

Ambition AXA
Investor Day
June 1, 2011

Finance presentation

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redefining / standards



Cautionary note 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. Undue reliance should not be placed on such statements because, by their nature, they are subject to known and unknown risks and uncertainties. Please refer to the section “Cautionary statements” in page 2 of AXA’s Document de Référence for the year ended December 31, 2010, 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.

We have a clear strategy

Ambition AXA 2010-2015

Mature markets

Sustainable growth in earnings
& operating Free Cash Flows

Selectivity

High growth markets

Double our size

Acceleration

Efficiency

Everywhere with a focus on mature markets

What will success look like in 2015?

Underlying Earnings per Share

10% CAGR¹
2010-2015

Group operating Free Cash Flows

€24 billion
In the next 5 years

Adjusted Return on Equity

15% by 2015

Debt gearing

25% by 2015

1. Compound annual growth rate

Key drivers of underlying earnings growth

Property & Casualty

- More than 5 pts improvement in current year combined ratio
- Lower but positive prior year reserve developments

Below 96% all year combined ratio by 2015

Life & Savings

- Increase in asset base
- Improvement in business mix
- Cost controlling measures

5 pts decrease in cost income ratio by 2015

Asset Management

- Continue to improve investment performance
- Net New Money
- Market appreciation

4-5% Net New Money¹ per year over 2012-2015

We will action these drivers through the execution of our strategic priorities

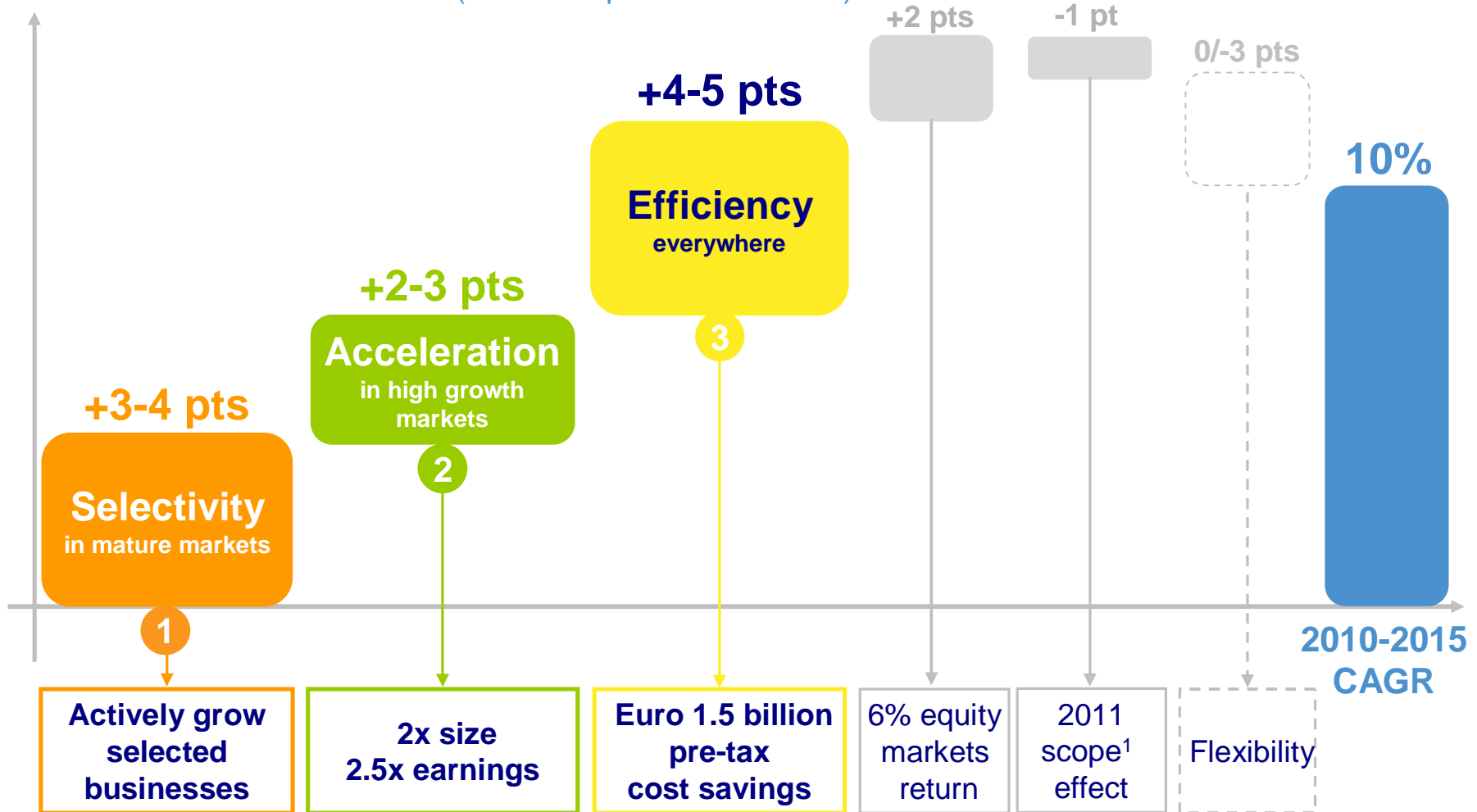
1. As a percentage of average Assets under Management

We have a clear strategy

Execution of our strategic priorities

Underlying Earnings per share

(Euro 1.57 per share in 2010)



1. AXA APH and UK Life transactions

1 Selectivity in mature markets

Selectivity

in mature markets

+3-4 pts CAGR 2010-2015

1 Property & Casualty mature markets

Selectivity

Acceleration

Efficiency

Maintain market share in traditional business

2011E-2015E
Nominal GDP growth

3.7% per year

Source: IMF – 2011-2015 forecasts in mature markets



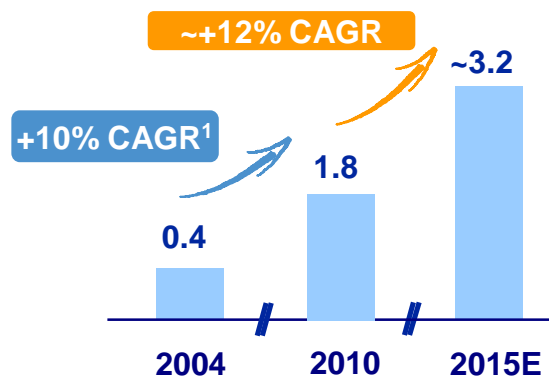
Ambition AXA
Maintain market share

Gross Earned Premiums growth of 3.5% per year

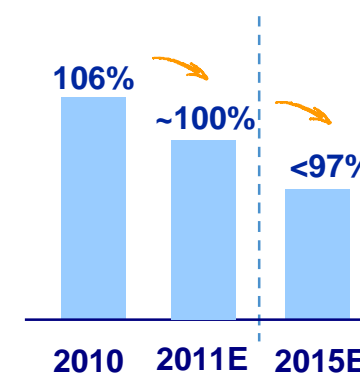
Actively grow Direct business while improving profitability

Direct revenues

in Euro billion



Direct current year combined ratio



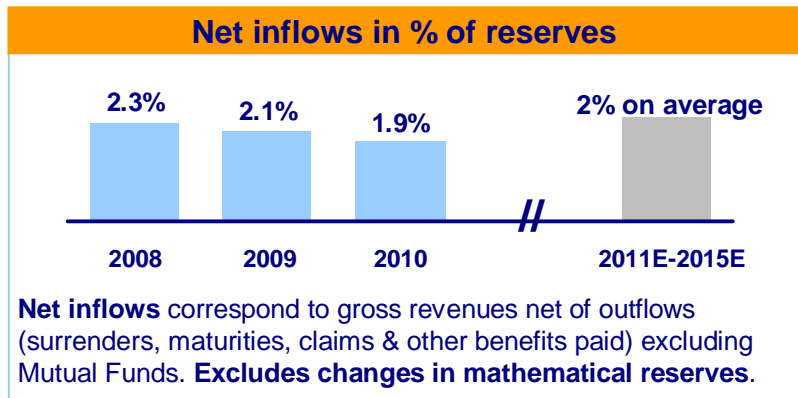
1. Organic growth only on a comparable basis

1 Life & Savings mature markets

- Selectivity
- Acceleration
- Efficiency

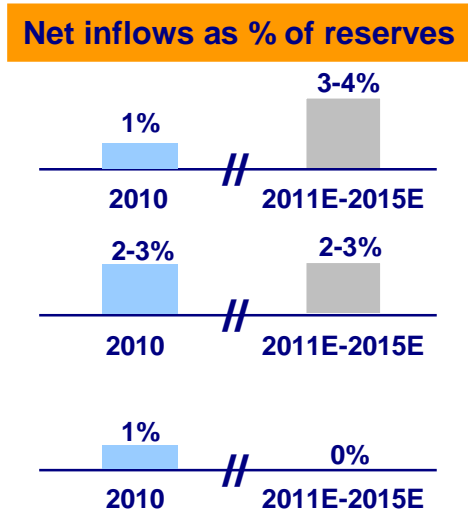
Asset base increase

- Net inflows
- Policyholder benefits
- Market appreciation



Improve business mix

- Unit-Linked: Increase by 20 pts the share in Continental Europe Savings APE
- G/A Protection & Health: Increase by 5 pts the share in APE
- G/A Savings: Turnaround low margin / capital intensive products



1 Asset Management

Selectivity

Acceleration

Efficiency

Asset base increase

Net New Money

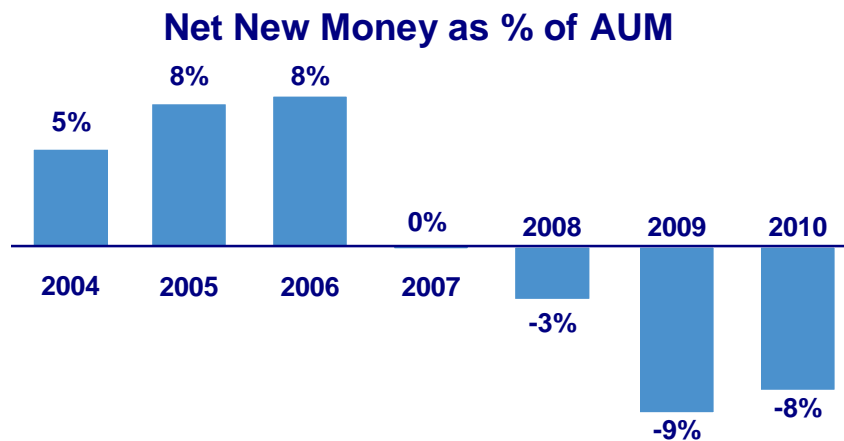
Market appreciation

Improve business mix

Increase proportion of third party AUM at AXA IM

A growing Alternatives platform at AllianceBernstein

Net New Money



Turnaround outflows in 2011

4-5% Net New Money¹ per year over 2012-2015

1. As a percentage of average AUM

2 Acceleration in high growth markets

Acceleration

in high growth markets

+2-3 pts CAGR 2010-2015

2

Leveraging our successful experiences and partnerships to fuel profitable growth

Selectivity

Acceleration

Efficiency

Existing operations should outperform

AXA Turkey

A market leader by all measures

AXA Mexico

A successful turnaround story

AXA Gulf

Sub-regional hubs to support further expansion

AXA CEE

Promote a more diversified offer

AXA Asia

A new governance and promising partnerships

High GDP growth & insurance under-penetration

One integrated platform in Asia

- Widening distribution reach in P&C by joining forces with L&S entities
- Access to same range of products for all entities and channels
- Strong unified brand across the region
- Single view of customers for enhanced services and sales

Recent partnerships to deliver their potential

ICBC 

Ambition to become the #1 foreign Insurance Joint-Venture¹ in China by 2015

Leverage Life & Savings partnership success to develop new Property & Casualty partnership²

1. Subject to regulatory approval
 2. Subject to agreement on legal documentation and regulatory approval



2 Ambition in high growth markets

Selectivity

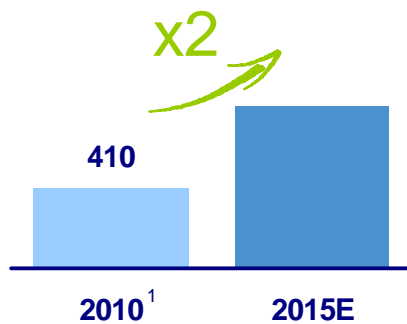
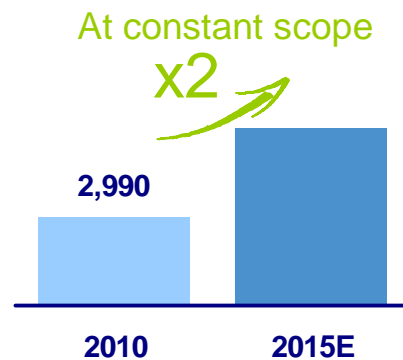
Acceleration

Efficiency

Our existing operations should outperform...

Double our top line ...

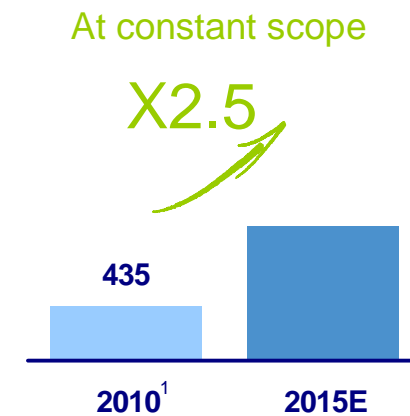
In Euro million



1. Pro forma of the AXA APH transaction

...while increasing profitability

In Euro million



1. Pro forma of the AXA APH transaction

...and we will continue to seize opportunities to deepen our footprint

3 Efficiency everywhere

Efficiency

everywhere

+4-5 pts CAGR 2010-2015

3

Cost savings

Overview of 2010 Group cost base

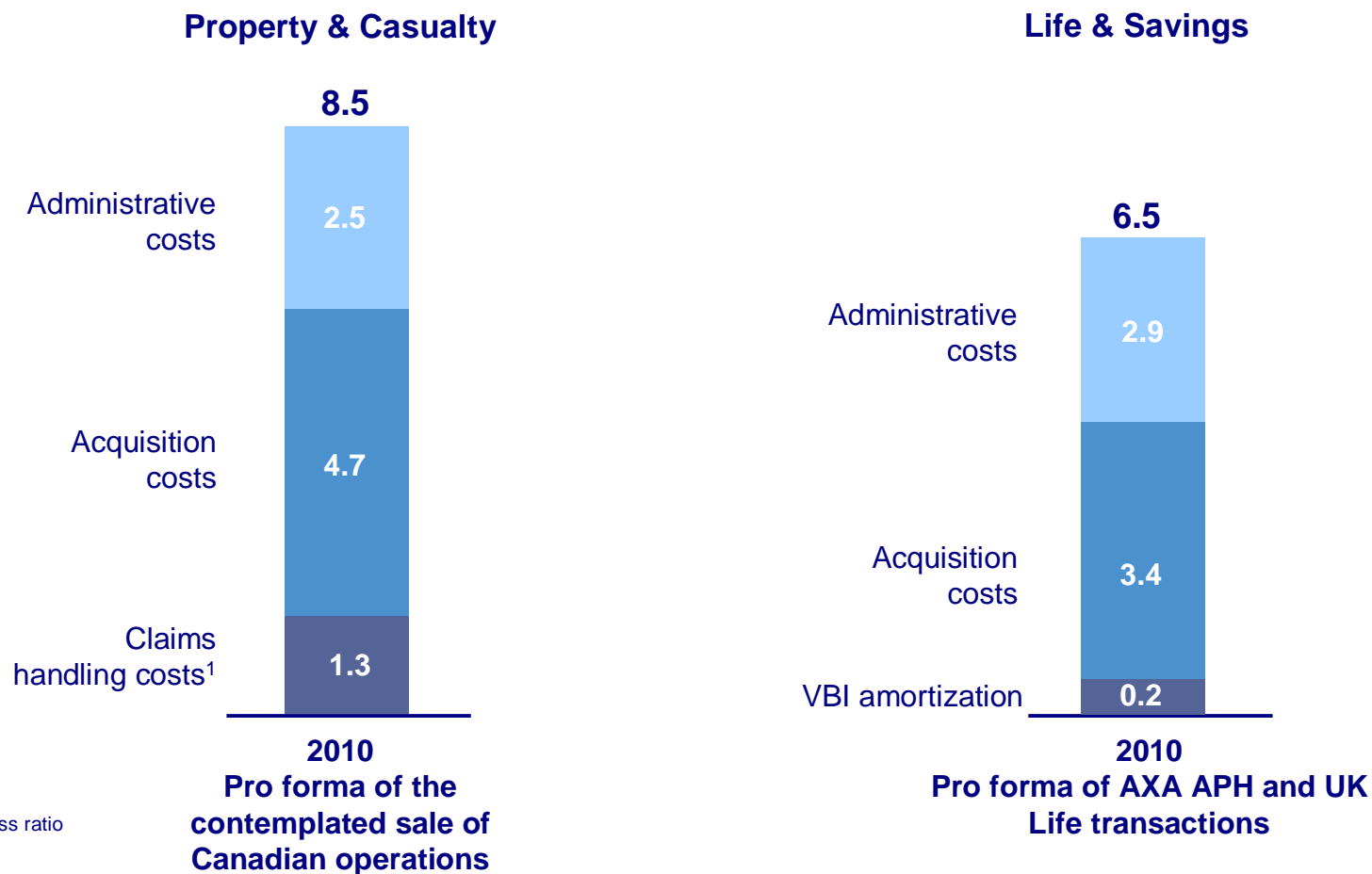
Selectivity

Acceleration

Efficiency

Group cost base by business

In Euro billion

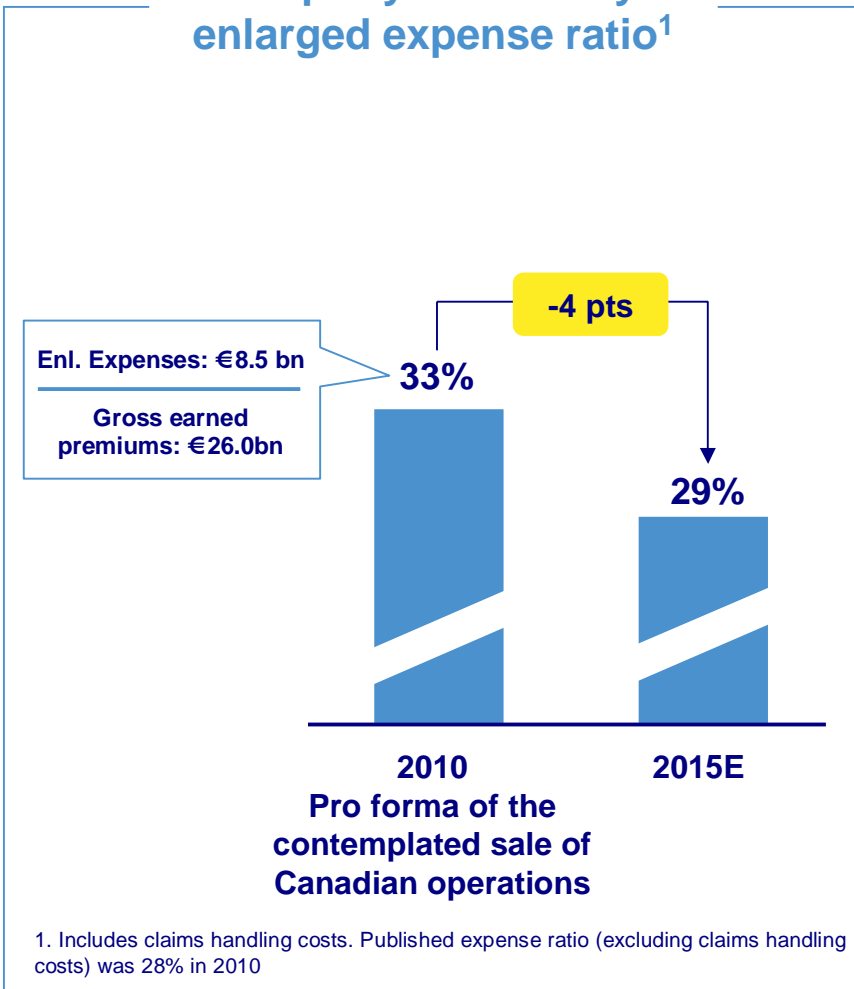


3 Cost savings

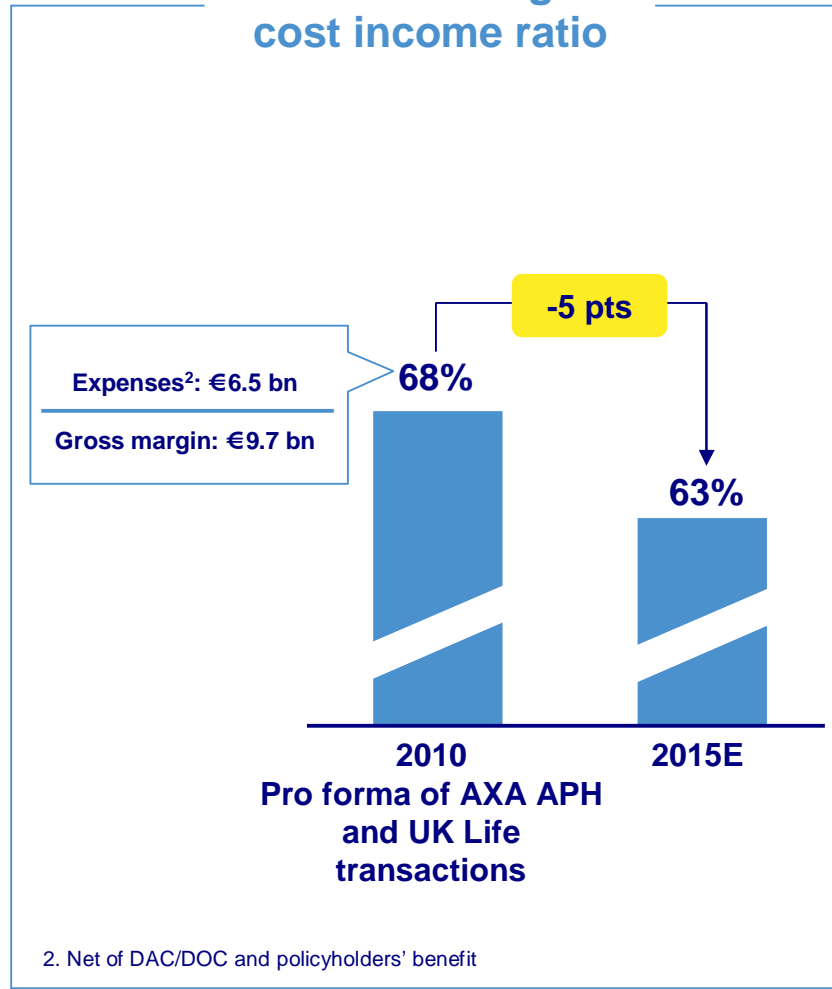
Our announced Group ambition in November 2010

- Selectivity
- Acceleration
- Efficiency**

Property & Casualty enlarged expense ratio¹



Life & Savings cost income ratio



Cost savings

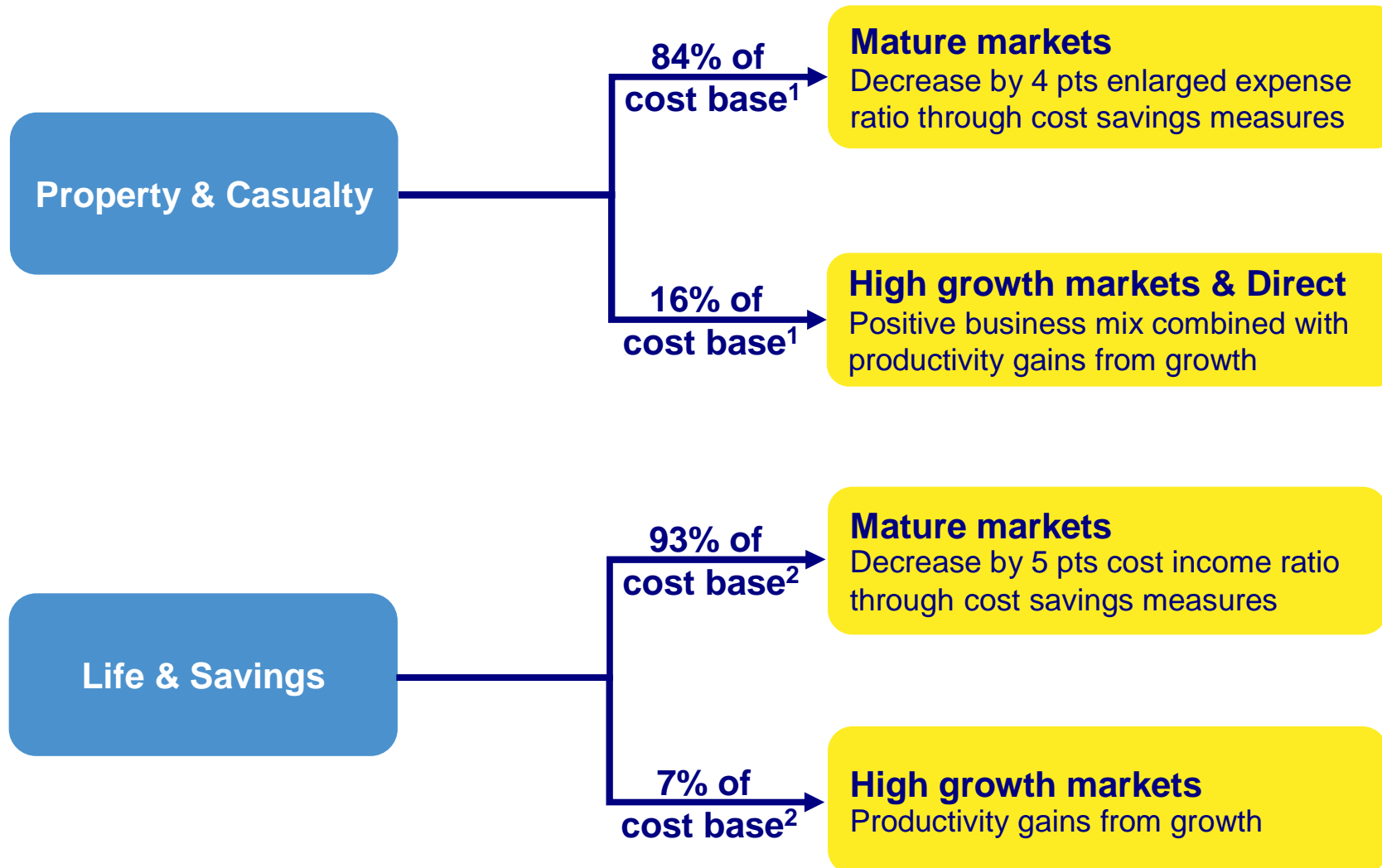
3

Efficient everywhere with efforts concentrated on mature markets

Selectivity

Acceleration

Efficiency



1. Pro forma of the contemplated sale of Canadian operations

2. Pro forma of AXA APH and UK Life transactions



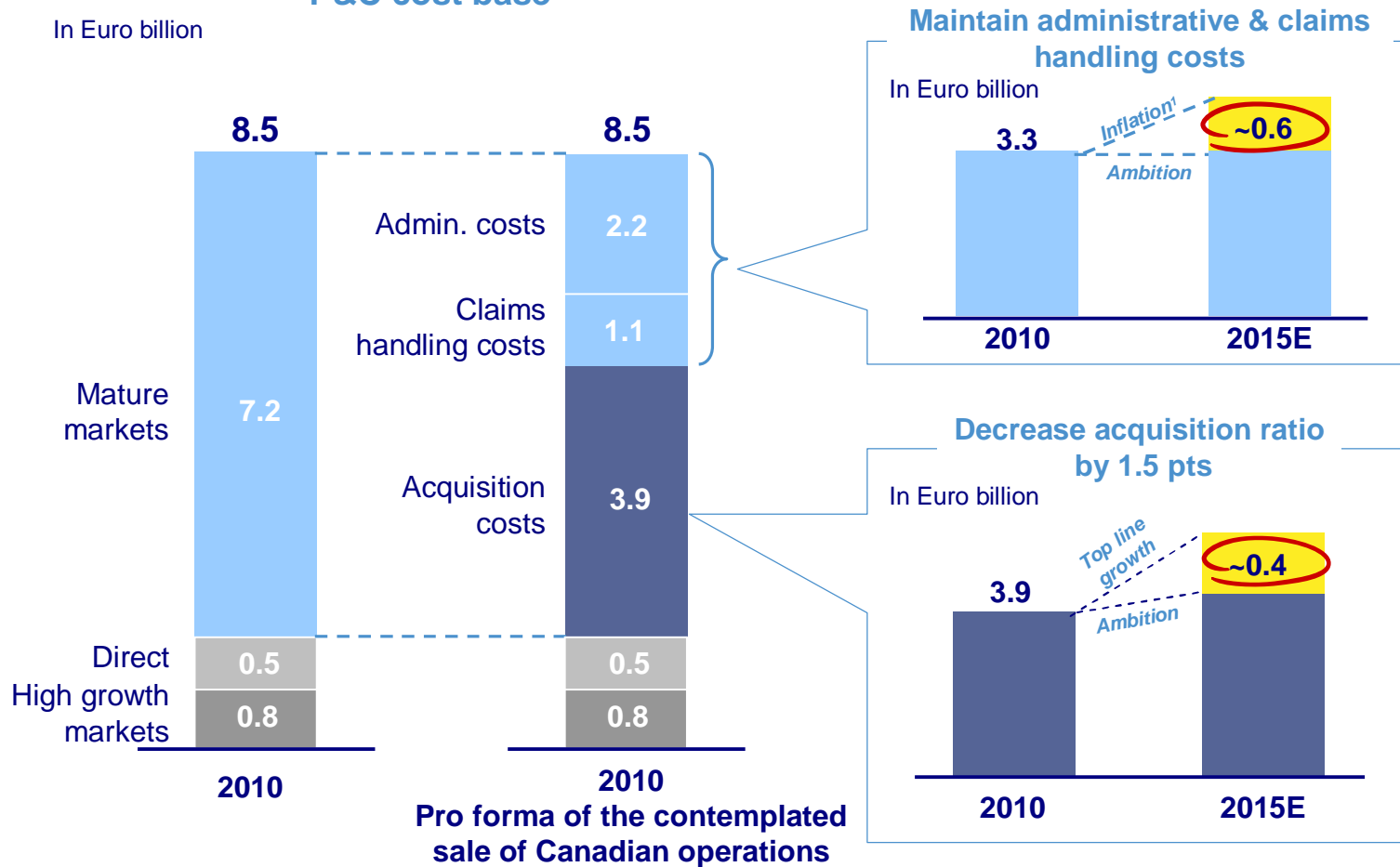
3 Cost savings

Property & Casualty ambition

- Selectivity
- Acceleration
- Efficiency**

P&C cost base

In Euro billion



1. Assumed 3% CAGR of inflation and other

~ €1 bn
Cost savings in mature markets

Administrative costs ➡ Beat core CPI inflation, investments & other
Acquisition costs ➡ Reduce acquisition ratio by 1.5 points

3 Cost savings

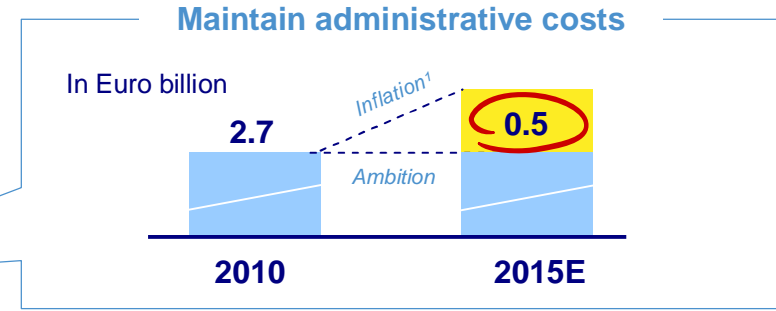
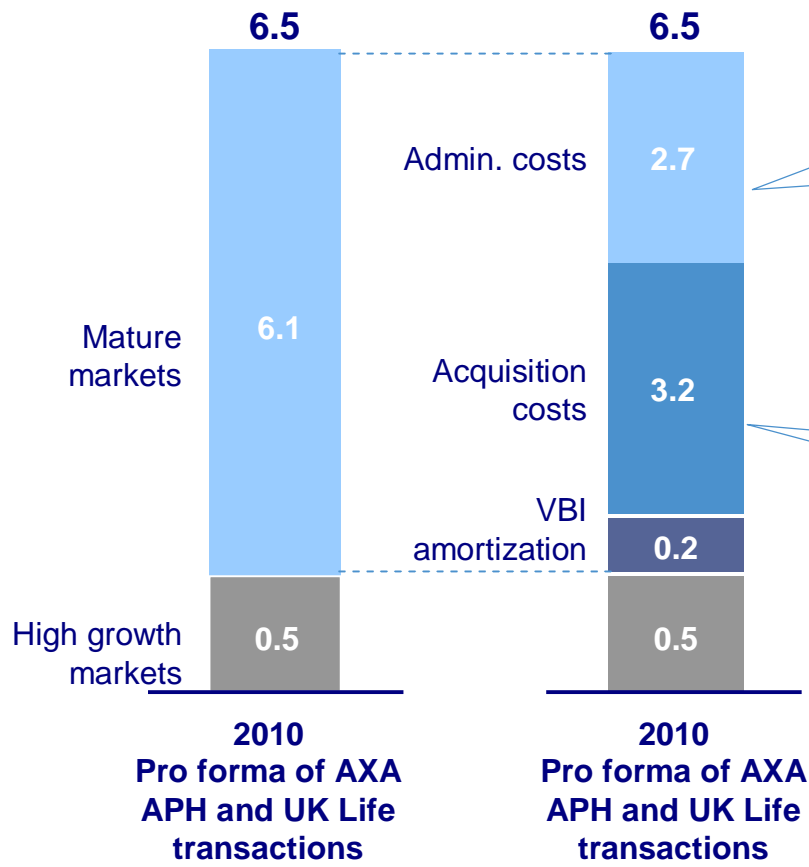
Life & Savings ambition

- Selectivity
- Acceleration
- Efficiency**

L&S cost base

Cost savings measures on mature countries

In Euro billion



1. Assumed 3% CAGR of inflation and other

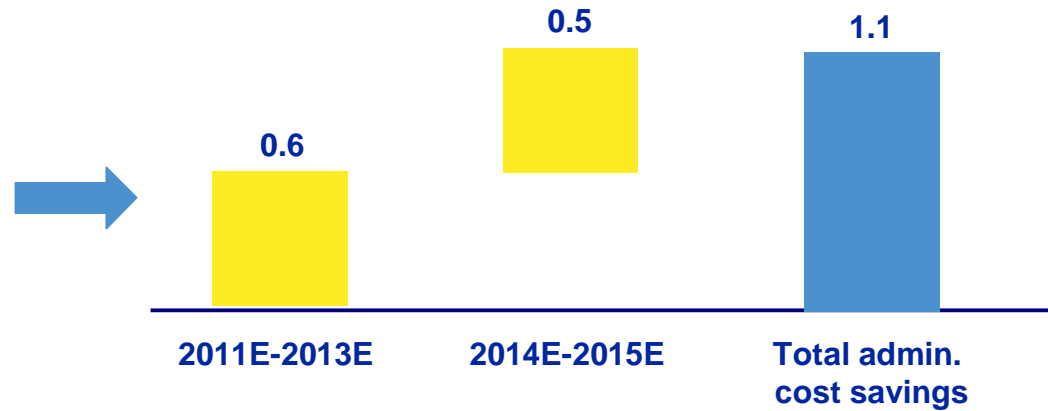
- #### Potential improvement
- § Renegotiate commission schemes
 - § Increase commercial productivity
 - § Optimize distribution support costs

3 Cost savings Phasing

- Selectivity
- Acceleration
- Efficiency**

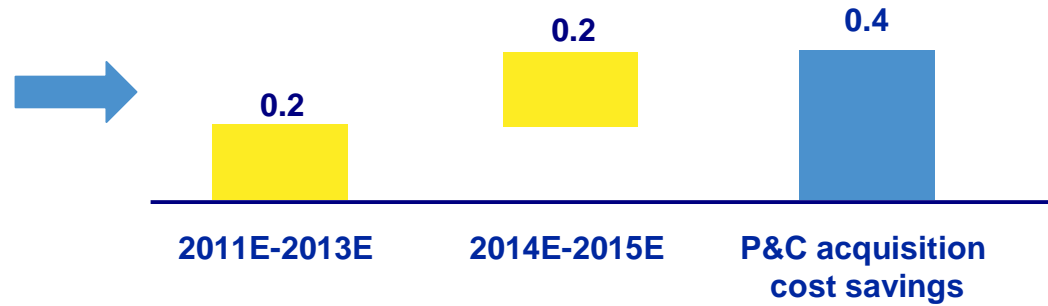
In Euro billion

Maintain P&C and L&S administrative costs



In Euro billion

Reduce P&C acquisition ratio by 1.5 pts



What will success look like in 2015?

Underlying Earnings per Share

10% CAGR
2010-2015

Group operating Free Cash Flows

€24 billion
In the next 5 years

Adjusted Return on Equity

15% by 2015

Debt gearing

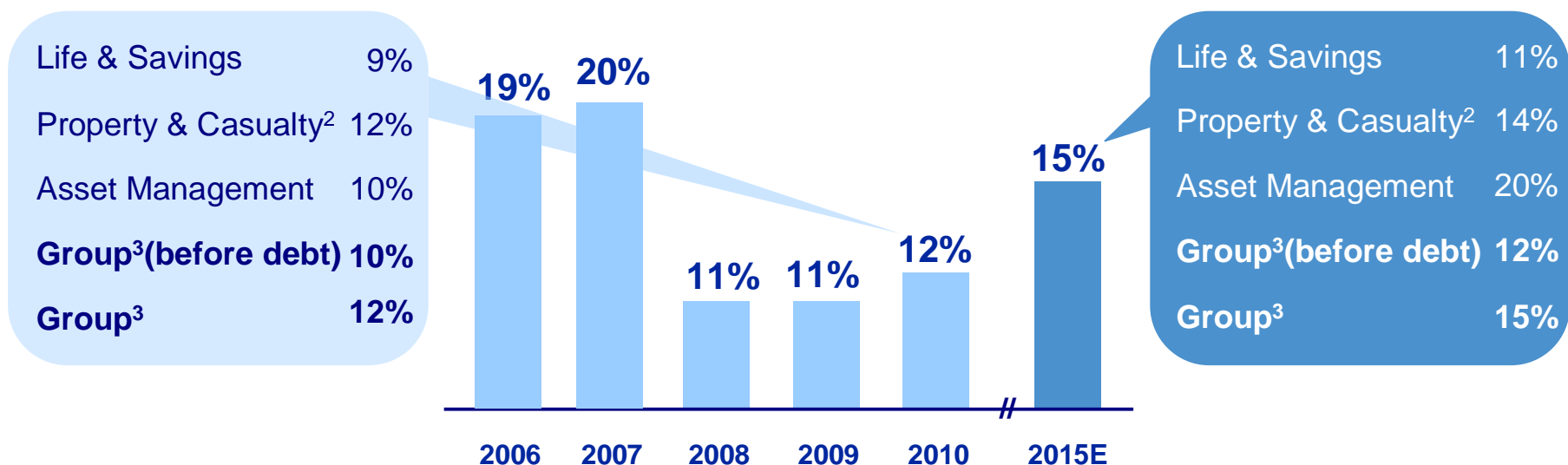
25% by 2015

Adjusted Return on Equity

Ambition to achieve 15% by 2015

Definition

$$\text{Adjusted ROE} = \frac{\text{Adjusted earnings net of undated debt cost}}{\text{Average IFRS Shareholders' Equity net of undated debt and net of OCI}^1}$$



Drivers of increase

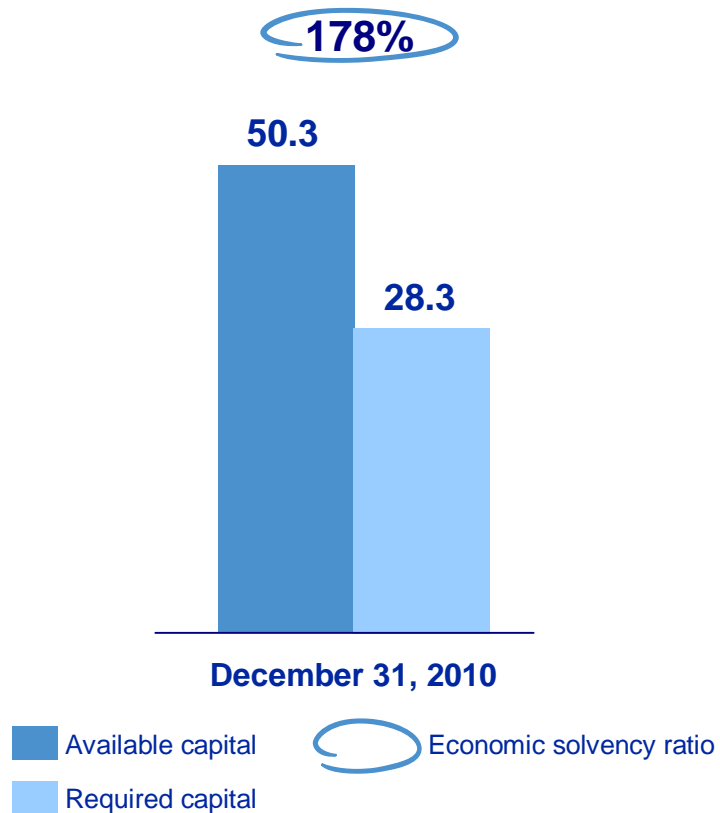
10% Underlying Earnings per share CAGR
Realized gains of Euro 300 – 500 million per year

1. Other comprehensive income
2. Including International
3. Including Bank

Economic solvency

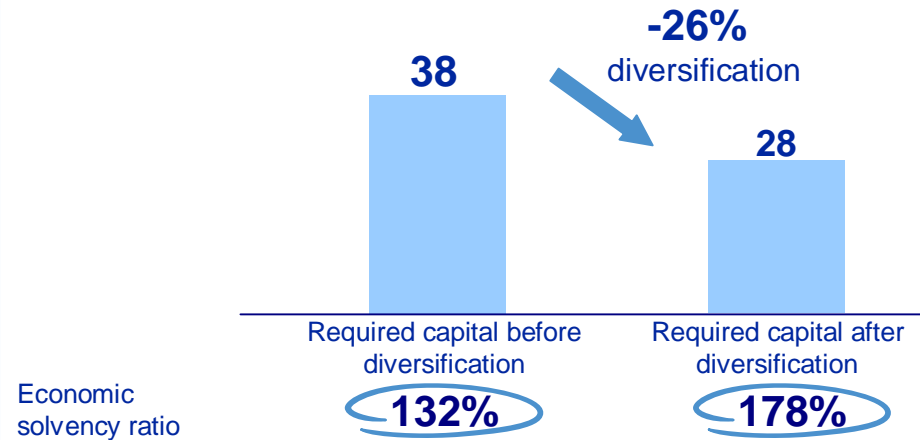
Economic solvency¹

In Euro billion

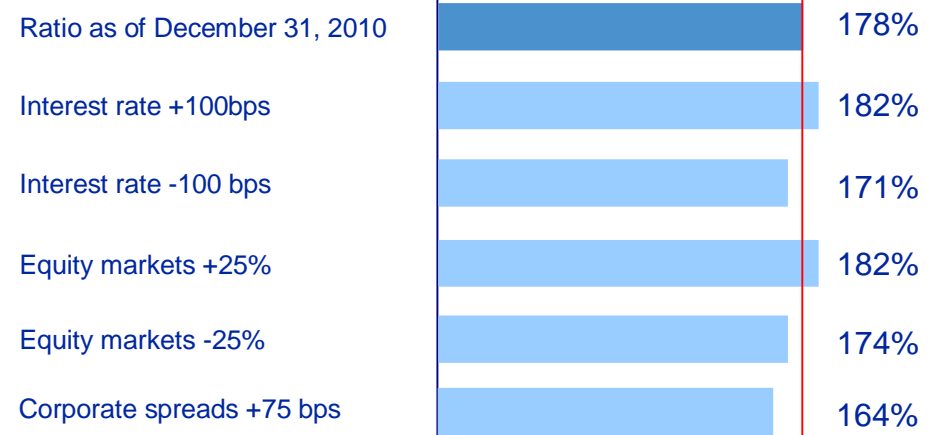


1. AXA internal economic model calibrated based on adverse 1/200 year shocks

Benefits of being a composite player



Sensitivity



Financial assumptions and sensitivities

	Ambition AXA assumptions 2011-2015	Sensitivity	Impact on 10% UEPS ² CAGR	Impact on 15% Adjusted RoE
Equity market return ¹	+6.3% ¹ per annum	0% per annum 9% per annum	-2 pts +1 pt	-1.2 pts +0.6 pt
Mature markets P&C revenues growth	+3.5% per annum	+2.5% per annum +4.5% per annum	-1 pt +1 pt	-0.3 pt +0.3 pt
Mature markets L&S net inflows in % of reserves	2% per annum on average	+1% per annum +3% per annum	-1 pt +1 pt	-0.4 pt +0.4 pt
10-year government bond	Eurozone 3.9% by 2015 USD 4.8% by 2015 JPY 2.2% by 2015			

1. Including dividends

2. Underlying earnings per share

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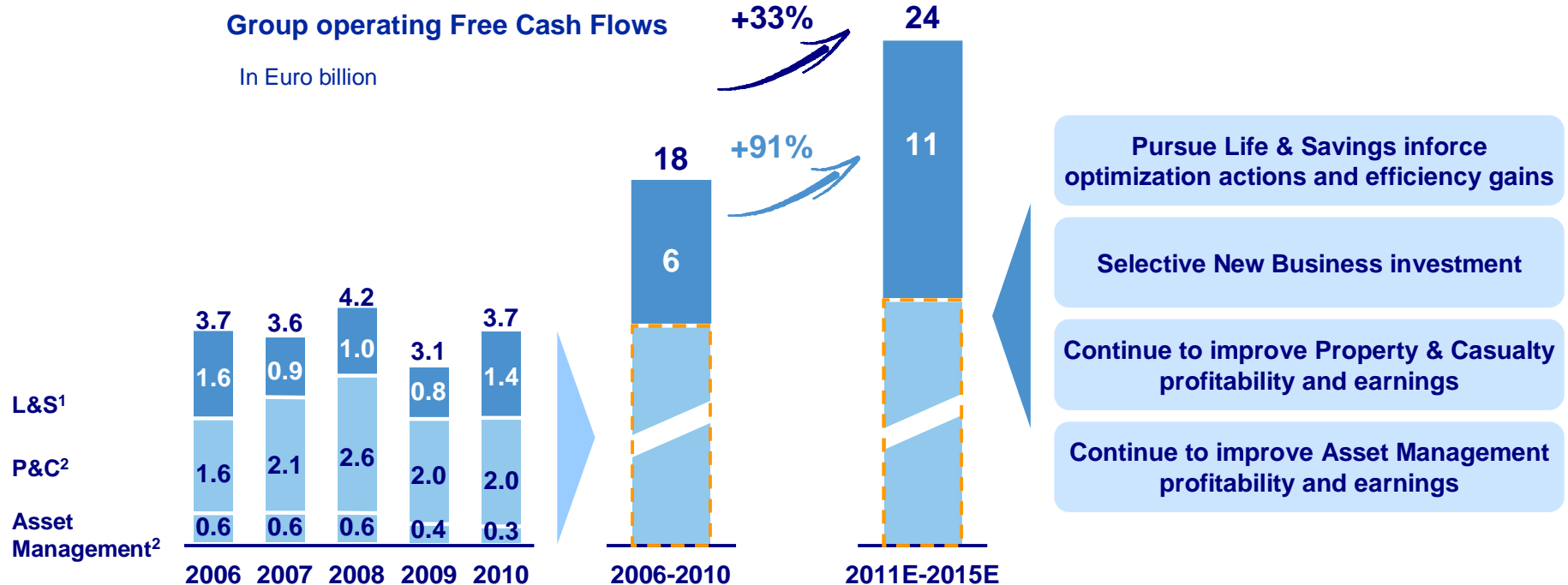
25% by 2015

Ambition 2015

Euro 24 billion Group operating FCF in the next 5 years

In the last 5 years

Ambition AXA for the next 5 years



1. Corresponds to the expected inforce surplus generation (cash and capital) net of New Business investment (capital and cash strain). Required capital is based on the cost of holding capital corresponding to the highest of the local regulatory requirements, the capital consistent with AA capital requirement in each operation and the capital required by internal economic capital model before Group diversification

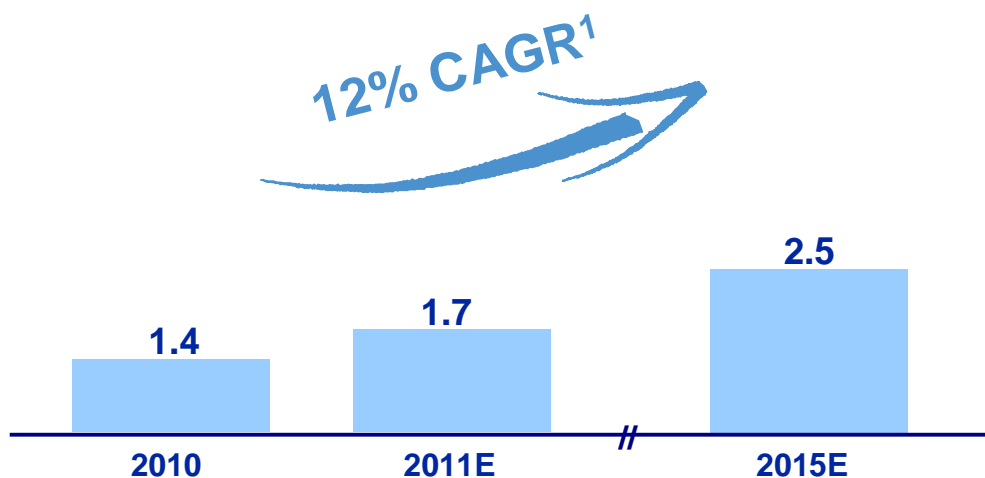
2. Corresponds to underlying earnings (including International & Bank), realized capital gains and changes in local solvency requirements related to internal growth

Focus on Life & Savings operating FCF

Steady increase over the period

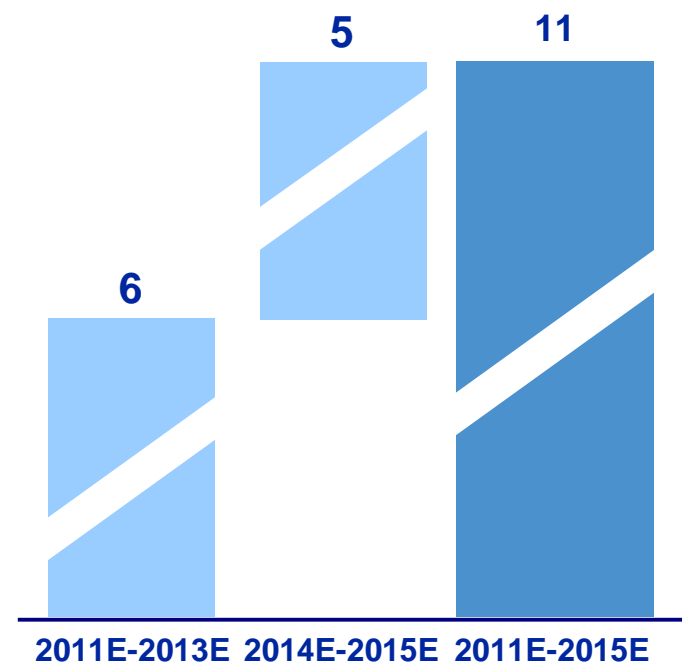
Life & Savings operating Free Cash Flows

In Euro billion



Life & Savings operating Free Cash Flows

In Euro billion



1. 2010-2015E on a reported basis


Focus on Life & Savings Operating FCF

Euro 11 billion in the next 5 years

Maximize extraction

Focus on inforce optimization

Increase productivity and efficiency

 Ambition to maximize cash extraction from inforce

 2011E-2015E cash from New Business

 Expected cash generation from 2010 inforce

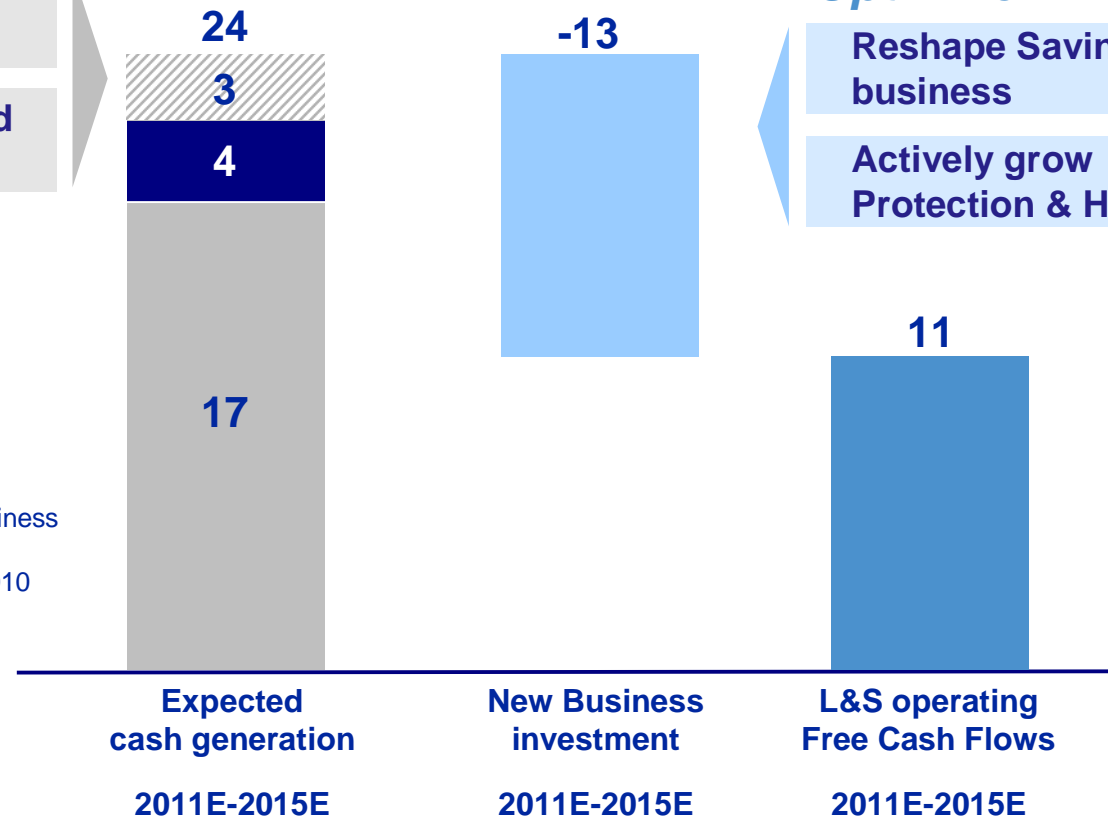
Life & Savings operating Free Cash Flows

In Euro billion

Optimize investment

Reshape Savings business

Actively grow Protection & Health



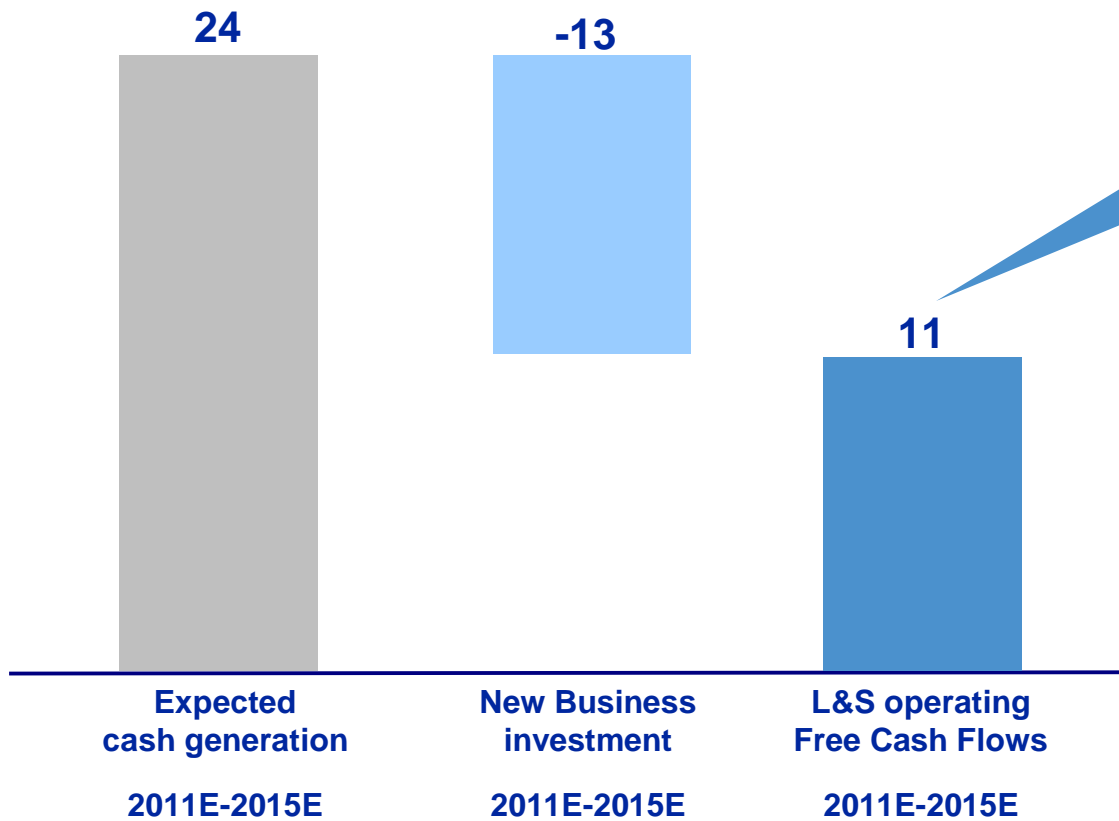
> Euro 75 billion expected cash generation from inforce after 2015

Focus on Life & Savings Operating FCF

By business

Life & Savings operating Free Cash Flows

In Euro billion



2011E-2015E Capital invested in new business net of capital released from inforce

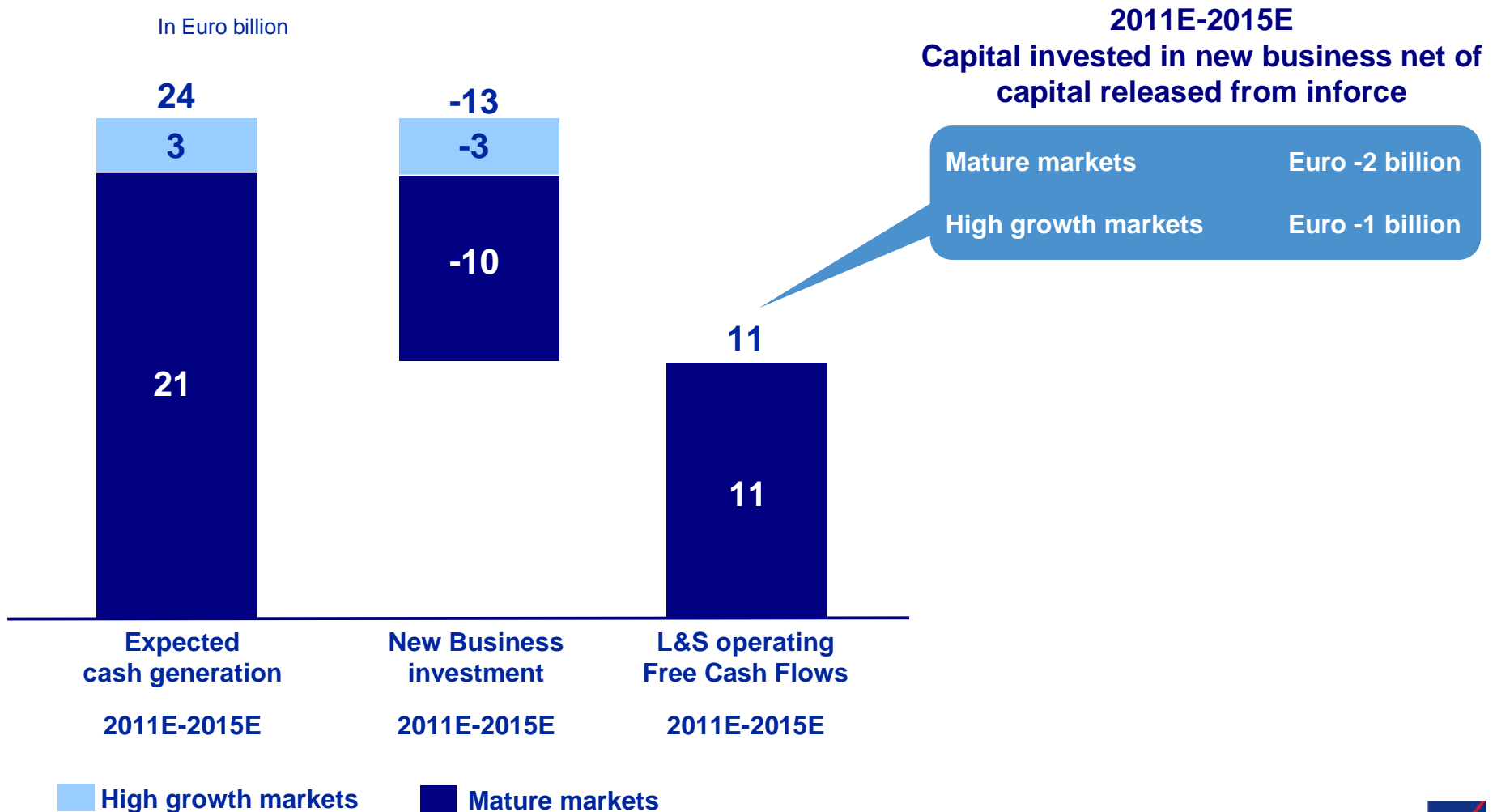
G/A Protection & Health	Euro -2 billion
Unit-Linked	Euro -1 billion
G/A Savings	Euro 0 billion

Focus on Life & Savings Operating FCF

By geography

Life & Savings operating Free Cash Flows

In Euro billion



Focus on Life & Savings new business

Above 15% IRR by 2015

New Business IRR assumptions

Investment with at least AA capital level

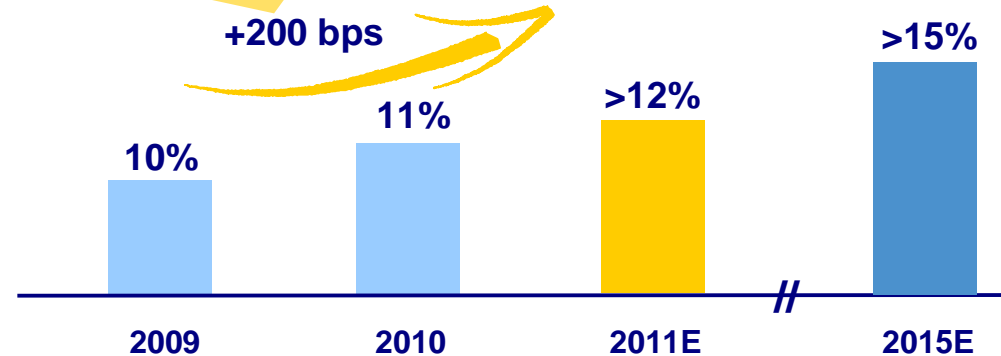
Realistic management case assumptions

Unlevered

Fully costed & capitalized

2015 Ambition

o/w +110 bps business mix
o/w +90 bps AXA APH transaction



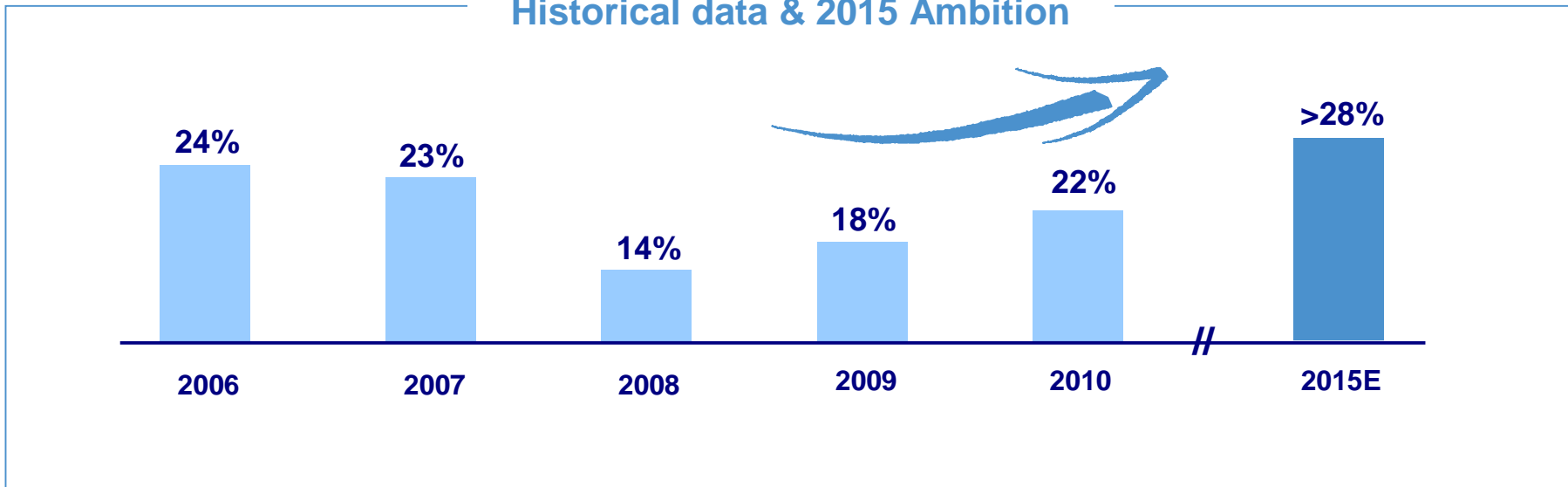
Key drivers to achieve our ambition



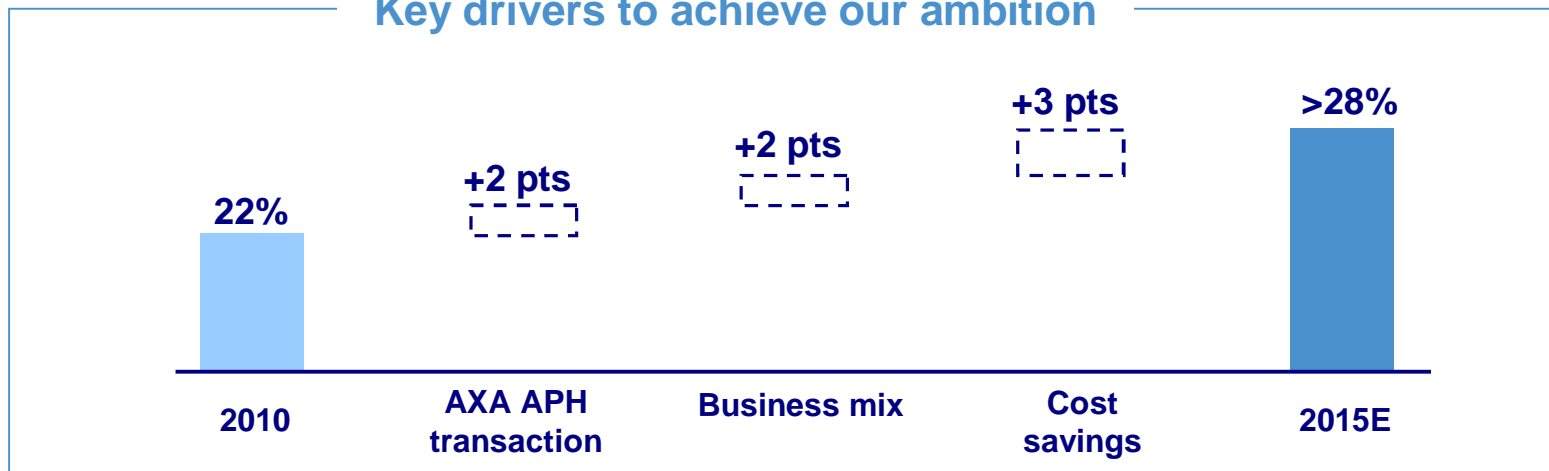
Focus on Life & Savings new business

Above 28% NBV margin by 2015

Historical data & 2015 Ambition



Key drivers to achieve our ambition



Financial assumptions and sensitivities

		Impact on IRR
Equity return (incl. dividend) ¹	3% per annum	-1 pt
	9% per annum	+1 pt
Parallel shift in 10 year government bond rates ¹	-50bps	-1 pt
	+50bps	+1 pt

		Impact on NBV margin
10% lower value of equity markets ²		-0.4 pt
10% higher value of equity markets ²		+0.4 pt
Parallel shift in reference interest rates ²	-50bps	-1 pt
	+50bps	+1 pt

1. Sensitivity on future investment returns

2. Shock on initial conditions

What will success look like in 2015?

Underlying Earnings per Share

10% CAGR
2010-2015

Group operating Free Cash Flows

€24 billion
In the next 5 years

Adjusted Return on Equity

15% by 2015

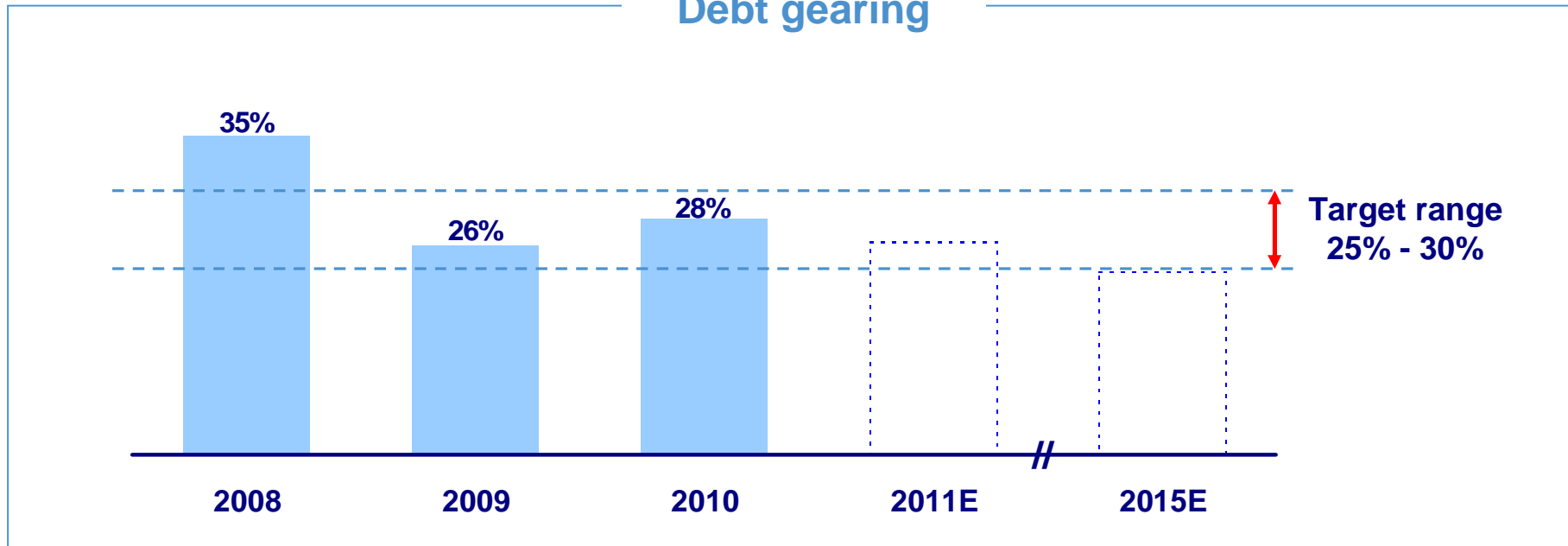
Debt gearing

25% by 2015

Ambition 2015

Target 25% debt gearing by 2015

Debt gearing



Key drivers

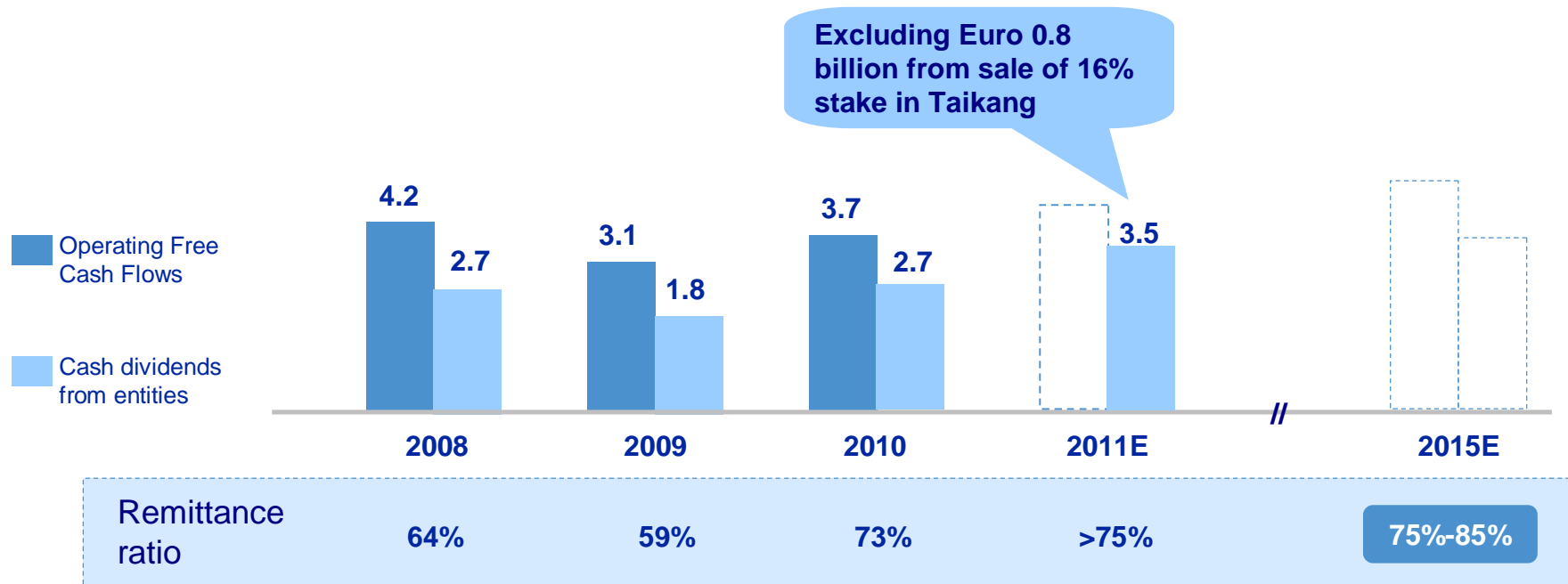


§ Cash remittance from entities to Group holding company
§ Net income contribution to Shareholders' Equity

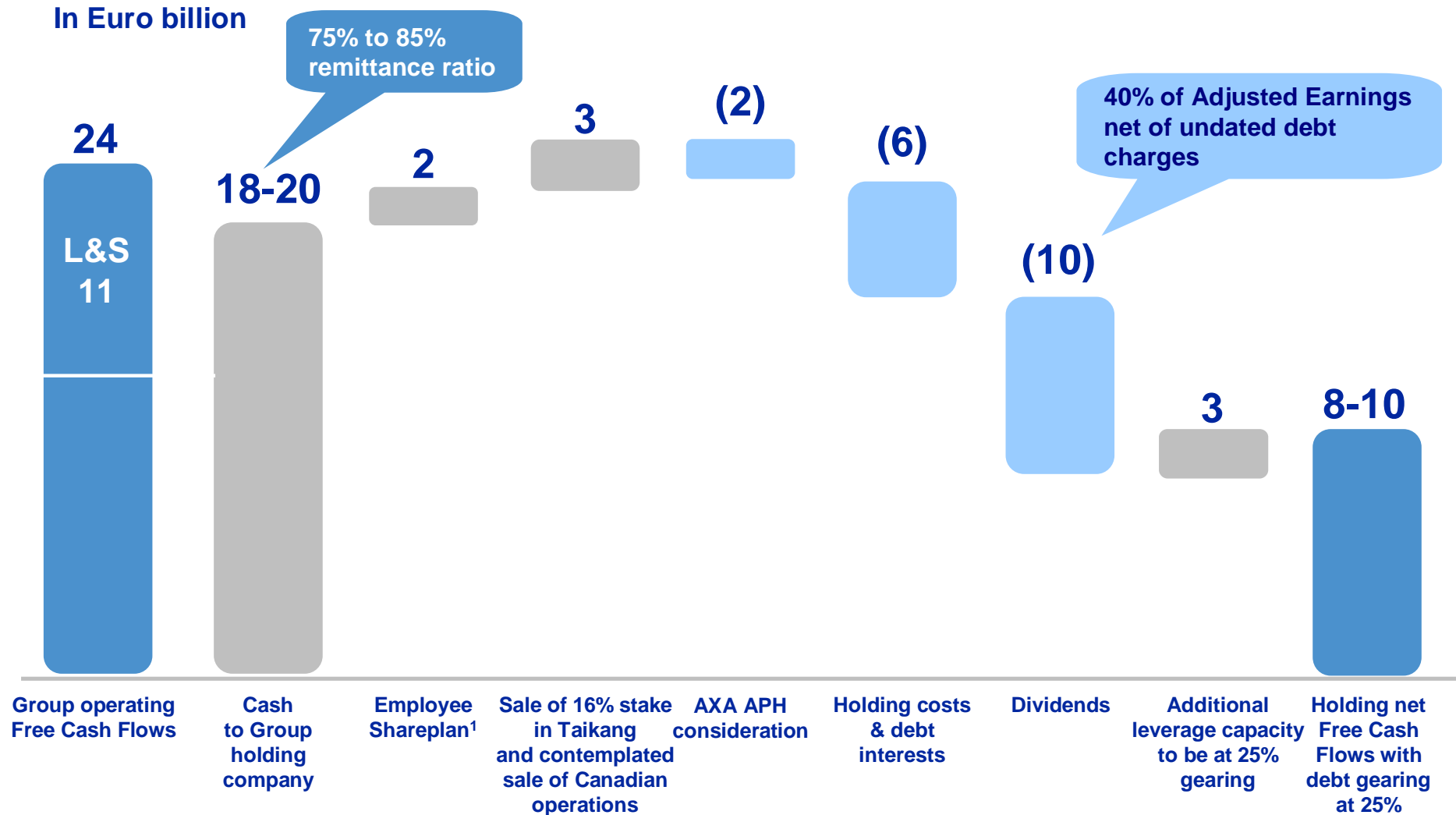


§ Holding costs and debt interest charges
§ Shareholders dividend

Focus on increasing cash remittance from entities to Group holding company



Euro 8 to 10 billion Group holding company net FCF in the next 5 years



1. Based on 2010 level of Employee Shareplan

Use of net Free Cash Flows at Group holding company

Euro 8-10 billion

- 1 Allocate more cash to accelerate business development in high growth markets**
- 2 Seize opportunities in high growth markets**
- 3 Reduce net internal debt**

Further financing to invest more in high growth markets would come from disposal in mature markets

Ambition 2015

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