

**AXA**

**Denis Duverne**

Chief Finance Officer  
Member of AXA's Management Board

June 11, 2009

EXANE BNP Paribas Conference

redefining / standards



## Cautionary statements 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 AXA's Annual Report on Form 20-F and AXA's Document de Référence for the year ended December 31, 2008, for a description of certain important factors, risks and uncertainties that may affect AXA's business.

In particular, please refer to the section "Special Note Regarding Forward-Looking Statements" in AXA's Annual Report on Form 20-F. 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.

# AXA at a glance

## Our worldwide business

Life insurance  
Property & Casualty insurance  
Asset Management

## Our clients

**80 million**, mostly retail

## Our distribution

**50%** proprietary  
**50%** non proprietary

## Our people

**135,000** employees

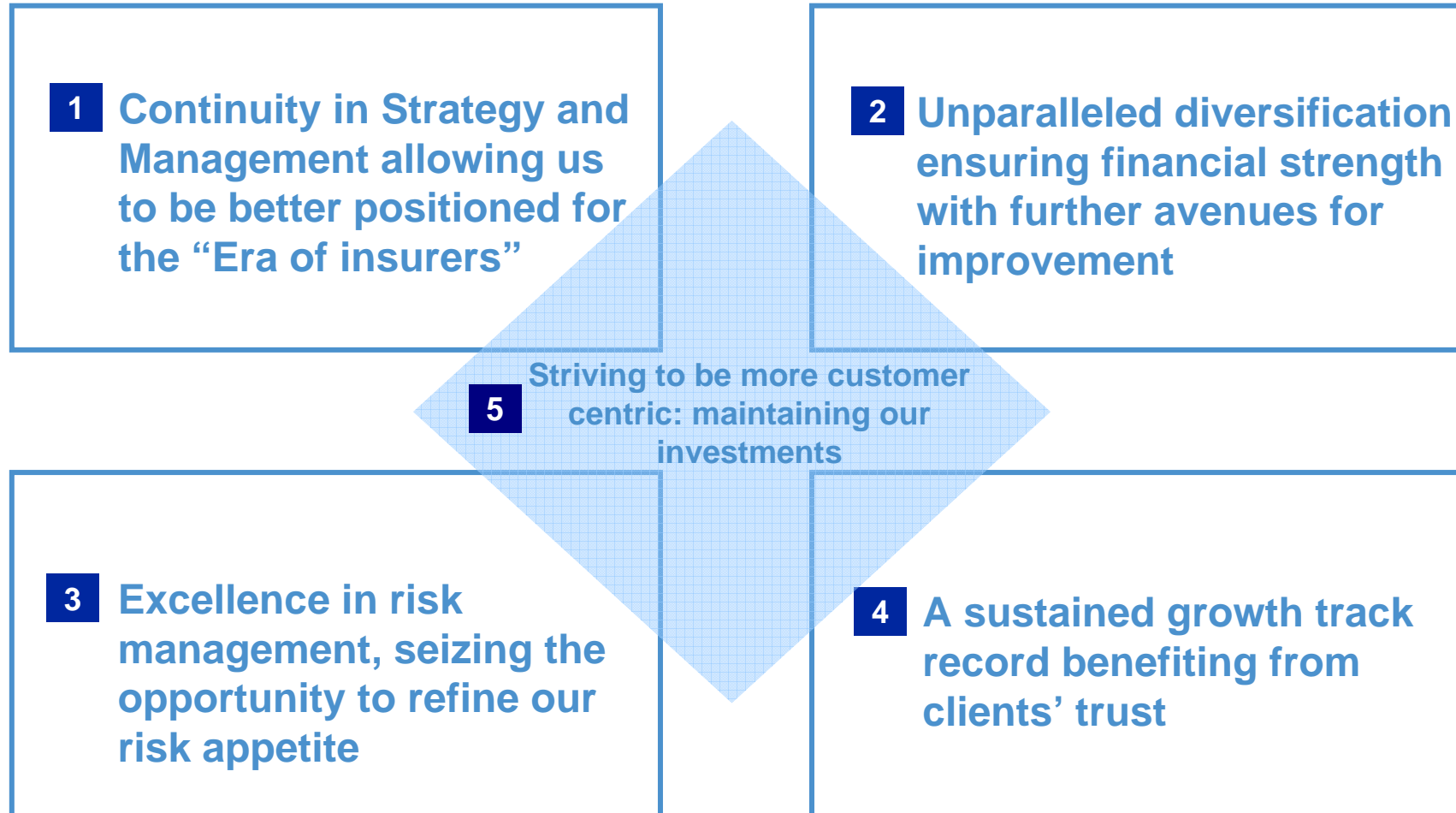
## FY08 Key figures

Revenues: **€91 billion**  
Underlying earnings: **€4 billion**  
Net income: **€1 billion**  
Shareholders' equity: **€37 billion**  
AUM: **€81 billion**

## Market data as of December 31, 2008

Market capitalization: **€33 billion**  
Share price: **€15.8**  
Dividend: **€0.4** per share

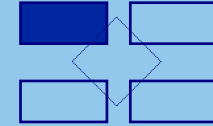
# AXA's DNA, a live test through the crisis



# AXA's DNA, a live test through the crisis

**1** Continuity in Strategy and Management allowing us to be better positioned for the “insurers era”

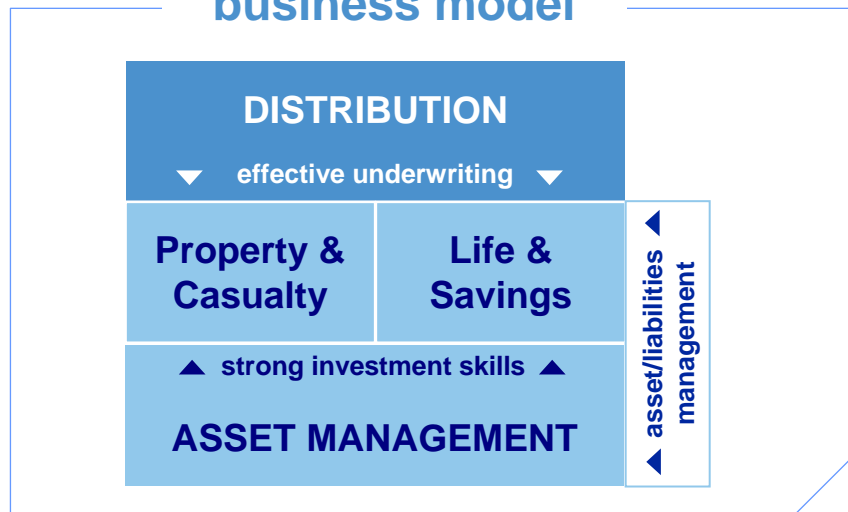
# Continuity in Strategy and Management



AXA — a pure insurance player with a

- clear business model
- clear organization
- stable history of management

## business model



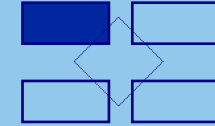
## organization



## management

- Current CEO is the 2<sup>nd</sup> in the history of AXA
- Same management team since early 2000's

# “The Era of Insurers”



## “Era of the Banking Industry”

- People saved – but weren’t investors
- Bought stocks and held
- Defined-Benefit Plans

## “Era of Asset Management and Mutual Funds”

- Savers Becoming Active Investors
- 401(k) & money markets lead to Mutual Fund domination

1946

1970

2000

post-crisis  
and beyond

The current crisis does not impair the growth outlook for the insurance industry, despite its short-term effects

## Opportunity for the “Era of Insurers”

- Growing risk aversion
- Increasing longevity
- Widening pension gap

### Short term headwinds

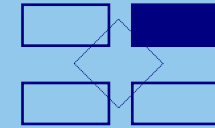
Drop in equity markets  
Lower interest rates

# AXA's DNA, a live test through the crisis

**2** Unparalleled diversification ensuring financial strength with further avenues for improvement

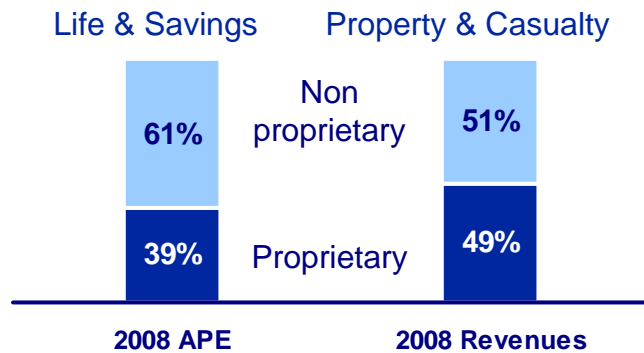


# Unparalleled diversification ensuring financial strength



## Stability and strength driven by multiple tiers of diversification

### Distribution

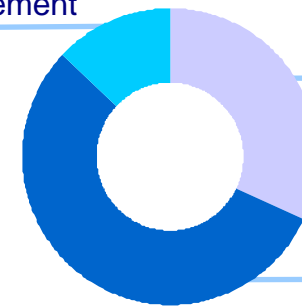


### Business

(in % of 2008 underlying earnings)

#### Asset management

13%



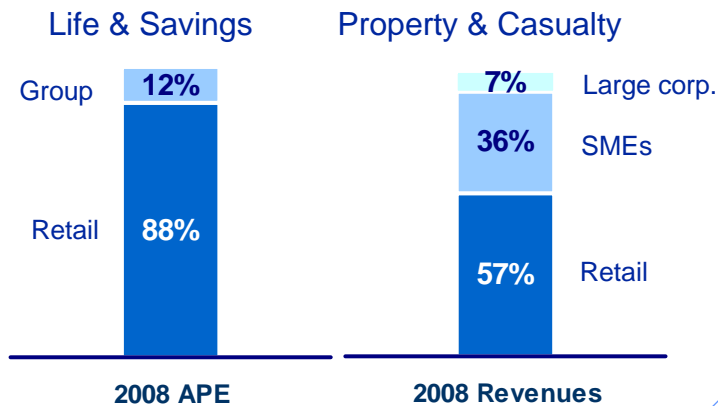
L&S

32%

P&C

55%

### Clients: 80 million



### Geography

(in % of 2008 revenues)

#### France

24%

#### Mediterranean & LA region

13%

#### NORCEE

26%



North America

18%

Asia-Pacific (incl. Japan)

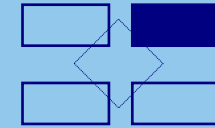
10%

UK & Ireland

10%

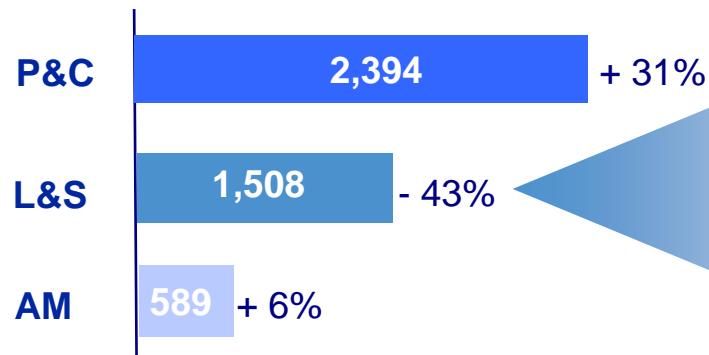
\* Excluding International Insurance, Asset Management, Banking & Holdings

# A key advantage with further avenues for improvement



## Business diversification

allowed us to weather the storm in 2008  
Underlying Earnings (Euro million)



## Product diversification

opportunity for improvement in L&S

- **Protection**
- **Savings**
  - Variable annuities
  - Unit-Linked
  - General account



## Asset diversification

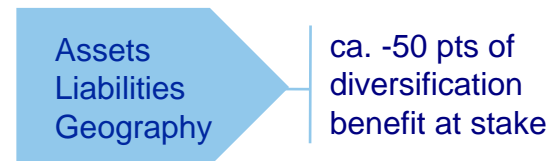
Asset diversification is strong, but severity of the crisis & mark to market accounting rules impacting the sector

Equities	4%
Corporate bonds	35%
ABS	3%
Real Estate	5%
Alternative invest.	3%

## Diversification benefits

officially recognized through the new Solvency II framework

- Formally approved by the Parliament and Euro Council in April and May 2009



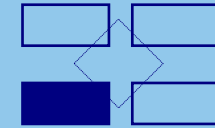
# AXA's DNA, a live test through the crisis



**3** Excellence in risk management, seizing the opportunity to refine our risk appetite



# Excellence in Risk Management



## Systematic risk screening

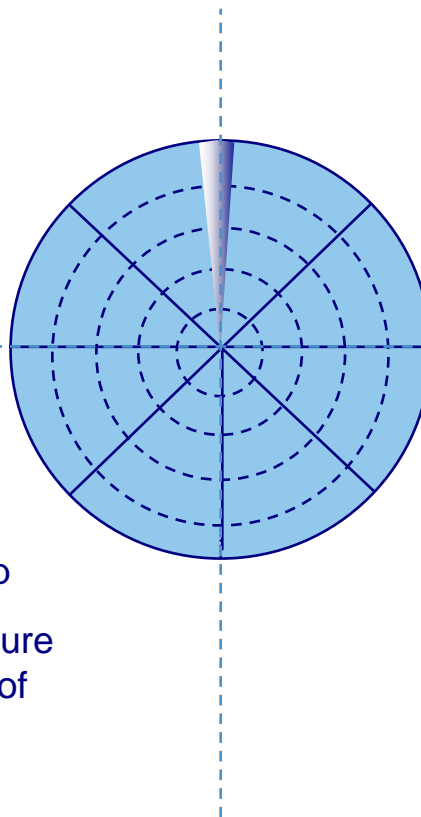
Core to our business

### Strong capital management

- AA range rating for Solvency II and rating agencies
- Optimized debt gearing with very long term debt maturities

### Reduced insurance risk

- Euro 3 billion reinsurance coverage of Cat Nat events
- Balanced mortality and longevity profile



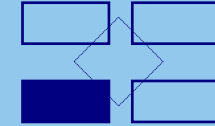
### Active asset and liability management

- Limited duration and convexity gap
- High quality corporate bond exposure (A+ rating) and proactive hedging of equity exposure

### Rigorous underwriting and pricing

- Systematic product approval process prior to launch
- Proactive update of product features and pricing in response to market conditions

# Seizing the opportunity to refine our risk appetite



## Vigilant risk management allowed us to weather the storm

No recourse to market or government capital

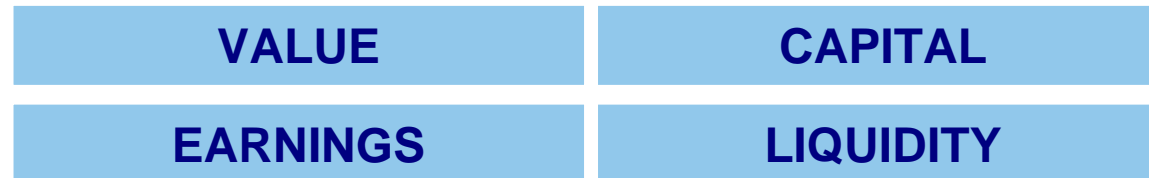
### What went well

- Hedging against a fall in equities
- Effectiveness of asset/liability management
- Appropriate hedging strategies for interest rate and FOREX risks

### Capacity for improvement

- Hedging against risks related to guarantees on variable annuity products under extreme conditions
- Minimizing tail risk in product design
- Asset management performance in the United States

Risk appetite updated with new tail risks scenarios, optimizing the 4 key dimensions:

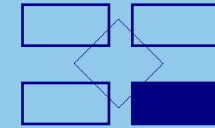


# AXA's DNA, a live test through the crisis

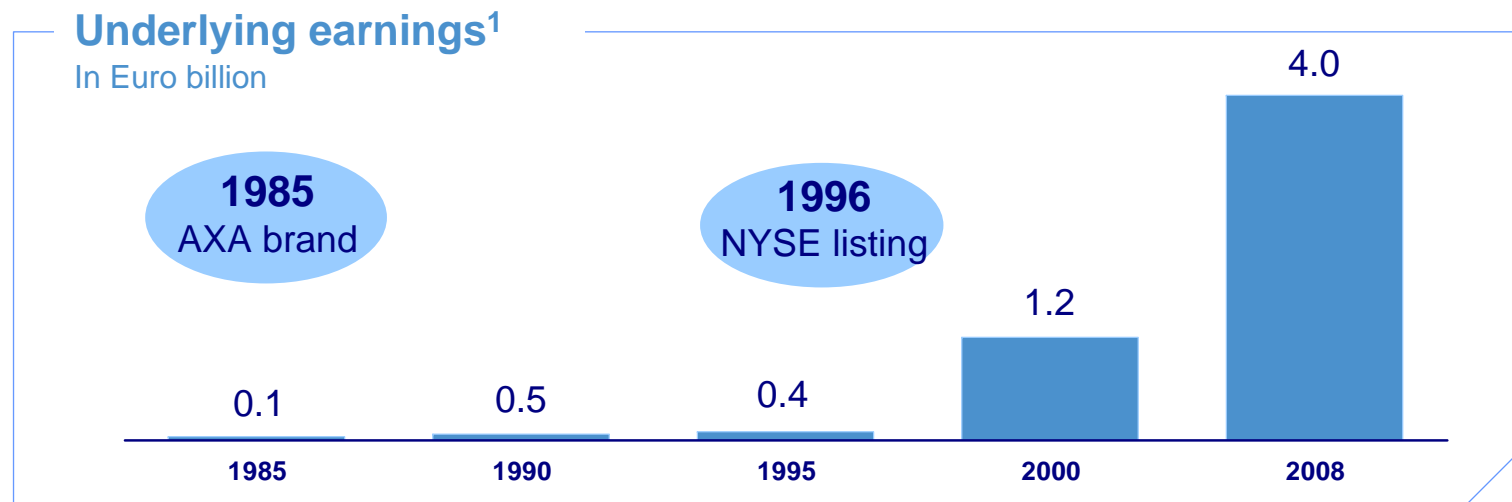
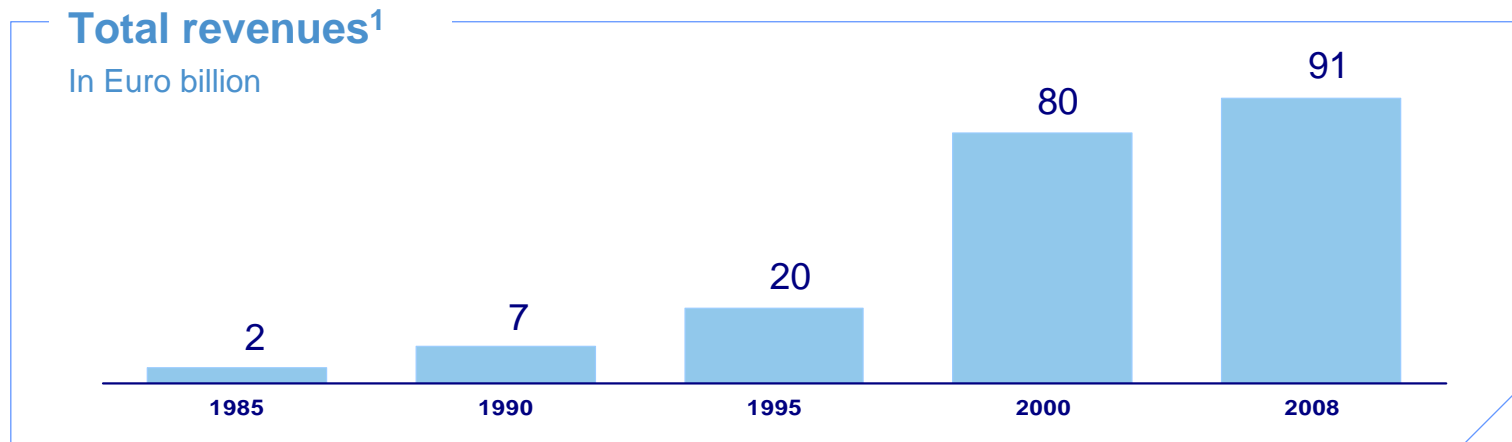


**4** A sustained growth track record benefiting from clients' trust

# A sustained growth track record

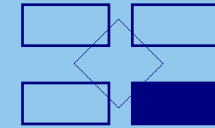


Within a single generation, a steady ascent to industry leadership



1) IFRS since 2004

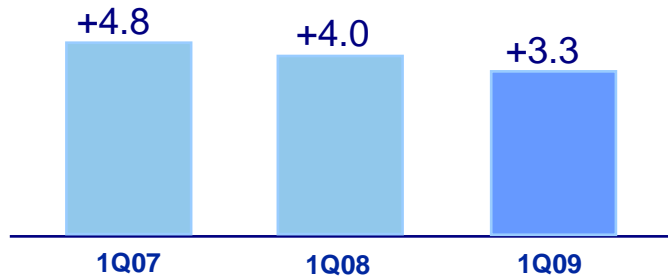
# Maintaining clients' trust despite the crisis



## Insurance customers continue to exhibit trust in AXA

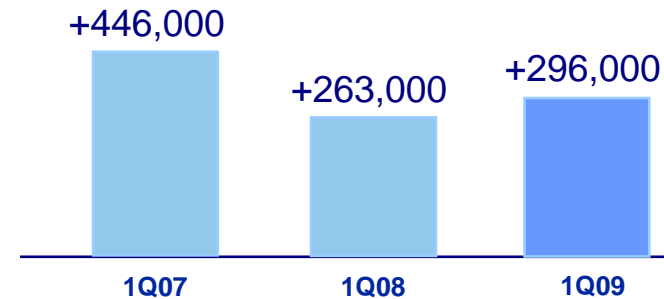
### Positive L&S net inflows

Euro billion



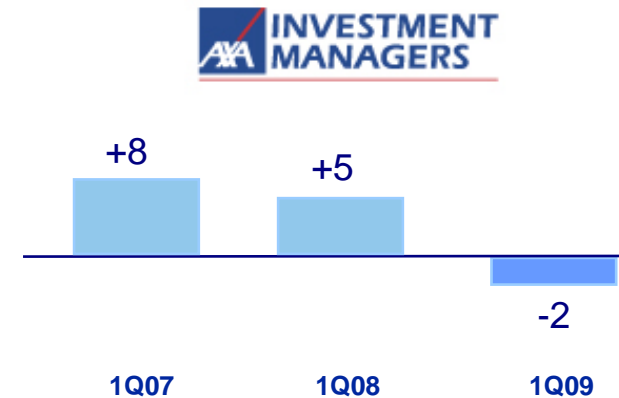
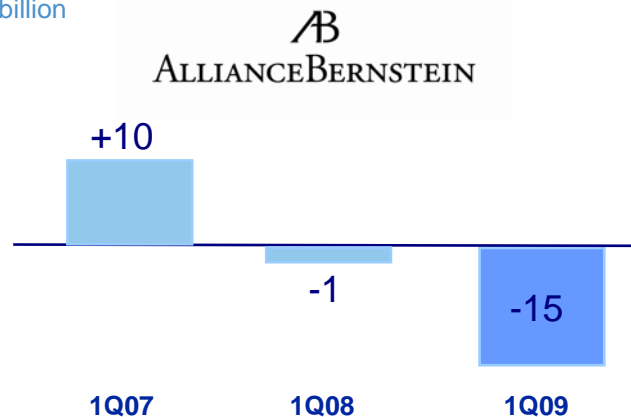
### Positive P&C net contracts

Number of contracts



## Asset management: expected turnaround at AllianceBernstein while AXA IM proving resilient

Euro billion

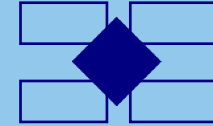




# AXA's DNA, a live test through the crisis



# Striving to be more customer centric



## Renewed focus on the customer

Insurance industry historically marked by

- Poor quality of service
- Limited offer range
- Limited differentiation among peers

customers need better choices / an opportunity to deliver better solutions

### New signature



**redefining** / standards

### New attitudes

**available** /

We are there when our customers need us and we listen to them, truly

**attentive** /

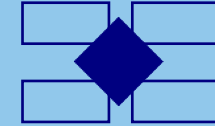
We treat our customers with empathy and consideration, provide personalized advice along their lives and reward their loyalty

**reliable** /

We say what we do and do what we say, we deliver and keep our customers informed, so that they can trust us










# Maintaining our investments



we invest in our customers / our customers should continue to invest with us

## Upgrading customer service

 Service Commitments	 Multi-Access
 Offer & Innovation	 Personal advice & Yearly follow-up
 Welcome and On boarding	 Distribution Preference
 Reward Loyalty	 Claims initiative
 Clear Communication	 Customer-Facing Behaviors

## Increasing customer reach

AXA Global Direct Property & Casualty

Open Architecture sub-advisory platform (Architas)

AXA Global Distributors (Variable Annuities)

AXA Bank Europe

## AXA's DNA, a live test through the crisis

**Conclusion: what do we see in 2009?**

# Conclusion: What do we see in 2009?



## Life & Savings

- + Restoring our profitability with contained VA hedging losses
- Lower Assets Under Management



## Property & Casualty

- + End of softening cycle on prices
- Recessionary environment weighing on volumes & claims



## Asset Management

- + Improving asset management performance
- Lower Assets Under Management



## Macro environment



### Current market stabilization...

Lower volatility  
Flattening equity markets  
Steepening of interest rates yield curve

### ...with remaining macro uncertainties

V shape scenario or L shape scenario?  
Inflation vs. deflation?  
Long term volatility?