



Building confidence

ACTIVITY AND SUSTAINABLE DEVELOPMENT

2006 ANNUAL REPORT



Be Life Confident

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52

million customers

across the globe trust
the AXA Group

120,000

AXA people (employees and exclusive distributors)

On December 22, 2006, 30,000 people
from Winterthur joined AXA,

bringing the Group's total workforce to **150,000**
on January 1, 2007

including

17,000

employees

who volunteer in their
local community

The AXA Group
is present in

47

countries

79

billion euros

in consolidated revenues
+11% on a comparable
basis

4.0

billion euros

in underlying earnings
+21% at constant exchange rates

5.1

billion euros

in net income, group share
+18% at constant exchange rates

1.06

euro dividend per share
pending shareholder approval
on May 14, 2007

Unless otherwise indicated, the data presented in this document do not include Winterthur.



CLAUDE BÉBÉAR,
CHAIRMAN OF
THE SUPERVISORY BOARD

It is clear that the only effective way to help the economies of developing countries take off is to create jobs locally and to build and retain a homegrown professional elite. We have come to realize that sending money, which will be put to more or less good use – when it is not embezzled – is infinitely less efficient than asking our own business organizations to transfer work and jobs. This is how

Globalization is overturning old habits. First of all, because of its scale. Although we often assume that international trade has become more important than ever, in fact it is no more intensive than it was at the beginning of the twentieth century measured as a percentage of global activity. Second, because of its nature. Roughly speaking, under the old global trade model, rich nations imported commodities and exported manufactured goods. Today, this equation is not as straightforward: wealthy nations now import more and more simple manufactured goods – t-shirts from China, for example – but also sophisticated ones – like electronic chips.

Competition among economic agents the world over is particularly intense, which is encouraging the producers of goods and services to radically change both how and where they produce, in a bid to either lower costs or be closer to clients. As a result, the rich countries are losing their grasp on traditional business, and business relocation – for it is important to call things by their name – is triggering protectionist reactions (“save our jobs”) but not a rethink of what is behind most of the relocations in the first place—i.e., the quest for ever lower prices.

Moreover, rich countries say they want to help poor ones. The North wants to help the South. For now, we have seen symposium after symposium on this theme. Everyone has the best of intentions! But how should we go about it?

relocations, in addition to achieving the aim of economic efficiency, also exemplify international solidarity. Simply put, the elimination of some jobs, or less job growth in developed countries due to the decision to relocate operations, is incomparably less important than the creation of jobs and wealth in the developing countries that benefit.

We might even consider that if a rich nation truly wants to help a poor one, the most efficient way to do so is to help one of its domestic businesses set up a subsidiary in the poor country with the proviso that a certain number of local employees, managers and executives be hired and trained. Why not go a step further, and consider the progressive transfer of ownership from the local subsidiary to its employees? Rich countries also need to understand that, when they help a poorer one along the path to growth, they are gaining access to a new market. In this sense, the decision to relocate operations is an investment in the future.

At AXA, we have always believed that international development would secure our future. That investing in a country in the process of developing—even if it poses problems in the short run—is a prerequisite for survival over the long term. What would AXA be today if it was only French?

Claude Bébéar



HENRI DE CASTRIES,
CHAIRMAN
OF THE MANAGEMENT BOARD

AXA had a very good year in 2006. What is your take on these results?

Indeed, AXA turned in a very good performance in 2006. The general economic environment was supportive, and we are beginning to reap the benefits of the strategic and operational efforts we have been making for several years. Thanks to the remarkable performance of our people in AXA's three core business areas, revenues are running ahead of the long-term objectives set in connection with our Ambition 2012 corporate challenge—for the second year in a row. Annual organic growth in revenues is 11%, an impressive performance that beats our major rivals. As for underlying earnings, they progressed by 20%, a sign that our business model is appropriate and that our financial structure is robust. In and of itself, the year 2006 illustrates our strategy perfectly. The stepped-up pace of our development, made possible by vigorous and healthy organic growth, allowed us to take advantage of external growth opportunities that strengthen our existing businesses. Thanks to this dynamic and to the acquisitions we made, the Group's size increased by 30%. As a result, AXA is now more

securely anchored locally and more diversified. In addition, we have integrated Winterthur more rapidly than expected due to the prevailing spirit of collaboration. Accordingly, we have revised our estimate of potential synergies upward by 25%.

These are all signs of profitable growth that support our ongoing efforts in areas such as product innovation, distribution and quality of service.

Earnings growth outpaced the targets set in connection with Ambition 2012. Does this mean success is a foregone conclusion?

Along with the other members of the management board, I am delighted by how quickly our people have taken this challenge on board and made it a part of their daily reality. We have seen major achievements in the last two years. Our discussions about the optimal organization for supporting sustainable growth have become highly focused. In this respect, Ambition 2012 is an ideal framework for bringing about tangible improvements, for example in developing our distribution networks and pooling product innovation.

“ These are all signs of profitable growth that support our ongoing efforts in areas such as product innovation, distribution and quality of service. ”

One of the best—but certainly not the only—examples of successful product adaptation is the introduction of the American Accumulator series in the German and Japanese markets. I have high expectations for these “transversal” initiatives devoted to product innovation and distribution. What I am seeing inside the Group gives me confidence in our ability to achieve the targets we have set for 2012, barring a significant and other than temporary reversal in the economic environment and outlook. This contingency requires caution on our part—even though we know we can count on the strength of our entities, the caliber of our people, and the long-term growth prospects of our core Financial Protection business.

You never miss an opportunity to praise the quality of AXA's people. Do you see human resources as a real source of strategic leverage?

Of course. In fact, one of the objectives of Ambition 2012 is to make AXA the employer of choice. In a service industry such as ours, the workforce—the 150,000 people who make up the Group with the integration of Winterthur—is a fundamental source of wealth.

Becoming the preferred company of our employees is not something we can achieve by decree. It is achieved day by day in the workplace through our human resources policy and the quality of our people management. Accordingly, we have initiated a number of related measures designed to support change and recognize contributions, partly but not only involving compensation. Every one of our employees has specified the terms of his or her engagement with respect to 2012. In parallel, we hope that the AXA Miles program will allow us to go one step further in sharing the fruits of AXA's growth. If our shareholders allow us to do so, we will give every employee 100 shares—50 in 2007, to mark the successful completion of the first two years of Ambition 2012—and 50 in two years, if we stay on track with respect to our market plan.

This program reflects our desire to engage all of our people in a shared long-term project. Today, AXA employees together own more than 5% of total equity and nearly 6% of the voting power, but only 50% are shareholders. With the AXA Miles program, everyone can become a share-owning stakeholder in the company. Their enthusiasm is invaluable. I want it to stay that way.

Operating highlights of 2006

Targeted acquisitions in strategic regions

In 2006, AXA completed a number of growth and development deals in key markets.

- **Greece:** In October, an agreement was entered into with Alpha Bank, Greece's second largest bank, to acquire its subsidiary Alpha Insurance. Alpha Bank and AXA also signed an exclusive twenty-year agreement to pursue their bancassurance partnership.
- **Hong Kong:** In January, AXA Asia Pacific Holdings, the Australian life insurance subsidiary of the AXA Group, acquired MLC Hong Kong and MLC Indonesia.
- **India:** In July, the joint venture Bharti AXA Life Insurance Company Ltd, founded in August 2005 with Bharti Enterprises, got the final go-ahead to conduct life insurance business in India.
- **Poland:** In February, AXA acquired positioning in one of Eastern Europe's most promising insurance markets when it opened a direct automobile insurance branch office.
- **Qatar:** In November, AXA was granted a license to do business in Qatar, via its subsidiary AXA Insurance Gulf.

AXA acquires Winterthur

On June 14, 2006, AXA announced that it was acquiring Winterthur for a total of 7.9 billion euros. This transaction is consistent with AXA's strategy of organic growth combined with targeted acquisitions. For AXA, this deal offered a unique opportunity to boost the pace of development through stronger positioning in Western Europe and the high growth markets of Eastern Europe and Asia. Prior to its acquisition by AXA, Winterthur was present in 17 countries, had 13 million clients and employed more than 30,000 professionals worldwide. Ranked among Europe's top ten general insurers, and market leader in Switzerland, Winterthur is well-established in Germany, Spain, Benelux and the United Kingdom. In addition, Winterthur had successfully developed life insurance business in high growth markets in Eastern Europe, Hong Kong and Japan. Its business is balanced between life and savings (62% of total revenues) and property-casualty insurance (38% of revenues). In acquiring Winterthur, AXA was not only able to complete and strengthen its distribution channels and overall product mix, but also to accentuate its degree of geographic diversification



in key domestic markets.

Specifically, AXA's position in five strategic European markets is consolidated with the acquisition of Winterthur:

- **Spain:** AXA becomes number two in the property-casualty insurance market.
- **Germany:** AXA ranks among the top five players in the property-casualty, life and savings, and health insurance markets.
- **Belgium:** AXA reinforces its number one and number four positions in the property-casualty and life and savings markets, respectively.

Disposal of AXA RE

AXA sold its subsidiary AXA RE to PARIS RE Holdings, a holding company that was created and funded by a consortium of international investors under the auspices of Stone Point Capital. The transaction was completed on December 21, 2007. In parallel, AXA acquired a 3.4% interest in PARIS RE Holdings.

Accumulator—a concept with international appeal

Successfully launched in the United States, Accumulator is a multi-vehicle life insurance contract that provides guaranteed living benefits in the event of a non-work related accident or financial market counter-performance. This innovative variable annuity product is gradually being adapted for clients in other countries where AXA operates. In early 2006, it was rolled out in Japan under the name Accumulator Platinum and then was introduced to the German market as TwinStar. Further deployment is planned for Belgium, France, the Mediterranean Region, the United Kingdom and Asia.



The AXA Plan campaign

Initially developed in Australia, the AXA Plan campaign communicates on AXA's business while making consumer needs the centerpiece of the message. After a successful run in Australia, the advertising concept was deployed throughout Asia-Pacific and in Europe. In its principal markets, AXA is now perceived as a financially solid organization with expertise in its core business areas. The Group hopes to enhance the brand's emotional attributes and, in so doing, evolve this perception.

AXA Avenue: an original idea

To address the widespread need to educate the British public on efficient financial management, AXA UK developed a particularly experimental media event called AXA Avenue.

“Two groups of families were placed on one or the other side of AXA Avenue. The families on one side were given customized financial advice, while those on the other side received no such assistance and were used as a control group.” The aim of this experiment was to prove that a family with access to the benefits of qualified financial advice would make better decisions than those left to their own devices. This social experiment was selected as the UK's business and corporate event campaign of the year.



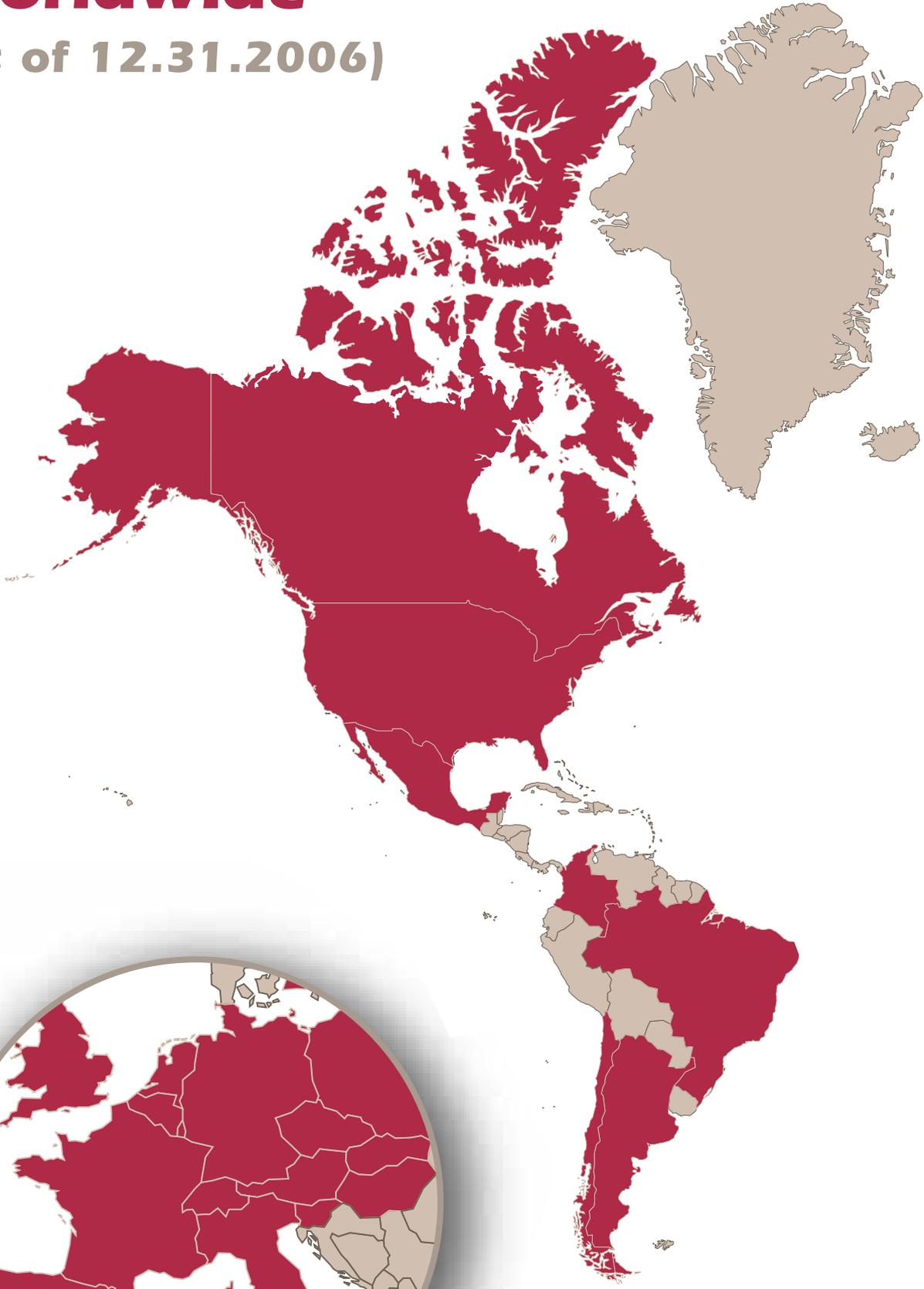
AXA, a major patron of culture



In 2006, the AXA Group won the medal of grand patron of culture (*médaille de grand mécène de la culture*) in honor of its support throughout the year for France's artistic and cultural heritage.

The AXA Group worldwide

(as of 12.31.2006)



Financial highlights of 2006

In 2006, AXA's business segments performed well across the board. Underlying earnings increased by 21%, to €4,010 million, while adjusted earnings rose by 20%, to €5,140 million, and life new business value was up by 34%, reaching €1,501 million. On the strength of this performance, AXA will propose a dividend payout of €1.06 per share, a 20% increase compared with 2005.

Business indicators

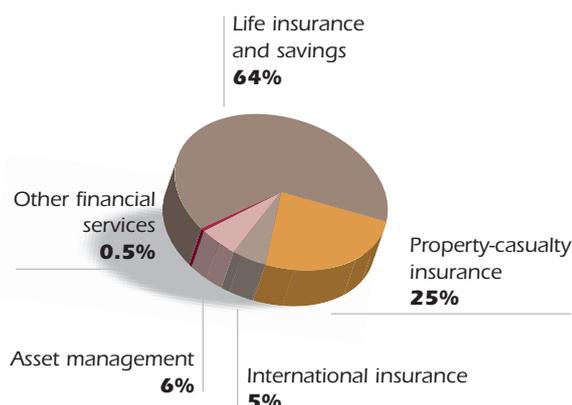
Business growth	2005	2006
Life insurance and savings (new business volume ⁽¹⁾)	+11%	+15%
Property-casualty insurance (revenues)	+3%	+4%
Asset management (revenues)	+14%	+29%

Analysis of revenues

by segment

TOTAL

€78.8 billion

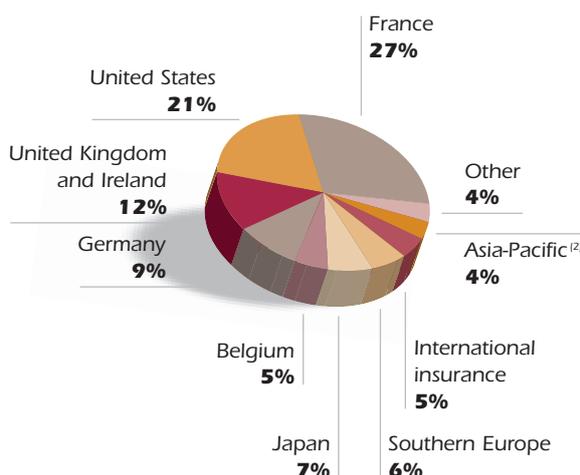


Analysis of insurance business

by geographic region

TOTAL

€74.0 billion

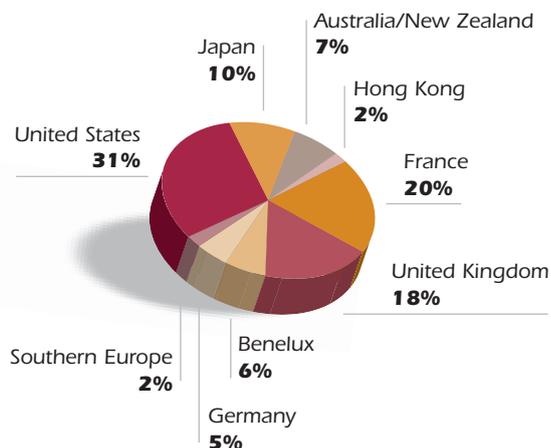


Analysis of APE⁽¹⁾

life insurance and savings, by geographic region

TOTAL

€6.2 billion

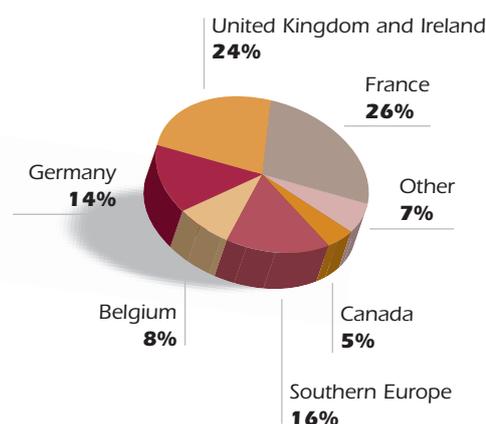


Analysis of property-casualty premiums⁽³⁾

by geographic region

TOTAL

€19.8 billion



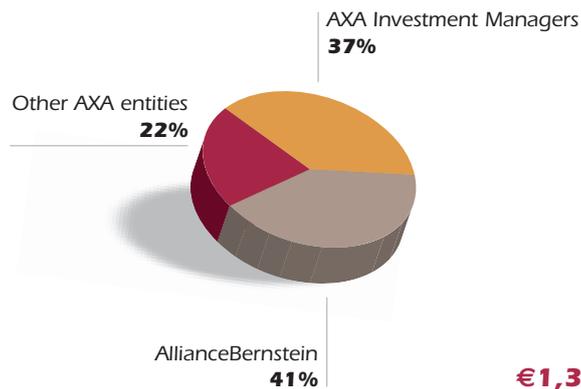
(1) APE (annual premium equivalent) represents 100% new regular premiums and one tenth of single premiums (Group share data).

(2) Excluding Japan.

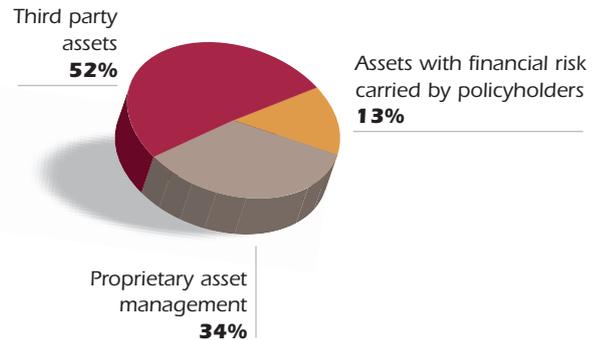
(3) Or premiums.

Assets under management (AUM)

Analysis of AUM by company



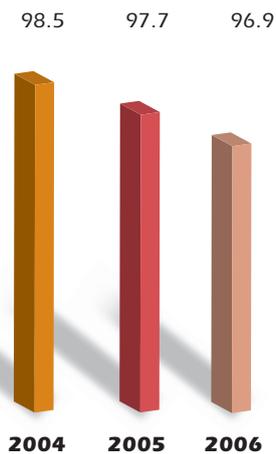
Analysis of AUM by category



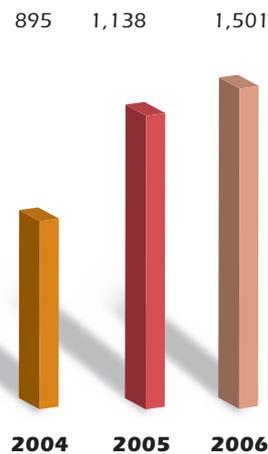
TOTAL
€1,315 billion ⁽⁴⁾

Profitability indicators

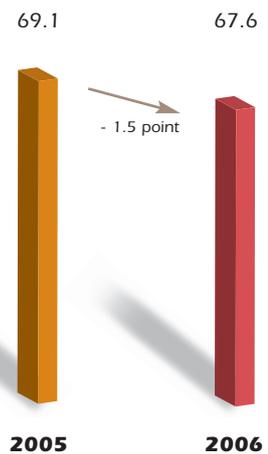
Combined ratio (property-casualty insurance) (%)



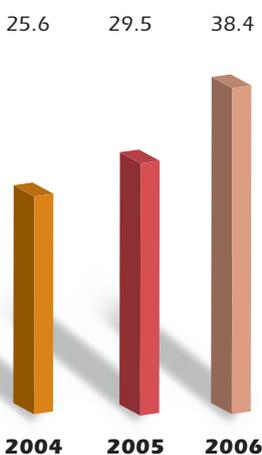
New business value (life insurance) ⁽⁵⁾ (in millions of euros)



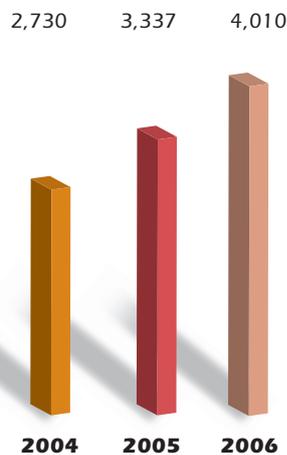
Underlying cost-income ratio (%)



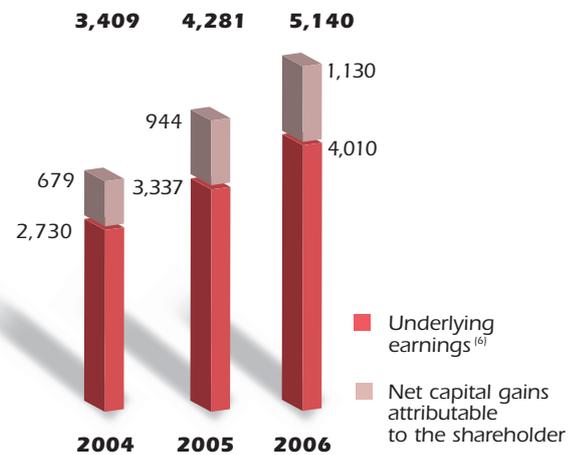
Embedded Value (life insurance) ⁽⁵⁾ (in billions of euros)



Underlying earnings ⁽⁶⁾⁽⁹⁾ (in millions of euros)



Adjusted earnings ⁽⁶⁾⁽⁹⁾ (in millions of euros)

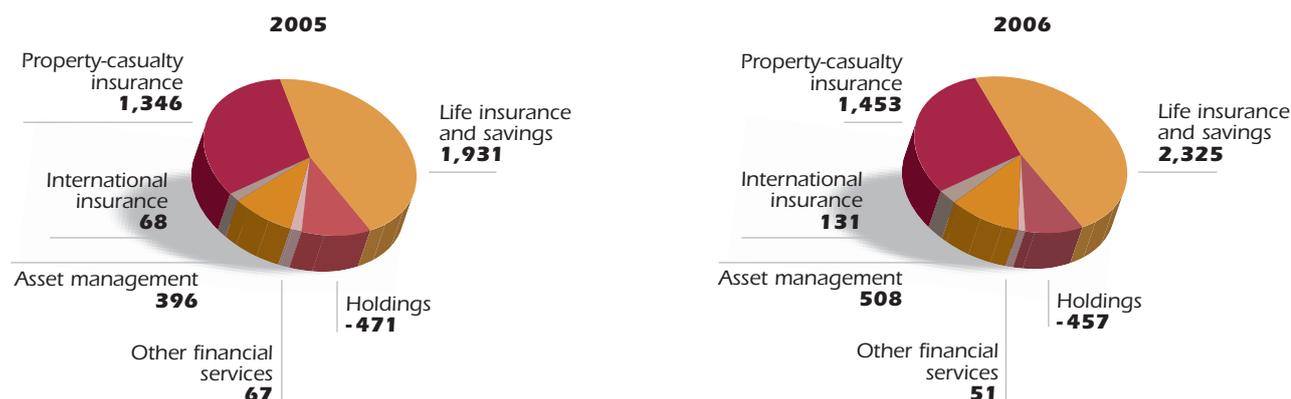


(4) Including Winterthur.

(5) Calculated on the basis of European Embedded Value (EEV). The method used to calculate EEV is based on a market consistent to ensure better apprehension of the risk assessment.

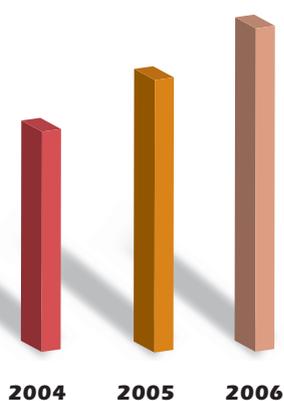
(6) to (9) See legend on page 12.

Analysis of underlying earnings by segment (in millions of euros)



Net earnings per share (EPS) ⁽⁶⁾⁽⁹⁾ fully diluted (in euros)

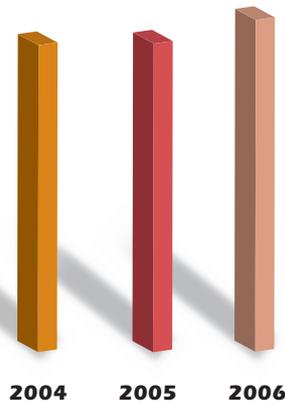
1.79* 2.21* 2.59



* Published: €1.78 (2004); €2.16 (2005).

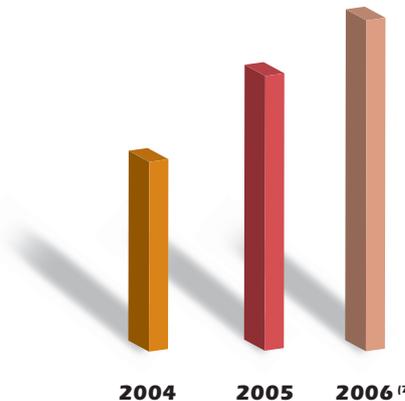
Payout ratio ⁽⁷⁾ (%)

40 40 43



Dividend per share ⁽⁸⁾ (in euros)

0.61 0.88 1.06



Consolidated balance sheet indicators

Net income group share (in millions of euros)	2004	2004	2005	2005	2006
	Restated ⁽⁹⁾	Published	Restated ⁽⁹⁾	Published	
Underlying earnings	2,730	2,637	3,337	3,258	4,010
Share of net capital gains attributable to shareholders	679	705	944	850	1,130
Adjusted earnings ⁽⁶⁾	3,409	3,342	4,281	4,108	5,140
Profit or loss on financial assets (accounted for under fair value option) and derivatives related to invested assets	416	428	122	149	-226
Impact of exceptional operations (including discontinued businesses)	10	10	-72	-72	196
Goodwill and other related intangible impacts	-41	-41	-13	-13	-24
Net income group share	3,793	3,738	4,318	4,173	5,085

(6) **Underlying earnings** correspond to adjusted earnings excluding net realized capital gains attributable to shareholders. Net realized gains or losses attributable to shareholders include:

- realized gains and losses (on assets not designated under fair value option or trading assets),
- change in impairment valuation allowance,
- related impact on policyholder participation net of tax (life business),
- DAC and VBI amortization or other reactivity to those elements if any (life business).

Adjusted earnings represent the net income (group share) before:

- The impact of exceptional operations (primarily change in scope, including restructuring costs related to a newly acquired company during the considered accounting period).

- Goodwill and other related intangible impacts, and

- Profit and loss on financial assets accounted for under fair value option (excluding assets backing contract liabilities for which the financial risk is borne by the policyholder) and derivatives related to invested assets (excluding (i) all impacts of foreign exchange except the ones related to currency options in earnings hedging strategies and (ii) those related to insurance contracts evaluated according to the "selective unlocking" accounting policy).

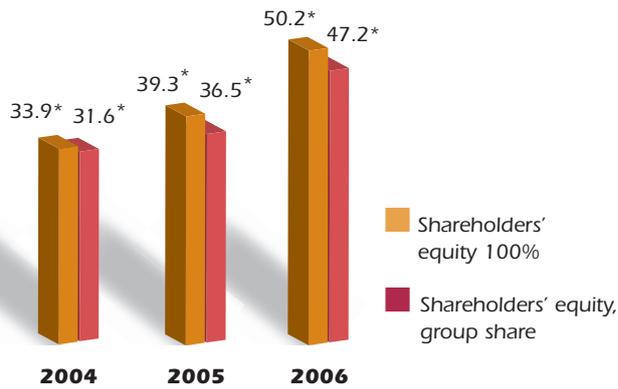
(7) Net dividend/Adjusted earnings.

(8) Shareholders will be asked to approve this dividend payout at their annual meeting on May 14, 2007.

(9) 2004 and 2005 restatement: (i) transfer of currency impact from underlying to adjusted earnings and (ii) after clarification from IFRIC following the IASB decision, AXA reclassified TSDI instruments (perpetual subordinated debt) as consolidated shareholders' equity for all periods presented in the 2006 financial statements with impact on net income.

Consolidated shareholders' equity ⁽⁹⁾

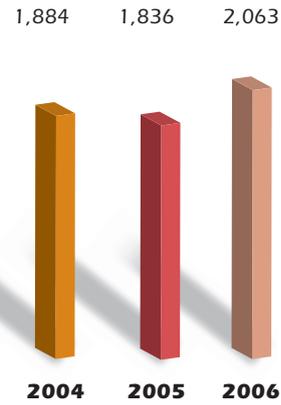
100% and group share
(in billions of euros)



* 2004 published: €30.8 billion of 100% shareholders' equity and 28.5 of shareholders' equity group share; 2005 published: 36.6 and 33.8.

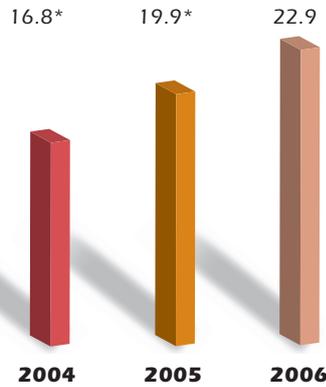
Number of shares

(in millions, excluding treasury shares)



Shareholders' equity, group share ⁽⁹⁾

per share
(in euros)



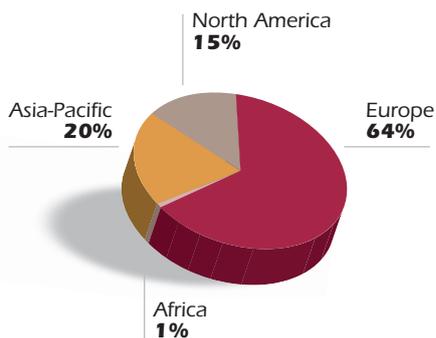
* Published: 15.1 (2004); 18.4 (2005).

Analysis of global workforce by geographic region

Total workforce

(sales and non-sales staff)

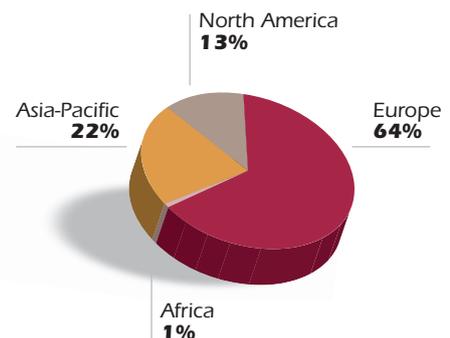
TOTAL
93,881



Total workforce

(including exclusive distributors)

TOTAL
122,644



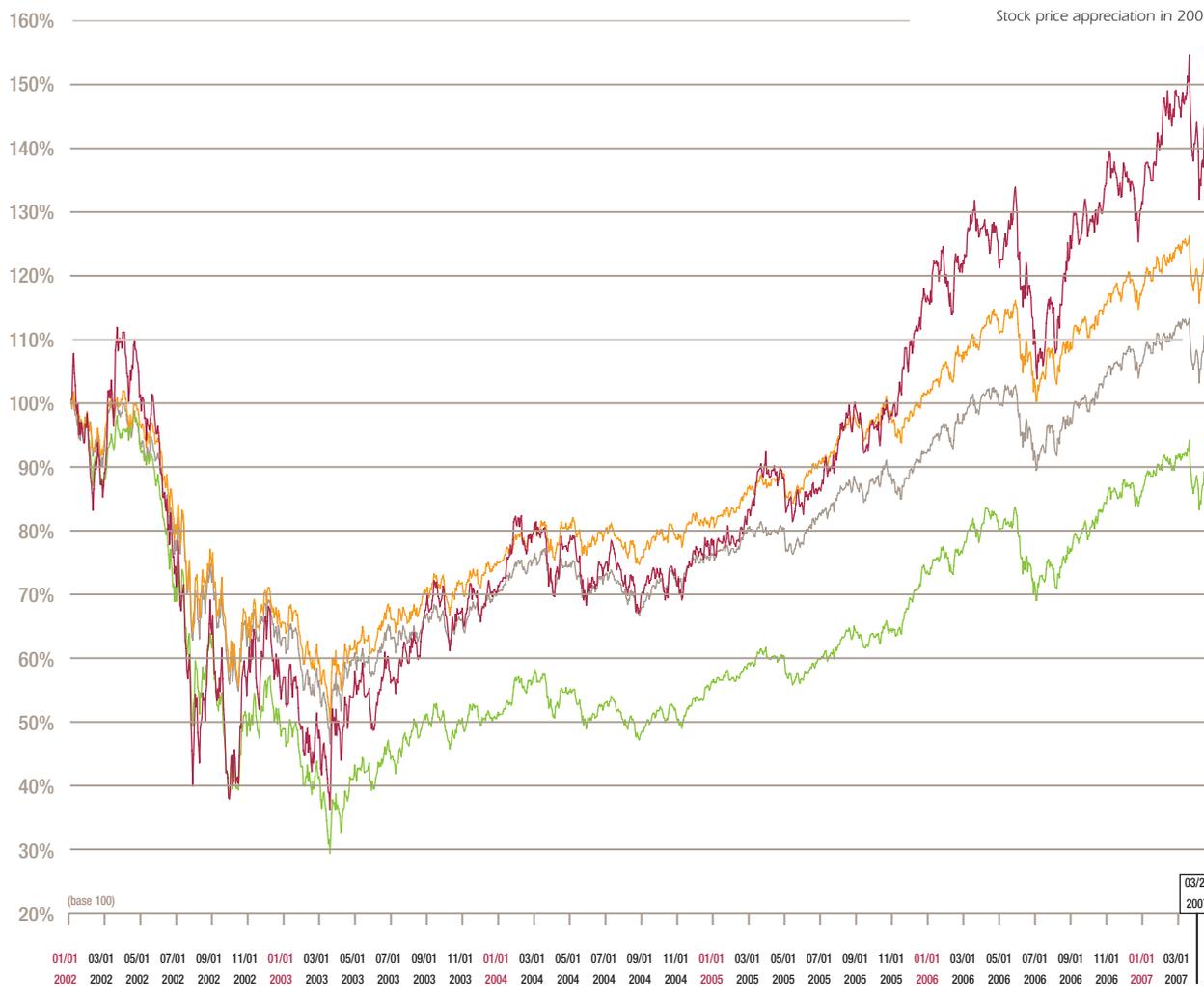
Stock price trends

AXA's stock price rose by nearly 15% in 2006, moving in line with the major global indices. The stock price was given a boost by the Group's robust earnings growth trend. Other highlights of the year included a capital increase carried out in July in connection with the acquisition of Winterthur, a transaction that further enhances the Group's degree of diversification.

AXA stock price trend — AXA — CAC 40 — Stoxx 50 — Stoxx Insurance

+14.7%

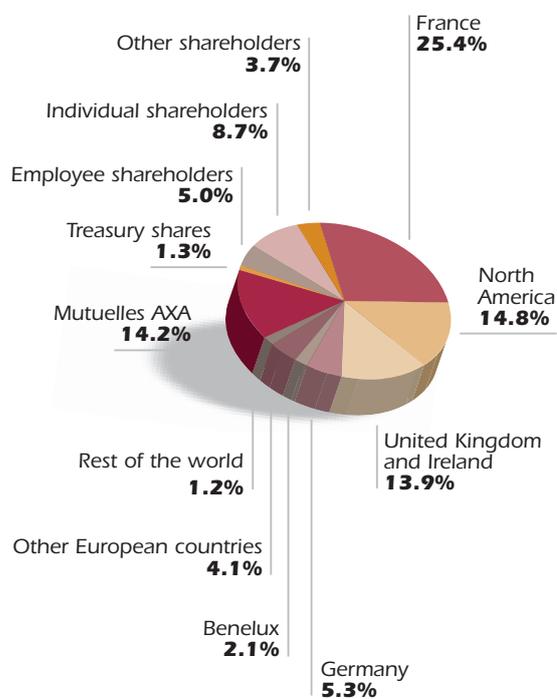
Stock price appreciation in 2006



	12/30/2005	12/29/2006	% change in 2006	03/29/2007	% change in 2007 through 03/29/2007
AXA	€26.74	€30.67	14.7%	€31.8	3.7%
Stoxx Insurance	244.37	286.35	17.2%	285.36	-0.3%
Stoxx 50	3,578.93	4,119.94	15.1%	4,180.07	1.5%
CAC 40	4,715.23	5,541.76	17.5%	5,631.53	1.6%

AXA shareholders

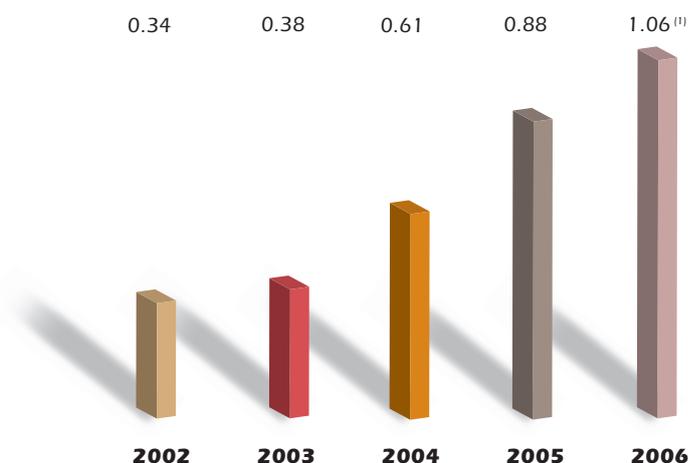
through December 31, 2006



Financial strength ratings of AXA's principal insurance companies

Agency	Rating	Outlook
Standard & Poor's	AA-	Stable
Moody's	Aa3	Stable
Fitch	AA	Stable

Dividend growth (in euros per share)



(1) Pending shareholder approval on May 14, 2007.

AXA stock price and trading volumes

	2002	2003	2004	2005	2006
High (in euros) ⁽²⁾	25.16	16.67	18.76	27.43	31.13
Low (in euros) ⁽²⁾	9.14	8.76	15.47	17.72	23.41
Closing at 12/31 (in euros)	12.37	16.65	17.83	26.74	30.67
Market capitalization at 12/31 (in billions of euros)	22	30	35	50	64
Average daily volume traded (in number of shares)	9,556,862	10,764,494	7,961,322	7,312,847	8,357,196
Number of shares at 12/31	1,762.2	1,778.1	1,883.9	1,835.6⁽³⁾	2,063.3⁽³⁾

(2) Highs and lows are based on closing prices.

(3) Does not include treasury shares, which are not considered outstanding shares under IFRS.

Social and environmental events in 2006



AXA Hearts in Action Challenge

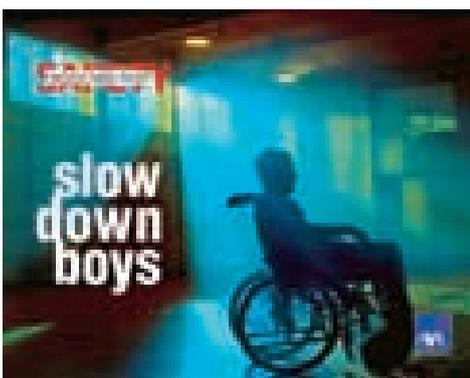
In early June, the Mediterranean Region organized its first AXA Hearts in Action Challenge ever. The chosen focus for this philanthropic debut was environmental protection, with related events rolled out in Spain, Morocco, Lebanon, Portugal and Italy. More than 2,000 AXA people rose to the challenge.

Rolling out ethical guidelines

Two years ago, AXA produced a compliance guide containing an explanation of the rules of conduct governing the daily actions of all Group employees, including industry-wide professional standards in force. The guide was updated and re-released in 2006, with new recommendations aimed at obtaining buy-in from all employees. Seventeen countries have officially implemented the guidelines, and compliance is measured on the basis of thirteen indicators.

AXA France earns the Equality Label

On June 7, 2006, AXA France was awarded an Equality label (*Label Égalité*) for its voluntary efforts to fight against gender discrimination in the workplace. One of the major thrusts of its policy is to reduce the wage gap. The label, which was created in 2005, recognizes the achievements of businesses that have adopted exemplary practices whose aim is to promote gender equality in the world of work.



When AXA stands for prevention

In the interest of reducing the risks to which its clients are exposed, the Group shares its expertise in the area of road accident prevention and road safety information. Since 2000, AXA Ireland has been particularly active in this area. And its efforts have paid off: the road safety awareness campaign it runs in schools and on television has resulted in a decrease in road related fatalities. AXA Ireland, which insures one of every four vehicles on the road in Ireland, has gained a high profile after seven years of committed work in this area. For many citizens of Ireland, the AXA brand has become synonymous with road safety.

Environmental reporting

Initiated in 2002 for AXA's operating units in France, environmental reporting was then gradually extended to Germany, the United Kingdom, Australia, Spain, Belgium, Italy and Portugal. In 2006, another 13 countries adopted the practice. Now, 21 countries, 45 companies, 134 facilities and 160 participants have access to Responsibility Web, the IT resource developed to facilitate the environmental reporting process.

Carbon Disclosure Project – SBF 120

For key industries—including tourism, energy, transportation and insurance—climate change constitutes a risk of the same magnitude as the exchange or interest rate risk. That is why AXA decided to strengthen its partnership with the Carbon Disclosure Project by supporting the rollout of its annual questionnaire to the 120 largest corporations in France. For the first time, the SBF 120 survey assesses the threats and opportunities that global warming poses for these businesses.



AXA Award for Corporate Sustainability

Working under the auspices of the European Business Awards, the AXA Group decided to officially recognize best practices in the area of social responsibility by initiating an AXA Award for Corporate Sustainability. The award, which offers direct support to businesses that show a strong commitment to the prevention of environmental, social and corporate governance risks, is a natural extension of AXA's core business.

Sustainable development steering committee

In January, AXA formed a steering committee devoted to sustainable development issues. A collaborative group, the committee has been charged with the task of tracking the status of the Group's strategic priorities in this as well as their implementation.

New look and feel for the axa.com website

The "Responsible Corporation" section of AXA's corporate web site was completely overhauled. It now provides more detailed and in-depth information on AXA's sustainable development philosophy and approach. It builds on certain themes or elements presented in the annual activity and sustainable development report.





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ENGAGED AND MOTIVATED PEOPLE—
A DRIVER OF SUCCESS

FINANCIAL PROTECTION— A BUSINESS WITH A STRONG HUMAN ELEMENT



1,315
BILLION EUROS IN ASSETS
UNDER MANAGEMENT ⁽¹⁾

In a globalized environment which is difficult to decipher, our clients feel a growing need for protection against the risks that surround them. This is why AXA has opted to describe its core business as Financial Protection and to focus on offering relevant advice and solutions for its clients throughout their lives.

Financial Protection captures the conception AXA has of its business and how it should be conducted. This original coinage covers every aspect of the Group's business of protecting people and property: life insurance and retirement savings, property-casualty insurance, health insurance, personal protection, asset management, assistance, legal expense coverage, etc.

A customized approach

A business with a strong human and social dimension, Financial Protection also offers a personalized approach to the client. AXA supports its clients at every stage in their lives by helping them to manage their risks—whether personal or commercial—and their financial assets. Financial Protection also expresses the promise of a close and durable relationship founded on care and advice that offer guidance to clients, both individuals and businesses, as they make important decisions. AXA's corporate mission is to ensure that its clients feel protected and supported thanks to its full range of products and services. By continuously enhancing this product and service range through innovation,

AXA can consolidate and boost its organic growth, satisfy its clients by responding to their evolving needs, and win new customers. Over and above products, though, AXA believes that what makes the difference is the quality of the customer relationship. This relationship is strengthened through the ability to offer relevant advice, build solutions adapted to client needs and manage these solutions optimally. This is how AXA's people, united under the banner of Financial Protection, help customers be life confident. Aware of the contribution its industry makes to the social and economic development of the countries in which AXA is present, the Group seeks to do business responsibly by living up to consistent commitments to clients and employees, as well as to shareholders, suppliers, the community at large and the environment.

A long-term business in a growth market

The risks to which we are exposed, as well as the perception we have of them, are durable drivers of the Financial Protection market. Demographic aging, mounting threats to health and their related costs,

AXA AND RETIREMENT: CLIENT INSIGHT LEADS TO BETTER ADVICE

In the interest of offering the most adapted solutions to its customers around the world, AXA conducted its AXA Retirement Scope survey for the third year in a row last year. In 16 countries—located in Europe, North America and Asia-Pacific—AXA interviewed nearly 12,000 individuals to gain insight into public opinions and ideas about retirement and compare them with reality. The survey findings reveal that those who actively prepare for retirement have a more positive experience of this period of their lives. For AXA, retirement is about more than just numbers: it is first and foremost listening to people and understanding their needs.



AXA EARNED
79 BILLION EUROS
IN CONSOLIDATED REVENUES



retirement funding, the intensity and recurrence of natural disasters, the uncertainty factor in the financial markets, terrorism—these contingencies fuel both the growing aversion to risk and the heightened need for protection, which AXA seeks to decipher and adequately address. Above all, these underlying trends are opening up promising avenues of development for the Group, whose business is long-term by nature and global in scope. Moreover, the desire for personal services—in life and savings as well as in property-casualty insurance—is growing. In 2006, AXA posted double-digit revenue growth across the board.

AXA, the strength of a global brand

The Group has opted to do business under a single brand—AXA—in order to leverage the consistency of its Financial Protection strategy globally and raise the profile of its businesses around the world. The glue that binds the Group, the AXA brand has been further strengthened in recent years by the “Be Life Confident” tagline. Optimistic and close for the 52 million clients who have placed their trust in AXA.

AXA, financial strength and expertise

To measure the quality of its image, the Group regularly conducts a survey that spans 11 countries and focuses on indicators with a direct impact on sales: brand awareness, image, consideration and preference. The survey underscores the strength of the AXA brand, primarily in Europe, and confirms that AXA is perceived in its key markets as a financially sound organization with solid expertise in its core businesses. Capitalizing on its international network, the AXA Group identifies best practices in the area of communications and adapts them for reuse locally. One such example is the “AXA Plan” campaign, which was initially developed for the Australian market and then adapted for rollout in the Asia-Pacific region and in Europe. This approach is consistent with the brand strategy and also enables the Group to pool its advertising investments.

(1) Including Winterthur.

For more information, go to:
www.axa.com/en/group/vision

WORKING TOGETHER TO BUILD THE PREFERRED COMPANY



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MILLION CUSTOMERS
ACROSS THE GLOBE HAVE
CONFIDENCE IN AXA

A global player in the Financial Protection industry, AXA has been working since 2005 toward the goal of becoming the preferred company of its clients, its employees and its shareholders. The corporate challenge *Ambition 2012*, which is actively embraced by those who work for AXA, seeks to differentiate the Group in all of its core businesses through the quality of its services and its organization.

The primary thrust of the Group's strategy is to consolidate and harness organic growth—i.e., to reinforce AXA's ability to acquire and retain new clients by offering innovative products and high quality service. In late 2006, a Group-level marketing department was created to further this dual aim. Being the company of choice for its clients means making a perceptible difference in terms of the quality of relationships, advice and solutions. Being the preferred company of employees entails acting on the levers of Group affiliation and motivation—career management, empowerment and recognition. Winning the preference of shareholders is a question of responding to their expectations in terms of trust, openness and value creation.

Strategy: striking the balance between organic and external growth

AXA's strategy is built around a set of fundamentals: the Financial Protection business, development in three major business segments (life insurance and savings, property-casualty insurance and asset management) and

targeted presence in the world's key markets. Working from this base, the Group seeks to strike a reasonable balance between organic growth and growth by acquisition. Accordingly, the quest for operational excellence, which is focused primarily on customer satisfaction, does not preclude taking advantage of opportunities that arise to make targeted acquisitions in certain key markets. The acquisition of the Swiss group Winterthur is consistent with this strategy. In an industry that is undergoing concentration, this transaction reinforces AXA's position in five strategic Western European countries, and allows the Group to build on its presence in a number of high-growth markets, particularly in Eastern Europe and Asia. Winterthur's lines of business supplement and strengthen AXA's existing distribution channels and product range, and also enhance the Group's degree of geographic diversification.

Diversification—a winning bet

Today, AXA is a global player of the first rank. Over the course of the last few years, the Group has stepped up its level of geographic diversification in Europe, North America and Asia. In 2000, 78% of

WINTERTHUR, A STRATEGIC ACQUISITION

With the acquisition of Winterthur, AXA wrote a new page in its history. Switzerland's number one insurer ranks among Europe's ten largest insurance companies, and has solid positions in markets where AXA seeks reinforcement. In addition to their excellent business and geographic fit, the two groups shared similar corporate cultures and organizations, which contributed to a successful integration. AXA's past experience in the area of acquisitions paid off as well: less than six months after the merger was announced, and before the year 2006 came to a close, the companies resulting from the alliance had already formed their management teams.



AXA's consolidated revenues were produced by just three countries. In 2006, the same percentage of business was spread over fifteen countries. AXA's diversification has also impacted its core business mix, leading to a better balance between its three strategic segments (life insurance and savings, property-casualty insurance and asset management). Diversity in terms of the types of risks underwritten has also created a pooling effect: for example, mortality risks are offset by longevity risks, insurance risks by financial risks, and so on. Finally, diversification is also achieved through a balance between proprietary and non-proprietary distribution channels. Taken together, these elements contribute directly to achieving a better spread of risks.

Opting for multi-channel distribution

Cultivating multiple distribution channels is the modern way to deal with shifting patterns of consumption among clients who are increasingly mobile and well-informed, and who want to choose the channel through which they access AXA's products, services and advice. As clients

become more demanding, the multi-channel approach enhances sales efficiency. It ensures more extensive field coverage, multiplies the opportunities for establishing contact with the client, and plays an essential role in customer satisfaction. Complementary and adaptive, distribution channels allow the company to achieve an optimal balance in terms of how different client segments are approached. Half of AXA's products are sold via exclusive channels comprised of general or specialized agents, the salaried sales force, direct sales and e-insurance (policy purchase via the Internet). The other half are sold by non-exclusive sales channels that include insurance brokers, independent financial advisors, banks and businesses with which AXA has formed partnerships. The Group strives to achieve the optimal fit between these various distribution channels. In the interest of best meeting client needs—whether this means responding to a specific request or providing a solution that AXA has not developed in-house—the Group may also distribute products designed and manufactured by other companies. This is what we refer to as “open architecture.”



AXA MEASURES THE QUALITY
OF ITS IMAGE IN

11 COUNTRIES

The advantage of global reach

Other than pooling risks, the Group's international stature procures a number of different commercial benefits. The creation of regional platforms (the Mediterranean region in 2003 and Northern Europe in 2005), which was possible once critical mass was attained, is just one example. Operating units located in the same region pool their resources to reduce the cost of doing business and generate productivity gains. This organization promotes the sharing of expertise and steps up the pace of rolling out product innovations by significantly reducing time to market. This model, which helps to ensure optimal exploitation of commercial and industrial synergies, is also applied to information systems and technology. AXA Tech, a business unit set up to manage the IT infrastructure of AXA's largest operating units, established in 2006 an AXA Tech organization dedicated to servicing the Mediterranean region. Pooling leads to improvements in performance level and service quality while lowering costs. It also encourages employees to organize their work regionally. In the same vein, the shared services center AXA Business Services, based in India, carries out back office, customer service and claims management tasks for AXA operating units located in Australia, the United States, Japan and the United Kingdom. Finally, AXA has implemented a Group-level procurement policy to negotiate the best prices for globalized purchases.

Substantial financial strength

AXA's consolidated financial structure allows the Group to maintain its distribution payout policy and self-fund its organic growth, even during periods of financial market depreciation. Thanks to this flexibility, the AXA Group can use its debt financing capability and seize opportunities for external growth that arise. For example, the acquisition of Winterthur was financed using a balanced combination of debt and equity. Since 2000, AXA has been assessing its capital requirements with the help of customized analytic tools developed internally. Its model for calculating economic capital measures the relative risk to its businesses in extreme hypothetical situations and determines the level of capital needed to meet policyholder obligations on a global scale—and not just locally. In fact, this economic capital modeling tool demonstrates that the amount of capital needed to cover all of the business of the AXA Group is lower than the sum of the needs of each entity taken individually. This is just one of the benefits of the Group's diversification in terms of geographic presence and core business lines. In the near future, the results of AXA's model for determining economic capital requirements will be used to calculate the Group's solvency margin in accordance with Europe's Solvency II standard. Scheduled to go into effect in 2010, Solvency II will impose new guidelines on insurance companies in Europe for assessing risk management. Anticipating these guidelines should help the Group reinforce one of its competitive advantages.



What I like best about AXA

“ When product innovation benefits everyone

An innovative product that was successfully introduced in the US market, Accumulator is now being adapted for use by other Group entities. A novel response to today's retirement funding needs, Accumulator combines the possibility of high stock market returns – via investments in the market's best-performing equity funds – and longevity guarantees, even in the event of market downturn.

In Germany, TwinStar got noticed just months after its launch, winning the Financial Advisors' Prize in the unit-linked product category. Using this same Accumulator toolbox, AXA Japan also designed a product adapted to its market and clients. Accumulator Platinum, denominated in dollars, meets the needs of high net worth investors, while Active Generation, denominated in yens, addresses the needs of 90% of the Japanese population, for whom funding a supplemental retirement account is a fundamental concern—after all, Japan holds the world record for longevity! In 2007, several other similar products will be introduced by the Group's European entities, echoing a strategy of innovation at the service of clients.

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Claude A. METHOT

Head of products and innovation,
AXA Group marketing department



RISING TO THE CHALLENGE OF SUSTAINABLE DEVELOPMENT



69

INDICATORS USED TO MEASURE
THE ENVIRONMENTAL MANAGEMENT
OF FACILITIES

The very nature of its business, which is founded on the notion of pooling risks over the long term, encouraged AXA to place its approach to sustainable development at the heart of its business activities. In doing so, it seeks to anticipate, prevent and manage—responsibly—the risks to which its clients are exposed, while also considering the needs and expectations of its employees, shareholders and suppliers.

In 2005, AXA crafted a sustainable development strategy that allies general corporate citizenship priorities and a set of business-specific priorities. The first pillar seeks to cultivate a strong sense of corporate responsibility with respect to key stakeholders—the environment in particular. The second pillar involves placing sustainable development at the heart of AXA's insurance and asset management businesses. Accordingly, in 2006 AXA's operating units completed a self-assessment scorecard to determine their priorities, and the first action plans were incorporated into the Group's three-year rolling strategic plan for the 2007-2009 period.

Conduct business responsibly...

AXA's approach to social issues is improvement oriented. In the area of human resources, for example, the Group's focus is on promoting equal opportunity and respect for diversity by integrating these values into its methods of hiring and management. In the area of the environment, AXA uses an environmental management system for its operating facilities that integrates a global process of measurement

and reporting based on 69 indicators. Individual operating sites are responsible for implementing action plans that will enable them to achieve the Group's consolidated objectives with respect to reducing energy, paper and water consumption and CO₂ emissions, and the management of electronic waste disposal.

... to the very core

Through its Financial Protection business, AXA is one of the market's leading institutional investors and insurers. This puts the Group in an ideal position to actively initiate and support activities and behaviors that are consistent with the principles of corporate responsibility and sustainable development. Taking this responsibility seriously is a key factor in differentiation and innovation, and AXA has accordingly set priorities for its three core businesses: property-casualty insurance, life insurance and savings, and asset management. In the property-casualty sector, AXA's top priority is to improve risk prevention efforts by intervening as far upstream as possible, particularly in the area of health, commercial and environmental risks. From July 2006 through March 2007, AXA France

CARBON DISCLOSURE PROJECT – SBF 120: FIRST EDITION

The most recent Carbon Disclosure Project (CDP) was signed by 225 institutional investors with collective assets of more than 31.5 trillion dollars worldwide. Its aim is to inform the financial community of the threats to and opportunities for business related to the carbon constraint and climate change. Previously, the CDP request for information was sent out to the world's 500 largest corporations (FT 500). Last year, for the first time and thanks to a partnership between AXA and ADEME (Agence de l'environnement et de la maîtrise de l'énergie), the questionnaire was extended to France's top 120 corporations (SBF 120). The first edition garnered a response rate of 45% and revealed a mixed scorecard. As attested to by the difference in the quality of the responses observed between sectors or within the same sector, French businesses have not yet adequately integrated the challenge of climate change into their strategy. Moreover, improvements are needed in terms of the quality of the disclosures to investors on this subject.



1,440 RISK AUDITS PERFORMED FOR
302 CLIENTS IN **57** COUNTRIES



offered preferential rates for hybrid vehicle insurance policies, with a 50% reduction for collision and damage coverage. The Group is also developing research into emerging risks and innovative products, such as the special drought insurance policy for an international humanitarian aid agency in Ethiopia that was created by AXA RE⁽¹⁾. In the life insurance sector, AXA has made retirement its number one concern. AXA's Retirement Scope survey was designed to detect trends, so that the public can be educated and innovative solutions in terms of investment products and related services can be devised. In the asset management sector, the key challenge is to strengthen corporate governance around a responsible proxy voting policy and to incorporate extra-financial criteria into traditional investment management and stock-picking processes. This is already the case with the new special-purpose funds, the micro-finance fund policy, and the gradual inclusion of extra-financial criteria into the search for superior performance.

(1) AXA RE has since been sold to PARIS RE Holdings, in which AXA is a shareholder.

*A promise made,
a promise kept*

Developing risk prevention

AXA Corporate Solutions has developed a safe driving software program (Scope2) for the use of its commercial clients with motor fleet insurance policies. This tool, which has no equivalent in the market, enables users to gain insight into and hence learn to avoid the dangers of the road. It features four interactive modules that alert drivers to the dangers of the road, help them analyze an accident from every angle, present eleven simple rules of safe driving, and test the lessons acquired through the training. More than 30,000 individuals have already completed the modules, a process that takes about two hours, including the test at the end.

A responsible company

For more information, go to:
www.axa.com/en/responsibility

PUTTING OPERATIONAL EXCELLENCE TO WORK FOR CLIENTS



OPTIMIZED CLAIMS MANAGEMENT
FOR BETTER CUSTOMER SERVICE

To gain the preference of its clients, AXA has chosen to differentiate itself by focusing on product innovation, the proximity of its distribution channels, and the quality of its service. This approach is underpinned by an ongoing quest for operational excellence.

How do we become the preferred company?
To answer this question, AXA has identified five levers of change in connection with Ambition 2012. These levers, or priorities, are designed to boost growth and together comprise the business model that guides AXA's actions. While the first three – product innovation, distribution and service quality – have a direct impact on the way clients perceive the company, the other two – technical excellence and productivity – make an equal contribution to the Group's performance in its core businesses, albeit a less visible one.

Reinventing the products, rethinking the range

Innovative and competitively priced products, designed to meet the stated needs of our clients, are effective tools of acquisition and retention. Identifying these needs in order to build an appropriate product and service mix forms the foundation of AXA's innovation effort. This is the logic behind the current deployment of supplemental funded pension plans with guaranteed benefits. In life insurance and asset management, the Group's aim is to reinvent coverage guarantees, establish its position in the

reverse mortgage market and gain access to bank savings vehicles. Innovation is also on display in AXA's property-casualty segment, with services intended to simplify life for clients, whether they are individuals or businesses. This is the case of the survival kit marketed by AXA Entreprises in France, which offers a turnkey crisis management unit to deal with a major loss event. Similarly, a more refined segmentation of the product and service range leads to promising opportunities for innovation: the *Forfait 8,000 km* motor insurance product in France is just one example. This package offers drivers with low mileage insurance premiums that are adjusted to their profile. It was also rolled out in Canada, under the name *Forfait 10,000 km*. Also in Canada, the motor insurance policy *Assur'elle* was specifically designed for active women, featuring coverage adapted to their particular needs. In Belgium, the Happy Generation line of products addresses the special needs of senior citizens.

Developing distribution channels

The point of entry in the relationship with clients is the sales channel. It stands to reason that the quality and efficiency of AXA's sales channels are critical



to AXA's ability to achieve its objective of becoming the preferred company. In fact, ease of access and the way clients are treated the first time they come into contact with the company often determine their lasting impression. Accordingly, AXA has rolled out a distribution strategy that combines the reinforcement of traditional sales channels and the development of new ones (Internet, direct sales, partnerships). Every AXA operating unit in the world finds inspiration in best practices and success stories from other countries as it consolidates its own distribution strategy. The AXA Group devotes considerable resources to promoting these exchanges. A successful experiment in the United States, aimed at retaining the company's most productive agents, and a number of initiatives conducted in France to recruit general agents from among the company's workforce and extend the network of specialized life insurance agents are serving as inspiration in Asia as well as in Europe. The same is true of initiatives taken by AXA Advisors in the United States, in the area of agent tutorials and regrouping, designed to improve the efficiency of Accumulator distribution: these initiatives will be adapted for use in France, Germany, Japan and the

Mediterranean region. These countries may also get some good ideas from the sales organization set up to offer sales support to distributors of Accumulator.

Improving service quality

Delivering high level service quality begins with in-depth knowledge of the needs of our clients at key moments in our relationship with them. In 2002, AXA initiated AXA Way, a structured program for analyzing customer concerns. Four years later, this service-oriented approach drives a genuine process improvement culture. The progress made, in terms of both quality and efficiency, have played a key role in improved levels of customer satisfaction. The surveys conducted in connection with Customer Scope and, since year-end 2005, with the new tool for measuring distributor satisfaction—Distributor Scope—measure customer satisfaction on a regular basis. In 2006, most of AXA's operating units developed a strategy for differentiating themselves from competitors by delivering superior quality service. AXA Way resources were used extensively for this project, which, by 2007 had translated into service level commitments to end clients or distributors on the part of AXA companies.

DISTRIBUTOR SCOPE

For the second year in a row, a large survey of distributor satisfaction was conducted, covering twelve countries that taken together account for 93% of AXA's revenues. Almost 18,000 distributors took part in the process, expressing a degree of satisfaction that was globally on the rise—particularly in areas such as service quality, product innovation and distribution management. Of those surveyed, 48% contributed suggestions and remarks that will be used to identify new sources of improvement.

CUSTOMER SCOPE

Since 1999, AXA has been measuring the satisfaction of clients who have come into contact with the company in the preceding twelve-month period. In 2006, out of more than one million customers queried in 21 different countries, 136,720 responded. Overall, 86% of those who responded said they were "extremely satisfied" or "very satisfied."



Continuous improvement in core business expertise

AXA's long-term survival and profitability are linked to its technical mastery over three areas: risk underwriting, claims management and the management of assets or the company's capital. Technical mastery also guarantees better risk pricing for clients while meeting the profit targets of the company and its various stakeholders. In October 2006, AXA announced its first successful attempt at securitizing the mortality risk. The Group thus became the first primary insurer to put in place this innovative risk management tool, which transfers a sub-investment grade mortality risk layer to the capital markets.

The performance of AXA Investment Managers as an asset manager is regularly singled out for recognition in both Europe and Asia. In 2006, AXA Investment Managers won 88 awards. In October, Financial News named AXA IM French Asset Management Firm of the Year and AXA Rosenberg Quant Manager of the Year. At the same time, AXA Framlington in the UK was given top ranking in the Europerformance/EDHEC's Alpha League Table. AllianceBernstein won more than 80 awards in 2006, the most prestigious of which are listed below:

- The 2006 European Equity Manager of the Year (Financial News) – for the second year in a row;
- The Best European Equity Fund, risk-adjusted performance over 5 years (AsialInvestors), for the Bernstein European Value Fund;

- Its selection, along with nine other global investment managers, to manage China's national social security fund.

The quest for improved operational efficiency

Improving quality while managing costs is achieved by simplifying and adapting business processes and organizations. In addition to exercising strict control over IT expenditure, which is done in part by streamlining and converging information systems, the claims management measures taken to reduce losses on claims and fight against fraud led to





savings in excess of 100 million euros in 2006. Looking beyond these gains, AXA intends to make better use of its expertise in the area of procurement to reduce costs and improve the level of service delivered to customers. To further this aim, in 2006 AXA intensified its partnership with the world's leading auto glass repair and replacement business by taking steps to encourage repair rather than replacement of broken windshields. AXA is also capitalizing on its geographic diversification to seize opportunities that will enable the Group to improve client service and productivity.

AXA Business Services, AXA's wholly-owned subsidiary based in India, has been carrying out management services on behalf of AXA's affiliates in English-speaking countries and Japan since 1997. Similarly, since 2004 the Group has been conducting a pilot experiment whereby Direct Assurance in France receives support from Morocco. AXA France plans to recruit 1,500 employees to complete administrative tasks. For the Group, creating jobs in countries such as India and Morocco also contributes to achieving a better and more sustainable economic and developmental balance between the North and the South.

What I like best about AXA

“ Making the difference

In October, AXA Way celebrated the successful completion of its one-thousandth project. This successful experiment was initiated by AXA France's financial partners department. This particular department of AXA France sells its products through several different channels, drawing a great deal of support from a network of 650 independent financial planners (CGPI). One of the services that this network offers to clients is the option of switching from one investment vehicle to another at any time. This option is a key element in improving the quality of service we deliver. In 2005, the CGPI's expectation was a ten-day turnaround, while the average processing time was 21 days. Today, thanks to the AXA Way project conducted on this process, management promises to get it done in six days (excluding postal service delivery delays). The solutions chosen include an online tool that can be used to transmit legal instruments directly to the customer service department and a less restrictive administrative procedure. These solutions were the work of joint collaboration between the legal and technical teams at AXA France.

Brigitte DETAILLEUR

Private management and financial partnerships department – manager, AXA France customer and distributor service

”

ENGAGED AND MOTIVATED PEOPLE— A DRIVER OF SUCCESS



MORE THAN
150,000
PEOPLE WORKING TOWARD
THE SUCCESS OF THE GROUP⁽¹⁾

Because AXA is in the business of providing services, the people who work for the company are its principal source of wealth. Their motivation is the essential driver behind AXA's success in becoming the preferred company in its industry. For the Group, the competencies and engagement of its employees generate performance and make the difference in the eyes of the customer.

Promoting individual engagement

To reconcile the personal development aspirations of employees and organizational performance, AXA promotes a management style that empowers people, based on a set of strong core values: professionalism, innovation, pragmatism, team spirit and integrity.

The Group's human resources policy seeks to encourage employee motivation, support employee efforts to improve skills and strengthen their leadership. Providing a constructive workplace environment is one of the keys to obtaining engagement from each employee, as is the example set by top executives. The level of employee engagement to the company is regularly measured via Scope, an in-house survey conducted annually since 1993.

The Group strives to provide employees with reliable information on the company's top priorities, to work with them on setting clear individual objectives, and to give all employees the opportunity and management support needed to refine their competencies or acquire new ones. This policy is also based on the notion of fair pay and performance-based systems of reward and

recognition, which contribute directly to retaining a high-quality workforce.

In addition, AXA's employment policy is based on respect for the Universal Declaration of Human Rights, the standards promoted by the International Labor Organization and the principles implied by AXA's membership in the Global Compact⁽²⁾.

Cultivating diversity and fighting against discrimination

AXA's human resources policy places great value on the diversity of its workforce. This policy recognizes and respects individual differences, values a variety of experiences and cultures, and takes account of the contribution and merit of every individual. Group operating units have been asked to develop diversity plans to ensure that these principles translate into measurable achievements in this area. These plans are structured around three basic themes: educating employees on these issues, promoting non-discriminatory management practices, and developing tools for monitoring and analyzing diversity. Starting in 2007, these plans will be

AXA UNIVERSITY AND THE PROFESSIONAL COLLEGES

Launched with the support of AXA University, the Professional Colleges were developed to address the Group's need for teams of highly-skilled professionals.

The aim of all programs rolled out under the auspices of the Professional Colleges is to allow AXA employees to review and update occupational techniques, promote the active exchange of ideas, and step up the pooling of best practices. The Professional College programs are also intended to familiarize employees with aspects of the Financial Protection business and develop leadership in managers. The first seminars were devoted to risk management, financial control, information systems, accounting and procurement. Designed and led by AXA experts working in partnership with internationally-renowned academics, the seminars should reach 5,000 employees between now and 2012.

Christoph JORDI – Group head of training and development and director of AXA University



47% WOMEN

53% MEN



evaluated on an annual basis. Equal opportunity also lies at the heart of the Group's human resources policy. Every employee – regardless of gender or age – is entitled to fair treatment, in areas such as hiring, advancement within the company, compensation and training. For example, AXA France decided recently to earmark 750,000 euros over a period of three years for the purpose of closing the gender-related wage gap. In addition, AXA France received the equality label (*Label Égalité*), which recognizes leading practices in the area of promoting gender equality.

Enhancing and building competencies

For a business facing rapid change in traditional markets, the ability of its people to adapt is a prerequisite to performance. This depends in large measure on the competencies and mobility of employees. During the annual performance appraisal, which was recently enhanced by the addition of Passport 2012—a longer-term, individual thought process—the employee and his or her direct manager identify training and development needs and discuss skills that need

to be acquired or refined to improve performance in the current job and grow professionally. Indicative of its level of commitment in this area, AXA granted on average nearly one week of training to every employee in a sales-related position in 2006. AXA University also plays a preponderant role in raising the level of competencies. This year, AXA University was highly involved in the development of Professional Colleges, whose aim is to train and retain teams with top-level competencies in their particular area of expertise. Finally, AXA's scale and international reach put it in an ideal position to multiply the opportunities for mobility. International mobility is highly encouraged, as is mobility within each entity. With its *Cap Métiers* program, AXA France has made this goal a reality: since 2004, 30% of its workforce has been trained and, as a result of the new skills learned, changed jobs.

Compensation and benefits

The Group's pay policy is based on a wage package that always includes a fixed salary, profit-sharing and employee benefits, and—for 18% of its employees—a variable pay

COMMENTS ON HR DATA

In 2006, AXA had more than 120,000 employees, marking an annual increase in its total workforce of close to 10%. This increase is primarily attributable to growth in the number of distributors in the emerging countries, where the Group is pursuing a policy of developing and acquiring distribution channels. This is particularly true in China, India, Thailand and Indonesia. With the acquisition of the Swiss-based Winterthur in December 2006, the Group has added more than 30,000 employees to its global workforce (non-consolidated data through year-end 2006). In addition, the Group is taking active steps in the areas of recruitment and responsible management of employment. Open-ended employment contracts rose by 25% compared with the 2005 data for non-sales staff and by 15% for sales personnel. Moreover, the transformation of fixed-term contracts into open-ended ones increased by 25% for non-sales staff and by 93% for sales personnel.



5.02%
OF ITS SHARE
CAPITAL IS
IN THE HANDS
OF AXA EMPLOYEES⁽³⁾



component. Taken as a whole, the package is equitable and performance driven. The rules governing pay are established with the aim of ensuring that compensation is competitive compared with the market, personalized on the basis of criteria that reflect competencies, and determined by team and individual performances. Employee stock ownership, encouraged through the Shareplan program, also seeks to build and reward employee engagement. In 2006, AXA offered 90,000 employees in 32 countries the opportunity to take part in a special capital increase reserved for them. Attesting to employee confidence in the Group's development strategy and its Ambition 2012 challenge, more than 29,000 employees answered the call and invested in 2006, subscribing for more than 375 million euros in all, an increase of more than 23% compared with 2005. Today, AXA's employees together own 5.02% of the equity capital⁽³⁾. With respect to employee benefits, the Group's policy is to share with all of its employees, worldwide, the fruits of its expertise in the areas of personal protection, worker's compensation and occupational illness coverage, retirement benefits, etc. Currently, 64% of AXA's employees have full supplemental benefits and 16% have partial supplemental benefits.

Promoting labor-management dialogue

A healthy dialogue between labor and management provides the level of stability needed to ensure successful implementation of the Group's strategy for growth. AXA's approach can be described as pluralistic. Each operating unit is responsible for conducting ongoing and direct dialogue with employees or their designated representatives that furthers and safeguards the interests of both parties.





IN FRANCE,
30%
OF THE WORKFORCE
HAS TAKEN PART IN THE CAP
MÉTIERS PROGRAM SINCE 2004

In addition, AXA was one of the first companies in its industry to have formed a European Works Council (EWC). Based on the extent of its remit, AXA's EWC is an avant-garde organization.

In 2004, a European agreement on conducting labor-management dialogue was signed with the "social partners," lending additional legitimacy to a constructive practice that was already well-ingrained. Moreover, AXA's annual employee attitude survey Scope, originally introduced in 1993 at the Group level, illustrates

management's willingness to listen to what employees have to say.

(1) Includes Winterthur.

(2) Launched in July 2000 by the UN Secretary General, the Global Compact is an initiative whose aim is to unite businesses, UN organizations, the business world and civil society around ten universal principles related to human rights, labor standards, the environment and the fight against corruption.

(3) Includes the capital increase due to acquisitions made in 2006.

What I like best about AXA

“ The health passport for AXA Canada employees

In the interest of making its employee benefits coverage even better, AXA Canada offers its staff a health passport (Passeport Santé). When it took a closer look at the rate of absenteeism due to illness, the company realized that it was in everyone's best interest to adopt a prevention-oriented, upstream solution. With the support of an outside partner, AXA Canada launched Passeport Santé to gather information on a voluntary basis using a questionnaire, supplemented if need be with medical examinations. The confidential health assessment that was drawn up for each employee is now updated annually, especially in cases where recommendations were made. This prevention-based policy also includes awareness-raising drives six times a year on a variety of topics. For employees, the upside is free medical follow-up; for the company, it is an improved health risk.

Lucie MARTEL
Vice-president of human resources at AXA Canada





CONFIDENCE
IS GROWTH

BUSINESS ACTIVITIES WORLDWIDE

38

FRANCE—LEADERSHIP BACKED
BY SUSTAINED GROWTH

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THRIVING IN A GROWTH MARKET

FRANCE— LEADERSHIP

BACKED BY SUSTAINED GROWTH



40,000
NEW CLIENTS



AXA France posted strong sales growth in 2005. This trend continued in 2006, with business and earnings up substantially in both the life and savings and the property-casualty segments. Already the leader in its market, AXA France deployed a strategy aimed at “gaining the preference” that combined sales performance, technical excellence, service quality and cost control.

AXA France’s activities address the needs of its clients at every stage of their lives, perfectly illustrating the business of Financial Protection. The company achieved growth once again in 2006, with personal lines providing an excellent performance. Revenue was up by 2.4% in property-casualty and by 9.7% in life and savings. AXA France outperformed the market as a whole in commercial lines, where revenue growth was 5.8% in the property-casualty segment and 15.8% in life and savings. AXA Banque reached its objective of financial balance. These results reflect a strategy that combines sales performance, technical excellence, service quality and cost control. Its ambition is clear: to widen the gap between AXA France and its competitors to become the preferred company in France.

Product innovation at an accelerated pace

Product innovation was a key driver of AXA France’s strong sales performance. AXA took the lead in a highly competitive life insurance market by refreshing its product line. Following the successful launch of *Odyssey* in 2005,

AXA France continued to expand its line-up with innovative new vehicles, such as personal protection instruments *Héliade* and *Prêt-à-Protéger* and the new multi-investment life insurance policy *Arpèges*, which offers special guarantees in the event of an accident or a stock market downturn. AXA France also launched two new health insurance plans with coverage options and services specifically designed to meet the needs of families (*Esprit de Famille*) or self-employed professionals (*Esprit Pro*). Direct Assurance enhanced its product range with a supplemental health insurance product featuring stronger coverage, *Direct Santé*. AXA Bank, with a current client base of 550,000, launched three novel products. *Oligo*, the market’s first bancassurance product, is an interest-earning current account. Among other benefits, account holders receive a discount on AXA insurance premiums and annual bank card fees. In just one year, 25,000 new accounts were opened. AXA Bank followed with two more bancassurance creations, the *Altimmo* mortgage loan series and the *Larg’O* credit facility. The dynamic sales performance of the AXA Bank and AXA France networks led to 40,000 new clients in 2006.



9.7%
GROWTH IN LIFE
AND SAVINGS

A new identity for life insurance agents

AXA France exploits all available distribution channels to expand the reach of its products. Its 3,800 tied agents play a key role in this endeavor. Prominently positioned throughout the country, they ensure the brand's visibility throughout France. To augment its impact, the 650-strong network of specialized life insurance career agents, located in the Greater Paris area and France's other major urban centers, refocused its positioning and adopted a new name. This sales force, the only one of its kind in the market, boasts extensive expertise in life insurance products. The new name, *AXA Prévoyance et Patrimoine*, underscores its expertise in two areas, personal protection (*prévoyance*) and wealth management (*patrimoine*).

Service quality and prevention go hand in hand

When it comes to service quality, AXA Entreprises left competitors in its wake by offering a host of services its 30,000 small and mid-sized business clients – communications support, telephone hotline and legal advice – designed to help them deal effectively with a major crisis. Studies have shown that one-half of SMEs go bankrupt with in two years of sustaining a severe loss. AXA Entreprises also pursued its “prevention for all” strategy in 2006,

with the launch of directors' and officers' liability and vehicle fleet prevention charters. In a fast-changing health insurance market, AXA France and AXA Assistance innovated to offer “health coaching,” a personalized e-coaching service that encourages clients and the general public to preserve their health. Through AXA Prévention, an organization dedicated to preventing road accidents, and with the help of *Club 14*, France's biggest federation of motorcycle enthusiasts, AXA France has drafted 14 proposals whose aim is to make the roads safer for motorcyclists and contribute to the ongoing driver safety debate.

Ambitious growth plan for Sub-Saharan companies

The AXA Group operates in Cameroon, the Ivory Coast, Gabon and Senegal, employing a total of 350 employees in the region. The Group's Sub-Saharan companies provide property-casualty insurance to businesses, self-employed professionals and individuals, and posted revenues of 56 million euros in 2006. Two years ago, an ambitious growth plan was launched for companies in the region, designed to enlarge their collective footprint locally through the creation of new distribution channels and a more modern, diversified product range. To support this growth strategy, many employees are building on their professional skills through management and other types of training.

NORTHERN, CENTRAL AND EASTERN EUROPE— SOLID POSITIONS



AXA BELGIUM

No. 1

IN PROPERTY-CASUALTY AND

No. 4

IN LIFE



With the Winterthur acquisition, AXA has reinforced its presence in the Northern, Central and Eastern Europe region. The Group is now a leading insurer in Belgium, Switzerland and Germany. In Luxembourg and the Netherlands, AXA is consolidating its position, and is gaining a foothold in the Czech Republic, Slovakia and Poland.

Trends in the life and savings business were mixed for this region. Germany posted a 6.2% rise in revenues, reporting a spectacular rise in new business value (+210%) that was spurred by the new *TwinStar* product. Conversely, revenue growth was negative (-8.6%) in the Benelux countries, where new business value fell by 9%. In Belgium's declining market, following the January 2006 introduction of a new tax on life insurance premiums, revenues declined by 11%. In the Netherlands, group retirement savings products drove 6% growth. Personal property-casualty business was boosted by homeowners' insurance in the Benelux countries and automobile insurance in Germany (+4%). Unlike other countries, Belgium reported solid growth in commercial lines, both automobile and other insurance.

Stand apart from the crowd in the mind of clients

Innovation, combined with a sophisticated marketing approach, lies at the heart of AXA Belgium's strategy. Focusing on specific market segments is one of the five growth drivers the company has identified in its quest for

differentiation. Three priority client segments were selected on the basis of growth potential: first-time home buyers, pre-seniors and seniors aged 50 years and up – who currently represent one-third of the population (50% by 2050) and one-half of the market's total purchasing power – and independent entrepreneurs and small businesses.

Each of these segments has specific expectations and needs that AXA Belgium's products have been designed to address. A new automobile insurance product, with special terms and conditions for seniors, is currently being tested. In February, AXA Germany was the first in Europe to launch a retirement savings vehicle based on AXA Equitable's *Accumulator* series in the United States. AXA Germany's product, called *TwinStar*, comes in three varieties. *TwinStar Klassik* is for conservative clients who favor safety in their investments but want both an income guarantee and a high return. *TwinStar Invest* allows individual investors to choose their own allocations from among the product's twelve available options. Lastly, *TwinStar Premium* is for clients who wish to optimize their assets with a single premium



6.2%
REVENUE GROWTH
IN GERMANY



payment. As the winner of the Financial Advisors Award in the unit-linked product category, *TwinStar* was lauded not only for its originality and transparency, but also because it responds equally to the needs of individual investors, agents and brokers.

Direct Assurance's first steps in Poland

Direct Assurance, the French provider of direct personal lines insurance, opened a Polish branch office under the AXA brand in October 2006. The direct sale of automobile insurance gives AXA a foothold in one of the most promising insurance markets in Europe, while distinguishing the Group from competitors. Clients can customize their policies by picking from a bouquet of mandatory and optional

insurance services. For policyholders with no prior accident claims, AXA offers such extras as a no-interest twelve-month advance on premium payments and reduced premiums for secondary drivers when they take out their first motor insurance policy. AXA is poised to stand apart from the crowd thanks to a particularly attractive price-quality tradeoff, with rates that are 20 to 30 percent lower than traditional market players.

Bancassurance makes strides in Belgium

AXA Bank Belgium offers a broad array of financial services to individuals and small businesses. The bank, the country's sixth largest, boasts a network of 950 exclusive, independent banking agents who also distribute AXA Belgium's insurance products. The bancassurance range, which features an advanced selection of credit products, grew sharply in 2006, with the number of consumer and commercial loans climbing by 20%. Savings retention improved thanks to the I-Plus account. Product innovations included the development of several combined credit and insurance packages, mainly in automobile coverage, designed for individuals and businesses. *AXA Credit Protection*, which attaches death and disability coverage to consumer loans, was also launched in 2006. The insurance feature is an integral part of the loan. It can only be taken out at the same time as the loan, which co-finances the premium.

WITH WINTERTHUR

The integration of Winterthur's businesses has pushed back the frontiers of Northern Europe, which was officially dubbed the Northern, Central and Eastern Europe region in January 2007. This enlarged region includes Germany, Belgium, Luxembourg, the Netherlands, Switzerland, the Czech Republic, Slovakia, Hungary and Poland. In addition to becoming number one in Switzerland, the Group picked up 80% additional business in Germany and consolidated its position of leader in the Belgian property-casualty insurance market.

MEDITERRANEAN REGION— A PROMISING OUTLOOK



20%
SALES GROWTH
IN PROPRIETARY
NETWORKS



The Mediterranean region reflects the rich tapestry of the markets under its banner—Southern Europe, Morocco, Turkey, the Gulf countries and Lebanon. The region's boundaries have grown with AXA's first foray in the Greek market, while the Group's market share in Spain has grown thanks to the Winterthur acquisition.

Despite an extremely gloomy market backdrop, Spain, Italy and Portugal recorded a 2% increase in new business value in life and savings, reflecting 20% sales growth among its proprietary networks. Property-casualty revenues were up by nearly 4% in Southern Europe and by close to 21% in Turkey. With nearly 300,000 new policies sold, personal motor insurance sales rose by 6% in Southern Europe. All non-automobile segments posted equally solid growth. Commercial motor insurance sales increased by 3% in Southern Europe.

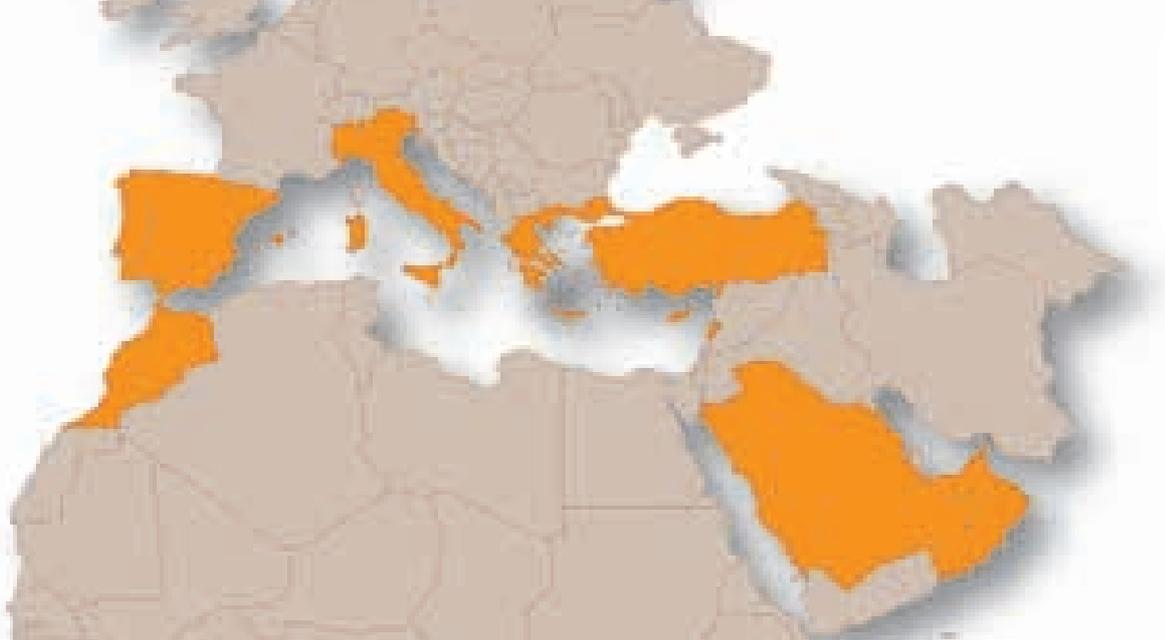
An expanding region

AXA Portugal ended 2005 with the acquisition of Seguro Directo, and began the following year by entering into a partnership with Barclays. With the announcement of the Group's merger with Winterthur, AXA began to envision its future as a major market player in Spain. This role was further confirmed in the fall, when AXA Spain entered into an agreement with Banesto. In Greece, AXA announced the purchase of Alpha Insurance, a subsidiary of the country's second largest bank. A few months later,

AXA Insurance Gulf – already present in Bahrain, Oman, Saudi Arabia and the United Arab Emirates – was granted a license to open an office in Qatar. At year-end, AXA and ONA signed an agreement making AXA Assurances Maroc a wholly-owned subsidiary of AXA and reinforcing its ties to the Group.

Making the difference through region-wide service quality

AXA Spain deployed considerable efforts to provide personalized handling of bodily injury claims. Its customer service team worked hard to ensure that the victim of a road accident, who could not be operated on in Spain, was ultimately treated by the best European specialist available, who happened to be located in Germany. AXA Spain also introduced many creative new motor claim services—for example, replacing a damaged car by an equivalent vehicle or delivering a rental car to the policyholder's home while the damaged vehicle is being repaired. A text messaging service, first launched by AXA Portugal, which allows policyholders



WITH WINTERTHUR,
AXA LAYS CLAIM TO THE

No. 2

SPOT IN THE SPANISH
PROPERTY-CASUALTY MARKET

to check the progress of their claim, is now also available in Spain.

To differentiate itself from the competitors, AXA Portugal focused on getting closer to clients and partners and improving service levels. In June, the company inaugurated its new client service center, inspired by the example of AXA Spain. With the recent acquisition of Seguro Directo, the opening of the new center served as an opportunity to group teams under one roof, introduce new technology, optimize service quality, and modernize business processes.

This devotion to customer satisfaction is shared by AXA in Italy, where the results of the first half-yearly Customer Scope revealed overall customer satisfaction. For the third year in a row, the survey also confirmed that AXA leads the league in terms of customer recommendations to friends and family. In 2006, AXA Italy won Databank's special award for the highest level of customer loyalty in the Italian auto insurance market. In a TNS Infratest satisfaction survey of Italian motor insurance customers, AXA Italy's post-accident assistance substantially outperformed its competitors.

Prevention is the key

Direct Seguros in Spain has been extremely active in road safety awareness and education

for many years now. Its initiatives include creating interactive online programs for children and performing studies and tests under real-life conditions to demonstrate the utility of seat belts. Motorcyclists are increasingly in the spotlight in Italy and Spain, with 4.4 million and 1.5 million motorcycles on the road in these countries, respectively. Both countries were inspired by AXA France to create their own *Club 14* organizations, providing online information and advice that addresses the specific concerns of motorcycle users.

AWARDS AND RECOGNITION

- **In Italy:** the AXA Protezione in Moto (Club 14) motorcyclists' association, established at the end of March, won the Milano Finanza Innovation Award for 2006. The "permanent sickness assistance" feature of AXA's Protezione Salute health coverage also received an honorable mention.
- **In Spain:** the AXA Seguros claims management teams won the annual anti-fraud award bestowed by ICEA (Investigación Cooperativa entre Entidades Aseguradoras y Fondos de Pensiones), the second time this professional organization has honored AXA in Spain.
- **In Portugal:** the Great Place to Work® survey ranked AXA Portugal fifteenth out of the top 178 Portuguese companies recommended for their workplace conditions.

UNITED KINGDOM AND IRELAND— BUSINESS MAKES GREAT STRIDES



38%

JUMP IN NEW LIFE
AND SAVINGS BUSINESS
IN THE UK

To achieve Ambition 2012, AXA UK has set itself an ambitious new growth target in a highly competitive market. AXA Group companies in the United Kingdom and Ireland have rallied to boost sales, enhance the product range, extend the distribution network and ultimately outperform the market to attain their growth target.

“We are the leader in our market. We employ the best teams to offer our clients superior services and build a relationship of mutual trust.”⁽¹⁾ The Group’s strategic priority in the UK is to make sure these words ring true by 2012. AXA UK and Ireland generate 12% of AXA’s revenues, making it the Group’s fourth largest geographic region, behind France, North America and the Northern, Central and Eastern Europe region.

New life and savings business increased by 38%, driven by growth in retirement savings products (+55%), due primarily to a sharp rise in sales of unit-linked vehicles at the end of the year. Group retirement savings continued to soar (+39%) as the A-day pension reform was applied. Medium- and long-term demographic forecasts have made the retirement market increasingly attractive to insurers.

AXA Insurance recorded substantial growth in personal property-casualty lines, propelled by the launch of new homeowners’ and health policies. Commercial lines motor insurance was also up 8%.

Responding to client needs

AXA Life developed new products, especially in offshore bonds. Its line-up of wealth management solutions was expanded to include a large range of products such as onshore and offshore bonds, mutual funds and retirement vehicles. To tackle the pressing issue of climate change, AXA Insurance teamed up with Climatesure to offer the world’s first insurance policy that includes funding to offset carbon emissions. In June, AXA Insurance also partnered with the postal service to launch accounts receivable insurance that covers twice the amount at a rate that is 50% below that offered by credit institutions. This new product, which has already earned an AXA Award for innovation and media praise, should help AXA Insurance increase its share of the 5.5-billion-pound credit insurance market.

AXA enlarges its distribution network

The Group has undertaken several initiatives to consolidate and extend its distribution network



39%
GROWTH
IN GROUP RETIREMENT
SAVINGS



in the United Kingdom. On October 23, 2006, AXA UK agreed to purchase Thinc Destini, a financial advisory firm. The deal should consolidate AXA's position in the British financial services market. The company also announced the acquisition of Layton Blackham and Stuart Alexander, two British brokerage firms that specialize in SME and property owner risks.

The purchase of Secure Health independent intermediaries opened up a new distribution network specializing in health insurance for individuals and SMEs. Worldwide retail giant Tesco will offer its customers medical insurance designed by AXA PPP⁽²⁾ healthcare.

AXA Ireland's service quality earns a nod

Battling fierce competition and a flat market, AXA Ireland overhauled its motor insurance line, taking a new, segmented approach. The company continued to roll out its New Deal plan, the centerpiece of its differentiation strategy based on quality of service, innovation and transparency—especially with respect to

insurance policies. AXA Ireland has earned praise for its steadily rising customer satisfaction index. AXA PPP healthcare also substantially improved its index by implementing several initiatives, including a voicemail server to orient customer calls, a new claims pre-authorization system, a text messaging service to provide pre-authorization file numbers, and the New Promise Delivery System, which measures the ability to keep a promise.

(1) Nicolas Moreau, CEO of AXA UK.

(2) AXA PPP: AXA Private Patients Plan.

WINTERTHUR UK

Winterthur is present in the UK life insurance market, where it employs nearly 800 people. The business combination allowed the Group to reach an affluent client base and offer an enhanced range of retirement and investment vehicles distributed by high-end financial advisers, featuring a novel concept – a transparent cost structure. AXA moved from 8th to 6th place in this market.

NORTH AMERICA—

GROWTH IN HIGH-POTENTIAL SEGMENTS



AXA EQUITABLE
GENERATES OVER
20%
OF THE GROUP'S
REVENUES



AXA continues to post robust growth in the United States, as attested to by AXA Equitable's outstanding record. AXA Canada performed well in the property-casualty market, thanks to the additional foothold gained with the integration of The Citadel General Assurance Company.

AXA Equitable, a specialist in life insurance products designed for retirement savings in the US market, generates more than 20% of the Group's revenues and nearly 30% of its earnings. In 2006, the company's performance was outstanding: a leap of nearly 51% in new life and savings business, driven by a sharp rise in unit-linked and retirement sales. A new advertising campaign aimed at building brand awareness accompanied this sales growth. Positioned in the property-casualty market, AXA Canada battled intense competition, especially in homeowners' and commercial

insurance. Premium growth in these segments remained below the industry average, amid brokerage industry consolidation and the multiplication of distribution channels. AXA Canada seeks to develop its presence in the life insurance market.

New product developments

Praised by financial advisors and clients alike, the *Accumulator* series now brings in nearly 70% of AXA Equitable's sales. *Accumulator* is one of the best-performing variable annuities on the market, and is mainly invested in unit-linked funds. The product's chief appeal is that it allows investors to choose guaranteed minimum benefits at an additional charge in the event of a financial market downturn. Since the product was launched in 1996, each new version has helped increase AXA's market share in a fiercely competitive environment. The 2006 version offers four new coverage features, numerous optional features and a broad selection of 75 investment funds that are among the best in the market. Building on the product's success in the US,

WINTERTHUR...

In June 2006, AXA announced its decision to put Winterthur's US subsidiary under strategic review. Following this audit, the Swiss group's US property-casualty operations were sold to OBE Insurance Group. Total consideration of 1.8 billion dollars, including the repayment of inter-company loans, was announced in January 2007.



AXA EQUITABLE
3rd
 IN THE US
 SEPARATE ACCOUNT MARKET



the Group has begun to launch versions of the *Accumulator* product internationally. Although the *Accumulator* offers the perfect illustration of innovation within the Group, it is not the only example. AXA Canada launched its first auto insurance policy for low mileage drivers, inspired by AXA France. Customers who travel less than 10,000 km per year can contact their broker for a discount. Supported by effective communications, sales of the new policy were double the initial target.

Scaled-up distribution

AXA Equitable chose to invest in distribution organizations to sell its products through third-party channels, in addition to its proprietary network. AXA now sells its unit-linked products to banks, brokerage firms and independent financial advisors via financial institutions. The company also beefed up its operational teams working with brokers. Unit-linked product sales exceeded 11 billion euros in 2006, making AXA Equitable the third largest US market player in variable annuity sales that year. The company also increased its market

share in 2006, moving from 17th place in US life insurance sales in 2001 to its current 9th place slot. In Canada, the acquisition of The Citadel, the first Winterthur subsidiary sold to AXA, was finalized in March 2006. The deal put AXA Canada in 6th place in the property-casualty market. The new merged company boasts a workforce of 2,000 and a distribution network of 5,500 partner brokers.

The accent is on service

AXA Equitable's focus on optimizing the service it provides has enhanced its relationships with financial services professionals and customers. The most significant improvements were the creation of automated voice response and request management systems. These changes have helped distributors to become more efficient in meeting the expectations of their customers and prospects. Higher service delivery satisfaction ratings are one tangible result.

JAPAN AND ASIA-PACIFIC— A STRONG SOURCE OF GROWTH



28%
RISE IN NEW
LIFE BUSINESS
IN HONG KONG



AXA's Japan and Asia-Pacific region has included Japan, China, India, Australia and the countries of Southeast Asia since October 1, 2006. The region, which already generates 10% of the Group's revenues and 13% of its underlying earnings, is a strategic component in achieving the objectives of Ambition 2012.

As hubs of economic and demographic expansion, these countries are promising markets for financial protection, especially life insurance. New life and savings business grew 28% in Hong Kong and 16% in Japan. Despite a mature and highly competitive market, AXA Japan continued to grow, boosted by health insurance sales. Conversely, new business remained stable in Australia and New Zealand, where superannuation premiums

and net inflow from money market funds were largely offset by a decline in institutional asset management mandates for international equities. As a whole, the region generated nearly 35% of the Group's life new business value. The Chinese and Indian markets, particularly coveted for their high growth potential, are both targeted for growth.

Japan is a key market for innovations

Japan, one of AXA's key markets, generates 7% of the Group's insurance revenues. The Group enjoys a solid position in the health insurance market, thanks to its extensive product range, as well as personal lines motor insurance. For its SME clients, AXA Japan proposes many temporary insurance options, mainly focusing on protection for business owners and savings for retirement purposes. To accelerate its growth in bancassurance, over the past few years, AXA Life Japan has beefed up its savings product line-up, recently adding a unit-linked retirement savings product with guaranteed benefits, *Active Generation*. Developed in partnership with other

WINTERTHUR

Winterthur operates in China, Hong Kong, Indonesia, Taiwan, and also Japan. Although a minor player in the Japanese market, Winterthur's product range and distribution model are well-established in bancassurance. The company also boasts an effective network of tied agents. Thanks to the complementary nature of AXA's and Winterthur's business, the Group now ranks 8th by new business and 11th by assets under management. AXA Japan, as well as the Group's other subsidiaries, will be able to integrate the best of Winterthur into their product offer.



Group companies, particularly AXA Equitable and AXA Life Europe, *Active Generation* is the Group's first unit-linked retirement savings product in yens. It guarantees a life annuity while keeping funds invested in the financial markets.

New acquisitions and alliances

AXA Asia Pacific Holdings – the Group's Australian life insurance subsidiary – strengthened its positions in China, India and Indonesia, signing an agreement with National Australia Bank to acquire MLC Hong Kong and MLC Indonesia. The 356-million-euro deal stepped up the Group's growth in Asia and added 800 Hong Kong-based agents and brokers to its distribution network, plus an additional 900 based in Indonesia. Having obtained final regulatory approval for its joint venture with Bharti Enterprises, AXA Asia Pacific Holdings launched life insurance operations in India. AXA Asia Pacific Holdings now owns 26% of the share capital of Bharti AXA Life Insurance. The alliance provides an opportunity for Bharti to build up its business expertise and for AXA to utilize Bharti Airtel's well-established

distribution network, Bharti Airtel being one of India's biggest telecom service providers. AXA Investment Managers gained a foothold in Shanghai, China, signing a joint venture with Shanghai Pudong Development Bank and Shanghai Dragon Investment.

Social philanthropy in Japan

Volunteers working with the Japanese branch of AXA Hearts in Action took a break from their daily business to help send their national team to the World Championship of Soccer for the Blind in Argentina. Their work to raise funds, equip the players, and make and sell team T-shirts also heightened awareness of sports for the visually impaired among employees, customers and partners and reflected favorably on the company itself.

INTERNATIONAL INSURANCE— GLOBAL PRESENCE



7.2%
REVENUE GROWTH
FOR AXA CORPORATE
SOLUTIONS



Since AXA ceased its reinsurance business in 2006, AXA Corporate Solutions and AXA Assistance provide the products and services designed to cover the risk exposure of AXA's international business clients. Revenues from international insurance rose 7.2% in 2006.

AXA Corporate Solutions provides insurance solutions to large domestic and multinational companies, covering property, liability, transportation (marine and aviation), motor fleet, construction, financial and also directors' and officers' liability risks. Its revenues were up 7.2% in 2006, mainly driven by growth in the property segment. AXA Assistance provides medical assistance, home assistance and vehicle assistance services. The company has posted steady growth since 2003. Operating in 30 countries, AXA Assistance continually enriches its offering to satisfy the needs of its principal clients – insurance companies, credit card firms, tour operators and car manufacturers. Its revenues totaled 702 million euros in 2006, up 13% from 2005.

Innovation opportunities galore in health

AXA Assistance tested several products and services in 2006 to meet the needs of an aging population. The company teamed up with France Télécom to test Fil Orange, the first 24/7 mobile assistance service to

combine personal location and medical assistance features. The activation of a GSM/GPS terminal automatically connects the patient to doctors working with AXA Assistance's call center and sends out a text message that can be used to locate the policyholder. Personal location is also an integral part of the service offered by AXA Assistance to protect Alzheimer's patients. For this project, AXA partnered with Medical Intelligence, who contributed its Columba bracelet, mobile phone operator Orange and dependent care leader Medidep. In another initiative, the company launched a first-aid kit called "Rescue in a Bag", that includes 24/7 access to a medical assistance hotline.

AXA Corporate Solutions widens its geographical reach

AXA Corporate Solutions's international network, spanning over 80 countries, is the cornerstone of its offering. In regions where it lacks a subsidiary, AXA Corporate Solutions has established alliances with



AXA ASSISTANCE
REVENUE UP
13%
FROM 2005



insurers operating in its market segment. In 2006, the company added to its network of risk prevention engineers to improve its geographical coverage. AXA Corporate Solutions substantially built up its client base while continuing to comply with its strict underwriting policy. To maintain a close relationship with its clients, the company offers risk analysis and loss prevention services that directly reduce claims frequency. By providing additional insight into the needs of its business clients, these services also help AXA Corporate Solutions further enhance and customize its range of products and services.

AXA Assistance, crisis management pioneer

The teams of AXA Assistance, well-used to handling emergency situations, are increasingly called upon to assist with major crises. Accordingly, crisis response drills have been systematically performed since 2006. On July 26, 2006, at the request of the French Ministry for Foreign Affairs, AXA Assistance repatriated 1,103 persons from Lebanon to Paris. This was the first time the company participated in such a large-scale operation. In less than 72 hours, a team of 70 people – organizers, logistics officers, doctors, nurses, and psychologists – traveled to Lebanon with

a 700-kilo shipment of supplies and medicine. AXA Assistance demonstrated the full extent of its know-how on that occasion. In Thailand, the company continued to support local communities ravaged by the December 2004 tsunami, by financing the reconstruction and staffing of three clinics and supplying an entire school with computers.

*A promise made,
a promise kept*

AXA Corporate Solutions treats its electronic waste

Like its fellow businesses, AXA Corporate Solutions has witnessed the astonishing speed at which its electronic equipment becomes obsolete. This end-of-life equipment is a source of exceptionally toxic pollution. AXA Corporate Solutions enlists the services of a specialist company to collect, package, and transport this waste, safely treat toxic substances and recycle materials, in compliance with environmental protection regulations.

A responsible company

ASSET MANAGEMENT— THRIVING IN A GROWTH MARKET



29%

RISE IN ASSET MANAGEMENT
BUSINESS



For the past ten years, the asset management businesses run by AXA Investment Managers and AllianceBernstein have developed apace with AXA's external expansion. Today, thanks to significant growth in third party business, the asset management segment contributes significantly to the Group's growth.

A driver of success in a segment that is becoming more consolidated and professional, a strong brand is a key factor of differentiation and a pillar of market recognition. AXA IM has redefined the messages and visual identity of its brand. Positioned as a group that is multi-expert and independent in its management, AXA IM is capitalizing on strong commercial brands—including AXA Rosenberg, AXA Real Estate IM, AXA Framlington and AXA Private Equity—to increase its visibility. For the latter, membership in the AXA IM group offers proof of strength and stability.

Conditions supportive of growth

AXA Investment Managers and AllianceBernstein are the two principal asset management companies of the AXA Group. They do business on behalf of third parties – investors, private and institutional clients – or for AXA's insurance subsidiaries. With revenues of 4,406 million euros, asset management business grew by 29% in 2006, doubling the 2005 performance. Average assets under management increased by 17%, thanks to record net inflows

of 73 billion euros. Improved communications, combined with better distribution of AXA IM and AllianceBernstein products, fed this growth, as did favorable conditions in the equity markets. AXA IM also reinforced its expertise in responsible investment, creating a dedicated department whose role is to produce extra-financial analysis on how businesses integrate sustainable development into their overall strategy.

Record inflows

AllianceBernstein earned revenues of 2,961 million euros (+25%), with average assets under management up by 18%. Overall, assets under its management totaled 544 billion euros, driven by positive net inflows of 38 billion euros and significant financial market appreciation. Institutional clients accounted for 22 billion euros, while retail clients accounted for 10 billion euros and private management for 7 billion euros. One of the top 20 asset managers worldwide, and one of the top three in France, AXA IM saw revenues rise by 38% in 2006, to 1,445 billion euros.

WITH WINTERTHUR, AXA IM IS STRONGER

With the acquisition of Winterthur, AXA IM will be able to complete the construction of its presence in Europe and improve its ranking among the top investment management firms. This deal is an opportunity to expand the base of assets under its management and improve economies of scale. In addition, Winterthur brings its real estate expertise in Switzerland, strengthens the management capability in Swiss francs and reinforces the hedge funds expertise at AXA IM. The challenge ahead lies in leveraging Winterthur's positioning in Switzerland to spur AXA IM's development there.

THE AXA GROUP RANKS
5th WORLDWIDE IN
ASSET MANAGEMENT⁽¹⁾



Average assets under management rose by 16%, and total assets under management reached 485 billion euros thanks to net inflows of 35 billion euros, mainly provided by institutional clients and retail channels outside the Group. Of total assets under management, 40% now come from third-party business. Net inflows from specialized entities AXA Rosenberg (+11 billion euros), AXA Framlington (+4 billion euros) and AXA Private Equity (+3 billion euros) was also particularly dynamic.

Finding efficient investment solutions

The research teams at AllianceBernstein are active on every continent: they work out of 47 offices in 24 countries, mainly in North America, Europe and Asia. In 2006, fee income from research services provided for institutional investors increased by 6%. At AXA IM, the two major global funds—AXA World Funds and AXA Rosenberg Equity Alpha Trust—posted excellent performances. More than two-thirds of AXA IM funds rated

at least three stars from Standard & Poor's in 2006.

Gaining strength in Asia and India

Present in all of the world's major markets, AllianceBernstein has recently gained strength in China. AXA IM has stepped up development at the international level, and now counts 25 offices in 19 countries.

In Europe, two new offices were opened—in Geneva and Amsterdam. An agreement was reached in late 2006 with the Shanghai Pudong Development Bank and Shanghai Dragon Investment to establish an asset management firm in China.

Based in Shanghai, the joint venture, while awaiting regulatory approval, is set to begin operations. It will develop, manage and distribute specialized products for institutional and retail clients.

In India, AXA IM is finalizing a new asset management agreement with Bharti, already an AXA partner in the life insurance business.

(1) In 2005 (source: Watson Wyatt).



CONFIDENCE
IS TRANSPARENCY

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ORGANIZATION AND RESPONSIBILITIES

To ensure a strict separation between the powers of management and supervision, AXA has built its corporate governance around structures and a whole set of regulatory and ethical standards that reinforce the rules of disclosure and accountability for directors and officers.

A management board and a supervisory board have governed AXA since 1997. This form of corporate governance, which separates the powers of management from those of supervision, is considered to offer the most balanced framework for exercising corporate power. The management board is assisted by an executive committee and the supervisory board by four special-purpose sub-committees.

The supervisory board

Role and responsibilities

The supervisory board oversees the management of the company and is accountable for it to the shareholders. The supervisory board appoints and may remove the chairman and other members of the management board, and supervises executive management of the company. The following matters are submitted to the supervisory board for prior approval:

- the issuance of securities with a direct or indirect claim on AXA's equity capital;
- proposed stock repurchase programs;
- financing operations with a material impact on the Group's financial position;
- business acquisitions;
- agreements to form strategic partnerships;
- the implementation of all stock option plans, including those that involve the free allotment of shares;
- proposals submitted to a vote of the shareholders during the annual meeting.

Operation

The guidelines governing the operation of the supervisory board are contained in its internal regulations. These regulations require that the supervisory board meet at least five times a year. In 2006, the supervisory board met eight times, and the global attendance rate was 84%. Its members receive the documentation required

to fulfill their board duties prior to each meeting, generally eight days in advance. At every meeting, the board reviews:

- the Group's operations, as presented in the management board's quarterly report, a press review, and a stock price performance report;
- reports on committee meetings that have been held since the last supervisory board meeting.

In addition to the items on the agenda, the board also discusses issues pertaining to the Group's operations, in the form of either a presentation on a particular operating company's strategy and priorities or a presentation on a particular subject of global concern.

Accordingly, the Group's principal managers may be invited to take part in board meetings from time to time to present their business area, their objectives and their results.

Special meetings are organized for members of the supervisory board. In addition, board members who have made specific requests have received training in or presentations of the Group's core businesses. To ensure that their interests and those of the Group are aligned, members of the supervisory board are required to own AXA shares, the value of which must be at least equal to the amount of directors' fees they receive in the course of any given year.

Composition

Supervisory board members are selected on the basis of their acknowledged competence and experience, as well as their ability to work together and become actively involved in the supervision of the Group. On December 31, 2006, the supervisory board had 14 members. They were elected by the shareholders. Currently, four of its members are not French nationals.

At their annual meeting on May 4, 2006, the shareholders elected Norbert Dentressangle to sit on the supervisory board for a term of four years.



MANAGEMENT BOARD MEMBERS

1/ Alfred Bouckaert

Chief executive officer of AXA Belgium and regional CEO for Northern, Central and Eastern Europe

2/ François Pierson

Chief executive officer of AXA France, head of large risks, assistance and AXA Canada

3/ Henri de Castries

Chairman of the management board

4/ Christopher Condron

Chief executive officer of AXA Financial, Inc. (United States)

5/ Claude Brunet

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

6/ Denis Duverne

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

Supervisory board committees

The supervisory board has set up four special-purpose sub-committees to support its work.

Audit committee

The audit committee currently has four members, all of whom are independent and all of whom have an accounting or finance background.

The committee met eight times in 2006. The global attendance rate was 71%. Its specific duties are listed below:

- review the Group's interim and annual financial statements;
- control the fees and appointments of the independent auditors, review their audit plan and their audit findings;
- assess the independence of independent auditors;

- be informed by the management board or the independent auditors of any event that puts AXA at significant risk;
- monitor the accounting rules in force at AXA and review any proposed changes in the accounting framework or methods;
- review the program and aims of AXA's internal audit department, as well any findings or reports it issues.

Finance committee

The finance committee currently has four members, one of whom is independent. The committee met four times in 2006. The global attendance rate was 88%. Its specific duties are listed below:

- examine the Group's financial structure and the broad outlines governing AXA's asset management strategy;
- review plans to sell real-estate or equity

SUPERVISORY BOARD ASSESSMENT

Attentive to the need for self-assessment, the supervisory board began to conduct an annual self-review process in late 2002, which involves individual interviews and a specially devised questionnaire. In early 2006, the supervisory board carried out another self-assessment on the following themes:

- the structure and composition of the supervisory board;
- the relationship between the supervisory board and the management board and Group management;
- the organization and operation of the board and its special-purpose sub-committees (finance; audit; selection ethics, governance and human resources; compensation), focused on the quality of information, discussion and the subjects considered;
- the rules governing the board's organization;
- the system and level of compensation for members of the board.

The findings once again underscore the good overall functioning of the supervisory board and its ongoing improvement, the strategic value of the subjects that come under review, the quality of board discussions and presentations, the level of professionalism and the sense of team spirit.

MEMBERS OF THE EXECUTIVE COMMITTEE

as of April 30, 2007

1/ Denis Duverne

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

2/ Alfred Bouckaert

Chief executive officer of AXA Belgium and regional CEO for Northern, Central and Eastern Europe

3/ Henri de Castries

Chairman of the management board

4/ François Pierson

Member of the management board, chief executive officer of AXA France, head of large risks, assistance and AXA Canada

5/ Jean-Raymond Abat

Chief executive officer, the Mediterranean region

6/ Claude Brunet

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

7/ John Dacey

Chief executive officer, Japan and Asia-Pacific region

8/ Nicolas Moreau

Chief executive officer of AXA UK-Ireland and chairman of the board of AXA Investment Managers

9/ Gerald Lieberman

Chairman and chief operating officer of AllianceBernstein (United States)



10/ Christopher Condron

Member of the management board, chief executive officer of AXA Financial (United States)

11/ Andrew Penn

Chief executive officer of AXA Asia-Pacific Holdings

12/ Eugène Teysen

Chief executive officer, insurance and banking operations in Belgium

Not pictured:

Philippe Egger

Chief executive officer, insurance operations in Switzerland

Frank Keuper

Chief executive officer of AXA Konzern AG

interests whose appraised value exceeds the authorizations granted to the management board by the supervisory board;

- review all material financial transactions involving AXA;
- examine planned acquisitions, regardless of their form, whenever the proposed price of any one exceeds 500 million euros.

Selection, governance and human resources committee

This committee currently has four members, two of whom are independent. It met four times in 2006. The global attendance rate was 88%. The committee's specific duties are listed below:

- issue recommendations on all proposed appointments to the supervisory board or the management board, as well as on all appointments to special-purpose committees;
- be notified of the appointments of AXA's principal executive officers;

- be kept informed of AXA's strategy in the area of human resources.

Compensation committee

The compensation committee has four members, all of whom are independent. In 2006, the committee met three times. Its global attendance rate was 77%. Its specific duties are listed below:

- make recommendations on compensation levels for management board members, as well as on the amount of directors' fees to be submitted to a vote of the shareholders and proposed stock options grants to members of the management board;
- review the performance of the members of the management board and the latter's recommendations with respect to policies and procedures governing executive pay and AXA's proposed stock option grants to employees.

Executive leadership team

The management board

The management board is AXA's collegial decision-

SUPERVISORY BOARD

as of December 31, 2006

Claude Bébéar - (71)

Chairman of the AXA supervisory board
Chairman of the AXA finance committee
First term of office: June 1988
Current term expires: May 2008

Jean-René Fourtou - (67)

Chairman of the Vivendi supervisory board
Vice-chairman of the AXA supervisory board – Chairman of AXA's selection, governance and human resources committee
First term of office: April 1990
Current term expires: April 2007

Léo Apotheker⁽¹⁾ - (53)

President of Customer Solutions & Operations – Member of the executive board of SAP AG – Member of the AXA supervisory board
First term of office: February 2005
Current term expires: April 2007

David Dautresme⁽¹⁾ - (73)

Senior Advisor Lazard Frères – Member of the AXA supervisory board – Chairman of the AXA audit committee and member of the AXA compensation committee
First term of office: April 1990
Current term expires: April 2007

Norbert Dentressangle⁽¹⁾ - (52)

Chairman and CEO of Financière Norbert Dentressangle – Member of the AXA supervisory board
First term of office: May 2006
Current term expires: May 2010

Jacques de Chateaufieux⁽¹⁾ - (56)

Chairman and CEO of Bourbon
Member of the AXA supervisory board
First term of office: April 2005
Current term expires: April 2009

Anthony Hamilton⁽¹⁾ - (65)

Non-executive chairman of the AXA UK Plc and AXA Equity and Law boards of directors (United Kingdom) – Member of the AXA supervisory board – Member of the AXA audit and compensation committees
First term of office: January 1996
Current term expires: April 2009

Henri Hottinguer⁽¹⁾ - (72)

Chairman and CEO of Sofibus
Member of the AXA supervisory board
Chairman of the AXA compensation committee
First term of office: June 1988
Current term expires: April 2007

Henri Lachmann⁽¹⁾ - (68)

Chairman of the Schneider Electric supervisory board – Member of the AXA supervisory board – Member of the AXA finance and audit committees
First term of office: May 1996
Current term expires: April 2009

Gérard Mestrallet⁽¹⁾ - (58)

Chairman and CEO of Suez – Member of the AXA supervisory board – Member of the AXA selection, governance and human resources committee and member of the AXA compensation committee
First term of office: January 1997
Current term expires: April 2007

Michel Pébereau - (65)

Chairman of the board of directors of BNP Paribas – Member of the AXA supervisory board – Member of the AXA selection, governance and human resources committee and member of the AXA finance committee
First term of office: January 1997
Current term expires: April 2009

Dominique Reiniche⁽¹⁾ - (51)

President, European Group of Coca-Cola Enterprises
Member of the AXA supervisory board
First term of office: April 2005
Current term expires: April 2009

Ezra Suleiman - (65)

Professor of Politics and Chair of the Committee for European Studies, Princeton University (United States)
Member of the AXA supervisory board
Member of the AXA audit committee and the AXA selection, governance and human resources committee
First term of office: April 2003
Current term expires: April 2007

Jacques Tabourot - (61)

Member of the AXA supervisory board representing AXA's employee shareholders
Member of the AXA finance committee
First term of office: April 2004
Current term expires: April 2008

(1) Independent member.

making body. The management board holds weekly meetings to discuss Group strategy and operations. It operates in accordance with a set of internal regulations. Each management board member is assigned responsibility for a specific aspect of Group management and is devoted to that role exclusively. AXA's management board currently has six members, appointed for a term of three years. The next renewal is scheduled for October 2009.

The executive committee

The executive committee's principal mission is to review and execute AXA's strategy. The committee's composition reflects the structure of the AXA Group. It includes members of the management board and the CEOs of the Group's business units. The 14 members of the Group's executive committee include eight CEOs who are not French nationals. Since 2000, the committee has conducted quarterly business reviews

(QBRs) for the purpose of:

- reviewing operational performance and monitoring the progress of key projects, using consistent and quantifiable standards of measurement defined in collaboration with the management board;
- assessing the status of transversal projects;
- exchanging ideas and information on AXA's key strategic orientations.

INTERNAL AUDIT: AN INSTRUMENT OF CONTROL

The need to identify, manage and control risks goes well beyond compliance with the French LSF Financial Security Act or the Sarbanes-Oxley Act (SOX 404) in the US. Nearly 280 auditors, based in various AXA operating units, are responsible for providing executive management with an objective and independent vision of the efficiency of internal controls at AXA. Moreover, they contribute to the identification and measurement of operational risks. In 2006, some fifteen audits were performed by the Group audit department.

COMPENSATION POLICY

AND PERFORMANCE MANAGEMENT



Consistent with the ambition of becoming the preferred company of its employees, the Group's compensation policy is designed to enable AXA to attract, reward and motivate the industry's top talent. The policy applies to all employees, including the members of the management board, and is closely monitored by the compensation committee.

Closely linked to individual and collective performance management, over the short term and the long term, the compensation policy in place at AXA integrates four basic principles: competitiveness, fairness, adaptation to the company's financial capability, and alignment between employee and shareholder interests. Compensation committees have been formed at the local level to ensure compliance with these guidelines. These committees also review and approve executive compensation.

The four underpinnings of the compensation policy

From time to time, AXA's competitive profile as an employer is examined and adjusted as needed on the basis of compensation surveys that assess, for each country, AXA's position with respect to the local market. Internal fairness is based on pay systems that factor in both the employee's level of responsibility in the current position and his or her contribution in terms of competencies and performances.

Individual performance is assessed not only on the basis of what is achieved—i.e., the degree to

which qualitative and quantitative objectives are met—but also on the basis of how it is achieved—i.e., the attitudes and behaviors that are adopted.

Systems of pay with a variable component, which are quite prevalent at AXA, ensure a high degree of coordination between levels of remuneration and the company's financial capability. The percentage of at-risk remuneration in overall pay naturally depends on the level of responsibility and prevailing local practice. Finally, employee stock ownership programs have been set up to ensure that employee interests are aligned with those of shareholders. Via company-sponsored savings plans, stock option plans or free allotment of shares, these programs serve to link employees to AXA's stock price growth.

Executive compensation

Executive compensation at AXA includes a fixed and a variable component. The fixed component is targeted to fall below the market median. The variable component is tied to AXA's

THE EXECUTIVE COMPENSATION POLICY IS DESIGNED TO MEET THE FOLLOWING OBJECTIVES:

- attract, retain and motivate top talent;
- encourage superior performance;
- align levels of remuneration with company earnings.

It is guided by three underlying principles:

- competitive with pay in the global markets;
- internal equity, based on individual and collective performance;
- the company's financial capability.

Executive compensation is therefore structured in such a way as to encourage and reward performance:

- at both the individual and collective levels (local operating unit and the AXA Group);
- over the short, medium and long term.

51%

OF THE COMPENSATION OF MANAGEMENT BOARD MEMBERS IS BASED ON THE LONG TERM

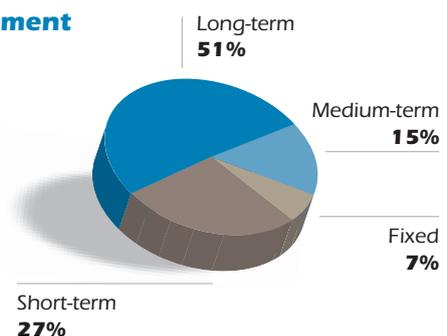


global performance, local performance, and the attainment of the executive's individual objectives, weighted to reflect his or her level of responsibility. Global performance is measured by the trend in underlying earnings, property-casualty revenues and life new business value. The variable portion is designed to represent the principal component of the executive's annual global compensation such that, if he or she successfully attains or surpasses the objectives, the compensation levels of AXA executives will be in the third quartiles of the going market rate. Pay levels for members of the management board are set by the supervisory board, based on the recommendation of the compensation committee.

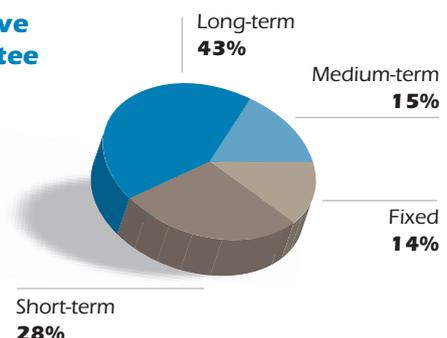
For more information, go to:
www.axa.com/en/group/profile/people

Analysis of compensation

Management board



Executive committee



SHAREHOLDER RELATIONS—

A DYNAMIC AND OPEN PARTNERSHIP



MORE THAN
1,200
INDIVIDUAL SHAREHOLDERS
ATTENDED THE ANNUAL
MEETING IN 2006



When it comes to shareholders—both individual and institutional—AXA has always maintained a relationship of trust, based on transparency. AXA considers its shareholders to be true partners, offering the Group the stability it needs to successfully execute a development strategy that creates value over the long term.

To ensure that its individual and institutional shareholders understand the broad outlines of the Group's strategy and are aware of key events, AXA makes use of every available means of information, dialogue and care. These resources are regularly upgraded to meet shareholder needs and expectations. AXA strives to provide all of its shareholders with a steady stream of information that is useful, clear and consistent in terms of disclosure level.

Tight bond with individual shareholders

To facilitate and develop communications with its individual investors, AXA has a dedicated team of experts, available every day to field and respond to their routine questions.

A full disclosure system

AXA communicates on a regular basis with the investment community, through press releases and presentations, as well as through email alerts for breaking news. All press releases and oral presentations can be viewed and/or downloaded from the corporate website

(www.axa.com). Some of the presentations are streamed live, while others are recorded and can be listened to or viewed at any time. Group publications and presentations made during shareholder meetings are also made available online. Since December, those with Internet access can get detailed, up-to-date information about the structure of AXA's capital ownership. Finally, two special informative publications have been designed for the 15,000 members of the Shareholders' Circle (*Cercle des Actionnaires*). *L'Essentiel* is published three times a year to coincide with the release of interim and annual earnings and the annual shareholders' meeting. *Horizon* offers a review of Group strategy and business three times a year.

The annual shareholders' meeting: a special event

More than 1,200 individual investors were on hand for the annual meeting last year on May 4, 2006. As in years past, the meeting was streamed live and also stored on the corporate website for delayed access (www.axa.com).

REGISTERED SHARE OWNERSHIP: EASIER TO TRANSMIT YOUR BUY AND SELL ORDERS

AXA shares, which are generally held in bearer form, may be registered on the books in the name of the holder. The advantages of holding registered shares include:

- no custodial or management charges;
- the option of viewing portfolio status and trading shares online;
- an information bonus (registered shareholders are automatically members of the Shareholders' Circle and receive its publications);
- a dedicated reduced-fee line for all contacts with BNP Paribas Securities Services* (price of a local call throughout France): 0 810 888 433.

* BNP Paribas Securities Services is AXA's mandated manager of pure registered shares.



CLOSE TO
400
FINANCIAL INFORMATION
MEETINGS AROUND THE WORLD
IN 2006

Regular face-to-face meetings

In 2006, AXA once again scheduled events for its individual investors. Four meetings were held in France—in the cities of Nantes, Marseille, Lille and Paris. In 2007, meetings will be held in the French cities of Rennes, Lyon, Bordeaux and Paris. AXA is also an exhibitor at *Actionaria*, an event for individual investors held in Paris every November. As part of its role as a major patron of French culture, AXA invited the members of the Shareholders' Circle to breakfast-tours of the Louvre and Quai Branly museums in Paris.

Individual shareholders consultation committee

AXA formed the CCAI (the *Comité Consultatif des Actionnaires Individuels*) in 1997, reflecting its openness to feedback from individual investors and its desire to offer them clear and transparent disclosure. This committee, composed of fifteen individual shareholders, met twice in 2006 with the chairman and other members of the management committee. As one of its major goals, this dialogue-driven board works to enhance communications in general and improve educational resources for investors in particular.

An ongoing dialogue with investors and analysts

The corporate financial communications department, a team of twelve people based

in Paris or New York, has daily contact with institutional investors, financial analysts and representatives of rating agencies. It ensures a steady and comprehensive flow of information on all events that impact AXA's operations and performance, and its team of experts is always available to field the numerous and varied questions it receives. AXA executives also devote considerable time and resources to interactive encounters with the investment community. Every year, AXA holds meetings in Paris and London to present interim and annual earnings. Following these earnings announcements, AXA representatives meet with institutional investors in the world's major financial marketplaces to share views on earnings and talk about Group strategy. In 2006, nearly 400 of these daylong road shows were held in some thirty cities around the world, as well as meetings focused on special topics, such as *Ambition 2012*. Finally, last year AXA presented its strategy, position and vision of the business to participants at several industry events. The quality of AXA's financial communication is widely acknowledged and regularly singled out for praise by institutional investors and financial analysts.

OPTIMIZED RISK MANAGEMENT AND LONG-TERM PERFORMANCE



The risks faced by its clients constitute the raw material of AXA's business. The Group's ability to analyze risks and manage them efficiently and profitably are decisive factors in long-term stability. Accordingly, AXA has been able to procure a critical competitive edge by applying this same aptitude to the management of its own risks.

The Financial Protection business consists of assuming client risks and transforming them. In so doing, the AXA Group can choose to assume the risks itself by diversifying them—that is, by combining them with other risks in a pool. The Group can also transfer these risks to outside carriers, such as reinsurers, or the financial markets via securitization. Risk management is a matter of structuring these processes of transformation. At AXA, risk management comes into play across all lines of business.

A dedicated organization

Risk management has always been central to AXA's core business. Given its global reach and in response to new demands generated by regulators, the financial markets and the rating agencies, the Group decided in 2003 to set up a transversal organization specifically dedicated to risk management. A central department, Group Risk Management, coordinates and directs the local teams set up in all operating units. Its primary role is to ensure that risk management is consistent – measurement, assessment, reporting – in all entities. Secondly,

Group Risk Management assesses AXA's global exposure to different types of risks, such as a stock market crash, a severe storm, a terrorist attack or longer life expectancy. Group Risk Management then defines processes and sharpens the analytical tools that local teams will use to track the activity of their organization. Finally, to cultivate the development of a genuine culture of risk awareness across business boundaries, a Professional Risk Management College was launched with AXA University to train 800 to 1,200 employees in the next four years.

Growth leverage

Risk management has a direct impact on the business. It allows an organization to optimize the distribution of capital resources, to prevent inefficiencies and focus allocation where risk-taking offers the highest reward. It also helps to identify new opportunities and offer new products with controlled risks, optimal pricing and a better position in the market. There is a constant relationship between risk management and product innovation. In fact, AXA has



NEARLY
1,200
EMPLOYEES TO RECEIVE
RISK MANAGEMENT TRAINING
IN THE NEXT FOUR YEARS



identified several development opportunities after completing an in-depth analysis of the impacts of climate change. The development of flood prevention tools, or new coverage options related to the carbon dioxide emissions market are just two examples. Good risk management also enables the Group to take advantage of its international reach and the diversity of its business lines. By spreading risks on a global scale—in other words, by actively managing diversifications—the Group can take more risks on the local level without exposing itself globally. This risk management model thus has a direct impact on the Group's economic capital requirement and performance.

Five core missions

Group Risk Management coordinates and monitors asset liability management and the implementation of the economic capital project measurement. It also authorizes the launch of all new products, while endeavoring to promote innovation in this area. Third, it inspects insurance exposure levels, a task that includes reviewing the adequacy of property-casualty

reserves and optimizing reinsurance strategies. Fourth, it develops tools and systems designed to forecast, model, simulate, measure and aggregate risks. Finally, Group Risk Management identifies and quantifies risks related to operations.

*A promise made,
a promise kept*

AXA, co-founder of "Fondation du Risque"

Launched after broad-based discussions in which AXA played a critical role, the "Fondation du Risque" is slated to become a center of excellence in training and research in the area of financial and industrial risk management. Initially, teaching and research positions at the international level were offered in partnership with France's elite post-secondary institutions, including Polytechnique. AXA is partnering a course on insurance and major risks, cataclysms and international conflicts. Risk management now has its own school.

A responsible company

GROUP ETHICS—

THE FOUNDATIONS OF TRUST



The ethical profile of an organization manifests itself in the standards of governance that characterize its conduct of business. In addition to the values of respect and openness, the Group Compliance Guide contains a number of principles that both its employees and business partners are expected to uphold, and that help to create a climate conducive to the Group's development.

The Financial Protection business is about making—and keeping—long-term commitments to stakeholders. Compliance with a set of guidelines for professional conduct therefore represents one of the cornerstones of trust on which AXA's ability to win the preference of its partners depends.

A set of shared rules

In 2004, AXA developed a code of professional conduct that sets forth both the major principles governing the vision and values of the Group and those related to its industry. The code also covers difficult situations that employees may face, conflicts of interest, trading on insider information and the ethics guiding the procurement business. In 2006, the Group rolled out a revised version of the Guide for all entities, so that all AXA employees could familiarize themselves with these rules and the related AXA standards. For the first time, AXA asked its subsidiaries to report in early 2007 on how they are implementing the rules that have come out of the AXA Compliance Guide.

Tangible results

To make a measurable difference in the area of customer relationships, AXA has chosen to adhere to five principles that are binding on its employees: the quality of its advice, openness, non-disclosure of client information, fairness and the fight against fraud and money-laundering. Upon completion of the first exercise in compliance reporting, the procurement department developed a formal sustainable development policy that incorporates its ethical principles and that apply to supplier relationships.

The fight against money-laundering

In 2004, 50 entities took part in a self-assessment on their efforts to fight money-laundering. This practice was repeated in 2006, this time in connection with the adaptation of a self-assessment questionnaire for the various strategic businesses of the Group—life and savings, asset management, property-casualty insurance and banking—which was used to make a more refined assessment of the situation. Preventing money-laundering is one of the AXA standards. The fight

50

COMPANIES RATED THEIR EFFORTS
TO FIGHT MONEY-LAUNDERING

against money-laundering concerns all AXA employees, especially those who come into direct contact with clients. In the countries that are the most concerned by money-laundering, training programs are regularly offered to enable employees to develop the right reflexes. Although AXA is not a bank, its core Financial Protection business exposes it to money-laundering practices, particularly in certain emerging countries. Since each country has its own laws designed to combat money-laundering, the Group's internal code is based on a decentralized approach based on a few common principles. A central team defines policy and spearheads application. At the local level, a network of correspondents and coordinators, who report directly to their local CEO, ensure that the system is correctly rolled out. Throughout 2006, several internal audit departments conducted assignments that touched on various facets of the fight against money-laundering.

For more information, go to:
www.axa.com/en/governance/disclosure/ethics

*A promise made,
a promise kept*

Supplier relations policy

The rules that govern AXA's relationships with its suppliers were revised in light of the Group's sustainable development policy followed by the Group Procurement Department. Integrated into the AXA Compliance Guide, the procurement standard requires that the professionals in this area respect four basic principles: fairness, neutrality, non-disclosure and transparency/traceability. It also includes a questionnaire, which is part of the competitive bidding process, whose aim is to derive a maturity profile of the supplier in terms of how it treats its people and the environment, as well as contractual clause that sets forth the ethical commitments of both the supplier and AXA.

A responsible company





**CONFIDENCE
IS ENGAGEMENT**

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FINANCIAL PROTECTION— AT THE HEART OF SOCIETY



17,000
VOLUNTEERS
WORLDWIDE



AXA believes that commitment to the community forms the true ethical foundation of the Financial Protection business. Its own commitment derives from the Group's desire to serve as a supportive actor for local development, and draws strength from the solidarity and involvement of its own employees.

As an insurer and asset manager, AXA occupies a privileged position in society. For this reason, the Group is particularly attentive to the needs of the community, beginning with those that are closest to its core business. Convinced that philanthropic initiatives are an integral part of its Ambition 2012 plan, last year the Group reaffirmed its strategy in this area. AXA's approach to philanthropy is based on three pillars: volunteer work, community philanthropy and cultural heritage philanthropy. AXA's sense of social responsibility is evidenced by the volunteer initiatives conducted via AXA Hearts in Action. Furthermore, the Group's commitment to society is also demonstrated via its community-based philanthropy, which is focused on the importance of the twin concepts of prevention and education. Finally, AXA intends to contribute actively to the preservation and transmission of culture and heritage by participating in targeted initiatives.

Support for volunteer work

The AXA Group's commitment to promoting volunteer work is long-standing. An excellent instrument for uniting people, volunteer work is

driven by the personal involvement of employees. For more than fifteen years, AXA employees have been taking part in clearly identified volunteer initiatives, and have received financial, logistical and material support from the company in the process. Today, close to 17,000 AXA volunteers around the world donate their time and their talent to more than 1,300 non-profit organizations, mainly through AXA Hearts in Action. This program, initially established in 1991, is designed to serve as a bridge between the need for human and financial resources on the part of community outreach organizations and the desire on the part of AXA people to show their solidarity by lending a hand. AXA Hearts in Action supports initiatives in areas such as health, disability and the fight against exclusion.

In addition to local initiatives, the program features a much broader global event called the AXA Challenge. Every four years, the AXA Challenge galvanizes the entire network of AXA Hearts in Action correspondents.

June 2006 also saw the launch of the first AXA Hearts in Action challenge event in the Mediterranean Region. Focused on environmental



MORE THAN
2,000
PARTICIPANTS
IN THE MEDITERRANEAN
REGION'S AXA CHALLENGE



protection and targeting young people, the event mobilized more than 2,000 participants in Spain, Morocco, Lebanon, Portugal and Italy. In the United States, AXA was the first non-US based business to receive a Points of Light award, which recognizes corporate philanthropic initiatives that are carried out with the volunteer involvement of employees. On February 13, 2006, AXA received a Caring Company Award from the Hong Kong Council of Social Service, in recognition of its consistent support of the local community and the spirit of solidarity demonstrated by its employees. Finally, AXA Life in the UK received the BUPA Healthy Communities Award, as well as the Scottish Power Communications Award. Both awards, bestowed by Business in the Community, recognize businesses in the United Kingdom that are actively committed to the community and the environment.

Committed to the community

Active in the area of social philanthropy, AXA offers an institutional response to community issues and naturally draws from its expertise

in risk management. Education and prevention are the major themes that direct AXA's commitment and orient its systems of grants or aid in-kind. In China, for example, AXA has been a sponsor of the China Europe Business School for several years. In addition, since 1996 AXA has been a sponsor of the China Foundation for Development of Financial Education, which grants scholarships to students in need of financial assistance, and continues to support the HEC endowed chair in international management within the School of Economics and Management (Tsinghua University). In the United States, the AXA Foundation is pursuing the AXA Achievementsm program, which awards academic scholarships and educational guidance to deserving students.

Finally, AXA France took advantage of plans to upgrade its IT hardware to gradually equip a large number of elementary schools in Senegal with multimedia/computer rooms. Since the school year began last fall, 500 computers have been installed in 25 schools. AXA is also involved in prevention-oriented initiatives. The objectives pursued by AXA Prévention in France are

AXA, A SUPPORTER OF UNESCO'S WORLD HERITAGE

AXA and Mazars are co-partners of the Managers of World Heritage Sites program that was created at the behest of the "Vocations Patrimoine" organization with UNESCO's World Heritage Center. As part of this partnership, AXA co-finances high-level training in the management of heritage sites – ecotourism or museum science – in the interest of preparing professionals to preserve the sites in the World Heritage list. In 2006, AXA supported three projects—in Japan, in China and in India. Yujie Zhu, who was selected for the Chinese project, was awarded an AXA funded scholarship last March to carry out a project involving the managed development of the old city of Lijiang in Yunnan Province, truly a laboratory for the management of China's vast heritage.



AXA SPONSORS **3** CULTURAL HERITAGE PRESERVATION PROJECTS— IN CHINA, IN JAPAN AND IN INDIA

complementary to those of the loss prevention foundation (*Fondation pour la Prévention des Sinistres*) created by Winterthur in Switzerland. Active since 2000 in efforts to promote safe driving behaviors, AXA Ireland has already financed seven prevention campaigns, the last one focusing on the importance of buckling up for safety.

Finally, in the area of healthcare prevention targeting employees, AXA France decided to launch *Mieux Vivre* (Live Better), a program that revolves around the prevention of serious illnesses aggravated by bad eating habits (cancers, diabetes, cardio-vascular diseases, obesity). In addition to raising awareness, the program offers at-risk individuals free access to personalized support offered by an occupational physician and a nutritionist.

The impact of cultural heritage philanthropy

The third pillar of AXA's approach to philanthropy is focused on the conservation and transmission of our cultural heritage. Initiatives undertaken in this area have several aims: to preserve or restore works of art, build up national museum collections, or expose a wider public audience to art and culture. Since 2003, AXA has been a regular contributor of masterpieces to France's rich cultural tradition, many of them going to the Louvre for public enjoyment. The donation

of sixteenth century sketches by Rosso Fiorentino, the sculpture *La Vestale* by Jean-Antoine Houdon, and the *Portrait du Duc d'Orléans* – a painting considered to be one of the masterworks of eighteenth century portrait painting – have enhanced the Museum's rather scant collection of masculine portraits by Ingres. In 2006, AXA became a major patron of the Quai Branly museum in Paris after donating a Dogon wooden statue to its collection of African art. Other Group companies have cultivated partnerships with national museums, most notably in Spain with the Guggenheim museum in Bilbao. Around its international subsidiary that specializes in insuring works of art, AXA Art has been working for more than forty years to develop customized coverage for art collectors, art professionals, museums and temporary exhibits. Committed to preserving the artistic heritage, AXA Art is also active in its dissemination. In France, the company supported the *Splendeur de Venise* exhibition by enabling the restoration of artwork by Veronese and Tintoret. In the United States, AXA Art is supporting an exceptional partnership over three years between the Atlanta Fine Arts museum and the Louvre on the temporary loan of several masterpieces. In the United Kingdom, a partnership was forged with London's Tate Modern aimed at improving the conservation of modern acrylic paintings.



500
COMPUTERS INSTALLED IN
25
SCHOOLS IN SENEGAL



In early 2006, the cultural circle of German industry, working in collaboration with two publications (*Süddeutsche Zeitung* and *Handelsblatt*) gave AXA Art the highest award in its category for cultural promotion. AXA's insurance subsidiaries are also committed supporters of the arts. AXA Belgium supports the evening event *Nuit Musicale de Belœil* in French-speaking Belgium, which always features a particular composer and is open to the public (Handel en 2006). Finally, AXA has been a sponsor of the Dublin International Piano Competition since 1994. Open to young talent and held every four years, it is one of the most important international competitions.

Support for solidarity financing

In addition to the policy conducted by AXA Investment Managers, a pioneer in the area of SRI (socially responsible investment), the Group offers direct support to several organizations that specialize in solidarity financing. For example, AXA is partnered as an investor in the Global Commercial Microfinance Consortium, an investment fund dedicated to micro-finance institutions in a number of developing nations. And to boost access to credit for individuals who do not qualify for traditional loans, the Group has allocated 2 million euros to PlaNet Finance, a fund that is at least 60% invested in Africa.

*A promise made,
a promise kept*

A few prevention-oriented initiatives

- **AXA Entreprises** offers small- and mid-sized business clients a turnkey crisis management kit that can be used in the event of a major claim to manage the event and reduce the risk of business failure due to interruption.
- **AXA France** made a three-year commitment in 2003 to a road accident prevention program that features awareness-raising campaigns aimed at its employees. A road risk watch board was even set up.
- **AXA Ireland** has been actively involved in road safety since 2000. The company has financed seven prevention-oriented campaigns and invested more than four million euros in this cause. It has also been a partner of Roadsafes Roadshows since 2001.
- **AXA Canada** offers a medical check-up and personalized follow-up for all of its employees through an initiative called "Passeport Santé" (passport to health).
- **AXA Belgium** supports health walks and rides organized throughout Flanders as part of a program called "1,000 Zonnen & Garnalen".

A responsible company

ENVIRONMENTAL CONSERVATION—

A CONSISTENT APPROACH



Admittedly, the direct environmental impact of the financial services sector is low. At the same time, the Financial Protection business is such that AXA naturally lends its expertise to the challenge of managing the environmental risks of its clients, while also encouraging responsible behavior and taking steps to reduce its own environmental footprint.

The sensitivity of public opinion around the world to environmental issues is in constant progression, attesting to concerns for the very real threats faced by our planet.

Taking measure of these challenges, AXA has made commitments on two fronts: as a responsible insurer, first of all, the Group has decided to share its expertise in environmental risk prevention with its clients. As a corporate citizen, AXA has also decided to take steps to improve its own environmental scorecard by setting up an EMS (environmental management system) for its own operating facilities.

AXA, a responsible practitioner of Financial Protection

As one of the signing parties to the insurance industry's commitment to the UNEP's support for environmental protection, as a member of the UN's Global Compact, and as a founding member of *Entreprises pour l'Environnement* (a French non-profit organization partnered with the World Business Council for Sustainable Development), AXA's first responsibility is to educate its commercial insurance clients on the

need to anticipate and prevent environmental risks, primarily in countries where the Group is active in the property-casualty market. This action takes the form of assistance in diagnosing risks, in the interest of setting up the preventive measures that are needed. As an asset manager, AXA strives to encourage responsible behavior on the part of businesses and institutions by creating or promoting specialized investment funds, and by gradually incorporating social and environmental criteria into its investment process. It is for this reason that AXA offers products that directly address environmental issues and that enhance its range of responsible products. In the United Kingdom, one of AXA's recent innovations is Climatesure, the first insurance policy that integrates offsets for CO₂ emissions. With Climatesure, clients are not getting just motor and travel insurance; they are also offsetting the greenhouse gas effect related to their travels. In practice, their emissions are assessed so as to finance projects aimed at reducing CO₂ emissions elsewhere in the world (reforestation, renewable energy, etc.). Encouraged to act responsibly, these clients



62,000

EMPLOYEES TAKE PART
IN ENVIRONMENTAL REPORTING



acquire a lower risk profile and this helps to keep premiums down. In addition, distribution costs are lower because the product line is sold directly. In connection with the new European directive on environmental impairment, AXA Corporate Solutions offers a product called *Écosphère* to its commercial clients. This product includes new liability coverage that encourages policyholders to protect the environment. As for AXA France Entreprises, it has rolled out a G.R.E.E.N. (*Garanties des Risques Environnement de l'Entreprise*) policy, which covers liability, business interruptions and legal expense. It also features significant innovations in the area of environmental impairment insurance and environmental protection, some of which cover the cost of decontaminating a polluted site. The G.R.E.E.N. policy also offers a support structure to help the policyholder handle an environmental disaster.

Environmental management of facilities

With more than 120,000 employees, AXA hopes to set the example and has made the

environmental management of its sites one of its key challenges. Under the auspices of the Group sustainable development department, this management system is based on a set of targets for reducing the consumption of paper, water, power, CO₂ emissions, and responsibly disposing of electronic wastes.

It is based on a measurement tool, with global application of the environmental reporting process and the application of high environmental quality standards for all new office facilities. The environmental management system that is being gradually rolled out to all of AXA's subsidiaries, seeks the dual aim of reducing the direct impacts of the business on the environment and mobilizing employees around a common culture of preservation. It is also designed to satisfy local legal requirement and the expectations of analysts and rating agencies. In Madrid, for example, AXA Seguros has added to the lease specifications of its future headquarters sustainability criteria that the Group considers to be a top priority: water and power consumption and waste management. In its oldest operating facilities, AXA Germany is



recovering the heat produced by central IT systems while in new buildings it has installed an ecological air conditioning system that saves on energy consumption.

Deployment of the environmental management system

The eight countries (France, Germany, the United Kingdom, Belgium, Portugal, Australia, Spain and Italy) which were part of the environmental reporting process prior to 2006 will soon have tools for measuring their consumption levels. This will enable them to take more effective action to set objectives that have already been tested in four pilot countries. These eight countries, which represent a hundred sites and 60% of the Group's consolidated revenues, have been set objectives for the period running from 2007-2009 and related to the reduction of water, energy and paper consumption (key performance indicators):

- energy (kWh/ETP⁽¹⁾): 5% reduction;
- CO₂ (T/ ETP⁽¹⁾): 5% reduction;
- water (m³/ETP⁽¹⁾): 5% reduction;
- paper (T/ETP⁽¹⁾): 2.5% reduction.

More effective management of electronic wastes will be added with the global extension of the scope of European directive 2002/96/CE, passed on January 27, 2003 and in force since August 2005. In a parallel development, 13 new countries adopted the reporting process in 2006, using the Responsibility Web IT tool and its 69 environmental indicators.

As of 2007, they will integrate the objectives contained in the 2008-2010 plan.

(1) Full-Time Equivalent.

COMMENTARY ON ENVIRONMENTAL DATA

The reporting scope has expanded significantly, and now encompasses 66% of the AXA Group's total workforce worldwide. The countries that make up the four consolidation hubs are presented below:

- Europe: Belgium, France, Germany, Ireland⁽²⁾, Italy, the Netherlands⁽²⁾, Portugal, Spain, Turkey⁽²⁾, the United Kingdom;
- Asia-Pacific: Australia, Hong Kong⁽²⁾, Indonesia⁽²⁾, Japan⁽²⁾, Malaysia⁽²⁾, New Zealand⁽²⁾, Singapore⁽²⁾, Thailand⁽²⁾;
- North America: Canada⁽²⁾, the United States⁽²⁾;
- Africa: Morocco⁽²⁾.

For each indicator, the total amount of data captured in 2006 is indicated, as is the estimate made for the Group as a whole. For this presentation of consolidated data for 2006, a classification by region has been added to reflect the change in the reporting scope, in the interest of consistency with respect to other reporting work carried out by the Group. In addition, this method of presentation will allow readers to follow changes in the major indicators, taking into account the major factors specific to each continent.

The country-by-country data will be available on the AXA corporate website (www.axa.com). When comparing this year's data with the previous year (data were presented by country), please remember that the data collection process has improved.

(2) These countries began reporting in 2006.

INDICATORS

SOCIETAL RATINGS

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

Innovest agency

Innovest Strategic Value Advisors is an internationally recognized research and advisory firm that specializes in analyzing corporate performance on environmental, social and strategic governance issues. In particular, this analysis focuses on their impacts on a company's ability to compete, as well as on profitability and stock price performance.

	2006	2005	2002
AXA rating	AA	A	No global rating prior to 2005
AXA social rating	AA	A	A
AXA environmental rating	A	A	BBB

SAM agency and DJSI indices

The scores given by SAM, a research institute based in Zurich, reflect the company's performance across economic, social and environmental criteria. Each dimension is itself a composite of several weighted sub-criteria. The final score is the result of a weighted average for each of the three criteria, and is compared to the industry average. The Group is not included in the DJSI STOXX or DJSI World indices, which are based on SAM research.

	2006	2005	2004
AXA rating	62%	60%	50%
Sector average	44%	47%	40%
AXA economy rating	71%	75%	55%
Sector average, economy	53%	61%	43%
Social rating, AXA	65%	58%	54%
Sector, average, social	46%	44%	42%
AXA rating, environment	51%	47%	36%
Sector average, environment	35%	38%	33%
Inclusion in the DJSI STOXX index	No	No	No

EIRIS agency and FTSE4GOOD index

The EIRIS (Ethical Research Investment Services) agency, based in London, is one of the principal suppliers of extra-financial information for the European SRI market. The agency does not publish its ratings. The SRI index published by FTSE (FTSE4GOOD) is based on the research provided by EIRIS. The AXA Group is included in this index.

Oekom agency

The German agency Oekom Research publishes an annual database containing an environmental, social and societal analysis for around 750 companies, including AXA. In 2006, the Group received the prime grade, which means that it is one of the stocks that the agency recommends to its investment clients.

	2006	2005	2003
AXA rating	C prime	D+	D+
AXA's rank in its sector	14/27	*	23/70
Social rating	C medium	*	C-
Environment rating	C- medium	*	D

* No detailed scoring in 2005.

Vigeo agency and ASPI index

The AXA Group's performance is rated by Vigeo, a European social and environmental rating agency, in connection with its process of socially responsible investment research for asset managers. The score reflects the level of engagement in or commitment to social responsibility on a scale of 0 to 100. It results from the analysis of the relevance and the efficiency of corporate policies. The score is an absolute grade that positions the company with respect to Vigeo's rating benchmark. The rating is a relative grade that ranks the Group with respect to other businesses in the insurance sector (a panel of 27 European companies in 2006). It results from comparing company scores to one another.

Explanation of the ratings:

- : the 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;
- ++: the most committed companies in the sector.

Vigeo delivers these ratings for each of the six areas of analysis, but does not produce a single score or rating for the company. Inclusion in the ASPI (Advanced Sustainability Performance Indices) index is based on Vigeo's research.

		2006	2005	2003
Human resources	AXA score	64	68	53
	AXA rating	+	+	=
Human rights	AXA score	63	67	*
	AXA rating	+	+	*
Community and society	AXA score	76	73	69
	AXA rating	+	+	++
Environment	AXA score	57	61	59
	AXA rating	+	+	++
Market behavior	AXA score	63	59	51
	AXA rating	+	+	=
Corporate governance	AXA score	46	47	50
	AXA rating	=	-	-
Inclusion in ASPI Eurozone® index		Yes	Yes	Yes

* No human rights category in 2003.

HUMAN RESOURCES DATA

STAFFING LEVEL ON DECEMBER 31	2005	DIFFERENCE 2005/2006	2006 ⁽¹⁾
Non-sales staff	75,672	4.1%	78,787
Senior managers	2,225	11.1%	2,471
Men	80%	2.2%	79%
Women	20%		21%
Managers	18,011		18,400
Men	61%		60%
Women	39%		40%
Employees	55,436	4.5%	57,916
Men	40%		40%
Women	60%		60%
Sales staff	14,556	3.7%	15,094
Men	60%		60%
Women	40%		40%
Salaried workforce	90,228	4.0%	93,881
Exclusive distributors	21,584 ⁽²⁾	33.3%	28,763
Men	73%		67%
Women	27%		33%
TOTAL WORKFORCE	111,812	9.7%	122,644
Men	53%		53%
Women	47%		47%
Average age of employees (years)	42		40
Non-sales staff	41		40
Sales staff	42		42
Average length of service (years)	12		11
Non-sales staff	12		12
Sales staff	9		8
Temporary employees (non-sales staff)	2,957	-18.0%	2,424
Number of employees with disabilities	1,293	-23.3% ⁽³⁾	992
COMPENSATION	2005	2005/2006	2006 ⁽¹⁾
Total payroll in euros (all employees)	5,234,001,622 ⁽²⁾	2.8%	5,380,333,593
Variable/total compensation ratio	18%		20%

(1) Including AXA Group acquisitions in 2006 except Winterthur and local data from the Philippines/Gulf, which were not available in 2005.

(2) Data restated on a comparable basis 2005-2006.

(3) Difference 2005/2006 impacted by a regulatory change in France related to how disabled persons are counted (Act of February 11, 2005, went into effect on January 1, 2006).

(4) 52.2% of the 19.1% are individual dismissals.

(5) 57.2% of the 13.8% are individual dismissals.

(6) Voluntary turnover = total resignations during the year/average annual workforce.

(7) Calculation covers 99% of Group non-sales staff in 2006 and 94% in 2005.

(8) Calculation covers 82% of Group sales staff in 2006 and 68% in 2005.

(9) Calculation covers 75% of Group non-sales staff in 2006 and 89% in 2005.

(10) Calculation covers 72% of Group sales staff in 2006 and 72% in 2005.

CHANGES IN STAFFING LEVEL	2005	DIFFERENCE 2005/2006	2006 ⁽¹⁾
Non-sales staff			
External recruitments (open-ended contracts)	8,190	25.8%	10,304
External recruitments (fixed-term contracts)	3,201	-3.9%	3,076
Fixed-term contracts transformed into open-ended contracts	725	25.4%	909
Departures	9,420	4.0%	9,801
o/w dismissals	21.3%		19.1% ⁽⁴⁾
o/w resignations	61.7%		64.9%
o/w other (retirement, other, etc.)	16.9%		16.0%
Net number of new jobs created during the year (external recruitments + fixed-term contracts transformed into open-ended contracts – departures)	-505		1,412
Voluntary turnover ⁽⁶⁾	8%		8%
Sales staff			
External recruitments (open-ended contracts)	3,800	15.1%	4,372
External recruitments (fixed-term contracts)	471	49.9%	706
Fixed-term contracts transformed into open-ended contracts	85	93.4%	164
Departures	3,854	8.1%	4,166
o/w dismissals	17.1%		13.8%
o/w resignations	77.0%		79.6%
o/w other (retirement, other, etc.)	5.9%		6.6%
Net number of new jobs created during the year (external recruitments + fixed-term contracts transformed into open-ended contracts – departures)	31		370
Voluntary turnover ⁽⁶⁾	20%		22%
TRAINING			
Average number of days spent in training per employee			
Non-sales staff ⁽⁷⁾	2.1	17.1%	2.5
Sales staff ⁽⁸⁾	4.8	4.6%	5.0
% of employees who participated in at least one training program during the year			
Non-sales staff ⁽⁷⁾	62%		64%
Sales staff ⁽⁸⁾	68%		68%
WORKWEEK – ABSENTEE RATE			
Average number of days worked per year (legal/contractual)			
	228		226
Average number of hours worked per week by salaried employees			
	36		36
% workforce working part-time (non-sales staff)			
	11.9%		11.3%
% overtime worked versus the average FTP for employees			
	1.7%	27.5%	2.2%
Rate of absenteeism – all employees			
Non-sales staff ⁽⁹⁾	5.6%		5.1%
o/w due to illness	79%		77%
o/w due to workplace accident	1%		2%
o/w due to maternity	20%		21%
Sales staff ⁽¹⁰⁾	2.7%		3.5%

ENVIRONMENTAL REPORTING

		2006	2005
		Europe ^(A)	Europe ^(A 2005)
			Proforma difference 2005 ^(*)
NUMBER OF MAJOR SITES REPORTING			
GENERAL DATA			
Number of people on site ⁽¹⁾	FTE	51,010	2%
Total internal floor area ⁽²⁾	m ²	1,346,542	-1%
POWER			
Total power consumption ⁽³⁾	kWh	259,144,803	-1%
Total power consumption per person on site - KPI	kWh/ETP ⁽¹⁾	5,080	-3%
TRANSPORTATION			
Home/workplace commute (round trip) ⁽⁴⁾	km	590,640,732	-23%
Business travel (by air and rail) ⁽⁵⁾	km	76,741,227	17%
Motor fleet	km	177,475,157	42%
ESTIMATED CO₂ EMISSIONS			
Resulting from power consumption ⁽⁵⁾	T eq. CO ₂	74,570	-1%
Resulting from daily commute ⁽⁶⁾	T eq. CO ₂	67,669	-14%
Resulting from business travel ⁽⁶⁾	T eq. CO ₂	8,229	19%
Resulting from the motor fleet	T eq. CO ₂	17,301	42%
Total CO₂ emissions per FTE - KPI ⁽⁶⁾	T eq. CO ₂ /ETP	3.29	15%***
WATER			
Drinking water consumption	m ³	520,965	-25%
Drinking water consumption per FTE - KPI ⁽⁶⁾	m ³ /ETP ⁽¹⁾	10.89	-29%
RAW MATERIALS AND CONSUMABLES			
Total paper consumption	T	4,501	18%
Total paper consumption per person on site - KPI ⁽⁶⁾	T/ETP ⁽¹⁾	0.09	31%
Percentage of paper consumed under sustainable management ⁽⁶⁾	%	100	-
WASTE			
Electronic & computer equipment recycled under sustainable management	kg	304,873	24%

(A) Europe: Belgium, Germany, Spain, France, Ireland, Italy, Netherlands, Portugal, United Kingdom, Turkey.

(A 2005): Belgium, Germany, Spain, France, Italy, Portugal, United Kingdom.

(B) Asia-Pacific: Australia, Hong Kong, Indonesia, Japan, Malaysia, New Zealand, Singapore, Thailand.

(B 2005): Australia was the only country in Asia-Pacific to report environmental data in 2005.

(C) North America: Canada, United States.

(D) Africa: Morocco.

(E) Data obtained for 63% of scope queried (FTE basis).

(F) Extrapolations were made based on actual responses, extended to the total number of FTE employed by the AXA Group on 12/31/2006 (a total of 93,881).

* Differences have been calculated based on the overlapping scope between 2005 and 2006.

** Estimated from number of employees on a constant scope basis.

*** Motor fleet data are more complete than for the previous year. Differences were estimated from the weight of various sources of CO₂ emission and the difference in these emission factors between 2005 and 2006.

2006	2005	2006	2006		
Asia-Pacific ^(B)	Asia-Pacific ^(B 2005)	North America ^(C)	Africa ^(D)	Total actual scope of data collection 2006	Extrapolations global scope ^(F)
	Proforma difference 2005 ^(*)				
12	2	10	1	134	
4,270	–	6,157	540	61,977	93,881
96,101	–	124,017	19,092	1,585,752	2,402,049
23,139,302	-10% **	43,030,000	1,628,807	326,942,912	495,243,281
5,419	-10% **	6,989	3,016	5,275	5,275
40,896,693	-16%	63,017,787	3,477,600	698,032,812	1,057,359,091
25,923,141	–	21,222,447	na	123,886,814	269,404,814
4,286,560	-6%	6,812,064	262,690	188,836,471	286,043,802
6,736	-10% **	10,863	611	92,780	140,540
2,921	-10%	7,153	376	78,118	118,331
3,432	–	2,664 ⁽⁷⁾	na	14,325	21,890
941	-6%	1,499	53	19,795	29,984
3.29	-6% ***	3.60	na	3.34	3.34
52,113	16%	na	8,160	581,238	977,555
7.73	35%	na	15.11	10.41	10.41
375	na	4,164	78	9,117	13,810
0.09	20%	0.68	0.14	0.15	0.15
75	–	100	na		na
19,119	–	23,884	4,395	352,271	533,610

(1) Full Time Equivalent (FTE): employees + permanent workers on site who are not employed by AXA.

(2) Developed floor area of buildings (every floor except underground or roof parking).

(3) Electricity, natural gas, heating oil and other sources of energy.

(4) Estimates based on a survey of 22,303 employees. The data gathered in this process was then related to the number of employees within the reporting scope and multiplied by an average work year of 230 days.

(5) CO₂ emission factors used for power: 375 kg CO₂/MWh of electricity, 74 kg CO₂/MWh of heating oil and 56 kg CO₂/MWh of natural gas.

(Source: European carbon factor www.pwc.com).

(6) CO₂ emission factors used for transportation: motorized vehicles (auto/motorcycle average) 186 g of CO₂/km; bus 76 g of CO₂/km; trains 37.4 g of CO₂/km; planes (average medium- to long-distance flight) 134 g of CO₂/km (source: EPE/ADEME).

(7) Since data collection was limited to 36% of the scope, the figures were extrapolated to represent 100% of FTE for the region.

(8) Recycled, chlorine-free bleaching process and from sustainably managed forests.

(9) KPI: key performance indicators that are tracked in the strategic plan.

CORRESPONDENCE TABLE

GRI3 – NRE – GC

The table below is provided for reader convenience. It indicates page numbers for locating key topics discussed in the 2006 annual activity and sustainable development report and the corresponding sections on AXA's corporate website (www.axa.com). Topic references (far left column) are based on the Global Reporting Initiative (GRI, version 3.0) classification, the Global Compact (GC) principles, and the French New Economic Regulations (NRE) Act. Indicators are grouped by broad themes.

GRI3	NRE	GC	website: www.axa.com	2006 annual activity and sustainable development report
ECONOMIC, SOCIAL AND ENVIRONMENTAL PERFORMANCE INDICATORS				
EC1, EN1 to EN4, EN8, EN10, EN16, EN22, EN26, LA1, LA2, LA7, LA10, LA12, LA13, HR2, S01, PR5	Soc1, Soc2, Soc6, Soc7, Env1	GC1, GC2, GC6	http://www.axa.com/en/group/profile/figures/ http://www.axa.com/en/group/profile/people/ http://www.axa.com/en/responsibility/performance/	Profile (p. 2) Key figures (p. 10-13) Stock price trend (p. 14-15) Social and environmental highlights (p.16-17) Societal ratings (p. 78-79) HR reporting (p. 80-81) Environmental reporting (p. 82-83)
STRATEGY, COMMITMENTS AND ETHICS				
S02, S03		GC1, GC10	http://www.axa.com/en/responsibility/strategycommitments/	Rising to the challenge of sustainable development (p. 26-27) Group ethics—the foundations of trust (p. 66-67)
PRODUCT RESPONSIBILITY				
EC2, EN26	GC7, GC8, GC9		http://www.axa.com/en/responsibility/protection/riskmanagement/ http://www.axa.com/en/responsibility/protection/	Operating highlights (p. 6-7) Financial Protection (p. 20-21) Rising to the challenge of sustainable development (p. 26-27) Optimized risk management (p. 64-65) Examples of prevention (p. 71)
EMPLOYEES				
LA4, LA5, LA6, LA9, LA11 to LA13	Soc1 to Soc7	GC3, GC6	http://www.axa.com/en/responsibility/socialresponsibility/employees/	Engaged and motivated people (p. 32-35) HR reporting (p. 80-81)
CLIENTS AND DISTRIBUTORS				
PR8, PR5			http://www.axa.com/en/responsibility/socialresponsibility/clientsdistributors/	Putting operational excellence to work for clients (p. 28-31)
SUPPLIERS, HUMAN RIGHTS				
HR2	Soc9	GC1 to GC6, GC8, GC9	http://www.axa.com/en/responsibility/socialresponsibility/clientsdistributors/ http://www.axa.com/en/responsibility/strategycommitments/	Supplier policy (p. 67)
ENVIRONMENT				
EN6, EN7, EN18	Env1, Env3, Env4, Env6, Env9	GC7, GC8	http://www.axa.com/en/responsibility/socialresponsibility/environment/ http://www.axa.com/en/responsibility/strategycommitments/	Environmental conservation (p. 74-76) Environmental reporting (p. 82-83)
COMMUNITY				
EC1, EC9, S01	Soc3, Soc8		http://www.axa.com/en/responsibility/socialresponsibility/community/	Financial Protection—at the heart of society (p. 70-73)

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2007 CALENDAR OF EVENTS

■ February 22:

2006 annual earnings
(preliminary publication)

■ April 10:

2006 annual earnings
(detailed publication)

■ May 10:

First quarter business
indicators

■ May 14:

Annual meeting of
the shareholders

■ May 21:

Dividend
payout ⁽¹⁾

■ August 9:

2007 half-year
earnings

■ November 8:

Business indicators for the
first nine months of 2007

(1) On the recommendation of the supervisory board and pending shareholder ratification at the annual meeting on May 14, 2007.

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■ 2006 annual report – Shelf registration document (*document de référence*)

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 website (www.axa.com).

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