

# Full Year 2012 Earnings

February 21, 2013

**Appendices**

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## Business overview

Group

Life & Savings

Property & Casualty

Asset Management

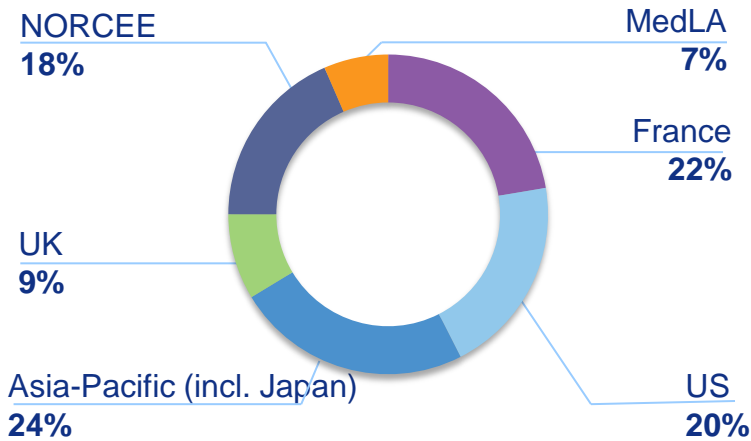
Balance sheet

Embedded Value and Cash Flows

# Life & Savings – Scope overview

## Global footprint

FY12 APE by geography



Total: Euro 6,170 million

## Well balanced business mix

FY12 APE by business



Total: Euro 6,170 million

## Strong proprietary networks

FY12 APE by channel

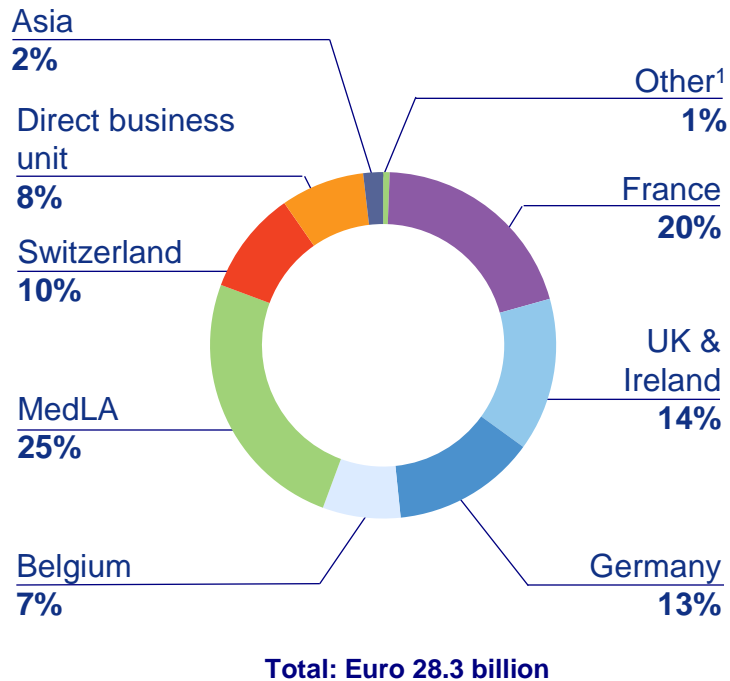


Total: Euro 6,170 million

# Property & Casualty – Scope overview

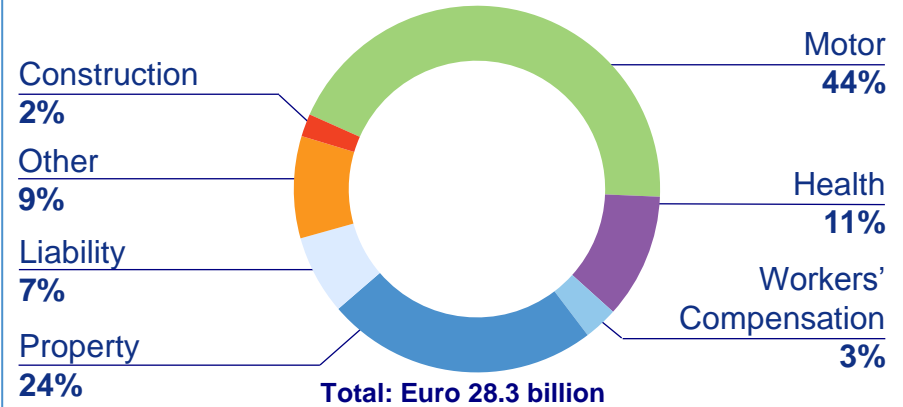
## Global footprint

FY12 Revenues by geography



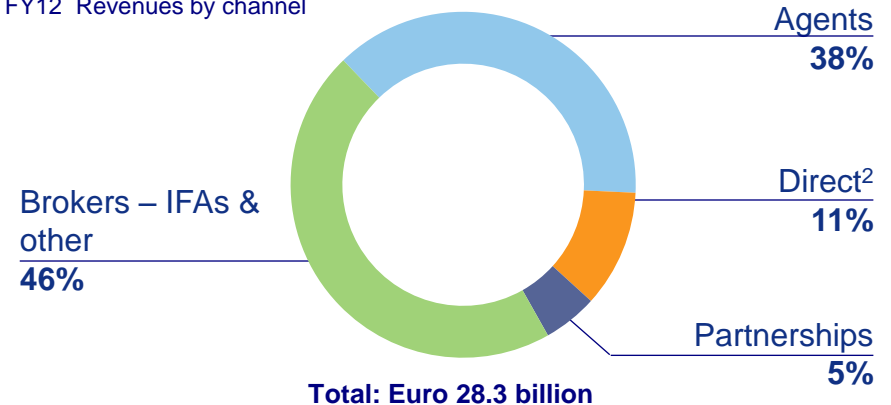
## Strong presence in Motor

FY12 Revenues by business



## Unique proprietary networks

FY12 Revenues by channel



1. Luxembourg and Central & Eastern Europe

2. Sales recorded through the Direct channel include the sales of the Direct business unit and also Direct sales from other entities

# Asset Management – Scope overview

## Complementary business models



### Product offer

- Multi-expert model: structured by “Expertise”
- Expertise in fixed income, equities, quantitative equities
- Focus on alternative investments (structured finance, private equity, real estate, funds of hedge funds)

- Structured by “Investment Style”
- Focus on growth equities, value equities, blend strategies, fixed income
- New developments in alternative investments
- Institutional research services

### Distribution

- Separate distribution platforms for third parties & AXA insurance companies

- Integrated distribution platforms

### Footprint

- Mainly Europe

- Mainly the US and Asia

### AuM

- Euro 554 billion as at 31/12/2012

- Euro 349 billion as at 31/12/2012

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# Revenues

## Revenues by segment

| In Euro million                | FY11          | FY12          | Reported basis | Comparable basis |
|--------------------------------|---------------|---------------|----------------|------------------|
| <i>Life &amp; Savings</i>      | 52,431        | 55,016        | +5%            | +3%              |
| <i>Property &amp; Casualty</i> | 27,046        | 28,315        | +5%            | +3%              |
| <i>Asset Management</i>        | 3,269         | 3,343         | +2%            | -3%              |
| <i>International Insurance</i> | 2,876         | 2,987         | +4%            | +3%              |
| <i>Banking &amp; Holdings</i>  | 485           | 466           | -4%            | -3%              |
| <b>Revenues</b>                | <b>86,107</b> | <b>90,126</b> | <b>+5%</b>     | <b>+2%</b>       |

# Underlying Earnings by region

| In Euro million                | Underlying Earnings |              |                 |                          |
|--------------------------------|---------------------|--------------|-----------------|--------------------------|
|                                | FY11 <sup>3</sup>   | FY12         | Reported change | Change at constant Forex |
| <b>Life &amp; Savings</b>      | <b>2,138</b>        | <b>2,635</b> | <b>+23%</b>     | <b>+19%</b>              |
| United States                  | 235                 | 522          | +122%           | +107%                    |
| France                         | 620                 | 706          | +14%            | +14%                     |
| NORCEE <sup>1</sup>            | 649                 | 594          | -8%             | -10%                     |
| UK                             | -6                  | -17          | +173%           | +158%                    |
| Asia-Pacific (incl. Japan)     | 575                 | 712          | +24%            | +14%                     |
| MedLA                          | 102                 | 162          | +60%            | +60%                     |
| Other <sup>2</sup>             | -36                 | -44          | +23%            | +23%                     |
| <b>Property &amp; Casualty</b> | <b>1,848</b>        | <b>1,895</b> | <b>+3%</b>      | <b>+1%</b>               |
| NORCEE <sup>1</sup>            | 807                 | 945          | +17%            | +16%                     |
| France                         | 496                 | 486          | -2%             | -2%                      |
| MedLA                          | 353                 | 232          | -34%            | -35%                     |
| UK & Ireland                   | 211                 | 154          | -27%            | -29%                     |
| Asia                           | 13                  | 23           | +79%            | +66%                     |
| Direct                         | -33                 | 54           | n.a.            | n.a.                     |
| <b>International Insurance</b> | <b>276</b>          | <b>167</b>   | <b>-40%</b>     | <b>-37%</b>              |
| <b>Asset Management</b>        | <b>321</b>          | <b>382</b>   | <b>+19%</b>     | <b>+14%</b>              |
| AllianceBernstein              | 106                 | 159          | +50%            | +39%                     |
| AXA IM                         | 215                 | 223          | +4%             | +1%                      |
| <b>Banking</b>                 | <b>32</b>           | <b>5</b>     | <b>-86%</b>     | <b>-86%</b>              |
| <b>Holdings</b>                | <b>-843</b>         | <b>-833</b>  | <b>+1%</b>      | <b>+1%</b>               |
| <b>Total</b>                   | <b>3,772</b>        | <b>4,251</b> | <b>+13%</b>     | <b>+9%</b>               |

1. Northern, Central & Eastern Europe: Germany, Belgium, Switzerland, Central and Eastern Europe, Luxembourg and Russia (Property & Casualty only)

2. Other correspond to Architas, Family Protect and AXA Global Distributors

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



# From Underlying Earnings to Net Income

## – Net realized capital gains/losses –

| In Euro million                            | FY11*        | FY12         |
|--|--------------|--------------|
| <b>Underlying Earnings</b>                 | <b>3,772</b> | <b>4,251</b> |
| <b>Net realized capital gains/(losses)</b> | <b>(312)</b> | <b>297</b>   |
| <i>Realized capital gains</i>              | 682          | 815          |
| <i>Impairments</i>                         | (840)        | (283)        |
| <i>Hedging of equity portfolio</i>         | (154)        | (235)        |
| <b>Adjusted Earnings</b>                   | <b>3,460</b> | <b>4,548</b> |

(1) More favorable mark-to-market of interest rate derivatives

(2) Notably from private equity

(3) FY11: mainly Euro 902 million exceptional realized gains on the sale of AXA Canada, Euro 798 million from exceptional realized gains on the sale of the 15.6% stake in Taikang Life and Euro 626 million exceptional realized gains on the AXA APH transaction.

(4) FY11: mainly Euro -943m goodwill reduction attributable to US Accumulator Variable Annuity book of business.

## — Key drivers of change in Net income —

| In Euro million  | FY11*        | FY12         |
|--|--------------|--------------|
| <b>Adjusted Earnings</b>   | <b>3,460</b> | <b>4,548</b> |
| Change in fair value   | 110          | 45           |
| <i>of which impact from interest rates and credit spreads<sup>(1)</sup></i>      | (22)         | 71           |
| <i>of which impact from equities &amp; alternative investments<sup>(2)</sup></i> | 32           | 54           |
| <i>of which impact from other assets</i>   | 41           | 61           |
| <i>of which Forex impacts</i>  | 58           | (140)        |
| Exceptional and discontinued operations <sup>(3)</sup>                           | 2,069        | (94)         |
| Restructuring costs  | (281)        | (244)        |
| Intangibles amortization and other <sup>(4)</sup>                                | (1,167)      | (103)        |
| <b>Net Income</b>  | <b>4,190</b> | <b>4,152</b> |

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

# FY12 key sensitivities

In Euro billion

|                   |            | P&L        |                                     | Balance sheet                                 |
|-------------------|------------|------------|-------------------------------------|---|
|                   |            | Net Income | o/w<br>Impairments<br>net of hedges | Net Unrealized<br>Capital Gains<br>and Losses |
| Equities          | • -25%     | → - 0.2    | - 0.2                               | - 1.4   |
|                   | • +25%     | → 0.0      | - 0.1                               | + 1.7   |
| Interest rates    | • -100 bps | → + 0.8    |                                     | + 8.2   |
|                   | • +100 bps | → - 0.3    |                                     | - 7.6   |
| Corporate spreads | • -75 bps  | → + 0.2    |                                     | + 1.6   |
|                   | • +75 bps  | → - 0.2    |                                     | - 1.6   |

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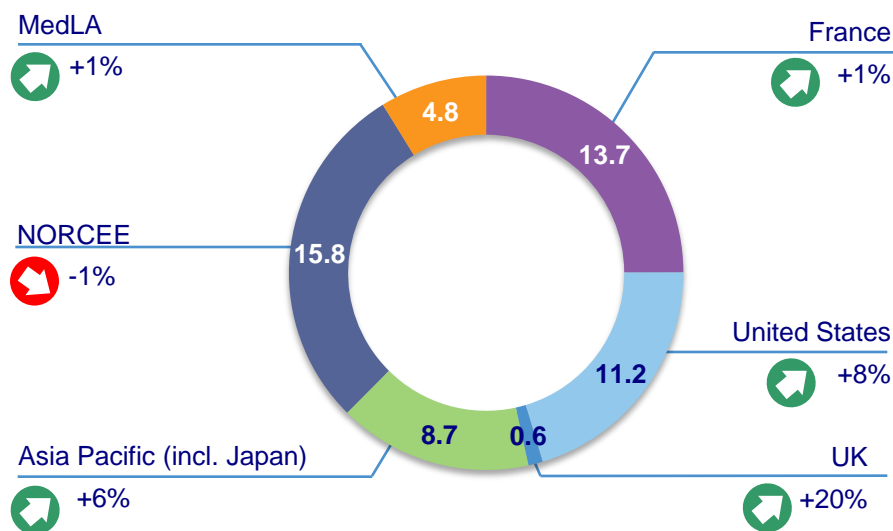
# Life & Savings

- |          |   |                 |
|----------|---|-----------------|
| <b>1</b> | <b>Revenues, new business volumes and profitability</b> | <b>page B13</b> |
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| <b>3</b> | <b>Underlying earnings margin analysis by product</b>   | <b>page B20</b> |

# 1 L&S – Revenues and net inflows

## FY12 L&S revenues by region

In Euro billion



**Total: Euro 55.0 billion**

Changes are on a comparable basis

## L&S Net inflows

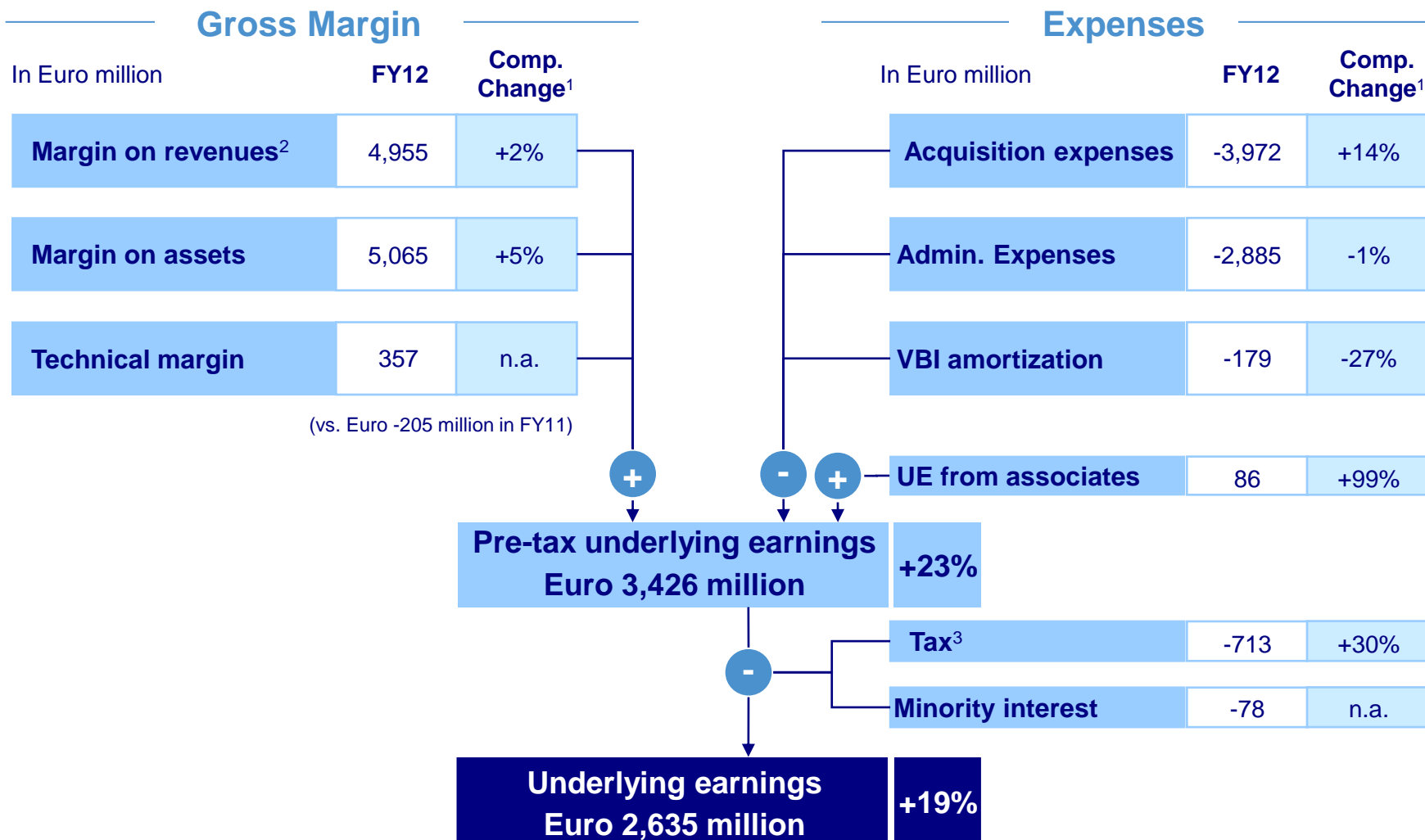
### Net flows by country/region

| In Euro billion                     | FY11        | FY12        |
|-------------------------------------|-------------|-------------|
| France                              | +0.7        | +1.1        |
| NORCEE                              | +2.2        | +1.5        |
| United States                       | -0.7        | -0.2        |
| United Kingdom                      | +0.7        | +0.2        |
| Asia Pacific (incl. Japan)          | +2.2        | +3.3        |
| MedLA                               | -1.9        | -2.0        |
| <b>Total</b>                        | <b>+3.3</b> | <b>+3.9</b> |
| <i>of which mature markets</i>      | +1.5        | +2.5        |
| <i>of which high growth markets</i> | +1.8        | +1.5        |

### Net flows by business

| In Euro billion         | FY11        | FY12        |
|-------------------------|-------------|-------------|
| G/A Protection & Health | +4.3        | +4.8        |
| G/A Savings             | -3.7        | -3.9        |
| Unit-Linked             | +2.4        | +2.8        |
| Mutual funds & other    | +0.2        | +0.2        |
| <b>Total</b>            | <b>+3.3</b> | <b>+3.9</b> |

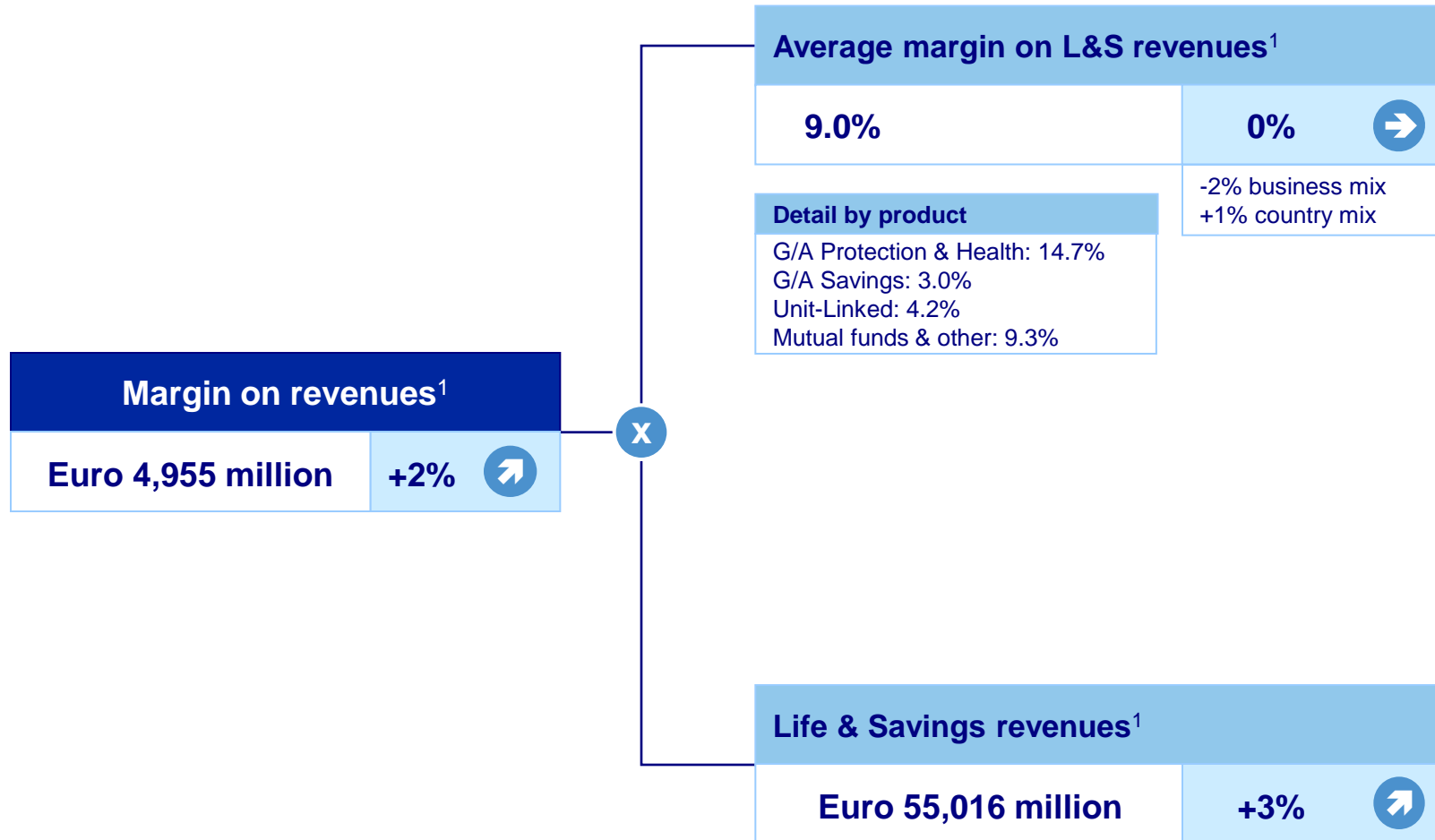
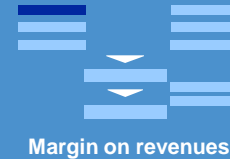
## 2 L&S – Underlying earnings margin analysis



- Changes are adjusted for Forex and scope effects related to sale of Bluefin, portfolios transferred to Resolution in November 2011, AXA APH transaction, ICBC-AXA transaction and the change in reporting period in Asia
- Life & Savings gross written premiums and mutual fund sales.
- Tax rate increased from 19% in FY11 to 21% in FY12 mainly due to unfavorable country mix, partly offset by higher tax one-offs which amounted to Euro 172 million in FY12 vs. Euro 143 million in FY11

# L&S – Margin analysis

## Details of margin on revenues

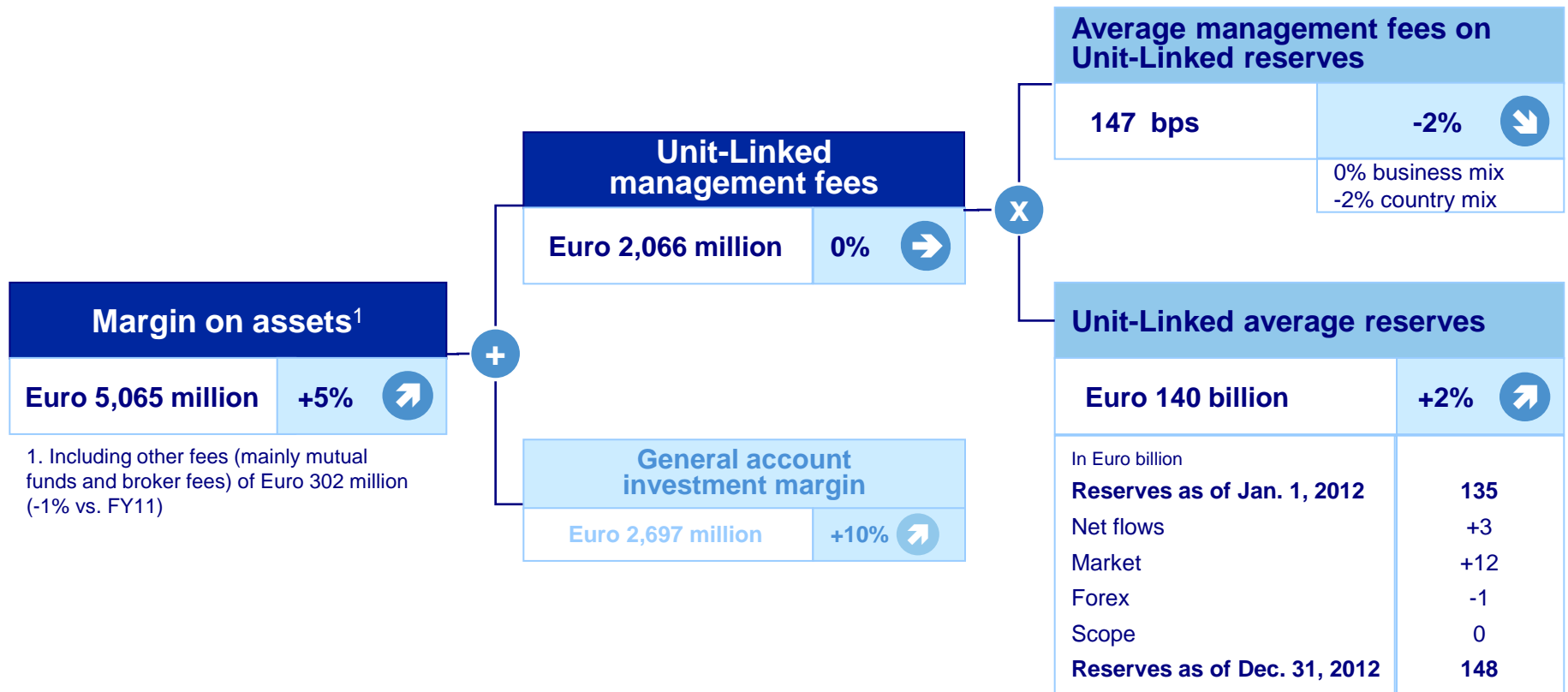
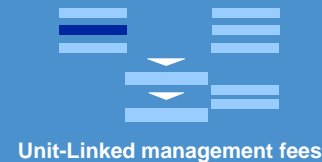


↗ Changes are on a comparable basis

1. Life & Savings gross written premiums and mutual fund fees

# 2 L&S – Margin analysis

## Details of margin on Unit-Linked assets

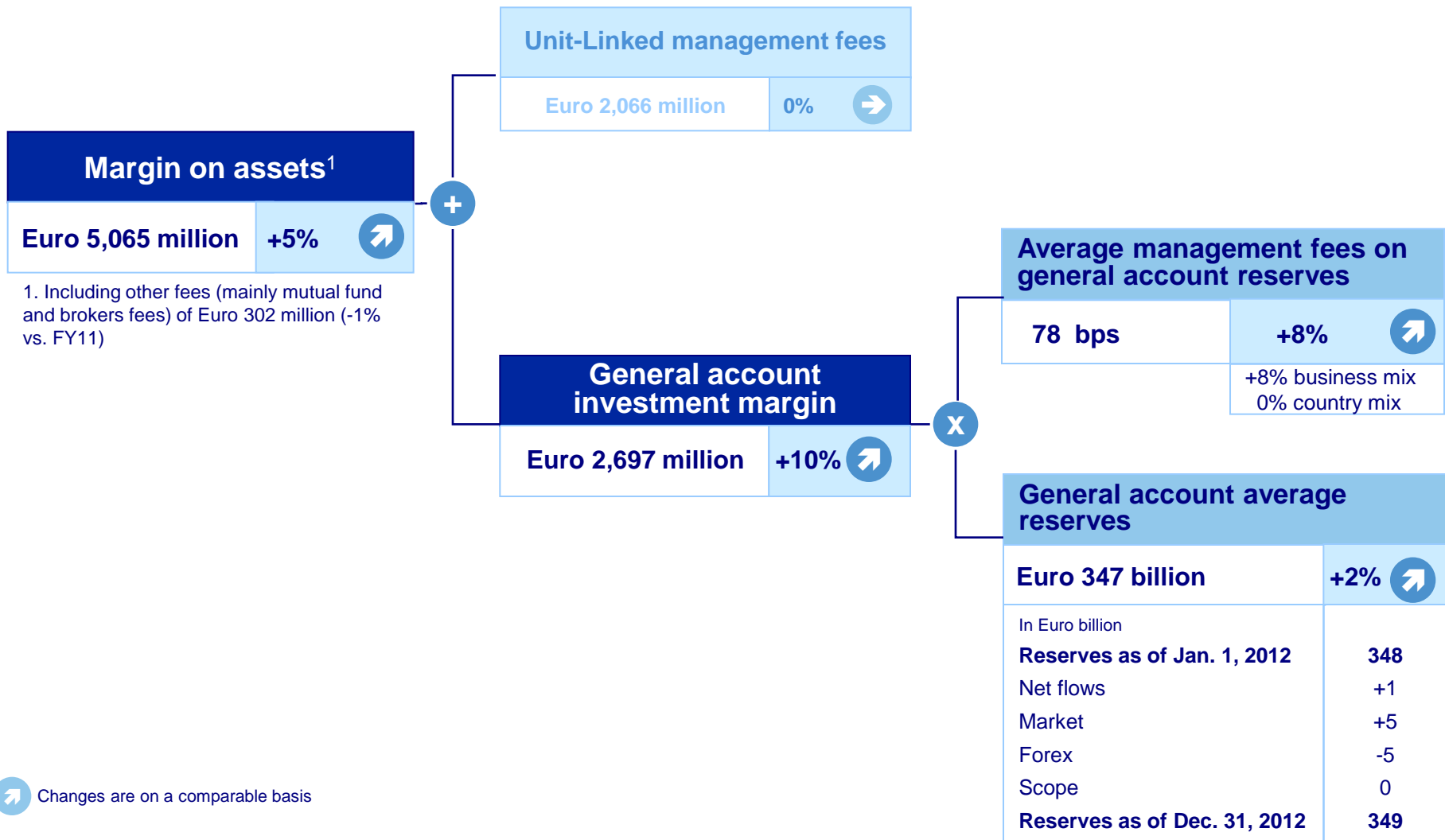
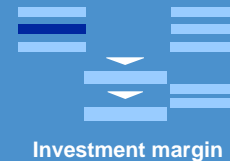


Changes are on a comparable basis



# 2 L&S – Margin analysis

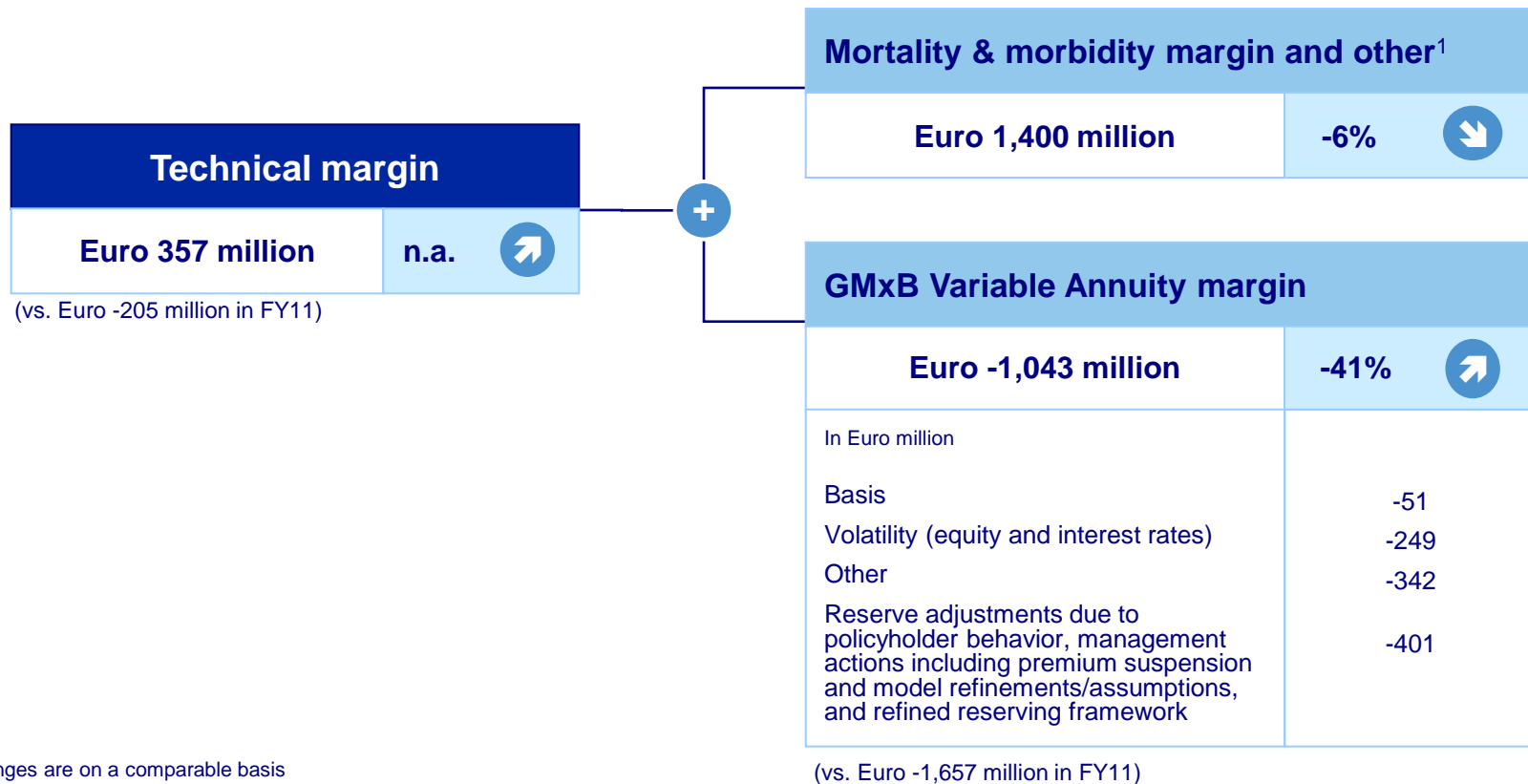
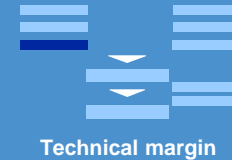
## Details of margin on General Account assets



2

# L&S – Margin analysis

## Details of technical margin



Changes are on a comparable basis

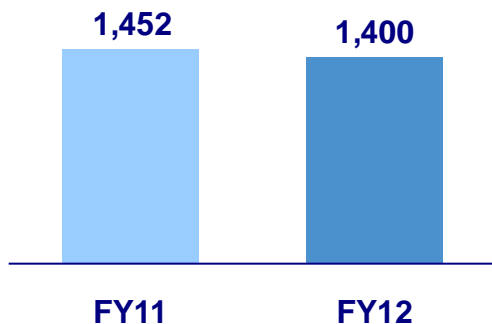
1. Claims paid, maturities and surrenders

## 2 L&S – Margin analysis

### Focus on gross technical margin

#### Gross mortality, morbidity & surrender margin (pre-tax)

In Euro million

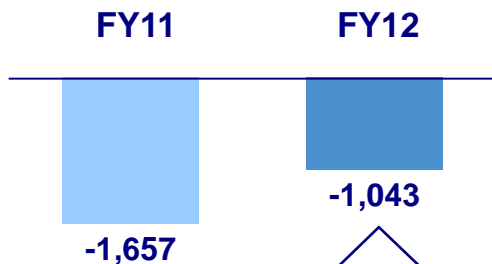


#### FY12 mortality, morbidity & surrender margin evolution mainly explained by:

- Euro +0.1 billion in G/A Protection & Health mainly driven by more favorable reserve development in France and non repeat of the 2011 Great East Japan earthquake impact
- Euro -0.1 billion in G/A Savings mainly due to the non repeat of 2011 favorable exceptional mortality and disability experience in Switzerland
- Euro -0.1 billion in Unit-Linked mainly resulting from unfavorable mortality experience in the US

#### Gross GMxB Variable Annuity technical margin (pre-tax, pre-DAC)

In Euro million



Euro -0.4 billion net Underlying Earnings impact

#### FY12 GMxB VA technical margin evolution mainly explained by:

- Euro +0.3 billion driven by lower VA GMxB reserve adjustments, including premium suspension on old contracts in the US and other model and assumption refinements, and refined reserving framework
- Euro +0.2 billion improvement in VA GMxB hedging result, mainly in the US due to decreased volatility and basis losses

### 3 L&S – FY12 Underlying Earnings by business

| Euro million                       | FY11 <sup>1</sup> | FY12         | % change on comp. basis |
|------------------------------------|-------------------|--------------|-------------------------|
| G/A Protection & Health            | 2,201             | 2,273        | 0%                      |
| G/A Savings                        | 553               | 692          | +25%                    |
| Unit-Linked                        | -4                | 504          | n.a.                    |
| Mutual funds & Other               | 9                 | -44          | n.a.                    |
| <b>Pre-tax Underlying Earnings</b> | <b>2,759</b>      | <b>3,426</b> | <b>+23%</b>             |
| Tax and minority interest          | -621              | -791         |                         |
| <b>Underlying Earnings</b>         | <b>2,138</b>      | <b>2,635</b> | <b>+19%</b>             |

Changes are adjusted for Forex and scope effects related to sale of Bluefin, portfolios transferred to Resolution in November 2011, AXA APH transaction, ICBC-AXA transaction and the change in reporting period in Asia

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

### 3 L&S – FY12 Margin analysis by business

| In Euro million          | G/A Protection & Health | G/A Savings | Unit-Linked | Mutual Funds & Other |                               |
|--------------------------|-------------------------|-------------|-------------|----------------------|-------------------------------|
| Margin on revenues       | 3,786                   | 360         | 660         |                      | 9%<br>% of GWP                |
| Investment margin        | 867                     | 1,613       | 177         |                      | 78 bps<br>of ave G/A reserves |
| Management fees          | 0                       | 0           | 2,066       |                      | 147 bps<br>of ave UL reserves |
| Technical margin & Other | 1,381                   | -49         | -929        |                      |                               |
| Gross margin             | 6,034                   | 1,924       | 1,974       | 444                  | 10,376                        |
| Admin Exp. & Other       | -1,373                  | -625        | -820        | -159                 | -2,978                        |
| Acquisition Expenses     | -2,388                  | -606        | -650        | -328                 | -3,972                        |
| Pre-tax UE               | 2,273                   | 692         | 504         | -44                  | 3,426                         |

 Main profit drivers

# 3 L&S –Margin analysis by business

## G/A Protection & Health

### Technical result

| In Euro million                           | FY12         | Comp. change |
|---|--------------|--------------|
| Protection & Health GWP                   | 25,706       | +2%          |
| Protection & Health Combined ratio (in %) | 94.7%        | +0.6 pt      |
| <b>Net technical result</b>               | <b>1,406</b> | <b>-8%</b>   |

### Net investment margin

| In Euro million                       | FY12       | Comp. change |
|---------------------------------------|------------|--------------|
| Protection & Health Average reserves  | 155,885    | +2%          |
| Protection & Health investment spread | 56 bps     | +6 bps       |
| <b>Investment margin</b>              | <b>867</b> | <b>+14%</b>  |

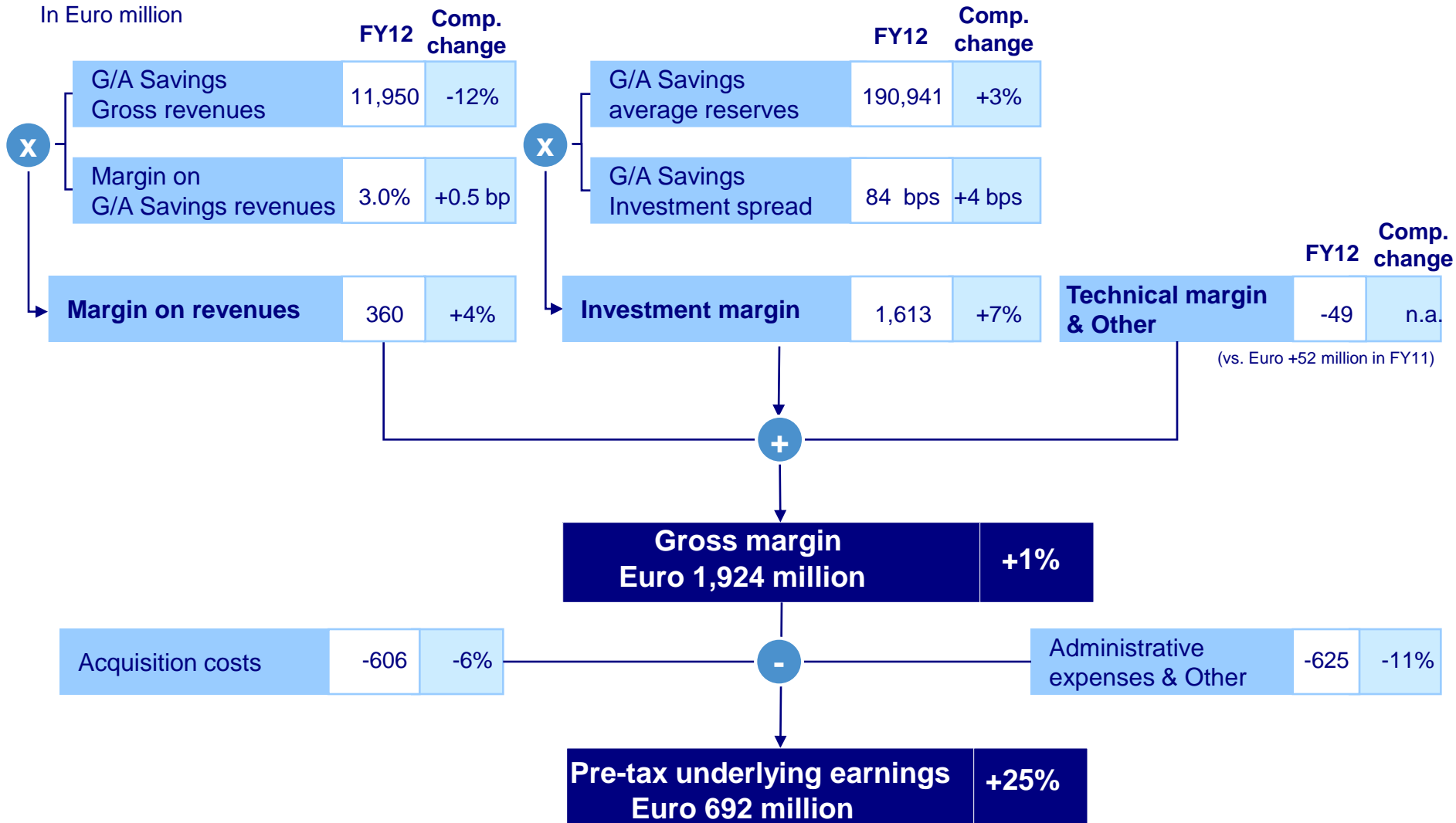
|                                    |           |
|------------------------------------|-----------|
| <b>Pre-tax underlying earnings</b> | <b>0%</b> |
| <b>Euro 2,273 million</b>          |           |

Changes are adjusted for Forex and scope effects related to sale of Bluefin, portfolios transferred to Resolution in November 2011, AXA APH transaction, ICBC-AXA transaction and the change in reporting period in Asia

# 3 L&S – Margin analysis by business

## G/A Savings

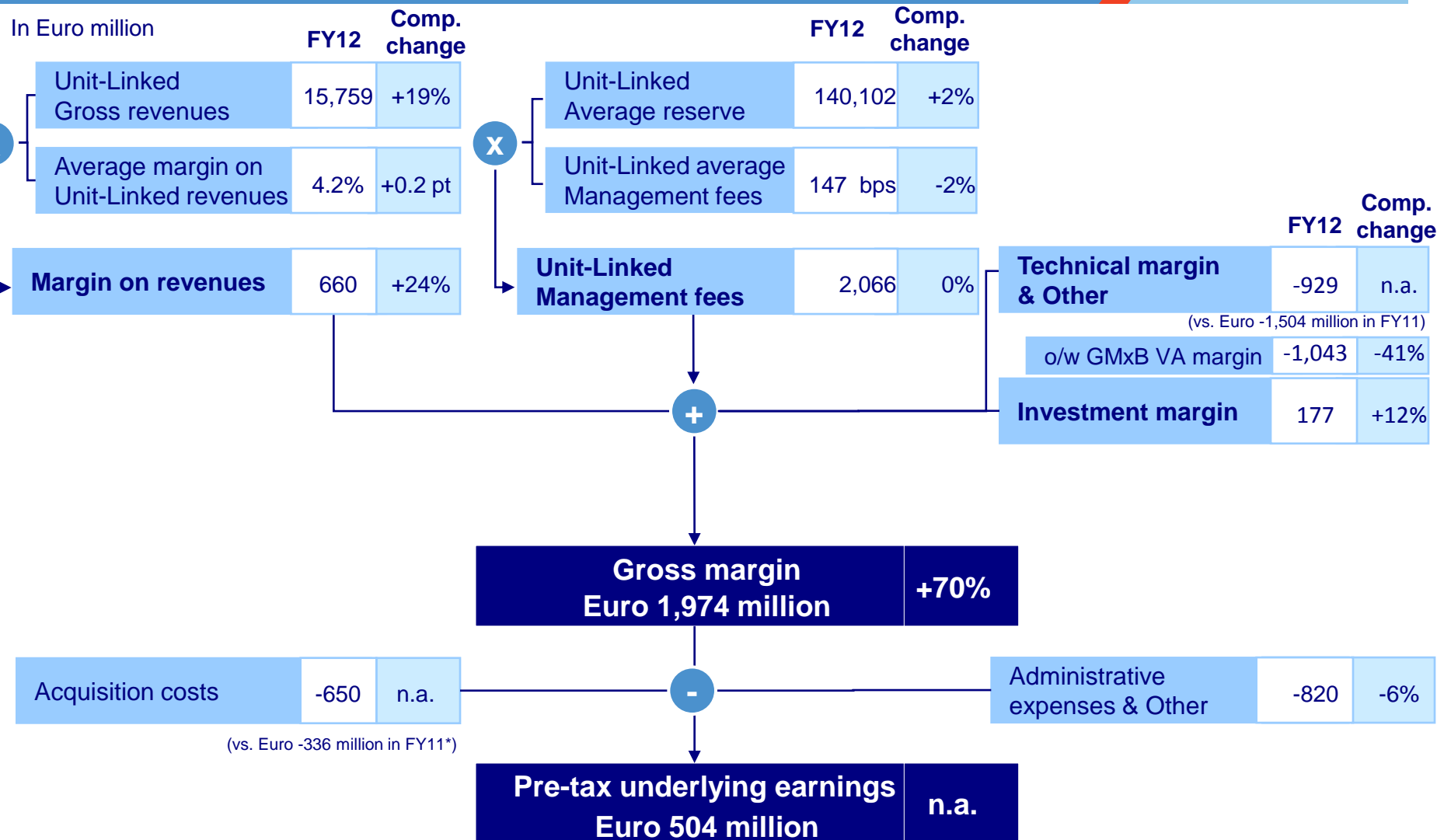
In Euro million



Changes are adjusted for Forex and scope effects related to sale of Bluefin, portfolios transferred to Resolution in November 2011, AXA APH transaction, ICBC-AXA transaction and the change in reporting period in Asia

# 3 L&S – Margin analysis by business

## Unit-Linked



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

Changes are adjusted for Forex and scope effects related to sale of Bluefin, portfolios transferred to Resolution in November 2011, AXA APH transaction, ICBC-AXA transaction and the change in reporting period in Asia



# Focus on US VA GMxB

Refined hedging and reserving approach and strengthened policyholder behavior assumptions

## Refined hedging and reserving approach

- Market consistent valuation of annuity at point of annuitization
- IFRS GMxB reserve calculated by discounting future value of annuity and death benefits at flat 3%<sup>1</sup>

Change in IFRS reserve remains fully booked through Underlying Earnings in the same accounting period

- Reduces interest rate sensitivity of IFRS reserve by 25%
- Positioned for greater upside in rising interest rates

## Prudent policyholder behavior assumptions

- Future lapse rates after the surrender charge period have an interest-sensitive dynamic function and are floored at 1.5% to 2.5%, for deep “in-the-money” policies
- Pro-rata partial withdrawals have an interest-sensitive dynamic function that reduces pro-rata withdrawals by 30% in low interest rate environment

Expected to reduce the risk of future significant reserve strengthening from policyholder behavior

### Limited downside risk:

150bps reduction in lapse floor



Euro -470 million on Underlying Earnings<sup>2</sup>

Reduce dynamic pro-rata partial withdrawals by 70%



Euro -130 million on Underlying Earnings<sup>2</sup>

1. Long term view of interest rates set at 3% based on post crisis 10-15 year duration swap market observations and extended duration of the business due to low lapse rates  
2. Underlying earnings impact is net of DAC and tax

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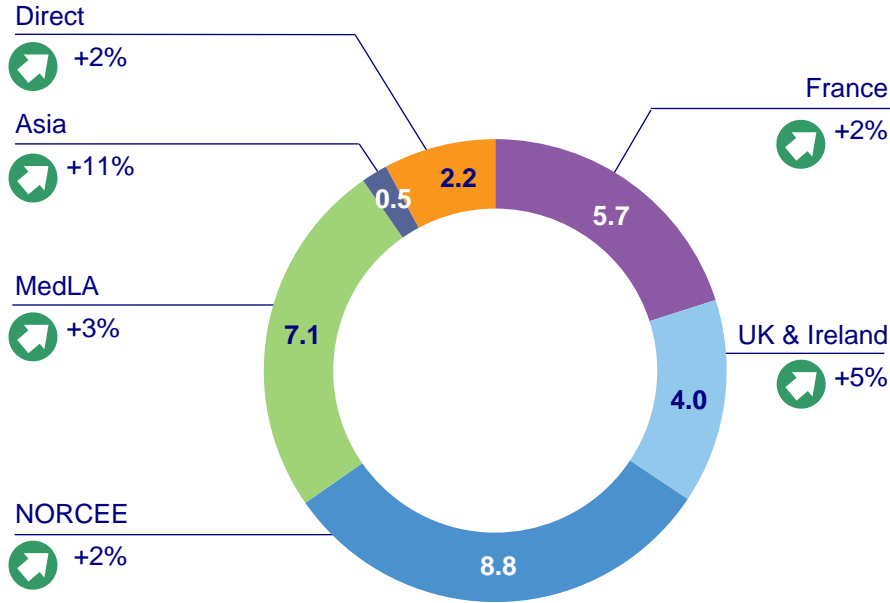
Balance sheet

Embedded Value and Cash Flows

# P&C – Revenues and net new contracts

## FY12 P&C revenues by region

In Euro billion



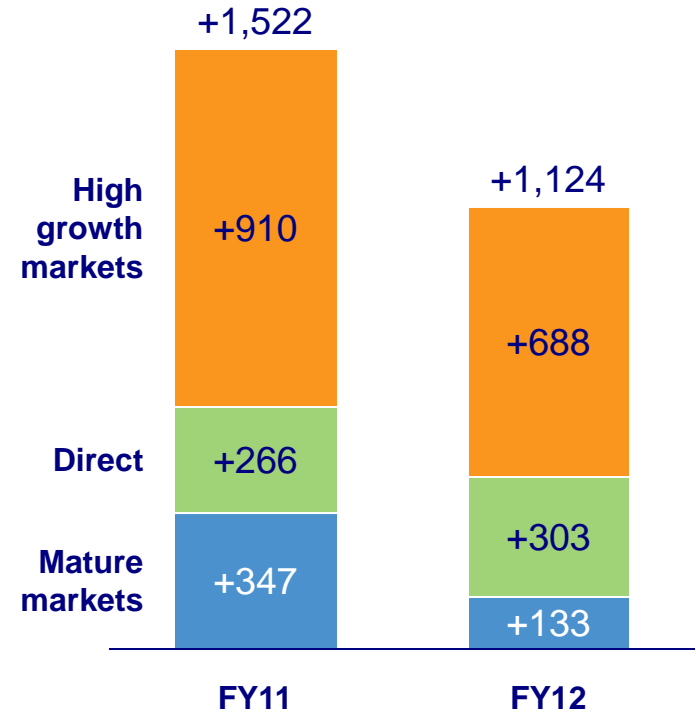
Total: Euro 28.3 billion

Changes are on a comparable basis

## P&C personal net new contracts

In thousands

Almost 90% of net new contracts in high growth markets & Direct



# P&C – Underlying Earnings analysis

## Net technical result

| In Euro million   | FY12   | Comp. Change |
|---|--------|--------------|
| Revenues  | 28,315 | +3%          |
| Combined ratio <sup>1</sup> (in %)                          | 97.6%  | -0.3 pt      |
| 1. Combined ratio calculated based on gross earned premiums |        |              |
| Net technical result <sup>2</sup>                           | 673    | +19%         |
| 2. Technical result net of expenses                         |        |              |

## Net investment income

| In Euro million   | FY12   | Comp. Change |
|---|--------|--------------|
| Average P&C assets  | 55,430 | +1%          |
| Average asset yield <sup>3</sup>  | 3.6%   | -3%          |
| 3. Net of interests credited to P&C reserves relating to annuities.<br>Gross asset yield was 3.9% |        |              |
| Net investment income   | 2,007  | -2%          |
| UE from associates  | 43     | +10%         |

**Pre-tax underlying earnings**  
Euro 2,722 million

+2%

|                  |      |      |
|------------------|------|------|
| Tax <sup>4</sup> | -838 | +11% |
|------------------|------|------|

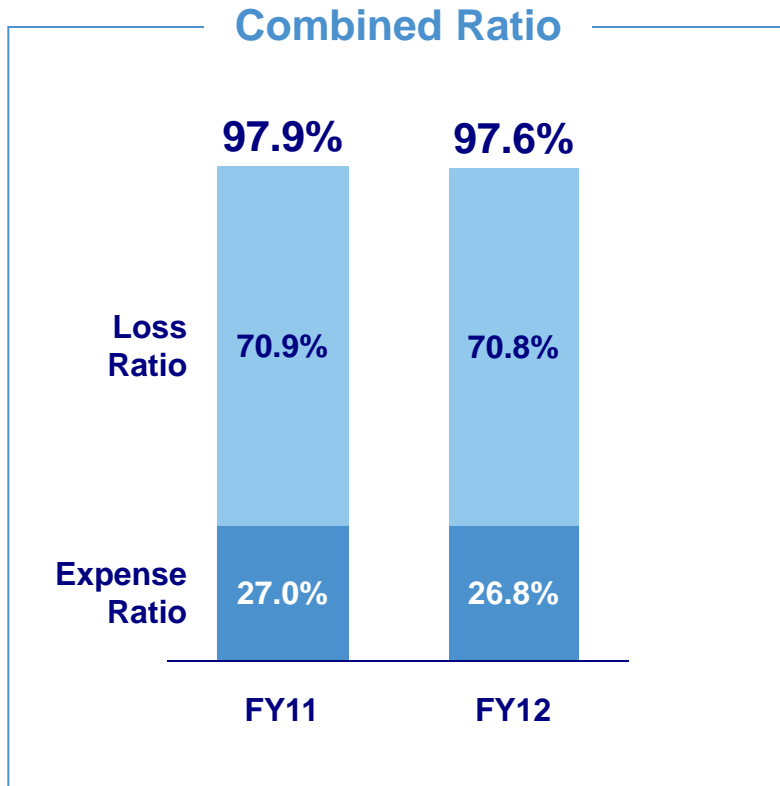
4. Tax rate increased at 31% vs. 28% in FY11, reflecting higher pre-tax underlying earnings and lower tax one-offs.

|                   |     |      |
|-------------------|-----|------|
| Minority interest | +11 | n.a. |
|-------------------|-----|------|

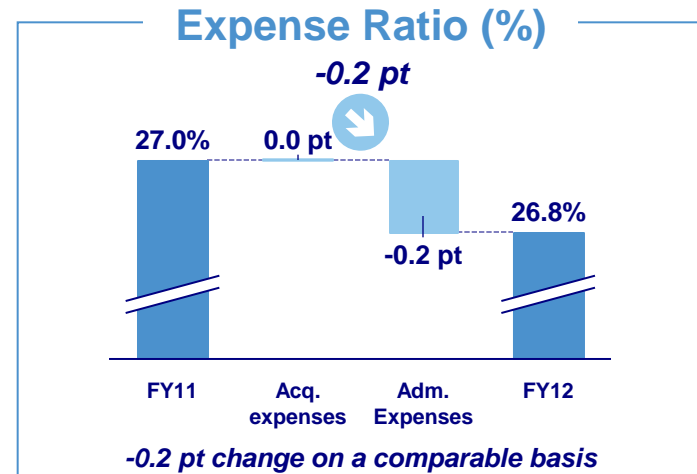
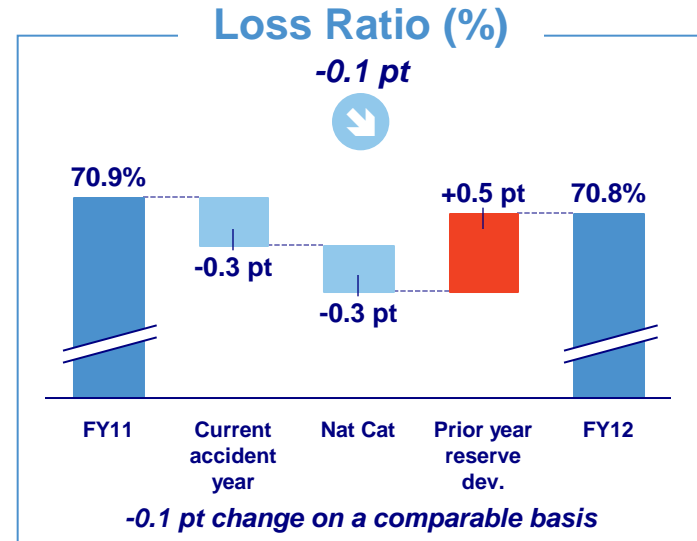
**Underlying earnings**  
Euro 1,895 million

+1%

# P&C – Details on Combined Ratio

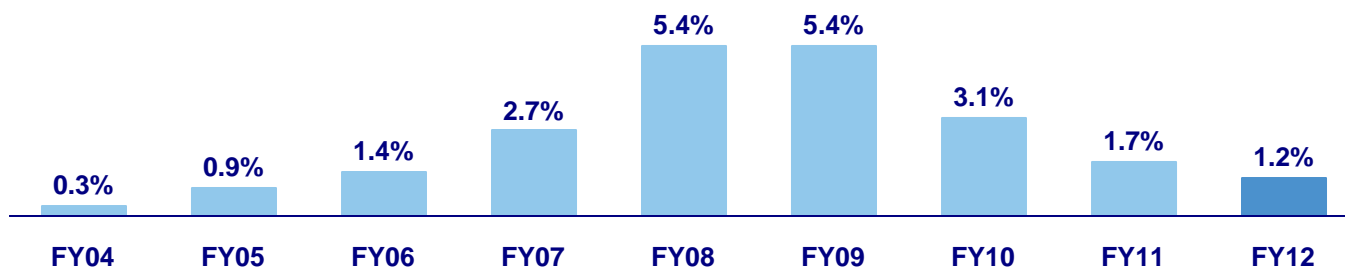


Changes are on a reported basis

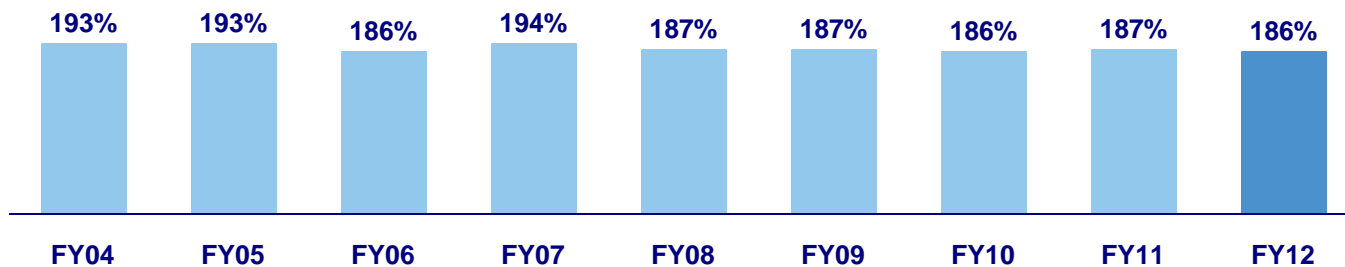


# P&C – Focus on reserve developments

Prior year reserve development level  
(in % of gross earned premiums)



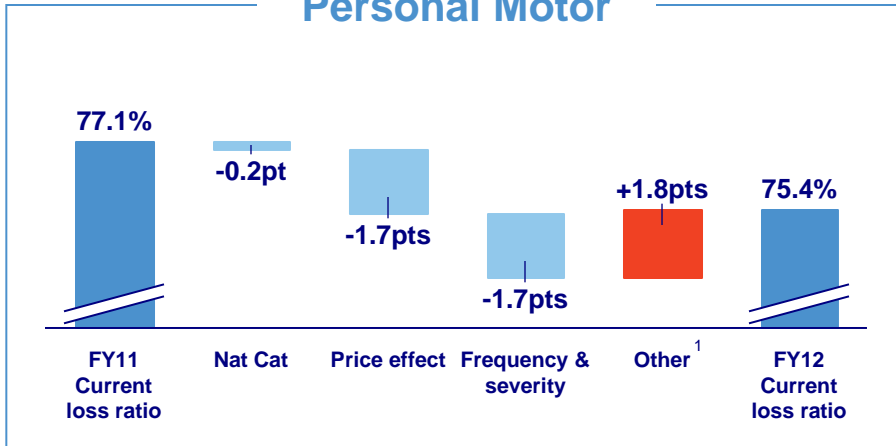
Reserving ratio  
(Net technical reserves/Net earned premiums)



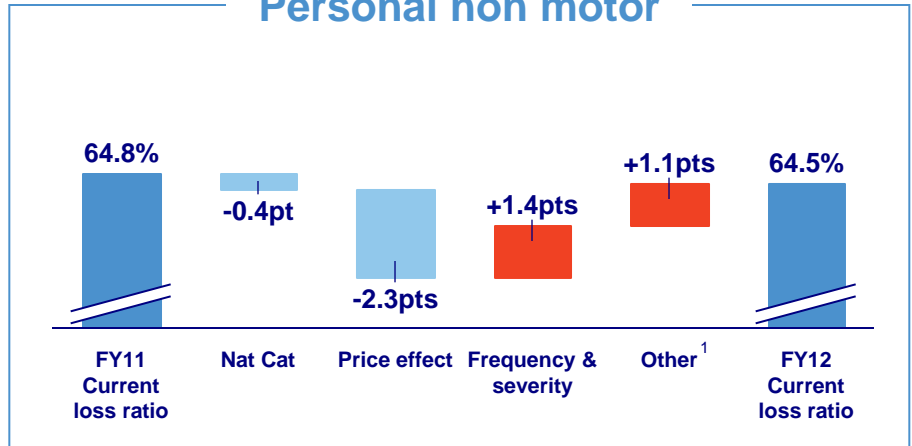
Note: FY04 to FY09 figures do not exclude Canadian operations

# P&C – Details on current year loss ratios

## Personal Motor

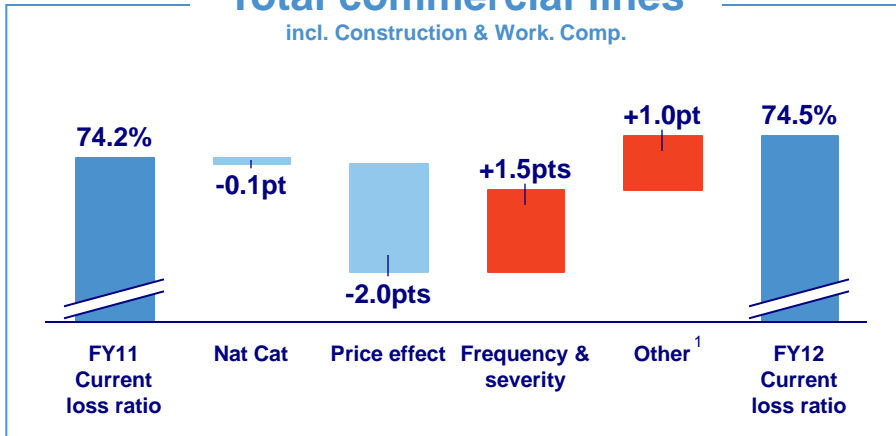


## Personal non motor

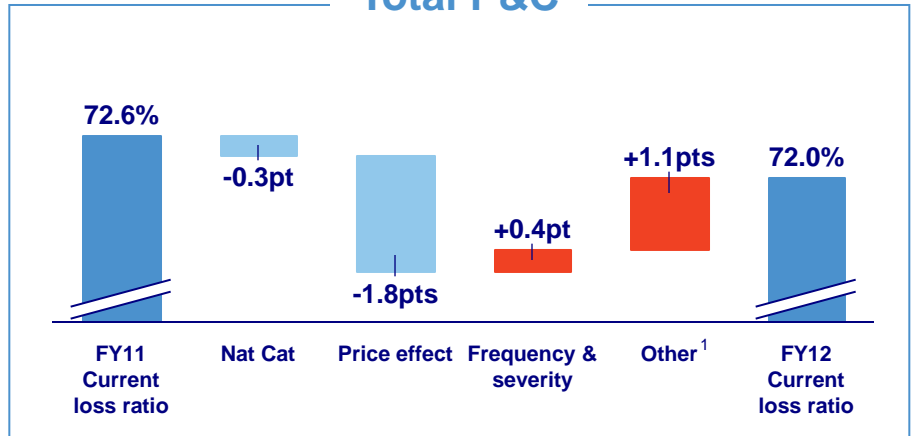


## Total commercial lines

incl. Construction & Work. Comp.



## Total P&C



1. Other includes opening adjustments, changes in mix, claims handling costs, reinsurance impact excl. Nat Cat, other changes in reserves, Forex and scope

# Table of content

Business overview

Group

Life & Savings

Property & Casualty

**Asset Management**

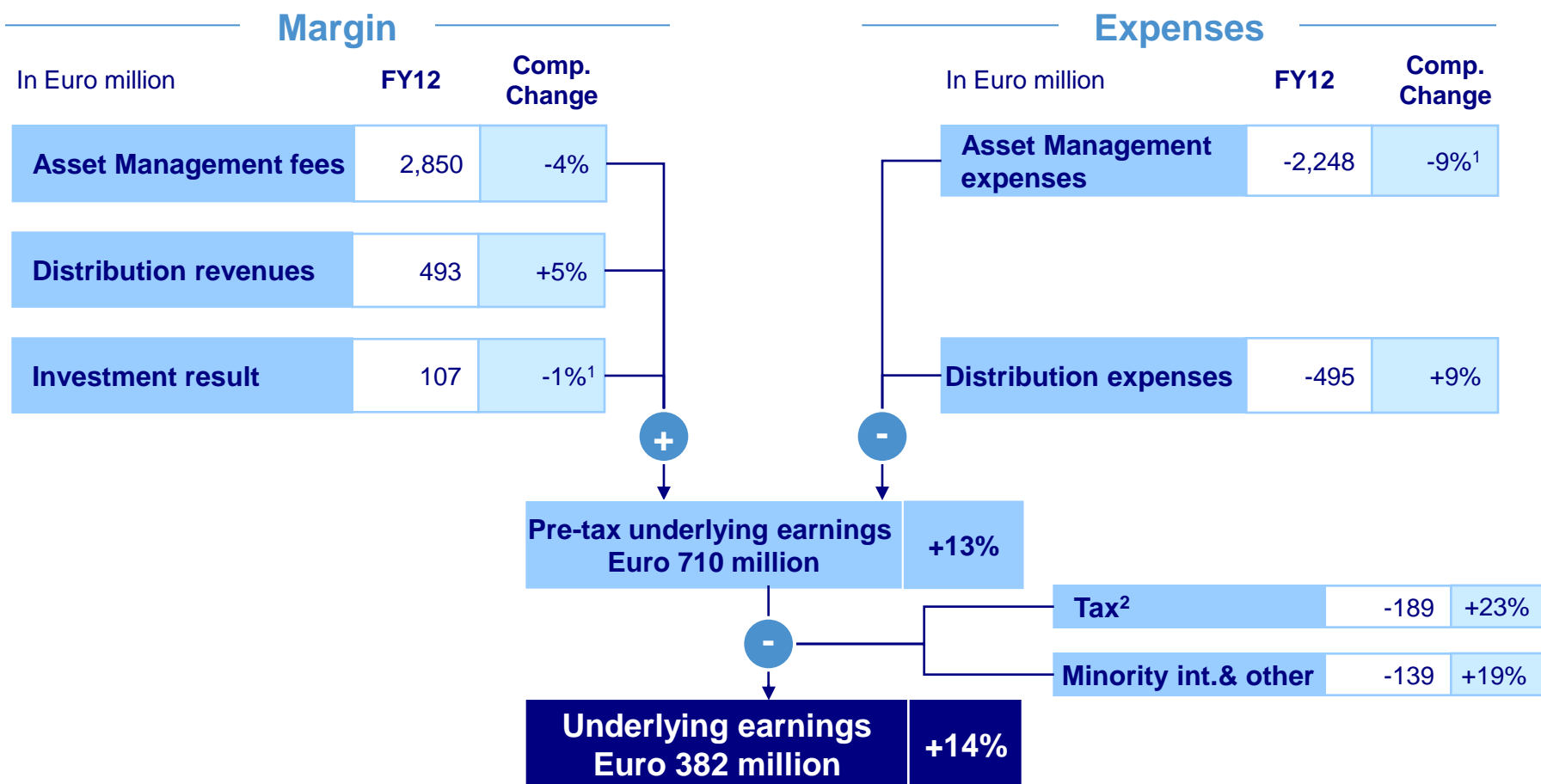
Balance sheet

Embedded Value and Cash Flows



# AM - Underlying Earnings

## Details of Asset Management margin analysis

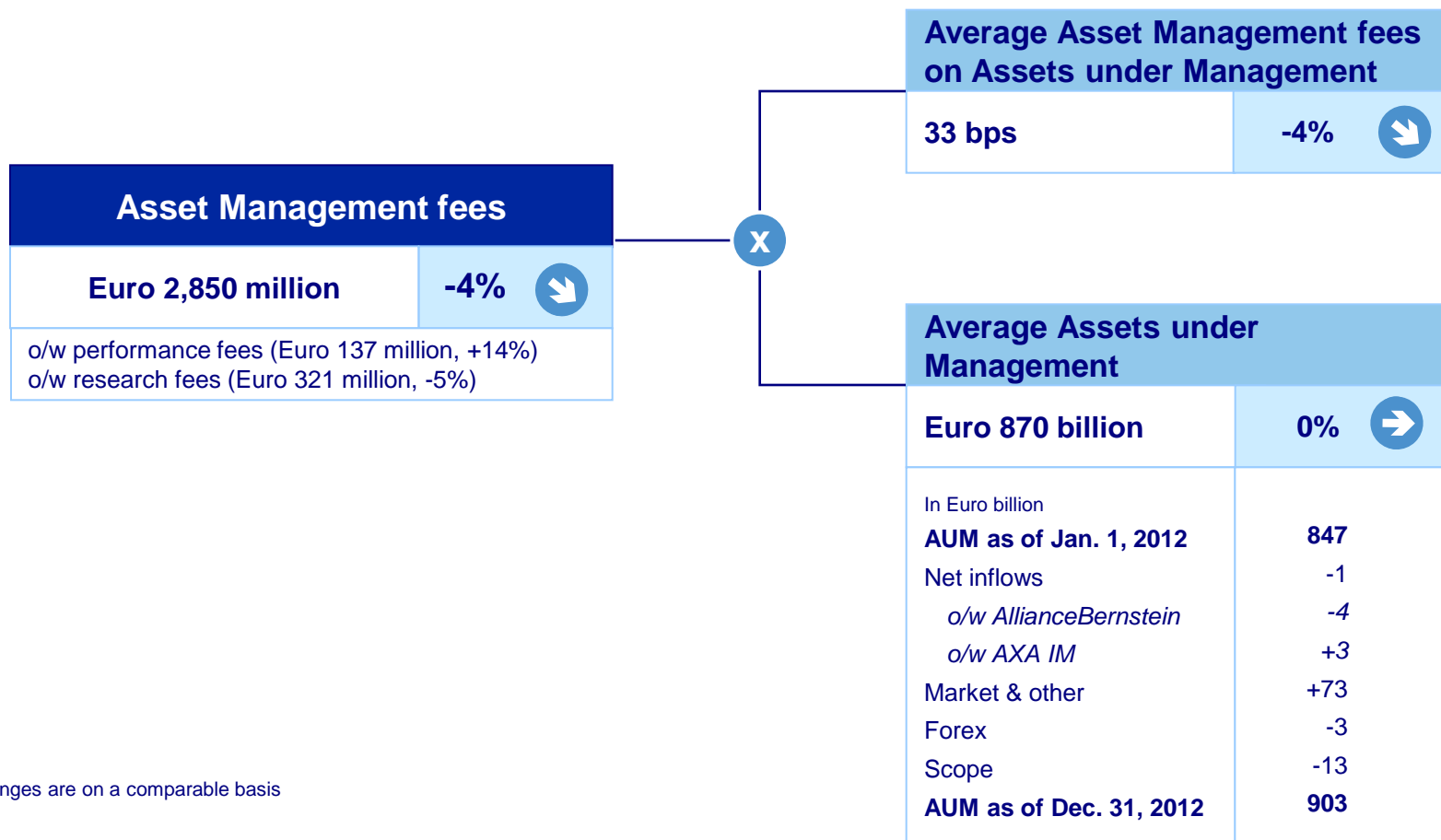


1. Changes are restated from deferred compensation benefits variances that have zero net P&L impact with impacts in investment results fully offset in expenses (Euro -14 million impact in FY11 and Euro +12 million in FY12).

2. Tax rate up from 25% in FY11 to 27% in FY12

# AM – Underlying Earnings

## Details on Asset Management revenues



 Changes are on a comparable basis

# Table of content

Business overview

Group

Life & Savings

Property & Casualty

Asset Management

**Balance sheet**

Embedded Value and Cash Flows

# Balance sheet

## 1 General accounts invested assets

1.1 Government bonds & related

1.2 Corporate bonds

1.3 CDS

1.4 ABS

1.5 Equity

1.6 Real Estate

1.7 Hedge Funds

1.8 Private Equity

1.9 Mortgage loans

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## 2 Solvency

**Page B56**

## 3 Net financial debt

**Page B60**

# General Account invested assets

| Invested assets (100%)<br>In Euro billion          | FY11       | %           | FY12       | %           |
|--|------------|-------------|------------|-------------|
| <b>Fixed income</b>                                | <b>384</b> | <b>82%</b>  | <b>404</b> | <b>82%</b>  |
| <i>o/w govies and related</i>                      | 207        | 44%         | 219        | 45%         |
| <i>o/w Corporate bonds</i>                         | 148        | 32%         | 151        | 31%         |
| <i>o/w Asset backed securities</i>                 | 8          | 2%          | 9          | 2%          |
| <i>o/w Mortgage loans &amp; other<sup>1</sup></i>  | 22         | 5%          | 25         | 5%          |
| <b>Cash</b>  | <b>29</b>  | <b>6%</b>   | <b>28</b>  | <b>6%</b>   |
| <b>Listed equities</b>                             | <b>14</b>  | <b>3%</b>   | <b>15</b>  | <b>3%</b>   |
| <b>Real Estate</b>                                 | <b>22</b>  | <b>5%</b>   | <b>23</b>  | <b>5%</b>   |
| <b>Alternative Investments<sup>2</sup></b>         | <b>13</b>  | <b>3%</b>   | <b>15</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>491</b> | <b>100%</b> |

## Changes in asset allocation

- **Net inflows, investment income and maturities:** invested mainly in corporate and government bonds
- **Mark to market:** fixed income assets benefiting from interest rates decrease and general spread tightening across most major European govies

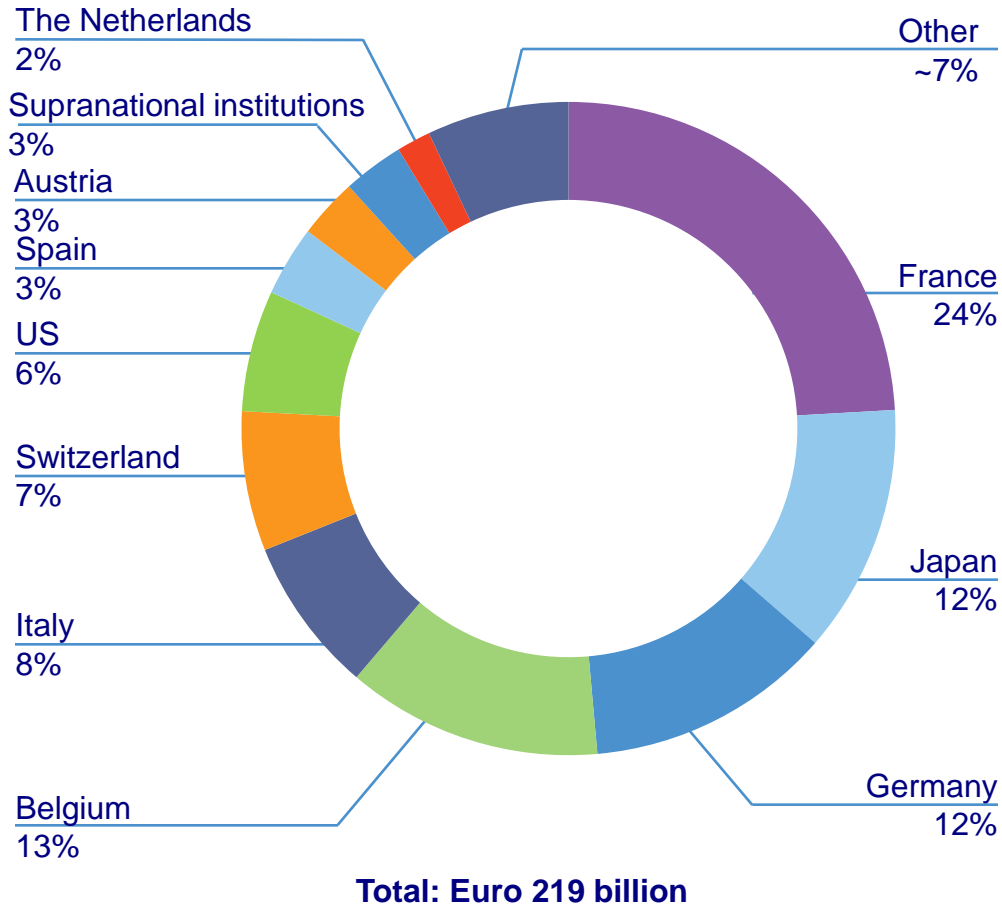
1. Mortgage loans & other include residential loans (Euro 12 billion), commercial & agricultural loans (Euro 10 billion) and Agency Pools (Euro 3 billion)

2. Mainly Private Equity and Hedge Funds

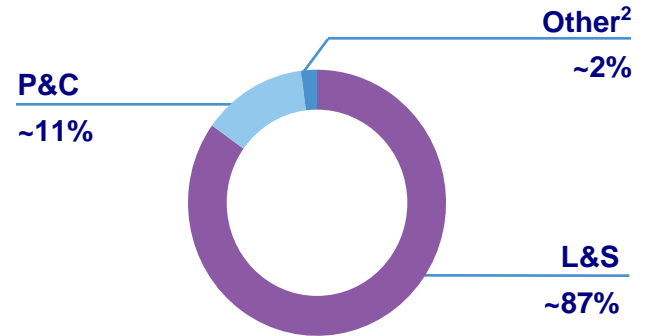
3. FY12 invested assets referenced in page 57 of the financial supplement are Euro 677 billion, which include notably Euro 147 billion of Unit-linked contracts and Euro 34 billion related to the banking segment

# 1.1 Government bonds and related

## Breakdown by geography

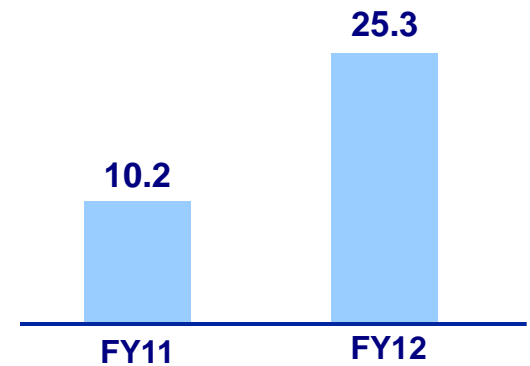


## Breakdown by segment



## Gross<sup>1</sup> unrealized capital gains and losses

In Euro billion

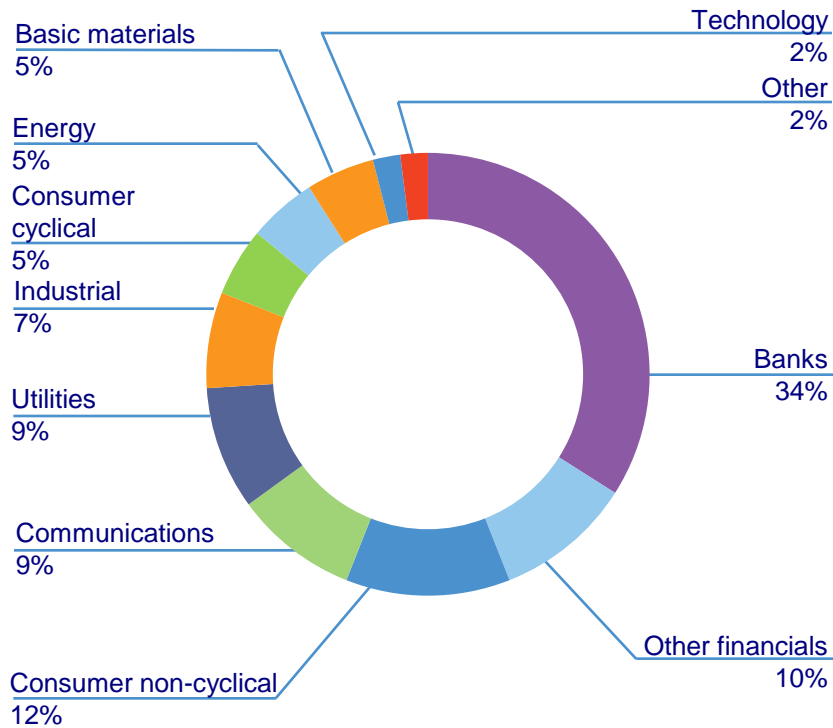


1. Gross of tax and policyholders' participation

2. Other includes International Insurance and Holdings segments

# 1.2 Corporate bonds

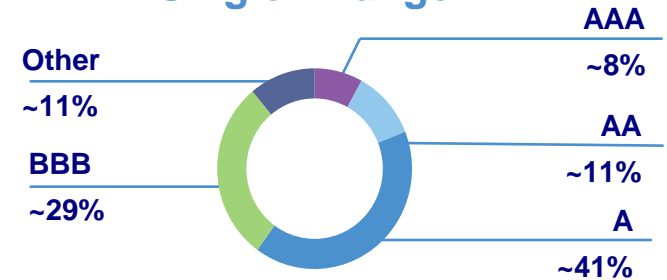
## Breakdown by industry



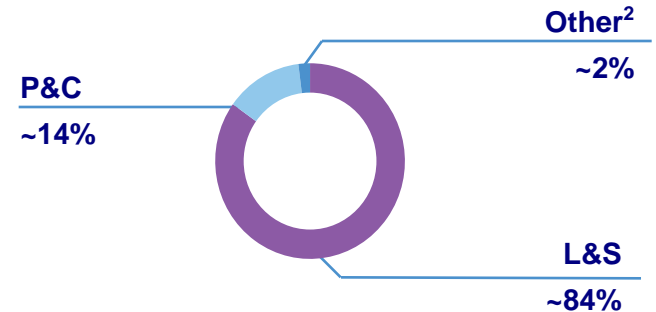
Total: Euro 151 billion

As of Dec 31, 2012

## Single A range

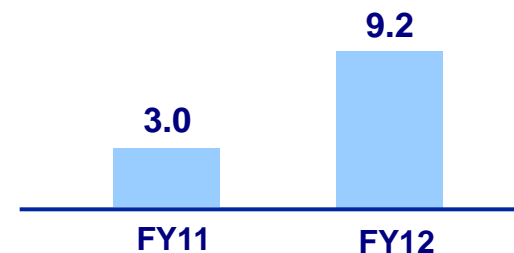


## Breakdown by segment



## Gross<sup>1</sup> unrealized capital gains and losses

In Euro billion



1. Gross of tax and policyholders' participation

2. Other includes International Insurance and Holdings segments

## 1.2 Focus on banking corporate bonds

As of Dec 31, 2012

| Gross market value<br>in Euro billion | Senior debt |             | Sub debt     |              |            |            | Total       |
|---------------------------------------|-------------|-------------|--------------|--------------|------------|------------|-------------|
|                                       | Secured     | Non secured | Lower Tier 2 | Upper Tier 2 | Tier 1     | Preferred  |             |
| United States                         | 0.2         | 7.2         | 1.9          | 0.0          | 0.1        | 0.0        | 9.3         |
| France                                | 2.7         | 3.2         | 1.1          | 0.0          | 0.0        | 0.0        | 7.0         |
| Netherlands                           | 2.7         | 2.6         | 0.3          | 0.0          | 0.1        | 0.0        | 5.7         |
| Spain                                 | 4.0         | 0.7         | 0.2          | 0.0          | 0.0        | 0.0        | 4.9         |
| UK                                    | 0.8         | 2.8         | 0.8          | 0.0          | 0.2        | 0.0        | 4.6         |
| Germany                               | 2.7         | 0.3         | 0.9          | 0.5          | 0.2        | 0.0        | 4.5         |
| Australia                             | 0.8         | 2.5         | 0.2          | 0.0          | 0.1        | 0.0        | 3.7         |
| Italy                                 | 1.0         | 1.3         | 0.1          | 0.0          | 0.0        | 0.0        | 2.3         |
| Switzerland                           | 0.6         | 1.4         | 0.1          | 0.0          | 0.0        | 0.0        | 2.2         |
| Sweden                                | 0.4         | 1.3         | 0.1          | 0.0          | 0.1        | 0.0        | 1.9         |
| Norway                                | 0.5         | 0.5         | 0.0          | 0.0          | 0.0        | 0.0        | 1.0         |
| Canada                                | 0.3         | 0.5         | 0.0          | 0.0          | 0.0        | 0.0        | 0.8         |
| Other <sup>1</sup>                    | 0.7         | 1.8         | 0.2          | 0.1          | 0.0        | 0.0        | 2.9         |
| <b>TOTAL</b>                          | <b>17.3</b> | <b>25.9</b> | <b>6.0</b>   | <b>0.6</b>   | <b>0.9</b> | <b>0.0</b> | <b>50.8</b> |

1. More than 30 countries



## 1.2 Corporate bonds breakdown by country (including CDS)

**P = Participating NP = Non-participating**

| Euro billion<br>As of December 31, 2012 | US       |           | UK       | Japan     | Germany   |          | Switzerland |          | France    |           | Other <sup>1</sup> |           | Total     |           |
|---|----------|-----------|----------|-----------|-----------|----------|-------------|----------|-----------|-----------|--------------------|-----------|-----------|-----------|
|   | P        | NP        | NP       | NP        | P         | NP       | P           | NP       | P         | NP        | P                  | NP        | P         | NP        |
| AAA                                     | 0        | 0         | 0        | 1         | 3         | 1        | 2           | 1        | 3         | 1         | 0                  | 0         | 9         | 4         |
| AA                                      | 1        | 2         | 0        | 3         | 1         | 0        | 2           | 0        | 3         | 1         | 2                  | 1         | 9         | 7         |
| A                                       | 3        | 9         | 1        | 7         | 5         | 1        | 6           | 1        | 12        | 5         | 6                  | 4         | 32        | 29        |
| BBB                                     | 3        | 9         | 1        | 2         | 4         | 1        | 4           | 1        | 9         | 4         | 4                  | 2         | 24        | 20        |
| Below invest. grade                     | 0        | 1         | 0        | 0         | 2         | 0        | 2           | 0        | 2         | 1         | 0                  | 1         | 6         | 4         |
| Non rated                               | 0        | 0         | 0        | 0         | 1         | 0        | 2           | 0        | 1         | 0         | 1                  | 2         | 5         | 3         |
| <b>Total</b>                            | <b>7</b> | <b>20</b> | <b>3</b> | <b>14</b> | <b>16</b> | <b>4</b> | <b>17</b>   | <b>3</b> | <b>30</b> | <b>13</b> | <b>14</b>          | <b>11</b> | <b>84</b> | <b>67</b> |

1. Including Belgium, AXA MPS, Spain, Italy, Asia Pacific (exc. Japan), Other

## 1.3 Corporate bonds: focus on CDS

- **CDS mainly used as alternative to investment grade corporate bonds**
  - Overlay strategy: synthetically replicate corporate bonds by selling CDS on top of government bonds to enhance return
  - NBT strategy: buy credit derivatives on corporate names to form negative basis trade

| <i>Euro million</i> | Overlay strategy<br>Net notional as of<br>Dec 31, 2012 | NBT strategy<br>Net notional as of<br>Dec 31, 2012 | Total<br>Net notional as of<br>Dec 31, 2012 |
|---------------------|--|--|---|
| AAA                 | 161  | -  | 161   |
| AA                  | 828  | (35)   | 793   |
| A                   | 2,765  | (348)  | 2,417                                       |
| BBB                 | 1,663  | (4,097)  | (2,434)                                     |
| Below invest. grade | 47   | (1,105)  | (1,057)                                     |
| Non rated           | (13)   | (83)   | (95)  |
| <b>Total</b>        | <b>5,451</b>   | <b>(5,666)</b>                                     | <b>(215)</b>                                |

Represents  
total market  
value of  
Euro -207 million

# 1.4 Asset Backed Securities by underlying type of asset

## Breakdown by asset type<sup>1</sup>

As of Dec 31, 2012  
Total ABS = Euro 9 billion

### Mortgage-backed

### Other asset-backed

US Subprime, Alt-A & NC  
RMBS

€ 0.8 billion

Prime Residential

€ 0.3 billion

Commercial MBS

€ 1.2 billion

CLO

€ 3.9 billion

Consumer ABS<sup>2</sup>

€ 1.1 billion

CDO

€ 1.9 billion

## Breakdown by rating

NR/Equity

7%

High Yield

19%

BBB

8%

A

8%

AAA

44%

AA

14%

1. Including debt and equity tranches of ABS

2. Mainly consumer loan ABS (plus some leases and operating ABS assets)

## 1.4 Credit risk management: ABS investments

### Group ABS exposure increased mainly driven by:

- Market effect of Euro 1 billion mainly driven by performance of CMBS and Investment Grade CDO's
- Net flows of Euro 0.3 billion, comprised of Euro 2.4 billion of purchases mainly on CLO's and Consumer ABS, and Euro 2.1 billion of sales and redemptions
- Minor evolution of scope of Euro -0.1 billion and forex impact of Euro -0.1 billion

| <i>In Euro million</i>    | Group ABS Exposure |              | Asset values |            |
|---------------------------|--------------------|--------------|--------------|------------|
|                           | 31/12/2011         | 31/12/12     | 31/12/2011   | 31/12/12   |
| <b>Mortgage-backed</b>    |                    |              |              |            |
| Prime Residential         | 494                | 291          | 80%          | 88%        |
| Commercial MBS            | 1,323              | 1,210        | 59%          | 61%        |
| UK & NC RMBS              | 108                | 122          | 57%          | 71%        |
| US Subprime               | 676                | 673          | 45%          | 52%        |
| US Alt-A                  | 36                 | 20           | 27%          | 52%        |
| <b>Other asset-backed</b> |                    |              |              |            |
| Consumer ABS              | 934                | 1,096        | 88%          | 95%        |
| CLO                       | 3,195              | 3,928        | 84%          | 87%        |
| Investment Grade CDO      | 1,070              | 1,588        | 70%          | 91%        |
| High-Yield CDO            | 63                 | 46           | 48%          | 55%        |
| Structured Finance CDO    | 25                 | 42           | 20%          | 28%        |
| Other CDO                 | 167                | 223          | 43%          | 79%        |
| <b>Total</b>              | <b>8,092</b>       | <b>9,239</b> | <b>71%</b>   | <b>79%</b> |

## 1.4 Focus on Mortgage-Backed Securities

| <i>Euro million</i><br><i>As of December 31, 2012</i><br><i>(unless indicated)</i> | Prime Residential<br>MBS | Commercial MBS | UK & NC RMBS | US Subprime<br>RMBS | US Alt-A RMBS |
|--|--------------------------|----------------|--------------|---------------------|---------------|
| % of par @ 31/12/09  | 89%                      | 75%            | 59%          | 42%                 | 14%           |
| % of par @ 31/12/10  | 87%                      | 69%            | 65%          | 51%                 | 21%           |
| % of par @ 31/12/11  | 80%                      | 59%            | 57%          | 45%                 | 27%           |
| % of par @ 31/12/12  | 88%                      | 61%            | 71%          | 52%                 | 52%           |
| AAA  | 165                      | 110            | 13           | 3                   | 0             |
| AA   | 74                       | 53             | 65           | 24                  | 0             |
| A  | 21                       | 229            | 10           | 100                 | 2             |
| BBB  | 14                       | 262            | 1            | 48                  | 1             |
| Below invst. Grade   | 12                       | 555            | 28           | 495                 | 17            |
| Equity / Non rated   | 6                        | -              | 5            | 3                   | 0             |
| <b>Value</b>   | <b>291</b>               | <b>1,210</b>   | <b>122</b>   | <b>673</b>          | <b>20</b>     |
| <b>Shareholder Exposure</b>  | <b>72%</b>               | <b>86%</b>     | <b>77%</b>   | <b>38%</b>          | <b>79%</b>    |
| <b>OCI<sup>1</sup></b>   | <b>57%</b>               | <b>84%</b>     | <b>43%</b>   | <b>92%</b>          | <b>82%</b>    |
| <b>P&amp;L</b>   | <b>43%</b>               | <b>16%</b>     | <b>57%</b>   | <b>8%</b>           | <b>18%</b>    |

1. Fair value changes of assets classified as available for sale are recognized in the OCI component in shareholders' equity.

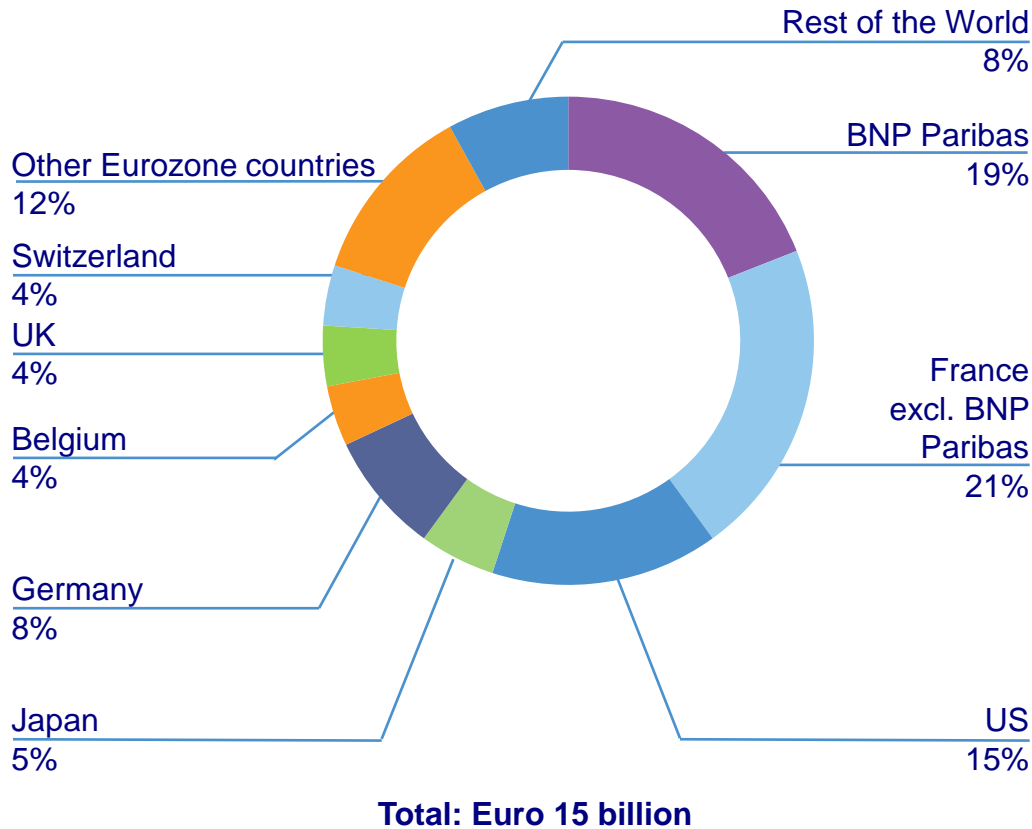
## 1.4 Focus on CDO

| <i>Euro million</i><br><i>As of December 31, 2012</i> | Investment grade | High Yield | Structured Finance | Other CDOs | Total        |
|---|------------------|------------|--------------------|------------|--------------|
| AAA   | 1,076            | -          | 2                  | 10         | 1,088        |
| AA  | 20               | -          | 1                  | 55         | 76           |
| A   | 2                | 7          | -                  | 8          | 17           |
| BBB   | 12               | 15         | -                  | 4          | 31           |
| Below invst. grade                                    | 401              | 11         | 17                 | 10         | 438          |
| Equity / Non rated                                    | 77               | 13         | 22                 | 137        | 248          |
| <b>Value</b>  | <b>1,588</b>     | <b>46</b>  | <b>42</b>          | <b>223</b> | <b>1,899</b> |
| <b>Shareholder Exposure</b>                           | <b>40%</b>       | <b>82%</b> | <b>85%</b>         | <b>68%</b> | <b>45%</b>   |
| <b>OCI<sup>1</sup></b>                                | <b>2%</b>        | <b>64%</b> | <b>85%</b>         | <b>60%</b> | <b>13%</b>   |
| <b>P&amp;L</b>  | <b>98%</b>       | <b>36%</b> | <b>15%</b>         | <b>40%</b> | <b>87%</b>   |

1. Fair value changes of assets classified as available for sale are recognized in the OCI component in shareholders equity.

# 1.5 Equity portfolio overview

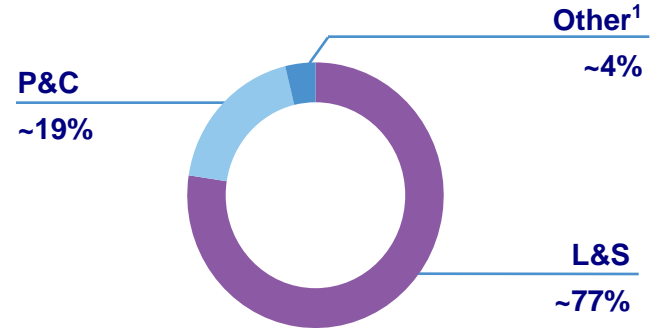
## Breakdown by geography



As of Dec 31, 2012

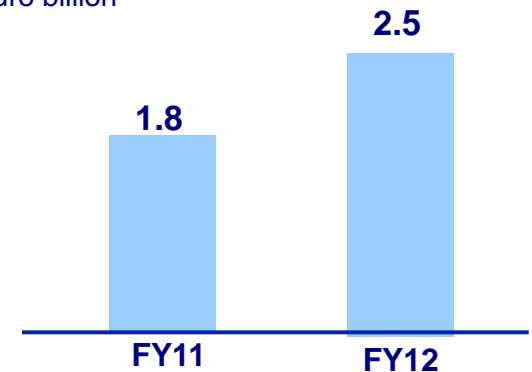
- 1. Other includes International Insurance and Holdings segments
- 2. Gross of tax and policyholders' participation

## Breakdown by segment



## Gross<sup>2</sup> unrealized capital gains and losses

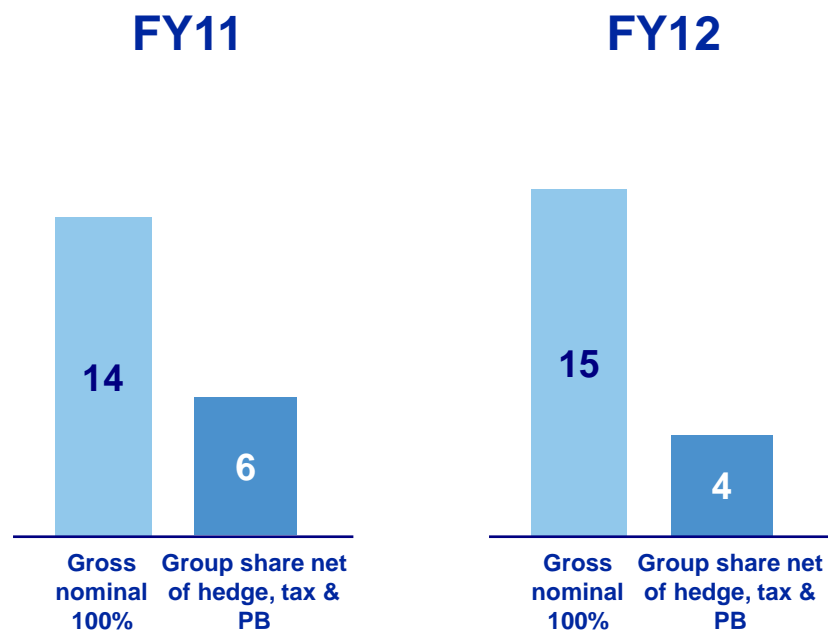
In Euro billion



## 1.5 Shareholders' exposure to equity

Estimated shareholders' exposure to equity as of Dec. 31, 2012

In Euro billion





# Real Estate investments

Defensive portfolio with good performance over the long term

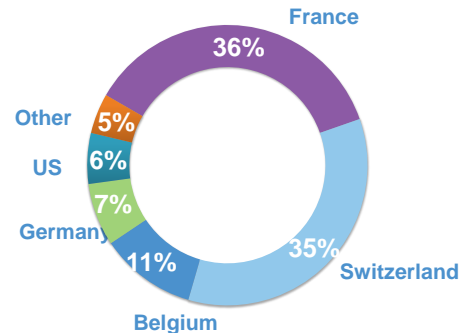
## Key indicators

### Market value (in Euro billion)



1. Representing Euro 2.8 billion of unrealized gains, net of tax and PB

### FY12 market value by country



### Split by type

|             | France | Switz | Belgium | Germany |
|-------------|--------|-------|---------|---------|
| Office      | ~47%   | ~45%  | ~75%    | ~70%    |
| Residential | ~11%   | ~50%  | ~0%     | ~10%    |
| Commercial  | ~28%   | ~0%   | ~21%    | ~15%    |
| Other       | ~14%   | ~5%   | ~3%     | ~5%     |

Portfolio Yield from Rental  
Income ~ 5%

## Environment

- Gross demand is falling as businesses focus on cost over quality and remain longer in existing premises
- Investment demand centers around low risk prime property; secondary property pricing still deteriorating and starting to look more appropriately priced

## AXA portfolio return drivers

- Defensive portfolio given low exposure to risky markets (Spain, US...)
- Returns mainly driven by rental income
- High visibility on assets: >90% of the investments directly managed

## 2013 outlook

- Risk aversion to remain dominant theme
- Weak rental growth prospects, performance still expected to be mainly driven by rental income
- Further price deterioration of riskier properties expected to progressively generate greater investor's interest

# Hedge Fund investments

## Diversified portfolio of hedge funds

### Key indicators

Market value  
(in Euro billion)



#### Exposure and concentration risk

- Mostly management of diversified funds of hedge funds
- Top 10 fund managers represent ~40% of portfolio market value
- Comprised of 10 strategic categories, with the largest strategy representing ~20% of the portfolio
- Liquid portfolios

### Industry Environment

- Positive growth and new all-time high in AUM
- Most new money directed to large well-established managers
- New inflows mainly originating from US institutions, while EU and Asian inflows remain weak
- Positive performance in 2012, after a challenging start in the first half

### AXA portfolio performance

- **Diversified Funds strategy (~87% of book): focus on low volatility and uncorrelated returns**
  - 2012 performance in-line with benchmark<sup>1</sup>, but experienced lower volatility due to market neutral positioning
  - Well balanced 2012 strategy contribution driven by Fixed Income Arbitrage, quantitative equity market neutral and credit funds.
- **Tail Equity Diversifier strategy (~13% of book): focus on tail hedge strategy, sharp downturn protection**
  - 2012 Performance down ~14% , as product expected to decline when markets rallied in Q1 and second half of 2012

### 2013 Outlook

- Improved macro environment given substantial monetary policy support, improving US housing market, less risk of EU zone break-up and stronger growth figures from China
- Focus on quantitative equity market neutral & trading oriented credit funds to generate uncorrelated positive returns
- 2013 might become a more favourable environment for global macro funds due to the improved, more stable market environment

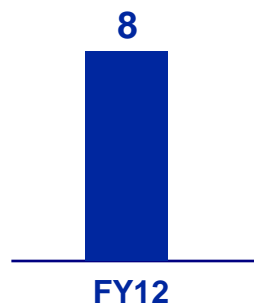
(1) Benchmark: HFRI FOF Conservative EUR Index – up approx. 3% in 2H12

# Private Equity investments

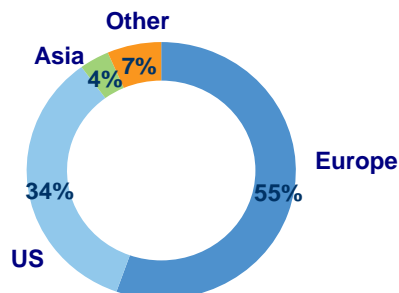
## Diversified portfolio built over the long run

### Key indicators

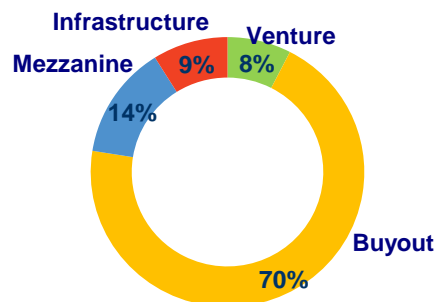
Market value  
(in Euro billion)



Breakdown by geography



Breakdown by expertise



### 2012 Awards

- **Gold award for “Best French Mid and Upper Mid-Market LBO Fund”** – *Private Equity Exchange Awards*
- **“Best French LBO team”** – *Magazine des Affaires*
- **“Deal of the year – Transport”** – *Infrastructure Journal, PFI Awards*
- **“French LBO Mid-Cap Team of the Year”** – *Capital Finance Awards*
- **“French Lender of the Year, 1<sup>st</sup> in 200-500m Euro Enterprise Value, 1<sup>st</sup> in Mezzanine Debt Category”** – *Private Equity Magazine*

### Environment

- Valuations slightly increased in FY12
- Private equity saw strong performance in FY12, with US market volumes back to pre-crisis level

### AXA portfolio return drivers

- Diversified portfolio: counter-cyclical fields of expertise (Infrastructure and Mezzanine) and exposure to quality buy-outs
  - 46% Direct: high quality portfolio
  - 54% Funds of Funds: very active monitoring
- In FY12, valuations and distributions increased across all expertise
  - Direct portfolio (no default / repayment issues)
  - Funds of Funds portfolio (underlying companies continue deleveraging)
  - Exit of portfolio investments realized at high multiples

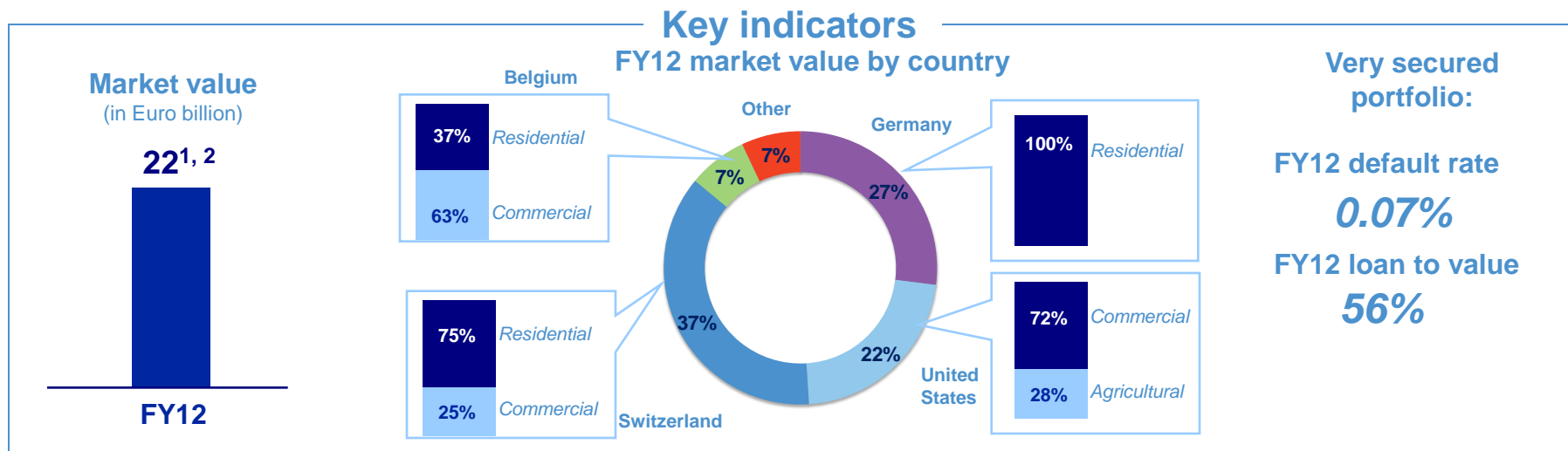
### Outlook

- Active private equity activity (both investments and disposals) in both Direct and Funds of Funds
- AXA Private Equity still a buyer with no pressure to sell assets.
- Targets: anti-cyclical companies, resilient to crisis, portfolio of funds

NB: Assets held by insurance companies only

# Mortgage loans & other

## Low risk mortgage loan portfolio



1. Excluding Euro 3 billion of Agency pools (Mortgage-backed securities issued by US Government Sponsored Enterprises)
2. Excludes AXA Bank Belgium

## Details by country

### • United States

- Good loan-to-value
  - 66% for commercial mortgages
  - 44% for agricultural mortgages
- Diversified by product type and region
- Ca 1,700 loans

### • Germany

- Mortgage loans are located in participating funds

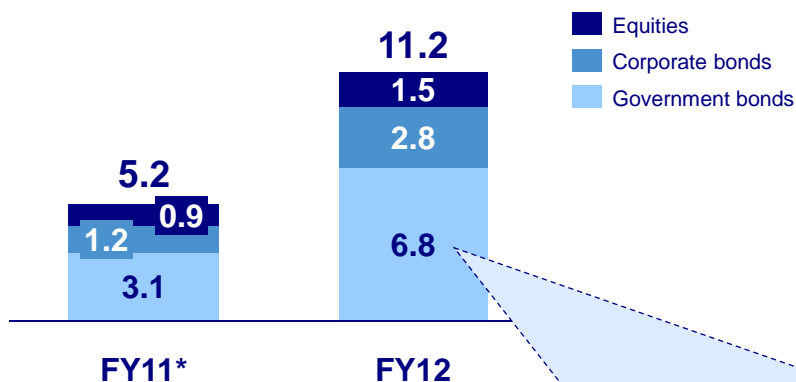
### • Switzerland

- Primarily residential and located in participating funds

# Focus on net unrealized capital gains

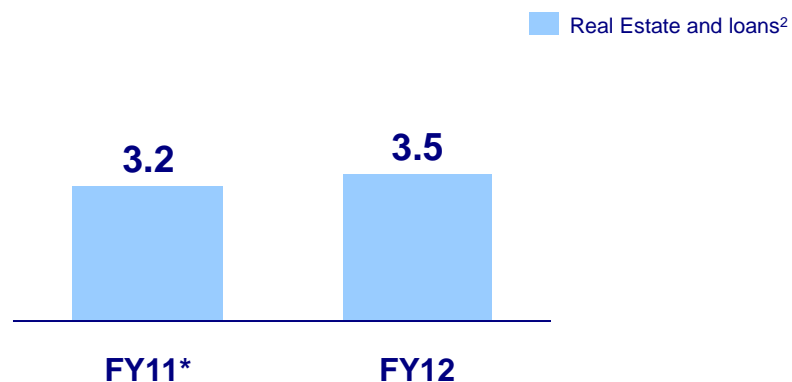
## Balance sheet net unrealized capital gains<sup>1</sup>

In Euro billion

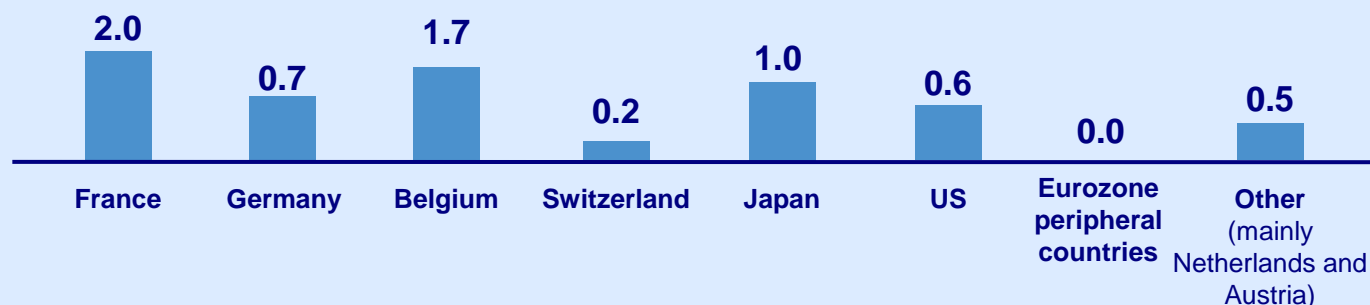


## Off balance sheet net unrealized capital gains

In Euro billion



## Net unrealized capital gains on Government bonds by issuer



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

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 €4.6bn in FY12 vs. €4.3bn in FY11

# Focus on exposure to Eurozone peripheral countries government bonds

## Exposure by issuer

| AFS OCI<br>in Euro billion | Gross book value<br>Dec. 31, 2011 | Gross book value<br>June 30, 2012 | Gross book value<br>December 31, 2012 | Gross market value<br>December 31, 2012 |
|----------------------------|-----------------------------------|-----------------------------------|---------------------------------------|---|
| Italy                      | 16.1                              | 14.7                              | 16.4                                  | 16.7                                    |
| Spain                      | 8.5                               | 7.7                               | 7.6                                   | 7.3                                     |
| Ireland                    | 1.1                               | 1.0                               | 2.7                                   | 2.8                                     |
| Portugal                   | 2.0                               | 0.9                               | 0.9                                   | 0.7                                     |
| Greece                     | 0.3                               | 0                                 | 0                                     | 0                                       |
| <b>TOTAL</b>               | <b>28.1</b>                       | <b>24.4</b>                       | <b>27.6</b>                           | <b>27.5</b>                             |

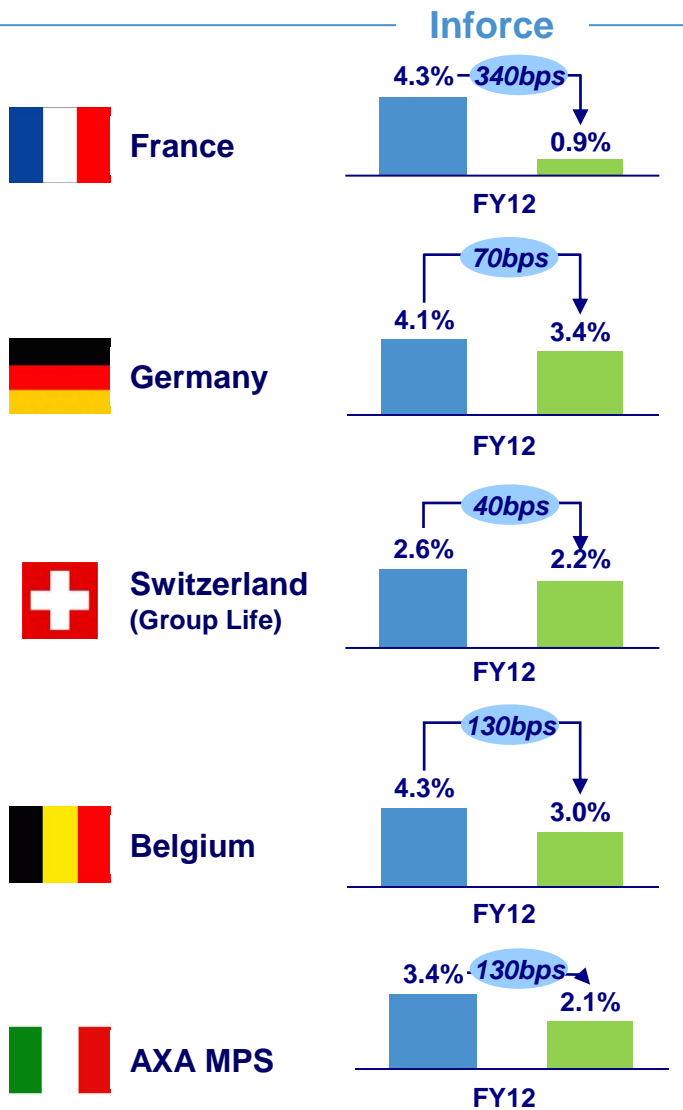
Or Euro 13.0 billion with AXA MPS JV at Group share

**De-risking actions in 1H12 benefited from tightening of sovereign spreads**

**Reinvestment in Italy and Ireland in 2H12 in short to mid-term maturities**

# Asset & Liability Management

## Life & Savings investment spreads for main entities



- G/A reserves: Euro 95 billion
- G/A Savings new business sales with long term guarantees stopped in 1998

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

- G/A reserves: Euro 36 billion
- Protection components making products very profitable

- G/A reserves: Euro 26 billion
- Significant reduction in guaranteed rate during 2H12, after 1H12 exceptional sales campaign

- G/A reserves: Euro 13 billion
- G/A deemphasized, focus on Unit-Linked and Protection businesses

1. Reflects current guaranteed rate in 2013

■ Yield on total L&S asset base

■ Reinvestment yield on L&S fixed income assets

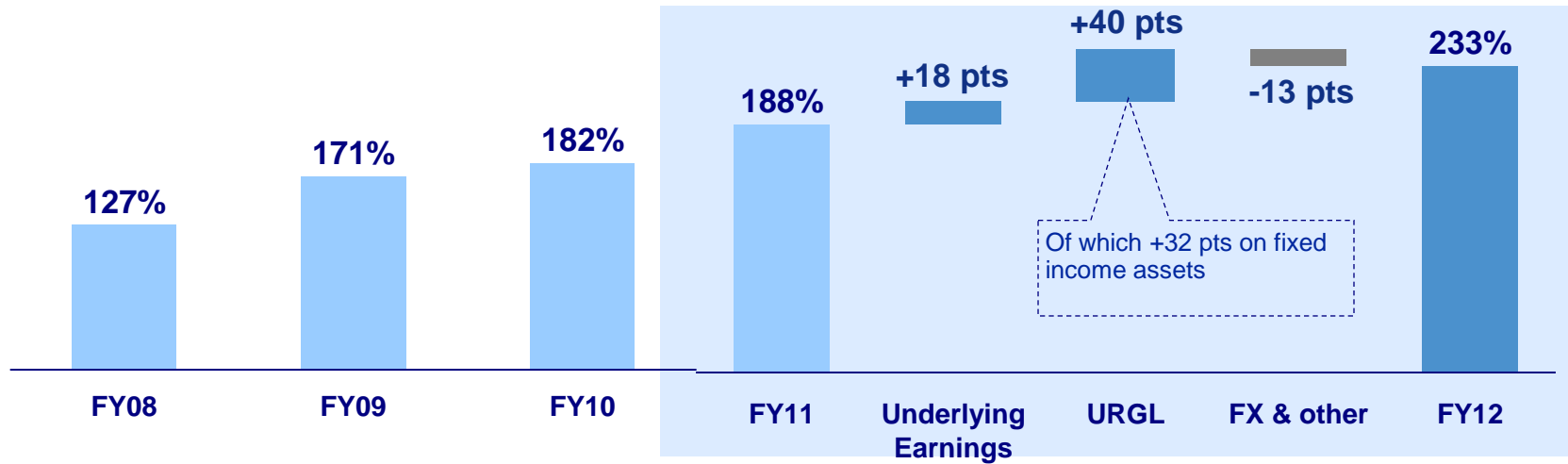
■ L&S average guaranteed rate

redefining / standards

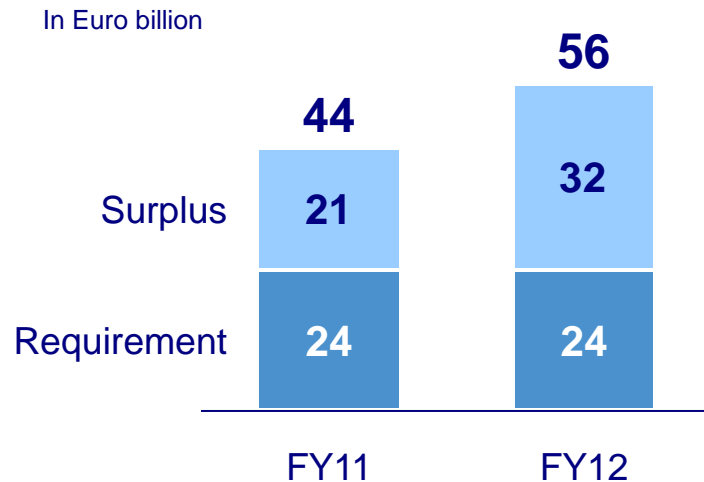


## 2 Solvency I

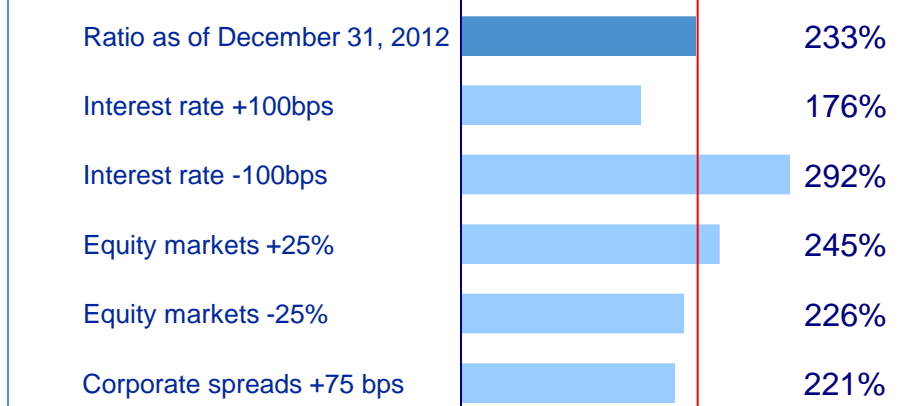
### Solvency I ratio at 233%



### Solvency I



### Sensitivities



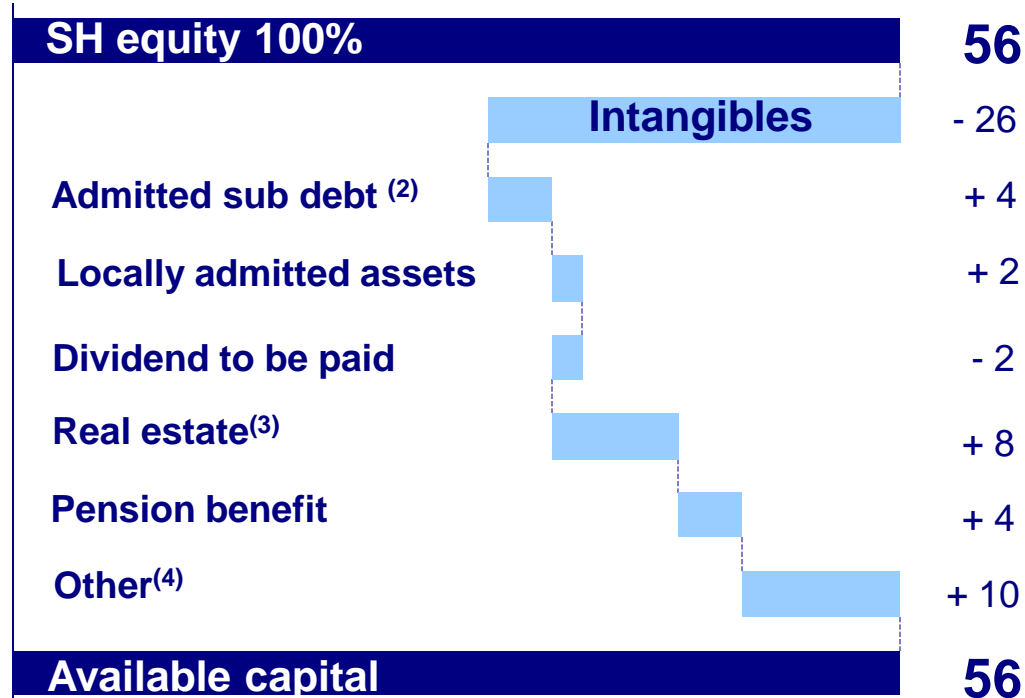
On fixed income assets, the combination of sensitivity impacts from interest rates increase and widening corporate spreads is capped at -79 pts of solvency



# Solvency I reconciliation to shareholders' equity

## Available financial resources<sup>(1)</sup>

In Euro billion



(1): AXA is not a financial conglomerate but its solvency margin is nevertheless reduced by the amount of its equity interests in credit institutions, investment companies or financial institutions if the Group holds more than 20% in the mentioned entities. These stakes are deducted in "Other" for a total €-4.0 billion

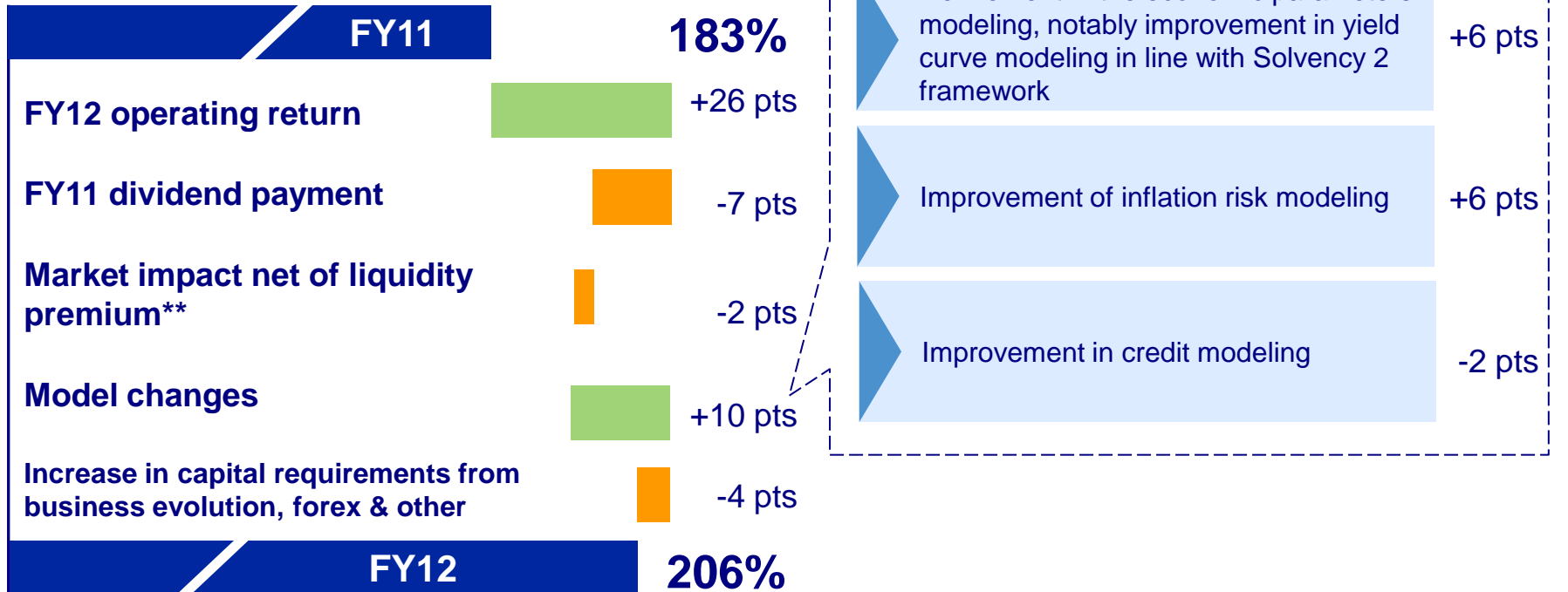
(2): All subordinated debt (including undated already booked in shareholders' equity) is admitted up to 50% of requirements

(3): And loans

(4): Notably includes gross up of tax and policyholder participation of net unrealized gains on investments minus net consolidated book value in financial services (see (1)) and Zillmer adjustment)

## 2 Economic solvency rollforward

### Economic solvency ratio\*

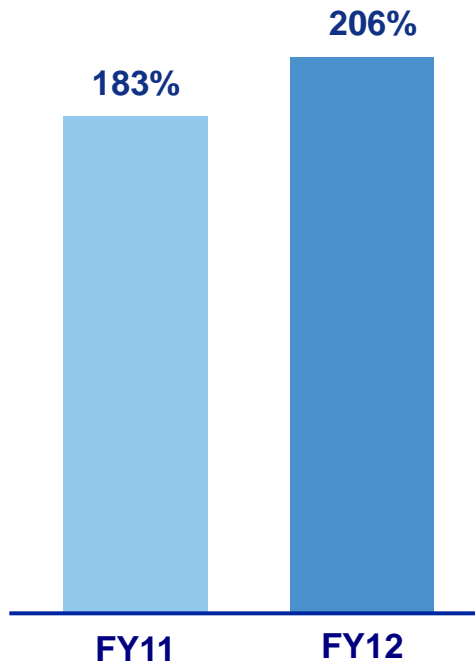


\*with US equivalence

\*\* as defined in QIS5

## 2 Economic capital model

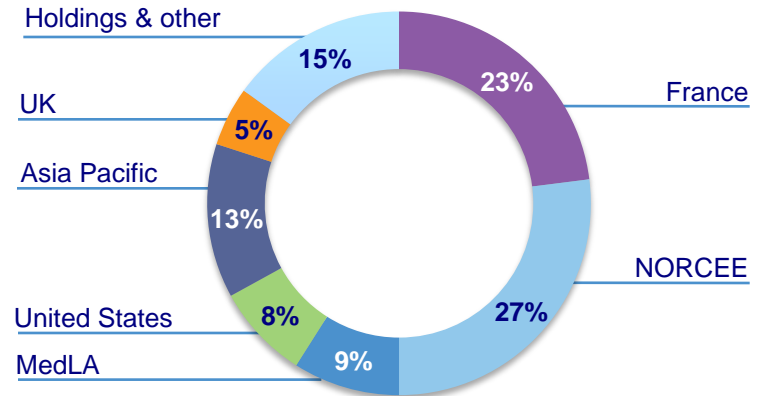
### Coverage ratio\*



AXA's internal economic model calibrated based on an adverse 1/200 year shock

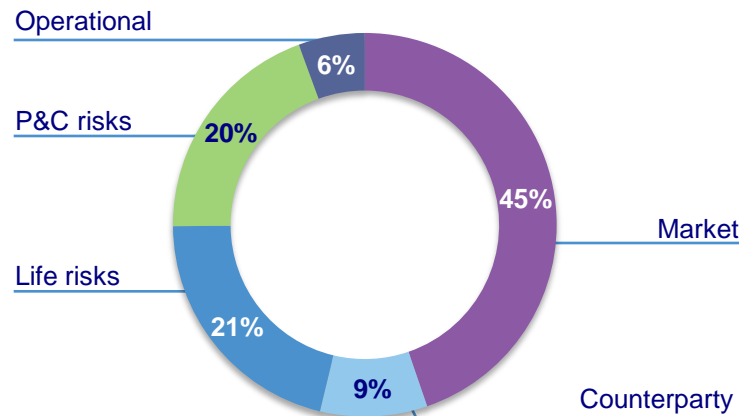
\* Including US equivalence

### FY12 Economic capital\* by geography



100% basis, before diversification

### FY12 Economic capital\* by risk



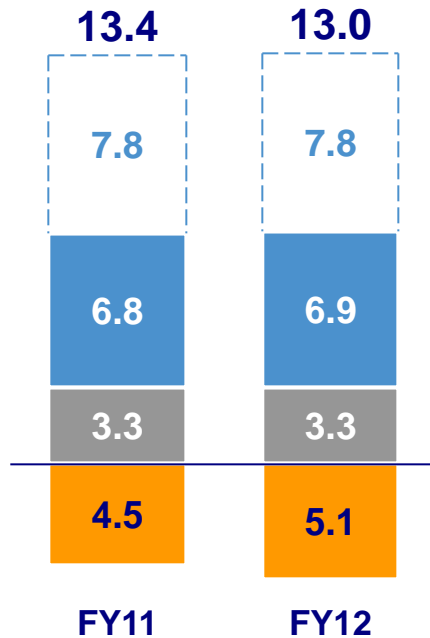
100% basis, before diversification

# Net financial debt

## Long-term maturities

### Total net debt

In Euro billion

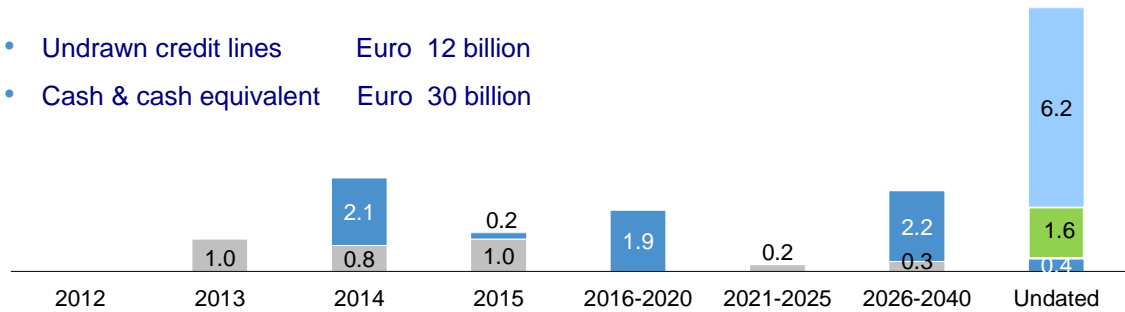


- Undated subordinated debt
- Subordinated debt\*
- Senior debt
- Cash

### Contractual maturity breakdown

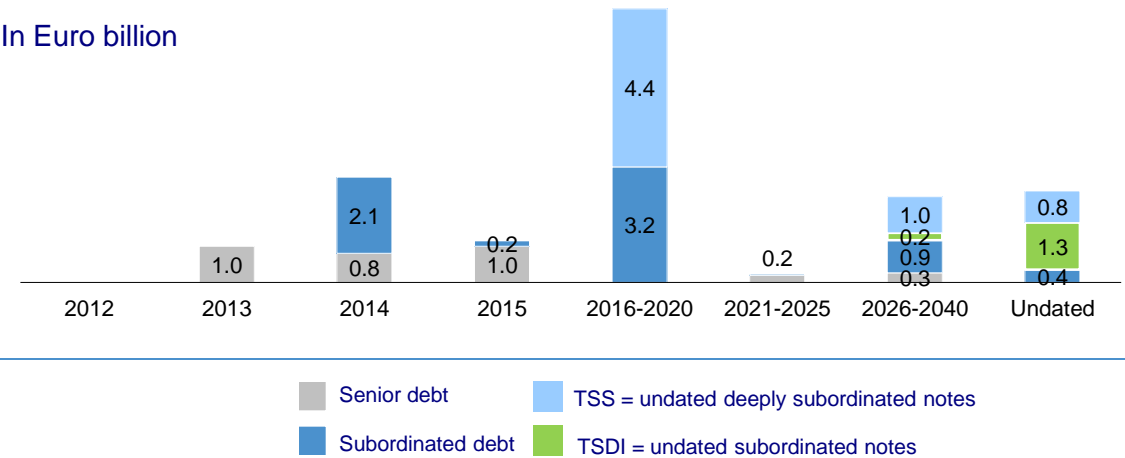
In Euro billion

- Undrawn credit lines Euro 12 billion
- Cash & cash equivalent Euro 30 billion



### Economic maturity breakdown

In Euro billion



\* Including Euro -0.1 billion of reversal of mark-to-market on interest rates derivatives vs. Euro -0.3 billion in FY11

# Table of content

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**Embedded Value and Cash Flows**

# EEV methodology update

## Methodology adjustments and related impacts

### 2012 methodology adjustments effects

#### Change in required capital definition

*Switch from AA reference to 150% of local required capital*

#### Yield curve modeling adjustments

*Refinement in the economic parameters modelling, notably improvement in yield curve modelling in line with Solvency 2 framework*

NBV

EEV

Operating  
FCF

IRR

not significant

Euro  
+0.1bn

+0.1pt

not  
significant

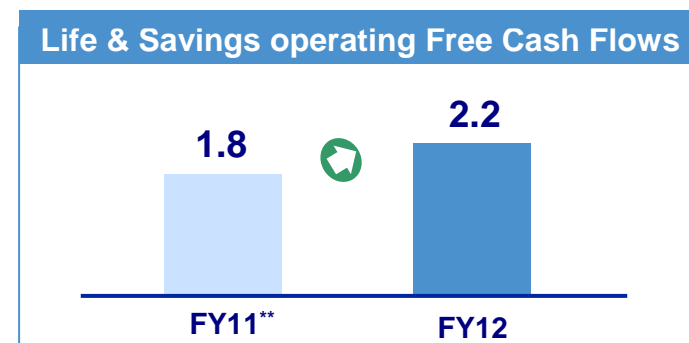
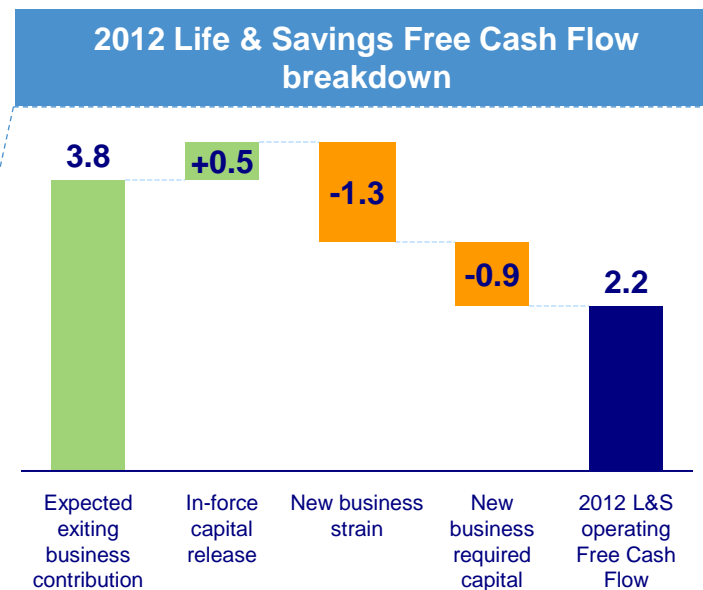
Euro  
+1.2bn

n.a

n.a.

# Life & Savings Embedded Value

| In Euro billion                | L&S EV       | = | VIF   | + | ANAV  | Required capital<br>(included in ANAV) |
|--------------------------------|--------------|---|-------|---|-------|--|
| <b>Opening (FY11)</b>          | <b>38.2</b>  |   | 17.1  |   | 21.1  | 16.0                                   |
| Modeling adj., FX & scope      | <b>0.2</b>   |   | 1.7   |   | (1.5) | (0.6)                                  |
| Existing business contribution | <b>3.7</b>   |   | (0.1) |   | 3.8   | (0.5)                                  |
| New business value             | <b>1.9</b>   |   | 3.2   |   | (1.3) | 0.9                                    |
| Operational variances*         | <b>(0.9)</b> |   | (0.2) |   | (0.7) | (0.1)                                  |
| Economic variances             | <b>1.6</b>   |   | 0.9   |   | 0.7   | 0.0                                    |
| Capital flows and other        | <b>(0.5)</b> |   | (0.0) |   | (0.4) | (0.0)                                  |
| <b>Closing (FY12)</b>          | <b>44.2</b>  |   | 22.6  |   | 21.6  | 15.6                                   |



\*\* Not restated for the change in required capital methodology

\*Operational variances include actuarial and tax assumptions, expense and modeling of participating and adjustable credited rates business

# L&S Embedded Value key sensitivities

| Key sensitivities                                   | Impact on L&S NBV |      | Impact on L&S EEV |      |
|---|-------------------|------|-------------------|------|
|   | Euro million      | %    | Euro million      | %    |
| <b>Sensitivity to equity markets</b>                |                   |      |                   |      |
| <i>10% increase</i>                                 | +75               | +4%  | +1,211            | +3%  |
| <i>10% decrease</i>                                 | -89               | -5%  | -1,271            | -3%  |
| <b>Sensitivity to interest rates</b>                |                   |      |                   |      |
| <i>Upward 100bps parallel shift</i>                 | +88               | +5%  | +2,360            | +5%  |
| <i>Downward 100bps parallel shift</i>               | -237              | -12% | -5,107            | -12% |
| <b>Sensitivity to volatility</b>                    |                   |      |                   |      |
| <i>25% increase in volatility on equity markets</i> | -42               | -2%  | -614              | -1%  |
| <i>25% increase in volatility on bonds</i>          | -99               | -5%  | -981              | -2%  |



# L&S – IRR and new business investments

| Euro million                        | FY11         |                     |                                       | FY12         |                     |                                       |
|-------------------------------------|--------------|---------------------|---------------------------------------|--------------|---------------------|---------------------------------------|
|                                     | APE          | NB IRR <sup>1</sup> | New business investments <sup>2</sup> | APE          | NB IRR <sup>1</sup> | New business investments <sup>2</sup> |
| <b>France</b>                       | <b>1,340</b> | <b>8.7%</b>         | <b>(592)</b>                          | <b>1,378</b> | <b>8.9%</b>         | <b>(595)</b>                          |
| <b>US</b>                           | <b>1,018</b> | <b>10.7%</b>        | <b>(291)</b>                          | <b>1,244</b> | <b>13.2%</b>        | <b>(288)</b>                          |
| <b>UK</b>                           | <b>535</b>   | <b>7.7%</b>         | <b>(146)</b>                          | <b>535</b>   | <b>4.3%</b>         | <b>(196)</b>                          |
| <b>Japan</b>                        | <b>463</b>   | <b>11.7%</b>        | <b>(242)</b>                          | <b>598</b>   | <b>11.8%</b>        | <b>(330)</b>                          |
| <b>NORCEE</b>                       | <b>1,289</b> | <b>8.8%</b>         | <b>(559)</b>                          | <b>1,139</b> | <b>10.4%</b>        | <b>(406)</b>                          |
| <i>o/w Germany</i>                  | <i>506</i>   | <i>8.3%</i>         | <i>(236)</i>                          | <i>454</i>   | <i>9.5%</i>         | <i>(130)</i>                          |
| <i>o/w Switzerland</i>              | <i>397</i>   | <i>9.4%</i>         | <i>(94)</i>                           | <i>374</i>   | <i>13.3%</i>        | <i>(97)</i>                           |
| <i>o/w Belgium</i>                  | <i>173</i>   | <i>7.9%</i>         | <i>(87)</i>                           | <i>175</i>   | <i>8.9%</i>         | <i>(87)</i>                           |
| <b>MedLA</b>                        | <b>432</b>   | <b>10.6%</b>        | <b>(182)</b>                          | <b>402</b>   | <b>14.4%</b>        | <b>(118)</b>                          |
| <b>Asia excl. Japan<sup>3</sup></b> | <b>656</b>   | <b>34.7%</b>        | <b>(170)</b>                          | <b>871</b>   | <b>32.1%</b>        | <b>(245)</b>                          |
| <b>Total</b>                        | <b>5,733</b> | <b>11.5%</b>        | <b>(2,182)</b>                        | <b>6,170</b> | <b>12.5%</b>        | <b>(2,177)</b>                        |

1. New Business Internal Rate of Return
2. New business strain + New business required capital
3. Hong Kong, South-East Asia, India & China

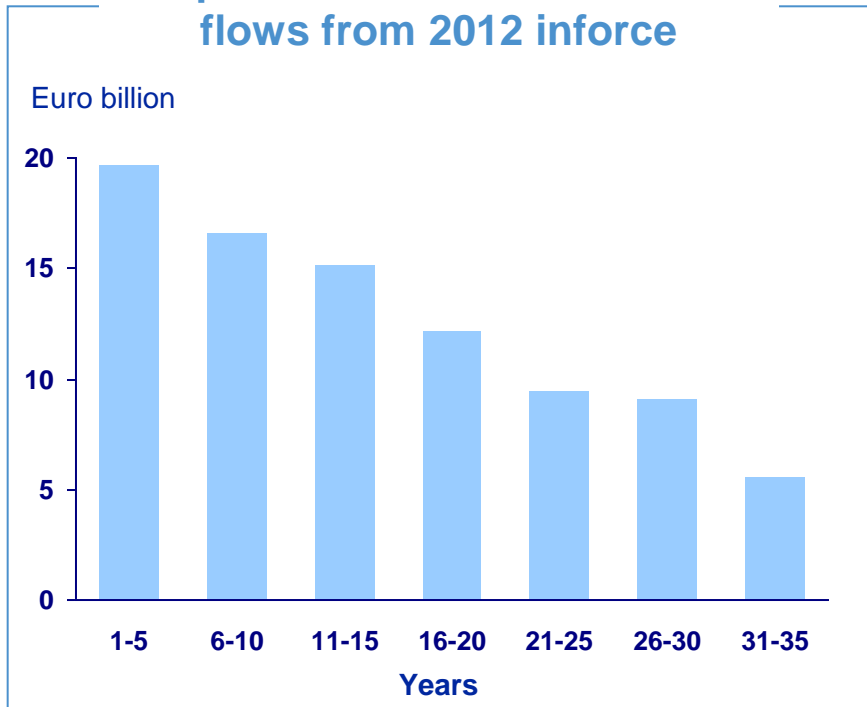
# L&S – operating Free Cash Flows

| In Euro million                           | FY11                                |                                       |                               | FY12                                |                                       |                               |
|---|-------------------------------------|---------------------------------------|-------------------------------|-------------------------------------|---------------------------------------|-------------------------------|
|   | Expected inforce surplus generation | New business investments <sup>1</sup> | L&S operating free cash flows | Expected inforce surplus generation | New business investments <sup>1</sup> | L&S operating free cash flows |
| France                                    | 1,067                               | (592)                                 | <b>475</b>                    | 1,175                               | (595)                                 | <b>581</b>                    |
| US  | 721                                 | (291)                                 | <b>430</b>                    | 749                                 | (288)                                 | <b>461</b>                    |
| UK  | 101                                 | (146)                                 | <b>(45)</b>                   | 115                                 | (196)                                 | <b>(81)</b>                   |
| Japan                                     | 520                                 | (242)                                 | <b>279</b>                    | 631                                 | (330)                                 | <b>301</b>                    |
| NORCEE                                    | 954                                 | (559)                                 | <b>395</b>                    | 1,022                               | (406)                                 | <b>617</b>                    |
| <i>Germany</i>                            | 449                                 | (236)                                 | <b>213</b>                    | 411                                 | (130)                                 | <b>282</b>                    |
| <i>Switzerland</i>                        | 227                                 | (94)                                  | <b>132</b>                    | 319                                 | (97)                                  | <b>222</b>                    |
| <i>Belgium</i>                            | 196                                 | (87)                                  | <b>109</b>                    | 204                                 | (87)                                  | <b>117</b>                    |
| <i>CEE</i>                                | 82                                  | (141)                                 | <b>(59)</b>                   | 88                                  | (92)                                  | <b>(3)</b>                    |
| MedLA                                     | 279                                 | (182)                                 | <b>97</b>                     | 277                                 | (118)                                 | <b>160</b>                    |
| Asia excl. Japan                          | 290                                 | (170)                                 | <b>119</b>                    | 362                                 | (245)                                 | <b>117</b>                    |
| <i>Hong Kong</i>                          | 213                                 | (123)                                 | <b>90</b>                     | 217                                 | (175)                                 | <b>42</b>                     |
| <i>South-East Asia, India &amp; China</i> | 77                                  | (47)                                  | <b>30</b>                     | 145                                 | (71)                                  | <b>75</b>                     |
| <b>Total</b>                              | <b>3,932</b>                        | <b>(2,182)</b>                        | <b>1,750</b>                  | <b>4,332</b>                        | <b>(2,177)</b>                        | <b>2,155</b>                  |

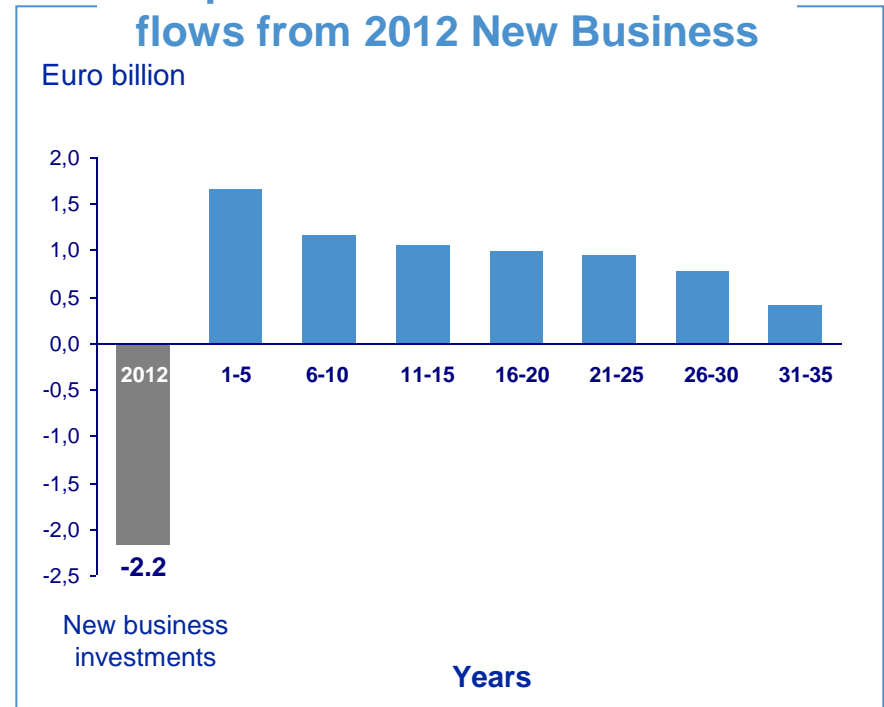
1. New business strain + New business required capital

# Life & Savings Free Cash Flows emergence from inforce and new business

## Expected undiscounted cash flows from 2012 inforce



## Expected undiscounted cash flows from 2012 New Business



**Euro 20 billion undiscounted free cash flows expected to be released from 2012 inforce over 5 years**

**On top of this, expected free cash flow generation from inforce should be boosted by:**

- Actions to improve value of the existing book
- Actions to release more capital from the existing book