



Focus on Wealth Management in the UK life & pension market

June 24, 2010






redefining / standards



Cautionary note concerning forward-looking statements

Certain statements contained herein are forward-looking statements including, but not limited to, statements that are predictions of or indicate future events, trends, plans or objectives. Undue reliance should not be placed on such statements because, by their nature, they are subject to known and unknown risks and uncertainties. Please refer to the section “Cautionary statements” in page 2 of AXA’s Document de Référence for the year ended December 31, 2009, 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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Transaction Highlights

Opportunity to dispose of the capital intensive parts of UK life business...

Traditional life & pension, IFA protection and corporate pension businesses, and annuities businesses to be sold to Resolution

...and to focus on capital light and higher margin business in the UK

Leading AXA Wealth management and AXA Direct protection businesses with competitive advantage to be retained

Consideration

Sale price of £2.75 billion o/w £2.25⁽¹⁾ billion in cash and £0.5 billion in senior Deferred Consideration Note (“DCN”) issued by Resolution Ltd

Expected timetable

- Resolution Ltd shareholders’ vote mid-July
- Resolution Ltd rights issue process starting immediately thereafter
- Closing and payment of consideration to AXA expected in Q3 2010

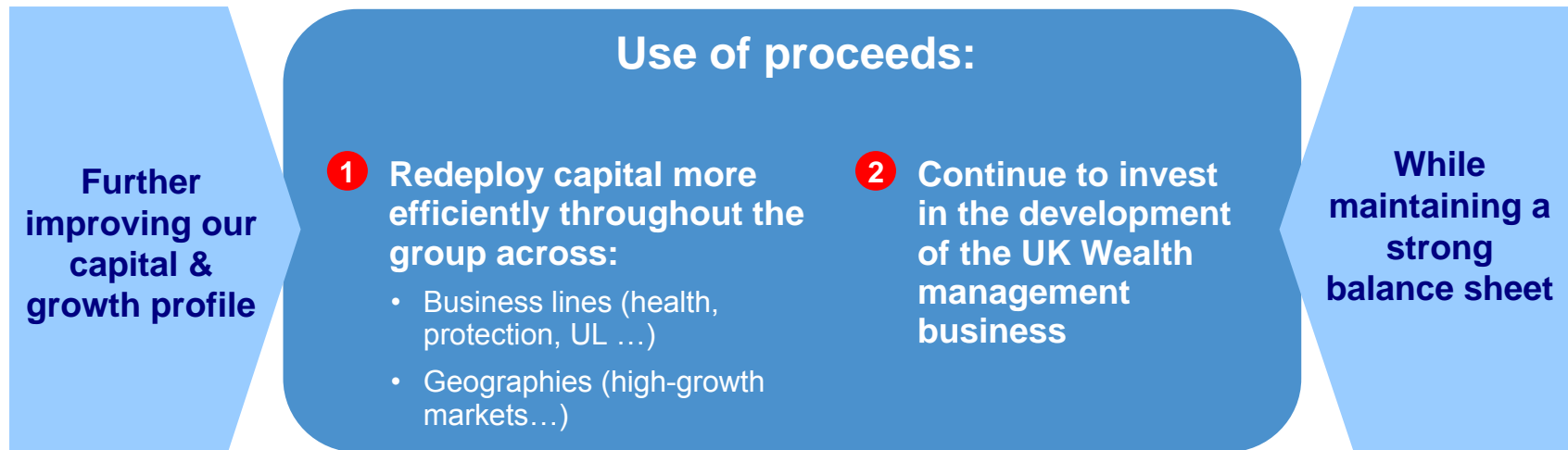
(1) Including £26m (plus interest) to be paid on completion of certain steps in the agreed post-completion reorganisation

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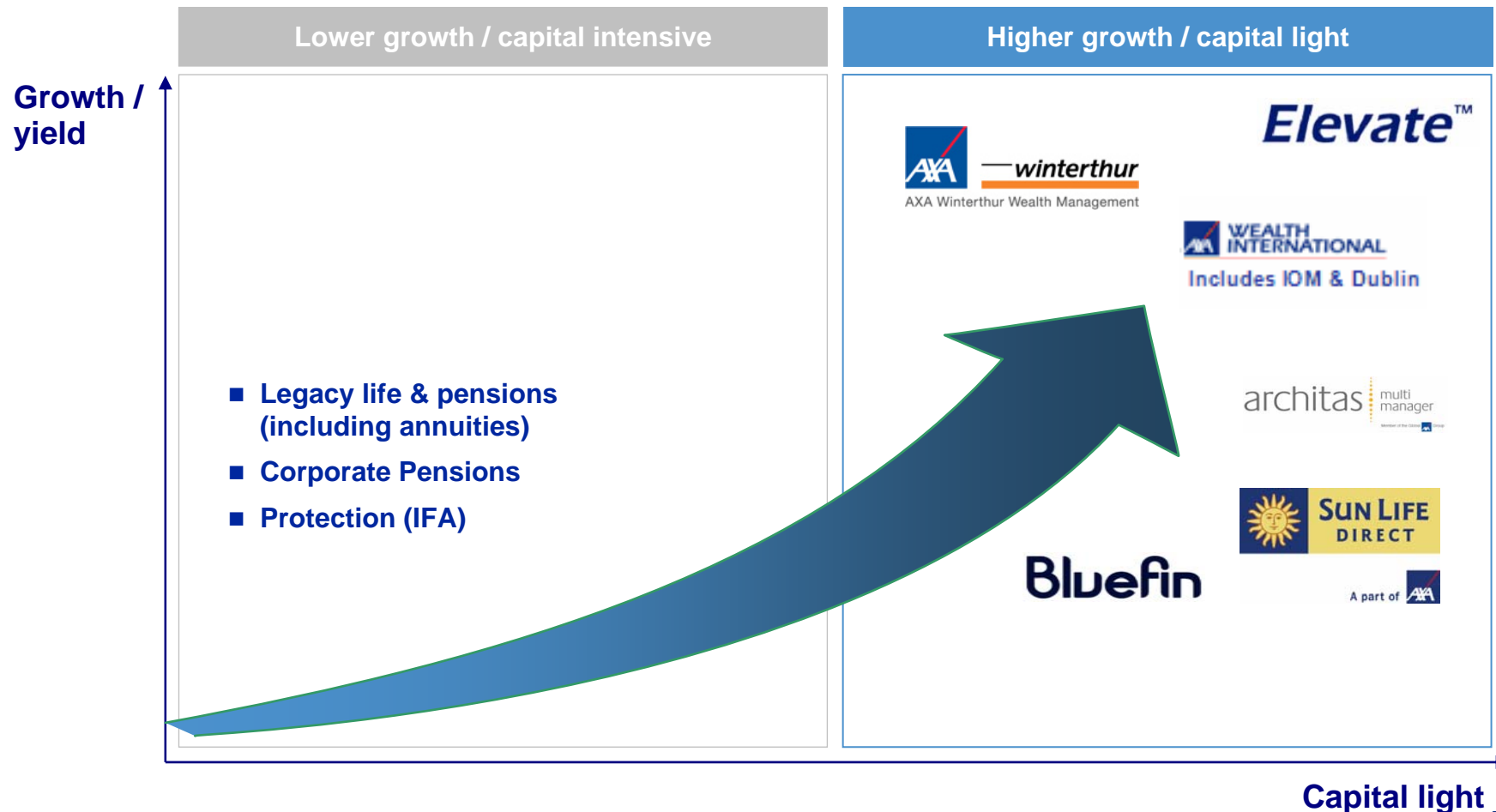
Strategic rationale of the transaction for the Group

Focus on businesses with the right combination of scale, competitive position, growth prospects and profitability



Strategic rationale of the transaction for AXA UK Life

In continuity of strategic repositioning of AXA UK life business in recent years



Scope of the transaction

Business retained vs. business sold

Retained

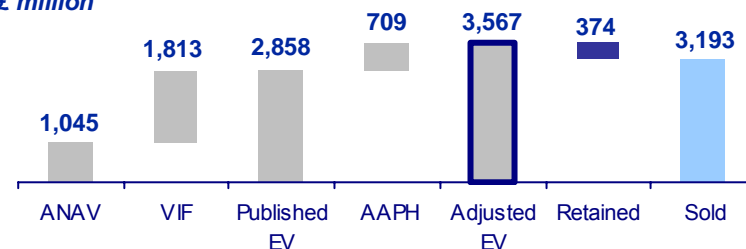
- AXA Wealth
 - AXA Winterthur Wealth Management
 - AXA Wealth International
 - Elevate wrap platform
 - Architas Multi-Manager
 - + Bancassurance distribution
- Sun Life Direct
 - Direct protection business
- Bluefin Advisory Services

Sold

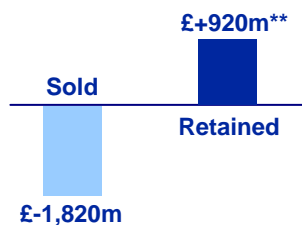
- Legacy life & pensions book (including annuities)
- Corporate Pensions
- IFA Protection

FY09 EV retained vs. sold business

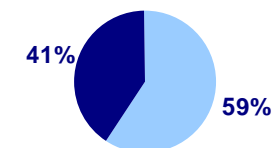
In £ million



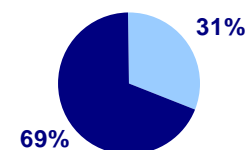
FY09 Net inflows £-900m



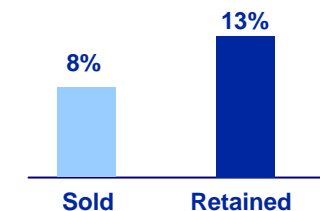
FY09 APE £840m*



FY09 NBV £87m



2009 NB IRR



* Including £14m APE of non-modelled businesses

** Including mutual funds total net inflows on retained business amounted to £+2.1 billion

■ Total ■ Sold ■ Retained

AXA UK business profile going forward

AXA remains strongly committed to the UK market

Build on UK market franchises

Wealth Management

£15bn AUM today
£45bn in 2015



- AXA Wealth IFA 14% market share with 5 Star service record ¹
- 20% IFA offshore market share ²
- RDR* ready business model
- Bancassurance distribution



- £1bn Assets under Management + 550 IFAs signed up
- Platform delivers mutual funds, ISAs, Pension account, offshore bond and shortly an onshore bond



- # 6 UK multi-manager since launch in 2008 ³
- Assets under Management of £3bn
- Unique Mosaic investment process ⁴

Health & Protection



- # 2 UK Healthcare PMI provider ⁵
- # 1 in direct to consumer protection market ⁶
- Combined 5 million customers

General Insurance



- # 4 in UK Insurance market ⁷
- Direct motor and household 950,000 policy holders

Broker & Advisory



- # 2 UK SME insurance broker ⁸
- Corporate Adviser firm of the year 2009 and 2010 ⁹
- RDR ready Private Advisory business

¹ & ² ABI Statistics 2010

⁵ Laing Buisson / Private Healthcare report 2009

⁸ Insurance Times top 50 2009 / Internal analysis

³ Lipper Feri 2010

⁶ Swiss Re Term & Health Watch 2010

⁹ Corporate Adviser awards 2009 & 2010

⁴ Innovation Awards 2010

⁷ Internal analysis

* Retail Distribution Review

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Key transaction parameters

Consideration

Note: exchange rate £/€ of 1.218 as of June 23, 2010

Total Consideration **£2.75 billion** **€3.3 billion**

Of which:

Cash **£2.25⁽¹⁾ billion** **€2.7 billion**

Senior DCN **£0.5 billion** **€0.6 billion**

Effective interest rate of 6.5% per annum, repayable in instalments over an 8 year period (4 year duration) or subject to early repayment in full in certain circumstances including an IPO of any UK insurance business of the Resolution Ltd Group

Implied multiples

**P/EV⁽²⁾
2009A**

0.86x

Transaction

0.82x

**Precedent transactions
in the UK**

Note: Only transactions since July 2004 where public data is available, excluding Permira/Just Retirement transaction.

**IFRS P/UE⁽³⁾
2009A**

19x

Transaction

(1) Including £26m (plus interest) to be paid on completion of certain steps in the agreed post-completion reorganisation

(2) FY09 EV as published by AXA, adjusted for AAPH shares (£0.7 billion) and the business retained. Based on Resolution Ltd methodology and assumptions this corresponds to 0.80x a pro-forma EV reflecting adjustments mainly on liquidity premium and cost of capital.

(3) FY09 underlying earnings adjusted for £-106m one-off gain related to internal restructuring of an annuity portfolio, for £+16m dividend on AAPH shares and for the business retained

Financial impacts on AXA Group

		Key figures	Expected impact	
P&L	✓ Net income	€3.6 billion (as of December 31, 2009)	▪ €1.4billion	o/w €-2.1bn of intangibles, thus an impact of €+0.8bn on SHE exc. intangibles
B/S	✓ Solvency I ratio	> 180% (as of March 31, 2010)	▪ +4 pts	
	✓ Debt gearing ratio	26% (as of December 31, 2009)	▪ -1 pt	
Value	✓ Group EV	€30.4 billion (as of December 31, 2009)	▪ €0.5 billion	Consideration of ca. €3.3bn, net of adjusted EV sold of €3.8bn
		Net cash consideration for the Group	▪ +€1.7 billion	Cash net of AXA APH share buy-back

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Expected timetable of closing of transaction

Key dates	Events
End of June	Publication of Resolution Ltd's prospectus
Mid July	Resolution Ltd shareholders' vote (50% support needed)
Immediately thereafter	Start of Resolution Ltd rights issue offer period
Early August	Closing of Resolution Ltd rights issue
End of Q3 2010	Closing, payment of purchase price

This transaction is subject to certain covenants and conditions customary for a transaction of this nature, including the approval of the shareholders of Resolution Ltd and the receipt of regulatory approvals.

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Q&A

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