

AXA

Henri de Castries
Chairman & CEO

September 12, 2012

Barclays Financial Services
Conference 2012

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, 2011, for a description of certain important factors, risks and uncertainties that may affect AXA’s business. AXA undertakes no obligation to publicly update or revise any of these forward-looking statements, whether to reflect new information, future events or circumstances or otherwise.

Today's key messages

Today's environment: challenging for insurers... but AXA's business model is proving resilient

We are managing our Balance Sheet with discipline

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

**Today's environment:
challenging for insurers...**

**but AXA's business model
is proving resilient**

Today's environment is challenging for the industry

Eurozone crisis not over

Governments challenged on fiscal deficit and growth initiatives

Difficult financial markets

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

Economic outlook

Low visibility on future global growth

Regulatory uncertainties

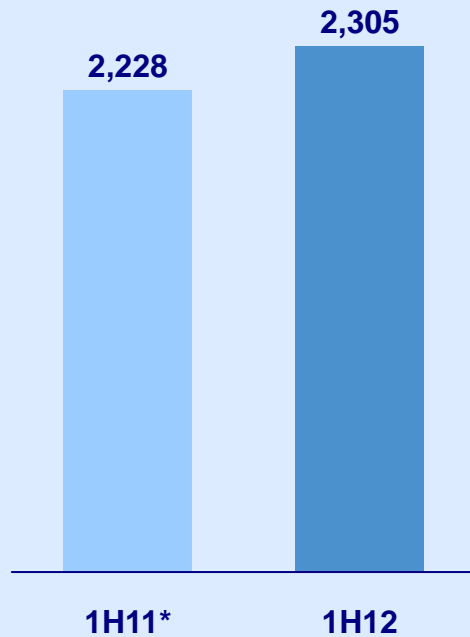
No agreement on Solvency II yet achieved at the last Trialogue on July 12, 2012
Countercyclical measures still to be agreed

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

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

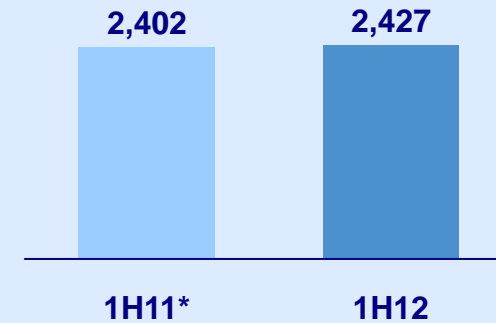
Underlying Earnings

In Euro million



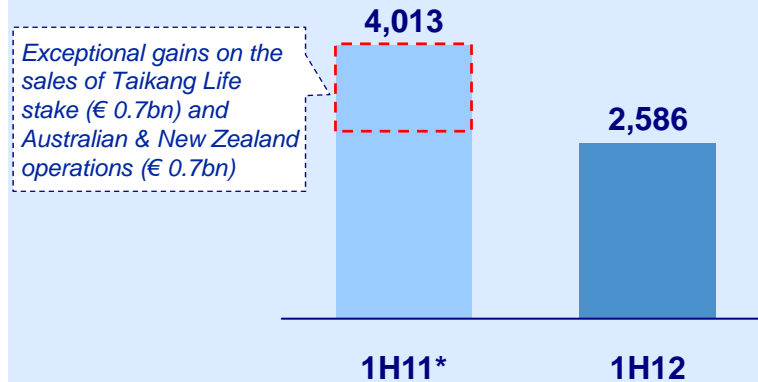
Adjusted Earnings

In Euro million



Net Income

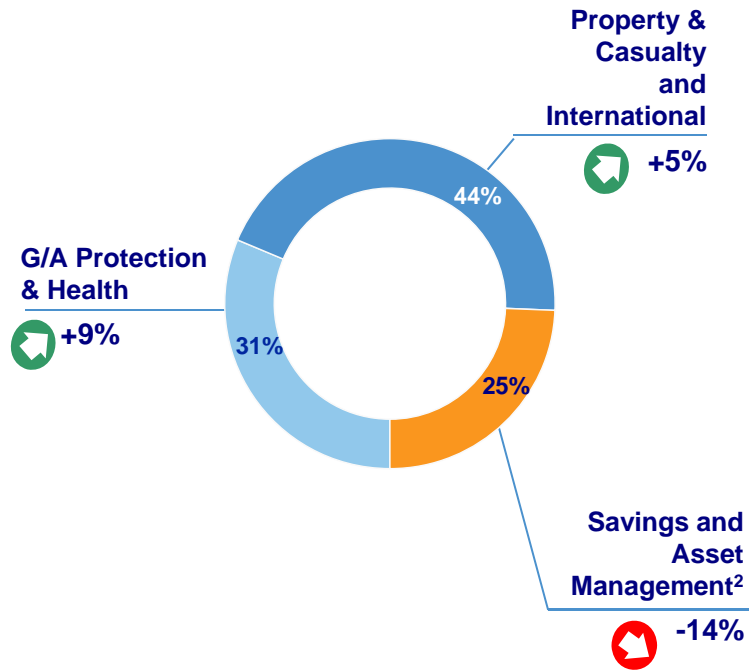
In Euro million



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

...supported by less market sensitive segments...

1H12 pre-tax Underlying Earnings¹

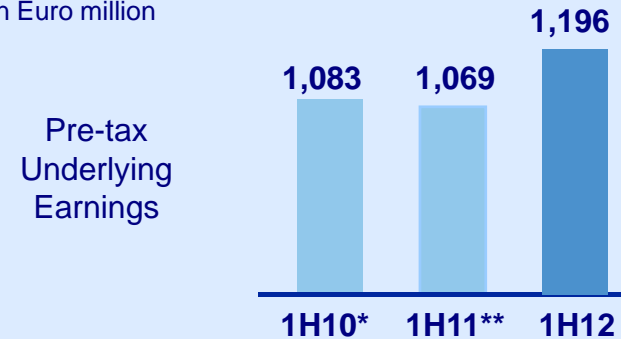


Changes are at constant Forex

Increasing and sustainable earnings in non-market sensitive segments

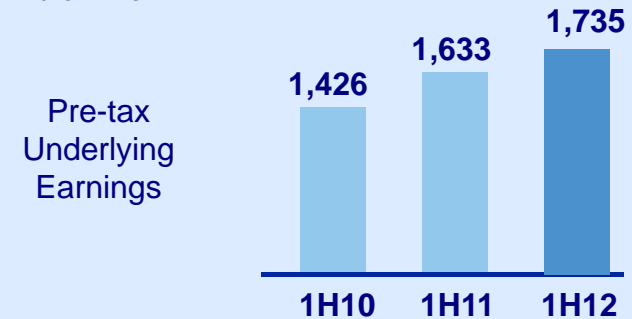
G/A Protection & Health

In Euro million



P&C and International

In Euro million



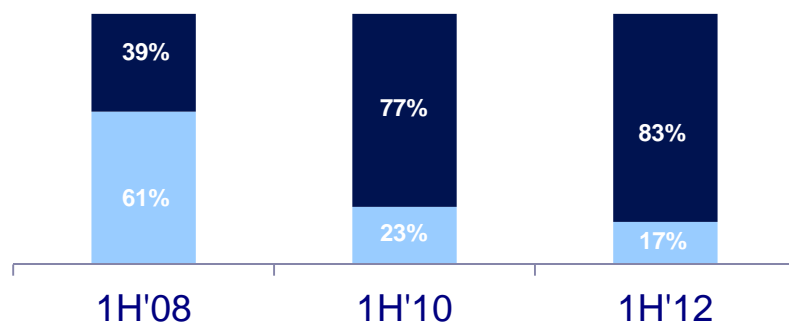
* Not restated for the change in deferred acquisition costs (DAC) accounting methodology adopted retrospectively as at January 1, 2012

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

... and more de-risked and diversified US business

Continuing to diversify and de-risk

■ Other Insurance APE
■ Accumulator APE



Reduced fixed rate GMxB (Accumulator) from 61% of US insurance APE in 1H'08 to 17% in 1H'12

US Variable Annuity GMxB Underlying Earnings (post tax)*

(Euro million, net of DAC and tax')	FY07	FY08	FY09	FY10	FY11 Restated**	1H11 Restated**	1H12
Total VA base fees & other, less expenses	300	(19)	171	304	165	123	100
GMxB Hedge Margin	(7)	(432)	16	(108)	(291)	(7)	(90)
o/w Basis	15	(234)	(22)	(13)	(75)	(9)	(19)
o/w Volatility	(1)	(174)	(131)	(66)	(168)	(20)	(35)
o/w Interest rates, credit spreads & other	(20)	(25)	168	(29)	(48)	22	(36)
Reserve impacts due to PH behavior and management actions	-	-	(27)	(97)	(200)	-	(17)
VA GMxB Underlying Earnings	293	(452)	159	98	(325)	116	(7)

Lapse experience in-line with assumptions

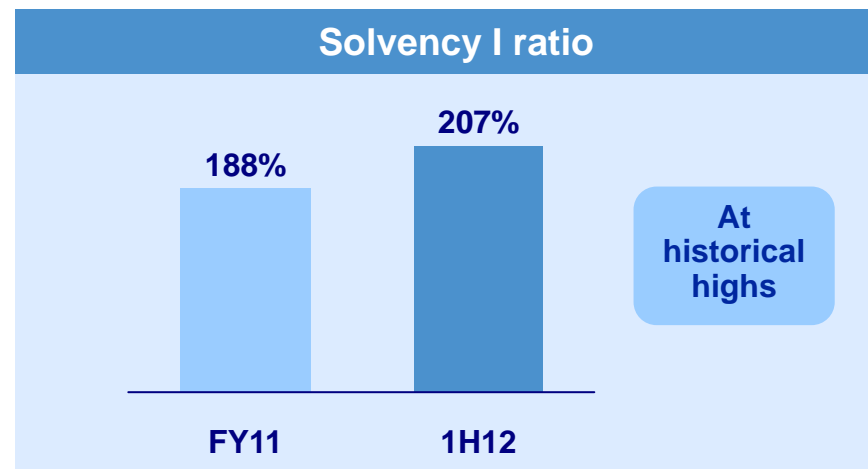
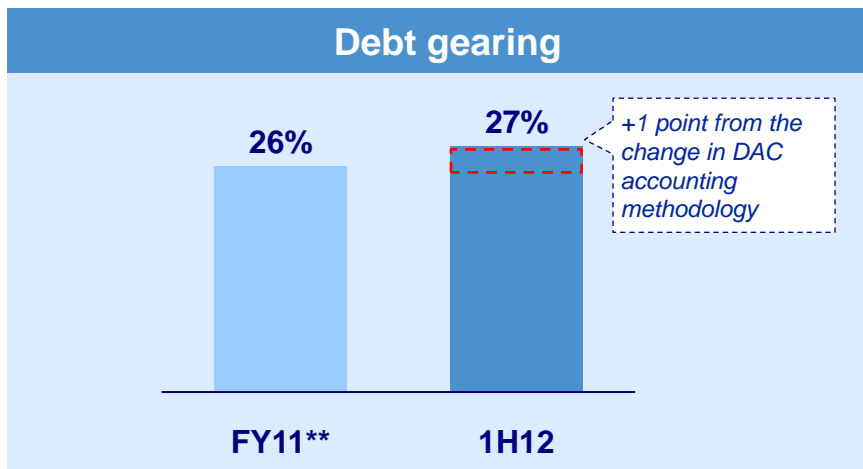
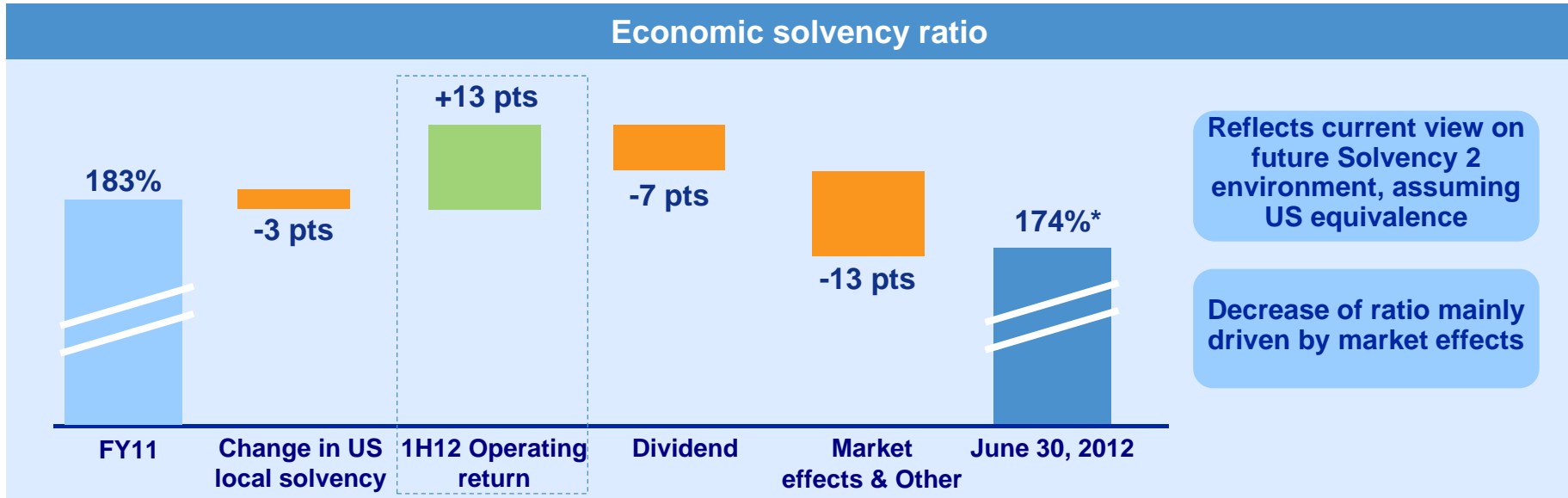
Reserve impact mainly due to lower than expected partial withdrawals, partially offset by management actions

* Notional tax rate of 35%

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

**We are managing our balance sheet
with discipline**

Our solvency level is comfortable, supported by strong operating return

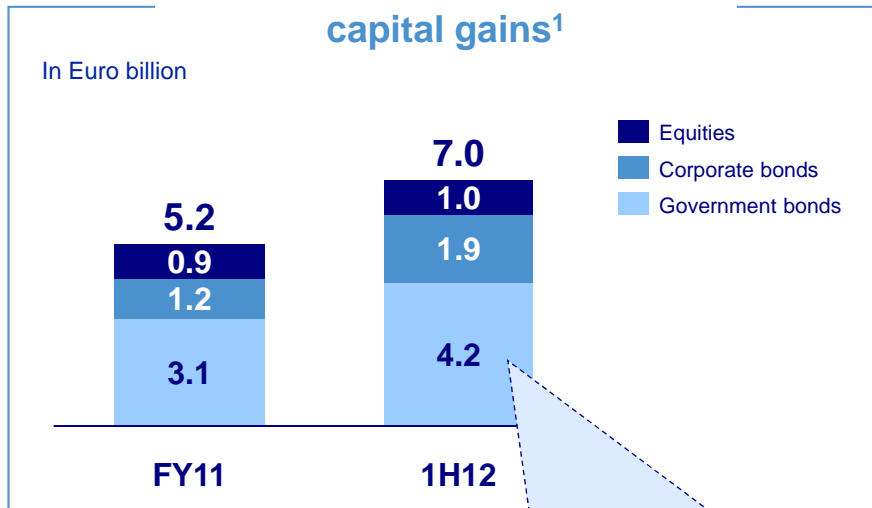


* At June 30, 2012, 38 points come from US equivalence under the Solvency II regime, which serves as a basis for the economic solvency calculation. AXA Equitable required and available capital are based on the New York State RBC framework, assuming a 300% RBC required capital level

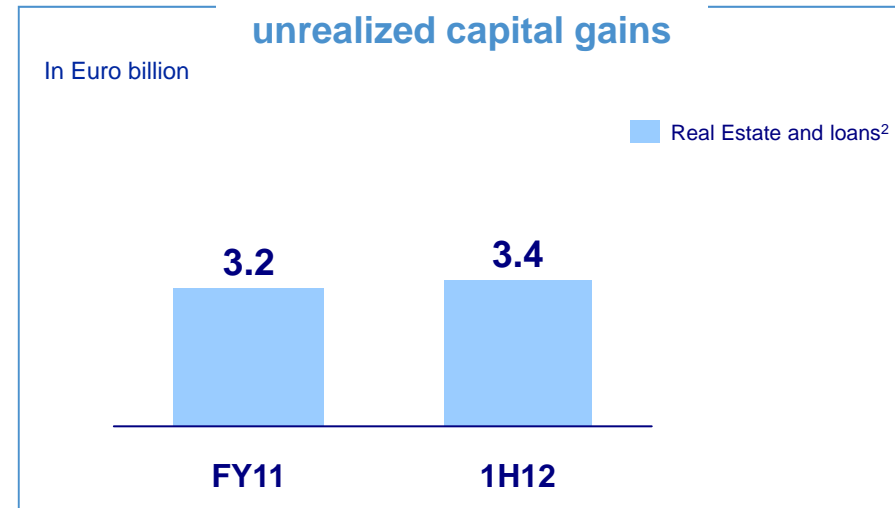
** Not restated for the change in DAC accounting methodology adopted retrospectively as at January 1, 2012

With strong level of buffers to withstand external shocks

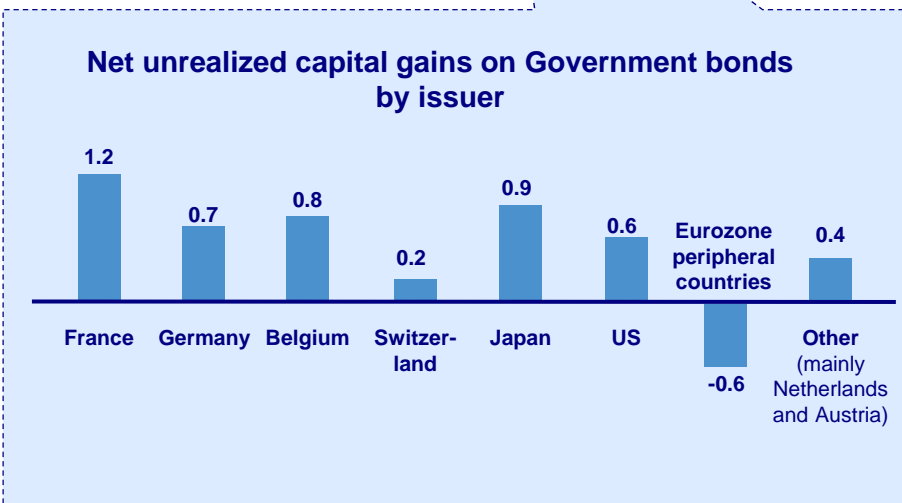
Balance sheet net unrealized capital gains¹



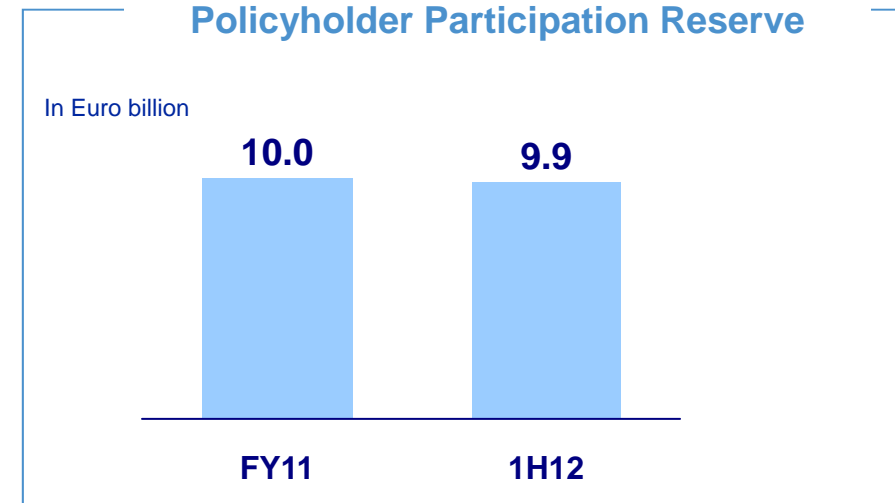
Off balance sheet net unrealized capital gains



Net unrealized capital gains on Government bonds by issuer



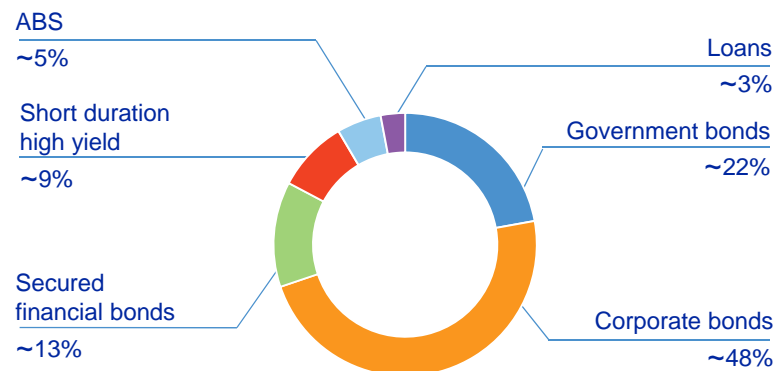
Policyholder Participation Reserve



Asset Liability Management:

Disciplined investment policy for Life & Savings and P&C

Current investment policy on Fixed income



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

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

Exposure to Eurozone peripheral countries government bonds

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

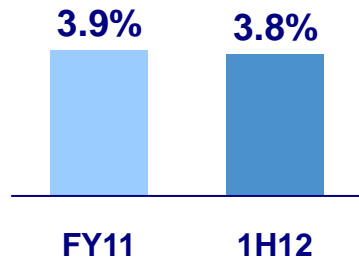
Or €11.2 bn with AXA MPS JV at Group share

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

Asset Liability Management: Interest rate management in G/A

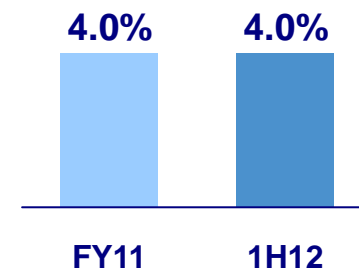
Life & Savings

L&S asset yield*



Property & Casualty

P&C asset yield*



Duration gap

Asset duration as at June 30, 2012

Life & Savings 7.4 years

Property & Casualty 5.0 years

Renewals and new business taken into account

Duration gap tightly managed at less than 1 year

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

Expected FY12 asset yield dilution of ca. 20 bps vs FY11, should interest rates remain at current levels

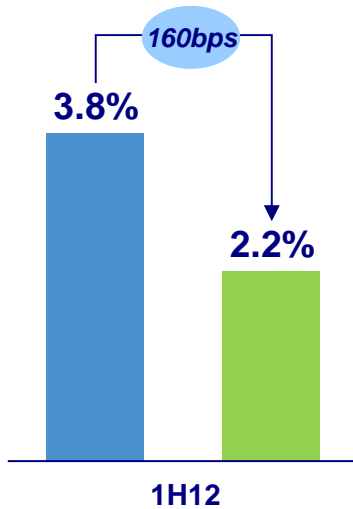
* Annualized. Asset yield defined as net underlying investment income on General Account Assets divided by Average General Account asset base

Asset Liability Management:

Life & Savings investment yield well above guaranteed rates

Inforce business

Spread above guaranteed rates

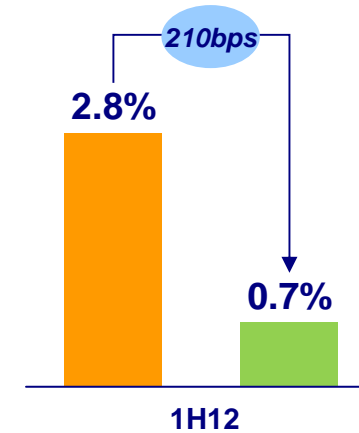


■ Yield on total L&S asset base
■ L&S average guaranteed rate

Average reserves of €344 billion

New business

New business reinvestment rate on fixed income assets above guarantees offered



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

Products sold to attract higher margin Unit-Linked business

Significant buffer allows us to keep flexibility to maintain 70-80bps net investment margin over crediting rate for FY12

**Our Ambition AXA plan is well designed
to respond to current challenges**

We keep our focus on delivering on our Ambition AXA strategy

Mature markets

Sustainable growth in earnings & operating Free Cash Flows

Selectivity

High growth markets

Double our size organically

Acceleration

Efficiency

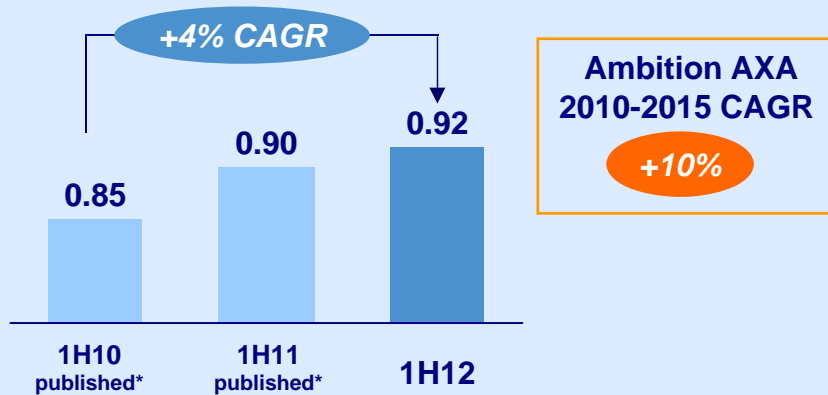
Everywhere with a focus on mature markets

Ambition AXA

Financial performance impacted by market conditions

Underlying Earnings per share

In Euro per share



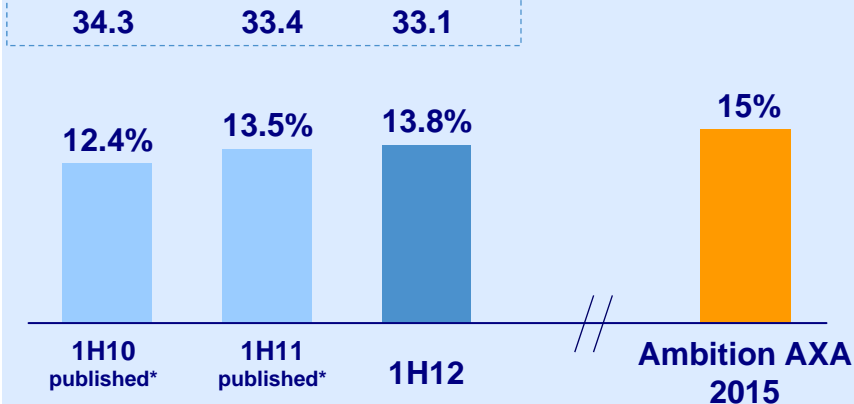
Group operating free cash flows

1H12 in line with Ambition AXA plan

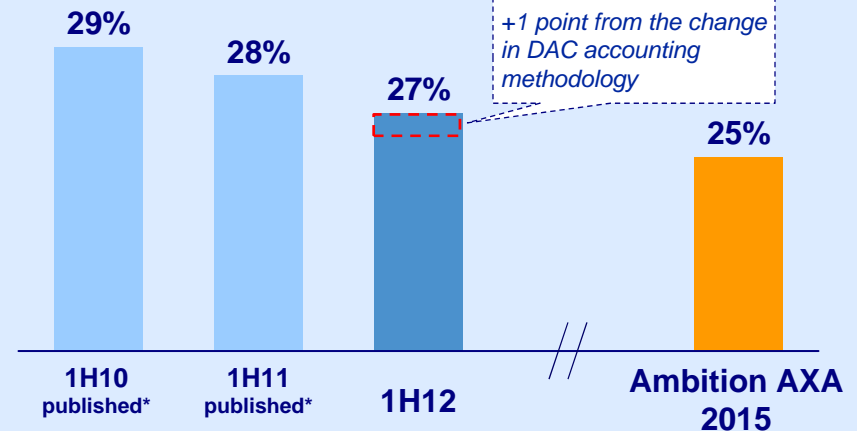
Ambition AXA 2010-2015 cumulative Euro 24 billion

Adjusted return on equity¹

Average adjusted shareholders' equity¹
(in Euro billion)



Debt gearing



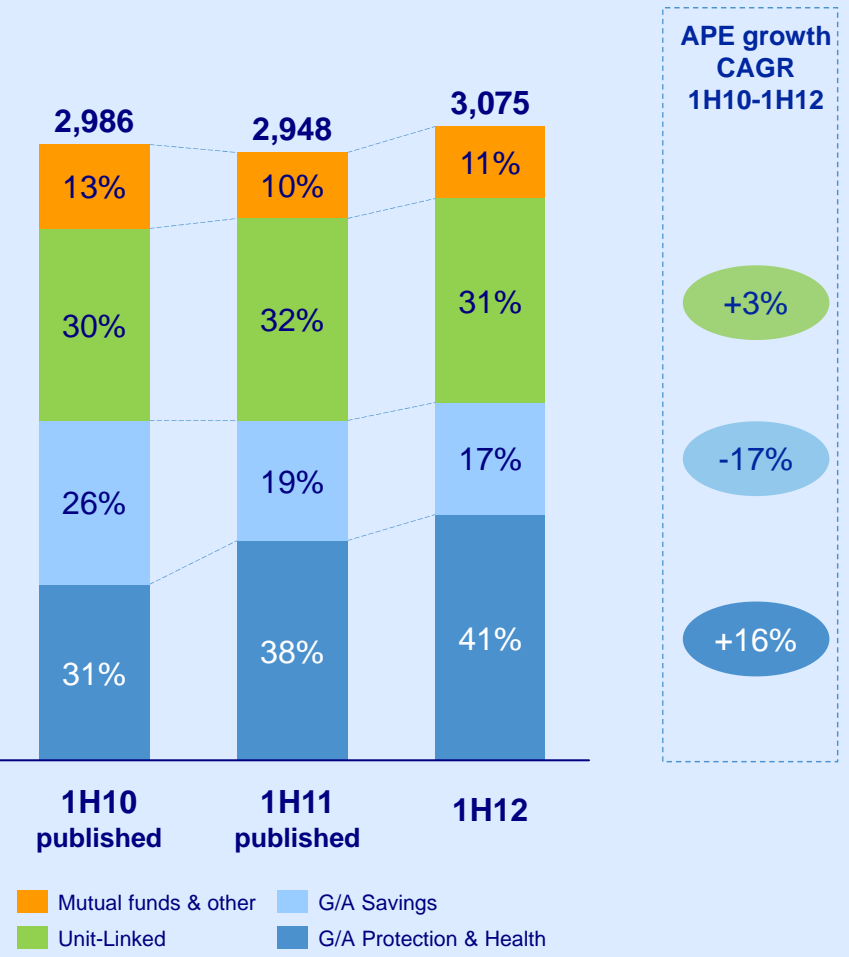
* Not restated for the change in DAC accounting methodology adopted retrospectively as at January 1, 2012

Ambition AXA: reshaping the Life & Savings business

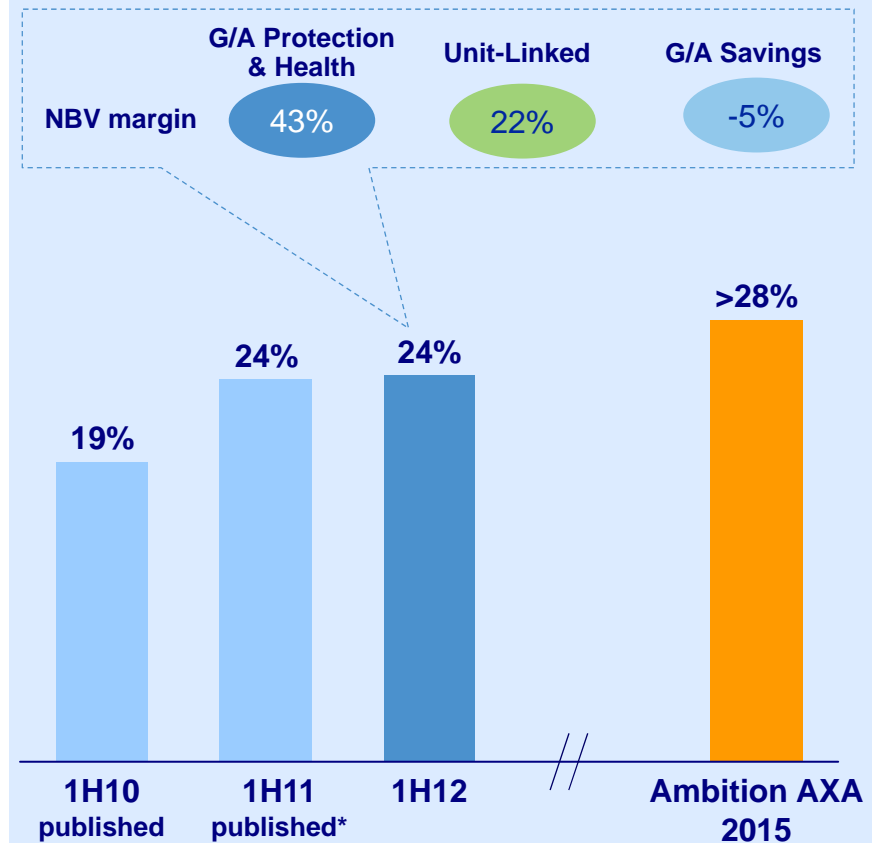
Higher profitability through improved business mix

APE by product

In Euro million



NBV margin

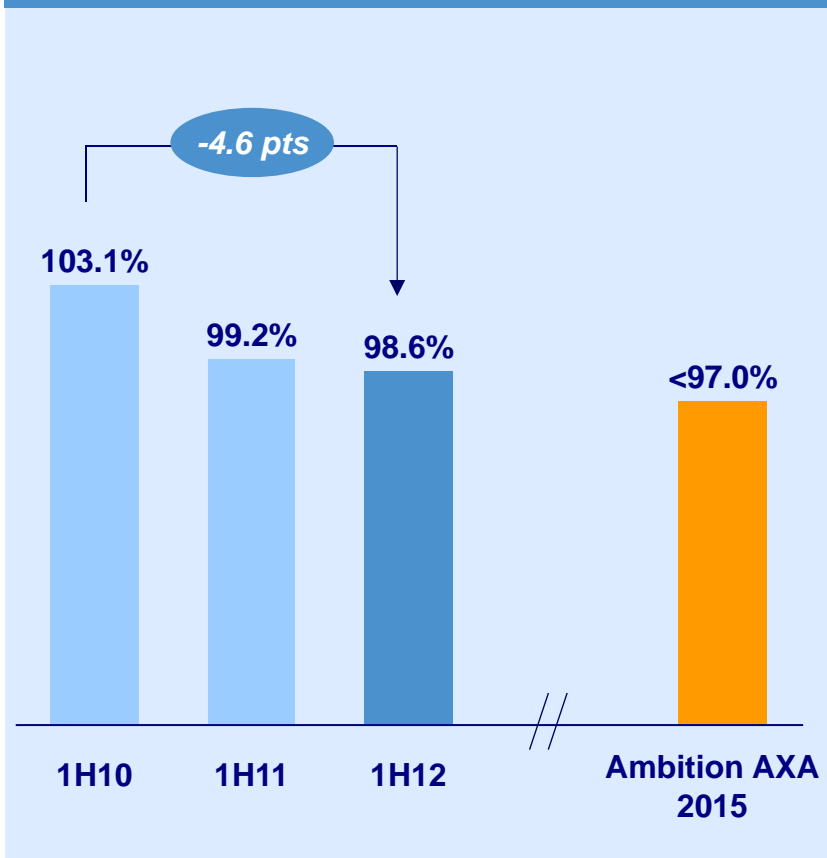


* Updated for actuarial and financial assumptions at FY11

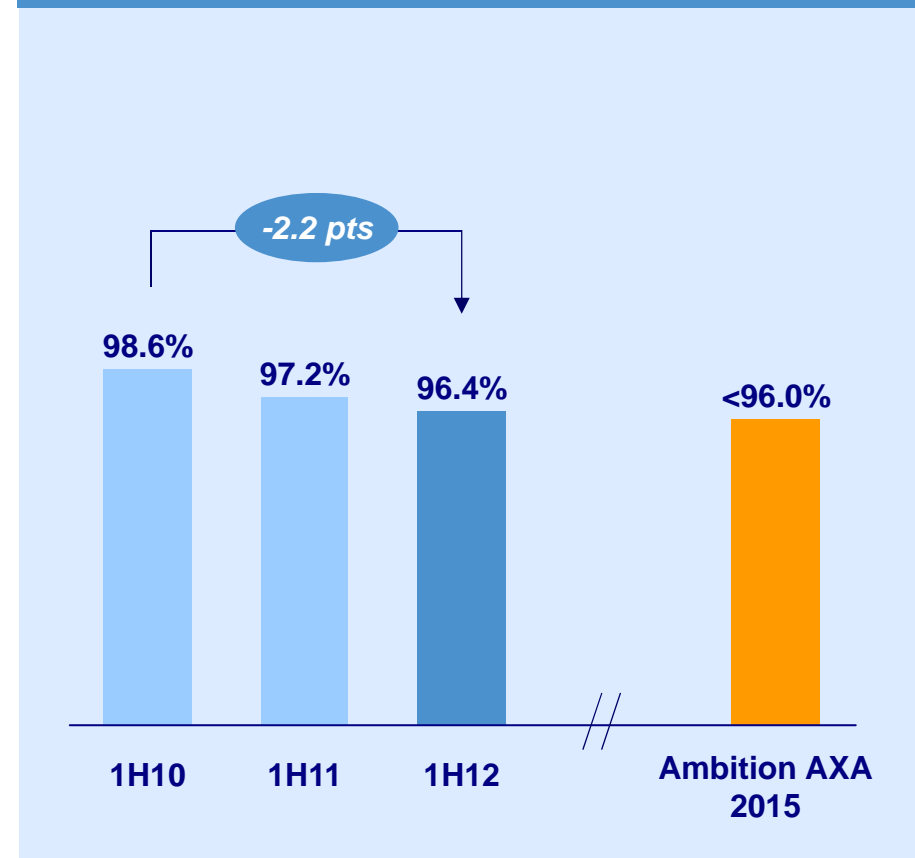
Ambition AXA: fostering P&C profitability

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

Current year combined ratio



Combined ratio

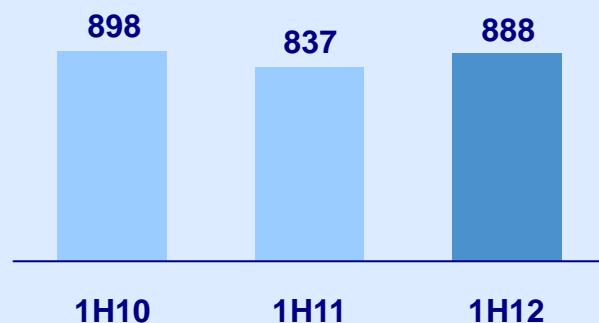


Changes are on a reported basis

Ambition AXA: improving flows in Asset Management

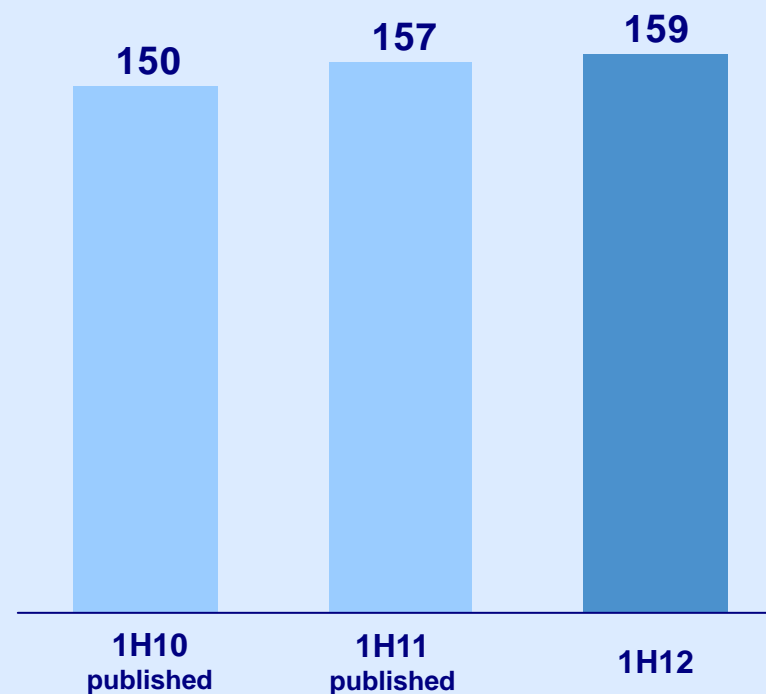
Stable assets under management

In Euro billion



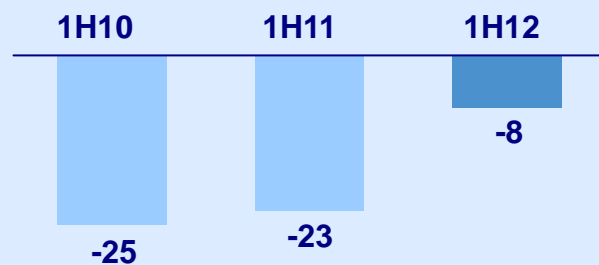
Resilient Underlying Earnings

In Euro million



Improving net flows

In Euro billion



Going forward

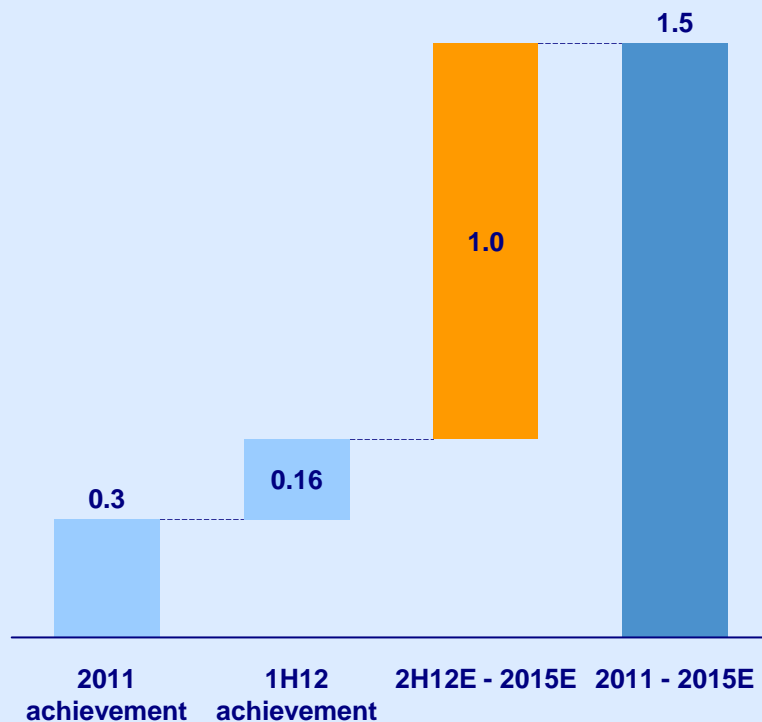
Continue to improve investment performance

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

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

Ca. Euro 0.16 billion savings achieved in 1H12

In Euro billion



Ambition AXA

Maintain P&C and L&S administrative costs

Reduce P&C acquisition expense ratio by 1.5 pts

Q&A session

Q&A session



Notes

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

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

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