

Full year 2004 Earnings

February 24, 2005

PRESS CONFERENCE



**FINANCIAL
PROTECTION**

Be Life Confident

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.

AXA's auditors have audited AXA's consolidated full year 2004 earnings.



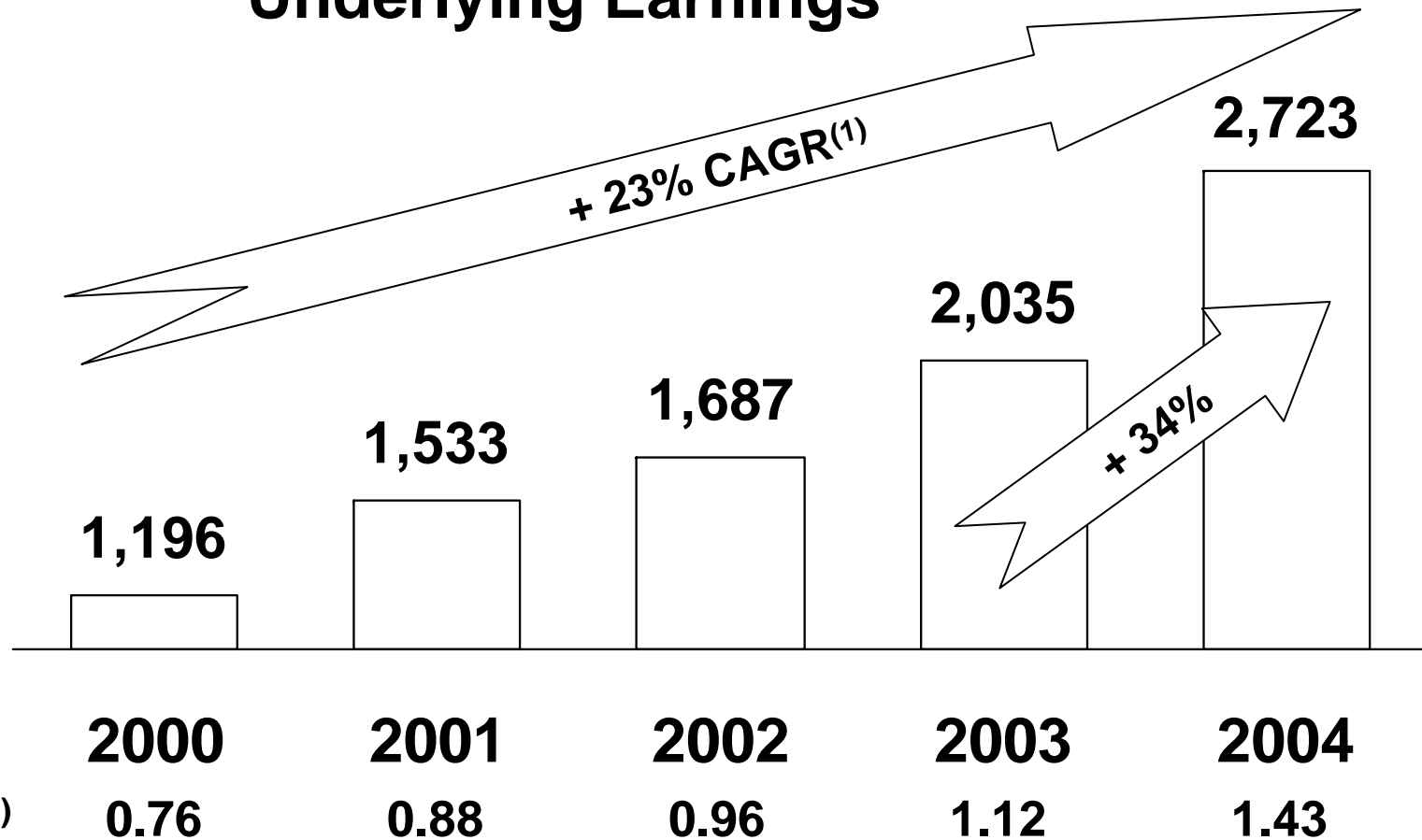
[Table of contents

- **1 : *Introduction***
- **2 : Overview of financial performance**
- **3: 2004 Embedded Value**
- **4 : On the road for growth**
- **5 : Conclusion**

AXA 2004 results saw strong growth acceleration driven by operating efficiency ...

Euro million

Underlying Earnings



(1) Compounded Annual Growth Rate.

(2) Euro - Fully diluted. Until 12/31/02, the calculation of diluted EPS took into account the impact of convertible bonds, both accretive and dilutive. Since 12/31/02, their impact has been taken into account only when dilutive to EPS. Reflects adjustment for ORAN issuance on EPS in all periods.

Underlying earnings were driven by profitable top line growth

Revenue growth⁽¹⁾

P&C (total Group)	+3.4%
Asset Management	+14%

Life

APE ⁽²⁾ Group share growth ⁽³⁾	+7%
--	-----

◆ We are not chasing volume in specific businesses

Germany P&C other lines	-24%
UK personal motor (excl. Ireland)	-26%
AXA RE	-15%
AXA Corporate Solutions Ass.	-3%



- (1) On a comparable basis (constant exchange rates and scope).
- (2) Annual Premium Equivalent represents 100% of regular premiums plus 10% of single premiums.
- (3) At constant exchange rate and excluding MONY

AUM increased, and we saw a continuing shift among customers towards Unit Linked products ...

◆ Asset Management

<i>Euro billion</i>	<u>12/31/04</u>	<u>change vs 2003</u>
AUM (1)	741	+16%⁽²⁾
Net inflows⁽¹⁾	34	+70%

◆ Life & Savings

Cash flows : Euro 4 bn

Unit-linked sales : +14%⁽³⁾

Fees & Revenues⁽⁴⁾ : +16%



(1) Alliance Capital + AXA Investment Managers.

(2) At constant exchange rates.

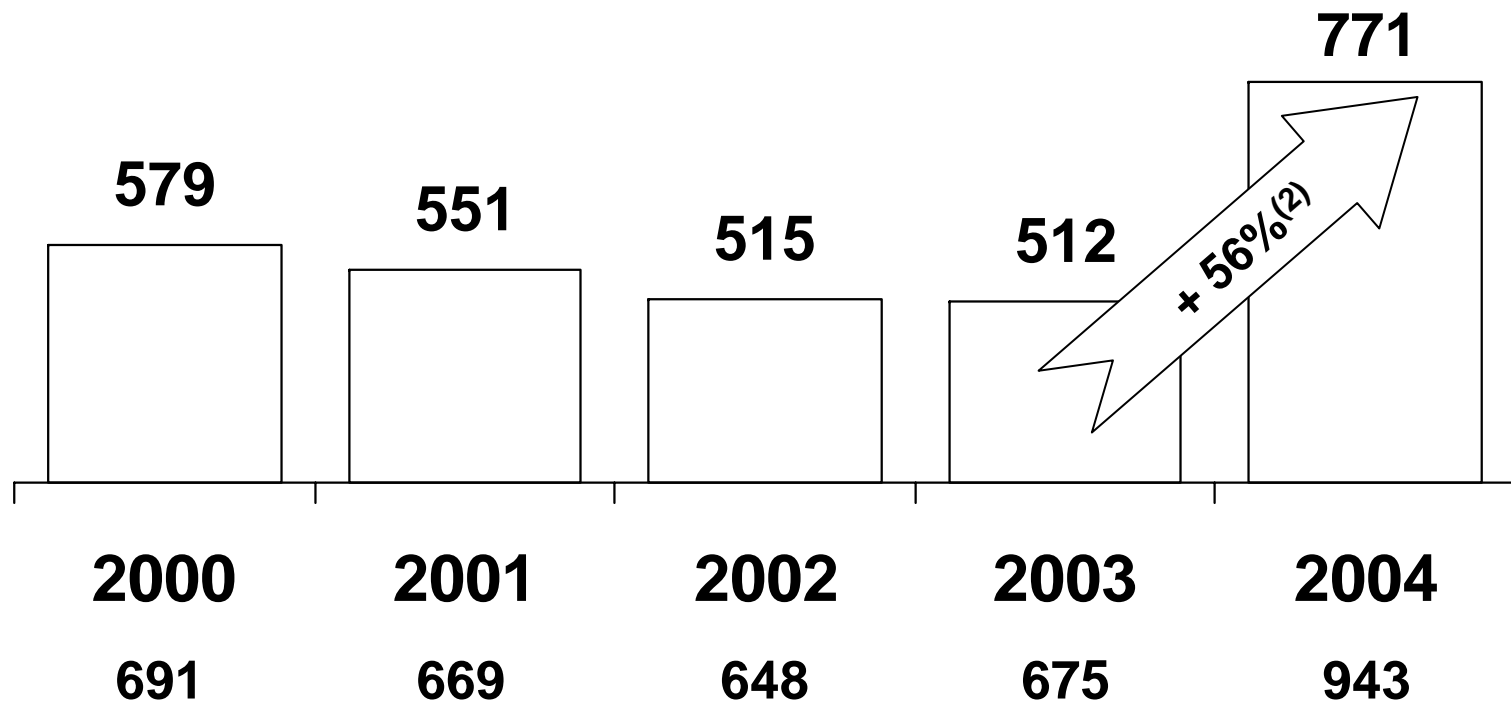
(3) On a comparable basis.

(4) Excluding Health activities, when underwritten by a specific company (Germany and The Netherlands), and Life entities for which no margin analysis is performed (Singapore and Turkey).

[...strongly enhancing Life & Savings New Business Value⁽¹⁾

Euro million

Life & Savings New Business Value⁽¹⁾



NBC

691

669

648

675

943



(1) New Business Value is New Business Contribution (NBC) after cost of capital.

(2) On a comparable basis (exchange rate and scope)

2004 also benefited from solid new business in P&C combined with underwriting discipline

Portfolio evolution for the year
(number of new contracts)

Motor (retail)	+409,000
Household (retail)	+116,000

Revenue increase

Personal lines	+4%
Commercial lines	+6%

Combined ratio : 99.3% -2.1 pts

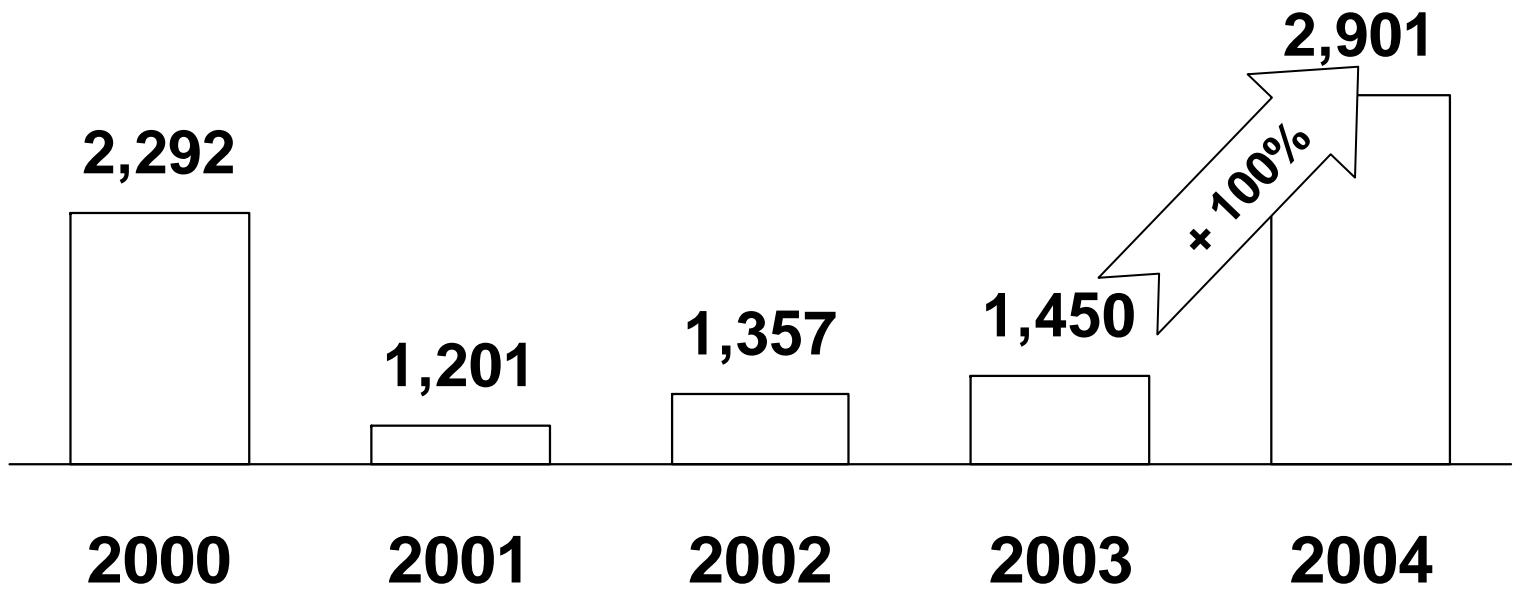
- ◆ **Competitiveness of our prices**
 - ◆ **Better quality of service leading to higher retention**
- ⇒ **Attractiveness of our product offering**



Adjusted Earnings benefited from continued recovery of financial markets

Euro million

Adjusted Earnings



Net realized gains/losses attributable to shareholders

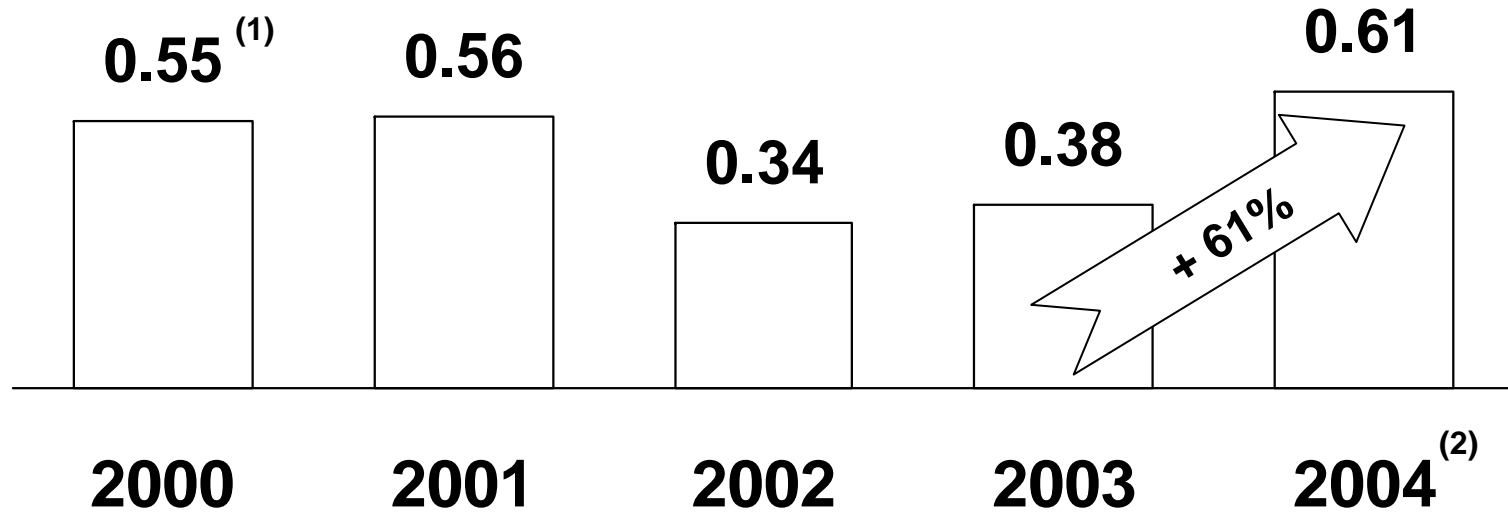
+1,096 +229 -240 -585 +178



Increased dividend to be proposed at the General Assembly

Euro per share

Dividend



Yield⁽³⁾

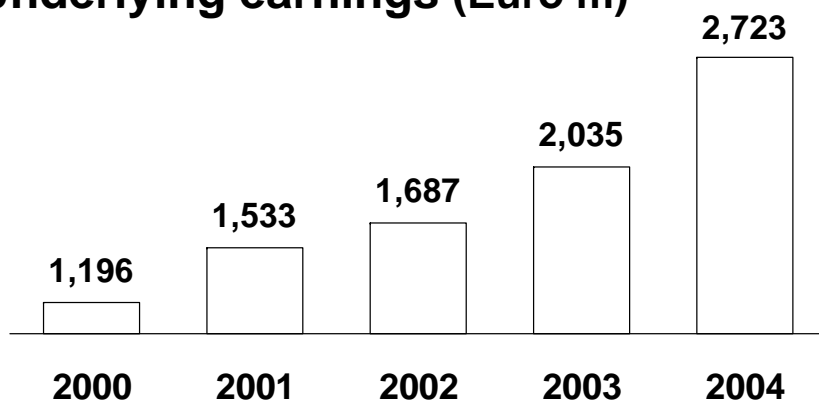
2000	1.43%	2.39%	2.66%	2.24%	3.36%
------	-------	-------	-------	-------	-------



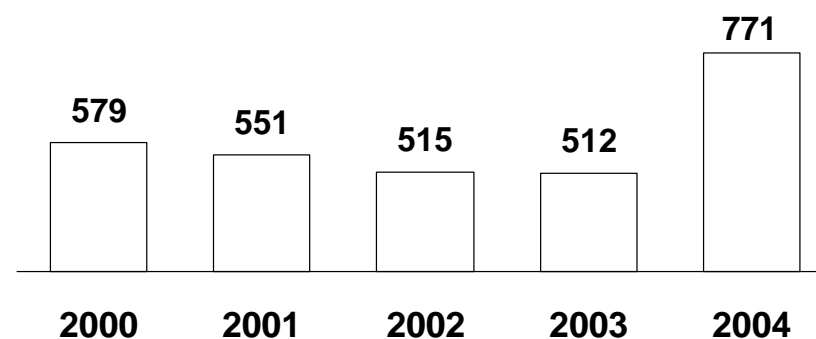
- (1) Post split adjusted
- (2) to be proposed to the April 20, 2005 General Assembly
- (3) Dividend paid in n+1 / EoY/n closing share price

2004: a very good year across the board

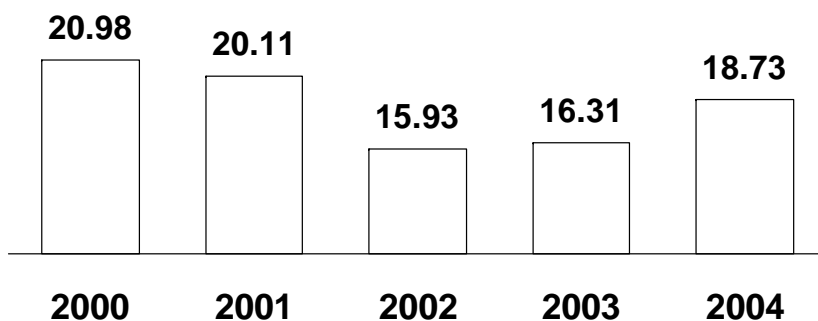
Underlying earnings (Euro m)



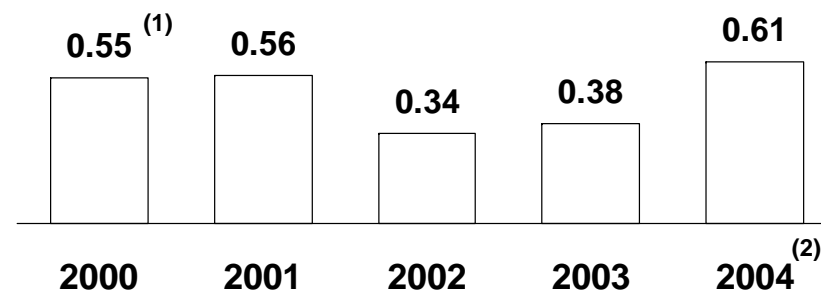
New business Value (Euro m)



Embedded value (Euro per share)



Dividend (Euro per share)

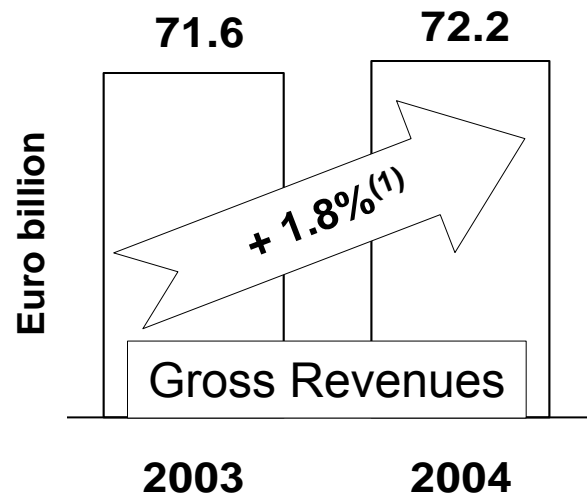


(1) Post split adjusted
 (2) Proposed to the April 20, 2005 General Assembly

[Table of contents

- **1 : Introduction**
- **2 : *Overview of financial performance***
- **3: 2004 Embedded Value**
- **4 : On the road for growth**
- **5 : Conclusion**

AXA delivered diversified and profitable revenue growth...



<u>Revenues Growth⁽¹⁾</u>	
Life & Savings	+1.0%
P&C	+3.4%
Asset Mgmt	+13.9%
Int'l Insurance	- 6.4%

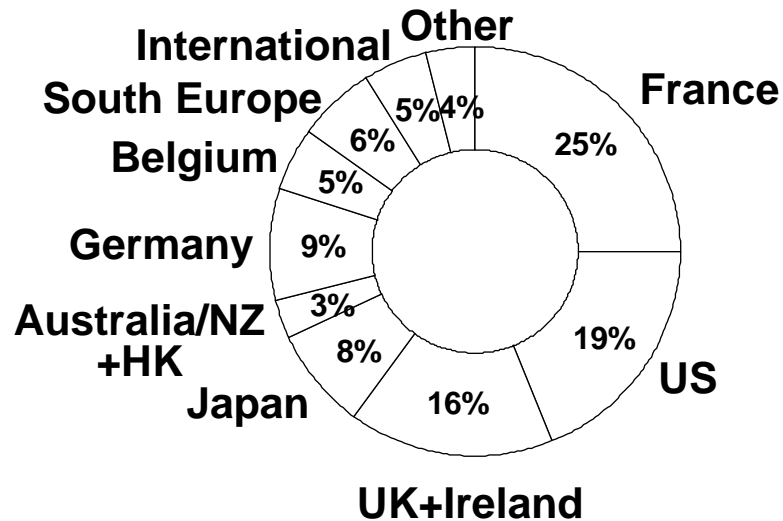
- ◆ Revenue growth boosted by P&C:
 - ➔ Strong net policy inflows in individual motor and household
 - ➔ Successful targeted strategies in commercial lines
- ◆ Unit-linked premiums increased by 14%⁽¹⁾ to represent 35% of total Life & Savings premiums
- ◆ Life & Savings New Business Value up 56%⁽¹⁾



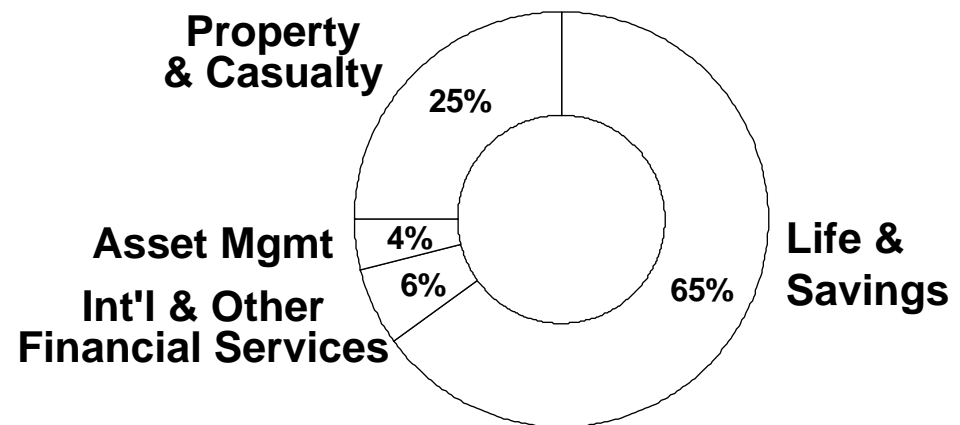
(1) On a comparable basis (constant exchange rates and scope).

AXA's 2004 revenue diversification

Insurance revenues by geography

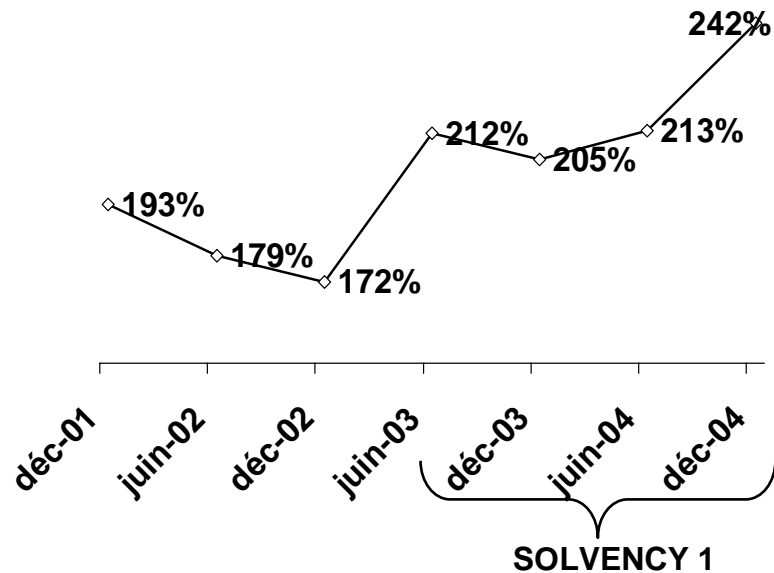


Revenues by operating segment

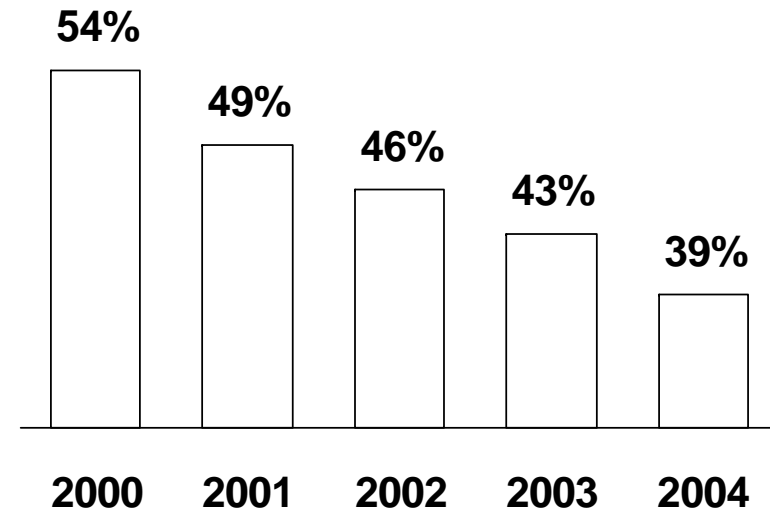


We have a solid financial structure

◆ Our European consolidated solvency margin⁽¹⁾ is 242%



◆ Our gearing⁽²⁾ is at a 5 year low



... providing financial flexibility



(1) Includes a limited fraction of future profits.

(2) Financing debt + sub.debt / Shareholders' equity + Minority interests (net of AXA SA cash)

Strong 2004 underlying performance with double-digit growth

<i>Euro</i>	2004 million	2003 million	Change	Change at cst. FX	2004 per share ⁽²⁾	Change
Life & Savings	1,603	1,301	+23%	+29%		
Property & Casualty	1,063	753	+41%	+41%		
International Insurance	155	141	+10%	+8%		
Asset Management	316	146	+116%	+132%		
OFS & Holdings	-413	-307	--	--		
Underlying earnings	2,723	2,035	+34%	+38%	1.43	+27%
Net capital gains ⁽¹⁾	178	-585				
Adjusted earnings	2,901	1,450	+100%	+107%	1.52	+90%
Exceptional operations	267	148				
Amortization of goodwill	-649	-593				
Net income (Group share)	2,519	1,005	+151%	+160%	1.32	+138%



(1) Realized gains net of valuation allowances.

(2) Fully diluted. Weighted average number of diluted shares was 1,911m in FY04 versus 1,817m in FY03.

P&C: significant progress over the last 3 years

Ratios* (in %)	FY01	FY02	FY03	FY04	Improv't since 2001
Loss, excl. CH	76.1	72.3	68.8	67.2	- 8.9
Claims handling (CH)	<u>6.1</u>	<u>5.7</u>	<u>5.4</u>	<u>4.9</u>	<u>- 1.2</u>
Loss Ratio	82.1	78.0	74.3	72.0	- 10.1
Acq expense	17.4	16.8	16.1	17.4	+0.1
Admin expense	<u>11.6</u>	<u>10.6</u>	<u>11.0</u>	<u>9.9</u>	<u>- 1.7</u>
Expense Ratio	28.9	27.4	27.2	27.3	- 1.6
Combined Ratio	111.1	105.4	101.4	99.3	-11.7
Net technical reserves/ Net earned premiums	191.3	195.8	192.9	195.6	+4.3
Net claims reserves/ Net claims paid	227.7	239.3	256.3	280.2	+52.5



* Ratios in all periods include UK Health and exclude UK discontinued business.

International Insurance : Underlying earnings up 10% to Euro 155 million

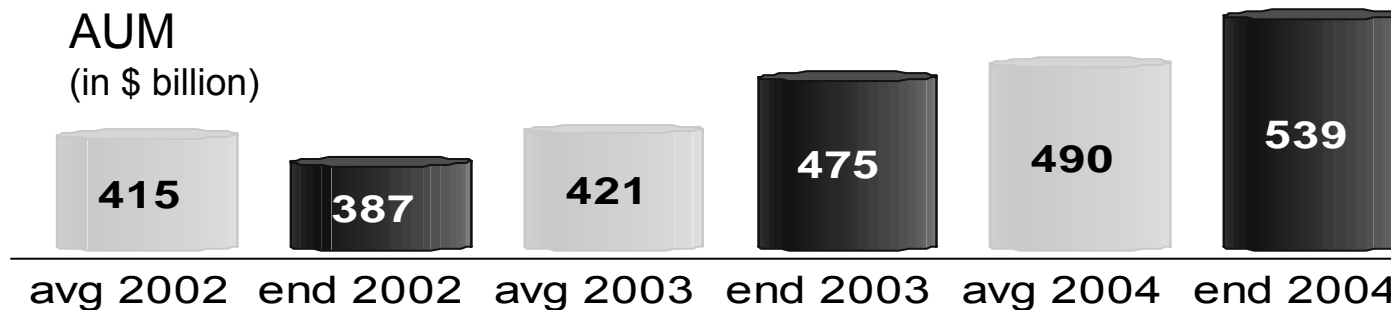
<i>Ratios en %</i>	AXA RE		AXA Corporate Solutions	
	2004	2003	2004	2003
Combined ratio	98.8	104.0	100.3	102.3
Underlying earnings (Euro millions)	108	108	54	31
Reserves / Primiums	322%	274%	352%	348%

Good results despite a high number of natural catastrophes

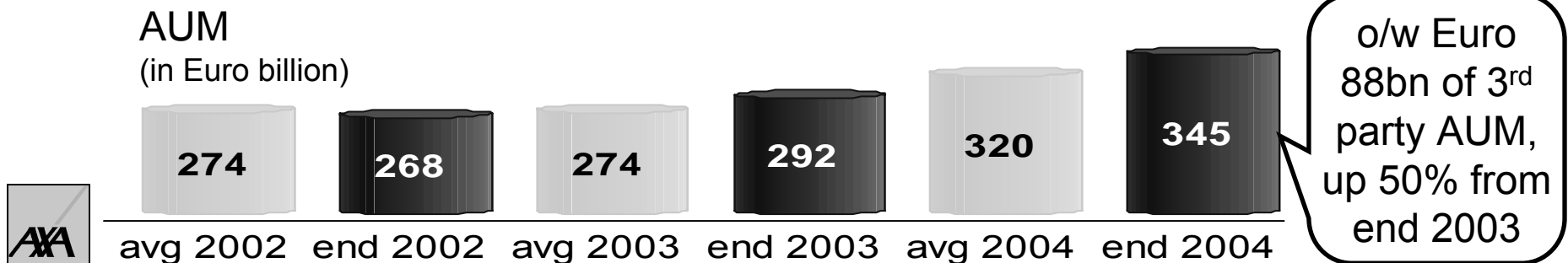


Asset Management: Underlying earnings more than doubled to Euro 316 million

- ◆ Growth in AUM (up 11%, or 16% at constant FX) fueled by solid net inflows of Euro 34 billion and solid equity markets
- ◆ Alliance Capital AUM benefited from positive net inflows and market appreciation



- ◆ AXA IM attracted a record Euro 29 billion net inflows in 2004:



Life & Savings: very solid underlying performance

Underlying earnings (Euro million)	2004	Change from 2003	Change at cst FX
US	643	+67	+131
<i>of which MONY</i>	56	+56	+61
<i>of which AXA-Equitable</i>	587	+12	+70
France	372	+9	+9
UK	108	+134	+132
Japan	163	+111	+116
Other countries	316	-21	-15
Total L&S	1,603	+301	+372

Other countries' underlying earnings were impacted by tax benefits in 2003.

Excluding these tax items, other countries' underlying earnings were up Euro 31m at constant exchange rates in 2004.



[Table of contents

- **1 : Introduction**
- **2 : Overview of financial performance**
- ***3: 2004 Embedded Value***
- **4 : On the road for growth**
- **5 : Conclusion**

Embedded value - a key concept to value our businesses

Embedded Value is the most widely accepted measurement used to value long-term insurance business. It represents the sum of:

- **ANAV** - the adjusted net asset value i.e. the value of the assets already invested in the business, including unrealised gains on asset management companies. A cost of required capital is deducted from the ANAV. The cost of required capital corresponds to the capital required within the principal Group life businesses to maintain a “AA” rating
- **Life PVFP** - or discounted value of the future profits generated by policies currently in its books. PVFP may vary from one year to the next as current experience might diverge from assumptions and/or a change in “best estimates” assumptions for future years.



Other key indicators: NBC / NBV / APE margin

Indicators of the future profitability of business written in the current year

- **New Business Contribution (NBC)** the discounted value of future profits (after taxes and acquisition costs) drawn from the sale of life insurance products in the current year.
- **New business Value (NBV)** is New Business Contribution after the cost of capital.
- **New Business APE margin** is an indicator of the margin on new contracts underwritten during the year and is equal to their discounted value (NBV) divided by collected premiums.



2004 EV scorecard: progress made on all key indicators

<i>Euro million, except per share in Euro and number of shares in million</i>	2003	2004	Change	Change @ cst FX
AXA Group ANAV	12,816	17,292	+35%	+37%
Life PVFP	16,192	18,454	+14%	+18%
AXA Group EV	29,008	35,746	+23%	+27%
Number of O/S shares	1,778	1,908	+7%	+7%
AXA Group EV per share	16.31	18.73	+15%	+18%
Life APE	4,432	4,837	+9%	+7% ⁽¹⁾
Life NBC	675	943	+40%	+43% ⁽¹⁾
Life NBC per share	0.38	0.49	+30%	+35%
Life NBV	512	771	+51%	+56% ⁽¹⁾
Life NBV per share	0.29	0.40	+40%	+47%

Total return on EV⁽²⁾ = 17%



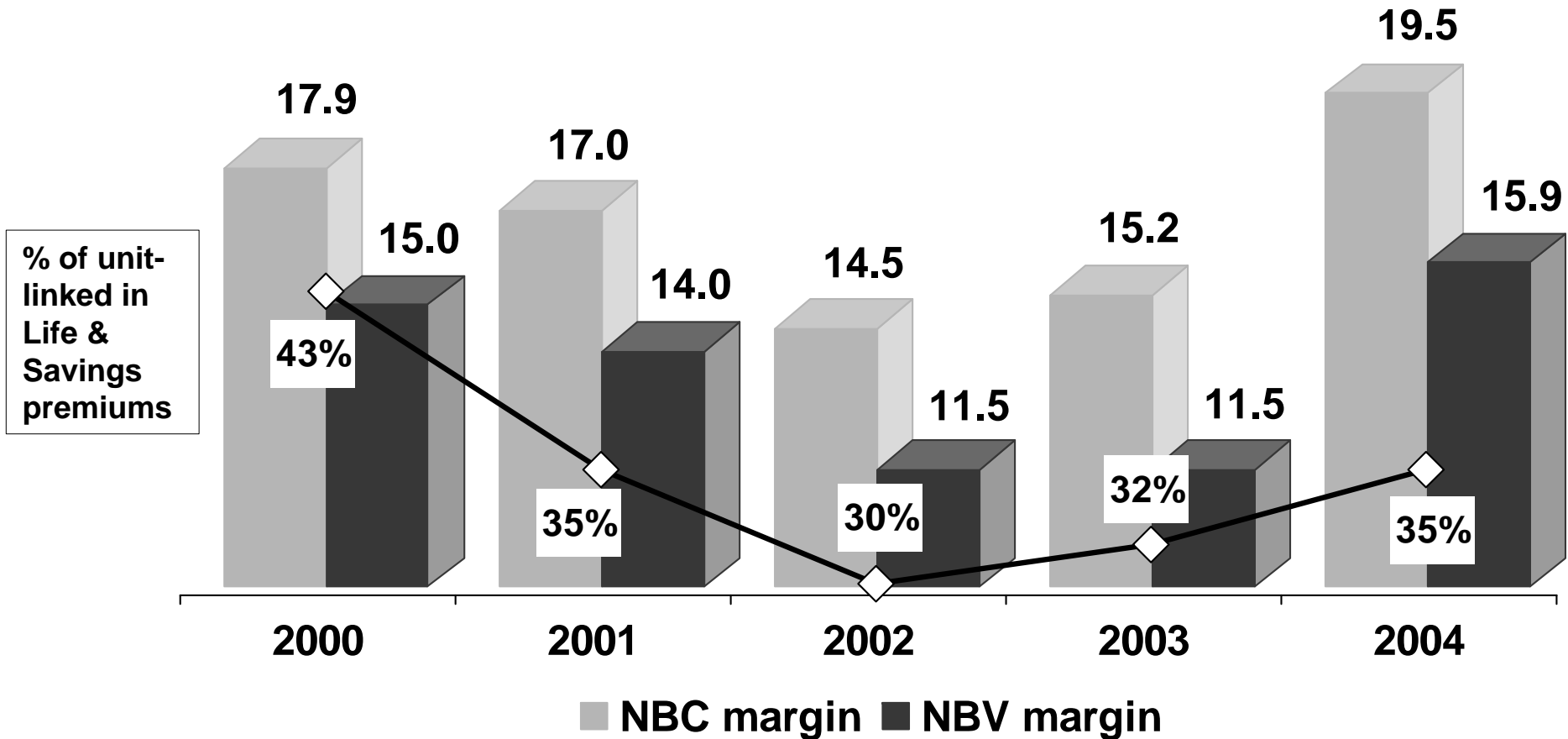
(1) And at constant scope.

(2) Return on EV = (2004 EV/share + dividend paid in 2004) / (2003 EV/share) - 1
= (18.73+0.38)/16.31 - 1

2004 Life & Savings New Business Margins are above 2000 levels

Life & Savings New Business Margin (%)

On an APE basis



NBC margin = New Business Contribution **before cost of capital** divided by New Business premiums on an APE basis.
NBV margin = New Business Contribution **after cost of capital** divided by New Business premiums on an APE basis.

[Table of contents

- **1 : Introduction**
- **2 : Overview of financial performance**
- **3: 2004 Embedded Value**
- ***4 : On the road for growth***
- **5 : Conclusion**

[For AXA, Financial Protection is a growth business ...

- Insurance is by its nature a growth business
- Pricing discipline remains
- Unit-linked business is back in favor with customers

... and AXA benefits from its specific positioning in key markets



We see profitable growth in ... the US

AXA Distributors

- ◆ Plan to add nearly 50% more wholesalers in 2005, with heavy emphasis on developing the planner channel
- ◆ Leverage MONY life wholesaling expertise
- ◆ Continue to develop third party sales: new relationships with Morgan Stanley, Bank One and Wells Fargo

AXA/MONY Advisors

- ◆ Capture AXA operating efficiency gains with MONY
- ◆ Increase AXA product share in MONY sales (14% of MONY revenues in 4Q04 versus none before the acquisition)



[We see profitable growth in ... France (1)

- Acceleration in 2004 of the commercial drive initiated in 2003: 500,000 new contracts
- Growth in P&C (+5.5%) ahead of the market (+4.4%)
- Combined ratio improved by 2.2 points to 99.3%
- Increased revenues in individual life & savings up 9.6%, driven by 52% increase in unit-linked sales (market +38%)
- #3 player, and #1 insurer for commercialization of PERP products
- Group retirement revenues increased by 15.8% (market +2.8%)
- 2004 underlying earnings up 20%



We see profitable growth ... in France (2)

Growth should continue in 2005, supported by :

Product Innovation

- Life: new funds, structured products, GMDB features (Guaranteed Minimum Death Benefit)
- Non-Life: series of segmentation and niche initiatives

Distribution management

- Expanding the network
- Focus on High Net Worth individuals
- Roll out of « Assurbanking » strategy
- Revamping of BNPP Partnership (Natio Assurances)



We see profitable growth in ... Japan

Expanding distribution into non-proprietary channels and continue to leverage our competitive advantage in bancassurance:

- ◆ Successful growth platform with 12 large bank partnerships representing 3.1% market share* - Bank of Tokyo Mitsubishi distribution agreement in Nov 2004
- ◆ Leverage AXA Group's expertise in wholesale distribution (State-of-the-art IT platform, experienced sales staff, financial strength and credibility of the AXA Brand)
- ◆ Innovative new products derived from other AXA Group subsidiaries

Increase productivity of AXA Advisors

- ◆ Focus on recruitment and training
- ◆ Increase sales productivity index to 180% by 2007 from 100% in 2003



* Source: Diamond "Weekly Diamond 27".

We are making progress in the UK

Depolarization is an opportunity for long-term relationships

- **Multi-tie panel** positions secured with **Millfield** and **THINC Destini**. Other deals being finalized.
- **Britannia Building Society** single-tie commenced January 2005.

The new Protection product well received by the market

- Launched a **unique menu-based offering** through distribution deals with **Bankhall, Sesame, Millfield, Tenet** and **Lifesearch**.
- Will improve average margins.

Significant market growth experienced in Investment Products

- **Open architecture** bond to exploit the emerging trend for choice through choice of fund manager.

Continuing “Flight to quality” reengineering of operational process

- The market has recognized the significant improvement in AXA’s service in 2004 (source: Financial Advisors Star Awards 2004 - 4★ provider).
- AXA Life: one of the top financial strengths in the market.



[Table of contents

- **1 : Introduction**
- **2 : Overview of financial performance**
- **3: 2004 Embedded Value**
- **4 : On the road for growth**
- **5 : *Conclusion***

In a challenging environment ...

In 2004, the Insurance sector suffered from:

- ◆ A record level of catastrophes: unusually high frequency and severity
- ◆ A very volatile exchange rates market
- ◆ Declining bond yields
- ◆ Record year in terms of regulatory changes (IFRS, Sarbanes-Oxley, solvency, depolarization...)

[...AXA is solid and positioned for growth...

- ◆ AXA has a clearly identified business: Financial Protection
- ◆ The AXA brand supports the activity of all our operations
- ◆ A culture of operational excellence is spreading throughout the Group
- ◆ AXA companies offer competitively positioned products and improving service quality
- ◆ Our asset managers are generating significant net cash-flows



[... and AXA can still leverage its strengths

- By improving our profitability
- By leveraging the size of the Group
- By benefiting from our sustained exposure to equities
- The strength of our balance sheet and our results enables us to seize opportunities for external growth.

Over the medium to long term we see sustainable organic growth

- Life & Savings APE +5% to +10% per year
- P&C premiums +3% to +5% per year
- Asset Management fees >+10% per year

Earnings growth should exceed revenue growth

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, economic and market developments, regulatory actions and developments, litigations and other proceedings. Please refer to AXA's Annual Report on Form 20-F for the year ended December 31, 2003 and AXA's Document de Référence for the year ended December 31, 2003, 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.





**FINANCIAL
PROTECTION**

Be Life Confident
