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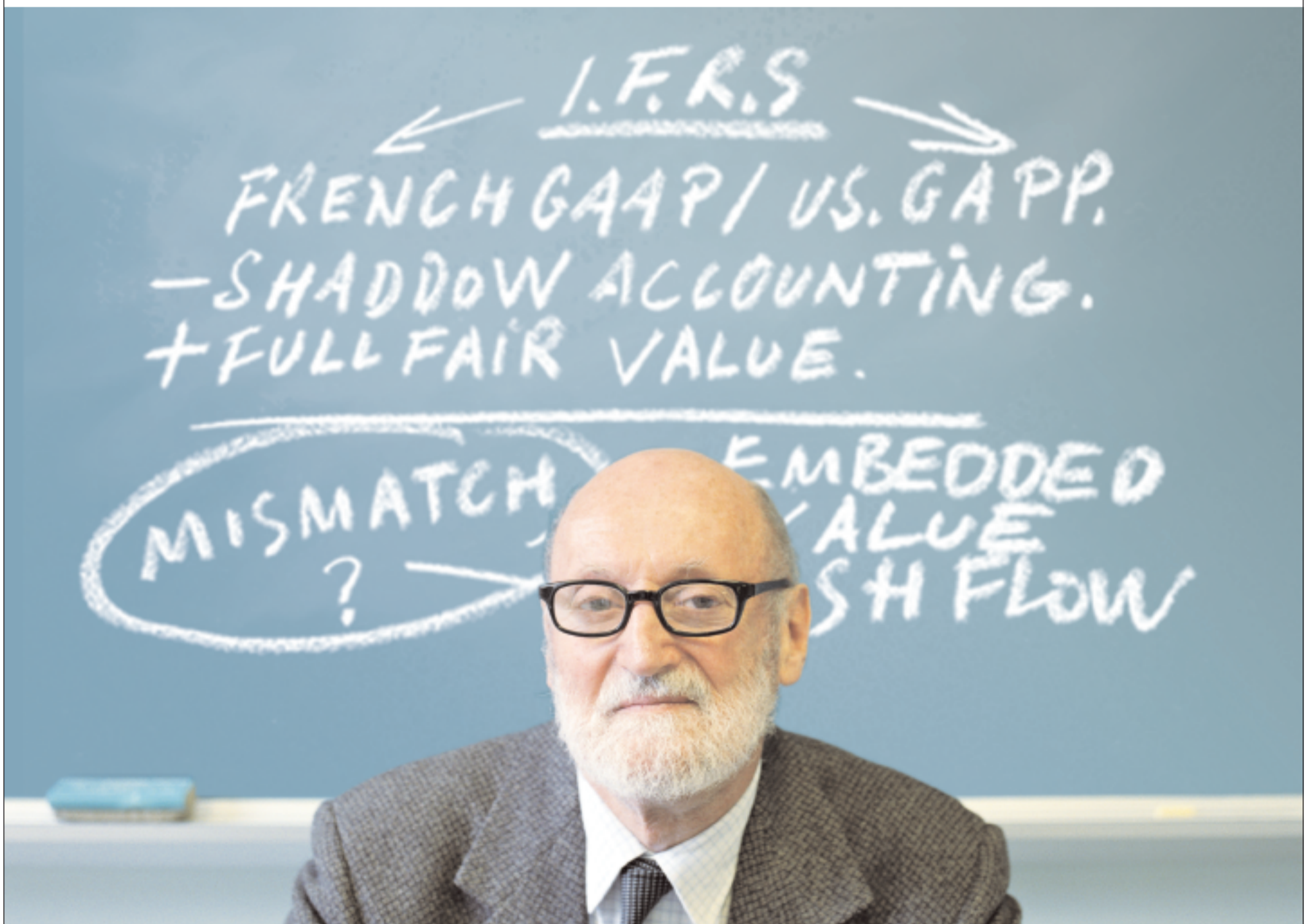
SHAREHOLDER'S CIRCLE NEWSLETTER

SUPPLEMENT OCTOBER 2005

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Do you speak IFRS? *

* International Financial Reporting Standards



Be Life Confident

European stock exchanges singing from the same hymn sheet

The transition to the new standards has one clear goal: to give investors a reliable tool for analysing the economic and financial performance of European Union's 6,700 listed companies.

The harmonization of European financial markets has prompted the European Union to adopt single accounting standards enabling all European companies to speak the same language for financial reporting purposes. A total of 6,700 companies listed in Europe, including close to 800 companies in France, are affected by the transition to IFRS (International Financial Reporting Standards).

Adoption of these new accounting standards has been mandatory since January 1, 2005. To create a level playing field, AXA, like all other listed companies in France, has to publish its 2004 financial statements in line with French accounting standards (French GAAP) and then

restate them in line with IFRS (International Financial Reporting Standards). A full set of consolidated financial statements for 2005 will be published in line with the new standards.

New valuation criteria

The main innovation is the greater emphasis on fair value accounting in the valuation of numerous corporate assets and liabilities. Whereas the historical cost principle was widely used under French GAAP, market value predominates under IFRS.

Two other major effects are worth mentioning: various items are added back to financial statements (accounting for derivatives, financial

instruments, employee liabilities, etc.) and goodwill amortization has been discontinued.

Professionals' opinion

The majority of investors are looking for greater transparency and improved geographical and sectoral reporting as a result of this harmonization. Three-quarters of them also mention points that need to be watched carefully, which may occur in the very near term: greater volatility, complexity of standards and freedom of interpretation. They also underline the importance of the transition phase (see the following chart), which requires a high level of mobilization of teams and resources within the relevant companies.

A high-priority switchover

Aware of its importance, AXA planned ahead for the transition. Over 30 months ago, it launched a conversion program overseen jointly by the Group Finance department, the CFOs of its principal subsidiaries and a panel of accounting and actuarial experts.

In the 2003 Annual Report, the Group stated that it would prepare its consolidated financial statements in accordance with International Financial Reporting Standards from fiscal 2005 onwards in compliance with European Parliament Regulation (EC) regulation no. 1606/2002 and would present the measures implemented for the adoption of these new standards.

In view of this transition, the Group devised a program in 2003 to convert its French GAAP consolidated financial statements to IFRS. Management of the project, which was conducted by Planning Budget Results Central teams (PBRC), resulted in the implementation of dedicated management units and very close liaison on these topics with the statutory auditors.

These management units include a steering committee comprising the Group Finance Department and CFOs from the principal Group subsidiaries, a central project team with experts in both accounting and actuarial areas, project teams at subsidiary level and an implementation committee bringing together project leaders and experts.

The current priority is managing Phase One - the transition phase

For the insurance sector, the transition to IFRS will

take place in two stages because the valuation of insurance policies will not be addressed until the second phase, the implementation date of which has not yet been set.

IFRS 4 on insurance contracts and IAS 32 and 39 on financial instruments have still not been finalized. In the intervening period, this situation has created a mismatch in the way assets and liabilities are accounted for, since the latter are stated at historical cost, which may give rise to volatility. This said, the risk is mitigated by shadow accounting and by the classification of invested assets.

The impact of IFRS adoption on the Group's 2004 results and on most of its key indicators was fairly modest.

The presentation of the audited 2004 results under IFRS on June 21 helped to emphasize that the Group's performance was in line with the guidance provided at the Key IFRS principles meeting. For instance, AXA's underlying earnings and adjusted earnings showed very little change, with underlying earnings reducing by less than 1% (€83 million) and the second increasing by 443 million, i.e. over 17%. Net income was boosted by the increase in adjusted earnings and the discontinuation of goodwill amortization. As a result, it rose by 1.2 billion or 51%.

Three other key indicators were unchanged. The European consolidated solvency margin, which was again calculated under French GAAP, showed a very robust level of 213% at June 30, 2004. The Group's ability to pay out a dividend was unaffected, as were its principal financial ratios.

Since the adoption of IFRS requires a new approach to analyzing corporate financial statements, the Group's quarterly reporting will focus on the following business-specific indicators:

In Life & Savings

New business
(«Annual Premium Equivalent»)
New business contribution

Property and casualty insurance and International Insurance

Gross premiums written

Asset management

Fees and commission income
Net inflows

2004 results

Strength of AXA's balanced sheet confirmed

AXA's 2004 IFRS-compliant results underline the strength of the Group's balance sheet and its unaffected earnings power, as indicated by Denis Duverne, Member of the AXA Management Board, in charge of Finance, Control and Strategy, and Gérald Harlin, Executive Vice President, Finance and Control, during the presentation of the Group's 2004 results in accordance with IFRS to the international financial community on June 21.

AXA's 2004 net income calculated in accordance with IFRS came to 3.7 billion, compared with 2.5 billion under French GAAP. The Group's 2004 adjusted earnings stood at 3.3 billion compared with 2.9 billion under French GAAP. The impact of the new accounting standards on underlying earnings was very modest, with the IFRS figure at 2.6 billion vs. 2.7 billion under French GAAP.

Adoption of IFRS has also had a modest impact on shareholders' equity, which came to 28.5 billion compared with 26.2 billion under French GAAP. The Group's dividend policy has remained unchanged, with the dividend expected to run at 40% to 50%

of IFRS adjusted earnings from year-end 2005 onwards. The P&C combined ratio came to 98.5% under IFRS, compared with 99.3% under French GAAP. Gearing (ratio of debt to shareholders' equity) at December 31, 2004 was 42% under IFRS compared with 39% under French GAAP, leaving considerable room for maneuver.

The results were audited and prepared in accordance with the IFRS and IFRIC interpretations (International Financial Interpretation Committee) published and effective or adopted early as of June 2005. AXA has opted for early adoption of the amendment to IAS 39 regarding the fair value option published by the

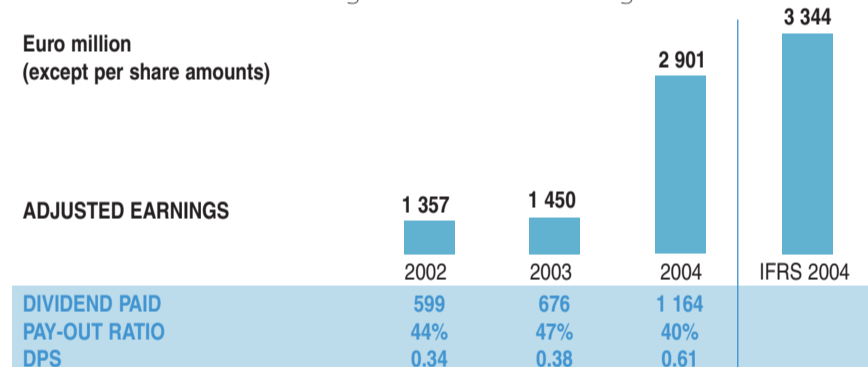
IASB (International Accounting Standards Board) on June 16, 2005 and the amendment to IAS 19 regarding employee benefits approved by the ARC (Accounting Regulatory Committee). Both amendments are expected to be endorsed formally by the European Commission during the second half of 2005. The IFRS standards and IFRIC interpretations applicable from December 31, 2005, including options, are not known with certainty at this time.

Snapshot of French GAAP and IFRS FY04 earnings

FY 2004 (Euro million)	FGAAP	IFRS	Diff.	Earning per share (euro)	
				FGAAP*	IFRS*
UNDERLYING EARNINGS	2 723	2 640	(83)	1.43	1.42
Realized capital gains & losses attributable to shareholders and impairments	178	704	526		
ADJUSTED EARNINGS	2 901	3 344	443	1.52	1.78
Goodwill and related intangibles	(649)	(42)	607		
Exceptional operations resulting from change in scope	267	10	(258)		
Profit or loss on financial assets (under fair value option) & derivatives	-	427	427		
NET INCOME	2 519	3 738	1 219	1.32	1.99

Dividend policy is unchanged: starting year-end 2005, dividend expected to represent 40% to 50% of IFRS adjusted earnings...

...which will benefit from a higher stock of unrealized gains



Simplified Balance sheet as of December 31, 2004 (Euro billion)

DEC. 31, 2004	FGAAP	IFRS	FGAAP	IFRS
Goodwill	12.4	11.9	Shareholders' Equity, g p share	26.2 / 28.5
VBI	3.0	3.2	Minority Interests	2.2 / 2.5
DAC & equivalent	12.0	13.0	SH EQUITY & MI	28.4 / 31.0
Other intangibles	0.6	0.6	Technical reserves	386.2 / 394.5
Invested assets	381.9	405.7	Provisions for risks & changes	4.4 / 7.7
Other assets	71.1	70.1	Financing debt	12.2 / 11.0
ASSETS	481.0	504.5	Other liabilities	49.8 / 60.2
			LIABILITIES & SH EQUITY	481.0 / 504.5

Glossary

Among all these new standards and indicators and names, Horizon provides you with a detailed glossary for a better understanding. Don't lose it...

- AFSoci:** Available For Sale, with change in fair value flowing through shareholder's equity
- ARC:** Accounting Regulatory Committee
- DAC:** Deferred Acquisition Costs
- DOC:** Deferred Organisation Costs
- DPF:** Discretionary Participation Feature
- FGAAP:** French Generally Accepted Accounting Principles
- IFRS:** International Financial Reporting Standards
- IASB:** International Accounting Standards Board
- IFRIC:** International Financial Interpretation Committee

- MI:** Monetary Interests
- PB:** Policyholder's participation
- URR:** Unearned revenue Reserve
- SH:** Shareholders
- SHE:** Shareholders' equity
- SORIE:** Statement Of Recognized Income and Expense
- VBI:** Value of Business In force
- WP:** With-Profits

What changes for AXA

Unlike US GAAP, IFRS standards are based on principles. Each standard is accompanied by guidance on how to apply the new implied accounting rules. For the AXA Group, the transition to IFRS has prompted the following changes:

Basis of consolidation: Under IFRS, the underlying earnings of certain units (primarily real estate companies, mutual funds and investment funds) are now included in Group earnings in place of dividends received, as was the case under French GAAP.

Accounting for invested assets and derivatives (IAS 32 and 39):

- Under French GAAP, most invested assets were stated at historical cost, except for assets allocated to unit-linked and with-profit contracts, which are shown at their market value. Under IFRS, most assets are accounted for at their market value, except for investment properties not allocated to unit-linked or with-profit contracts and most loans, receivables and securities held to maturity.
- Impairment of invested assets: impairment is automatic to a greater extent under IFRS. For equities, unrealized capital losses in existence for over six months or amounting to over 20% are recognized and are not reversible in the event of a fresh increase.
- Derivatives are marked to market with any changes in fair value being recognized on the income statement, unless the derivative strategy adopted qualifies for cash flow hedge accounting (cash flow hedge or hedge of an investment in a subsidiary).

Insurance and investment contracts (IFRS 4 and IAS 39):

- IFRS standards include a new definition of insurance contract, which is based on a significant transfer of insurance risk from the policyholder to the insurer. Investment contracts without discretionary participation features (DPF) are defined as financial instruments and accounted for under IAS 39 and IAS 18. These contracts are subject to deposit accounting - fees will replace premiums written in the calculation of revenues. Premiums excluding related taxes that no longer appear on the income statement are accounted for as bank deposits.
- Insurance contracts meeting the definition laid down in IFRS 4 are treated in a similar way to under French GAAP during Phase One, with very few changes.

Shadow Accounting (IFRS 4): IFRS 4 allows shadow accounting to alleviate asset/liability mismatches and to take into account the impact of unrealized capital gains & losses on participation, deferred acquisition costs (DAC) and value of business in force (VBI).

Business combinations (IFRS 3): Goodwill arising on acquisitions will no longer be amortized. Instead, it will undergo impairment testing, at least once annually. Goodwill is booked in the local currency of the acquired entity and therefore is subject to exchange rate fluctuations against the euro.

Share-based compensation (IFRS 2) and employee benefits (IFRS 19):

- Shareplan: The Group recognizes as an expense the fair value of the discount offered to employees:
- Equity-settled plans: The Group books an expense corresponding to the fair value on the date of grant that accrues over the vesting period.
- Employee benefits: unrealized actuarial gains and losses arising on differences in assumptions from past years are amortized in the opening balance sheet. The employee benefits deficit incorporated in

2004 IFRS opening shareholders' equity came to 2 billion (after tax, policyholder bonus and minority interests). In the future, any actuarial gains and losses arising will be recognized directly in shareholders' equity.

Treasury shares (IAS 32): Treasury shares represent a subsidiary's investment in its parent company's ordinary shares or a parent company's investment in its own shares. Under French GAAP, they accounted for as an equity investment since they are held for the purpose of hedging stock option plans. Under IFRS, they must be deducted from equity at cost.

Compound financial instruments (IAS 32): Compound financial instruments are financial instruments issued by the company that include both a liability (option of conversion into equity) and an equity component. Under IFRS, the components are classified separately in the balance sheet. The Titres Super Subordonnés (TSS, which are undated deeply subordinated notes) issued in 2H04 are reclassified in shareholders' equity as they meet the IFRS definition of equity.

Summary of differences between French GAAP and IFRS earnings

FGAAP	IFRS
UNDERLYING EARNINGS	
+	Realized capital gains & losses to shareholders (including Forex impact*)
+	FGAAP impairments
+	IFRS impairments
ADJUSTED EARNINGS	
+	Goodwill amortization
+	Goodwill impairment and related intangible amortiza-
+	Exceptional operations resulting from change in scope
+	Profit or loss (excluding Forex impact*) on financial assets (under fair value option) & derivatives
NET INCOME	

* Except mark-to-market of AXA SA derivatives which are used to hedge subsidiaries' underlying earnings against currency fluctuations

Implementation timetable and IFRS financial reporting schedule:

All the Group's internal processes are now focused on IFRS and all financial publications will now be presented in accordance with IFRS and incorporate comparative data.

Kick off	: January 2003
AXA IFRS conversion guide	: March 2003
First draft of IFRS 2004 Full consolidation	: June 2004
Second draft of IFRS 2004 Full consolidation	: October 2004
Presentation of IFRS Principles	: January 6, 2005
Audited 2004 IFRS numbers	: June 21, 2005
First-half 2005 activity indicators	: July 28, 2005
Publication of half-year 2005 earnings under IFRS with comparative figures for the first-half of 2004 under IFRS	: September 6 (summary) and September 22 (detailed).

Estimated transition cost (Phase 1): around €40 million

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