

# Half Year 2012 Earnings

August 3, 2012

**Presentation**

# Cautionary note concerning forward-looking statements

Certain statements contained herein are forward-looking statements including, but not limited to, statements that are predictions of or indicate future events, trends, plans or objectives. Undue reliance should not be placed on such statements because, by their nature, they are subject to known and unknown risks and uncertainties. Please refer to the section “Cautionary statements” in page 2 of AXA’s Document de Référence for the year ended December 31, 2011, 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.

# 1H12 key highlights

## Sustainable earnings

- Underlying Earnings increased to Euro 2.3 billion, stable on a comparable basis
- Adjusted Earnings stable at Euro 2.4 billion
- Net Income at Euro 2.6 billion (Euro 4.0 billion in 1H11) due to non repeat of exceptional gains on disposals

## Robust balance sheet

- Solvency I at historical highs at 207%
- Economic Solvency at 174% assuming US equivalence
- Gearing ratio at 27%

## Focusing on our Ambition AXA strategy

- Life & Savings NBV margin stable at 24%
- P&C combined ratio down 0.8 point to 96.4%
- Stable assets under management at Euro 888 billion, with net flows improving by Euro 16 billion to Euro -8 billion
- Cost savings plan on track with ca. Euro 0.16 billion achieved

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# Today's environment is challenging for the industry

## Eurozone crisis not over

Governments challenged on fiscal deficit and growth initiatives

## Difficult financial markets

Strong decrease in interest rates (ca. 140bps\* lower than 1H11)  
Widening spreads in Eurozone peripheral countries  
Macro-driven equity markets

## Economic outlook

Low visibility on future global growth

## Regulatory uncertainties

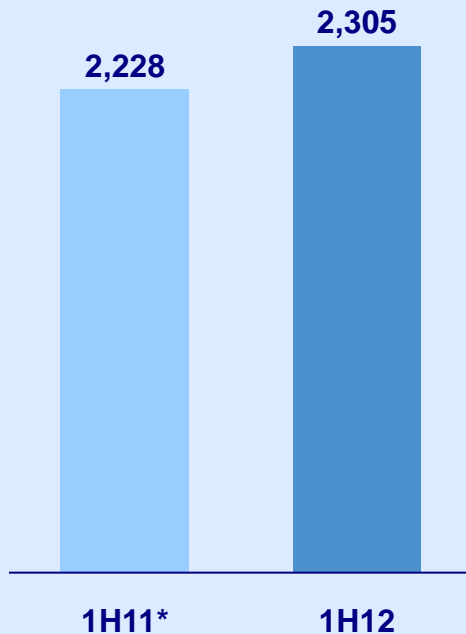
No agreement on Solvency II yet achieved at the last Trialogue on July 12, 2012  
Countercyclical measures still to be agreed

\* 10-year average swap rates in the Eurozone and in the US

# But AXA's business model is proving resilient with sustainable earnings

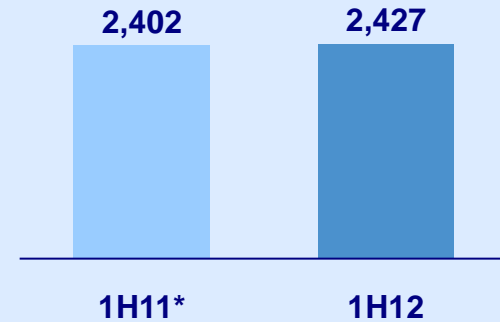
## Underlying Earnings

In Euro million



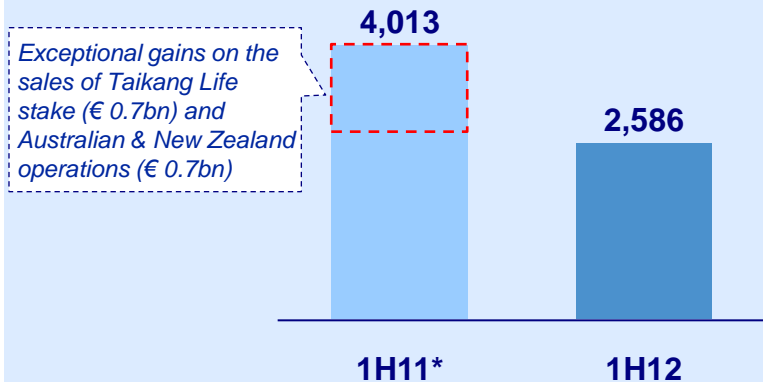
## Adjusted Earnings

In Euro million



## Net Income

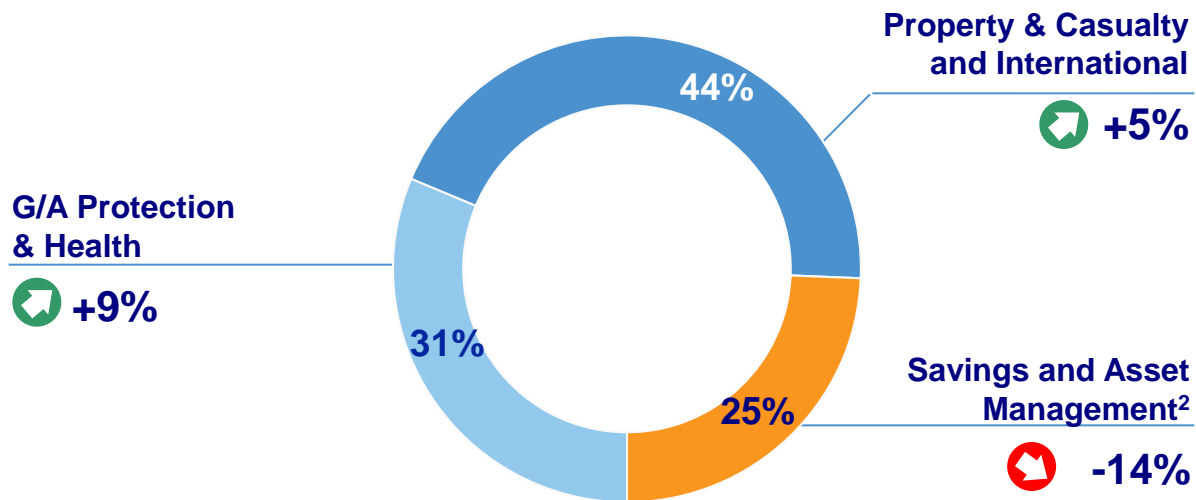
In Euro million



\* Restated for the change in deferred acquisition costs (DAC) accounting methodology adopted retrospectively as at January 1, 2012

# The majority of earnings comes from non-market sensitive segments

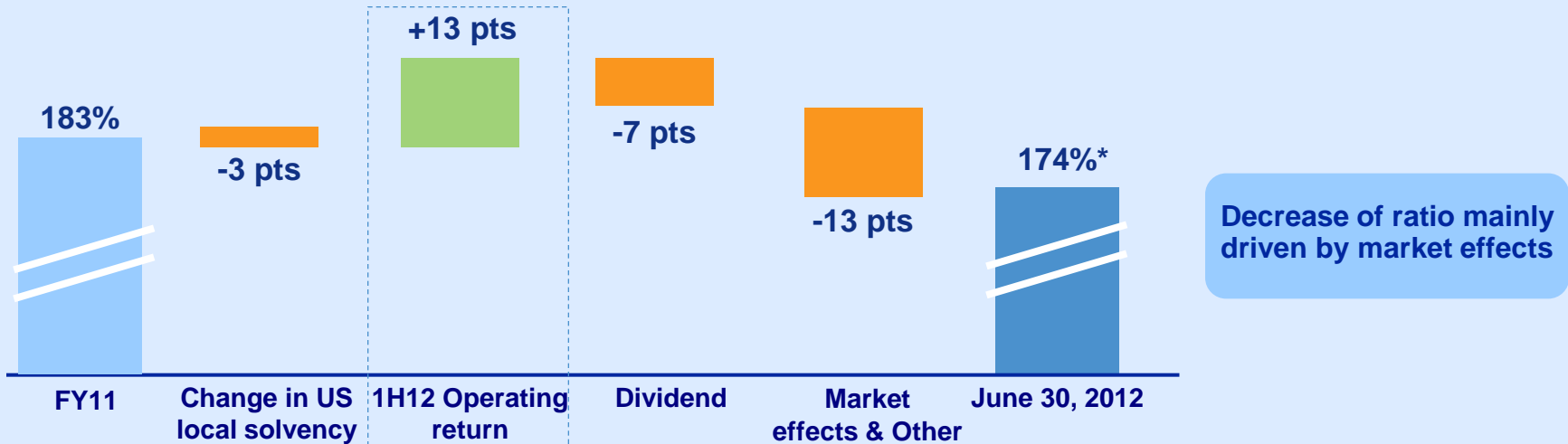
## 1H12 pre-tax Underlying Earnings<sup>1</sup>



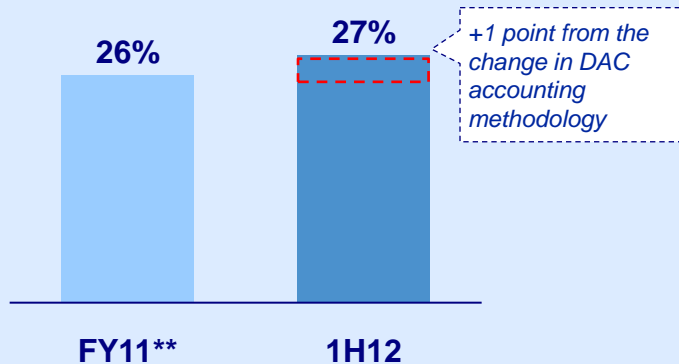
Changes are at constant Forex

# Our solvency level is comfortable, supported by strong operating return

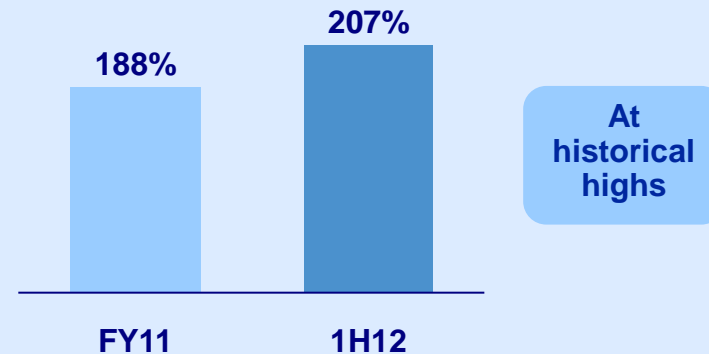
## Economic solvency ratio



## Debt gearing



## Solvency I ratio



\* At June 30, 2012, 38 points come from US equivalence under the Solvency II regime, which serves as a basis for the economic solvency calculation. AXA Equitable required and available capital are based on the New York State RBC framework, assuming a 300% RBC required capital level

\*\* Not restated for the change in DAC accounting methodology adopted retrospectively as at January 1, 2012



# We keep our focus on delivering on our Ambition AXA strategy

## Mature markets

Sustainable growth in earnings & operating Free Cash Flows

**Selectivity**

## High growth markets

Double our size organically

**Acceleration**

## Efficiency

Everywhere with a focus on mature markets



**Financial performance impacted by market conditions**

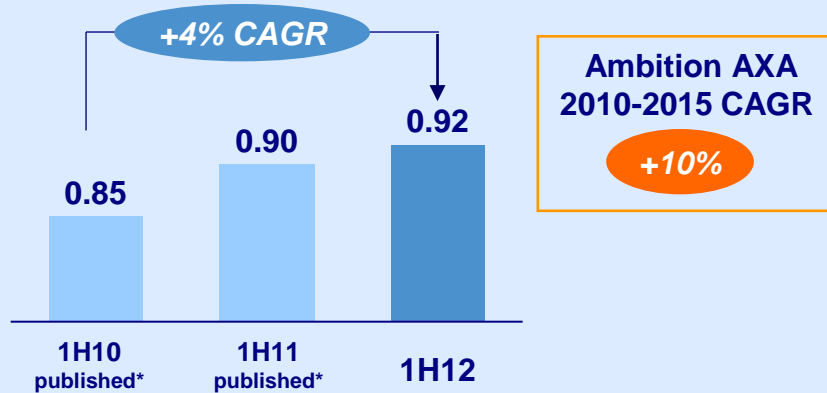
**Delivering on operational initiatives**

# Ambition AXA

Financial performance impacted by market conditions

## Underlying Earnings per share

In Euro per share



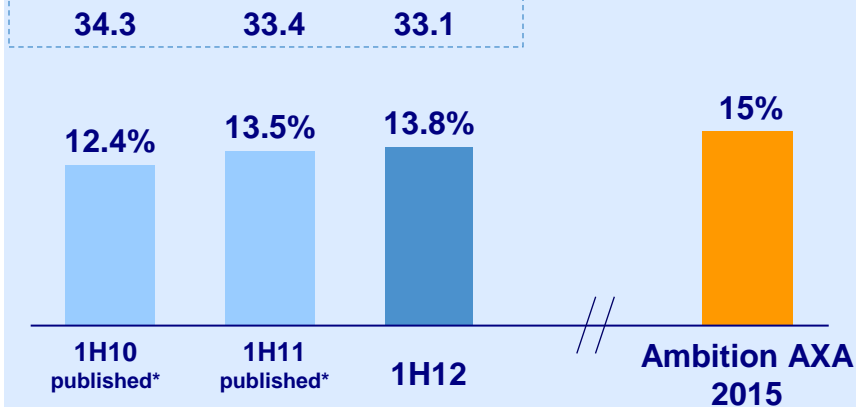
## Group operating free cash flows

1H12 in line with Ambition AXA plan

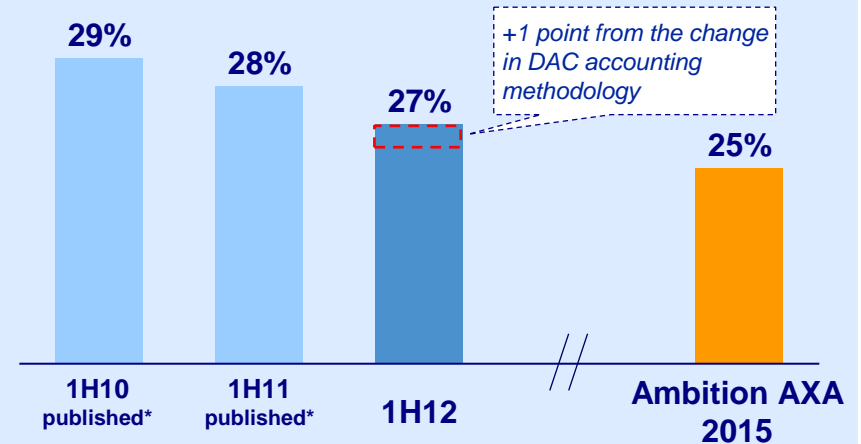
**Ambition AXA 2010-2015 cumulative Euro 24 billion**

## Adjusted return on equity<sup>1</sup>

Average adjusted shareholders' equity<sup>1</sup>  
(in Euro billion)



## Debt gearing



\* Not restated for the change in DAC accounting methodology adopted retrospectively as at January 1, 2012

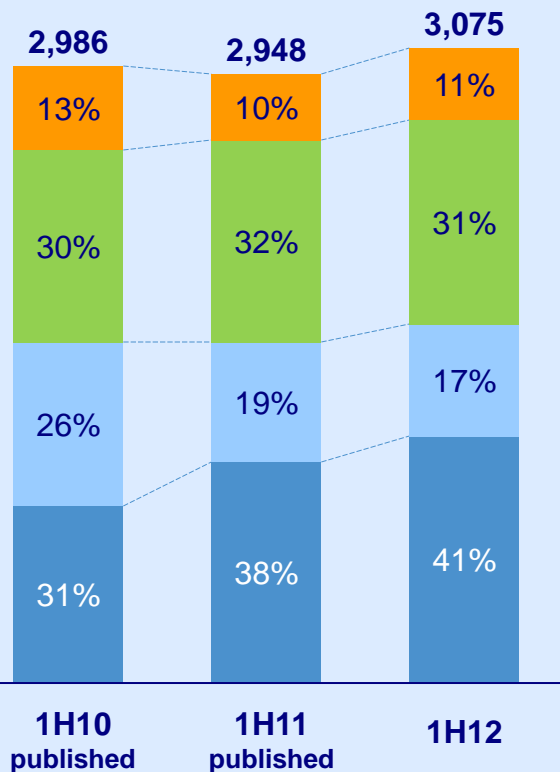
# Ambition AXA: reshaping the Life & Savings business

## Higher profitability through improved business mix

### APE by product

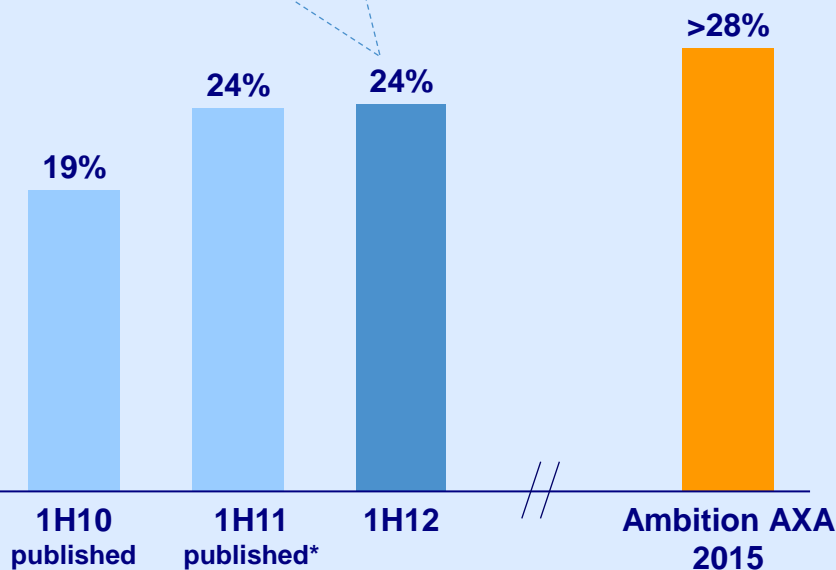
In Euro million

APE growth  
CAGR  
1H10-1H12



■ Mutual funds & other    ■ G/A Savings  
■ Unit-Linked            ■ G/A Protection & Health

### NBV margin

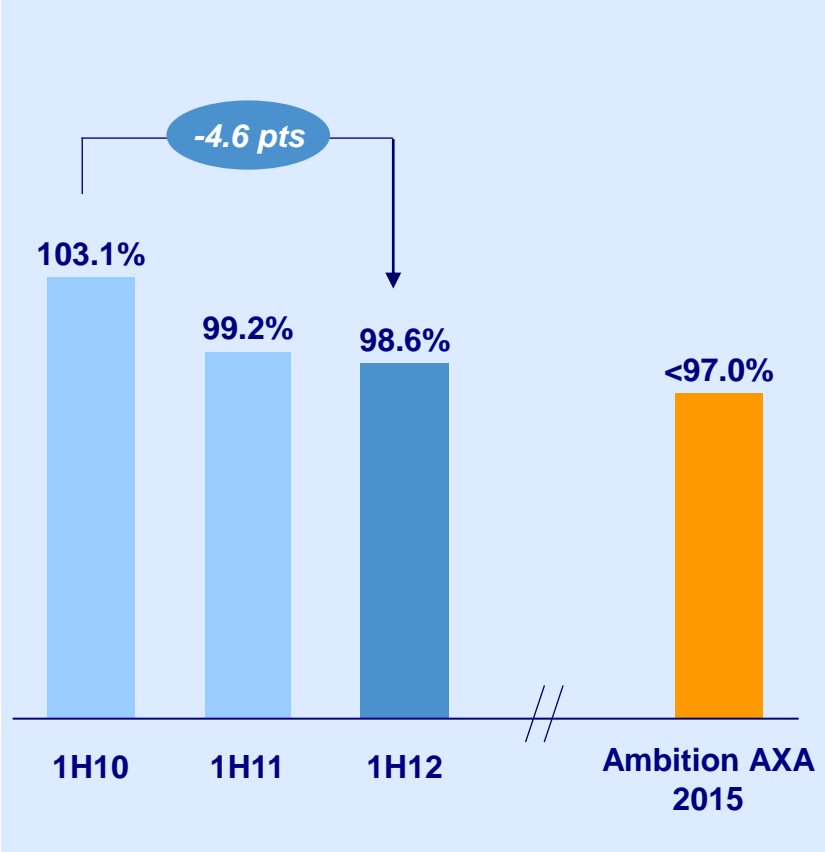


\* Updated for actuarial and financial assumptions at FY11

# Ambition AXA: fostering P&C profitability

Combined ratio improvement is well on track and benefits from a favorable P&C cycle

### Current year combined ratio



### Combined ratio

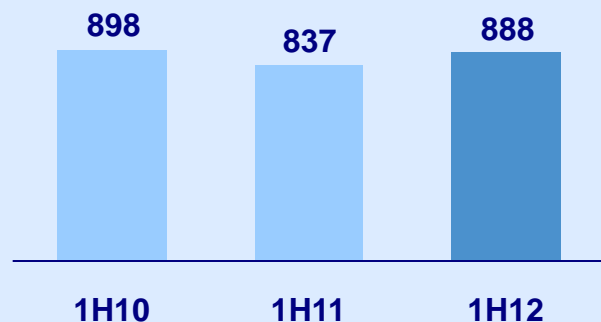


Changes are on a reported basis

# Ambition AXA: improving flows in Asset Management

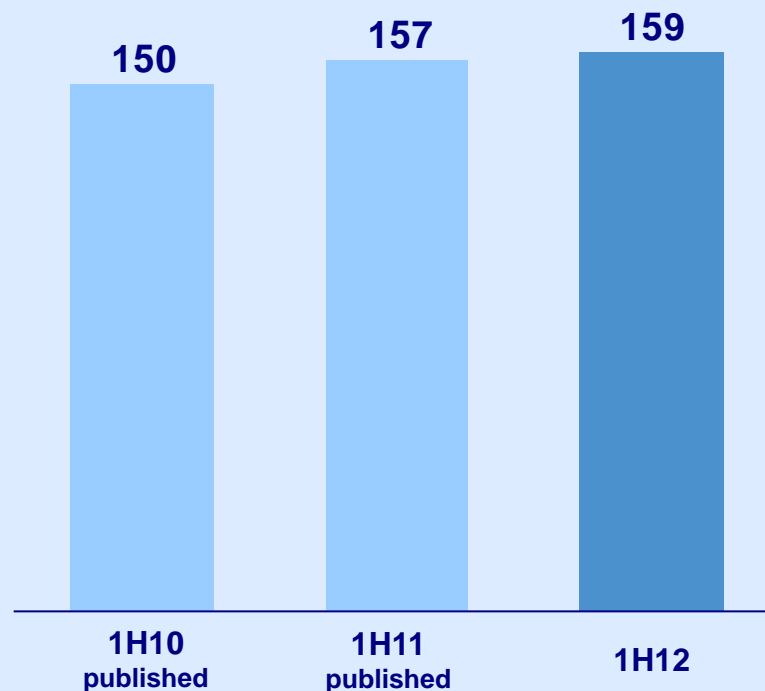
## Stable assets under management

In Euro billion



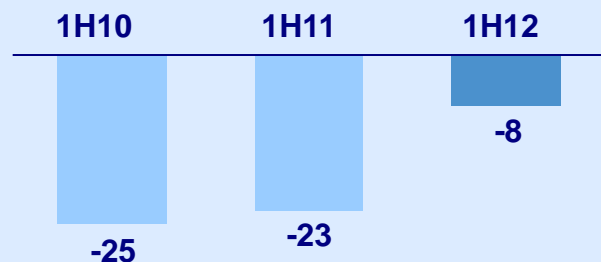
## Resilient Underlying Earnings

In Euro million



## Improving net flows

In Euro billion



Going  
forward

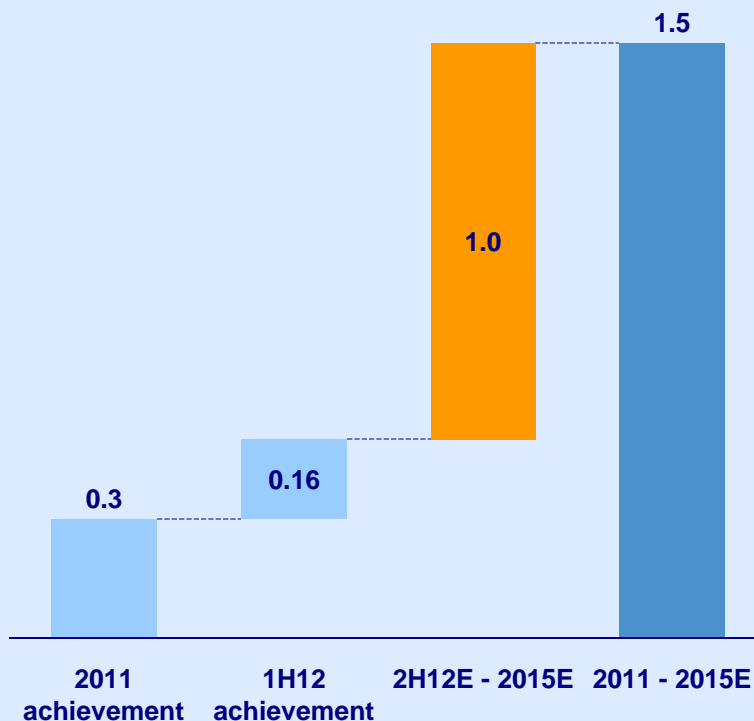
Continue to improve investment performance

Further develop multi expert active asset management model through product innovation and geographical diversification

# Ambition AXA: cost savings plan in mature markets is on track

Ca. Euro 0.16 billion savings achieved in 1H12

In Euro billion



**Ambition AXA**

**Maintain P&C and L&S administrative costs**

**Reduce P&C acquisition expense ratio by 1.5 pts**

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by Henri de Castries, Chairman and CEO

# 1H12 financial performance

Group earnings

Life & Savings

Property & Casualty

Asset Management

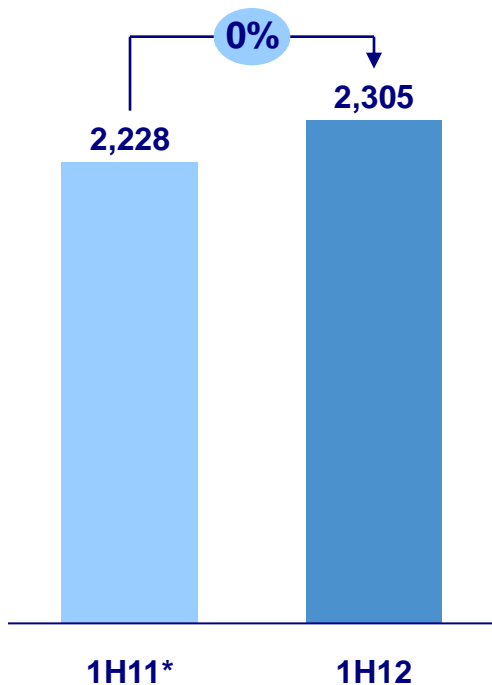
Balance sheet



# Underlying Earnings (1/2)

## Underlying Earnings

In Euro million



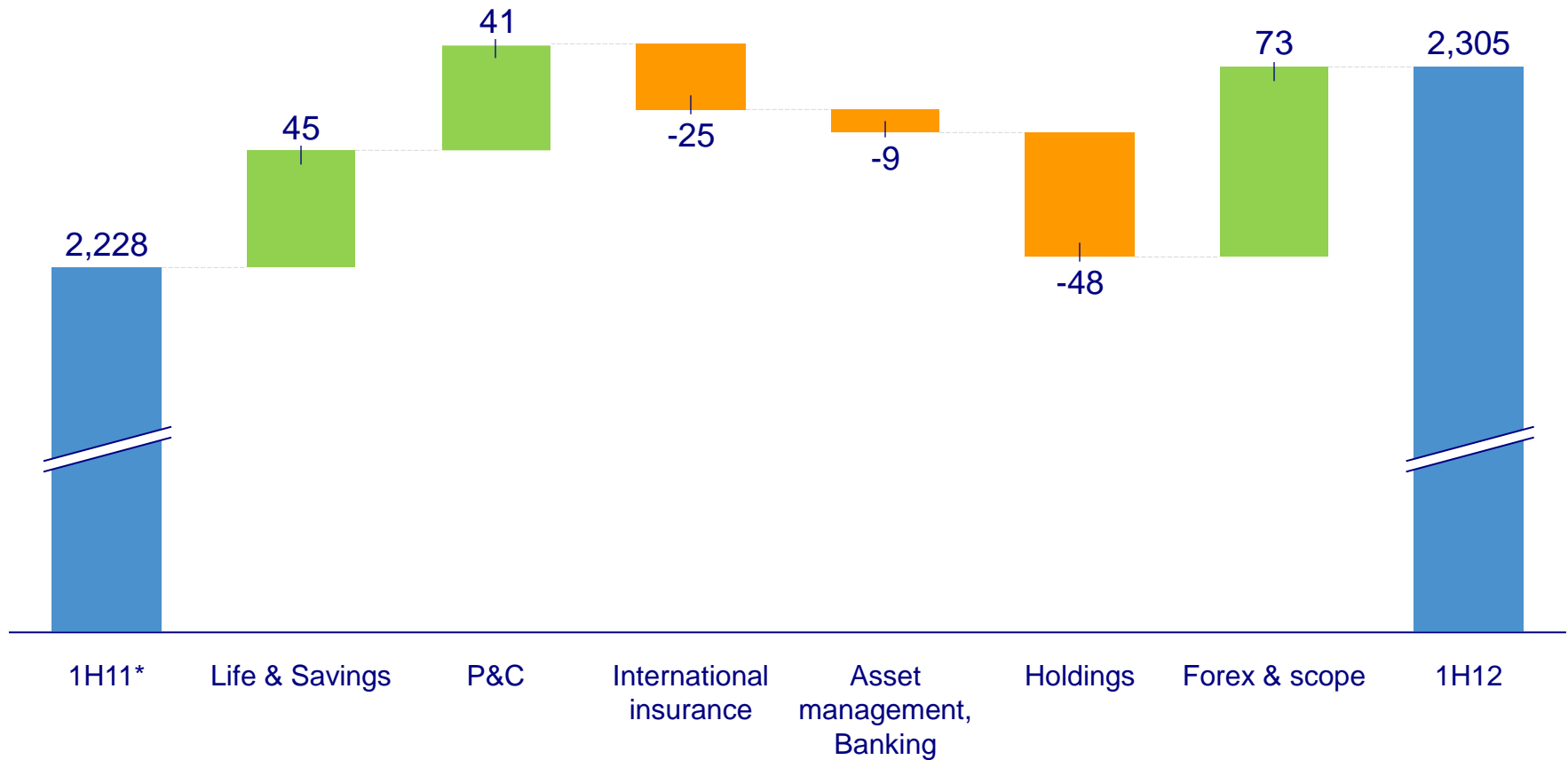
## Underlying Earnings by segment

In Euro million	1H11*	1H12	Reported basis	Constant Forex
Life & Savings	1,316	1,411	+7%	+3%
Property & Casualty	989	1,044	+6%	+4%
Asset Management	157	159	+2%	-4%
International Insurance	143	118	-17%	-18%
Banking	8	5	-37%	-38%
Holdings	(384)	(433)	-13%	-12%
<b>Underlying Earnings</b>	<b>2,228</b>	<b>2,305</b>	<b>+3%</b>	<b>0%</b>

\* Restated for the change in DAC accounting methodology adopted retrospectively as at January 1, 2012

# Underlying Earnings (2/2)

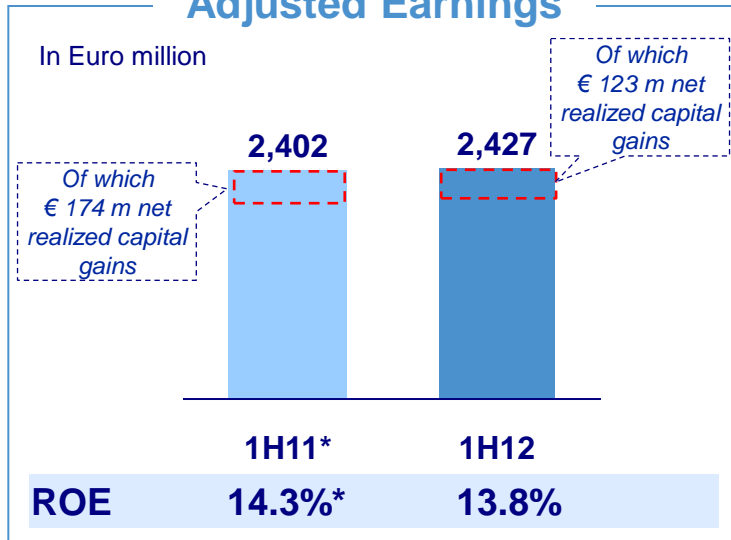
In Euro million



\* Restated for the change in DAC accounting methodology adopted retrospectively as at January 1, 2012

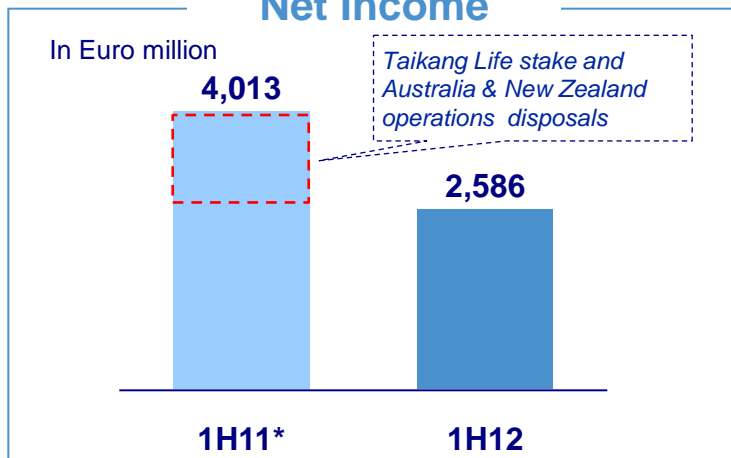
# Adjusted Earnings and Net Income

## Adjusted Earnings



Adjusted Earnings mainly impacted by lower realized capital gains on equities and real estate, partly offset by lower impairments, mainly due to the non-repeat of 1H11 Euro 92 million net impairment on Greek government bonds

## Net Income



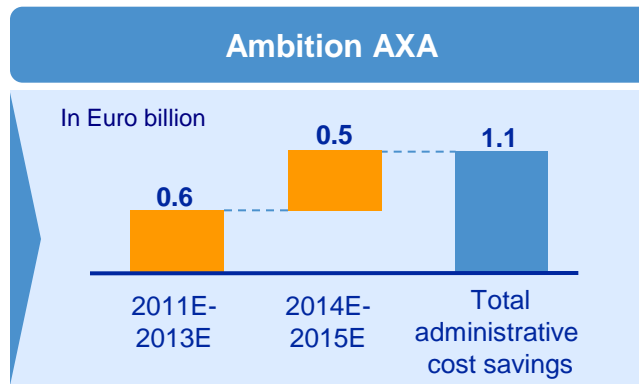
Net Income mainly impacted by non repeat of exceptional gains on Taikang Life stake (€ 0.7bn) and Australia & New Zealand operations (€ 0.7bn) sales in 1H11

\* Restated for the change in DAC accounting methodology adopted retrospectively as at January 1, 2012

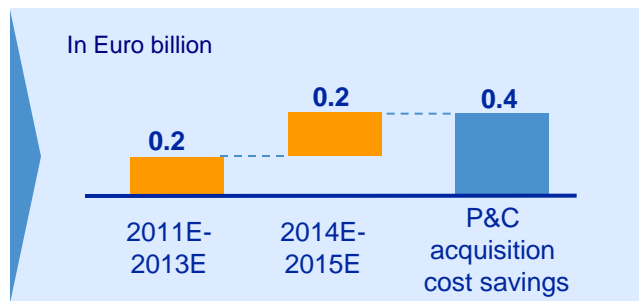
# Efficiency

Cost savings plan in mature markets is on track

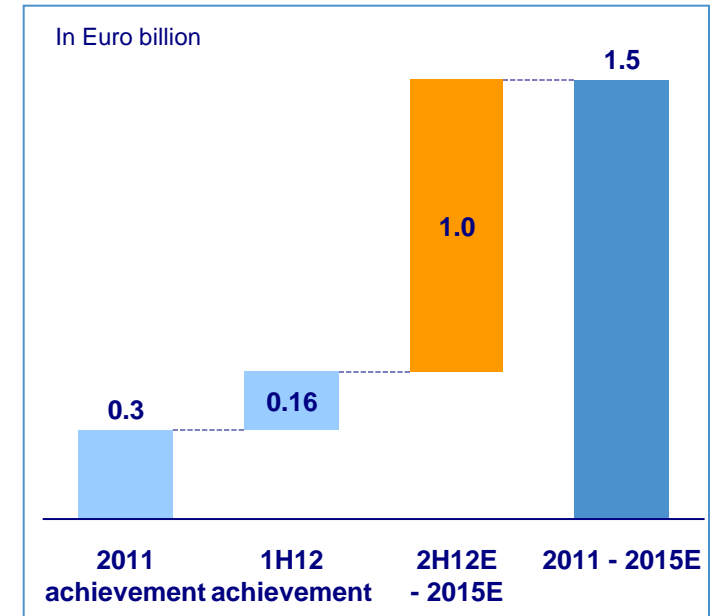
**Maintain P&C and L&S administrative costs**



**Reduce P&C acquisition expense ratio by 1.5 pts**



**Ca. Euro 0.16 billion savings achieved in 1H12**



## Efficiency initiatives

**Global platforms**  
(e.g. European administration & accounting platforms)

**Product re-use & global manufacturing**

**Set up of Global business lines & lean programs**

**Procurement initiatives**

# 1H12 financial performance

Group earnings

**Life & Savings**

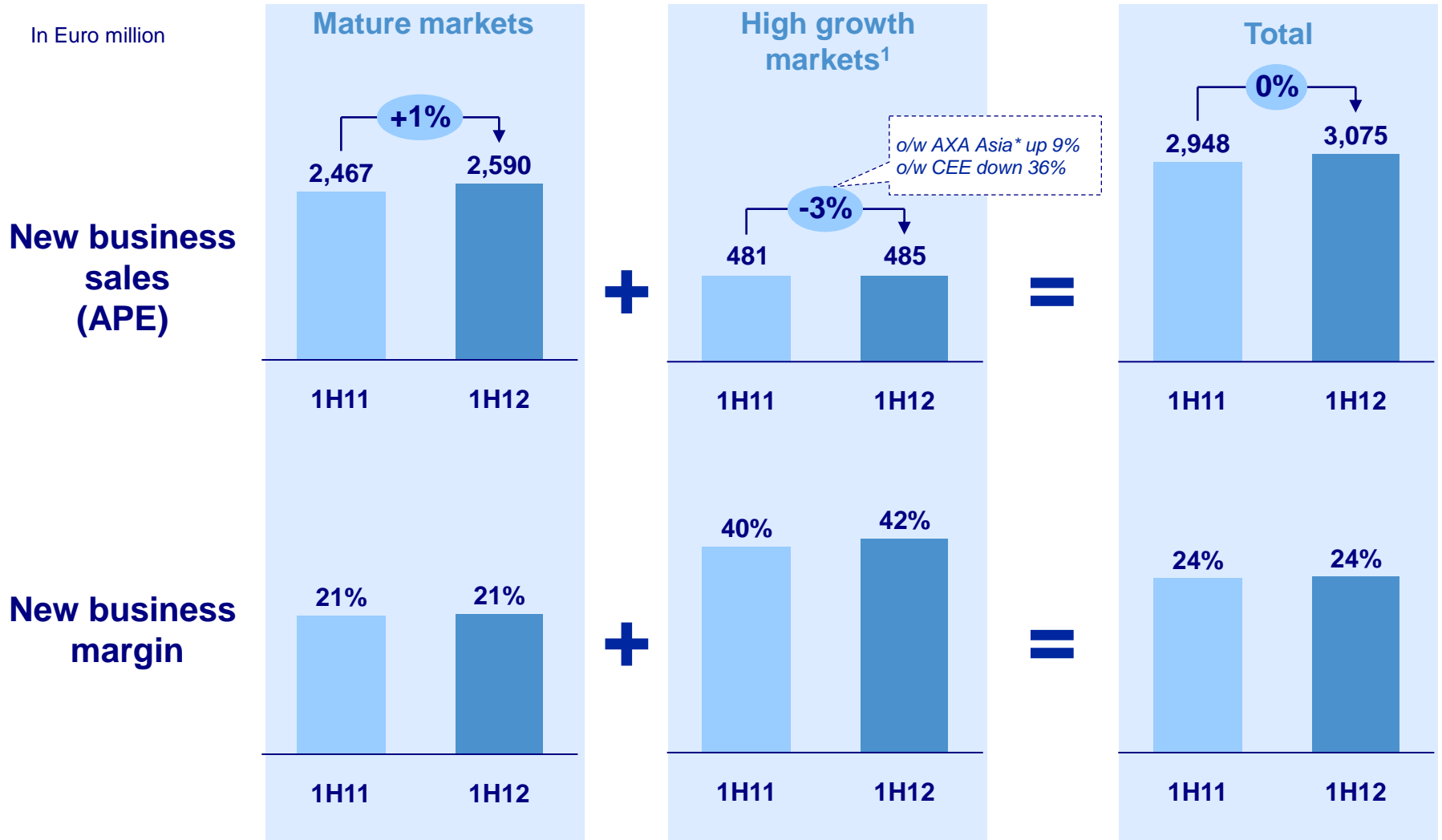
Property & Casualty

Asset Management

Balance sheet

# L&S – New business sales and margins by market

In Euro million






\* Operations in Asia excluding Japan

Changes are on a comparable basis

All notes are on page 52 of this document

# L&S – New business sales and margins by business

## Continued improvement in business mix

	APE (Euro million)			NBV margin
	1H11	1H12	Change	1H12
<b>G/A Protection &amp; Health</b>	<b>1,130</b>	<b>1,250</b>	<b>+5%</b> 	<b>43%</b>
<b>G/A Savings</b>	<b>560</b>	<b>531</b>	<b>-6%</b> 	<b>-5%</b>
<b>Unit-Linked</b>	<b>948</b>	<b>957</b>	<b>-3%</b> 	<b>22%</b>
<b>Mutual funds &amp; Other</b>	<b>309</b>	<b>335</b>	<b>+2%</b>	<b>6%</b>
<b>Total</b>	<b>2,948</b>	<b>3,075</b>	<b>0%</b>	<b>24%</b>

Strong sales in **South-East Asia, India and China, Germany** (anticipation of a change in regulation), **Japan** (Term Rider and Long Term Protection products), and **France** (new Entour'age product)

Discipline in a low profitability environment, mainly in **France and Italy**, partly offset by **Belgium**

Strong performance in the **US, Italy**, more than offset by **CEE and the UK**

Strong performance of Elevate platform in the **UK**, partly offset by the **US**

Changes are on a comparable basis

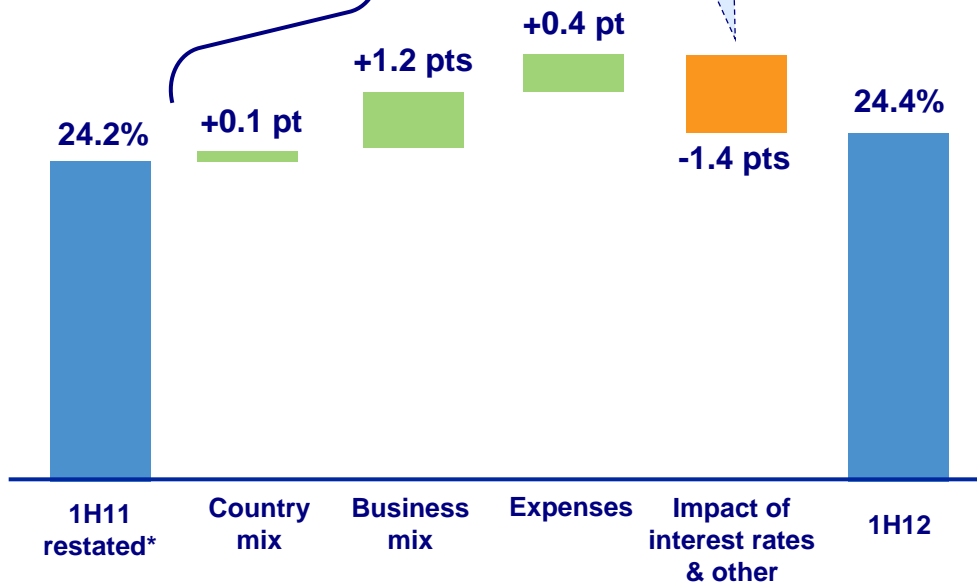
# L&S – New business margin rollforward

Positive impact from improved business mix

## 1H12 drivers of change

- Improved mix toward Protection & Health
- Higher contribution from high growth markets
- Lower expenses

Mainly lower interest rates impact on GMxB products



## Going forward

Continue to improve business mix

**Additional organic net capital investment 2011-2015E:**

- €+2bn on G/A Protection & Health
- €+1bn on Unit-Linked
- €0bn on G/A Savings

Ongoing G/A Savings products redesign

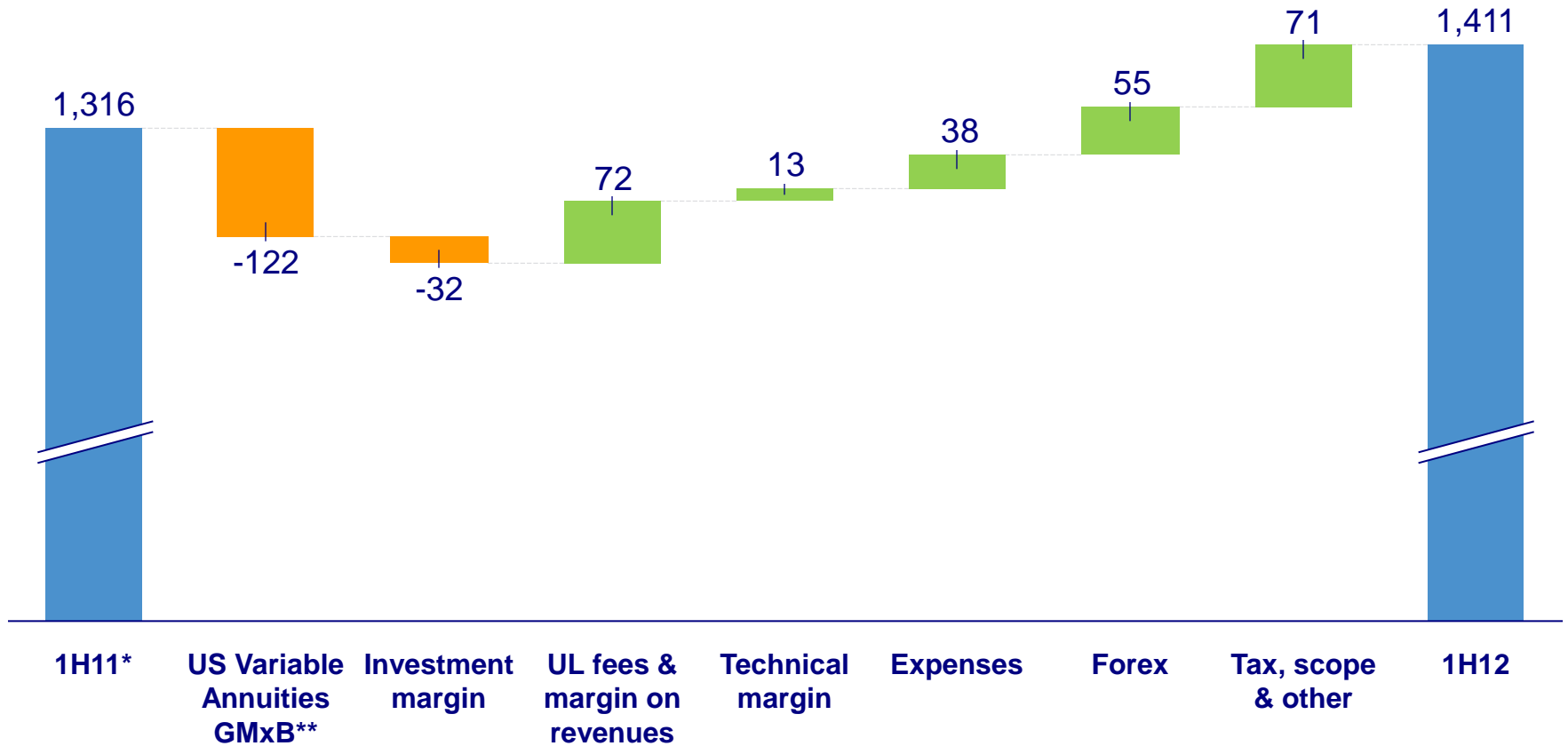
Hybrid products sold with a UL share	Products sold to attract higher margin UL business
Pure G/A products	Most products sold without guarantee or with a 1-year guarantee

\* Updated for actuarial and financial assumptions at FY11



# L&S – Underlying Earnings

In Euro million



\* Restated for the change in DAC accounting methodology adopted retrospectively as at January 1, 2012

\*\* Notional tax rate of 35%

Full detail in appendix on pages 15 to 20

# L&S – Underlying Earnings

## US GMxB Underlying Earnings

### US Variable Annuity GMxB Underlying Earnings (post tax)\*

( Euro million, net of DAC and tax*)	2011 Reported	2011 Restated**	1H11 Restated**	1H12
<b>Total VA base fees &amp; other, less expenses</b>	<b>156</b>	<b>165</b>	<b>123</b>	<b>100</b>
<b>GMxB Hedge Margin</b>	<b>(252)</b>	<b>(291)</b>	<b>(7)</b>	<b>(90)</b>
o/w Basis	(62)	(75)	(9)	(19)
o/w Volatility	(143)	(168)	(20)	(35)
o/w Interest rates, credit spreads & other	(47)	(48)	22	(36)
<b>Reserve increase due to lapse experience / assumptions</b>	<b>(152)</b>	<b>(200)</b>	<b>0</b>	<b>0</b>
<b>Reserve increase due to other policyholder behavior</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(137)</b>
<b>Reserve impact of management actions including premium suspension &amp; model refinements/assumptions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>120</b>
<b>VA GMxB Underlying Earnings</b>	<b>(249)</b>	<b>(325)</b>	<b>116</b>	<b>(7)</b>

### 1H12 takeaways

- GMxB Hedge Margin: limited basis risk, volatility partially hedged through variance swaps, options and swaptions
- Experience for lapses continues to be in line with current assumptions with no additional reserve increase for changes in lapse assumptions
- Reserve increase due to policyholder behavior driven by reserve strengthening for adjustments for partial withdrawals
- Favorable benefit to reserves from suspending ability to add incremental contributions into legacy Accumulators

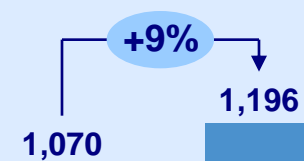
\* Notional tax rate of 35%

\*\* 2011 & 1H11 restated for the change in DAC accounting methodology adopted retrospectively as at January 1, 2012

# L&S – Pre-tax Underlying Earnings by business

## G/A Protection & Health

In Euro million

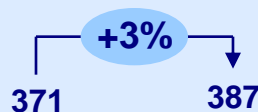


1H11\*      1H12

Up 1% excl. 1H11 impact of earthquake in Japan

## G/A Savings

In Euro million

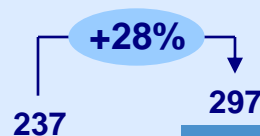


1H11\*      1H12

Benefiting from lower expenses partly offset by a lower investment margin

## Unit-Linked excl. US Variable Annuities GMxB

In Euro million



1H11\*      1H12

Higher upfront charges at AXA MPS, boni on protection riders in France and lower expenses

## US Variable Annuities GMxB

In Euro million

178

1H11\*      -10  
1H12

Unfavorable development of GMxB hedging margin

\* Restated for the change in DAC accounting methodology adopted retrospectively as at January 1, 2012

Changes are on a comparable basis

Full detail in appendix on pages 21 to 25

# 1H12 financial performance

Group earnings

Life & Savings

**Property & Casualty**

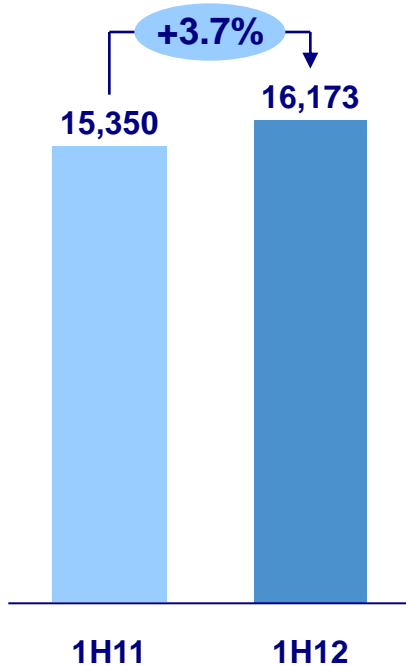
Asset Management

Balance sheet

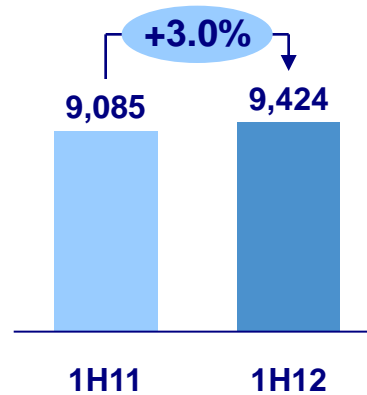
# P&C – Revenues by segment

In Euro million

## Total

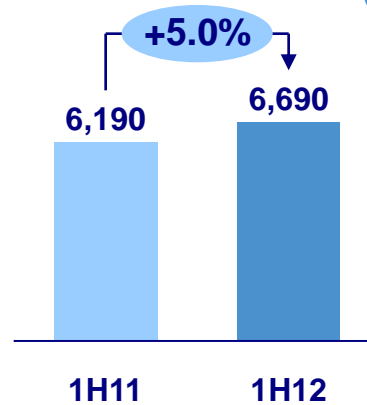


## Personal lines



- Average price increase of +3.0%
- Increase in volumes (+ 637k net new contracts) offset by lower average premium

## Commercial lines



- Average price increase of +2.7%
- More favorable business mix

Changes are on a comparable basis

# P&C – Price increases by country and segment

2.8% price increase on average

1H12	Personal lines		Commercial lines	
	Price increase	Revenues growth	Price increase	Revenues growth
France	+2.5%	+1.7%	+6.0%	+5.6%
Germany	+4.2%	+6.9%	+0.7%	+1.9%
UK & Ireland	+5.7%	+3.4%	+4.0%	+9.7%
Switzerland	-0.3%	+2.5%	-0.1%	-0.5%
Belgium	+6.0%	+1.7%	+1.8%	-0.1%
MedLA	+1.9%	+3.6%	+2.6%	+9.2%
Asia	+0.1%	+12.5%	+3.0%	+15.0%
Direct	+4.2%	-1.2%		
<b>Total</b>	<b>+3.0%</b>	<b>+3.0%</b>	<b>+2.7%</b>	<b>+5.0%</b>

## 2012 market pricing trends

-  Price increases in both Personal and Commercial lines
-  Acceleration of market price increases in Motor
-  Price increases driven by continuing bodily injury claims inflation
-  Commercial lines remain very competitive
-  Trends likely to continue
-  Price increases in Household since market experienced heavy nat cat losses over the last years
-  Trends likely to be stable in Italy and Spain



Prices expected to be stable



Prices expected to increase



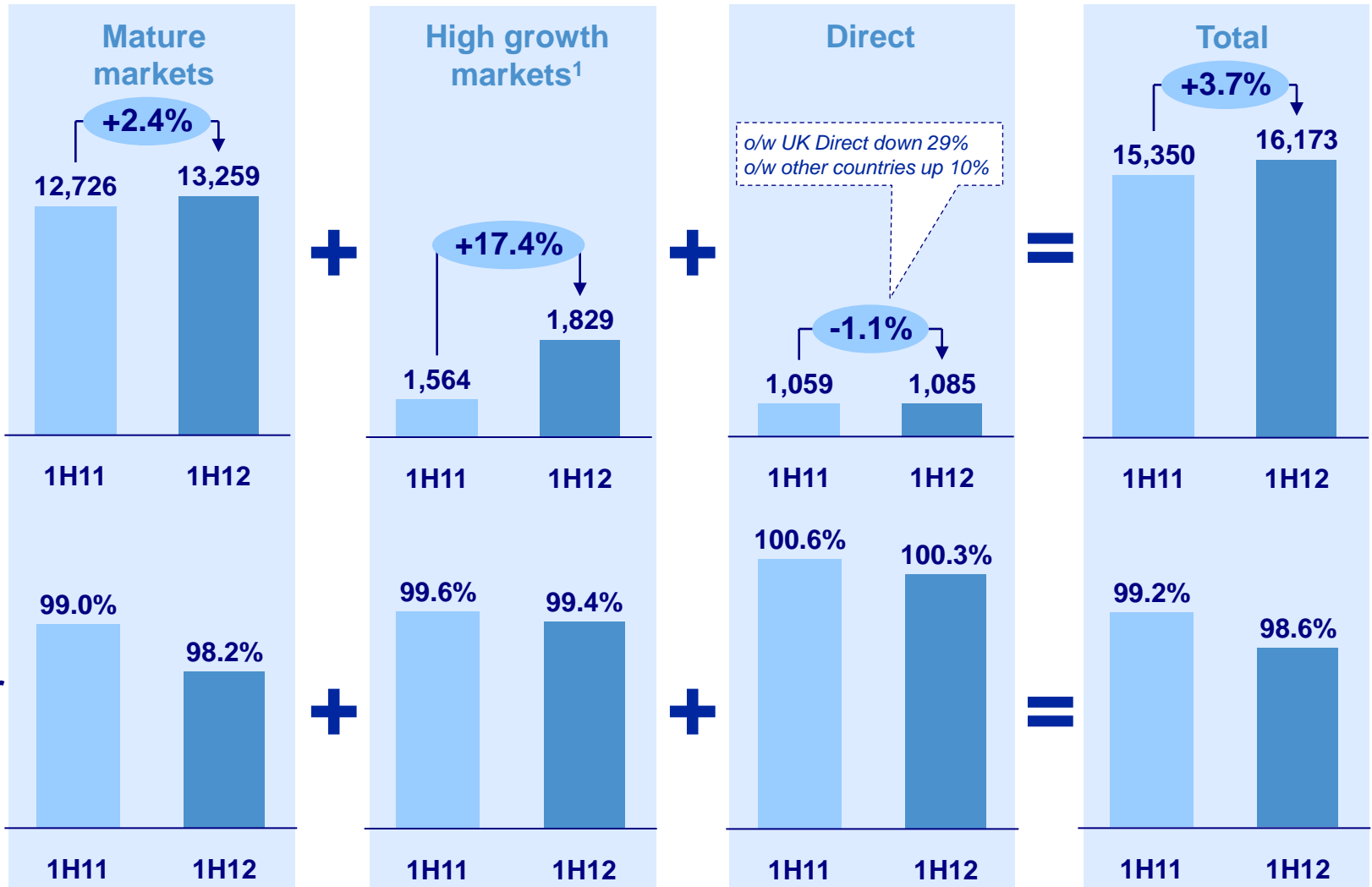
Price increase expected to accelerate vs. FY11 price increase

# P&C – Revenues and margins by market

Improved current year combined ratio with strong sales in Direct and high growth markets

In Euro million

Revenues



Current year combined ratio

Changes are on a comparable basis

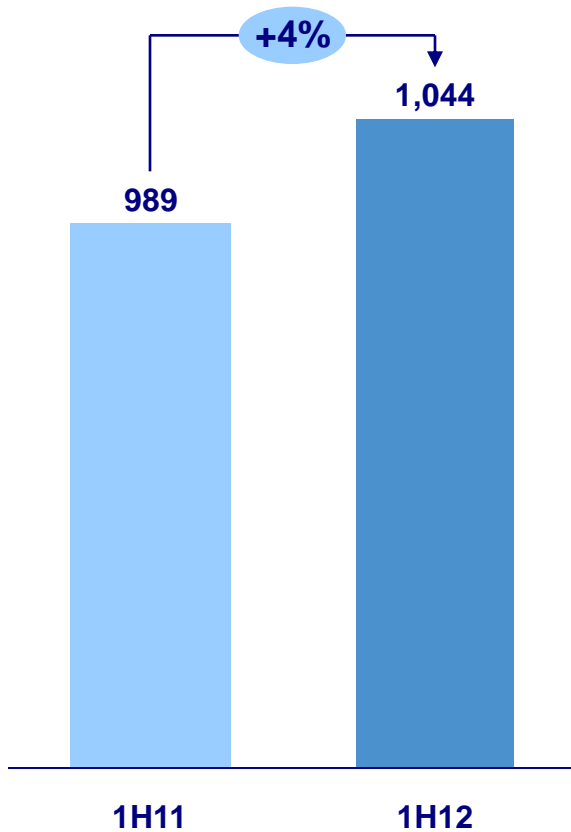
All notes are on page 52 of this document

# P&C – Underlying Earnings

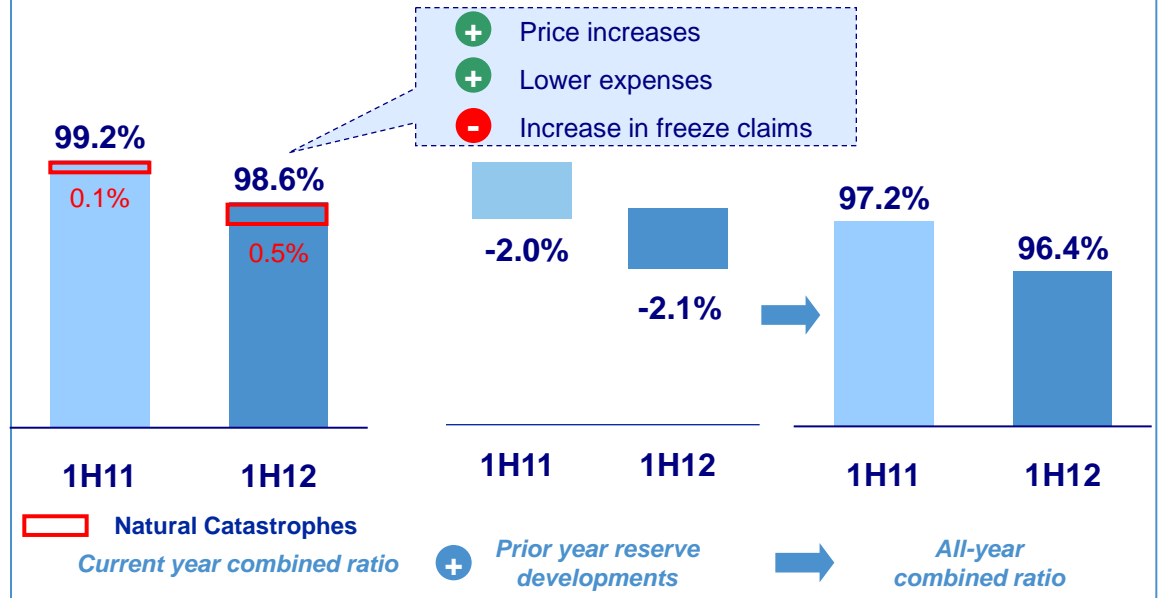
## Improved combined ratio

### P&C Underlying Earnings

In Euro million

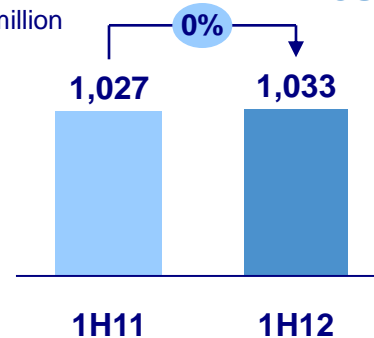


### Combined ratio



### Investment income

In Euro million



▶ Asset yield stable at 4.0%

Changes are at constant Forex

Full detail in appendix on pages 28 to 31



# 1H12 financial performance

Group earnings

Life & Savings

Property & Casualty

**Asset Management**

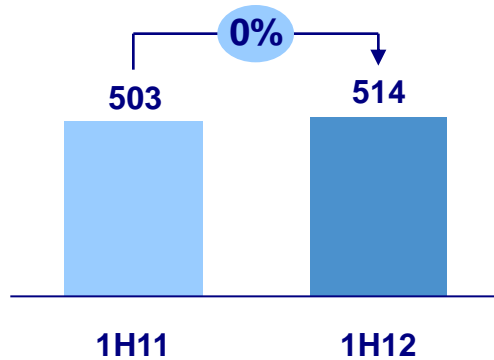
Balance sheet

# AM – Assets under management



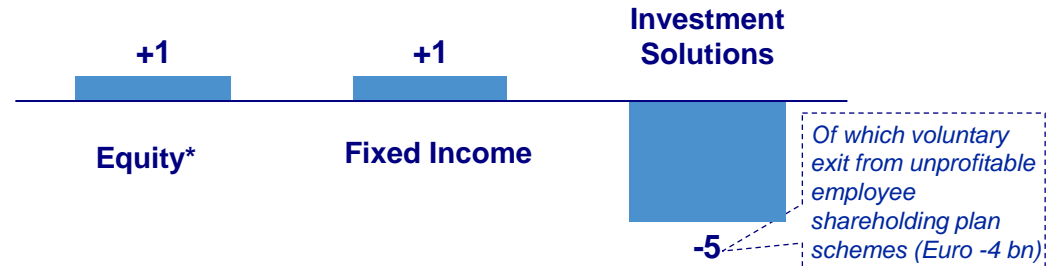
In Euro billion

## Average AUM



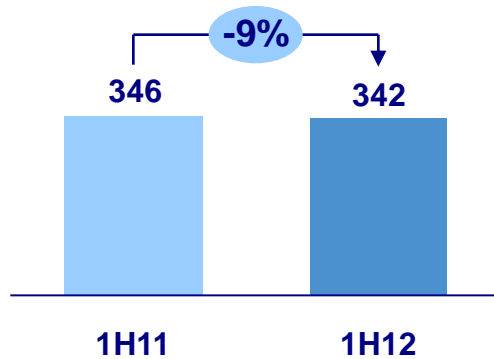
1H12 net outflows: Euro -2 billion

## Split by expertise



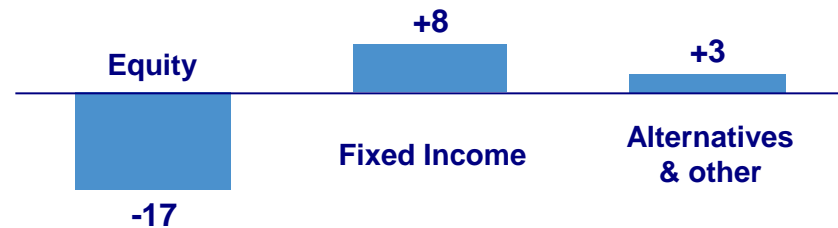
In Euro billion

## Average AUM



1H12 net outflows: Euro -5 billion

## Split by product strategy



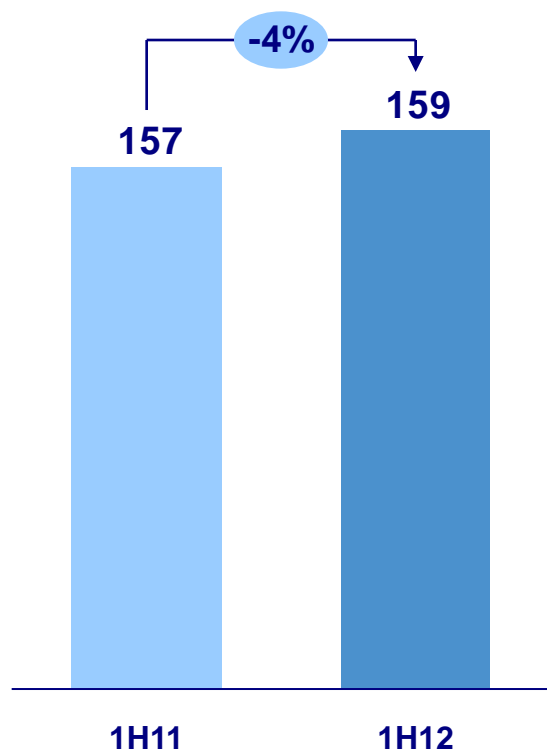
\* AXA Private Equity, AXA Framlington and AXA Rosenberg

Changes are at comparable basis

# AM – Underlying Earnings and revenues

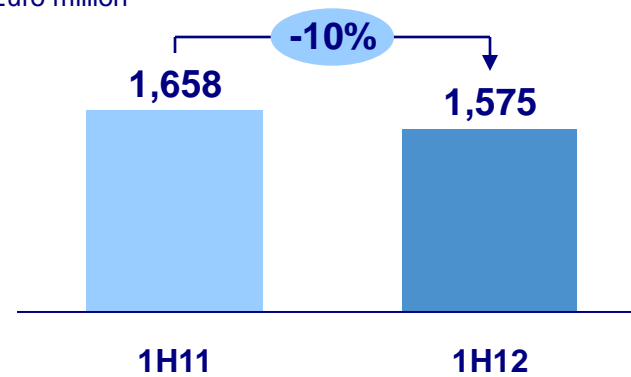
## Underlying Earnings

In Euro million



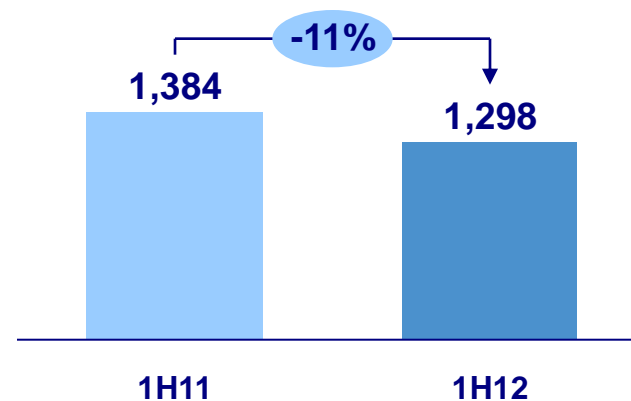
## Revenues

In Euro million



## Expenses

In Euro billion



# 1H12 financial performance

Group earnings

Life & Savings

Property & Casualty

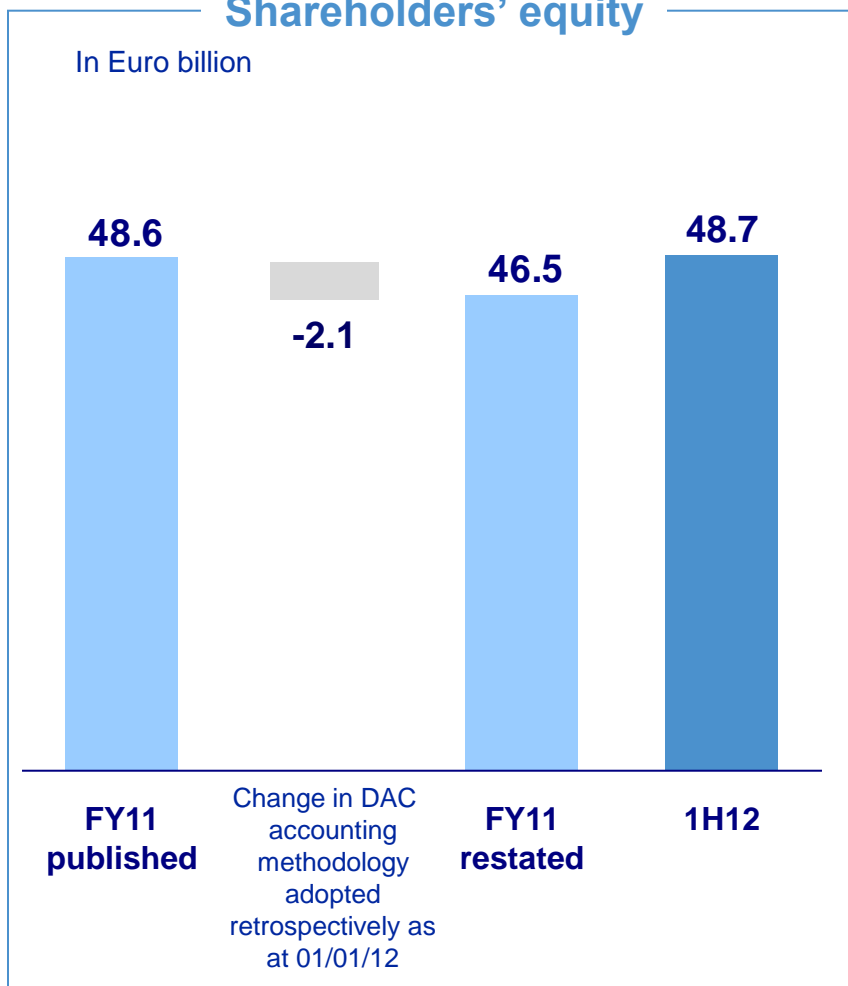
Asset Management

**Balance sheet**

# Shareholders' equity

## Shareholders' equity

In Euro billion



\* Of which Eurozone peripheral countries: Euro + 0.1 billion

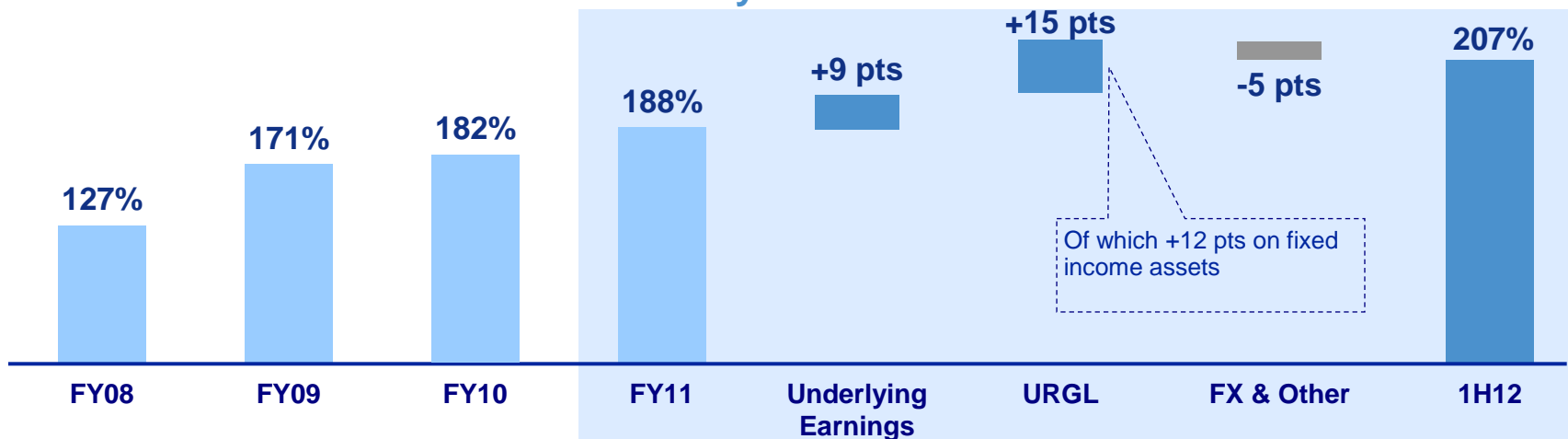
## Key drivers of change

1H12 vs. FY11

	Net income for the period	€ +2.6 billion
	Increase in net unrealized capital gains*	€ +1.7 billion
	FX movements net of hedging instruments	€ +0.6 billion
	Dividends	€ -1.6 billion
	Change in pension benefits	€ -0.9 billion
	Other	€ -0.2 billion

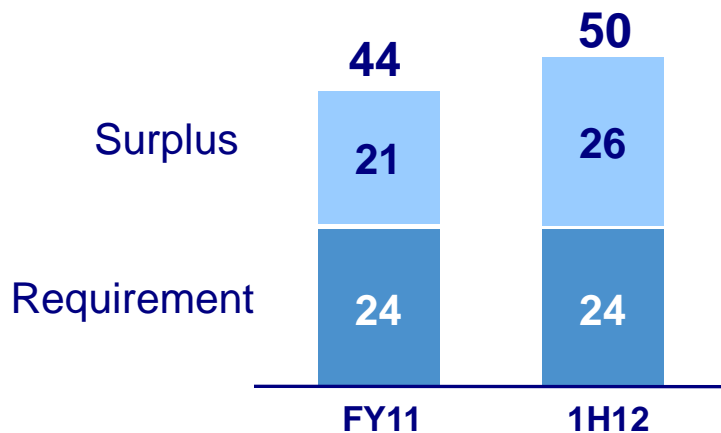
# Solvency I

## Solvency I ratio at 207%

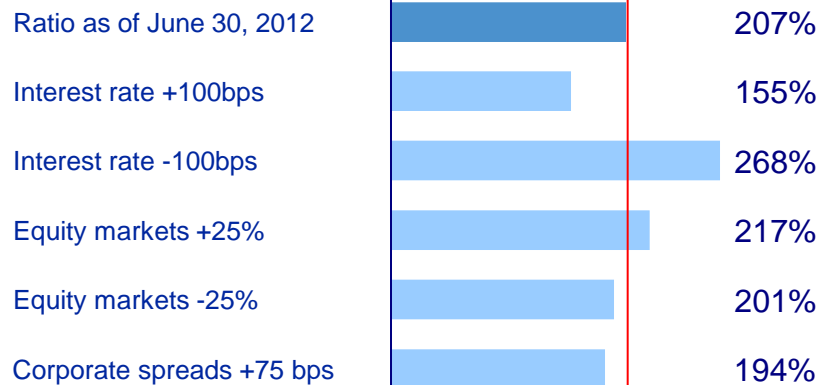


## Solvency I

In Euro billion



## Sensitivities

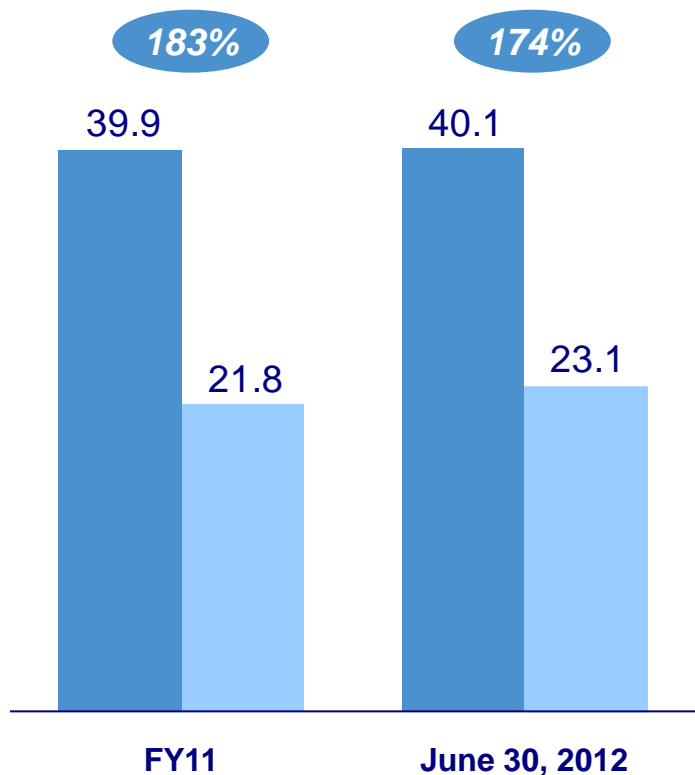


On fixed income assets, the combination of sensitivity impacts from interest rates decrease and widening corporate spreads is capped at -52 pts of solvency

# Economic solvency

## Economic solvency<sup>1</sup> with equivalence

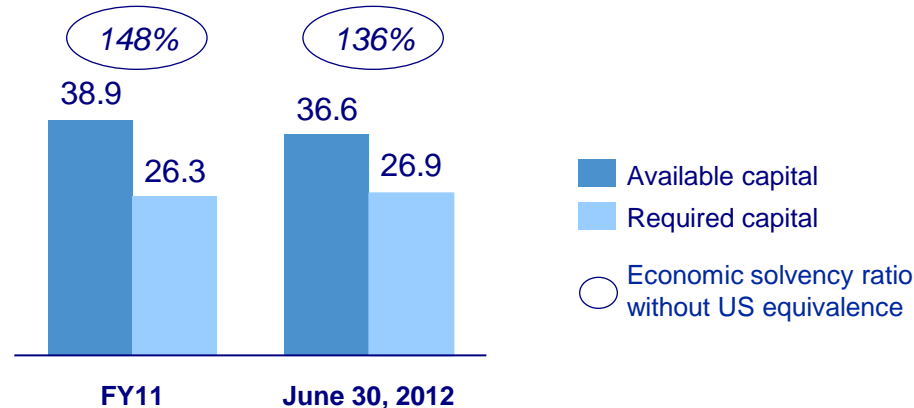
In Euro billion



■ Available capital  
 ■ Required capital  
 ● Economic solvency ratio

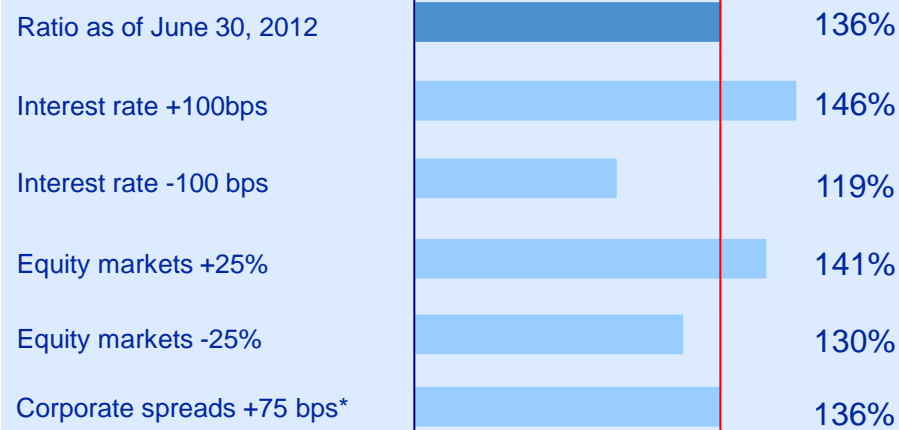
## Economic solvency<sup>1</sup> without equivalence

In Euro billion



■ Available capital  
 ■ Required capital  
 ○ Economic solvency ratio without US equivalence

## Sensitivities

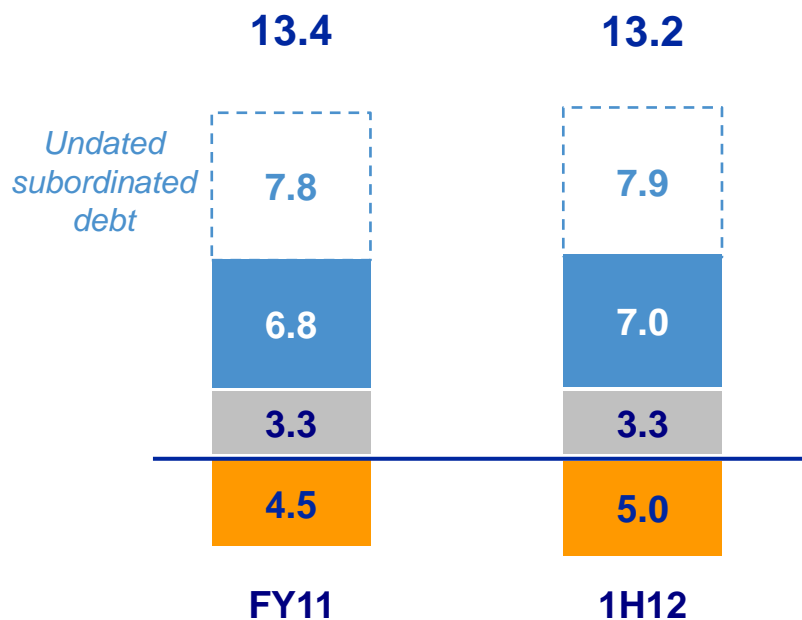


\* Net of change in liquidity premium as defined in QIS 5

# Stable debt gearing at 27%

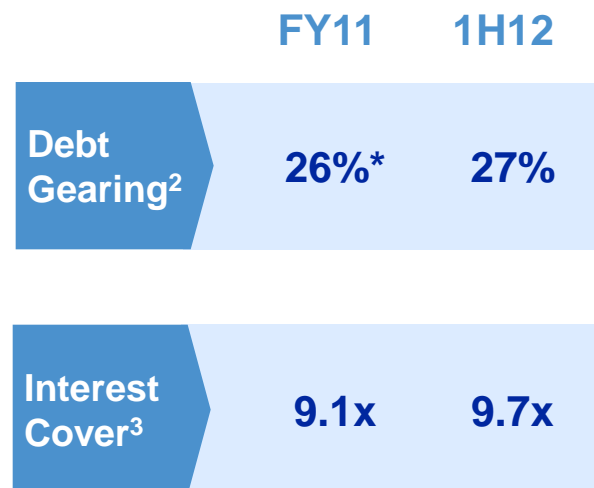
## Net financial debt

In Euro billion



  Undated subordinated debt  
  Subordinated debt<sup>1</sup>  
  Senior debt  
  Cash

## Debt ratios



Debt gearing mainly affected by the change in DAC accounting methodology from January 1, 2012

\* Not restated for the change in DAC accounting methodology adopted retrospectively as at January 1, 2012



# General Account invested assets

Invested assets (100%) In Euro billion	FY11	%	1H12	%
<b>Fixed income</b>	<b>384</b>	<b>82%</b>	<b>395</b>	<b>82%</b>
<i>o/w Govies and related</i>	207	44%	208	43%
<i>o/w Corporate bonds</i>	148	32%	155	32%
<i>o/w Asset backed securities</i>	8	2%	8	2%
<i>o/w Mortgage loans &amp; other<sup>1</sup></i>	22	5%	23	5%
<b>Cash</b>	<b>29</b>	<b>6%</b>	<b>29</b>	<b>6%</b>
<b>Listed equities</b>	<b>14</b>	<b>3%</b>	<b>14</b>	<b>3%</b>
<b>Real Estate</b>	<b>22</b>	<b>5%</b>	<b>22</b>	<b>5%</b>
<b>Alternative Investments<sup>2</sup></b>	<b>13</b>	<b>3%</b>	<b>13</b>	<b>3%</b>
<b>Policy loans</b>	<b>6</b>	<b>1%</b>	<b>6</b>	<b>1%</b>
<b>Total Insurance Invested Assets<sup>3</sup></b>	<b>467</b>	<b>100%</b>	<b>479</b>	<b>100%</b>

## Changes in asset allocation

- **Net inflows, investment income and maturities:** invested mainly in corporate bonds
- **Mark to market:** fixed income assets benefiting from interest rates decrease and corporate spreads tightening
- **Forex:** depreciation of the Euro against most major currencies

1. Mortgage loans & other include individual mortgage and loans held by the insurance companies of the Group (Euro 12 billion, mostly in Germany and Switzerland participating funds) and Agency Pools (Euro 2.5 billion)

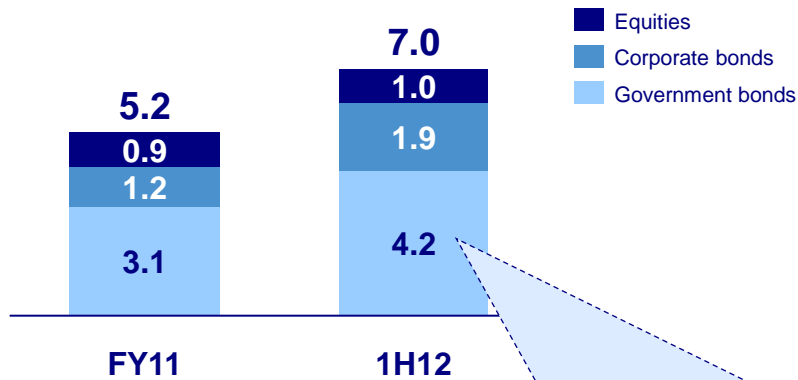
2. Mainly Private Equity and Hedge Funds

3. 1H12 invested assets referenced in page 57 of the financial supplement are Euro 662 billion including notably Euro 143 billion of Unit-linked contracts, Euro 35 billion related to the banking segment (of which Euro 20 billion mortgage & other loans)

# Focus on net unrealized capital gains

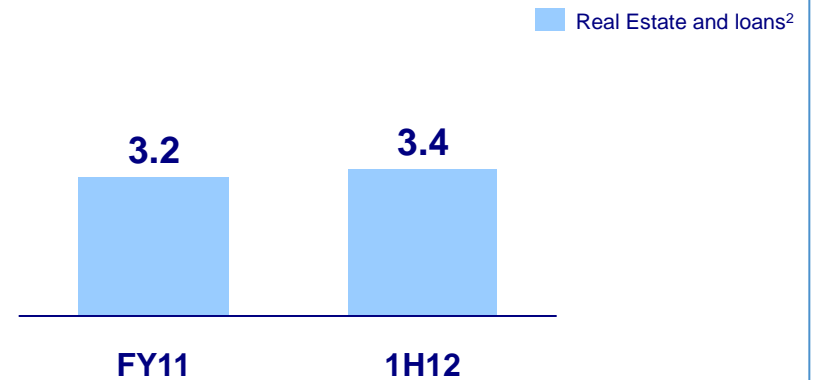
## Balance sheet net unrealized capital gains<sup>1</sup>

In Euro billion

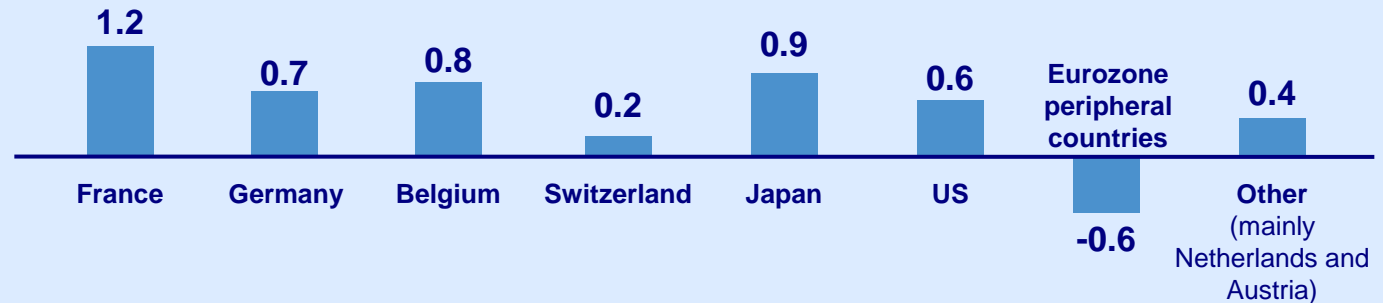


## Off balance sheet net unrealized capital gains

In Euro billion



## Net unrealized capital gains on Government bonds by issuer



# Focus on exposure to Eurozone peripheral countries government bonds

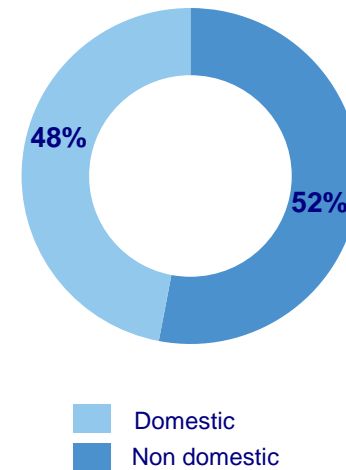
## Exposure by issuer

Or € 11.2 bn with AXA MPS JV at Group share

AFS OCI in Euro billion	Gross book value Dec. 31, 2011	Gross book value June 30, 2012	Gross market value June 30, 2012
Italy	16.1	14.7	13.3
Spain	8.5	7.7	6.5
Portugal	2.0	0.9	0.6
Ireland	1.1	1.0	0.9
Greece	0.3	0	0
<b>TOTAL</b>	<b>28.1</b>	<b>24.4</b>	<b>21.3</b>

Reduction by Euro 4 billion in 1H12 through maturities and asset sales benefiting from the market rally in 1Q12

## Domestic vs. non domestic exposure

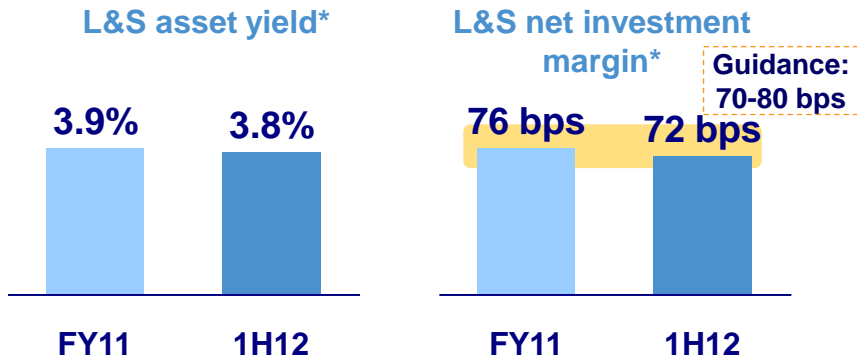


83% of non domestic Eurozone peripheral govies exposure located in AXA French, German and Belgian entities where we have significant capital buffers

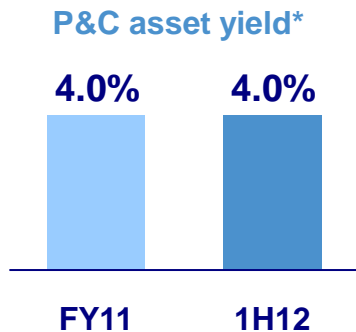
# Asset & Liability Management (1/4)

## Interest rate management in G/A

### Life & Savings



### Property & Casualty



### Duration gap

#### Asset duration as at June 30, 2012

Life & Savings	7.4 years
Property & Casualty	5.0 years

*Renewals and new business taken into account*

**Duration gap tightly managed at less than 1 year**

**Caps, floors and swaptions bought to further protect the balance sheet**

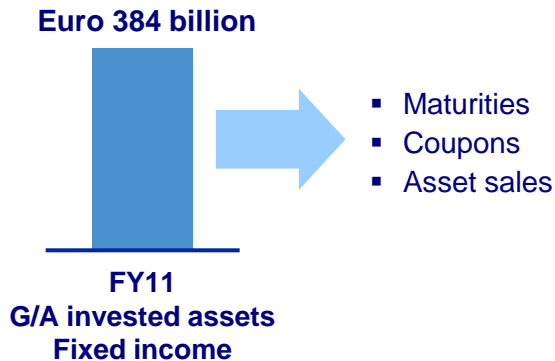
#### AXA asset yield definition:

$$\frac{\text{Net underlying investment income on General Account assets}}{\text{Average General Account asset base}}$$

# Asset & Liability Management (2/4)

Investment policy in Fixed income for Life & Savings and P&C entities

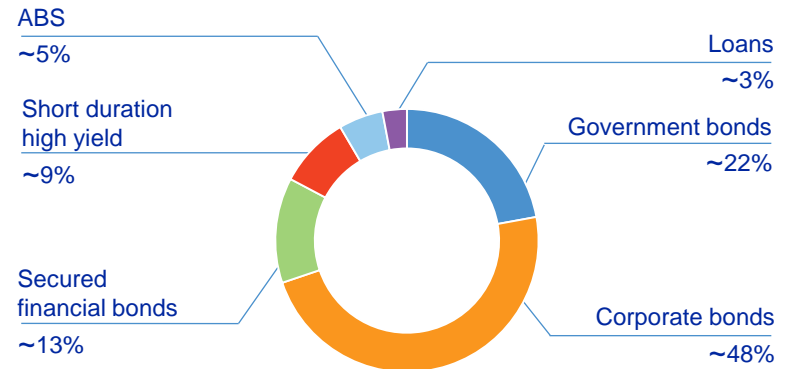
## Cash-flow from asset portfolio reinvested



Euro 25 billion already reinvested mainly in high grade corporate bonds at 2.9%

No investments on Eurozone peripheral countries government bonds

## Current investment policy on Fixed income



### 2012 YTD Reinvestment rate on Fixed income assets for Life & Savings and P&C entities

	1H12
Eurozone	3.2%
US	3.1%
Japan	2.0%
Switzerland	2.5%
<b>Total</b>	<b>2.9%</b>
<b>Amount reinvested</b>	<b>€ 25 bn</b>

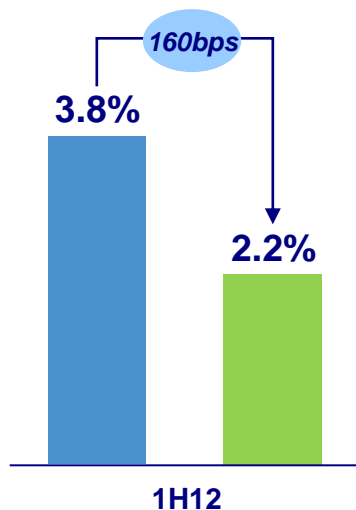
- Expected FY12 asset yield dilution of ca. 20 bps vs FY11, should interest rates remain at current levels
- Life & Savings net investment margin expected to be resilient at 70-80 bps in FY12

# Asset & Liability Management (3/4)

## Life & Savings investment spreads

### Inforce business

Spread above guaranteed rates



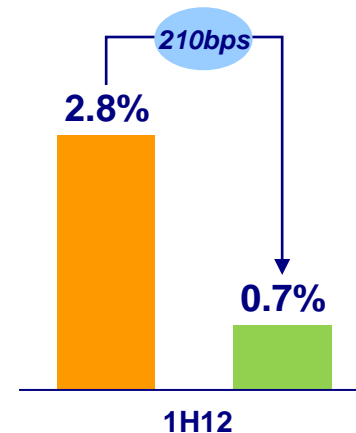
- Yield on total L&S asset base
- L&S average guaranteed rate

Significant buffer to cover guarantees

Average reserves of € 344 billion

### New business

New business reinvestment rate on fixed income assets above guarantees offered

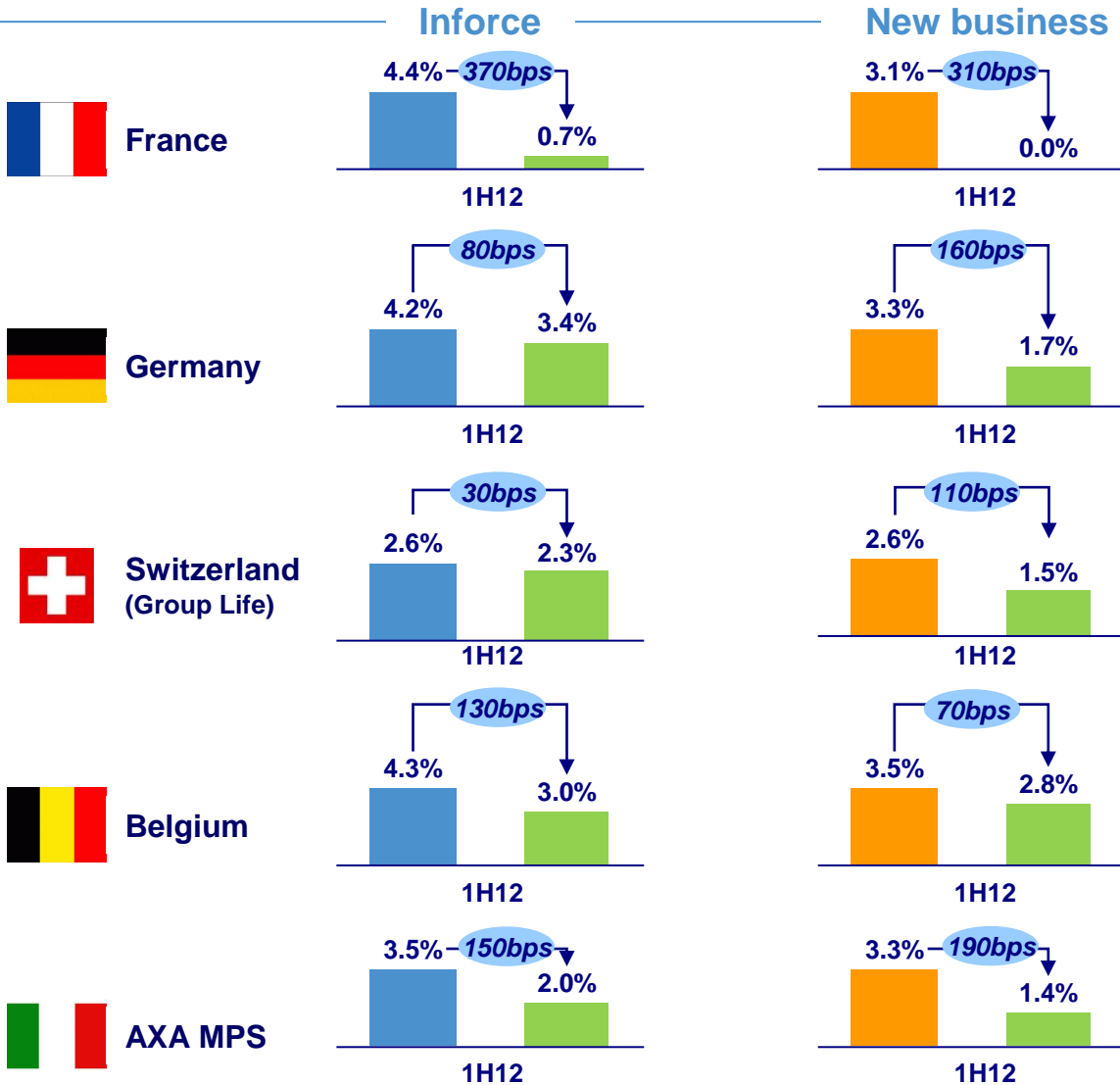


- Yield on L&S fixed income assets
- L&S average guaranteed rate

Products sold to attract higher margin Unit-Linked business

# Asset & Liability Management (4/4)

## Life & Savings investment spreads for main entities



- G/A reserves: € 93 billion
- G/A Savings NB sales with LT guarantees stopped in 1998

- G/A reserves: € 55 billion
- Asset portfolio well diversified with long investment horizon (8 to 9 years) and with limited reinvestments in Bunds

- G/A reserves: € 37 billion
- Protection components making products very profitable

- G/A reserves: € 26 billion
- Asset yield greater than 4% secured in Dec. 11 to cover long-term guarantees on 1H12 exceptional sales campaign

- G/A reserves: € 14 billion
- G/A deemphasized, focus on Unit-Linked and Protection businesses

■ Yield on total L&S asset base

■ Reinvestment yield on L&S fixed income assets

■ L&S average guaranteed rate

redefining / standards



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 <b>Introduction &amp; highlights</b> by Henri de Castries, Chairman and CEO	<b>Page 5</b>
 <b>1H12 financial performance</b> by Denis Duverne, Deputy CEO & Gérald Harlin, Group CFO	<b>Page 17</b>
 <b>Concluding remarks</b> by Henri de Castries, Chairman and CEO	<b>Page 49</b>



# 1H12 key highlights

## Sustainable earnings

- Underlying Earnings increased to Euro 2.3 billion, stable on a comparable basis
- Adjusted Earnings stable at Euro 2.4 billion
- Net Income at Euro 2.6 billion (Euro 4.0 billion in 1H11) due to non repeat of exceptional gains on disposals

## Robust balance sheet

- Solvency I at historical highs at 207%
- Economic Solvency at 174% assuming US equivalence
- Gearing ratio at 27%

## Focusing on our Ambition AXA strategy

- Life & Savings NBV margin stable at 24%
- P&C combined ratio down 0.8 point to 96.4%
- Stable assets under management at Euro 888 billion, with net flows improving by Euro 16 billion to Euro -8 billion
- Cost savings plan on track with ca. Euro 0.16 billion achieved

# Ambition AXA plan is well designed to respond to current challenges

**Mature markets**  
Sustainable growth in earnings  
& operating Free Cash Flows

**Selectivity**

**High growth markets**  
Double our size

**Acceleration**

**Efficiency**  
Everywhere with a focus on mature markets

**Investor Day on November 7, 2012 in Paris**

**Q&A session**

**Q&A session**

# Notes

## Page 7

1. Excluding Holdings
2. Including G/A Savings, Unit-Linked and Banking

## Page 10

1. ROE: Return corresponds to adjusted earnings net of interest charges on undated debt. Equity corresponds to average shareholders' equity excluding undated debt and reserves related to change in fair value

## Page 22

1. In Life & Savings, high growth markets are: Hong Kong, Central & Eastern Europe (Poland, Czech Republic, Slovakia and Hungary), South-East Asia (Singapore, Indonesia, Philippine and Thailand), China, India, Morocco, Mexico and Turkey

## Page 31

1. In Property & Casualty, high growth markets are: Morocco, Mexico, Turkey, Gulf, Hong-Kong, Singapore, Malaysia, Russia, Ukraine and Poland (exc. Direct)

## Page 39

1. AXA internal economic model calibrated based on adverse 1/200 years shock

## Page 40

1. Including Euro -0.3 billion of reversal of mark-to-market on interest rate derivatives vs Euro -0.3 billion in FY11
2. (Net financing debt + undated subordinated debt) divided by (shareholders' equity incl. undated subordinated debt excl. FV in shareholders' equity + net financing debt)
3. Including interest charge on undated subordinated debt

## Page 42

1. Excluding Forex, minority interests and other
2. Excluding net unrealized gains on bank loans. Total off-balance sheet net unrealized gains, including net unrealized gains on bank loans, amounted to €4.2bn in 1H12 vs. €4.3bn in FY11

# Definitions

AXA's 1H12 results have been prepared in accordance with IFRS and interpretations applicable and endorsed by the European Commission at June 30, 2012 and are subject to completion of a limited review by AXA's independent auditors.

Adjusted earnings, underlying earnings, Life & Savings EEV, Group EV and NBV are non-GAAP measures and as such are not audited, may not be comparable to similarly titled measures reported by other companies and should be read together with our GAAP measures. Management uses these non-GAAP measures as key indicators of performance in assessing AXA's various businesses and believes that the presentation of these measures provides useful and important information to shareholders and investors as measures of AXA's financial performance. For a reconciliation of underlying and adjusted earnings to net income see page 8 of the appendix presentation.

Life & Savings New Business Value (NBV) is the value of the new business sold during the reporting period. The new business value includes both the initial cost (or strain) to sell new business and the future earnings and return of capital to the shareholder.