

l'essentiel

Shareholders' Circle letter

Number 8 -May 2006

- ANALYSIS OF FULL-YEAR 2005 EARNINGS
- BUSINESS TREND
- AGENDA



Dear Shareholders,

Last year, AXA showed strong growth momentum, particularly in Life & Savings and Asset Management. Significant value has been created in 2005 for our shareholders, as demonstrated by the record performance achieved this year.

Our company-wide project *Ambition 2012* was launched in 2005, establishing the objective of becoming the preferred company in our industry through customer satisfaction. We believe that we can achieve our 2012 goals by differentiating ourselves through employee engagement, a superior product offering, and excellent distribution. AXA's 2005 results show that we are off to a good start in meeting these objectives.

*Henri de Castries,
Chairman of the Management Board.*

A handwritten signature in black ink, appearing to read 'H. de Castries'.



Be Life Confident

FULL - YEAR 2005 EARNINGS

Revenues

€ **72** billion
Up 5.2% on a comparable basis

Assets under management

€ **1,064** billion
Up 22%

Underlying earnings

€ **3.3** billion
Up 24% at constant exchange rates

Adjusted earnings

€ **4.1** billion
Up 23% at constant exchange rates

Net income, Group share

€ **4.2** billion
Up 12% at constant exchange rates

Net dividend proposed

€ **0.88** euro per share
Up 44% (to be voted at the May 4, 2006 AGM)

OUR FULL-YEAR 2005 EARNINGS AND THE LAUNCH OF OUR COMPANY-WIDE PROJECT "AMBITION 2012" DEMONSTRATE OUR CONFIDENCE IN OUR ACTIVITY AND THE SUCCESS OF OUR TEAMS

Profitable growth¹

- Life & Savings performed well across the Group, with total new business premiums on an APE² basis up 11% and new business value increasing 27% to 1.1 billion.
- Property & Casualty revenues were up 3% to € 18.9 billion, and the combined ratio improved by 0.8 point to € 97.7%.

- Asset management revenues were up 14% to € 3.4 billion, with net inflows at a historical high of € 56 billion³.

- Total Assets under Management (including Group assets not managed by AXA Investment Managers and AllianceBernstein) reached € 1,064 billion.

Strong earnings momentum

- Underlying earnings were up 24% to € 3.3 billion with Life & Savings, Property & Casualty and Asset Management reporting above 20% growth for the year.
- Adjusted earnings reached € 4.1 billion, up 23%, with net capital gains contributing less than 21% to total adjusted earnings.
- Net income reached Euro 4.2 billion, up 12%.

¹ On activity indicators, percent changes between 2004 and 2005 are shown on a constant scope and constant foreign exchange basis.

² Annual Premium Equivalent (APE) represents 100% of new business regular premiums + 10% of new business single premiums, in line with EEV methodology. APE is group share.

³ Excluding the impact of change in scope at AllianceBernstein, mainly linked to the sale of Alliance Capital Cash Management Services.

IFRS	FY05	FY04	Change		FY05	Change
<i>Euro million Except per share amounts</i>			Reported	@ Cst FX	Per share ^(a)	
Underlying Earnings	3,258	2,637	+24%	+24%	1.72	+21%
Net capital gains	850	705				
Adjusted Earnings	4,108	3,342	+23%	+23%	2.16	+21%
Profit or loss on financial assets (under Fair Value option) and derivatives	149	428				
Exceptional operations	-72	10				
Goodwill & related intangibles	-13	-41				
Net income, group share	4,173	3,738	+12%	+12%	2.19	+10%

(a) Fully diluted. Weighted average number of fully diluted shares was 1,954m in FY05 versus 1,934m in FY04. Since October 2005, AXA has started a program to mitigate dilution arising from share-based compensation programs and on January 7, 2006, AXA shares received in connection with the Finaxa transaction were cancelled.

Strong value creation for our shareholders and increasing financial flexibility

- The proposed dividend of Euro 0.88 per share (to be voted at the may 4, 2006 AGM) represents a 44% increase over last year and a 40% payout ratio on adjusted earnings. The total amount to be distributed as dividends in 2006 is approximately € 1.6 billion.
- The dilution control program (uncluding shareplan 2005) and the AXA-Finaxa merger have resulted in a capital reduction of € 1.2 billion since December 31, 2004.
- Post dilution control program and the AXA-Finaxa merger, year-end 2005 gearing stands at 38%, down 4 points versus year-end 2004.
- Return on Equity based on adjusted earnings reached 18%.
- Life & Savings European Embedded Value (“EEV”) reached € 29.5 billion, with Total Return on Life & Savings EEV at 14%.

KEY FIGURES

Revenues

Consolidated revenues came to € 72 billion in 2005. On a comparable basis, adjusted for fluctuations in exchange and change in the scope of consolidation, revenues grew by 5.2% compared with 2004.

Highlights of Life & Savings 2005 New Business Metrics

Highlights of Life & Savings 2005 New Business Metrics

<i>Euro million, except when otherwise noted Group share</i>	2004	2005	Variation	Changed on comparable basis ^(a)
Annual Premium Equivalent (APE)	4,807	5,476	14%	11%
Present Value of Expected Premiums (PVEP)	42,228	47,973	14%	11%
New Business Value (NBV)	895	1,138	27%	27%
NBV / APE	18.6%	20.8%	+2.2pts	+2.8pts
NBV / PVEP	2.1%	2.4%	+0.3pt	+0.3pt

(a) Constant exchange rates and scope (MONY1H05)

Life & Savings NBV increased by 27% on a comparable basis to € 1,138 million, reflecting continued improvements in mix and margins, which have served to increase value at a faster rate than volume. All countries contributed to the strong NBV growth except Southern Europe, which was flat as volume increase was offset by an unfavorable product mix shift, and Germany, which experienced a decline following the strong boom in 2004 in connection with the tax reform effective beginning of 2005.

Rollforward of Life & Savings NBV

(Euro million, group share)

2004 Life & Savings NBV	895
Modeling changes & opening adjustments	4
Change in scope (MONY 1H05)	10
Business-driven evolution:	236
<i>Volume, mix and expenses</i>	235
<i>Assumptions changes, yield curves, and other</i>	2
Currency impact	-7
2005 Life & Savings NBV	1,138

Highlights of Life & Savings 2005

European Embedded Value

(compliant with CFO Forum principles)

Highlights of Life & Savings 2005 European Embedded Value

Euro million - group share

	ANAV	VIF	EEV
Opening Life & Savings EEV @ 12/31/04	11,331	14,295	25,627
Modeling changes & opening adjustments	58	144	202
Adjusted opening Life & Savings EEV	11,389	14,439	25,829
Total Return on Life & Savings EEV	3,068	433	3,500
Capital Flows	-1,291	0	-1,291
Exchange rate movement impact	403	1,049	1,452
Closing Life & Savings EEV @ 12/31/05	13,568	15,921	29,489
Change	20%	11%	15%
Total Return on Life & Savings EEV			14%

2005 Life & Savings European Embedded Value (EEV), at € 29.5 billion, was up 15% (9% at constant exchange rates) from 2004 despite € 1.3 billion of capital flows out of Life & Savings. Total Return on Life EEV, which excludes the impacts of capital flows, modeling changes, and foreign exchange, was 14% in 2005.

Life & Savings ANAV (Adjusted Net Asset Value) growth of 20% (16% at constant exchange rates) was driven by strong current year earnings and growth in unrealized capital gains in most markets. The growth in unrealized capital gains is largely due to strong equity market performance in most of the world outside of the US, and also due to lower interest rates in many markets.

Life & Savings VIF (Value of In-force) growth of 11% (4% at constant exchange rates) reflected new business VIF and expected return on inforce, offset by the transfer of current year expected profit to ANAV and negative investment experience. The investment experience reflected lower than expected investment performance in the US, leading to smaller account balances on which to earn future fees, and lower risk-free rates in many markets driving up the cost of guarantees.

Underlying Earnings

2005 underlying earnings improved by 24% at current and constant exchange rates to € 3,258 million, driven by all segments but International Insurance and Holdings.

IFRS (Euro million)	FY05	FY04	Change	Change @ Cst FX
Life & Savings	1,931	1,563	+24%	+24%
Property & Casualty	1,346	1,102	+22%	+22%
International Insurance	68	138	-51%	-52%
Asset Management	396	300	+32%	+33%
Other Financial Services & Holdings	-483	-465		
Total Underlying Earnings	3,258	2,637	+24%	+24%

Note: For underlying earnings analysis below, percentage changes between 2004 and 2005 are presented at constant exchange rates.

Life & Savings underlying earnings increased by 24% to € 1,931 million. 2005 earnings benefited from a non-recurring effect of € 67 million¹ in Japan and a full 12 months of earnings from MONY (€ 150 million underlying earnings for the year) versus six months in 2004.

¹ The net figure of € 67 million reflects, as described in 1H05, a positive fiscal impact of € 220 million from the improvement in recoverability of tax losses carried forward, which was partially offset by additional VBI and DAC amortization due to a change in future investment assumptions (Euro -153 million).

Property & Casualty, underlying earnings were € 1,346 million, up 22%. A 0.8 point improvement in the combined ratio to 97.7% accounted for half of this improvement.

The main contributors to the P&C improvement were the UK & Ireland, Germany, France, Canada and the Netherlands.

International Insurance, underlying earnings were down 52% to € 68 million, as current year major losses costs for AXA RE increased by € 316 million (net of reinsurance and gross of tax).

Asset Management underlying earnings, were € 396 million, up 33%, benefiting from higher average Assets Under Management (AUM), fuelled by very strong net inflows of € 56 billion.

Total AUM for Asset Management at the end of December 2005 was € 923 billion, up 16% at constant exchange rates versus December 31, 2004.

BALANCE SHEET

As of December 31, 2005, shareholders' equity was € 33.8 billion, up 19% compared to December 31, 2004, primarily benefiting from 2005 earnings and increased fair value of invested assets, partially offset by a € -1.2 billion impact related to the merger with Finaxa and the repurchase program designed to control dilution.

Fair value of invested assets recorded through shareholders' equity was € 8.2 billion, up € 2.4 billion versus December 31, 2004, on the back of strong financial markets.

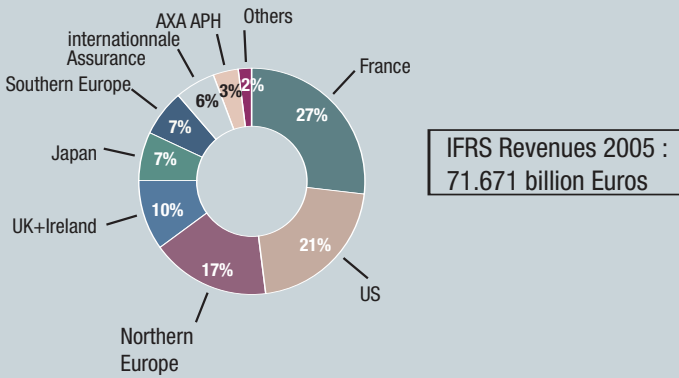
Total unrealized capital gains attributable to shareholders reached € 12.0 billion as of 12/31/05 of which

- € 8.2 billion of fair value of invested assets recorded through shareholders' equity, as mentioned above,
- € 1.5 billion of unrealized capital gains on real estate and loans (not recorded through shareholders' equity), versus Euro 1.1 billion on December 31, 2004,
- € 2.3 billion of unrealized gain on AllianceBernstein investment (not recorded through shareholders' equity), up € 1.3 billion from December 31, 2004.

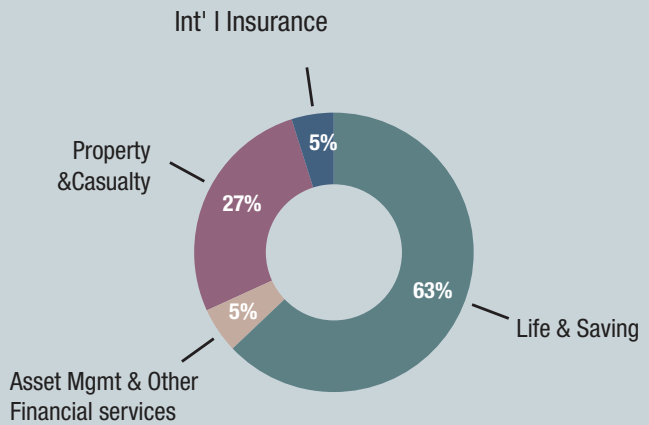
The deleveraging of the balance sheet, in progress since year-end 2000, accelerated in 2005. As of December 31, 2005, gearing stood at 38%, down from 42% as of December 31, 2004 despite a 6 point negative impact related to the AXA-Finaxa merger and the dilution control program.

Revenues' diversification

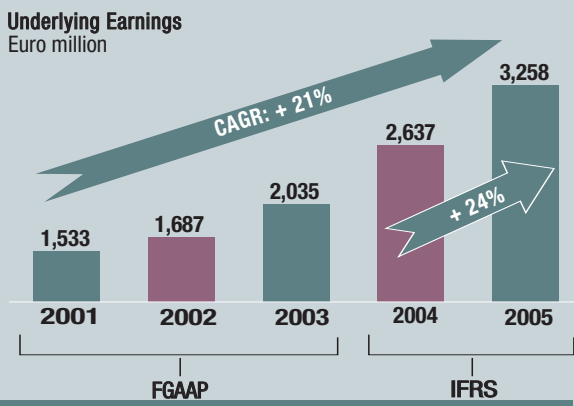
FY05 IFRS - insurance revenues **by geography**



FY05 IFRS revenues **by operating segment**



Very solid underlying earnings growth

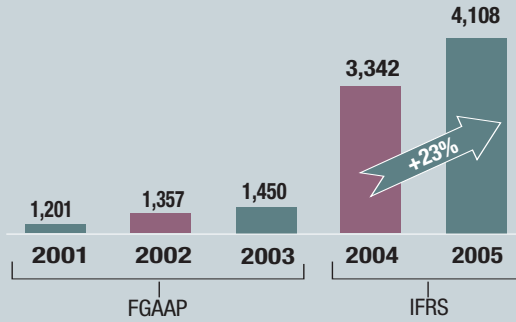


	2001	2002	2003	2004	2005
Per share ⁽¹⁾	0.88	0.96	1.12	1.42	1.72

(1) Euro - Fully diluted

Adjusted Earnings are reflecting the benefits of having maintained a significant equity exposure

Adjusted Earnings
Euro million

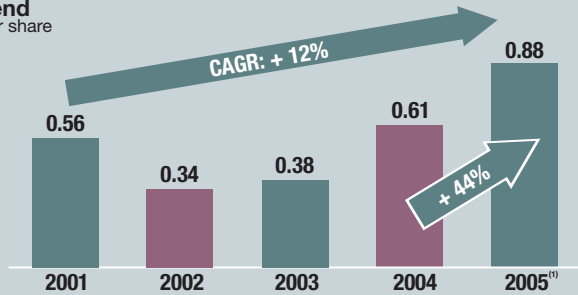


Net realized capital gains/losses attributable to shareholders :

2001	229	-240	-585	705	850
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Our performance boosts our capacity to pay out a higher dividend

Dividend
Euro per share



Payout ⁽²⁾	-	44%	47%	40%	40%
Yield ⁽³⁾	2.39%	2.66%	2.24%	3.36%	3.23%

⁽¹⁾ To be proposed to the May 4, 2006 Shareholders' Meeting

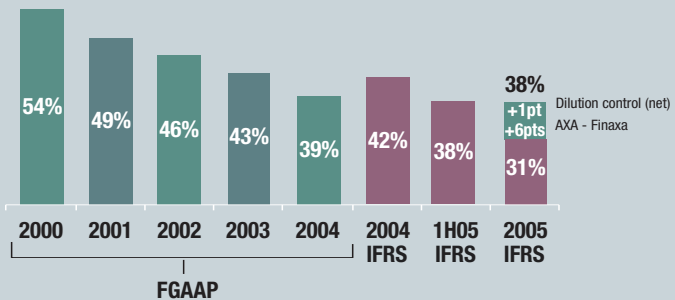
⁽²⁾ Dividend paid / Adjusted earnings (on a FGAAP basis in 2001-2002-2003 and in IFRS since 2004)

⁽³⁾ Dividend paid in n+1 / Closing share price of year n

Strong and rapid deleveraging of the balance sheet gives us increasing flexibility

Gearing down by 4 points from 2004, despite impacts of:

- Merger With Finaxa: 6 points increase of gearing ratio
- Dilution control net impact: 1 point increase of gearing ratio



AGENDA FOR 2006

■ Shareholders' information meeting in Nantes (France):	June 14
■ Shareholders' information meeting in Lille (France) with Henri de Castries:	June 16
■ HY 2006 Earnings Release:	August 3
■ Investment Forum in Paris:	October 13
■ Shareholders' information meeting in Marseille (France):	November 7

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