



Minutes of Extraordinary General Meeting of AXA shareholders, December 16, 2005

Merger of FINAXA into AXA

Henri de Castries, Chairman of the Management Board, presented the reasons behind the proposal submitted to the Extraordinary General Meeting of AXA shareholders. The operation is the final stage in the simplification of AXA's ownership structure. It should help improve AXA's stock market status and increase the number of AXA shares owned by the public. Finally, it will restore to AXA direct ownership of its trademark, originally owned by FINAXA.

Following this operation, the AXA mutual insurance companies will own 14.30% of the share capital and 22.67% of the voting rights. BNP Paribas, FINAXA's second-largest shareholder, will directly own 3.73% of AXA's shares and 3.27% of the voting rights. The public will own almost 76% of the shares and 68% of the voting rights. The proportion of shares owned by employees and agents will increase from 4.74% to 4.83%, and will probably pass the 5% level when the capital increase reserved for employees takes place.

Denis Duverne, Member of the Management Board and Director of Finance, Control and Strategy, commented on the list of resolutions submitted for shareholders' approval, referring in particular to:

- The capital increase in consideration for the FINAXA assets contributed.
- Succession to the obligations of FINAXA concerning subscription options and convertible bonds issued by FINAXA (adjusted to take the exchange ratio into consideration).
- Rollover of double voting rights held by certain FINAXA shareholders over AXA shares received in the context of the merger.
- AXA's capital decrease resulting primarily from the cancellation of AXA shares contributed by FINAXA.

He explained why resolutions 8 and 9 had been withdrawn from the agenda. Their purpose was to replace exchangeable bonds issued by FINAXA with convertible bonds newly issued by AXA. Following AXA's offer to acquire FINAXA's exchangeable bonds, AXA holds over 99% of the bonds in question. As a result of this operation in November 2005, this substitution is no longer justified.

The Board also recommended that resolution 10 should not be adopted since a resolution of this kind had already been approved at the General Meeting on 20 April 2005.

Denis Duverne then presented the conditions for the valuation of FINAXA assets and liabilities transferred to AXA. Net assets contributed are valued at €4,993 million. The merger appraisers indicated in their report that the value of assets is not overvalued.

The exchange ratio was set at 3.75 AXA shares per FINAXA share, giving a ratio of 15 AXA shares for 4 FINAXA shares. This ratio was set based on multicriteria analysis. The two dominant criteria are the two companies' appraisal value and AXA's share price over the last three months. AXA and FINAXA appointed committees of independent directors who provided a fairness certificate on June 29, 2005.

For AXA, this operation requires a capital increase in consideration for the assets, determined by the value of the AXA shares created: 299 million AXA shares representing €685 million nominal value. The merger premium will amount to €4,803 million. This premium will be allocated mainly to restoring reserves and provisions on FINAXA's balance sheet under AXA's liabilities

As a result of this merger, 337.5 million AXA shares owned by FINAXA will be cancelled. This will lead to a capital reduction of €773 million. Taking into account both this cancellation and the capital increase in consideration for the merger, the operation will lead to a 39 million reduction in the number of shares.

The merger appraisers' report on the value of and consideration for the assets was then read, followed by the auditors' reports on the capital reduction not caused by losses, and on AXA's assumption of FINAXA's liabilities.

Questions and answers

Question on whether or not there was a blocking minority.

The AXA mutual insurance companies, with 23% of the voting rights, will have a weighting of less than 33%. Employees are not obliged to vote in line with the mutuals. Similarly, while BNP Paribas does have pre-emption rights, there is no voting agreement. It would therefore be wrong to say that the Group controls more than one third of the voting rights.

Question on the impact of the operation on embedded value and earnings per share

This transaction will enhance earnings per share by 2%. As for embedded value, it is true that the operation reduces embedded value in absolute terms because of the €800 million reduction in capital, but value per share will increase because of the reduction in the number of shares.

Question on taking over the subscription options awarded by FINAXA.

Existing FINAXA stock option plans have effectively been converted. The beneficiaries are Group executives and retired ones. There are still a bit less than 2 million options.

Question on the exchange ratio and AXA's share price.

The share price used for the embedded value comparison is AXA's. It was only possible to use this share price since more than 90% of FINAXA's assets consist of AXA shares. It is generally believed that, for a holding company which mainly owns shares in a listed company, the share price is not a representative figure. The independent directors arrived at the same conclusion.

Question on the distribution of shares owned by the public.

About 10% of the shares are owned by individual shareholders, with the rest being owned by institutional investors. About 40% are in France, 15% in the United Kingdom, 13% in the United States and the remainder in the rest of the world.

Question on the exchange ratio range proposed by AXA's independent directors.

The committee of independent AXA directors believed that an exchange ratio of 3.62 to 3.75 was fair. The committee thought that the ideal ratio was between 3.68 and 3.70. The committee of FINAXA directors recommended an exchange ratio of 3.75 to 3.85. There was only a single common point in these two ranges: 3.75. This was therefore the exchange ratio used.

Question on the outlook for dividends.

The dividend distribution policy remains unchanged: between 40% and 50% of adjusted earnings (underlying earnings and realised gains and losses).

Vote on resolutions

All resolutions proposed were adopted with the exception of resolution 10, which was not approved by the Board.

Full versions of presentations and discussions may be found on our website: www.axa.com.

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