

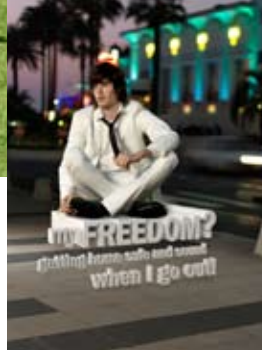
2008 activity
and sustainable
development
report



trust is built
through proof

redefining / standards





No more **PROMISES** —**PROOF**

The Group's new brand positioning expresses our vision of the financial protection business: be attentive to our clients and offer tangible proof of our commitment. By striving for excellence, constantly, we want to offer proof of the quality of our products and our services, so that day by day we are making AXA the preferred company of our stakeholders throughout the world. The 2008 activity and sustainable development report is the illustration.

contents

01	Profile
04	Executive messages
04	Message from Jacques de CHATEAUVIEUX
06	Interview with Henri de CASTRIES
08	Risk management
	Joint interview with Denis DUVERNE and Gérald HARLIN
12	Redefining standards
14	At the heart of client expectations
15	Quality of service, a question of attitude
17	Innovation, a new reflex
18	Excellence, together
20	The Group in 2008
22	Operating highlights
24	Life & Savings
30	Property & Casualty
36	International Insurance
40	Asset Management
44	AXA Bank Europe
46	Clear principles and information
48	Governance
51	Ethics and compliance
52	Sustainable development
55	Solidarity in practice
58	Social data
62	Environmental data
64	Ratings and audit
66	Correspondence table

a **GLOBAL LEADER** in **financial** **protection**

WE SUPPORT AND ADVISE our clients – individuals as well as businesses—by responding to their insurance, personal protection, savings, retirement and financial planning needs throughout their lives.

As we gradually strengthen our global presence and distribution networks, we are extending our product and service offerings with full awareness of the vital challenges related to our core business of providing financial protection for people and property. Thanks to the expertise that AXA has developed, we can tailor our products and services to meet the needs of each client.

Our expertise spans three broad areas of activity:

Life insurance and savings; property and casualty insurance; asset management and banking. Responsible, innovative and very involved in the effort to promote greater understanding and prevention of the major risks to people and their environment, our Group has opted for a dynamic approach to its business that encourages constant redefinition to ensure greater satisfaction for our clients as we meet their protection needs.

- **Life and Savings:** AXA offers individuals and businesses a wide range of personal and group insurance policies that include retirement savings, personal protection and health coverage.
- **Property and Casualty Insurance:** This segment offers a broad range of products and services including motor, household, property and general liability insurance for both personal and commercial customers.
- **Asset Management and Banking:** Asset management is a strategic business for AXA, which mainly serves institutional and retail clients but also AXA Group insurance subsidiaries. In Belgium, France, Germany, Hungary and Switzerland, AXA also offers retail banking services.



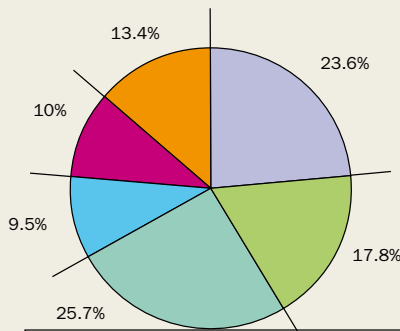
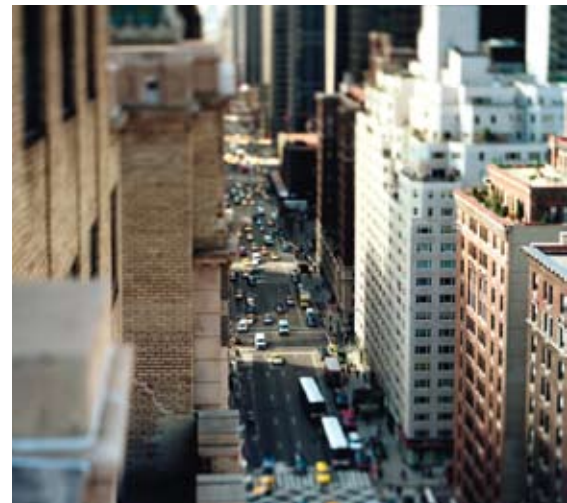
The AXA Group is **PRESENT** in **56** countries

THE GROUP'S BUSINESSES ARE GEOGRAPHICALLY DIVERSIFIED, with a concentration in the markets of Europe, North America and Asia Pacific. The Group has been doing business under the global AXA brand since 1985. Present in the United States since 1992, and in Asia Pacific since 1995, AXA is gradually strengthening its global presence and its networks, and also extending its product and service range.

91 billion euros
in revenues

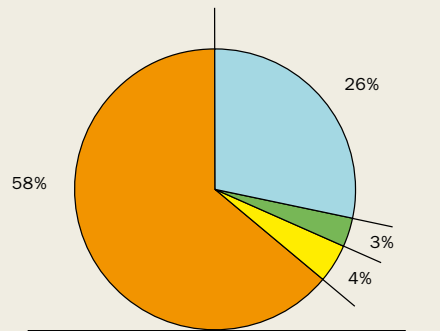
4
billion euros
in underlying earnings

981 billion euros in assets
under management



■ France
■ Northern, Central and Eastern Europe
■ Asia Pacific (including Japan)
■ North America
■ United Kingdom and Ireland
■ Mediterranean Region and Latin America

**2008 INSURANCE REVENUES⁽¹⁾
BY GEOGRAPHIC REGION**



■ Property & Casualty
■ Asset Management
■ International Insurance
■ Life & Savings

2008 REVENUES BY SEGMENT

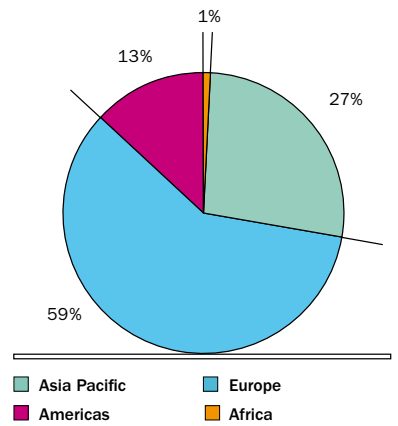
0.4 euro dividend
per share

(pending approval
by the shareholders
on April 30, 2009)

4.75 %

of AXA's share capital
is owned by socially
responsible investors

(1) Excluding International Insurance, Asset Management, Banks and Holdings.



WORKFORCE IN 2008 BROKEN DOWN BY GEOGRAPHIC REGION⁽²⁾

(2) See page 58.



210,000

people (employees and distributors)
including 26,000 employees and distributors who
volunteer for the AXA Hearts in Action Challenge

3.7

 billion euros in
adjusted earnings

923

million euros
of net income



80

 million clients in the world
trust the AXA Group

3.44

 tons of CO₂
per person⁽³⁾

(3) See page 63.



Jacques de CHATEAUVIEUX
Chairman
of the supervisory board

“ The people of AXA ARE COMMITTED

to being available, attentive and reliable. Every day, they enthusiastically offer tangible proof of their ability to constantly redefine the standards of their business, for the good of clients and society in general.

”

INSURANCE consists of promising to repair the consequences of a random loss sustained by property or persons. The people of AXA—its employees, tied agents and partners—support clients throughout their lives, protecting their property, contributing to their good health, reducing the material impact of the death or disability of a loved one, and ensuring the growth and availability of their personal assets. They are committed to being available, attentive and reliable. Every day, they enthusiastically offer tangible proof of their ability to constantly redefine the standards of their business, for the good of clients and society in general.

Our knowledge and the techniques that we have developed in asset management—in other words, our ability to honor the commitments we have made with regard to our clients—are obviously the keys to the creation of lasting trust. At AXA, they are the signs of a great company. But above and beyond the experience acquired and shared, notably in the course of the acquisitions that have enabled the strong growth of our Group, it is the personal qualities of our executives and their teams that offer the best guarantees of a high level of excellence.

The recent events that have affected the global financial services sector will leave a lasting and painful mark on life in every country in the world. They also shed a strong light on our role, that of providing counsel and supervision. This situation calls for a cautious approach to risk management and for courage, so we can avoid giving in to the temptation to copy others rather than think about the best response in terms of investment products and levels of coverage offered. Moreover, the situation reminds us that the signs of true leadership are fairness towards all of the organization's stakeholders and moderation in terms of what we think we as individuals are entitled to. It is in this spirit that AXA must affirm its principles of governance and compensation.

The year 2008 demonstrated the strengths of AXA and its people: we were responsive and decisive in the area of risk management, transparent in terms of information, and actively supportive. The diversity of the products that we offer, as well as of our geographic presence and hence our exposure to cycles, are the positive results of the strategy followed in recent years. But there is still room for improvement and today this is more necessary than ever.

The real foundation of our future performance lies in the adjustment of our strategy and the new formulation of an unchanged ambition. On the strength of these living values and united in a shared ambition, the management board and the supervisory board would like to control the conditions of profitable and value creating growth. We will meet the challenges—but also the opportunities—that lie in the years ahead united and mutually supportive. Your trust is the foundation of our success and we are grateful to you for it.





Interview
with **Henri de CASTRIES**
Chairman of the
management board

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Our performance should not be measured by our ability to predict the future, but rather by our ability to face prevailing conditions, whatever they are: and that's what we and all of our employees did in 2008.

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HOW DO YOU SEE THE GROUP'S PERFORMANCE IN 2008, A YEAR MARKED BY AN UNPRECEDENTED FINANCIAL CRISIS?

Just a year ago, few people were expecting the crisis to increase in magnitude with such violence. Certain events, certain defaults, went well beyond what the members of the management board and myself thought possible. AXA ended the year 2008 with stable revenues, underlying earnings in excess of four billion euros, net income of nearly a billion euros and a solid balance sheet.

Did we perform as well as we set out to do at the beginning of the year? Obviously, we did not. Is it a performance that places AXA among the financial institutions that demonstrated their ability to be a long-term partner for clients in a topsy-turvy environment? I think so. Our performance should not be measured by our ability to predict the future, but rather by our ability to face prevailing conditions, whatever they are: and that's what we and all of our employees did in 2008.

BUT DOESN'T THE SHARP DROP IN AXA'S SHARE PRICE NEGATE THIS PERFORMANCE?

Every financial institution lost a significant portion of its market capitalization in the course of the last eighteen months. Unfortunately, AXA was no exception, and I want our shareholders to know that I understand and share their disappointment. Today's stock prices reflect "bargain basement" valuations that give absolutely no credit to the fundamentals and outlook of individual businesses or companies.

The impact of the crisis on our financial statements is real, but we stand among the small number of financial institutions that are profitable and that did not ask for any financial assistance from the government.

I also believe that the markets have not fully appreciated the factors that truly differentiate AXA from the others: for one thing, the transparency of our communication. We publish details of our investments and our balance sheet and earnings sensitivity on a regular basis. Moreover, we have successfully aligned the interests of our shareholders and the employees of the Group through a thriving employee stock ownership program and a management compensation policy that is strongly tied to long- and short-term earnings and revenue trends. These two factors give our shareholders good reasons to be confident over the long term.

DON'T YOU THINK THAT THIS CRISIS ARGUES FOR A SEVERE RETHINK OF THE STRATEGIES OF FINANCIAL INSTITUTIONS?

The crisis, through the reversals and steep declines in value that it has triggered in the world's capital markets, affects every type of financial institution—including insurance companies. But the magnitude of this impact differed depending on the sector and line of business, the strategic choices made by different companies, and the quality of their risk management.

AXA's decision to stay focused on the financial protection business by seeking to diversify its risks geographically made it possible to blunt the impact of the crisis. The value of the assets on our balance sheet declined and, for the first time since 1991, our life insurance business in the United States lost money. While we have been less affected than many of our competitors, we still need to seek ways to further improve our risk management.

On the other hand, it seems to me that far from reducing client demand for our products and services, this crisis can only reinforce it.

BUT THIS DID NOT PREVENT YOU FROM ABANDONING THE QUANTIFIED OBJECTIVES ASSOCIATED WITH AMBITION 2012. DESPITE THE CRISIS, DO YOU STILL WANT TO MAKE AXA THE PREFERRED COMPANY IN ITS INDUSTRY?

The medium-term quantitative objectives that we set in 2004 were based on hypotheses regarding the economic environment and market trends that no longer correspond to reality by a long shot. Saying this is just common sense. We will set new quantified objectives once the markets have stabilized.

Conversely, we have always wanted to become the preferred company in our industry. And we are maintaining the initiatives undertaken to strengthen the engagement of our people and improve the efficiency of the service they deliver to our clients. From this perspective, the crisis—which has heightened our clients' awareness of risks, in particular those of a financial nature—offers us an opportunity to show even more concretely how we can add value for them.

Incidentally, I want to thank all of the employees and tied agents of our Group who, around the world, are demonstrating that they know how to stay close to our clients in these difficult times.

IN 2008, AXA REPOSITIONED ITS BRAND AND ADOPTED A PROOF-DRIVEN APPROACH REVOLVING AROUND THE THREE KEY ATTITUDES: AVAILABLE, RELIABLE AND ATTENTIVE. WHERE DOES THE GROUP STAND TODAY?

The introduction of our new signature in May 2008 was an opportunity to clarify our desire to become more client-centric, to become more attentive to customer needs and offer tangible proof of our attitude toward them. We are aware of the progress we still have to make. The two-point improvement in our global index of client satisfaction attests to a positive trend in the way they perceive the relationship we have with them. And in these difficult times, that counts as encouragement to pursue our efforts.

DOES THE GROUP HAVE A SPECIAL ROLE TO PLAY IN THE INSURANCE INDUSTRY AND, MORE BROADLY, IN HOW THE ECONOMY AS A WHOLE FUNCTIONS?

Subprime, volatility, accounting standards... the current crisis is above all one of short-term thinking, which as a value is in total opposition to the fundamentals of insurance, which is about supporting clients, sometimes over several decades.

Industry players and regulators will simply have to take this specific feature of insurance into account when it is time to define new operating rules that are more efficient and more secure for our clients. This is why, in spite of the crisis, we remain convinced of the importance of our long-term commitments, such as the development of a full series of risk prevention initiatives, better leveraging of diversity in our people management, and our support for fundamental research via the AXA Research Fund. Our achievements last year validate our strategic orientations and confirm that we should maintain our focus. And we intend to do so as a socially responsible company.



Denis DUVERNE & Gérald HARLIN

Member of the management board in charge of finance, control and strategy

Member of the executive committee, deputy chief financial officer, executive vice president, finance and control

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The solvency of an insurance company is the guarantee of its ability to respect the financial commitments it has made to its clients and sustain its business over the long term.

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We opted to separate the risk management functions from the investment functions for all of the Group's entities, in order to avoid tension between the desire to minimize risks and the search for the best return on the asset allocation.

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PROACTIVE management of RISKS in the face of the financial crisis

RISK IS THE RAW MATERIAL OF THE INSURANCE INDUSTRY. By assuming their risks, insurers allow their clients to live and undertake projects more freely. But the insurer must in turn be able to manage the risks that it aggregates, and this means understanding them and being able to predict their interactions. For several years now, risk management has been one of the keys to AXA's performance. Confronted with a financial crisis of exceptional severity, the Group was able to test the solidity of its business and economic models and the relevancy of its system for risk management. While the Group certainly felt the adverse impact of depreciation and volatility in the world's financial markets, it was able to withstand these stresses more successfully than most other financial institutions.

Joint interview with Denis DUVERNE, member of the management board in charge of finance, control and strategy, and Gérald HARLIN, member of the executive committee, deputy chief financial officer, executive vice president finance and control.

Denis DUVERNE: At the very beginning of 2008, we decided to redo our budget simulations based on some very adverse stock market scenarios. We were already anticipating... In an uncertain universe, modeling is essential for knowing where we are headed, especially when it comes to solvency and earnings. The solvency of an insurance company is the guarantee of its ability to respect the financial obligations it has to its clients and sustain its business over the long term. AXA has always done what it had to in order to maintain its solvency at a safe level. In addition, since the beginning of the crisis, insurers in general and AXA in particular have fared better than the banks because their business model is different. While banks grant loans that they need to refinance, we collect liquidities and are required to invest them. In a crisis situation, this is a much more comfortable position to be in.

Gérald HARLIN: AXA hedges the life and property-casualty risks that are related to its financial protection business. By nature, the property-casualty business is a stabilizing activity that is little impacted by the crisis. In the life insurance segment, the general account business needs to be distinguished from the separate account business. In the first case, the insurer bears the risk. Learning from the lessons of the 2001 crisis, AXA invested in Asset Liability Management. The aim is to ensure that the match between financial investments and policyholder liabilities is such that there is no solvency or liquidity risk, while optimizing overall profitability. This type of management has helped us to reduce our sensitivity to market changes. As for separate account products, the risk is borne by the client, but the products we have been developing in several countries, such as Accumulator and TwinStar, have built-in

guarantees against market downside. For many years now, AXA has chosen to refrain from offering coverage of this type to its clients unless it was possible to hedge the risk, in particular through the use of derivatives. The extreme conditions observed in 2008 have admittedly made these hedges more expensive and also revealed some imperfections, but they mostly validate our decisions in the area of risk management: no new guarantees without an appropriate strategy for hedging risks. Some of our competitors that decided differently now find themselves very vulnerable due to financial market depreciation.

In addition, the relevance of products like Accumulator has not been called into question. If we focus on the long term, we see that our clients still want to benefit from market upside while gaining some protection from the downside. As for our asset management, remember that we are long-term investors and hence not really subject to the liquidity risk. Of the 395 billion euros worth of assets in the general account, AXA has 306 billion in the form of bonds, including 127 billion euros worth of government bonds and 141 billion euros in corporate bonds. It is this latter category, whose value has dropped due to the extreme lack of liquidity in the markets, which is giving the impression of a considerable over-estimation of the default risk. But our corporate bond portfolio is overweighted to banks, which are in general benefiting from protective public sector refinancing.

Anticipating emerging risks

> **Denis DUVERNE: Above and beyond these technical issues, if I had to summarize the impact of the financial crisis on the Group,** I would say that the market decline took a toll on all assets under management, with a direct and automatic impact on the management fees that we earn, like any manager. Add to this the exceptional cost of managing the guarantees given to our clients on separate account products. Our underlying earnings were 5 billion euros in 2007. The decline in 2008 was about 20%, which was less than the financial markets and brings our total close to the level we reached in 2006. The Group resisted better than most in a deteriorated environment because, for many, many years we have been conducting an active and disciplined risk management policy. As early as the summer of 2007 and more fully in the second quarter of 2008, we decided to hedge our equity portfolio. Few of our competitors did that. We also decided to adjust the guarantees attached to our separate account products in accordance with market conditions. The new guarantees will go into effect sometime in 2009.

Gérald HARLIN: Thanks to its organization, the Group is able to withstand these extreme market conditions. Several years ago, we opted to separate the risk management functions from the investment functions for all of the Group's entities, in order to avoid tension between the desire to minimize risks and the search for the best return on the asset allocation. Let me add that, structurally, AXA offers a very balanced risk profile:

- property-casualty insurance accounts for about 32% of the Group's total business, the rest is provided by the life and savings and asset management segments. This profile gives us a good balance between the potential for growth linked to the long-term outlook for life insurance and the more defensive nature of property-casualty insurance;
- the significant geographic diversity of our operations also reinforces AXA's defensive profile.

Denis DUVERNE: These past few years, AXA has considerably strengthened its risk management system so that we can calibrate the risks we want to take with precision. This system has proven to be efficient and currently is rated excellent by Standard & Poor's. One of its virtues is that it is built on a transversal and highly decentralized organization. There are risk managers at the local level, charged with constantly identifying and

In addition to the Group's underwriting processes, AXA has formed a work group dedicated to emerging risks. The major emerging risks are taken into account, such as the impact of climate change on natural phenomena such as catastrophic flooding, nanotechnologies, cyber-criminality, obesity, aspartame, GMOs, medical errors and electromagnetic fields.

More than 20 underwriters, risk managers and risk specialists from Europe and Canada are responsible for quantifying and qualifying the potential cost of catastrophic exposure for the Group, to ensure that these risks, after aggregation, remain within acceptable tolerance limits.

Their mission is also to encourage the exchange of best practices and expertise to ensure that underwriting policies are adapted to emerging risks.

measuring the risks taken and verifying that the structure can withstand them in accordance with the profitability and return on equity that the Group has chosen to enforce. Nearly 300 risk managers around the world anticipate and manage risks related to our underwriting, our operations and our financing, as well as other risks that may impact AXA's business. Risk management is intimately linked to our key business processes in fact, like the innovation policy. Each new product is validated through an approval process designed to guarantee that it will be marketed under an acceptable risk level. Finally, regular reporting gives the Group insight into the risks that may exist at the level of its various entities and subsidiaries. This is one of its strengths, and it enables us to impose strict limits on the management of our businesses and to proactively manage our risk portfolio.

Gérald HARLIN: As we saw in 2001, the crisis we are currently experiencing is creating new benchmarks and allowing us to test the efficiency of our management. Current events confirm the need to continue to integrate levels of extreme risk into our models (such as a extreme levels of market volatility for example), to further increase the frequency of management reporting that we use, and to further refine these reports in order to better anticipate the need for corrective action plans.

They also confirm the need to establish a firm link between the organization's appetite for risk and the consequences that arise in terms of possible variations in earnings, capital

requirements, liquidity needs and the potential for value creation.

Denis DUVERNE: For my part, I would stress our capacity to generate earnings. We achieved earnings that were far more diversified and much higher than we did during the previous crisis in 2001. In a difficult period, we were able to anticipate events, which should enable AXA to rebound more rapidly. We are required by prudential regulations to have about 20 billion euros in shareholders' equity to do business. Our current level is around 26 billion euros.

With a solvency margin of 127%, which means that we are 6 billion euros over the required minimum level, the Group is in a position to absorb other shocks and still have sufficient latitude. We remain solid and profitable, and we continue to generate very positive cash flows.

300

Nearly **300** risk managers around the world anticipate and manage technical, operational, financial and other risks that can impact AXA's business.

127%

The Solvency 1 margin surplus for the year, after the dividend, was 6 billion euros (**127% of the requirement**). This surplus, generated by future earnings and capital management initiatives, should allow AXA to absorb future shocks.

4%

Exposure to equities fell from 9% to **4%** (before hedging), reducing the **sensitivity of the balance sheet** to current volatility in the stock markets.

AMBITION 2012, strategy reinforced

Originally defined in 2004, the aim of the Ambition 2012 project is to make AXA *the preferred company in its industry*. This foundational objective is the driver of a deep change dynamic that puts the client at the center of the Group's business processes and concerns. It is based on the total mobilization and engagement of all employees, and features action plans that are regularly monitored and adapted as they are being rolled out. At the midway point, achievements are perfectly in line with expectations, but the quantified objectives have been put on hold due to the financial crisis. These targets included the doubling of revenues and the tripling of underlying earnings per share by the year 2012, based on average macroeconomic hypotheses, including a stock market growth scenario of 8% per annum, a hypothesis that has become obsolete. The Group is now waiting for a more stable situation to set new quantified objectives. The basic strategy, however, remains unchanged.



Claude BRUNET

Member of the management board in charge of transversal operations, communications, marketing and human resources

“

OUR NEW BRAND STRATEGY *reflects our desire to respond to the aspirations of our clients while at the same time occupying a space that differentiates us from our competitors.* Our hope is that, in 2012, they will say AXA is an organization that is worthy of their trust. ***This trust cannot be produced on command; it has to be earned day after day.*** Instead of just asking our clients to trust us, we are proving to them that they can do so. Ever since we started Ambition 2012, our priority has been to put the client at the center of our organization. Several initiatives have been launched to achieve this objective: a centralized marketing department has been formed, specific commitments have been made and some customer programs have been rolled out. Today, we are raising the bar and taking a decisive turn on the road to the ultimate goal of the Ambition 2012 project: becoming the preferred company in our industry. The strength of our approach lies in the fact that it focuses the entire organization on our customers.

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Redefining STANDARDS

HOW DO WE EARN THE PREFERENCE OF OUR CLIENTS? At the heart of Ambition 2012, this strategic objective mobilizes all AXA employees worldwide, as attested to by numerous initiatives and actions whose aim is to evolve our standards so we can better respond to the expectations of our clients. Always ready to question its premises and practices, the Group has redefined the positioning of its global AXA brand to make it a powerful lever of differentiation with regard to the competition, internal motivation and conquest at the service of our clients.

MORE THAN PROMISES, MAKING A DIFFERENCE

WITH the Ambition 2012 project, the Group's goal is to become the preferred company in its industry. The only way to earn this preference is to offer a response that is singular and different from that put forward by the competition. In recent years, while AXA has made steady gains in terms of market share, its brand has not managed to differentiate itself sufficiently from competing brands. Globally, all insurers send out a message based on promises, but they do not always make specific promises with respect to service quality during key moments. Successfully differentiating AXA in the eyes of clients thus presupposes taking an extra step. In this vein, at the midway point in Ambition 2012 AXA initiated a decisive project that involved rethinking its identity.

OUR ATTITUDES

Available

We are there when our customers need us and we listen to them, truly.

Attentive

We treat our customers with empathy and consideration, provide personalized advice along their lives and reward their loyalty.

Reliable

We say what we do and we do what we say, we deliver and keep our customers informed, so that they can trust us.

LISTEN TO WHAT OUR CLIENTS TELL US

Over the summer of 2007, several surveys were carried out internationally on a sample of nearly 20,000 consumers in ten countries. They were asked to discuss their perception of the brand and the nature of their needs and expectations. A similar process involved questioning 9,000 distributors, both tied and independent. In-house, 85,000 employees were also queried in connection with the Scope survey in 2007. Out of this vast consultation emerged a major and remarkably convergent finding: the aspirations of clients and their expectations with regard to AXA correspond exactly to the idea that its employees and distributors have of the Group. Three key attitudes clearly stood out.

Clients are ready to trust their insurance company if it is available, attentive and reliable

REDEFINING STANDARDS

The in-depth analysis of these survey findings oriented the discussion on brand positioning. To set itself apart and earn the preference of its clients, the Group must show that it is able to respond to their needs with a show of tangible proof, not just promises.

It is the prerequisite to building a genuine relationship of trust. AXA therefore intends to become the company that breaks industry stereotypes, that is willing to question its practices and precepts, and that redefines standards.

As a first sign of this determination, Customer Scope—which is a customer satisfaction index measured every six months—became one of the key performance indicators for all Group managers in 2008. Efforts are also focused on the issues that are most relevant to the perception of service quality. For example, the availability of personalized advice, clearly worded policies, and the option of accessing our services via the internet—these are all areas in which projects had been launched in many countries. They are now the focus of global programs that are at the heart of the Group's strategy and that constitute the proof territory in which AXA intends to carve out its place.

BRAND AMBASSADORS

This positioning, illustrated in the redefining standards signature, is a very strong commitment on the part of the Group. By opting to invest the territory of proof, it makes total employee engagement one of the basic factors of our success.

To get the entire organization engaged around this new brand positioning, 55,000 employees participated in a worldwide discussion forum on May 27, 2008. For a period of 24 hours, some twenty forums in 9 languages were carried out simultaneously and around the world via the Group's intranets. Every employee had the opportunity to exchange ideas about the new brand image. When it was over, all of the contributions were analyzed. This is solid proof of how attentive AXA is to its employees, who embody the brand and are its best ambassadors.



Markus KELLER
Head of Marketing, AXA Winterthur
Switzerland

“ For us, the ten global programs are important guideposts on the road to industry preference. We want to prove to our clients that we truly intend to redefine the standards of our business. In Switzerland, we are focusing primarily on products and services that offer measurable added value, as well as on our commitment to service above reproach thanks to a varied product range that constitutes a solid basis. The Group’s international reach allows us to take advantage of an intense and lively exchange of best practices with other entities. ”

At the HEART of client expectations

HAVING in-depth knowledge of consumer needs is one of the keys to winning preference, but it is not enough. Neither is technical expertise or financial performance. It is in the daily reality of the relationship developed with our clients that we want to prove we are different in the way we meet their needs and win their loyalty.

These past few years, AXA has initiated programs in various countries designed to address client expectations in innovative ways. Among them, the Happy You loyalty program in Belgium, Crystal Clear in Ireland, on the wording of our policies, and the 72 h chrono promise made to small businesses in France have already proven that they are effective drivers of higher revenues and increased customer satisfaction.

FUNDAMENTAL ATTITUDES AND VALUES

Beyond translating these programs into the language of daily operations, customer-centricity is really a question of the attitudes and behaviors of all of the employees working for AXA. By actively committing to being available, attentive and reliable in order to satisfy our customers, AXA employees are showing—in actions that speak louder than words—that their interests are at the heart of the business of the Group.

These three attitudes enrich the values of integrity, professionalism, innovation, team spirit and pragmatism, which illustrate the core identity of AXA. They also bring an additional degree of precision in terms of behavior that clarifies the daily actions of everyone, at every level in the Group.

CLOSE CUSTOMER CARE

Our clients form a more or less positive opinion of the company when they come into contact with the Group. **Accordingly, AXA seeks to satisfy their needs and expectations at every moment in the relationship**, and in particular when important events occur—such as a phone call, a visit or the settlement of a claim. To achieve this aim, the Group formulated a multi-step standard client path in 2007. In phase with the new brand positioning, this pathway was further refined in 2008 on the basis of surveys on client needs and perceptions and then further adapted for different segments—property-casualty, life and savings, health.

Using these results as a basis, the objective in 2009 is to build a unique client experience that is perceived as such by the client in order to win preference.

TEN GLOBAL PROGRAMS

Deployed gradually throughout the Group, ten global programs put customer-centricity at the heart of the organization. Naturally, our new brand signature inspired this rollout, aimed at building an authentic customer-centric culture inside the organization. The progress made on the road to preference via these projects is always measured at regular intervals. By country, by business and by strategic client segment, AXA uses tools for measuring the progress made on the road to client preference and client satisfaction. The results we obtain are used to calibrate the effort and adjust the actions we are performing to meet our objectives.

10 GLOBAL PROGRAMS

Product and innovation

Respond to current needs with innovative products and services.

Clear communications

Make our contracts, products and services easy to access so that our clients understand exactly what it is they are buying and have no unpleasant surprises.

New client welcome

Welcome our new clients, attentively and professionally.

Retention

Reward loyal clients with adapted programs.

Multi-access

Offer our clients flexibility when it comes to how they wish to access company services, based on their needs and the nature of the products (with a particular focus on web-based access to services and products).

Distribution preferences

Work to improve the service offered to our distributors by being available, attentive and reliable.

Service commitments

Develop the practice of making service commitments to our clients and distributors.

Personalized advice and regular follow-up

Develop personalized and high quality advice for clients and follow up with them over time.

Claims management

Go beyond the technical management of claims by offering our clients a high level of service when they are most vulnerable and in need.

Human aspect of service quality

Train our employees the world over so that they become more available, attentive and reliable, and in the 15 hallmarks of service quality.

Quality of SERVICE, a question of attitude

WITHIN the commercial relationship, the quality of service rendered is a critical source of customer satisfaction.

At the heart of AXA's business, service quality is being addressed in a series of innovative programs in most companies, in alignment with the new brand positioning.

Since the deployment of AXA Way, our program for achieving improvement in service quality that was launched in 2002, the Group has substantially improved the quality of its internal processes in terms of reliability, speed and efficiency. Sponsored by more than 600 in-house experts, this transversal program is fully focused on

customer satisfaction. Consistent with the logic of the new brand positioning and its accent on tangible proof, the quality service approach is now jointly carried out by the AXA Way teams and Group marketing. Identified under the Quality of Service Initiative banner, it has a dedicated governance structure. Within the Quality of Service Board, the marketing and AXA Way managers from various entities meet periodically to develop and coordinate initiatives under way in this area. Two major improvement projects have already been launched—one pertains to the human dimension of the customer relationship while the second is focused on making service promises more widespread.

HALLMARKS OF GOOD ATTITUDE

In order to facilitate rapid appropriation by employees of our three key attitudes, they were distilled into 15 hallmarks of service quality. Translated into all of the languages spoken within AXA, they offer a simple and precise guide that helps our employees adopt the right attitude, acquire the right reflex and make the right remark when they face a client. Defined on the basis of the needs of our clients and those of our distributors, these hallmarks underlie the improvement of professional practices, training courses and cultural change programs centered on the customer. Deployed across the Group, they are intended to support the

600

in-house service quality experts





“ To nourish the Group’s new brand positioning, AXA France issued a challenge: give its employees the resources needed to do their business differently by mobilizing staff around the notion of respecting service commitments to clients and by supporting the development of their own competencies. As a result, 23 service commitments were devised and communicated to our distributors and our clients. More than 1,000 of our employees participated in our *Service en tête* training program, which was focused on the key attitudes—availability, attention and reliability—that we as individuals and as a group must adopt. These actions were highly appreciated by our teams. ”

Yves LAURENT
AXA Way Program Head
AXA France

> initiatives already rolled out by some entities—such as *Service en tête* at AXA France, a training program focused on the golden rules that guide customer-facing employees. This program finds its echo in Mastering Service Excellence at AXA Equitable in the United States, designed to align the service delivered by call centers with the brand positioning, and the Best People segment of the Ambition 2012 program conducted by AXA United Kingdom, which is built around the seven principles of delivering differentiating service. A sixteenth golden rule, which cuts across each hallmark of service quality, summarizes the general aim of this program: Each of us is an ambassador of AXA.

INSPIRING SERVICE COMMITMENTS

Numerous service commitments have already been implemented throughout the Group. Focused mainly on response times in property-casualty insurance, they target both clients and distributors but so far have not been widely communicated to clients.

The proof program initiated in this area seeks to multiply contractually binding service commitments associated with a financial guarantee. In Italy, for example, if processing is not completed within contractually

established deadlines for life and property-casualty policies, clients automatically receive a check for 50 euros and a credit of the same amount which applies toward the next purchase.

The development of service commitments with guarantees is an additional lever in the continuous improvement process that characterizes the partnership between the marketing and AXA Way teams.

A major project is currently under way to achieve convergence between the key processes that line the client’s path with these moments of truth, which lie at the basis of his or her experience with and perception of AXA. Three general paths were defined in 2008—in property-casualty, life and health—with the relevant processes identified.

A CUSTOMER SCOPE THAT IS CLOSET TO THE CUSTOMER EXPERIENCE

Each year, AXA surveys around 1.3 million clients from 41 entities in the world to assess their degree of satisfaction with

regard to one of these moments of truth, which can strengthen or destroy a relationship based on trust. An assessment tool that is also used to improve key processes, the Customer Scope is evolving to expand its scope and align with the definition of customer experience that the Group wants to promote. Mainly centered on sales and service, its scope of action will expand to include new experiences that will help us to gain a better understanding of the expectations of our clients. And this is not the only change the Group intends to make. The questionnaires will be reformulated to obtain more precise indications of which improvements clients want. As of the second half of 2009, the Customer Scope will be carried out more frequently to obtain results on a quarterly basis. In 2008, customer satisfaction rose from 79% to 81%, an increase of two points compared with 2007, against a difficult backdrop due to the global financial crisis.

81%

In 2008, the customer satisfaction rate went from 79% to 81%, a 2-point increase

Barbara GOODSTEIN
Executive Vice President
of Marketing and Head
of Innovation
AXA Equitable – United States

V

“



“ Innovation is the driver of the future, independently of the current economic situation. If you don't innovate, you will suffer the same fate as the famous manufacturer of cameras and film. It did not see the digital revolution coming. This goes beyond the Group merely adapting to market conditions. We have to anticipate them. At AXA Equitable for example, innovation is not focused on our current markets, but rather on those where we are not yet present. ”

Innovation, a new REFLEX

WHEN WE speak of innovation, the mind naturally focuses on the creation of new products or the use of new technologies. Even though innovation is a core value at AXA, which is written into our genetic code, we are convinced that our capacity to innovate needs to be more fully expressed at every level and in every job in the organization.

WHY INNOVATE?

The driver of the Ambition 2012 project, innovation is more indispensable than ever with the Group's new brand positioning. In a very competitive market, AXA will become the preferred company in its industry if innovation contributes primarily to making it more available, attentive and reliable for its clients. The goal is not just to create innovative products—sophistication is not a factor in building preference in the insurance industry—but rather to stimulate and mobilize all the capacities of the organization for differentiating itself and giving specific content to our three attitudes. This is the vocation of the Switch on Innovation program, which

seeks to support innovations that are not product related in order to renew all of the experiences that customers have—from the moment of purchase to the settlement of a claim. Via this program, AXA encourages each employee to be innovative by putting the customer at the center of his or her daily concerns.

MOVING FROM A PRODUCT/SERVICE DRIVEN STRATEGY TO THE STRATEGY OF DIFFERENTIATION

At the heart of Switch on Innovation, the creation of a community dedicated to innovation was a top priority in 2008. A network of some forty innovation managers is responsible for

REINSURANCE AND RENEWABLE ENERGIES

To enable Group entities to underwrite innovative risks in the area of green energies, the AXA **Technical Innovation Pool (TIP)** has come up with an in-house reinsurance solution. The pool offers an alternative for covering risks that would be refused by traditional reinsurance companies, involving **onshore or offshore wind turbines, geothermal pipelines, solar and biomass power plants**—both in the construction/assembly and operational phases. The capacity of the Pool, adapted to this particular type of risk, represents the sum of the contributions of each participating AXA subsidiary. In practice, the risks that they carry will be studied, prices and accepted by an underwriting committee that includes specialists from each participating country. TIP contributes to the goal of leveraging and sharing their expertise.

Via the Switch on Innovation program, AXA encourages each of its employees to be innovative when it comes to putting the client at the hearth of their concerns.

AXA innovates again in the development of sophisticated methods for protecting its assets and its products.

➤ rolling the program out at the local level. They shape, structure and drive innovation in their country to develop a portfolio of projects and initiatives that address local and global issues. With the support of a team of coordinators, they share an innovation process structured around six key steps – from articulating client needs to rolling out the initiative – and use a common language and set of creative tools.

In addition to deploying this program, AXA is innovating further in the development of sophisticated methods for protecting its assets and its products.

These methods helped AXA cope with extreme market conditions in 2008 and safeguard both its balance sheet and its solvency. In the area of distribution, examples include the launch of Web Auto in France, which combines access

to our online service with the option of working with a referring agent, and QUIXA in Italy, a specialist in the sale of automobile insurance policies online and over the phone, which guarantees that the client has just one contact person. Both of these initiatives strengthen the Group's alternative offer. In claims management and many other areas, innovation is becoming a new reflex.

THE INNOVATION AWARDS

Highlighting the year and catalyzing innovation, the Group launched the AXA Innovation Awards in November 2008. A global as well as a local challenge, the initiative recognizes innovative projects rolled out since January 2007.

The latter must offer clients and the organization tangible benefits that illustrate AXA's three key attitudes. The verdict is expected in

May 2009, when the eight-person jury composed of members of the Group executive committee will select the best projects from among the more than 600 vying for the honor.

This initiative is important and becomes fully significant only if each AXA company around the world takes the challenge of innovation seriously, creating the conditions for achieving the lasting involvement of employees. Some have already taken the plunge. In particular, with Innov'AXA, AXA France is promoting a participatory approach that entails the rollout of an innovation management system. In the same vein, AXA Equitable in the United States is launching the Chairman's Challenge.

EXCELLENCE, together

OUR employees constitute the AXA's primary resource and its number of factor of differentiation in the quest for Ambition 2012. It is up to employees to make the new brand positioning come alive by adopting the three key attitudes.

The Group will promote and encourage this engagement to serve clients in the deployment of its human resources strategy and by becoming the preferred employer.

The Group's long-term growth and its ability to differentiate itself from the competition rely on the constant search for excellence: excellence in the quality of the response to client needs and expectations and excellence with regard to employees. The new brand positioning gives employees a much greater role in the Group's success. AXA had already formulated its commitments – in its bid to become the preferred employer – on the basis

of respect for individuals and their diversity, the quality of the workplace, recognition for performance and opportunities for career development. From Passport 2012, under which mutual medium-term commitments are exchanged between each manager and employee, to AXA Miles, the program that makes each AXA employee a shareholder, not to mention 2012 & Beyond, designed to evolve practices, and the program that immerses

ICE* : IN THE CUSTOMER'S SKIN

In the United Kingdom, more than 12,000 employees took part in the Intensive Customer Experience between October 2007 and April 2008. Baptized ICE, this training session is built around role plays that enable staff to experience and understand every aspect of the customer relationship.

For a full day, each employee is confronted with various catastrophe scenarios that put eight customers front and center. They are representative of the key client segments for AXA United Kingdom. The aim is to win their trust by demonstrating a willingness of listen, respond ably and be reliable. It isn't enough to resolve technical problems; it is just as important to manage customer reactions and emotions, such as distress or anger. The program has proven to be such a success with employees that other companies in the Group are giving it a try.

* Intensive Customer Experience

> employees in the universe of clients, the Group is providing the resources needed to achieve its ambitions. In 2008, we went even further, specifying the key attitudes that our employees need to adopt in their relationships with our clients.

THREE STRATEGIC LEVERS

Convinced that the competencies of its employees and their engagement condition its performance, the Group has built its human resources strategy around three pillars: reinforce leadership, develop competencies and promote engagement.

- Reinforce leadership: Every employee, working within his or her area, can help to build a customer-centric culture and strengthen the AXA brand. Our executive leaders are committed to supporting this effort by empowering their employees and encouraging them to give their best. Standard leadership behaviors are already included in the criteria for selecting and evaluating executives. They will gradually be extended to middle management. Talent reviews are becoming more frequent as succession plans are prepared, in the interest of reinforcing individual and group competencies and to better accommodate individual development aspirations. In this spirit,

the skills levels, training needs and development opportunities of AXA employees are assessed on an annual basis. The program 2012 & Beyond, which targets 10,000 managers across the Group, will also help to build leadership.

A human resources strategy organized around three pillars:

- Reinforce leadership.
- Develop competencies.
- Promote engagement.

- Develop competencies: AXA intends to build a culture that promotes the personal development of each employee and that encourages career mobility. The creation of professional colleges by AXA University is a clear response to the need to develop and maintain the Group's level of knowledge and expertise. The high-level training in management and leadership offered under the program are the melting pot where the Group's culture is deepened and enriched. Professional and international mobility is another way to enhance

competencies and thereby encourage employees to evolve and grow. The Group intends to offer its employees the resources needed to enable them to be the key actors in their own career management, in particular via mobility. Between now and 2012, at least 70% of the Group's executive leadership will have had the experience of working abroad in one way or another.

- Promote engagement: The ability of the Group to attract and retain motivated employees and build a culture of excellence is a critical factor in its quest for Ambition 2012. To achieve this aim, AXA has promised to be a responsible organization, respectful of its clients and its employees alike. It endeavors to satisfy the needs of the latter through positive and attractive reward and recognition for their performance on the job. This approach also hinges on the ability of its managers to forge an open and constructive dialogue with their teams. This dialogue is established on the basis of annual performance reviews, Passport 2012 and the 2008 Scope employee opinion survey that is administered to 90,952 AXA employees, with a response rate of 80.15% last year. The desire to build a constructive and trust-based

relationship is also apparent in the dialogue that AXA maintains with personnel representatives. As a result of these efforts, the level of engagement for Group employees reached 77% in 2008, compared with 73% in 2007, in a difficult external environment.

70%

of our executives will have had an international work assignment between now and 2012

John O'NEILL
CEO, AXA Ireland



“The most important factor in promoting employee engagement is to make sure that employees feel good about the company they work for, that they get personal and professional satisfaction and rewards from their job and career. This is what the Group is trying to do, with a dynamic and innovative human resources policy. The challenge in human resources resides in our ability year after year to motivate and mobilize all of our employees towards a common goal.”

nothing is more solid
than trust



A couple is sitting on a grassy hill, looking out over a body of water. The woman is wearing a dark jacket and a pink bag, and the man is wearing a light-colored shirt and a cap. The background shows a calm lake and a clear sky.

the Group in 2008

-
- 22 Operating highlights
 - 24 Life & Savings
 - 30 Property & Casualty
 - 36 International Insurance
 - 40 Asset Management
 - 44 AXA Bank Europe

“Having clients is great; knowing how to keep them is even better.” As in life, we are partners—you and us. After the first contacts, it is important to know how to maintain the relationship. To thank you for your vote of trust in us, we designed **HAPPY FAMILY**, the program that accumulates benefits for you if you group all of your property-casualty coverage with the same broker.

*Happy Family is a service developed by AXA Belgium.
For more information, go to: www.axa.be ”*

“**THE AXA PROOF**

operating **HIGHLIGHTS**

January

100 million euros for research

With an allocation of 100 million euros over five years, the AXA Research Fund launched its first call for candidates in March, opening up its funding to support research projects in areas related to financial protection.

February

No. 3 in Mexico

In line with its strategy for development in the emerging markets, AXA acquired full ownership in Mexico of ING Seguros. With 12% market share and leading positions in the key automobile and health insurance markets, AXA Mexico is currently the number three insurer in that country.

February

Solidly anchored in **TURKEY**

Last spring, AXA OYAK became AXA after the Group completed the buyout of the 50% equity interest held by OYAK in the holding company founded in 1999 by the two partners. **AXA is the number 2 insurer** in Turkey with around 10% of the market.

March

One more step in Vietnam

After having acquired a 16.6% equity interest in Bao Minh Insurance Corporation in 2007, the second largest property-casualty insurer in the domestic market, the Group opened a branch office in order to build its presence in Vietnam.

April



Jacques de CHATEAUVIEUX becomes chairman of the supervisory board

At the annual shareholders' meeting held on

April 22, 2008, Jacques de CHATEAUVIEUX, the chairman and CEO of the Bourbon group, was appointed chairman of the AXA supervisory board, which he had served as a member of since 2005. He was also chairman of the compensation sub-committee.

AXA Global Distributors

AXA set up AXA Global Distributors for the purpose of developing partnerships with large multinational banks in Europe and in Asia. The aim is to market targeted products (such as Accumulator) via distribution agreements with the banks.

May

New brand strategy, new signature

AXA reinforces its brand strategy and adopts a new signature: redefining/standards. Mobilizing all of its employees around the challenge of becoming the preferred company in its industry, the Group decides to offer its clients tangible proof of the quality of the service it delivers, the relevance of its advice, and its capacity to address their needs and expectations.

June

AXA gets stronger in Australia

AXA Asia Pacific spent 62 million euros to acquire the financial advisory arm of the Challenger Financial Services group, and in doing so acquired the management of retirement saving plan assets valued at 800 million euros.

Equity acquired in **RUSSIAN INSURER RESO GARANTIA**

On June 17, 2008, AXA completed the deal to acquire a 36.7% equity interest in Reso Garantia, Russia's number 2 property-casualty insurer.

July

AXA still ranks among the "Fortune 500"

For two years, the Group has been ranked 15th in the US magazine *Fortune's* top 500 global corporations.

Caring for Climate

AXA signed *Caring for Climate, the Business Leadership Platform*. Supported by the United Nations, among others, this commitment to fighting against climate change unites businesses that want to promote pragmatic solutions and influence both public opinion and public policymakers.

August

Bharti AXA Insurance out of the starting blocks

Bharti AXA General Insurance Company Limited can now do business. The joint venture set up with Bharti, India's giant in the fields of telecommunications, food production and retail distribution, obtained its license from Indian regulators, giving it the go-ahead to do property-casualty insurance business in India.

September

4.75

billion euros

This is the estimated value of the AXA brand. Interbrand and Business Week published their annual rankings of the world's top 100 brands. AXA is in 55th place overall.

October

QUIXA, DIRECT INSURANCE IN ITALY

Up and running since September 15, QUIXA is the most recent addition to the Group's portfolio of direct insurance providers. A pioneer in its market because of its customer relationship positioning and focus, the company specializes in the online and telephone sales of automobile insurance policies. Its innovative formula combines the best features of traditional and direct insurance: personal advisors, competitive rates and a multimedia approach.

October

3rd edition of the CARBON DISCLOSURE PROJECT France

A member of the Carbon Disclosure Project since 2006, AXA co-produced the 2008 survey of the SBF 120. Conducted on France's 120 largest businesses, the survey analyzes their responses to the issue of climate change and their ability to reduce their greenhouse gas emissions (GGE). The response rate has improved and so has the quality of their disclosures on the subject of GGEs. The number of plans rolled out to reduce greenhouse gas emissions is also on the rise.

November

AXA confirms the business side of Ambition 2012

While the financial crisis has put the quantified objectives of the Ambition 2012 program on hold, the business model remains firmly in place. The goal of Ambition 2012 is to make AXA the preferred company in its industry and the midway assessment is in line with expectations. The efforts made to reach that objective have not been called into question.

December

COMPLIANCE with international standards

The Group completed the process of disposing of its investments in companies involved in the production or sale of cluster bombs. This initiative follows the withdrawal of investments in companies involved in the production or the sale of anti-personal mines. These two decisions pertain to the assets that the AXA Group manages for its own account.



Yes to employee engagement in the community

September

AXA expands its sabbatical leave program. With *Cap Cité*, employees based in France who want to get involved in a personal project for the benefit of the community can get time off from work. Throughout the leave period, they maintain their employment contract and some of their benefits. Once they have completed their project, they can rejoin the company in an equivalent position.

September

AXA, a world leader in sustainable development

The Group confirmed its inclusion in the Dow Jones Sustainability Index – both World and Europe. These indices select the top 10% of all businesses in the area of sustainable development performance.

September

First philanthropist in France

AXA participated in the acquisition of the earthenware tiling of the *Château de Polisy*. This remarkable sixteenth century piece was donated to the national museum of the *Renaissance-Château d'Écouen*. The top contributor to the funding of transactions to acquire national treasures, AXA has made major efforts to preserve France's rich cultural heritage in the past five years.



my retirement
better have
a FUTURE

“ Retirement is not an end in itself; it is even the beginning of another life.” To ensure that you can take full advantage of it, we have created **ACCUMULATOR/RETRAITE**, a new generation life insurance policy: your additional income stream is guaranteed throughout your retirement years + your retirement savings are 100% active + your remaining savings are always available and can be passed on to your loved ones. We owe it to ourselves to be in sync with the future of our policyholders.

*Accumulator/retraite is a product developed by AXA France.
For more information: www.accumulator.fr ”*

“ THE AXA PROOF

LIFE & SAVINGS, being there for our clients in a turbulent *FINANCIAL* ENVIRONMENT

A MAJOR CONTRIBUTOR TO THE GROWTH IN GROUP EARNINGS THESE LAST FEW YEARS, business in the life and savings segment was slowed down in 2008 by the depreciation of and substantial volatility in the equity markets. Although the economic environment did not support growth in new business, AXA nonetheless managed to turn in good performances in Continental Europe. In particular, its retention of existing clients improved. Overall, net inflows came to 8.4 billion euros.

THE MARKET REMAINS FUNDAMENTALLY BUOYANT

THE crisis that has shaken the capital markets does not cast doubt on the underlying challenges of retirement savings, personal protection and healthcare. Demographic

spite of this 4% decline, life and savings revenues represented 64% of the Group's consolidated revenues in 2008, unchanged versus 2007.

Active primarily in Western Europe, the United States and Japan, AXA also sells retirement, life and health insurance products

of AXA is to meet all the needs of its clients over the short, medium and long terms. The 50 plus segment is naturally a target of choice, and today includes 34% of the aggregate population of Europe, the United States and Japan. By 2025, it will constitute more than 41%⁽¹⁾. This group of consumers has substantial purchasing power, comprises a market niche with high growth potential and is a strategic priority for the Group.

Demographic AGING and EMERGING COUNTRY DEVELOPMENT are phenomena that ensure structural growth for our savings related businesses.

The "50 PLUS" segment of consumers is naturally a target of choice. This age group currently represents 34% de the aggregate population of Europe, the United States and Japan. It will account for more than 41% in 2025⁽¹⁾.

aging and emerging country development are phenomena that ensure structural growth for our savings related businesses. In a competitive market, our broad range of individual and group policies helped us to generate revenues of 58 billion euros. In

in Australia, New Zealand, Asia, the Middle East, and Central and Eastern Europe. In each of these markets, its products are adapted to meet local needs.

With regard to its life insurance, personal protection, savings and retirement business, the strategy

CARE AND COUNSEL IN AN UNCERTAIN ENVIRONMENT

The savings management business was adversely and lastingly impacted by the exceptional volatility of the financial markets and the greater degree of risk aversion on the part of our clients. In a difficult environment, AXA—and in particular its professional distribution network—has been extremely active in strengthening its ability to listen and its



(1) Source: United Nations, World Population Prospect.

> advisory role in life insurance. AXA has multiplied efforts to differentiate itself and wishes to illustrate the three key attitudes that the Group intends to adopt with regard to its clients—**AVAILABLE, ATTENTIVE AND RELIABLE**—by stepping up customer care and advisory initiatives.

In Japan, AXA has devised a program that involves visiting clients to answer questions that the financial crisis may have raised. In Germany, AXA successfully developed a global advisory program known as the 360 plan for customers aged 50 or more. In the United States, the

MyRetirementShop.com portal, which has received positive media coverage, now offers clients as well as the general public information and tips on assessing their retirement resources and optimally preparing for retirement.

In the same vein, AXA Winterthur in Switzerland was a participant in the creation of the *Fondation Terz*, dedicated to retirees. It is both an information platform for consumers and a competency center for retirement planners. And in 2007, *My Budget Day* succeeded its predecessor

AXA Avenue, a program that was created to educate consumers about the importance of good financial management. In a country where financial and budgetary issues have become the number one cause of stress, AXA United Kingdom is asking individuals to devote 15 minutes a week to the management of their finances using the set of simple tools that AXA has made available to them.

AVAILABILITY AND TRANSPARENCY

During troubled times, our ability to listen attentively helped us address the need expressed by our clients, who wanted to be reassured of the safety of their investments. This aptitude also helped to strengthen a relationship that is based above all on trust. Offering our clients multiple channel access to our services and ensuring that they fully understand that products they are buying from us by communicating clearly and straightforwardly are two other ways to build trust.

In life and savings, as in automobile insurance, AXA would like to introduce a multi-access model that allows its clients to choose the entry point they wish to use with regard to the organization.

A pioneer in the area of online motor insurance sales, DIRECT ASSURANCE expanded its range in early 2009 to include life insurance products targeting, as a matter of priority, its 600,000 motor insurance clients.

The new line was launched with two simple formulas, one wholly invested in euro funds and the other, a more dynamic option, 20% invested in a diversified equity fund. There are no processing, front end or back end fees.

In the United Kingdom, to raise its profile and the impact of its direct distribution strategy, AXA launched a new independent brand earlier this year called Bluefin, which brings together all of the established advisory businesses acquired between 2006 and 2008. Bluefin Advisory Services specializes in financial advice, wealth management and corporate consultancy.

For clarity in communications, AXA Épargne Entreprise in France came in first place in a survey on the quality of account statements for the simplified employee savings formula it has developed. Its statements got high notes for their ability to educate, synthesize and provide complete information. Offering clear and straightforward communications is one of the top demands of our clients: AXA has devised a quality of service program that the Group is developing worldwide. This broad and ambitious program, which requires a total rethink of management

processes and information systems, is a winning proposition because it supports new business growth in the relevant segments.

In the United Kingdom, to support its wealth management strategy, AXA has rolled out a platform dedicated to wealth management and retirement. It offers advisors an exhaustive vision of a client's personal wealth and needs and helps to manage client portfolios online.

In the Czech Republic, AXA innovated with a particularly advantageous payment card. With each payment, the supplementary retirement insurance account of the cardholder is credited for an amount equal to 0.3% of the purchase and discounts granted by retail partners of AXA. In addition, the client gets a contribution from the government and a tax break.

The *TERZ* Foundation DEDICATED TO RETIREES constitutes both an information platform for consumers and a competency center for retirement planners.

IN THE CZECH REPUBLIC, EACH PURCHASE PAID FOR BY BANKCARD RESULTS IN A CREDIT TO THE CARDHOLDER'S SUPPLEMENTAL RETIREMENT INSURANCE ACCOUNT IN THE AMOUNT OF

0.3%

OF THE PURCHASE PRICE AND DISCOUNTS GRANTED BY RETAIL PARTNERS OF AXA.



“It isn’t complicated: you have to know how to make life simpler.” With our **TELE-UNDERWRITING** capability we have never refused to pay a claim because the client has failed to fill out a form correctly. AXA Life in the United Kingdom set up a tele-underwriting system that not only makes filing a claim easier but also offers proof of greater efficiency for the benefit of all.

The tele-underwriting system is a service developed by AXA Life in the United Kingdom.

For more information, go to: www.axa.co.uk ”

THE AXA PROOF

Offer a secure **SAVINGS VEHICLE** SHORT TERM

In an uncertain financial environment, AXA decided to develop and roll out a series of secure, short-term savings vehicles that would expand its product range. Products of this type, which AXA Belgium has significant expertise in develop-

ity. The product also has a strong educative component, since it is often the first savings vehicle that young people purchase. In addition, it offers the network of distributors and agents an opportunity to demonstrate that they are good listeners who offer

I-Plus Welcome is the name of the program being conducted in Belgium, based on a model developed several years ago that garnered significant levels of satisfaction for clients as well as agents and other distributors. After the first product is sold, agents and distributors propose medium- and long-term solutions—in particular the CREST product line — that offer more lasting protection for client savings.

In France, the Livret AXA Banque 6% savings passbook was successfully launched between April and September 2008 using a similar model, attracting more than 1 billion euros during the period. The program was repeated in early 2009 and completes the accumulator/retirement series developed in France in 2008.

Nearly 450 million baby boomers born between 1946 and 1964 are getting closer to retirement age.

AXA decided to develop and roll out a SERIES OF SECURE, SHORT-TERM SAVINGS VEHICLES that would expand its product range.

ing, are intended to address the simple problem of a secure short-term investment that offers both a guaranteed rate and total liquid-

pertinent advice to their clients, particularly at times when the latter have multiple questions about their financial future.



> PURSUING DEVELOPMENT OF THE RETIREMENT SAVINGS LINE

Launched in the United States to enable future retirees gain access to a guaranteed stream of supplemental income, Accumulator is now being deployed Groupwide. In France, after rolling out the *Capital Ressources* product in 2007 for those over 50 years of age, the self-employed and small business owners, AXA began selling *accumulator/retraite* in 2008, targeting retail clients between the ages of 30 and 60 via a dedicated website: www.accumulator.fr. This life insurance produce combines investments in equities with the

security of knowing in advance that they will receive a minimum guaranteed annuity. This formula offers our clients control over their capital, which they can reclaim at any time, and fixed income.

Aligned with the new brand commitments aimed at building trust, it is also an innovative solution that allows our clients to maintain their lifestyle after they retire.

First launched in the United States, Accumulator is now being rolled out across the Group.

Adapted to the needs of different markets, Accumulator was launched in Portugal in less than six months based on the model for the product rolled out in Spain.

In Canada, AXA enhanced its offering of savings products with a new range of cumulative option funds. Clients are free to diversify their portfolio, by selecting from among 12 investment options, and planning for their retirement.

In Switzerland, the smooth integration with AXA led to the rapid rollout of *TwinStar Invest* and

TwinStar Income for individual clients and *Dual Invest* for the SME market segment.

In India, AXA Asia Life launched an innovative unit-linked product with a simplified underwriting procedure.

And in China, working in partnership with Citibank, AXA's subsidiary also began to sell a retirement savings product.

PERSONAL PROTECTION AND HEALTH: determined to innovate IN A RAPIDLY EXPANDING MARKET

H EALTH and personal protection are areas in which AXA seeks to constantly build on its technical and actuarial expertise (increase in life expectancy, demographic aging, rising cost of social security systems, etc.).

In the area of personal protection, Switzerland, France, Belgium, Hong Kong, Australia and, to a lesser extent Spain, Japan and the United States have developed strong positions that together account for approximately 13% of the premiums collected by the Group.

The products on offer allow policyholders to protect themselves against the risk of death or the loss of autonomy through an accident or an illness.

In addition, AXA Assistance has been developing considerable expertise in home medical care and remote medical support over the past few years, and offers supplemental coverage in the event of loss of autonomy and other forms of long-term care. According to a survey conducted by AXA France TNS Sofres in 2008, 60% of the French are experiencing or have already

experienced some form of long-term care. 23% said they were currently dependent. The issue also concerns businesses. The survey revealed that around 3 to 4% of all employees also devote time to caring for a person who is in a situation of dependency, which takes 6 to 9 hours of their time each week.

Against this backdrop, AXA France introduced *Dépendance Entreprise* with the help of AXA Assistance, to support employees working for large firms. This innovative coverage protects not only insured employees under a mandatory long-term care plan, but also their loved ones. Employees who help a loved one benefit from ongoing support in the workplace that includes counseling. The product includes a mandatory component and an optional component that is open to the employee and his or her family members for individual annuity coverage. A first in the market, this product was singled out by a panel of policyholders and received an Insurance Product Innovation Award in 2008.

For employees who work for large corporations, the product

supplements the existing group insurance packages that offer employee health, death, disability and retirement benefits. AXA Entreprise leads the French market, providing coverage for nearly two-thirds of the companies included in the CAC 40.

In the area of HEALTH INSURANCE, France, the United Kingdom and Belgium are the principal markets in which the Group has built up expertise that it is also developing elsewhere—in Germany, in Switzerland, in Spain, in Italy and in Japan.

One of the key objectives in this segment, which currently accounts for about 10% of the Group's total premiums, is to offer an excellent level of service in order to differentiate AXA in the very competitive universe of supplemental coverage. This

theme was particularly mobilizing for AXA PPP healthcare, which saw customer satisfaction rates reach very high levels as the company managed to keep 95% of the promises made by the customer service teams. In addition, AXA PPP healthcare implemented the use of e-mails and texting to communicate with their customers, which has contributed to shorter response times and lower operating costs.

Prevention and the control of healthcare costs are also matters of concern for the public, and AXA France has addressed them by creating for its corporate clients a dedicated healthcare platform that helps to keep healthcare risks and costs under control. Accessible to the employees of corporate clients, the service makes life easier for the beneficiary and represents a product innovation.



“We don’t choose our illness but we can choose our medicines.” Working in partnership with Vidal⁽¹⁾ we have created **MÉDICAMENTS +**, a service that allows consumers to get information about more than 2,000 drugs sold over the counter, including data on how to use and not to use these drugs. The goal is to ensure that our policyholders get the right guidance when they are looking for information about their health.

Médicaments + is a service developed by AXA France. For more information, go to: www.axasante.fr ”

THE AXA PROOF

(1) France’s leading service provider of information on healthcare products.

FINANCIAL EDUCATION FOR ALL

A leader since 2006 in the area of financial education with “AXA AVENUE”, AXA United Kingdom pursued efforts targeting employees in 2008, with a program called *My Budget Day*.

The program offered employees one hour of free financial advice each month. And it was a success, as 8,000 employees connected to the tool, 70% of them now spend one hour a month on their personal financial management, 37% say they are less worried at work, and 81% believe that the current financial crisis has made them more interested in this type of exercise.

In addition, the program has gotten extensive media coverage in the United Kingdom. With many UK households in debt, the financial crisis encouraged the subsidiary to expand the program and open a website (<http://mybudgetday.axa.co.uk>) for the general public that is both very complete and interactive. Users can perform simulations based on their personal situation: first job, first property purchase, first child and preparation for retirement. The financial parameters of each of these themes are analyzed closely and thoroughly, even though the descriptive terms remain simple and straightforward. Individuals can thus assess

the strength of their own financial situation in less than 15 minutes. They can also share certain experiences and difficulties they have had. The ultimate goal is to encourage people to become better at their personal budget planning. Another novelty, the resource has been made available to the human resource departments of other companies, so that the latter can share it with employees and improve the assessment of the impact of personal financial stress on team performance. This evaluation, which is anonymous, can be used to make sector and geographic comparisons, helping human resource professionals to remedy some kinds of stress.



my FREEDOM?
getting home safe and sound
when I go out!

“It is better to go home in a taxi than in an ambulance.” This obvious truth spurred us to create **GARANTIE JOKER COVERAGE**. If you are under the age of 25 and have had too much to drink away from home to drive, you can call us. We'll send a taxi to take you home. This service can be used up to five times a year. We don't have the luxury of not reacting to the problems related to drunk driving. We wanted to help our 300,000 clients who are young drivers.

Garantie Joker coverage is a product that was jointly developed by AXA France and AXA Assistance. For more information, go to: www.axa.fr

“ THE AXA PROOF

PROPERTY & CASUALTY, a **RECORD** year

IN 2008, THE GROUP REPORTED ROBUST GROWTH IN ALL OF ITS PROPERTY-CASUALTY INSURANCE LINES: *automobile, homeowners, property and casualty insurance coverage*, for both personal and commercial clients. Less sensitive to changes in the financial markets and boosted by a lower loss ratio, property-casualty insurance played a critical role in the Group's ability to produce earnings in a depressed environment.

HIGHER VOLUMES

UP BY 3% in 2008, to 26 billion euros, revenues from the property-casualty segment represent 29% of the Group's total revenues, compared with 27% in 2007. Underlying earnings were up by 31%, with the result that this segment contributed 51% to AXA's consolidated earnings, once again attesting to the relevance and efficiency of a diversified business model. Net new policies also rose substantially, with more than one million new contracts signed in 2008. The Group's historical presence in most of the European markets was a plus, as was its growing exposure to the emerging markets—in Central and Eastern Europe, in Asia, in the Middle East and, since 2008, in Mexico—as well as the growth of direct selling via the internet.

Automobile

REVENUES from personal automobile insurance lines rose by 2.3%, driven mainly by the development of online sales and the emerging markets. In 2008, automobile insurance was at the heart of the strategic repositioning of the AXA brand, which revolves around concrete actions and tangible service commitments that demonstrate AXA is serious about "redefining/standards".

ONLINE AUTO INSURANCE ON THE RISE

Developing the Group's online presence is a strategic challenge for AXA. Automobile insurance is the principal product that our clients purchase online, making the web a driver of growth for this line of business and an instrument of choice for improving the quality of service offered to our clients.

Numerous projects are being developed across the Group. A transnational Business Unit dedicated to direct distribution and online purchasing has just been formed.

prospective buyers of insurance via the internet to do so online.

In Italy, QUIXA is the most recent of the Group's direct insurance companies. With QUIXA, AXA is

Developing the Group's presence on the internet is A STRATEGIC CHALLENGE FOR AXA. *Automobile insurance is the principal product that our clients purchase online, making the web a driver of growth for this line of business.*

The most highly developed direct operations—in the United Kingdom, South Korea, France, Japan and Spain—saw double digit revenue growth last year. In France, where the Direct Assurance brand is a pioneer in its field, the axa.fr website was overhauled to bring even more accessible services to AXA clients. Now the *Web Auto* can be used by

shooting for 10% of the direct market for automobile insurance within five years by focusing on the quality of the customer relationship.

Today, these developments have made AXA a major player in the service and direct distribution of automobile insurance, with annual revenues of around 3 billion euros.



> PREVENTION AND SAFETY FOR YOUNG DRIVERS

For insurers, young drivers constitute a special group in light of their purchasing patterns, their more limited budgets and a higher than average number of serious road accidents. AXA has chosen to redouble its efforts with regard to this segment, as a way of demonstrating its desire to establish trust-based relationships with them.

In Canada, for example, the online product range targeting this segment, called *Donnetonminimum.com*, guarantees the stability of the insurance premium for a period of two years, even if a claim is filed the first year, and also offers a rebate to policyholders who drive fewer than 10,000 kilometers a year.

To prevent serious accidents, AXA Italy has rolled out an original insurance product for young people between the ages of 18 and 26. Accessible via the internet,

Protezioni Autogiov@ni offers a 35% reduction if the young driver agrees to wear a seat belt at all times, respect the speed limit and safe following distances, and to never drive while under the influence of alcohol or other narcotics. When the policy is purchased, the buyer receives a copy of the Highway Code and a guide to safe and responsible driving, plus a first aid kit and three self-administering breathalyzer tests.

AXA Belgium has taken the individualized approach to risk even further with the G-Box®. This device, which is installed in the vehicle, measures the stresses the drive subjects the car to when braking, accelerating or turning. This helps the inexperienced driver better assess his or her behavior behind the wheel. Measured daily, the data can be consulted via a personal web interface. After 6 months of use, young drivers can recoup between 10 and 20% of their insurance premium. This initiative is currently in the test phase.

Based on the analysis of accidents, the Crash Recorder of AXA Winterthur in Switzerland is a black box that records information a few seconds before and during an accident. Targeting young drivers between the ages of 18 and 25, it ensures fairer claims settlements and encourages prevention-based initiatives.

With the *Garantie Joker* coverage, AXA France is making a tangible commitment in the area of prevention: if the policyholder does not feel he or she is in shape to drive, AXA provides a taxi, free of charge with just a simple phone call. This service level commitment, managed by AXA Assistance and allowed up to five times a year, offers a perfect illustration of AXA's desire to make specific, useful and immediate services available. *The Garantie Joker* is valid regardless of the reason behind the incapacity to drive, for any trip that is less than 50 kilometers from the policyholder's place of residence.

**PROTEZIONI
AUTOGIOV@NI**
offers a **35% discount** if the young driver agrees to wear a seat belt at all times, to refrain from driving over the speed limit or driving under the influence of alcohol or other drugs at any time, as well as to maintain a safe driving distance at all times.

AUTOMOBILE INSURANCE GOES GREEN

IN RESPONSE TO THE CHALLENGES OF CLIMATE CHANGE, THE GROUP HAS DEVELOPED A WHOLE RANGE OF AUTO INSURANCE PRODUCTS THAT ARE **ECOLOGICAL**. With such options as special rates for limited mileage, with the **PAY AS YOU DRIVE** concept, not to mention the box in the car that analyzes the driving behavior of policyholders and offers personalized tips for more eco-friendly driving, AXA—in France, Italy, the United Kingdom, Switzerland, Belgium and Canada—is encouraging its clients to reduce their CO₂ emissions through price incentives.

In France, Switzerland, the United Kingdom, Ireland, Canada and Thailand, AXA encourages its clients to choose automobiles that are low emitters of greenhouse gases through reduced price insurance policies. In addition to their environmental impact, these options also make good business sense, since the drivers of such vehicles are better insurance risks. AXA Singapore forged a partnership with a network of garages that adhere

to stringent environmental standards. AXA Portugal recovers and recycles wrecks after a total loss. AXA Spain has entered into a preferential price agreement with the manufacturer of electrically powered scooters. AXA France has the *Libre Voiture option*, which allows its clients to have access to a small green car whenever they need it in exchange for a monthly fee, and offers larger, family friendly vehicles for short-term rental.

> **INNOVATIONS IN THE
EMERGING COUNTRIES**

AXA's ambition is to become the preferred company in its industry, not only in the countries where the Group has been operating for many years, but also in AXA subsidiaries that are present in the emerging countries. In Mexico, AXA introduced a new and exclusive service with a chauffeur-driven car. After an accident, once the vehicle has been left at the garage for repair, the policyholder usually finds himself or herself... on foot.

With a simple call, AXA SERVICE, available in the major cities of the country, ensure that the policyholder with comprehensive coverage gets a free and safe ride homes.

In a market where barely 40% of all vehicles in circulation are insured, AXA Mexico, which already holds the no. 2 spot, has an additional advantage in the race to win new clients. In another example, AXA promises to provide its clients in the Czech Republic with 24/7 assistance in the event of a breakdown or loss of keys, giving specific content to the Group's new brand positioning.

HOMEOWNERS COMPREHENSIVE, property losses, CASUALTY COVERAGE

VERY often, property and casualty insurance touches upon what is most precious to our clients: their health, which can be put at risk by accidents, and their home, which, when damaged can create major material and emotional impacts. This is why AXA is sparing no efforts in its bid to reinforce the human and material resources that allow the Group to be attentive to situations—each one of them unique—in which its clients expect support from their insurer.

MOVING FROM CLAIMS MANAGEMENT TO SUPPORT FOR VICTIMS

The management of a claim is a key moment for our clients. It is also an opportunity for AXA to demonstrate that its commitment to being ever more attentive, reliable and available is genuine. AXA Spain has developed an innovative policy for managing serious bodily injury claims following a road accident, a workplace accident, or a home accident. This exemplary approach was listed among the best practices in the report of the Finance Initiative of the United Nations Environmental Program (Insuring for sustainability: why and how leaders commit). Beyond compensation, its initiative requires a high degree of professionalism,

reflected in the personalized support for the victim throughout the recovery period. It also mobilizes major human, technical and financial resources: selection of the best healthcare clinics and rehab centers, coverage of the cost of travel and accommodation for the family, psychological support, the

AXA is committed to providing the best possible coordination for the numerous stakeholders involved in getting victims back on their feet under the best possible conditions and in compliance with the most stringent ethical guidelines.

provision of an attorney, special equipment installed in the home, help with returning to work, etc. The victim is the central focus of the insurer's attention, with the goal of ensuring that a normal life—or the closest thing to it—is >

reestablished as rapidly as possible. AXA promises to coordinate the many stakeholders involved in getting victims back on their feet under the best possible conditions and in compliance with the most stringent ethical guidelines. Today, this approach is being deployed throughout the AXA Group so that the 250,000 serious bodily injury claims handled each year by AXA entities receive exemplary treatment.

For less serious claims, our number one goal is to ensure rapid execution and a personalized relationship with our clients.

In Poland, AXA has promised to handle claims within five to ten days, depending on the complexity of the case. Other AXA entities have followed suit in the United Kingdom, in Singapore, in Malaysia, in Indonesia, in Taiwan and in Hong Kong.

In the Persian Gulf, AXA is also innovating: it is the only insurer in the region that offers its clients the option of reporting an insured loss over the phone. Clients can contact the call center, which is open 24/7.

In Greece, in the aftermath of the riots that erupted in late 2008, AXA Insurance immediately

REDEFINING STANDARDS means being there for our clients when they need it the most.

set up several measures that facilitated direct and rapid settlement for the victims of insured losses. The hours of the customer service department were extended to make it easier for clients to report their claims. Specialists and adjusters were mobilized quickly to assess the damage and draw up their reports to expedite settlement. Just five days after the event unfolded an advance settlement equal to 50% of the total compensation due had been paid out to insured clients.

In France, AXA was able to mobilize 2,000 people and 250 business partners locally when a severe storm hit the southwest one weekend in early 2009. By Sunday, more than 3,000 clients had been dealt with, with more than 20,000 to follow. Just hours after the storm struck, AXA set

up temporary accommodations and paid out the first advances. An emergency relief and solidarity fund totaling 2 million euros was also created to deal with the most critical situations immediately.

AVAILABLE AND ATTENTIVE THROUGHOUT THE RELATIONSHIP WITH OUR CLIENTS

Throughout the life cycle of a property-casualty insurance product, AXA wants to show how it is different from the time of policy purchase. In Spain, AXA promises its 2,000 agents and 2,000 brokers that it will provide a price quote for SME clients within 48 hours. Thanks to this initiative, AXA Spain was able to increase the level of satisfaction among its SME clients and attract new ones.

In addition, AXA is multiplying the programs designed to reward its most loyal clients with preferred services and lower rates. These include the new *Happy Family* program in Belgium and *Libre Espace* in Canada.

In Spain, AXA promises its **2,000 AGENTS** and **2,000 BROKERS** that it will provide a price quote for SME clients within **48 hours**. Thanks to this initiative, AXA Spain was able to increase the level of satisfaction among its SME clients.

120 million TONS OF CO₂ resulting from the consumption of energy by buildings in France

(Source: Ademe)

FOR A LESS ENERGY HUNGRY HOME

AXA took part in the effort to promote housing that consumes less energy by offering policy rebates to homeowner policyholders who take steps to conserve. **CONDITION:** that its clients improve the insulation of their residence or upgrade their heating systems and equipment.

This approach tends to favor buildings that are in compliance with the most recent codes, standards and certifications in the area of energy use, as well as the use of renewable energies.

AXA has positioned itself as a consultant promoting the development of systems for the production of renewable energies. Similar product lines are sold in Canada, in Switzerland, in the United Kingdom, in Portugal, in Belgium, in Italy and in Spain. In France, the *Énergies Nouvelles* pack has been developed to help the owners of single-family dwellings who opt for renewable energies. AXA insures solar panels—thermal or photovoltaic—as well as geothermic heat pumps and wind turbines, which provide energy that offers an alternative to fossil fuels. In the event of a claim, not only the facilities but also any loss of

income related to the sale of energy can be covered. AXA entered into a partnership with Ademe (*Agence de l'environnement et de la maîtrise de l'énergie*) and the *Assemblée des chambres françaises de commerce et d'industries* (ACFCI) to support small and medium sized businesses in their quest to manage their environmental impacts. Every business that has obtained level certification in the environmental management program offered by the ACFCI (*1.2.3 Environnement*) qualifies for a 30% reduction in the net annual premium due on its GREEN insurance policy covering environmental risks.



my wish?
to protect my home
and the climate!

“Renewable energies are the way of the future, but how can we safely develop them today” The **ÉNERGIES NOUVELLES** (*new energies*) pack helps homeowner insurance policyholders—mainly those who own single-family dwellings—who are taking tangible steps to protect the environment. We insure the installed equipment that supplies energies that offer an alternative to fossil fuels: solar or photovoltaic heating panels, geothermic heat pumps, wind turbines. In the event of an insured loss, not only do we replace the equipment or compensate the policyholder for the loss, we also cover the loss of revenues related to the sale of energy.

*The Énergies Nouvelles (new energies) pack is developed by AXA France.
For more information, go to: www.axa.fr ”*

“ THE AXA PROOF

A man in a white shirt and dark pants walks on a rocky path. A woman in a purple jacket, orange top, and blue jeans runs towards him, carrying a large white rectangular object. Large 3D white text is placed on the ground, reading "I don't have time to wait". The background shows a rocky cliffside and a road.

I don't have
time
to wait

“It isn't because something breaks down that the world stops. Something breaks down? An electronic communications system notifies the closest repair specialist, who intervenes within the hour. And if we don't make it within this deadline we compensate you, because we figure there is never a good reason to waste time... **THE AUTO ASSISTANCE GUARANTEE IN LESS THAN ONE HOUR** is available in France, Germany, Portugal, Spain, Poland, the Czech Republic, Belgium, Luxembourg, Turkey, Argentina, Brazil, Mexico, Colombia, Italy, Morocco, Algeria, etc. For more information, go to: www.axa-assistance.com”

“THE AXA PROOF

INTERNATIONAL INSURANCE, a **DYNAMIC** hub of expertise

THE GROUP'S INTERNATIONAL INSURANCE BUSINESS *continues to develop at a sustained pace, driven by demand and a diversified range of solutions designed to meet the needs of both large corporations and individuals.* AXA Corporate Solutions has strengthened its positions in the marine, construction and casualty segments, while AXA Assistance has picked up speed in the areas of health and travel assistance services. Overall, revenues from international insurance operations rose by 7%.

SPECIALTY AREAS OF BUSINESS

THE BUSINESS of international insurance is primarily conducted by two entities, AXA Corporate Solutions and AXA Assistance. Present in more than 90 countries via its international network, AXA Corporate Solutions works mostly with large corporations based in Europe, in the prevention, the insurance and the management of their property-casualty risks. In

addition, the company is developing sophisticated expertise worldwide in the specialty markets (marine, aviation and spatial). AXA Assistance offers international assistance and services to businesses and individuals on behalf of the Group. It has operations in more than 30 countries on the five continents, and excels in four business areas. The first two are traditional emergency and insurance services extended to drivers and travelers. The two other lines of business are more recent, and

focus more on daily life, including home assistance services and healthcare services.

The international insurance business also covers the entity that handles the reinsurance of Group member companies, AXA Cessions, as well as the structure set up to manage run-off insurance business. These concern policies that are generally no longer open for new cover, but for which the underlying coverage remains in force until the policies expire.

AXA Corporate Solutions reinforces its **INTERNATIONAL NETWORK**

REVENUES of 1,954 billion euros, an increase of 8.3% compared with 2007, and underlying earnings of 113 million euros: in 2008, AXA Corporate Solutions turned in performances that were in line with its targets for Ambition 2012. With the exception of the property line, which was adversely impacted by serious claims, the business was profitable. On the level of sales, business development was robust

in Italy—AXA Corporate Solutions has been identified as an insurer of choice for the international programs of Italian multinationals—while Spain and Benelux saw a significant rebound. In Shanghai, a dedicated team was put in charge of the start-up of operations in China, and AXA Corporate Solutions opened three branch offices—one in Singapore, one in Hong Kong and one in Switzerland. In the United States, the loss prevention engineering firm

Matrix Risk Consultants, which was acquired in 2007, kept its promise and turned in an excellent performance in the area of developing its service related activities: support for clients as they roll out plans for protecting their facilities against fire and other property risks, and also for their risk management policies. In France, AXA Yachting offers French and international clients a single entry point and multi-access to a specialist

On the level of sales, business has seen robust development in Italy—AXA Corporate Solutions has been designated as an insurer of the first tanks for the international programs of Italian multinationals—and a significant rebound in Spain and in Benelux.

>

8.3%

AXA Corporate Solutions posted revenues of 1,954 billion euros in 2008, an increase of 8.3% versus 2007

A new step was taken with the announcement of new brand positioning for the AXA Group.

> platform (underwriters, managers and claims settlement specialists). The brand, which has chosen the French navigator Maud FONTENOY as its ambassador, reinforces AXA presence with insurance solutions for all types of boats and all types of business.

The focus for 2009 has not changed and is based on three major pillars: first of all innovation, via new insurance products like *Ecosphère* (casualty coverage for environmental impairment, environmental liability, pollution clean-up and decontamination costs, operating losses) and services (*Visiorisk* – a risk assessment tool); then international growth targeting the emerging and high-growth countries; finally the deployment of services, by AXA Corporate Solutions Services in Europe, and by Matrix Risk Consultants in the United States, China and India.

FROM SERVICE COMMITMENTS TO EVERYDAY ATTITUDES

When AXA Corporate Solutions introduced service commitments to its clients in 2007, the world of large corporations applauded the initiative. Aiming for excellence in service quality, these commitments marked the first step in the quest to win client preference in every line of business conducted by the organization.

These commitments require not just changes in behavior but also the genuine transformation of mindsets. In 2008, AXA Corporate Solutions decided to go even further and made two new commitments. In the first “D-15”, AXA Corporate Solutions promised to provide the client’s designated broker with a copy of the property insurance policy completed and signed 15 days before the policy goes into effect. By January 1, 2009, more than 80% of all policies had been delivered to brokers

by D-15. The second commitment relates to client reporting. By simply making the request, any client can now receive a document containing all available quantified information and statistics related to its property-casualty claims experience.

A new step was taken with the announcement of new brand positioning for the AXA Group. AXA Corporate Solutions formed work groups in every country of operation to facilitate the appropriation of three key attitudes—available, attentive and reliable. One example among many others of the attention paid to the client, the AXA Corporate Solutions Marine Cargo Underwriting team decided to communicate differently with brokers and clients. Its presentation is now personalized, interactive and supported by a team composed of the underwriter, a claims manager and a loss prevention engineer.

@ www.axa-corporate-solutions.com

AXA Assistance *maintains* ITS PACE of growth

BEFORE the financial crisis, annual growth in the global assistance market was between 8 and 15%.

Anticipating the economic consequences of this crisis, AXA Assistance rapidly took the steps needed to safeguard the basis of its earnings capacity. As a result, it posted revenues of 870 million euros, up 15% at constant exchange rates compared with 2007, and earnings of 20.1 million euros, an 11.6% increase. One of the reasons AXA Assistance was able to resist on the level of revenues is that its business mix is well balanced. Automobile assistance now accounts for 39% of its overall revenues, travel insurance accounts for 19%, home services account for 20%, and healthcare services for 15%. Geographically, growth was driven by the Latin American

countries, Spain and Portugal, as well as Northern Europe.

At the organizational level, AXA Assistance continued in 2008 to roll out its action plan aimed at demonstrating its operational excellence

The major agreements entered into with HSBC in Mexico and with AXA Winterthur in Benelux and Germany helped. At the organizational level, AXA Assistance continued in 2008 to roll out its action plan aimed at demonstrating its operational excellence, particularly by improving its processes and information systems. The company is also

working hard to deploy the new brand positioning throughout its global network, and has implemented service commitments and proofs that illustrate the key attitudes of AXA. And the investments decided on in connection with Ambition 2012 were maintained, including the acquisition of ADHAP (*Aide à domicile, hygiène et assistance aux personnes*—home services, hygiene and personal assistance) and the integration of new service providers, particularly in the automobile sector. Continuing in its bid for international presence, AXA Assistance opened an office in India to study the best conditions for local development, in particular with Bharti AXA. Meanwhile the office in Algeria officially opened for business in early 2008.

AXA Assistance posted revenues of

870

million euros in 2008, up 15% over 2007

@ www.axa-assistance.fr

PERSONAL SERVICES—A SUSTAINABLE GROWTH PIPELINE

The value of the assistance business is expressed as eloquently through the technical platforms that turn 24/7 as through the actual quality of the service they provide.

The challenge is to find plumbers, locksmiths, nurses and childcare professionals who are competent and available. Faced with clients who are increasingly demanding, AXA Assistance intends to make the difference by providing high-quality services. It is supported by a global network that is able to provide a consistently high level of service, and an organization that was designed to be able to treat each case individually. These factors have driven the company in recent years to position itself as a player in the rapidly growing personal services niche market. Not content to serve as just an intermediary between its clients and the independent service providers it sub-contracts with, **AXA Assistance acquires minority interests in the service companies it works with before increasing its capital ownership gradually**, so that it is in a position to control the quality, the continuity and the consistency of the services offered. In France, the company's acquisition of stakes in Maison & Services in 2006, Cours Legendre and Family Sphere in 2007, and ADHAP (Aide à domicile, hygiène et assistance aux personnes - home services, hygiene and personal assistance) —in 2008 demonstrates that AXA Assistance intends to cover the full range of personal services available—from childcare and long-term care, from home tutoring and housework. **The goal is to support its clients as they manage the risks of existence**, by offering them the choice between the payment of financial compensation in the event of a claim and providing a service that makes daily life easier.


3 million

people had long-term care insurance in France in 2008

(Source: FFSA)

INNOVATION IN ASSISTANCE AND HEALTH PROTECTION IN MEXICO

For Mexicans who want to acquire more complete healthcare coverage than what is offered under basic social security, but who cannot afford the cost of medical insurance, AXA Assistance has created the PAMA health card (*Protection Assistance Médicale AXA*). This assistance and health protection card offers rapid access to quality services at an attractive price. It encompasses a telephone hotline service and, in case of an emergency, the dispatch of a doctor or an ambulance to the home of the policyholder, paid for by AXA Assistance. It also ensures access to a network of healthcare professionals, directly linked to the network of AXA Assistance physicians, and to accident insurance. The card has met with great success since it was introduced.



in
a crisis
situation,
I want
to be kept
informed

“The real risk is a lack of transparency.” In order to improve the quality of the information offered to its clients, AXA Investment Managers created **PERFORMANCE SHEETS**. They provide investors with vital information on the performance and risk ratios of their funds in the days that follow each month end. In 2008, more than 99% of these documents were made available to clients before the fourth business day of the month. For more information, go to: www.axa-lm.fr ”

“ THE AXA PROOF

ASSET MANAGEMENT,

managers **WORKING** **FOR** retail and institutional clients

THE FINANCIAL SERVICES INDUSTRY EXPERIENCED A CRISIS OF A MAGNITUDE WITHOUT PRECEDENT IN 2008. Confronted like all managers with the historic collapse of the equity markets and widespread aversion to risk, AXA Investment Managers reinforced and effectively implemented its crisis management system.

The quality of its teams helped the company to withstand the crisis, while Alliance-Bernstein never deviated from the fundamental principles that made it a success and provided relatively good protection during the crisis.

THE BACKING OF AXA IS A STRENGTH

AXA Investment Managers and Alliance-Bernstein are the two entities of the AXA Group that specialize in asset management. Both manage assets on behalf of third parties—investors, private and institutional clients—and for the Group's insurance companies. In the course of a particularly difficult year—global market capitalization fell by more than \$10 trillion between August 2007 and the end of 2008—both asset management companies were faced with liquidity shortages and the extreme volatility of the financial markets. Under these challenging circumstances, AXA IM yet again confirmed the relevancy of its multi-expert model and made its membership in the Group a solid attribute. AllianceBernstein strictly adhered to the fundamental principles that underpin its strategy and increased its focus on providing world class service to its clients—an especially valuable attribute during such tumultuous times. AXA IM strengthened its system

AXA INVESTMENT MANAGERS shows resilience

for crisis monitoring and management, which was set up in 2007 to improve the surveillance of liquidity and counterparty credit risks and reduce operational risks. In parallel, it initiated the rollout of a transversal risk management capability intended to promote a genuine culture of risk at each step in the investment process. And the company also made efforts to remain close to clients and provide them with full and transparent disclosures on all the funds they are invested in. In spite of the difficult context, these decisions allowed AXA IM to achieve fairly satisfactory results. In December of 2008, more than two-thirds of these funds were in the top two quartiles of their category. The decline in assets under management was limited to 12% (485 billion euros). Inflow remained positive (2 billion euros). And AXA IM saw its revenue decline by 6%, to 1,332 million euros. In light of the market

environment, stringent cost control measures were put in place. However, AXA IM has not called its long-term strategy into question. It is based on improving performance, strengthening client relationships, and delivering quality service.

In 2008, AXA IM invested in Japan—one of the world's biggest asset management markets—and in Asia, where it posted the fifth largest increase in assets under management. Further investments are planned here in 2009. Development was also pursued in India, China and in South Korea, where a joint venture was set up with that country's third largest insurer, Kyobo ITMC, a subsidiary of Kyobo Life and the seventh largest player in the domestic asset management market. Kyobo AXA Investment Managers Co. Ltd. received its business license in September, allowing it to gain access to one of the most attractive markets of Asia.

AXA IM has not called its long-term strategy into question. It is based on improving performance, strengthening client relationships and delivering quality service.



> PANORAMA OF ALTERNATIVE EXPERTISE

- Thanks to its base of institutional investors, the leading fund of hedge funds of AXA IM, **AXA Alternative Premium**, showed remarkable stability. The team was able to manage it in balanced fashion and deliver performance while also maintaining the fund's liquidity. As a result, AXA IM increased its expertise in the fund of hedge funds area.

- **AXA Private Equity**, which opened its eighth office in Vienna, capitalized on investment opportunities made possible thanks to its privileged position in the Eurozone and its international network. Its presence in Asia and in North America allows AXA Private Equity to support business growth in Asia and the United States.

- 2008 was a good year for **AXA REIM**, which maintained its volume of assets under management

and also significantly improved its profitability. Leveraging its positions of strength in Europe, AXA REIM continued to develop business in Asia, in the interest of offering its clients new opportunities for diversification. Its third party business activities met with great success.

- **Structured Finance Division (SFD)** was relatively spared thanks to earlier choices it made in the area of risk management and investment. 2008 was marked by the introduction of structured funds of distressed assets and the development of insurance linked securities.

- **Since the bond management business** was at the heart of the financial crisis in both 2007 and 2008, the decision was made to strengthen relationships between credit analysts and fund managers, and to specialize teams around two lines of investment, credit and fixed income.

This stronger team is ready to seize on the good opportunities for its clients that should arise in the credit market in 2009.

- The performance of AXA IM's **equity funds** was impacted by the markets. Nonetheless, the teams at our various franchises (AXA Rosenberg, AXA Framlington, *Convictions* and *Talents*) capitalized on their strengths and continued to apply management processes based on the analysis of the fundamental characteristics of the businesses in the portfolio.

- As for **Investment Solutions**, which manages the funds of Group insurance companies and devises customized solutions for third part clients had a successful year. IS built up business and increased assets under management last year.

@ www.axa-im.fr

RESPONSIBLE INVESTMENT TAKES OFF

Despite a particularly challenging market, AXA WF Human Capital got off to a promising start. *Thanks to the quality of its management and the research effort carried out by the Responsible Investment team at AXA IM, the fund was able to maintain a performance that was relatively superior to its benchmark throughout the year. Client interest was reflected in growth in assets under management.*

AXA WF *Human Capital* is in fact the only fund in Europe that considers productivity gains and earnings quality to be conditional upon the quality of human capital management. The creation of this fund illustrates the conviction of AXA IM—that responsible investment is an opportunity to build a new economic approach. To contribute, AXA IM set up the web platform *RI Search*, which is accessible to managers based in

Paris and London, enabling them to integrate the three dimensions: E (environmental issues), S (social issues) and G (issues related to corporate governance) into their investment process. *RI Search* is a complete screening tool for ESG, which also enables the dissemination of the analysis of the RI team, custom analysis and portfolio scoring, as well as reporting and research.

Strict compliance with fundamentals for ALLIANCEBERNSTEIN

Faced with financial market shocks, AllianceBernstein steered its business while strictly adhering to the fundamentals that have made it a success. Management positioned client portfolios in such a way as to take full advantage of an inevitable recovery. The firm also increased its focus on maintaining client peace of mind, which is viewed as being just as important as providing the best investment returns possible. It was also particularly vigilant in ensuring that the steps taken to respond to financial pressures placed on the firm by the capital market downturn did not undermine intellectual capital and the ability to perform as well in the future as in the past.

Throughout the down cycle, the priority was to preserve the firm's financial well-being, which relies on a balance sheet that is not vulnerable to capital market dislocations and a cost structure aligned to the reality of reduced revenues.

Focused on the period beyond market dislocation, the company has taken steps to ensure it is positioned to pursue important growth opportunities that will arise tomorrow.

KEY TRENDS

Several sector trends are having a lasting impact on the strategy of AllianceBernstein. By far the most important trend for the firm is the movement from defined benefit to defined contribution ("DC") retirement plans, a movement at an advanced stage in the US and gaining strength throughout the world. The events of 2008 should help to reinforce this

AllianceBernstein, steered its business while strictly adhering to the fundamentals that have made it a success.

movement, and will stimulate even more plan sponsor interest in influencing the way DC funds are deployed. Convinced that guaranteed withdrawal benefits will become the norm, AllianceBernstein is confident it can emerge as a leader in implementing all facets of this transformation. A fully integrated business unit (ABDC) dedicated to building its presence in DC plans of all sizes and in all geographies has already been formed. Another powerful trend in the industry in general and for AllianceBernstein in particular is globalization. AllianceBernstein has invested in fully integrated global investment

platforms across all its investment services, supported by one of the largest research footprints in the industry. This positioning will serve the company well in the longer term and it is

- Gradual movement from defined benefit to defined contribution retirement plans.
- Investment in fully integrated global investment platforms.
- Move to alternative from long-only mandates.

committed to building a stronger non-US presence. A third trend in the industry has been the move to alternatives from long-only mandates. AllianceBernstein was set back due to the weak performance of some of its most important services during the market dislocation. While the company anticipates a strong recovery in the period ahead, it will be some time before it can

regain traction with its current service suite. The final trend in the industry of note is client interest in solutions as opposed to point products. Solutions continue to drive the

private client business and post trauma the company's advanced capabilities in this area should become even more valuable. It also sees opportunities in the solutions area among institutional and government clients.

@ www.alliancebernstein.com

ABATING CLIMATE CHANGE: WHAT ARE THE CONSEQUENCES FOR INVESTORS?

In connection with its sell-side research, AllianceBernstein published a report in 2008 entitled *Abating Climate Change: what will be done and the consequences for investors*.

This report, which mobilized the efforts of the *Research on Strategic Change* team for two years, analyzes the numerous economic and financial implications of climate change, in particular those related to CO₂ emissions. The principal conclusions of the study are that the nuclear power industry and the markets for electrical accumulators and semi conductors will see strong development; hybrid vehicles will revolutionize transportation; and the capture, transport and storage of CO₂ will create substantial new industries. In addition, coal heating plants will be reorganized, solar and thermal energies as well as biofuels will be disappointing, and the oil industry is at risk over the long term.



my life is going fast,
and my
savings?

“Today, people don’t necessarily save to wait.” So that you can keep up with the pace of contemporary life, we have developed a **HIGH INTEREST SAVINGS ACCOUNT**. With its attractive interest rate, free account management, free credit card, internet access... Your money earns interest at a competitive rate, without risk, and remains available to you at all times. We are moving ahead as swiftly as our clients.

*The high interest savings account is available in Belgium, France, Hungary and Switzerland.
For more information, go to: www.axa.be; www.axabanque.fr; www.axabank.hu; www.axabank.ch ”*

“ THE AXA PROOF

AXA BANK EUROPE, AXA's **EUROPEAN** banking business

AFTER DEFINING A COMMON BANKING STRATEGY FOR ALL OF EUROPE, we decided to unite all of our retail banking services under a single banner: AXA Bank Europe. A limited range of simple, attractive and innovative banking products and services is offered in countries where the combination of banking and insurance services addresses a need expressed by our clients, particularly when it comes to their savings requirements.

WITH the creation of AXA Bank Europe, the Group offers its clients a range of savings products that are complementary to its traditional insurance product line. The Bank works with a limited range of simple and attractive products designed for a targeted segment of retail clients. These products function with AXA's local distribution networks or are web-based.

EXTENSIVE ECONOMIC COVERAGE

In 2008, the economic scope of AXA Bank Europe consisted of four operating units.

- **AXA Bank Belgium**, with a full range of financial services for retail clients and small businesses, serves 850,000 clients. Its network of around 950 exclusive independent agents also sells insurance products for AXA Belgium and products created by AXA Investment Managers.

- **AXA Banque France** counts close to 675,000 clients. The exclusive networks (tied insurance agents and salaried sales forces) cover 80% of the total client base, while the rest is composed of direct clients. It offers a full range of retail banking services, including the Oligo account and the Livret AXA Banque savings passbook.

AXA Banque Europe is ranked 39TH OUT OF 50⁽¹⁾ in terms of safety among banks worldwide.

- **AXA Bank Germany** targets affluent clients. A key factor in the development of retirement and asset management business for AXA Germany, the bank sells investment and deposit vehicles to nearly 76,000 clients. These products are only sold via the network of tied agents working for AXA Germany.

- **AXA Bank Hungary**, formerly known as Ella Bank, counts nearly 100,000 clients. Its primary line of

business is direct mortgage lending (there is no distribution via a bank branch network) and a free current account (combined with high interest on deposits). This new range completes the savings range that was developed earlier. In May, AXA Bank Europe successfully obtained a license to open its first branch office in Switzerland.

A NEW ORGANIZATION

In line with its new vocation and the demands of the market, AXA Bank Europe strengthened its equity and invested its management committee with responsibility for development and control at the European level. Centralized management of projects involving the development of operating processes and information systems for the banking business, as well as a centralized banking

strategy and marketing team, was set up. A European department for cash management and asset/liability management enables centralized management of the balance sheet and cash flow of AXA Bank Europe. This department also supports the Group's strategy via its direct access to the capital markets and transactions. And setting up a financial division devoted exclusively to the banking business reinforces the centralized management of risks, among other things.

At the same time, a strategic repositioning study was conducted in Belgium, in France, in Germany and in Hungary. As a result, action plans aligned with the local insurance affiliates of AXA will be rolled out in 2009. The top priority for AXA Bank Europe is to develop banking business in the European countries where AXA has insurance operations, at a pace of two branches per year.

@ www.axabankeurope.com

(1) Source: US magazine *Global Finance*, February 25, 2009.

A SIMPLE, INGENIOUS AND ABOVE ALL ATTRACTIVE LOAN

For two years already, **AXA BANK BELGIUM** has been lending a helping hand to borrowers with eco-friendly renovation projects through its **energy@home** option. Solar panels, new heating systems, double glazing, insulation, and many other green initiatives can be financed via the attractive terms offered under **energy@home**. To qualify, just half of the total budget for the project must be devoted to sustainable renovation. This option, featuring attractive borrowing rates, is also advantageous from a tax perspective and does not generate any additional administrative fees (notary, mortgage, etc.). Accessible for as little as 2,500 euros borrowed over a minimum of 12 months, it is flexible in terms of both the amount and the term of the loan. In 2008, **energy@home** accounted for 26% of the total production of consumer credit loans in the *Confort Habitation* range of products.

clear expression
for better
mutual
comprehension



CLEAR principles and information

- 48 Governance
- 51 Ethics and compliance
- 52 Sustainable development
- 55 Solidarity in practice
- 58 Social data
- 62 Environmental data
- 64 Ratings and audit
- 66 Correspondence table

“A client is first and foremost someone worthy of respect.” Life can get complicated if, when you buy insurance, you have to find out everything that the policy doesn't cover. **CRYSTAL CLEAR** is the promise to be more transparent: we express ourselves clearly and straightforwardly, in person and in writing.

*Crystal Clear is a service developed by AXA Ireland.
For more information, go to: www.axa.ie ”*

“**THE AXA PROOF**



11

02

08

09

10

07

04

17

14

16

06

19

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15

executive committee members



01/ Henri de CASTRIES
Chairman of the management board

02/ Denis DUVERNE
Member of the management board,
Group chief financial officer

03/ Claude BRUNET
Member of the management board,
in charge of transversal operations
and projects, communications,
marketing and human resources

04/ François PIERSON
Member of the management board,
chairman and CEO of AXA France, also
responsible for large risks, assistance
and AXA Canada

05/ Alfred BOUCKAERT
Member of the management board,
chief executive officer for Northern,
Central and Eastern Europe, chairman
of the board for AXA Bank Europe

06/ Christopher CONDRON
Member of the management board,
president and CEO of AXA Financial,
Inc. (United States)

07/ Nicolas MOREAU
Chief executive officer of AXA UK/
Ireland and chairman of the board of
directors of AXA Investment Managers

08/ Eugène TEYSEN
Chief executive officer of insurance
and bank activities in Belgium

09/ Gerald LIEBERMAN
President and chief operating officer
of AllianceBernstein (United States)

10/ Frank KEUPER
Chief executive officer of AXA
Konzern AG (Germany)

11/ John R. DACEY
Chief executive officer of Japan,
Asia-Pacific Region

12/ Marc PEARSON
Chief executive officer of AXA Life
Japan and AXA Japan Holdings (Japan)

13/ Jean-Raymond ABAT
Chief executive officer
of the Mediterranean and
Latin American Regions

14/ Philippe EGGER
Chief executive officer
of insurance in Switzerland

15/ Gérald HARLIN
Deputy chief financial officer, executive
vice-president finance and control

16/ Peter S. KRAUS
Chairman and CEO
of AllianceBernstein (United States)

17/ Dominique CARREL-BILLIARD
Chief executive officer of AXA
Investment Managers

18/ Véronique WEILL
Group executive vice-president
of IT & operational excellence

19 / Andrew PENN
Chief executive officer of AXA
Asia-Pacific Holdings (Australia)

governance

dual GOVERNANCE, a collegial DECISION MAKING process

Independence and a balance between the powers of management and supervision are guaranteed by structures and a set of provisions designed to enhance transparency.

Since 1997, AXA's corporate governance structure has consisted of a management board and a supervisory board. This governance structure is designed to clearly separate the powers and responsibilities of management from those of supervision. Particularly well adapted to the management of a group like AXA, this structure was maintained after Claude BÉBÉAR stepped down as chairman of the supervisory board.

- **The management board** is the company's collegial decision-making body. Its six members, appointed by the supervisory board to serve a three-year term of office, generally meet on a weekly basis. This regular contact encourages rapid decision-making on every subject that pertains to strategy and business management.

The balance between the operational and functional duties performed by the members of the management board naturally informs the debate. Sharing an in-depth knowledge of the Group, each of them assumes responsibility for a specific area of business.



management board members

01/ Henri de CASTRIES
Chairman of the management board

02/ Denis DUVERNE
Member of the management board, Group chief financial officer

03/ Claude BRUNET
Member of the management board, in charge of transversal operations and projects, communications, marketing and human resources

04/ François PIERSON
Member of the management board, chairman and CEO of AXA France, responsible for large risks, assistance and AXA Canada

05/ Alfred BOUCKAERT
Member of the management board, chief executive officer for Northern, Central and Eastern Europe, chairman of the board, AXA Bank Europe

06/ Christopher CONDRON
Member of the management board, president and CEO of AXA Financial, Inc. (United States)



supervisory board members as of December 31, 2008

Jacques de CHATEAUVIEUX (57)

Chairman of the AXA supervisory board
Chairman and CEO of Bourbon

Norbert DENTRESSANGLE (54)

Vice-chairman of the AXA supervisory board
Chairman of Financière Norbert Dentressangle (SAS)

Léo APOTHEKER (55)

Co-CEO of SAP AG
Member of the AXA supervisory board

Wendy COOPER (58)

Senior Vice-President & Associate general counsel of AXA Financial, Inc. (United States)
Member of the AXA supervisory board

Jean-Martin FOLZ (61)

Chairman of the AFEP (*Association française des entreprises privées*)
Member of the AXA supervisory board

Jean-René FOURTOU (69)

Chairman of the supervisory board of Vivendi
Member of the AXA supervisory board

Anthony HAMILTON (67)

Non-executive chairman of AXA UK PLC (United Kingdom) and AXA Equity and Law (United Kingdom)
Member of the AXA supervisory board

Henri LACHMANN (70)

Chairman of the supervisory board of Schneider Electric
Member of the AXA supervisory board

François MARTINEAU (57)

Attorney at law
Member of the AXA supervisory board

Gérard MESTRALLET (59)

Chairman and CEO of GDF Suez
Member of the AXA supervisory board

Giuseppe MUSSARI (46)

Chairman of the board of Banca Monte dei Paschi di Siena S.p.A. (Italy)
Member of the AXA supervisory board

Michel PÉBEREAU (66)

Chairman of the board of directors of BNP Paribas
Member of the AXA supervisory board

Dominique REINICHE (53)

Chairman Europe of The Coca-Cola Company
Member of the AXA supervisory board

Ezra SULEIMAN (67)

Professor of political science at Princeton University (United States)
Member of the AXA supervisory board



• In its operational management of the Group's business, the management board is assisted by the **executive committee**. A forum for discussion, the executive committee is composed of the members of the management board and the CEOs of the Group's largest subsidiaries, operating units or transversal functions. The committee's eighteen members meet for a quarterly business review to examine the Group's operational performance, monitor the progress of mission critical projects and discuss the Group's strategic orientations. In 2008, Gérard HARLIN and Mark PEARSON joined the executive committee, and on January 1, 2009 both Véronique WEILL and Dominique CARREL-BILLIARD were appointed.

• Charged with supervising the management of the company, **the supervisory board** supervises AXA's operations and reports to the shareholders.

While the board's independence is vital, AXA also accords a great deal of importance to the involvement and dedication of its members, their competency and their acknowledged experience elsewhere. The board meets at least five times a year. In 2008, it met eight times. Its members are also asked to take part in the work of four special-purpose sub-committees: the audit committee; the finance committee; the selection, ethics, governance and human resources committee; and the compensation committee. Attentive to the need for efficient functioning of the board, its members take part each year in an assessment based on individual interviews and a questionnaire. This assessment encourages continuous improvement.

@ www.axa.com/en/governance/

ETHICS AND COMPLIANCE, MUCH MORE than a REQUIREMENT

THE SUCCESS AND THE REPUTATION OF A BUSINESS depend on the quality of the products and services it offers, but also on the way in which it treats its key stakeholders in the process of doing business. In this area, AXA is proactive.

AT THE HEART OF ORGANIZATIONAL PRACTICE

SINCE 1994 the AXA Group AXA has developed its business while adhering to a code of professional ethics that clearly sets forth certain commitments and procedures. This document, which is updated regularly, evolved considerably in 2004 to take the requirements of the US Sarbanes-Oxley Act into account and complete local

over the long term. In the compliance guide, Group employees find such items as the rules governing the fight against money-laundering and corruption, information on the Group's procurement policy, and a discussion of the attitudes that are consistent with the values of the organization and that they are expected to exhibit during the situations they may face in the course of their professional life: failure to respect regulations or laws, fraud, abuse, etc.

US, any employee can contact the chairman of the audit committee, anonymously or not, to lodge a complaint or express concern about issues related to accounting, internal control, audit or even fraud in one of these areas.

FIGHT AGAINST MONEY LAUNDERING AND THE FINANCING OF TERRORISM

The fight against money laundering is a point of vigilance in the insurance industry. Purchasing a life insurance product and then terminating it can constitute a way of laundering money that has been acquired illegally. To combat money laundering, the Group has written a special charter that each entity must comply with in accordance with applicable local laws and regulations. A local manager—the Anti-Money Laundering Officer—has been appointed. This officer has direct and regular access to the CEO and is fully empowered to carry out his or her responsibilities.

This officer is responsible for implementing AXA policy locally and ensuring compliance with all relevant local laws, regulations and reporting requirements.

Committed to conducting its business honestly and impartially, in accordance with the laws and regulations in force in the countries where it operates, the Group would like to win and retain the trust of its clients, shareholders, employees and business partners over the long term.

codes of ethics. AXA has opted to draw up a global code that is applicable to the entire Group, in which the minimum standards are set forth as well as the compliance principles that all employees are expected to adhere to.

Committed to conducting its business honestly and impartially, in accordance with the laws and regulations in force in the countries where it operates, the Group seeks to win and retain the trust of its clients, shareholders, employees and business partners

COLLECTIVE VIGILANCE

If an employee believes that a practice is incompatible with the principles set forth in the compliance guide, he or she is asked to report it. The defense of all employees, whether they are the whistleblower or the alleged perpetrator, is ensured by the Group. This process is not anonymous, except in certain exceptional cases where the information can be transmitted directly to the chairman of the AXA audit committee. In fact, pursuant to the Sarbanes-Oxley Act passed in the

@ www.axa.com/en/responsibility/strategycommitments/compliance

A vision of sustainable DEVELOPMENT in line with the BUSINESS

THE FINANCIAL CRISIS, SOARING OIL AND AGRICULTURAL COMMODITY PRICES *not to mention the tendency of markets to focus on the short term, at least had the merit of making the world aware of what the term “systemic risk” means. Perceived by AXA as valid opportunities to shed new light on major social and societal issues and support research into sustainable performance, they valorize our strategy of sustainable development.*

A LASTING COMMITMENT

THE principles of sustainable development, defined as *development that meets the needs of current generations without compromising those of future generations*, is having a greater and greater impact on the economic and social dynamic of businesses. In response to this underlying trend, our mission is to find a way to sustainably prevent and pool insurable risks. As a responsible insurer and investor, the Group translates its commitment to sustainable development in business into adapted pricing policies, targeted prevention initiatives and specific solutions that meet the insurance and investments needs of its clients. In the spirit of the Ambition 2012 project, this effort is divided along business lines—property-casualty, life and savings, retirement and asset management—and then enhanced with a responsible corporation component along key stakeholder lines.

AXA: A HOLISTIC APPROACH TO ENVIRONMENTAL CHALLENGES

AXA is determined to reduce its direct environmental footprint, in particular through more effective management of its operating facilities (see page 62). All of AXA's subsidiaries rallied in 2008 around the challenge of meeting specific targets for reducing energy, water and paper consumption as well as CO₂ emissions, in accordance with Group objectives set in 2006. Information campaigns conducted on a regular basis for our employees also facilitate individual and collective awareness of environmental issues. AXA Morocco provided ecological tips for its employees, while AXA France initiated a program designed to encourage its employees to adopt environmentally friendly actions by promoting the efforts being conducted at the Group level. As for AXA United Kingdom, the company developed an intranet

devoted to the challenges of climate change and accessible to all employees. AXA PPP healthcare, a healthcare specialist in the UK, was awarded ISO 14001 environmental certification. The Group is equally committed to the goal of minimizing its indirect environmental impact by offering insurance and investment solutions that take environmental issues into account.

A number of different initiatives illustrate this approach in the area of property-casualty insurance and asset management (see pages 31 and 41).

ALL OF AXA'S SUBSIDIARIES RALLIED IN 2008 around the challenge of meeting specific targets for reducing energy, water and paper consumption as well as CO₂ emissions, in accordance with Group objectives set in 2006.

Creation of AXA
Hearts in Action

1989

First Scope survey
of employees

1992

Creation of the Group sustainable
development department

2001

Signature of the Global
Compact⁽¹⁾

2003

(1) AXA became a member of the UN's Global Compact in 2003. In doing so, AXA agreed to respect its 10 universal principles in the areas of human rights, labor conditions, protection of the environment and the fight against corruption. As an active participant, each year AXA supplies the Global Compact database with information on best practices that illustrate some of these 10 principles.

AXA, RESPONSIBLE BUYER

A major buyer of products and services, AXA has extensive purchasing power, notably via **the integration of social and environmental criteria into the process of selecting its suppliers**. Currently, the sustainable development clause is enforced with 81% of the Group's suppliers. An in-depth analysis of the sustainable development performance of around fifty suppliers was carried out in 2008, with the aim of improving their practices.

AXA REIM TAKES THE LEAD

Buildings are a major source of greenhouse gas emissions (40% of the total in Europe). A specialist in the management of real estate assets, AXA Real Estate Investment Managers (AXA REIM) devised a formal responsible real estate investment strategy in 2008 that gives preference to a European approach centered on the existing portfolio of properties. This AXA IM subsidiary was a co-founder of the Green Rating project, which is an assessment tool that is built around five environmental performance indicators, including energy efficiency and carbon footprint, and that offers European property investors a common analytic grid. AXA REIM also co-developed a solar

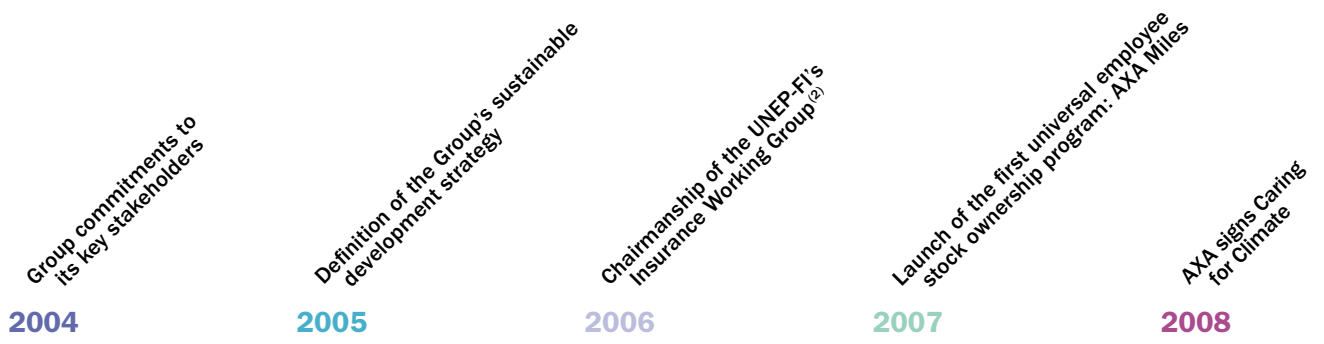
heating plant covering 35 000 square meters, which will be the most powerful photovoltaic installation in Europe for a single building when it is delivered.

AXA, STAKEHOLDER IN SOCIAL CHALLENGES

PA champion of diversity, as an employer the Group is committed to ensuring equal opportunity in the workplace. AXA Belgium, AXA United Kingdom and AXA Spain have forged partnerships with associations that promote the hiring of disabled workers. AXA Germany signed a diversity charter. Already a signatory to a diversity charter, AXA France was also among the first companies in 2008 to sign the *Parentalité en entreprise* charter. It is partici-

AXA AND HUMAN RIGHTS

For AXA, the commemoration of the 60th anniversary of the Universal Declaration of Human Rights was an opportunity to initiate an in-house communications campaign on this theme and reiterate our commitment to compliance with the 10 principles of the Global Compact. **AXA also was a participant in the public declaration of support for human rights, which was cosigned by 150 corporations worldwide**. This declaration is an initiative of the High Commissioner of the United Nations for Human Rights and the UN's Global Compact, to which AXA has been a party since 2003.



(2) United Nations Environmental Program – Finance Initiative.

> pating in a nationwide effort to promote employment for young people from France's disadvantaged suburbs. The company also joined a group of corporations working to encourage equal opportunity in the job market. A special budget, in addition to general and individual increases, is devoted to reducing the gender based wage gap.

THE FOUNDATIONS OF THE INSURANCE AND INVESTMENT BUSINESS

AXA has been invested in prevention for many years. We have undertaken many prevention-oriented initiatives in the area of road safety, health and industrial risks.

For example, AXA Spain encourages businesses in some sectors to gradually implement preventive measures to reduce their industrial risks by offering them more favorable insurance terms and conditions.

AXA France continues to roll out its micro-insurance range in collaboration with ADIE (Asso-

ciation pour le droit à l'initiative économique), an association that helps individuals without access to the job market or the traditional banking system create their own employment opportunities.

In Italy, buyers of the *Sostegno* solidarity product contribute financially to a social project of their choosing. For no additional charge, AXA and the bank that is serving as the distribution partners share a portion of their margins.

In its asset management business, the Group is deploying a responsible investment strategy via its dedicated subsidiaries, while also acting as an asset owner. Announced in July 2007, the withdrawal of our investments in businesses involved in the production or the sale of cluster bombs was completed in 2008, at the same time that the Oslo Convention on the prohibition of cluster bombs was being signed by a number of governments around the world. This initiative follows the decision to

divest from companies involved in the production or the sale of anti-personal mines.

We also continue to offer our support for the emergence of new international standards.



The sustainable development strategy and the major initiatives under way at the Group and local levels are discussed in detail here:

www.axa.com/en/responsibility

THE OPINION of the Group European works council



It has been three years since the EWC began supporting the AXA Group in its sustainable development strategy.

For us, sustainable development is a genuine challenge. The time has come to move beyond statements of intention and truly integrate sustainable development into the heart of the corporate strategy, culture and processes.

Naturally, the Group is responsible for controlling the implementation of its line of conduct and its practices. But independent reviews are needed to ensure the credibility of its controls.

Regularly, the Group presents the findings of the report issued by Vigeo, an agency that measures corporate performance in the area of sustainable development. We notice right away that, while the Group is advancing with caution, it is also making genuine progress in the areas related to its social responsibility. However, the Group is not totally engaged in any area and indeed we find that there are some "disparities in terms of practice that can be significant in some countries". In this regard, the EWC is interested in the Group's strategic objective of becoming an employer of choice.



The EWC defines its scope of action in the area of sustainable development on several levels:

- Participating with the Group, in explicit fashion, in its own line of conduct.
- Ensuring that the Group lives up to its responsibilities to its businesses, its employees, its clients, its suppliers, its distributors and its social and societal environments.
- Ensuring that employees, managers and distributors of the Group are well informed and adequately trained.
- Defining the framework for assessing the impact of corporate actions.

A responsible corporate **COMMITMENT** in support of **civil** **SOCIETY**

IN TUNE WITH THE TRENDS THAT ARE TRAVERSING SOCIETY, the Group commits itself to responsible and supportive action that is an extension of its business. It gives preference to three areas: the fight against social exclusion, education and risk prevention, and the preservation of cultural treasures.

MOBILIZING PEOPLE AROUND THE AXA HEARTS IN ACTION CHALLENGE

INScribed in our culture, voluntary community service finds its support mainly in the AXA Hearts in Action program. For nearly twenty years now, this organization has been making it possible for our employees to donate their time and their talent to charitable and community groups. An event that is held once every four years, the AXA Hearts in Action Challenge attracted more than 34,000 volunteers in 2008, including 26,400 AXA employees in 41 countries. June 20 and 21, 2008 were important dates for mobilization and mutual assistance, with the deployment of numerous displays of solidarity around the world. More than 600 associations benefited—devoted to

helping children, promoting health or preserving the environment. In connection with the development of AXA Hearts in Action, the number of international correspondents more than doubled, from 40 to 83. For the first time, the Group's transversal companies (AXA Assistance, AXA Group Solutions, AXA Corporate

Solutions, AXA Investment Managers and AXA Liabilities Managers) took part in the Challenge. For AXA IM, the event was an opportunity to rally its global teams around a shared ethical project. After the acquisition of Winterthur, entities based in 11 new countries took part in the Group's global mobilization. >



THE PUZZLE CHALLENGE OF AXA IM

*“To encourage people to take part in the AXA Challenge, Dominique CARREL-BILLIARD, CEO of AXA IM, made a direct bid to our employees, throwing down a challenge. From Sydney to San Francisco, our thirteen offices had received a puzzle a few days earlier, which employees had until June 20th to complete. Each piece that was correctly inserted represented 35 euros for AXA Hearts in Action and our partner associations. Only completed puzzles were to be validated. And all of them were! Half of AXA IM's employees rose to the challenge, and sent **62,000 euros in donations to AXA Hearts in Action and partner associations.** In-house, this program helped to unite our people.”*
Carol PLUMLEY, head of communication for AXA IM.

> **PARTICIPATING IN THE KNOWLEDGE-BASED SOCIETY**

AXA has been a supporter of philanthropic initiatives in the areas of prevention and education for many years now. Mobilizing its expertise in the field of risk management, the Group offers financial or logistical assistance for the initiatives of its collaborators and its entities. For example, AXA Ireland has been offering road safety awareness campaigns since 2000, the AXA Foundation of AXA Equitable in the United States has been offering college scholarships to deserving students, and the *Fondation*

AXA is carving out its place in scientific philanthropy intended to promote the comprehension and the prevention of major risks in the world.

Winterthur has initiated a loss prevention policy. In parallel, AXA has gotten more deeply involved in scientific philanthropy intended to promote the comprehension and the prevention of the major risks in the world. The creation of the AXA Research Fund is a direct response to this challenge, as is the Group's role in the *Fondation du Risque*, a French foundation for training and research in the area of financial and industrial risk management. Both are connected to a long-term investment in knowledge to achieve greater understanding and improve our ability to anticipate the risks to which humans and their environment are exposed.

In 2009, Fund is concentrating on 5 major themes:
Longevity and long-term care,
Climate change and related risks and impacts,
Measuring and assessing risks,
Modeling behaviors in the face of risk, and
organizational adaptability.

THE AXA RESEARCH FUND

One year after it was formed in January 2008, the AXA Research Fund posted its first successes. Three major donations of several million euros were offered to internationally renowned research institutions: the *École d'Économie* (Toulouse, France); the *Institut des Hautes Études Scientifiques*, for the endowment of an AXA Mathematics Chair; and the *Université Paris V*, for the endowment of a Chair devoted to the study of longevity.

Four projects conducted by European scientific institutions of renown were also supported financially, including the Meteorology Institute of Berlin on climate change. Finally, a total of fifty-eight stipends were offered to young European researchers at the doctoral and post-doctoral levels, for work being done in the life sciences, earth science, economy and finance, technologies, organizational sociology, etc.

Endowed with 100 million euros over five years, this AXA-sponsored initiative seeks to encourage excellence in scientific research. It is steered by a scientific board composed of twelve members and chaired by Ezra SULEIMAN, a professor of political science at Princeton University and a member of the AXA supervisory board.

Its top priority is to allow exceptional researchers to exercise their talents in complete independence and liberty by offering them significant and lasting support that ensures the best possible working conditions.

In 2009, the Fund will focus on five key themes: longevity and long-term care, climate change, the measurement and assessment of risks, the behavior of economic agents in the capital markets and the ability of organizations to adapt to change.

The portion of its European funds invested outside of France will be increased, and the Fund will also extend its assistance to Asian institutions.

13.7

millions euros granted to AXA Research Fund beneficiaries in 2008

“ **A grant from a private insurance company like AXA means that my research can be of interest beyond the academic sphere.**”

Bity DIENE (Senegal) – University of Luxemburg
Research theme: “Age-specific Mortality, Hearth and economic Growth: an endogenized life expectancy.”

“ **I felt so excited and lucky when I received the fantastic news that I was awarded the fellowship!**”

Yangzhenxuan WANG (China) – University of Exeter
PhD theme: “Credit Risk Chain Modeling.”

“ **The fact that this study was chosen by AXA Research Fund gives an important scientific validation to the project.**”

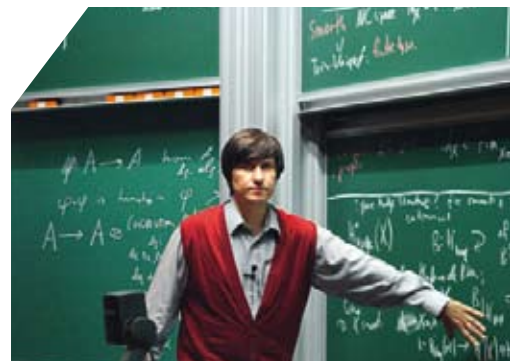
Mathieu D’ACREMONT (France) – École Polytechnique Fédérale (Lausanne) : “Neural Basis of Expected Utility and Mean-Variance Models of decision-making.”

THE IHES AND ITS MATHEMATICS CHAIR

In October 2008, The AXA Research Fund granted the Institut des Hautes Études Scientifiques (IHES) 3 million euros for the creation of an AXA Mathematics Chair. This is the first permanent chair set up at the Institut that was made directly possible by private funding.

Maxim KONTSEVITCH, an eminent mathematician, will occupy the chair. **This support reflects the determination of the IHES to provide long-term funding for the activity of its tenured professors, which will allow them to work in total liberty and encourage them to take the initiative.** Recognized around the world for the quality and the importance of its work, the IHES has become a standard setter in the realm of science.

Among the 10 tenured mathematics professors, 7 have received the Fields Medal, which is the world’s highest distinction in this discipline.



70 research projects
funded in 13 countries in 2008

The AXA Group's SOCIAL DATA 2008

On December 31, 2008, the global workforce of the AXA Group was more than **210,000 employees**, representing an increase of **22%** over 2007. Headcount remained fairly constant in Europe, while Asia-Pacific (primarily in China and India) continued as a growth driver in 2008 with an increase of **25%** over 2007. The salaried workforce grew by **29%** in the Americas (attributable primarily to the acquisition of ING Mexico).

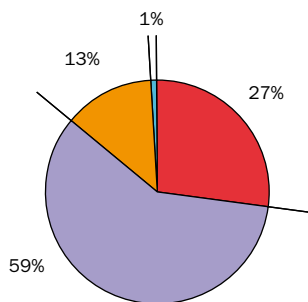
Viewed geographically, **59%** of AXA employees work in Europe (vs. **63%** in 2007), **27%** in Asia-Pacific (vs. **24%** in 2007), **13%** in the Americas (vs. **12%** in 2007), and **1%** in Africa (which remains unchanged).

The workforce is slightly younger (39 years old on average), and the proportion of men to women is relatively stable, with **51%** men and **49%** women. The increase of managers in 2008 (**12%**) in part corrects the decrease observed in 2007 (**-16%**) and reflects the general growth among experts and employees in 2007 (**12%**).

Whilst much of AXA Group's growth is attributable to acquisitions, we continued to aggressively recruit new hires from outside the Group, with over **38,000** people being recruited in 2008. The high turnover rate among sales professionals reflects a very mobile market in Asia-Pacific, particularly in India.

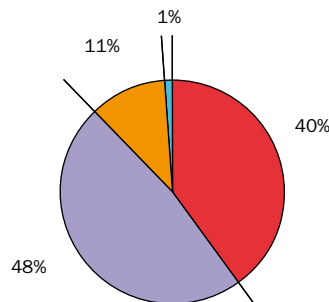
The total compensation in euros remains unchanged from 2007 for two reasons: lower bonus payouts than in 2007, and the fact that all local compensation data has been converted into the euro, which was stronger on average in 2008 than in 2007.

The Group's internal mobility rate is **12%** for non-sales and **7%** for sales employees. The commitment to building individual and organizational capability continued in 2008. When compared to 2007, it was significantly higher for sales employees, with an average of nearly **10** days of training (compared to approximately 8 days last year). Average training days for non-sales employees remained relatively stable at **2.6** days.



■ Asia-Pacific ■ America
■ Europe ■ Africa

TOTAL WORKFORCE (SALES AND NON-SALES STAFF) TOTAL: 135,901



■ Asia-Pacific ■ America
■ Europe ■ Africa

WORKFORCE TOTAL (INCLUDING EXCLUSIVE DISTRIBUTORS) TOTAL: 214,044

Workforce (number of persons) as of december the 31 st	2007 data	Change 2007/2008	2008 data
Non-sales employees	100,505	11%	111,966
Senior executives	2,851	18%	3,369
Men	80%		80%
Women	20%		20%
Managers	18,228	25%	22,872
<i>Excluding Managers of agents in India⁽¹⁾</i>	16,237	12%	18,260
Men	66%		68%
Women	34%		32%
Experts and staff	79,426	8%	85,725
Men	42%		42%
Women	58%		58%
Sales employees⁽²⁾	19,885	20%	23,935
Men	63%		60%
Women	37%		40%
Salaried workforce	120,390	13%	135,901
Men	50%		51%
Women	50%		49%
Exclusive distributors	54,545	43%	78,143
Workforce total	174,935	22%	214,044
Temporary staff			
Temporary non-sales staff ⁽³⁾	4,441	-1%	4,385
Average FTE (Full Time Equivalent) of temporary employees ⁽⁴⁾	2,365	24%	2,932
Profile of AXA employees			
Average age of employees	40	-2%	39
Non-sales employees	40		39
Sales employees	39		37
Average length of service	11	-6%	10
Non-sales employees	11		11
Sales employees	7		6
Number of disabled employees⁽⁵⁾	1,400	9%	1,520

(1) Manager of agent: AXA employee, managing external licenced agents (non-salaried). India still reported in the Manager category this year.

(2) Sales employees: employees authorized to sell insurances products and services, excluding sales managers who are not authorized to sell such products.

(3) AXA employees with fixed-term contracts.

(4) Hired temporary staff, with contracts from external agencies. The growth is mostly due to Mexico, Spain and India.

(5) For reasons of confidentiality in some countries, this data was not reported by all entities. It reflects data primarily but not exclusively from Europe, Japan, South Korea and Mexico.

Changes in staffing level	2007 data	Change 2007/2008	2008 data
Non-sales employees on open-ended contract			
External recruitments ⁽⁶⁾	17,311	28%	22,172
External recruitments, excluding India ⁽⁷⁾		-12%	14,656
Fixed-term contracts transformed into open-ended contracts	1,190	4%	1,243
Departures	12,699	31%	16,642
Departures, excluding India ⁽⁷⁾		1%	12,896
o/w resignations	74%		67%
o/w layoffs	15%		24%
o/w economic layoffs	54%		71%
o/w other departures (retirement, death, etc.)	11%		9%
Net job creation during the year (external recruitments + fixed-term to open-ended-departures)	5,802		6,773
Internal mobility rate⁽⁸⁾	16%		12%
Voluntary turnover rate⁽⁹⁾	9.8%		10%
Voluntary turnover, excluding India⁽⁷⁾			8%
Sales employees on open-ended contract			
External recruitments ⁽⁶⁾	9,475	60%	15,190
External recruitments, excluding India ⁽⁷⁾		-10%	7 982
Fixed-term contracts transformed into open-ended contracts	165	30%	215
Departures	5,729	149%	14,254
Departures, excluding India ⁽⁷⁾		20%	8,603
o/w resignations	85%		67%
o/w layoffs	12%		32%
o/w economic layoffs	79%		73%
o/w other departures (retirement, death, etc.)	3%		1%
Net job creation during the year (external recruitments + fixed-term to open-ended-departures)	3,911		1,151
Internal mobility rate⁽⁸⁾	5%		7%
Voluntary turnover rate⁽⁹⁾	26%		42%
Voluntary turnover, excluding India⁽⁷⁾			29%
Change in temporary staff			
Non-sales staff			
External recruitments (fixed-term contracts)	5,149	-7%	4,804
End of fixed-term contract	3,850	-3%	3,729
Sales staff			
External recruitments (fixed-term contracts)	787	48%	1,161
End of fixed-term contract	479	37%	655

(6) Individuals recruited from outside the Group under an open-ended contract, excluding employees who entered the AXA workforce as a result of mergers and acquisitions.

(7) AXA's figures are highly impacted by the Indian market mobility.

(8) Internal mobility rate = change of function, incl. promotions + internal moves within the Group/average headcount.

(9) Voluntary turnover rate = total number of resignations of employees on open-ended contract/average headcount.

Compensation	2007 data	Change 2007/2008	2008 data
Total gross payroll for sales and non-sales employees (€)	6,950,917	0%	6,930,411
Variable/total pay	18%		16%
% employees receiving stock-options	4%		4%
% employees participating in Shareplan 2007	39%		26%
% capital owned by AXA employees	5.2%		5.9%

Training	2007 data	Change 2007/2008	2008 data
Average number of training days per employee			
Non-sales employees ⁽¹⁰⁾	2.7	-2%	2.6
Sales employees ⁽¹¹⁾	8.3	18%	9.8
% employees having attended at least one training course			
Non-sales employees ⁽¹⁰⁾	68%		73%
Sales employees ⁽¹¹⁾	92%		83%⁽¹²⁾
Split of training sessions per type			
Non-sales employees			
Managerial training	16%		17%
Technical training	54%		47%
Other training	30%		36%
Sales employees			
Managerial training	30%		5%
Technical training	57%		78%
Other training	13%		18%

Working time and absenteeism	2007 data	Change 2007/2008	2008 data
Average number of working days per year	225		228
Average number of working hours per week	37		37
% part-time non-sales employees	11%		10%
% overtime/average FTE	1.8%		1.7%
Absenteeism rate⁽¹³⁾	5.2%		4.6%
o/w due to sickness	72%		70%
o/w due to work-related accident	2%		2%
o/w due to maternity	26%		28%

(10) Calculation covers 95% of the Group's non-sales employees in 2008, and 96% in 2007.

(11) Calculation covers 98% of the Group's sales employees in 2008, and 98% in 2007.

(12) The calculation base in 2007 included employees with fixed-term contracts, and they have been excluded in 2008. Using this calculation base, the percentage for 2007 would be 74%.

(13) Absenteeism rate: number of days absent (sickness, maternity, work-related accident...), divided by the average number of working days per employee and per year, times the average FTE.

ENVIRONMENTAL DATA FOR 2008, the AXA Group

AXA expanded the scope of its environmental reporting to encompass 259 sites in 40 countries, covering 98,918 people, which is a 29% increase over 2007. The third annual survey of employee use of transportation, which serves as a basis for calculating the CO₂ emissions resulting from the daily home-workplace commute, was also extended to the same 40 countries, with the participation of 27,380 employees. For the occasion, a virtual CO₂ Coach named Joe Carbon encouraged employees to lose carbon pounds by following the advice of experts. In addition, one of the Group's independent auditors—PriceWaterhouseCoopers—reviewed the environmental reporting process (the environmental protocol, reporting tool, organization) as well as a selection of indicators and data from three representative countries. In parallel, training in environmental reporting is ongoing.

The environmental footprint of the AXA Group

AXA entities are implementing plans for reducing their environmental footprint, and from one year to the next are measuring their progress towards achieving that goal via key performance indicators. The 2008 performances were as follows:

- **6% reduction in energy consumption levels (kWh/FTE).** This reduction demonstrates that the initiatives undertaken by AXA Tech to reduce energy use are producing tangible results, which is particularly apparent now that new data for the Data Center, which was not included in the 2007 reporting, has been added. Other local initiatives worth mentioning include solar panels and green renovations for AXA Belgium and AXA Spain, a computerized heating system installed at AXA United Kingdom facilities, and the capture of heat emitted by IT servers for use in facilities occupied by AXA in Germany.

- **17% reduction in CO₂ emissions (T/FTE).**

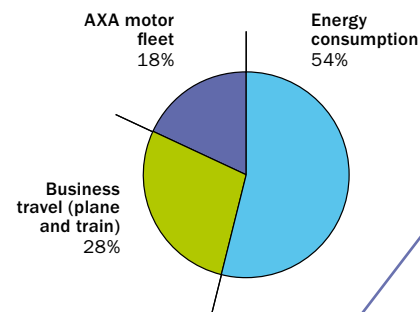
This decrease is linked to less frequent business travel, as well as to the increased use of train travel and lower energy consumption. Business travel (motor fleet plus travel by train and airplane) and energy consumption levels—including those caused by the use of computer equipment—are the main sources of the Group's CO₂ emissions (18%, 28% and 54%, respectively). AXA France set an upper threshold for CO₂ emissions attributable to its motor fleet.

- **Water consumption was stable (cubic meters/FTE) stable.** Water pressure regulators were installed on all faucets in use at AXA Winterthur in Switzerland, as well as rain runoff water capture systems at facilities in Spain and in Germany.

- **3% reduction in paper consumption (kg/FTE).**

The consumption of paper is on the decline despite the inclusion of commercial and advertising paper for a significant number of sites compared with 2007 (examples include Belgium, the United Kingdom, Spain, France, Japan). This decrease is related to the numerous local initiatives that have been taken to reduce paper consumption. The use of recycled paper and/or paper that is produced from wood grown in sustainably managed forests increased by 29% in 2008. The central publishing and printing plant for paper documents in France uses this type of paper for 96% of its needs (which comes to 535 tons of paper per year).

@ www.axa.com/en/responsibility/



SOURCES OF GROUP CO₂ EMISSIONS IN 2008

Green Computing: AXA Technology Services develops sustainable computing

Determined to reduce the environmental footprint of its computer infrastructures, AXA Technology Services, the Group's IT subsidiary, rolled out an action plan in 2008 that is largely inspired by its affiliation with the Climate Savers Computing Initiative, the environmental standards benchmark for all computers, screens and printers, plus in-house awareness campaigns. In 2008, the replacement of fixed (desk-top) computers allowed the Group to save 3.56 tons of CO₂ (400,000 euros), while the virtualization of servers saved 8 million kWh (500,000 euros).

AXA GROUP ENVIRONMENTAL INDICATORS ⁽⁴⁾	Unit	2007	2008
Number of employees on site (Full-Time Equivalent, FTEs)	FTE	103,317	121,990
Net internal area (sites)	m ²	2,400,504	2,487,602
Power (sites)			
Power consumption ⁽²⁾	kwh	565,899,760	627,987,507
KPI: Power consumption per person	kwh/FTE	5,477	5,148
2007-2008 evolution			-6%
Transportation			
Business travel: airplane and train ⁽³⁾	km	588,852,537	352,931,708
Business travel: AXA vehicle fleet	km	288,261,087	393,466,688
Home/workplace commute (round trip) ⁽⁴⁾	km	990,579,720	1,258,507,154
CO₂ emissions⁽⁵⁾			
CO ₂ emissions resulting from onsite power consumption	T eq. CO ₂	173,619	225,833
CO ₂ emissions resulting from business travel: airplane and train ⁽³⁾	T eq. CO ₂	197,118	116,907
CO ₂ emissions resulting from business travel: AXA vehicle fleet	T eq. CO ₂	57,598	77,513
KPI: CO₂ emissions resulting from onsite power consumption and business travel (airplane, train, AXA vehicle fleet) per person	T eq. CO₂	4.15	3.44
2007-2008 evolution			-17%
CO ₂ emissions resulting from home/workplace commute	T eq. CO ₂	107,208	133,773
Water			
Water consumption ⁽⁶⁾	m ³	1,070,156	1,263,816
KPI: Water consumption per person	m³/FTE	10.36	10.36
2007-2008 evolution			0%
Paper			
Paper consumption	T	13,583	15,337
KPI: Paper consumption per person	kg/FTE	130	126
2007-2008 evolution			-3%
Percentage of paper recycled and/or guaranteeing sustainable management	%	38	49

Change in reporting perimeter: 19 new countries and numerous new sites have been incorporated into the 2008 reporting perimeter, representing a 29% increase in FTEs covered by the reporting compared to 2007. Of note, Key Performance Indicators (KPIs) are highlighted in bold.

(1) In 2008, environmental indicators were collected for sites representing 98,918 FTEs and were then extrapolated, continent by continent, to cover all 121,990 salaried FTEs working at the AXA Group as of 31/12/2008. In 2007, this process took place on the basis of data collected from 70,197 FTEs, extrapolated to 103,317 FTEs.

(2) Electricity, natural gas, fuel, steam and other sources of energy.

(3) This data has been collected from 88,366 FTEs. The accuracy of the 2007 airplane and train data remains difficult to estimate due to variations in the data communicated by local travel, which resulted in a significant drop in reported travel between 2007 and 2008.

(4) Home/workplace commute estimations are based on an annual online transportation survey, issued to every AXA salaried employee. This data has been collected from 27,380 FTEs. Sites whose response rate was below 5% have been excluded from the data consolidation process.

(5) CO₂ emissions estimation: as in 2007, emissions factors specific to every country have been used for electricity, train, air and road travel. These factors are based on standards established by ADEME (Agence de l'environnement and de the maîtrise de l'énergie - France) and the Greenhouse Gas Protocol.

(6) This data has been collected from 77,616 FTEs. Many sites in Asia and America are not equipped with water meters, which prevents their accurate measurement.

@ More detailed information on AXA's environmental footprint, including its geographic distribution and trend are available on www.axa.com in the "Corporate Responsibility" then "Environment" section.

SRI ratings

AXA's social, societal, environmental and governance performances are rated by a number of specialists, including investors, brokers and rating agencies that focus on the socially responsible investment (SRI) market. AXA is ranked above average for its industry and is included in the three major global ethical indices:

- DJSI STOXX and DJSI World (based on SAM research)
- FTSE4GOOD (based on EIRIS⁽¹⁾ research)
- ASPI Eurozone (based on Vigeo research)

Agency	Theme	2006	2007	2008
SAM	General score	62% (sector avg.: 44%)	67% (sector avg.: 45%)	71% (sector avg.: 50%)
	Economy	71% (sector avg.: 53%)	79% (sector avg.: 56%)	79% (sector avg.: 58%)
	Social	65% (sector avg.: 46%)	71% (sector avg.: 45%)	71% (sector avg.: 50%)
	Environment	51% (sector avg.: 35%)	52% (sector avg.: 35%)	61% (sector avg.: 41%)
	« Sustainability Yearbook » category	No ranking	Bronze	Bronze
Vigeo ⁽²⁾	Human resources	64% (rating: +)	No update	52% (rating: +)
	Human rights	63% (rating: +)		53% (rating: +)
	Community involvement	76% (rating: +)		63% (rating: +)
	Environment	57% (rating: +)		54% (rating: +)
	Business behaviour	63% (rating: +)		59% (rating: +)
	Corporate governance	46% (rating: =)		48% (rating: =)
GMI	Governance, general score	70%	70%	75%
Innovest	General score	AA	No update	AA
	Social	AA		AA
	Environment	A		AA
Oekom	General score	C « Prime » ⁽³⁾	C « Prime » ⁽³⁾	C « Prime » ⁽³⁾
	Social	C « medium »	C « medium »	C +
	Environment	C - « medium »	C - « medium »	C -

1) EIRIS does not publish public ratings.

2) Definition of the ratings:

- least advanced companies in the sector;
- companies that fall below the average for their sector;
- = companies that are within the average for their sector;
- + active companies;
- ++ most committed companies in the sector.

3) Recommended buy.

SRI ratings:

@ www.axa.com/en/responsibility/performance/sriratings

Independent auditors' report on the procedures used to establish the AXA Group's social and environmental data

In response to the request made to us as the independent auditors of AXA's financial statements, we conducted a review that would enable us to express moderate assurance with respect to the procedures used to establish the AXA Group's sustainable development indicators for fiscal year 2008, as published in this activity and sustainable development report.

The following sustainable development indicators were selected:

- number of people covered by environmental reporting,
- energy consumption,
- energy consumption per person,
- business travel: airplane and train,
- business travel: AXA automobile fleet,
- commutes (round trip),
- CO₂ emissions due to the consumption of energy on operating sites,
- CO₂ emissions due to business-related travel: airplane and train,
- CO₂ emissions due to the AXA motor fleet,
- CO₂ emission due to the consumption of energy, business travel and the AXA motor fleet per person,
- CO₂ emission due to round trip daily commute,
- water consumption,
- water consumption per person,
- paper consumed,
- paper consumed per person,
- percentage of paper recycled and/or certifiably produced by sustainably managed forests.

The process used to establish environmental data, as well as the indicators featured in the activity and sustainable development report, were prepared under the authority of the AXA Group's sustainable development department in accordance with the Environmental

reporting management process, available from the Group's sustainable development department. Our responsibility is to express a conclusion on the procedures used to establish this information and on the indicators selected on the basis of our review.

Scope and basis of the review

We carried out the due diligences described below, leading to moderate assurance that the procedures used to establish the environmental data in this report, as well as the sustainable development indicators selected, do not contain any material anomalies. A higher level of assurance would have required a more extensive review.

- With respect to the establishment of environmental data, we completed a review of the organization set up and existing procedures to ascertain their relevance, reliability, objectivity and comprehensibility, as well as the associated reporting tools. These audits were carried out on the basis of interviews and consistency tests that we conducted:
 - at AXA Group headquarters with the Group sustainable development department,
 - with certain correspondents appointed at the local level to handle environmental reporting for AXA France, Terrasses 1, 2, 3 sites in Nanterre; for AXA Life United Kingdom and AXA Insurance United Kingdom in Bristol; and AXA Seguros Portugal, in the city of Porto.
- With regard to the indicators selected, we examined them for consistency and assessed the factual basis of the elements described in the activity and sustainable development report with regard to

the existing organization and procedures, available documentation and the reporting tools used.

These audits were carried out on the basis of interviews and consistency tests that we conducted:

- with regard to the collection of data in Group entities, with the correspondents in charge of environmental reporting for AXA France, Terrasses 1, 2, 3 sites in Nanterre; for AXA Life United Kingdom and AXA Insurance United Kingdom in Bristol; and for AXA Seguros Portugal in Porto,
- with regard to the consolidation of indicators, at Group headquarters with the sustainable development department of the AXA Group.

We also reviewed the calculations made for the consolidation of data relative to the indicators selected on the basis of data extractions from the reporting tools used to collect the data and calculate the indicators.

In conducting this review, we were assisted by the sustainable development experts employed by our audit firm, working under the responsibility of Mr. Sylvain LAMBERT, partner.

Conclusion

On the basis of our review, we did not detect any material anomalies that would call into question and social information produced by the Group for fiscal year 2008:

- the procedures used to establish the environmental data with regard to the environmental reporting process protocol,
- the sustainable development indicators selected with regard to this same protocol.

Neuilly-sur-Seine, March 25, 2009

The Independent Auditor,
PricewaterhouseCoopers Audit

The partner of the sustainable development department,
PricewaterhouseCoopers Advisory

Éric DUPONT

Sylvain LAMBERT

Correspondence table GRI3 – NRE – UNGC

The table below facilitates the identification of sustainability information contained in the 2008 annual activity and sustainable development report and, more comprehensively, on AXA's corporate website (www.axa.com/en/responsibility), according to the themes covered by the French New Economic Regulations (NRE) Act, the Ten Principles of the UN Global Compact (UNGC) and the Global Reporting Initiative (GRI, version 3.0, including the "Financial Services Sector Supplement").



GRI3 and FSSS	NRE	UNGC	www.axa.com section URLs may be modified as the www.axa.com website evolves	2008 activity and sustainable development report
Economic performance Indicators				
FS6, EC1, EC9			www.axa.com/en/group/profile/figures www.axa.com/en/responsibility/performance	Profile
Product responsibility				
FS1, FS2, FS3, FS5, FS10, FS12, EC2, EN26, FS14, FS15, FS16, PR6		GC1, GC2, GC8, GC9	www.axa.com/en/responsibility/protection/property www.axa.com/en/responsibility/protection/lifeinsurance www.axa.com/en/responsibility/protection/assetmanagement	Various examples of "responsible" products: - Property & Casualty - Life & Savings - International Insurance - Asset Management - Banking Sustainable development Redefining standards
Employees				
LA1, LA2, LA4, LA5, LA7, LA10, LA11, LA12, LA13	Soc1, Soc2, Soc3, Soc4, Soc5, Soc6, Soc7	GC3, GC6	www.axa.com/en/responsibility/socialresponsibility/employees www.axa.com/en/group/profile/people www.axa.com/en/responsibility/performance	Employment data Excellence, together
Clients and distributors				
PR5, FS15			www.axa.com/en/responsibility/socialresponsibility/clientsdistributors	Redefining standards
Suppliers, human rights				
HR2	Soc9	GC1, GC2, GC4, GC5, GC7, GC8, GC9	www.axa.com/en/responsibility/socialresponsibility/suppliers www.axa.com/en/responsibility/strategycommitments	Sustainable development
Environnement				
EN3, EN4, EN5, EN6, EN7, EN8, EN16, EN18, EN22, EN29	Env1, Env3, Env6, Env9	GC7, GC8	www.axa.com/en/responsibility/socialresponsibility/environment www.axa.com/en/responsibility/protection/property/environment	Environnemental data Sustainable development Various examples of "responsible" products: - Property & Casualty - Banking
Community, philanthropy				
EC1, EC9, SO1	Soc8		www.axa.com/en/responsibility/socialresponsibility/community www.axa.com/en/responsibility/protection	Sustainable development Solidarity in practice
Compliance and ethics				
SO3, SO4		GC10	www.axa.com/en/responsibility/strategycommitments/compliance	Ethics and compliance
Verification of environmental and social data				
FS9	Env3			Ratings and audit

APRIL 30

Annual meeting of the shareholders

MAY 07

Release of first quarter 2009 business indicators

MAY 12Dividend payout date⁽¹⁾**AUGUST 05**

Half year 2009 earnings release

OCTOBER 29

2009 business indicators for the first nine months of 2009

NOVEMBER 20-21

Actionaria Exhibition in Paris

⁽¹⁾ Board recommendation, subject to shareholder approval on April 30, 2009.

For information about the products and services mentioned in this report, get in touch with your usual AXA contact.

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2008 ANNUAL REPORT - Shelf registration document

The AXA shelf registration document (*document de référence*), which contains detailed information on corporate governance and risk management, as well as the consolidated and parent company financial statements, is available upon request or may be downloaded from the corporate web site (www.axa.com).

Both the activity and sustainable development report and shelf registration document are published in English and French versions.

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redefining / standards

