

[EDITORIAL]

Dear Shareholders,

Our performance over the first six months of this year was strong in an environment that remains agitated and uncertain, attesting to the Group's good health. Underlying earnings are back on the growth track, and net income quadrupled. Our balance sheet remains extremely solid, and solvency ratios are elevated.

The AXA Group was very active during the first half of the year, in line with Ambition AXA, our strategic plan announced on June 1.

We completed the sale of our Australian and New Zealand operations, while also buying out minority interests in Asia, a move that gives us full control over our business activities in Asia. We also sold our property-casualty operations in Canada under satisfactory conditions.

These transactions confirm our determination to be more selective in the mature markets and step up our development in the emerging markets. In parallel, we are pursuing efforts to improve the efficiency of our operations, in the interest of offering our clients the best service and supporting value creation for our shareholders.

In the current economic environment, our financial strength—as reflected in the balance sheet indicators, which are at very satisfactory levels—is an undeniable asset. In fact, the high quality and the diversification of our business and our investments, combined with the advice offered by our distributors and our expertise in risk management—all of these strengths are assets that we make available to our clients and that serve as the foundation of our development.

In the current climate, we have opted to stay the course, remaining focused on and determined in the implementation of our strategic priorities.

Henri de CASTRIES
Chairman & CEO



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Half-year 2011 earnings

In the first six months of 2011, AXA resumed its earnings growth. Restated for scope effects, all of our business lines contributed to this performance, which reflects the quality of both our distribution networks and employee engagement.

We continue to focus our efforts on developing products and services that address the needs of our clients and provide satisfactory margins. We also are reaping the benefits of our rapid development in high growth markets, particularly in Asia.

Strong earnings growth:

- Underlying earnings: **+10%, to €2.2 billion**
- Adjusted earnings: **+7%, to €2.4 billion**
- Net income: **x4, to €4.0 billion**

Significant increase in the profitability of operations:

- Life & Savings NBV margin: up from **21% to 26%**
- P&C combined ratio: **↓ 1.3 pts, to 97.2%**

The Group's financial strength confirmed:

- Economic capital ratio: **+6 pts, up from 178% to 184%**
- Solvency I ratio: **+4 pts, to 186%**
- Debt gearing: **28%**

in line with Ambition AXA

On June 1, 2011, the AXA Group presented its Ambition AXA strategic plan, an opportunity to place the accent on AXA's financial and operational priorities.

Our objectives are clear: be more selective in our mature markets, step up the pace in high growth markets and become more efficient across the Group.

A word on the principal financial objectives:

Underlying earnings per share CAGR (Compound annual growth rate) of 10% per annum between now and 2015.

This indicator allows us to analyze the Group's earnings capacity by excluding volatility related to financial market movements or one-off operations. It is made up of adjusted earnings, less capital gains or losses realized on the company's investment portfolio.

A total of €24 bn in Group operating free cash flows from 2011 to 2015.

AXA is in a long-term business, life insurance in particular. Free cash flow measures our capacity to generate cash from our businesses, but after reinvesting in developing our new business and net of the amount of capital we need to set aside to run our business on a daily basis.

15% adjusted Return On Equity in 2015.

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 return is measured by looking at the earnings generated over the total capital base.

25% debt gearing by 2015.

This is the ratio of the total amount of debt to total financial resources. For AXA, financial resources come not only from the capital injected by our shareholders but also from the debt that we raise in the financial markets. Since the crisis, the markets are paying a lot more attention to this indicator.

AXA

AXA in Asia

Asia is one of the geographic regions of our strategic plan, we continue to increase our presence in this region.

The Asian insurance market is characterized by rapid growth. In Asia, AXA is well positioned and able to generate sales and create value in this region.

According to UN estimates in 2010, the world population is expected to reach 8 billion, with Asia accounting for 44% of GDP, and economies are expected to continue to grow.

In light of these indicators, the insurance market in Asia has a significant potential for growth.



China*

- **Life & Savings:** APE: €19 m
- Joint-venture partners:**
 - **ICBC:** world largest bank by market capitalization (Joint-venture subject to regulatory approval)
 - **Minmetals:** large sized group dealing worldwide for metal and minerals
- **P&C:** Gross revenue: €15 m



India*

- **Life & Savings:** APE: €12 m
- **P&C:** Gross revenue: €86 m
- Joint-venture partner (Life & Savings and P&C):**
 - **Bharti Enterprises:** leading Indian conglomerate with interests in telecom, retail, financial services, manufacturing and software with a customer base over 130 m



Thailand*

- **Life & Savings:** APE: €45 m
- Joint-venture partner:**
 - **Krungthai Bank:** second largest bank in Thailand by assets with 970 branches and ca. 17 m customers
- **P&C:** Gross revenue: €40 m
- Joint-venture partners:**
 - **UOB Bank:** leading regional bank
 - **Tisco Bank:** one of the first investment banks in Thailand

Other strategic alliances with **Citibank:** successful stand-alone bancassurance distribution arrangements with Citibank in China, Hong Kong, Singapore and Malaysia.

* Quantified data for 2010: All data excludes Japan. In life and savings, new business is measured by changes in the APE (Annual Premium Equivalent) indicator, which reflects premiums earned on new policies taken out in the course of the year and conventionally calculated as regular premiums plus 10% of single premiums.



For more information, go to:
<http://www.axa.com>

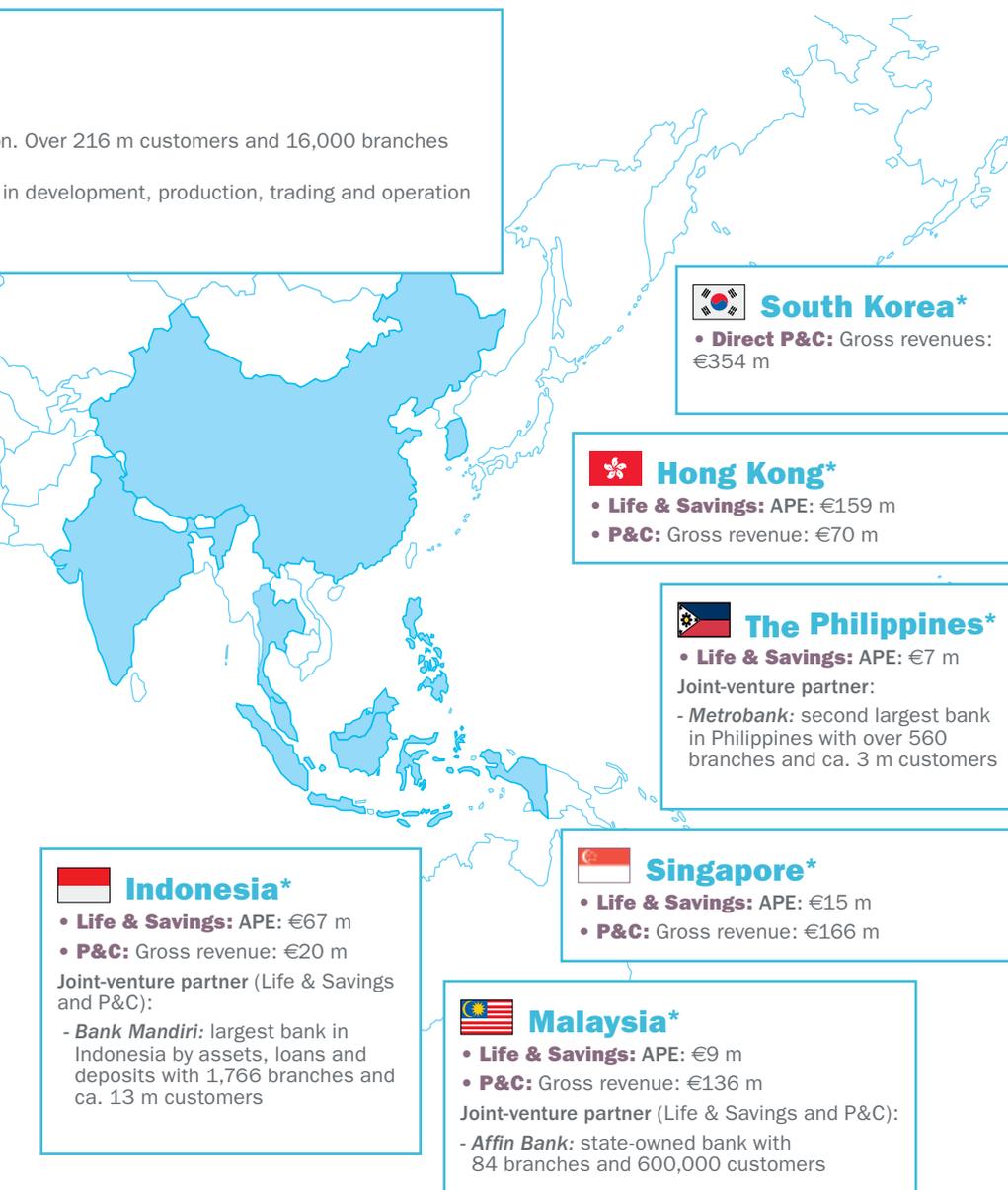
Group did you know?

which show high growth prospects over the long term. Consistent with our Ambition AXA we are increasing our exposure to this region.

driven by robust fundamentals and rapidly rising insurance needs, which should enable profitable growth. The Group has already demonstrated its ability to increase

the world's population totals 6.9 billion and Asia accounts for 52% of this figure. In 2025, the world's population with Asia accounting for 51% of the total. In 2009, the savings rate of Asian countries was equal to that of Europe and is expected to continue to expand.

The Asian market is clearly underdeveloped compared with European countries and shows substantial



First variable annuity product launched in China

AXA Minmetals has gotten the green light from the CIRC (China's insurance commission) to sell Bao De Ying, the first variable annuity product available in China, to clients in Shanghai, Beijing, Guangzhou and Shenzhen. Available since June 16, 2011, this product is the fruit of three years of labor aimed at getting variable annuities approved for sale in the Chinese market, which offers genuine potential. It is backed by the Group's solid experience in the development and management of products of this type as well as its risk management capability.

AXA PRÉVENTION enlarges its spectrum



Prevention lies at the heart of both our insurance business and our corporate responsibility strategy.

To strengthen this commitment, AXA France merged AXA Prévention and AXA Santé in early 2011. Prior to the merger, AXA Prévention conducted prevention-oriented initiatives focused on road safety. Now, it has expanded its spectrum to encompass health, domestic risks and non-work related accidents, in the interest of preventing all risks to which people and their property are exposed.

AXA Prévention was founded in 1984, well before the legal obligation was enacted in 1995, which requires all insurers in France to allocate 0.5% of their auto liability premiums to prevention initiatives. A non-profit organization, it seeks to encourage responsible behavior across France, through a mix of local, regional, and nationwide initiatives. Some of its initiatives have served as the inspiration for Group subsidiaries in other countries.

AXA Prévention has offered speed indicator panels to a number of local communities, with the aim of raising driver awareness of safe speeds inside city limits. This non-repressive radar-based device indicates the current speed of a vehicle as well as the number of points lost if the driver is cited for speeding. It also allows local governments to keep statistics on inner-city driving habits. Traffic flows, peak driving hours and speeds are recorded by the device, enabling policymakers to get a better idea of how and where to target efforts aimed at improving road safety.



Just one example of an AXA Prévention initiative: speed indicator panels.



For more information on AXA Prévention and access to a number of free services, go to:

www.sante.axaprevention.fr
(available in French only)

Disposal of Canadian operations, en route towards a geographic redeployment

AXA announced on May 31, 2011 that it had reached an agreement to sell its Canadian property-casualty operations to Intact Financial Corporation for a total cash consideration of around 1.9 billion euros.

AXA Canada is the 6th largest player in the property-casualty market. It was performing well, but the Canadian market offers only limited growth prospects.

This sale, in line with the Ambition AXA strategic plan, frees up capital that the Group will be able to reallocate to countries that offer high growth potential over the long term. It is also expected to generate an exceptional capital gain of around 0.9 billion euros.

The transaction should be completed by the end of the third quarter of 2011, pending the usual regulatory approvals for this type of transaction.

AXA AND DEXIA JOIN FORCES IN TURKEY

AXA, number one in the Turkish property-casualty market with 13% market share and annual revenues of 757 million euros, signed an exclusivity agreement on July 7, 2011 with Denizbank.

This exclusive distribution partnership with the Turkish subsidiary of Dexia will enable AXA to consolidate its position in this country by distributing its property-casualty insurance products via the 400 branches of Denizbank. AXA Sigorta's growth so far in Turkey has been achieved through its network of more than 800 agents, the largest network in the market. Since the clientele of Denizbank is mostly urban and upscale, this partnership will enable the bank to consolidate its position and capture this market segment. The Turkish market shows substantial growth potential: a high population, a solid middle class, a ratio of vehicles to inhabitants that is 4 to 5 times lower than in Western Europe. The Turkish insurance market is 85% property-casualty and it is growing faster than the country's economy. The 24 million euro transaction is expected to be completed by the end of 2011, subject to the usual regulatory approvals.

A SOLID BALANCE SHEET amid stock price turbulence

The decline in AXA's stock price in early August is part of a broader market movement that has been particularly negative for capital markets around the world. **AXA is and remains one of the world's top insurance companies in terms of market capitalization.** The Group's financial strength is reflected in its half-year earnings and also in the level of its balance sheet, which shows that solvency has been further strengthened and that the Group has limited sensitivity to fluctuations in the equity markets.

In addition, we think that current economic and political fundamentals do not justify the market's downhill slide in August, as indicated by Eric Chaney, the AXA Group's chief economist, and Jean Sorasio, chief investment officer for the AXA Group, in their joint article published by the *Wall Street Journal*. Currently, the markets are overreacting to rumors and worse than expected news that do not justify this degree of volatility.

▶ For more information, go to: <http://www.axa.com/en/news/2011>

Tax matters: adoption of the modified Finance Act on July 6, 2011

The principal changes:

- **Tax shield:** the cap on the ISF wealth tax, which last year limited the total taxable amount for both the ISF and the income tax, is eliminated for the ISF as of fiscal year 2012.
- **Wealth tax (ISF):** the taxable base has been raised to 1,300,000 euros effective for calculating the ISF due in respect of fiscal year 2011, but the terms of taxation remain unchanged (as of 2012, however, the entire tax scale is modified).
- **Gifts and successions:** modification of the scale and increase (+5%) in the rates applicable to the last two tax brackets. No more reductions related to the age of the donor (unless it is a business gift). The deadline for reporting gifts is now 10 years (versus 6 years previously).
- **Life insurance:** the special levy of 20% on death benefits paid out under a life insurance policy in excess of 152,500 euros per beneficiary is raised to 25% for the fraction of each net portion per beneficiary that exceeds 902,838 euros.

agenda 2011

September 6
Tour of Musée du Louvre – 8:30 am*

October 4
Shareholders' information meeting in Rennes

October 11
Shareholders' information meeting in Strasbourg

October 25
Tour of Musée du Louvre – 8:30 am*

November 7
Shareholders' information meeting in Lyon

November 10
Tour of Musée du Louvre – 7:00 pm*

November 18
Shareholders' information meeting during Salon Actionaria (Paris)

November 18-19
Salon Actionaria (Palais des Congrès – Paris)

* Reserved for members of the AXA Shareholders' Circle. Seating is limited.

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