

# Full year 2003 Earnings

February 26, 2004



**FINANCIAL  
PROTECTION**

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*Be Life Confident*

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# Glossary

## ◆ **Adjusted Earnings**

Net income before the impact of exceptional operations and goodwill amortization

## ◆ **Underlying Earnings**

Adjusted earnings excluding net capital gains attributable to shareholders and claims associated with the September 11, 2001 terrorist attacks

Adjusted and underlying earnings are non-GAAP measures, which may not be comparable to similarly titled measures reported by other companies





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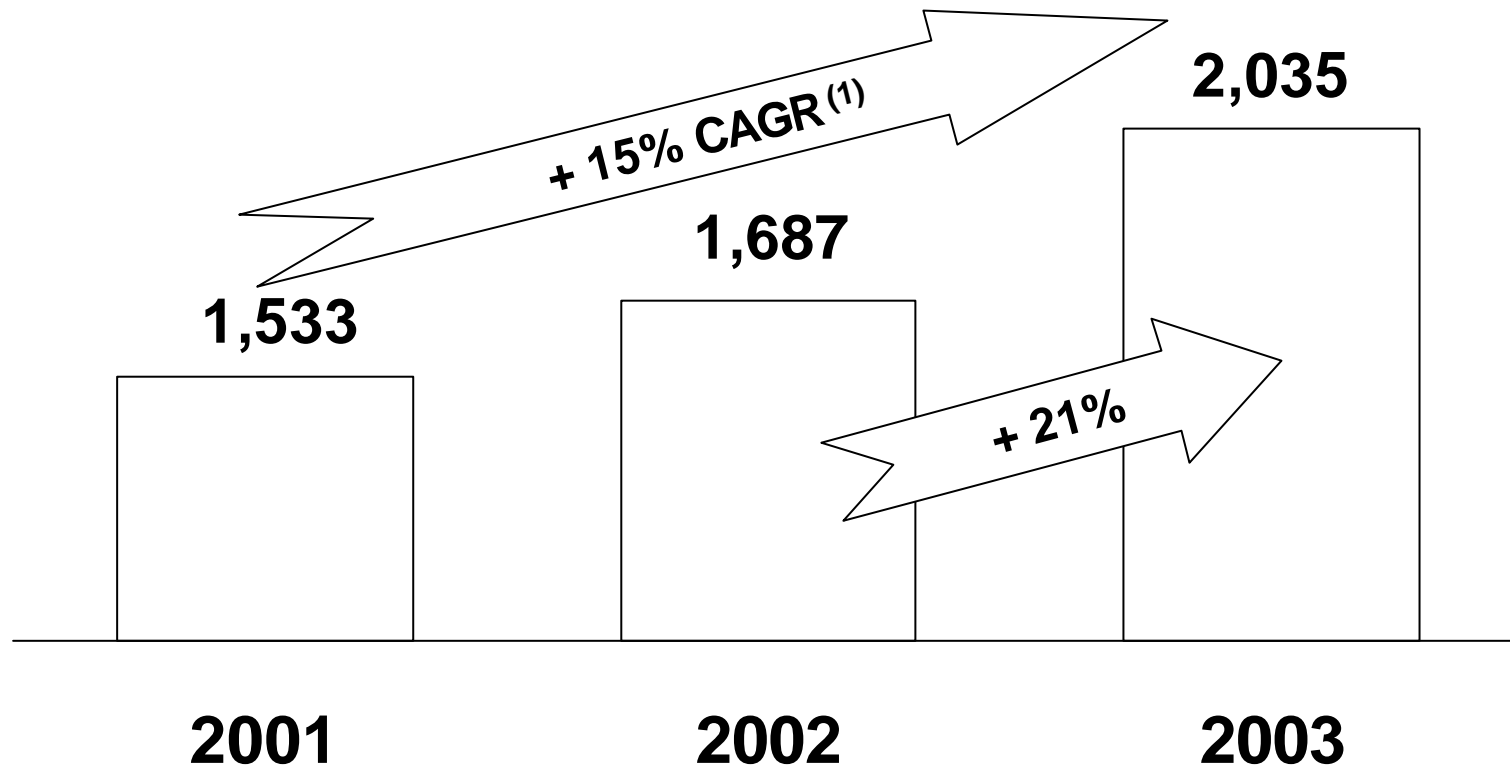
- **1 : *Achievements in 2003***
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# The operating excellence focus is paying off with AXA delivering another strong year in 2003

Euro million

## Underlying Earnings

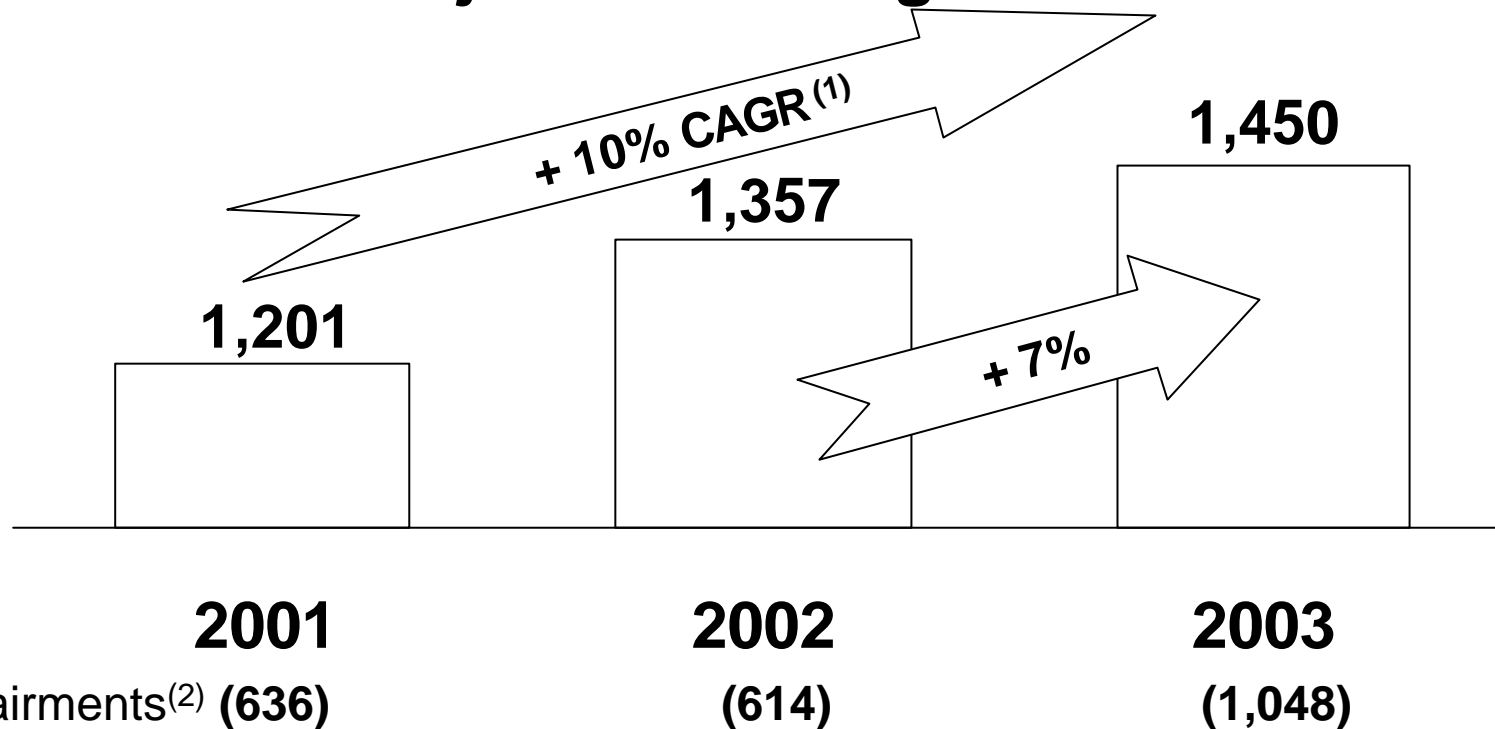


(1) Compounded Annual Growth Rate.

# Adjusted earnings are starting to recover from their lows, and we are back in positive unrealized gain territory

Euro million

## Adjusted Earnings



Net Real Estate + Equity unrealized gains/losses attributable to shareholders (Euro billion)		
2001	2.3	
2002	(1.2)	
2003	1.0	



(1) Compounded Annual Growth Rate.

(2) Following the CNC (Conseil National de la Comptabilité) principles regarding market volatility as relates to equity impairment threshold, a threshold of 20% was used in 2003 versus 30% in 2002.

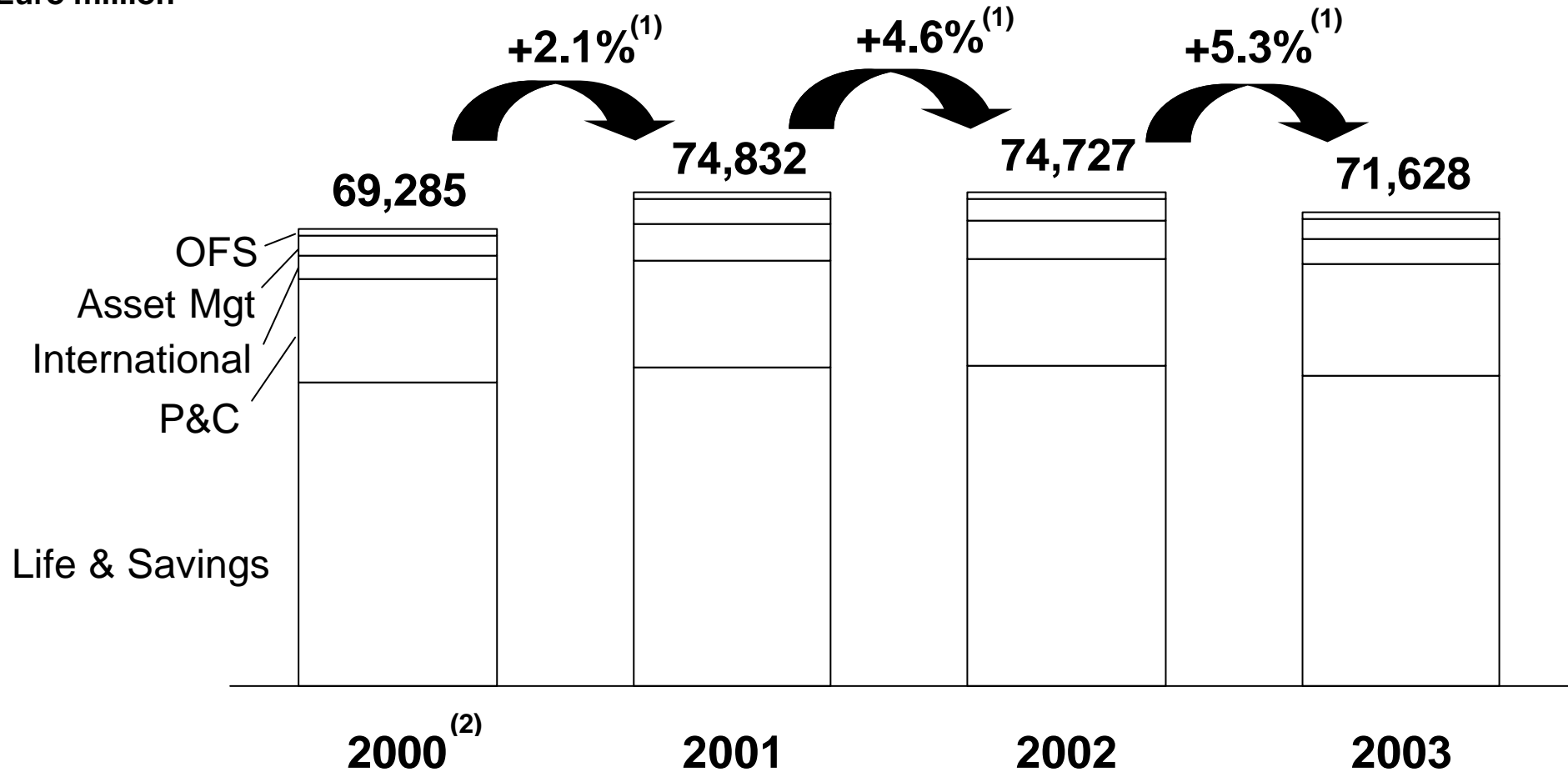
# **These results were achieved through:**

- ◆ **Group focus**
- ◆ **Entity specific focus**
- ◆ **Commitment to our business model and strategy**



# Group focus' pillar #1: Organic growth picked up momentum with 2003 revenues up 5.3% on a comparable basis

Euro million

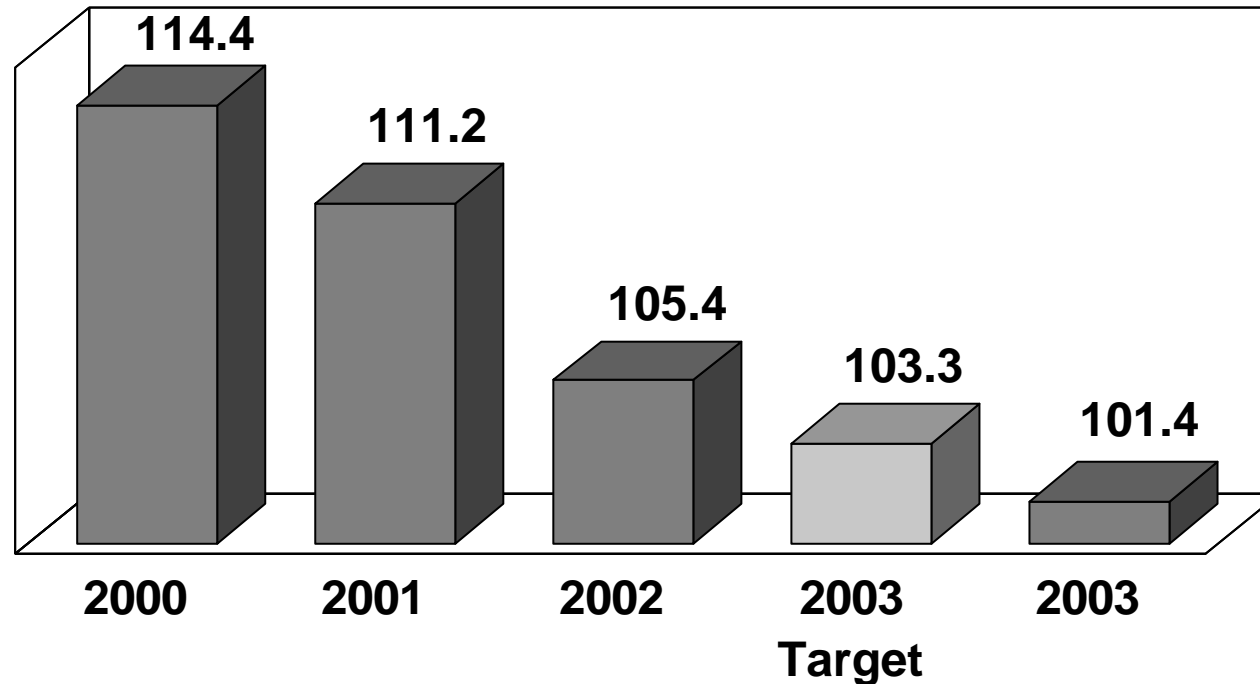


(1) On a comparable basis, i.e., adjusted for changes in scope, accounting methods and currency.  
 (2) Excluding Euro 10,686 million related to DLJ.

# Group focus' pillar #2: P&C combined ratio is better than target, owing to both loss and expense ratios' improvement

## P&C Combined Ratio (%)

On a new reporting basis<sup>(1)</sup>, except in 2000



<b>Loss ratio (%)</b>	<b>84.6</b>	<b>82.2</b>	<b>78.0</b>	<b>Target</b>	<b>74.3</b>
<b>Expense ratio (%)</b>	<b>29.8</b>	<b>29.0</b>	<b>27.4</b>		<b>27.2</b>



(1) Excluding discontinued business transferred to International Insurance segment and including UK Health business.

# Group focus' pillar #3: Euro 1.2 billion achieved in economic expense savings since October 2001

Target	Post Sept 11	Euro 700 m of savings by end 2002
Achieved in :	2001	Euro 100 m
	2002	Euro 866 m
	2003	Euro 269 m
<b>Total</b>		<b>Euro 1,235 m<sup>(1)</sup></b>

**While, at the same time, we have grown our revenues by 14%<sup>(2)</sup> since 2000**



(1) On an economic basis (non-commission expenses, excluding asset managers, adjusted for change in scope and currency, IT capitalization/amortization, pension funds and one-off expenses).

(2) At constant exchange rates, excluding Asset Management revenues in all years and excluding DLJ revenues from 2000 total revenues.

# Entity specific focus: our actions are starting to flow through results

Euro million


2002

2003

## ◆ Non Life

### → UK P&C<sup>(1)</sup>

- underlying earnings
- combined ratio

-57	71	
107.9%	102.9%	

### → Germany P&C

- underlying earnings
- combined ratio

18	60	
107.3%	101.0%	

### → AXA Corporate Solutions Assurance

- underlying earnings
- combined ratio

-84	31	
109.1%	102.3%	

### → AXA RE

- underlying earnings
- **P&C Reinsurance** combined ratio<sup>(2)</sup>

17	108	
109.5%	98.2%	

## ◆ Life

### → Japan

- underlying earnings

-45	52	
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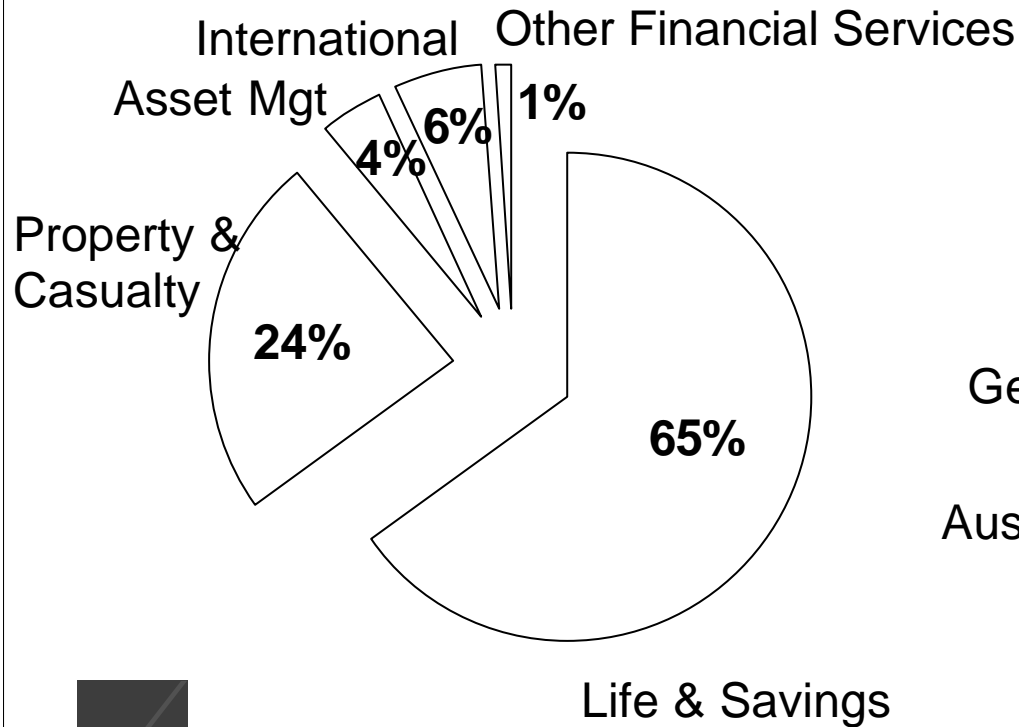
(1) Restated in 2002 for UK Health transfer from Life & Savings to P&C, effective January 1, 2003.

(2) Excluding Sept. 11 impact on 2002 combined ratio.

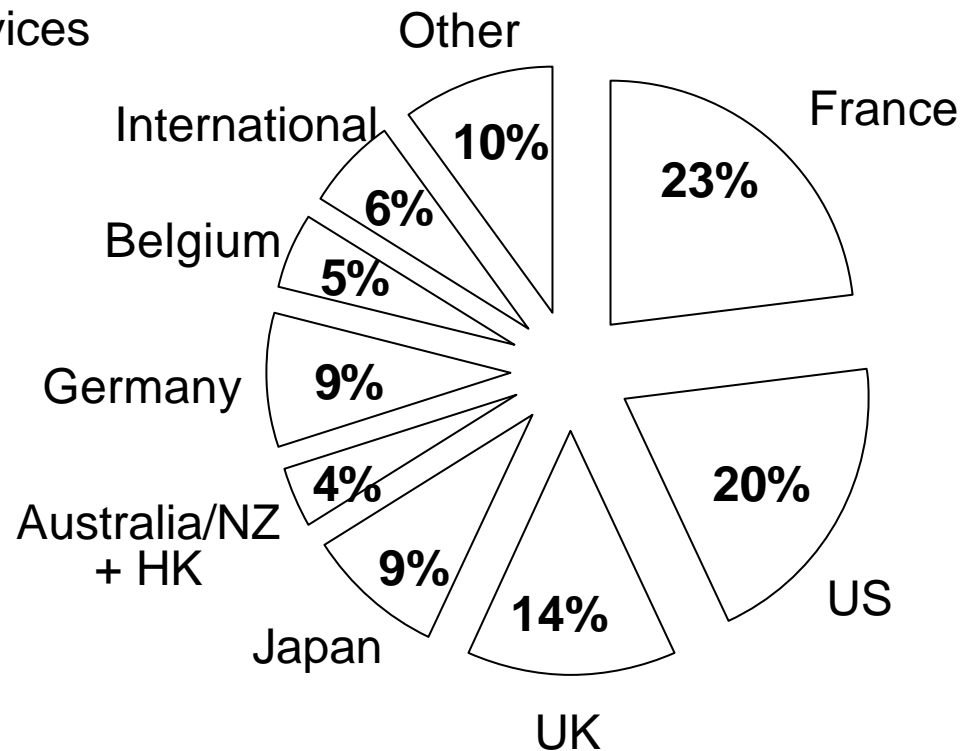
# Solid and balanced positions, creating a unique platform

## Revenue Diversification Full Year 2003

### Breakdown of Total Revenues by activity

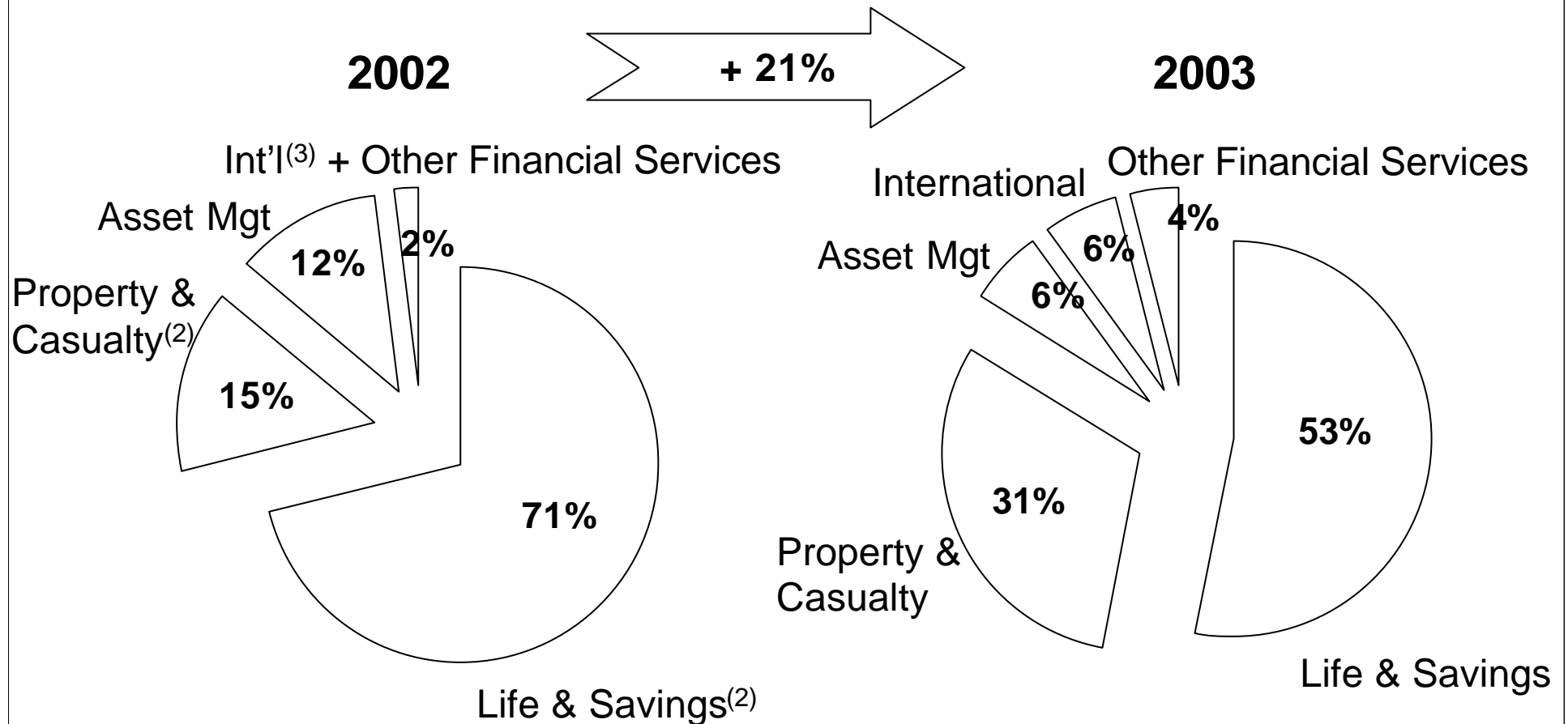


### Breakdown of Insurance Revenues by country



# This diversification is clearly helping to reduce AXA's earnings volatility and capital needs

## Underlying Earnings Diversification<sup>(1)</sup>



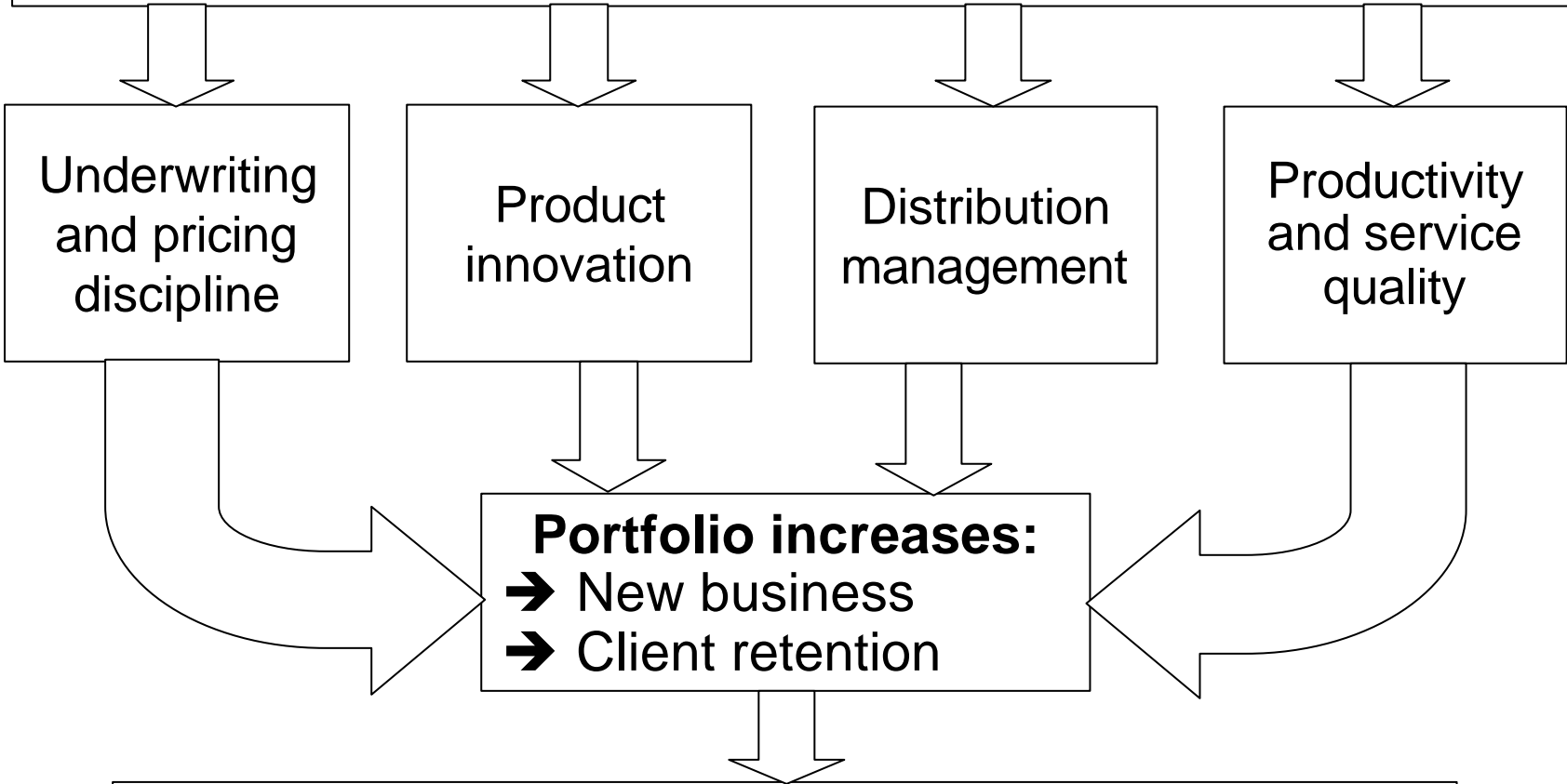
(1) Percentages are based on total underlying earnings, excluding Holdings.

(2) Restated for UK Health transfer from Life & Savings to P&C, effective January 1, 2003.

(3) In 2002, International had negative underlying earnings, which represented -4% of total underlying earnings excluding Holdings.

# Maintaining our strategy and fostering a culture of operational excellence...

**Leveraging Group's size and best practices in Financial Protection**



**Accelerate profitable revenue growth**

# [ ...while maintaining the earnings growth potential of the Group

## ◆ Managed our operational exposure to equity markets

- Maintained our bias towards unit-linked and asset management businesses
- Protected our earnings against volatile equity markets by lowering our expense base
- Maintained our investment portfolio equity exposure, dictated by our ALM discipline: 15% of total invested assets<sup>(1)</sup> in 2003, same as in 2002

## ◆ Did not dilute our shareholders



(1) At book value. Equity excludes fixed income mutual funds. Total invested assets exclude separate account assets, assets backing with-profits liabilities, and investments in affiliated companies consolidated under the equity method.

# Faster and deeper turnaround leads to higher dividend

Euro million

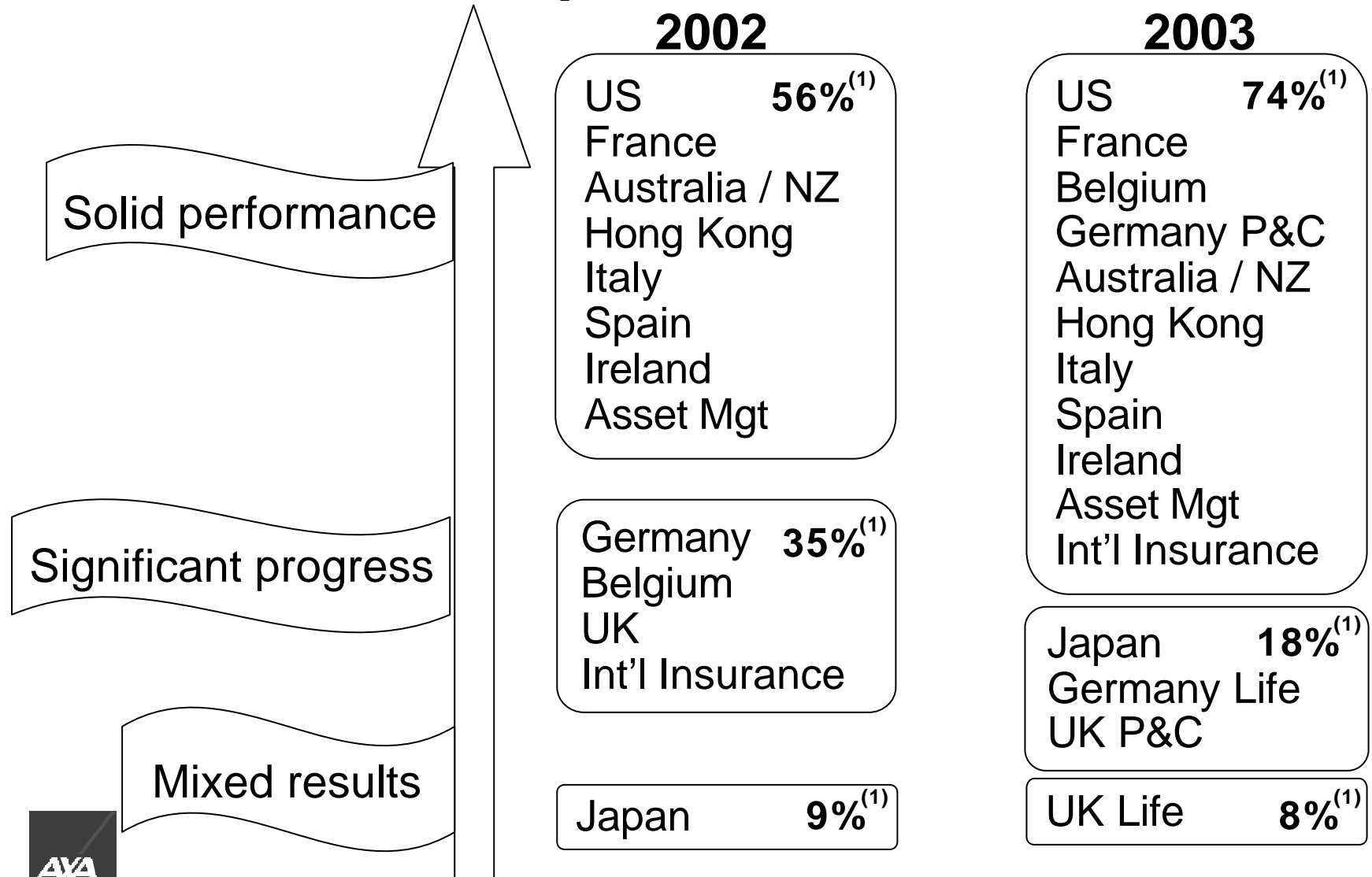
	2003	Growth	Growth at cst FX
◆ Revenues	71,628	-4%	+5% <sup>(1)</sup>
◆ Underlying earnings	2,035	+21%	+30%
◆ Adjusted earnings	1,450	+7%	+15%
◆ Net income	1,005	+6%	+18%
◆ Embedded Value	29,008	+3%	+12%
◆ New Business Contribution	675	+4%	+16%

**2003 proposed dividend of Euro 0.38 per share,  
a 12% increase from 2002**



(1) On a comparable basis for revenues.

# Our operational platform has significantly improved, and the good news is that there is still room for improvement



(1) % of revenues. Other P&C, Life and Financial Services are part of "Solid performance", but are not listed because of lack of space.



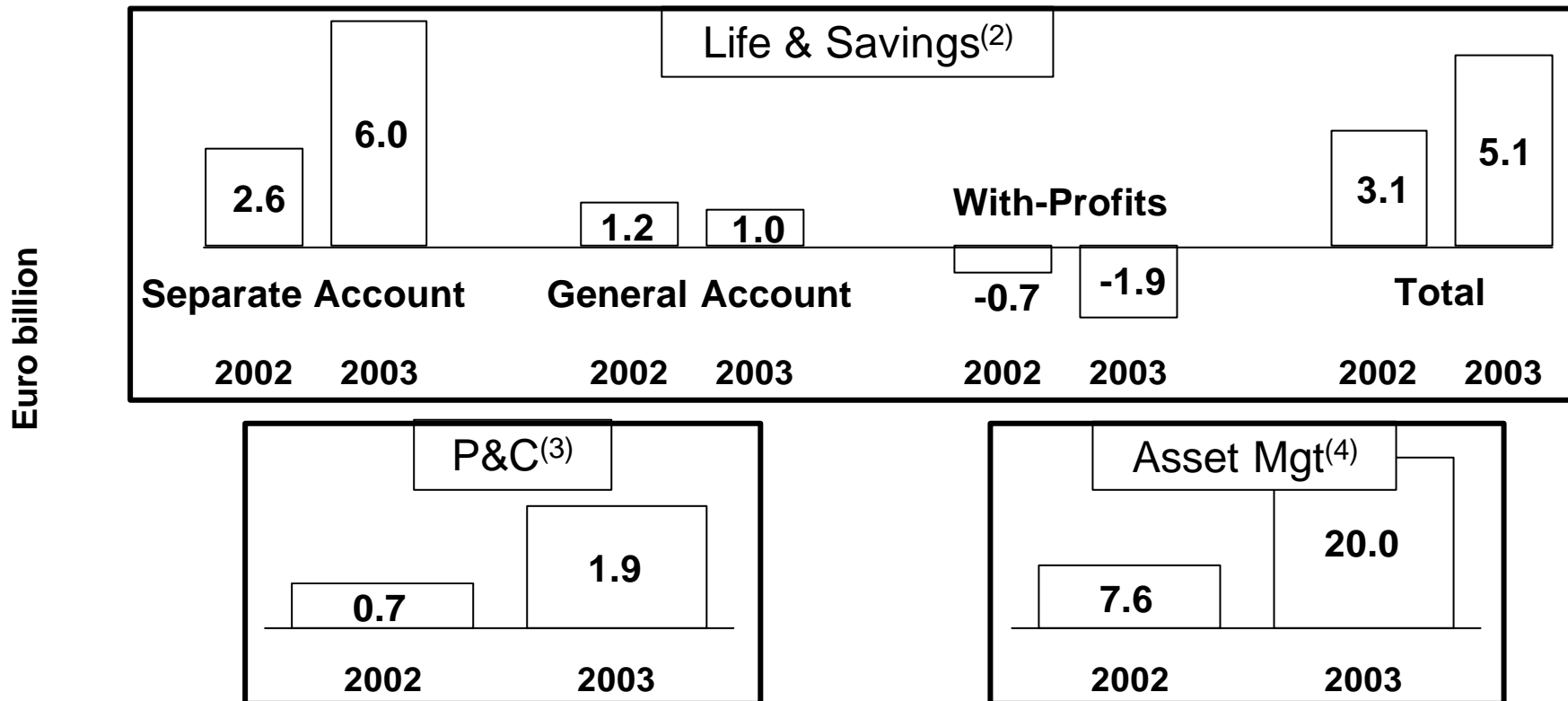
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# Solid organic revenues growth of 5.3% on a comparable basis, and increasing cash flows

- ◆ Life & Savings revenues up 8.5%<sup>(1)</sup> and P&C revenues up 4.0%<sup>(1)</sup>
- ◆ Cash flows are growing:



(1) Growth on a comparable basis.

(2) Premiums net of loadings, surrenders and other benefits paid and other changes in reserves. Exclude investment income.

(3) Net operational cash flows including expenses, taxes and investment income. Scope: France, UK, Germany, Belgium, Italy and Spain representing 87% of P&C written premiums and gross reserves.

(4) Sales net of redemptions.



# Strong earnings improvement in 2003

Euro	2003 million	2002 million	Change	Change at cst. FX rate	2003 per diluted share	Change
<b>Underlying earnings</b>	<b>2,035</b>	<b>1,687</b>	<b>+21%</b>	<b>+30%</b>	<b>1.14</b>	<b>+17%</b>
Sept 11 impact	-	-89				
Capital gains net of valuation allowances	-585	-240				
<b>Adjusted earnings</b>	<b>1,450</b>	<b>1,357</b>	<b>+7%</b>	<b>+15%</b>	<b>0.81</b>	<b>+4%</b>
Exceptional operations	148	235				
Amortization of goodwill	-593	-643				
<b>Net income</b>	<b>1,005</b>	<b>949</b>	<b>+6%</b>	<b>+18%</b>	<b>0.56</b>	<b>+3%</b>

Weighted average number of diluted shares is 1,790m in 2003, of which 23m relating to ORAN dilution, vs 1,739m in 2002.



# Market recovery was offset by more stringent equity valuation allowances' requirements

Euro million	2003			2002		
	Capital gains/losses <sup>(1)</sup>	Equity valuation allowances <sup>(2)</sup>	Net	Capital gains/losses <sup>(1)</sup>	Equity valuation allowances <sup>(2)</sup>	Net
Life & Savings	128 <sup>(3)</sup>	-531	-403	-11	-258	-269
Property & Casualty	182	-416	-234	143	-276	-133
Int'l insurance	74	-68 <sup>(4)</sup>	6	95	-77 <sup>(4)</sup>	18
Asset Management	2	-	2	-	-	-
Holdings and others	78	-33	45	148	-4	144
<b>Total</b>	<b>463</b>	<b>-1,048</b>	<b>-585</b>	<b>374</b>	<b>-614</b>	<b>-240</b>
Gross Impairments		-1,982			-912	

(1) Excluding one-off capital gains on disposal of Austria/Hungary, Auxifina and Members' Equity (Euro 64m) and including valuation allowances on bonds.

(2) Following the CNC (Conseil National de la Comptabilité) principles regarding market volatility as relates to equity impairment threshold, a threshold of 20% was used in 2003 versus 30% in 2002.

(3) Including Japan DTA valuation allowance of Euro 119m.

(4) Including French PRE of Euro 47m net of tax (Euro 71m pre-tax) in 2002, and its release in 2003, in line with regulatory recommendations.



# Underlying earnings improved strongly in P&C and International, partly offset by Life & Savings and Asset Management...

<i>Euro million</i>	<i>2003</i>	<i>2002</i>	<i>Change</i>	<i>Change on comp basis<sup>(1)</sup></i>
Life & Savings	1,301	1,636	-20%	-7%
Property & Casualty	753	226	+233%	+140%
International Insurance	141	-78	--	--
Asset Management	146	258	-43%	-36%
Other Financial Services	112	133	-16%	-16%
Holdings	-419	-488	--	--
<b>TOTAL Underlying earnings</b>	<b>2,035</b>	<b>1,687</b>	<b>+21%</b>	<b>+30%</b>

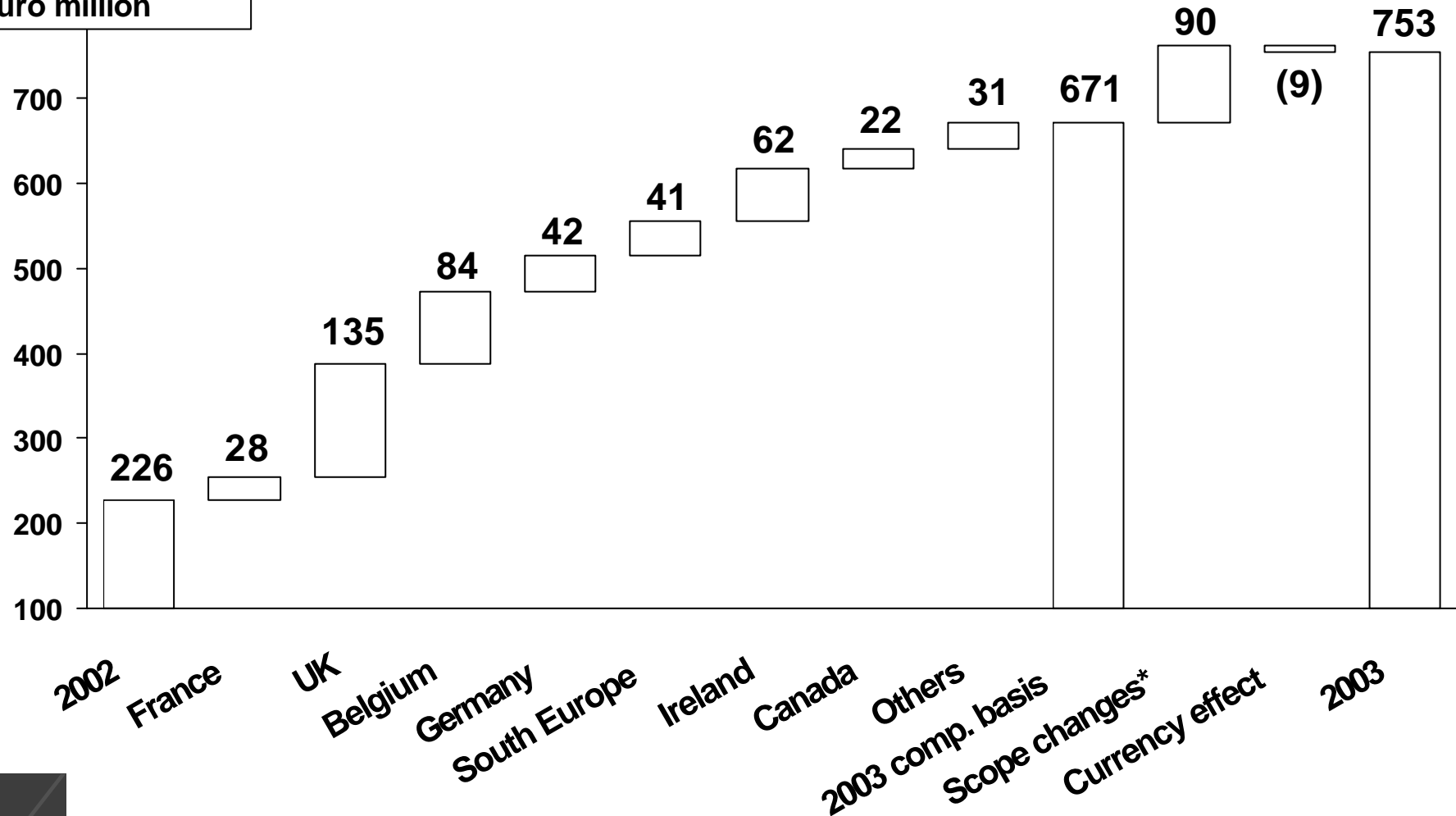
(1) Adjusted for currency changes and for the UK Health transfer from Life & Savings to P&C.

**...both segments being negatively affected by currency. Life & Savings was also impacted by the non-repeat of 2002 tax benefits in the UK and the US, while Alliance Capital incurred a charge for mutual fund matters and legal proceedings.**



# P&C : underlying earnings growth across the board, boosted by strong technical results

Underlying earnings  
In Euro million



\* UK Health transfer from Life & Savings + sale of Austria/Hungary

**Combined ratios improved across the Group owing to tariff increases, expense control, tighter underwriting and benign claims environment,...**

Combined ratios <sup>(1)</sup> (%)	2003	2002 <sup>(4)</sup>	Change
France	101.5	102.9	-1.4
Germany	101.0	107.3	-6.3
UK <sup>(2)</sup> (+ Ireland) <sup>(5)</sup>	100.5	106.4	-5.9
Belgium <sup>(3)</sup>	103.8	109.8	-6.0
Italy	103.7	104.6	-0.9
Spain	99.4	99.9	-0.5
Portugal	99.7	101.0	-1.3
Canada	99.0	103.2	-4.2
<b>Total P&amp;C Combined Ratio</b>	<b>101.4</b>	<b>105.4</b>	<b>-4.0</b>
Net technical reserves/Net earned premiums	192.9	195.8	-2.9
Net claims reserves/Net claims paid	256.3	239.3	+17.0

***...while we maintained healthy premiums and claims ratios***



(1) Combined ratio = (gross claims charge + net result of reinsurance ceded + expenses) / gross earned premiums

(2) Excluding discontinued business and including UK Health and non-risk income business

(3) Including workers' compensation business

(4) Proforma including UK Health business transferred from Life & Savings to P&C in 2003.

(5) Excluding Ireland, UK combined ratio was 102.9% in 2003 versus 107.9% in 2002.

# Combined ratios benefited from both lower loss and expense ratios

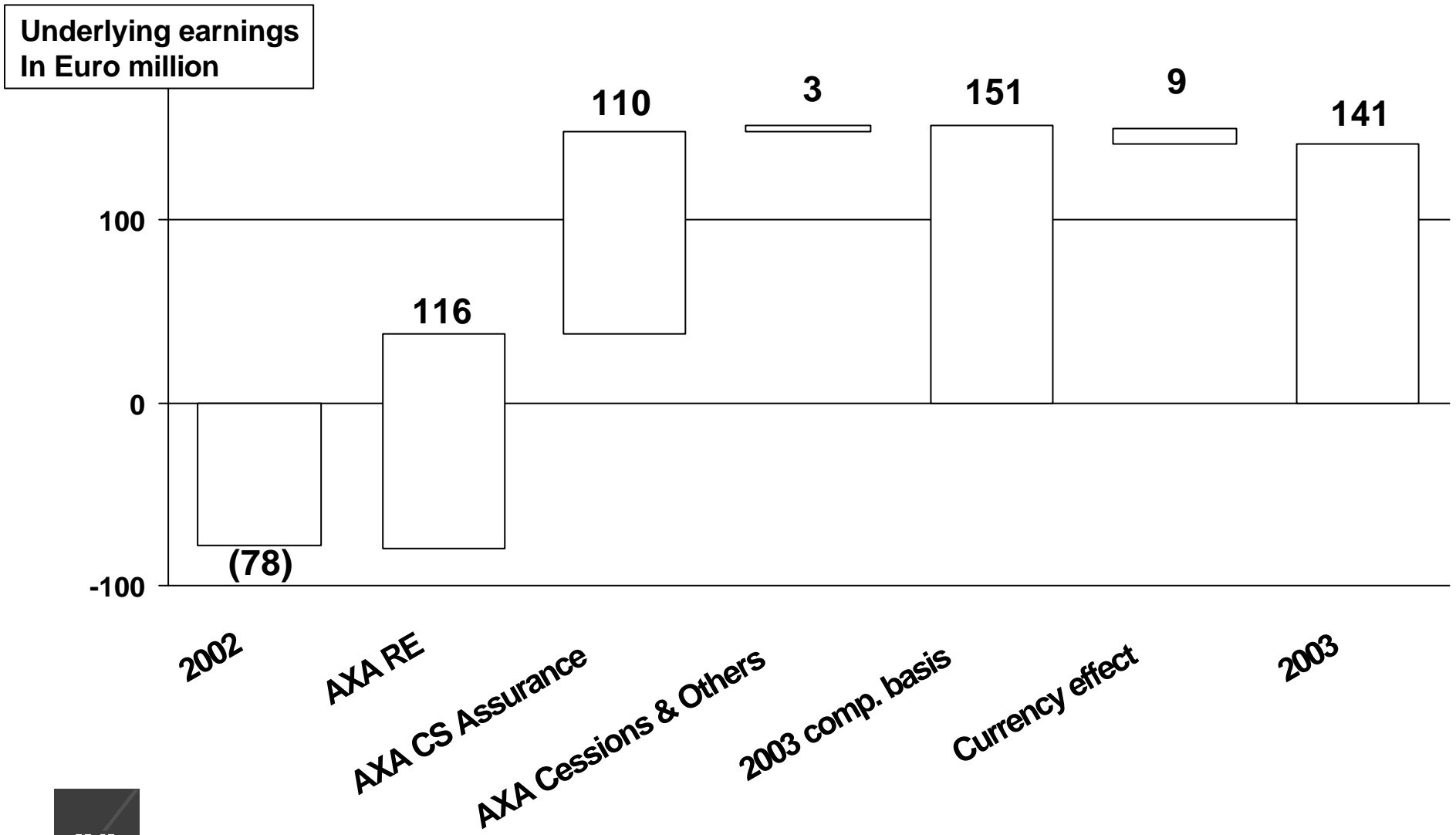
%	2003	2002 <sup>(1)</sup>	Change
<b>Total P&amp;C combined ratio</b>	<b>101.4</b>	<b>105.4</b>	<b>-4.0</b>
Expense ratio	27.2	27.4	-0.2
Loss ratio	74.3	78.0	-3.8
of which claims handling ratio	5.4	5.7	-0.3

**→ Ahead of target, but still room for improvement**



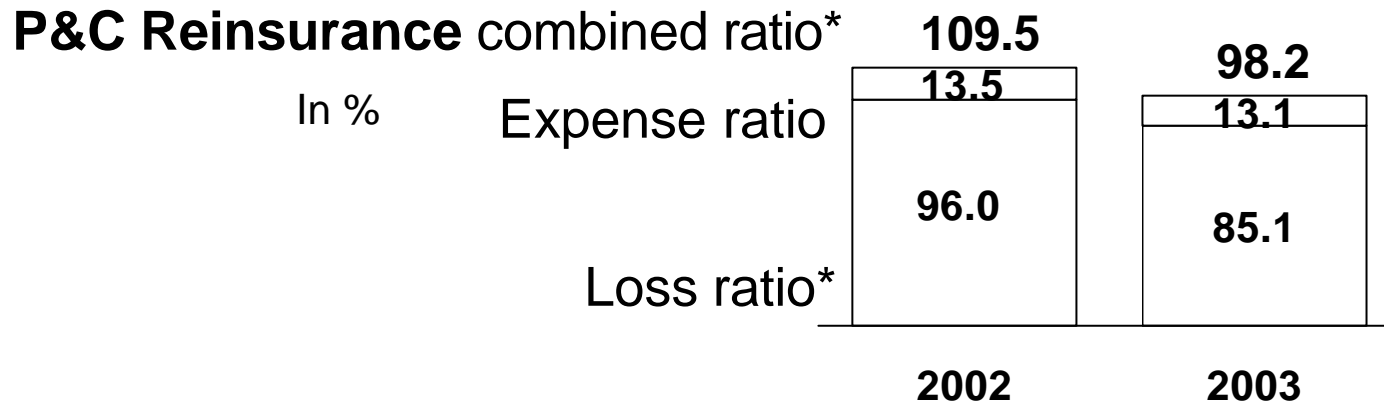
(1) Proforma including UK Health business transferred from Life & Savings to P&C in 2003.

# International Insurance: major improvement of AXA CS Assurance and AXA RE performances



# The repositioning of AXA RE is paying off with an 11.3 point improvement in the P&C Reinsurance combined ratio\*

- ◆ Successful repositioning of the business
  - Premiums down 45%, due to portfolio consolidation and transfer of business from subsidiaries put in run-off to the Paris operations
  - On comparable basis, premiums down 18% as a result of stringent underwriting policy aiming at reducing risk exposure



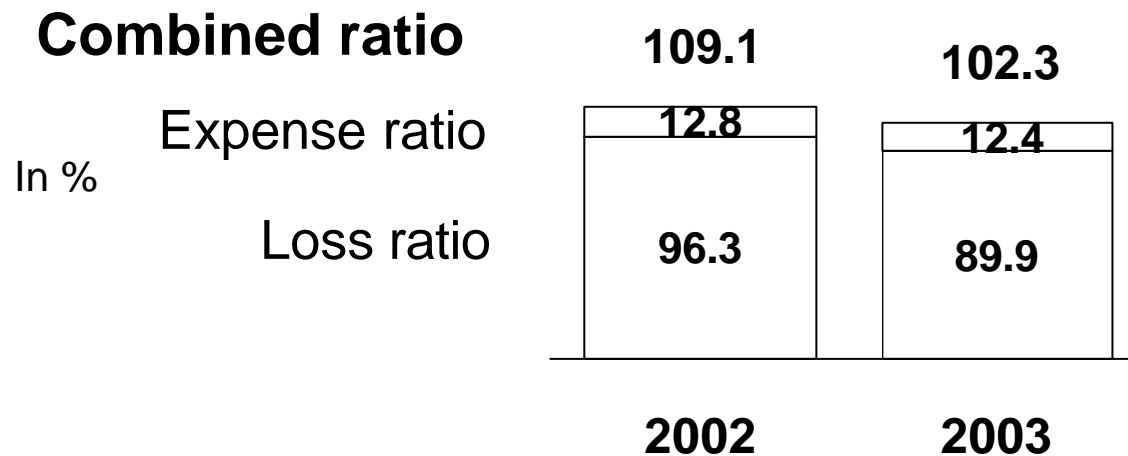
- ◆ Significant legacy issues have been addressed and are limited:
  - Film financing
  - Life reserves
- ◆ Focus: short tail business



\* Excluding Sept 11 costs in 2002

# Our more focused strategy has returned AXA CS Assurance to profitability

- ◆ 2003 actions
  - More selective underwriting policies
  - Focus of global risks insurance business in targeted European markets and business lines
  - Expense reduction
- ◆ Improved reinsurance protection under way

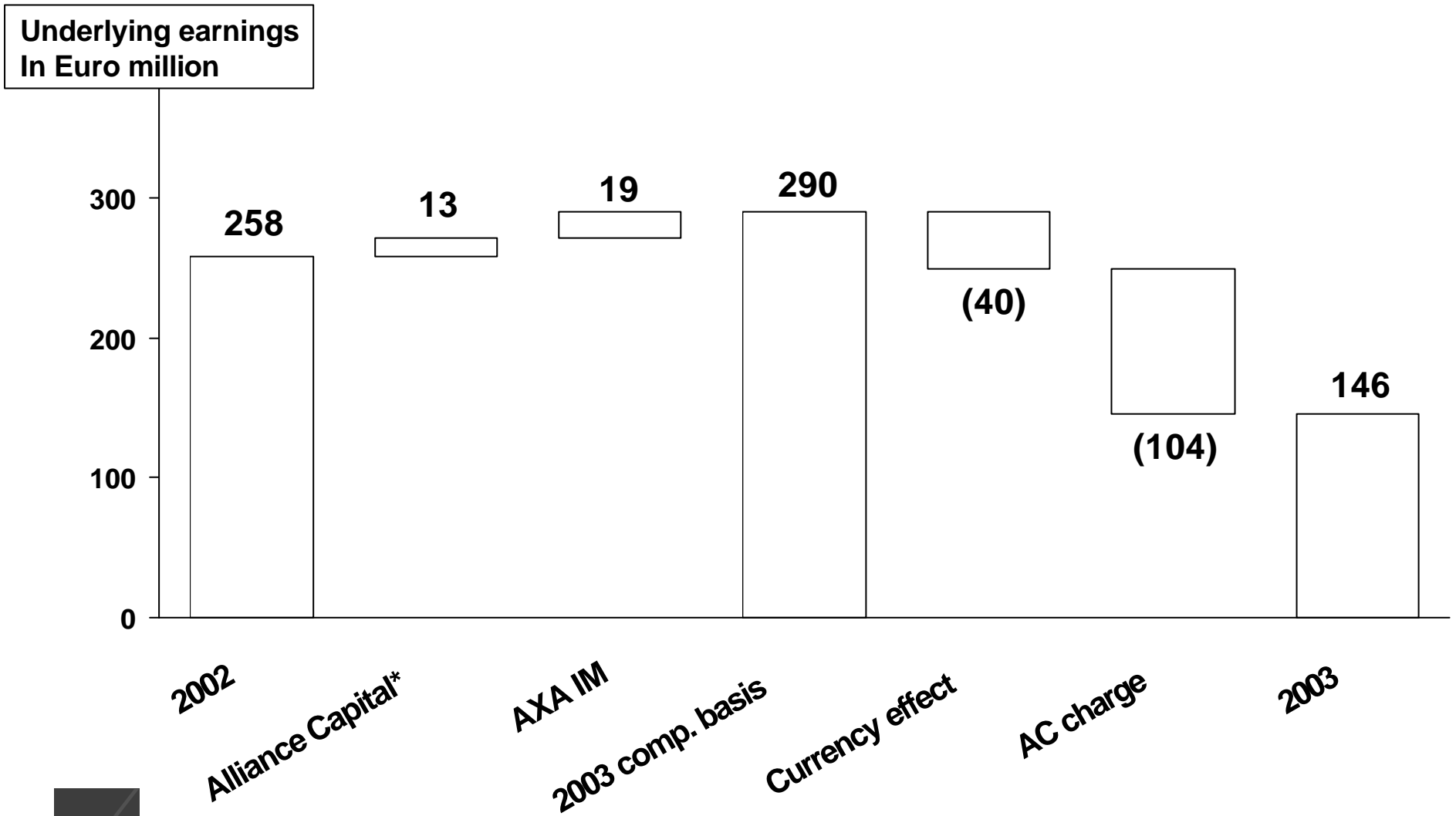


# International Insurance has come a long way, but this is not the end of the road

- ◆ 2003 actions:
  - Very strong turnaround
  - Have reduced volatility of earnings
  
- ◆ The focus now is on:
  - improving reinsurance protections and costs
  - continuing to lower the breakeven point
  
- ◆ 2004 renewal season indicating a continued hard pricing cycle

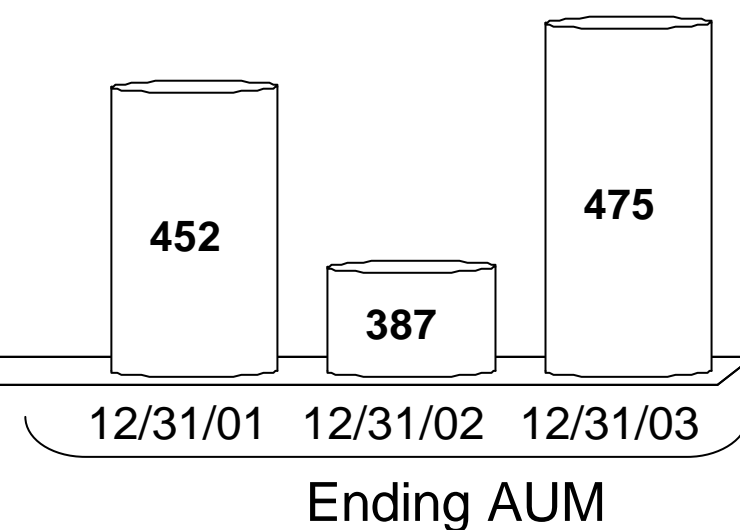
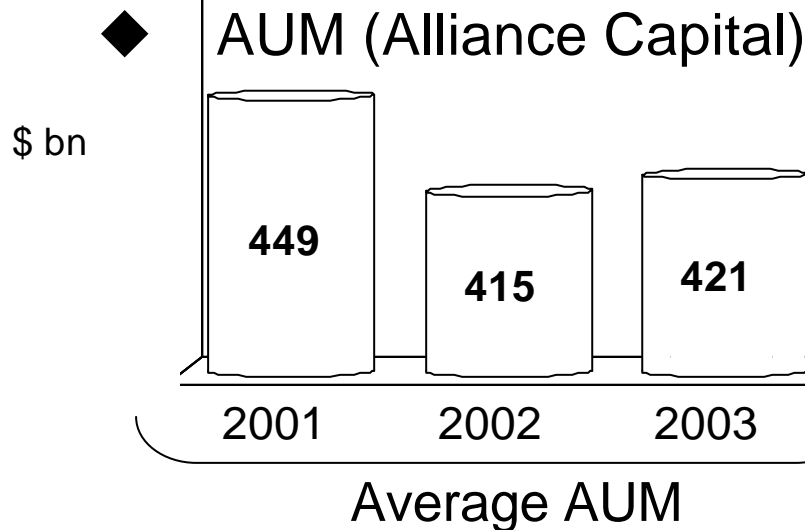
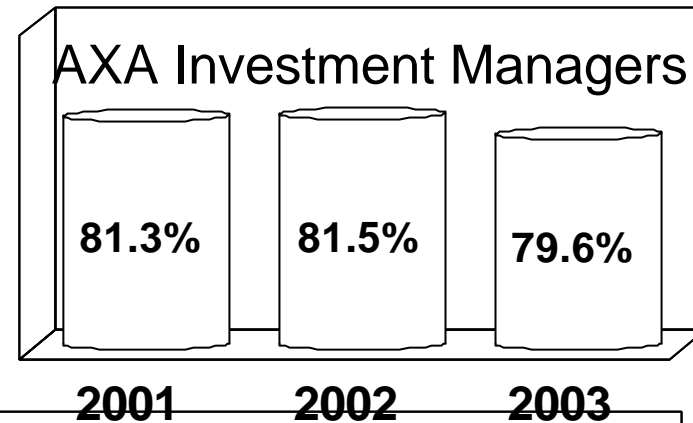
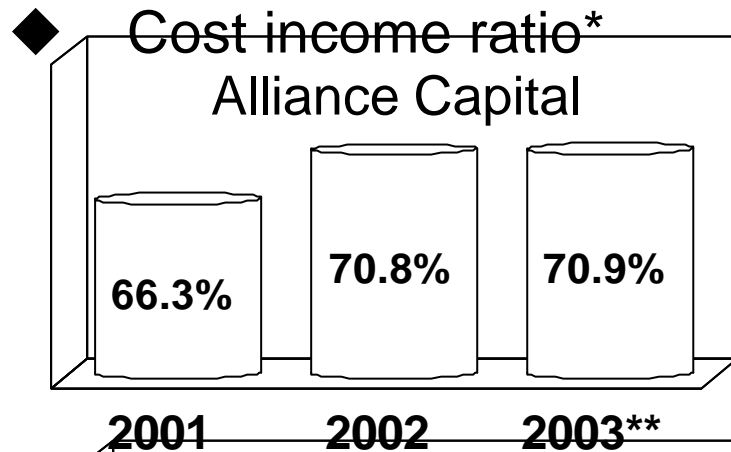


# Asset Management underlying earnings suffered from Alliance Capital charge for mutual fund matters and legal proceedings



\* Excluding the charge for mutual fund matters and legal proceedings ("AC charge").

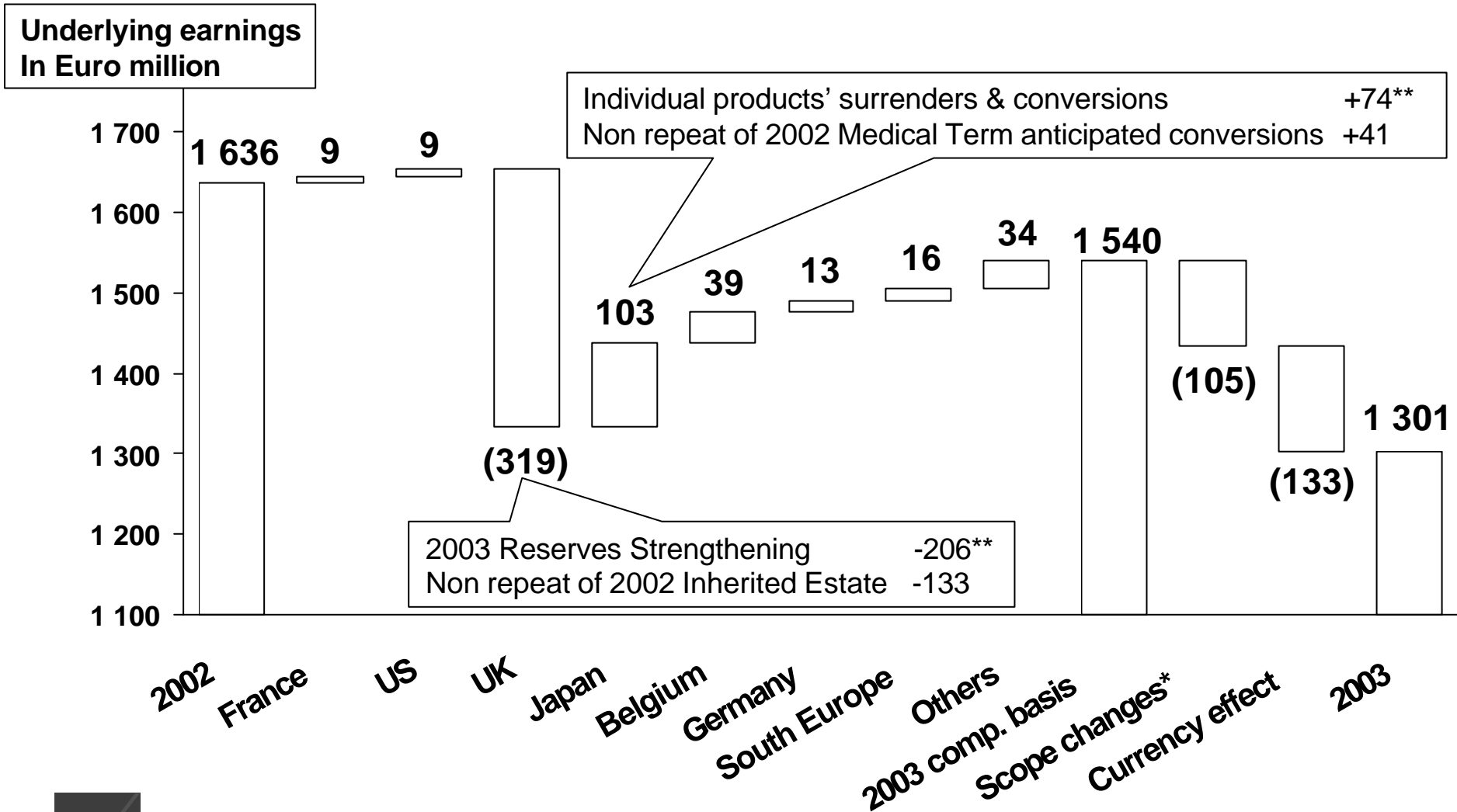
# Asset Management - Stable to improving cost income ratios and increasing AUM base



\* Operating expenses divided by gross revenues (net of distribution revenues)

\*\* Excluding from operating expenses the net charge for mutual fund matters and legal proceedings

# Life & Savings: improvement on a comparable basis in all countries except the UK



\* UK Health transfer to P&C + sale of Australia Health and Austria/Hungary  
\*\* At 2002 exchange rate

# Fundamentals of our Life & Savings operations are improving, despite a slight investment spread compression...

Euro million	2003	2003 comp basis <sup>(2)</sup>	2002	Change (%)	Change at comp basis (%)
Underlying investment margin <sup>(1)</sup>	1,940	2,101	2,160	-10%	-3%
Fees & revenues	4,017	4,381	4,200	-4%	+4%
Technical margin	815	928	664	+23%	+40%
<b>Total<sup>(3)</sup> (pre-tax, pre-minorities)</b>	<b>6,773</b>	<b>7,410</b>	<b>7,025</b>	<b>-4%</b>	<b>+5%</b>

(1) Excluding pre-tax capital gains/losses attributable to shareholders

(2) At 2002 exchange rates and adjusted for scope change (sale of Austria/Hungary)

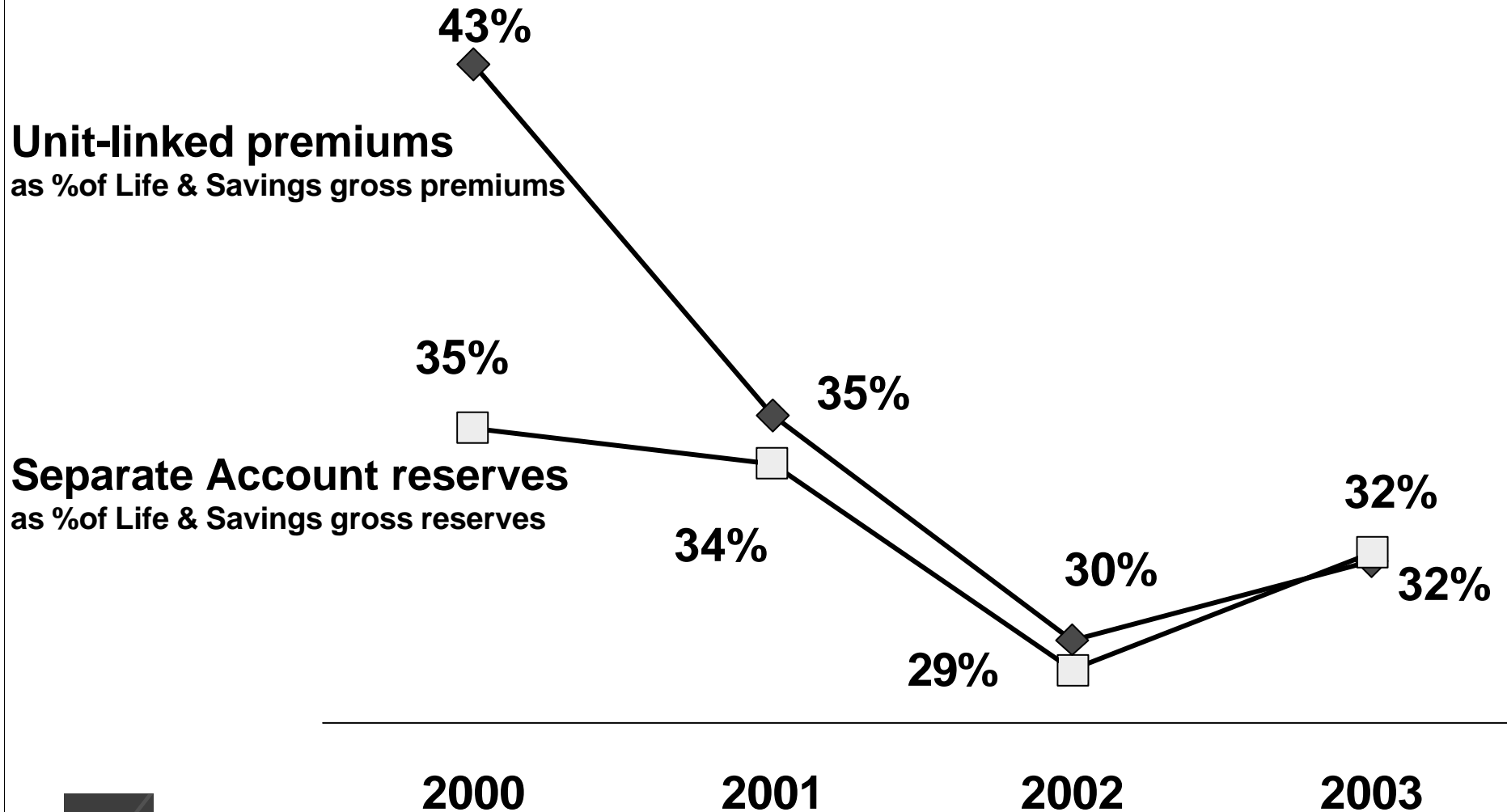
(3) Excluding Health activities underwritten by a specific company

## On a comparable basis:

- ◆ Investment margin, excluding pre-tax capital gains attributable to shareholders, was down only 3%, as crediting rate actions mitigated low interest yields
- ◆ Fees & revenues were up 4%, due to average separate account balances up 3%
- ◆ Technical margin was up 40%, despite UK reserves strengthening, as a result of:
  - non-repeat of 2002 reserving in the US (GMDB/IB)
  - non-repeat of 2002 loss on anticipated conversions in Japan (Medical Term)
  - higher impact in 2003 of Japan individual products' surrenders and conversions



# ...and the trend in terms of unit-linked sales and balances is reverting to positive



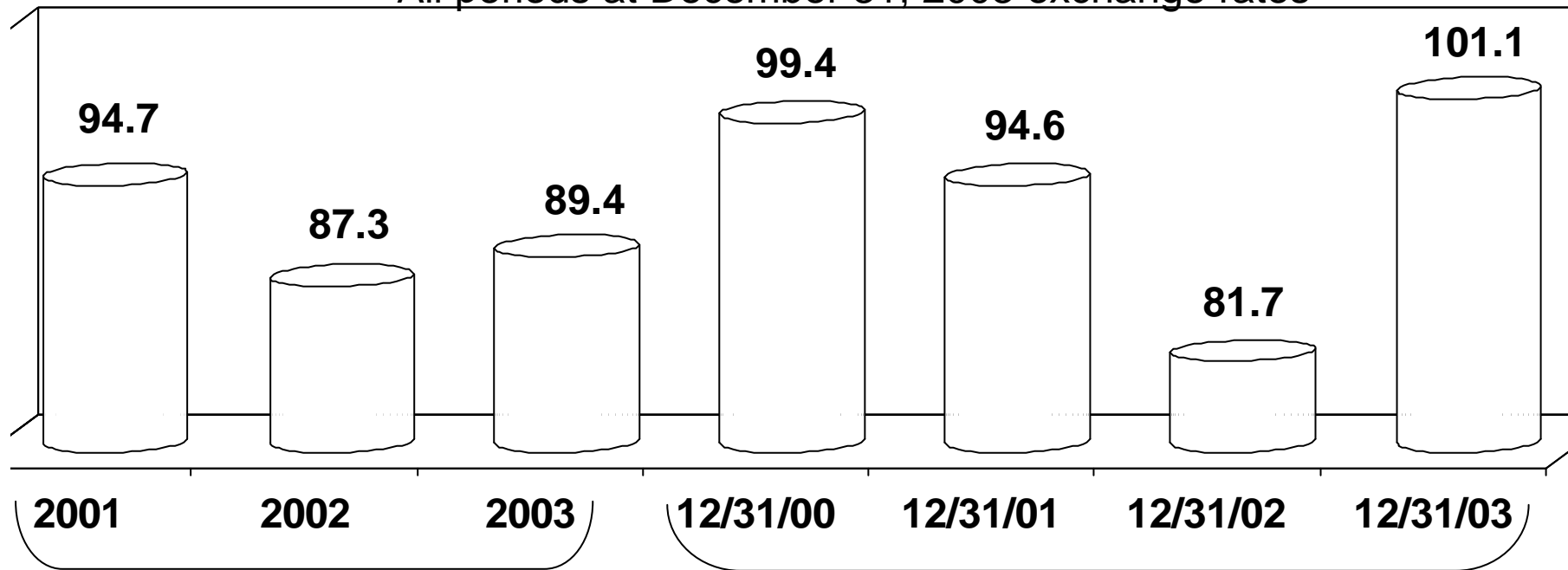
Non-adjusted for exchange rate fluctuations.

**Fees were helped by a higher 2003 average separate account balance than in 2002, at constant exchange rates, and...**

Euro billion

**Life & Savings Separate Account Balances**

All periods at December 31, 2003 exchange rates



**Average balances**

**Ending balances**

***...a higher 2003 ending balance than the 2003 average bodes well for the future***



## Japan : 2003 actions ahead of plan...

### ◆ Short term improvements

- High guaranteed rate products' conversions and surrenders in line with expectations, at 16% of old book of policies with high guarantees
- Improved the retention of major group medical clients

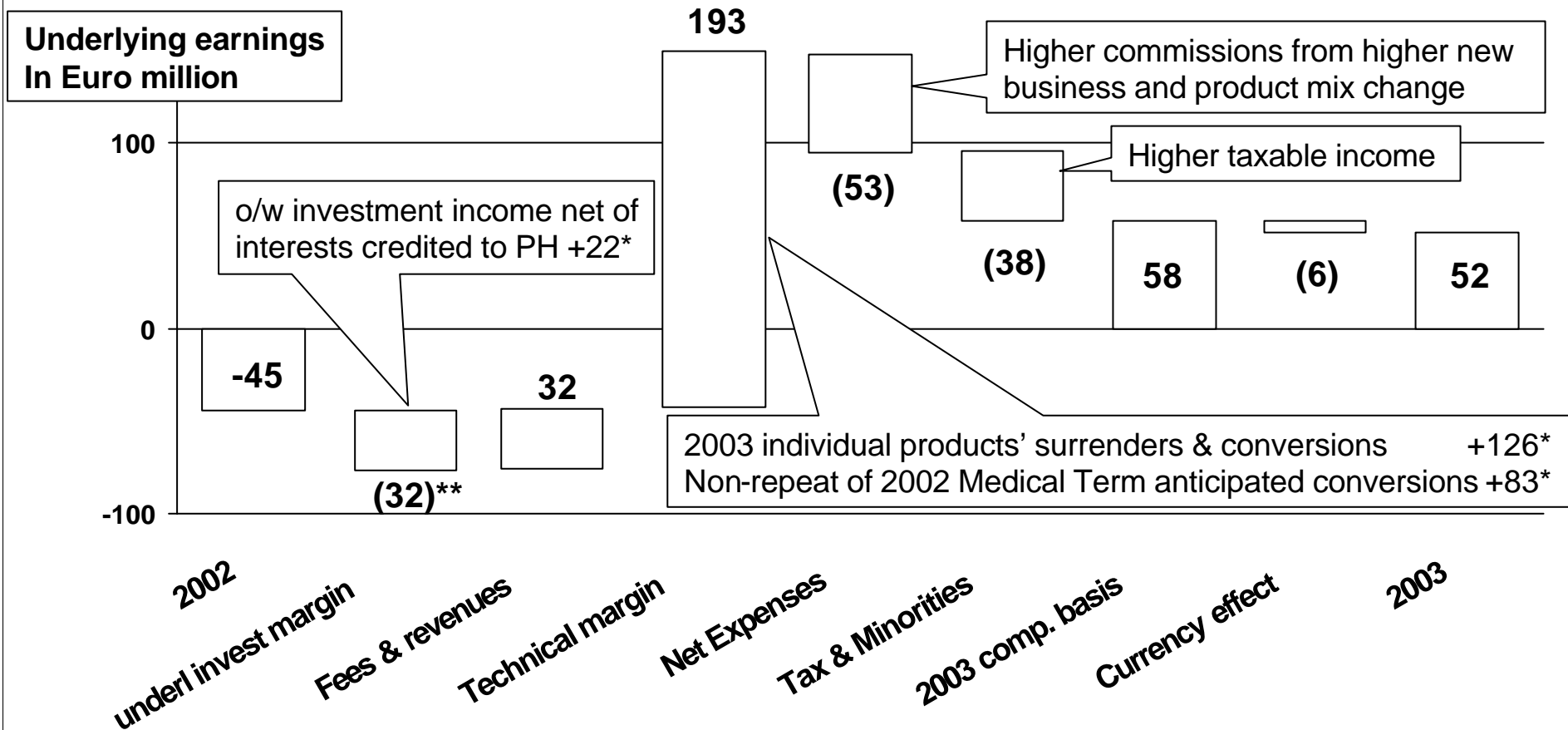
### ◆ Building the future

- Developed new product sales: APE up +12% on Key 6 products in 2003
- Japanese New Business is highly profitable, with an APE margin of 29% in 2003
- Increased retention with surrender rate down 2 percentage points at 9%, ahead of target
- Continued to improve ALM



# ...but Japan still requires focus

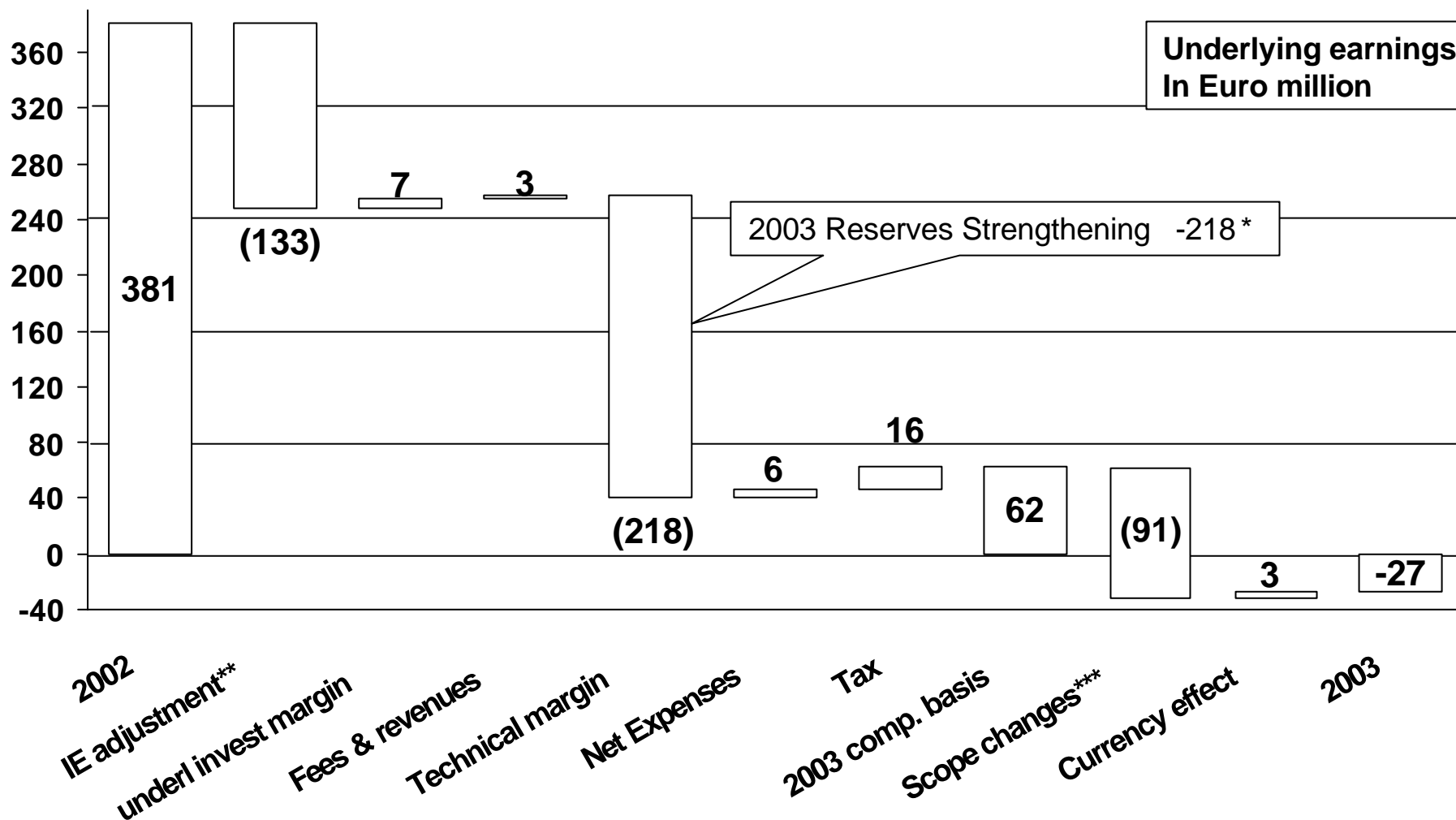
- ◆ Underlying earnings benefited from strong management actions



\* Pre-tax, pre-minorities. 2003 numbers are at 2002 exchange rate.

\*\* In 2003, Japan is in net realized loss position, meaning that underlying investment margin bears 100% of interests credited. By contrast, as Japan was in net realized gain position in 2002, Euro 54m of capital gains were allocated to the underlying investment margin to support interest credited last year.

# UK Life & Savings: a difficult 2003,...



\* Pre-tax. 2003 numbers are at 2002 exchange rate.

\*\* 2002 underlying earnings benefited from non-recurring income (+22m) and tax benefit (+111m) related to the finalization of the transfer of the Inherited Estate. By adjusting them out of 2002 underlying earnings, we are putting 2002 and 2003 on a more comparable basis.

\*\*\* UK Health transfer to P&C.



## **...but turnaround actions implemented**

- ◆ Successful substitution of WP bonds by other products, such as unit-linked bonds:
  - ➔ 2002 WP bond sales of £977m were more than half replaced by 2003 unit-linked bond sales of £514m.
  - ➔ unit-linked bonds sales up 63% from 2002, with 2H03 sales 57% higher than 2H02 and 24% higher than 1H03
- ◆ Cost savings and efficiency gains:
  - ➔ unit cost reduced by 19% since 2000
- ◆ Solvency position management:
  - ➔ remained one of the strongest UK Life players





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# EV increased despite unfavorable currency effects

In Euro million, except per share

	2003	2002	% Change Actual	% Change @ cst FX
<b>ANAV</b>	<b>12,816</b>	<b>11,566</b>	<b>+ 11%</b>	<b>+ 20%</b>
<b>Life PVFP</b>	<b>16,192</b>	<b>16,513</b>	<b>- 2%</b>	<b>+ 7%</b>
<b>EV</b>	<b>29,008</b>	<b>28,079</b>	<b>+ 3%</b>	<b>+ 12%</b>
<b># of shares</b>	<b>1,778</b>	<b>1,762</b>	<b>+ 1%</b>	
<b>EV/share</b>	<b>16.31</b>	<b>15.93</b>	<b>+ 2%</b>	<b>+ 11%</b>
<i>ANAV/share</i>	<i>7.21</i>	<i>6.56</i>	<i>+ 10%</i>	<i>+ 19%</i>
<i>PVFP/Share</i>	<i>9.11</i>	<i>9.37</i>	<i>- 3%</i>	<i>+ 6%</i>

## Life New Business Contribution<sup>(1)</sup>

<i>Before cost of capital</i>	<b>675</b>	<b>648</b>	<b>+ 4%</b>	<b>+ 16%</b>
<i>After cost of capital</i>	<b>512</b>	<b>515</b>	<b>- 1%</b>	<b>+ 13%</b>

<b>Life NB APE Premiums<sup>(1)</sup></b>	<b>4,433</b>	<b>4,470</b>	<b>- 1%</b>	<b>+ 9%</b>
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## Life NB APE Margin

<i>Before cost of capital</i>	<b>15.2%</b>	<b>14.5%</b>	<b>+ 0.7 pt</b>	<b>+ 1.0 pt</b>
<i>After cost of capital</i>	<b>11.5%</b>	<b>11.5%</b>	<b>--</b>	<b>+ 0.4 pt</b>



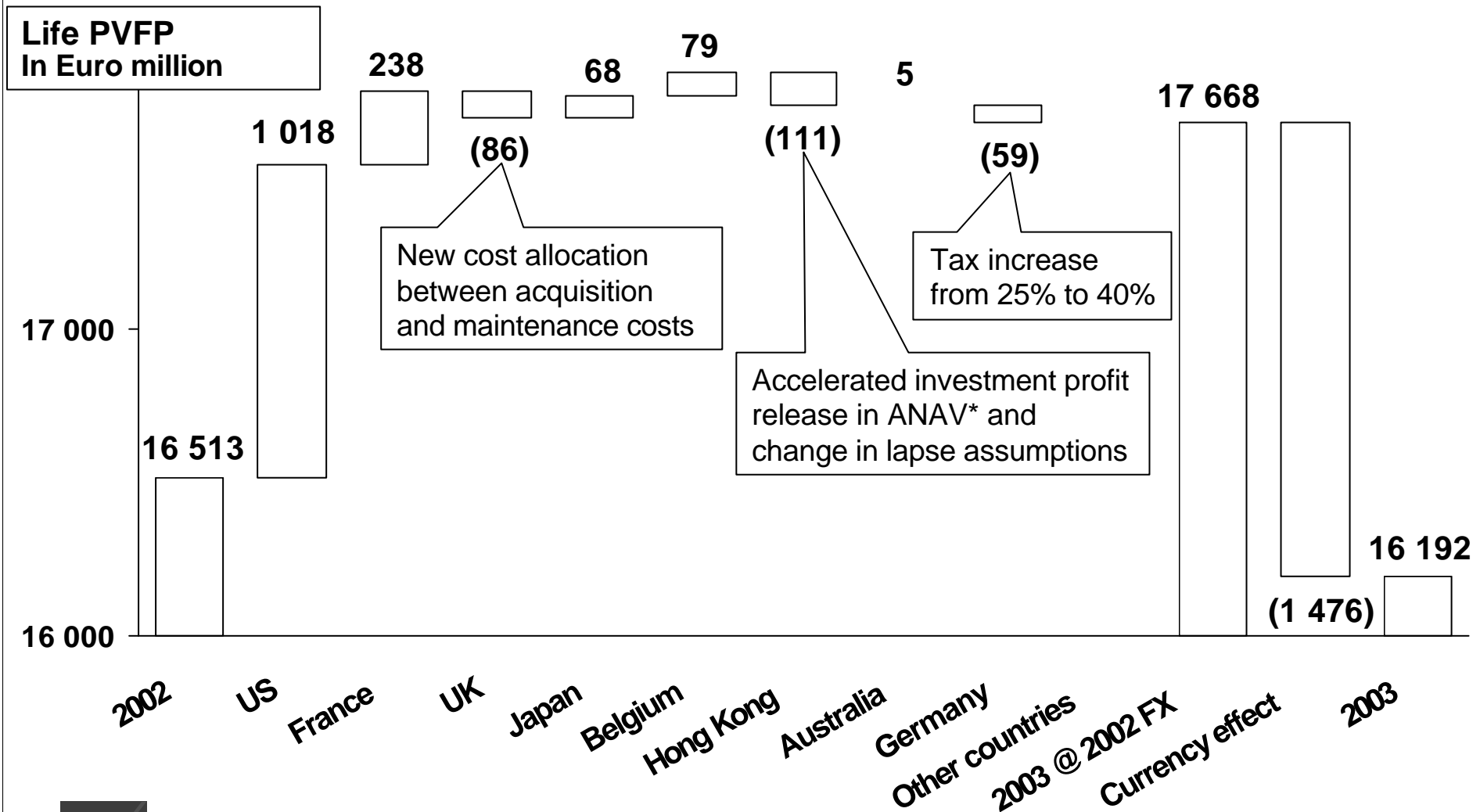
(1) Starting in 2003, New Business Contributions and APE premiums are converted in Euro using average exchange rates over the year instead of year-end exchange rates. 2002 numbers have been restated accordingly.

# Life New Business Contribution and APE: Using end-of-year FX versus average FX

Euro million	Using end-of-year exchange rates for both years				Using average rates over the year for both years			
	2003	2002	% Change Actual	% chg @cst FX	2003	2002	% Change Actual	% chg @ cst FX
<b>New Business Contribution</b>								
Before cost of capital	643	615	+ 4%	+ 15%	675	648	+ 4%	+ 16%
After cost of capital	484	486	- 0%	+ 12%	512	515	- 1%	+ 13%
<b>New Business APE</b>	4,264	4,260	+ 0%	+ 9%	4,433	4,470	- 1%	+ 9%
<b>New Business APE margin</b>								
Before cost of capital	15.1%	14.4%	+0.7pt	+1.0pt	15.2%	14.5%	+0.7pt	+1.0pt
After cost of capital	11.4%	11.4%	--	+0.3pt	11.5%	11.5%	--	+0.4pt



# 2003 Life PVFP was primarily impacted by adverse currency



\* Under HK statutory accounting, the positive impact for shareholders of higher investment returns than expected is captured in the ANAV and the negative impact of the related higher dividend to policyholders is captured in the PVFP.

# Life New Business Contribution\* before Cost of capital

In Euro million			% Change	% Change
	2003	2002	Actual	@ cst FX
US	267	191	+ 40%	+ 68%
France	85	90	- 6%	- 6%
UK	31	73	- 58%	- 53%
Japan	127	140	- 9%	+ 2%
Belgium	42	38	+ 9%	+ 9%
Hong Kong	44	44	0%	+ 19%
Australia	19	17	+ 10%	+ 10%
Germany	37	26	+ 43%	+ 43%
Other countries	23	29	- 21%	- 21%
<b>TOTAL Life NBC</b>	<b>675</b>	<b>648</b>	<b>+ 4%</b>	<b>+ 16%</b>



\* Starting in 2003, New Business Contributions are converted in Euro using average exchange rates over the year instead of year-end exchange rates. 2002 numbers have been restated accordingly..

# Life New Business APE Margins - Before cost of capital

	2003	2002	Change
in			% points
US	17.8%	12.7%	+ 5.1
France	9.4%	10.8%	- 1.4
UK <sup>(1)</sup>	4.5%	8.7%	- 4.1
Japan	29.1%	28.8%	+ 0.3
Belgium	27.0%	30.1%	- 3.1
Hong Kong	72.5%	69.2%	+ 3.3
Australia	11.8%	10.4%	+ 1.4
Germany	9.5%	9.1%	+ 0.4
Other countries	16.2%	17.2%	- 1.0
<b>TOTAL NB APE Margins<sup>(2)</sup></b>	<b>15.2%</b>	<b>14.5%</b>	<b>+ 0.7</b>

(1) Most UK peers show their margins pre-tax. Grossed up at 30% tax rate, our UK margins would be 6.4% in 2003 vs. 12.4% in 2002.

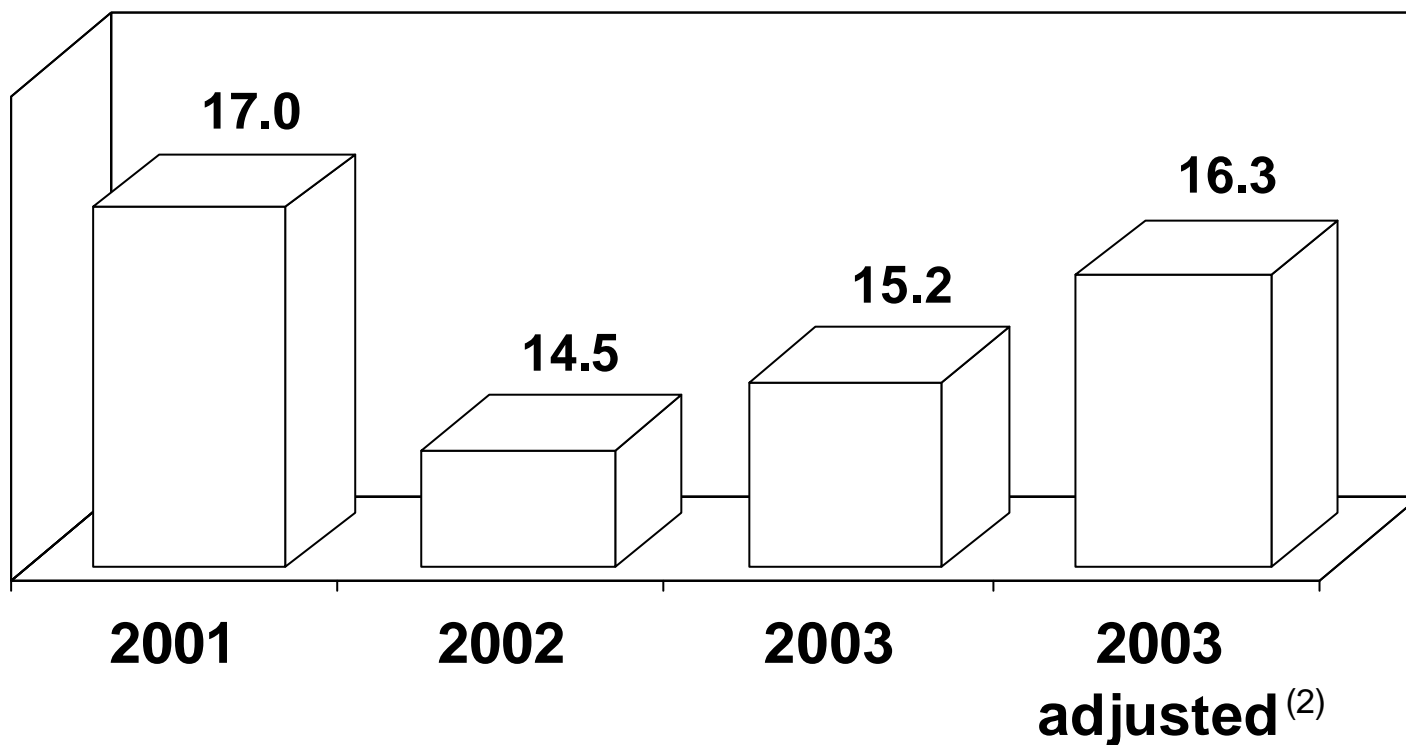
(2) New Business Contribution, before cost of capital, divided by New Business premiums on an APE basis. Annual Premium Equivalent, or APE, represents 100% of regular premiums plus 10% of single premiums.



# 2002 was the inflection point in Life New Business Margin

## Life New Business Margin (%)

On an APE basis<sup>(1)</sup>



(1) New Business Contribution, before cost of capital, divided by New Business premiums on an APE basis. Annual Premium Equivalent, or APE, represents 100% of regular premiums plus 10% of single premiums.

(2) Using same risk discount rate and investment return assumptions as in 2002. Not reviewed by Tillinghast.

# Analysis of weighted average (WA) of main countries' assumptions: without Japan versus with Japan

	Weights = PVFP		Post-tax Discount rate (%)		Pre-tax Risk-Free rate (%)		Pre-tax Eq return (%)	
	2002	2003	2002	2003	2002	2003	2002	2003
<b>US</b>	<b>5,636</b>	<b>5,524</b>	<b>7.50</b>	<b>7.50</b>	<b>5.00*</b>	<b>5.00*</b>	<b>8.50</b>	<b>8.50</b>
<b>France</b>	<b>3,791</b>	<b>4,029</b>	<b>7.00</b>	<b>6.75</b>	<b>4.50</b>	<b>4.25</b>	<b>7.50</b>	<b>7.25</b>
<b>UK</b>	<b>2,216</b>	<b>1,966</b>	<b>7.00</b>	<b>7.25</b>	<b>4.50</b>	<b>4.75</b>	<b>7.00</b>	<b>7.25</b>
<b>Belgium</b>	<b>1,198</b>	<b>1,277</b>	<b>7.00</b>	<b>6.75</b>	<b>4.50</b>	<b>4.25</b>	<b>7.50</b>	<b>7.25</b>
<b>Hong Kong</b>	<b>840</b>	<b>610</b>	<b>8.50</b>	<b>8.50</b>	<b>5.00</b>	<b>5.00</b>	<b>8.10</b>	<b>8.10</b>
<b>Australia</b>	<b>281</b>	<b>315</b>	<b>8.25</b>	<b>8.75</b>	<b>5.25</b>	<b>5.75</b>	<b>9.25</b>	<b>9.75</b>
<b>Germany</b>	<b>597</b>	<b>539</b>	<b>7.00</b>	<b>6.75</b>	<b>4.50</b>	<b>4.25</b>	<b>7.50</b>	<b>7.25</b>
<b>WA without Japan</b>			<b>7.30</b>	<b>7.23</b>	<b>4.74</b>	<b>4.67</b>	<b>7.88</b>	<b>7.83</b>
<b>Japan</b>	<b>1,224</b>	<b>1,199</b>	<b>6.00</b>	<b>5.11**</b>	<b>2.80</b>	<b>2.11**</b>	<b>6.00</b>	<b>7.00</b>
<b>WA with Japan</b>			<b>7.20</b>	<b>7.06</b>	<b>4.59</b>	<b>4.48</b>	<b>7.73</b>	<b>7.76</b>

\* Grading up in the first 2 years from 4.2% to 5% in 2003 and from 4% to 5% in 2002.

\*\* In 2003, Japan uses a moving risk free rate, based on the 15yr JGB forward curve, and a moving discount rate equal to 3% + 15 year JGB forward curve. The equivalent flat RFR is 2.11% and flat discount rate is 5.11%.



# Embedded options in unit-linked products in Life EV

- For the US Life operations, GMDB and GMIB are reflected as follows:

Euro million		Pre-tax	After tax
In ANAV	Statutory reserve	(309)	(201)
In PVFP	PV of future reserve releases & interest		187
	PV of future claims <sup>(1)</sup>		(244)
	PV of future expected charges		413
	PV of future reinsurance premiums		(144)
	Net impact on PVFP		212
	<b>Net impact on EV</b>		<b>11</b>

(1) The mean expected future claims and hedging costs reflected in the PVFP are based on stochastic projections of account values and guaranteed benefits. For both GMDB and GMIB, the assumed Separate Account return is 8.5% and volatility is 15% (last 20 year average volatility).

- France Life reflects Euro 40 million pre-tax (Euro 26 million after tax) of statutory reserves in its ANAV and Euro -12 million after tax in its PVFP to cover additional claims on its Unit Linked Guarantees.



- Exposure to these options in other Life entities is not significant.

# Pension Benefits in EV

## ■ For Life:

- ANAV is reduced by Euro 915 million<sup>(1)</sup> to reflect the Life pension plans' funding status

## ■ For Non-Life:

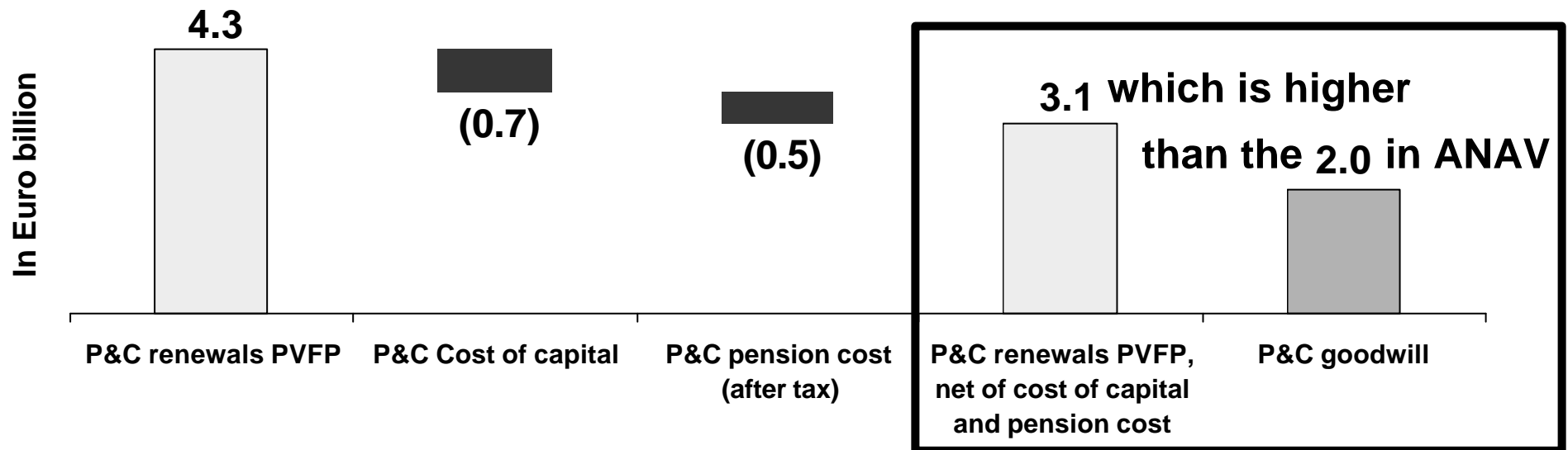
- ANAV is reduced by Euro 543 million<sup>(1)</sup> to write off the accounting asset related to Non-Life pension plans
- When P&C renewals PVFP is calculated, Euro 488 million<sup>(1)</sup> is deducted from it so as to reflect the P&C pension plans' funding status



(1) After tax and minority interests.

# P&C goodwill in ANAV is more than justified by our P&C renewals PVFP calculation

P&C ANAV includes Euro 2.0 billion of goodwill, which is less than a PVFP calculation for P&C renewals in personal lines and commercial lines (predominantly SMEs).



Discount rate is risk free rate + risk premium. Risk premium is:

- 3.0% for personal lines
- 3.5% for commercial lines
- Risk premium increases by 100bp after 10 yrs and 200bp after 15 yrs



# Tillinghast Opinion

Tillinghast has reviewed the methodology and assumptions used to determine the embedded value at December 31, 2003, and the value added by 2003 new business for the principal life operating entities of the AXA Group. Tillinghast has also reviewed the PVFP of renewals and the cost of capital at December 31, 2003 for the most significant businesses of AXA's P&C operations, encompassing approximately 75% of the total calculated P&C renewals PVFP.

Tillinghast has concluded that the methodology used is reasonable and consistent with recent industry practice for embedded value reporting. The values are based on deterministic projections of future after-tax profits, with allowance for risk through the use of risk discount rates and an explicit adjustment for the cost of capital. Explicit allowance for the cost of equity-based product guarantees in the life business has been made using stochastic projections on a realistic basis.

Tillinghast has concluded that the operating assumptions are reasonable in the context of AXA's recent experience and expected future operating environment and are consistent with other information disclosed in this document. The economic assumptions, risk discount rate and allowance for the cost of capital are reasonable for this purpose. The estimates of value are based on common actuarial practice with regard to embedded value methodology and assumptions, and do not attempt to develop "fair values" or to interpret proposed IASB accounting standards.

Tillinghast also performed limited high-level checks on the results of the calculations and discovered no material issues. Tillinghast has not, however, performed detailed checks on the models and processes involved.





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- **1 : Achievements in 2003**
- **2 : 2003 Consolidated Results and Results by Segment**
- **3 : Embedded Value**
- ***4 : Outlook for 2004***



## 2004 key targets: Maintaining momentum...

- ◆ Strengthening organic growth
- ◆ Implementing further efficiency improvements
- ◆ Strengthening turnaround
  - International Insurance
  - Germany Life
  - UK P&C
  - Legacy in Japan
- ◆ Dealing with issues
  - UK Life
- ◆ Mony



# [ ...in a better environment should support our earnings growth capacity

- The economic recovery and the return to favor of equity-linked products should enhance Life & Savings and Asset Management earnings growth
- P&C and International Insurance combined ratios should benefit from our continued efforts in terms of technical and efficiency improvements:
  - **P&C** combined ratio between 98% and 102% over the cycle
- Pragmatic attitude towards external growth opportunities in selected areas where we have a strong platform



# Cautionary Statements Concerning Forward-looking Statements

Certain statements contained herein are forward-looking statements including, but not limited to, statements that are predications 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 terrorist related incidents. Please refer to AXA's Annual Report on Form 20-F for the year ended December 31, 2002 and AXA's Document de Référence for the year ended December 31, 2002, 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.



# Full year 2003 Earnings Appendices



**FINANCIAL  
PROTECTION**

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*Be Life Confident*

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# **Some exceptional operations were accounted for during 2003, of which primarily:**

- ◆ Sale of our Austrian business : Euro 37 m capital gains net
- ◆ Other disposals (Auxifina + Members equity) : Euro 27 m capital gains net
- ◆ A Euro 66 m non-recurring profit (net of goodwill) following a review of tax positions related to periods prior to the 1991 acquisition of a majority ownership in The Equitable inc. (renamed AXA Financial in 1999).



## 2003 economic expenses' decrease

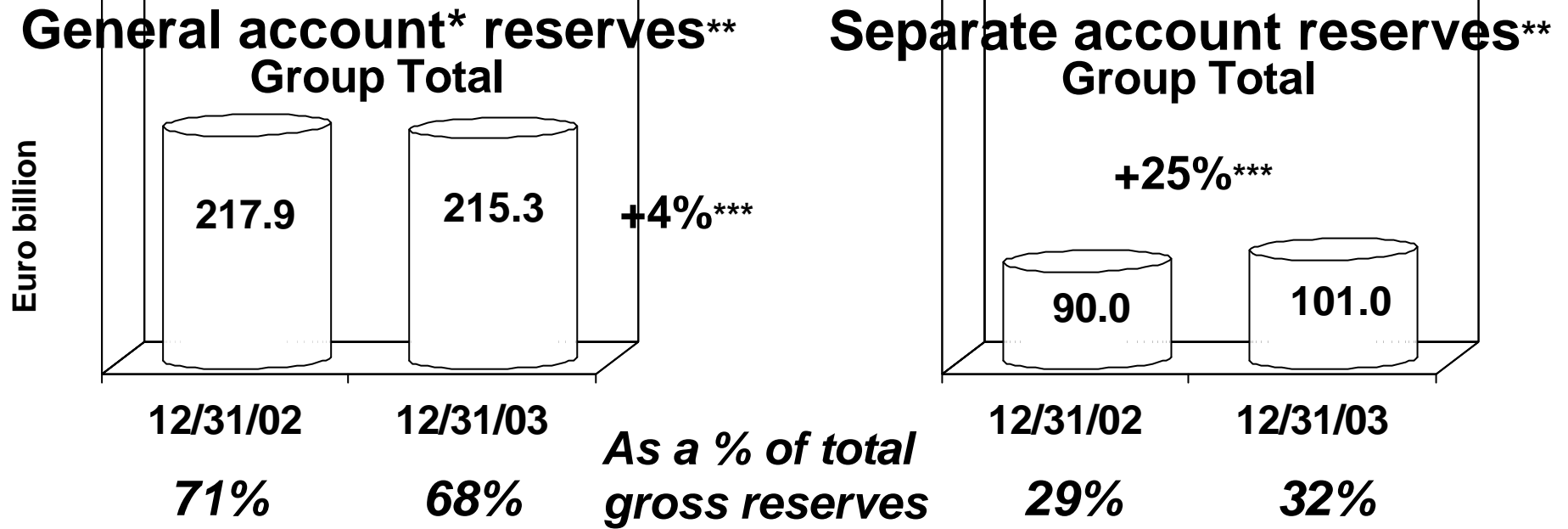
	2003	2002	Change
AXA Consolidated general expenses <sup>(1)</sup>	17,047	17,935	-889
Non commissions expenses excl. Asset Management	7,885	8,566	-681 <sup>(2)</sup>
<b>Economic expenses (constant exchange rate basis)</b>	<b>8,183</b>	<b>8,452</b>	<b>-269</b>

(1) Before DAC/VBI capitalization and amortization

(2) Of which exchange rate impact of Euro -449m



# Life & Savings cash flows are strong on both general account and separate account reserves



FY 2003	G/A	WP	U/L	Total
Net cash flows	1.0	-1.9	6.0	5.1
Market impact and interests credited	6.4	2.6	14.8	23.9
Currency impact	-8.4	-2.4	-9.8	-20.5



\* Include With-Profits liabilities.

\*\* Gross of reinsurance.

\*\*\* Change at constant exchange rates vs. 12/31/02.

**At current level of combined ratio, our P&C business is very profitable, and comparison with peers should not be overlooked**

- ◆ **We have little (Euro 93m) unallocated holding costs**
  - Some of our peers have Euro 1 billion or more unallocated holding costs
- ◆ **We do not adjust our earned premiums for interests credited to mathematical reserves (Belgium and Portugal)**
  - It would decrease our CR by 0.4 point
- ◆ **The combined ratio of our Italian P&C operation is 99.5% in local reporting versus 103.7% in AXA Group reporting**
- ◆ **Our reserve ratios are comparatively high**



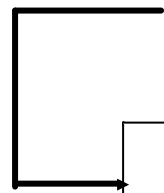
# [ Full Year 2003 Earnings - Appendices

**DAC**



# DAC at end 2003

	Gross	Net
Total (Euro million)	9,720	4,810
<i>of which US</i>	4,945 51%	3,214 67%



<i>\$ million</i>	DAC	Account value	DAC/AV
Traditional Life	900	9,243	10%
Variable and interest sensitive Life	2,309	16,830	14%
Annuities	3,004	57,955	5%
Other	31	504	6%
<b>Total</b>	<b>6,244</b>	<b>84,531</b>	<b>7%</b>



# DAC - AXA's Reversion-to-the-mean (RTM) methodology is justified

A significant assumption in the amortization of DAC on VA and VL&ISL products relates to projected future Separate Account (S/A) performance.

For this purpose, AXA's RTM approach in the US assumes that markets will return to an average gross long-term return estimate of 9% within 5 years and with future annual gross returns limited to a [0% -15%] corridor.

	At 06/30/02	At 12/31/02	At 06/30/03	At 12/31/03
<b>Gross Return assumed in:</b>				
- Year 1	9%	15%	15%	5%
- Year 2	9%	15%	12%	9%
- Year 3	9%	11%	9%	9%
- Year 4	9%	9%	9%	9%
- Year 5	9%	9%	9%	9%
<b># of yrs above the mean before reverting to the mean</b>	<b>0</b>	<b>2.5</b>	<b>1.25</b>	<b>0</b>
	<b>At the mean</b>			<b>Year 1 below the mean</b>



# [ Full Year 2003 Earnings - Appendices

## GMDB/GMIB



# GMDB/IB/AB net reserves amounted to \$284m at 12/31/03 vs. \$250m at 12/31/02

GMDB/IB/AB reserves based on our interpretation of DSOP<sup>(1)</sup>

Unaudited figures	12/31/03 Account Value (\$ bn)	% reins.	12/31/03 Net Amount at Risk <sup>(2)</sup> (\$ bn)	12/31/02 Net Amount at Risk <sup>(2)</sup> (\$ bn)	12/31/03 French GAAP Reserve <sup>(3)</sup> (\$ mm)	12/31/02 French GAAP Reserve <sup>(3)</sup> (\$ mm)
<b>GMDB</b>	<b>89.1</b>		<b>10.6</b>	<b>18.8</b>	<b>90</b>	<b>172</b>
. AXA Financial	46.4	22%	4.0	8.7	52	107
. AXA RE US	39.7	0%	6.4	10.1	34	61
. AXA RE Paris	3.0	0%	0.2		4	4
<b>GMAB (AXA RE Paris)</b>	<b>1.1</b>	<b>0%</b>	<b>0.3</b>		<b>125</b>	<b>26</b>
<b>GMIB</b>	<b>23.9</b>		<b>0.4</b>	<b>1.1</b>	<b>69</b>	<b>52</b>
. AXA Financial	14.4	75%	0.1	0.3	32	35
. AXA RE US	9.5	0%	0.3	0.8	37	17

(1) As described in AXA press release of November 13, 2002.

(2) Net of reinsurance and, for GMIB, with annuity margin.

(3) Net of reinsurance.



# GMDB/GMIB by type of product at December 31, 2003

<i>As a % of account value</i>		AXA Financial	AXA RE US
GMDB	Return of premium	58%	13%
	Ratchet (or high water mark)	12%	62%
	Reset		6%
	Rollup	17%	1%
	Higher of ratchet/roll-up or other combos	13%	18%
GMIB	Return of premium		50%
	Ratchet		3%
	Rollup	40%	9%
	Combos	60%	38%



# AXA Financial - Variable Annuities Benefits

- ◆ We are using a variety of risk mitigation techniques including reinsurance and more recently Dynamic Hedging on our GMDB sales since Q2'02, as well as managing the product design
- ◆ Mitigates risk with respect to equity market performance, but
  - we retain risk relative to actual vs. assumptions for: volatility, mortality, policyholder behavior and funds performance vs. hedge position (basis risk)
- ◆ We back tested using 10 years of actual equity and bond market returns (1993-02) and volatility
  - For ten year total and each of 40 quarters, hedging performance produced results that would not have resulted in material gains or losses
- ◆ GMDB and GMIB are options where exercise is triggered by:
  - death for GMDB
  - policyholder, after 7 to 10 year waiting period, for GMIB
- ◆ Valuation uses traditional option pricing methodology. Requires assumptions for volatility, mortality, interest rates and surrender rates



# AXA Financial - GMDB and GMIB option values for Accumulator '02 and '04 using long-term 15 year forward Treasury rate

		Current Charge	Option Value using weighted average volatility* of:		
			22%	26%	32%
<b>GMDB</b>	<b>Accumulator '04 New</b>				
	Annual Ratchet	0.25%	0.12%	0.20%	0.26%
	Greater of Ratchet & 6% rollup	0.60%	0.46%	0.50%	0.54%
	<b>Accumulator '02</b>				
	Annual Ratchet	0.30%	0.12%	0.20%	0.26%
	Greater of Ratchet & 6% rollup	0.60%	0.46%	0.50%	0.54%
	6% Rollup	0.45%	0.41%	0.45%	0.49%
<b>GMIB</b>	<b>Accumulator '04 New</b>				
	Greater of Ratchet & 6% rollup	0.65%	0.32%	0.40%	0.50%
	<b>Accumulator '02</b>				
	Greater of Ratchet & 6% rollup	0.60%	0.32%	0.40%	0.50%
<b>DB &amp; IB sold together – Accumulator '04 New</b>					
	Greater of Ratchet & 6% rollup	1.25%	0.80%	0.92%	1.04%

(\*) Weighted average of S&P 500, Russell and Nasdaq.

The 22% is the weighted average of 22% volatility for S&P, 21% for Russell and 27% for Nasdaq.

The 26% is the weighted average of 23% volatility for S&P, 30% for Russell and 46% for Nasdaq.

The 32% is the weighted average of 29% volatility for S&P, 33% for Russell and 52% for Nasdaq.



# [ Full Year 2003 Earnings - Appendices

## Asbestos



# Asbestos - Net reserves of Euro 702 million as of 12/31/03, or a 27.4x survival ratio<sup>(1)</sup>

<b>Asbestos net reserves as of 12/31/02 (Euro mm)</b>	<b>630</b>
Net claims paid in 2003	-24
Other changes	+96
<b>Asbestos net reserves as of 12/31/03 (Euro mm)</b>	<b>702</b>

**Reserves are: Not discounted**  
**Proven to be realistic if looking at past commutations**

- ◆ Asbestos reserves represent only 1.8% of AXA total P&C and International net reserves
- ◆ Our ratios are positioned at the top of the recommended range

<b>as of 12/31/03</b>	<b>3 year survival ratio</b>
AXA (w/o commutations)	<b>27.4 y</b>
AXA (with commutations)	<b>23.2 y</b>
Industry experts' recommendations	<b>[12y - 26y]</b>



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

# **Full Year 2003 Earnings - Appendices**

## **Balance Sheet and Financial Structure**



# [ Our organic growth is self financed

<b>Euro billion - Estimated</b>	<b>2003<sup>(1)</sup></b>
Underlying earnings	2.03
Less: Net DAC/VBI impact on underlying earnings	(0.38)
Less: 2003 proposed dividend <sup>(2)</sup>	<u>(0.78)</u>
Available earnings (A)	0.87
Reduction in European solvency margin requirement (B)	<u>0.51</u>
<b>Excess over change in solvency requirement (A+B)</b>	<b>1.38</b>



(1) Estimated, calculation based on underlying earnings as solvency capital excludes goodwill but includes unrealized capital gains.

(2) Includes Précompte.

**We have stuck to our asset mix, dictated by ALM and supported by our strong capital position, rather than succumb to the industry's equity selling frenzy**

<b>Total Group Asset Mix<sup>(1)</sup></b> <i>% in book value</i>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>
Fixed maturities <sup>(2)</sup>	57%	63%	66%	66%
Equity	17%	16%	15%	15%
Mortgage, policy and other loans	10%	10%	8%	7%
Real Estate	5%	4%	4%	4%
Cash and cash equivalents <sup>(3)</sup>	11%	7%	7%	8%
<b>Total Invested Assets (Euro billion)</b>	<b>257.3</b>	<b>242.6</b>	<b>237.6</b>	<b>241.4</b>

(1) Excluding separate account assets, assets backing with-profit liabilities, and investments in affiliated companies consolidated under the equity method.

(2) Including fixed income mutual funds.

(3) 2003 cash position includes Euro 1.4 billion from the ORANs (Obligations Remboursables en Actions ou en Numéraire, i.e., bonds redeemable either in shares or in cash) issued to finance the proposed acquisition of MONY.



# Detail of our asset mix by business

<i>% in book value</i>	<b>L&amp;S<sup>(2)</sup></b>	<b>P&amp;C</b>	<b>Int'l</b>	<b>Total Group 2003</b>	<b>Total Group 2002</b>
Fixed maturities <sup>(1)</sup>	69%	56%	58%	66%	66%
Equity	14%	23%	14%	15%	15%
Mortgage, policy and others loans	9%	2%	1%	7%	8%
Real Estate	3%	7%	2%	4%	4%
Cash and cash equivalents <sup>(3)</sup>	5%	11%	26%	8%	7%
<b>Total Invested Assets<sup>(4)</sup> (euro billion)</b>	<b>187.3</b>	<b>34.1</b>	<b>9.0</b>	<b>241.3</b>	<b>237.6</b>

(1) Including fixed income mutual funds.

(2) Excluding separate account assets (Euro 101bn in 2003 vs. Euro 90bn in 2002) and assets backing with-profits liabilities (Euro 27bn in 2003 vs. Euro 29bn in 2002).

(3) Not netted of bank overdrafts. Holdings' 2003 cash position includes Euro 1.4bn from the ORANs (Obligations Remboursables en Actions ou en Numéraire, i.e., bonds redeemable either in shares or in cash) issued to finance the proposed acquisition of MONY.

(4) Excluding investment in affiliated companies consolidated under the equity method (Euro 1bn in 2003 vs. Euro 2bn in 2002).



# Our portfolio management is dictated by our ALM strategy

Euro billion	Gross URCG 12/31/02	2003 Gross RCG <sup>(1)</sup>	2003 Gross impair'ts	Market, currency & other impacts	Gross URCG 12/31/03	Book value <sup>(2)</sup> 12/31/03
Real estate	2.2	0.1	0.0	-0.1	2.3	8.9
Fixed maturities	8.9	0.7 <sup>(4)</sup>	-0.4	-0.9	8.3	139.4
Equity investments <sup>(3)</sup>	-4.8	0.7 <sup>(5)</sup>	-2.0	6.3	0.2	56.4
Mortgage, policy and other assets	0.7	0.0	0.0	-0.1	0.6	17.2
<b>Total</b>	<b>7.0</b>	<b>1.6</b>	<b>-2.4</b>	<b>5.2</b>	<b>11.4</b>	<b>221.9</b>

(1) Excluding equity and fixed income impairments, and Japan DTA valuation allowance of Euro –124m gross.

(2) Excluding with-profit assets, U/L assets, cash and investment in affiliated companies.

(3) Including fixed income mutual funds.

(4) Of which Euro 0.5 billion from Germany Life & Savings (portfolio restructuring), Japan Life & Savings (sold JGB bonds and bought US and European corporate bonds), and AXA Bank Belgium.

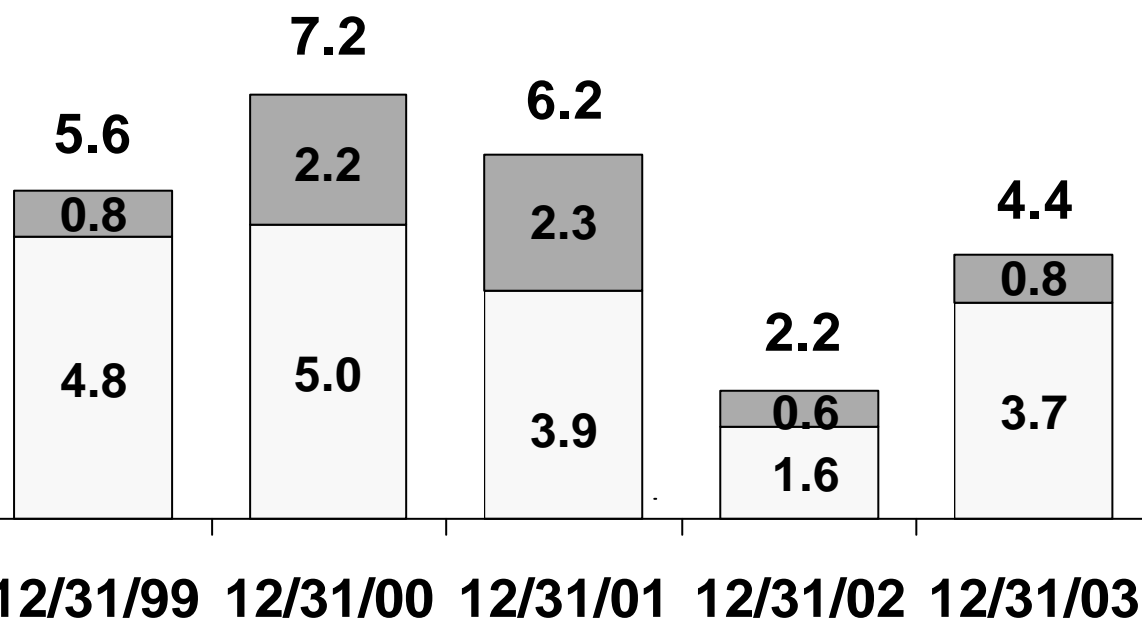
(5) Of which Euro 0.5 billion on Credit Lyonnais.



# Unrealized capital gains attributable to shareholders benefited from market improvements

Euro billion

- Unrealized gains on Alliance Capital
- Fixed income + real estate + equity + loans



Roll Forward <sup>(1)</sup> (euro billion)	Total
URG attrib. to SH @ 12/31/02	1.6
2003 harvesting <sup>(2)(3)</sup>	-0.7
Market, currency, and other impacts	+1.6
Impact of valuation allowances <sup>(2)(4)</sup>	+1.2
URG attrib. to SH @ 12/31/03	3.7

- (1) Excluding Alliance Capital.
- (2) In the Profit & Loss Account.
- (3) Excluding Japan DTA valuation allowance of Euro -119m net.
- (4) Equity and fixed income impairments.



# Consolidated solvency margin is up compared to end 2002

## ◆ European consolidated solvency margin\*

→ December 31, 2001	193%
→ June 30, 2002	179%
→ December 31, 2002	172%
→ June 30, 2003	212%
→ December 31, 2003 (est.)	212%

◆ If Solvency I rules, deemed to be effective as of January 1, 2004, were applied, AXA's European consolidated solvency margin would be 205%, based on December 31, 2003 estimates.



\* Includes a limited fraction of future profits.

# [ Full Year 2003 Earnings - Appendices

## Embedded Value





# 2003 ANAV

In Euro million

<b>AXA Shareholders' Equity</b> 23,401	<b>AXA Net U/R Capital Gains<sup>(1)</sup></b> 4,409	
<b>AXA NAV, as reported</b> 27,810		
<b>Less: Life intangibles</b> - 14,191		<ul style="list-style-type: none"> <li>• Life goodwill - 6,743</li> <li>• Life DAC - 4,810</li> <li>• VBI - 2,480</li> <li>• Life software capitalized - 158</li> </ul>
<b>Plus: AXA IM Net U/R Gains</b> 1,107		
<b>Less: Life Cost of Capital</b> - 2,544		
<b>Plus: Other adjustments</b> 634		
<b>AXA ANAV</b> 12,816		<ul style="list-style-type: none"> <li>• Life pension funding status adjustment</li> <li>• Non-Life pension asset exclusion</li> <li>• Life U/R gains in PVFP</li> <li>• Stat-GAAP adj.</li> <li>• P&amp;C &amp; Int'l reserves adj.</li> </ul>
<b>Life ANAV<sup>(2)</sup></b> 5,556	<b>ANAV Others<sup>(1)</sup></b> 7,260	



<sup>(1)</sup> Includes Euro 756 million net U/R gain on Alliance Capital

<sup>(2)</sup> Includes Life cost of capital

# **Life PVFP Methodology and Scope of Calculation**

## **PVFP:**

- ◆ **Covers 99% of Life premiums and 98% of Life technical reserves**
- ◆ **Is based on statutory earnings of current business**
- ◆ **Is based on statutory technical reserves**
- ◆ **Investment returns assumptions includes the U/R capital gains and losses on assets backing policyholders' liabilities, where appropriate for local regulation and management practice**



# 2003 Life PVFP Assumptions

- Weighted Average Risk premium = 260 bp
  - Weighted Average After-Tax Discount Rate = 7.1%
- Actuarial assumptions: best estimates based on experience
- No productivity gains assumed
- No mortality improvement assumed in Life
- Expenses are adjusted for non-recurring expenses
- PVFP reflects stochastic value of equity-based product guarantees
- Weighted Average Effective tax rate = 34%
- Weighted Average Pre-Tax Investment returns:
  - Equity = 7.8%
  - Risk-free = 4.5%
- Weighted Average Expense inflation = 2.3%



# Changes in assumptions between 2002 and 2003 reflect changes in market conditions

	Post-tax Discount rate (%)		Pre-tax Risk-Free rate (%)		Pre-tax Eq return (%)	
	2002	2003	2002	2003	2002	2003
US	7.50	7.50	5.00*	5.00*	8.50	8.50
France	7.00	6.75	4.50	4.25	7.50	7.25
UK	7.00	7.25	4.50	4.75	7.00	7.25
Japan	6.00	5.11**	2.80	2.11**	6.00	7.00
Belgium	7.00	6.75	4.50	4.25	7.50	7.25
Hong Kong	8.50	8.50	5.00	5.00	8.10	8.10
Australia	8.25	8.75	5.25	5.75	9.25	9.75
Germany	7.00	6.75	4.50	4.25	7.50	7.25
<b>Wgt. Average</b>	<b>7.20</b>	<b>7.06</b>	<b>4.59</b>	<b>4.48</b>	<b>7.73</b>	<b>7.76</b>



\* Grading up in the first 2 years from 4.2% to 5% in 2003 and from 4% to 5% in 2002.

\*\* In 2003, Japan uses a moving risk free rate, based on the 15yr JGB forward curve, and a moving discount rate equal to 3% + 15 year JGB forward curve. The equivalent flat RFR is 2.11% and flat discount rate is 5.11%.

# We have increased our tax rate in Germany to 40% and reduced our equity exposure in Germany and the UK

	Inflation rate (%)		Effective tax rate (%)		Asset Mix (%) (FI/Equity/Other)	
	2002	2003	2002	2003	2002	2003
US	3.0	3.0	35.0	35.0	75/02/23	76/02/22
France	2.0	1.8	34.6	34.6	79/12/09	80/13/07
UK	2.4	2.7	30.0	30.0	47/46/07	50/43/07
Japan	1.1	0.5	36.2	36.2	84/12/04	85/10/05
Belgium	2.0	2.0	25.0	25.0	81/19/00	81/19/00
Hong Kong	3.0	2.5	0.825% of premiums	0.875% of premiums	60/25/15	60/25/15
Australia	2.5	2.5	30.0	30.0	36/37/27	36/42/22
Germany	1.8	1.8	25.0	40.0	70/23/07	79/19/02
<b>Wgt. Average</b>	<b>2.4</b>	<b>2.3</b>	<b>33.0</b>	<b>33.5</b>	<b>72/15/13</b>	<b>74/14/12</b>



# Expenses excluded from 2003 Life PVFP

Pre-tax expenses, group share, in Euro million

<b>UK</b>	<b>54</b>	<b>BluePrint</b>
<b>US</b>	<b>42</b>	<b>Non-recurring expenses, mainly IT</b>
<b>Germany</b>	<b>20</b>	<b>Strategic spending</b>
<b>France</b>	<b>12</b>	<b>Reorganization and infrastructure</b>
<b>Other countries</b>	<b>14</b>	
<b>TOTAL</b>	<b>142</b>	

**Expenses excluded from PVFP amounted to Euro 538 million in 2001 and Euro 253 million in 2002.**



# 2003 Life PVFP

In Euro million			<u>% Change</u>	<u>% Change</u>
	<u>2003</u>	<u>2002</u>	<u>Actual</u>	<u>@ cst FX</u>
US	5,524	5,636	- 2%	+ 18%
France	4,029	3,791	+ 6%	+ 6%
UK	1,966	2,216	- 11%	- 4%
Japan	1,199	1,224	- 2%	+ 6%
Belgium	1,277	1,198	+ 7%	+ 7%
Hong Kong	610	840	- 27%	- 13%
Australia	315	281	+ 12%	+ 2%
Germany	539	597	- 10%	- 10%
Other countries	733	730	0%	0%
<b>TOTAL Life PVFP</b>	<b>16,192</b>	<b>16,513</b>	<b>- 2%</b>	<b>+ 7%</b>



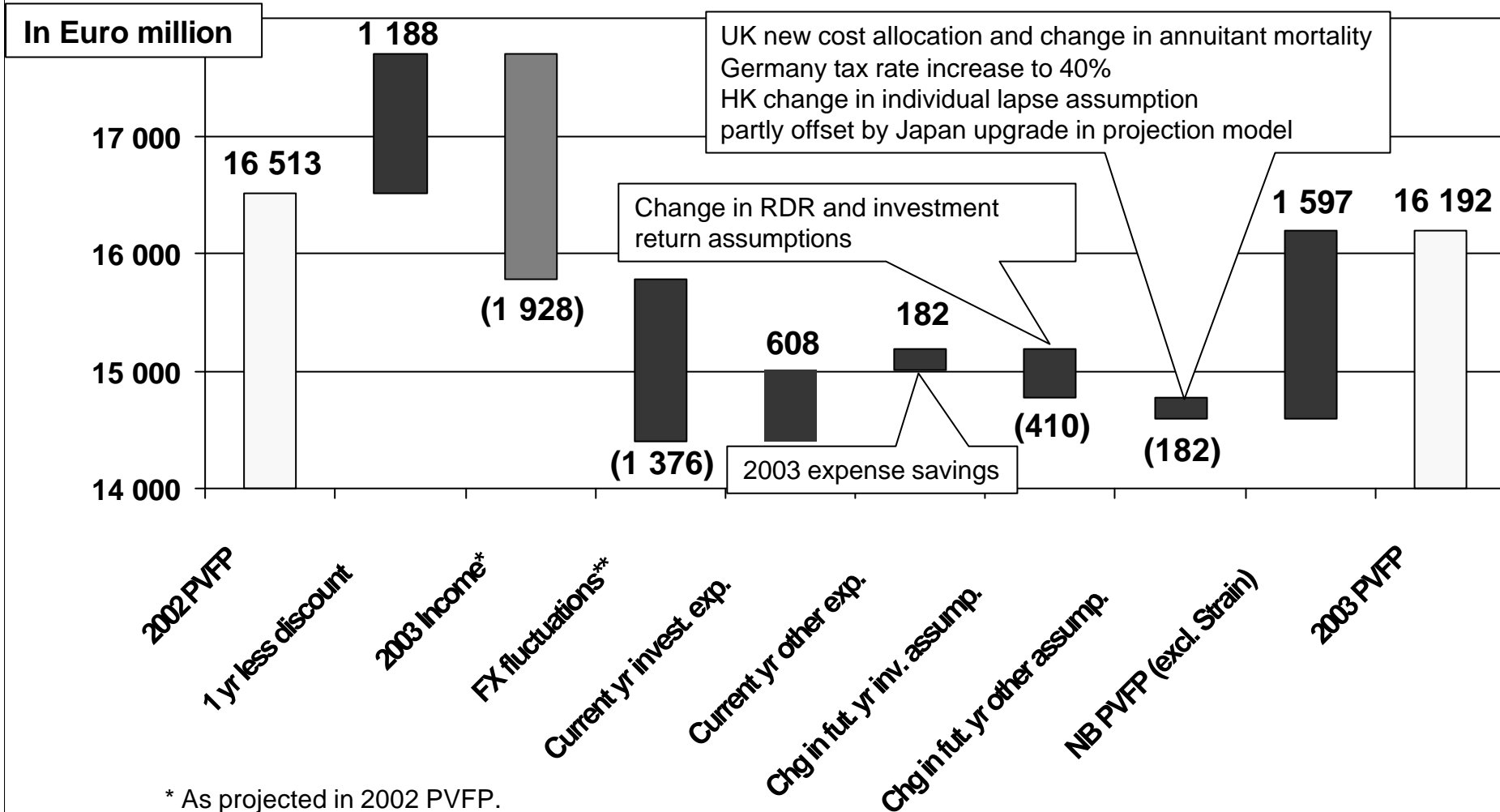
# Sensitivity Analysis on Life PVFP and New Business Contribution

In Euro per share	PVFP	New Business Contribution
Upward parallel shift of 100 bp in reinvestment rates	0.48	0.01
Downward parallel shift of 100 bp in reinvestment rates	-0.83	-0.03
100 bp increase in discount rate	-0.66	-0.06
10% decrease in lapse rates	0.42	0.05
10% permanent decrease in expenses	0.43	0.04
10 bp increase in general account spread	0.19	0.02
100 bp increase in asset return for unit-linked business	0.26	0.03
Life mortality improvement (50 bp per year)	0.05	0.01
10% higher equity markets at start of projection	0.44	0.05
10% lower equity markets at start of projection	-0.45	-0.05
100 bp increase of total asset return in all future years	1.79	0.11
100 bp decrease of total asset return in all future years*	-1.85	-0.07
Japan 100bp decrease of total asset return in all future years	-0.59	-0.03



\* Excluding Japan.

# Life PVFP Rollforward



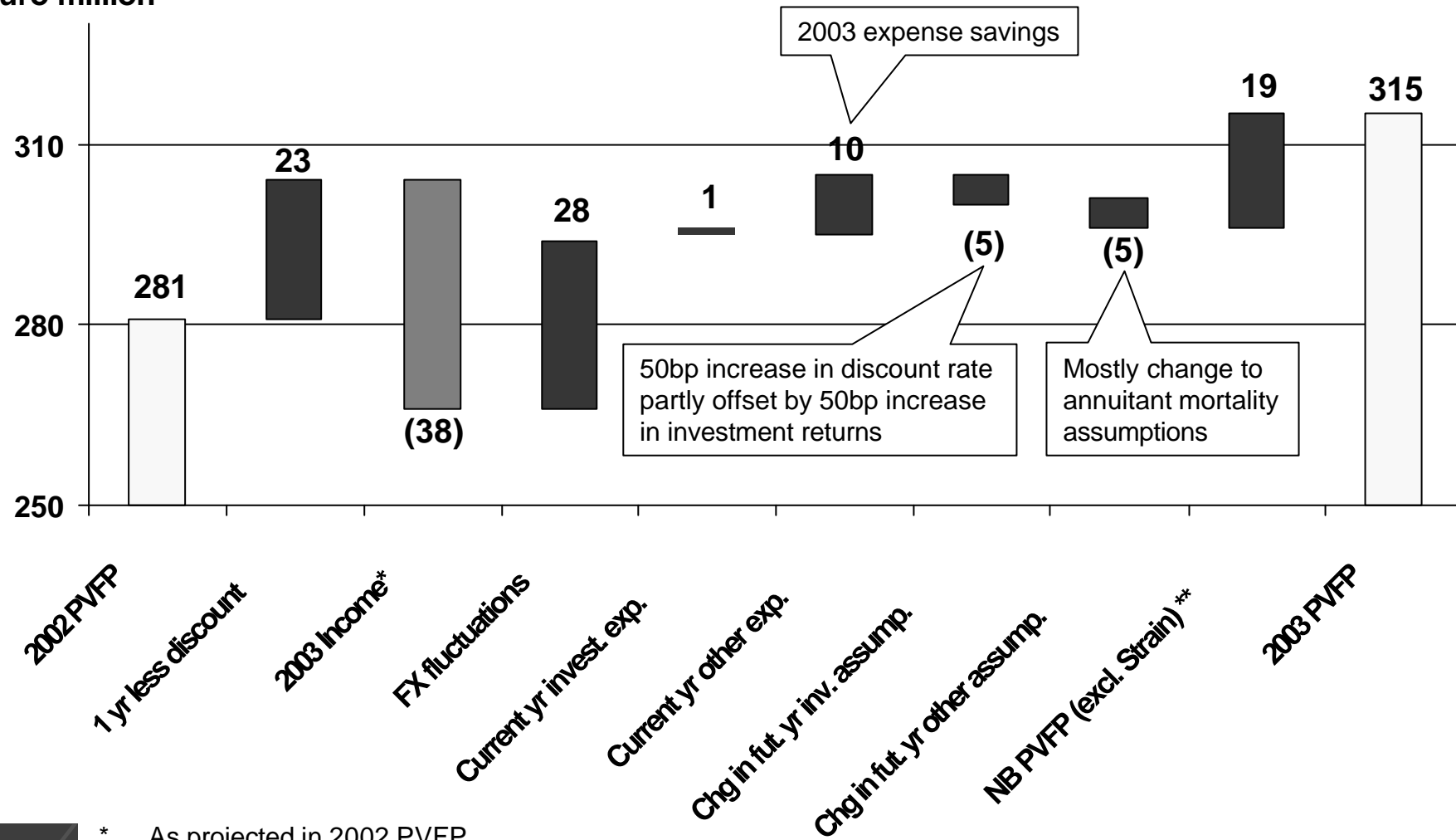
\* As projected in 2002 PVFP.

\*\* 2002 PVFP, 1 yr less discount and 2003 income are at BOY FX; current year experience, change in future year assumptions and NB PVFP are at avg FX; and 2003 PVFP is at EOY FX. "FX fluctuations" reflects the impact of the differences between these three FX rates, which is why this number is different from the currency impact shown on slide 41 of the earnings presentation.



# Life PVFP Rollforward - Australia

In Euro million

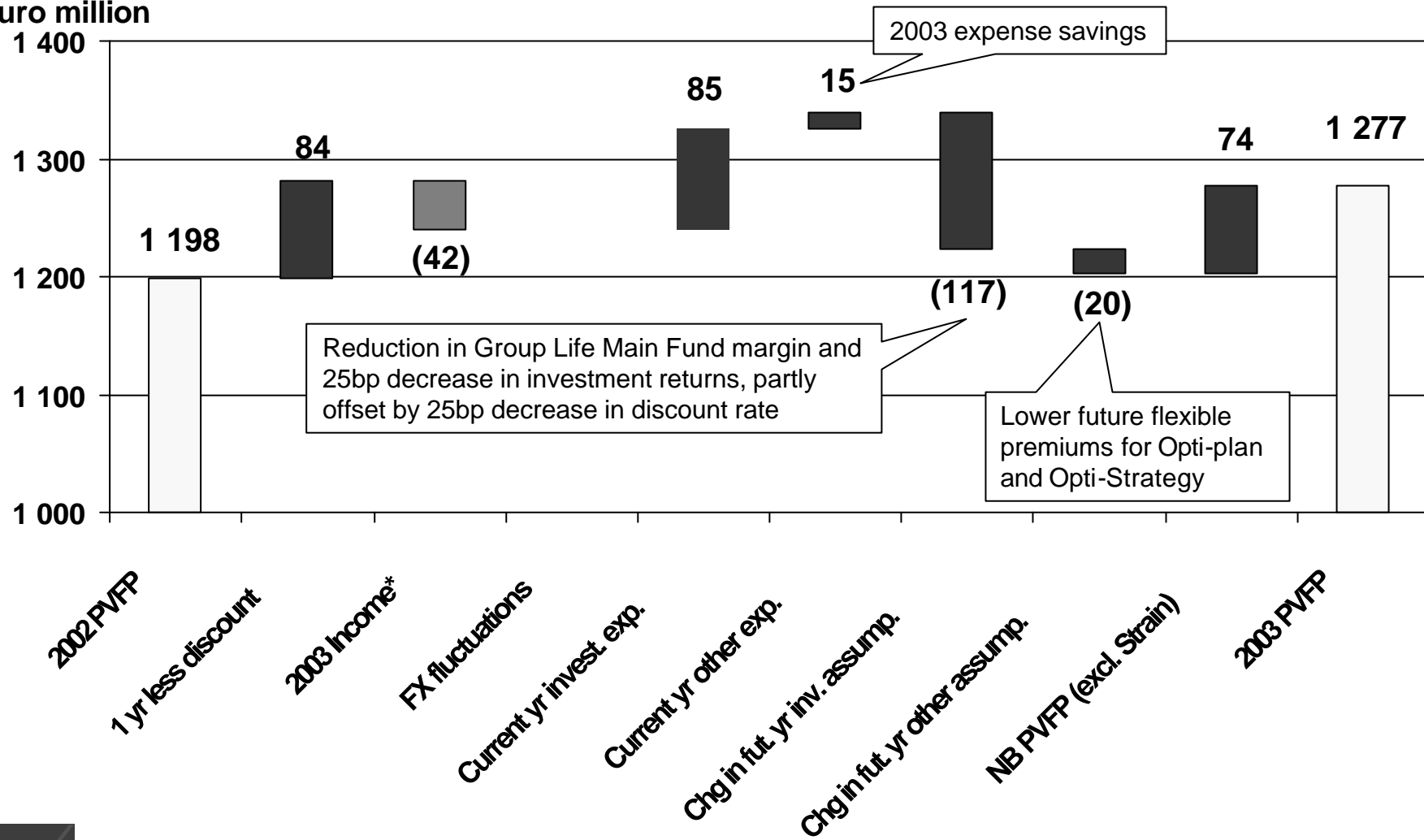


\* As projected in 2002 PVFP

\*\* Under statutory accounting, NB PVFP actually includes strain in Australia

# Life PVFP Rollforward - Belgium

In Euro million



Reduction in Group Life Main Fund margin and 25bp decrease in investment returns, partly offset by 25bp decrease in discount rate

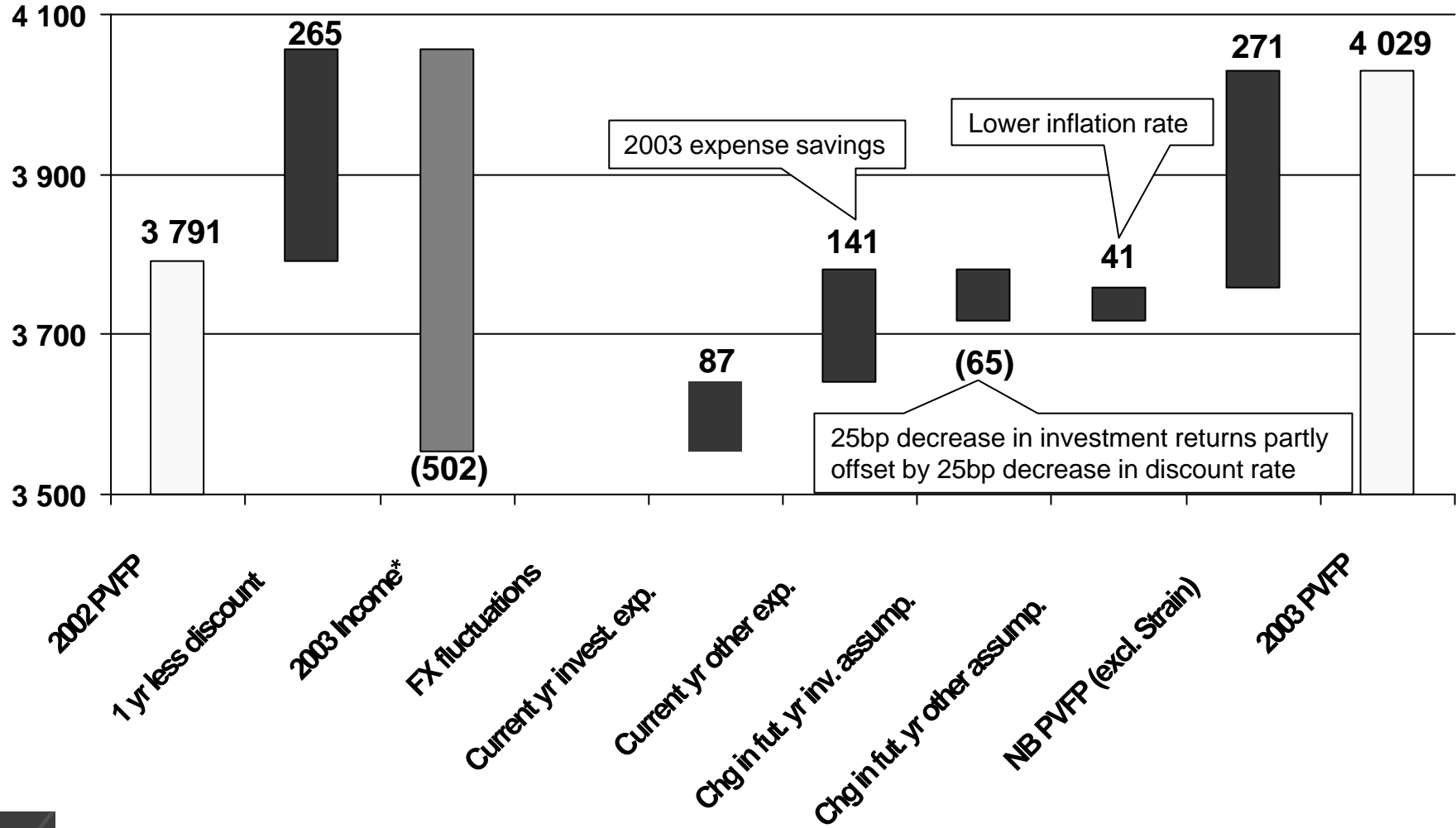
Lower future flexible premiums for Opti-plan and Opti-Strategy



\* As projected in 2002 PVFP

# Life PVFP Rollforward - France

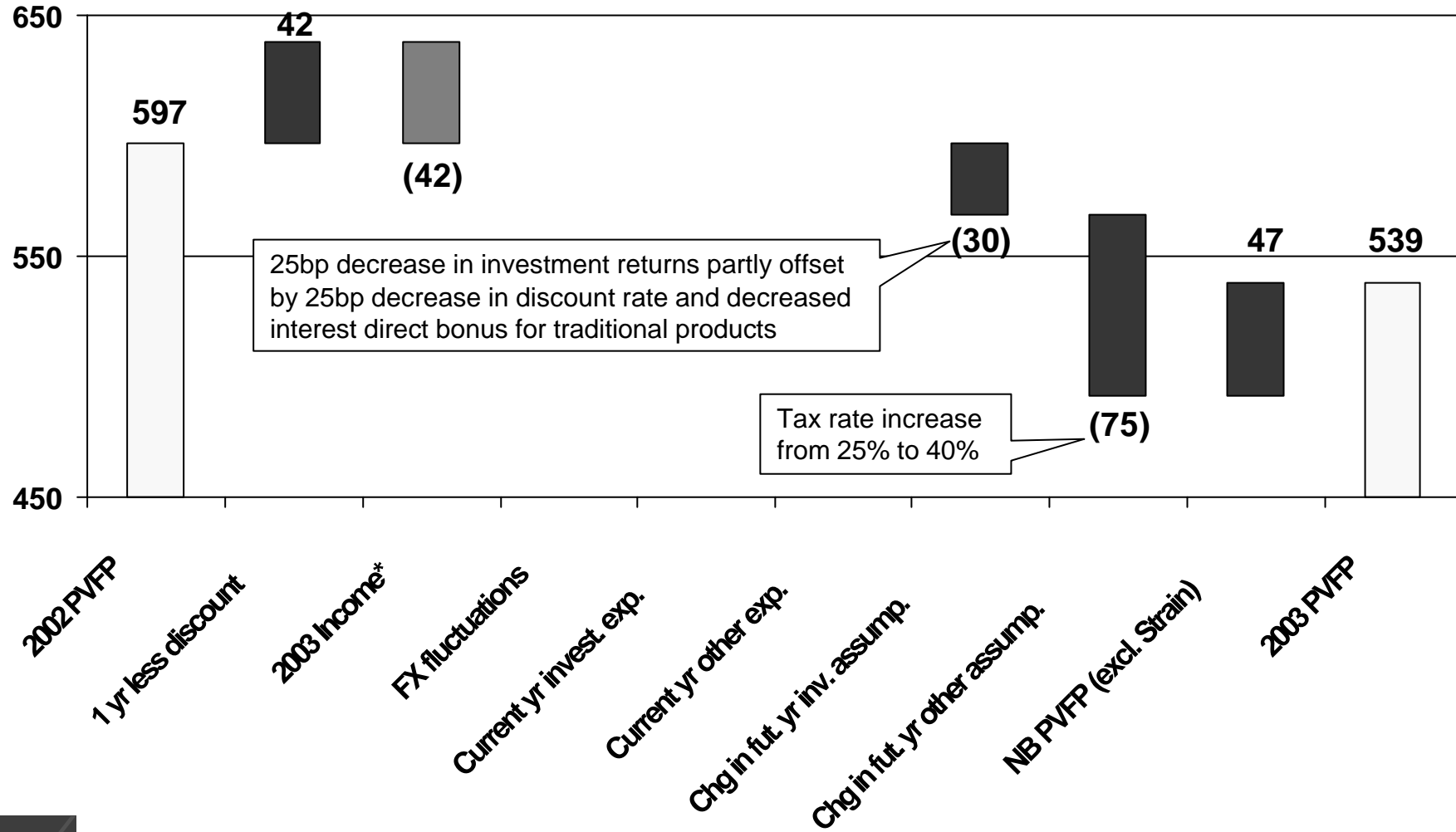
In Euro million



\* As projected in 2002 PVFP

# Life PVFP Rollforward - Germany

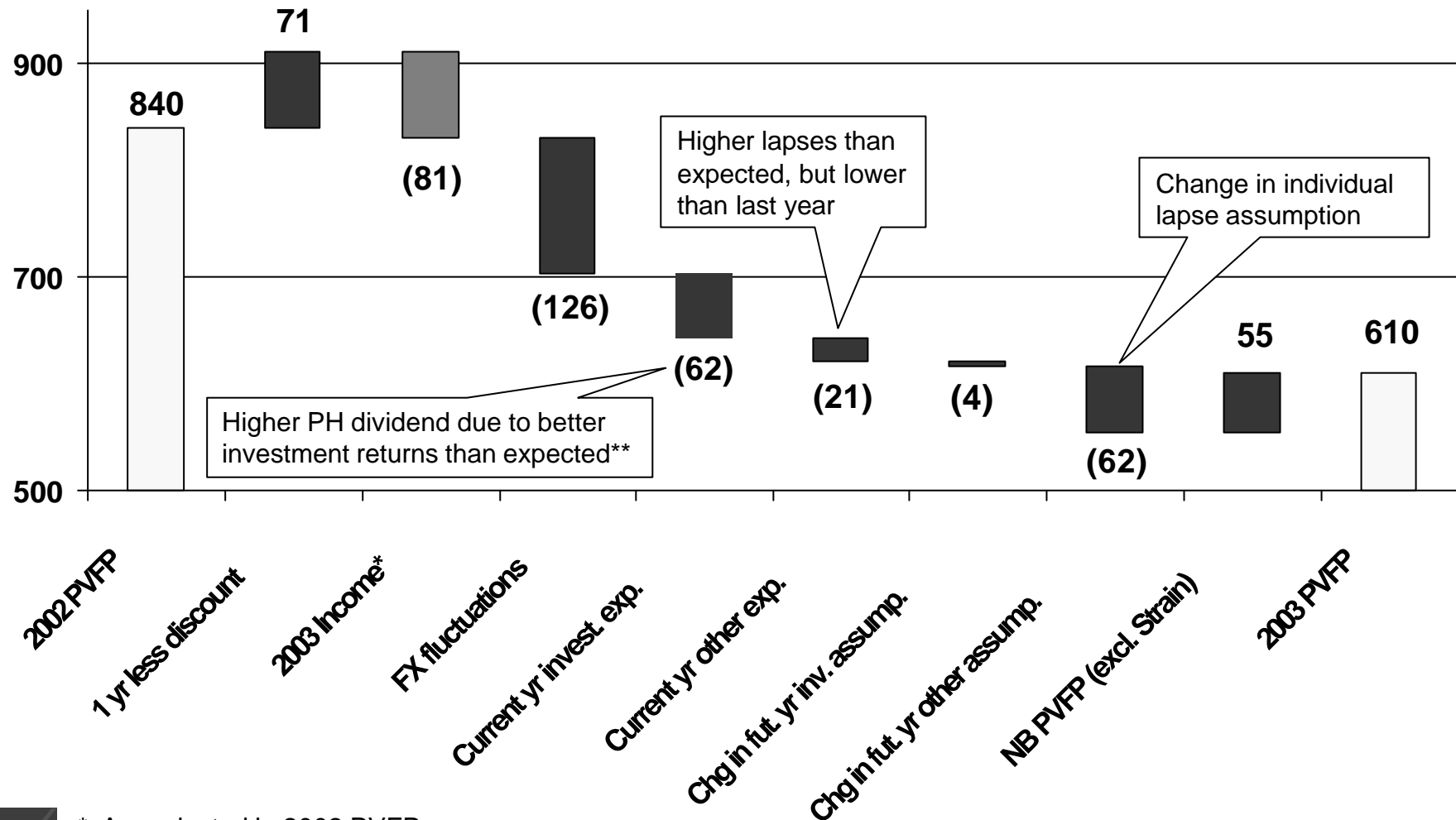
In Euro million



\* As projected in 2002 PVFP

# Life PVFP Rollforward - Hong Kong

In Euro million

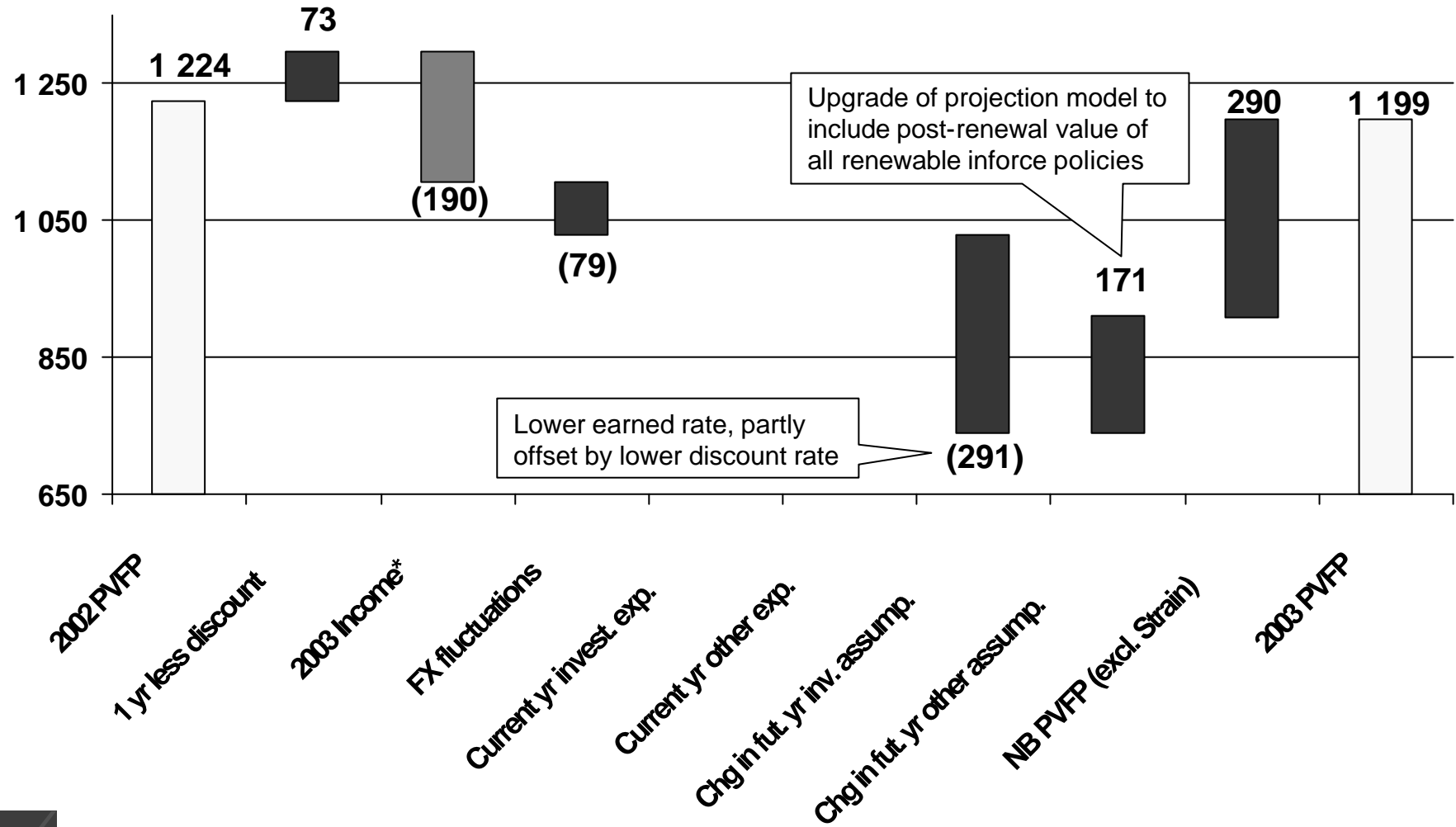


\* As projected in 2002 PVFP

\*\* Under HK statutory accounting, the positive impact for SH of higher investment returns than expected (+163m) is captured in ANAV.

# Life PVFP Rollforward - Japan

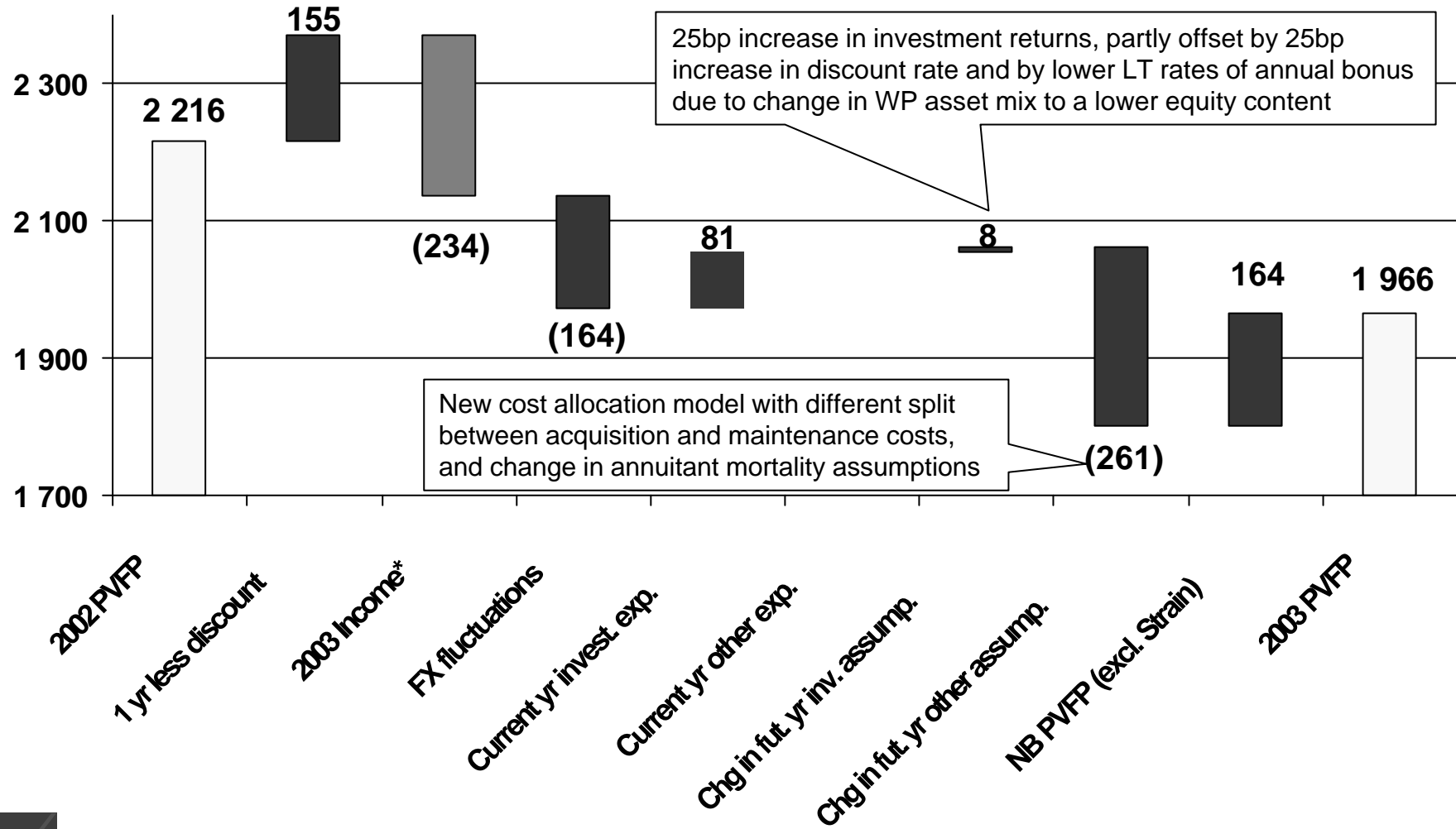
In Euro million



\* As projected in 2002 PVFP

# Life PVFP Rollforward - UK

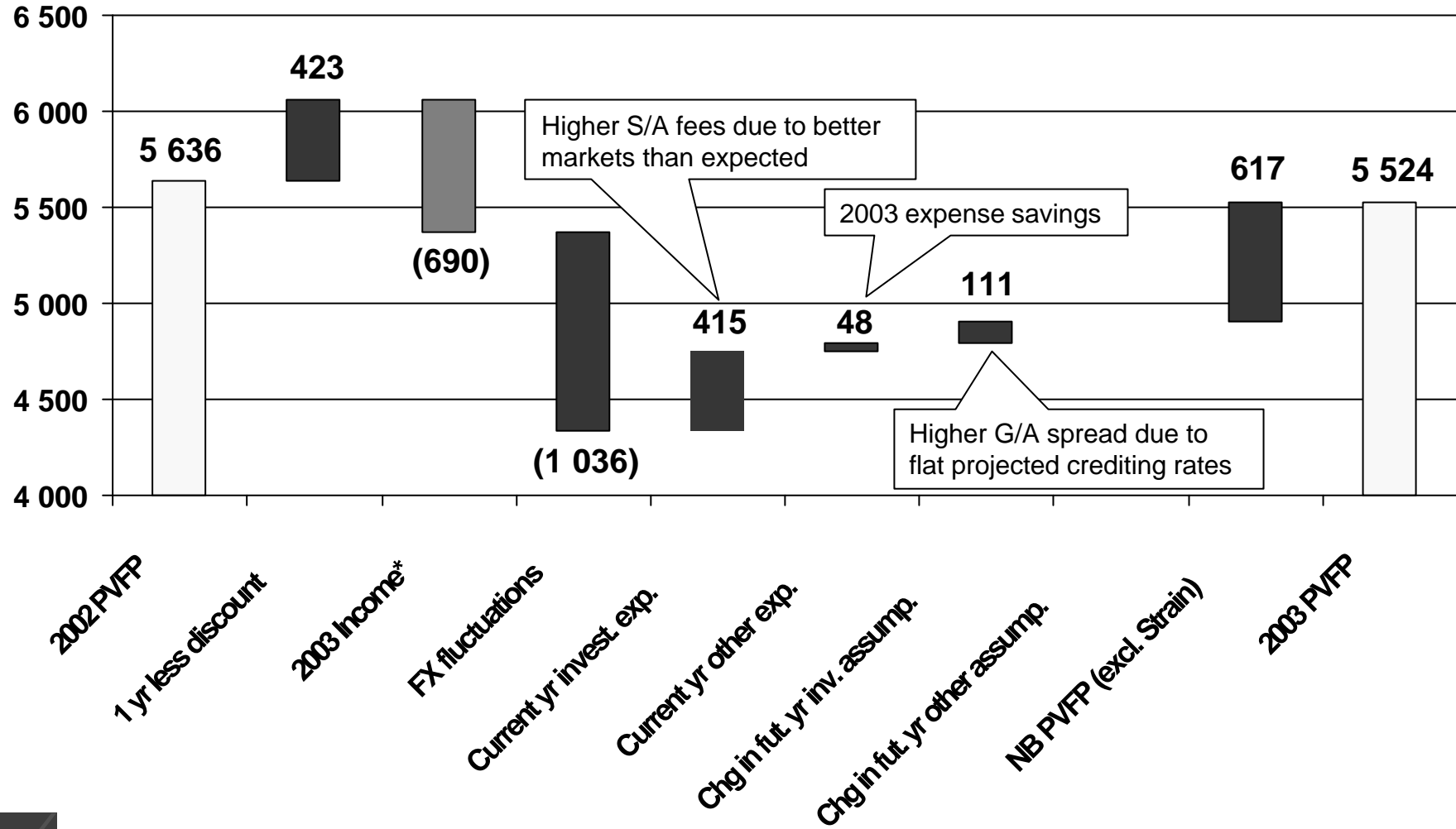
In Euro million



\* As projected in 2002 PVFP

# Life PVFP Rollforward - US

In Euro million



\* As projected in 2002 PVFP

# Life New Business APE Premiums\*, group share

In Euro million	2003			2002			APE % Change	
	Regular	Single	APE	Regular	Single	APE	Actual	@ cst FX
US	362	11,365	1,499	489	10,089	1,498	0%	+ 20%
France	365	5,418	907	341	4,927	833	+ 9%	+ 9%
UK	296	3,851	681	326	5,159	842	- 19%	- 11%
Japan	404	329	437	468	161	485	- 10%	+ 1%
Belgium	40	1,150	155	39	884	127	+ 21%	+ 21%
Hong Kong	58	26	61	60	33	64	- 5%	+ 14%
Australia	10	1,522	162	26	1,413	167	- 3%	- 3%
Germany	365	235	389	267	165	283	+ 37%	+ 37%
Other countries	61	815	143	68	1,032	171	- 16%	- 16%
<b>TOTAL</b>	<b>1,962</b>	<b>24,710</b>	<b>4,433</b>	<b>2,084</b>	<b>23,864</b>	<b>4,470</b>	<b>- 1%</b>	<b>+ 9%</b>



\* For New Business APE premiums, we are now using average exchange rates over the year instead of end-of-year exchange rates. 2002 numbers have been restated accordingly.

# Life New Business Contribution\* after Cost of capital

In Euro million			% Change	% Change
	2003	2002	Actual	@ cst FX
US	220	162	+ 36%	+ 63%
France	16	30	- 46%	- 46%
UK	31	73	- 58%	- 53%
Japan	119	135	- 12%	- 1%
Belgium	30	28	+ 9%	+ 9%
Hong Kong	42	43	- 4%	+ 15%
Australia	13	9	+ 44%	+ 44%
Germany	25	19	+33%	+ 33%
Other countries	15	17	- 8%	- 8%
<b>TOTAL Life NBC after cost of capital</b>	<b>512</b>	<b>515</b>	<b>- 1%</b>	<b>+ 13%</b>



\* For New Business Contribution, we are now using average exchange rates over the year instead of end-of-year exchange rates. 2002 numbers have been restated accordingly.

# Life New Business APE Margins - after cost of capital

	2003	2002	Change
US	14.7%	10.8%	+ 3.9 pts
France	1.8%	3.6%	- 1.8 pts
UK*	4.5%	8.7%	- 4.2 pts
Japan	27.3%	27.9%	- 0.6 pts
Belgium	19.5%	21.7%	- 2.2 pts
Hong Kong	68.5%	67.7%	+ 0.8 pts
Australia	8.1%	5.5%	+ 2.6 pts
Germany	6.4%	6.6%	- 0.2 pts
Other countries	10.7%	9.7%	+ 1.0 pts
<b>TOTAL NB APE Margins after cost of capital</b>	<b>11.5%</b>	<b>11.5%</b>	<b>--</b>



\* Most UK peers show their margins pre-tax. Grossed up at 30% tax rate, our UK margins would be 6.4% in 2003 and 12.4% in 2002

## Inherited Estate in EV

A temporary transfer of £ 590m was made from the non-profit fund to the with-profit fund within AXA Sun Life in 2003, in accordance with the financial reorganization scheme agreed in 2001.

The attributed Inherited Estate (IE), including the elements in PVFP, has been discounted using a similar methodology to that adopted by Tillinghast in preparing financial reorganization figures for the High Court. It has been assumed that no distribution of the IE occurs until the old and new with-profit funds are merged.

Tillinghast assumed that this would not occur before 2034. Therefore, the temporary fund transfer has no impact on 2003 embedded value



# Treatment of Pension Plans in EV Reconciliation to Annual Report Disclosure

In Euro million

2003

		Total	Life	Non-Life
Detail behind balance sheet	Plan Assets (1)	5,526	3,049	2,476
	Plan Obligations (2)	8,609	4,385	4,224
	Funding Status (3)=(1)-(2)	(3,083)	(1,336)	(1,747)
	Unrecognized Net L/G ("URL") (4)	3,126	1,541	1,586
	Accounting Status (5)=(3)+(4)	43	205	(161)
Shown on bal. sheet	Recorded on the balance sheet as:			
	An accounting asset	1,824	1,041	784
	An accounting liability	(1,781)	(836)	(945)

EV Treatment: write-off, from ANAV, of	URL	Acc. Asset
Amount written off (gross)	(2,324)	(784)
Amount written off (after tax, MI)	(1,570)	(543)

P&C renewals PVFP is adjusted by Euro -744 million pre-tax, Euro -488 million after tax, so as to completely write-off URL for P&C



MI = minority interests

# Methodology for P&C renewals PVFP

## ◆ P&C renewals PVFP

It is the present value of future statutory profits for P&C inforce renewals.

All personal lines are renewed in the PVFP as retention rate is very high. 62% of the renewal value comes from personal lines.

Large commercial risks are considered to be one year of business, and therefore not renewed. However, where, historically, the retention rate has been stable over time and high, commercial risks are renewed (predominantly SMEs).

## ◆ Investment yield

Consistent with Life PVFP assumptions.

## ◆ Future loss ratio

Reflects the portfolio improvement according to average policyholder's age.

## ◆ Expenses

Improvements are excluded, consistent with Life EV methodology.

- Claims expenses are included in reserves.
- Administrative costs and Commissions are considered variable expenses and therefore applied to both NB and renewals.
- Acquisition costs are split between NB and renewals, the allocation varying by country and business line.

## ◆ Lapse rate

Evaluated by policy generation. Future assumptions based on historical experience.

## ◆ Cost of capital

Consistent with AA rating.





**FINANCIAL  
PROTECTION**

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