



*November 13th, 2001*

**AXA CONSOLIDATED REVENUES UP 2.5 % ON A COMPARABLE BASIS IN THE FIRST 9 MONTHS OF 2001**

- Life and Savings revenues, 63% of consolidated revenues, were Euro 35,136 million (\$31.4 Billion) down 0.4% compared with first nine months of 2000, in a difficult 2001 environment
- Property and Casualty revenues, which represent 22% of consolidated revenues, were Euro 12,348 million (\$11.02 Billion) up 3.2% from the comparable period a year ago
- Asset Management revenues, which represent 5% of consolidated revenues, were Euro 2,801 million (\$2.5 Billion) down 1.5% compared with a year ago
- International Insurance revenues, 8% of consolidated revenues, were up 34.6% to Euro 4,404 million (\$3.93 Billion)

*Growth rates are based on adjusted numbers to provide comparability in scope, accounting standards and currency.*

PARIS—AXA reported today that consolidated revenues for the first nine months of 2001 rose 2.5% to Euro 55,539 million (\$49.6 Billion) compared with the year-earlier period.

“Conditions worsened for the sale of equity-linked products, the main source of growth in recent years, during the third quarter, accentuated by the tragic WTC events,” said AXA CEO Henri de Castries.

“However, the Group is responding with new fixed savings product introductions, which have spurred strong growth in Belgium and the UK, and are getting a positive response so far in the 4<sup>th</sup> quarter in the US. This continued product expansion, along with our geographic and business line diversification, as well as continued rate increases in P&C and Reinsurance, is providing us the ability to achieve revenue growth in a very difficult environment. This environment is creating greater demand by our clients for financial advice and protection products, validating the Group’s strategy.”

**Note** for the reader’s convenience:

Average exchange rate over first nine months of 2001: \$1.00 = Euro 1.12

Average exchange rate over first nine months of 2000: \$1.00 = Euro 1.06

<i>Euro million</i>	September 30, 2001	September 30, 2000	change	change on a comparable basis
<b>TOTAL</b>	<b>55,539</b>	<b>61,798</b>	<b>-10.1%</b>	<b>+2.5%</b>
<b>Life and Savings</b>	<b>35,136</b>	<b>33,009</b>	<b>+6.4%</b>	<b>-0.4%</b>
. Europe	19,871	19,430	+2.3%	+2.7%
. North America	8,467	9,632	-12.1%	-12.1%
. Asia-Pacific	6,798	3,946	+72.3%	+6.4%
<b>Property and Casualty</b>	<b>12,348</b>	<b>11,965</b>	<b>+3.2%</b>	<b>+3.2%</b>
. Europe	11,653	11,344	+2.7%	+2.8%
. North America	526	504	+4.4%	+5.8%
. Asia-Pacific	169	117	+45.2%	+30.3%
<b>International Insurance</b>	<b>4,404</b>	<b>3,306</b>	<b>+33.2%</b>	<b>+34.6%</b>
<b>Financial Services</b>	<b>3,651</b>	<b>13,518</b>	<b>-73.0%</b>	<b>-0.2%</b>
. Asset Management	2,801	2,016	+38.9%	-1.5%
. Other Financial Services	850	11,502	-92.6%	+4.2%

### **LIFE AND SAVINGS: 63% of consolidated revenues**

Life and savings revenues were Euro 35,136 million, down 0.4% compared with the same period in 2000.

- Strong sales growth across all lines of business boosts UK revenues
- Strategy to focus on Individual Life in Japan proceeding well, as Individual Life revenues rise 5%
- General account products for individuals lift Belgium revenues by 65%.
- Revenues in the US and France decline on lower unit-linked sales

### **EUROPE**

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**France** (23% of total Life & Savings): Revenues decreased 12% to Euro 8,069 million, from last year's record first nine months on the same period the market decreased 9%. 2001 revenues still grew 10% compared to 1999.

- **Individual savings and retirement (62%):** Individual savings premiums were down 18%. In the first half of 2000, sales had benefited from favorable market condition (maturing tax-driven products – PEP). Unit-linked premiums (47% of the Individual savings premiums versus 59% a year earlier) fell 35%, while the market declined approximately 40%. General account premiums grew by 5% as clients turn to safer products in the current environment.
- **Group retirement (6%):** Group annuities declined 14% as there were several important contracts underwritten a year ago. Unit-linked premiums grew by 8% and now represent 24% of this activity.
- **Life and Health (30%):** Premiums increased 5% to Euro 2,461 million, driven by favorable new business (both Group and Individual products) and the impact of salary growth in 2000.

**United Kingdom** (19% of total Life & Savings): Total revenues grew 17% to Euro 6,808 million in the first nine months of 2001. AXA UK's life New Business Index (NBI) rose 23% in the first nine months of 2001. In addition to new products, expansion in the agency and Independent Financial Advisors (IFA) distribution channels contributed to the strong result.

- **Pension Policies (42%):** Revenues were up 22 % both on unit-linked and general account products. The trend observed in the first half, which benefited from "single premium transfer" business as well as changes in tax legislation, has slowed down. Regular pension premiums increased by 3% as a result of a successful early launch of AXA Sun Life stakeholder products.
- **Life premiums (44%):** Revenues grew 17% following strong sales of With Profit bonds and a successful "Invest for Income" campaign launched in May aiming at providing a regular income.
- **Mutual Funds (Euro 10.8 million - fees only):** Sales rose 17% across all distribution channels following a national media campaign to promote Individual Savings Account (ISA) products, outperforming a decline in the overall market for ISAs.
- **Health (13%):** Individual premiums (46% of Health) are up 8% benefiting from higher pricing (average premiums +10%) partially offset by a 3% decline in policy count. Corporate lines increased 6% due to higher pricing.

**Germany** (6% of total Life & Savings): Revenues rose 4% to Euro 2,118 million outperforming the 1.4% market growth.

- **Life and Savings (79%):**  
Life premiums were up 3% to Euro 1,313 million mainly driven by unit-linked product sales (up 50%, representing now 6% of premiums), compared to the general account business, which grew a moderate 1%.  
Investment and Savings premiums were Euro 356 million, down 3% due to temporary market standby until the new Riestler products are certified (end 2001).

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- **Health (21%):** Rate increases and new business developments continue to drive health premiums' growth of 12%, largely outperforming the estimated market growth of 5%.

**Belgium** (3% of total Life & Savings): Revenues were Euro 1,218 million, up 65% from the comparable period a year ago due to the strong performance of new generation investment products which represent 65% of Belgian revenues compared to 47% a year ago. The Belgian market is estimated to have grown 10% during the first six months 2001 while AXA's revenues increased 70%.

- **Individual (81%):** Revenues were up 88% as general account business increased 120% compared with a 55% overall Belgian market growth, as a result of the success of the CREST product (single premium, guarantee product, for which premiums increased 450%). Unit-linked business grew 14% compared to a -20% unit-linked market decline, as AXA is building its presence in this market.
- **Group (19%):** Premiums grew 8% in a flat market due to a high level of new business in segregated funds.

**Other European Countries + Morocco** (5% of total Life & Savings): Revenues increased by 7% to Euro 1,658 million mainly due to the Group business in Spain.

## **NORTH AMERICA**

- September 11<sup>th</sup> events and continuing weakness in equity markets had a significant impact on annuity premiums and mutual fund sales in the US
- Continued strong flows into AXA Management Accounts (AMA)
- Stable market share on Variable Annuity Products

**United States** (24% of total Life & Savings): Revenues were Euro 8,426 million, down 12% from the record first nine months of 2000. Gross revenues now include fee income from brokerage services and revenues from asset management activities on behalf of Equitable Advisors Trust.

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- **Individual Annuity (56%):** Premiums are down 22%, reflecting the impact of the weak and volatile equity market environment, which was particularly experienced by the Wholesale channel (-28%), whereas the Retail channel (-18%) was more resistant against the decline, as the pension market decreased moderately. Despite this fall, AXA maintained its market share in variable annuity premiums, ranking sixth for new sales. To offset short-term changes in flows, AXA launched on September 17<sup>th</sup> its first Fixed Annuity product, which collected Euro 9 million of premiums and is showing promising potential. Fixed Annuity sales in October reached more than Euro 160 million.
- **Life (25%):** Premiums decreased 4% due to tax legislation uncertainty. Wholesale channel life distribution more than tripled and mitigated the decline of the retail channel.
- **Other premiums (15%):** This business is increasing by 25% mainly due to high Institutional premiums (up 73%).
- **Other revenues (4%):** These revenues decreased 2% as the increase in asset management fees was more than offset by a decrease in Brokerage Services Fee Income (Mutual Fund fees), reflecting the 9% drop in Mutual Fund sales.
- **Brokerage & Fee based client assets** were up 27% from December 2000 to Euro 5.3 billion. The number of AMA accounts continues to grow and now represents 62,374.

## ASIA PACIFIC

Life and Savings revenues rose 6% to Euro 6,798 million and represent 19% of AXA's Life & Savings. For Japan, the figures include revenues from the nine-month period ended June 2001, as compared to proforma numbers for the same period in 2000. Australia & New Zealand also ended their nine-month period in June 2001.

**Australia and New Zealand** (4% of total Life & Savings): Revenues increased 14% to Euro 1.573 million (+7% excluding conversions).

- **Investment and Savings (54%):** Premiums grew 4% (excluding conversions) owing to product improvements (more competitive returns, improvement of client service).
- **Health (25%):** Premiums rose 17% due to government incentive programs to increase the number of individuals with private insurance coverage.
- **Income Protection (7%):** increased by 7% primarily because of rate increases (+20% in average approximately, effective in December 2000), compensated by resulting higher lapse rates for some segments.

**Japan** (12% of total Life & Savings): Revenues increased by 1% to Euro 4,227 million. AXA Japan continues to focus on higher margin individual Life and recently launched Variable annuity products, as well as on Health products (medical and term rider).

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- **Individual (70%):** Premiums increased 5%, mainly driven by Variable Life and Variable Annuity (sales totalling Euro 164 million and representing 4% of total premiums), and Medical products (premiums representing 16% of total premiums, which are up 4%). Traditional life insurance products, which still represent 39% of total premiums, decreased by 4% mainly due to a change in focus away from these products to more innovative ones (investment and variable type products) and more profitable ones (medical and term rider products).
- **Group (30%):** Premiums continued to decline (- 8%) due to deliberate non-renewal of certain low margin contracts.

## **PROPERTY AND CASUALTY: 22% of consolidated revenues**

**Property and Casualty (note : large risks are included in the International business line) gross written premiums rose 3% to Euro 12,348 million in the first nine months. Excluding our portfolio restructuring in the UK, premiums increased more than 5% over last year.**

- Rate increases of 2-5% in Personal Lines successful across Europe
- Strong rate increases in Commercial Lines

**France** (27% of total P&C): Revenues grew 5.1% to Euro 3,274 million, vs. a market growth estimate of 4.7%. Steady sales activity in all business lines as well as higher rates supported this development.

- **Personal (55%):** Premiums grew 5%, mainly due to non-motor lines. Personal Motor (59% of personal lines) rose 3% due to better pricing as average premiums grew 2%. Property and Liability (41% of personal lines) grew by 9% due to both new business and a slight increase in average premiums (+1.3% in Property).
- **Commercial (45%):** Premiums grew 5%. Commercial Motor (23% of commercial lines) rose 5% due to higher rates. Commercial Non-Motor lines (77% of commercial lines) were up 6%, driven by the growth in the construction portfolio (+12%) and by the increase in Property new business (+4%), as well as rate increase.

**Germany** (21% of total P&C): Revenues grew 2% to Euro 2,574 million, slightly below market growth, as rate increases in both Personal and Commercial Lines were partially offset by stricter underwriting policies.

- **Personal (59%):** Premiums were flat. Personal Motor premiums (51% of personal lines) were up 2%, benefiting from rate increases (+4% on the average premiums). Non-Motor premiums decreased 3% due to a decrease in policy count resulting from price competition on Property, as well as portfolio restructuring in Liability.
- **Commercial (29%):** Premiums were up 9% driven by Non-Motor lines (88% of commercial lines) which benefited from new business developments in Property (+6%) and Liability insurance (+10%).

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- **Other (12%):** Premiums grew 6% mostly driven by higher volumes on Art Insurance.

**United Kingdom** (15% of total P&C): Revenues decreased 5% to Euro 1,909 million. Excluding business acquired from underwriting a portion of the ex-Independent Insurance business, the decrease amounted to -10%; the decline is mainly due to the restructuring of the Personal Motor business that began after the minority buy-in of Sun Life Provincial Holdings in July 2000. This restructuring is now mainly completed, while its effect is likely to last until the end of 2001.

- **Personal (55%):** Premiums were down 22% due to a 33% decline in the Motor business (50% of personal lines). This fall is due to the rating actions undertaken during the last 12 months (+9% on average), which lead to a decline in business with the intermediary channel (-34%) and to the deliberate withdrawal from non-profitable contracts particularly within affinity groups (-63%). Non-motor revenues (50% of personal lines) fell 7% due to lower volumes with affinity partners and intermediary networks following strong rate increases in household.
- **Commercial (44%):** Premiums were up 27%, as this activity benefited from the ex-Independent business flow. Excluding this inflow, commercial lines increased +14% mainly as a result of non-motor lines. Non-motor premiums (excluding ex-Independent business) increased 18%, following strong rate increases in Liability (Public Liability +15%, Employees Liability +23%).

**Belgium** (8% of total P&C): Revenues increased 3% to Euro 1,017 million over the year-ago period.

- **Personal (62%):** Revenues are stable over the year-ago period. Motor lines (59% of personal lines) rose 1% to Euro 373 million as a result of higher average premiums. Property household was up 1% due to indexation of premiums. Other lines premiums, including personal liability, personal accident and workers' compensation, decreased 5% following specific portfolio cleaning measures.
- **Commercial (35%):** Revenues rose 3%, mainly driven by non-motor premiums which were up 3% to Euro 280 million. The growth is attributable to new business in Workers' compensation.

**Other Countries** (29% of total P&C): Revenues increased 7% to Euro 3,574 million. Spain and Italy, which each represents 6% of the P&C revenues were up 10% and 4%, respectively. The increase was mostly attributable to motor business, as Italy increased its average premiums by 6% and Spain by 14% in its personal Motor business.

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## **ASSET MANAGEMENT: 5% of consolidated revenues**

**Asset management revenues were down 2% to Euro 2,801 million, showing a strong resilience in an equity market that has lost more than 20% since year-end 2000.**

**Alliance Capital (86%):** Revenues were down 3% to Euro 2,416 million. Assets under management are Euro 463 billion, down 7% from December 2000. Cash flows are positive in all businesses, particularly in Institutional Account (large Vanguard sub-advisory mandate). The decline in revenues was due to lower average AUM (down –3.5% versus the same period in the prior year, market depreciation having been only partly offset by net new money), and a market-related shift from higher fee equity mutual funds to lower fee fixed income and cash management products.

Performance fees were down 33% mainly on Private Clients accounts, but were partly compensated by growing performance fees on Institutional accounts. Alliance Capital also increased its market share in Institutional Research Services, which grew by 25% in a context of decreasing NYSE volumes.

**AXA Investment Managers (13%):** Revenues were up 13% to Euro 367 million. Assets under Management increased by 2% to Euro 261 billion, the effect of net new money and the inclusion of AXA Real Estate Investment Managers being partially offset by market decline. The increase in revenues was due to a 4% increase in average AUM and to an increase in average fees, which is due to a movement from general account to separate account products and a more favourable product mix. Moreover, performance fees increased from Euro 29 million to Euro 35 million as a result of strong relative performance.

## **INTERNATIONAL INSURANCE: 8% of consolidated revenues**

**International Insurance revenues rose 35% to Euro 4,404 million.**

**Reinsurance (63%):** Premiums were up 56% to Euro 3,074 million. Property & Casualty lines (92%) were up 55% due to the upturn in the retrocession market for Property Catastrophe business, the strong development of the Program Business and the increase in renewals. Life reinsurance lines (5%) were up by 97%, mainly as a result of the strong development in the US of Asset-Based Reinsurance products.

**Insurance (30%):** Premiums were up 2% to Euro 987 million. In France, gross written premiums were down mostly as a result of stricter risk selection. In the UK, gross written premiums strongly increased (+ Euro 120 million) due to stronger new business sales in Property, Casualty and Motor lines.

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## **About AXA**

AXA Group is a worldwide leader in financial protection and wealth management. AXA's operations are diverse geographically, with major operations in Western Europe, North America and the Asia/Pacific area. AXA had Euro 950 billion in assets under management as of June 30, 2001 and reported revenues of approximately Euro 80 billion for the full year 2000 (Euro 56 billion for the first nine months of 2001). The AXA ordinary share is listed and trades under the symbol AXA on the Paris Stock Exchange. The AXA American Depositary Share is also listed on the NYSE under the ticker symbol AXA.

This press release is also available on AXA Group web site: [www.axa.com](http://www.axa.com)

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## Appendix: First nine-month consolidated revenue breakdown

<i>Euro million</i>	September 30, 2001	September 30, 2000	change	change on a comparable basis
<b>TOTAL</b>	<b>55,539</b>	<b>61,798</b>	<b>-10.1%</b>	<b>+2.5%</b>
<b>Life and Savings</b>	<b>35,136</b>	<b>33,009</b>	<b>+6.4%</b>	<b>-0.4%</b>
. Europe	19,871	19,430	+2.3%	+2.7%
<i>France</i>	8,069	9,195	-12.2%	-12.2%
<i>United Kingdom</i>	6,808	5,909	+15.2%	+16.8%
<i>Germany</i>	2,118	2,043	+3.7%	+3.7%
<i>Belgium</i>	1,218	741	+64.5%	+64.5%
<i>Other Europe + Morocco</i>	1,658	1,543	+7.5%	+7.0%
. North America	8,467	9,632	-12.1%	-12.1%
. Asia-Pacific	6,798	3,946	+72.3%	+6.4%
<i>Australia and New-Zealand</i>	1,573	1,738	-9.5%	+14.4%
<i>Japan</i>	4,227	1,430	+195.6%	+0.7%
<i>Other Asia-Pacific</i>	998	778	+28.2%	+25.5%
<b>Property and Casualty</b>	<b>12,348</b>	<b>11,965</b>	<b>+3.2%</b>	<b>+3.2%</b>
. Europe	11,653	11,344	+2.7%	+2.8%
<i>France</i>	3,274	3,063	+6.9%	+5.1%
<i>Germany</i>	2,574	2,510	+2.6%	+2.3%
<i>United Kingdom</i>	1,909	2,064	-7.5%	-5.0%
<i>Belgium</i>	1,017	988	+2.9%	+2.9%
<i>Other Europe + Morocco</i>	2,879	2,719	+5.9%	+6.5%
. North America	526	504	+4.4%	+5.8%
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<b>Financial Services</b>	<b>3,651</b>	<b>13,518</b>	<b>-73.0%</b>	<b>-0.2%</b>
. Asset Management	2,801	2,016	+38.9%	-1.5%
<i>Alliance Capital</i>	2,416	1,718	+40.6%	-3.2%
<i>AXA Investment Managers</i>	367	280	+30.9%	+13.2%
<i>National Mutual Funds Mgt</i>	18	18	-0.9%	+1.0%
. Other Financial Services	850	11,502	-92.6%	+4.2%
<i>Europe</i>	850	815	+4.2%	+4.2%
<i>DLJ</i>	0	10,687	NS	NS

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