

# Annual shareholders' meeting

April 30, 2009

Jacques  
**de Chateauevieux**

Chairman of the  
Supervisory Board

# Summary agenda

# Summary agenda

## Ordinary business:

- Approval of AXA's statutory and consolidated 2008 financial statements.
- Appropriation of earnings and declaration of a dividend of Euro 0.40 per share for payment on May 12, 2009.
- Approval of the Auditors' special report on related-party agreements.
- Re-election of four members of the Supervisory Board (Dominique Reiniche, Jacques de Chateaufieux, Anthony Hamilton and Michel Pébereau).
- Election of Ramon de Oliveira to the Supervisory Board.
- Authorization granted to the Management Board to purchase shares of the Company.

# Summary agenda

## Extraordinary business :

- Authorization granted to the Management Board to increase the share capital by issuing ordinary shares with or without preemptive rights.
- Authorization granted to the Management Board to issue debt securities.
- Authorization granted to the Management Board to increase the share capital under the employee share ownership program.
- Authorization granted to the Management Board to reduce the share capital by canceling shares.
- Authorization granted to the Management Board to issue preferred shares to the Mutuelles AXA.
- Authorizations granted to the Management Board to issue preferred shares with or without preemptive rights.
- Amendment of the by-laws in the event of an issuance of preferred shares.

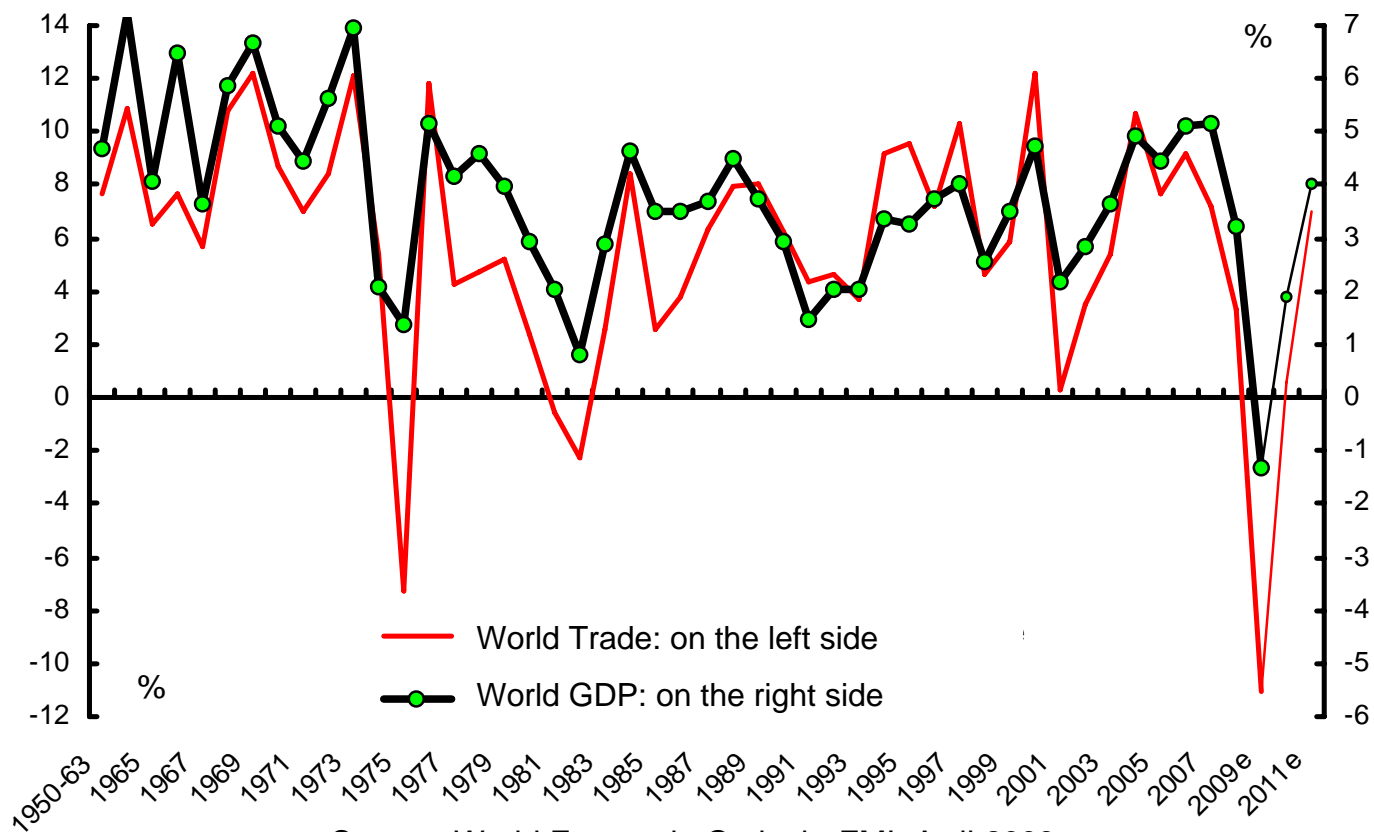
**Éric Chaney**

Group Chief Economist

**2008, a year  
of upheaval**

# In late 2008, the world economy plunged into an unprecedented recession

The worst recession since World War II, triggered by a collapse in world trade



Source: World Economic Outlook, FMI, Avril 2009



# 2008, a year of financial and economic upheaval

- **The first recession in the globalization era**
- **The massive monetary and budgetary measures taken allow us to consider an economic recovery in 2010**



# Impacts and opportunities

- **The recession has also affected the insurance world, but differently and probably less in France and some other European countries than in the rest of the developed world**
- **The exit from crisis will offer insurers new opportunities, which will differ according to country**

**Henri de Castries**

Chairman of the  
Management Board

# AXA Group: position and strategy

# AXA's business in the finance industry and the current crisis

- **The current crisis is unprecedented and is affecting us**
- **We are and will remain focused on our core business:**
  - Property & Casualty
  - Life & Savings
  - Asset Management
- **Our business is a long-term one**
  - Our business is to underwrite risks by giving our customers guarantees and to manage financial assets over a medium to long-term horizon
- **Our business offers fairly strong visibility**
  - More than half of our revenues comes from in-force contracts or automatically renewable contracts

# 2008 revenues slightly down after a record year in 2007

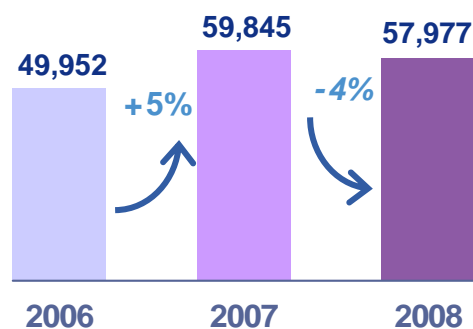
## ■ Revenues: Euro 91.2 billion (down 2%)

- Continued growth in P&C
- Life & Savings affected by customer aversion to risk and preference for liquidity and/or short-term products. However, revenues were higher than in 2006 and net inflows remained positive
- Decline in Asset Management revenues due to a decrease in assets under management

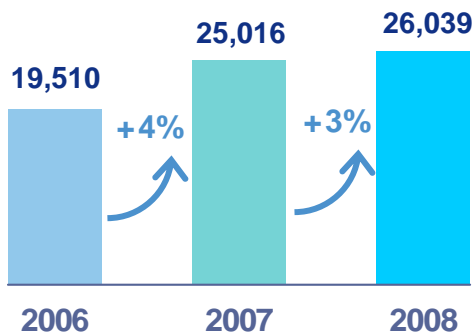
## ■ Average assets under management: Euro 970 billion (down 8%\*)

### Activity indicators (In Euro million)

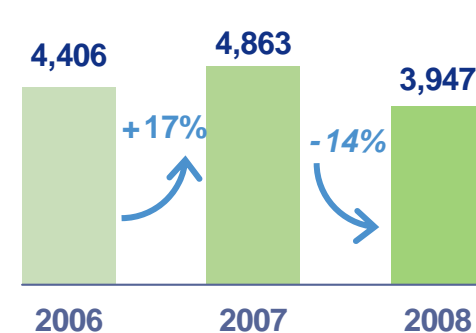
#### Revenues Life & Savings



#### Revenues P&C



#### Revenues Asset management



↑ Changes are expressed on a comparable basis, i.e. for activity indicators, at constant exchange rates and scope (notably, Winterthur included in 2006 and 2007 figures)

(\*) Average assets under management in the Asset Management business, 2008 vs. 2007 on a comparable basis

# 2008 net income was impacted by the financial crisis

## Earnings (1)

(in Euro billion)

Underlying earnings CAGR\*

15%



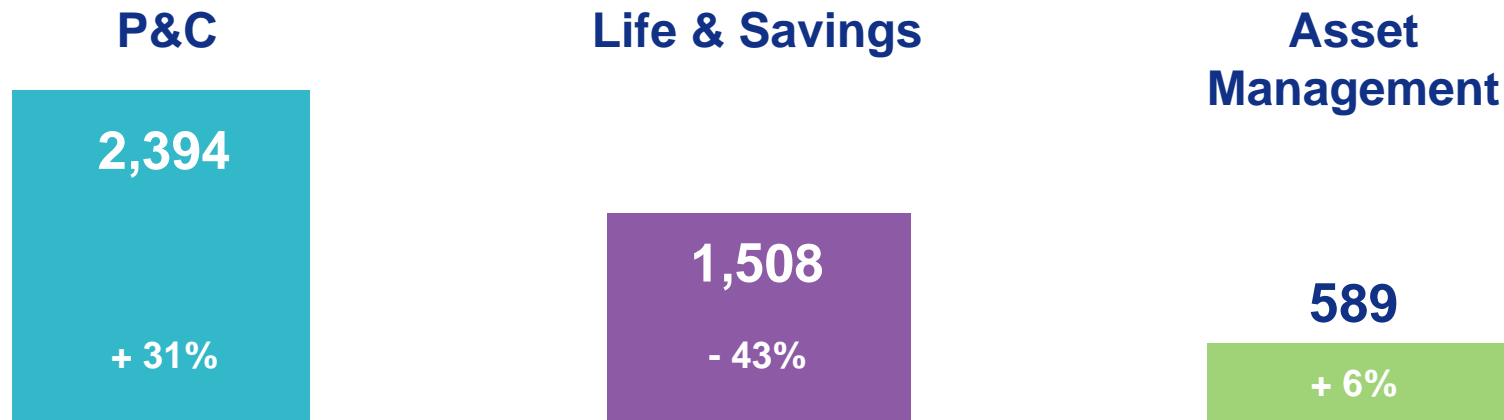
- 2007 was a record year
- 2008 underlying earnings higher than in 2006
- 2008 net income affected by the financial markets

(1) Change in accounting standards since 2004 (IFRS)  
\* Compound Annual Growth Rate

# Underlying earnings still high with three profitable business lines

## Underlying earnings: Euro 4,044 million

(In Euro million)



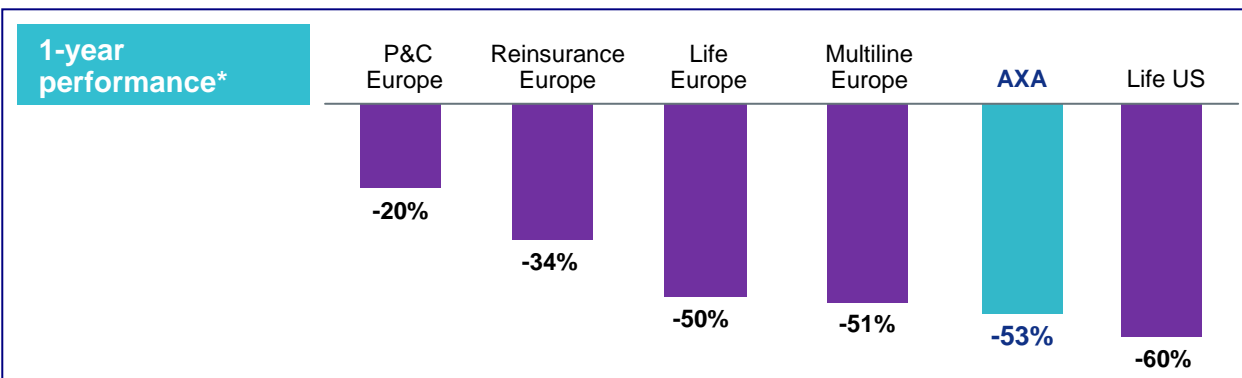
- Improvement in combined ratio
- Crisis had little impact on claims

- Impact on managed assets
- Impact on asset base fees
- Impact on cost of risk

- Impact on managed assets
- Impact on asset base fees
- Decrease in tax charge

# Disappointing stock market performance

At April 28, 2009	1-year performance*	10-year performance*	Share price vs historical peak	Date
CAC40	-37%	-10%	-56%	Sept. 4, 2000
S&P 500	-37%	-25%	-45%	Oct. 9, 2007
Stoxx Insurance	-49%	-57%	-76%	Nov. 17, 2000
S&P Life	-60%	-33%	-66%	Oct. 14, 2007
<b>AXA</b>	<b>-53%</b>	<b>-49%</b>	<b>-73%</b>	<b>Aug. 29, 2000</b>
Allianz	-46%	-74%	-83%	Apr. 4, 2000
Generali	-46%	-54%	-62%	Nov. 29, 2000
ING	-75%	-79%	-87%	Jan. 4, 2001
AIG	-97%	-98%	-99%	Dec. 8, 2000
Metlife	-54%	N/A	-61%	Oct. 7, 2007
Hartford	-86%	-79%	-91%	May 22, 2007

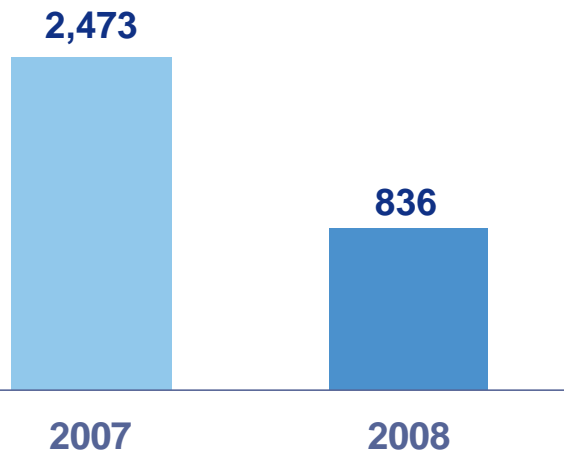


- Insurance sector underperformed the Stock Indexes
- AXA shares down in line with the insurance sector
- AXA shares have underperformed since the beginning of the year

# Dividend: AXA is profitable and intends to act prudently throughout the crisis

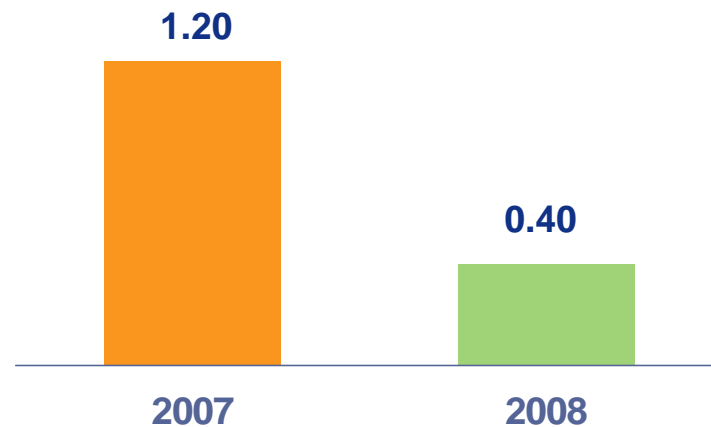
## Dividend

(In Euro million)



## Dividend per share

(In Euro)



- Payout ratio\* of 25% of adjusted earnings, i.e. almost 100% of net income
- A balance between prudent capital management and our long-term payout targets (40-50%)
- Yield of ca. 3%



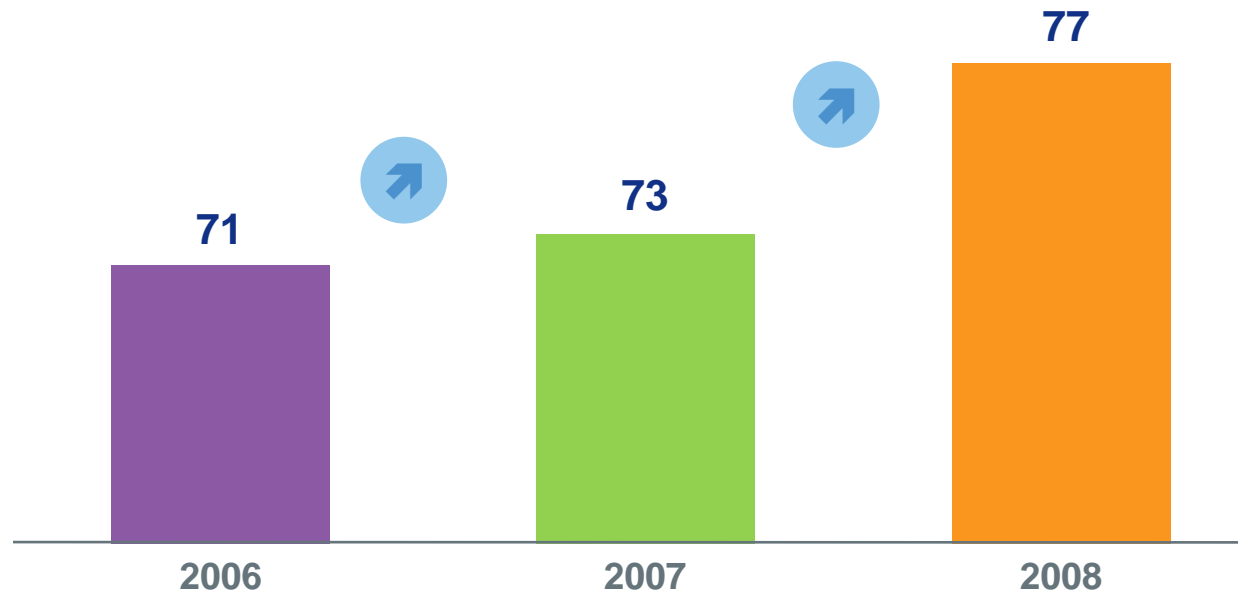
# What conclusions can we draw?

- **Continue to focus on risk management as a priority, especially in Life & Savings**
- **Adapt our investment policy to extremely volatile markets**
- **Continue to enrich and adapt our Life & Savings offering to meet changing customer needs and their increasing aversion to risk**
- **Improve Asset Management performance, especially in the United States**
- **Continue to focus on service quality and employee engagement, which are crucial to our aim on differentiating ourselves from the competition**

**→ Consequently: preserve the Group's solvency without resorting to a capital increase in order to protect the interests of our shareholders**

# Despite the crisis, our strengths allow us to approach the future with confidence: employee engagement <sup>(1)</sup> ...

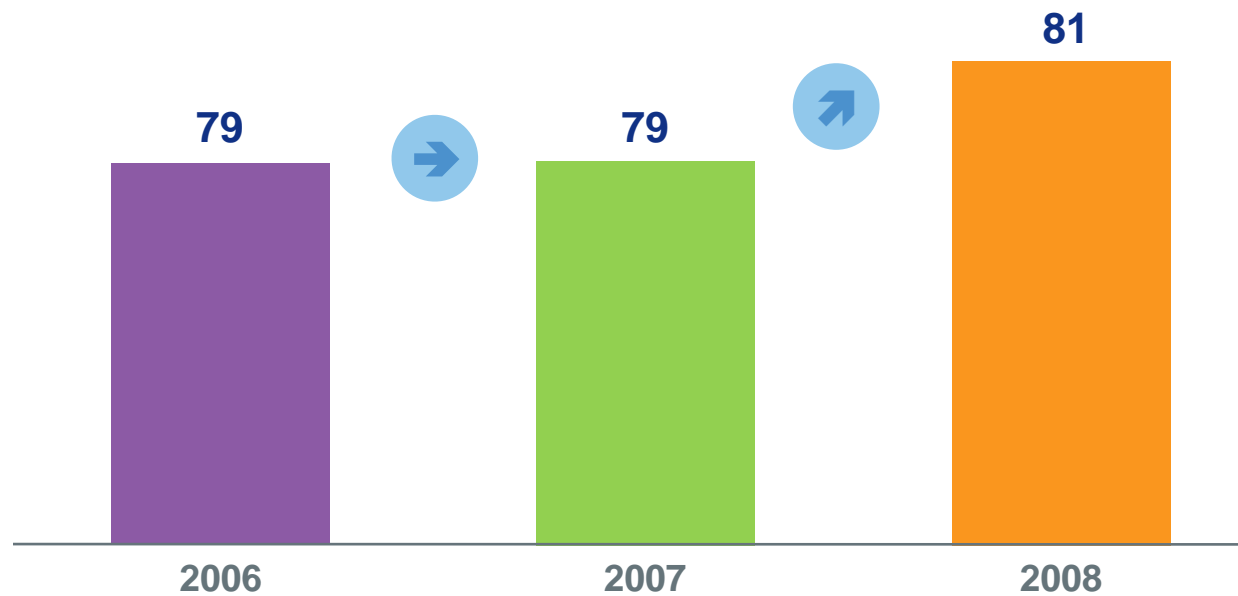
## Improvement in employee commitment



- Deep understanding of and commitment to the Group's strategy
- Pride in belonging to a robust company in an unstable environment
- Recognition of progress in human resources management

# ...and customer satisfaction

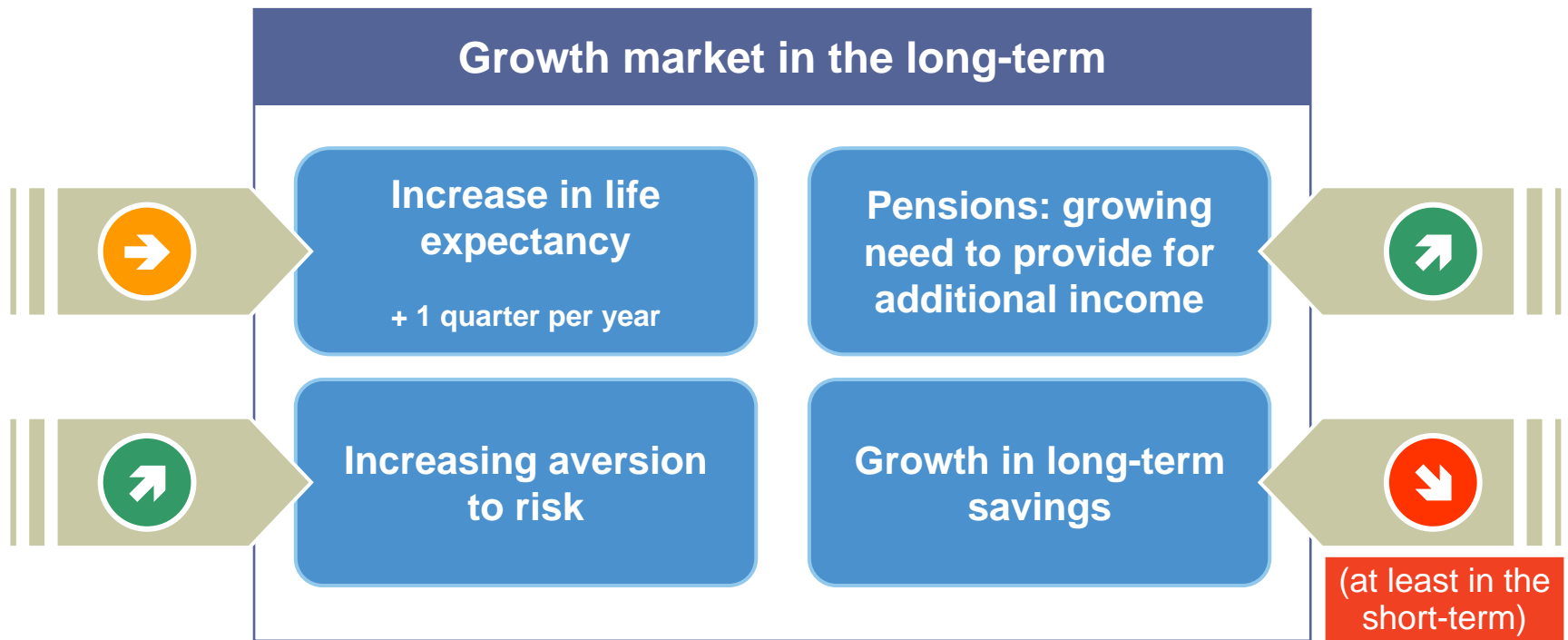
## Improvement in customer satisfaction (1)



- Focusing on customer needs beginning to bear fruits
- Increase in the share of operating investments assigned to service quality

# A business model based on sustainably robust fundamentals

## Impacts of the crisis on long-term growth factors in the insurance business



**Denis Duverne**

Chief Financial Officer

# 2008 financial results

# 2008 financial results: key highlights

## ■ Robust underlying earnings

- Strong diversification, both geographical and by segment
- Highly profitable P&C business
- Decline in Life & Savings earnings, mainly due to the cost of guarantees on variable annuity products (unit-linked retirement products with secondary guarantees distributed in the United States)

## ■ Net income down sharply due to slump in financial markets and impact of accounting standards

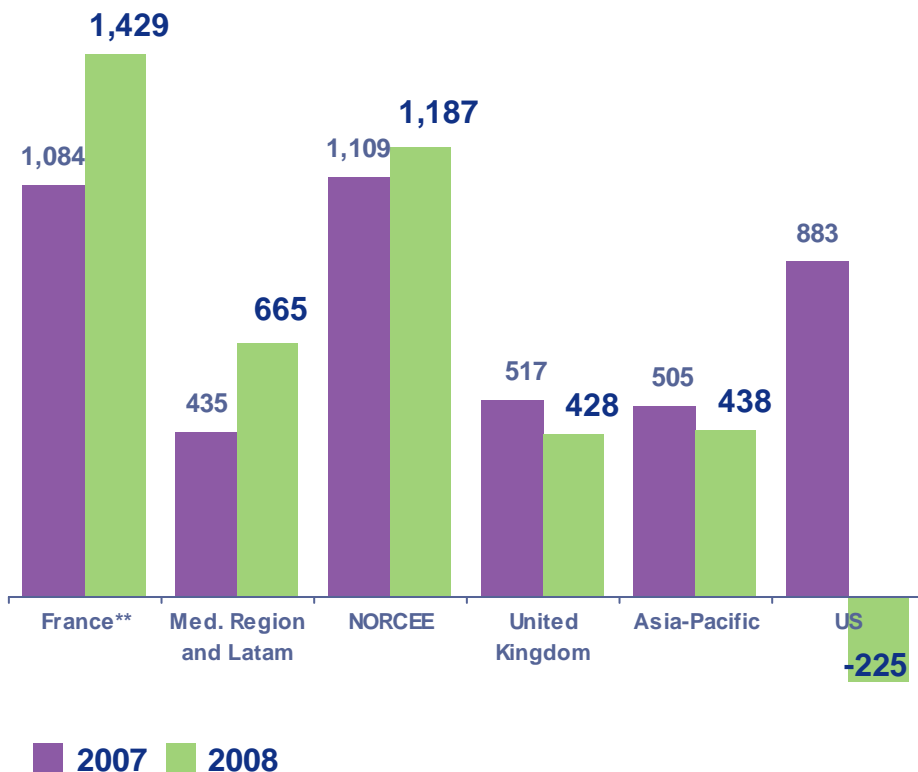
## ■ Robust financial structure

- Solvency allowing to absorb major market shocks without capital increase
- High-quality asset portfolio
- Sound debt profile and strong liquidity
- AA range ratings recently confirmed

# Diversified operating model reducing our risk profile

## Group Insurance underlying earnings by region\*

(In Euro million)



## Group underlying earnings by business line

(In Euro million)



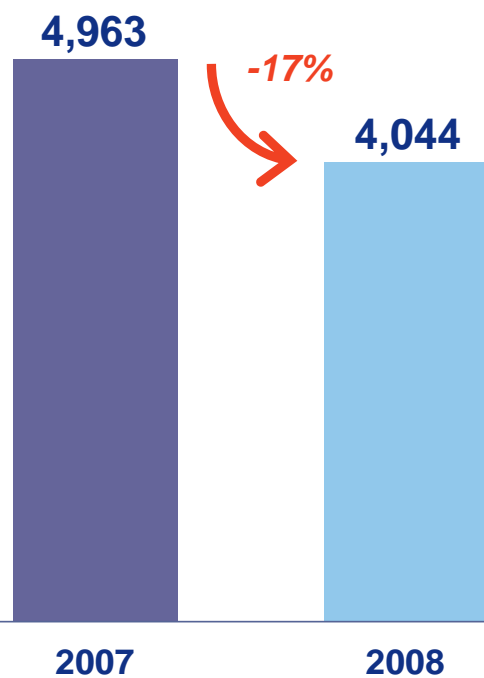
\* Excluding International Insurance, Asset Management, Banking and Holdings

\*\* Including Canada

# Contained decline in underlying earnings in line with expectations

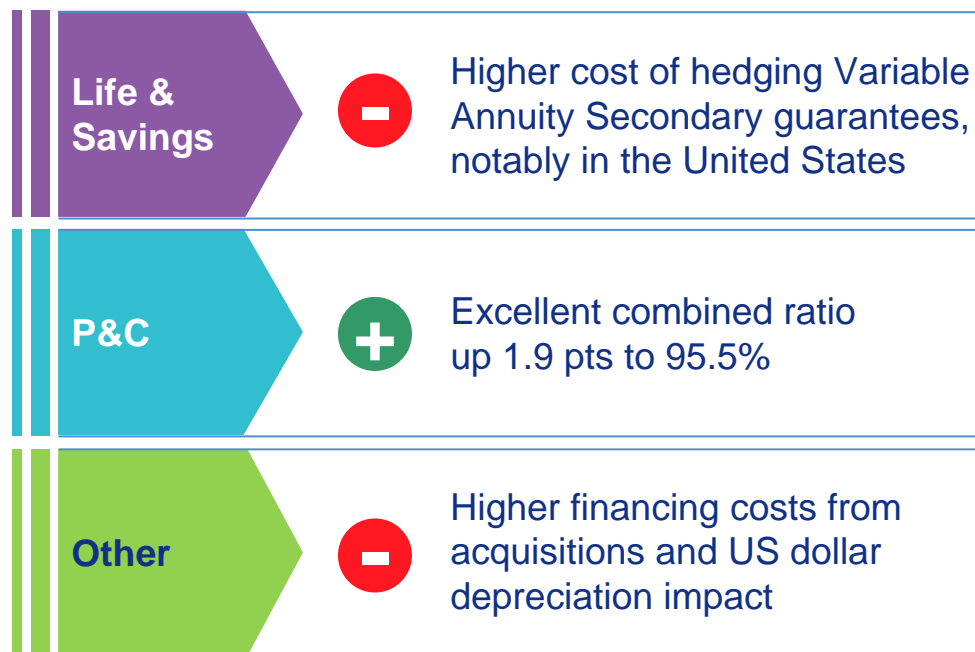
## Underlying earnings

(In Euro million)



Change on a comparable basis

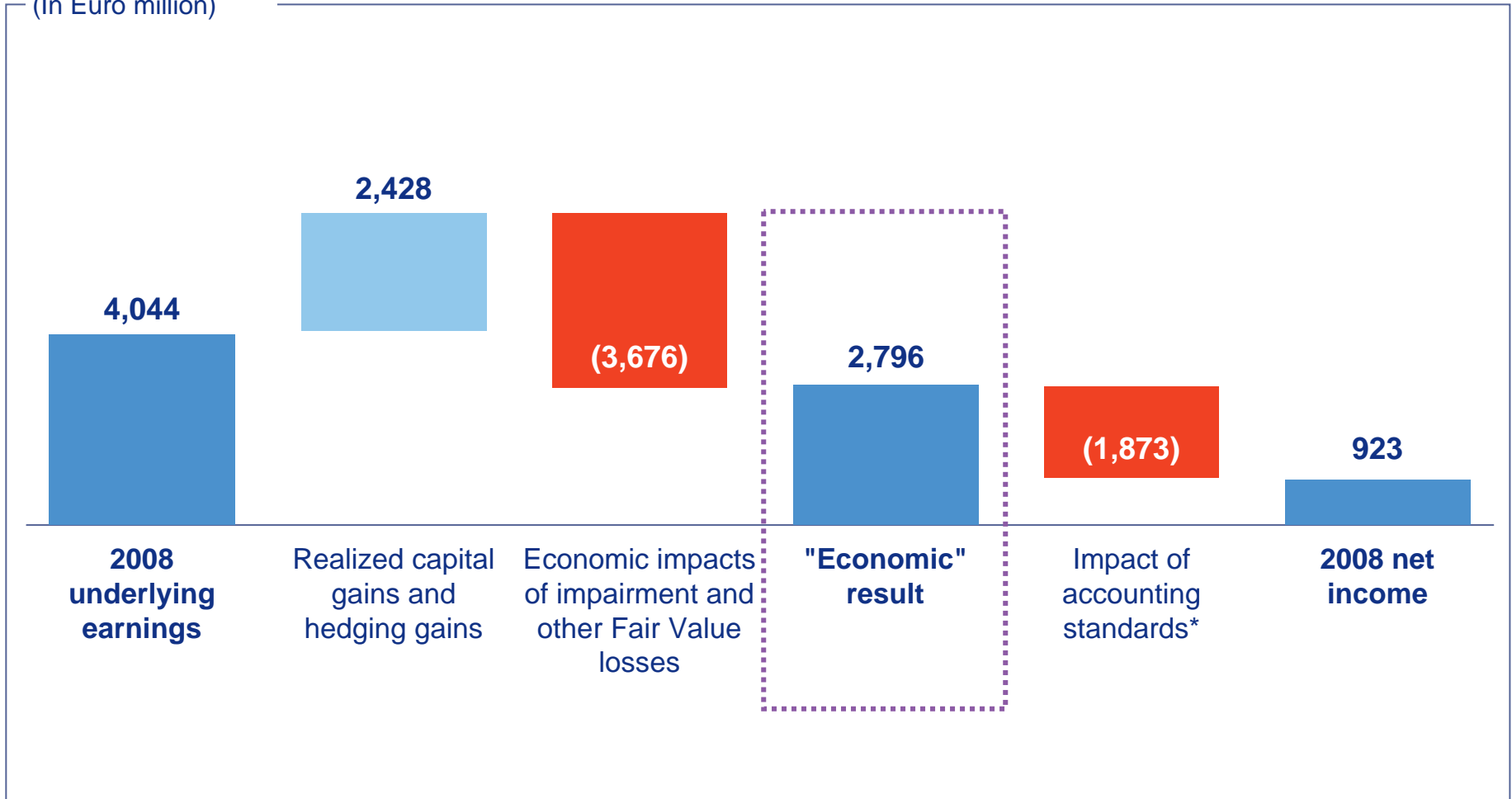
## Main factors affecting underlying earnings



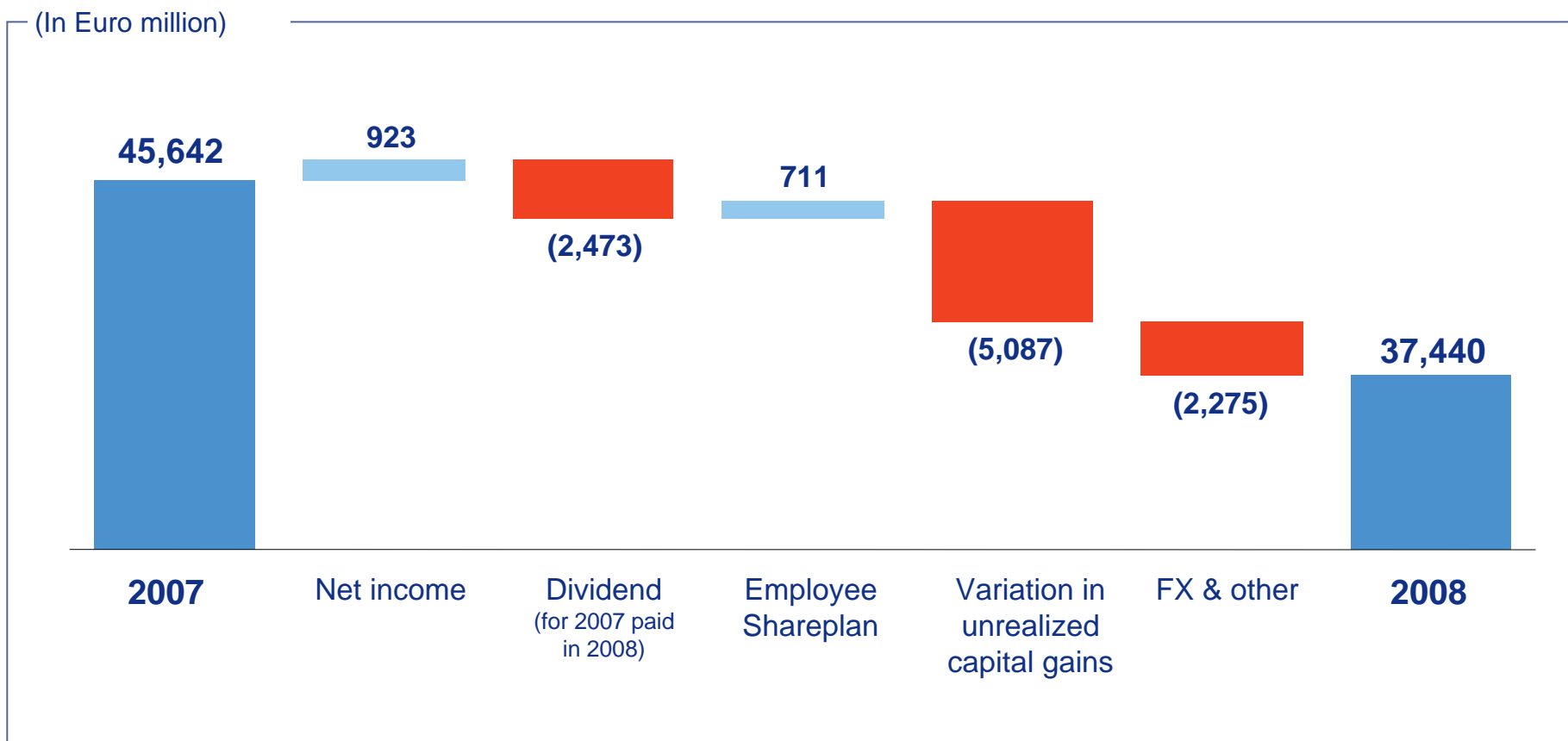


# Net income understating the "economic" profitability of the Group, due to impact of accounting regulations

(In Euro million)



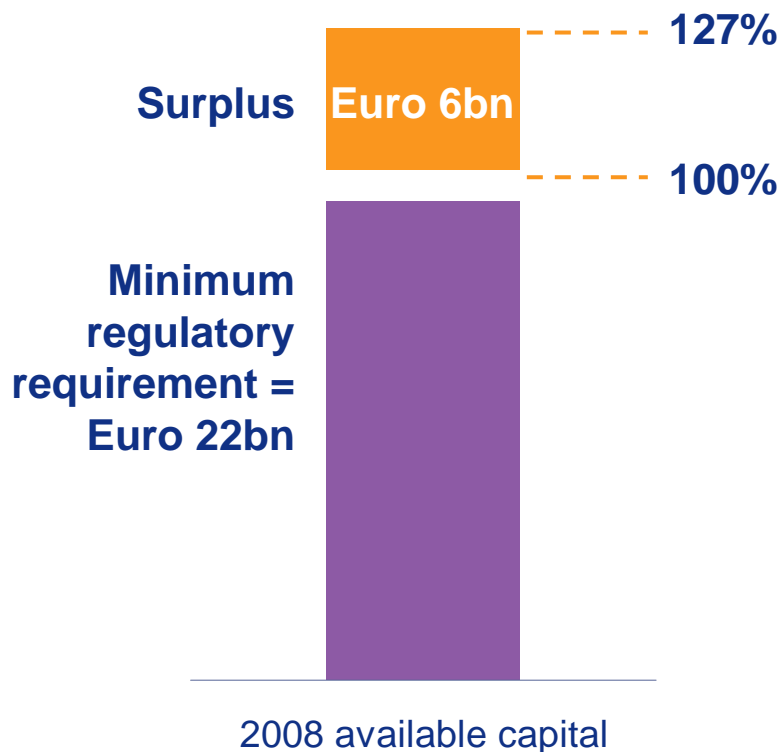
# Shareholders' equity impacted by lower unrealized capital gains on equities



- Net unrealized capital gains on real estate not recognized in the balance sheet amounted to Euro 3.3bn at December 31, 2008

# A comfortable solvency ratio reflecting a robust balance sheet

2008 : Solvency I ratio of 127% after dividend



2009 : Comfortable solvency ratio

A surplus of Euro 6bn

+

Continued strong earnings capacity

+

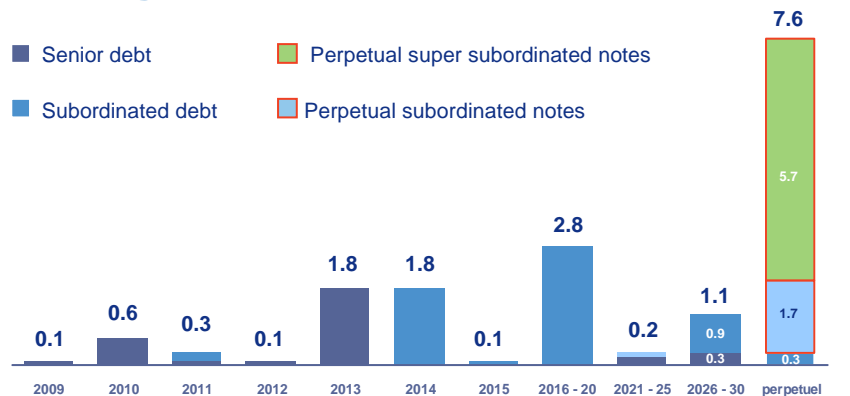
Prudent capital management



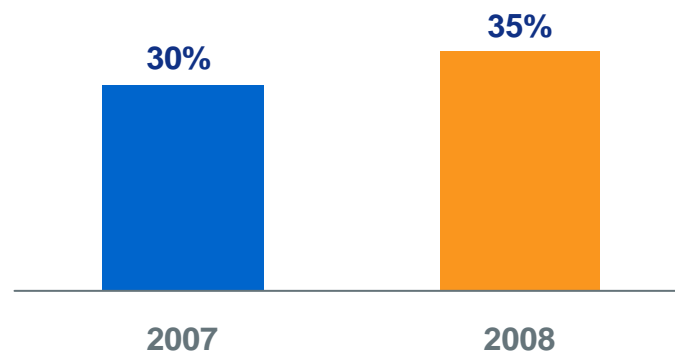
**Solvency margin in Q1 2009  
≥ December 2008 level  
and ability to absorb new major  
market shocks with no capital  
increase**

# Healthy debt profile and strong liquidity

## Long-term debt profile



## Comfortable debt ratio



## Short-term margins

- Euro 32bn in liquidity
- Available capacity in subsidiaries
- Euro 6bn of unused credit lines

## Robust financial structure\*

- AA range ratings with three main rating agencies

- AA negative outlook confirmed by Standard & Poor's on March 31, 2009, Aa3 stable outlook confirmed by Moody's on February 20, 2009 and AA- negative outlook assigned by Fitch on March 20, 2009

# Quality and diversification of asset portfolio

- Measures taken in 2008: reduction in equity exposure, increase in liquidity
- Impact of the crisis: decline in value of ABS

Economic view based on market value (in Euro billion)	2007	%	2008	%
<b>Fixed income</b>	<b>298</b>	<b>76%</b>	<b>300</b>	<b>77%</b>
<i>Government and public</i>	135	34%	134	34%
<i>Corporate</i>	132	33%	137	35%
<i>ABS</i>	16	4%	11	3%
<i>Mortgage loans and other</i>	15	4%	17	4%
<b>Cash</b>	<b>19</b>	<b>5%</b>	<b>32</b>	<b>8%</b>
<b>Listed equities</b>	<b>37</b>	<b>9%</b>	<b>17</b>	<b>4%</b>
<b>Real estate</b>	<b>20</b>	<b>5%</b>	<b>19</b>	<b>5%</b>
<b>Alternative investments</b>	<b>10</b>	<b>3%</b>	<b>11</b>	<b>3%</b>
<b>Policy loans</b>	<b>10</b>	<b>3%</b>	<b>11</b>	<b>3%</b>
<b>Total assets</b>	<b>394</b>	<b>100%</b>	<b>390</b>	<b>100%</b>

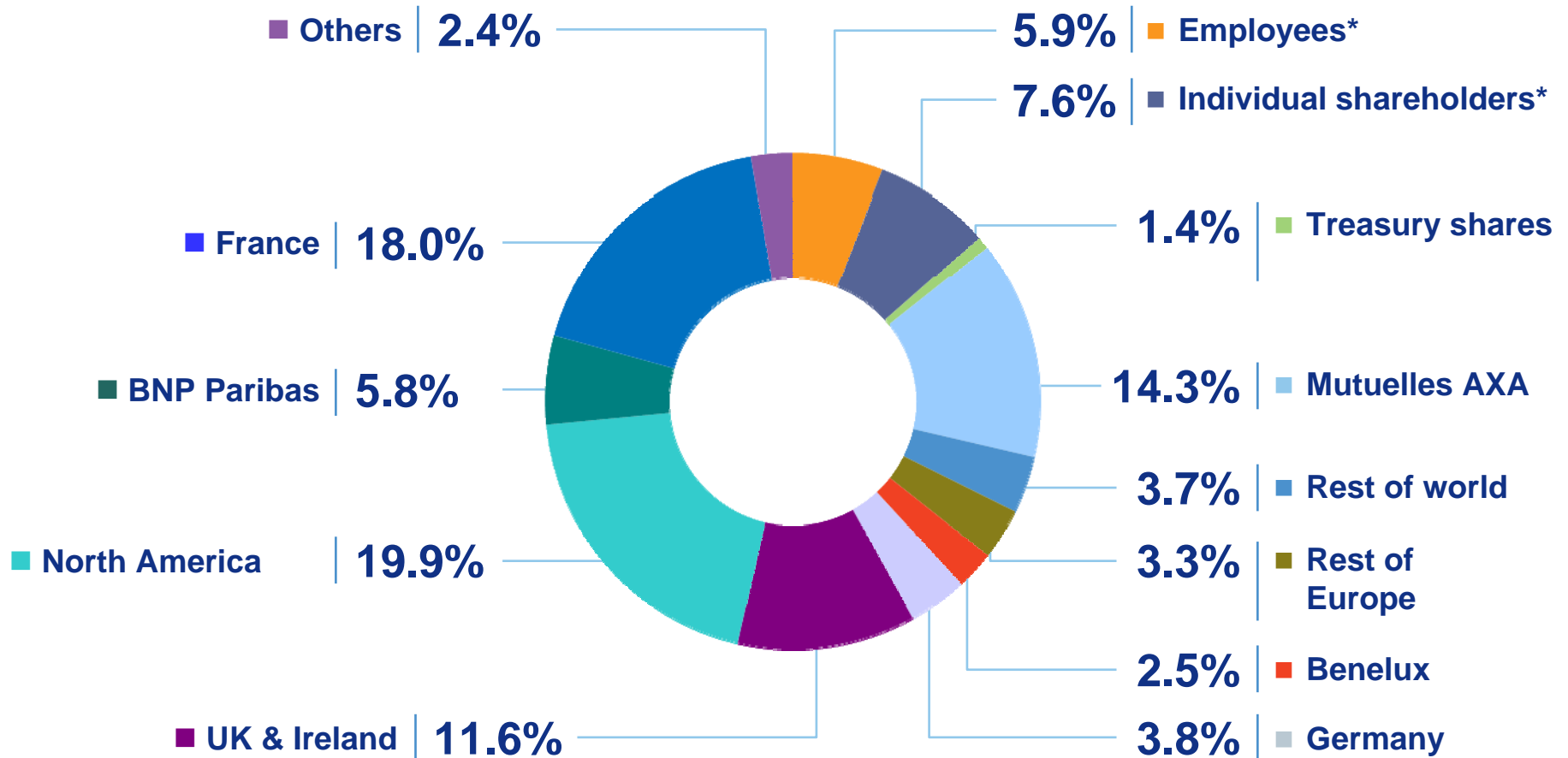
## Comments

- Our assets are recognized on the balance sheet at market value
- Our fixed-income portfolio has an excellent rating profile
  - Corporate: A+
  - Asset Backed Securities: AA

# An active plan to improve the profitability of our variable annuities business in the United States

- **Due to the unprecedented market shocks in 2008, the hedging cost of variable annuity guarantees was higher than expected**
  
- **We have taken the necessary measures to mitigate this:**
  - Redefinition and repricing of new product generations
  - Restructuring of existing funds
- ➔ ***Positive hedging results in the first quarter 2009***
  
- **These products remain attractive to our customers, who need guarantees**

# Ownership structure at December 31, 2008



# 2009 outlook

- **Business will remain affected by the financial crisis and world economic environment**
  - P&C business resilient in volume and profitability
  - Contrasting outlook in Life & Savings, with a decrease in asset base partially offset by positive impacts of US Variable Annuity action plans
  - Asset Management affected by decline in asset under management
  - Continued cost cutting efforts
  
- **A robust balance sheet**
  - Solvency sufficient to absorb major market shocks without no capital increase
  - A healthy financial structure
  - Positive net inflow from both P&C and Life & Savings



Jacques  
**de Chateaufieux**

Chairman of the  
Supervisory Board

# Supervisory Board comments on the management report and financial statements

# AXA's two core businesses

## Insurance

***“Guaranteeing compensation for the consequences of a contingent loss...”***

- Suffered by a property
- Suffered by a person
- Suffered by a company
- Caused to a third party

- P&C (motor, household, etc.)
- Health, disability, industrial risks, liability

***“Guaranteeing a capital, a yield or an income if certain events occur or during and after an agreed period”***

- Protection
- Life insurance
- Guaranteed savings

- Death
- Pension
- "Euro" savings
- Accumulator type savings

## Asset management

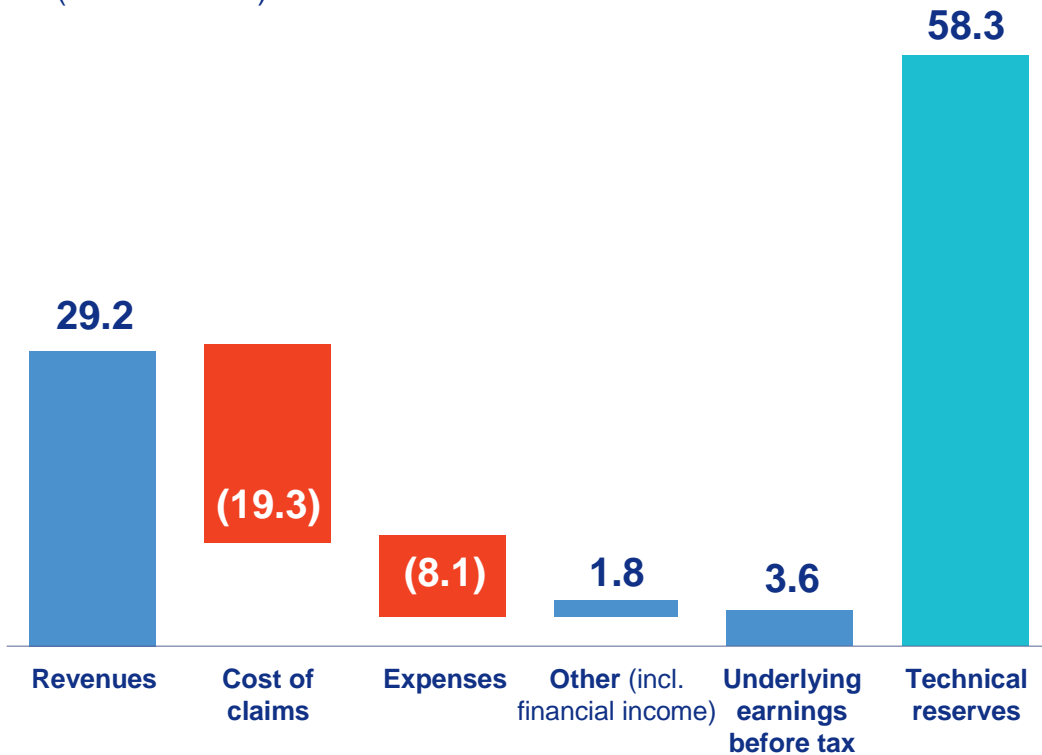
***“Managing AXA or third-party savings products at the customer's risk”***

- Unit-linked savings recorded on AXA's balance sheet
- Asset Management savings not recorded on AXA's balance sheet

# Property & Casualty

## P&C income statement (including International Insurance)

(in Euro billion)



## Comments

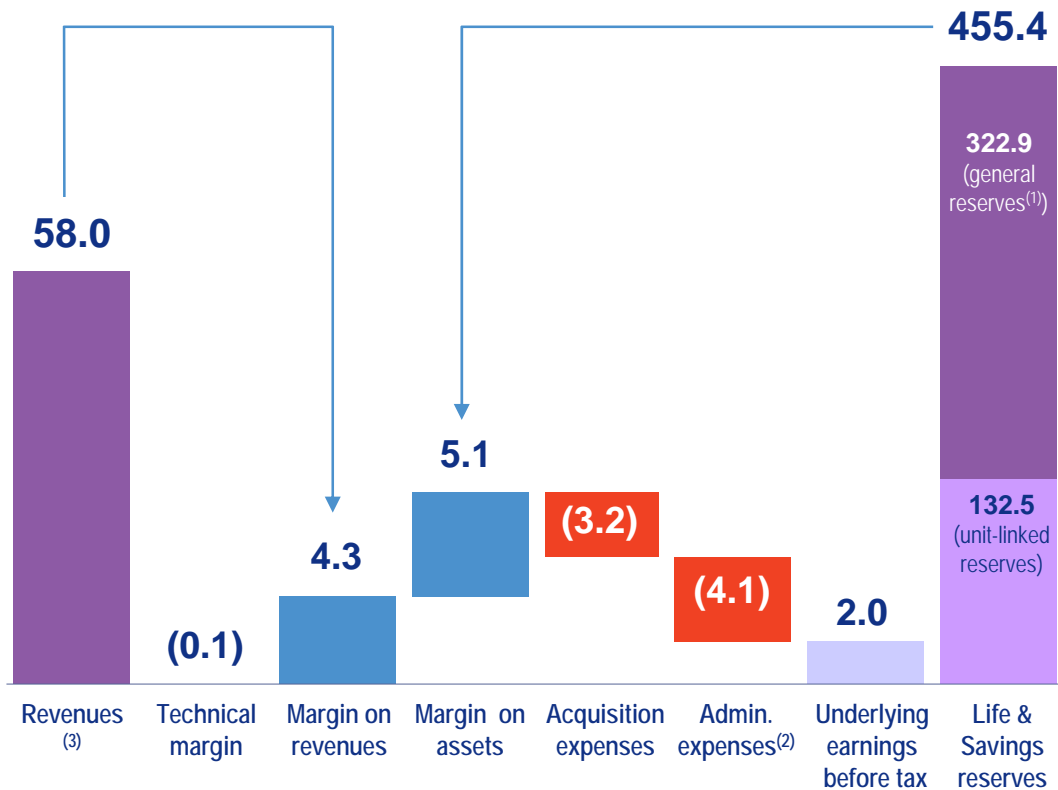
- **Tight management of claims and administrative expenses: P&C combined ratio 95.5%<sup>(1)</sup>**
- **Record underlying earnings = Euro 3.6bn (before tax)**
- **High technical reserves = Euro 58bn**

(1) Excluding International Insurance

# Life & Savings

## Life & Savings income statement

(in Euro billion)



## Comments

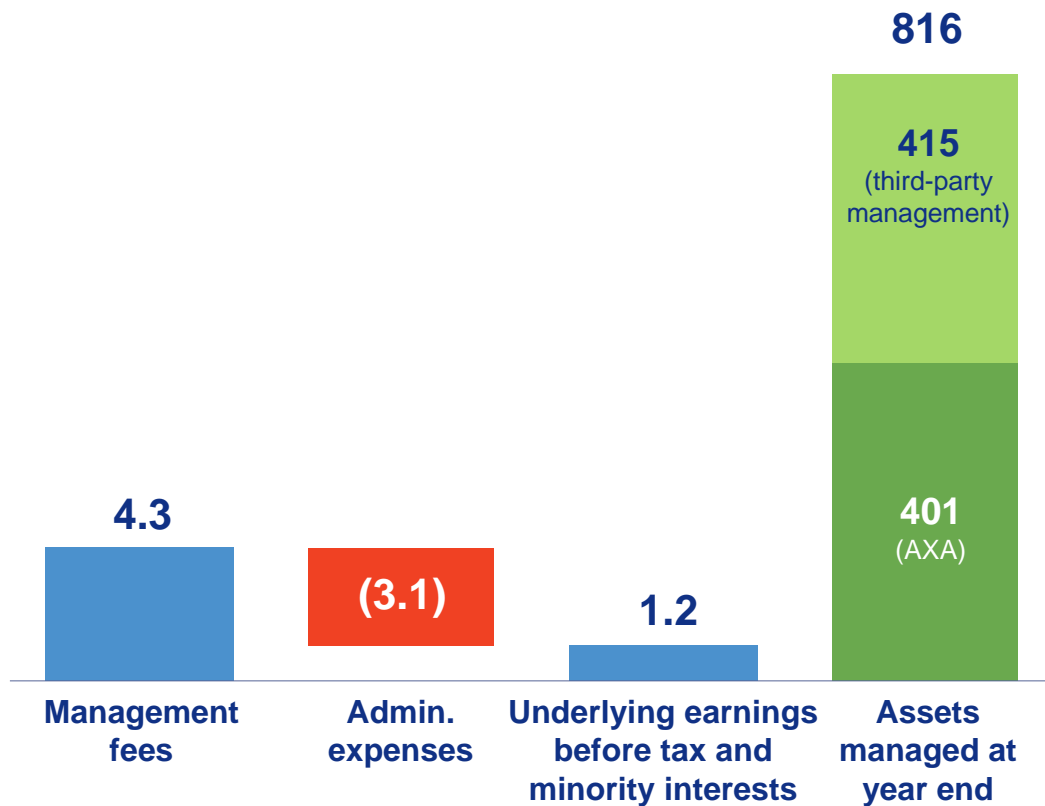
- Positive net inflows and higher retention
- Decrease in assets due to decline in markets
- Decrease in financial income retained by AXA
- High hedging cost of variable annuity guarantees in the United States

(1) Including reserves related to UK with-profits insurance contracts  
 (2) Including VBI amortization (Euro 440m)  
 (3) Including mutual fund commissions

# Asset Management

## Underlying earnings

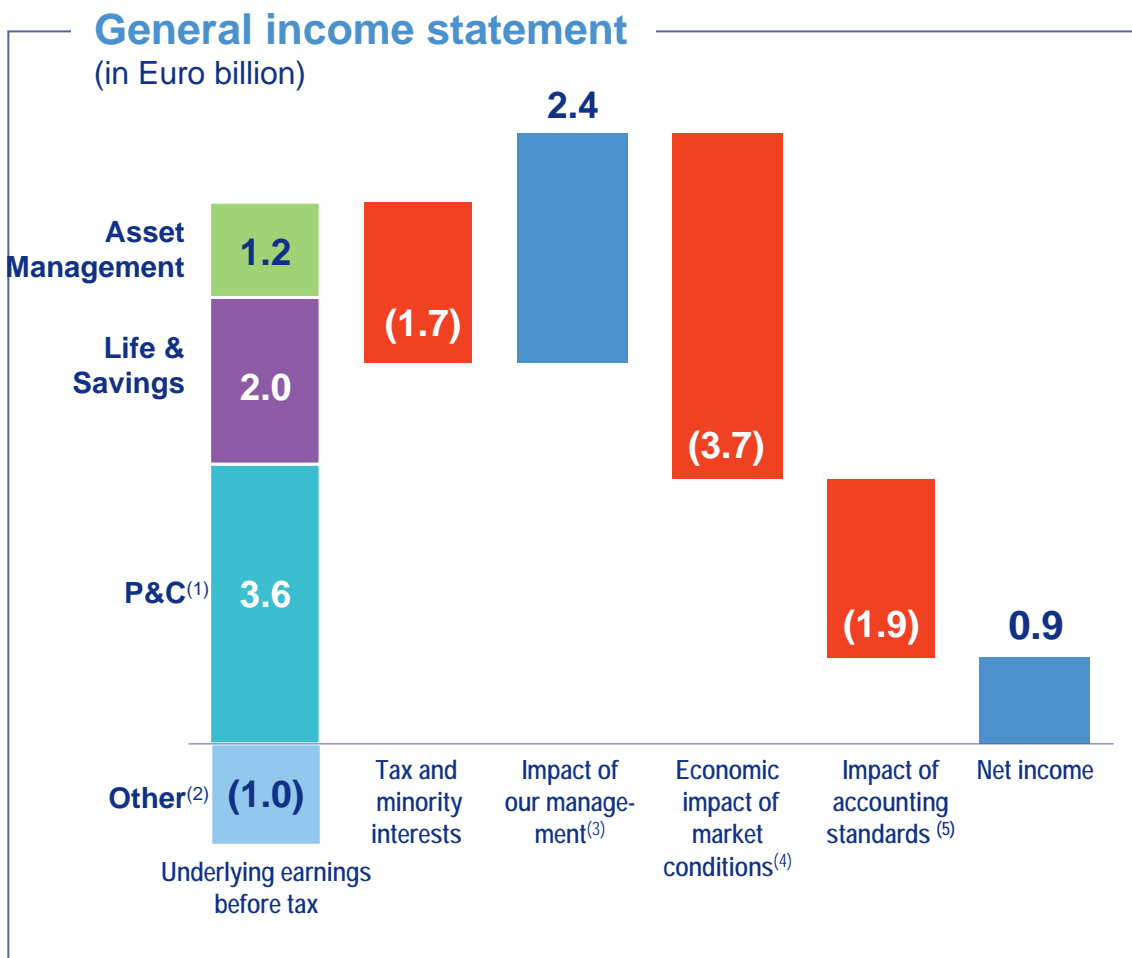
(in Euro billion)



## Comments

- Decrease in assets due to decline in markets
- Net outflows and lower asset performance at AllianceBernstein

# General income statement



## Comments

- Robust underlying earnings despite crisis
- Net income minimizing the Group's "economic" profitability

(1) Including International Insurance

(2) Banking, holdings and other

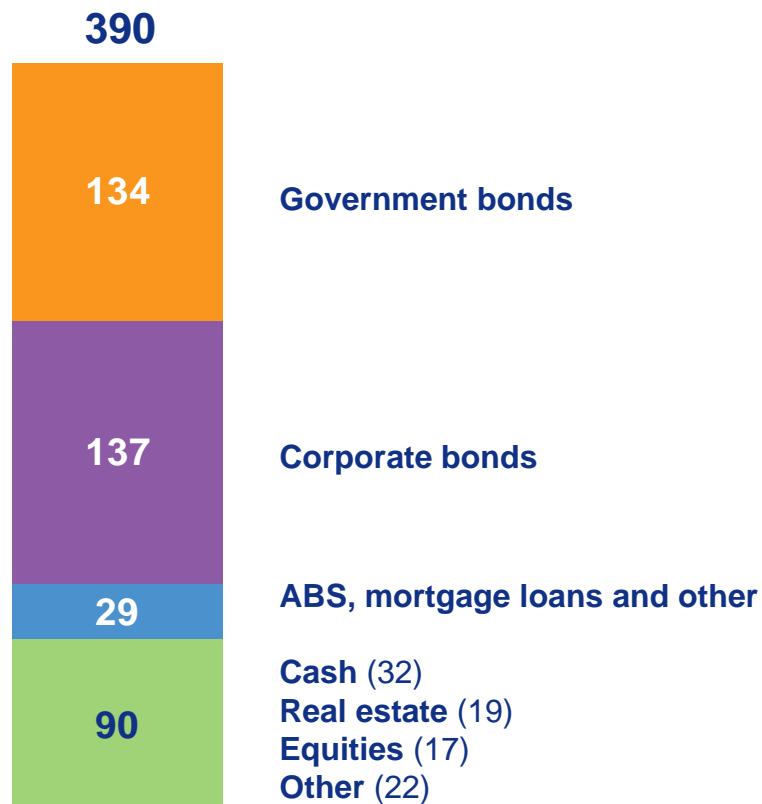
(3) Realized capital gains and hedging gains

(4) Impairment losses and other value losses

(5) Extended application of fair value

# AXA's asset allocation reflects prudent risk management

## General account asset portfolio<sup>1</sup> (in Euro billions)



## Comments

**Asset value is naturally sensitive to:**

- **changes in interest rates:**
  - implemented by governments and central banks
  - required by the market
- **debtor quality**
- **changes in financial markets**

# AXA's management performance in 2008

## External factors

- Slowdown in economic growth
- Decline in financial markets and volatility
- Fall in base interest rates and increase in corporate spreads
- Fluctuations in exchange rates

## AXA management

### Strengths

- P&C combined ratio
- Hedging against the risk of fall in equities
- Effectiveness of asset/liability management
- Appropriate hedging strategies for interest rate and exchange rate risk

### Areas for improvement

- Hedging against risks related to guarantees on variable annuity products
- Eliminating extreme risks in product design
- Strengthening customer information on risk nature when purchasing a product
- Asset management performance in the United States



# Key factors underpinning AXA's robustness

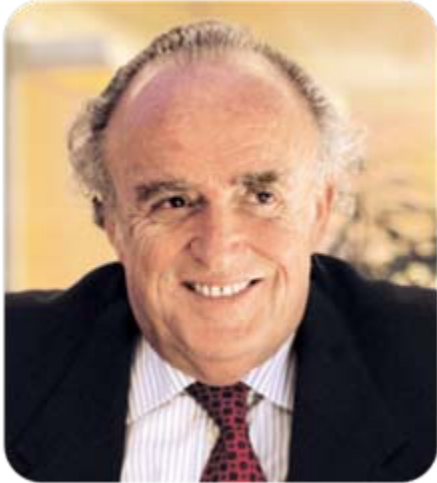
- **Engagement and professionalism of AXA's people**
  - **Customer confidence generating positive cash flows**
  - **Technical effectiveness and high reserves in P&C**
  - **Pro-active risk management, high-quality diversified assets, satisfactory solvency**
- 
- **Sensitivity of Savings business and net income to market volatility, exacerbated by the impact of accounting standards**
  - **Variable annuity products sensitive to extreme market conditions**

# Supervisory Board opinion

## The Supervisory Board:

- Pays homage to the men and women of AXA for their engagement, decisive spirit and level of customer care they have shown during this year of crisis
- Congratulates the Management Board for its management strengths
- Encourages the implemented of identified improvement actions to become stronger
- Subscribes to the strategic reviews being carried out by the Management Board to adapt to a crisis that has thrown the world economy into turmoil
- And recommends that you vote in favor of the proposed resolutions

# Henri Lachmann



**Date of birth: September 13, 1938**

**Member of the Board of Directors and then the Supervisory Board since 1996**

**Member of the Finance Committee since February 2004 and of the Audit Committee since February 2005**

## Professional experience

### ■ Since 2006

- Chairman of the Supervisory Board of Schneider Electric

### ■ 1996 - 2006

- Director and then Chairman and Chief Executive Officer of Schneider Electric

### ■ 1981 - 1998

- Chairman and Chief Executive Officer of Strafor Facom

# Election of Ramon de Oliveira to the Supervisory Board



**Date of birth: September 9, 1954**  
French and Argentinean nationality

**Managing partner of Logan Pass Partners LLC**

Independent candidate under the Afep-Medef corporate governance code and the Sarbanes-Oxley act

## Professional experience

■ **Since 2001**

- Managing partner of Logan Pass Partners (Investment, Consulting)

■ **2002 - 2006**

- Associate Professor of Finance at the University of Columbia, USA

■ **1977 - 2001**

- JP Morgan & Co. (member of the Executive Committee of JP Morgan, Chairman of JP Morgan Asset Management until 2001)

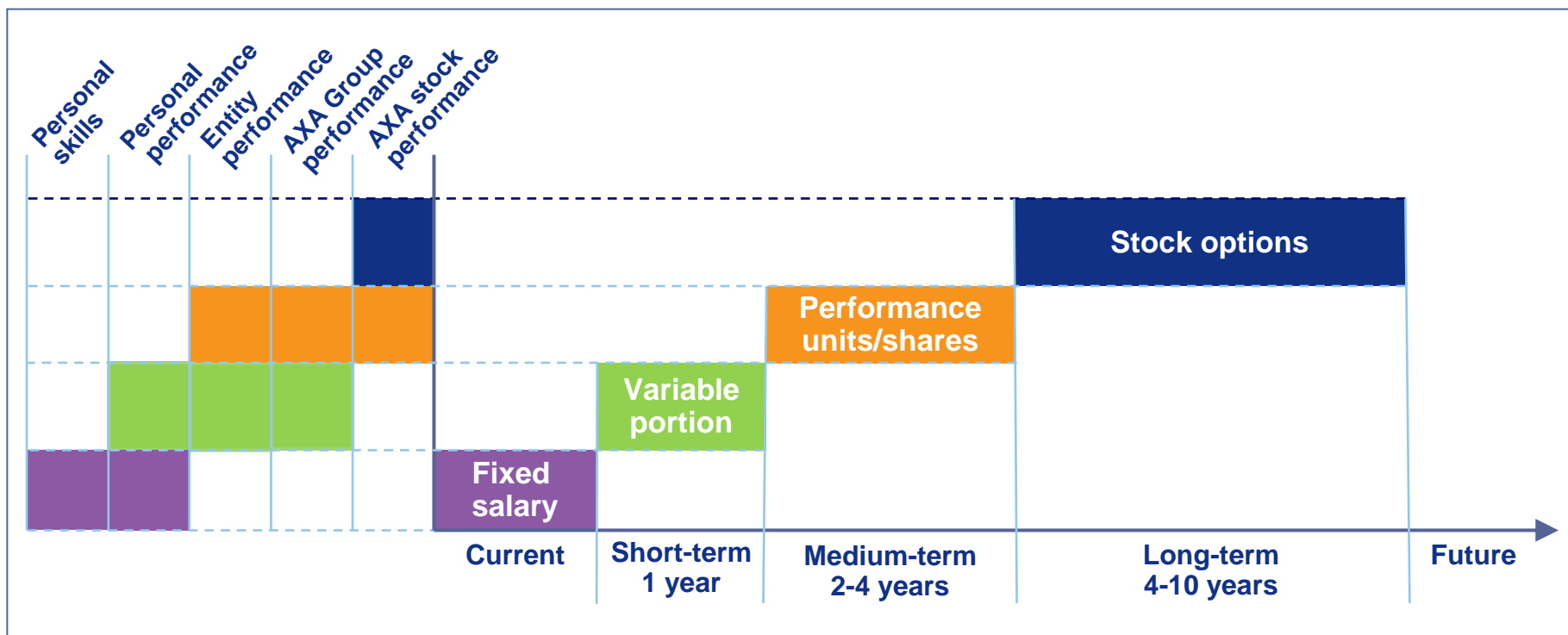
Jacques  
**de Chateaufieux**

Chairman of the  
Supervisory Board

# Executive compensation policy

# Compensation, stock options and other benefits

- Information about compensation, stock options, performance shares, top-up pensions, termination benefits and requirements to hold AXA shares is provided in AXA's 2008 Registration Document, pages 144 to 181.
- The general principles governing the Group's compensation policy are illustrated in the table below:



# Compensation of Management Board members

- Compensation paid to members of the Management Board comprises a fixed and a variable portion.
- The Supervisory Board sets the target amount and performance criteria for the variable portion.
- The variable portion actually paid depends on the percentage attainment of targets for the relevant year.

	2008 fixed salary	2008 target variable	2008 actual variable	2007 actual variable	2006 actual variable
<b>Henri de Castries</b>	<b>600,000</b>	2,700,000	<b>1,846,304</b>	2,644,366	3,045,987
<b>Alfred Bouckaert</b>	<b>650,000</b>	1,000,000	<b>750,000</b>	980,000	777,293
<b>Claude Brunet</b>	<b>360,000</b>	940,000	<b>793,789</b>	918,473	929,443
<b>Christopher Condron</b>	<b>676,854</b>	3,230,000	<b>0</b>	3,105,060	3,358,000
<b>Denis Duverne</b>	<b>480,000</b>	1,350,000	<b>1,052,337</b>	1,400,415	1,427,388
<b>François Pierson</b>	<b>430,000</b>	1,200,000	<b>988,174</b>	1,180,000	1,299,266
<b>Total</b>	<b>3,196,854</b>	<b>10,420,000</b>	<b>5,430,604</b>	<b>10,228,314</b>	<b>10,837,377</b>

# Stock options and performance shares

- AXA has awarded stock options annually since 1989 and performance shares since 2005.
- Stock options are subject to AXA shares performing at least in line with the EuroStoxx Insurance index either since the date of award or during the past three years.
- Performance shares are subject to group performance conditions measured over a two-year period; the amount varies from 0 to 130%. Given the performances achieved in 2007 and 2008, only 78% of performance shares initially awarded in 2007 will vest in 2009.
- In December 2008, the Supervisory Board decided that the total number of stock options and performance shares awarded in any one year to the six members of the Management Board may not exceed 20% of the total number of stock options and performance shares awarded in that year.



# 2009 stock option awards

- The exercise price of stock options is set with no discount.
- AXA's share price hit a record low in early 2009 and the exercise price for stock options awarded in March 2009 would have been Euro 7.54 using the normal method (average closing share price in the 20 trading days preceding the award).
- Decisions of the Supervisory Board on stock option awards in 2009:
  - For employees, the exercise price was set at Euro 10, representing a premium of 32% over the normal method.
  - For members of the Management Board and Executive Committee, the minimum exercise price was set at Euro 15.85 (AXA's closing share price on December 31, 2008), i.e. more than twice the exercise price calculated under the normal method and 60% more than the exercise price set for other employees.

# Stock options and performance shares

	Number of options	Performance shares(**)	Exercise price of stock options	% of capital (dilution)	Number of beneficiaries
2003	22,929,346	-	10.73	1.11%	3,146
2004	21,168,792	-	17.31	1.03%	3,931
2005	14,550,999	743,310	20.18	0.74%	4,116
2006	11,433,176	892,958	28.43	0.60%	4,332
2007	9,753,674	782,432	33.75	0.51%	4,933
2008	9,176,347	1,417,967	21.51	0.51%	5,428
2009	7,343,493	1,914,869	10.00 - 15.85 (*)	0.44%	5,630

- In 2007, 50 free shares were awarded to each employee under the "AXA Miles" program.

(\*) Exercise price of stock options:

- For employees, the exercise price of stock options awarded in 2009 is Euro 10.00, representing a premium of 32% over the normal method of calculation.
- For members of the Management Board and Executive Committee, the exercise price of stock options is the higher of Euro 15.85 (share price at December 31, 2008) and the average share price during the 20 trading days following the dividend payment on May 12, 2009 (see next slide)

(\*\*) Excluding performance units which have no impact on dilution (3,377,221 in 2009)

# Information on stock options and performance shares awarded to Management Board members

	Stock option awards in 2009(*)	Minimum stock option exercise price(**)	% of total award	Performance share awards in 2009(*)	% of total award	AXA shares held
<b>Henri de Castries</b>	<b>265,000</b>	<b>Euro 15.85</b>	3.6%	<b>108,000</b>	2.0%	1,419,609
<b>Alfred Bouckaert</b>	<b>289,000</b>	<b>Euro 15.85</b>	3.9%	<b>63,000</b>	1.2%	104,072
<b>Claude Brunet</b>	<b>168,000</b>	<b>Euro 15.85</b>	2.3%	<b>68,400</b>	1.3%	255,032
<b>Christopher Condron</b>	<b>333,000</b>	<b>Euro 15.85</b>	4.5%	<b>135,720</b>	2.6%	569,765
<b>Denis Duverne</b>	<b>221,000</b>	<b>Euro 15.85</b>	3.0%	<b>90,000</b>	1.7%	663,195
<b>François Pierson</b>	<b>190,000</b>	<b>Euro 15.85</b>	2.6%	<b>77,400</b>	1.5%	144,693
<b>Total</b>	<b>1,466,000</b>		<b>20.0%</b>	<b>542,520</b>	<b>10.3%</b>	<b>3,156,366</b>

- The Chairman of the Management Board is required to hold AXA shares worth three times his annual compensation and the other members of the Management Board twice their annual compensation.
- Until these levels have been reached, each Management Board member must hold the equivalent of at least 25% of the net of tax capital gain made on exercising the stock options and the equivalent of 25% of performance shares awarded until the end of their term of office.

(\*) Award scheduled to become effective 20 trading days after May 12, 2009, the provisional dividend payment date

(\*\*) Exercise price of stock options:

- For members of the Management Board and Executive Committee, the exercise price of stock options is the higher of Euro 15.85 (share price on December 31, 2008) and the average closing share price in the 20 trading days after payment of the dividend on May 12, 2009.

# Termination benefits

- **Henri de Castries, Claude Brunet, Denis Duverne and François Pierson** do not have any contractual "golden parachute" entitlements. They are entitled only to the provisions of the collective bargaining agreement governing the insurance industry. If they are dismissed, their length of service with the Group will be taken into account for calculating the legal and contractual benefits due, unless dismissed for gross professional misconduct.
- **Christopher Condron** and **Alfred Bouckaert** are entitled to severance benefits equal to two years compensation under their contracts with AXA Equitable and AXA Belgium respectively, unless dismissed for gross professional misconduct. These clauses are totally independent of their corporate office on AXA's Management Board.

# Top-up pensions

- **Henri de Castries, Claude Brunet, Denis Duverne** and **François Pierson** are members of the same supplementary pension plan as all AXA executives in France.
- **Christopher Condron** is entitled to a supplementary pension from AXA Equitable at the age of 65 equal to 2% of his annual compensation per year of employment with AXA.
- **Alfred Bouckaert** is entitled to a supplementary pension from AXA Belgium at the age of 65 equal to  $N/40 \times (25\% T1 + 75\% T2) \times 12.2221$  where N = number of years service, T1 = Belgian annual SS ceiling, T2 = portion of fixed salary in excess of T1 ceiling.

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