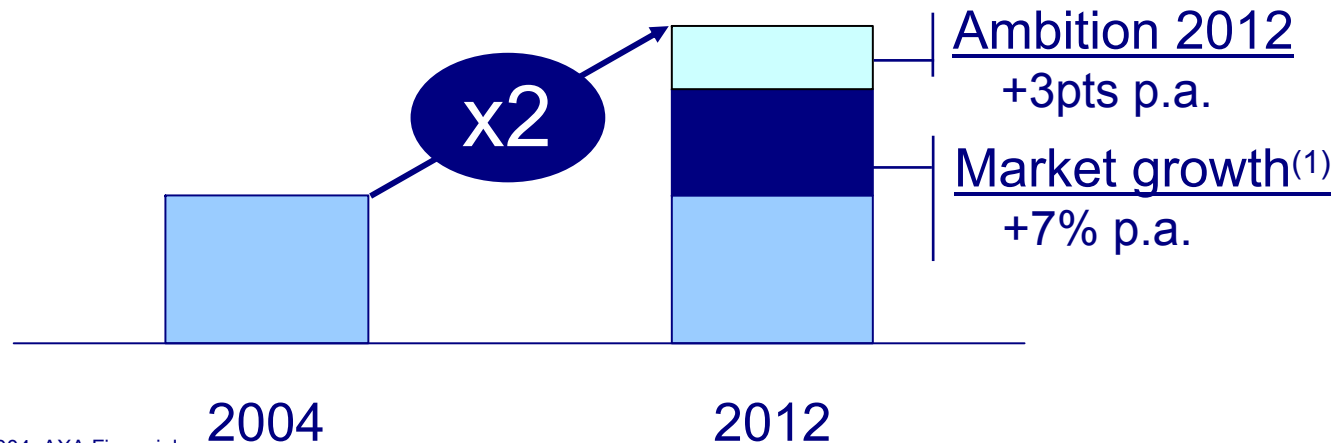
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Ambition 2012 in the US: strategy to outperform a growing market



AXA Financial top line growth target 2004-2012



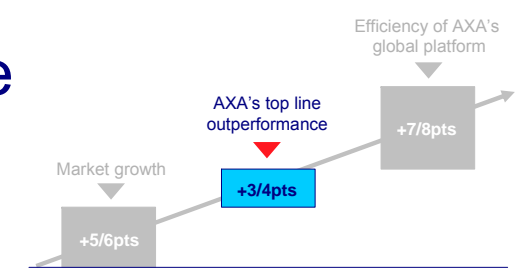
(1) Sources: Merrill Lynch 7/2004, AXA Financial

Key initiatives should contribute to outperformance of the US Life & Savings market in order to achieve Ambition 2012 targets:

- ▶ **Variable Annuities - Planner Channel Expansion: +2.0 pts**
- ▶ Life Wholesale Initiatives: +0.5 pt
- ▶ Retail Initiatives: +0.5 pt



AXA in the VA market: strong market share growth, to be further supported by Planner Channel expansion



RANK				MARKET SHARE			SALES
2001	2005	1H06		2001	2005	1H06	1H06
4	2	1	Metlife/Travelers	8,1%	9,5%	9,1%	\$7 173m
1	1	2	TIAA-CREF	9,5%	10,3%	9,0%	\$7 030m
8	4	3	AXA Financial & MONY	5,0%	8,0%	8,4%	\$6 556m
3	3	4	Hartford Life	8,6%	8,6%	8,1%	\$6 345m
5	5	5	Prudential/Skandia/Allstate	7,3%	6,7%	6,8%	\$5 302m
9	10	6	Pacific Life	4,1%	5,5%	6,4%	\$5 038m
11	6	7	Lincoln National Life	3,5%	6,4%	6,4%	\$4 994m
10	8	8	John Hancock/ManuLife	4,0%	6,0%	6,2%	\$4 864m
6	9	9	ING Group	5,4%	6,0%	5,8%	\$4 514m
2	7	10	AIG/SunAmerica/VALIC	9,0%	6,0%	5,7%	\$4 474m

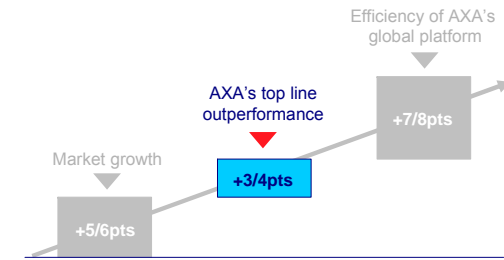
1H06 year-on-year growth rate:

- ▶ AXA Financial +30%
- ▶ Industry +22%



Source: VARDS

Planner Channel Expansion: Continued execution on all facets of strategy



Invest in wholesale distribution

- Hired 33 dedicated Planner wholesalers; up from none in 2003
- Adding wholesalers in 2006/07
- “Broader and deeper” sales relationships

Continued product innovation

- Accumulator '06 launch in July – GMWB for life
- Further variable annuity enhancements coming in 2007

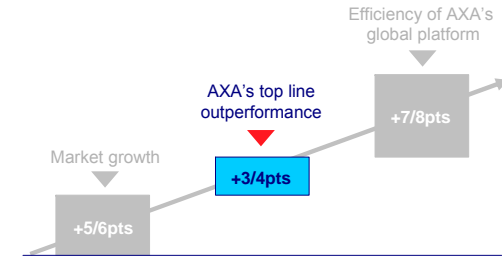
A tailored service strategy

- Geographically diverse Planner population
- Increase frequency and quality of contact

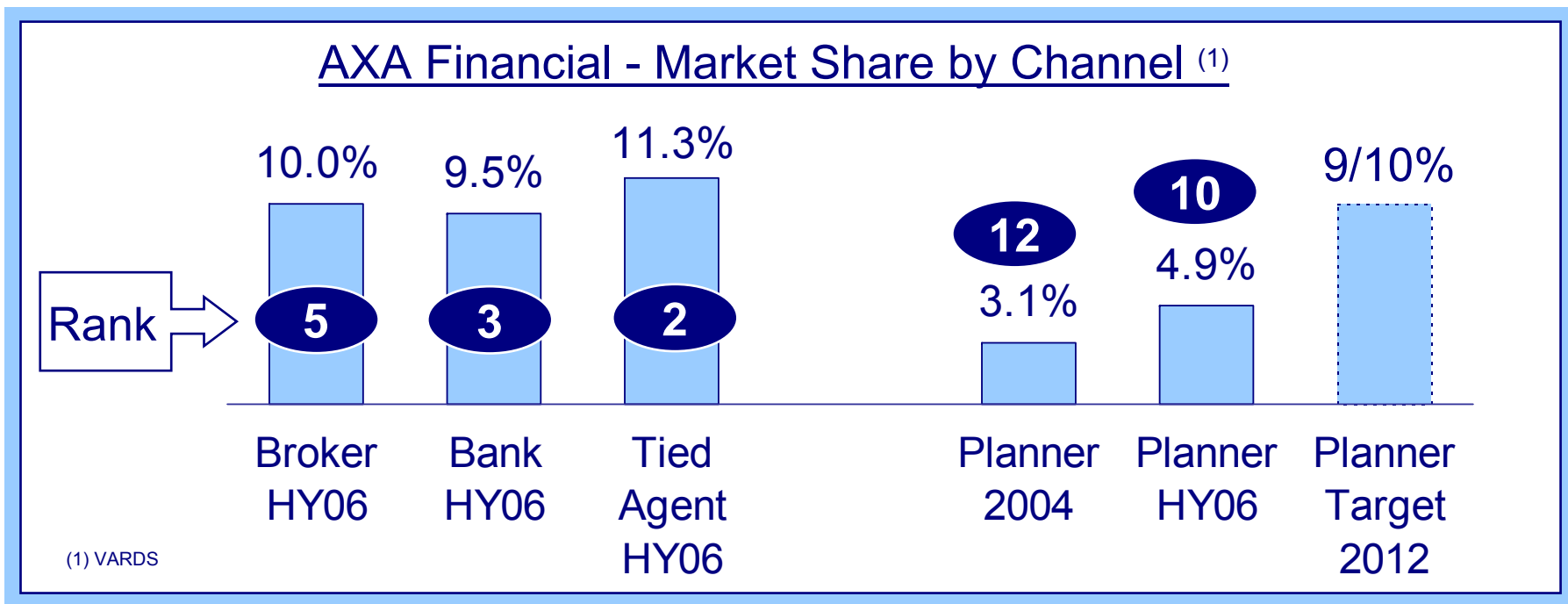
IT: Enabling multiple access points

- Enhancing web capability for financial professionals

Planner Channel Expansion: Initial results confirm strength of strategy and execution



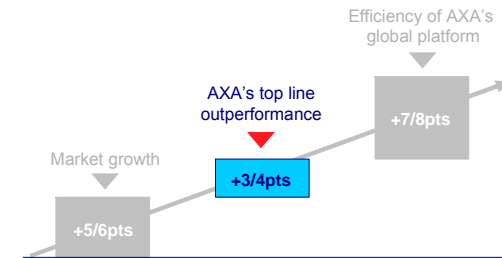
- HY06 Planner channel growth: +60% vs industry +30%



Opportunity: Execute strategy in Planner channel and capture share



Ambition 2012 in France: strategy to outperform a growing market



AXA France top line growth target 2004-2012⁽¹⁾:

Life & Savings

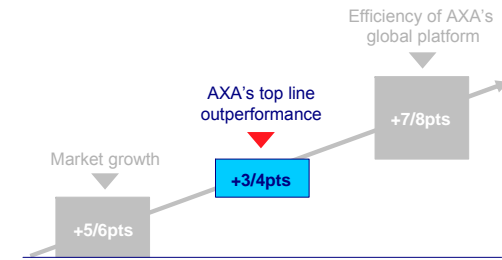
Market growth +7% p.a.
Ambition 2012 +3.5pts p.a.

P&C

Market growth +3% p.a.
Ambition 2012 +2.0pts p.a.



Ambition 2012 in France: 4 major initiatives to outperform the market



Improve distribution capacity

- Develop the agent network, e.g. Life Specialized Tied Agents from 500 to 1000
- Improve productivity, e.g. “New Agencies” (sales only) from 20% to 40% of the network
- Develop wealth management capabilities, e.g. from €1bn to €15bn AUM

L&S:
+2pts

P&C:
+0.5pt

Product innovation in individual lines

- Life & Savings: Launch of GMWB in 1Q07
- P&C: segmented offers
- Health: develop health-related services

L&S:
+1pt

P&C:
+0.5pt

Seize opportunities in commercial P&C

- Capitalize on AXA France expertise on selected market segments (construction, liability)
- Improve quality of service, e.g. 72H Chrono
- Develop agents' expertise (targeted training for 1000 tied agents)

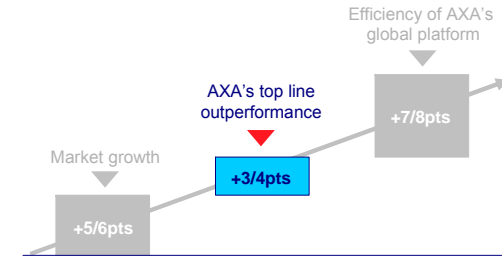
P&C:
+1pt

Develop group life insurance

- Capitalize on new combined platform (pensions / employee savings plans)
- Develop partnerships with Provident Life Associations (€1.4bn of premiums in 2005)
- Focus on SMEs

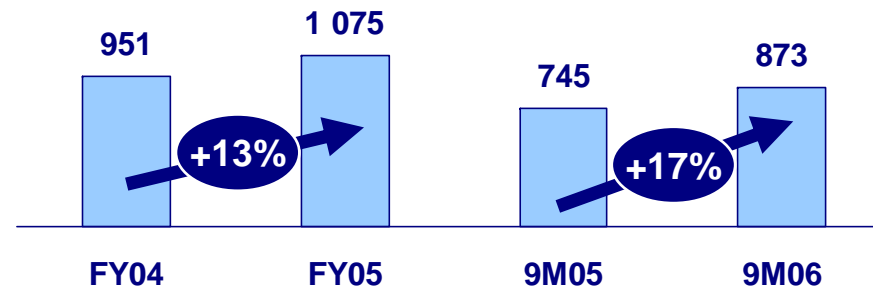
L&S:
+0.5pt

AXA France's commitment to profitable growth has started to deliver

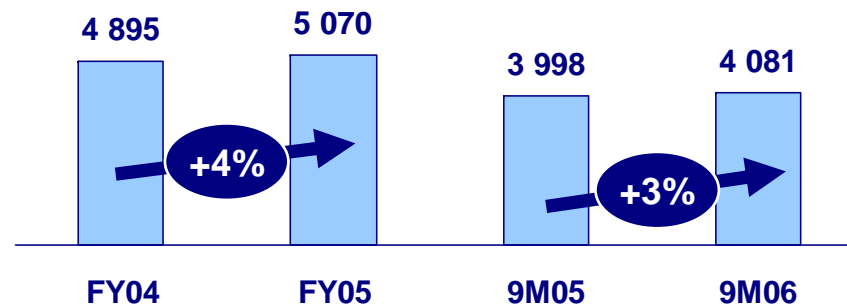


in € million

Life & Savings new business APE
 LT growth target +10.5%



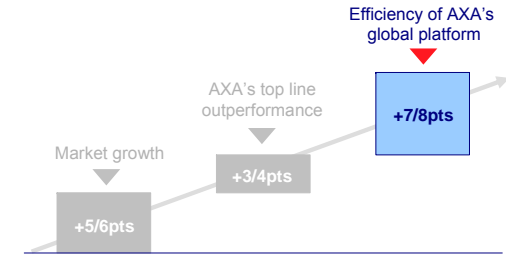
P&C revenues
 LT growth target +5%



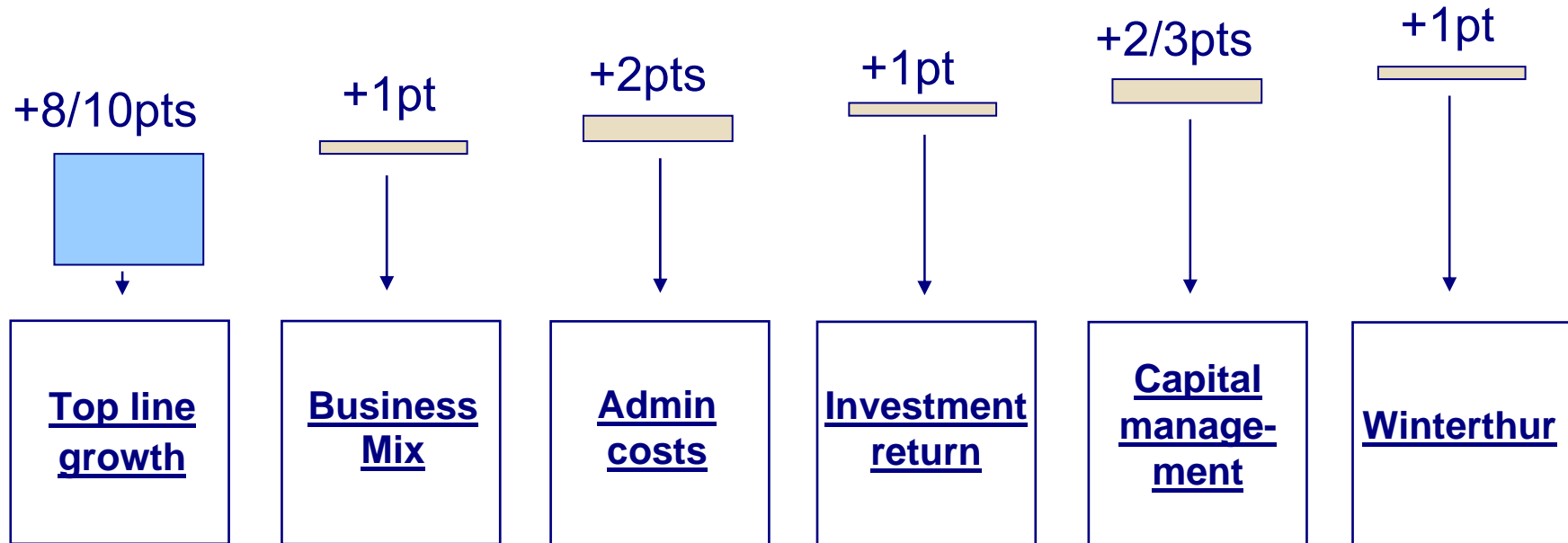
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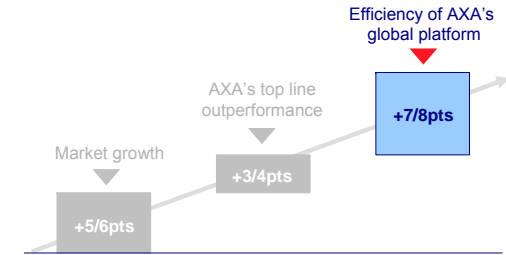
From top line growth to +15% underlying earnings per share growth target: efficiency of our global platform



Underlying EPS - Key value drivers 2004-2012



Business mix: higher growth of unit linked life & savings products is a driver of profitability



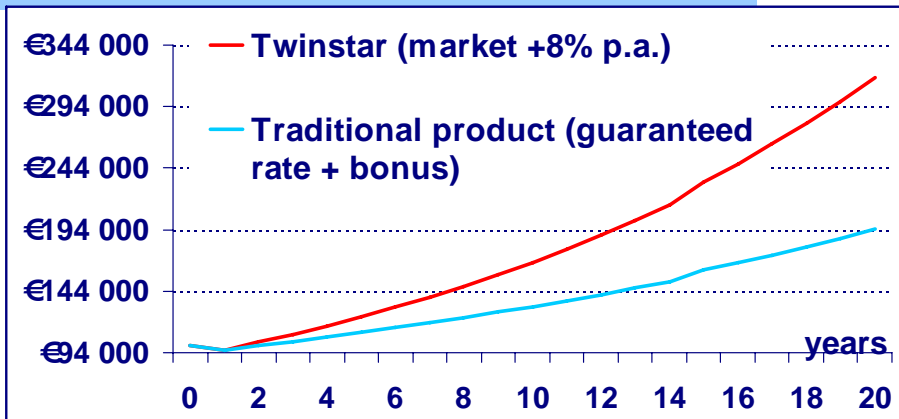
- Business mix positive impacts will be driven by higher growth of unit linked and asset management
- Group business mix evolution towards more unit linked products will notably reflect the Group know-how in innovative UL with secondary guarantees, e.g. Twinstar (GMIB) vs traditional German annuity products

A real life example: a policyholder deposits €100,000 at age 45

The policyholder can take a lump sum at a point in time...



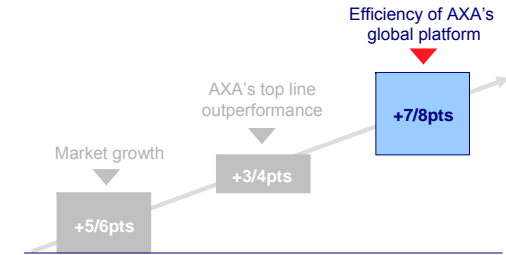
...or annuitize at age 65



Annuity payment:	Twinstar	Traditional G/A product
At 65	€1,489	€855
Min. guaranteed	€755	€717



Admin costs: IT & offshoring initiatives



- Sourcing: offshore outsourcing should account for 30 to 40% of IT FTEs, from 11% today
- Process excellence in software development
- IT convergence: fewer platforms, shared across the Group



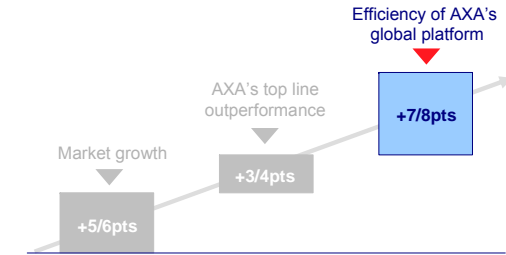
IT will enable business growth with contained budget by delivering yearly productivity gains of 5 to 8 %

- At year end 05, 2,050 FTEs were offshored in one of our centers in India or in Morocco.
- This delivered €34m of cost savings in 2005
- Group target is to reach 5000 offshored FTEs by 2010



Offshoring should deliver €100m of savings⁽¹⁾ p.a. by 2010 while creating opportunities to reengineer processes

Increasing investment return through carefully chosen initiatives



■ Initiatives launched since early 2005

- ▶ Credit optimization: average rating from AA to AA-
- ▶ Duration optimization: gap reduced from 0.9yr to 0.6yr in Life & Savings
- ▶ Improvement of equity yield, through the AXA Equity Universe

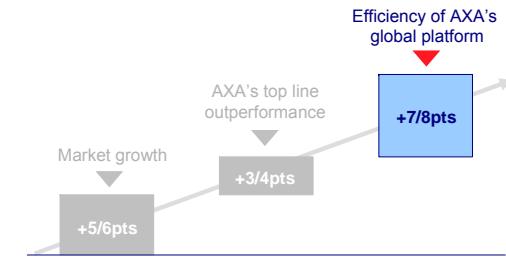
■ We are now launching a second wave of initiatives, notably based on

- ▶ Further credit optimization: average rating from AA- to A
- ▶ Further duration and convexity optimization

Our initiatives should improve our underlying investment return by ca. 75 bps

▶ Longer term, we are also exploring the possibility of increasing investments in alternative asset classes and optimizing liquidity management

Capital management: progressive achievement of Ambition 2012 targets will give us additional flexibility



- AXA is committed to maintaining financial strength and gearing within current comfort zone
- Available cash flows⁽¹⁾ should account for ca. 30% of adjusted earnings by 2012
- Capital management initiatives will further optimize our financial structure, e.g.:
 - ▶ First motor securitization launched in 2005 (SPARC) / Pan-European motor securitization to be launched in 2007
 - ▶ Cat (Aura Re) & Mortality (Osiris Capital) bonds
 - ▶ Use of hybrid capital to keep hard capital at optimal level

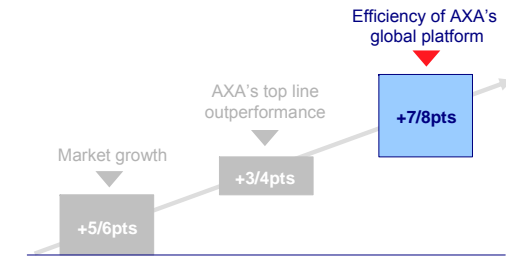
Achievement of Ambition 2012 targets should give us the flexibility to:

- ▶ Internally finance accretive bolt-on acquisitions
- ▶ Continue dilution control program
- ▶ Increase dividend pay-out



(1) Adjusted earnings – dividend (40% payout) – financing of organic growth

Winterthur integration is on the right track and should positively contribute to Ambition 2012



- Integration is running quickly and smoothly, with a central team and local integration committees, supported by group head office
- Antitrust approvals have been obtained, other regulatory approvals are on track
- Target structure of combined AXA+Winterthur entities has been defined, with new CEOs and direct reports already appointed

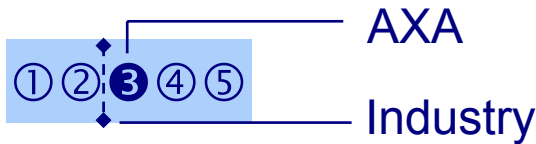
- ▶ Closing at year-end 06 is confirmed, with purchase GAAP to be released on April 10, 2007
- ▶ Based on the first review of synergies, we have increased by 20% our cost synergies target for Switzerland (40% of the initial assessment of synergies), giving us additional comfort in our global €280 million pre-tax fully phased target

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On the road to Ambition 2012, we are progressing on all areas, and there is still a high potential for improvement

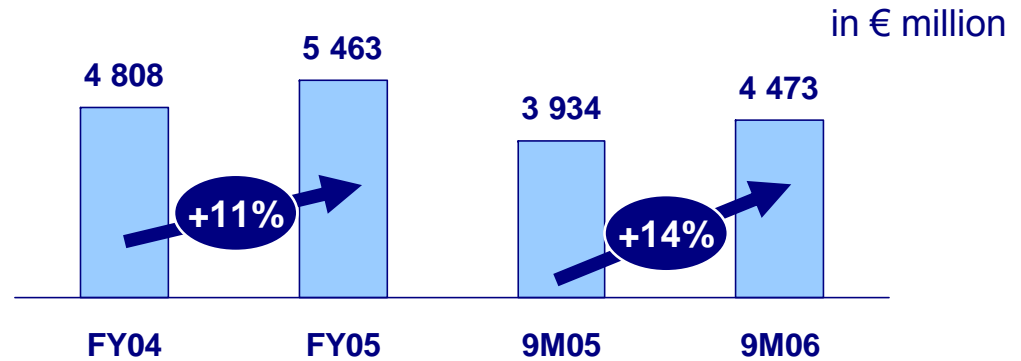
Offer innovation	① ② ③ ④ ⑤
Distribution management	① ② ③ ④ ⑤
Quality of service	① ② ③ ④ ⑤
Technical excellence	① ② ③ ④ ⑤
Productivity	① ② ③ ④ ⑤
Leveraging Group & Regional Resources	① ② ③ ④ ⑤
Human resources	① ② ③ ④ ⑤



The Group has started to deliver on Ambition 2012 top line growth objectives...

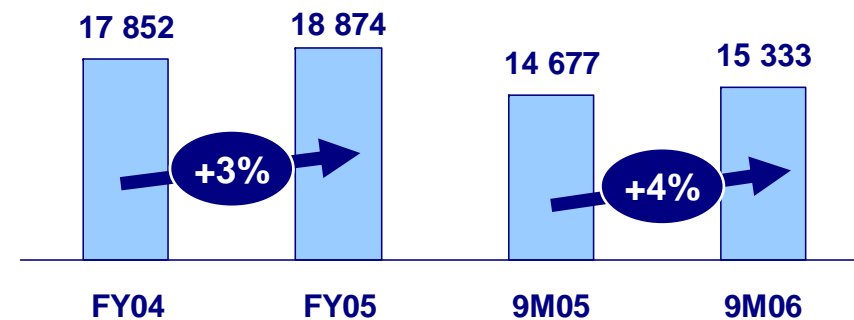
Life & Savings new business APE

LT growth target +5% / +10%



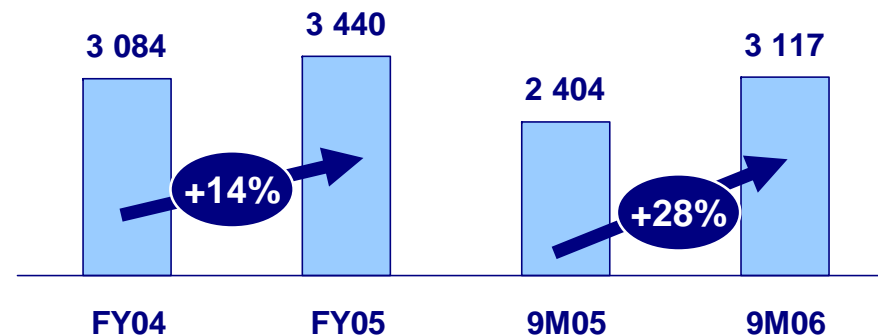
P&C revenues

LT growth target +3% / +5%



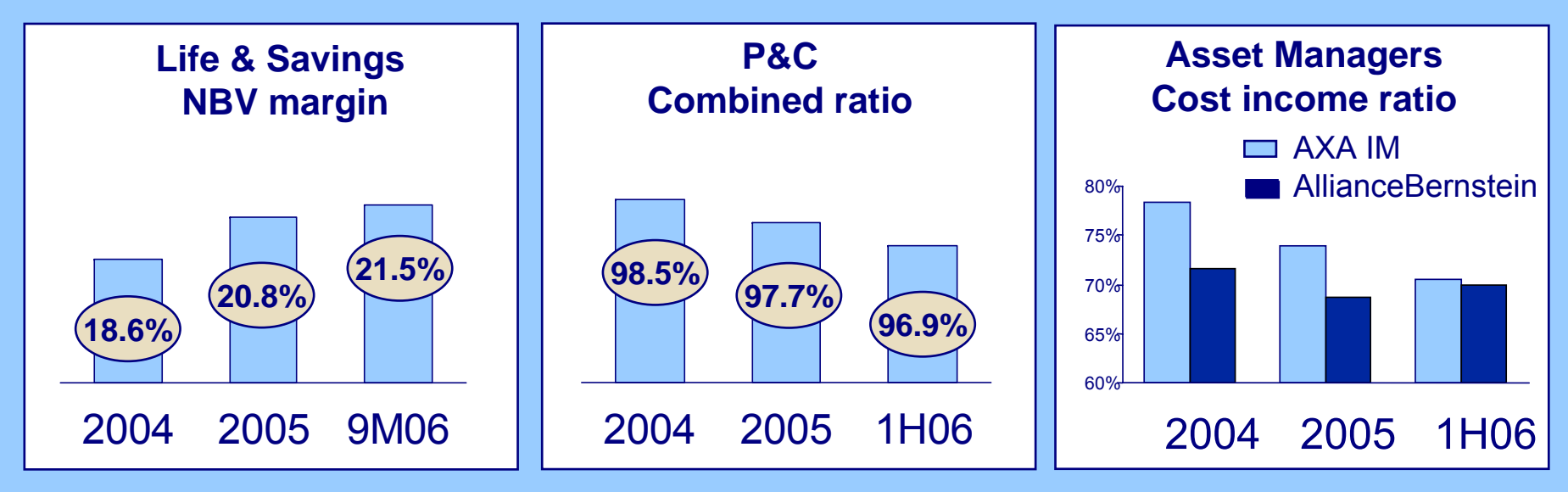
Asset management revenues

LT growth target >10%

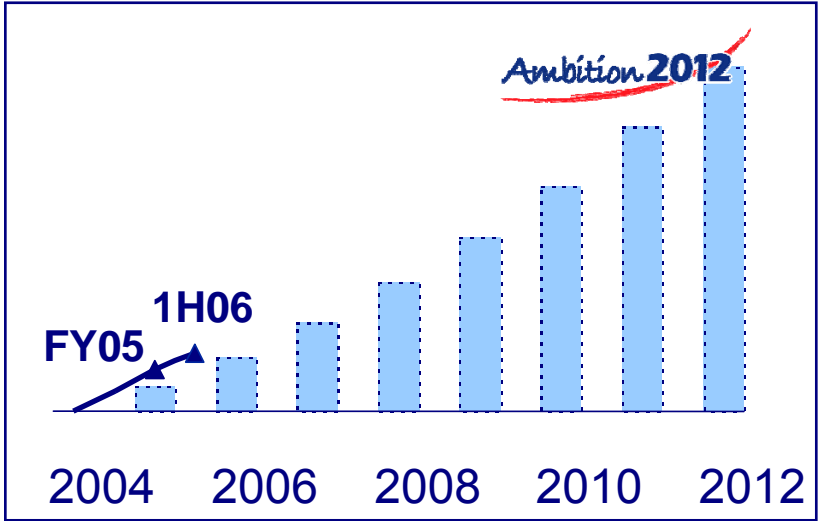


All growth rates are on a comparable basis

...as well as on bottom line targets



Underlying earnings



We are confident for the future



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