

PEOPLE PROTECTORS

Prevent. Protect. Assist. These words capture the essence of our business and take on special meaning in our constantly changing world.

We strive to understand and explain risks so we can help to prevent and reduce them. This benefits our clients, our shareholders and the communities in which we live and work. Managing risks is also how our employees and our partners in the profession contribute to society. We need to anticipate, understand, and prevent risks if we want to build a safer, stronger and better prepared world. In this 21st century, we face major challenges, which include natural disasters and climate change, risks related to increased longevity and population aging, and financial and macroeconomic risks. To address these issues, we charitably support fundamental research. Only with a forward-looking attitude can we meet our customers' future needs. Risk culture is an integral part of our day-to-day business, at every level. This responsibility guides and motivates our employees and partners in their work, with the shared goal of furthering risk reduction research and education.







Prevent. Protect. Assist. Our People Protectors are driven by the desire to earn the trust that our partners and customers have placed in us.

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HENRI DE CASTRIES

Chairman & Chief Executive Officer

HOW WOULD YOU ASSESS AXA'S PERFORMANCE IN 2011?

→ AXA achieved another solid performance in 2011, despite the particularly challenging environment created by several high-impact political, financial and natural events. The Arab Spring movement swept the Middle East and North Africa. Nature's forces also struck, hitting Japan and New Zealand with earthquakes and causing severe flooding in Thailand. In the second half of the year, a fierce financial storm triggered a major crisis in the eurozone, accompanied by a sharp economic slowdown. Despite these blows, AXA continued to move forward and stayed the course toward Ambition AXA.

Underlying earnings rose 2% on a like-for-like basis to €3.9 billion. Net income grew by 49% to €4.3 billion, driven by several exceptional events, including significant gains realized on the disposal of non-core operations. The strength of our operating performance and balance sheet made it possible for us to offer a stable dividend, at the same level as in 2010. But most of all, it gave us additional energy to prepare our next steps.

HOW DID YOUR TEAMS REACT IN 2011?

→ Our business is to make and uphold long-term commitments to our customers. In 2011, we passed the milestone of 100 million clients. This is a positive sign that our customers have trust in us and that we are attracting new ones. It is our business to stand by them, and even more so when the situation gets tough. The support we provide also contributes to economic stability and growth.

In 2011, we paid out €18 billion to our customers in P&C claims and €10 billion in protection and health benefits. In our Life & Savings business, thanks to interest earned, the savings our customers entrusted to us grew by €5.5 billion. Our support, which is very often critical to our customers' success, is the result of the engagement of our teams. Without their commitment, we could not achieve financial performance, service quality, or trust. The engagement of our employees remains high, as measured by our internal 2011 Scope survey. Although there is still room to improve, I am pleased to note that our teams have a more positive opinion of their direct managers. This is very good news for the year to come. AXA's employees—who own 7% of its share capital—largely approve the decisions that have been made to



improve our company's efficiency and performance. They have a clearer understanding of our strategy and support the culture of trust and achievement that we are gradually building together.

Open labor-management dialogue is equally essential, and this year it led to a major European agreement on anticipating change in the industry, signed with all of the trade unions represented in our European Works Council. Despite the general uncertainty surrounding the employment situation in 2011, 16,000 new employees joined AXA, including 2,000 in France.

IS AMBITION AXA, YOUR FIVE-YEAR STRATEGIC PLAN, STILL RELEVANT?

→ The past year has shown us that we are already much more agile. Our plan has three priorities: selectivity, acceleration, and efficiency. The relevance of these three goals has not been questioned; on the contrary, it has been confirmed. We need to be more selective in mature markets, where the bulk of our business is carried out today, and focus on the activities that best meet our clients' needs and deliver margins over the long term. We are accelerating our expansion in emerging markets and in products and distribution channels with the strongest growth potential. Across

all our businesses and entities, we are striving to increase our operational efficiency. Reducing costs and improving service quality are absolutely necessary. I think our strategy is ambitious rather than risky. I feel reasonably confident and very determined about our plan.

WHERE ARE YOU IN IMPLEMENTING YOUR AMBITION AXA PRIORITIES?

→ I am confident that we have set the right goals. One of our challenges, which the entire management committee will be monitoring very closely, will be to maintain our momentum. Our selectivity has already led to a slight reduction our top line and our margins are growing.

In Life & Savings, we are focusing on protection and health, where we have a clear competitive advantage. New business volume in this sector rose 13% and new business margin was 47% in 2011. In unit-linked savings, where we intend to grow our business, we were effective in resisting the general trend of outflows and even increased our market share in France. Although new business volume declined 3% in 2011, NBV margin was 23%. In the less attractive euro funds segment, new business volume is stable and margins are growing.

It is our business to stand by our customers when the situation gets tough. The support we provide also contributes to economic stability and growth.



In Property & Casualty, we attracted new customers and also improved our profitability. Revenues grew at a satisfactory pace. Our current year combined ratios are once again below 100%. As for the efficiency we need, in June 2011 we announced a productivity plan to reduce our costs by $\in\!1.5$ billion over five years. With $\in\!300$ million already saved in 2011, we are squarely on track. I am confident that we can continue this effort. Of course, investments are also needed to build AXA's future. We will continue to invest more than $\in\!1$ billion each year in our operations, distribution networks and infrastructure. These investments will bring productivity gains.

HOW IS AXA POSITIONED IN HIGH GROWTH MARKETS?

→ Since capital has become more and more costly for any financial institution, we actively manage our equity. In 2011, we reallocated more than €4 billion in capital, investing a little over €3 billion in high growth countries and about €1 billion to deleverage the Group.

Our biggest operation was the buyback of minority interests in Asia, which directly strengthened our presence in the emerging markets. We are already posting double-digit growth in Asia in both Life &

Savings and Property & Casualty. We also sold our non-core operations in Canada under good conditions. Our capital reallocation is paying off. Emerging markets are contributing a larger share of AXA's growth, a trend that aligns with our Ambition AXA objective to double our market share in emerging countries in five years. However, we will continue to pursue growth in our more mature markets, notably in certain geographies or distribution channels such as direct business.

WITH THE CRISIS, HAS CORPORATE RESPONSIBILITY BECOME LESS OF A PRIORITY?

→ I think not. Our corporate responsibility is closely tied to our ambition, and our efforts to understand and prevent risks take on even greater meaning when times are tough. Our achievements are reflected in how others perceive us. The ratings we have been given by specialized agencies improved significantly in 2011. Our customers are also increasingly attentive to these issues. All of our corporate responsibility initiatives, in areas ranging from product design to investment policy to our environmental footprint, help us move steadily forward and motivate our teams.

I would like to mention two actions in particular that quickly garnered the support of our employees.



First, the AXA Research Fund. Every year, it gives €20 million to support fundamental research on risks that deeply affect today's societies, such as natural hazards, risks related to increased longevity and population aging, and macroeconomic risks. Our charitable aid to fund academic research is unique in Europe. We will be continuing this program. Second, the prevention programs we launched with the humanitarian organization CARE. These programs help local communities be prepared for weather-related and geological disasters, and will continue to be developed. Lastly, I would like to demonstrate, very concretely, how corporate responsibility contributes to AXA's performance. For the past 20 years, we have consulted our employees annually to monitor their satisfaction at work. In 2011, the 19,800 employees who had invested their time and energy to projects supported by AXA Hearts in Action, our worldwide community volunteering program, were significantly more satisfied, across all of the measured criteria, than the average employee. I see this as additional proof that a company whose culture gives meaning to the day-to-day work of its employees has a competitive advantage over

the long term.

WHAT ARE AXA'S STRENGTHS FOR 2012?

→ I see four essential strengths: a clear strategy, a robust balance sheet, the trust of our customers and our employees' engagement. I have already covered each of these, except our balance sheet strength. In a period of deep financial turmoil, this is a vital issue. AXA has not only maintained a robust balance sheet, we have reinforced it, as shown in our solvency ratios. Our Solvency I ratio is at its highest in five years, despite the downturn. Our economic solvency ratio has declined, but remains comfortably high. Likewise, our ratings are stable even if outlooks are negative, as for many eurozone companies at this time. We will remain focused on maintaining a strong balance sheet and liquidity and generating adequate cash flow. Most of all, our strategy is now extremely clear. We have learned to explain it simply, and it is now understood by all of our team members. The key to success, however, lies in its execution. We will be monitoring this closely. 2011 was a promising first year for Ambition AXA. We were more agile than before. I am confident that our managers and their teams will be motivated for the next steps. Together, we will convert strategy into action and keep moving forward!

"We have four essential strengths: a clear strategy, a robust balance sheet, the trust of our customers and our employees' engagement."

2011 HIGH LIGHTS



FEBRUARY

ROAD SAFETY IS OUR BUSINESS

On February 1, AXA signed the European Road Safety Charter in Brussels. Contributing its expertise as an insurer to improve road safety and risk prevention, AXA joins other companies, nonprofits, research institutions and public-sector organizations in a participatory effort since 2004 to reduce the number of accidents on European roads.



MARCH

A NEW PERSPECTIVE ON LONGEVITY

AXA organized the first Global Forum for Longevity meetings to promote debate and knowledge-sharing by researchers, experts and decision-makers. The Group hopes that the discussions focusing on the global rise in life expectancy will promote more positive thinking on the subject. The AXA Research Fund announced that it would give €10 million over two years to fund projects to improve our understanding

and management of the consequences of longer lives. By the end of 2011 AXA had already committed €5.5 million to support longevity-related research.



http://longevity.axa. com/en

A TSUNAMI STRIKES JAPAN

Faced with the consequences of a massive earthquake, a devastating tsunami and a nuclear crisis, AXA's teams in Japan focused on ensuring employee safety and business continuity as well as assessing the financial impact of the disasters and helping communities locally. With the Group's support, the teams managed to continue operating uninterrupted. (read page 93)



APRIL

AXA ASIA PACIFIC DEAL A SUCCESS

AXA completed the transaction through which it acquired the Life & Savings operations of AXA APH in Asia and sold its L&S business in Australia and New Zealand. With this strategic deal, AXA has significantly strengthened its footprint in high growth markets. It now operates both Life & Savings and Property & Casualty in the region with the same vision and drive for growth. By identifying synergies and setting shared goals, AXA is positioning itself to become an insurance leader in Asia.

AXA JOINS FORCES WITH CARE

The AXA Group and the humanitarian organization CARE have joined forces for three years to help populations better prepare for climate-related risks. The partnership is part of AXA's global philanthropic program for risk education and prevention and involves two new projects. The first, an international research project called "Where the Rain Falls," aims to better understand



how changing rainfall patterns impact food insecurity and migration for the most vulnerable communities. The second project is a series of awareness-raising initiatives on natural disaster prevention. It targets the communities in emerging economies that are particularly exposed to this type of risk. (read page 91)



www.axa.com/en/ news/2011/axacare-risk-presentationeducation.aspx



SALE OF CANADIAN OPERATIONS

AXA withdrew from Property & Casualty and Life & Savings insurance in Canada, selling its Canadian operations to Intact Financial Corporation for 2.6 billion Canadian dollars (about €1.9 billion). The sale to the local P&C leader generated an exceptional gain of about €0.9 billion, furthering AXA's strategy to redeploy capital in geographies offering superior growth prospects. The deal was officially completed in September.



JUNE

AMBITION AXA STRATEGIC PLAN LAUNCHED

The Ambition AXA strategic plan sets operational and financial objectives in the Group's three main businesses for 2015 and reaffirms AXA's goal to become the preferred company in its industry. Genuine customer centricity and a deep-rooted culture of trust and achievement among teams are an integral part of the plan. The three main priorities of Ambition AXA are selectivity, acceleration and efficiency. (read page 20)



JULY

A NEW CHINESE BRAND IN HONG KONG

AXA Kwok Wei became AXA An Shing, the Chinese words for stability and prosperity, echoing the aspirations of AXA's Hong Kong customers. The new brand was revealed on July 18, demonstrating AXA's commitment to build its presence in this market. Operating in Hong Kong since 1986, AXA already insures the families of more than one million clients in Hong Kong and Macao. One in

seven Hong Kong residents is an AXA customer (1).

(1) Based on the population data of the Hong Kong Census and Statistics Department as of December 31, 2010.



www.axa.com.hk





AXA RAISES ITS EXTRA-FINANCIAL PERFORMANCE

AXA's efforts to raise its HR, environmental and governance performance were rewarded by a significant improvement of its Dow Jones Sustainability Index rating and assessment by SAM(2). Its overall score for 2011 is up 4 points to 74/100, significantly higher than the insurance sector average (48/100). The AXA Group's inclusion in the DJSI World and DJSI Europe sustainability indexes is confirmed for 2011. AXA was also admitted into the Carbon Disclosure Leadership Index with a score of 92,

(2) Sustainable Asset Management



the highest of all insurance companies.



www.axa.com/en/ news/2011/axaimprovesenvironmental-socialgovernanceperformance.aspx



STRONGER FOOTHOLD IN SAUDI ARABIA

AXA Cooperative Insurance Company sealed a sales partnership agreement with the Wasilah Insurance Agency on September 20, accelerating its development plans in one of the largest and most promising insurance markets in the Middle East & North Africa region. AXA's new licensed partner will exclusively market, distribute and sell insurance products offered by AXA Cooperative Insurance to individuals and SMEs. This business is expected to represent 15% of AXA Cooperative premiums in three years.



AXA STILL WORLD'S NO.1 GLOBAL INSURANCE BRAND

For the third year in a row, AXA was ranked as the top global insurance brand by Interbrand. Overall, AXA is the 53rd best global brand, up three slots from 2010, and the 4th French brand across all industries.



http://www.axa.com/ en/news/2011/axafirst-global-insurancebrand-interbrand.aspx



NEW P&C BUSINESS IN INDONESIA

AXA Asia expanded its partnership with Bank Mandiri in Indonesia by launching a propertycasualty joint venture. The two partners jointly acquired Asuransi Dharma Bangsa to create PT Mandiri AXA General Insurance, owned 40% and 60% by AXA Asia and Bank Mandiri, respectively. The new company began operating on November 1 and will build on the success of AXA Mandiri Financial Services, now Indonesia's largest bancassurance provider with 40% of the market.



EUROPEAN AGREEMENT ON EMPLOYMENT

Faced with the deep economic and social changes that are transforming Europe, AXA negotiated with its European Works Council to reach a European Agreement on Anticipating Change. Signed on November 23 by all of the French trade unions represented on the Council and by UNI Europa Finance, the agreement affects nearly 70,000 employees in 15 European Union states. This labor-management dialogue aims to better anticipate the industry changes that will impact AXA employees and their professions in order to adapt skills to future needs and ultimately protect employment. The agreement, a reflection of AXA's longstanding commitment to strong labor-management relations, is a first in the financial industry and confirms that these issues can be constructively addressed at the European level.



http://www.axa.com/ en/news/2011/axaceg-europeanagreement-anticipatingchanges.aspx







STRONG SUPPORT FOR AXA TEAMS IN THAILAND

Exceptionally severe flooding in Thailand claimed over 500 lives, forced the displacement of hundreds of thousands of residents and caused many factories to shut down. AXA strongly backed its local teams who were on the job around the clock for several weeks, providing €125,000 of emergency aid, in particular to rebuild housing for employees and their families.

FLOODING IN THE SOUTH OF FRANCE

After flash floods hit the south of France, AXA France immediately set up measures to offer advance payments on claims to the hardest-hit victims, extend deadlines for filing claims and arrange emergency repairs with builders, painters and other contractors. For the most vulnerable, the period of emergency accommodation was doubled from five to ten days.



DECEMBER

FURTHER BUSINESS REORGANIZATION IN THE UK

AXA signed and closed the sale of Denplan to Simplyhealth Group Limited, a transaction that is expected to bring £151 million (about €179 million). With this deal, AXA is pursuing the strategy it initiated in 2010 to refocus its UK operations in four core areas—personal and commercial P&C insurance, wealth management and healthcare all of which are showing fast growth. AXA UK's strategy for its healthcare business will in the future focus on private medical insurance and associated medical services to individuals and businesses. AXA PPP healthcare is a major player in the United Kingdom.



MARCH 2012

AXA AND HSBC PAIR UP FOR THE LONG TERM

AXA and HSBC reached an agreement⁽³⁾ enabling AXA to acquire the HSBC's property and casualty businesses in Hong Kong, Singapore and Mexico. AXA also signed an exclusive ten-year P&C bancassurance deal with HSBC in these countries, as well as in India, Indonesia and China.

This acquisition will make AXA the number one P&C insurer in Hong Kong and strengthen its leading positions in Mexico and Singapore. The businesses acquired in Hong Kong and Singapore benefit from multi-channel distribution through HSBC's bank branches and strong agent and broker networks. With its combination of strong growth perspectives and high levels of profitability, this transaction marks another milestone in the strategy to accelerate profitable growth in Asia and Latin America, where AXA's footprint in property and casualty will be significantly expanded. The combined capabilities and expertise of two leading worldwide organizations will provide AXA's individual and corporate customers with a wider and stronger product range.

(3) The transaction is expected to be completed in the second half of 2012, subject to regulatory approval.

FOR THE THIRD YEAR IN A ROW(1)

AXA, THE NO. 1 GLOBAL INSURANCE BRAND



Revenues:

€86.1 billion

Underlying earnings: € 3.9 billion

Net income:

€4.3 billion

Presence (2):

Customers:

Employees (3):

57 countries **101** million **163**,000



Dividend per share:

€0.69

(pending shareholder approval on April 25, 2012)

Solvency I ratio:

188% up 6 points

(1) Interbrand ranking. (2) Due to the sale of operations in Canada, Australia and New Zealand. (3) Includes exclusive distributors and 114,488 salaried employees. The basis of calculation has been updated, mainly in Asia.

2011 KEY FIGURES

OUR SOLID PERFORMANCE AND FINANCIAL STRENGTH SERVE OUR CUSTOMERS AND SHAREHOLDERS

In 2011, we delivered a strong set of results, increased our operating free cash flows and maintained a robust balance sheet, thanks to the diversification of our businesses and despite difficult market conditions.



GÉRALD HARLIN

Group Chief

Financial Officer

→ This year we saw the first achievements of our Ambition AXA strategic plan, presented to investors on June 1, 2011. We improved new business margins in both Life & Savings and Property & Casualty. We also made strong progress in increasing the

Group's operational efficiency and we are on track in delivering on our cost savings initiatives. Through several strategic disposals, we actively reallocated capital toward high growth markets and reduced our debt.

Although the environment is still uncertain, based on our solid operating performance, the strong growth in cash flows generated by our businesses, and our robust balance sheet, we are offering a stable dividend of €0.69 per share, unchanged from 2010.

Underlying earnings

+5%

to €3.9 billion (reported)

Net income

+57%

to €4.3 billion (reported)

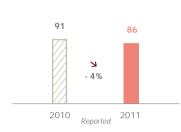
Stable dividend per share

€0.69

(pending shareholder approval on April 25, 2012)

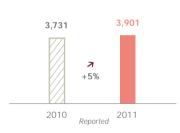
"This year we saw the first achievements of our Ambition AXA strategic plan."

Revenues (in billions of euros)



We executed our strategic priorities and took a selective approach to our markets. We focused our growth on the products and services that meet our clients' needs and deliver satisfactory margins, even if this means losing market share from time to time in other areas where these requirements are not met. As a result of this strategy, the Group's revenues have declined 4% to €86 billion, but our margins in both Life & Savings and Property & Casualty are up. We have also benefited from our rapid expansion in high growth markets, especially in Asia.

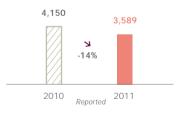
Underlying earnings (in millions of euros)



Our underlying earnings growth is a sign of our balanced business mix and rewards the talent of our distribution networks and our employees' engagement. Although life and savings underlying earnings declined, mainly driven by particularly difficult

market conditions in the second half and the impact of the March 2011 earthquake in Japan, this was largely offset by strong property and casualty performance. The combined ratio in P&C improved by 1.6 point (reported) to 97.9%.

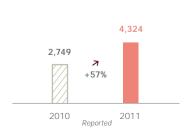
Adjusted earnings (in millions of euros)



Adjusted earnings declined 14% to €3.6 billion. This performance reflects our strong underlying earnings combined with the impact of the difficult financial markets, which translated

into higher asset impairments, notably on Greek government bonds and on equities following the sharp market downturn in the second half.

Net income (in millions of euros)



Net income rose 57% to \leqslant 4.3 billion as a result of our strong operating performance and active capital management. Net income for 2010 included a \leqslant 1.6 billion exceptional loss related to the partial sale of UK life and savings operations, while 2011 encompassed a \leqslant 943 million goodwill reduction in

the United States, attributable to the Accumulator variable annuity book of business, and €2.3 billion in exceptional capital gains following the disposal of Australian and New Zealand operations, Canadian operations and the stake in Taikang Life.

"Our business mix and geographic spread have enabled us to build especially well diversified revenues and cash flows that contribute to AXA's strength and stability."

A robust balance sheet and the ability to generate steady income and cash flows mean that an insurer can invest in future growth, return capital to shareholders and, of course, uphold its commitments to its customers—even in a crisis environment and even over a sustained period.

The last decade has been marked by a series of events of this magnitude that profoundly impacted financial institutions and their clients: these include 9/11, the dot-com bubble, the subprime crisis and the sovereign debt crisis in Europe. AXA is one of the few companies in the industry that never lost money during this period. This strength

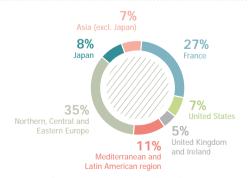
derives from both the diversification of our revenue streams and the quality of our balance sheet.

→ AXA is one of the most diversified insurers in the world. Diversification, which is one of the foundations of insurance, enables us to pool risks and acts as a buffer in times of crisis. Consequently, when one world region is impacted by a natural disaster (such as the tragic events that occurred in Japan in March 2011) or particularly unfavorable markets (such as the combination of very low interest rates and record-high volatility in the United States in the second half of 2011), the performance of other Group entities offsets

these difficulties, as shown by the 5% growth in AXA's underlying earnings in 2011.

→ AXA operates three main business lines: protecting property (P&C), protecting people (Protection & Health) and protecting assets (Savings and Asset Management). Like its diversified geographies, the balance between AXA's three business lines. ensures its resilience even in the harshest environments, since these activities follow different cycles. AXA generated more than three-fourths of its underlying earnings in 2011 in the insurance of property and people, which are not strongly, if at all, dependent on the financial markets.

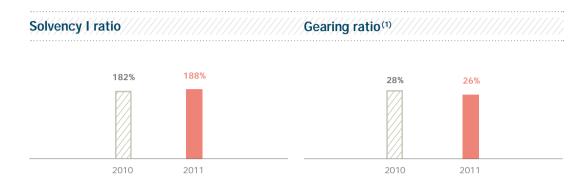
Geographic and business line diversification



Geographic spread of Life & Savings and Property & Casualty underlying earnings



Underlying earnings before tax by business line, excluding holdings



→ At end 2011, AXA's shareholders' equity was almost €49 billion. The Group's solvency ratios, close to record highs, and its rapid deleveraging attest to AXA's financial strength. Our asset base, representing the investments we make on behalf of our customers and those that enable us to uphold the guarantees we make to them, is very diversified

and strong. On December 31, 2011, we had unrealized capital gains in all three asset classes: fixed-income, equities, and real estate.

(1) (Net financial debt + perpetual subordinated debt) divided by (shareholders' equity including subordinated debt and excluding fair value recorded in shareholders' equity + net financial debt).

Stock market trends (CAC 40, European insurers(1), AXA)



→ Throughout the first half of 2011, the AXA share significantly outperformed European insurance sectors, benefiting from the positive response to our Ambition AXA strategic plan and first-half earnings release. This growth was halted by the emergence of the Greek debt crisis in the middle of the year. In a particularly difficult environment for financial institutions, the AXA share followed a similar trend

to its main European competitors and performed significantly better than other CAC 40 financial institutions.

Due to its worldwide presence, AXA's investor base is particularly diversified. Individual shareholders hold 7.4% of the capital and AXA employees hold 7.3%.

RESPONSIBLE RISK-TAKING



JEAN-CHRISTOPHE MENIOUX

Group Chief Risk Officer

WHAT IS THE ROLE OF GROUP RISK MANAGEMENT?

→ The core business of an insurer is to manage risks. AXA incorporates risk management strategies into its day-to-day processes, but must also be prepared for the most unlikely events, in order to protect the Group and its customers over the very long term.

Our first role is to facilitate safe risk-taking in the company's day-to-day business. We are not here to stop people from taking risks, but to provide insight to help them select risks and make decisions in an informed manner and provide a framework for this decision-making.

Our second role is to protect the AXA Group over the very long term. This means evaluating AXA's resilience in a wide range of adverse scenarios and major crisis situations. We use a set of stress tests to assess our ability to cope with extreme and rare events having multiple impacts. To effectively fulfill these two essential missions, every player, from our top executives to our onthe-ground team members, must be strongly aware of the importance of risk management. We are working to develop a stronger risk culture through training and communications.

HOW DID THE CRISIS IMPACT YOUR ROLE?

→ The crisis both tested and powerfully accelerated our risk management role, and continues to do so. In light of the unprecedented volatility we witnessed, scenarios that previously would have seemed purely theoretical suddenly became very believable. Following the 2008 crisis, we proved that we could quickly deploy corrective actions and anticipate risks. One example is our decision to protect our equity portfolio. At the same time,

we implemented "risk appetite" measures and incorporated them into our operational decision-making. Concretely, each year we ask our managers to define the exact amount of loss that they could handle in a crisis situation with respect to the earnings, value, capital and liquidity. Next, we show the impact of their risk management decisions on these dimensions so they can revise or validate their strategy. We use this type of approach, for example, to determine the level of reinsurance coverage required to protect AXA in the event of a major natural disaster.

WHAT DO YOU EXPECT FROM SOLVENCY II?

→ Insurance is a regulated activity, which is a good thing for policyholders. The principle of the Solvency regimes is to verify that insurers are strong enough to uphold their commitments, even in a shock scenario. For this we need a detailed analysis of the risk taken by the insurer. The Solvency I regime did not differentiate between the risk of

"We want as many employees as possible to adopt the behavior of risk managers and incorporate it into their day-to-day work."

an equity or a real-estate investment or between the risk related to insuring an automobile driver or a factory. In this respect, Solvency II is a revolution. It draws a relationship between the amount of capital and the type of risk accepted by insurers. Although key points of debate still remain regarding the calibration of the Solvency II regime, we are already feeling its impact. AXA developed its own economic capital model in 2001, which we have used in our decisionmaking since 2007. Today, about one hundred AXA employees are working full-time on our internal economic capital model, called STEC(1). Their work is fully supported by our management team.

WHAT RISK CULTURE DO YOU HOPE TO GROW?

→ We want as many employees as possible to adopt the behavior of a risk manager and incorporate it into their day-to-day work. In order to develop a risk culture, we need a strong message and support from a core of experts, (1) Short Term Economic Capital.

who are our Risk Managers. We have made a great deal of progress since 2004, when the Group Risk Management function was created, in improving safe decision-making. One of our achievements was to gradually make second opinions a widespread practice. For example, recommendations made by operational team members are reviewed by an independent third party, such as a Risk Manager. The development of our risk culture has been promoted by a range of expert-led training programs and greater risk awareness among many governance bodies.

HOW DOES THIS RELATE TO THE CULTURE OF TRUST AND ACHIEVEMENT SOUGHT BY AXA?

→ Imagine a corporate culture that develops a passive/defensive attitude among employees. This is the type of environment in which people are afraid to deliver bad news: a path that can lead to disaster. Overly permissive company cultures, however, can encourage employees to take unconsidered risks or overlook

rules in times of stress. This is an equally dangerous situation. On the other hand, a constructive culture, based on trust and achievement, is an excellent foundation for risk management. It guarantees that each employee does the right thing "even when no one is looking" and promotes an open, well-balanced attitude that meets the standards of good risk management.

HOW DOES AXA MEASURE UP IN TERMS OF RISK MANAGEMENT?

→ We are clearly at the top of the class. But we need to maintain this momentum over the long term. History has shown us that we need to be ready for the "impossible" to happen. We earned the highest score from Standard & Poor's in Europe and in our industry. Our voice is listened to by the CRO Forum(2). We are determined to stay at the forefront of research in our field and continue to progress.

(2) A professional group to develop and promote risk management best practices in the insurance industry.



ONE STRATEGY, ONE AMBITION

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DENIS DUVERNE

Member of the Management Committee, Director and Deputy Chief Executive Officer in charge of Finance, Strategy and Operations

YOU PRESENTED THE DETAILS OF YOUR STRATEGIC PLAN FOR 2015. WHAT ARE THE MAIN ORIENTATIONS OF THIS NEW PLAN?

→ Our new plan, Ambition AXA, explicitly describes the Group's long-term vision and adjusts the path we need to take to restore growth. It is an ambitious but realistic plan. We remain focused on our core business—insurance and asset management—and confirm our determination to become the preferred company for all our stakeholders.

We will do this by continuing the work we began several years ago to reinforce our customer centricity and promote the engagement of our employees by building a culture of trust and achievement. Our fundamentals are unchanged; only our priorities have evolved. Ambition AXA sets the course we will take to keep AXA and our employees moving forward, make the Group more efficient and competitive, and bring us closer to our customers. It explains precisely how we will accomplish this:

by exercising greater selectivity in mature markets, accelerating growth in emerging economies to establish stronger positions, and increasing efficiency everywhere. These three priorities are our roadmap to profitable growth.

CONCRETELY, WHAT DO THESE STRATEGIC PRIORITIES INVOLVE?

→ Being a global group does not mean that we want to have a hand in every business or every market segment in the countries in which we operate. It means that we intend to put our resources where they can make a difference, i.e. where our position can contribute to AXA's growth. This was the reasoning behind the sale of our Canadian subsidiary to Intact Financial Corporation. The disposal perfectly illustrates our idea of selectivity, which we apply mainly to mature markets, but on several levels. Meeting our customers' needs remains our constant goal. But we want to accomplish this by focusing more of our efforts on developing products

"We remain focused on our core business—insurance and asset management and confirm our determination to become the preferred company for all our stakeholders."



that are sustainably profitable and less capitalintensive. We also want to step up our presence in certain strategic client segments and be more agile in deploying our capital. This agility will drive our accelerated expansion in high growth markets where the Group already has a strong foothold.

We are aiming to double our size in Asia—the AXA Asia Pacific deal is helping us to do this—as well as in Central and Eastern Europe, in the Middle East and in Latin America. Aside from these geographical considerations, we want to build our presence in protection and health and reinforce our global leadership in direct business. However, to make our size a true competitive advantage, we need to be efficient. We have already launched a program to improve our competitiveness with a €1.5 billion reduction in spending by 2015. This is an ambitious objective that requires an ongoing effort from entities, regions, global business lines and the Group.

WHAT DO THESE PRIORITIES TRANSLATE INTO FOR THE VARIOUS BUSINESS LINES?

→ In Life & Savings, our selective approach and the needs expressed by our customers led us to concentrate our marketing efforts on protection and health and, on the savings side, on unit-linked products. Life insurance is a long-term business; a portfolio of clients and policies is built up gradually, over the long term, as are the related earnings. AXA, with its 40 million customers, is probably the company with the largest life insurance book of business. It is likely that we have not worked hard enough to optimize this portfolio before now, but we are confident, especially with all of the Group's life insurance experts worldwide, that the measures we have undertaken to optimize this portfolio will be a strong performance driver for AXA in the upcoming years.

In Property & Casualty, we have a dual challenge. We need to excel in the technical management of

"Our in-depth work to promote the active management of our capital and selectivity in all our business lines is beginning to bear fruit."



our businesses through frequent portfolio reviews, ensuring that the services and guarantees we offer are accurately valued by insureds and effectively funded, through more refined pricing and segmentation policies and through improved claims management. We also need to actively develop direct business. In P&C, this is the fastest-growing segment, with more and more of our customers taking out their auto insurance online. Today we are one of the leaders in this market and intend to further strengthen this position. In asset management, our investment performance will enable us to become the preferred company. To achieve this, we need to build up the multi-expert model implemented by AXA Investment Managers and diversify the business of AllianceBernstein with the sole priority of focusing on active management(1).

(1) A management method that aims to outperform stock market indexes, as opposed to passive index-based management, which consists in selecting investments to exactly replicate the composition of a stock market index.

THIS STRATEGY WAS DEVELOPED FOR THE POST-CRISIS RECOVERY. IS IT STILL RELEVANT NOW THAT THE EURO AND SOVEREIGN DEBT CRISIS HAS CAST A SHADOW OVER EUROPE'S GROWTH OUTLOOK?

→ When we developed our plan in early 2011, we gave ourselves the required leeway. After a trying year, due to the unprecedented crisis that hit the eurozone, our plan allows us the flexibility that is needed in an economic environment that is uncertain to say the least. Although the context has certainly evolved since we set the quantitative targets of Ambition AXA, we are confident that we can meet them in light of the nature of our assumptions. We are still aiming for an average growth in underlying earnings of 10% per year. Of these 10%, from 6 to 8% are tied to our increasing exposure to high growth markets and our efforts to further efficiency across all businesses. They are therefore largely independent of the current uncertainties.





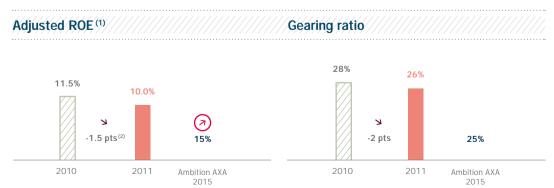
We are also aiming to achieve an adjusted return on equity of 15% in 2015 and a gearing ratio of 25%, while generating €24 billion in operating cash flows over the next five years. To do so we need to raise our Life & Savings new business margins to 28% and bring our Property & Casualty combined ratio below 96%.

ARE THESE ORIENTATIONS REFLECTED IN THE GROUP'S PERFORMANCE TODAY?

→ Our performance shows that they are putting us in the right direction to achieve our objectives. Our in-depth work to promote the active management of our capital and selectivity in all our business lines is beginning to bear fruit. We have protected the strength of our balance sheet, which is a major asset in the current environment. By focusing our efforts on customer expectations and offering them tangible proof, we have maintained our ranking as the top global insurance brand for the third year in a row. This is an essential component

to our acceleration in high growth countries. In addition to these initiatives, we are continuing to improve our efficiency with more simplified processes and interactions with our entities. We have started to modernize our distribution models, especially by offering multi-channel availability and increasing the efficiency of our sales teams.

Our performance was accomplished thanks to the hard work and engagement of all our teams. In the past few months, our share price has been more of a reflection of the eurozone crisis than of our specific achievements, but in the long term the work we have initiated can only contribute to the Group's success.



(1) This ratio is expressed as adjusted earnings over shareholders' equity. (2) Includes a 1.4 pts decline due to higher asset impairments.

CUSTOMERS

AT THE HEART OF OUR BRAND



VÉRONIQUE WEILL Member of the Executive Committee and Group Chief Operating Officer

Customer centricity is one of the pillars of Ambition AXA. The Group and its distributors have won the trust of more than 100 million customers around the world. But this trust is being constantly challenged: today's environment is intensely competitive, and every day our customers are more informed, demanding, and restless. We need to stay tuned to their behavior, better understand their needs, and offer them products and services that they see as differentiating and good value for money, via the distribution channels that suit them. To achieve this, our customer centricity is based on four transformation

projects: customer segmentation, brand strength, service quality and multi-channel distribution.

WHY USE A SEGMENTED CUSTOMER APPROACH?

→ Distinguishing between the specific needs and expectations of different customers helps us build relevant solutions that combine the right products with the appropriate guarantees and associated services and the distribution channels that suit them best. At AXA, we therefore defined three priority customer segments that will drive long-term growth and profitability: Young Professionals, who are taking out insurance for the first time, giving us an opportunity to build our portfolio and customer loyalty; the Affluent segment, with specific wealth management and estate planning needs; and SMEs and entrepreneurs, who are often under-insured in health and protection. To provide a few concrete

examples, the SME market was identified in 2008 as a source of profitable growth for the Mediterranean & Latin America region. AXA's entities have gained very strong positions in this segment: AXA Portugal is currently the second largest insurer of SMEs with a local market share of 18%. France's "AXA Exclusiv" program was successfully launched, offering Affluent customers differentiated services and a more exclusive relationship. Spain, Portugal and Belgium are next in line to deploy the program. Our Young Professionals business is growing strongly in Switzerland.

HAS THE BRAND DELIVERED ON ITS PROMISES?

→ For the third consecutive year, in 2011, AXA was named the Top Global Insurance Brand⁽¹⁾.This is

(1) Interbrand's annual Best Global Brands ranking is a leading reference. To find out more: http://www.interbrand.com/en/about-us/Interbrand-about-us.aspx.

79.3⁽²⁾

2011 customer satisfaction rate

"We are working hard to provide tangible proof by promoting services that create value for our customers and distributors."

a meaningful distinction. We are increasingly perceived as more attentive, available and reliable. Most of all, we are working hard to provide tangible proof that supports our brand positioning, by promoting services that create value for our customers and distributors. For the first time, the Group also joined the ranks of the best global green brands, based on consumer perceptions in the world's ten largest markets. To strengthen our brand, we have created tools to monitor our investments in communications and advertising. Our worldwide brand recognition enables our local entities to build partnerships with the best companies.

IS SERVICE QUALITY IMPROVING?

→ Providing excellent service clearly makes good sense: satisfied customers will be more loyal, buy more products and recommend AXA. When we offer quality services, our customers can put our brand promise to the test and AXA can earn their preference. AXA uses a very refined tool to measure customer satisfaction following an "experience". At Group level, this indicator has improved steadily for six years, reaching 79.3 (2) at the end of 2011, up almost one point from 2010. As part of its Ambition AXA, the Group has the target to add another 5 points to its overall score by 2015.

HOW IS DISTRIBUTION CHANGING?

→ Our clients are more and more mobile. They want to have the choice between phone and web services and meeting with their advisors. To meet customer expectations, we need

(2) A strongly positive response to the question, "What is your overall level of satisfaction with AXA?" in the Customer Scope survey, conducted twice a year among more than one million customers.

to increase the visibility of our products and services online, develop telephone and online sales and lead generation for our agents, and expand our 24/7 services. We will do this by improving the efficiency of our networks of agents in the retail market and strategic segments and optimizing our distribution costs. Our diversified distribution model includes agents, bancassurance networks, brokers and direct business. In Continental Europe, our strong network of 30,000 agents and salaried sales representatives generates more than half of our revenues. AXA will accelerate its development in high growth countries primarily through its agents and bancassurance. Direct business is gradually gaining ground alongside traditional distribution channels. AXA is already the direct leader in ten European countries and several markets in Asia, and it is the second largest in Japan, Poland and Spain.

AXA, top global brand

in insurance for the 3rd year in a row

DRIVERS OF SUCCESS



GEORGES STANSFIELD Member of the Executive Committee, General Counsel and Head of Group Human Resources

Since 2000, the Group has successfully pursued its development and growth, despite several global economic crises, while protecting the solidity of its balance sheet and staying close to its customers. In a world that is constantly changing, in both mature and emerging markets, the needs and aspirations of our employees have evolved. Our company is redefining itself around a new model. But can it really change its culture? Yes, as long as we stay very committed and give ourselves the time and resources we need.

WHY ADAPT AXA'S CULTURE?

→ Adapting the Group culture is an essential step toward achieving our ambition to become the preferred company of our industry and "redefine standards" by being more available, attentive and reliable. This is why we want to build a culture of trust and achievement that will reinforce our employees' engagement. Our project concerns everyone and, most of all, AXA's managers, who will lead the rest of our teams with their enthusiasm, engagement and example-setting. This is one of the two pillars of Ambition AXA. It is only the start of our project, and will take time. Group Human Resources will act as a facilitator, establish metrics and provide feedback on our progress.

WHAT PROGRESS HAS BEEN MADE WITH THE CULTURAL PROJECT?

→ We have just completed the preparatory work. We now know where we stand today and where we want to go from here. We have a valuable new metric to assist us, in addition to the customary measurement of engagement using the Scope survey. Toward the end of 2011, the Group developed the Organizational Culture Inventory (OCI), a tool to observe the behaviors and management styles of our organization and our employees, to identify any gaps that exist between their perceived environment and the ideal environment. This indicator and these data will enable us to identify change drivers and build the company culture we want. As early as in 2008, AXA had selected its first change drivers and defined appropriate performance indicators. Our aim is essentially to understand how

82.7%

of employees participated in at least one training program in 2011

"... foster engagement and an attachment for AXA that transcends entities and circulates throughout the Group."

our behaviors, our attitudes and they way we work can promote the achievement and fulfillment of our employees. In particular, we need to discourage passive-defensive behaviors that lead to avoidance and inaction, and instead promote a constructive, collaborative management style.

WHY MAKE TALENT A SHARED RESOURCE?

→ Talent is an essential resource for the Group's future that we want to manage more globally from now on. Understanding that our people are a shared resource will enable us to seize the right opportunities and use our different skills to accelerate our business where and when we need it. A more global approach will open up a much wider talent pool. We first need to establish a shared talent measurement system. In 2011, we combined our leader-

In 2011, we combined our leadership and talent management approaches into one program called Global Talent Management. Detecting talent is a priority for us. Instead of limiting ourselves to measuring performance, we also focus on potential, such as an employee's energy, engagement and ability to learn. We defined a leadership skill framework that we will use to better define what type of behavior is expected of each individual, select talents, and map a development plan more easily. One benefit of the shared language will be to foster engagement and an attachment for AXA that transcends entities and circulates throughout the Group. This is a more global which does not mean more centralized—way to manage talent.

WHAT ARE THE CONCRETE RESULTS FOR AXA EMPLOYEES?

→ Adapting our operational culture and improving our talent management are examples of actions that will ultimately have

very significant and concrete impacts on all our employees. In the short term, we will provide support that is close to business and to customers. This is the goal of our three-priority action plan to attract, develop and retain the best talent for AXA. Naturally, this can only be accomplished as we provide ongoing support to our existing employees. In November 2011, we again demonstrated the importance of permanent, constructive labor-management dialogue within the Group, by signing a major European Agreement on Anticipating Change with UNI Europa Finance and all of the French trade unions represented (read page 89).

74%

FOCUS ON AMBITION AXA PRIORITIES

Building on our customer centricity and culture of trust and achievement, we defined three priorities for profitable growth: selectivity, acceleration, and efficiency.



SELECTIVITY

→ IN PRODUCTS

Focus on developing products and services that meet customers' needs and deliver sustainable profits.

→ IN TERMS OF SEGMENTATION

Concentrate on strategic, profitable segments: SMEs, Young Professionals, Families, Over 50s, Affluent.

→ IN CAPITAL ALLOCATION

Maintain agility to increase return on capital.



ACCELERATION

→ IN HIGH GROWTH MARKETS

Double our size organically in Asia, Central and Eastern Europe, the Middle East and Latin America, by leveraging existing operations and partnerships, and seize bolt-on acquisition opportunities to expand our footprint.

→ IN HIGH GROWTH SEGMENTS

Rapidly grow in Protection and Health.

→ IN HIGH GROWTH CHANNELS

Achieve strong growth in Direct.



EFFICIENCY

→ IN MATURE MARKETS

Keep administrative spending at a stable level and improve distribution productivity to achieve €1.5 billion in cost savings by 2015.

→ IN HIGH GROWTH MARKETS

Continue our disciplined cost management.

With Ambition AXA, our strategic plan for the next five years, we are confirming our objective to become the preferred company in our industry.

MAIN FINANCIAL TARGETS FOR 2015



GROWTH IN UNDERLYING EARNINGS PER YEAR

→ This indicator allows us to analyze the Group's earnings capacity by excluding volatility related to financial market movements or one-off operations.



ADJUSTED RETURN ON EQUITY

→ This indicator measures the profitability of the capital invested by the Group. It is important for investors to be able to compare the value of their investment in AXA to other investments. This ratio is expressed as adjusted earnings over shareholders' equity.



GEARING RATIO

→ This is the ratio of the total amount of debt to total financial resources. It reflects AXA's commitment to fund its growth while maintaining a robust balance sheet and financial flexibility.



OF OPERATING FREE CASH FLOWS OVER 5 YEARS

→ Free cash flow measures our capacity to generate cash from our activities, after reinvesting to develop new business and net of the amount of capital we need to run our day-to-day operations. It gives us flexibility to invest and return capital to our shareholders.

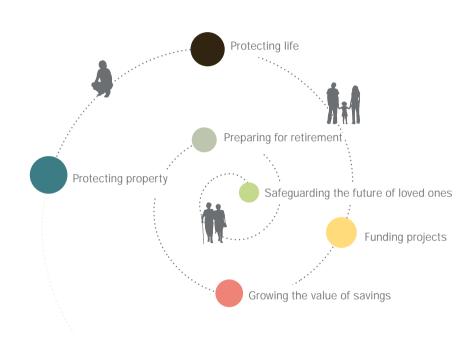


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OUR BUSINESS

Helping our customers live more confidently at each stage of their lives



Protecting one's own property and guarding against damage to the property of others	Protecting against life's mishaps	Funding projects	Growing the value of savings	Preparing for retirement	Safeguarding the future of loved ones
Motor vehicle, home and property insurance Personal and professional liability insurance	Health insurance Personal protection Assistance	Individual savings Retail banking products	Investment portfolio management Private wealth management	Retirement savings products	Life insurance Protection



LIFE INSURANCE & SAVINGS

Our individual and group life insurance policies encompass savings and retirement products on the one hand, and health and personal protection products on the other. Savings and retirement products meet the need to build up capital to finance the future, a special project or retirement, or to transfer one's wealth. Personal protection covers risks related to an individual's physical integrity, health or life. AXA also offers its individual customers in some countries a simple range of banking services and products that supplement the insurance offering.

PROPERTY & CASUALTY INSURANCE

The Property & Casualty business includes the insurance of personal property (motor vehicles, homes), and personal or professional liability. It covers a broad range of products and services designed for our individual and business customers. Assistance services are also part of the Property & Casualty offering, which also includes international insurance for large corporate customers in Europe, and a few specialty lines, such as marine and aviation insurance.

ASSET MANAGEMENT

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The asset management business involves investing and managing assets for the Group's insurance companies and their customers, as well as for third parties, both retail and institutional customers. The objective is to obtain the best possible return on invested assets. based on the risk profile and investment time frame chosen. Our combined areas of expertise allow us to devise investment solutions and products that meet the specific needs and constraints of our customers, by investing in different asset classes, such as equities, bonds or real estate.









For many, retirement means more time for yourself and for your family. As life expectancies continue to increase, people look to live long, active and healthy lives. Retirement is an important stage of life, which is seen by most in a positive light. Though it is also a time when worries, often relating to a decrease in income, tend to materialize.

What is the ideal retirement age? A study conducted by AXA and IPSOS challenges a number of preconceived notions. It found that the French seem to have accepted the idea of a later retirement, expecting to retire on average at age 65. "Does this mean that retiring at 60 is

no longer the expectation in France?" wonders Nicolas Deschamps, head of the AXA Retirement market. "I think so. People in France now understand that the pay-as-you-go retirement system is no longer sustainable. Today, for each retiree there are only two people in the workforce, compared to four people working for each retiree in the 1960s. In 2040, that ratio will be just one-to-one." It is clear that living longer increases the chance of becoming dependent at some point during one's retirement. Under these circumstances, preparing for retirement is absolutely essential.

"Our retirement system is a time bomb," explains Guillaume Sarret, an AXA agent in Paris. "With the increase in life expectancy, annuities are currently one of the only ways to guarantee a lifelong income." This assertion is understandable considering that, in France, in 2011, a 65 year

old woman could expect to live for 27 more years, and a man, another 24 years.

There is even more cause for concern when you realize that in France, on average, a retiree's income is less than half of what it was before retirement. More significantly, 70% of people overestimate the amount of their retirement benefits. It is therefore essential to anticipate this and prepare for retirement as early as possible. "For example, by saving €100 per month starting at age 30, you could

obtain a monthly payout during your retirement of €260", says Nicolas Deschamps. "If you start saving the same amount at age 40, you will only receive €160."

In today's environment, preparing for retirement truly requires a customized approach. According to the AXA/IPSOS study, 64% of the French respondents admit that they have no clear idea of how much they should be saving for retirement. Three out of four people in the same study said they needed advice.



Armed with this knowledge, AXA France launched a new consultation service called "Top Retraite" that uses simulation to offer customers solutions to increase their retirement income and personalized advice delivered by an agent or financial advisor. Customers can make an appointment on the AXA France website or simply stop in at any agency in the network. A three-part questionnaire helps identify an individual's expected basic retirement benefits, as well as the future retiree's needs and finally the solu-

tions proposed by AXA France. This service meets a genuine need. The formula devised by AXA France is easy to use, flexible, fast and precise.

With his experience in the field, Guillaume Sarret is happy with the new tool, which enables him to meet the challenges he encounters every day. "All of my customers are aware of the problem, but by the time they finally do something about it, it is often too late. Preparing for retirement requires saving, which is not







easy in these tough economic times. When you're young, you save money to buy a house. After 40, you save mainly with your children's future education in mind. When your kids have grown up and left home, it is often too late." For this agent, the ideal age to begin saving for retirement is between 30 and 35. "Each case is different," explains Guillaume Sarret. "You need to take the time to understand each situation and give the appropriate advice. I have clients who want to want to immediately start enjoying their free time and cash in on their benefits as soon as they reach retirement. Others take a completely different route, deciding to continue working. This is the case for Patrick de Gmeline, a historian with a passion for his work. He often says to me, 'I was never this busy until I retired!" After properly understanding his situation, Guillaume Sarret proposed solutions that were suited to his "active" retirement.

SEE PHOTOS AND VIDEOS OF PATRICK DE GMELINE WITH HIS AXA ADVISOR AT http://annualreport.axa.com

JOIN AXA PEOPLE PROTECTORS
ON OUR FACEBOOK PAGE

http://www.facebook.com/axapeopleprotectors/



A FORWARD-LOOKING VISION

The AXA Research Fund contributes to the advancement of knowledge by funding researchers.

RESEARCH TOPIC: THE PROMISE OF AUTOPHAGY FOR LONGEVITY PROFESSOR GUIDO KROEMER

Inserm (Institut national de la santé et de la recherche médicale), France



When stress causes damage to a cell, reducing its energy supply, autophagy allows this cell to tap into its energy reserve in order to remove the damaged portion, thereby protecting itself and preventing any further damage.

Guido Kroemer is a Research Unit Director at INSERM (France) specializing in apoptosis, a type of programmed cell death or cell suicide mechanism that enables organisms to eliminate threatening cells. He also heads the AXA project on this, researching the possibility of triggering autophagy to help increase longevity. "We very recently discovered

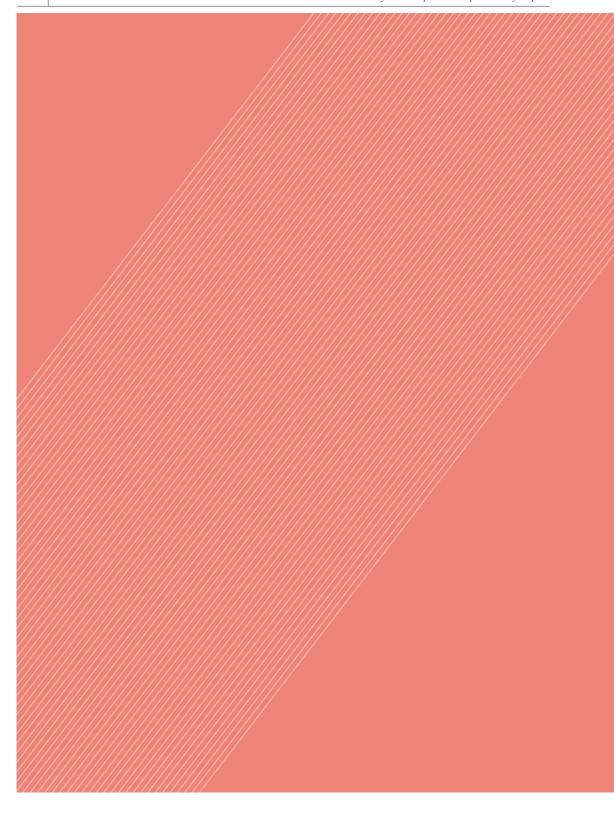
that several chemical substances, including spermidine, resveratrol and rapamycin, could actually induce autophagy when injected in mice. For the animals used in our study, most of the results showed an increased lifespan of between 15% and 30%. In addition, several studies have shown that reducing calorie intake also increases lifespan; a benefit that is caused by an increase in the rate of autophagy. We therefore will look to analyze this process on a molecular level in order to understand how it is regulated within the tissues. Finally, we have every reason to believe that autophagy could also help prevent, or even fight, neurodegenerative diseases and even cancer."

This project is financed by the AXA Research Fund









OUR ACTIVITIES 37

Life Insurance & Savings

JACQUES DE VAUCLEROY

Member of the AXA Management Committee, Chief Executive Officer for the Northern, Central and Eastern Europe business unit and Global Head of Life & Savings and Health.



HOW DID THE LIFE INSURANCE BUSINESS FARE IN 2011?

→ The life insurance business covers complementary but very different activities—personal

protection and health, on the one hand, and savings and retirement on the other. Personal protection and health, which by nature are not closely correlated with the financial markets, continued to grow in 2011. Conversely, the savings business is more dependent on the financial markets—bonds and equities—and had a tougher year in 2011. However, our policy of selectiveness resulted in an improvement in profitability on new contracts. AXA has one of the world's largest and most diversified portfolios in the life insurance industry. We optimized the portfolio in mature countries, thereby generating greater efficiency. In line with our strategic objectives, the health and personal protection businesses posted the sharpest growth in both volumes and margin on new businessproof that we are on the right track, with tangible successes in mature countries, particularly in Switzerland, Germany, France and the USA. In the savings and retirement business, we continued with efforts to refocus the portfolio on unit-linked products. While sales fell in the mature countries. except in France, they grew sharply in South-East Asia, India and China.

WHY HAVE PERSONAL PROTECTION AND HEALTH BEEN PRIORITISED IN THE AMBITION AXA STRATEGY?

→ The needs are evident, both in health and in individual and group protection. The aging of the population and longer life expectancy are increasing demand for services at a time when healthcare systems are increasingly overwhelmed and under threat from high public deficits. Today, in personal

protection, there is a wide discrepancy between individuals' need for cover and their actual cover. The shortage of coverage—from both state and corporate schemes—can be estimated at billions of euros across all markets. As concerns group benefits, not all needs are covered in the mature countries and some new ones are emerging in Asia. where numerous businesses must attract and retain the best people. While responding to customers' needs, the priority we have given to personal protection and health has been welcomed by our distributors, who see it as a return to the fundamentals of their business of protecting people. For our shareholders too, the risks inherent to health and personal protection are not correlated with the financial markets, so this is a way of diversifying the risk profile.

HOW CAN WE ENCOURAGE SAVERS TO INVEST IN UNIT-LINKED PRODUCTS IN A CLIMATE OF SUSPICION WITH REGARD TO THE FINANCIAL MARKETS?

→ While the last few years have been disappointing, equities are still a promising asset class over the longer term. The fundamental issue is educating our customers and the quality of the advice we can give them. We note that throughout the world, private investors tend to buy at the top of the market and sell at the bottom. Our networks have to convince them to do exactly the opposite, i.e. move into unit-linked products when nobody else wants them, and then reduce positions when everyone piles in. There are various ways of channelling savings. One way is to modulate returns on the euro section of multi-fund contracts, according to the unit-linked weighting accepted by the customer, a method successfully used by AXA France with the Bonus Euros+ initiative. Another way is to promote products that have a large share of unit-linked products, particularly with structured

"The priority we have given to personal protection and health is welcomed by our distributors, who see it as a return to the fundamentals of their business of protecting people."

products whose guarantees protect the customer from market fluctuations.

WHAT CONTRIBUTION DOES THE BUSINESS LINE MAKE TO THE AMBITION AXA STRATEGY?

→ We have defined four priority objectives to support a single strategy for transforming our health, personal protection and savings business in order to improve our profitability in mature markets and accelerate our development in high-growth countries. The proportion of new business in personal protection and health is expected to rise by five points looking to 2015. This implies diversifying distribution, with greater mobilization of agents and brokers, while building a direct sale

personal protection model. In Savings, Ambition AXA focuses on generating new business targeted on unit-linked products, the proportion of which should increase by 20 points in continental Europe. Here again, we must capitalize on our size to support this increase by delivering appropriate advice and defining a distribution model on the scale of continental Europe. We must also better target our investments, improve our efficiency and extract greater value from our portfolio of activities, which is one of the largest in the mature markets.

AMBITION AXA → OUR 2015 TARGETS FOR LIFE INSURANCE & SAVINGS

x2

Double the value of NEW BUSINESS in high-growth countries



Generate a margin of over 28% on NEW BUSINESS

BILLION EUROS

Generate 11 billion euros in OPERATING FREE CASH FLOW

Reduce

COST INCOME RATIO by

-5 POINTS

Increase

UNIT-LINKED CONTRACTS

in the volume of new business in Western Europe by

20 POINTS

Increase

PERSONAL PROTECTION AND HEALTH

in the volume of new business in mature markets by

5 POINTS

MARKET INDICATORS

LIFE INSURANCE

In a tough macroeconomic climate, with interest rates at an historic low, sharp volatility in the equity markets and the European sovereign debt crisis, the Group focused on personal protection and health, and on profitability for new business. Present in 30 countries, with 40 million customers, AXA fields a diversified offering in terms of product lines—personal protection, health and savings—and in terms of distribution channels. In 2011, the business line generated revenues of 52.4 billion euros, down 4%, and underlying earnings of 2,267 million euros. Supported by personal protection and health, new business fell slightly in volume, but margins rose 22.3%.

Life insurance

 N_0 . 1 \rightarrow Switzerland

No. 3 → Belgium – Philippines

 $N_0.4 \rightarrow Morocco$

 $N_0.5 \rightarrow$ France – Hong Kong

 $N_0.7 \rightarrow Germany$

Health insurance

 N_0 . 1 \rightarrow France

No. 2 → United Kingdom – Mexico

 N_0 . 4 \rightarrow Luxembourg

 $N_0.5 \rightarrow Germany$

 $N_0.8 \rightarrow Japan$



Improved product mix

Despite the rebalancing in product mix in favour of the personal protection and health business, the deterioration in market conditions weighed on revenues. The value of new business was unchanged in 2011. Dynamic trends in personal protection and health business were reflected by a 13% increase, with a 47% margin on new business. Conversely, the value of new business in savings fell 20% on a comparable basis. Nevertheless, thanks to strong mobilization on the part of our teams, unit-linked products held up relatively well (-3%) with margins stable at 23%. The Group posted positive net inflows of 3.3 billion euros, with France alone posting a net inflow⁽¹⁾ of 700 million euros.

Mixed performances

Globally, underlying earnings fell by 2% in 2011 compared to 2010. In a savings market impacted by the financial crisis, this change reflects a satisfactory performance in France and the Northern and Eastern European market and satisfactory management fees for unit-linked products. These positive points offset the low technical margin on variable annuities⁽²⁾ in the United States. The contribution of high-growth markets—Asia, Central and East-

ern Europe, Turkey, Mexico and Morocco—to this segment's underlying earnings doubled, from 7% in 2010 to 14% in 2011. These figures validate our policy of accelerated development in these markets and encourage us to continue growing this business, since they generate higher margins—nearly 42% versus 22% in the mature markets.

Health

→ A world player in health

Our health business now benefits from a Grouplevel management structure that includes, in particular, experts in countries where AXA is a leading player (France, Germany, United Kingdom). This community of experts has helped give the business a clearer identity and greater visibility. Present in over 30 countries, with over 9 billion euros in premiums, AXA is one of the very first general insurance players in the world to make health a genuine priority. As the third-largest player outside the United States, our ambition is to become a global leader, in particular by doubling our exposure to high-growth markets. Our priority in 2011 was to capitalize on country expertise, economies of scale, distribution channels, management of medical networks and claims management, with the aim of reinforcing this segment within the Group.

⁽¹⁾ See definition of net inflows on page 118.

⁽²⁾ Unit-linked contract in which the insurer guarantees a minimum payment.





→ Health strategy clarified

By combining an international approach—through increasing the capacities of the best entities with a local approach, AXA has identified sources of growth for each of the markets in which the Group is keen to develop. For instance, by its size, Poland is a major market in Eastern Europe. AXA moved into Poland in 2011 with a group health insurance offer that will rapidly be supplemented by an individual offering. However, South-East Asia is the top priority for which teams are mobilizing. International insurance products entitling policyholders to receive healthcare outside their own country have already been launched in Indonesia and Thailand. Hong Kong will be the next country to roll them out. Lastly, our distribution partnership in China with ICBC and our Indian entity AXA Bharti give us greater exposure in these markets.

In mature countries, AXA is keen to meet needs that are not yet covered and win new customer segments. An example is AXA PPP in the United Kingdom, which, under a new brand *Health-on-Line*—an offering proposed exclusively through direct sales and primarily on the Internet—targets a clientele looking for the best quality/price ratio. It features much lower rates and directs patients towards a choice of hospitals, clinics and specialists selected to that effect.

→ Technical expertise at all underwriting stages

Selling health insurance products is a complex business that requires very specific expertise on the part of distributors. Before offering a solution, they must understand the customer's needs and the risks underwritten in an area that is sensitive for individuals. The quality of underwriting and selection of risks are the basis of profitable growth, particularly in mature countries. As part of the process to help entities improve, the professionalization of underwriters has been addressed by an initiative focusing on the development of technical expertise at all stages of the underwriting process, and based on the sharing of best practices. Claims management has also been strengthened, with central teams working alongside the entities to improve processes, the robustness of which contributes to the profitability of the business. A number of guidelines have been defined and made available to local entities. including the speed at which claims are settled, which is essential to quality of service. Adopting a methodology of evaluation—the Capability Maturity Model—which enables the definition of gradual plans for improvement, the entities have started putting appropriate action plans in place in the Mediterranean and Latin America region (Mexico, Spain and the Gulf countries), and also in the United Kingdom, Germany, Japan and France.



AXA Mexico, for instance, has defined a five-step improvement plan. It includes optimization of customer and supplier databases and strengthening of the sales force; simplification of the offering to align it better with customer expectations; control of suppliers and the treatment offered; improvement of canvassing plans and differentiation of distribution channels; and, lastly, setting up sector-based actions with government authorities.

→ Quality healthcare networks

Good management of healthcare networks is a prerequisite both for improving the quality of service delivered to customers and for providing the foundation for profitable growth. Customers are seeking a service as much as protection and expect to be directed towards high-quality hospitals and health professionals close to home. The challenge is to evolve from an image of financial services provider to a model in which AXA becomes a partner in meeting its customers' health needs. The quality of hospitals and clinics is therefore the first criterion of selection. Subsequently, competitiveness depends on our capacity to obtain the best rates/services for our customers.

The sharing of networks is another lever. For instance, all the subsidiaries operating in Spain in health, protection, property & casualty and assistance now manage these healthcare networks in a coordinated manner. The advantage to the

customer is immediate. Whatever their situation, policyholders know exactly where to go. The approach is being rolled out in most European countries and will shortly be extended to Asia. It is a concrete illustration of how we manage our business to the customer's advantage. It is associated with prevention initiatives and specific management of serious cases and chronic illnesses to offer our customers better support.

Personal protection

→ Substantial needs in personal protection

Our personal protection products cover individuals or employees and their loved ones against unexpected mishaps. The Group is one of the world leaders in personal protection insurance, with a strong position in employee benefits in France and Switzerland and sizeable business in individual protection across all regions. Indeed, AXA's strongest ambition is in this individual protection business, for which it has set up a dedicated Group structure. Individual protection is an essential pillar in protecting individuals and their families against illness, accidents, disability and death. While surveys across the world show that people are generally very concerned about these risks, they are often poorly covered against



them, or not at all. We have therefore identified three levers for growth: first, facilitating access to these products by contacting customers through appropriate distribution channels, making sure our distributors have suitable products, simplifying the selection of risks on acquisition of cover and, lastly, setting up a specific protection sales process in each entity.

→ A range of segmented products

Our personal protection segment encompasses two main parts: coverage of basic needs with standard offerings designed with a view to simplification and ease of purchase, and coverage of more sophisticated needs, such as those related to inheritance issues and long-term care. For these complex needs, the "Valore Autonomia" product has allowed AXA MPS to become leader in the Italian market. AXA Equitable has won genuine success with its universal protection product "Athena Indexed Universal Life". In addition, standard products have been developed for an increasingly large share of the population. This type of cover is at the heart of the AXA Direct Protection offering. With products aimed at families, the entity made a direct contribution to strengthening the personal protection business in 2011. France now offers FamilyProtect, which provides simple, reliable and affordable death cover, together with a policy to protect loved ones in the event of premature death

or permanent disability. The platform supporting these products is now operational, which should accelerate roll-out across Europe.

→ Supporting distribution networks

The distribution networks are engaged in a transversal training initiative adapted to the sale of personal protection products, products that have a strong emotional connotation for customers. This initiative, which includes training of the sales teams, marketing tools and monitoring of the networks, has been put in place in the Mediterranean—Latin America region. Capitalizing on this approach, Italy has developed the capacity of its network to offer individual protection products. The result: without modifying its product range, the entity increased the volume of new business by 40% in this segment in 2011. In 2012, it will be gradually deployed in high-potential markets in Europe and in Asia.

→ Simplified underwriting processes

Over the last two years, we have focused on overhauling a large proportion of our products and supplementing our ranges with products related to long-term care insurance and coverage of dreaded diseases such as cancer. In parallel, we have begun the work of reformulating the underwriting process and have optimized our health questionnaires.



In Spain, for instance, we opted for a simplified medical questionnaire and a remote-underwriting process that guarantees appropriate selection of risks and allows us to provide better support for our customers and distributors.

Savings

→ Individual savings: a poor environment

Savers were again confronted with extremely volatile conditions in 2011, with a very unfavourable macroeconomic environment. Interest rates were historically low and the interest-rate curve flattened. with banks offering short-term returns very similar to the long-term interest rates offered by traditional life insurance products. At the same time, the extreme volatility of the equity markets against the backdrop of the crisis in Europe and risk aversion made it more difficult for us to implement our policy of channelling savings into unit-linked products. The Group therefore posted a fall in the amount of new business in 2011. The savings line, which accounted for half of new Life & Savings business in 2010, accounted for only 44% in 2011. In this context, diversification remains a priority. One of our objectives is to sharply increase the number of unit-linked contracts in continental Europe looking to 2015. In France, Germany

and, to a lesser extent, in Belgium, we focused on marketing multi-fund contracts encouraging a large unit-linked component. This is the case, for instance, for the Euro Bonus+ product proposed by AXA France, which offers a higher return on euro funds that have a unit-linked component of over 25%. In the same spirit, we encouraged the sale of structured products: unit-linked products offering a guarantee upon maturity. Collection of these products rose by 40% compared to 2010. The introduction of complementary health/protection cover also contributed to strengthening the attractiveness and profitability of savings products.

We also responded to the desire of numerous savers to privilege short-term investment by broadening our range of banking products and accelerating marketing of these products through AXA Banque France and AXA Bank Europe.

→ Greater support for customers

Today's economic and social uncertainties call for even closer relations with customers. It is essential to multiply the opportunities for dialogue in order to retain customers and win new business. In Europe, our savings customer portfolio is often highly concentrated—in France and Spain, 10% of our customers hold 50% of savings. In Belgium, 5% of our customers hold 75%. In addition to the relations that distributors maintain with them, our





objective is to organize systematic and methodical follow-up taking into account, in particular, the dates of tax maturity of the contracts. The Exclusiv' product, which targets an affluent customer segment with savings of between 100,000 and 500,000 euros, provides advice and a personalised asset and financial assessment. Initiated in France, this product is now also rolled out in Belgium, Portugal and Spain, with a clear objective: to conquer a market hitherto dominated by the banking sector. In France, the satisfaction rate of Exclusiv' customers has risen by 25%.

→ Reducing the cost base

Maintaining margins and adapting the cost structure to business levels is imperative given the fall in new business. The entities therefore embarked on adjustments that will be pursued in a targeted manner for each customer segment. In-depth work was also conducted upstream for the unit-linked business to establish strategic partnerships with certain asset management companies in continental Europe via Architas. This structure allows AXA to act as a manager, by subcontracting the investment activity to specialists at an adjusted cost. A similar organization of delegated portfolio management has already played a crucial role at AXA Equitable. Over the last three years, the modifications made to the unit-linked portfolio have enabled it to increase its contribution to Group revenue by 120 million dollars a year.

Banking business

→ AXA Bank Europe, a source of new growth

Operating in Belgium, Hungary, the Czech Republic and Slovakia, AXA Bank Europe works in synergy with AXA Banque France. In 2011, with 900,000 customers, AXA's loan production amounted to 3 billion euros. As a centre of banking expertise, it makes a significant contribution to strengthening the Group's presence in mature and emerging markets.

In 2011, in accordance with the requirements of Basel III and in response to market conditions, AXA Bank Europe refocused its financial services business. It also focused on development of EMTN (Euro Medium Term Note) products to channel short-and medium-term individual deposits towards less volatile funds.

In Hungary, a crisis management team closely monitored trends in the loan portfolio in response to new legislation imposed by the Hungarian government and the halt in loan activities.

Given more difficult market conditions and the tightening of regulatory directives, the decision was made to terminate banking business in Switzerland as of December 31, 2011.



→ AXA Banque France plays on its local presence

With 65,000 new customers, taking the total number to over 745,000 at end 2011, AXA Banque France is positioned as a local direct bank, taking advantage of its complementarity with the AXA France network of tied agents and sales force. The launch of a media campaign enabled it to boost its media exposure, in line with the target of 1.4 million customers in 2015.

In 2011, the entity collected 2,900 million in bank savings deposits, i.e. 250 million more than in 2010, and granted 1,275 million in mortgage loans, consumer credit and asset financing loans, an increase of almost 50%. Thanks to beneficial underlying earnings and a very solid solvency ratio (Core Tier 1 of 10%), AXA Banque orchestrated, in particular, the marketing of the first banking application on BlackBerry and launch of an after-sales service line on Twitter. It also rolled out a specific "Assurbanque" agency model in almost 800 AXA sales outlets and launched a "Home banking" pilot program in the AXA France in-house sales employee network.

LIFE INSURANCE

HIGHLIGHTS OF 2011

40
million life insurance
customers in over
30 countries

Family Protect aims for 1 million customers in 2015

Family Protect is the sales brand of the "Direct Protection" initiative launched by the life insurance line. Its objective is to provide value-added protection products (funeral plan, accident protection and temporary coverage in the event of death) to a customer segment with reduced savings capacity unable to afford conventional solutions. Family Protect operates via its website www.familyprotect.fr and mailshots. The longer-term objective is to broaden the range of products and expand it to the Polish, German and Italian markets, where tests have already been carried out.

MSO, AN INNOVATIVE OPTION IN LIFE INSURANCE

In the United States, AXA Equitable, a pioneer in the variable annuities market, launched an innovative product, the Market Stabilizer Option (MSO) that allows savers to benefit from policy growth despite market volatility. It offers customers peace of mind by providing a rate of return linked to index growth up to a cap of 25% together with downside protection. In new business, an average of 9% of policyholders opted for the MSO.

EXCELIUM, THE FIRST EXCLUSIVELY ONLINE LIFE INSURANCE CONTRACT

Excelium is a 100% online savings solution managed *via* an iPad application. It offers, in particular, a responsible investment convention that automatically invests 10% of savings in an SRI fund. It responds to the specific needs of each customer through simple offerings for the wider public supplemented by more sophisticated solutions for wealthier customers. A banking add-on is available for people keen to have an "all-in-one" solution, with a single contact and customer space (Internet and telephone).

GAME AND IPAD APPLICATION FOR A BETTER UNDERSTANDING OF LIFE INSURANCE

A playful way to discover the advantages of life insurance: this is what AXA Equitable is doing with its online game and iPad application. In one month, more than 41,000 people played over 133,000 matches. Players can use the game, baptized *Pass it On!* to create avatars and protect the future of their virtual family by putting money aside and making informed decisions about insurance.

MODULARITY AND FREEDOM FOR FRENCH VSB/SMB(1)

Adaptalia Entreprises is a health, protection and long-term care insurance range specifically designed for very small, small and mid-sized French businesses (fewer than 20 employees), which offers modular solutions adapted to their budget and the needs of their employees.





The Global Forum for Longevity opens new perspectives on longevity

Increased life expectancy is a challenge in all the developed countries today and in 20 to 30 years' time will also be an issue in China and India. It is having an impact on intergenerational solidarity and profoundly modifying the different phases of life. In spite of advances in research, we poorly understand the causes of this trend and its consequences, which tend to bring a multitude of often-interdependent factors into play. Hence, the perspectives in terms of increasing life expectancy can only be analysed through overlapping approaches—demographic, societal and biomedical. This observation is the rationale behind the first Global Forum for Longevity initiated by AXA and organized in March 2011. This special occasion for exchanges between policy-makers and world experts is part of the Group's efforts to support research and initiatives in favour of improved understanding and prevention of risks, in particular through the AXA Research Fund (http://www.axa-research.org).

To find out more about the speakers, view the contributions and gain a better understanding of the themes tackled, go to http://longevity.axa.com

AXA FRANCE AND AXA BANQUE REASSURE SAVERS

Recent economic and financial developments have raised a great many legitimate questions on the part of savers. To reassure and inform them, a new advisory space, "11 preconceived notions about savings" was launched on axa.fr in 2012. This new space features numerous videos giving simple and accurate information on a theme currently in the spotlight. A special feature: they harness the expertise of AXA specialists to challenge commonly held opinions about savings and life insurance. A wide range of topics is tackled: the advantages of life insurance, the related taxation, its yield, gold and real estate, diversification, retirement, etc. An educational quiz gives web users an opportunity to test their knowledge about saving and life insurance: What is a dividend? Is money invested in a life insurance contract locked in for eight years? To guarantee broad dissemination, all the content and educational functionalities of the space can be shared on Facebook and Twitter.

AXA SOLUTIONS COLLECTIVES, THE LATEST AXA ENTITY

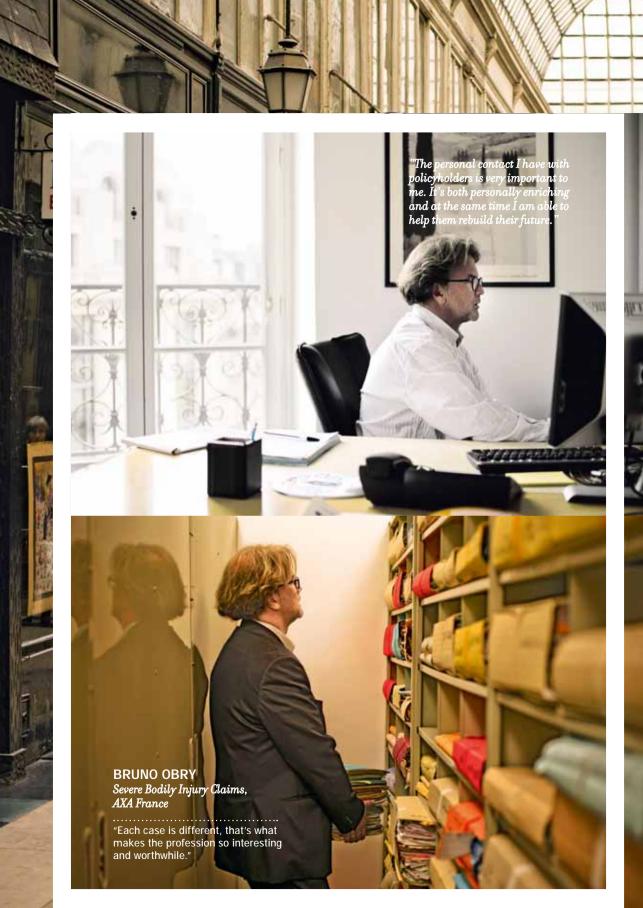
AXA Solutions Collectives offers large corporations employee savings plans, retirement, health, protection and long-term care solutions, along with credit insurance. This entity enjoys a position as recognized leader in all its business lines. Two businesses are being developed for the international market: credit insurance, primarily in Asia, and IEB (International Employee Benefits), which offers protection and retirement solutions for large multinational corporations. AXA Solutions Collectives generated revenues of 6 billion euros and a profit of 350 million euros in 2011.

+16%

Volume of new business in Asia in life insurance & savings compared to 2010







Following a terrible car accident, AXA made a large number of services available to ease the life of a family that was affected by this tragic event.

Bruno Obry is a claims inspector for the Severe Bodily Injury Claims entity of AXA France. He is passionate about his job, one he made a personal decision to take. "With 30 years of experience in the company and after holding several management positions, I decided to direct my career toward a more operational role. In this role, I travel very frequently, giving me the opportunity to have enriching personal contact with the policyholders. I am able to help rebuild the future of those whose lives have been shattered." Bruno Obry is an excellent example of how AXA envisions each person in this role.

Quentin's story illustrates this commitment perfectly. In May 2003, when he was barely three years old, Quentin was involved in a terrible car accident. He was in a car, heading home when it happened. The collision was extremely serious, critically injuring Quentin who suffered multiple fractures and a trauma that still prevents him from walking normally—"even though he can stand up", says Bruno Obry. Quentin gets around in a wheelchair.

In September 2009, Quentin's file landed on Bruno Obry's desk. "It was the first case I handled in the entity. I immediately made an appointment to meet the family." Until recently, AXA, like other insurers, only provided financial solutions. "Introducing case management has allowed us to change our practices and provide concrete answers to urgent—and sometimes long-term—needs."



In 2007, AXA France introduced their support program, acting as an example for the Group. Following their lead, in 2009, AXA deployed a program focusing on personalized support for the victims of severe bodily injuries. Beyond financial compensation, AXA believes in listening to customers in order to best understand their needs and then provide the most appropriate services. As Bruno Obry proudly states, "Society has evolved, and so have we."

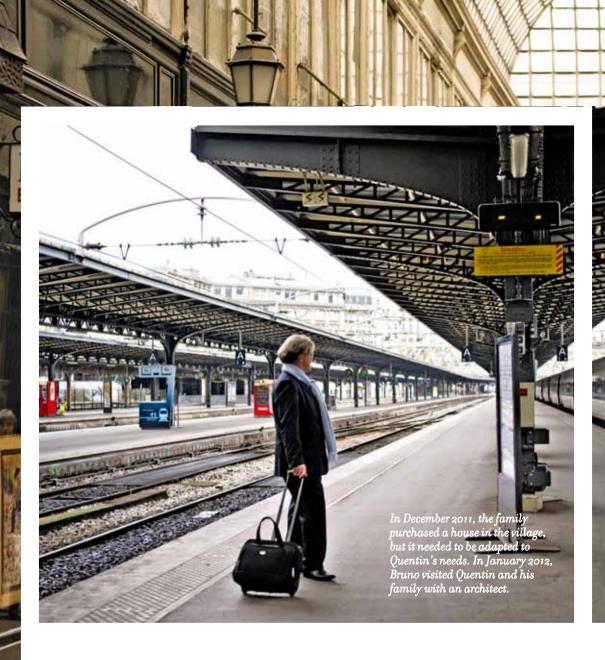
The claims inspector traveled to a small village in the Moselle area of France to meet Quentin's whole family. First, he met Laurence, Quentin's mother—"a really wonderful person"—and then his grandparents, Agnès and Michel. "Very brave and extraordinary people, and longtime AXA customers." Thanks to Bruno's support, AXA paid for a stair lift so his family did not have to carry him up the stairs.

Bruno also helped Laurence make the decision to "make a change and go back to work, as she left her job when the accident happened." Thanks to the assistance of an in-home caregiver, Nathalie—"a wonderful woman who takes incredibly good care of Quentin and of the house"—Laurence has been able to find new balance in her life.

The village is isolated. "There is nothing within 15 kilometers." The institution that cares for Quentin's daily medical and educational needs is located about 30 kilometers from where the family lives. There are buses in the area, but it is more challenging for a child with a disability. Bruno Obry solved this problem. In 2009, AXA made sure transportation was available to allow Quentin to make his morning and evening commutes. An independent







taxi driver was chosen to help Quentin get from place to place.

Following this latest success, Bruno suggested that Laurence sign her son up for a sports activity. To Quentin's delight, he now goes to ride ponies each Wednesday and has since discovered a true passion for animals. For one afternoon each week, his disability becomes obsolete as he is surrounded non-disabled children his own age. To help Quentin "start to have his independence", Bruno Obry has

made a private tutor available once or twice a week. The objectives are clear: to teach him the fundamentals of math and reading. Quentin is, of course, making progress. "Even though his mother has trouble accepting her son's disability, we are doing everything in our power to ensure that Quentin will have as much autonomy as possible when he reaches adulthood", Bruno Obry explains. "That is our commitment to this family. And I believe that, in this regard, Quentin's case is a perfect example of the values of the Group."



In December 2011, the family purchased a house in the village. While it had more room, it needed to be adapted to Quentin's needs. Continuing to keep a close watch on the child, in January 2012, Bruno Obry brought an architect to visit Quentin and his family. AXA decided to pay for the renovation of a bathroom and bedroom for Quentin. By March, the family was finally able to settle into their new home.

SEE PHOTOS AND VIDEOS OF LAURENCE AND HER FAMILY AT http://annualreport.axa.com





A FORWARD-LOOKING VISION

The AXA Research Fund contributes to the advancement of knowledge by funding researchers.

RESEARCH TOPIC:
ROAD SAFETY – DOES
WEARING A HELMET REALLY
PROTECT CYCLISTS?

DR. AYMERY CONSTANT Associate Professor, École des Hautes Études en Santé Publique, France



For most people, riding a bike in an urban setting can be dangerous. Despite the risks, many people still decide to ride a bike without a helmet. There are a number of reasons why people decide not to wear a helmet:

- The discomfort can be discouraging;
- Some believe that other safety measures are more effective such as having bike paths or having lower speed limits for cars;
- Cyclists who wear helmets may actually adopt riskier behavior on the road.

As a post-doctoral fellow at Inserm on an AXA grant, Dr. Aymery Constant studied the behaviors of over 1,500 volunteer cyclists in Bordeaux using an innovative video detection system in order to assess habits

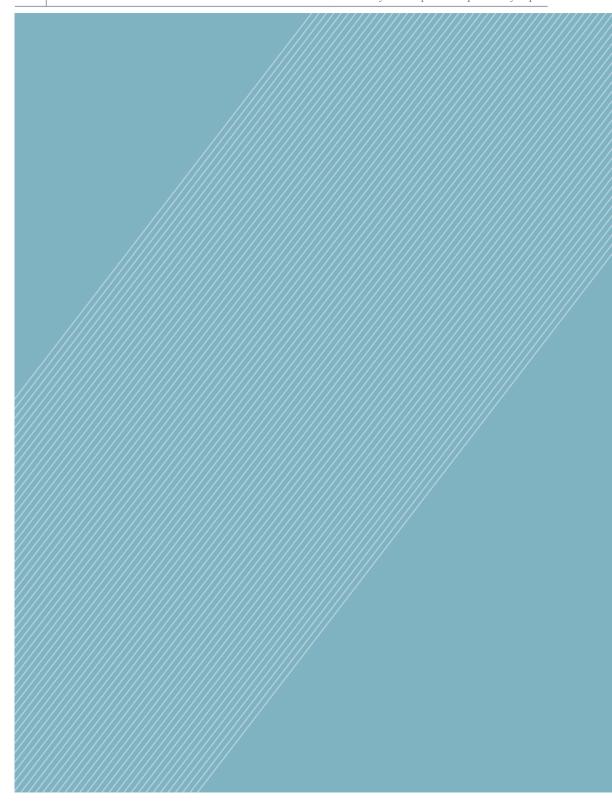
related to risk as well as the effectiveness of strategies to encourage the use of helmets. "Does wearing a helmet increase the likelihood of taking risks? We felt it was necessary to observe the cyclists in this situation, both for those who generally wear a helmet, and for those who had been made aware of the risks associated with not wearing a helmet. Based on these studies, we discovered that making them aware of the risks had a low impact on helmet-wearing, and that even this low impact dissipates within six months. On the other hand, wearing a helmet did not lead to an adjustment of their behavior. This proves the need for more regular education about the risks and an increase other regular preventative actions."

This project is financed by the AXA Research Fund









OUR ACTIVITIES 53

Property & Casualty Insurance

JEAN-LAURENT GRANIER

Member of the Management Committee, Chief Executive Officer for the Mediterranean and Latin America region and Chairman & Chief Executive Officer of AXA Global P&C



HOW DID THE CLAIMS EXPERIENCE EVOLVE IN 2011?

→ 2011 was marked by a large number of natural disasters the worst year since 2005. The

Asia-Pacific region was particularly hard hit, with floods in Australia and Thailand and earthquakes in New Zealand and Japan, where a tsunami triggered a major nuclear accident. The United States experienced typhoons and cyclones. However, although these events represent a substantial cost for the global insurance market, their impact on AXA was relatively small, except in Thailand, where total claims amounted to close on 100 million euros. Leaving aside these weather-related events, our claims experience in Europe in commercial and personal insurance was stable, although this could deteriorate if the crisis were to persist.

HOW HAVE THESE TRENDS BEEN EXPRESSED IN THE RESULTS?

→Our results are satisfactory overall and in line with Ambition AXA objectives. Our combined ratio came to 97.9%. In 2011, we succeeded in reducing our expenses. The improvement in combined ratio was further supplemented by growth in revenues, which rose by over 3%. This is a satisfactory performance given that the recession took hold in Europe as of September 2011. We posted a solid performance in high-growth markets and in direct sales, a performance strengthened by a selective underwriting approach and tariff increases in most countries, particularly the mature countries. We therefore succeeded in restoring the underwriting profitability of the Property & Casualty line, while at the same time preserving its growth.

DOES THE ECONOMIC CRISIS IN THE EURO ZONE COMPROMISE THE STRATEGY OF AMBITION AXA?

→ Our plan is based on fairly cautious assumptions. Although it was not designed to respond to so severe an economic crisis, its underlying approach allows us to adapt to the current climate of recession. On the operational level, it is based on three priorities: restoring underwriting profitability, transforming our operational model to improve competitiveness and efficiency, and boosting growth through a stronger presence in high-growth geographical regions and the development of direct sales. This is what we endeavoured, successfully, to do in 2011. We enhanced our customer-centric approach with segmented product offerings. But our strategy is not one of growth at all costs. We want, first of all, to better select our risks and more precisely target the market and customer segments we wish to develop in Europe, while continuing to strengthen our platform in countries that are less sensitive to the economic crisis. Furthermore, the severity of the crisis makes it even more essential to reduce our expenses.

WHAT CONTRIBUTION DID THE PROPERTY & CASUALTY LINE MAKE?

→ The transversal and operational organisation put in place by François Pierson in 2010 aims to provide a global vision of the business while remaining in direct contact with activity on the ground. Close attention to the entities' operational objectives is a constant preoccupation. The strength of this organisation is that we can capitalize fully on our strong points while gaining in speed of execution. The community of Property & Casualty specialists

"The community of Property & Casualty specialists we created encourages the exchange and sharing of expertise, enabling a collaborative process for innovation."

we created encourages the exchange and sharing of expertise, know-how and resources, enabling a collaborative process for innovation. The work done in customer segmentation, particularly for SMEs, is exemplary in this respect. This was one of our priorities in the Mediterranean - Latin America region. We rolled out a strategy combining life and Property & Casualty products, segmented offers,

tools and specific commercial support. This is only one example among others. With the support of the global business line, growth in the commercial segment was driven, more particularly, by the Mediterranean region (+6%) and by Mexico (+15%).

AMBITION AXA → OUR 2015 TARGETS FOR PROPERTY & CASUALTY



Achieve a CURRENT YEAR COMBINED RATIO under 97%



Achieve an ALL-YEARS COMBINED RATIO of under 96%

-4 POINTS

Reduce the EXPENSE RATIO 4 points (including claims handling cost)

MARKET INDICATORS

PROPERTY & CASUALTY INSURANCE

Property & Casualty business has posted the sharpest growth in the last few years, with revenues of 27 billion euros in 2011 compared to 16 billion euros ten years ago. We are present in more than 30 countries, serving 55 million customers. Our business is geographically diversified, with 20% generated in France, 31% in the Northern, Central and Eastern European region, 25% in the Mediterranean and Latin America region, and 14% in the United Kingdom and Ireland. P&C business is also diversified in terms of distribution channels: in Europe and Asia, 8% of our revenues are generated by direct sales. Lastly, we have a good balance of business between the different market segments. Thanks to these strengths, we have held up well in a tough global environment marked by many natural disasters. The latter, however, did not seriously affect AXA's results.

Property & Casualty insurance

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N_0. 1 \rightarrow France – Belgium – Switzerland – Turkey – Mexico
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 N_0 . 2 \rightarrow Spain – Portugal – Singapore

 N_0 . 3 \rightarrow Ireland – Luxembourg – Morocco

 N_0 . 4 \rightarrow Germany – United Kingdom – Russia



High-growth countries and direct sales—the new drivers for growth

Property & Casualty revenues grew by 3.5% in 2011, supported by development of our activities in high-growth markets—Asia, Turkey, the Arab countries, Latin America—and in direct sales. The high-growth countries now account for 12% of revenues, with a contribution up 16% to 3.3 billion euros, and 60% of new P&C business is generated in these countries. Direct sales account for 8% of revenues and generate 17% of new business.

All customer segments contributed to growth. In the personal insurance market, which accounts for 60% of our revenues, we gained more than 1.5 million policies, primarily in motor and homeowners' insurance. Growth in this segment came to 4% in 2011, driven by pricing adjustments and very strong sales in Europe, notably in Germany and Italy, and in the emerging countries. In Turkey, sales were up by more than 30%. In commercial insurance (39% of revenues), growth came to 3%, driven primarily by the Mediterranean region and Mexico.

Combined ratio moving down

Our combined ratio improved appreciably, standing at 97.9% in 2011. Underlying earnings were up 16% to 1.8 billion euros. If we add in the underlying earnings from major risks, it made a 45% contribution to the Group's total underlying earnings, all regions and business lines taken together. Despite a difficult year 2011 due to natural and weather-related risks and the economic situation, P&C business is doing well. It is profitable and has demonstrated its capacity to weather periods of crisis. It provides key support for the Group's development strategy.

Personal/Commercial

→ Appropriate distribution models

Because our customers are increasingly mobile and want to be able to benefit from our services at any time using whatever means they choose, our capacity to adapt our offering and our distribution model is a crucial avenue for improvement. To respond to these multiple expectations, we are developing a multi-access approach. We are diversifying acquisition models (Internet, direct marketing or sales agencies), multiplying communication



channels (face-to-face or through smartphone applications) and adapting our offerings to customer segments and distribution channels.

Motor vehicle and comprehensive homeowners' insurance cover are now considered to be basic products that can easily be purchased online. The role of our proprietary networks today is therefore to develop sales of products and services with higher added value.

In France, the launch of the "agence grand public" is based on a global approach to customers (in banking and insurance) and optimisation of agency operations, notably through a telemarketing platform designed to encourage customers to become multiple policy-holders. We have observed that the savings of customers holding an account with AXA Banque are twice as high as other customers, and that contact frequency is nine times higher when the customer also banks with AXA. AXA Banque tends to recruit customers 10 years younger than the insurance clientele of tied agents, while cancellation rates in motor insurance are less than 38% for customers using AXA Banque. The claims-handling platform also offers new opportunities. For instance, agents can now transfer responsibility for everyday management of their portfolio, while still keeping a close watch on developments in their customers' dossiers.

AXA Global Direct, the Group's direct selling organisation, is driving an increase in sales over the whole range of P&C products, particularly in motor insurance. It has become a driver of growth in Asia, notably in Japan and Korea. Drawing on annual average growth of 10%, this new source of growth in P&C business generated 1.8 billion in premiums for 5 million policies. The platform ensures profitable growth in the nine countries where it has already been rolled out. New products are being developed in these countries and for other countries in which the Group is keen to operate. The growing weight of direct business goes hand in hand with greater professionalization of the traditional channels in mature countries and strengthening these channels in high-growth countries.

→ Finer customer segmentation

Good customer segmentation can prove to be a crucial advantage. The UK market, where AXA operates under two brands, AXA and Swiftcover, is a good illustration of this. Swiftcover primarily addresses a young clientele, who are accustomed to buying online and to doing everything—or almost everything—on the Internet: storing documents, modifying data and any other such operation. In contrast, the AXA brand targets a more traditional, older clientele that prefers to have broader support. The two brands coexist and complement each other perfectly.



The in-depth work done in segmentation of the SME sector, initiated in 2010, has enabled us to identify really distinctive niche markets. With two to three new products every year, we expect to field 20 altogether by 2015. The international insurance product designed for SMEs is one of them. It was rolled out in 2011 in five major markets—France, the United Kingdom, Switzerland, Germany and Belgium. Other countries have decided to launch it in 2012; it is already supported by four shared platforms. While limited to Property & Casualty insurance for the moment, it should in the longer term be extended to vehicle fleets and the construction sector.

The SME segment, at the heart of transversal initiatives in the Mediterranean - Latin America region for the last two years, posted growth in revenues higher than the market. In Portugal, AXA is the second-largest insurer of SMEs with a 17% market share, thanks to creation of a specialisation programme for agents. This programme is based on accreditation after successfully completing a training course on products and best practices, in partnership with a prestigious Portuguese university (Universidade Cattolica Portugesa). Other factors contributing to this successful outcome are a commission system including specific targets for SMEs, segmented offerings that target particular commercial niches, and a strategy combining Life & Savings products with Property & Casualty products.

In Switzerland, AXA Winterthur has made the 18-35 age bracket a strategic priority. Considering that growth in premiums is driven by young working adults, the entity seeks to attract and retain this segment by providing attractive offers. Given that the claims/premiums ratio of young drivers is very high, the cost of cover was initially raised. Subsequently, however, after analysing the needs of customers who took out their first motor insurance at the age of 18, they were offered a very competitive, basic homeowners' insurance product, with the option of buying it online. Other entry-level products are currently being examined.

After also initiating segmentation by industry sector, AXA launched two products targeting the information technologies sector and the hotel and restaurant industry. Other products will be launched in 2012, including a packaged offer aimed at brokers. Designed with the help of the expertise gained by AXA entities in mature countries, these offers will eventually be made available in high-potential emerging countries.

→ Value-added personal insurance solutions

AXA today applies a simple approach for developing its offers: selling the right product at the right price. The *Value for Money* method initiated in 2009 in motor insurance, allows an offer to





be broken down into a list of guarantees and services, which is then tested with customers to assess the perceived value of each, identify the most attractive and subsequently validate different pricing levels. By identifying accurately what customers want and what price they are prepared to pay to purchase cover, the method introduced a cultural change. Instead of amassing a whole range of guarantees and services that the customer does not necessarily value or that are not always really paid for in a given package, the rationale is to offer basic cover meeting essential needs at a competitive price. This base can then be supplemented by additional guarantees and services according to the customer's real needs. The method therefore takes into account the appropriateness of different types of cover for customers, their willingness to pay for this cover and the underwriting cost of the guarantee. In France, Direct Assurance reformulated its motor insurance offering along these lines, resulting in a 12% increase in revenues. The method contributed to the improvement in underwriting profitability of risks in personal insurance and made it possible to optimise pricing structures in accordance with business profiles. In parallel, all AXA entities conducted reviews of their portfolios according to the priority given to closer selection of risks and improved pricing discipline.

→ Claims handling, a key to customer satisfaction

Good management of claims is crucial to customer satisfaction. As part of the "Claims 2012" project, AXA has set four priorities: strengthening customer relations through personalised, proactive management; modernising claims management processes by capitalising better on information technologies and systems; reducing the cost of claims settlements while continuing to improve quality of service and integrating partners more closely in the value chain; and continuing to combat fraud and payment of undue benefits. Rollout of the project continued in 2011, with a particular focus on management of service provider networks through the Motor New Deal initiative, which concerns networks of garage owners in Europe. The idea is to focus activity on a smaller number of partners, while reinforcing quality criteria, so that claims are better managed and the payouts made less costly. Customers are now offered the possibility of notifying claims on their smartphone, which simplifies the process for them.

To respond to the need expressed by customers to be relieved of the formalities associated with making a claim, AXA France has launched a "home service" option. If a vehicle damaged in an accident is still roadworthy, AXA undertakes to pick it up at a place and time chosen by the owner.



AXA will then drop the damaged vehicle off at an accredited garage, where it will be examined by an expert and repaired. The owner is offered a courtesy vehicle to use in the meantime. Finally, the repaired vehicle is cleaned and dropped off at a place and time agreed with the owner. This service resulted in a 13-point increase in customer satisfaction among policyholders who tried it and cancellation rates fell by 30%. A study carried out by AXA France shows that a 0.5-point improvement in the combined ratio is generated by directing 10% of customers towards the "home service" option after an accident. This service, which is offered in France and Germany, will shortly be made available to Swiss and Mexican customers and is currently being studied by other entities.

AXA Corporate Solutions

→ Dedicated to large corporations and specialised markets

AXA Corporate Solutions, dedicated to corporate customers and the specialised Marine, Aviation and Space sectors, posted a 3% rise in revenues despite difficult economic conditions. Growth was driven by the Motor segment, in particular through development of international programmes that represent 60% of the branch's business, and by the Marine and Aviation business. We note the dynamism of the Construction segment, thanks to start-up of new construction projects in the developing countries, offsetting sluggish trends in the mature European markets. In the mature countries, AXA Corporate Solutions focused its efforts on Space and high-growth segments such as the new technologies in the field of renewable energies.

Thanks to its 10 branches, dedicated employees, an international network covering more than 90 countries and its teams of risk-prevention engineers working in AXA MATRIX Risk Consultants, AXA Corporate Solutions is able to support its European customers throughout the world, particularly in fast-developing regions such as Asia and the Middle East, while also serving local customers in these regions. In Asia, where business





has grown sharply over the last few years, a new regional structure was set up in Shanghai. It aims to combine AXA Corporate Solutions' underwriting and international expertise with the knowledge of local markets possessed by other AXA entities. The goal: to reinforce growth momentum in South-East Asia, China, India and the Gulf region with the aim of doubling revenues by 2015. A first initiative was conducted in partnership with AXA Asia and the broker AON Asia, through organisation of a conference focusing on natural disasters as a priority concern. More than 80 risk managers and brokers from Singapore and other countries in the Asia region met on the campus of the AXA Asia Pacific University, to share knowledge of current risk management and prevention solutions in the field of natural disasters, the consequences of which are increasingly severe.

AXA Assistance

→ Another way of handling assistance

Third player worldwide with 31 subsidiaries throughout the world, AXA Assistance operates in 200 countries and posted revenues of 911 million in 2011, down slightly (-2%) on 2010. Underlying earnings for the Group's Assistance business were up 27% at 21 million euros.

AXA Assistance puts its customers in contact with a network of service providers with which it has signed service and price agreements. The transformation process initiated in 2010 and focusing on four business lines—vehicle, travel, health and home assistance—continued in 2011, notably by pooling resources in some operations. In this way, AXA Assistance is adapting to a market characterised by increasing globalisation of customers and technologies that are bringing about a radical change in the assistance business, one highlight being a smartphone solution for drivers.

2011 was marked by natural disasters in Australia and Thailand, Japan, New Zealand, Turkey and the United States. AXA Assistance teams, which benefit from regular training in crisis management and are particularly responsive, are now confronted



with a virtually unbroken string of major disasters requiring them to remain in a state of almost constant alert.

Thanks to the successful launch of the new Corporate Mobility solution, designed for expatriates and business travellers, particularly in the United States, Canada, the United Kingdom, France, Belgium and Singapore, 2011 saw numerous commercial successes in all business lines and regions. A large number of agreements were signed in travel insurance with Singapore Airlines, in home assistance with Castorama and Bricorama in France and Iberdrola in Spain. In vehicle insurance, major agreements were signed with Mercedes and Opel in Europe, Goodyear in India and Ford in Turkey. In the Turkish market, 500,000 vehicles could be covered through this operational agreement. Ford is the second local player in combustion vehicles in Turkey. Startup of this contract entailed creation of a dedicated team of 11 people who received specific prior training delivered by the automaker. Today, AXA Assistance Turkey relies on the Ford contractmanagement system to streamline and optimise processing times.

Development of common activities with AXA Group entities gathered speed with the "Domiciel" service in France for home assistance and protection products with AXA Direct Protection.

AXA Assistance and AXA Insurance together signed a three-year medical assistance agreement with TUI⁽¹⁾ to cover UK tourists travelling to all foreign destinations.

AXA Assistance also strengthened its partnership with Master Card in Europe for a common approach to sale of travel insurance products in banks. It led on to signature of new agreements worth almost 10 million euros and exploration of new opportunities for concierge services.

(1) Touristik Union International.

PROPERTY & CASUALTY INSURANCE HIGHLIGHTS OF 2011

million P&C
customers in over
30 countries

AN ONLINE OFFER FOR DRIVERS

How can we integrate an online product to respond to a multi-access strategy in a mature country? This is the question AXA Germany has answered by creating a motor insurance product—"mobil online"—designed specifically for the Internet. Available exclusively on www.axa.de and comparison websites, this very competitive offer is based on the self-service principle and aimed at well-informed customers seeking a simple product without add-ons.

180 MILLION EUROS

A NEW ISSUE OF CAT BONDS

For the second year running, AXA Global P&C successfully placed an issue of catastrophe bonds (commonly referred to as "cat bonds") with institutional investors. The issue amounted to 180 million euros. It provides an alternative to traditional reinsurance for covering the Group against the risk of major natural disasters. The purpose of cat bonds is to transfer risks to the financial markets.

THE ALL-IN-ONE CONSTRUCTION INSURANCE OFFER

"Car All In" is a new Construction product that AXA Corporate Solutions offers large corporations in mature markets. Particularly suited to public-private partnership (PPP) operations, the guarantees bridge the gap between the end of the works phase (construction insurance) and operation of the finished work. (P&C insurance).

AXA Assistance and Renault-Nissan in Europe

AXA Assistance was chosen by the Renault-Nissan Alliance as assistance provider for its range of electric vehicles in Europe. The agreement allows Renault and Nissan to offer their customers innovative services specific to this type of vehicle, on top of those traditionally covered by roadside assistance. To date, this agreement covers 21 countries in Europe. AXA Assistance, which generates 40% of its global revenues in the motor vehicle assistance sector, has been preparing for the opening of this promising emerging market for many years, both by setting up a network of motor vehicle repair partners and adapting the service to its assistance platforms by means of specific training programmes. In this way, AXA Assistance intends to demonstrate the local response it can offer customers through high value-added services, while at the same time reaffirming its commitment to sustainable development.





AXA ASSISTANCE LAUNCHES E-LEARNING TO HELP CAREGIVERS

AXA Assistance's "entreaidants.fr" website offers genuine educational support to caregivers, with 15 e-learning modules that describe concrete practices and attitudes useful for people assisting those in need of long-term care. These presentations were designed by a group of specialists—doctors, physiotherapists and nurses—from the AXA Assistance medical team and from Adhap Services (AXA Assistance subsidiary specialising in medical care in the home). These services supplement AXA France's range of long-term care solutions.

EARTHQUAKE IN TURKEY

On October 23^{rd} , a 7.2-magnitude earthquake hit the province of Van in Eastern Turkey, causing over 600 deaths. By the 24^{th} , a mobile AXA Sigorta office was already in place in the province to facilitate and accelerate payment of claims.

REDUCING MOTOR VEHICLE TRAFFIC IN SEOUL

As a way of helping relieve congestion in the big Korean cities, particularly in Seoul, AXA Direct Korea offers motor insurance priced on the basis of mileage—the only player in the market to offer this option. The initiative contributes to the reduction of carbon emissions while policyholders benefit from an immediate reduction of 9%.

A FIRST VENTURE IN ALGERIA

AXA is starting up operations in Algeria through its subsidiaries AXA Algérie Dommage and AXA Assurances Algérie Vie, owned 49% by the Group, 36% by the French Fonds National d'Investissement (FNI) and 15% by the Banque Extérieure d'Algérie (BEA). This makes AXA the second French insurer to move into Algeria. With 35 million euros to be invested over five years, our goal is to win 17% of the personal insurance market by 2015. A first agency opened on December 11th and 30 or so should follow in 2012, with some 100 agencies in place by 2016.



http://www.entreaidants.fr/

1 ST AGENCY IN BELGRADE

AXA inaugurated its first agency in the centre of Belgrade. A communication campaign was organized to distinguish AXA in the marketplace, presenting AXA as a responsible insurer concerned about placing its know-how at the service of the community. The launch was supplemented by a campaign to raise awareness of road safety and certain common risks such as domestic accidents.

18
BILLION
EUROS

in compensation paid to our customers in Property & Casualty in 2011









AXA Investment Managers, which ranks 15^{th} among asset managers worldwide, bases its investment strategies on the skilled insight of its management teams, who coverall asset classes. By systematically favoring active management and long-term commercial partnerships, the company has earned the loyalty of customers like $B_2V^{(t)}$, a French organization specializing in social protection.

Within the world of finance, asset management can sometimes be misunderstood.

As Samia Khallaf, an AXA IM Sales Manager for French institutional investors, explains,

"Our profession is anything but speculative. Our primary goal is to securely manage our customers' assets. We invest their funds by following a number of rules, particularly the prudent rules laid down by our customers' regulators and our own regulator, and then by reinforcing these rules through our own risk management systems covering the full spectrum of financial markets. We constantly strive to earn maximum return on the portfolios we manage, while optimizing against risks."

Isabelle Pécou, Executive Director of B2V Group, a French social protection organization, can testify to this responsible approach. B2V, which manages the pensions of tens of thousands of employees from the insurance and private education sectors, decided in 2010 to change the way a portion of its asset reserves





were managed. After a very competitive bidding process, B2V enlisted AXA IM who, based on very precise specifications and stringent rules, successfully provided "extremely satisfactory management services", according to Isabelle Pécou. "The fund is doing well. 2011 was more challenging, but management by AXA IM helped us achieve better results than the market indexes."

"2012 appears to be off to a promising start", she adds. "The AXA IM team is always very attentive and tuned in to our needs. The asset managers' ability to explain their highly specialized selection techniques in a clear and simple manner is especially appreciated by B2V administrators, who are not always familiar with very technical financial terminology."

Gilles Guibout, Senior Asset Manager at AXA IM, manages the B2V fund. Revealing his management approach, he says, "Long-term strategies are more effective than short-term strategies. We never buy for immediate resale. On the contrary, when I purchase shares for B2V, it is because I firmly believe—independently of the market cycle and even the share's performance—that the investment solution I recommend, as a result of extensive research, will optimize the risk/return profiles of our customer's portfolio."

Today, the returns that have been achieved validate the asset management carried out by AXA IM. For Samia Khallaf, this success comes from having good management. "Our company has everything it takes to ensure optimal service to its customers. For the past



several years, AXA IM has invested massively in research and risk management, thereby offering greater freedom to our asset managers and increased security to our customers." In addition, the company boasts highly experienced teams of leading financial managers covering the entire range of international financial markets. The system works, as Isabelle Pécou confirms. "AXA IM has dependable teams with keen insight into the way financial markets operate. At B2V, we do not have this internal expertise. Since AXA IM achieved good results across various regions, we naturally turned to them. Today, we can appreciate the value-add of a 'stock-picker' like Gilles, whose active management, which is based on his personal analysis and beliefs, was more successful than passive management, particularly in the midst of an economic crisis."

When choosing assets, AXA IM managers also pay close attention to each company's level of social responsibility. In "financialese", this is called socially responsible investing (SRI). "SRI is when the principles of sustainable development are applied to financial investments", explains Samia Khallaf. "This type of investment involves systematically considering corporate policies on environmental, social, and governance (ESG) issues, in addition to financial considerations, when selecting the assets that will be included in portfolios." AXA IM's long-term strategy is to gradually increase the importance of the ESG criteria for all of the portfolios under management.

"All of our customers want a better environmental, social and governance score", adds Gilles Guibout. "It was only natural that we apply this







strategy to the assets we manage for B2V, enabling our customer to improve their ESG score. Our customer has agreed to let us continue to progress in this area." As Isabelle Pécou affirms, this positive attitude with regard to SRI management meets a fundamental need for an organization specializing in social protection. "SRI is at the very heart of our financial approach and is an undeniable asset that is in sync with our beliefs. It can be seen as a small brick in the structure that will gradually help stabilize the financial markets, which is clearly a move in the right direction."

(1) B2V Group is the French leader in the insurance sector and also the provider of retirement solutions for AXA employees.

SEE PHOTOS AND VIDEOS OF ISABELLE PÉCOU AT

http://annualreport.axa.com



"SRI is at the very heart of our financial approach and is an undeniable asset that is in sync with our beliefs. It can be seen as a small brick in the structure that will gradually help stabilize the financial markets, which is clearly a move in the right direction."





ON OUR FACEBOOK PAGE http://www.facebook.com/axapeopleprotectors/

A FORWARD-LOOKING VISION

The AXA Research Fund contributes to the advancement of knowledge by funding researchers.

RESEARCH TOPIC: CORPORATE DEFAULT PREDICTION AND CREDIT RISK CHAIN MODELING

YANGZHENGXUAN (MONICA) WANG Doctoral Fellowship, University of Exeter, United Kingdom



Most research on credit risk ignores systemic risk. In Monica's view, this is an unrealistic and even dangerous approach. "The subprime crisis is perfect proof of this. Traditional analyses led to inaccurate credit ratings and negative repercussions for mortgage lenders, as well as large banks, and ultimately the global financial market!"

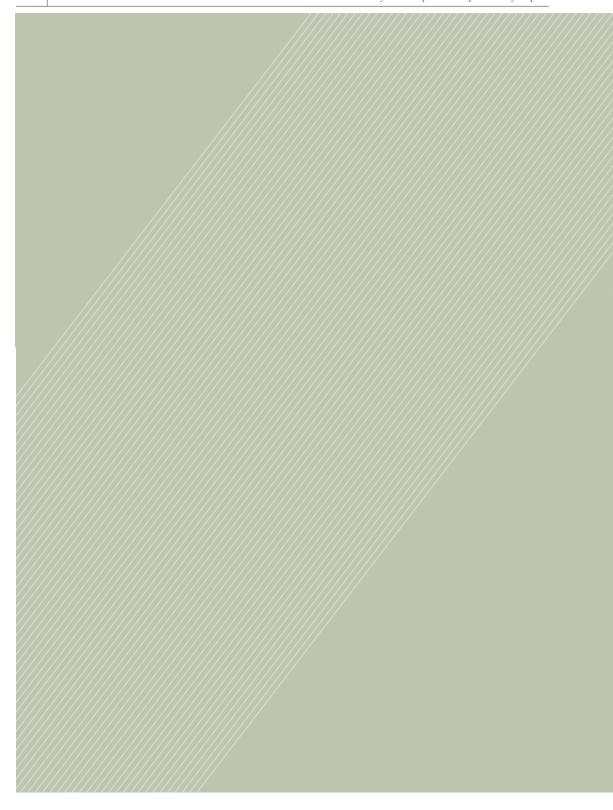
To develop a quantitative model of the credit risk "chain" linking all players in the system, she selected an optimal set of corporate default drivers to assess 12 default models and provide more accurate predictions. "My background in mathematics is the pivot point of my work: it gives me a sharper understanding of previous research and makes me want to improve default risk prediction. The results from this project could help regulators and decision-makers better assess financial stability, enable creditors and banks to optimize their profits, help auditors measure a company's health more accurately, enable investors to limit their losses, and help shareholders optimize their returns. Default risk is a threat to our society. Developing better measurement tools will therefore benefit us all."

This project is financed by the AXA Research Fund









OUR ACTIVITIES 69

\overline{Asset} Management

JOINT INTERVIEW PETER KRAUS

Member of the AXA Management Committee, Chairman and Chief Executive Officer of AllianceBernstein

DOMINIQUE CARREL-BILLIARD

Member of the AXA Group Executive Committee, Chief Executive Officer of AXA Investment Managers



WHAT IS YOUR ASSESSMENT OF 2011?

D.C.-B: After net outflows of 20 billion euros in the previous two years, net new money just

about broke even in 2011, bringing us back to a level not seen since 2008. We also had an excellent year in terms of investment performance. On average, our portfolios outperformed their benchmarks by 74 basis points and 89% of our retail funds made the top two quartiles in their category, our best performance for five years. We continued to deliver improved profitability and are now well positioned for another period of renewed growth.

P. K.: To say the least, 2011 was filled with challenges. Global market volatility sparked by the earthquake in Japan, followed by the debt ceiling debate in the United States and the escalating



sovereign debt crisis in the eurozone led to risk aversion on the part of equity investors. In these conditions, it was difficult for active managers to outperform. Although U.S. markets rebounded from prior lows in

the fourth quarter, trading activity declined sharply. Our net outflows persist, but the pace is slowing. This is a sign that our investment performance is improving, and the new products and services we are developing are helping to gradually restore customer confidence.

WOULD WE BE RIGHT IN SAYING THAT AXA IM IS AT THE CUSP OF A NEW ERA IN ITS HISTORY?

D.C.-B: We are indeed coming to the end of a major corporate reorganization that has lasted several years. During this time, we have set up a single Fixed Income department, combined all our discretionary equity activities within Framlington, integrated AXA Rosenberg, created a Markets & Investment Strategy department focusing entirely on innovation, development and research, and reorganized our distribution. Most importantly, we have attracted talented people at all levels of the firm and, despite the harsh market conditions, we have been able to strengthen our identity and our asset management culture. We are now fully geared up for the Ambition AXA challenges set by the Group.

HOW DOES AXA IM FIT INTO THE AMBITION AXA TARGETS?

D.C.-B: By 2015, we aim to grow AXA IM's assets under management by 200 billion euros, including some 100 billion euros collected essentially from customers for third-party accounts. Our plan is to leverage three major growth opportunity areas to achieve this target, the first being distribution. We want to improve our penetration of the large European markets—United Kingdom, Germany, Netherlands and Switzerland—in which our market share is not yet at the level we want. In North America, we intend to promote our alternative and

"We are now fully geared up for the Ambition AXA challenges set by the Group."

fixed-income ranges better and rebuild AXA Rosenberg's reputation among our customers. In Japan, Asia and Australia, we plan to improve AXA IM's brand awareness and its market presence. The second opportunity area is our product offering, where we have already made substantial progress in the last few years. We will continue to enhance our offering with new investment solutions that better address investor expectations. The third opportunity area is achieving greater operational efficiency. The reorganization and integration of AXA Rosenberg contributed to this goal in 2011, but there are still other sources of efficiency. We can further optimize our organizational structure and upgrade our IT infrastructure. At the same time, expected growth in our areas of management expertise will help to drive revenues forward without increasing costs.

WHAT ARE ALLIANCEBERNSTEIN'S LONG-TERM STRATEGIC INITIATIVES?

P. K.: All of our initiatives focus on improving our investment performance and restoring customer confidence, diversifying our business, developing innovative new products and services to meet customers' evolving needs and achieving greater operational efficiency.

The progress we made in these areas enabled us to withstand the difficult conditions of 2011. In fixed income, we extended our overperformance. We also introduced a number of innovative products across our distribution networks. Our new emerging markets debt and equity product and our Chinese currency-linked offering have performed well and earned industry awards. Our sell-side business grew and gained market share in both Asia and Europe. These are just a few examples of achievements made in tough times that attest to the strength and talent of our people.

AMBITION AXA > OUR 2015 TARGETS FOR ASSETS UNDER MANAGEMENT



Growth in NET NEW MONEY
per year from 2012 to 2015
(as a % of average assets under management)



Compound annual growth rate for UNDERLYING EARNINGS of over 13% out to 2015

+8 POINTS

improvement in the UNDERLYING COST INCOME RATIO by 2015

200 BILLION EUROS

GROWTH IN ASSETS UNDER MANAGEMENT by 2015,of which 50% from net new money and 50% from market impact

MARKET INDICATORS

ASSET MANAGEMENT

The Group is one of the world's largest global asset managers. We not only manage assets for Group companies but also for third-party customers. In 2011, assets under management by AXA IM and AllianceBernstein declined by 2%, mainly due to a net outflow of 28 billion euros. Revenue was stable at 3.26 billion euros while underlying earnings rose 20% to 321 million euros.

AXA GROUP, 10TH LARGEST ASSET MANAGER WORLDWIDE

AXA Investment Managers

Alliance Bernstein

15th

largest asset manager worldwide

512

billion euros in assets under management

21 st

largest asset manager worldwide

335

billion euros in assets under management



Improved investment performance

For AXA IM, 2011 was a relatively good year, as revenue rose by 5%. The net outflow was contained to 1 billion euros thanks to the 6 billion euros of new money garnered mainly by AXA Private Equity, AXA Real Estate and AXA Framlington. Although AXA Rosenberg lost further assets under management, its investment performance recovered, thereby contributing to AXA IM's excellent overall performance.

The situation remains complicated for AllianceBernstein, which reported a 7% decrease in revenues. It sustained a substantial outflow of equity assets in 2011, a phenomenon not confined specifically to AllianceBernstein as 83% of equity asset managers underperformed the benchmark. Its policy of evolving the business model has begun to pay off. Fixed-income performance was good with a net inflow of 4 billion euros and the development of new activities such as alternative investment and asset liability management, which attracted 22 billion euros of new money.

AXAIM

→ Solutions geared to pragmatic investors

AXA IM provides its institutional and distribution customers with investment solutions geared to their specific needs. Focusing on simplicity and security, these solutions aim to optimize the riskreward profile in each asset class. The crisis has prompted investors to turn to asset managers whose strategies are based on strong investment beliefs, not just market fluctuations. This is exactly what we at AXA IM endeavour to do. We have seven expert teams, one per asset class, all leaders in their field, as well as a transversal investment solutions team, which combines these various asset classes to provide customized investment management, leveraging the experience gained from our leading customer, the AXA Group. All of these teams are backed by a first-class track record and pursue an active, long-term strategy.





→ A creative vision

The current period is a source of opportunity and creativity for an expert asset manager able to pick up weak signals in an extremely volatile market environment. In today's climate of low interest rates and high sovereign risk, AXA IM offers a comprehensive, diversified offering geared to investor demand. In 2011, after introducing the Redex share class designed to reduce interest rate risk, we continued to enhance the product offering with another share class called SolEx (Solvency Exposure), which seeks to reduce the risk of a sudden, extreme fall in the equity markets. Now available in the AXA WF Framlington Eurozone fund, SolEx is due to be introduced to other funds in the AXA World Funds range.

All in all, AXA IM launched some ten new products in 2011 across all asset classes, illustrating our ability to enhance our range of solutions while accommodating the new market landscape. Other products and innovations are due to be introduced in all areas of expertise in 2012.

→ An organization geared for action

In 2011, AXA IM completed the work on its business model begun a few years ago. The organizational structure has been clarified with the integration of the Investment Solutions equity and fixed-income

teams into AXA Framlington and AXA Fixed Income respectively, as well as the integration of AXA IM Distribution's CRM teams. Investment Solutions has set up a new customer- and service-centric structure, enhanced by the contribution of the Funds of Hedge Funds platform. A Chief Operating Officer has been appointed to support the investment management and distribution areas of expertise in their quest for superior performance and efficiency.

The Management Committee has become more international with greater representation of the investment functions to better reflect AXA IM's growth ambitions and asset management culture. Lastly, we have strengthened our teams and areas of expertise at all levels. Several appointments have been made in strategic areas such as hedge funds, research and SRI, as well as distribution in the UK and Nordics markets. All of this reflects our goal of broadening our institutional customer base across these markets through a proactive commercial strategy. Supported by our new visual identity, we can now rely on a clear organizational structure and identity, as well as strong team commitment.



→ AXA Rosenberg, return to performance

With the integration of AXA Rosenberg—a wholly owned subsidiary of AXA IM since November 2010—and the appointment of Jeremy Baskin as its head, we have turned the page and relaunched our active quant business. The investment process has been clarified and simplified to provide greater transparency for customers on AXA Rosenberg's core performance drivers. The Research Center is now fully integrated in the firm's corporate governance system, the Risk Management function has been strengthened and the investment functions reorganized based on strict segregation of roles. AXA Rosenberg has now made a fresh start. In 2011, it delivered improved investment performance in the Americas, Asia and the emerging markets. It also plans to relaunch its offering with simple, less volatile products such as Enhanced Index funds(1).

→ "RI inside", a genuine sensitivity

We continued to strengthen AXA IM's responsible investment strategy in 2011 by further developing our "RI Inside" philosophy, which aims to include responsible investment practices across all our areas of expertise. Apart from the specific RI product

(1) Products with both an equity and a bond component.

lineup, the investment style, investment choices, expertise and tools we have put in place—and particularly RI Search, which enables managers to compare the environmental, social and governance (ESG) footprint of their funds against the benchmark—are all tangible moves forward in this area. The appointment last March of Matt Christensen, a well-known name in the RI world, as head of responsible investment at AXA IM further reflects our approach.

To meet growing investor demand for transparency in investment and management processes, we have engaged in an innovative external audit process since 2009, appointing independent firm Deloitte to audit our RI funds' compliance with our responsible investment principles. In 2011, the audit process was extended to six of our RI funds with a track record of more than one year. Deloitte experts analysed the principles used to manage portfolio structure as well as investment process mechanisms and procedures. They also audited the portfolio structure of each fund and all transactions carried out in the course of the previous year. These transparency initiatives were rewarded in 2011 when a number of our RI funds (AXA Euro Valeurs Responsables, AXA WF Framlington Human Capital, Label Europe Actions, AXA WF Framlington Eurozone RI, AXA Tresor Court-terme and Label Euro Obligations) obtained the Novethic SRI 2011 label. This label is awarded to funds







that practise an ESG approach and disclose full information on their extra-financial characteristics and structure.

AllianceBernstein

→ Continued evolution

One of the world's largest global asset management firms, AllianceBernstein serves institutional investors, retail investors and private customers in major global markets. Assets under management were 335 billion euros, of which 223.9 billion dollars for institutional customers, 112.6 billion dollars for retail customers and 69.4 billion dollars for private customers.

In difficult market conditions, the teams focused on implementing long-term strategic initiatives, making progress in improving investment performance, innovating with new customer offerings, diversifying the business and addressing the cost structure. AllianceBernstein thus actively pursued its goal of evolving its business model for long-term success.

> Priority on investment performance

The trend toward slower outflows is largely due to AllianceBernstein's strong performance in fixed income. In this asset class, more than 85% of funds are invested in products that have outperformed their benchmarks in the three past years, attracting billions of dollars in net new money. AllianceBernstein was recently named Best Large Bond Group in Switzerland.

→ Diversified business

Our sell-side business grew in 2011, with market share gains in both Asia and Europe. We expanded our European distribution platform by the development of new products. The fixed income business generated sales momentum everywhere, especially outside the United States. Institutionals were the only channel to record a decline in revenue compared with 2010, due to the poor investment performance of large cap equity strategies. Fixed income investment strategies and new alternative management and asset liability management businesses garnered net inflows. In the retail channel, sales grew by almost 2%, again largely in fixed income investments, particularly outside the United States. Asia alone accounted for 53% of gross retail sales and the United States, 34%. The launch of 28 products fuelled growth throughout the year, with new products generating 14% of



gross sales for the year, double the previous year's share. Private customer revenues also showed a slight improvement, rewarding our ongoing efforts to restore confidence. AllianceBernstein is the only wealth manager to offer a dynamic asset allocation (DAA) service. With this offering, we reduced the sensitivity of customer portfolios to market volatility across the investment horizon spectrum, without sacrificing returns.

→ Optimized cost structure

Several measures were taken to adjust operating expenses to the reduction of assets under management and revenue base. IT operating services were outsourced to enable a shift from a fixed to variable cost base. We consolidated space in our New York and London offices, which has helped to reduce real estate and rental expenses. Finally, we adjusted our staff levels to reflect the level of business activity without sacrificing customer service.

→ Expanded research footprint

In 2011, we continued to grow our sell-side research business. Revenues from Bernstein Research Services (BRS) were 437 million dollars, up from 431 million dollars in 2010. Despite the challenging operating environment—the escalating European debt crisis led to a decline in market volumes, especially in the fourth quarter—AllianceBernstein

expanded its global presence and strengthened its positioning in each market. In the United States, where five new analysts launched research coverage in 2011, it is clear that there is a correlation between research quality and market share gains. Our European electronic trading business delivered record results. Growth was achieved in revenues and market share. In Asia, BRS completed the build-out of its sales and trading platform and continued to recruit new research talent. By the end of the year, it had become a full member of the Hong Kong Stock Exchange.

ASSET MANAGEMENT

HIGHLIGHTS OF 2011

The number of investment management awards won by

AXA IM in 2011

JOINT VENTURE AGREEMENT IN INDIA

In December 2011, **AXA Investment Managers** signed a joint venture agreement with the Bank of India (BOI), India's fourth largest public sector bank. Under the terms of the proposed new JV, BOI will initially acquire Bharti's stake in Bharti AXA Investment Managers and will later own 51% of the joint venture, which will be renamed BOI AXA IM. Banks are the primary distribution channel for mutual funds in India, making BOI with its 3,750 strong branch network the ideal partner to take the development of AXA IM's asset management operations in India to the next level.

+20%
GROWTH IN ASSET
MANAGEMENT'S
UNDERLYING EARNINGS
IN 2011

NOVETHIC SRI 2011 LABEL AWARDED TO THESE AXA FUNDS

AXA Euro Valeurs Responsables, AXA WF Framlington Human Capital, Label Europe Actions, AXA WF Framlington Eurozone RI, AXA Tresor Court-terme and Label Euro Obligations.

For more information about the Novethic SRI Label: http://novethic.fr/novethic/v3/isr-investissement-socialement-responsable-label-isr.jsp

INNOVATION WITH REDEX (AXA FIXED INCOME)

How to capitalize on inflation while limiting exposure to interest-rate risk? AXA WF Global Inflation Bonds is an actively managed inflation-linked bond fund, whose performance remains strongly influenced by interest rate movements. With Redex, investors can reduce their interest-rate exposure while keeping their exposure to the fund's active strategies intact.

AXA REAL ESTATE, LEADER IN REAL ESTATE DEBT FOR THIRD PARTIES

With the pan-European debt fund Commercial Real Estate Senior 1 (CRE1), AXA Real Estate has created the only fund that enables long-term investors to penetrate the European senior real estate debt market. Demand from institutional investors is very strong and this highly successful product has made AXA Real Estate a leader in Europe. What are the ingredients of this success? AXA Real Estate's in-depth understanding of real estate risks and the real estate market and the expertise developed since 2005 for the AXA Group's insurance companies.

AXA WF OPTIMAL ABSOLUTE

This multi-asset class fund aims to generate a positive absolute return every year regardless of how the markets move. It is a global fund that invests in liquid asset classes in both the developed and emerging markets in varying proportions according to market trends. It is therefore exposed to the risks inherent in absolute return strategies and particularly the risk of capital loss inherent in discretionary management.





S FOR SOLIDARITY

A solidarity fund invests a proportion of its assets in government-recognized companies, associations and organizations involved in outreach initiatives. Solidarity funds give investors an opportunity to help finance business activities that strive to combat exclusion and promote social cohesion and sustainable development.

AXA IM offers a unique lineup of six Responsible Investment employee savings funds. They cover the full range of asset classes from the most prudent to the most dynamic—fixed income, diversified and equities—thereby catering to all employee investor profiles. The range has two solidarity funds, AXA Génération Tempéré Solidaire (diversified) and AXA Génération Solidaire (eurozone equities).

AllianceBernstein signs the United Nations Principles for Responsible Investment

AllianceBernstein has joined a major initiative of United Nations, which aims to encourage the incorporation of environmental, social and governance (ESG) issues into the investment decision-making processes, as well as ownership policies and practices. It thereby endorse the belief that ESG considerations can have a major impact on long-term investment returns and incorporates them in its extensive fundamental research when it believes they are material to their forecasts and investment decisions. A dedicated Responsible Investment Committee has been created to ensure that these principles form an integral part of the investment decision process.

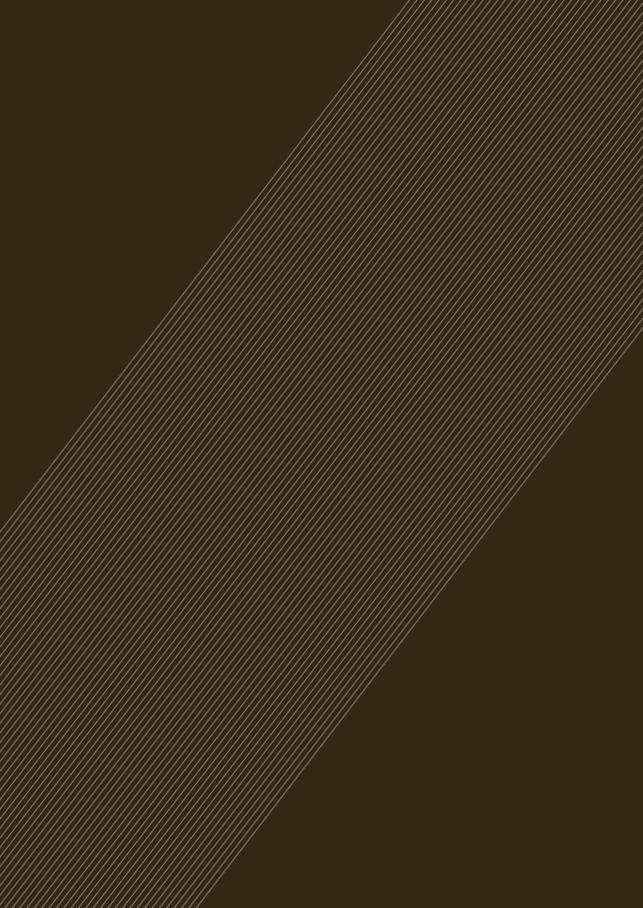


Offering our customers state-of-the-art web tools

The new AXA IM web 2.0 site, available in five languages. was launched in October. Content is tailored to the visitor's personal profile and users can get to the information they want in no more than three clicks: multi-criteria fund search, encapsulated videos, basket of personalized funds, RSS feed, interactive charting to follow a product's performance live, etc. It is a flexible, scalable platform and an excellent means of strategic promotion and commercial support. It also meets the A level standard of accessibility.

28

is the number of new products launched by AllianceBernstein in 2011. In the space of three years, 57 new products for retail investors have attracted 12 billion dollars in net new money.





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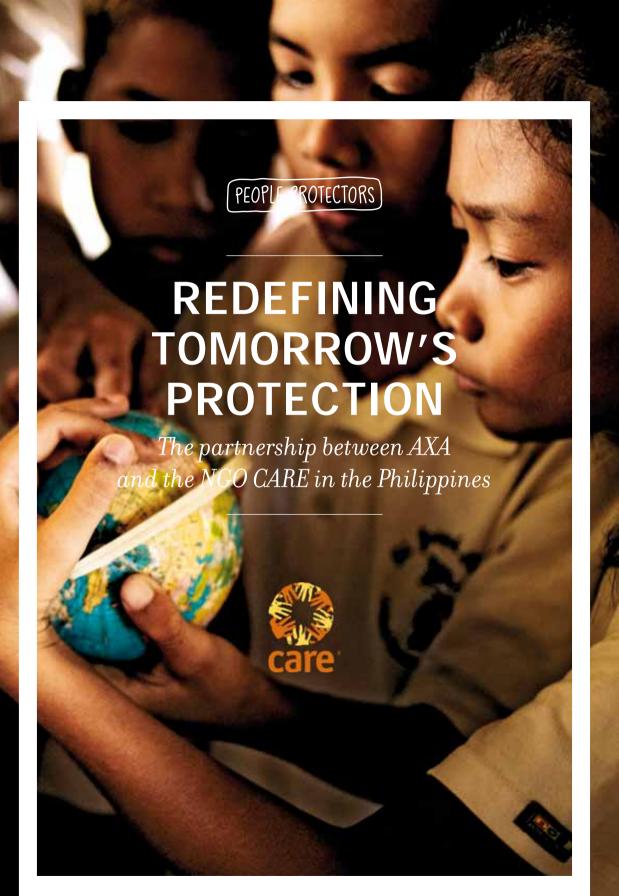
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With support from AXA, the NGO CARE is implementing an ambitious climate risk prevention and education program, in partnership with the municipality of Calabanga in the Philippines.

Calabanga, Philippines. Despite its landscapes of pristine beaches, lush vegetation and outstanding wildlife, this municipality of 73,000 inhabitants is hit by major natural disasters every year. Located in the province of Camarines Sur on the San Miguel Bay and occupying slightly over 16,000 hectares, the area is found to be particularly prone to flooding.

2004 still lingers in peoples' memories—the year a series of four typhoons (Unding, Violeta,

Winnie and Yoyong) struck the area, causing major damage and taking many lives. The vast majority of the population lives on agriculture and fishing. These climate-related hazards destroy the harvests on which the population depends, increasing the region's economic vulnerability.

However, the picture is not as grim as it may seem, because Calabanga is one of the places where, in the words of Amandine Soulier, member of the AXA Group Corporate Responsibility team, "we are redefining tomorrow's protection". Since 2010, the AXA Group has been working with the non-governmental organization CARE to help vulnerable populations better prepare for climate-related risks. As Henri de Castries, Chairman and CEO of AXA, points out, "Our business as an insurer has given us knowledge and expertise in risk



management. We want to share the benefit of this knowledge with society, because a better understanding of risks makes it easier to manage and address those risks."

Since Calabanga was selected to join this worldwide risk prevention and education program, significant progress has been made, having undertaken many initiatives. "With CARE, we can reach out to thousands of people and help them prepare for extreme conditions. By educating people about risks, we are providing them with a way to protect themselves," says Amandine Soulier.

With the support of local authorities, exercises to simulate evacuation in the event of an earth-quake are regularly organized in Calabanga.

The program aims to teach local populations the right reaction in an event of a crisis. Evacuation of the most vulnerable areas has become faster and more efficient The inhabitants are now aware of strategic gathering places. A system has been set up to move villagers into protected areas. Everyone knows the steps to take in case of an alert.

Work is also being done in schools to educate young children. Pupils from 89 schools in the municipality receive additional training about what to do in the event of a tsunami, flood or earthquake, and how to identify any potential dangers. According to Antonio Endani, the principal of Cagsao's primary school, "The earlier the children learn, the more effective prevention is." Vianney Sauvage, in charge of



the CARE partnership, adds, "In turn, the children can help build their parents' awareness. By involving the entire community, the actions required to prevent natural disasters cost seven times less than actions taken in response to an emergency."

Certain preventive actions are specifically relevant to the coastal region. Along the coast, mangroves—which form a natural barrier that boosts an ecosystem's resilience following a typhoon or tsunami—have been replanted. Ceslo Dulce, an expert in natural disaster risk reduction for CARE Philippines, trains the local population on how to grow and sustain mangroves. "The program we run in Calabanga has become the gold standard in risk prevention

and education, and is now garnering interest from other communities abroad," he said with enthusiasm. "We are very eager to continue this essential work that AXA enables, on a larger scale."

SEE PHOTOS AND VIDEOS OF THE VILLAGE OF CALABANGA AND ITS HISTORY AT http://annualreport.axa.com





For more information, please visit http://www.carefrance.org





A FORWARD-LOOKING VISION

The AXA Research Fund contributes to the advancement of knowledge by funding researchers.

RESEARCH TOPIC: NATURAL HAZARDS (SINGAPORE) PROFESSOR KERRY SIEH AXA Chair, NTU (Singapore)



"The enormous growth of the human population in Southeast Asia over the past six decades has exposed millions of people to natural disasters such as earthquakes, tsunamis, volcanic eruptions, rising sea levels and climate change," says Professor Kerry Sieh.

With the firm belief that a better understanding of the natural disasters that plague the region is crucial to building sustainable societies, Professor Sieh is using the resources provided by the Singaporean Ministry of Education and by Nanyang Technological University. The funds provided by AXA will contribute to incorporating geoscientific research into efforts aimed at building safer and more sustainable societies. Disseminating the research conducted by the Earth Observatory of Singapore will help the people and governments in the region to better mitigate the consequences of natural disasters.

This project is financed by the AXA Research Fund







ALICE STEENLAND

Group Vice President Corporate Responsibility

HOW DOES CORPORATE RESPONSIBILITY HELP ACHIEVE THE GOALS OF "AMBITION AXA"?

Ambition AXA expresses our determination to become the industry's preferred company. Among our strategic priorities is recognition of the need to build a culture of trust and success. Corporate responsibility can encourage this culture, but on one condition: it must be embedded in our core business and in how we work every day. We have decided to adopt responsible behaviour and propose products and services that add value to society and the environment. We are convinced that corporate responsibility is a key differentiator, inspires trust in our customers, boosts the level of engagement of our employees—and enhances our corporate image.

HOW DOES THE GROUP INTEGRATE CORPORATE RESPONSIBILITY INTO ITS EVERYDAY OPERATIONS?

→ First, we set up a structure to help us realize our ambitions, with dedicated governance: a network of local Chief Corporate Responsibility Officers who report directly to senior management of each entity and implement local strategy in line with Group objectives. An unprecedented "multi-criteria" performance indicator has also been included in the goals of senior executives, and corporate responsibility is reviewed periodically by the Management Committee and Board of Directors. We are therefore now equipped to track progress at each entity in areas such as the introduction of

"green" insurance products, corporate governance and social issues. After laying the groundwork for this approach, we formalised our commitment, establishing an environmental policy for business travel and, above all, integrating corporate responsibility criteria in our core processes, such as the development of product approval standards and underwriting guidelines. Nevertheless, there is still work to be done between now and 2015.

HOW DO YOU ENCOURAGE EMPLOYEES TO GET INVOLVED?

→ During Corporate Responsibility Week, organised in June 2001, we gave each employee the opportunity to learn about actions undertaken by the company, highlighting the Group's recent initiatives and reminding everyone that our central theme "risk research and education" is now, more than ever, a major focus. We wanted to show that CR is neither a trend nor an isolated program, but rather a process of continuous improvement that goes to the heart of our strategy and gives our initiatives meaning. This is borne out by the fact that 87% of all event participants declared that they were more proud to work for AXA. During the AXA Challenge for Risk Education, held in the course of CR Week, 16,700 employees in more than 50 entities around the world participated in various sporting events to benefit the non-governmental organization CARE. The public at large has added its support to that of our employees. Some 100,000 people have followed the AXA People Protectors campaign on our Facebook page, which concerns our joint project with CARE in Vietnam for the prevention of climate-related risks.

"We are convinced that corporate responsibility is a key differentiator, inspires trust in our customers, and boosts the level of engagement of our employees."

HOW DOES YOUR COMMITMENT TO RISK RESEARCH AND EDUCATION TRANSLATE INTO CONCRETE ACTION?

→ Our main focus is on risk research and prevention. The AXA Research Fund has entered into 300 agreements, which, through partnerships and financing of research posts, helps advance our knowledge and understanding of climate-related and socio-economic risks, as well as those associated with increased life expectancy. In addition, the AXA-CARE partnership, established in 2010 to help vulnerable populations prepare more effectively for climate-related risks, has begun work with the launching of research programs in India, Thailand, Tanzania and Peru. Prevention programs have also started up in the Philippines and Vietnam, with the planting of mango trees.

DO "EXTRA-FINANCIAL" ANALYSTS RECOGNIZE THESE EFFORTS?

→ Yes. Our substantial efforts to boost performance in these areas have paid off. AXA's overall score in the Dow Jones Sustainability Index (DJSI) went up 4 points to 74/100, compared to the insurance industry average of 48. As a result, the Group ranks as one of the leaders in its sector. This role is confirmed in the DJSI World and DJSI Europe indexes, which select the companies that are most advanced in the area of social and environmental responsibility.

As for our carbon performance, which is measured by the Carbon Disclosure Project, the AXA Group obtained the highest score in the insurance industry (92/100). We thus joined the Carbon Performance Leadership Index, which includes Global 500 companies (the world's 500 largest companies), which demonstrate their commitment to take action against the impact of climate change.

AMBITION AXA → OUR CORPORATE RESPONSIBILITY TARGETS FOR 2015

Since 2010, Group entities have used a CR maturity indicator, which, through an annual self-assessment process, enables them to measure their progress in a number of CR-related areas: governance, risk management, business ethics, customer relationships,

environmental management, green insurance products, diversity, career development, labour relations, health, employee satisfaction, corporate philanthropy, responsible procurement, etc. To ensure objectivity, the indicator was based on the Dow Jones Sustainability

Index, a leading extra-financial benchmark widely followed by investors. The software that generates the indicator also enables entities to draft local CR action plans. The scores obtained are factored into the targets set for the chief executive of each entity.

ENVIRONMENT

→ Reduction targets for all countries

AXA is a service business that has relatively little direct impact on the environment, compared to other business sectors. In this area, we set the following consumption reduction targets for the 2008-2012 period: for energy (kWh/full time equivalent, FTE), a 20% reduction; for $\rm CO_2$ emissions (tons equivalent $\rm CO_2/FTE$), a 20% reduction; for water (m³/FTE), a 15% reduction; for paper (tons/FTE), a 15% reduction (for 2009-2012).

→ A process of continuous improvement

These targets are regularly monitored and are gradually being incorporated into action plans implemented at country level. Our internal environmental reporting system centralises the collection, consolidation and analysis of local environmental data and those of 41 countries on five continents. PricewaterhouseCoopers Audit, the statutory auditors for AXA SA, have reviewed the reporting process, the data and the data collection process used in eight countries in Europe, Asia and the Americas.

The results for 2010-2011 show that we are well on our way to achieving our targets for 2008-2012:

— 5% reduction in energy consumption. This trend demonstrates the pursuit of an environmental optimization strategy for AXA's IT systems (the Green IT strategy), spearheaded by AXA Tech. In 2011, AXA Tech successfully deployed an automatic power cut-off system at AXA UK, AXA Belgium and AXA Switzerland in 2011, which will now be extended to the rest of the Group. Moreover, AXA Switzerland defined new energy guidelines and implemented new environmental standards for new and renovated company buildings.

— 14% reduction in $\mathrm{CO_2}$ emissions. Overall, 58% of the Group's $\mathrm{CO_2}$ emissions come from energy consumption, 26% from business travel and 16% from the AXA vehicle fleet. Beyond these sources of emissions, we have also—since 2007—measured the $\mathrm{CO_2}$ emissions associated with employee commuting practices, through an annual survey of staff transportation habits. In the 2010-2011 period, these emissions declined by 4% to 0.95 tons eq. $\mathrm{CO_2}$ per employee.

This year, we implemented environmental guidelines for our motor vehicle fleet and for business travel by air and train. In 2011, the Group had 46 videoconferencing studios, whose use saved 16,000 tons of $\rm CO_2$ between 2008 and 2011. Working with a local service provider, AXA Switzerland set up a pilot programme for combined-transport solutions, to encourage employees to use the train and a car when they travel.



- 3% reduction in water consumption. Among other initiatives, AXA France and AXA Côte d'Ivoire concentrated on improving their water meter readings and/or reducing their water bills by detecting and correcting deficiencies and leaks. AXA France, like its sister entities, has taken steps to cut consumption (e.g. by lowering water pressure or installing valves equipped with time-delay mechanisms).
- 27% reduction of office paper consumption and 17% reduction of marketing and distribution paper consumption. Several entities have adopted a responsible printing policy designed to reduce the use of office paper. The GIE and AXA France have included paper-consumption reduction targets in their profit-sharing agreement.

AXA is taking steps to increase the percentage of paper from recycled or sustainably managed forests. In 2011, this proportion rose from 52% to 64% for office paper and from 47% to 72% for marketing and distribution paper. The Group also introduced minimum environmental criteria for office paper procurement.

→ Offering environmental added value

We also aim to minimize our "indirect" impact on the environment by offering specific or tailored insurance and investment solutions. Our property-casualty line provides environmental added value via motor vehicle insurance that rewards low-emission vehicles, for example, or products that provide an incentive for small and medium-sized enterprises to opt for eco-friendly buildings or vehicle fleets. Even our reinsurance and claims management solutions offer this type of added value. All of these products reflect our overall strategy of developing "green" insurance products.

In the area of asset management, AXA IM has, since 2001, developed expertise and tools for responsible investment (RI). One such application, RI Search, allows portfolio managers to track the environmental, social and governance (ESG) profile of their portfolio and to consider ESG factors when making investment decisions.

HUMAN RESOURCES

→ Fine-tuning our HR management to attract and keep talent

Since 2005, we have carried out an ongoing assessment of our organisation in order to support our business and adapt to new needs. We pay special attention to our global business lines and their respective areas of expertise. We have strengthened our procedures for identifying and evaluating high-potential employees. Succession planning for the entities is now reviewed globally in the HR organisations. All talent management processes are set forth in a company-wide policy, Global Talent Management, to enable transversal management across the company. In 2011, the company issued a new version of the Leadership Framework document, which specifies the leadership skills expected at AXA. From now on, this standard applies to all employees and not only to senior management.

Launched in 2007, the global People In' initiative now enables 62,000 employees to benefit from the support of the PeopleSoft on Performance Management system. The platform contributes to the consistency and efficiency of our compensation and training policy. Finally, 2,000 executives and senior managers have used AXA's new 360-degree web application, now available to all entities.

→ Commitment to work for diversity and inclusion

Because our clientele is a study in diversity—and because diversity and inclusion (D&I) are embedded in our values and corporate culture—we strive to promote a working environment in which all employees are treated with respect and dignity, and individual differences are valued. The Group has made substantial progress towards its objectives for 2011: implement D&I governance, develop skills in this field, factor D&I considerations into corporate culture initiatives, launch a gender-equality programme, and define a framework for reflection on the subject of flexible working hours.

In 2011, a governance structure was put in place, with managers and sponsors identified in each entity. These individuals meet on a monthly basis as the Diversity and Inclusion Council. Many local committees have also been established. Moreover, following an audit of occupational gender differences in the Group, specific measures were taken to encourage the inclusion of women in the Organisation and Talent Review (OTR), in preparation for succession planning; support programs such as mentoring and sponsoring were also put in place. To promote the development of an inclusion-based culture at AXA, we have added an inclusion measurement indicator to the annual



employee satisfaction survey. An online D&I employee training module has been developed and will be rolled out throughout the Group in 2012. These efforts have given rise to a number of local initiatives to promote gender equality, develop an inclusion-based culture and integrate persons with disabilities in the workplace.

→ A constructive, continuous labour-management dialogue

In November 2011, a major step was taken with the conclusion of a European agreement on anticipating change, signed by the Group, UNI Europa Finance and all French labour unions. Unprecedented in the insurance industry, this agreement negotiated by the European Works Council (EWC) establishes an approach to labour-management dialogue whose objective is to better anticipate change in the sector, adapt the skills of personnel to future requirements and safeguard jobs.

The agreement allows labour and management to take a joint approach in anticipating structural changes that might affect Group entities. The accord confirms the relevance of discussing labour issues at AXA at the European level and reaffirms the importance of a constructive and ongoing dialogue. The signatories undertake three obligations: the Group will regularly brief the EWC on strategic changes arising from the European

macroeconomic environment and changes occurring in the insurance sector; a "European skills and employment observatory" will be set up to anticipate occupational trends and develop employability; measures will be taken to safeguard the jobs of the Group's European workforce and support those employees whose jobs might be threatened. In an uncertain business environment, this is a strong indicator of the dynamic labour relations at AXA's EWC.

→ A high level of staff engagement

Since 1993, we have carried out an annual company-wide survey to measure the level of commitment among AXA personnel. In 2011, more than 86,000 employees responded, a response rate of 82%. With a score of 74% for engagement, the direct style of management rated high throughout the Group. These results confirm that the major HR challenge today is that of providing support and training for management at all levels.

COMMUNITY

→ Innovative research at the international level

In our capacity as an insurer, it is our job to mobilize our skills, resources and expertise to help create a society that is better prepared, safer and more stable over the long term. Established in 2008, the AXA Research Fund illustrates our engagement in the area of corporate responsibility around the unifying theme of "risk research and education". Under this banner, the Fund provides philanthropic support to eminent international scientists and institutions whose work focuses on the risks that threaten the environment, human life and the communities in which we live. In 2011, more than 1,200 grant applications were received from 750 institutions in fifty countries. This represents strong growth for the AXA Research Fund, which granted 76 million euros in funding to research projects carried out by 300 researchers of 47 different nationalities from 24 countries in Europe as well as Asia, the Americas and Africa.

Once again, special events—Talent Days and Pop Days—were held to give young, Fund-supported researchers a voice in the public debate, drawing on their ability to communicate science to non-scientists. All AXA Group employees were invited to a Pop Day on the environmental sciences.

Among other recipients, the Fund selected the Nanyang Technology University of Singapore for the creation of a permanent Chair in Natural Hazards endowed with 3 million euros. It is held by Professor Kerry Sieh, whose work aims to expand our understanding of the faults in the earth's crust that cause earthquakes (plate tectonics), better comprehend the activity inside volcanoes, and improve our ability to predict sea-level rises. Based on this multidisciplinary research, he will work to develop risk-prevention and adaptive solutions for the population of Southeast Asia, which is regularly threatened by natural catastrophes. The Chair embodies an intellectual partnership between AXA and NTU involving an exchange of theoretical and practical knowledge. Gaëlle Olivier, Chief Executive Officer of AXA Asia P&C, is the AXA sponsor of the Chair. As this example illustrates, the Fund is committed to sharing the knowledge produced with its help, contribute to the public debate on major risks through academic research, and give AXA's experts the benefit of its findings.

For the second year in a row, the Fund presented the AXA-Académie des Sciences Award to six promising young biologists.



→ Twenty years of AXA Hearts in Action

In 2011, the Group celebrated the 20th anniversary of AXA Hearts in Action, founded in 1991. Through this organisation, AXA employees have taken part in initiatives to assist children in need and persons afflicted by illness, disabilities, old age, extreme poverty and/or exclusion, as well as to advocate environmental protection. The initial intent of the group was to rally our employees behind a cause of their choice. In the early years, two major issues elicited the most concern: the fight against drug abuse and assistance to the disabled. The pioneering years required networks of local coordinators to be set up in all the entities and saw memorable events such as the AXA World Ride (1995), which enabled some thirty people with physical and mental disabilities to travel around the world. Gradually, the organisation came of age. The first decade of the new millennium was marked by international solidarity initiatives that mobilised Group volunteers all over the world. Today, AXA Hearts in Action is a global organisation that is structured, decentralized, highly professional and very original in the world of corporate volunteering. In 2011, another highlight was an internal AXA Challenge on the theme of risk education, which echoed the partnership signed in 2010 with the non-governmental organization (NGO) CARE.

→ Teaming up with an NGO: CARE

In 2011, we entered into a three-year partnership with CARE (Cooperative for Assistance and Relief Everywhere) to use research and education to help vulnerable populations be better prepared in the face of climate-related risks. The first mission is to gain a greater understanding of the impact of changing rainfall patterns on population migration and food insecurity. In 2011, four research programs were launched in Thailand, Tanzania, Peru and India within the framework of Where the Rain Falls, an international research project led by CARE and the United Nations University, which aims to propose concrete measures for adapting to climate change. The second mission of the AXA-CARE partnership is to establish risk-awareness programs focused on the risks associated with natural catastrophes in order to limit the human and economic impact of natural disasters. The programs are operational in Vietnam, Madagascar, Mali, Benin and the Philippines, and involve various projects: replanting mangrove trees (Vietnam and the Philippines), teaching people how to manage food stocks more efficiently (Mali), what to do if an earthquake or flood occurs (the Philippines), and how to reduce the risk of contracting a waterborne disease (Benin).

CORPORATE RESPONSIBILITY

HIGHLIGHTS OF 2011

RESPONSIBLE PROCUREMENT

The Group applies social and environmental criteria to the selection of suppliers, requiring them to formally agree to comply with the principles of the International Labour Organization. A clause to this effect, first inserted in 2006 in AXA contracts relative to information technology, general services or intellectual services, was extended in 2010 to contracts for insurance-related expenses (associated with customer claims). In 2011, the clause was added to 89% of the new procurement contracts or addenda bearing on information technology, general services or intellectual services, and 87% of those bearing on insurance-related expenses.

AXA RESEARCH FUND

1,211 applications were submitted in 2011 (+300% compared to 2008), of which 85 were selected for grants totalling nearly 23 million euros, among them 3 endowed chairs, including one in Singapore, and 14 projects.

PREVENTING AND ANALYSING BUSINESS RISKS

The Group makes it a priority to help small- and medium-sized enterprises (SMEs) and self-employed professionals understand the risks to which they are exposed, in order to provide better protection for them when they choose insurance contracts. The AXA International Small Business Report, published by AXA UK, reported that one guarter of the SMEs surveyed were unable to name a risk that could have an impact on their business. In this spirit, a website launched in Morocco in 2010—MesurezVosRisques.com (measure your risk)—offers SMEs the ability to assess their risks online. Similar sites that opened subsequently in Spain, Mexico and Portugal were a success in all three countries, averaging 1,500 to 2,000 connections a month. This approach highlights the major contribution AXA makes in the area of risk prevention. AXA Portugal, moreover, offers to bring risk prevention to its SME customers' worksites, where experts run special workshops on the subject. The purpose is to determine the main causes for their claims, reduce them and thereby limit the rate of absenteeism.

EDUCATING YOUNG PEOPLE ABOUT FINANCIAL RISK

In March 2012, Junior Achievement⁽¹⁾ and the AXA Group introduced "Insure Your Success," a global program to educate young people about financial risk. Over 90 volunteers from the Group will work directly with students aged 12 to 18 in Ireland, Japan, the Philippines, Portugal and Romania to teach them how to achieve greater financial stability and protect themselves from life's unexpected events. Through hands-on exercises, interactive tools and group discussions led by local AXA volunteers from Hearts in Action, students learn how to budget, plan and save as well as to anticipate the financial consequences of the risks they will face during their lifetime. The project combines Junior Achievement's international expertise in the organisation of training programs with AXA Group's proficiency in risk management. This project teams educators with insurance professionals to make learning about financial risks an interesting and enjoyable experience.

(1) JA Worldwide® (Junior Achievement) is the world's largest organization dedicated to educating youth on economics and business. For more information, see www.jaworldwide.org.





AXA MOBILIZES FOR JAPAN

On March 11, 2011, an earthquake of a magnitude of 8.9, the most violent the country has seen in 140 years, shook Japan. The quake was strongly felt as far away as Tokyo, 380 kilometres from the epicentre, where skyscrapers swayed back and forth. The tsunami alert was given immediately. When it came, it devastated several dozen kilometres of the Japanese coastline and was followed by a terrible nuclear accident. AXA quickly mobilized to come to the aid of its 121,000 customers in the affected areas, its 8,000 Japanese employees and the population at large. A total of 2 million euros was collected. AXA Japan set up a 50 million yen fund (6,460,000 euros) designed to support its employees in disaster-stricken areas, and made a 50 million yen donation to the local communities that were hardest hit. The AXA Group set aside one million dollars, part of which was paid to the Japanese NGO Civic Force and part to the relief fund set up by AXA Japan for its employees. The Group also funded the One Euro Donation campaign, donating 1 euro for each new insurance policy sold by AXA Life Japan. The amounts raised in this way were given to Médecins du Monde, an NGO that provided medical assistance to victims of the disaster. In addition, employees from around the world got involved via AXA Hearts in Action, collecting a total of 445,000 dollars, which was given to the Red Cross.

PROTECTION FROM DIGITAL RISKS

A major player in the market for life accident cover with nearly 400,000 customers holding a family protection policy, AXA France introduced a new product in early 2012: Protection Familiale Intégr@le, which insures customers for online risks and everyday accidents. According to a survey, 82% of French people believe that risks associated with the Internet are as great as those posed by everyday life (Ipsos survey for AXA, November 2011). A guide to digital common sense ("Le Bon Sens Numérique"), drafted with the help of AXA employees, completes the package: it addresses issues such as how to protect one's privacy on the Internet and how to prevent identity theft.

The guide "Le bon sens numérique" (in French) can be downloaded at: www.axafrance.fr and www.axaprevention.fr

GROUP PERFORMANCE IN 2011



reduced energy consumption



reduced CO₂ emissions



reduced water consumption



reduced consumption of marketing and distribution paper



reduced consumption of office paper

THE AXA-ACADÉMIE DES SCIENCES AWARD

For the last six years, the Académie des Sciences has invited young biologists to present the results of their research that was published in prestigious international scientific publications.

On June 7, six of them shared the AXA-Académie des Sciences Award, presented in Paris. For the second year in a row, the award was endowed by the AXA Research Fund, in the amount of 15,000 euros.

19,800 employees took part in 2,227 AXA Hearts in Action initiatives

PRINCIPAL CORPORATE RESPONSIBILITY

ACTIONS OF THE GROUP

GROUP COMMITMENTS, BY STAKEHOLDER

STATUS

SHAREHOLDERS

→ Create a Group Corporate Responsibility Committee

100%

→ Define a Group strategy for responsible investment



→ Conduct a periodic review of the corporate responsibility (CR) strategy by the Group Management Committee, and integrate CR into the Group's strategic planning process



→ Create a network of Chief Corporate Responsibility Officers (CCROs) within local and regional management organisations



EMPLOYEES

→ Achieve gender balance at all levels and at all entities



→ Include corporate responsibility in the curriculum of AXA University training programs



→ Involve employees in the CR process



DESCRIPTION

Since 2010, a Corporate Responsibility Committee, composed of heads of corporate organisations at Group level, has met quarterly to review and approve the various components of Group CR strategy.

A Responsible Investment Committee (RIC) was created under the chairmanship of the Group Chief Investment Officer in 2010. Its mandate is to develop a responsible investment (RI) policy that takes corporate reputation into account and proactively incorporates environmental, social and governance (ESG) concerns in the investment process, both as regards performance and risk management. In 2011, the RIC began formulating global RI policy; it updated the Group's policy on controversial weapons, evaluated and trained some managers, and carried out benchmarking on a broad range of RI issues.

Since 2010, a half-yearly review of the CR strategy has been conducted by the Group Management Committee, and a new indicator tracking the maturity of CR strategy has been included in local action plans and target letters. In addition, the mandate of the Board of Directors now formally includes the task of monitoring the Group's CR strategy. An annual review is conducted in this regard. Moreover, starting in 2012, the monitoring of CR strategy will be included in AXA's standards regarding the governance of the Group's entities.

The CCROs, members of the Executive Committee of their respective entities, have been meeting regularly since 2010. Every year, they coordinate the development of the CR strategy plan for their entity as part of the broader strategic planning process at the Group level.

The Group's objective is to have women represent 25% of Group Senior Executives (GSE). In 2011, the figure stood at 11.9%. To achieve this target, the following priorities were set: make the GSE population aware of Diversity & Inclusion (D&I) issues; implement D&I governance; increase the visibility of female GSEs so they are included more often in CEO succession planning; and establish a framework for discussion about flexible working hours. The principal advances made in 2011 were as follows: designated officers and sponsors were identified at each entity; an indicator to measure the degree of inclusion was established in the annual employee satisfaction survey; a Gender Analysis Report focusing on the GSE population was drafted; and an online module to raise awareness of prejudice was developed.

The Group Senior Management Program (GSMP), which targets young managers, includes solidarity initiatives in its curriculum. Moreover, CR has been included in the training curriculum for the following corporate functions: risk management (new hires and senior executives); procurement (new hires and the supplier audit training programme); and claims (particularly those involved in the management of services for those with major bodily injuries). Subsequent extension to other organisations will be considered in the future.

In June 2011, 26,000 employees throughout the Group took part in the first Corporate Responsibility Week, held at all subsidiaries. In a survey, 65% participants said they had a better understanding of corporate responsibility after the event while 87% felt more pride in working for AXA. More than 20% of Group employees participated in the AXA Challenge to promote risk education, which helped finance a risk-prevention project in Mali carried out by the NGO CARE. In the annual employee satisfaction survey, the Group also measures how employees perceive corporate responsibility. A strong correlation was found between a positive perception on the part of personnel and their engagement in their work.

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••• GROUP COMMITMENTS, BY STAKEHOLDER

STATUS

CUSTOMERS

→ Apply clear communication standards at all entities



→ Incorporate environmental, social and governance (ESG) considerations in the product development process



→ Develop a Group strategy for micro-insurance



SUPPLIERS

→ Extend the corporate responsibility (CR) clause to 90% of all new supplier contracts and complete a detailed CR performance review for 350 suppliers



ENVIRONMENT

→ Between 2008 and 2012, reduce CO₂ emissions and energy consumption by 20% and the consumption of water by 15%



→ Reduce paper consumption by 15% between 2009 and 2012 (target: 80% of paper to come from recycled or sustainably managed sources by 2012)



→ Draw up Group environmental guidelines for business travel and company vehicle fleets.



COMMUNITY

→ Establish Group-level initiatives on risk research and education



Support fundamental research on risk through the AXA Research Fund



→ Encourage employees to get involved in community initiatives



DESCRIPTION

The application of "clear communication" standards has now been formalised for all of the Group's main entities. All new documents for clients must now be drafted in accordance with these recommendations.

ESG issues are now an integral part of the Group's product development and approval process; the systematic inclusion of a CR component in savings products is under study, and the development of property-casualty insurance products with environmental added value is part of the strategy of the property-casualty business line.

A Group strategy for emerging countries has been approved and a toolkit developed to help entities launch a range of micro-insurance products. For 2012, priority will go to personal insurance and to exploring a partnership-based approach at Group level.

The corporate responsibility clause was included in about 88% of new contracts in 2011, including 89% of new procurement contracts or addenda bearing on information technology, general services and intellectual services and 87% for insurance-related expenses. Since 2008, a detailed CR performance review has been carried out for 350 suppliers, including 70 this year. Twenty have been reassessed and seen their score improve as a result of the momentum created by this drive and the involvement shown by the procurement team.

In 2011, energy consumption per employee decreased by 5%, CO_2 emissions by 14% and water consumption by 3% compared to 2010. On the energy side, the Group worked with AXA Technology Services, entity in charge of IT infrastructure, to reduce power consumption in our offices and data centres. The challenge is greater for water, where consumption is fairly stable, but with a relatively good level of performance (10.12 m^3 per employee).

Paper consumption per employee was lower than in 2010, with a reduction of 27% for office paper and 17% for marketing and distribution paper. The percentage of paper consumption from recycled or sustainably managed forests rose from 52 to 64% for office paper and from 47 to 72% for marketing and distribution paper. Moreover, AXA has incorporated minimum environmental specifications in the Group's call for bids relative to the procurement of office paper.

In 2011, the new environmental principles applicable to Group vehicle fleets and business travel that were developed by the HR, Procurement and CR departments in 2010 were implemented at all Group entities. The main objective was to reduce CO_2 emissions generated by business travel.

The Group established a partnership with the non-governmental organization CARE to promote education on climate-related risks. Two projects to reduce the risks associated with natural disasters have been finalised. The first, in Madagascar, will reach 458,618 people and the second, in the Philippines will reach 53,943. The Group is working to educate the general public about risk awareness through its "AXA People Protectors" page on Facebook. Each AXA subsidiary has identified or launched at least one risk education project. As regards goals, the Group aims to have risk research and education account for 50% of all corporate sponsorship by 2015. In 2011, AXA and its subsidiaries carried out 101 risk research and education initiatives representing an investment of 29.8 million euros (out of a total of 40 million euros in donations).

1,211 applications were submitted in 2011 (\pm 300% compared to 2008), of which 85 were selected for grants totalling nearly 21 million euros, among them 3 endowed chairs, including one in Singapore, and 14 projects.

In 2011, about 19,800 employees (versus 23,400 in 2010) took part in initiatives organized by the Group's volunteer program, AXA Hearts in Action. The difference in figures is explained by the sale of AXA APH, whose rate of participation was high. 2,227 initiatives took place in support of 1,159 associations. The Group gave its employees 38,185 hours to carry out this volunteer work.



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GOVERNANCE AND INDICATORS

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A BALANCED GOVERNANCE STRUCTURE

GOVERNANCE TEAM

→ Board of Directors

The independent directors play a key role, in particular by participating in special committees.

→ Chairman & Chief Executive Officer

Henri de Castries has served as Chairman of the Board of Directors as well as Chief Executive Officer since April 29, 2010. The Chairman & Chief Executive Officer is vested with the broadest powers to act on behalf of the Company. He exercises these powers within the scope of the corporate purpose and subject to the powers expressly assigned by law to the shareholders' meetings and to the Board of Directors. He represents the Company in dealings with third parties.

→ Vice-Chairman

Norbert Dentressangle has fulfilled the position of Vice-Chairman and Lead Independent Director since April 29, 2010. He supervises the contribution of the independent directors to the Board's deliberations and, as required, acts as their spokesperson with the executive management team. He also has the power, as he sees fit, to call a meeting of the Board of Directors that does not include the executive management.

→ Deputy Chief Executive Officer

Denis Duverne is Deputy Chief Executive Officer since April 29, 2010. His role is to assist the Chairman & Chief Executive Officer in the performance of his duties. The Board of Directors determines the scope and duration of the powers vested in the Deputy Chief Executive Officer.

MANAGEMENT TEAM

The Chairman & CEO and the Deputy Chief Executive Officer are assisted by a Management Committee and an Executive Committee whose members are the Group's operational managers.

→ Management Committee

The Chairman & Chief Executive Officer has chosen to be assisted by a Management Committee in monitoring the Group's operational management. The Committee has seven members and meets on a weekly basis.

→ Executive Committee

The Management Committee is supported by an Executive Committee, whose principal mission is to review and discuss the AXA Group's strategy. The Executive Committee includes the members of the Management Committee as well as the heads of AXA's main subsidiaries, business units, and shared service departments. The Executive Committee has 18 members, ten of which are citizens of countries other than France. Its members conduct Quarterly Business Reviews (QBR) of AXA's performance. These reviews were introduced in 2000 to provide a clear and consistent framework for reviewing operational performance and monitoring the progress of key projects. They also provide a forum for exchanging ideas and information on the Group's key strategic orientations.

BOARD OF DIRECTORS AS OF 01/01/2012

Henri de Castries

Chairman & Chief Executive Officer

Norbert Dentressangle

Vice-Chairman & Lead Independent Director, Chairman of the Compensation & Human Resources Committee

Denis Duverne

Director, Deputy Chief Executive Officer in charge of Finance, Strategy and Operations

Jacques de Chateauvieux (1)

Independent Director, member of the Audit Committee and the Ethics & Governance Committee

Wendy Cooper (2)

Director, Employee shareholder representative, member of the Finance Committee

Jean-Martin Folz

Independent Director, Chairman of the Ethics & Governance Committee, member of the Finance Committee and the Compensation & Human Resources Committee

Anthony Hamilton

Independent Director, Chairman of the Audit Committee and member of the Compensation & Human Resources Committee

Isabelle Kocher

Independent Director, member of the Compensation & Human Resources Committee

Suet-Fern Lee

Independent Director, member of the Finance Committee

François Martineau (3)

Independent Director, member of the Ethics & Governance Committee and the Compensation & Human Resources Committee

Giuseppe Mussari

Independent Director, member of the Finance Committee

Ramon de Oliveira

Independent Director, Chairman of the Finance Committee and member of the Audit Committee

Michel Pébereau

Director, member of the Finance Committee and the Ethics & Governance Committee

Dominique Reiniche

Independent Director, member of the Finance Committee

Marcus Schenck

Independent Director, member of the Audit Committee

- (1) Jacques de Chateauvieux is resigning from the board. His term of office will end at the close of the Shareholders' Meeting of April 25, 2012.
- (2) The term of office of Wendy Cooper will expire at the close of the Shareholders' Meeting of April 25, 2012.
- (3) The reappointment of François Martineau will be proposed to the Shareholders at their annual meeting on April 25, 2012.

SPECIAL COMMITTEES

Compensation & Human Resources Committee

Composed of five members, all of them independent, this committee is chaired by Norbert Dentressangle. Its principal missions revolve around executive compensation and the examination of issues related to Group human resources.

Audit Committee

Composed of four members, all of them independent, this committee is chaired by Anthony Hamilton. Its principal missions include examining the Company's financial statements and monitoring financial reporting.

Ethics & Governance Committee

Composed of five members, four of whom are independent, this committee is chaired by Jean-Martin Folz. Its missions include the close examination of certain governance issues, reviewing the Group's Compliance Guide and examining Group corporate responsibility strategy.

Finance Committee

Composed of seven members, five of whom are independent, this committee is chaired by Ramon de Oliveira. Its missions mainly include examining proposals to buy or sell business assets, all of the Group's significant financial operations and the risk analysis and measurement framework.



TO FIND OUT MORE: www.axa.com/en/governance

MANAGEMENT COMMITTEE AND EXECUTIVE COMMITTEE

AS OF 01/01/2012



MANAGEMENT COMMITTEE

1. Henri de Castries

Chairman & Chief Executive Officer

2. Denis Duverne

Director, Deputy Chief Executive Officer in charge of Finance, Strategy and Operations

3. Jean-Laurent Granier (1)

Chief Executive Officer of the Mediterranean and Latin America region, Chairman & Chief Executive Officer of AXA Global P&C, and in charge of overseeing the worldwide operations of AXA Corporate Solutions

4. Peter Kraus

Chairman & Chief Executive Officer of AllianceBernstein (United States)

(1) Jean-Laurent Granier was appointed Chairman & Chief Executive Officer of AXA Global P&C and joined the AXA Group Management Committee on January 1, 2012.

5. Nicolas Moreau

Chief Executive Officer of AXA France and in charge of overseeing the worldwide operations of AXA Assistance and AXA Global Direct

6. Mark Pearson

President & Chief Executive Officer of AXA Financial, Inc. (United States)

7. Jacques de Vaucleroy

Chief Executive Officer for the Northern, Central and Eastern Europe business unit and Global Head of Life & Savings and Health

→ François Pierson: member of the AXA Group
Management Committee and Chairman & Chief Executive Officer
of AXA Global P&C, the global business line in charge of AXA's
Property & Casualty operations across the world, has decided to
retire effective January 1, 2012. He will remain a Director of several
AXA Group companies, notably Chairman of AXA Corporate
Solutions.



EXECUTIVE COMMITTEE

In addition to the seven members of the Management Committee:

8. Michael Bishop

Chief Executive Officer of AXA Asia

9. Dominique Carrel-Billiard

Chief Executive Officer of AXA Investment Managers

10. John R. Dacey

Vice-Chairman for Asia Pacific

11. Philippe Egger

Chief Executive Officer of AXA Winterthur (Switzerland)

12. Paul Evans

Chief Executive Officer of AXA UK

13. Gérald Harlin

Group Chief Financial Officer

14. Frank Keuper (2)

Chief Executive Officer of AXA Konzern AG (Germany)

15. Jean-Louis Laurent Josi

Chief Executive Officer of AXA Japan

16. George Stansfield

AXA Group General Counsel and Head of Group Human Resources

17. Emmanuel de Talhouët

Chief Executive Officer of AXA Belgium

18. Véronique Weill

Group Chief Operating Officer

19. Thomas Buberl (2)

Chief Executive Officer of AXA Konzern AG (Germany)

(2) As announced on February 16, 2012, Frank Keuper has decided to retire. He will be replaced by Thomas Buberl.

AXA GROUP HR DATA

As of December 31, 2011, AXA employed 114,488 people on open-ended and fixed-term contracts, a 5.8% decrease from 2010. This decline mainly reflects the disposal of operations in Canada, Australia and New Zealand.

- → AXA continued to recruit in 2011, hiring close to 16,000 new employees, including nearly 4,500 sales representatives. The number of fixed-term contracts that were converted into open-ended contracts remained stable (1,539 in 2011 versus 1,560 in 2010).
- → The average employee age rose slightly to 40.8 years (up from 40.5 years in 2010), and average length of service increased from 11.1 to 11.5. These figures are higher in Europe (42.1 years of age, 13.9 years of service) and the Americas (38.6 years of age, 7.2 years of service) than in Asia Pacific and the Middle East (38.1 years of age, 6.1 years of service) or Africa (33.3 years of age, 5.8 years of service).
- → Women make up a greater proportion of the management workforce, up from 38.5% to 39.3%. Overall, women represent 51.9% of the total workforce, versus 48.1% for men.
- → Internal mobility fell slightly from 11.7% in 2010 to 11.0% in 2011. Turnover recorded a small rise in 2011, to 15.4%. Turnover was higher in Asia-Pacific (28.5% in 2011) than in Europe (10.7%), Africa (17.9%) or the Americas (22.5%). AXA launched a new internal mobility policy in its core entities to support business growth and promote employee development. Business needs are now immediately made known through an international job vacancy announcement system. At the same time, broader recruitment processes are better at detecting internal skills. By facilitating staff transfers, the new policy helps the spread of knowledge, expertise and best practices. AXA Ireland was particularly efficient in redeploying staff internally.

Ninety-seven percent of its job vacancies were filled using the internal recruitment system. In addition to motivating employees in their career development, the system generated considerable savings for AXA.

- → Through its Shareplan program, AXA encourages its employees to become shareholders. The annual employee shareholding program has been offered worldwide since 1994, giving AXA employees an opportunity to purchase AXA shares at a discount. In 2011, the program was extended to include 41 countries. Twenty-six thousand employees participated, investing a total of 332 million euros in AXA.
- → AXA promotes the employment of workers with disabilities. The number of people in France with a disability rose from 690 in 2010 to 746 in 2011. AXA Global Direct in Spain is one of the AXA companies that took local initiatives in this area. It signed an agreement to facilitate the employment of people with disabilities in the company and to help employees and their families learn more about the benefits to which people with disabilities may be entitled. AXA Thailand was recognized for its contribution to the employment of people with disabilities. The company's CEO received the Best Company award from the Vice-Minister for Social Development and Human Security.

WORKFORCE

Workforce as of December 31 (expressed in number of employees)	2010 (1)	Change	2011
Salaried employees (sales and non-sales force, fixed-term or open-ended employment ^(a))	121,480 emp.	-5.8%	/114,488 emp.
Salaried employees, open-ended employment only (sales and non-sales force)	116,448 emp.	-5.1%	/110,551/emp.
Proportion of men	47.9%		48.1%
Proportion of women	52.1%		51.9%
Non-sales force (open-ended employment only)	99,296 emp.	-5.1%	94,241 emp.
Executives	3,169 emp.	-6.2%	2,974 emp.
Proportion of men	77.4%	• • • • • • • • • • • • • • • • • • • •	76.3%
Proportion of women	22.6%	4.8%	23.7%
Managers	16,611 emp.	-3.3%	16,068 emp.
Proportion of men	61.5%		60.7%
Proportion of women	38.5%	2.1%	39.3%
Experts & Staff	79,516 emp.	-5.4%	75,199 emp.
Proportion of men	42.7%		42.8%
Proportion of women	57.3%		57.2%
Sales force (open-ended employment only)	17,152 emp.	-4.9%	16,310 emp.
Proportion of men	53.1%	• • • • • • • • • • • • • • • • • • • •	54.9%
Proportion of women	46.9%		45.1%
Salaried employees, fixed-term employment only (sales and non-sales force)	5,032 emp.	-21.8%	3,937 emp.
Non-sales force	4,401 emp.	•••••	3,603 emp.
Sales force	631 emp.		334 emp.
Full Time Equivalents (workforce expressed in full-time equivalents)	2010 (1)	Change	2011
Average FTE of salaried employees (sales and non-sales force, open-ended employment only)	/111,912.3 FTE	-6.2%	104,948.7 FTE
Average FTE of non-sales force	95,156.9 FTE	-6.1%	89,367.5 FTE
Average FTE of executives	3,123.9 FTE		2,886.8 FTE
Average FTE of managers	16,382.4 FTE		15,833.8 FTE

Average FTE of experts & staff	75,650.5 FTE		70,647.0 FTE
Average FTE of sales force	16,755.4 FTE	-7.0%	15,581.2 FTE
Average FTE of temporary employees (non-salaried) ⁽³⁾	3,331.2 FTE		4,974.3 FTE
Average FTE of temporary/interim workers	2,624.8 FTE		3,373.8 FTE
Average FTE of trainees	706.4 FTE		1,600.6 FTE
Profile of AXA employees	2010 (1)	Change	2011
Average age of salaried employees (sales and non-sales force, open-ended employment only)	40.5 years	0.8%	/40.8 years///
Non-sales force	40.3 years		40.4 years
Sales force	41.4 years		42.0 years
Average length of service of salaried employees (sales and non-sales force, open-ended employment only)	/11.1 years	3.3%	/11.5 years
Non-sales force	11.7 years		12.0 years
Sales force	7.9 years		8.4 years
Employees with disabilities (sales and non-sales force, fixed-term or open-ended employment)			
Number of employees with a disability – Only includes entities in France	690 emp.		746 emp.

WORKFORCE DYNAMICS

Movements	2010 (1)	Change	2011
Movements of salaried employees	·/////////////////////////////////////		·/////////////////////////////////////
(sales and non-sales force, open-ended employment only) Net employment change (number of entries minus number of departures)	-2,634 emp.		-6,553 emp.
Entries	16,868 emp.	-4.9%	16,048 emp.
Departures	19,502 emp.	15.9%	22,601 emp.
Movements of non-sales force Net employment change for non-sales force (number of entries minus number of departures)	-1,697 emp.		-6,050 emp.
Entries	12,426 emp.	-6.6%	11,606 emp.
Number of external recruitments	10,295 emp.	***************************************	9,590 emp.
Number of fixed-term contracts converted into open- ended contracts	1,326 emp.		1,339 emp.

Number of re-hires in the company	503 emp.		423 emp.
Number of entries following mergers and acquisitions	302 emp.		254 emp.
Departures	14,123 emp.	25.0%	17,656 emp.
Number of resignations	7,190 emp.		7,318 emp.
Number of economic/collective layoffs	1,611 emp.	***************************************	2,230 emp.
Number of individual dismissals	1,495 emp.	***************************************	1,268 emp.
Number of retirements/pre-retirements	1,333 emp.		1,138 emp.
Number of departures due to business transfers (4)	2,332 emp.		5,307 emp.
Number of other departures	162 emp.	•••••	395 emp.
Movements of sales force	7///////////	///////////////////////////////////////	'//////////////////////////////////////
Net employment change for sales force (number of entries minus number of departures)	-937/emp.		-503 emp.
Entries	4,442 emp.	0.0%	4,442 emp.
Number of external recruitments	4,119 emp.	•••••	4,146 emp.
Number of fixed-term contracts converted into open- ended contracts	234 emp.	***************************************	200 emp.
Number of re-hires in the company	61 emp.	***************************************	21 emp.
Number of entries following mergers and acquisitions	28 emp.		75 emp.
Departures	5,379 emp.	-8.1%	4,945 emp.
Number of resignations	4,118 emp.		3,544 emp.
Number of economic/collective layoffs	654 emp.	***************************************	198 emp.
Number of individual dismissals	271 emp.	***************************************	648 emp.
Number of retirements/pre-retirements	181 emp.		233 emp.
Number of departures due to business transfers (4)	132 emp.	•••••	280 emp.
Number of other departures	23 emp.	•••••	42 emp.
Movements of salaried employees (sales and non-sales force, fixed-term employment only)	1,671 emp.		586 emp.
Net employment change for non-sales force (number of entries minus number of departures)			
Number of external recruitments	5,608 emp.		4,895 emp.
Number of fixed-term contracts ended	3,937 emp.		4,309 emp.
Net employment change for sales force (number of entries minus number of departures)	59 emp.		-246 emp.
Number of external recruitments	516 emp.	***************************************	253 emp.
Number of fixed-term contracts ended	457 emp.		499 emp.

Mobility	2010 (1)	Change	2011
Mobility rate for salaried employees//sales and non-sales force, open-ended employment only)//	11.7%	-5.8%	/11.0%///////
Mobility rate for non-sales force	13.0%		11.9%
Mobility rate for sales force	3.9%		5.8%
Turnover	2010 (1)	Change	2011
Turnover rate for salaried employees/ (sales and non-sales force, open-ended employment only)	14.4%	6.8%	15.4%
Involuntary turnover rate (layoffs/dismissals)	3.4%		3.9%
Voluntary turnover rate (resignations)	9.6%		9.8%
Rate of turnover due to other causes	1.4%		1.6%
Turnover rate for non-sales force	11.8%	11.5%	13.1%
Involuntary turnover rate (layoffs/dismissals)	3.1%		3.7%
Voluntary turnover rate (resignations)	7.2%		7.8%
Rate of turnover due to other causes (3)	1.5%		1.6%
Turnover rate for sales force	29.4%	-1.9%	28.9%
Involuntary turnover rate (layoffs/dismissals)	5.2%		5.2%
Voluntary turnover rate (resignations)	23.1%		21.9%
Rate of turnover due to other causes (3)	1.1%		1.7%

COMPENSATION

Compensation of salaried employees	2010 (1)	Change	2011
Compensation of salaried employees (sales and non-sales force, open-ended employment only) (5)/	4//////////////////////////////////////	///////////////////////////////////////	4//////////////////////////////////////
Reported compensation of salaried employees	€6.917 million	0.1% (6)	€7.891 million
Proportion of fixed pay (related to wages)	82.8%	1.0% (6)	72.8%
Proportion of variable pay (related to wages)	17.2%	-4.7% ⁽⁶⁾	27.2%
Compensation of non-sales force	86.4%	0.4%(6)	80.2%
Proportion of fixed pay (related to wages) Proportion of variable pay (related to wages)	13.6%	-2.4% ⁽⁶⁾	19.8%

Compensation of sales force			
Proportion of fixed pay (related to wages)	55.3%	6.8 % ⁽⁶⁾	39.5%
•••••			
Proportion of variable pay (related to wages)	44.7%	-8.1% ⁽⁶⁾	60.5%

TRAINING

Number of training days provided	2010 (1)	Change	2011
Number of training days provided (sales and non-sales force, open-ended employment only)	305,547 days	-7.5%	282,571 days
Number of training days provided to non-sales force	228,815 days		221,099 days
Proportion of manager training	15.0%	••••	15.1%
Proportion of technical training	46.1%	••••	51.1%
Proportion of other training	38.8%	•••••	33.8%
Number of training days provided to sales force	76,732 days		61,471 days
Proportion of manager training	4.1%		6.1%
Proportion of technical training	69.6%		71.5%
Proportion of other training	26.3%	•••••	22.4%
Participation in training	2010 (1)	Change	2011
Participation in training (sales and non-sales force, open-ended employment only) Proportion of salaried employees having participated in at least one training course	83.1%	-0.5%	82.7%
(sales and non-sales force, open-ended employment only) Proportion of salaried employees having	83.1%	-0.5%	82.7% 80.5%
(sales and non-sales force, open-ended employment only) Proportion of salaried employees having participated in at least one training course Proportion of non-sales force having participated		-0.5%	
(sales and non-sales force, open-ended employment only) Proportion of salaried employees having participated in at least one training course Proportion of non-sales force having participated in at least one training course Proportion of sales force having participated	80.8%	-0.5%	80.5%
(sales and non-sales force, open-ended employment only) Proportion of salaried employees having participated in at least one training course Proportion of non-sales force having participated in at least one training course Proportion of sales force having participated in at least one training course	80.8%	-0.5%	80.5%
(sales and non-sales force, open-ended employment only) Proportion of salaried employees having participated in at least one training course Proportion of non-sales force having participated in at least one training course Proportion of sales force having participated in at least one training course Average number of training days per salaried employee Average number of training days per non-sales	80.8% 96.0% 2.6 days	-0.5%	80.5% 95.1% 2.6 days

LABOR RELATIONS

Working time	2010 (1)	Change	2011
Working time ((full-time and part-time salaried employees, sales and non-sales force, open-ended employment only) Average number of days worked per year	226.1 days	0.2%	226.5 days
Average number of hours worked per week	35.7 hours	1.1%	36.1 hours
Average number of hours worked per week for full-time employees	37.0 hours		37.5 hours
Average number of hours worked per week for part-time employees	25.3 hours		25.0 hours
Average percentage of overtime per day and per person for experts & staff	1.8%		1.6%
Part-time employees	7//////////////////////////////////////	///////////////////////////////////////	7//////////////////////////////////////
Proportion of part-time non-sales force	12.7%		12.1%
Proportion of part-time sales force	3.9%		2.7%
Absenteeism	2010 (1)	Change	2011
Total absenteeism rate (sales and non-sales force, open-ended employment only)	4.9%	-3.1%	4.8%
Proportion of absences due to sickness	71.7%		73.6%
Proportion of short-term sickness absences	77.9%		79.9%
Proportion of long-term sickness absences	22.1%		20.1%
Proportion of absences due to work-related accidents	2.2%		2.1%
Proportion of absences due to maternity leave	26.1%		24.3%
Absenteeism rate for non-sales force	5.2%	-3.8%	5.0%
Proportion of absences due to sickness	73.0%	•••••	74.6%
Proportion of short-term sickness absences	77.0%		78.9%
Proportion of long-term sickness absences	23.0%		21.1%
Proportion of absences due to work-related accidents	1.9%		1.8%
Proportion of absences due to maternity leave	25.2%		23.6%

Absenteeism rate for sales force	3.3%	3.4%	3.4%
Proportion of absences due to sickness	60.2%		65.2%
Proportion of short-term sickness absences	88.4%		89.1%
Proportion of long-term sickness absences	11.6%		10.9%
Proportion of absences due to work-related accidents	5.1%		4.5%
Proportion of absences due to maternity leave	34.7%		30.3%

⁽¹⁾ Change in scope: in order to align with Group Finance Department practices, the scope of HR data reporting was redefined. Certain entities in Asia were excluded in 2011 and in 2010. For additional information, please see "Table of principal subsidiaries with Group share of interests and voting rights percentages" in Part 1.2 of the 2011 Annual Report/Registration Document and Note 2 "Scope of Consolidation" in Part 4.6. (2) The majority of this decrease is attributable to the disposal of operations in Australia & New Zealand and in Canada (74.2% of the total decrease).

⁽³⁾ Change in definitions: in 2011, temporary workers include consultants and trainees include apprenticeship contracts.

⁽⁴⁾ Salaried employees who contractually left the AXA Group following the transfer or sale of a business to an outside company. These employees are no longer under contract with the AXA Group.

⁽⁵⁾ Total compensation includes individual fixed pay, individual variable pay, social contributions paid by the employer and, if applicable, profit-sharing bonuses. It does not include equity-based compensation such as stock options, performance units, performance shares and AXA Miles. All monetary figures take forex (foreign exchange) effects into account.

⁽⁶⁾ In 2010, no data were collected from AllianceBernstein entities, which explains the changes to the reporting scope this year for all data related to compensation data, in particular the proportions of fixed and variable pay. Reported changes from 2010 were calculated on a like-for-like basis.

GROUP ENVIRONMENTAL DATA

AXA Group environmental indicators ⁽¹⁾	UNIT	2008	2009	2010	2011
Number of AXA employees on site, Full Time Equivalent (FTE)	FTE	121,990	121,108	122,671	104,972
Net internal area (sites)	m ²	2,487,602	2,330,602	2,398,745	1,966,321
Power (sites)					4//////////////////////////////////////
Power consumption (2)	KWh	627,987,507	617,473,679	604,498,594	489,425,467
KPI: power consumption per person	KWh/FTE	5,148	5,099	4,928	4,662
Change from 2010					-5%
Transportation////////					
Business travel: air and train ⁽³⁾	km	352,931,708	257,875,862	297,992,347	249,703,349
Business travel: AXA vehicle fleet	km	393,466,688	333,923,046	304,203,026	277,304,077
Work-home commute (round trip) ⁽⁴⁾	km	1,258,507,154	1,219,253,316	1,287,660,394	1,014,065,612
CO ₂ emissions (5)		///////////////////////////////////////			///////////////////////////////////////
CO ₂ emissions: site power consumption	T. CO_2 eq.	225,833	216,542	200,646	145,478
CO_2 emissions: business travel by air and train	T. CO ₂ eq.	116,907	78,691	92,646	65,225
${\rm CO_2}$ emissions: AXA vehicle fleet $^{\rm (6)}$	T. CO ₂ eq.	77,513	60,461	45,055	39,169
KPI: CO ₂ emissions resulting from power consumption, business travel and AXA vehicle fleet per person	T. CO ₂ eq./ FTE	3.44	2.94	2.76	2.38
Change from 2010					-14%
${\rm CO}_2$ emissions: work-home commute $^{(7)}$	T. CO ₂ eq.	133,773	123,830	121,620	99,706
Water////////////////////////////////////	7////////	4//////////////////////////////////////		///////////////////////////////////////	4//////////////////////////////////////
Water consumption (8)	m ³	1,293,148	1,215,053	1,276,738	1,062,581
KPI: water consumption per person	m³/FTE	10.36	10.03	10.41	10.12
Change from 2010					-3%

Paper ⁽⁹⁾	////////	///////////////////////////////////////	7////////	7////////	7//////////////////////////////////////
Office paper consumption	Т		5,995	5,269	3,299
KPI: office paper consumption per person	kg/FTE		49	43	31
Change from 2010					-27%
Recycled paper and/or paper from sustainably managed forests: office	%		58	52	64
Marketing and distribution paper consumption	T		15,574	14,188	12,458
VDL marketing and distribution					
KPI: marketing and distribution paper consumption per customer ⁽¹⁰⁾	kg/customer		0.17	0.15	0.12
	kg/customer		0.17	0.15	0.12 -17%
paper consumption per customer ⁽¹⁰⁾	kg/customer		0.17	0.15	
Change from 2010 Recycled paper and/or paper from sustainably managed forests:					-17%
Change from 2010 Recycled paper and/or paper from sustainably managed forests: marketing and distribution					-17%
Change from 2010 Recycled paper and/or paper from sustainably managed forests: marketing and distribution Waste (11)					-17% 72

The reporting scope is unchanged from 2010 and includes the 41 main countries in which AXA operates. Key performance indicators are shown in bold. (1) In 2011, AXA Group environmental data were collected from 94,889 FTEs (unless otherwise indicated in these footnotes). These data were then extrapolated, continent by continent, to cover all 104,972 salaried FTEs employed by AXA as of December 31, 2011. The salaried FTE base used for extrapolation was modified in 2011 to align with the Group Finance Department's reporting and consolidation principles. As a result, certain entities in Asia were excluded from extrapolation but not from the data collection scope, which explains an FTE decrease compared with previous years. In 2010, data was collected from 96,645 FTEs and extrapolated to cover 122,671 FTEs.

- (2) Includes electricity, natural gas, fuel oil and steam and covers 94,784 FTEs.
- (3) Data collected from 92,267 FTEs. In 2011, entities business travel per employee remained stable compared with 2010.
- (4) Work-home commute estimations are based on an online survey of usual transportation behavior administered to AXA employees. Data were collected from 23,583 FTEs and extrapolated. Sites whose response was below 5% were excluded from data consolidation.
- (5) Country-specific emission factors for power consumption, air travel and train travel were revised in 2011. This had a positive impact on the Group CO₂ emission KPI, which is particularly noticeable for train travel. An 18% decrease can be observed if 2011 emission factors are applied to 2010 reported data. The emission factors applied were published by the French Environment and Energy Management Agency (ADEME) and the International Energy Agency (IEA).
- (6) AXA vehicle fleet data were collected from 89,554 FTEs. As of 2010, the vehicle fleet data collection method was modified. To evaluate emissions with greater accuracy, data is now collected and classified by the grams of CO_2 emitted per kilometer rather than by type of engine. This change partly explains the 2010 decline in emissions. Performance in 2011 was stable.
- (7) Does not include company cars, to avoid double-counting of AXA vehicle fleet data.
- (8) Data collected from 86,980 FTEs. Some sites in Asia and the Americas are not equipped with water meters, which prevents them from measuring their consumption and excludes them from the reporting scope before extrapolation. However, other sites have installed meters to begin measuring their water consumption, including AXA Ireland and several data centers.
- (9) Office paper data were collected from 94,807 FTEs. Marketing and distribution paper data were collected from only 91,478 FTEs, since certain entities were unable to provide figures for this indicator.
- (10) The Group had 101,000,000 customers in 2011 and 95,000,000 in 2010. The 2010 figure has been updated based on revised Group marketing data.
- (11) Waste data is being reported for the first time this year.
- (12) Unsorted waste data was collected from 71,613 FTEs. This figure is low because many entities are not yet able to report these data.

SRI RATINGS

AXA's social, societal, environmental and governance performance is rated by a number of specialists, including investors, brokers 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 the three major global ethical indexes:

- → Dow Jones Sustainability Index (Europe and World, based on SAM research);
- → FTSE4GOOD (based on EIRIS research);
- → ASPI Eurozone (based on Vigeo research).

Agency	Theme	AXA rating/score		
	Overall score	74% (sector average: 48%)		
	Economic	79% (sector average: 61%)		
SAM (2011)	Social	63% (sector average: 39%)		
3AW (2011)	Environmental	85% (sector average: 44%)		
	Sustainability Yearbook Class	Bronze		
	Inclusion in SAM indexes	DJSI Europe and DJSI World		
	Human Resources	51% (rating: +)		
	Human Rights	55% (rating: +)		
	Community Involvement	42% (rating: +)		
Vigeo (2010 ⁽¹⁾)	Environment	57% (rating: +)		
	Business Behavior	55% (rating: +)		
	Corporate Governance	56% (rating: =)		
	Inclusion in Vigeo indexes	Aspi Eurozone		
	Overall score	70% (sector average: 53%)		
(2) 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Governance	81% (sector average: 52%)		
Sustainalytics (2011)	Social	65% (sector average: 59%)		
	Environment	62% (sector average: 46%)		
Oekom (2011)	Overall score	C+ "Prime" status ("Recommended")		
Carbon Disclosure	Carbon Disclosure	92/100		
Project (2011)	Carbon Performance	92/100		

(1) Most recent Vigeo rating available at the time of publication of the 2011 AXA Group Activity and Corporate Responsibility Report.

Vigeo ratings indicate relative performance in comparison to peers within the industry sector:

- --: Least advanced +: Advanced -: Below average ++: Leader
- =: Average

CORRESPONDENCE TABLE



GRI V3 & FSSS	"2012" NRE	ISO 26000	UNGC	www.axa.com URLs are subject to change	2011 Activity and Corporate Responsibility Report	2011 Registration Document
Economic perf	ormance in	dicators,	strategy	<u></u>		
EC1 EC8	Main reporting principles	7.2 7.4 7.7 7.8	•	http://www.axa.com/en/group/ profile/figures http://www.axa.com/en/ responsibility/sri	Profile • Key figures Our core business Interview with Alice Steenland Principal Corporate Responsibility Actions of the Group • SRI ratings	The AXA Group Consolidated Financial Statements Appendix 9: Social and environmental information
Product respon	nsibility	///////	//////	///////////////////////////////////////	///////////////////////////////////////	///////////////////////////////////////
EN5, FS1, FS2, FS3 FS5, FS11 FS14, FS15		7.2	GC7 GC8 GC9	http://www.axa.com/en/ responsibility/customers/ property-casualty http://www.axa.com/en/ responsibility/customers/ asset-management	Management of serious bodily injury claims Property & Casualty expertise Asset Management expertise Asset Management market indicators Interview with Alice Steenland	Appendix 9: Social and environmental information
Employees //						
LA1, LA2, LA4, LA7, LA10, LA11, LA12, LA13 EC1	Social 1A Social 1B Social 1C Social 1D Social 1E Social 1F	6.4	GC3 GC6	http://www.axa.com/en/ responsibility/Employees http://www.axa.com/en/group/ profile/people	Interview with Henri de Castries Highlights Employees Human resources Principal CR actions HR data	Appendix 9: Social information
Clients////						
FS15, FS16 PR5, PR6	Societal 3D	6.6 6.7		http://www.axa.com/en/ responsibility/customers	Clients Principal CR actions	
Suppliers, hum	nan rights					
HR1 HR2	Social 1G Societal 3C Societal 3D Societal 3E	6.3	GC1 GC2 GC4 GC5 GC8	http://www.axa.com/en/ responsibility/suppliers http://www.axa.com/en/ responsibility/strategy-commitments http://www.axa.com/en/ responsibility/shareholders/ responsible-investment	CR in action Principal CR actions	Appendix 9: Social information
Environment	/////////	///////	//////	///////////////////////////////////////	///////////////////////////////////////	///////////////////////////////////////
EC2, EN1, EN2, EN3 EN4, EN5, EN6, EN7 EN8, EN11, EN16, EN18, EN22, EN29	Env. 2B Env. 2C	6.5	GC7, GC8, GC9	http://www.axa.com/en/ responsibility/environment http://www.axa.com/en/ responsibility/customers/ property-casualty	Property & Casualty Insurance CR in action Environment Principal CR actions Environmental data	Appendix 9: Environmental information
Community, ph	nilanthropy	////////	· · · · · · · ·	<u></u>		
FS16	Societal 3A Societal 3B	6.8		http://www.axa.com/en/ responsibility/community http://www.axa-research.org/home	Interview with Henri de Castries Highlights • Partnership with the NGO CARE in the Philippines Interview with Alice Steenland CR in action • Community Principal CR actions	Appendix 9: Social information
Compliance, e	thics and g	overnance	/////		///////////////////////////////////////	///////////////////////////////////////
	Societal 3D	6.2 6.6	GC 10	http://www.axa.com/en/ responsibility/shareholders/ business-ethics	A balanced governance structure	Corporate Governance Appendix 9: Social information
Verification/C	ertification	of HR and	environ	mental data///////////		
Main reporting prin		7.6	7.7.7.7.7.		Governance and indicators	Appendix 9: Social and environmental information

REVIEW REPORT BY ONE OF THE STATUTORY AUDITORS

On a selection of environmental and social indicators published in the AXA Group 2011 Activity and Corporate Responsibility Report.

Further to your request and in our capacity as the Statutory Auditor of AXA, we have performed a review enabling us to express moderate assurance on a selection of environmental and social indicators published in AXA's 2011 Activity and Corporate Responsibility Report.

The following environmental indicators were selected for the purposes of review:

- → General data:
- Number of people on reporting site
- Usable surface area (occupied and vacant)
- → Power:
- Total power consumption
- KPI: total power consumption per person on reporting site
- → Transportation:
- Business travel (air and train)
- Vehicle fleet: kilometers travelled by all types of vehicles in AXA's fleet (vehicles categorized by CO₂ emissions/km)
- → Estimated CO₂ emissions:
- Indicator: estimated CO₂ emissions resulting from power consumption
- Indicator: estimated CO₂ emissions resulting from business travel by air and train
- Indicator: estimated CO₂ emissions resulting from AXA's vehicle fleet
- On-site estimated CO₂ emissions excluding work-home commute
- \bullet KPI: total estimated CO_2 emissions per person on reporting site excluding work-home commute

- → Water:
- Water consumption
- KPI: water consumption per person on reporting site
- → Consumables:
- Total paper consumption for office use
- KPI: office paper consumed per person on reporting sites
- Total paper consumption for marketing and distribution
- Percentage of recycled paper and/ or paper from sustainably managed forests
- → Waste:
- Unsorted waste
- Office paper (not including cardboard) sorted for recycling
- Percentage of office paper (not including cardboard) sorted for recycling
- Ink and toner cartridges sorted for recycling
- Total consumption of ink and toner cartridges
- Percentage of ink and toner cartridges sorted for recycling

The following HR indicators were selected for the purposes of review:

- → Workforce:
- Average FTE (Full Time Equivalent) of temporary non salaried employees
- Total number of salaried non-sales force in open-ended employment as of December 31
- Total number of salaried sales force in open-ended employment as of December 31
- Average age of non-sales salaried employees

- Average length of service at AXA
- Number of non-sales salaried employees working part-time as of December 31
- → Training & Career Development:
- Average number of training days per non-sales salaried employee
- → Workforce dynamics:
- Total number of external recruitments of non-sales salaried employees for open-ended employment
- Total number of layoffs (collective + individual) of non-sales salaried employees in open-ended employment
- Total number of resignations of non-sales employees in open-ended employment
- → Compensation:
- Gross annual compensation of nonsales force
- Gross annual fixed pay for salaried employees (sales and non-sales force)
- → Labor relations:
- Total absenteeism rate for all salaried employees

These environmental and social indicators were prepared under the supervision of the AXA Group's Communication and Corporate Responsibility Department and Human Resources Department, in accordance with the protocols used by AXA and available from these two departments ("Processus de gestion du reporting environnemental" and "Reporting des données sociales AXA – Principes et méthodes").

Our responsibility is to express a

conclusion on these indicators on the basis of our review.

Nature and scope of our review

We performed our review in compliance with ISAE 3000 and the professional standards applicable in France.

We carried out the procedures described below to obtain moderate assurance that no irregularities exist with regard to the selected environmental and HR indicators. A higher level of assurance would have required more extensive work.

We carried out the following verifications:

- We assessed the reporting procedures used by the Group with respect to their relevance, reliability, objectivity and understandability.
- At Group level, we implemented analytical procedures and verified, on a test basis, that the data used to produce the environmental and HR indicators were correctly calculated and consolidated. This work involved, in particular, interviews with the persons from the AXA Group Communication and Corporate Responsibility

Department and Human Resources Department responsible for preparing the indicators, applying the procedures and consolidating the data.

- We selected a sample of entities, as follows:
- → For the environmental data:
- AXA Assicurazioni (Italy)
- AXA Seguros Mexico (Mexico)
- AXA Sigorta (Turkey)
- AXA China Region (Hong Kong)
- AXA Equitable (USA)
- AXA Winterthur (Switzerland)
- AXA Life Insurance Japan (Japan)
- GIE (France)
- → For the HR data:
- AXA Assicurazioni (Italy)
- AXA Seguros Mexico (Mexico)
- AXA Sigorta (Turkey)
- AXA IM (France)
- AXA China Region (Hong Kong)
- AXA Equitable (USA)
- AXA Versicherungen AG (Switzerland)
- AXA Life Insurance Japan (Japan)
- AXA Belgium (Belgium)
- AXA Insurance UK (UK)

This selection was made on the basis of quantitative and qualitative

criteria regarding the indicators.

- At the level of the selected entities:
- We interviewed the persons responsible for preparing the data to verify their proper understanding and application of the procedures;
- We performed in-depth checks on a test basis to verify the calculations and reconcile the data with supporting documents.

The contribution of these entities to the Group's consolidated indicators represents between 20% and 28% of the key performance indicators for environmental data and 28% of the Group's workforce for HR data.

We were assisted in our review by our teams specializing in sustainable development.

Conclusion

Based on our work, no material irregularities came to our attention causing us to believe that the environmental and HR indicators reviewed do not comply, in all material respects, with AXA's environmental and HR reporting protocols ("Processus de gestion du reporting environnemental" and "Reporting des données Sociales AXA – Principes et méthodes") applicable in 2011.

Neuilly-sur-Seine, March 6, 2012

GLOSSARY

Adjusted earnings

Adjusted earnings are the net result of the company before the impact of certain items, such as one-off transactions, goodwill amortization or variations in the market value of certain assets, is taken into account.

Balance sheet

A balance sheet is an accounting document that provides a year-end "snapshot" of the company's assets and liabilities. It presents a statement of the company's resources (shareholders' equity, payables, insurance reserve, etc.) and how they were used (particularly for an insurance company, financial investments) as of the closing date (December 31).

Combined ratio

The combined ratio is an indicator that measures the profitability of the property and casualty business line, excluding financial results. It is the ratio of losses and administrative costs to the total premiums collected that year. If the combined ratio is greater than 100%, the insurer lost money (before investment earnings). If the ratio is less than 100%, the line is profitable, and the lower the ratio, the more money the insurer makes.

Dividend

A dividend is a payment to the shareholders who provided equity capital. It is generally deducted from the profits earned during the last fiscal year. At AXA, it is calculated based on adjusted earnings. The proposed dividend amount per share is put to a vote at the Shareholders' Meeting.

Impairment

Impairment is when an asset (such as shares, real estate or bonds) loses value over the course of a fiscal year. Accounting regulations require that the asset's impairment be deducted from the company's profits (for example, if a share was worth 100 euros on January 1 but only 75 euros on December 31, the insurer must deduct 25 euros from its earnings).

Net income

Net income is accounting income, (sometimes called the bottom line). It is the balance of the profit and loss account: profit or loss for the fiscal year. It is equivalent to the company's revenues minus all expenses. Notably, it includes volatile, hard to control, unpredictable or non-recurrent elements, such as extraordinary transactions (disposal of a subsidiary, for instance) or a number of accounting

items related to variations in the value of certain assets.

Net inflows

Net inflows are defined as the difference between inflows and outflows for each business line. They reflect the company's ability to inspire loyalty in its existing customers and attract new ones. The "inflows" are:

- For life, premiums collected on all contracts;
- For property and casualty, the number of new contracts;
- For asset management, the savings collected from customers throughout the year. The "out-flows" are:
- For life, contract surrenders, reimbursements and benefits paid;
- For property and casualty, cancellation of contracts:
- For asset management, the savings withdrawn by customers throughout the year.

New business (APE— Annual Premium Equivalent)

In life insurance, new business is measured by changes in the APE indicator, which reflects the premiums collected on new contracts opened during the course of the year. It is conventionally calculated by adding up all of the regular premiums and 10% of the single premiums.

This approach gives a more accurate picture of life insurance sales than gross revenues, which take into account premiums for contracts opened in previous years and do not distinguish between regular and single premiums.

Realized capital gain/loss

A capital gain is the positive difference between the selling price of an asset (whether securities or real estate) and its book value. When this difference is negative, it is called a capital loss.

Revenues

Revenues are the sum of insurance premiums (life and property & casualty) collected throughout the year, plus commissions on certain life insurance contracts, revenues from asset management (management and performance fees), and revenues from banking activities.

Shareholders' equity

Shareholders' equity is money contributed by shareholders upon incorporation of the company or subsequently for capital increases, as well as any corporate profit not distributed to shareholders. In an insurance company, shareholders' equity plays two roles: first,

it assures creditors and insurance customers that the company will be in a position to meet its commitments, and second, it helps to finance part of its investments (acquisitions, for example).

Solvency

An insurance company's solvency is its ability to meet its commitments. This primarily depends on setting aside sufficient technical reserves and having equity to meet commitments to its customers. A solvency ratio of 100% means that an insurer has enough equity to cover the risks related to its commitments. The higher the ratio, the greater the company's financial strength.

In the insurance industry, company solvency is regulated. Oversight authorities make sure that insurers have enough resources to meet their commitments to their insured customers and thus withstand the risks.

The current regulatory system, Solvency I, is based on a mechanical calculation of solvency assessed solely in relation to the company's business volume, without considering an insurer's capacity to understand and manage the risks inherent in its business. Furthermore, though Solvency I is an EU standard, the adjustments applied by local regulators mean that the solvency ratios of different European insurers are

not directly comparable.

Another standard is being drafted—Solvency II. It will allow a more realistic approach to the risks actually taken on by an insurer, and notably will take into account an insurer's capacity to measure and control its risks. It should thus help create greater comparability among the various insurance companies' solvency—and thus their strength. This standard is expected to take effect in 2014.

Underlying earnings

Underlying earnings is an indicator that allows analysis of the Group's earning power, excluding volatility related to movements in the financial markets or extraordinary transactions. Specifically, underlying earnings are adjusted earnings excluding any capital gain or loss from the company's investment portfolio.

ABOUT THE AXA GROUP

2012 CALENDAR

DEDICATED TEAMS

April 25, 2012 ANNUAL SHAREHOLDERS' MEETING

May 9, 2012 DIVIDEND PAYOUT(1)

May 11, 2012

FIRST QUARTER 2012 ACTIVITY INDICATORS RELEASE

August 3, 2012 HALF YEAR 2012 EARNINGS RELEASE

October 25, 2012

FIRST NINE MONTHS 2012 ACTIVITY INDICATORS RELEASE

(1) As recommended by the Board and subject to shareholder approval on April 25, 2012.

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We would like to thank our clients and the AXA Group employees who participated in the photo reportage for this report.



2011 Registration Document

The AXA Registration
Document contains
a detailed presentation of
corporate governance and
risk management, as well
as consolidated and parent
company financial statements.
It is available on demand
or online at www axa com.



Shareholder's Guide

Updated annually, this practical guide answers your questions about the Group, its stock and the range of information made available to AXA shareholders. It contains a brief description of all our dedicated services.

Shareholders' Magazine

Published three times year, the "Côté AXA" magazine is sent to members of the Shareholders' Circle. Sign up at www.axa.com.



AXA Papers

These papers are part of the Group's efforts to share its expertise and expand debate to include positive visions of the major changes occurring in our societies.

No. 1 - Longevity

Advancements in longevity over the last few decades have been dramatic, although all countries are not impacted uniformly. The factors contributing to longer lives remain complex, and the consequences of emerging threats (obesity, electromagnetic waves, genetic engineering, pollution, etc.) on life expectancy are the subject of much controversy and debate.

No. 2 - Retirement

Retirement is an important stage of life, which most individuals view in a positive light. It means more time for yourself and for your family and an increasingly longer, more active period—to be spent in good health, if possible, as life expectancy increases. The retirement question has become central to public policy issues in the areas of budgeting, social affairs and employment.



Activity and Corporate Responsibility Report

http://annualreport.axa.com See the news, interviews, key figures and highlights of 2011 in photos and video.



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