

[EDITORIAL]

AXA's stock performance does not reflect our ability to resist the crisis.

Dear Shareholders of AXA,

In 2008, the world experienced unprecedented financial turmoil. Although AXA was not immune to its impact, we were nonetheless resilient:

– **Underlying earnings** were 4 billion euros—higher than the level reached in 2006—boosted by a bigger contribution from the property and casualty business, which posted its best combined ratio ever (95.5%).

– **Net income**, at 923 million euros, was impacted by the negative changes in the fair value of some assets that were recorded against adjusted earnings but remained positive nonetheless.

– **The balance sheet is solid**, with satisfactory levels of solvency, debt and liquidity.

– **Revenues** were resilient, with positive net inflows in life and savings (in excess of 8 billion euros) and more than 1 million new personal contracts in property-casualty.

While AXA's stock market performance since the beginning of the year has been a disappointment for all of us, it does not reflect our ability to weather this crisis. AXA has a robust balance sheet; its day-to-day ability to generate underlying earnings is unchanged; and we still have significant financial latitude. We intend to preserve it. Above all, the Group can rely on its competent and engaged people and clients who regularly express their trust in AXA.

It remains true that the economic context for 2009 means another challenging year ahead; but we are ready to rise to the occasion.

Henri de Castries
Chairman of AXA's Management Board



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Keys to participation in the Annual Shareholders'
Meeting for 2008



2008 annual earnings

It is during periods of strong turbulence that the strength of a Group is best measured. In this regard, AXA's profile offers a decisive advantage for resisting in the current crisis. Our strategy, coherent and consistent, is centered on our core business: responding to the long-term needs of our clients around the world—from protecting their property to helping them build their personal net worth.

Our diversified business model is designed to take advantage of growth markets and stabilizing activities, the diversification of markets and businesses, varied and high quality investments. The appeal of the AXA brand efficiently serves a policy of attraction and retention. In life and savings, the Group reported net inflows of more than 8 billion euros, while more than a million new contracts were added in the property-casualty segment in 2008. In addition, the Group has a surplus minimum solvency margin of 6 billion euros over and above the current regulatory requirement. The quality of our risk

management is recognized as excellent by the rating agencies. Finally, the engagement of our executive leadership, mobilized to keep its eye on the goal, is growing, as are the levels of engagement on the part of our employees and the satisfaction of our clients—in spite of a difficult environment. These are all good reasons to remain confident.

While the current crisis has caused us to step up our efforts to improve productivity, our goal of becoming the preferred company in our industry by 2012 remains more relevant than ever. AXA intends to continue to invest in redefining the standards of its business by offering clients ongoing proof of its reliability, attention and availability. This is how the Group will be able to make the difference and emerge from this crisis stronger and more efficient than before. Our competitive edge lies in our business model, our financial strength and the engagement of our employees.

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Resilient operating performance in a challenging environment.
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Underlying earnings are the most representative indicator of the AXA Group's operating performance. It allows us to assess the quality of the earnings generated by the Group, as well as the actions taken by Management, the strategy and how it is executed. It reflects the growth of the loads and fees related to the reduction in operating expenses.

Adjusted earnings correspond to net income, Group share, before the impact of exceptional operations and the amortization of purchase goodwill.

Net income is the bottom line on the income statement (gain or loss for the period). It is equal to the sum of adjusted earnings and exceptional gains, less taxes.

FULL YEAR 2008 EARNINGS: KEY FIGURES

Total revenues	€91,221 million	-2%
Underlying earnings	€4,044 million	-17%
Adjusted earnings	€3,699 million	-39%
Net income	€923 million	-83%
Dividend	€0.40 per share	Reflecting a 25% pay-out ratio
Solvency I surplus	€6 billion	127% coverage post dividend

All comments are on a comparable basis (constant Forex, scope and methodology for activity indicators and constant Forex for earnings).

FULL YEAR 2008 HIGHLIGHTS

REVENUES

Total revenues were resilient, down 2% to 91,221 million euros.

Life & Savings revenues were down by 4%, to 57,977 million euros, including an 8% decrease in 4Q08 in a context of adverse market conditions.

Net inflows were positive (+8.4 billion euros) including +0.6 billion euros in 4Q08.

New Business Volume (**APE**) was down by 9%, to 6,789 million euros, with the unit-linked share down from 54% to 49%. The New Business Value (NBV) margin was down by 8 pts, to 15%, principally as a result of adverse financial markets.

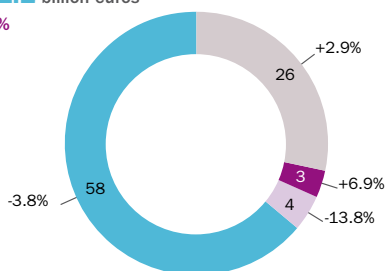
Property & Casualty revenues increased by 3% to 26,039 million euros, driven by higher volumes both in Personal and Commercial lines.

Asset Management revenues were down 14% to 3,947 million euros, due to an 11% decline in management fees that was mainly driven by lower average assets under management (-8%), an unfavorable change in product mix and performance fees, as well as a reduced contribution from distribution fees. Net outflows amounted to -28 billion euros.

REVENUES BY SEGMENT (in € billions)

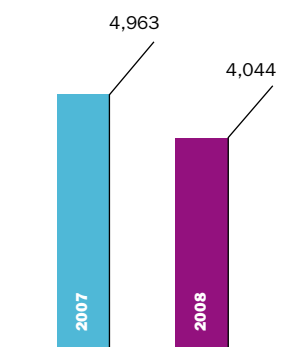
91.2 billion euros

-2%



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

UNDERLYING EARNINGS (in € millions)



EARNINGS

Underlying earnings were down by 17%, to 4,044 million euros, at the upper end of the previously announced management guidance. The decrease in Life & Savings (-43%), which was mostly due to the higher cost of hedging for US variable annuity products, was partly offset by a strong increase in Property & Casualty (+31%), which was boosted by an improvement in the combined ratio (down 1.9 pts to 95.5%) and an increase in Asset Management (+6%).

Adjusted earnings were 3,699 million euros, as a result of lower underlying earnings, +792 million euros in net realized capital gains, and -2,773 million euros in impairments (mostly equities), partially offset by +1,636 million euros of **profit on equity hedges**.

NOTES

Annual Premium Equivalent (APE) represents 100% of new business regular premiums +10% of new business single premiums. APE is Group share.

Hedging of Equity portfolio includes the intrinsic value of options in the money (+2.3 billion euros) net of time value of options for those programs intended to be unwound subsequent to the closing (0.7 billion euros).

ABS – Asset Backed Securities. These assets derive mainly from securitization. AXA's ABS are part of its long-term investment portfolio (average holding period of 7 years) and are not

used for trading. ABS are particularly well-suited to insurance companies' long-term investments, as the spreads are higher than on corporate bonds of equivalent grades and carry a liquidity premium for holders.

Preferred stock is a financial instrument that has recently been authorized under French regulations (government order passed in November 2008). Preferred stock can be used to cover solvency margin requirements. Before a company is allowed to issue them, the shareholders must give their consent. The exact characteristics of preferred stock vary with the issuer.

Net income was 923 million euros, mainly as a result of lower adjusted earnings, a -859 million euro change in fair value of **ABS**, equities and alternatives, and negative mark-to-market impacts related to corporate bonds (-1,507 million euros) and balance sheet hedging items (-222 million euros). Excluding "non economic" mark-to-market impacts, net income would have been 2,796 million euros.

DIVIDEND

A **dividend** of 0.4 euros per share will be proposed at the Annual Shareholders' Meeting that will be held on April 30, 2009, reflecting a 25% payout ratio, which is a balance between prudent capital management and our long-term guidance (40-50%). The dividend will be payable on May 12, 2009, with an ex-dividend date of May 7, 2009.

outlook

As we look forward to 2009, a lower starting asset base will affect the Life & Savings and Asset Management businesses, whereas the Property & Casualty and International Insurance businesses should continue to deliver solid underlying earnings.

Our confidence in the performance of AXA going forward is supported by the increasing engagement of our employees, the trust of our clients, the financial flexibility and diversification of the Group and our operating profit resilience through turbulent times. We are working confidently despite the turbulence around us because our balance sheet is sound. We want to be among those who emerge from this crisis.

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**We remain confident
in the face of
a challenging 2009.**
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You can view the slideshow presentation for the full year 2008 earnings on the AXA corporate website: www.axa.com

Shareholder questions

AXA responds to you

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During a period of turbulence, AXA is **one of the world's few financial institutions that are profitable, and its balance sheet is strong.**

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“You say that your earnings are solid. Why does AXA's share price continue to fall so sharply? Can this sharp decline in the share price impact our financial strength?”

The sharp decrease in the share price since the 2008 earnings announcement reflects the extreme anxiety of the markets with respect to financial companies in general and with respect to their balance sheet strength in particular, at a time when the sharp decline in the financial markets has negatively impacted the value of their invested assets, solvency margin ratios and other items. The losses published by many of our competitors have added fuel to the fire, which was reflected in the decline that followed our full-year earnings release. It is important to bear in mind that AXA posted net income of nearly one billion euros in 2008.

This does not affect the strength of AXA's fundamentals or its business model, however. We are all perplexed by the current share price, but financial markets sometimes behave in irrational and extreme ways. The market reaction to our earnings release is a case in point. Let us reiterate: **this does not affect the company's strength and we should see a share price more in line with our fundamentals** once the current climate of anxiety has given way to reason. A few basic facts may help keep things in perspective:

– During a period of turbulence, AXA is one of the world's few financial institutions that are profitable, and its balance sheet is strong.

– Dictated by prudence, the measures announced by the Group's Management Board—i.e. the possible issuance of preferred stock and the lower dividend—were not well received, even though their specific aim is to further strengthen AXA's financial flexibility.

– Following AXA's 2008 earnings announcement, Standard & Poor's assigned AXA a negative outlook, mostly due to high level of uncertainty in the financial markets, **but confirmed its “AA” financial strength**

rating, recognizing the strength of AXA's business model, its excellent risk management and the quality of its corporate strategy. Moody's also reaffirmed AXA's financial strength ratings (Aa3, equivalent to a AA- at Standard & Poor's, or “very strong”) with stable outlook.

“By asking the shareholders to authorize the issuance of preferred stock, are you in fact raising capital without saying so? What exactly is an issuance of preferred stock?”

AXA has not announced a capital increase, either in the form of ordinary shares or preferred shares. **In fact, since late February AXA has made clear that it has no intention of raising capital at this time—in the form of ordinary or preferred shares—to** strengthen its solvency or finance an acquisition, particularly under current market conditions. Acting in full transparency, the AXA Management Board has simply announced plans to include, among the usual resolutions submitted at this time, a resolution at this year's Shareholders' Meeting that would authorize it to issue preferred shares if needed. This request for authorization from our shareholders does not mean that AXA intends to use it – it is simply a precautionary measure that reinforces the financial flexibility of the Group in these uncertain times.

“What does this kind of issue involve?”

The issuance of preferred shares was recently authorized under French regulations (government order passed in November 2008). Preferred shares can be used to cover solvency margin requirements. This option can only be used if the shareholders give their prior consent by passing a resolution to this effect. Shares of preferred stock may have different characteristics depending on the issuer.

In AXA's case, this preferred stock—to be issued if needed—would be eligible for an additional dividend, indexed to the dividend paid on ordinary shares (subject to a minimum and a maximum), and may be redeemed after five years by AXA and at its option, for the issue price. These preferred shares are not convertible into ordinary shares and therefore are considered to be a non-dilutive instrument that can be used to reinforce the Group's solvency if and when needed. Accordingly, including it among the tools available to Group Management is simply a measure of conservative financial management. Far from being an admission of weakness, it should on the contrary be seen as a sign that the Group manages its balance sheet prudently.

“For the time being, what are the lessons of this financial crisis?”

The crisis validates the wisdom of AXA's strategic orientation over the past few years, i.e.:

- Focusing on our core business: insurance and asset management.
- Leveraging business and geographic diversification.
- Capitalizing on positive cash flows and maintaining permanent sources of funding.
- Practicing sound asset-liability management and robust risk management.
- Investing in diversified and high-quality assets.

AXA Group did you know?

AXA MEXICO:

For AXA, a first foray into this country

The newly created subsidiary AXA Mexico was born out of the purchase in early 2008 of ING Seguros, Mexico's third largest property-casualty insurer⁽¹⁾ and number 7 in life and savings⁽²⁾. The new entity, which was founded on July 22, 2008, employs **4,900 employees** and has a network of **8,000 agents** working out of **54 cities**. It has a portfolio of 4 million clients and in 2008 reported revenues of 1.5 billion euros.

4,900
employees.

1.5
billion euros
2008 revenues.

About the Mexican market

With a population of around 110 million inhabitants and low rates of penetration⁽²⁾ for both property-casualty and life insurance (1.8% in all), the Mexican insurance market offers among the best long-term growth outlooks in the world. For example, only 40% of all autos and 10% of all homes are insured. In life insurance, growth is driven by the inadequacy of existing coverage and an aging population (25% of the Mexican population will be 65 or older by 2050), supporting demand for retirement and savings products.

In 2006, the Mexican insurance market brought in revenues totaling 15.1 billion dollars, with life insurance accounting for 45% of this volume. The Mexican market is relatively concentrated, with the top 10 insurers accounting for more than 75% of the market.



CCAI

The CCAI (*Comité Consultatif des Actionnaires d'AXA*) was set up to promote and build the dialogue between the Group and its individual shareholders. Composed of 15 members, the Committee meets twice a year. After a call for candidates was launched in 2008, 5 new members joined the Committee in early 2009 (replacing five departing members). The next meeting will be held on April 22, 2009 with members of AXA's Management Board.

For complete information about how the Committee functions, go to www.axa.com, under individual shareholders.

accumulator/retraite: a product for people who need additional resources after they retire

Introduced in early July by AXA France, accumulator/retraite is a product that offers a targeted and innovative solution to a fundamental need: that of **guaranteeing a certain agreed-upon level of resources for the duration of the retirement years**.

This product is truly innovative. It offers security (additional resources throughout retirement are guaranteed) and performance (the available annuity can benefit from market upside).

Additional information is available on the dedicated website, where you can simulate various scenarios.

www.accumulator.fr

CARING FOR CLIMATE

AXA joined other businesses to sign Caring for Climate, The Business Leadership Platform. This commitment to climate protection is supported by the United Nations as well. It is a concerted effort to fight climate change, and brings together businesses that intend to promote practical solutions and have an impact on public opinion as well as public policy.

As an expert in risk management, AXA promotes research aimed at understanding and preventing major risks, such as those related to climate change. Via its insurance and investment products and services, AXA seeks to reduce the environmental impact of the clients it insures and the businesses in which it invests. As a responsible corporate citizen, AXA is also taking steps to improve its own environmental performance record.

www.axa.com/en/responsibility

(1) Source: Association of Mexican insurance companies, 2007.

(2) Source: Sigma of Swiss Re survey of insurance in the world. Property-casualty insurance includes health.

You can also find us at:
axa.com

AXA: practical matters

2009 SHAREHOLDERS' MEETING: PRACTICAL INFORMATION

The next Annual Shareholders' Meeting (extraordinary and ordinary) of AXA will be held on **Thursday, April 30, 2009 at 2:30 pm**, at *Palais des Congrès de la Porte Maillot, in Paris, France*.

How do I participate?

Registered shareholders receive the documentation to participate from our agent BNP Paribas Securities Services. Holders of **bearer shares** must request these items from the financial intermediary responsible for managing their securities.

How do I get in?

Holders of both types of shares must present the admission card they have received from BNP Paribas Securities Services or their usual financial intermediary at the door. For registered shareholders who have not received their admission card on the day of the meeting, a valid piece of photo ID is required. Holders of bearer shares must present a certificate of participation delivered by their financial intermediary by **April 27, 2009, midnight (Paris time) at the latest**.

What do you need to do if you cannot attend the meeting in person?

You may opt to:

- vote by internet or by mail using the paper form;
- authorize your spouse or another shareholder to vote for you by proxy;
- authorize the Chairman to vote for you by proxy.

AXA shareholders may send their instructions directly by internet prior to the date of the Shareholders' Meeting. This facility offers an additional option to participate for shareholders. Using this **secure website**, shareholders can take advantage of all of the possibilities available with regard to the meeting and voting: they can request an admission card, vote by mail, assign a proxy to the Chairman, or designate their spouse or another shareholder—a physical person or a legal entity—as their proxy.

Who should I send my voting card to?

Registered shareholders send their voting cards directly to BNP Paribas Securities Services. Holders of bearer shares send their voting card to their usual financial intermediary for delivery by the latter to BNP Paribas Securities Services.

Would you like to respond to any of the issues covered in this issue?
Your opinion matters: actionnaires.web@axa.com

agenda 2009

April 30

Annual Meeting of the Shareholders

May 7

First Quarter 2009 Activity Indicators release

May 26

Breakfast/Tour of *Musée du Louvre**
(NB: space is limited-by invitation only)

June 16

Shareholders' meeting in Bruxelles with Christian RABEAU, Chief Investment Officer of AXA IM Paris

June 23

Breakfast/Tour of *Musée du Louvre**
(NB: space is limited-by invitation only)

August 5

Half Year 2009 earnings release

September 22

Breakfast/Tour of *Musée du Louvre**
(NB: space is limited-by invitation only)

Contact us

Individual Shareholder Relations


For all information requests, please contact:
AXA – Individual Shareholder Communications
25, avenue Matignon
75008 Paris – France

 **N°Vert 0 800 43 48 43**
PRICE OF A LOCAL CALL FROM FRANCE

From abroad: +33 1 40 75 48 43
Fax: +33 1 40 75 59 54
Email: actionnaires.web@axa.com

Registered Shareholder Service

For all requests related to your pure registered account, please contact:
BNP-Paribas Securities Services – GCT Conservation Émetteurs Relations Actionnaires AXA
Immeuble Tolbiac
75450 Paris cedex 09 – France

 **N°Azur 0 810 888 433**
TOLL FREE NUMBER FROM A FIXED-LINE PHONE IN FRANCE

From abroad: +33 1 40 14 80 00
Fax: +33 1 55 77 34 17
Email: axa_relations@bnpparibas.com

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redefining / standards

