

# Half year 2004 Earnings

August 6, 2004



— 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 carried out a limited review on AXA's consolidated first half 2004 earnings.



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# 1H04 operating story: harvesting the fruits of our strategy

Euro million	1H04	Growth	Growth at cst FX
<b>Volume:</b>			
◆ Revenues	37 306	-0.4%	+2.4% <sup>(1)</sup>
<b>Earnings:</b>			
◆ Underlying earnings	1,436	+32%	+37%
◆ Adjusted earnings	1,590	+338%	+355%
◆ Net income	1,444	+590%	+621%
<b>Productivity:</b>			
◆ Life NB Contribution	368	+15%	+21%
◆ Life NB APE Margin	16.4%	+2.1 pts	
◆ P&C Combined Ratio	99.4%	-2.3 pts	

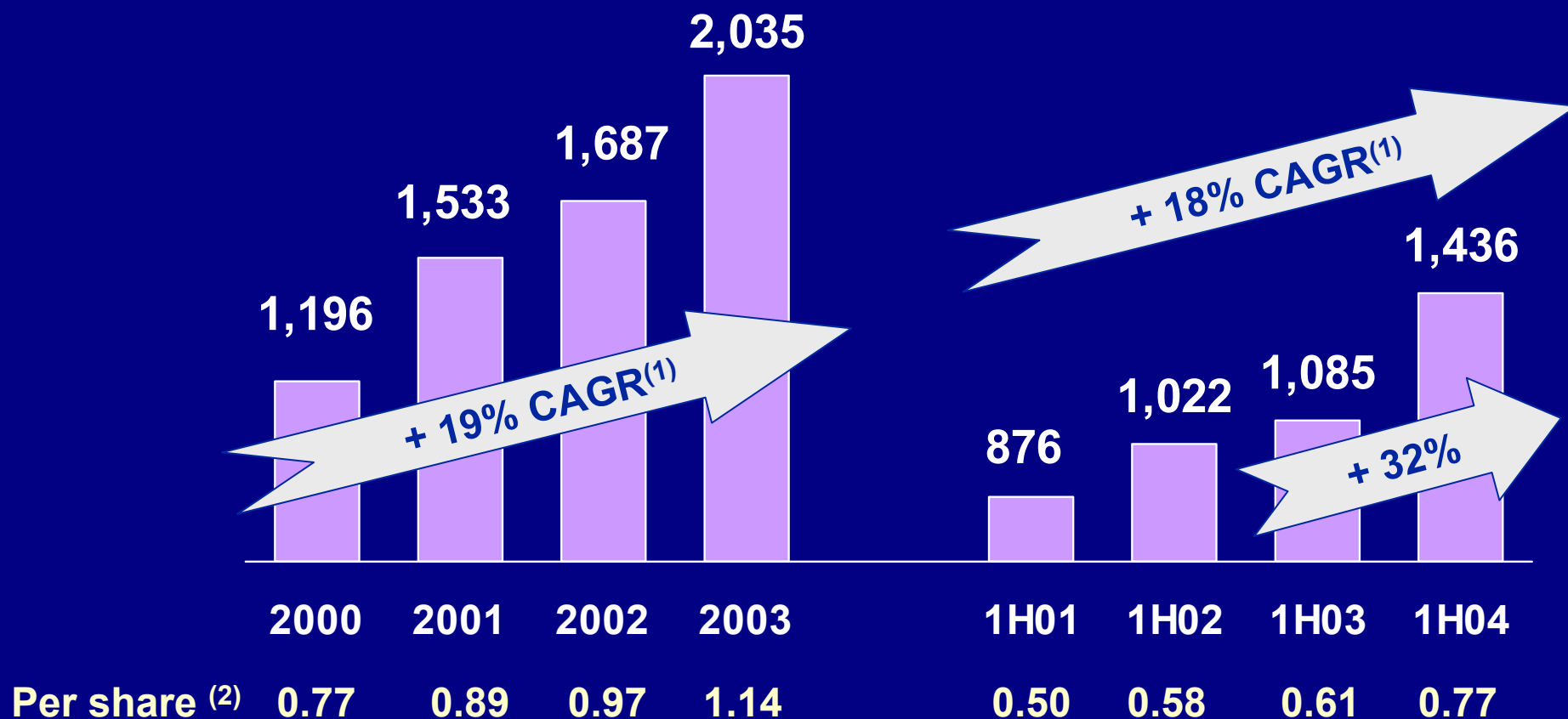


(1) On a comparable basis for revenues.

# Continuing our journey: strong earnings improvement in 1H04

Euro million

## Underlying Earnings



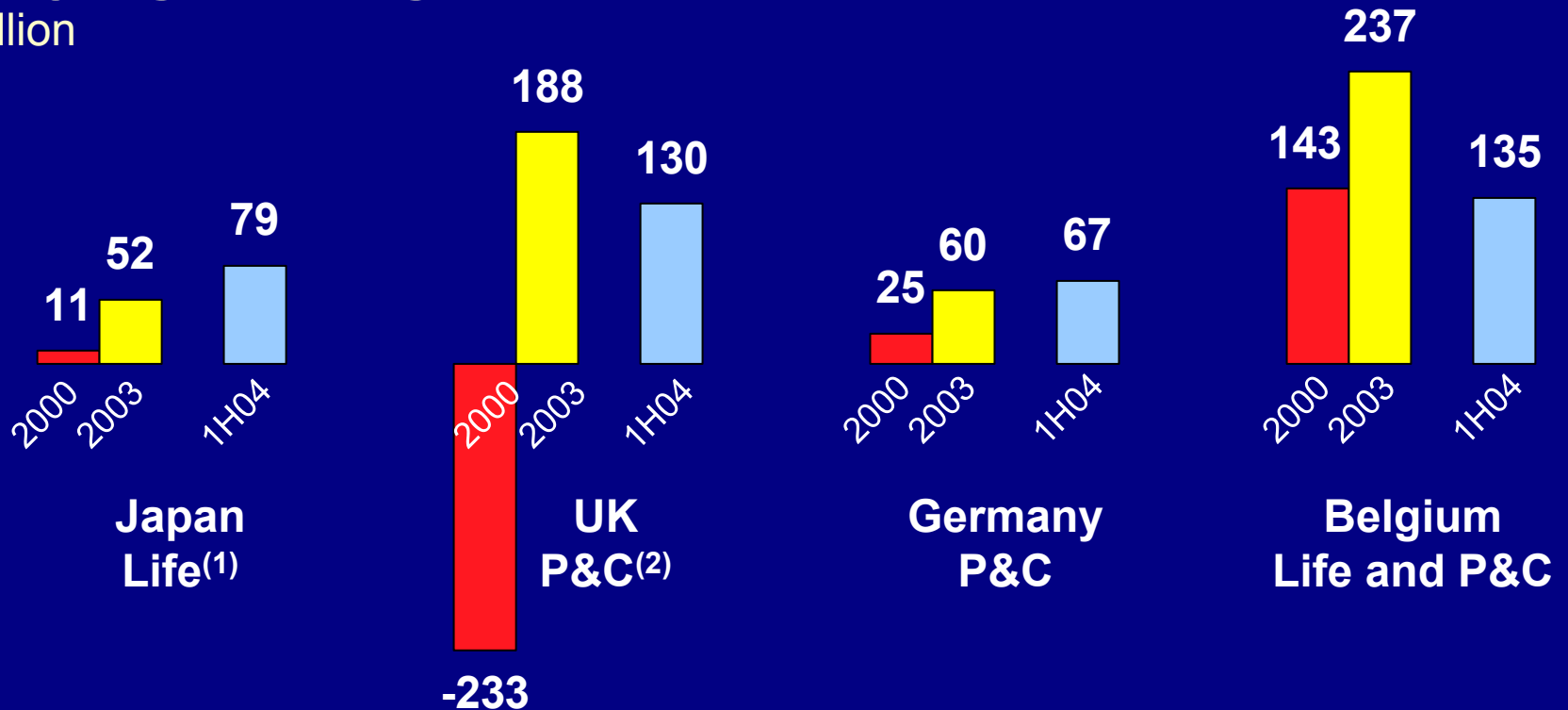
(1) Compounded Annual Growth Rate.

(2) 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.

Growth has been driven by the turnaround of the last acquired businesses...

## Underlying earnings

Euro million



### Acquisitions

Date:	2000	1999	1999	1998
Target:	AXA Nichidan	GRE	GRE	Minority interests

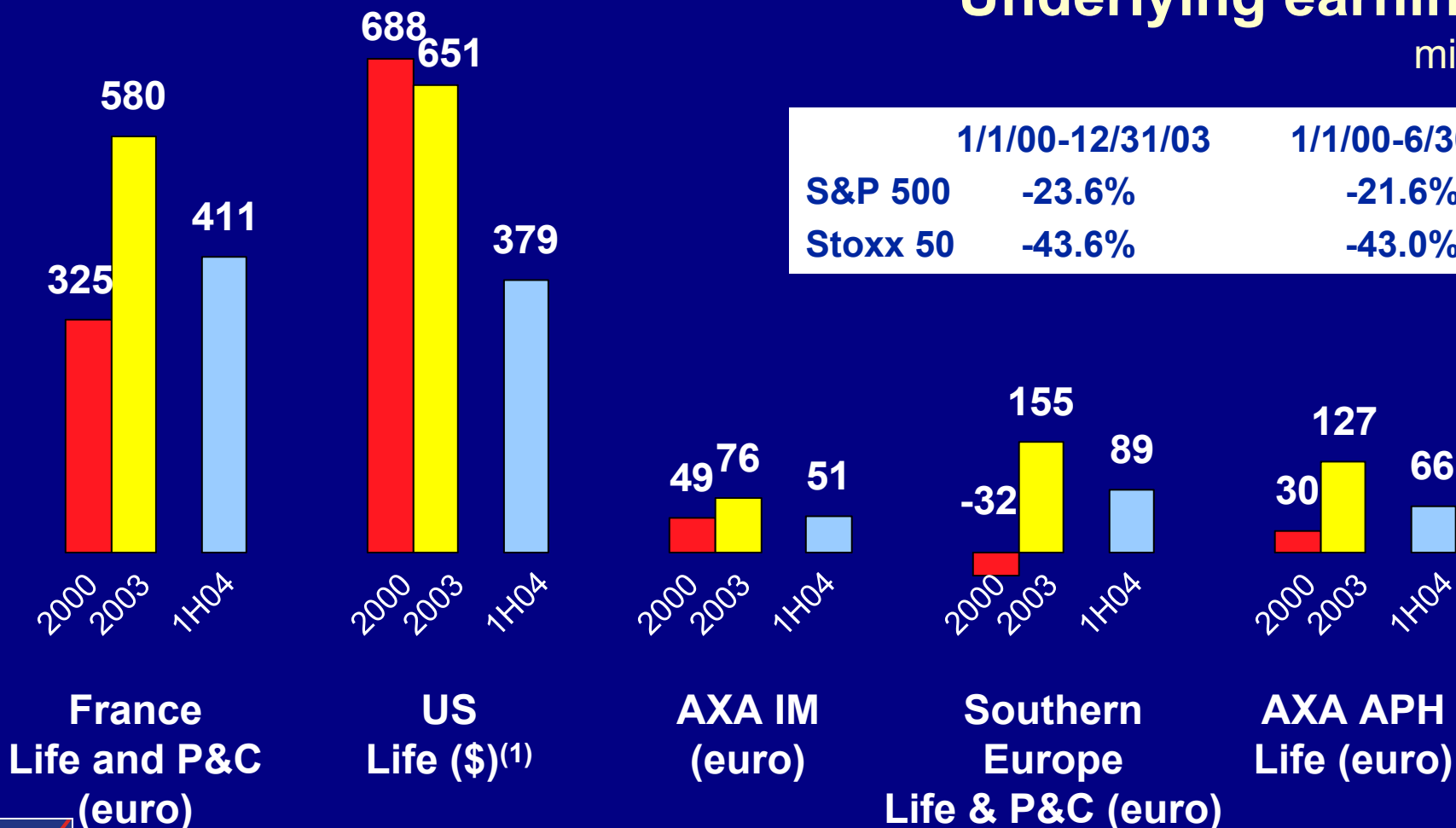


(1) 2000 includes only 6 months of AXA Nichidan activities.  
 (2) 2000 is Proforma, including estimates for UK Health and Ireland P&C.

... and also by fostering excellence in existing entities, despite difficult equity markets since 2000

## Underlying earnings million

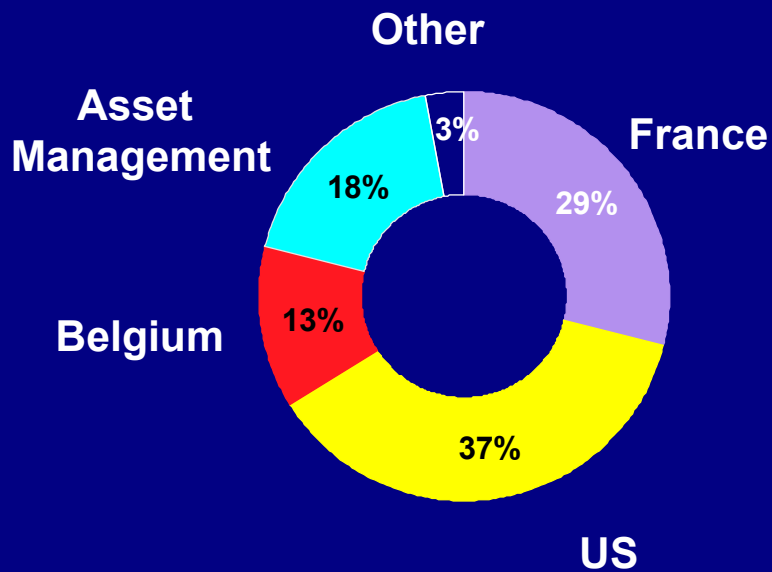
	1/1/00-12/31/03	1/1/00-6/30/04
S&P 500	-23.6%	-21.6%
Stoxx 50	-43.6%	-43.0%



(1) 2000 grossed up for AXA Financial minorities (buyout effective January 2, 2001).

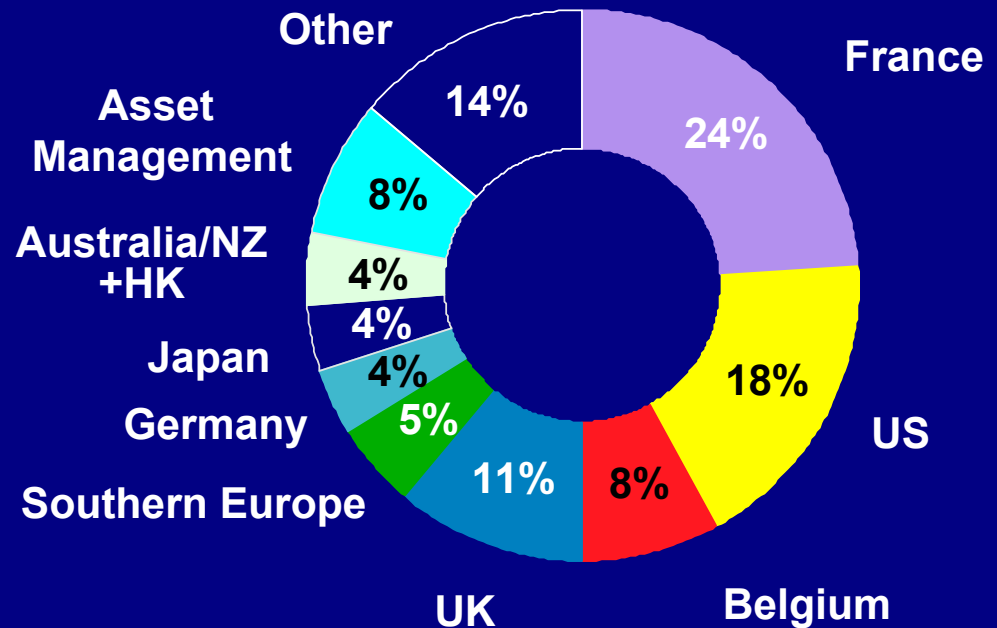
This has resulted in unique diversification,  
a key part of our strategy

## Underlying earnings breakdown<sup>(1)</sup>



2000

3 countries represented  
78% of earnings



1H04

13 countries represented  
78% of earnings



(1) Excluding holdings. 2000 also excludes DLJ.



The platform that we have built is the cornerstone for sustainable and profitable growth...

Diversification

Scale

Group leverage

- No over-reliance on one activity/region
- Capacity to absorb shocks
- Benefit from group mutualization of resources (AXA Cessions, AXA Tech, Global Procurement, best practices, Asset Management platforms)



...as demonstrated by our first half 2004 achievements in terms of profitable growth, ...

◆ Life & Savings

**Unit-linked sales : +19%<sup>(1)</sup>**

Euro million

	1H04	change vs 1H03 <sup>(1)</sup>
<b>APE</b>	<b>2,249</b>	<b>+3.8%</b>
<b>NBC</b>	<b>368</b>	<b>+20.9%</b>
<b>Margin</b>	<b>16.4%</b>	<b>+2.1 pts</b>

◆ P&C

**Net portfolio inflows (6 months)**  
**+238,000 motor contracts<sup>(2)</sup>**  
**+57,000 Household contracts<sup>(2)</sup>**

**Combined ratio**

	1H04	change vs 1H03
	<b>99.4%</b>	<b>-2.3pts</b>



(1) On a comparable basis

(2) Calculation compiled on main countries where AXA operates

**... and our continued efficiency improvement in all of our principal operations**

**◆ Life**

**Underlying cost income ratio<sup>(1)</sup>**

⇒ **1H03: 82.7%**  
 ⇒ **1H04: 77.3%**

**◆ P&C**

**Administrative expense ratio**

⇒ **1H03: 11.1%**  
 ⇒ **1H04: 10.3%**

**◆ Asset Management cost income ratio<sup>(2)</sup>**

<b>Alliance Capital</b>	
<b>1H04</b>	<b>change vs 1H03</b>
<b>71.6%</b>	<b>-1.7pts</b>

<b>AXA Investment Managers</b>	
<b>1H04</b>	<b>change vs 1H03</b>
<b>78.5%</b>	<b>-0.9pt</b>



(1) 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).

(2) Operating expenses divided by gross revenues (net of distribution revenues).

## In the future, we will:

- ◆ Continue to restructure specific situations
- ◆ Enhance further our other entities
- ◆ Leverage MONY acquisition
  - Broader product offering in the US
  - Stronger distribution
  - Cost integration play

# We will also seize growth opportunities, such as the minority buyout of AXA Asia Pacific Holdings

## Rationale

- Increase exposure to the Asian region and its inherent growth
- Be in a better position to seize Asia external growth opportunities
- Further enhance diversification and quality of our results
- Simplify AXA's structure
- Fully integrate AXA Asia Pacific Holdings ("AXA APH") business to maximize synergies

## Transaction Proposal

- Buyout of 48.34% minority interests
- Consideration of Euro 1.8 billion
- Paid with 50% cash and 50% AXA shares
- Subject to approvals of the Committee of Independent Directors, AXA APH's minority shareholders and regulatory bodies, as well as to various other conditions



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# Life & Savings: local trends are prevailing, but all drivers point in the right direction

- ◆ Different trends in Life & Savings markets:
  - Flat in Belgium and Japan
  - Growth in the US
  - Strong growth in HK, Australia and France
- ◆ Main drivers of Life & Savings insurance markets:
  - Pension reforms
  - Unit-linked products back in favor
  - Growing importance of Protection offerings

## P&C: has anybody seen the peak?

- ◆ Rates plateauing in individual lines
- ◆ Commercial lines: lower rate increases in a more competitive market
- ◆ Favorable claims environment in all countries and all lines of business:
  - Low level of large losses, although slightly higher than in 1H03
  - Low level of weather-related events



## International insurance: favorable environment for disciplined players

- ◆ Continued benign environment, both in terms of large claims and natural catastrophes
- ◆ Increased competition, encouraged by customers and fueled by new entrants, both on reinsurance and large risks
- ◆ Despite competition, tariffs continue to benefit from previous years' rating increases
- ◆ Significantly improved policy terms and conditions

# Asset management: scale and multi-discipline proposition are key

## US

- ◆ Continuing shift from growth to value equity management
- ◆ Global mandates gaining traction among institutional clients
- ◆ Top 5 asset managers capturing a very big share of retail inflows

## Europe

- ◆ Specialization of Institutional Clients mandate
- ◆ Growth in alternative asset classes (hedge funds, real estate, CDOs)
- ◆ Opening of banking networks to non-proprietary products
- ◆ French Retirement Reserve Fund (FRR) public auction

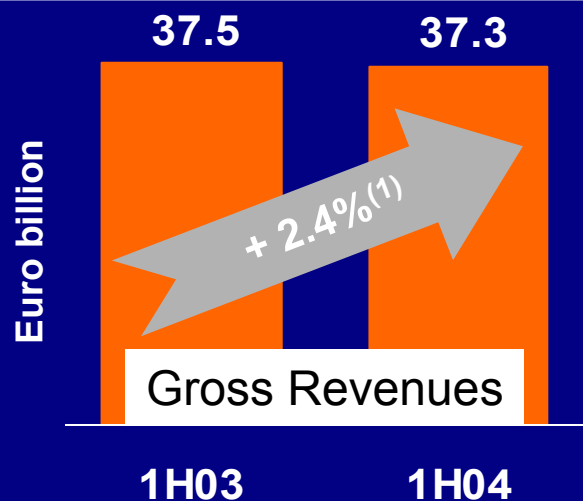


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# AXA delivered diversified and profitable revenue growth



<u>Revenues Growth<sup>(1)</sup></u>	
Life & Savings	+1.6%
P&C	+4.2%
Asset Mgmt	+19.1%
Int'l Insurance	-6.1%

- ◆ Revenue growth boosted by P&C:
  - ➔ Net inflows in individual motor
  - ➔ Successful targeted strategies in commercial lines
- ◆ Unit-linked premiums increased by 19%<sup>(1)</sup> to represent 35% of total Life & Savings premiums
- ◆ Life & Savings New Business Contribution<sup>(2)</sup> up 20.9%<sup>(3)</sup>



(1) On a comparable basis.  
 (2) Before cost of capital.  
 (3) At constant exchange rates.

# 1H04 economic expenses decreased by Euro 49 million compared to 1H03

	1H04	1H03	Change
AXA Consolidated general expenses <sup>(1)</sup>	8,442	8,297	+ 144
Non commissions expenses excl. Asset Management	3,813	3,850	- 37 <sup>(2)</sup>
<b>Economic expenses (at 1H03 exchange rates)</b>	<b>3,813</b>	<b>3,862</b>	<b>- 49</b>

(1) Before DAC/VBI capitalization and amortization.

(2) Including an exchange rate impact of Euro -56m.



# 2004 is a good vintage so far, with strong underlying performance in all of our principal operations

<i>Euro</i>	1H04 million	1H03 million	Change	Change at cst. FX	1H04 per share <sup>(2)</sup>	Change
<b>Life &amp; Savings</b>	<b>848</b>	<b>680</b>	<b>+25%</b>	<b>+31%</b>		
<b>Property &amp; Casualty</b>	<b>562</b>	<b>402</b>	<b>+40%</b>	<b>+40%</b>		
<b>International Insurance</b>	<b>141</b>	<b>50</b>	<b>+180%</b>	<b>+184%</b>		
<b>Asset Management</b>	<b>136</b>	<b>107</b>	<b>+28%</b>	<b>+38%</b>		
<b>Other Fin Serv &amp; Hldgs</b>	<b>-252</b>	<b>-155</b>	<b>--</b>	<b>--</b>		
<b>Underlying earnings</b>	<b>1,436</b>	<b>1,085</b>	<b>+32%</b>	<b>+37%</b>	<b>0.77</b>	<b>+25%</b>
Net capital gains <sup>(1)</sup>	154	-722				
<b>Adjusted earnings</b>	<b>1,590</b>	<b>363</b>	<b>+338%</b>	<b>+355%</b>	<b>0.85</b>	<b>+314%</b>
Exceptional operations	191	137				
Amortization of goodwill	-337	-290				
<b>Net income</b>	<b>1,444</b>	<b>209</b>	<b>+590%</b>	<b>+621%</b>	<b>0.78</b>	<b>+553%</b>



(1) Realized gains net of valuation allowances.

(2) Diluted. Weighted average number of diluted shares was 1,933m in 1H04 versus 1,764m in 1H03.

# P&C: underlying earnings growth boosted by improved combined ratio within the target range of 98-102%

Combined ratios in % Earnings in Euro million	Combined ratios <sup>(1)</sup>			Underlying earnings	
	1H04	Improv't from 1H03		1H04	Improv't from 1H03
France	99.9	-2.3		170	+33
Germany	99.5	-0.1		67	+43
UK & Ireland	98.5	-3.9		130	+71
Belgium <sup>(2)</sup>	100.3	-1.7		86	+4
Southern Europe	99.4	-2.3		66	-4
Canada	94.6	-2.9		25	+4
<b>Total P&amp;C</b>	<b>99.4</b>	<b>-2.3</b>		<b>562</b>	<b>+161</b>
Net reserves to premiums ratio <sup>(3)</sup>	199.1	+1.5			
Net claims reserves ratio <sup>(4)</sup>	257.7	+13.9			

**Southern Europe underlying earnings decreased due mainly to an exceptional tax gain of Euro 33m in Italy in 1H03 vs. only Euro 10m in Spain in 1H04**



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

(2) Including workers' compensation business.

(3) Net reserves to premiums ratio = net technical reserves / net earned premiums.

(4) Net claims reserves ratio = net claims reserves / net claims paid.

# P&C: combined ratio improvement due to better technical and administrative expense ratios

Ratios (in %)	1H04	Improv't from 1H03
Loss, excl. CH <sup>(1)</sup>	67.6	-2.0
Claims handling	<u>4.8</u>	<u>-0.6</u>
Loss	72.4	-2.6
Acq expense	16.7	+1.1
Admin expense	<u>10.3</u>	<u>-0.9</u>
Expense	27.0	+0.3
<b>Combined</b>	<b>99.4</b>	<b>-2.3</b>

- ◆ Technical result improved owing to:
  - Favorable personal claims frequency
  - Benign commercial claims environment
  - No mali
  - Reduced claims handling costs
- ◆ Acquisition expense ratio up notably from UK business mix shift towards lower loss / higher commission ratio business
- ◆ Administrative expense ratio was better as a result of higher volumes and ongoing cost savings, partly offset by non-recurring costs in some countries



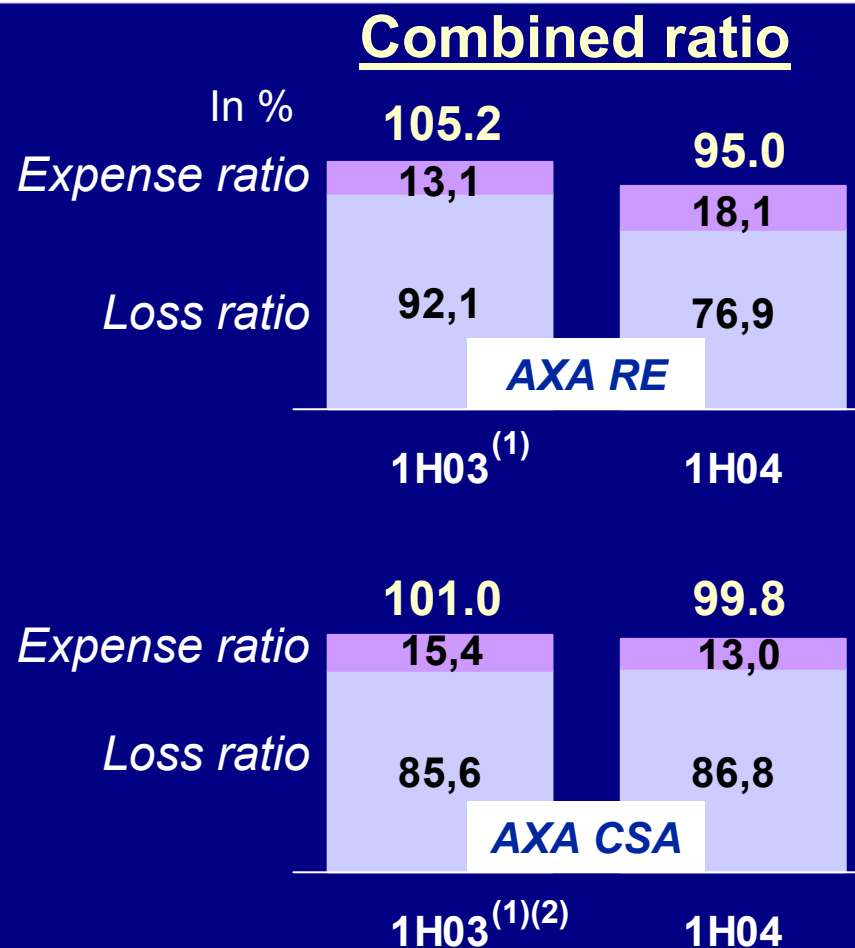
(1) Claims Handling costs.



# International Insurance: strong 1H04 results confirming turnaround

1H04 benefited from:

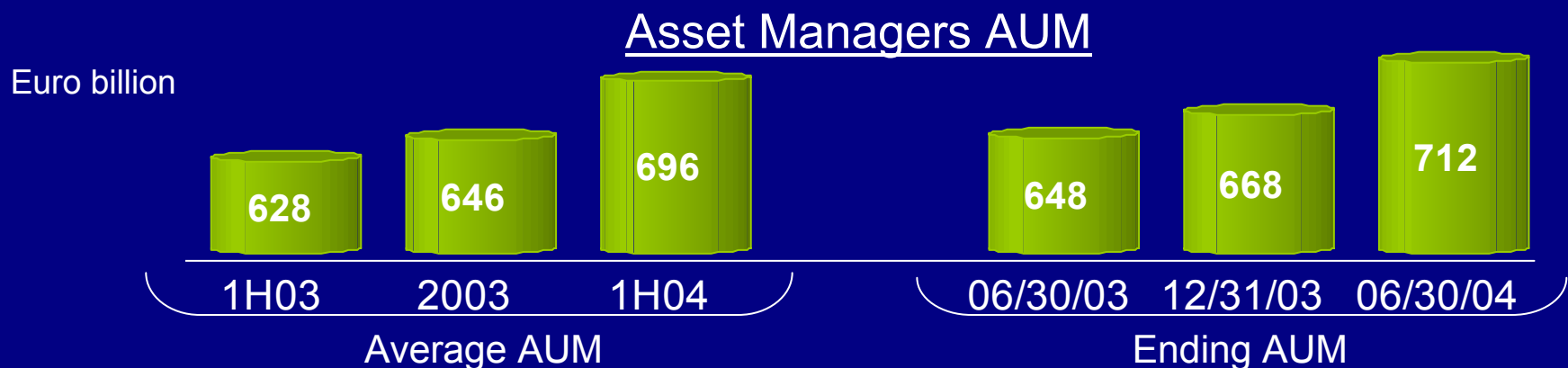
- ◆ Continued benign claims environment
- ◆ No natural catastrophes
- ◆ Selective underwriting
- ◆ Improved reinsurance protections
- ◆ Expense reduction:
  - AXA RE<sup>(1)</sup>: expenses down 19% from 1H03 as cost savings were partly offset by restructuring plan costs, while net earned premiums decreased by 41%
  - AXA CSA<sup>(1)(2)</sup>: expenses down 4% from 1H03 due to lower costs and commission rates, while gross earned premiums grew 14%



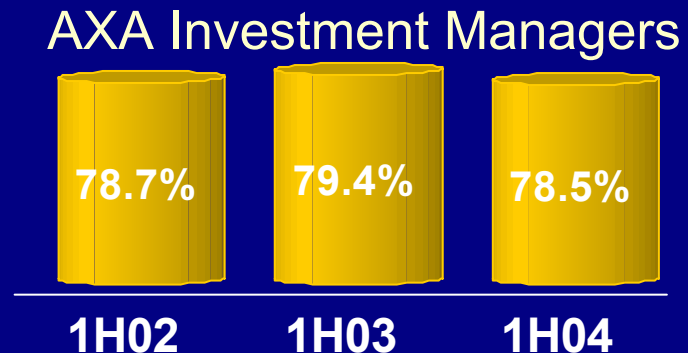
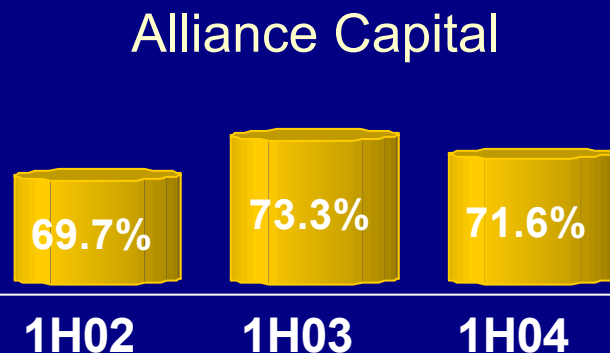
(1) Proforma for the transfer of AXA Corporate Solutions Insurance US from AXA CS Assurance to AXA RE.  
 (2) Proforma for the transfer of run-off entities from AXA CS Assurance to other transnational activities.

# Asset Management underlying earnings benefited from revenue growth and continued expense control efforts

- ◆ Revenues were up 10%, or 19% at constant currency, fueled by:
  - ➔ Solid net inflows at AXA Investment Managers
  - ➔ Strong equity markets' recovery



- ◆ Expenses were controlled, resulting in improved cost income ratios\*:



\* Operating expenses divided by gross revenues (net of distribution revenues). Half Year 2004 Earnings - August 6, 2004 - Page 26

# Life & Savings: strong underlying performance

Underlying earnings (Euro million)	1H04	Change from 1H03	Change at cst FX
France	240	+4%	+4%
US	309	+11%	+23%
UK	53	+77%	+74%
Japan	79	+100m	+104m
Australia/NZ+HK	66	+15%	+19%
Other countries	102	-2%	-2%
<b>Total L&amp;S</b>	<b>848</b>	<b>+25%</b>	<b>+31%</b>

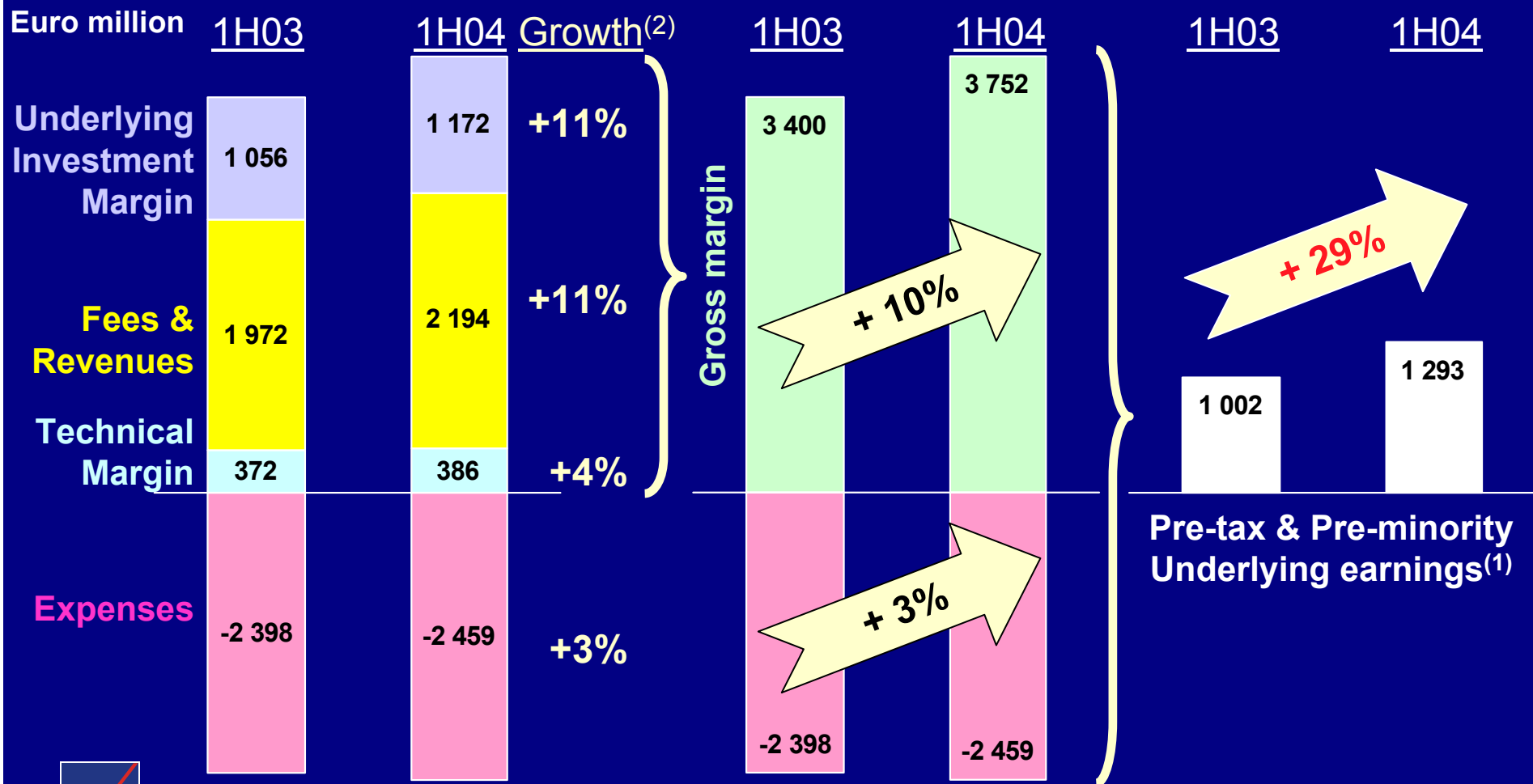
Other countries' underlying earnings decrease was notably driven by a 2003 one-time tax credit in Spain (Euro 9m).

Excluding this, other countries' underlying earnings were up 8% at constant exchange rates in 1H04.



# Life & Savings: performance driven by gross margin growing faster than expenses

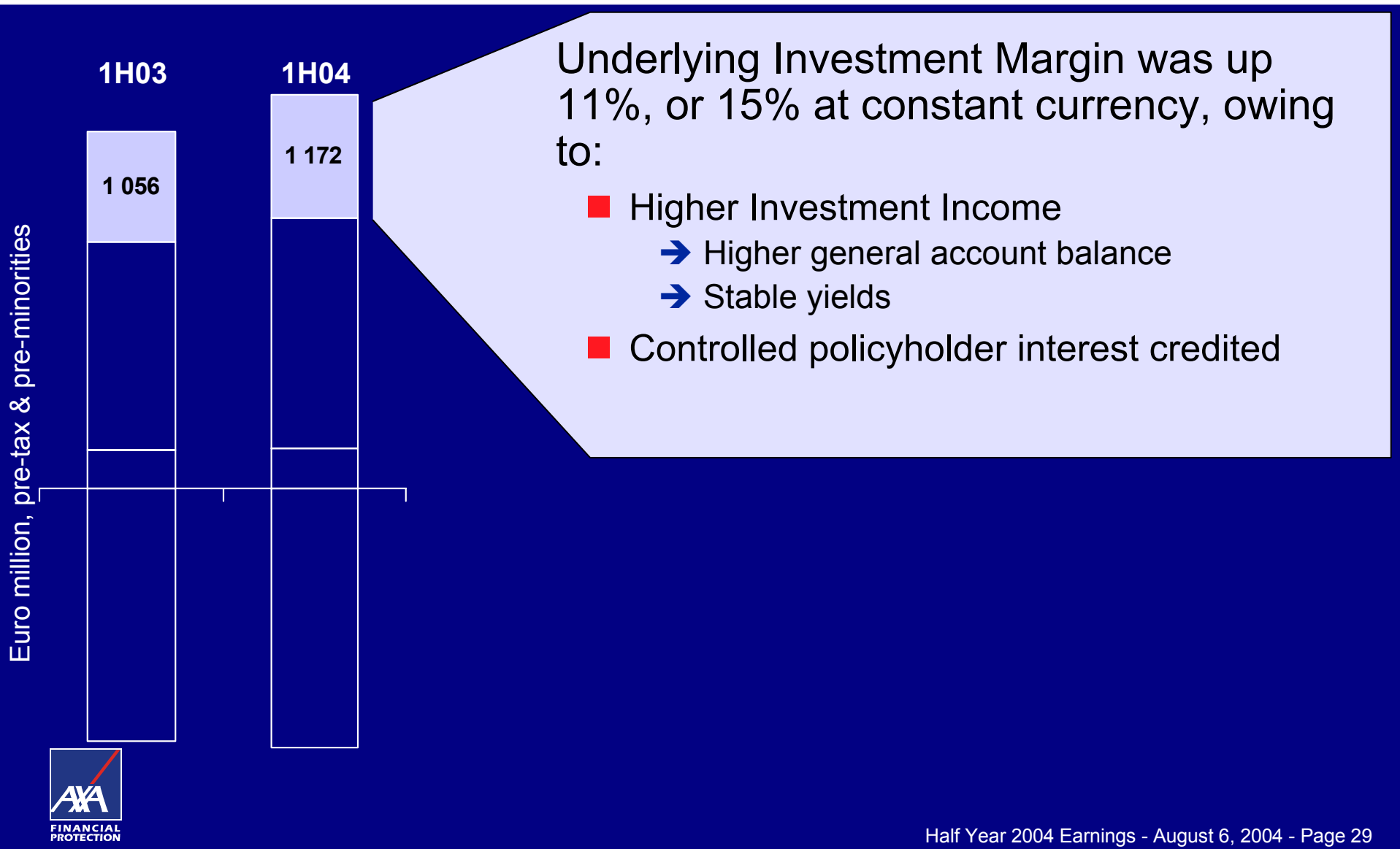
## Margin Analysis of Pre-tax & Pre-minority Underlying Earnings<sup>(1)</sup>



(1) 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).

(2) All growth rates in this slide are at actual exchange rates, not constant.

# Life & Savings: 1H04 Underlying Investment Margin increased on the back of stable yields



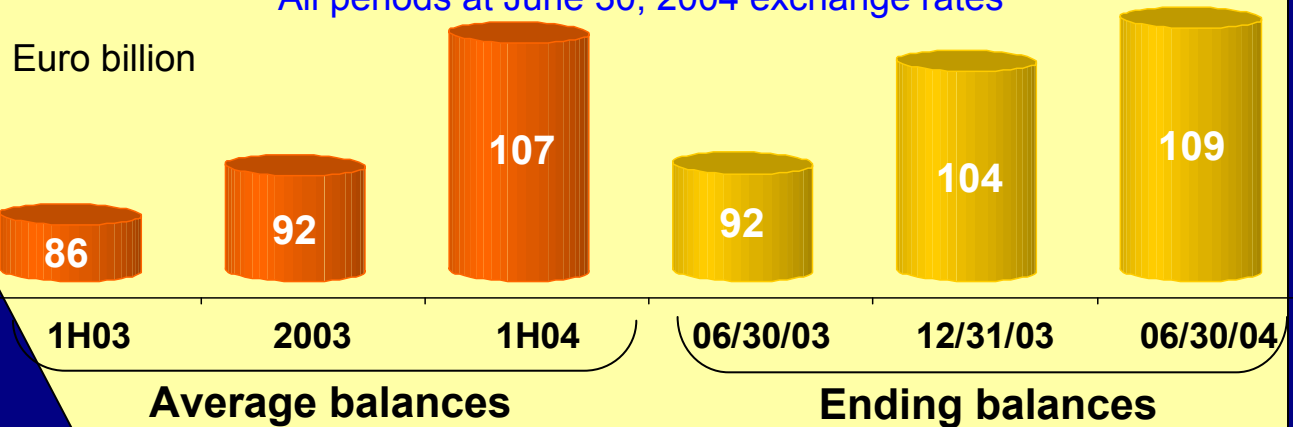
# Life & Savings: 1H04 Fees & Revenues strongly increased on higher average separate account balances

Fees & Revenues increased 11%, or 14% at constant currency, resulting from:

- Separate Account fees up 24% at constant currency, in line with average S/A balance growth

## Life & Savings Separate Account Balances

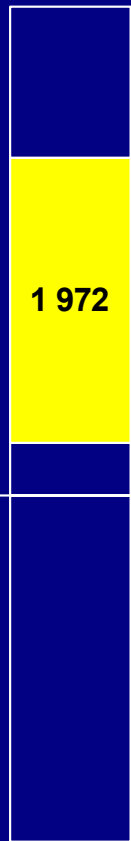
All periods at June 30, 2004 exchange rates



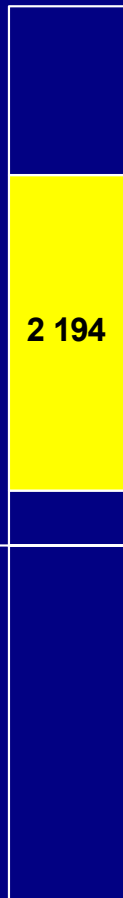
- General Account loadings up 4% at constant currency

Euro million, pre-tax & pre-minorities

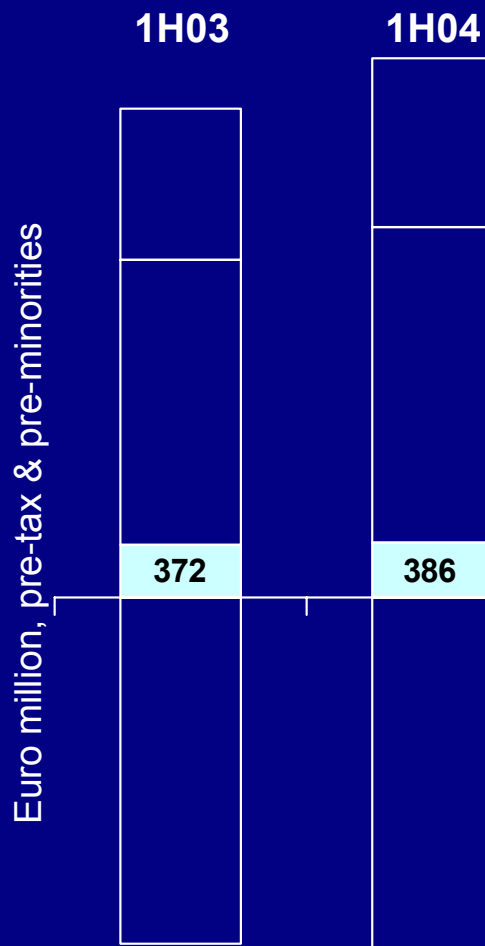
1H03



1H04



# Life & Savings: 1H04 Technical Margin reflected offsetting reserve actions and incremental Japan conversions & surrenders



Technical margin was up 4%, or 11% at constant currency, owing mainly to:

- Offsetting reserve actions in 1H03 (UK and Japan) and 1H04 (Japan)
- Incremental high guaranteed rate products' conversions & surrenders in Japan:
  - **6% of converted & surrendered policies in 1H04**
  - **Totaling 21% of converted & surrendered policies since end 2002**
  - **In line with full year 2004 target**

In addition, Japan continued to increase its retention on other products, with surrender rate down 1.9 pt to 7.6%

# Life & Savings: 1H04 New Business Margin increased to 16.4% as a result of higher unit-linked sales and profitability improvement

Group share In Euro million, except margins in %	1H04		1H03	Main Drivers	
	APE <sup>(1)</sup>	NBC <sup>(2)</sup>	NB Margin		
France	507	71	14.1%	8.4%	Increased individual unit-linked sales
US	687	130	18.9%	17.8%	Accumulator '04 more profitable, hedging
Japan	248	64	25.8%	27.3%	Strategic entry into bancassurance
UK <sup>(3)</sup>	343	15	4.3%	0.4%	Higher, more profitable, unit-linked bond sales
Germany	175	17	9.9%	10.6%	APE mix shift away from Health
Benelux	116	28	24.4%	21.3%	Shift to higher margin unit-linked products
Southern Europe	51	12	22.9%	24.6%	Shift away from unit-linked products
Australia	92	9	10.1%	11.4%	Shift towards lower margin group life products
HK	29	21	71.9%	66.1%	Increased agent productivity
<b>Life &amp; Savings</b>	<b>2,249</b>	<b>368</b>	<b>16.4%</b>	<b>14.3%</b>	
Change from 1H03	+0.3%	+14.9%			
Change at cst FX	+3.8%	+20.9%			



(1) APE (Annualized Premium Equivalent) = 100% of regular premiums + 10% of single premiums.

(2) Before cost of capital.

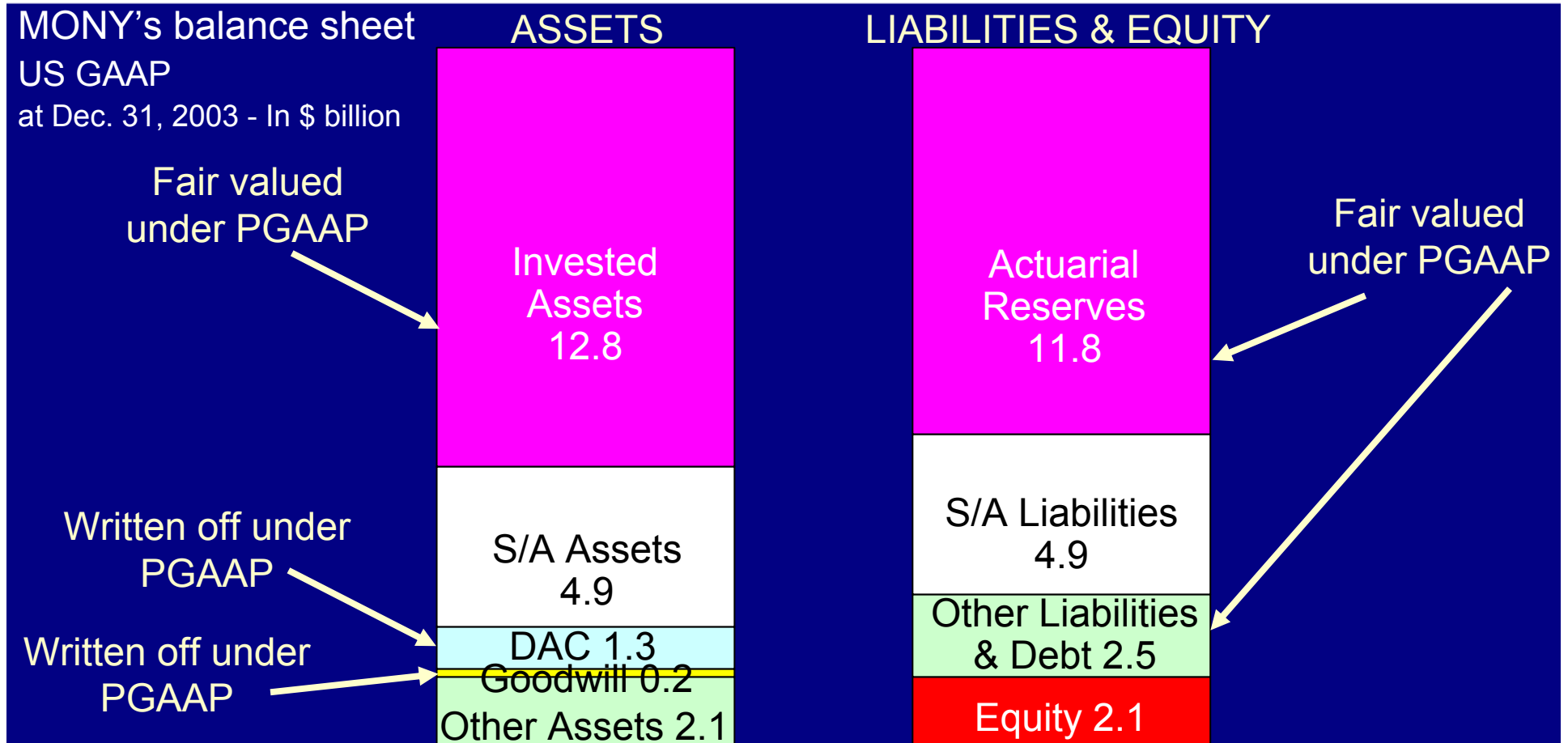
(3) Most UK peers show their margins pre-tax. Grossed up at 30% tax rate, our UK margins would be 6.1% in 1H04 and 0.6% in 1H03.



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# Key Principles of Purchase GAAP (“PGAAP”) accounting on MONY’s December 31, 2003 US GAAP balance sheet



As a result of PGAAP, there will be creation of VOBA and Goodwill, totaling \$1bn to \$1.5bn



# MONEY Integration & Synergies

## ◆ Cross-sell activity has started

→ AXA Financial & MONY salesforces trained in complementary product offerings:

- Equitable variable annuities available to MONY's advisors
- MONY specialty risk products available to AXA Advisors

→ MONY Partners life wholesaling business

- Indications of a successful start with quotes increasing 77% from the 2 week-period prior to deal close to the 2 week-period post deal close
- Should benefit further from AXA Financial ratings and products

## ◆ Consolidation & integration have also already started, with large cost synergies anticipated

→ Headquarters consolidation, to be completed in 3Q04

→ Back office and sales workforce consolidation/ rationalization

→ IT system integration

→ AXA Financial efficiency and discipline to be replicated at MONY



## **MONEY - Expected expense savings and underlying earnings forecasts in line with acquisition assumptions**

- ◆ Combined AXA Financial and MONEY run-rate pre-tax merger operating expense savings of \$175m starting in 2005
- ◆ Incremental 2005 after-tax underlying earnings resulting from the implementation of the MONEY acquisition are expected to be in a \$170-195m range at the AXA Group level under French GAAP

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**So far, 2004 is a good year with all our principal businesses demonstrating their earnings potential. Going forward, we expect that:**

- ◆ P&C and International Insurance will extract further productivity gains
- ◆ Life & Savings and Asset Management growth will accelerate owing to economic recovery and country-specific levers:
  - ➔ US to leverage additional distribution power from MONY
  - ➔ Asia/Pacific to be boosted by the region's inherent growth
  - ➔ Japan and UK to realize benefits from their recovery

## Three to four years ago ...

- ◆ We were recognized as having a track record for acquiring under-managed companies at an attractive price
- ◆ Our challenge was to demonstrate our ability to continue to turn around acquisitions and increase our core business margins

### ... AXA today:

- ◆ Can buy attractive targets at reasonable prices
- ◆ Has been able to turn around the profitability of under-managed companies we bought 4 or 5 years ago
- ◆ Can accelerate the growth of core profitable businesses



# And, whatever the cycle, we have significant room for improving our operating model

## The benefits of our model:

- ◆ Being in one well-identified business
- ◆ Having unique diversification
- ◆ Striving for operational excellence

## From that base, we want to:

- ◆ Strengthen our organic growth
- ◆ Continue to lower unit costs
- ◆ Take advantage of strategic external opportunities





# 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 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.





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# Half year 2004 Earnings

Appendices



FINANCIAL  
PROTECTION

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# 1H04 net income included exceptional operations totaling Euro 191 million

- ◆ Disposal of Unirobe : Euro 104m net capital gain
- ◆ Disposal of AXA Bausparkasse : Euro 22m net capital loss
- ◆ Reduction of the state tax liability booked on the capital gain recorded when DLJ was sold: Euro 43m net
- ◆ A Euro 65m net impact of the exercise by former Sanford Bernstein shareholders of their rights to sell Alliance Capital units to AXA Financial.

	Euro million
Release of part of the provision on 2000 dilution profit	213
Write-off of the goodwill created as a result of 1H04 liquidity put exercise	-148
Total impact	<u>65</u>



# 1H04 benefited from the market recovery, while 1H03 was helped by a gain of Euro 442m on the sale of Credit Lyonnais

	1H04			1H03		
Euro million	Capital gains/losses <sup>(1)</sup>	Equity valuation allowances <sup>(2)</sup>	Net	Capital gains/losses <sup>(1)</sup>	Equity valuation allowances	Net
Life & Savings	144	-86	58	51 <sup>(3)</sup>	-535	-484
Property & Casualty	76	-18	58	208	-459	-251
Int'l insurance	28	-4	24	88	-97	-8
Asset Management	1	-	1	0	-	0
Holdings and others	23	-10	13	37	-15	22
<b>Total</b>	<b>272</b>	<b>-118</b>	<b>154</b>	<b>384</b>	<b>-1,106</b>	<b>-722</b>
Gross Impairments		-393			-1,941	

(1) Excluding one-off capital gains/losses on 1H04 disposals of Unirobe and AXA Bausparkasse (Euro 82m) and on 1H03 disposals of Austria/Hungary, Auxifina and Members' Equity (Euro 66m), and including valuation allowances on bonds.

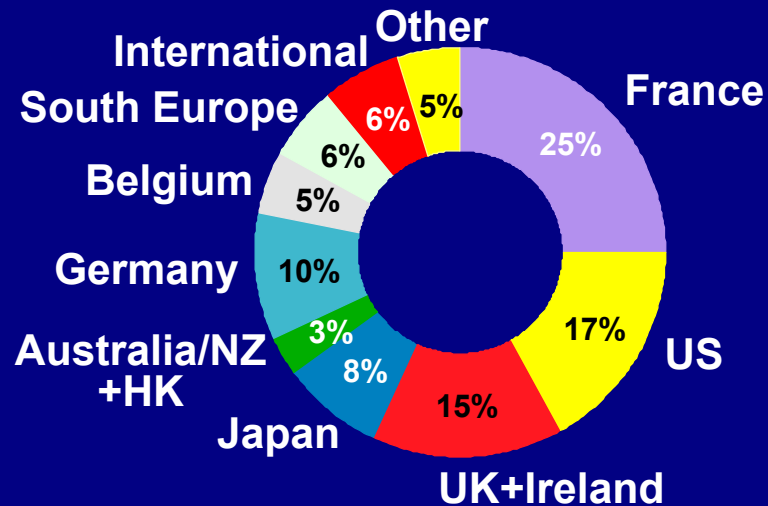
(2) Net of equity valuation allowance write-backs related to recovery in value.

(3) Including Japan DTA valuation allowance of Euro 110m.

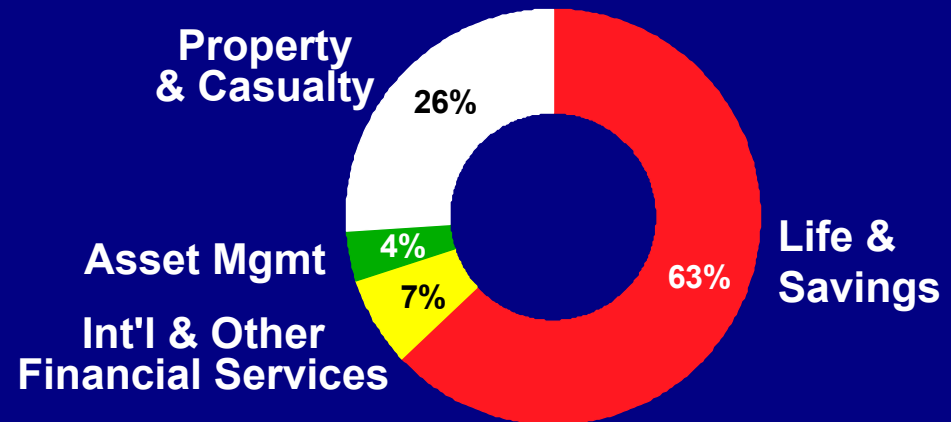


# AXA's 1H04 revenue diversification

## Insurance revenues by geography



## Revenues by operating segment



# Combined ratios improved across the Group owing to disciplined underwriting, still benign claims environment and expense control,...

Combined ratios <sup>(1)</sup> (%)	1H04	1H03	Change	FY03
France	99.9	102.2	-2.3	101.5
Germany	99.5	99.6	-0.1	101.0
UK & Ireland	98.5	102.4	-3.9	100.5
Belgium <sup>(2)</sup>	100.3	102.0	-1.7	103.8
Southern Europe	99.4	101.7	-2.3	101.3
Canada	94.6	97.6	-2.9	99.0
<b>Total P&amp;C Combined Ratio</b>	<b>99.4</b>	<b>101.8</b>	<b>-2.3</b>	<b>101.4</b>
Loss Ratio	72.4	75.0	-2.6	74.3
Expense Ratio	27.0	26.7	+0.3	27.2
Net technical reserves/Net earned premiums	199.1	197.6	+1.5	192.9
Net claims reserves/Net claims paid	257.7	243.8	+13.9	256.3

*...while we increased already healthy premiums and claims ratios*



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

(2) Including workers' compensation business.

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# Half Year 2004 Earnings - Appendices

**DAC**



# DAC at June 30, 2004

	Gross		Net	
Total (Euro million)	10,565		5,312	
<i>of which US</i>	5,361	51%	3,485	66%



<i>\$ million</i>	DAC	Account value	DAC/AV
Traditional Life	853	9,242	9%
Variable and interest sensitive Life	2,432	17,179	14%
Annuities	3,199	61,851	5%
Other	30	512	6%
<b>Total</b>	<b>6,515</b>	<b>88,784</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.

	06/30/02	12/31/02	06/30/03	12/31/03	06/30/04
<b>Gross Return assumed in:</b>					
- Year 1	9%	15%	15%	5%	5%
- Year 2	9%	15%	12%	9%	9%
- Year 3	9%	11%	9%	9%	9%
- Year 4	9%	9%	9%	9%	9%
- Year 5	9%	9%	9%	9%	9%
<b># of yrs <u>above the mean</u> before reverting to the mean</b>	<b>0</b>	<b>2.5</b>	<b>1.25</b>	<b>0</b>	<b>0</b>
	<b>At the mean</b>			<b>Year 1 below the mean</b>	<b>Year 1 below the mean</b>



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# Half Year 2004 Earnings - Appendices

## GMDB/GMIB



# GMDB/IB/AB net reserves amounted to \$328m at 06/30/04

## GMDB/IB/AB reserves based on our interpretation of DSOP

Unaudited figures	06/30/04 Account Value (\$ bn)	% reins.	06/30/04 Net Amount at Risk <sup>(1)</sup> (\$ bn)	06/30/04 French GAAP Reserve <sup>(2)</sup> (\$ mm)
<b>GMDB</b>	<b>93.7</b>		<b>9.3</b>	<b>95</b>
. AXA Financial	50.1	24%	3.5	52
. AXA RE US	40.6	0%	5.6	40
. AXA RE Paris	3.0	0%	0.2	3
<b>GMAB (AXA RE Paris)</b>	<b>1.1</b>	<b>0%</b>	<b>0.3</b>	<b>169</b>
<b>GMIB</b>	<b>26.5</b>		<b>0.3</b>	<b>64</b>
. AXA Financial	17.0	75%	0.1	34
. AXA RE US	9.5	0%	0.2	30

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

(2) Net of reinsurance.



# AXA Financial - Variable Annuities Benefits

- ◆ We are using a variety of risk mitigation techniques including reinsurance, product design management, and more recently Dynamic Hedging on:
  - our GMDB sales since Q2'02
  - our GMIB sales since Q3'03
  - our GMWB sales starting July 19, 2004
- ◆ 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)
- ◆ GMDB, GMIB and GMWB are options where exercise is triggered by:
  - death for GMDB
  - policyholder, after 7 to 10 year waiting period, for GMIB
  - policyholder, up to a capped annual withdrawal level, for GMWB
- ◆ Valuation uses traditional option pricing methodology. Requires assumptions for volatility, mortality, interest rates, surrender rates and policyholder behavior.



# AXA Financial launched a Guaranteed Minimum Withdrawal Benefit (GMWB) on July 19

- ◆ GMWB allows limited annual withdrawals up to the initial contribution, regardless of investment performance
- ◆ Risk exposure is managed through a dynamic delta hedging program
- ◆ GMWB pricing is based on hedging program cost
- ◆ Current guaranteed benefit hedge cost scenarios for GMDB, IB and WB:

<b>Accumulator '04</b>	<b>Current Charge (bps)</b>	<b>Estimated Hedge costs (bps) at volatilities* of :</b>			
		<b>15%</b>	<b>22%</b>	<b>26%</b>	<b>32%</b>
<b>GMDB</b> Annual Ratchet	25	6	12	20	26
Greater of Ratchet & 6% rollup	60	41	46	50	54
<b>GMIB</b> Greater of Ratchet & 6% rollup	65	20	32	40	50
<b>GMDB &amp; GMIB sold together</b>					
Greater of Ratchet & 6% rollup	125	66	80	92	104
<b>GMWB</b> 7% Withdrawal Option	50	10	34	52	79
5% Withdrawal Option	35	4	21	34	53
<b>Representative Volatility Level of:</b>		<b>1 yr ended 6/30/04</b>	<b>1 yr ended 6/30/03</b>	<b>LT 95th Percentile</b>	<b>LT 99th Percentile</b>
<b>Wgt avg of S&amp;P500, Russell &amp; Nasdaq volatilities of:</b>		12%, 19%, 21%	22%, 21%, 27%	23%, 30%, 46%	29%, 33%, 52%



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# Half Year 2004 Earnings - Appendices

## Balance Sheet and Financial Structure



# We have stuck to our asset mix, dictated by ALM and supported by our strong capital position

<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>	<b>1H04</b>
Fixed maturities <sup>(2)</sup>	57%	63%	66%	66%	68%
Equity	17%	16%	15%	15%	14%
Mortgage, policy and other loans	10%	10%	8%	7%	7%
Real Estate	5%	4%	4%	4%	3%
Cash and cash equivalents <sup>(3)</sup>	11%	7%	7%	8%	8%
<b>Total Invested Assets (Euro billion)</b>	<b>257.3</b>	<b>242.6</b>	<b>237.6</b>	<b>241.4</b>	<b>251.6</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 and 1H04 cash positions include 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 1H04</b>	<b>Total Group 2003</b>
Fixed maturities <sup>(1)</sup>	71%	59%	63%	68%	66%
Equity	12%	22%	14%	14%	15%
Mortgage, policy and others loans	8%	2%	0%	7%	7%
Real Estate	3%	7%	2%	3%	4%
Cash and cash equivalents <sup>(3)</sup>	6%	10%	21%	8%	8%
<b>Total Invested Assets<sup>(4)</sup> (euro billion)</b>	<b>195.2</b>	<b>35.4</b>	<b>8.9</b>	<b>251.6</b>	<b>241.4</b>

(1) Including fixed income mutual funds.

(2) Excluding separate account assets (Euro 109bn in 1H04 vs. Euro 101bn in 2003) and assets backing with-profits liabilities (Euro 29bn in 1H04 vs. Euro 27bn in 2003).

(3) Not netted of bank overdrafts. Holdings' 2003 and 1H04 cash positions include 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.

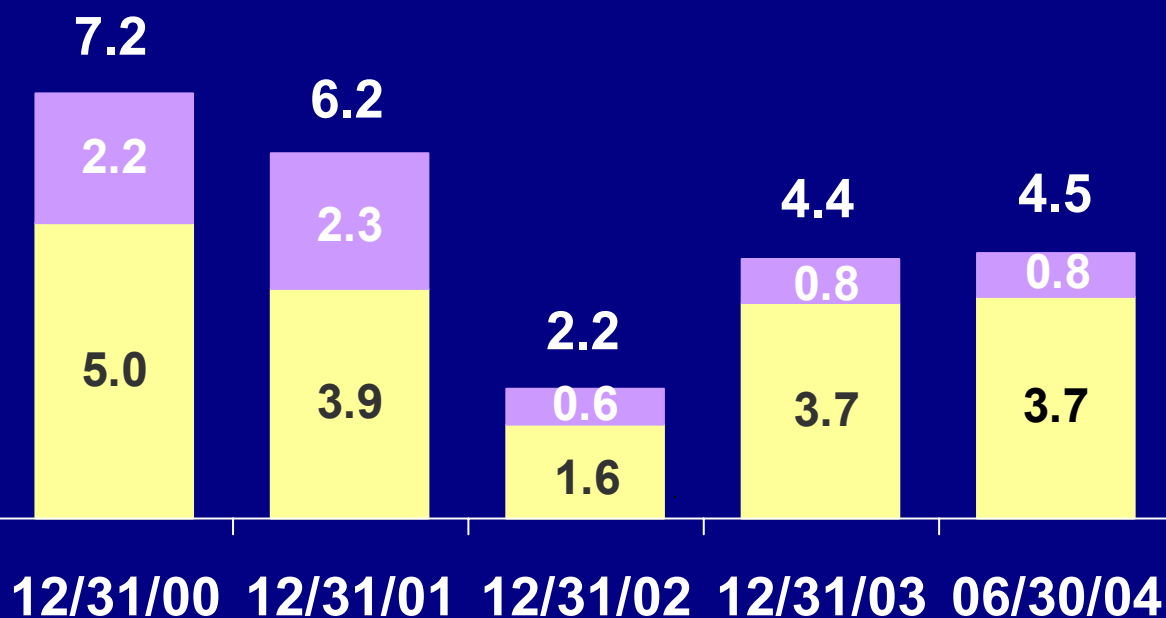
(4) Excluding investment in affiliated companies consolidated under the equity method (Euro 1bn in both 1H04 and 2003).



# Unrealized capital gains attributable to shareholders were flat, as better financial markets were offset by rising interest rates

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 @ 12/31/03	3.7
1H04 harvesting <sup>(2)</sup>	-0.3
Market, currency, and other impacts	+0.2
Impact of valuation allowances <sup>(2)(3)</sup>	+0.1
URG attrib. to SH @ 06/30/04	3.7

(1) Excluding Alliance Capital.

(2) In the Profit & Loss Account.

(3) Equity and fixed income impairments.



# Solvency 1 consolidated solvency margin is up, despite the negative impact of increased interest rates on unrealized gains

## ◆ European consolidated solvency margin\*

→ December 31, 2001	193%	
→ June 30, 2002	179%	
→ December 31, 2002	172%	
→ June 30, 2003	212%	
→ December 31, 2003	212%	
→ <b>December 31, 2003</b>	<b>205%</b>	} <b>SOLVENCY 1</b>
→ <b>June 30, 2004 (est.)</b>	<b>213%</b>	



\* Includes a limited fraction of future profits.

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# Half Year 2004 Earnings - Appendices

## Life & Savings New Business Contributions and APE Margins



# Life & Savings New Business Margins 1H04 vs. 1H03

Group share In Euro million, except margins in %	APE			NBC before cost of capital			NB Margin before cost of capital	
	1H04	1H03	Chg at cst FX	1H04	1H03	Chg at cst FX	1H04	1H03
France	507	453	+12%	71	38	+88%	14.1%	8.4%
US	687	756	+1%	130	135	+7%	18.9%	17.8%
Japan	248	232	+13%	64	63	+7%	25.8%	27.3%
UK <sup>(1)</sup>	343	342	-2%	15	1	+955%	4.3%	0.4%
Germany	175	209	-16%	17	22	-22%	9.9%	10.6%
Benelux	116	110	+5%	28	24	+20%	24.4%	21.3%
South Europe	51	42	+22%	12	10	+14%	22.9%	24.6%
Australia	92	70	+22%	9	8	+8%	10.1%	11.4%
Hong-Kong	29	29	+13%	21	19	+23%	71.9%	66.1%
<b>Life &amp; Savings</b>	<b>2,249</b>	<b>2,244</b>	<b>+4%</b>	<b>368</b>	<b>320</b>	<b>+21%</b>	<b>16.4%</b>	<b>14.3%</b>
<b>After cost of capital</b>							<b>13.0%</b>	<b>10.6%</b>



(1) Most UK peers show their margins pre-tax. Grossed up at 30% tax rate, our UK margins would be 6.1% in 1H04 and 0.6% in 1H03.

# Life & Savings NBC Methodology

Using profitability factors by products from YE 2003, with some period-appropriate adjustments:

- ◆ Reflect actual mix of business
- ◆ Adjust for volume effects
- ◆ Recurring expenses' treatment similar to YE 2003
- ◆ Keep economic assumptions the same as at YE 2003

Specific to 1H04 Figures:

- ◆ Minor methodology and actuarial assumptions updates<sup>(1)</sup>
- ◆ GMDB/IB costs in the US updated for the hedging program



(1) Japan reflects new money rather than portfolio investment rates, which lowers its contribution. Some minor refinements have been made to reflect updated experience where it is available. Updated product pricing reflected when introduced.

# Recap of year-end 2003 main countries' assumptions

<i>In %</i>	Post-tax Discount rate	Pre-tax Risk-Free rate	Pre-tax Equity return	Inflation rate	Effective tax rate	Asset Mix (FI/Eq/Other)
US	7.50	5.00*	8.50	3.0	35.0	76/02/22
France	6.75	4.25	7.25	1.8	34.6	80/13/07
UK	7.25	4.75	7.25	2.7	30.0	50/43/07
Japan	5.11**	2.11**	7.00	0.5	36.2	85/10/05
Belgium	6.75	4.25	7.25	2.0	25.0	81/19/00
Hong Kong	8.50	5.00	8.10	2.5	0.875% of premiums	60/25/15
Australia	8.75	5.75	9.75	2.5	30.0	36/42/22
Germany	6.75	4.25	7.25	1.8	40.0	79/19/02

\* Grading up in the first 2 years from 4.2% to 5%.

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



# Tillinghast Opinion

Tillinghast has reviewed the methodology and assumptions used to determine the value added by new business for the first six months of 2004 and the comparable period in 2003, for the three largest Life & Savings operating entities of the AXA Group: the US, France, and Japan\*.

The methodology and assumptions used are consistent with those used in AXA's 2003 embedded value, as described in the presentation dated February 26, 2004, with some adjustments and simplification, as noted in this presentation.

Tillinghast has concluded that the methodology used is reasonable and consistent with recent industry practice for embedded value reporting and the operating assumptions used are reasonable for this purpose.

The values are based on applying profitability factors developed for 2003 embedded value reporting by product to the actual mix of new business in 2004. The profitability factors 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. The values include the expected costs of the hedging program for US equity-based product guarantees.

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



\* For Japan, the value added by new business written during the first six months of its fiscal year: October 1, 2003 to March 31, 2004 for 2004, and the comparable period for 2003.