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As filed with the Securities Commission on June 22, 2005

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 20-F

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
for the fiscal year ended December 31, 2004

Commission File Number: 1-14410

AXA
(Exact name of Registrant as specified in its charter)

N / A (Translation of Registrant's name into English)	The Republic of France (Jurisdiction of incorporation or organization)

25, avenue Matignon - 75008 Paris - France
(Address of registrant's principal executive offices)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class:	Name of each exchange on which registered:
Ordinary shares	New York Stock Exchange
American Depositary Shares (as evidenced by American Depositary Receipts), each representing one Ordinary Share	New York Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act: None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None

The number of outstanding shares of each of the issuer's classes of capital or common stock as of March 31, 2005 was: 1,909,548,432 Ordinary Shares of euro 2.29 nominal value per share, including 63,389,401 American Depositary Shares (as evidenced by American Depositary Receipts), each representing one Ordinary Share.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes [X] No [ ]

Indicate by check mark which financial statement item the registrant has elected to follow:

Item 17 [ ] Item 18 [X]

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Presentation of Information

This Annual Report on Form 20-F (referred to herein as the "annual report") has been filed with the United States Securities and Exchange Commission (referred to in this annual report as the "U.S. SEC" or "SEC").

In this annual report and unless provided otherwise, the "Company" refers to AXA SA, a société anonyme organized under the laws of France which is the publicly traded parent company of the AXA Group, and "AXA", "AXA Group" or "we" refers to the Company together its direct and indirect subsidiaries. The Company's ordinary shares are referred to in this annual report as "Shares", "ordinary shares", or "AXA ordinary shares". The principal trading market for the Company's ordinary shares is the Premier Marché (continu A) of the Euronext Paris S.A., which we refer to in this annual report as "Euronext Paris" or the "ParisBourse". The Company's American Depositary Shares and American Depositary Receipts are referred to in this annual report as "ADSs" and "ADRs", respectively.

The ADSs and ADRs are listed on the New York Stock Exchange (referred to in this annual report as "NYSE").

At the annual general meeting of shareholders of AXA held on May 9, 2001, the Company's shareholders approved a 4-for-1 stock split of its outstanding ordinary shares. Immediately following this stock split, which became effective on May 16, 2001, the ratio between the AXA ordinary share and the ADS was changed from one ADS representing one-half of an ordinary share to one ADS representing one ordinary share Unless otherwise indicated, all information contained in this annual report is on a post-stock split basis and reflects the corresponding ratio change between the ADS and ordinary share.

This annual report includes AXA's consolidated financial statements for the years ended December 31, 2004, 2003 and 2002 and as at December 31, 2004 and 2003. AXA's consolidated financial statements, including the notes thereto, are included in "Item 18 – Financial Statements" and have been prepared in accordance with accounting principles generally accepted in France, which we refer to in this annual report as "French GAAP". Unless noted otherwise, the financial information contained in this annual report is presented in accordance with French GAAP. French GAAP are based on requirements set forth in French law and in European regulations that are described in notes 1 and 2 to the consolidated financial statements. French GAAP differ significantly from accounting principles generally accepted in the United States of America, which we refer to in this annual report as "U.S. GAAP". See notes 33 and 34 to the consolidated financial statements for a description of the significant differences between French GAAP and U.S. GAAP, a reconciliation of net income and shareholders' equity from French GAAP to U.S. GAAP and additional U.S. GAAP disclosures.

Various amounts in this document are shown in millions for presentation purposes. Such amounts have been rounded and, accordingly, may not total. Rounding differences may also exist for percentages.

Exchange Rate Information

The Company publishes its consolidated financial statements in Euro ("Euro", "euro" or €). Unless noted otherwise, all amounts in this annual report are expressed in Euro. The currency of the United States will be referred to as "US dollars" or "US$" or "$". For historical exchange rate information, refer to "Item 3 – Key Information-Exchange Rate Information". For a discussion of the impact of foreign currency fluctuations on AXA's financial condition and results of operations, see "Item 5 – Operating and Financial Review and Prospects-Market Conditions in 2004".

Special Note Regarding Forward-Looking Statements

This annual report and other publicly available documents concerning AXA may include, and AXA's officers and representatives may from time to time make, statements which may constitute "forward looking statements" within the meaning of the U.S. Securities Litigation Reform Act of 1995. These statements are not historical facts but instead represent AXA's belief regarding future events many of which, by their nature, are inherently uncertain and outside of AXA's control.

These statements may address among other things, AXA's financial condition, results of operations and business, including its strategy for growth, product development, regulatory approvals, market position, embedded value and reserves. All statements other than statements of historical facts are, or may be deemed to be, forward-looking statements. Forward-looking statements are statements of future expectations that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements, including those discussed elsewhere in this annual report and in AXA's other public filings, press releases, oral presentations and discussions. Forward-looking statements include, among other things, discussions concerning the potential exposure of AXA to market risks, as well as statements expressing management's expectations, beliefs, estimates, forecasts, projections and assumptions Forward-looking statements in this annual report are identified by use of the following words and other similar expressions, among others:

– "anticipate"
– "believe"
– "outlook"
– "probably"
– "project"
– "risks"
– "seek"
– "should"
– "target"
– "would"
– "objectives"
– "could"
– "estimate"
– "expect"
– "goals"
– "intend"
– "may"
– "shall"

The following factors could affect the future results of operations of AXA and could cause those results to differ materially from those expressed in the forward-looking statements included in this annual report:

- the intensity of competition from other financial institutions;
- AXA's experience with regard to mortality and morbidity trends, lapse rates and policy renewal levels relating to its life & savings operations, which also include health products;
- the frequency, severity and development of property & casualty claims, including catastrophic events which are uncertain in nature, and policy renewal rates relating to AXA's property & casualty business;
- re-estimates of AXA's reserves for future policy benefits and claims;
- market risks related to (a) stock market prices, fluctuations in interest rates, and foreign currency exchange rates, (b) adverse changes in the economy in AXA's major markets and other adverse developments that may affect the value of AXA's investments and/or result in investment losses and default losses, (c) the use of derivatives and AXA's ability to hedge such exposures effectively, and (d) counterparty credit risk;
- AXA's ability to develop, distribute and administer competitive products and services in a timely, cost-effective manner and its ability to develop information technology and management information systems to support strategic goals while continuing to control costs and expenses;
- AXA's visibility in the market place, the financial and claims-paying ability ratings of its insurance subsidiaries, as well as AXA's credit rating and ability to access adequate financing to support its current and future business;
- the effect of changes in laws and regulations on AXA's businesses, including changes in tax laws affecting insurance (including annuity products) as well as operating income and changes in accounting and reporting practices;
- the costs of defending litigation, the risk of unanticipated material adverse outcomes in such litigation and AXA's exposure to other contingent liabilities;
- terrorist attacks, events of war and their respective consequences;
- adverse political developments around the world, particularly in the principal markets in which AXA and its subsidiaries operate;
- the performance of others on whom AXA relies for distribution, investment management, reinsurance and other services; and
- the effect of any pending or future mergers, acquisitions or disposals.

The above factors are in addition to those factors discussed elsewhere in this annual report including matters discussed under "Item 3 – Key Information – Risk Factors"; "Item 4 – Information on the Company"; "Item 5 –Operating and Financial Review and Prospects"; and "Item 11 – Quantitative and Qualitative Disclosures About Market Risk".

You should not place undue reliance on forward-looking statements. Each forward-looking statement speaks only as at the date of the particular statement. AXA undertakes no obligation to (and expressly disclaims any such obligations to) update publicly or revise any forward-looking statement as a result of new information, future events or otherwise In light of these risks, AXA's results could differ materially from the forward-looking statements contained in this annual report.

PART I

Item 1: Identity of Directors, Senior Management and Advisors

Not applicable

Item 2: Offer Statistics and Expected Timetable

Not applicable

Item 3: Key Information

Selected Consolidated Financial Data

The selected historical consolidated financial data presented below have been derived from AXA's consolidated financial statements and related notes for the years ended December 31, 2004, 2003, 2002, 2001, and 2000. The historical data set out below is only a summary. You should read it in conjunction with the consolidated financial statements and related notes for the years ended December 31, 2004, 2003, and 2002 (for statement of income) and as of December 31, 2004 and 2003 (for balance sheet) included elsewhere in this Annual Report.

AXA's consolidated financial statements have been prepared in accordance with French GAAP. At January 1, 2001, new French Regulations became effective in respect of consolidated financial statements prepared by French insurance companies and groups (Regulation No. 2000-05 of the *"Comité de la Réglementation Comptable"*). Most of the accounting policies set forth in the new French Regulations were already in effect at AXA and, therefore, the adoption had limited impact to the consolidated operating results and financial position of AXA. The after-tax cumulative effect of the changes in French accounting principles was a charge of €593 million against consolidated shareholders' equity at January 1, 2001, or a decrease of 2% In addition, the new French Regulations prescribed certain presentational changes. Consequently, certain financial data under French GAAP presented in the tables below as of and for the year ended December 31, 2000 have been restated unless otherwise indicated. The French GAAP accounting policies arising from the adoption of the new French Regulations are described in notes 1 and 2 to the consolidated financial statements included elsewhere in this Annual Report.

French GAAP differs in certain material respects from U.S. GAAP. For a description of the material differences between French GAAP and U.S. GAAP relevant to AXA, please see "Item 5 – Operating and Financial Review and Prospects – Other Matters – Reconciliation of French GAAP to U.S. GAAP" and notes 33 and 34 to the consolidated financial statements included as Item 18 in this Annual Report.

AXA Insurance Holding in Japan and its subsidiaries use a financial year-end of September 30 and are consolidated as of and for the year ended September 30 in AXA's consolidated financial statements.

(in millions, except per ordinary share amounts)

	Years ended December 31,					
	2004 (US $) [f]	2004 (€)	2003 (€)	2002 (€)	2001 [h] (€)	2000 [g] (€)
Income Statement Data:						
In accordance with French GAAP:						
Gross premiums and financial services revenues	97,696	72,164	71,628	74,727	74,832	79,971
Net investment result[a]	34,606	25,562	26,935	(8,713)	(1,244)	14,811
Total revenues	132,365	97,773	98,883	65,632	73,233	94,342
Income before income tax expense[i]	6,995	5,167	2,587	2,597	1,721	9,176
Income tax expense	(1,857)	(1,372)	(536)	(426)	(45)	(2,773)
Minority interests	(435)	(243)	(368)	(321)	(385)	(2,124)
Equity in income (loss) from affiliated entities	102	76	41	23	17	(23)
Net income[i]	3,411	2,519	1,005	949	520	3,904
Net income per ordinary share and per ADS:[b] [d] [j]						
– basic (adjusted)	1.85	1.37	0.56	0.54	0.30	2.53
– basic (as published)			0.57	0.55	0.30	2.57
– diluted (adjusted)	1.78	1.32	0.55	0.54	0.31	2.40
– diluted (as published)			0.56	0.55	0.32	2.44
In accordance with U.S. GAAP:						
Gross premiums, net of reinsurance[c]	48,120	35,544	35,574	38,845	40,099	35,538
Income from continuing operations (before tax)	6,605	4,879	5,203	(1,125)	876	1,478
Income from continuing operations (after tax and minority interest)	4,380	3,235	3,673	(2,588)	356	951
Income from discontinued operations (net of tax)[i]	–	–	–	–	–	192
Gain on sale of discontinued operation (net of tax)[i]	–	–	–	–	–	2,105
Net income	4,380	3,235	3,673	(2,588)	356	3,248
Net income per ordinary share:[b] [d] [j]						
Basic						
Income from continuing operations (after tax and minority interest)	2.42	1.79	2.12	(1.52)	0.21	0.63
Net income	2.42	1.79	2.12	(1.52)	0.21	2.16
Diluted						
Income from continuing operations (after tax and minority interest)	2.34	1.73	2.06	(1.52)	0.21	0.62
Net income	2.34	1.73	2.06	(1.52)	0.21	2.10
Other data (non-GAAP):						
Number of ordinary shares outstanding		1,908.4	1,778.1	1,762.2	1,734.2	1,664.9
Net dividend distribution (in currency millions)[e]	1,576	1,164	676	599	971	926

(in millions, except per ordinary share amounts)

	Years ended December 31,					
	2004 (US $) (f)	2004 (€)	2003 (€)	2002 (€)	2001 (€)	2000 (€)
Balance Sheet Data:						
In accordance with French GAAP:						
Total assets	651,125	480,961	449,233	444,657	485,599	486,513
Shareholders' equity	35,412	26,157	23,401	23,711	24,780	24,322
Shareholders' equity per ordinary share (b) (d)	18.6	13.7	13.2	13.5	14.3	14.6
In accordance with U.S. GAAP:						
Total assets (i)	681,747	503,581	459,346	450,707	493,065	499,161
Shareholders' equity	41,197	30,431	24,918	23,857	29,340	31,561
Shareholders' equity per ordinary share (b) (d)	21.8	16.1	14.0	13.8	17.2	19.2

(a) *Includes investment income net of investment expenses and interest expense on short-term and long-term debt (other than interest expense relating to bank operating expenses of AXA's other financial services operations), net realized investment gains and losses and net unrealized investment gains and losses on assets with financial risk borne by the policyholders (unit-linked) and on trading securities, including assets supporting the UK "With-Profit" business.*

(b) *Under both French GAAP and U.S. GAAP (i) the calculation of net income per ordinary share is based on the weighted average number of ordinary shares outstanding for each period presented and (ii) shareholders' equity per ordinary share is calculated based on the actual number of ordinary shares outstanding at each period-end presented. The U.S. GAAP calculations deduct ordinary shares held by AXA and its subsidiaries (that is, treasury shares) in the calculation of weighted average number of ordinary shares outstanding (for net income per ordinary share) and ordinary shares outstanding (for shareholders' equity per ordinary share). The calculation of basic and diluted net income per ordinary share for each of the three years ended December 31, 2004 is presented in note 24 "Net Income per Ordinary Share" to AXA's consolidated financial statements.*

(c) *Gross premiums received from policyholders in respect of Life & Savings products classified as "universal life" or "investment contracts", such as separate account (unit-linked) products, under U.S. GAAP, are recorded as revenue under French GAAP. Under U.S. GAAP, such amounts received are recorded as deposits, and only the policy-related fees charged to the policyholders for cost of insurance, administration, investment management, etc, are recorded as revenue.*

(d) *Year 2000 financial data were restated to reflect the 4-for-1 stock split of AXA's outstanding ordinary shares whereby the ratio between the AXA ordinary share and the ADS was changed from one AXA ADS representing one-half of an AXA ordinary share to one AXA ADS representing one AXA ordinary share, effective on May 16, 2001.*

(e) *An annual dividend generally is paid each year in respect of the prior year after the annual ordinary general meeting of shareholders (customarily held in May or June) and before September of that year. Dividends are presented above in the year to which they relate not the year in which they are declared and paid. At the annual general meeting of shareholders of AXA held on April 20, 2005, the shareholders approved the declaration of a dividend in respect of 2004 of €0.61 per ordinary share. Dividends per ordinary share do not include any French avoir fiscal (or tax credit) which may be receivable from the French Treasury. In general, dividends per ordinary share are based on the number of ordinary shares outstanding at the end of the year for each year presented.*

(f) *The financial data have been translated from Euro to U.S. dollars using the Euro Noon Buying Rate at December 31, 2004 of €1.00 = US$1.3538 (see "Exchange rate information"). These translations are solely for the convenience of the reader and should not be construed as representations that the converted amounts actually represent such U.S. dollar amounts or could have been (at the relevant date) converted into U.S. dollars at the rate indicated or at any other rate.*

(g) *As a result of the sale of DLJ in 2000 and in accordance with U.S. GAAP accounting treatment and presentation of discontinued operations, the income statement data in accordance with U.S. GAAP for 2000 have been restated in respect of "total revenues" and "net income" from continuing operations. In respect of the balance sheet data in accordance with U.S. GAAP, "Total assets" data have been restated to include net assets of DLJ discontinued operations (which is reported as a single line item under total assets).*

(h) *In 2001, "Income before income tax expense" excludes the amortization of goodwill, whereas in prior periods, it included the amortization of goodwill. Consequently, prior periods have been restated accordingly.*

(i) *Financial data have been restated for the accounting for other-than-temporary decline in value for securities. See Note 33 to the consolidated financial statements for further information.*

(j) *Following any significant capital increase with a stock price lower than the market price, such as ORAN conversion in July 2004, French GAAP require that average number of shares and consequently EPS over each period be restated to take into account an adjustment to neutralize this event which is similar to a free distribution of shares. This adjustment is not applicable under U.S. GAAP.*

Exchange rate information

The year-end and average exchange rates used in the preparation of the consolidated financial statements, to translate into Euro the results of operations of its principal subsidiaries and affiliates that are not denominated in euro, are set out in the table below.

	Year End Exchange Rate			Average Exchange Rate		
	2004 (€)	2003 (€)	2002 (€)	2004 (€)	2003 (€)	2002 (€)
U.S. Dollar	0.73	0.79	0.95	0.80	0.88	1.06
Japanese Yen [a] (x100)	0.73	0.77	0.84	0.76	0.77	0.87
British Pound	1.42	1.42	1.54	1.47	1.45	1.59

(a) The exchange rates presented correspond to the year-end exchange rate and average exchange rate for a September 30 financial year.

Information on euro noon buying rates

The following table sets forth, for the periods and dates indicated, certain information concerning the Noon Buying Rate of one Euro to U.S. dollars in New York City for cable transfers as certified for customs purposes by the Federal Reserve Bank of New York, which we refer to in this Annual Report as the "Euro Noon Buying Rate". The Euro Noon Buying Rates presented below are for your convenience and are not used by AXA to prepare AXA's consolidated financial statements included elsewhere in this Annual Report.

Calendar period	U.S. dollar per euro Average rate [a]
2000	0.9207
2001	0.8909
2002	0.9495
2003	1.1411
2004	1.2478
2005 (through May 31, 2005)	1.2912

(a) The average of the Noon Buying Rates on the last business day of each full month during the relevant period.

The table below sets forth the high and low Euro Noon Buying Rates for the most recent six months through to May 2005.

Month	U.S. dollar per euro	
	High	Low
December 2004	1.3625	1.3224
January 2005	1.3476	1.2954
February 2005	1.3274	1.2773
March 2005	1.3465	1.2877
April 2005	1.3093	1.2819
May 2005	1.2936	1.2517

The Euro Noon Buying Rate on December 31, 2004 was €1.00 = US$ 1.3538.

Dividends

AXA pays dividends in Euro. Future dividends will depend on AXA's earnings, financial condition and other factors. Proposals for dividend payments are made by the Management Board, subject to approval by the Supervisory Board and final approval by AXA's shareholders at the ordinary annual general meeting of shareholders. Dividends paid to holders of ordinary shares and ADSs will generally be subject to French withholding tax at a rate of 25% which, subject to certain procedures and exceptions, may be reduced to 15% for holders who are residents of the United States. Certain holders of ordinary shares and ADSs were entitled to receive a subsequent payment equal to the French avoir fiscal (or tax credit) in an amount equal to 50% of any dividends paid by the Company, less applicable French withholding tax. This French avoir fiscal regulation ended in 2004. The following table sets forth the total dividends paid per ordinary share with respect to each year indicated, with or without the French avoir fiscal, and before deduction of any French withholding tax. Dividends paid in each year are in respect of the prior year's results.

Year	Net dividend per ordinary share (euros)	Gross dividend per ordinary share [(a)] (euros)
2000 [(b)] [(c)]	0.55	0.825
2001 [(c)]	0.56	0.84
2002 [(d)]	0.34	0.51
2003 [(e)]	0.38	0.57
2004 [(f)]	0.61	–

(a) *Payment equivalent to the French avoir fiscal or tax credit, less applicable French withholding tax, will be made only following receipt of a claim for such payment, and, in any event, not until after the close of the calendar year in which the respective dividends are paid. Certain US tax exempt holders of ordinary shares or ADSs will not be entitled to full payments of avoir fiscal. The French avoir fiscal regulation ended in 2004.*

(b) *Restated to take account of the 4-for-1 stock split approved by the shareholders at the annual general meeting of shareholders held on May 9, 2001.*

(c) *In 2000, dividends per ordinary share were based on the number of AXA ordinary shares outstanding at December 31, 2000 and also included the 4.9 million ordinary shares issued to the remaining minority interests in AXA Financial, Inc. following the completion of the merger of AXA Merger Corp. with and into AXA Financial, Inc. on January 2, 2001.*

(d) *At the annual general meeting of shareholders of AXA held on April 30, 2003, the shareholders approved the declaration of a dividend in respect of 2002 of €0.34 per ordinary share, or €599 million in the aggregate based on the number of AXA ordinary shares outstanding at December 31, 2002.*

(e) *At the annual general meeting of shareholders of AXA held on April 21, 2004, the shareholders approved the declaration of a dividend in respect of 2003 of €0.38 per ordinary share, or €676 million in the aggregate based on the number of AXA ordinary shares outstanding at December 31, 2003.*

(f) *At the annual general meeting of shareholders of AXA held on April 20, 2005, the shareholders approved the declaration of a dividend in respect of 2004 of €0.61 per ordinary share, or €1,164 million in the aggregate based on the number of AXA ordinary shares outstanding at December 31, 2004. This dividend will give rise to a 50% tax credit for individuals whose fiscal residence is in France as of January 1, 2005, equal to 0.305 per share.*

Following the 4-for-1 stock split approved at the annual general meeting held on May 9, 2001, one AXA ordinary share is equivalent to one AXA ADS and, therefore, dividend per ordinary share is equivalent to dividend per ADS information.

For information on AXA's dividend policy, see "Item 8 - Financial Information" and "Item 10 - Additional Information - Dividends".

Risk Factors

Risks relating to the financial markets

A decline or increased volatility in the securities markets may adversely affect our business and profitability

Fluctuations in the securities markets may adversely affect sales of our participating life insurance and pension products, mutual funds, asset management services and products with financial risk borne by the policyholders (unit linked), including variable annuity products and variable life products. In particular, protracted or steep declines in the stock or bond markets typically reduce the popularity of these products.

The level of volatility in the financial markets in which we invest and the overall investment returns earned in those markets substantially affect our profitability. Our investment returns, and thus our profitability, may be adversely affected from time to time by conditions affecting our specific investments and, more generally, by stock market, real estate market and other market fluctuations. Our ability to make a profit on insurance products and investment products, including fixed and guaranteed products, depends in part on the returns on investments supporting our obligations under these products and the value of specific investments may fluctuate substantially depending on the foregoing conditions. Certain types of insurance, reinsurance and investment products that we offer may expose us, in particular, to risks associated with fluctuations in financial markets, including interest sensitive or variable products such as guaranteed annuities or variable annuities which have crediting or other guaranteed rates or minimum benefits not necessarily related to prevailing market interest rates or investment returns on underlying assets.

In addition, the growth of our asset management business depends to a significant extent on factors such as investment returns and risk management. Poor performance in the financial markets, in general, may adversely impact the value of the assets we manage, as well as our ability to accumulate and retain those assets because clients may withdraw assets under management under these circumstances. These trends may, in turn, adversely impact the revenues and profits that we earn from management of those assets.

Losses due to defaults by others and impairment of our investment assets could negatively affect the value of our investments and reduce our profitability

Third parties that owe us money, securities or other assets may not pay or perform under their obligations. These parties include the issuers whose securities we hold in our investment portfolios, borrowers under the mortgage loans we make, customers, trading counterparties, counterparties under swap and other derivative contracts, clearing agents, exchanges, clearing houses and other financial intermediaries. These parties may default on their obligations to us due to bankruptcy, lack of liquidity, downturns in the economy or real estate values, operational failure or other reasons. Negative trends and investment climates in our major markets may result in an increase in investment impairments on our investment assets due to defaults, credit downgrades and overall declines in securities markets.

The default of a major market participant could disrupt the securities markets or clearance and settlement systems in our major markets, which could in turn cause market declines or volatility. A failure of a major market participant could also cause some clearance and settlement systems to assess members of that system or could lead to a chain of defaults that could adversely affect us. For risks relating to defaults by reinsurers and retrocessionaires to which we have ceded risks, see "Risks relating to the nature of our business and the environment in which we operate – Reinsurance may not be adequate to protect us against losses and we may incur losses due to the inability of our reinsurers to meet their obligations."

Interest rate volatility may adversely affect our profitability

During periods of declining interest rates, life insurance and annuity products may be relatively more attractive to consumers, resulting in increased premium payments on products with flexible premium features, and a higher percentage of insurance policies remaining in force from year-to-year. During a low interest rate period, such as the current environment, our investment earnings may be lower because the interest earnings on our fixed income investments will likely have declined in parallel with market interest rates. In addition, mortgages and fixed maturities in our investment portfolios will be more likely to be prepaid or redeemed as borrowers seek to borrow at lower interest rates. Consequently, we may be required to reinvest the proceeds in securities bearing lower interest rates. Accordingly, during periods of declining interest rates, our profitability may suffer as the result of a decrease in the spread between interest rates credited to policyholders and returns on our investment portfolio.

Conversely, in periods of increasing interest rates, surrenders of life insurance policies and fixed annuity contracts may increase as policyholders choose to forego insurance protection and seek higher investment returns. Obtaining cash to satisfy these obligations may require us to liquidate fixed maturity investments at a time when the market prices for those assets are depressed because interest rates have increased. This may result in realized investment losses. Regardless of whether we realize an investment loss, these cash payments would result in a decrease in total invested assets, and may decrease our net income. Premature withdrawals may also cause us to accelerate amortization of policy acquisition costs, which would also reduce our net income.

The profitability of our spread-based businesses depends in large part upon our ability to manage interest rate spreads, and the credit and other risks inherent in our investment portfolio. For example, in Japan the movements in rates over the last decade have had a significant impact on many Japanese life insurers, including our Japanese life insurance subsidiaries, which issued long-term policies and contracts with guaranteed fixed rates during periods of significantly higher interest rates but now operate (and invest their assets) in Japan's low interest rate deflationary environment which has resulted in "negative spread" on certain of these guaranteed rate policies and contracts.

While we monitor and manage risks of this nature carefully, we cannot guaranty that we will successfully manage our interest rate spreads or the potential negative impact of those risks.

Fluctuations in currency exchange rates may affect our reported earnings

AXA publishes its consolidated financial statements in Euro. For the year ended December 31, 2004, approximately 49% of AXA's gross premiums and financial services revenues and 54% of AXA's benefits, claims and other deductions were denominated in currencies other than the Euro, primarily U.S. dollars, pounds sterling, Japanese yen and Australian dollars (2003: 51% and 58%, respectively).

AXA's obligations are denominated either in Euro or other currencies, the value of which is subject to foreign currency exchange rate fluctuations. Approximately €121 million of the cash dividends received by the Company in 2004 were paid in currencies other than the Euro (2003: €250 million). In 2004, approximately €191 million and

€437 million of interest payments in currencies other than the Euro were made by the Company and AXA, respectively (2003: €161 million and €451 million, respectively).

While AXA seeks to manage its exposure to foreign currency fluctuations through hedging, fluctuations in the exchange rates used to translate these currencies into Euro may have a significant impact on AXA's reported results of operations and on cash flows available to the Company from year to year.

Risks relating to the nature of our business and the environment in which we operate

If our established reserves for our Property & Casualty and International insurance businesses are insufficient our earnings will be adversely affected

In accordance with industry practice and accounting and regulatory requirements, we establish reserves for claims and claims expenses related to our Property & Casualty and international insurance businesses. These reserves are not discounted unless final settlement has been agreed and the payments are generally fixed over a period of time. Reserves do not represent an exact calculation of liability, but instead represent estimates, generally using actuarial projection techniques at a given accounting date. These reserve estimates are expectations of what the ultimate settlement and administration of claims will cost based on our assessment of facts and circumstances then known, review of historical settlement patterns, estimates of trends in claims severity, frequency, legal theories of liability and other factors. The process of estimating the insurance claims reserves is based on information available at the time the reserves are originally established. However, claims reserves are subject to change due to the number of variables which affect the ultimate cost of claims, such as:

- development in claims (frequency, severity and pattern of claims) between the amount estimated and actual experience;
- changes arising due to the time lag between the occurrence of the insured event, notification of the claim (from the insured party, a third party or a ceding company) and the final settlement (payment) of the claim, primarily attributable to long tail casualty claims that may take several years to settle due to the size and nature of the claim, and the occurrence of large natural catastrophes late in the financial year for which limited information may be available at year end;
- judicial trends;
- expenses incurred in resolving claims;
- regulatory and legislative changes;
- changes in economic condition, including inflation and foreign currency fluctuations; and
- changes in costs of repairs and medical costs.

Many of these items are not directly quantifiable, particularly on a prospective basis. As a result, actual losses may deviate from the original gross reserves established. Consequently, the reserve may be re-estimated reflecting those changes resulting in loss reserve redundancies (in cases where the original gross claims reserve was overstated) or deficiencies (in cases where the original gross claims reserve was understated). Adjustments to reserves are reflected in the results of the periods in which the estimates are changed. In addition, certain of our Property & Casualty operations are required by local regulations in the countries in which they operate to establish catastrophe risk equalization reserves characterized by high costs and low frequency.

We continually review the adequacy of the established claims reserves, including emerging claims development, and actual claims compared to the original assumptions used to estimate initial gross claims reserves. Based on current information available, we believe that our claims reserves are sufficient. However, because the establishment of claims reserves is an inherently uncertain process involving estimates, we cannot assure you that ultimate losses will not materially exceed our claims reserves and have a material adverse effect on our earnings.

For example, there is a high degree of uncertainty with respect to future exposure from asbestos claims because of significant issues surrounding the liabilities of insurers, diverging legal interpretations and judgments in different jurisdictions and more aggressive asbestos related litigation, particularly in the U.S. These uncertainties include the extent of coverage under insurance policies, whether or not particular claims are subject to an aggregate limit, the number of occurrences involved in particular claims and new theories of insured and insurer liability. We have established reserves for insurance and reinsurance contracts related to environmental pollution and asbestos at December 31, 2004, which represent our best estimate of ultimate claims exposure at December 31, 2004 based on known facts and current law. However, given uncertainties surrounding asbestos related claims, we cannot assure you that ultimate losses will not materially exceed our claims reserves and have a material adverse effect on our earnings. For additional information, see "Environmental Pollution, Asbestos and other Exposures" in note 15 to AXA's consolidated financial statements included in Item 18 of this Annual Report.

The claims experience on our Life and Savings businesses could be inconsistent with the assumptions we use to price our products and establish our reserves and adversely affect our earnings

In our Life & Savings businesses our earnings also depend significantly upon the extent to which our actual claims experience is consistent with the assumptions we use in setting the prices for our products and establishing the liabilities for obligations for technical provisions and claims. AXA uses both its own experience and industry data to develop estimates of future policy benefits including information used in pricing the insurance products and establishing the related actuarial liabilities. However, there can be no assurance that actual experience will match these estimates. To the extent that our actual benefits paid to policyholders is less favorable than the underlying assumptions used in initially establishing the future policy benefit reserves, or events or trends cause us to change the underlying assumptions, we may be required to increase our liabilities, which may reduce our net income. For example, certain variable annuity products issued or reinsured by certain of our subsidiaries contain guaranteed minimum death benefit ("GMDB") and guaranteed minimum income benefit ("GMIB") features. The determination of GMDB and GMIB liabilities is based on models which involve numerous estimates and subjective judgments, including those regarding expected market rates of return and volatility, GMIB election rates, contract surrender rates and mortality experience. Determination of liabilities for our other lines of Life & Savings business, such as our annuity business, as well as our disability income business, also involve numerous assumptions and subjective judgments as to mortality and morbidity experience, investment returns, expenses, policy surrender rates, policy lapse rates, and other matters. There can be no assurance that ultimate actual experience on these products will not differ, upwards or downwards, from management's estimates. In addition, certain acquisition costs related to the sale of new policies and the purchase of policies already in force have been recorded as assets on our balance sheet and are being amortized into income over time. If the assumptions relating to various factors including the future profitability of these policies (such as future claims, investment income and expenses) and policy lapses and surrenders are not realized, the amortization of these costs could be accelerated and may even require write-offs due to unrecoverability. These factors could have a material adverse effect on our business, results of operations and financial condition.

Our financial results may be materially adversely affected by the occurrence of catastrophes

As with other Property & Casualty insurers and reinsurers, our operating results and financial condition can be adversely affected by volatile and unpredictable natural and man-made disasters, such as hurricanes, windstorms, earthquakes, riots, fires and explosions. Over the past several years, changing weather patterns and climatic conditions, such as global warming, have added to the unpredictability and frequency of natural disasters in certain parts of the world and created additional uncertainty as to future trends and exposures. We generally seek to reduce our exposure to these events through individual risk selection, monitoring risk accumulation and purchase of reinsurance. We have experienced in the past, and could experience in the future, material losses from such disasters and catastrophic events, which could have a material adverse effect on our financial position and results of operations.

A downgrade in the claims paying and financial strength ratings of AXA could adversely impact our business and results of operations

Claims paying and financial strength ratings have become an increasingly important factor in establishing the competitive position of insurance companies. The ratings held by AXA and its principal insurance subsidiaries are set forth in Item 4 – Ratings of this Annual Report. Rating agencies review their ratings periodically and our current ratings may not be maintained in the future. A downgrade in these ratings could adversely affect our business and results of operations including through a reduction in the number of new insurance policies that we write and/or an increase in surrender or termination of policies already in-force. A downgrade in our rating may also adversely affect our cost of raising capital.

Reinsurance may not be adequate to protect us against losses and we may incur losses due to the inability of our reinsurers to meet their obligations

In the normal course of business, AXA seeks to reduce the loss that may arise from catastrophes or other events that cause unfavorable underwriting results through reinsurance. Under the reinsurance arrangements, other insurers assume a portion of the losses and related expenses; however, we remain liable as the direct insurer on all risks reinsured. Consequently, ceded reinsurance arrangements do not eliminate our obligation to pay claims and we are subject to our reinsurers' credit risk with respect to our ability to recover amounts due from them. Although we evaluate periodically the financial condition of our reinsurers to minimize our exposure to significant losses from reinsurer insolvencies, our reinsurers may become financially unsound by the time their financial obligation becomes due. The inability of any reinsurer to meet its financial obligations to us could negatively impact our results of operations.

In addition, the availability, amount and cost of reinsurance depends on general market conditions and may vary significantly. Reinsurance may not be available to us in the future at commercially reasonable rates and any decrease in the amount of our reinsurance will increase our risk of loss.

Elimination of tax benefits for our products and other changes in laws and regulations may adversely affect sales of our insurance and investment advisory products

Changes to tax laws may affect the attractiveness of certain of our products, which currently have favorable tax treatment. From time to time, governments in the jurisdictions in which we do business, including in France and the United States, have considered or implemented proposals for tax law changes that could adversely affect our products. These proposals have included, for example, proposals to tax the undistributed increase in value of life insurance policies or similar proposals that affect the tax-favored status of life insurance products in certain jurisdictions. In addition, legislation enacted in the United States in the spring of 2001 increased the size of estates exempt from the federal estate tax, phasing in reductions in the estate tax rate between 2002 and 2009 and repealing the estate tax entirely in 2010. Under the legislation, however, the estate tax will be reinstated, without the increased exemption or reduced rate, in 2011 and thereafter. This legislation, and possible future changes to it such as extending or making permanent such repeal, could have a negative impact on the sales of estate planning products by U.S. life insurance companies including our U.S. subsidiaries. The enactment of these or other types of or other tax legislation in the various countries where we operate including proposals in the U.S. to create or favor alternative tax-favored long term savings vehicles, could result in a significant reduction in sales of our currently tax-favored products.

The Property & Casualty insurance business is cyclical, which may impact our results

The Property & Casualty insurance business is cyclical. Although no two cycles are the same, these cycles have typically lasted for periods ranging from two to six years. Periods of intense price competition due to excessive underwriting capacity, periods when shortages of underwriting capacity permit more favorable rate levels, consequent fluctuations in underwriting results and the occurrence of other losses characterize the conditions in these markets. Historically, Property & Casualty insurers have experienced significant fluctuations in operating results due to volatile and sometimes unpredictable developments, many of which are beyond the direct control of the insurer, including competition, frequency of occurrence or severity of catastrophic events, levels of capacity, general economic conditions and other factors. This may cause a decline in revenues at times in the cycle if we choose not to reduce our Property & Casualty product prices in order to maintain our market position because of the adverse effect on profitability of such a price reduction. We can be expected therefore to experience the effects of such cyclicality and changes in customer expectations of appropriate premium levels, the frequency or severity of claims or other loss events, or other factors affecting the Property & Casualty insurance business on the segments on which we operate that, generally, could have an adverse effect on our results of operations and financial condition.

Our business is subject to extensive regulation in the various countries where we operate and changes in existing, or new, government regulations in these countries may have an adverse effect on our business, financial conditions or results of operations

We are subject to detailed and comprehensive regulation and supervision in all the jurisdictions in which we transact business. Our insurance operations are subject to insurance laws and regulations, which are generally intended to protect policyholders, not our shareholders. Changes in existing insurance laws and regulations may materially affect the way in which we conduct our business and the products we may offer. In addition, changes in pension and employee benefit regulation, social security regulation, financial services regulation, taxation and the regulation of securities products and transactions may also adversely affect our ability to sell new policies or our claims exposure on existing policies. Our asset management operations are also subject to extensive regulation in the various jurisdictions where they operate. These regulations are primarily intended to protect investors in the securities markets or investment advisory clients and generally grant supervisory authorities broad administrative powers. Changes to these laws and regulations may adversely affect our asset management operations. We are also subject to increasing regulations at the consolidated Group level under various laws and regulations such as capital adequacy, intra-group transactions, "double-gearing" of capital at both the holding company and operating company levels.

We are faced with significant compliance challenges due to the fact that our regulatory environment is evolving rapidly and our supervisory authorities are assuming an increasingly active role in interpreting and enforcing regulations. We have been and may become in the future subject to regulatory investigations which, together with the civil actions often following these investigations, may affect our image, brand, relations with regulators and/or results of operations.

For a discussion of regulations which affect our business, please see Item 4 "Information on the Company –Additional Factors which may affect AXA's Business." We cannot predict with any certainty the effect that any change in applicable laws or regulations or in their interpretation or enforcement, or any enactment of future regulation may have on the business, financial condition or results of operations of our various businesses whether by restructuring these activities, imposing increased costs or otherwise.

Certain business practices of the insurance industry have become the subject of regulatory investigations which have resulted in negative publicity and may have a material adverse impact on the industry and us

Recently, the insurance industry has been the subject of litigation, investigations and regulatory activity by various insurance, governmental and enforcement authorities concerning practices within the insurance industry. These practices include the payment of contingent commissions by insurance companies to insurance brokers and agents and the extent to which such compensation has been disclosed, the solicitation and provision of fictitious or inflated quotes, the use of inducements to brokers or companies in the sale of group insurance products, and the accounting treatment of finite reinsurance or other non-traditional or loss-mitigation insurance products. AXA Re has received subpoenas, inquiries and requests for documents and other information from the SEC, New York Attorney General, Federal Bureau of Investigations / Department of Justice and various other U.S. regulators and law enforcement authorities seeking information relating to (i) specific reinsurance transactions with MBIA concerning the 1998 bankruptcy of Allegheny Health, Education and Research Foundation, and (ii) the purchase and/or sale of non-traditional products (including finite reinsurance) by AXA Re and its affiliates. Certain of the Company's other subsidiaries with operations in the United States have also received subpoenas, inquiries and requests for documents or other information, principally focussed on purchases and/or sales of non-traditional products (including finite reinsurance), in connection with these on-going investigations. We cannot predict at this time the effect that current litigation, investigations and regulatory activity, will have on the insurance industry or our business. It is possible that we may become subject to investigations or have lawsuits filed against us in connection with these matters which may adversely affect our image, sales, earnings or financial condition.

We are involved in various legal proceedings and regulatory investigations and examinations and may be involved in more in the future, any one or combination of which could have a material adverse effect on our financial condition and results of operations

We have been named as defendants in lawsuits (both class action and individual), are subject to regulatory investigations or examinations and/or are involved in similar actions or proceedings arising in the various jurisdictions where they do business. These actions arise in various contexts including in connection with our activities as an insurer, securities issuer, employer, investment advisor, investor and taxpayer. Certain of these lawsuits and investigations seek significant or unspecified amounts of damages, including punitive damages, and certain of the regulatory authorities involved in these investigations have very substantial powers over the conduct and operations of our business.

Due to the nature of certain of these lawsuits and investigations, we cannot make an estimate of loss or predict with any certainty the potential impact of these suits or investigations on our business, financial condition or results of operations. Please see Item 18, Note 28 – "Litigation" and Item 4 "Information on the Company –Additional Factors which may affect AXA's Business" of this Annual Report for additional information on these matters.

We face increased competition in all of our business lines including in the global financial services industry as a result of continuing consolidation

We face strong and increasing competition in all our business lines. Our competitors include mutual funds companies, asset management firms, commercial banks and other insurance companies, many of which are regulated differently than we are and offer alternative products or more competitive pricing than we do. The recent consolidation in the global financial services industry has also enhanced the competitive position of some of our competitors by broadening the range of their products and services, and increasing their distribution channels and their access to capital. In addition, development of alternative distribution channels for certain types of insurance and securities products, including through the internet, may result in increasing competition as well as pressure on margins for certain types of products. These competitive pressures could result in increased pricing pressures on a number of our products and services, particularly as competitors seek to win market share, and may harm our ability to maintain or increase our profitability.

Increased geopolitical risks following the terrorist attacks on the United States and any future terrorist attacks may have a continuing negative impact on certain of our businesses

We cannot assess with any degree of certainty the future effects on our businesses of terrorist attacks that have occurred and may occur in the future throughout the world and other responsive actions, including war.

The terrorist attacks and responsive actions in recent years have significantly adversely affected general economic, financial market and political conditions, increasing many of the risks in our businesses noted in the previous risk factors. This may have a negative effect on our businesses and results of operations over time. Our general account investment portfolios include investments in industries that we believe may be adversely affected by the terrorist attacks and responsive actions, including airlines, lodging and entertainment companies and non-life insurance companies. The effect of these events on the valuation of these investments is uncertain and could lead to impairments due to other-than-temporary declines in the value of investments. The cost, and possibly, the availability, in the future of reinsurance covering terrorist attacks for our various insurance operations is uncertain. In addition, the rating agencies could reexamine the ratings affecting the insurance industry generally, including our companies.

As a global business, we are exposed to different local political, regulatory, economic conditions, business risks and challenges which may affect the demand for our products and services, the value of our investments portfolio and the credit quality of local counterparties

We offer our products and services in Europe, North America, the Asia/Pacific zone, the Middle East and Africa through wholly-owned and majority-owned subsidiaries, joint ventures, companies in which we hold a noncontrolling equity stake, agents and independent contractors. Our international operations expose us to different local political, regulatory, business and financial risks and challenges which may affect the demand for our products and services, the value of our investment portfolio, the required levels of our capital and surplus, and the credit quality of local counterparties. These risks include, for example, political, social or economic instability in countries in which we operate, fluctuations in foreign currency exchange rates, credit risks of our local borrowers and counterparties, lack of local business experience in certain markets, risks associated with the exposure to insurance industry insolvencies through policyholder guarantee funds or similar mechanisms set up in foreign markets and, in certain cases, risks associated with the potential incompatibility with foreign partners, especially in countries in which we are conducting business through entities we do not control.

Our expansion in emerging markets requires us to respond to rapid changes in market conditions in these countries. Our overall success as a global business depends, in part, upon our ability to succeed in differing economic, social and political conditions. We may not continue to succeed in developing and implementing policies and strategies that are effective in each location where we do business.

Finally, our results of operations and financial condition may be materially affected from time to time by the general economic conditions such as the levels of employment, consumer lending or inflation, in the countries in which we operate.

Inadequate or failed processes or systems, human factors or external events may adversely affect our profitability, reputation or operational effectiveness

Operational risk is inherent in our business and can manifest itself in various ways including business interruption, poor vendor performance, information systems malfunctions or failures, regulatory breaches, human errors, employee misconduct, and/or external fraud. These events can potentially result in financial loss, harm to our reputation and/or hinder our operational effectiveness. Management attempts to control these risks and keep operational risk at appropriate levels by maintaining a sound and well controlled environment in light of the characteristics of our business, the markets and regulatory environment in which we operate. Notwithstanding these control measures, operation risk is part of the business environment in which we operate and we may incur losses from time to time due to these types or risks.

Other risks relating to our operations

As a holding company, we are dependent upon our subsidiaries to cover our operating expenses and dividend payments

Our insurance and financial services operations are generally conducted through direct and indirect subsidiaries. As a holding company, our principal sources of funds are dividends from subsidiaries and funds that may be raised from time to time through the issuance of debt or equity securities or through bank or other borrowings.

We expect that dividends received from subsidiaries will continue to cover our operating expenses, including (i) interest payments on our outstanding financing, operating and subordinated debt and (ii) dividend payments with respect to our outstanding ordinary shares during each of the next three years. We expect that future acquisitions and strategic investments will be funded from available cash flow remaining after payment of dividends and operating expenses (including interest expense), cash on hand from previous securities offerings, proceeds of future offerings of securities, and proceeds from the sale of non-core assets. Certain of our significant subsidiaries, including AXA France Assurance, AXA Financial, AXA UK Holdings, AXA Japan, AXA Asia Pacific Holdings, and AXA Germany, are also holding companies and are dependent on dividends from their own subsidiaries for funds to meet their obligations.

In addition, certain of our principal insurance subsidiaries are subject to restrictions on the amount of dividends and debt repayments that can be paid to us and our affiliates. While we do not believe that these restrictions currently constitute a material limitation on our ability to meet our obligations or pay dividends on our shares, these restrictions may constitute a material limitation in the future. For further detail, see Item 5 under "Liquidity and Capital Resources" and also note 30 "Dividends restrictions and minimum capital requirements" to AXA's consolidated financial statements included in Item 18 of this Annual Report.

Our French GAAP results may differ significantly from our U.S. GAAP results

The Company's primary financial statements are in French GAAP until December 31, 2004, after which the Company will report its financial statements according to IFRS. For purposes of its listing on the NYSE, the Company reconciles its French GAAP annual financial results to U.S. GAAP each year. There are significant differences between French GAAP and U.S. GAAP which lead to different results under the two systems of accounting. Differences in AXA's consolidated French GAAP and U.S. GAAP results have been significant over the last several years. In 2004, the most significant differences related primarily to differing rules with respect to treatment of goodwill, impairments for "other-than-temporary" declines in the value of fixed maturity and equity securities, recoverability of deferred tax assets, valuation of holdings in mutual funds, the accounting for derivatives instruments in hedging activities and the accounting for UK "With-Profits" contracts.

Our transition to international accounting standards may affect our operating results

Due to the adoption by the European Union's Council of a regulation, effective on January 1, 2005, requiring listed European companies to prepare consolidated financial statements in accordance with International Financial

Reporting Standards ("IFRS"), we are currently converting our accounting standards from French GAAP into IFRS, as described in note 34 (m) included in Item 18 of this Annual Report. While we do not believe that this transition to IFRS will have a material adverse effect on our reported financial condition or results of operations, there are various significant differences between French GAAP and IFRS.

On June 21, 2005 AXA announced its 2004 financial results under IFRS. Under IFRS, AXA's net income for the year ended December 31, 2004 was € 3.8 billion (compared to € 2.5 billion under French GAAP) and its shareholders equity was €28.5 billion (compared to € 26.2 billion under French GAAP). AXA's June 21 IFRS press release has been filed with the SEC on a Form 6-K and is available on the SEC's EDGAR website (www.sec.gov).

Compliance with the Sarbanes-Oxley act entails significant expenditure and managerial attention, and non-compliance with the Sarbanes-Oxley act may adversely affect us

The US Sarbanes-Oxley Act of 2002 that became law in July 2002 and rules subsequently implemented by the SEC and the NYSE require changes to some of our accounting and corporate governance practices, including the requirement that we issue, for the year ending December 31, 2006 and future years, a report on our internal controls over financial reporting as required by Section 404 of the Sarbanes-Oxley Act. We expect that compliance with the new rules and regulations will continue to require significant management attention and will result in increased accounting, legal and other costs. In addition, because Section 404 of the Sarbanes-Oxley Act requires our auditors to audit and issue a report on our internal controls over financial reporting, undertaking significant IT, internal restructuring, corporate development or other initiatives that may affect our internal control environment, may become more difficult and/or costly, particularly during periods when our internal controls over financial reporting are undergoing audit. This may have an adverse effect on our business and/or our ability to compete with our competitors who are not subject to the Sarbanes-Oxley Act. We cannot predict the outcome of the Section 404 process and whether changes will be required to our internal controls. In the event we are unable to maintain or achieve Compliance with Section 404 and other provisions of the Sarbanes-Oxley Act and related rules, it may have a material adverse effect on us.

Our acquisitions may divert management attention and other resources and involve risks of undisclosed liabilities and integration issues

In recent years we have completed a number of acquisitions around the world and we may make further acquisitions in the future. Growth by acquisition involves risks that could adversely affect our operating results, including the substantial amount of management time that may be diverted from operations to pursue and complete acquisitions, difficulties in managing and integrating the additional operations and personnel of acquired companies, significant delays in completing the integration of acquired companies and the potential loss of key employees or customers of these companies. In connection with certain of our mergers and acquisitions, we have experienced difficulties in rationalizing and integrating multiple information technology ("IT") systems of acquired companies, including accounting information systems from different vendors such as general ledger packages, with our existing IT systems. Integration and rationalization of multiple and sometimes outdated IT systems in acquired companies may cause various issues including delay and unforeseen costs in the integration process, the necessity for extensive management attention and resources, as well as issues in the timely production of financial information required for inclusion in consolidated financial statements prepared on a local GAAP, French GAAP, IFRS and/or U.S. GAAP basis. Our acquisitions could also result in the incurrence of additional indebtedness, costs, contingent liabilities and amortization expenses related to goodwill and other intangible assets, all of which could materially adversely affect our businesses, financial condition and results of operations. Future acquisitions may also have a dilutive effect on the ownership and voting percentages of existing shareholders.

The businesses we have acquired include life & savings, property & casualty insurance, asset management and retail banking operations. There could be unforeseen liabilities that arise out of the businesses we have acquired and may acquire in the future which may not be covered by, or exceed the amount of, the indemnification obligations of sellers.

We may have contingent liabilities from discontinued, divested and run-off businesses and may incur other off-balance sheet liabilities that may result in income statement charges

We may from time to time retain insurance or reinsurance obligations and other contingent liabilities in connection with our divestiture, liquidation or run-off of various businesses and our reserves for these obligations and liabilities may prove to be inadequate. The costs and liabilities associated with the divested and run-off businesses and other contingent liabilities could cause us to take additional charges that could be material to our results of operations. We may also from time to time in the course of our business give guarantees and enter into derivative and other types of off balance sheet transactions that could result in income statement charges. For additional information, see note 26, "Off Balance Sheet Commitments" and also note 25 "Financial Instruments", to AXA's consolidated financial statements included in Item 18 of this Annual Report.

The failure to maintain and modernize our information systems could adversely affect our business

Our business depends significantly on effective information systems, and we have many different information systems for our various businesses. We must commit significant resources to maintain, enhance our existing information systems and develop new ones in order to keep pace with the continuing changes in the information technology, evolving industry and regulatory standards and changing customer preferences. If we do not maintain adequate information systems we may not be able to gather and rely on adequate information to base our pricing, underwriting and reserving decisions. We may also have difficulties to attract new customers and may loose existing ones. In addition, underperforming information systems could cause us to become subject to a higher number of customer, provider and agent disputes, may increase our litigation and regulations exposure and make us incur higher administrative expenses, including remediation costs.

Significant shareholders of AXA may have interests conflicting with your interests

The Mutuelles AXA, three French mutual insurance companies, acting as a group, owned at February 28, 2005, directly and indirectly through FINAXA, a holding company they control, approximately 20.34% of the issued ordinary shares of AXA representing approximately 32.20% of its voting power. Most of the shares owned by the Mutuelles AXA have double voting rights pursuant to the provisions of AXA's statuts, see "Item 10 – Additional Information – Certain Rights of AXA's shareholders – Voting Rights" of this Annual Report. The Mutuelles AXA are parties to agreements pursuant to which they have stated their intention to collectively exercise majority control over Finaxa. On April 19, 2005, the Supervisory Board of AXA and the Board of Directors of FINAXA announced their intention to merge FINAXA into AXA. Following the merger, Mutuelles AXA, which currently own 2.72% of AXA outstanding shares representing 4.38% of AXA voting rights and 71.69% of FINAXA outstanding shares representing 80.53% of FINAXA voting rights, would become the principal AXA shareholder, holding less than 14% of AXA ordinary shares representing less than 23% of voting rights. It is expected that the merger will be presented to both AXA and FINAXA shareholders for approval before the end of 2005. Given the long-term nature of their relationship with AXA, we cannot assure you that the interests of the Mutuelles AXA will not, from time to time, conflict with your interests as a shareholder. For example, even though the Mutuelles do not hold a majority of the total voting power in AXA, a decision by the Mutuelles AXA to decline or deter a future offer to acquire control of AXA, which other shareholders may find attractive, may prevent other shareholders from realizing a control premium for their AXA ordinary shares or ADRs. The Mutuelles AXA may decide to increase their interest in AXA or to sell all or a portion of the ordinary shares they own at some future date.

Risks related to ownership of AXA ADSs or ordinary shares

The trading price of AXA ADSs and dividends paid on AXA ADSs may be materially adversely affected by fluctuations in the exchange rate for converting euro into U.S. dollars

Fluctuations in the exchange rate for converting Euro into U.S. dollars may affect the value of AXA ADSs. Specifically, as the relative value of the Euro against the U.S. dollar declines, each of the following values will also decline:

- the U.S. dollar equivalent of the Euro trading price of AXA ordinary shares on the Paris Bourse, which may consequently cause the trading price of AXA ADSs in the United States to also decline;
- the U.S. dollar equivalent of the proceeds that a holder of AXA ADSs would receive upon the sale in France of any AXA ordinary shares withdrawn from the depositary; and
- the U.S. dollar equivalent of cash dividends paid in Euro on the AXA ordinary shares represented by the AXA ADSs.

The holders of AXA ADSs may not be able to exercise their voting rights due to delays in notification to and by the depositary

The depositary for the AXA ADSs may not receive voting materials for AXA ordinary shares represented by AXA ADSs in time to ensure that holders of AXA ADSs can instruct the depositary to vote their shares. In addition, the depositary's liability to holders of AXA ADSs for failing to carry out voting instructions or for the manner of carrying out voting instructions is limited by the deposit agreement governing the AXA American Depositary Receipt facility. As a result, holders of AXA ADSs may not be able to exercise their right to vote and may not have any recourse against the depositary or AXA if their shares are not voted as they have requested.

Holders of AXA ADSs will have limited recourse if AXA or the depositary fails to meet their obligations under the deposit agreement or if they wish to involve AXA or the depositary in a legal proceeding

The deposit agreement expressly limits the obligations and liability of AXA and the depositary. Neither AXA nor the depositary will be liable if they:

- are prevented, delayed or forbidden from performing any obligation by circumstances beyond their control,
- exercise or fail to exercise discretion under the deposit agreement, or
- take any action based upon the advice of, or information from, legal counsel, accountants, any person presenting ordinary shares for deposit, any holder or owner of an AXA ADR or any other person believed by it in good faith to be competent to give such advice or information.

In addition, the depositary and AXA only have the obligation to participate in any action, suit or other proceeding with respect to the AXA ADSs which may involve them in expense or liability only if they are indemnified. These provisions of the deposit agreement will limit the ability of holders of AXA ADSs to obtain recourse if AXA or the depositary fails to meet their obligations under the deposit agreement or if they wish to involve AXA or the depositary in a legal proceeding.

The holders of AXA ADSs in the United States may not be able to participate in offerings of rights, warrants or similar securities to holders of our ordinary shares on the same terms and conditions as our ordinary shareholders .

In the event that we offer rights, warrants or similar securities to the holders of our ordinary shares or distribute a dividend payable, in whole or in part, in securities, the Deposit Agreement provides that the Depositary (after consultation with AXA) shall have discretion as to the procedure to be followed in making such rights or other securities available to ADR holders including disposing of such rights or other securities and distributing the net proceeds in U.S. dollars to ADR holders. Given the significant number of AXA's ADR holders in the U.S., AXA generally would be required to register with the SEC any public offering of rights, warrants or other securities made to its U.S. ADR holders unless an exemption from the registration requirements of the U.S. securities laws is available. Registering such an offering with the SEC can be a lengthy process which may be inconsistent with the timetable for a global capital raising operation. Consequently, we have in the past and may in the future elect not to make such an offer in the United States, including to our ADR holders in the United States but rather to conduct such an offering in an "offshore" transaction in accordance with Regulation "S" under the Securities Act of 1933. Consequently, there can be no assurance that our ADR holders will be able to participate in such an offering in the same manner as our ordinary shareholders.

Our ADS and ordinary share price could be volatile and could drop unexpectedly and you may not be able to sell your ADRs or ordinary shares at or above the price you paid

The price at which our ADSs and ordinary shares will trade may be influenced by a large number of factors, some of which will be specific to us and our operations and some of which will be related to the insurance industry and equity markets generally. As a result of these factors, you may not be able to resell your ADSs or ordinary shares at or above the price which you paid for them. In particular, the following factors, in addition to other risk factors described in this section, may have a significant impact on the market price of our ADSs or ordinary shares:

- investor perception of our Company, including actual or anticipated variations in our revenues or operating results;
- announcement by us of intended acquisitions, disposals or financings or speculation about such acquisitions, disposals or financings;
- changes in our dividend policy, which could result from changes in our cash flow and capital position;
- sales of blocks of our shares by significant shareholders;
- hedging activities on our shares;
- a downgrade or rumored downgrade of our credit or financial strength ratings, including placement on credit watch;
- potential litigation involving us, the insurance or asset management industries generally;
- changes in financial estimates and recommendations by securities research analysts;

- fluctuations in foreign exchange rates and interest rates;
- the performance of other companies in the financial services' sector;
- regulatory developments in the principal markets in which we operate;
- international political and economic conditions, including the effects of terrorist attacks, military operations and other developments stemming from such events and the uncertainty related to these developments; and
- general economic and market conditions.

As a "foreign private issuer" in the U.S., AXA is exempt from a number of rules under the U.S. securities laws and is permitted to file less information with the SEC

As a "foreign private issuer," AXA is exempt from rules under the U.S. Securities Exchange Act of 1934 (the "Exchange Act") that impose certain disclosure and procedural requirements for proxy solicitations under Section 14 of the Exchange Act. In addition, AXA's officers, directors and principal shareholders are exempt from the reporting and "short-swing" profit recovery provisions of Section 16 of the Exchange Act and the rules under the Exchange Act with respect to their purchases and sales of AXA ordinary shares and ADRs. Moreover, AXA is not required to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act, nor is it required to comply with Regulation FD, which restricts the selective disclosure of material information. Accordingly, there may be less information concerning AXA publicly available than there is for U.S. public companies.

Judgments of U.S. courts may not be enforceable against us

Judgment of U.S. courts, including those predicated on the civil liability provisions of the Federal securities laws of the United States, may not be enforceable in French courts. As a result, our shareholders who obtain a judgment against us in the United States may not be able to require us to pay the amount of the judgment.

Item 4: Information on the Company

Introduction

The Company is a French "société anonyme à directoire et conseil de surveillance" (a form of limited liability company) with a Management Board and a Supervisory Board. The Company's headquarters are located at 25 Avenue Matignon, 75008 Paris, France and its telephone number is (331) 40 75 57 00. For information on AXA's principal trading markets for its ordinary shares and ADSs, see "Item 9 – The Offer and Listing" included elsewhere in this Annual Report. The founding predecessor of AXA was organized under the laws of France in 1852. The Company's corporate existence will continue, subject to dissolution or prolongation until December 31, 2059.

Recent developments

On April 19, 2005, the Supervisory Board of AXA and the Board of Directors of FINAXA announced their intention to merge FINAXA into AXA. Each Board appointed (a) a committee of independent directors to evaluate the transaction and make a recommendation to its Board on the appropriate exchange ratio between FINAXA and AXA ordinary shares and (b) UBS and HSBC CCF to act as independent experts respectively for FINAXA and AXA and render fairness opinions on the exchange ratio. It is expected that the terms and conditions of the contemplated merger will be approved by each Board by the end of June 2005 and presented to both AXA and FINAXA shareholders for approval before the end of 2005. This merger would simplify the shareholding structure of the AXA Group and increase the proportion of AXA ordinary shares publicly traded. AXA would also become the owner of its trademark which is currently licensed to it by FINAXA. FINAXA currently has 75,591,703 ordinary shares outstanding[1] (77,693,701 ordinary shares on a fully diluted basis assuming exercise of all outstanding stock options and conversion of all convertible securities) all of which will be exchanged for AXA ordinary shares upon consummation of the merger. The Mutuelles AXA and FINAXA currently own 20.35% of AXA's outstanding ordinary shares and 32.20% of AXA's voting rights. Following the consummation of the merger, Mutuelles AXA, which currently own 2.72% of AXA outstanding shares representing 4.38% of AXA voting rights and 71.69% of FINAXA outstanding shares (69.75% on a fully diluted basis[2]) representing 80.53% of FINAXA voting rights (79.18% on a fully diluted basis[3]), would become the principal AXA shareholder, holding less than 14% of AXA ordinary shares representing less than 23% of AXA voting rights.

For a description of significant acquisitions and disposals undertaken by AXA see Item 5, "Operating and Financial Review and Prospects – December 2004 operating highlights" and note 4, "Business Combinations", and note 20 "Net Investment Result" to the consolidated financial statements included under Item 18 of this Annual Report.

For information relating to the ownership structure of the Group, see "Item 7 – Major Shareholders and Related Party Transactions", included elsewhere in this Annual Report.

General Information

The Company is the holding company for AXA, a worldwide leader in financial protection and asset management, with consolidated gross revenues of €72.2 billion for the year ended December 31, 2004 and total assets under management as at December 31, 2004 of €868.6 billion, including assets managed on behalf of third party clients in an aggregate amount of €445.9 billion. Based on available information at December 31, 2003 and taking into account banking companies engaged in the asset management business, AXA was the world's 7th largest asset manager including, with total assets under management of €774.6 billion.

AXA operates primarily in Western Europe, North America and the Asia Pacific region and, to a lesser extent, in other regions including in particular the Middle East and Africa. AXA has five operating business segments: Life & Savings, Property & Casualty, International Insurance (including reinsurance), Asset Management, and Other Financial Services. In addition, various holding companies within the AXA Group conduct certain non-operating activities.

(1) *Before payment of the dividend of FINAXA in FINAXA shares, as the case may be.*

(2) *Idem.*

(3) *Idem.*

AXA's Vision and Strategy

AXA aims to be the world "best-in-class" in financial protection and wealth management.

AXA seeks to protect its clients against a variety of risks and to help them build wealth over their lifetime. It does so by providing insurance, reinsurance, investment management, financial advice and related financial services. AXA is a global company and offers its services mainly in the world's major developed markets. It is also present in a number of other markets where sizeable businesses can be developed ethically and profitably.

AXA capitalizes on its core strengths: over 50 million clients worldwide; a 44,000-strong captive distribution force; a global brand; unique product skills in areas as diverse as insurance underwriting, long-term investments, and financial advice, all on a scale that enables AXA to leverage best practices and operations platforms across the group.

In realizing its vision, AXA strives to fulfill the needs of its three principal stakeholders:

1. **Clients:** AXA seeks to address the needs of individual clients, as well as the needs of small to medium-sized companies, either directly or through proprietary and third party distribution channels. AXA also serves institutional and large corporate clients by leveraging strong market positions. AXA answers the needs of these clients by offering competitive advice, products and service.
2. **Shareholders:** AXA aims to provide its shareholders with attractive total returns, derived from steady growth in earnings per share and embedded value under normal market conditions. AXA is also developing strong corporate governance policies and transparency in order to build long-term confidence with its shareholders.
3. **Employees and sales associates:** AXA values professionalism, innovation, pragmatism, team spirit and integrity. AXA aims at attracting employees in each local market by providing competitive compensation, training, coaching and mobility, and seeks to be one of the most attractive companies to work for in the global financial services industry.

To meet its objectives, AXA has a strategy of disciplined focus both on geography and on operational performance, namely:

1. A more focused geographical presence aimed at "Regional leadership or exit", a strategy that focuses on either (i) becoming the reference company and attaining a leading position in the markets or region in which it operates, notably through opportunistic acquisitions centered on Western Europe, the United States and selected Asian or East European markets; or (ii) exiting the region if AXA believes it cannot attain a sizeable market penetration or build an efficient regional platform without undue cost and effort; and
2. Continued focus on operational efficiency, as set out below:
   - **Enhanced organic growth** – Financial advice, backed by an enlarged product and service; higher service quality and client satisfaction; continued training and resources for AXA's captive distribution forces; and the expansion of third-party distribution channels.
   - **Improved margins and productivity** – Group-wide optimization and standardization of core processes such as underwriting and claims handling; consolidation and leveraging of group-wide resources such as developments in information technology, global procurement, resources and platforms.
   - **Continuous focus on human resources** – By promoting its values, developing skills and motivation, AXA strives to attract, develop and reward talent in its core activities.

AXA Group: *Simplified Organization Chart as at December 31, 2004*

Set forth below is a simplified organization chart of AXA as at December 31, 2004. For additional information, please see note 3 "Principal Subsidiaries and Companies accounted for under the equity method" to the consolidated financial statements.

Please note that the percentage on the left represents the economic interest and the percentage on the right represents the percentage of voting rights.

MAIN SUBSIDIARIES AS AT DECEMBER 31, 2004

AXA's companies' contacts are available on the web site: www.axa.com

America

UNITED STATES

Insurance

AXA Financial Inc[a]	100%	100%
MONY Holdings LLC[b]	100%	100%

CANADA

Insurance

AXA Assurances	100%	100%
AXA Insurance	100%	100%

Africa

MOROCCO

Insurance

AXA ONA[c]	51%	51%

Europe

GERMANY

Insurance

AXA Konzern A.G.[d]	92%	93%

Financial Services

AXA Bank	92%	100%

BELGIUM

Insurance

AXA Holdings Belgium[e]	100%	100%

Financial Services

AXA Bank Belgium	100%	100%

SPAIN

Insurance

AXA Aurora SA[f]	100%	100%
Direct Seguros	100%	100%

(a) *Holding Company that owns AXA Equitable Life Insurance Company.*

(b) *Holding Company that owns MONY Life Insurance Company and MONY Life Insurance Company of America.*

(c) *Holding Company that owns AXA Assurance Maroc.*

(d) *Holding Company that owns AXA Versicherung AG, AXA Lebenversicherung AG and AXA Art.*

(e) *Holding Company that owns AXA Belgium.*

(f) *Holding Company that owns AXA Aurora Iberica and AXA Aurora Vida.*

MAIN SUBSIDIARIES AS AT DECEMBER 31, 2004

International Insurance

AXA RE	100%	100%
AXA Assistance SA	100%	100%

Asset Management

AXA Investment Managers	95%	100%
AXA Real Estate Investment Managers	95%	100%
Alliance Capital Management	61%	61%
AXA Rosenberg	76%	100%

FRANCE

Insurance

AXA France Assurance[g]	100%	100%

Financial Services

Compagnie Financière de Paris	100%	100%
AXA Banque	100%	100%

IRELAND

Insurance

AXA Insurance Limited	100%	100%

ITALY

Insurance

AXA Italia SpA[h]	100%	100%

LUXEMBOURG

Insurance

AXA Luxembourg SA[i]	100%	100%

THE NETHERLANDS

Insurance

AXA Nederland BV[j]	100%	100%

PORTUGAL

Insurance

AXA Portugal	99%	100%
AXA Portugal Vie	95%	95%

UNITED KINGDOM

Insurance

AXA UK Plc[k]	100%	100%

SWITZERLAND

Insurance

AXA Assurances	100%	100%

TURKEY

Insurance

AXA Oyak Holding A.S[l]	50%	50%

Asia-Pacific

AUSTRALIA/NEW ZEALAND

Insurance

AXA Asia Pacific Holdings limited[m]	52%	100%

HONG KONG

Insurance

AXA China Region limited	52%	100%

JAPAN

Insurance

AXA Japan Holding Co. Ltd[n]	98%	100%

SINGAPORE

Insurance

AXA Life Singapore Holdings[o]	52%	100%

(g) Holding Company that owns AXA France Vie, AXA France IARD, Avenssur (previously Direct Assurances IARD) and AXA Corporate Solutions Assurance.

(h) Holding Company that owns AXA Assicurazioni SpA.

(i) Holding Company that owns AXA Assurance Luxembourg and AXA Assurance Vie Luxembourg.

(j) Holding Company that owns AXA Leven NV and AXA Schade.

(k) Holding Company that owns. AXA Sun Life Plc, AXA Insurance Plc and AXA PPP Healthcare limited.

(l) Holding Company that owns AXA Oyak.

(m) Holding Company that owns AXA Australia New Zealand.

(n) Holding Company that owns AXA Life Insurance Co. Ltd and AXA Non-Life Insurance Co. Ltd.

(o) Holding Company that owns AXA Life Insurance Singapore Plc Ltd.

Ratings

The Company and certain of its insurance subsidiaries are rated by recognized rating agencies. The significance of individual ratings varies from agency to agency. In the opinion of the rating agencies, companies assigned ratings at the top end of the range have a stronger capacity to repay debt and make payment on claims compared to companies assigned ratings at the lower end of the range.

Insurance rating agencies focus on the financial strength of the relevant insurance company and its capacity to meet the obligations arising on insurance policies. Certain of these agencies and their respective insurance rating scales are set out below.

Rating Agency	Highest Rating	Lowest Rating
Standard & Poor's Corp. ("Standard & Poor's")	AAA ("extremely strong")	R ("regulatory action")
Moody's Investor Services ("Moody's")	Aaa ("extremely strong")	C ("lowest")
Fitch, Inc. ("Fitch")	AAA ("extremely strong")	D ("order of liquidation")

Debt ratings focus on the likelihood that the company will make timely payments of principal and interest. The rating scales for the agencies above are set out below.

Rating Agency	Highest Rating	Lowest Rating
Standard & Poor's	AAA ("extremely strong")	D ("default")
Moody's	Aaa ("best")	C ("lowest")
Fitch	AAA ("highest")	D ("default")

The commercial paper rating scales for the agencies above are as follows:

Rating Agency	Highest Rating	Lowest Rating
Standard & Poor's	A-1 ("extremely strong")	D ("default")
Moody's	Prime-1 or P-1 ("superior")	Not Prime ("Not Prime")
Fitch	F-1 ("highest")	D ("default")

At the date of this Annual Report, the relevant ratings for the Company and its principal insurance subsidiaries are as follows:

	2004 Agency	Rating
Insurer Financial Strength Ratings		
The Company's principal insurance subsidiaries	Standard & Poor's	AA–
	Moody's	Aa3
	Fitch Ratings	AA
Ratings of the Company's Long Term and Short Term Debt		
Senior Debt	Standard & Poor's	A
	Moody's	A2
	Fitch Ratings	A+
Long Term Subordinated Debt	Standard & Poor's	BBB+
	Moody's	A3
	Fitch Ratings	A– (Non Dated debt) A (Dated debt)
Short Term Debt (Commercial Paper)	Standard & Poor's	A-1
	Moody's	P-1
	Fitch Ratings	F-1

The ratings set forth above may be subject to revision or withdrawal at any time by the assigning rating organization. None of these ratings are an indication of the historic or potential performance of the ordinary shares, ADSs, ADRs or debt securities and should not be relied upon with respect to making an investment in any of these securities. The Company accepts no responsibility for the accuracy or reliability of the ratings.

Business Overview

The tables below summarize certain key financial data by segment for the periods and as at the dates indicated.

CONSOLIDATED GROSS PREMIUMS AND NET INCOME (in euro millions, except percentages)

	Years ended December 31,					
	2004		2003		2002	
Consolidated gross premiums and financial services revenues						
Life & Savings [(a),(b)]	47,063	65%	46,799	65%	48,586	65%
Property & Casualty [(b)]	17,852	25%	17,098	24%	15,948	21%
International Insurance	3,371	5%	3,972	6%	5,762	8%
Asset Management	3,087	4%	2,922	4%	3,411	5%
Other financial services	791	1%	836	1%	1,020	1%
Consolidated gross premiums and financial services revenues	**72,164**	**100%**	**71,628**	**100%**	**74,727**	**100%**
Net income						
Life & Savings [(b)]	1,390	49%	671	49%	1,063	88%
Property & Casualty [(b)]	907	32%	448	33%	(19)	(2%)
International Insurance	227	8%	142	10%	(176)	(15%)
Asset Management	265	9%	(24)	(2%)	218	18%
Other financial services	22	1%	138	10%	119	10%
Net income from operating segments	**2,812**	**100%**	**1,376**	**100%**	**1,206**	**100%**
Holding companies	(292)		(371)		(257)	
Net income	**2,519**		**1,005**		**949**	

(a) Gross premiums received from policyholders in respect of Life & Savings products which are classified as "universal life" or "investment contracts" (including assets backing contracts with financial risk borne by policyholders (unit-linked)) for U S GAAP, are recorded as revenue under French GAAP. Under U.S. GAAP, such amounts received are recorded as deposits, and only the policy-related fees charged to the policyholders for costs of insurance, administration, investment management, etc. are recorded as revenue.

(b) UK Health activities are presented from January 1, 2003 in "Property & Casualty" Segment, while presented under "Life & Savings" until 2002

Other Financial Data	2004	2003	2002
For the years ended December 31,			
Net income per ordinary share (in euros) [(a)]			
Basic	1.37	0.56	0.54
Diluted	1.32	0.55	0.54
At December 31,			
Shareholders' equity (in euro millions)	26,158	23,401	23,711
Average share price (in euros)	17.5	14.1	17.8
Share price as at December 31 (in euros)	18.2	17.0	12.8

(a) Following any significant capital increase with a stock price lower than the market price, such as ORAN conversion in July 2004, average number of shares and consequently EPS over each period must be restated to take into account this event, in accordance with French regulation.

AXA'S TOTAL ASSETS UNDER MANAGEMENT (in euro millions)

	At December 31, 2004	2003	2002
AXA (general account assets)	308,914	281,328	275,531
Assets with financial risk carried by policyholders (Unit-linked)	113,786	101,002	90,458
Sub-total	**422,700**	**382,330**	**365,989**
Managed on behalf of third parties	445,923	392,305	375,567
TOTAL	**868,623**	**774,635**	**741,556**

For additional information on AXA's business segments, see "Item 5 – Operating and Financial Review and Prospects – Operating Results by Segment" and note 32 "Segment Information" to the consolidated financial statements included in Item 18 of this Annual Report.

The table below sets forth AXA's consolidated gross premiums and financial revenues by segment for each of its major geographic markets for the years indicated.

BREAKDOWN OF AXA'S GROSS PREMIUMS AND FINANCIAL SERVICES REVENUES

	Years ended December, 31					
	2004		2003		2002	
	Segment contribution (%)	Contribution to total segment (%)	Segment contribution (%)	Contribution to total segment (%)	Segment contribution (%)	Contribution to total segment (%)
Total gross premiums and financial services revenues (in euro millions)	**72,164**		**71,628**		**74,727**	
Life & Savings	**65%**		**65%**		**65%**	
France		25%		23%		21%
United States		27%		29%		26%
United Kingdom		13%		12%		17%
Japan		12%		13%		13%
Germany		7%		7%		6%
Belgium		5%		4%		3%
Southern Europe [(a)]		3%		3%		3%
Other countries [(a)]		7%		8%		9%
Property & Casualty	**25%**		**24%**		**21%**	
France		27%		27%		27%
Germany		16%		17%		18%
United Kingdom		25%		25%		21%
Belgium		8%		8%		9%
Southern Europe [(a)]		16%		15%		15%
Other countries [(a)]		8%		8%		10%
International Insurance	**5%**		**6%**		**8%**	
AXA RE [(b)]		31%		48%		60%
AXA Corporate Solutions Assurance		45%		39%		31%
AXA Cessions		3%		2%		2%
AXA Assistance		14%		10%		7%
Others [(b)]		7%		0%		1%
Asset Management	**4%**		**4%**		**5%**	
Alliance Capital		75%		79%		81%
AXA Investment Managers		25%		21%		19%
Other Financial Services	**1%**		**1%**		**1%**	
French banks		19%		17%		13%
German banks		7%		15%		12%
AXA Bank Belgium		73%		64%		70%
Others		1%		4%		5%

(a) *Starting January 1st, 2004, Italy, Spain and Portugal activities (previously reported under "Other countries") are now reported as one geographical region "Southern Europe".*

(b) *In 2004, transfer of AXA RE US entities from AXA RE segment to "Other Transnational Activities" reported in "Others".*

Segment information

Life & Savings segment

AXA's Life & Savings segment offers a broad range of life insurance products including retirement and health insurance products for both individuals and groups, with an emphasis on savings-related products including assets with financial risk carried by policyholders (unit-linked) products. The Life & Savings segment accounted for €47.1 billion or 65% of AXA's consolidated gross premiums and financial services revenues for the year ended December 31, 2004 (2003: €46.8 billion or 65%, respectively).

The table below summarizes AXA's Life & Savings gross premiums and gross insurance liabilities by geographic region for the periods and as at the dates indicated.

(in euro millions, except percentages)

	Gross premiums and financial services revenues Years ended December 31,						Gross insurance liabilities at December 31,
			2003		2002		
	2004		FAS 131 basis (b)	As published	FAS 131 basis (b)	As published	2004
France	25%	11,893	10,882	10,882	10,423	10,423	87,862
United States	27%	12,880	13,732	13,732	12,726	12,726	87,925
United Kingdom (a)	13%	6,309	5,831	5,831	7,228	8,362	67,603
Japan	12%	5,526	6,078	6,078	6,428	6,428	26,307
Germany	7%	3,499	3,428	3,428	3,140	3,140	28,461
Belgium	5%	2,203	2,050	2,050	1,629	1,629	14,330
Southern Europe (b)	3%	1,364	1,182	–	1,515	–	7,600
Others (b)	7%	3,389	3,615	4,798	4,362	5,877	21,797
Australia and New Zealand	*3%*	*1,496*	*1,697*	*1,697*	*2,018*	*2,018*	*9,583*
Hong Kong	*2%*	*751*	*791*	*791*	*936*	*936*	*3,560*
TOTAL	**100%**	**47,063**	**46,799**	**46,799**	**47,452**	**48,586**	**341,886**
Represented by:							
Gross written premiums	–	46,242	46,286	46,286	46,939	48,048	–
Others revenues (c)	–	821	513	513	512	539	–

(a) Since FY 2003, UK Health business has been tranfered to UK Property & Casualty segment. Consequently FY 2002 have been adjusted to exclude UK Health business.

(b) Starting January 1st, 2004, Italy, Spain and Portugal activities (previously reported under "Other countries") are now reported as one geographical region named "Southern Europe".

(c) Includes revenues from other activities (commissions and related fees associated with the management of AXA's general account assets and mutual funds sales).

Market

In 2004, the European, U.S. and Japanese markets continued to grow mainly due to stronger financial markets and a rising demand for insurance and investment products especially in unit linked type products in most countries where AXA operates.

France experienced mixed results in 2004 mainly due to a delay in the effectiveness of the new regulation on PERP/PERE affecting pension-relating products which delayed the launch of new products in that business.

In U.S., investors responded favorably to a second year of positive returns in the U.S. equity markets with continued net inflows to long-term mutual funds and increased sales of equity linked insurance products.

The Japanese insurance market experienced growth for the first time after a 6-year decline, in particular with respect to individual annuity products sold through distribution agreements entered into with banks.

In Germany, the financial markets continued to recover as volatility declined. A new retirement earnings law ("Alterseinkünftegesetz") came into effect on 1 January 2005. It changed the taxation of and thus the demand for pension products.

In the United Kingdom, the principal growth area was group pensions. During the second half of 2004, companies began the process of positioning themselves to exploit opportunities in the run-up to Pensions Simplification A-Day in April 2006. Pensions Simplification will replace the eight existing tax regimes with a single universal regime for tax-privileged pension savings

In each of its principal markets, AXA operates through well-established life insurance companies. AXA's principal life insurance subsidiaries are set out below.

France:	AXA France Vie,
United States:	AXA Equitable Life Insurance Company and MONY Life Insurance Company and their insurance and distribution subsidiaries and affiliates,
United Kingdom:	AXA Sun Life Plc,
Japan:	AXA Life Insurance Co. and AXA Group Life Insurance,
Germany:	AXA Lebensversicherung AG and AXA Krankenversicherung AG,
Belgium:	AXA Belgium SA,
Southern Europe:	
Italy:	AXA Assicurazioni e Investimenti and AXA Interlife
Spain:	AXA Aurora Vida and AXA Aurora Iberica,
Portugal:	AXA Companhia de Seguros Vida.

Commentary on the 2004 market conditions in the geographical markets in which AXA operates is provided in "Item 5 – Operating and Financial Review and Prospects – Market Conditions in Year 2004".

The table below presents the life insurance markets in which AXA operates ranked by worldwide gross premiums in 2003, along with AXA's ranking (by market share).

BASED ON WORLDWIDE GROSS LIFE INSURANCE (INCLUDING ANNUITY) PREMIUMS IN 2003

Countries	Country Statistics [(a)]		AXA [(b)]	
	Ranking	% premiums written	Ranking	Market share
United States	1	29%	3 (c)	7% (c)
Japan	2	22%	12	3%
United Kingdom	3	10%	6 (d)	5%
France	4	6%	3	9%
Germany	5	5%	7	4%
Belgium	15	1%	3	12%
Southern Europe [(e)]	–	6%	–	–

(a) Source: Swiss Re, Sigma report 2004 "World insurance in 2003".

(b) In general, based on 2003 market data for each specific country or an estimate for 2004.

(c) Relates to the variable annuity products (December 2004 data).

(d) Based on annualized new business premium equivalent (regular premiums plus one-tenth of new business single premiums).

(e) Southern Europe: In 2004, AXA ranking and market share are respectively: in Spain 10 with 2.2%, Portugal 7 with 2.6% and Italy 14 with 1.03%.

In addition to the principal markets mentioned above, AXA offers life, health and retirement products in other countries in Europe (Netherlands, Luxembourg, Switzerland and Turkey), Morocco, Canada, Australia, New Zealand, Hong Kong, Singapore, and China, as well as other countries in the Asia Pacific region, the Middle East and Africa. The products in these markets are offered through various distribution channels, including general agents, salaried sales forces, bank networks, financial advisers and brokers.

Competition

The nature and level of competition vary among the countries in which AXA operates. There is strong competition among companies for all the types of individual and group Life & Savings products sold by AXA. Many other insurance companies offer one or more products similar to those offered by AXA, in some cases using similar marketing techniques. In addition, AXA still competes with banks, mutual funds, investment advisers and other financial institutions for sales of savings-related investment products and, to a lesser extent, life insurance products.

The principal competitive factors affecting the Life & Savings segment's business include:

- price,
- investment management performance,
- historical levels of bonuses with respect to participating contracts,
- ratings for an insurer's financial strength and claims paying ability (at December 31, 2004, the main Life & Savings entities of AXA Group were rated AA by Fitch Ratings, AA– by Standard & Poor's and Aa3 by Moody's),
- size, strength and quality of the distribution platform, in particular the quality of advisers,
- range of product lines and product quality,
- quality of service,

- Reputation, visibility and recognition of brand,
- Changes in regulations that may affect the policy charging structure relating to commission and administrative charges,
- Quality of management, and
- Product innovation.

Products

AXA's Life & Savings products include a broad range of life, health, retirement and savings-related products marketed to individuals and corporate clients, the latter in the form of group contracts. The Life & Savings related products offered by AXA include term life, whole life, universal life, mortgage endowment, deferred annuities, immediate annuities, variable life and other investment-based products. The health products offered include critical illness and permanent health insurance products. The nature of the products offered by AXA varies from market to market.

The table below presents consolidated gross written premiums (after intersegment elimination) and gross insurance liabilities by major product for the periods and as at the dates indicated for AXA's Life & Savings segment.

LIFE & SAVINGS SEGMENT (in euro millions, except percentages)

	Gross written premiums Years ended December 31,				Gross insurance liabilities at
	2004		2003	2002	December 31, 2004
Individual	55%	25,510	25,433	24,136	201,675
Group	9%	4,174	4,674	5,298	35,870
Retirement/annuity/investment contracts	64%	29,684	30,107	29,435	237,545
Life contracts (including endowment contracts)	21%	9,938	10,043	10,481	76,977
Health contracts	10%	4,590	4,064	6,067	11,530
Other	4%	2,030	2,073	2,065	15,835
TOTAL	**100%**	**46,242**	**46,286**	**48,048**	**341,886**
Total includes:					
Contracts with financial risk borne by the policyholders (unit-linked)	35%	16,415	15,022	14,344	113,998
UK "With-Profit" business	2%	1,034	1,288	3,128	30,282

(a) Since January 1, 2003, UK Health business is presented in the UK Property & Casualty segment (€1.134 million of gross revenues in 2002)

Certain of AXA's Life & Savings products are participating contracts which enable the policyholders to participate in the excess assets over the liabilities (the surplus) of the life company issuing the contract through an interest or bonus crediting rate. AXA offers participating contracts in most its principal Life & Savings operations. The policyholder may participate in the investment return and/or in part of the operating profits earned by the issuing company. The nature and extent of such participation vary from country to country. Therefore, such participations, including policyholder participations on UK "With-Profit" business (explained below), are treated as dividends that may either increase the present value of future policy benefits or be paid in cash to the policyholder in the year the bonus is credited.

UK "With-Profit" business

A participating contract, specific to United Kingdom and known as the "With-Profit" contract, is offered by many life insurance companies in the United Kingdom, including AXA Sun Life. In 2002, AXA decided to cease the marketing of new products for the On Shore "With-Profit" contracts. Under "With-Profit" contracts, policyholders' premiums are paid into a fund and are invested in a range of assets, including fixed maturity and equity securities, real estate and loans. The policyholders are entitled to receive a share of the profits arising from these investments which includes regular bonuses and terminal bonuses. The regular bonuses are designed to provide a return to the policyholder through a periodic increase in benefits and are credited to the policyholder. Periodically, they do not reflect the return earned by the issuing company over period. Once credited, regular bonuses are guaranteed to be paid at maturity, death or as otherwise specified in the policy. Terminal bonuses, which are not guaranteed in advance of payment and are designed to provide policyholders with their share of total investment performance (including investment income and realized and unrealized investment gains or losses) and other experience of the fund (including expenses, mortality experience and income tax). Terminal bonuses can represent a significant portion of the total amount paid at maturity (which has in the past often exceeded 50% and currently exceeds 25% in some cases) or upon surrender prior to maturity. The amount of terminal bonus to be paid is determined at the discretion of the board of directors.

Following policyholder and court approvals, in 2001 AXA Equity & Law underwent a financial reorganization whereby the life insurance funds were transferred to AXA Sun Life and fundamentally restructured. A portion of the assets that accumulated over the years (which we refer to in this Annual Report as the "inherited estate") were attributed to AXA as the shareholder, less a portion allocated to the "With-Profit" policyholders in the form of a reorganization bonus, based on the number of eligible policyholders that elected in favor of this plan.

Variable life and annuity products

Variable life and variable annuity products may be linked to investments supporting such contracts and are referred to in this Annual Report as "assets with financial risk carried by policyholders contracts" or "unit-linked contracts". In general, the investment risk (and reward) is transferred to the policyholder while the issuing company earns fee income from managing the underlying assets. However, there may be certain types of variable products that offer guarantees, such as guarantees of minimum income benefits or death benefits.

In 2004, AXA's Life & Savings operations continued experienced growth in savings-related unit linked products. This growth has been notable in Europe and is attributable to (i) an increase in consumer awareness of such products, (ii) government initiatives to move away from state funded pensions to private funded pensions, and (iii) favorable financial market performance in 2003 and 2004. In United States, variable annuity premiums decreased due to a very high level last year. Gross premiums on such business have increased from €14.3 billion in 2002 to €15 billion in 2003. In 2004, mainly due to the continued growth of financial markets, gross premiums in unit-linked reached €16.3 billion, representing at constant exchange rates 35% of total gross revenues, compared to 32% in 2003.

Distribution

AXA distributes its Life & Savings products through a number of channels that vary from country to country, including notably exclusive agents, independent brokers, salaried sales forces, direct marketing (mail, telephone, or internet sales) and specialized networks (including banks and other financial services providers). In Europe, numbers of distribution channels are used by both AXA's Life & Savings operations and its Property & Casualty insurance operations.

The split by distribution channels used by AXA's principal Life & Savings operations, based on consolidated gross premiums from new business for the year ended December 31, 2004, is presented below.

Based on gross premiums from new business in 2004:	Agents and direct sales force	Intermediaries, independent advisers & brokers	Other networks, including direct marketing, corporate partnerships and bank networks
France [(a)]	66%	26%	8%
United States	39%	40%	21%
Japan	70%	16%	14%
United Kingdom	7%	83%	10%
Germany	48%	39%	13%
Belgium	4%	79%	17%
Southern Europe [(b)]	64%	10%	25%

(a) In 2004, a more refined segmentation has been set up for the group retirement branch. Part of the gross revenues that were attributed to brokerage is now transferred to the direct sales force. Pro forma figures for 2003 distribution network data are as follows: Agents and direct sales force: 66%, Intermediairies/Independent advisers/Brokers: 30%, Other networks: 4%.

(b) In 2003, the distribution channels in Southern Europe were respectively 71%, 8%, and 21%.

Surrenders and Lapses

For most Life & Savings products, costs to the issuing company in the first year are higher than costs in subsequent years due to first year commissions and the costs of underwriting and issuing a contract. Consequently, the rate of policies remaining in-force and not lapsing, also known as the "persistency rate", plays an important role in profitability. The majority of individual Life & Savings products issued by AXA may be surrendered for a cash surrender value. Most of the individual Life and Savings products issued by AXA have front-end charges (or subscription fees), which are assessed at the inception date of the contract and/or surrender charges (charges assessed in the case of early surrender). Both front-end charges and surrender charges are intended to offset a portion of the acquisition costs.

Total surrenders and lapses for 2004 and the ratio of surrenders and lapses to gross insurance reserves for the periods indicated are presented below:

	Years ended December 31,			
	2004	2004	2003	2002
	Total surrenders & lapses (in euro millions)	Surrenders & lapses ratio %	%	%
French operations	5,045	6.6%	7.1%	6.6%
US operations [a]				
Individual life	*1,242*	*4.9%*	*4.4%*	*4.0%*
Individual retirement	*3,951*	*8.2%*	*8.4%*	*9.8%*
Japan [b]	2,864	10.7%	12.0%	9.5%
UK operations	4,476	8.4%	7.6%	7.6%
German operations (excluding Health)	477	1.8%	1.5%	1.2%
Belgian operations	936	7.6%	7.7%	6.4%
Southern Europe operations [c]	372	5.5%		

(a) Amounts reported for the US operations exclude lapses and institutional assets with financial risk carried by policyholders (€1,958 million). 2003 reflects updated information since publication of French Annual Report. US surrenders were previously estimated to be 4.0% and 6.7% respectively for individual life and individual retirement.
Excluding MONY in 2004, surrenders & lapses rates were Individual life: 5.2% and Individual retirement: 8%.

(b) Including conversions in Japan.

(c) In 2002 and 2003, surrenders & lapses rates in Southern Europe were 6.7% and 4.9% respectively.

Property & Casualty segment

AXA's Property & Casualty segment offers a range of personal and commercial insurance products. The Property & Casualty segment accounted for approximately €17.9 billion, or 25% of AXA's consolidated gross premiums and financial services revenues for the year ended December 31, 2004 (2003: €17.1 billion or 24% respectively).

The table below summarizes AXA's consolidated gross premiums and financial services revenues (after inter-segment eliminations) and claims reserves for the Property & Casualty segment for the periods and as at the dates indicated.

PROPERTY & CASUALTY SEGMENT (in euro millions, except percentages)

	Gross premiums and financial services revenues Years ended December 31,						Gross insurance liabilities at December 31, 2004
			2003		2002		
	2004		FAS 131 basis [b]	As published	FAS 131 basis [b]	As published	
France	27%	4,895	4,640	4,640	4,383	4,383	9,735
Germany	16%	2,796	2,847	2,847	2,843	2,843	5,544
United Kingdom (& Ireland) [a] [b]	25%	4,469	4,222	3,664	4,438	2,749	6,547
Belgium	8%	1,430	1,405	1,405	1,395	1,395	4,992
Southern Europe [a]	16%	2,901	2,577	–	2,418	–	4,668
Others	8%	1,361	1,408	4,543	1,606	4,577	2,434
TOTAL	**100%**	**17,852**	**17,098**	**17,098**	**17,082**	**15,948**	**33,921**
Represented by:							
Gross written premiums	–	17,810	17,063	17,063	17,044	15,936	–
Other revenues	–	42	35	35	38	12	–

(a) *Starting January 1st, 2004, (i) Italy, Spain and Portugal activities (previously reported under "Other countries") are now reported as one geographical region named "Southern Europe" and (ii) UK Property & Casualty segment is now presented including Ireland, which was previously reported under "Other countries".*

(b) *Since 2003, UK Health business has been transferred from Life & Savings segments to Property & Casualty segment. Consequently FY 2002 has been adjusted including UK Health business.*

For the ten-year loss development of the Property & Casualty claims reserves, see "Property & Casualty Claims Reserves" included at the end of this section of the Annual Report.

Market

During 2004, the Property & Casualty market continued to grow, driven by an increase in the number of contracts underwritten. Premium rates also continued to increase albeit at a lower rate than in 2003 in an increasing competitive environment.

In each of its principal markets, AXA operates through well-established Property & Casualty insurance companies.

AXA's principal Property & Casualty insurance subsidiaries are set out below:

France:	AXA France IARD, AVANSSUR (ex Direct Assurance IARD), Natio Assurance and AXA Protection Juridique,
United Kingdom & Ireland:	AXA Insurance UK and AXA Insurance Limited,
Germany:	AXA Versicherung AG,
Belgium:	AXA Belgium SA,
Southern Europe:	
Italy:	AXA Assicurazioni,
Spain:	AXA Aurora Iberica and Hilo Direct Seguros y Reasuguros,
Portugal:	AXA Portugal Companhia de Seguros.

Commentary on the 2004 market conditions in the geographical markets in which AXA operates is provided in "Item 5 – Operating and Financial Review and Prospects – Market Conditions in 2004".

The table below presents the Property & Casualty markets in which AXA operates ranked by worldwide gross premiums in 2003, along with AXA's ranking (by market share).

PROPERTY & CASUALTY

Countries	Country Statistics [(a)]		AXA [(b)]	
	Ranking	% premiums written	Ranking	Market share
Germany	3	7%	7	5% [(c)]
United Kingdom	4	7%	5	5% [(d)]
France	5	5%	1	14%
Belgium	14	1%	1	17%
Southern Europe [(e)]	–	6%	–	–

(a) Source: Swiss Re, Sigma report 2004 "World insurance in 2003".

(b) In general, based on 2003 market data for each specific country or an estimate for 2004.

(c) Based on 2003 gross Property & Casualty premiums written in Germany, AXA is ranked as follows (group ranking without International Insurance): third in liability insurance (7.1% market share), fifth in homeowners' insurance (4.8% market share), sixth in automobile insurance (4.1% market share).

(d) The UK, excluding Ireland product lines are ranked second with 11% share of UK SME business.

(e) Southern Europe: In 2004, ranking and market share AXA are respectively: third in Spain with 5%, second in Portugal with 8.3% and ninth in Italy with 3%.

In addition to the principal markets discussed above, AXA offers personal and commercial Property & Casualty insurance products in the following countries: Netherlands, Luxembourg, Switzerland, Canada, Morocco, Turkey, Japan, Singapore, and Hong Kong, as well as other countries in the Middle East and Africa. The products offered in these markets are offered through various distribution channels, including brokers and direct sales force.

Competition

The nature and level of competition varies among the countries in which AXA operates. Overall, the Property & Casualty insurance industry in each of AXA's principal markets is highly competitive, and tends to be cyclical with surplus underwriting capacity leading to lower premium rates. The principal competitive factors are as follows:

- price,
- quality of service,
- distribution network,
- brand recognition,
- changes in regulations, which may affect premium rates charged or claims settlement costs paid, and
- ratings for financial strength and claims-paying ability.

In France, Germany and Belgium, markets are fragmented. In the United Kingdom, industry-wide consolidation across the sector has affected both major insurance companies and brokers, resulting in increased concentration among the top players in recent years. In Ireland, new players have entered in the Irish market recently, resulting in increased competition.

Products

AXA's Property & Casualty insurance operations offer a broad range of products including automobile, homeowners / household, property and general liability insurance for both personal and commercial customers, the latter specifically focusing on small to medium-sized companies, and permanent health insurance.

The table below sets forth gross written premiums and gross insurance reserves by major product for the periods and as at the dates indicated.

PROPERTY & CASUALTY INSURANCE SEGMENT (in euro millions, except percentages)

	Gross written premiums Years ended December 31,				Insurance Reserves
	2004		2003	2002	December 31, 2004
Personal line					
Motor (Automobile)	33%	5,889	5,550	5,686	10,390
Homeowners/household	15%	2,626	2,205	2,273	2,324
Other [(a)]	13%	2,359	2,083	1,548	4,698
Comercial line					
Motor (Automobile)	7%	1,244	1,258	1,252	2,068
Property damage	11%	2,031	2,265	2,078	2,244
Liability	7%	1,320	1,242	1,111	5,004
Other [(a)]	11%	2,008	1,666	1,179	5,408
Other	**2%**	**333**	**794**	**808**	**1,785**
TOTAL	**100%**	**17,810**	**17,063**	**15,936**	**33,921**

(a) Since January 1, 2003, UK Health business is presented under lines "Other" (€1,036 million gross revenues in 2003).

Distribution

AXA distributes its Property & Casualty insurance products through a number of channels that vary from country to country, including exclusive agents, independent brokers, salaried sales forces, direct marketing (mail, telephone, or internet sales) and specialized networks (corporate partnerships and bank networks). In Europe, the same distribution channels are used by both AXA's Life & Savings operations and Property & Casualty operations. The split by distribution channels used by AXA's Property & Casualty operations, based on gross written premiums for the year ended December 31, 2004 is presented below.

BASED ON GROSS WRITTEN PREMIUMS IN 2004

	General agents and sale force	Intermediaries, independent advisers & brokers	Direct sales and marketing	Other networks, including corporate partnerships and bank networks
France	70%	25%	4%	1%
Germany	46%	41%	4%	9%
United Kingdom (& Ireland) [(a)]	–	58%	26%	16%
Belgium	–	75%	1%	24%
Southern Europe [(b)]	65%	26%	5%	4%

(a) Including health On a comparable basis, in 2003, the distribution channels were respectively 0%, 56%, 28% and 15%

(b) In 2003, the distribution channels in Southern Europe were respectively 64%, 20%, 5% and 11%

Ceded Reinsurance

AXA's Property & Casualty insurance operations use various types of reinsurance, primarily to limit their maximum exposure to catastrophic events, environmental pollution risks and certain other types of risks. A growing portion of AXA's Property & Casualty insurance exposures are ceded internally to AXA Cessions, which organizes external reinsurance programs. Total gross premiums ceded by AXA's Property & Casualty operations to third party reinsurers in 2004 was €952 million (2003: €1,043 million).

International insurance segment

AXA's International Insurance segment is primarily comprised by AXA RE for the reinsurance activities and AXA Corporate Solutions Assurance for large risks insurance activities.

The business operations of these International Insurance activities are described below.

AXA RE is a reinsurer focused principally on property and catastrophe business as well as some other attractive third-party niches. Such business is underwritten in Paris, Canada, Miami (for South American business) and Singapore.

In addition, (i) **AXA Corporate Solutions Assurance** provides global Property & Casualty insurance business for large corporate clients in Europe, as well as in the marine and aviation coverage for all clients on a worldwide basis, (ii) **AXA Cessions** is an intra-group reinsurance company to which certain companies within the AXA Group cede internally some of their exposure (AXA Cessions analyses, structures and places reinsurance programs for such risks with third-party reinsurers and also provides advice in risk management and purchases of reinsurance cover to AXA group subsidiaries), (iii) **AXA Assistance** provides assistance services including medical aid for travelers and automobile-related road assistance mainly to insurance companies, credit card companies, tour operators and automobile manufacturers, and (iv) **AXA Liabilities Managers** manages the internal Property & Casualty run-off portfolios held by AXA RE, AXA Belgium, and AXA UK or in stand-alone run-off companies of the "Other transnational activities" segment (inclusive of the Property & Casualty entities formerly managed by AXA RE in the United States) and (v) **US Life reinsurance** activities which are now in run-off.

The International Insurance segment accounted for €3.4 billion, or 5% of AXA's consolidated gross premiums and financial services revenues for the year ended December 31, 2004 (2003: €4.0 billion or 6%, respectively).

The table below summarizes AXA's consolidated gross premiums and financial services revenues and gross insurance liabilities (gross of reinsurance) for the International Insurance Segment, for the periods and at the dates indicated.

INTERNATIONAL INSURANCE SEGMENT (in euro millions, except percentages)

	Gross premiums and financial services segment Years ended December 31,				Gross insurance liabilities at
	2004		2003	2002	December 31, 2004
AXA RE [(a)]	31%	1,056	1,913	3,472	3,564
AXA Corporate Solutions Assurance	45%	1,506	1,550	1,762	4,431
AXA Cessions	3%	94	87	100	125
AXA Assistance	14%	475	408	397	192
Other international activities [(a)]	7%	240	14	30	2,040
TOTAL	**100%**	**3,371**	**3,972**	**5,762**	**10,351**
Represented by:					
Gross written premiums	–	*3,356*	*3,956*	*5,740*	–
Other revenues	–	*15*	*16*	*22*	–

(a) In 2004, some AXA RE US entities were transferred from the AXA RE segment to Other International Activities.

For the ten-year loss development of AXA's International Insurance claims reserves, see "Property & Casualty Claims Reserves" included elsewhere in this section of the Annual Report.

Market and competition

On the **reinsurance** market, after the very low claims experience in 2002 and 2003, prices were almost stable in major lines of business and the capacity was relatively abundant. Competition among reinsurers is mainly coming from the Bermudian companies whose part in the world reinsurance market has become preponderant. The bulk of AXA RE's portfolio (property, marine and aviation) showed stable premium rates. The rest of the portfolio (motor and casualty) benefited from additional premium rate increases.

On the **large risks insurance** market, further rate increases and restructuring of large corporate insurance programs were conducted, especially in liability, and to a lesser extent in marine. On the other hand, the property and aviation market softened, in the context of a favorable claims experience.

Products

AXA RE – Reinsurance Activity. AXA RE's main reinsurance products are treaties (about 90% in both proportional and non proportional reinsurance) related to catastrophe covers all around the world but especially in the U.S. (essentially wind, flood and earthquake covers). In addition, AXA RE offers the following reinsurance products on a very selective basis: other property damage, third-party liability, motor, marine, credit, life and health insurance.

AXA Corporate Solutions Assurance – Large Risk Insurance Activity. AXA Corporate Solutions Assurance products offer cover property damage, third-party liability, marine, aviation and transport, construction risk, financial risk, and directors and officers liability. AXA Corporate Solutions Assurance also offers loss-prevention and risk management services.

The table below presents the International Insurance segment's gross written premiums and gross insurance liabilities by major products for the periods and as at the dates indicated.

INTERNATIONAL INSURANCE					(in euro millions, except percentages)
	Gross written premiums Years ended December 31,				Gross insurance liabilities at December 31,
	2004		2003	2002	2004
Property damage	43%	1,450	1,746	2,852	2,978
Automobile, Marine, Aviation	20%	680	705	1,235	2,624
Casualty / Civil Liability	18%	604	608	689	3,437
Assistance	14%	475	408	397	192
Other	4%	148	489	566	1,120
TOTAL	100%	3,356	3,956	5,740	10,351

Distribution

AXA RE and AXA Corporate Solutions Assurance distribute their products principally through insurance and reinsurance brokers.

AXA Assistance distributes its products through general agents, independent advisers and brokers or direct sales/ marketing; but also through AXA France distribution network which offers in its Property & Casualty insurance products, assistance services.

Ceded Reinsurance and Retrocessions

AXA RE and AXA Corporate Solutions Assurance review their exposures to ensure that the risks underwritten are diversified geographically and by line of business in order to avoid risk of concentration.

Premiums retroceded by **AXA RE** to external reinsurers in 2004 are split between (i) ceded €59 million premiums related to specific and proportional retrocessions (deemed to protect specific lines of business), and (ii) ceded € 230 million related to covers (deemed to cover the whole portfolio against major events).

In 2004, **AXA Corporate Solutions Assurance** ceded €588 million premiums (2003: €664 million) to third-party reinsurers.

Also, in 2004, approximately €631 million, or 79% of total reinsurance ceded to third parties, were placed externally by **AXA Cessions** on behalf of AXA's insurance subsidiaries (2003: €671 million or 54%).

Asset management segment

During 2004, the AXA's Asset Management segment benefited from the continued increase in equity markets (+9% for the S&P 500 American equity index) combined with the good performance of fixed-income assets. Continuing a trend started in 2003, investors are attracted by the prospects of higher returns following years of declining equity markets, but with an increased demand for advice and alternative investments.

Asset Management is important to AXA, from both a strategic and profitability perspective. The development of Asset Management activities is a key part of AXA's strategy, which seeks to capitalize on existing strengths and to expand its client base. This strategy is based on the belief that its Asset Management expertise will enable AXA to benefit in the future from the expected growth in savings-related products in the markets in which it operates. The Asset Management segment accounted for €3.1 billion, of AXA's consolidated gross premiums and financial services for the year ended December 31, 2004 (2003. €2.9 billion).

AXA's principal Asset Management companies are Alliance Capital Management ("Alliance Capital") and AXA Investment Managers ("AXA IM"). The Asset Management companies manage assets on behalf of retail investors, private clients and institutional clients as well as on behalf of subsidiaries of AXA.

AXA has Asset Management specialist teams in each of its major markets: Western Europe, the United States and the Asia/Pacific region.

The table below sets forth the total assets managed by the companies comprising AXA's Asset Management segment, including assets managed on behalf of third parties, and the fees earned by such companies on these assets as at the dates and for the periods indicated.

ASSETS MANAGEMENT SEGMENT			(in euro millions)
	2004	2003	2002
Assets under management by AXA at December 31, (a)			
Managed on behalf of third parties	445,318	391,690	372,931
Assets backing contracts with financial risk borne by policyholders	66,138	65,158	58,887
Other invested assets	229,331	211,562	204,857
TOTAL	**740,788**	**668,410**	**636,674**
Commissions and fees earned for the years ended December 31,			
Alliance Capital (b)	2,421	2,416	2,903
AXA Investment Managers (b)	944	783	820
SUB-TOTAL	**3,364**	**3,199**	**3,724**
Intercompany eliminations	(277)	(277)	(313)
CONTRIBUTION TO AXA's CONSOLIDATED GROSS PREMIUMS AND FINANCIAL SERVICES REVENUES	**3,087**	**2,922**	**3,411**

(a) Based on estimated fair value at the dates indicated. Assets under management presented in this table are based on asset management companies only; AXA Group (including insurance companies) assets under management amounted to respectively €869 billion, €775 billion and €742 billion as of December 31, 2004, 2003 and 2002.

(b) Alliance Capital operations are mainly located in the U.S., while AXA Investment Managers operations are mainly based in Europe, although it is present in most countries where the Group operates.

Market and Competition

The Asset Management industry remains highly fragmented, with no single competitor, or any small group of competitors, dominating the worldwide market. AXA's asset management operations are subject to substantial competition in all aspects of its business due, in part, to the relatively low barriers to entry. Asset Management companies compete on the range of investment products offered, the investment performance of such products and the quality of services provided to clients, and prices.

Alliance Capital

Alliance Capital, through its parent company Alliance Holding, is a listed subsidiary of AXA Financial and is a leading global investment management firm in the U.S. Alliance Capital provides diversified investment management and related services to individual investors, private clients and to a variety of institutional clients, including AXA Financial and its insurance company subsidiaries (collectively Alliance Capital's largest client) as well as unaffiliated entities such as corporate and public employee pension funds, endowment funds, and U.S. and foreign governments.

Alliance Capital provides diversified asset management and related services globally to a broad range of clients including:

- management of assets backing contracts with financial risk borne by policyholders (unit-linked), hedge funds and other investment vehicles for private clients (such as, high net worth individuals, trusts and estates, charitable foundations),
- management of mutual funds sponsored by Alliance Capital, its subsidiaries and affiliates for individual investors,
- management of investments on behalf of institutional investors, and
- investment research and advisory services for institutional investors.

As at December 31, 2004, Alliance Capital had €395 billion of assets under management, including €352 billion of assets managed on behalf of third party clients (2003: €376 billion and €327 billion, respectively). Excluding exchange rates impact, assets under management in Alliance Capital increased by 13% to €427 billion at December 31, 2004 (in 2003, the increase at constant exchange rate was +23%).

AXA Investment Managers: AXA IM

AXA IM is one of the largest Asset Management companies based in Europe. AXA IM's clients include both (i) institutional investors and (ii) individual investors. AXA IM provides diversified Asset Management and related services globally to mutual funds which are distributed through AXA's distribution networks, AXA IM's own sales team and external distributors, and AXA's insurance subsidiaries in respect of their insurance-related invested assets and assets backing contracts with financial risk borne by policyholders (unit-linked).

In 2004, AXA IM began outsourcing its middle-office activities to State Street Corporation (effective December 2004 in France and Germany and March 2005 in the U.K.).

As at December 31, 2004, AXA IM had €345 billion of assets under management, including €93 billion of assets managed on behalf of third party clients (2003: €292 billion, €64 billion respectively).

Other financial services segment

The operations in the Other Financial Services segment are conducted primarily in Belgium and in France. For the year ended December 31, 2004 and 2003, the Other Financial Services segment accounted for €0.8 billion or 1% of AXA's consolidated gross premiums and financial services revenues.

The segment operations principally include:

AXA Bank Belgium. A subsidiary of AXA Belgium that offers a comprehensive range of financial services to individuals and small businesses. It has a network of a thousand of independent bank agents that support the sale of products offered by AXA Belgium and AXA IM.

AXA Banque and AXA Banque Financement. Based in Paris, **AXA Banque** delivers banking services dedicated to AXA. Its main activities include cash and securities flows management and bank account services to AXA's existing clients and distribution networks, as well as to direct clients. In 2002, AXA Banque merged with Banque Directe, purchased the same year from BNP Paribas. Banque Directe was a provider of online banking services and complements AXA's existing financial offering in France. **AXA Banque Financement** provides short-term loans to customers of AXA's French insurance operations.

Insurance-related invested assets

The assets underlying AXA's insurance operations (included within the three segments: the Life & Savings segment, the Property & Casualty segment and the International Insurance segment) are managed principally by AXA's Asset Management entities : Alliance Capital and AXA Investment Managers. These assets consist of (i) **general account** assets whereby the insurer generally bears the investment risk and reward, and (ii) **assets with financial risk carried by policyholders (unit-linked)**, whereby the investment risk and reward is principally transferred to the policyholders.

The discussion below concerns the general account investment assets of AXA's insurance operations, which are referred to in this Annual Report as "insurance-related invested assets".

The general account liabilities of AXA's Life & Savings operations can be divided into two primary types, participating and non-participating. For **participating products**, the investment results of the underlying assets determine, to a large extent, the return to the policyholder that is either reflected as an increase in future policy benefits or paid out in cash in the year the bonus is credited to the policyholder. The insurer's profits on such business are earned from investment management, net of policyholders' participation, mortality and other charges. For **non-participating or interest-sensitive products,** the insurer's profits are earned from a positive spread between the investment return, the crediting or reserve interest rate, and mortality.

Although all the general account assets of each insurer support all of that insurer's liabilities, the insurers have developed asset-liability management techniques with separate investment objectives for specific classes of product liabilities.

At December 31, 2004, based on total invested assets[1], the net book value of the insurance-related invested assets relating to the general account Life & Savings operations primarily consisted of fixed maturity investments, 72% of which were invested in equity holdings in fixed maturity-based mutual funds, and 10% of which were invested in equity investments (69% and 14% in 2003). At such date, the insurance-related invested assets relating to the Property & Casualty operations primarily consisted of fixed maturity investments, 61% of which were invested in equity holdings in fixed maturity-based mutual funds, and 20% of which were invested in equity investments (56% and 23% in 2003).

The following table presents AXA's consolidated insurance-related invested assets, by insurance segment at December 31, 2004 :

(1.) Based on net carrying value and excluding assets backing UK "With-profit" contracts, assets backing, assets with financial risk carried by policyholders contracts (unit-linked contracts) and investments in affiliated companies (Equity Method).

INSURANCE - RELATED INVESTED ASSETS

(in euro millions, except percentages)

	At December 31, 2004									
	Life & Savings		Property & Casualty		International Insurance		Total		% of total	
	Net carrying value (a)	Market value	Net carrying value (a)	Market value	Net carrying value (a)	Market value	Net carrying value (a)	Market value	Net carrying value (a)	Market value
Fixed maturities										
(a) Held to maturity and available for sale	116,256	126,559	18,030	19,352	5,348	5,571	139,635	151,482	56%	57%
– French government	20,698	23,799	2,348	2,664	467	512	23,514	26,975	9%	10%
– Foreign government	34,756	38,073	8,758	9,386	2,503	2,600	46,017	50,060	18%	19%
– Local governments	6,663	7,062	1,336	1,414	27	27	8,026	8,503	3%	3%
– Government controlled corporations	6,761	7,390	1,625	1,689	589	623	8,976	9,703	4%	4%
– Non-government controlled corporations	39,991	42,489	2,962	3,161	1,478	1,518	44,432	47,167	18%	18%
– Mortgage-backed securities	5,978	6,207	540	572	181	185	6,700	6,964	3%	3%
– Other	1,388	1,518	460	467	103	105	1,950	2,091	1%	1%
Intercompany transactions not required by issuers	*21*	*19*	*0*	*(0)*	*(0)*	*0*	*21*	*19*	*0%*	*0%*
(b) Allocated to UK With-Profit business-trading (b)	15,736	15,736					15,736	15,736	6%	6%
(c) Trading securities (d)	2,588	2,588	0	0	0	0	2,588	2,588	1%	1%
Total fixed maturities	**134,580**	**144,883**	**18,030**	**19,352**	**5,348**	**5,571**	**157,959**	**169,806**	**63%**	**63%**
Equity investments, including holdings in mutual funds										
Available-for-sale	46,097	48,223	10,151	10,562	1,416	1,491	57,664	60,276	23%	22%
Allocated to UK With-Profit business-trading (b)	9,383	9,383					9,383	9,383	4%	4%
Trading securities (c)	1,960	1,960					1,960	1,960	1%	1%
Total equity investments, including holdings in mutual funds	**57,441**	**59,566**	**10,151**	**10,562**	**1,416**	**1,491**	**69,008**	**71,619**	**28%**	**27%**
Of which equity holdings in fixed maturity-based mutual funds	*28,391*	*29,178*	*4,134*	*4,241*	*412*	*422*	*32,937*	*33,841*	*14%*	*14%*
Investment in participating interests	1,048	1,668	1,192	1,541	51	78	2,292	3,286	1%	1%
TOTAL (b) (d)	**193,069**	**206,117**	**29,374**	**31,455**	**6,815**	**7,140**	**229,258**	**244,712**	**92%**	**91%**
Real Estate	**9,290**	**11,052**	**2,274**	**2,814**	**138**	**221**	**11,702**	**14,087**	**5%**	**5%**
Of which allocated to UK With-Profit business-trading (b)	*3,080*	*3,080*					*3,080*	*3,080*	*1%*	*1%*
Mortgages, policy and other loans	**17,134**	**17,663**	**988**	**1,012**	**34**	**34**	**18,156**	**18,709**	**7%**	**7%**
Of which allocated to UK With-Profit business-trading (b)	*35*	*35*					*35*	*35*	*0%*	*0%*
Cash and cash equivalents	**13,067**	**13,067**	**3,560**	**3,560**	**2,040**	**2,040**	**18,666**	**18,666**	**7%**	**7%**
INVESTED ASSETS	232,560	247,899	36,196	38,841	9,027	9,435	277,783	296,175		
Of which allocated to UK With-Profit business-trading (b)	*28,234*	*28,234*					*28,234*	*28,234*	*11%*	*11%*
INVESTED ASSETS EXCLUDING UK WITH-PROFIT	204,325	219,665	36,196	38,841	9,027	9,435	249,548	267,940	100%	100%

(a) Amounts are net of valuation allowances. For details on valuation allowances see note 6 to AXA's consolidated financial statements.

(b) These amounts exclude assets with financial risk borne by the policyholders (unit-linked) and investments in affiliated companies accounted for under the equity method. Assets allocated to UK With-Profit business are carried at estimated fair value in the consolidated balance sheet.

(c) Trading securities are carried at estimated fair value and represent assets that support insurance liabilities, in which the value of such liabilities is determined in part in reference to the market value of such assets.

(d) Refer to note 2 to AXA's consolidated financial statements included in this annual report that set out the investment valuation methodology.

For additional information on the type of assets in which AXA invests and the related net investment results for each of the three years ended December 31, 2004, see notes 6, 7, 8 and 20 to the consolidated financial statements included in Item 18 of this Annual Report.

AXA did not have directly any equity and/or fixed maturity investment with respect to insurance-related invested assets in any one issuer other than the French government that was in aggregate €2,616 million or 10% or more of AXA's total shareholders' equity at December 31, 2004.

AXA's **fixed maturity and equity investments** are predominantly publicly traded. In respect of these investments, 90% (compared to 84% in 2003, or 85% including Southern Europe and Ireland) of the fixed maturity investments and 93% (compared to 90% published in 2003) of the equity investments are held by AXA's principal insurance operations in France, the United States, the United Kingdom (including Ireland), Germany, Belgium, Japan and Southern Europe.

More specifically, the insurance-related invested assets backing the insurance liabilities in these operations were predominantly holdings in domestic investments, or in the local currency of the liabilities.

In respect of AXA's consolidated holdings in fixed maturity and equity securities, the breakdown of these investment holdings by industry sector and as at the dates indicated:

Industry Sector Beakdown	At December 31,	
	2004	2003
Financial Services	21%	21%
Manufacturing / Pharmaceuticals	6%	6%
Utilities	3%	4%
Technology & Telecommunications	3%	3%
Government institutions	38%	36%
Other Direct holdings	16%	19%
Investment in mutual funds	14%	11%
Total	**100%**	**100%**

Overall, the fixed maturity and equity investments together with real estate, mortgages and loans are concentrated in the local markets in which AXA's principal subsidiaries operate.

Derivatives. AXA uses derivative instruments to minimize adverse fluctuations in equity prices, interest rates, foreign exchange rates. The basis for which AXA manages these risks, the sensitivities associated with managing these types of risks, and the potential impact on the AXA consolidated financial results are set out in further detail in "Item 11 – Quantitative and Qualitative Disclosures About Market Risk" and in note 25 to the consolidated financial statements included in Item 18 of this Annual Report.

Net investment return on insurance-related assets. The net investment return on insurance-related assets by major operating entity are presented within the segment information provided in "Item 5 – Operating and Financial Review and Prospects" and note 20 to AXA's consolidated financial statements included in Item 18 of this Annual Report.

Property & Casualty claims reserves

Establishment of claims reserves

AXA is required by applicable insurance laws and regulations, and generally accepted accounting principles to establish reserves for outstanding claims (claims which have not yet been settled) and associated claims expenses that arise from its Property & Casualty and international insurance operations. AXA establishes its gross insurance liabilities, or claims reserves, by product, type of insurance coverage and year, and charges them to income as incurred.

Claims reserves (also referred to as "loss reserves") fall into two categories namely:

- *reserves for reported claims and claims expenses.* These reserves are for outstanding claims which have not yet been settled and are based on undiscounted estimates of the future claims payments that will be made in respect of the reported claims, including the expenses relating to the settlement of such claims; and
- *reserves for incurred but not yet reported ("IBNR")* claims and claims expenses. IBNR reserves are established on an undiscounted basis, to recognize the estimated cost of losses that have occurred but have not yet been notified to AXA. These reserves, like the reserves for reported claims and claims expenses, are established to recognize the estimated costs, including the expenses associated with claims settlement, necessary to bring claims to final settlement.

The process of estimating the original gross claims reserve is based on information available at the time the reserve was originally established. However, claims reserves are subject to change due to the number of variables that affect the ultimate cost of claims, such as: (i) development in claims (frequency, severity and pattern of claims) between the amount estimated and actual experience, (ii) change arising from the occurrence of large natural catastrophes late in the financial year for which limited information may be available at year end (iii) judicial trends, regulatory changes, and (iv) inflation and foreign currency fluctuations.

As a result, actual losses may deviate from the original gross reserves established. Consequently, the reserve may be re-estimated on the basis of information available. Any adjustment resulting from a change in claims reserves is recorded in the financial statements of the relevant period.

AXA continually reviews the adequacy of established claims reserves, including claims development, and actual claims experience compared to initial assumptions used to estimate initial gross claims reserve. Based on current information available in the preparation of the consolidated financial statements included elsewhere in this Annual Report, AXA believes that these provisions are sufficient.

Estimation of claims reserves involves numerous subjective judgements and assumptions and consequently the sufficiency of claims reserves cannot be assumed. See "Item 3 – Risk Factors".

The information within this section sets forth separately (i) AXA's Property & Casualty insurance operations representing the Property & Casualty Segment operations and AXA Corporate Solutions Assurance from the International Insurance segment, and (ii) AXA RE business from the International Insurance segment.

In accordance with prior years' presentation, AXA RE's information is provided separately because:
(i)AXA RE's business consists of insurance assumed from other insurers,
(ii)AXA RE's programs are monitored separately within the reinsurance operations, and the type of insurance and the nature of the risks and exposures covered are different compared to the direct insurance coverage provided by AXA's Property & Casualty insurance operations and AXA Corporate Solutions Assurance,
(iii)A portion of AXA RE's business is ceded to other reinsurers through retrocession programs which are monitored separately within the reinsurance operations, and
(iv)The claims are accounted for on an underwriting year basis rather than on an accident year basis covering a 12-month period.

The monitoring of the activity on an underwriting year basis is in fact the most usual practice among reinsurers, and is the most appropriate to reinsurance treaties which in general cover the risks underwritten by the ceding company during a given year, whereas the claims attached to this underwriting may occur either during this year or during the following one. In AXA RE's loss reserve development table, the fact that claims may occur subsequently to the first closing of the underwriting year explains that the reserves re-estimated one year later (and in general also several years later) are always higher than the initial net claims reserves. In the financial statements this claims charge related to claims occurring subsequently to the first closing of the underwriting year they are attached to is covered by the premium items which are mentioned on the line "Premium adjustment".

Property & Casualty Reserves not Included in Loss Development Tables

AXA does not discount its reserves for claims and claims expenses except for disability claims for which a final settlement has been agreed upon and payments are fixed over a period of time. The disability claims reserves have not been included in the Loss Reserve Development Table, since these are similar to structured settlements.

AXA's French Property & Casualty operations underwrite construction coverage with a ten-year contract term. In accordance with the French regulations, a specific provision is added to the claims reserves based on methodology established by the French government. This reserve is in addition to each single notified claim. The construction reserves and catastrophe equalization reserves were excluded from the Loss Reserve Development table because such reserves do not provide any indication as to how claims have been reserved (initially) and the outcome upon settlement of such claims in future periods based on the underwriting and associated reserving methodologies adopted by AXA.

In addition, local regulations require certain AXA Property & Casualty operations to establish equalization reserves specific to catastrophe risks, see "Additional Factors which may affect AXA's Business – Regulation" for further details.

The Property & Casualty loss reserves that were excluded from the Loss Reserve Development Table amounted to €4.8 billion and represented 12.8% of total gross Property & Casualty insurance liabilities at December 31, 2004 (2003: 14.4%). For further information, refer to the "Reconciliation of Loss Reserves to Consolidated Financial Statements" table following the Loss Reserve Development tables.

Loss Reserve Development

The loss reserve development table presents the claims reserve development for calendar years 1994 through 2004, as determined in accordance with French GAAP. The first row captioned "gross reserves for unpaid claims and claims expenses" represents the original gross claims reserve liability reported at the balance sheet date for the year indicated. The third row captioned "paid (cumulative)" represents the cumulative amounts paid as of the end of each year with respect to the original gross claims reserve liability reported. The fourth row captioned "Reserve re-estimated" represents the previously recorded liability as adjusted (re-estimated) based on claims experience as of the end of each year. Estimates are adjusted, as more information on unsettled claims becomes known from time to time to unsettled claims. For example, the gross claims reserve as at December 31, 1996 was originally €5,847 million and increased by €12,943 million to €18,790 million primarily due to the UAP acquisition in 1997. By the end of 2004, aggregate amounts paid were €12,143 million and the original gross claims reserve had been re-estimated to be €16,272 million at December 31, 2004. The "cumulative redundancy (deficiency)" for each year represents the aggregate amount by which the original gross claims reserve liability as of that year-end has changed in subsequent periods.

LOSS RESERVE DEVELOPMENT TABLE: PROPERTY & CASUALTY INCLUDING INTERNATIONAL INSURANCE OPERATIONS (except for AXA RE) (in euro millions except percentages)

	At December 31,										
	1994	1995	1996	1997 (b)	1998	1999 (c)	2000	2001	2002	2003	2004 (d)
Gross reserves for unpaid claims and claims expenses developed initially (d)	**5,595**	**5,712**	**5,847**	**20,371**	**20,941**	**26,656**	**26,916**	**28,636**	**28,465**	**27,825**	**29,128**
Gross reserves for unpaid claims and claims expenses developed in 2004 (adjusted for subsequent acquisitions) (d)	**14,995**	**14,682**	**18,790**	**21,769**	**22,481**	**24,892**	**25,765**	**27,225**	**27,872**	**28,237**	**29,128**
Paid (cumulative) at:											
One year later	1,419	1,305	1,388	4,737	4,745	7,727	6,807	6,715	6,371	6,075	
Two years later	2,044	1,684	5,759	6,632	6,818	11,184	10,302	9,900	9,554		
Three years later	2,368	6,898	7,327	8,087	9,361	13,474	12,378	12,440			
Four years later	7,082	8,123	8,351	10,338	10,632	14,798	14,220				
Five years later	8,089	8,917	10,619	11,218	11,384	16,239					
Six years later	8,591	9,075	11,187	11,512	12,435						
Seven years later	8,799	9,615	11,387	12,508							
Eight years later	9,079	9,660	12,143								
Nine years later	9,079	10,114									
Ten years later	9,446										
Reserve re-estimated at:											
One year later	5,303	5,607	5,537	19,425	19,040	23,041	27,069	27,425	26,856	27,527	
Two years later	5,177	5,477	13,881	17,510	19,407	26,294	25,919	25,718	26,219		
Three years later	5,278	13,376	13,864	17,971	22,048	25,542	24,864	25,610			
Four years later	12,353	13,303	14,214	20,162	21,485	24,409	24,665				
Five years later	12,160	13,730	16,742	19,873	20,804	24,304					
Six years later	12,490	13,472	16,439	19,052	20,820						
Seven years later	12,323	13,273	16,024	19,293							
Eight years later	12,166	12,905	16,272								
Nine years later	11,835	13,028									
Ten years later	11,969										
Cumulative redundancy (deficiency) from the initial gross reserves in excess of re-estimated gross reserves:											
Amount (a)	**3,026**	**1,654**	**2,518**	**2,476**	**1,661**	**588**	**1,101**	**1,616**	**1,653**	**710**	**na**
Percent (a)	**20.2%**	**11.3%**	**13.4%**	**11.4%**	**7.4%**	**2.4%**	**4.3%**	**5.9%**	**5.9%**	**2.5%**	**na**

(a) It is not appropriate to extrapolate future redundancies or future deficiencies based on the loss reserve development presented in the table as conditions and trends that have affected the development of the liability in prior periods may not necessarily occur in the future periods.

(b) AXA acquired Compagnie UAP ("UAP") on January 1, 1997. The operations of AXA and UAP were integrated in 1998. At the date of acquisition, UAP had net reserves of euro 13.7 billion. The outstanding claims reserves and claim expenses of UAP's Property & Casualty operations are included in the year end reserves as at December 31, 1997 and thereafter. Cumulative payments and reserve development for the 1998 year and thereafter include the development of the integrated Property & Casualty liabilities of AXA, including UAP, as loss development data specific to UAP is not available and there is no reasonable basis of allocating cumulative payments and reserves re-estimated between AXA and UAP post-acquisition.

(c) AXA acquired GRE in May 1999. The operations of GRE have been integrated within AXA. At time of acquisition the gross reserves totalled euro 5.6 billion.

(d) In 2004, the companies AXA Corporate Solution Insurance US, AXA RE Property & Casualty Insurance company and AXA RE Property & Casualty Reinsurance company were transferred from AXA RE to the Other transnational activities.The reserves of AXA Corporate Solution Insurance US were presented on an occuring year basis and included in Property & Casualty loss reserve developement table. The reserves of AXA RE Property & Casualty Insurance company and AXA RE Reinsurance company were presented on an underwriting year basis and included in AXA RE loss reserve development table.

The majority of the business of the Property & Casualty insurance operations is short tail and, therefore, losses develop and are paid relatively quickly. In 2004, approximately 40% of the claims reserves were paid in the year that the claim event occurred (2003: 39%).

Note 15 "Insurance Liabilities" to the consolidated financial statements includes: (i) a reconciliation of beginning to ending gross outstanding claims reserves including claim expenses for each of the three years ended December 31, 2004 and (ii) the effect on income relating to changes in claims reserves for each of the three years ended December 31, 2004 under the caption "increase (decrease) in provision attributable to prior years".

In respect of the direct insurance business in 2004, there were no notable changes in the claims payment patterns, and no significant changes in assumptions during the current year. In 2004, the company AXA Corporate Solution Insurance US was transferred from the reinsurance business to transnational insurance activities. See "Item 5 –Operating and Financial Review and Prospects" for further information.

LOSS RESERVE DEVELOPMENT TABLE: AXA RE

(in euro millions except percentages)

	At December 31,										
	1994	1995	1996	1997	1998	1999 (c)	2000	2001	2002	2003	2004 (d)
Gross reserves for claims expenses in Balance Sheet developed initially (a)	**1,496**	**2,451**	**2,646**	**2,880**	**3,060**	**3,396**	**3,455**	**5,868**	**4,778**	**4,200**	**3,314**
Gross reserves for claims expenses in Balance Sheet developed in 2004 (e)	**1,496**	**2,451**	**2,646**	**2,880**	**3,060**	**3,396**	**3,453**	**5,868**	**4,778**	**3,742**	**3,314**
Initial retroceded reserves	(201)	(262)	(196)	(285)	(416)	(430)	(393)	(1,652)	(1,020)	(853)	
Retroceded reserves in 2004 (e)	(201)	(262)	(196)	(285)	(416)	(430)	(393)	(1,652)	(1,020)	(490)	(410)
Initial net claims reserves in excess of (less than) re-estimated net claims reserves:	**1,295**	**2,189**	**2,450**	**2,595**	**2,644**	**2,966**	**3,060**	**4,216**	**3,758**	**3,252**	**2,904**
Paid (cumulative) at:											
One year later	374	602	615	583	956	1,165	1,218	1,987	1,441	950	
Two years later	566	1,008	965	1,094	1,594	1,893	1,860	3,198	2,113		
Three years later	737	1,221	1,230	1,430	2,000	2,265	2,449	3,603			
Four years later	849	1,410	1,427	1,685	2,232	2,779	2,549				
Five years later	935	1,548	1,586	1,815	2,677	2,726					
Six years later	1,037	1,677	1,689	2,101	2,566						
Seven years later	1,106	1,759	1,953	1,971							
Eight years later	1,156	2,000	1,813								
Nine years later	1,288	1,856									
Ten years later	1,203										
Reserve re-estimated at:											
One year later	1,558	2,811	2,970	2,945	3,743	3,969	4,199	5,922	5,012	3,438	
Two years later	1,549	2,917	2,829	3,159	3,817	4,105	4,061	6,183	4,163		
Three years later	1,675	2,774	2,891	3,168	3,772	3,955	4,034	5,314			
Four years later	1,643	2,818	2,844	3,045	3,643	4,027	3,817				
Five years later	1,653	2,755	2,754	2,941	3,722	3,755					
Six years later	1,681	2,678	2,612	2,964	3,444						
Seven years later	1,622	2,558	2,692	2,724							
Eight years later	1,552	2,653	2,468								
Nine years later	1,688	2,452									
Ten years later	1,503										
Cumulative redundancy (deficiency) from the initial gross claims reserves in excess of (less than) re-estimated gross claims reserves	**(7)**	**(1)**	**178**	**156**	**(384)**	**(359)**	**(364)**	**554**	**615**	**304**	
Re-estimated retroceded reserves	126	229	229	335	488	412	367	1,095	703	295	
Premium adjustment (b)	268	525	569	634	719	1,023	1,266	1,367	1,260	536	
Re-estimated net claims reserves:	1,109	1,698	1,670	1,755	2,237	2,320	2,184	2,852	2,200	2,607	
Initial net claims reserves in excess of (less than) re-estimated net claims reserves:											
Amount (a)	186	491	780	840	407	646	876	1,364	1,558	645	na
Percent of original net reserve (a)	14.4%	22.4%	31.8%	32.4%	15.4%	21.8%	28.6%	32.4%	41.5%	19.8%	na

(a) *The loss reserve development table is presented on an underwriting year basis for AXA RE business. Accordingly reserves re-estimated and the excess of re-estimated reserves in excess of the original reserves include reserves for losses occurring up to twelve months subsequent to the original year-end. It is not appropriate to extrapolate future redundancies or future deficiencies based on the loss reserve development presented in the table as conditions and trends that have affected the development of the liability in prior periods may not necessarily occur in the future periods.*

(b) *Represents premium earned subsequent to the accounting year end and premium reinstatements / experience-rated premiums received and accrued from the ceding insurers as assumed losses were incurred.*

(c) *Includes the claims reserves of Abeille Re acquired in 1995.*

(d) *In 2001, the claims reserve of AXA RE were adversely affected by the September 11th attacks.*

(e) *In 2004, the companies AXA Corporate Solution Insurance US, AXA RE Property & Casualty Insurance company and AXA RE Property & Casualty Reinsurance company were transferred from AXA RE to the Other transnational activities.*
The reserves of AXA Corporate Solution Insurance US were presented on an occuring year basis and included in Property & Casualty loss reserve developement table.
The reserves of AXA RE Property & Casualty Insurance company and AXA RE Reinsurance company were presented on an underwriting year basis and included in AXA RE loss reserve development table.

Reconciliation of Loss Reserves Developed to Consolidated Financial Statements

The following table reconciles the gross insurance liabilities, e.g., the gross claims reserves including claim expenses, in the Loss Development Tables presented above to that presented in the AXA's consolidated financial statements in accordance with French GAAP as at the dates indicated (refer to note 15 "Insurance Liabilities" to the consolidated financial statements included in Item 18 of this Annual Report).

(in euro millions)

	At December 31, 2004	2003
Total gross claims reserves developed:		
Property & Casualty (including AXA Corporate Solutions Assurance) [(a)]	29,128	27,825
AXA RE [(b)]	3,314	4,200
Total gross claims and other reserves developed	**32,442**	**32,025**
Gross claims and other reserves not developed:		
Catastrophe equalization reserves	407	397
Other reserves [(a)]	4,350	4,991
Total gross claims and other reserves excluding Life & Savings	**37,199**	**37,413**
Claims reserves for Life & Savings Segment	7,871	7,624
Total gross claims and other reserves	**45,070**	**45,037**

(a) Total gross claims and other reserves developed are presented on the loss reserve development basis: the reserves of AXA Corporate Solution Insurance US are included in Property & Casualty and International Insurance loss reserve. The reserves of AXA RE Property & Casualty Insurance company and AXA RE Reinsurance company (€460 million) were included in AXA RE.

(b) Of which Future policy benefits or disability claims (€1,950 million), construction reserves (€1,056 million) and reserves on acceptations (€975 million).

Environmental, Asbestos and Other Exposures

AXA regularly review environmental, asbestos and other related exposures to ensure that loss provisions are adequate. Further details are provided in note 15 "Insurance Liabilities" to the consolidated financial statements included in Item 18 of this Annual Report.

Additional factors which may affect AXA's business

For information relating to certain additional matters that may affect AXA's business, see "Item 3 – Key Information –Risk factors" and "Item 8 – Legal Proceedings" included elsewhere in this Annual Report.

Regulation

AXA's principal operations are located in Western Europe, North America and the Asia-Pacific region, and to a lesser extent, in Africa and the Middle East. In these jurisdictions, AXA is generally subject to comprehensive regulation and supervision, particularly with respect to its insurance and investment management operations.

Insurance Operations

While the extent and nature of regulation varies from country to country, most jurisdictions in which AXA's insurance subsidiaries operate have laws and regulations governing standards of solvency, levels of reserves, permitted types and concentrations of investments, business conduct to be maintained by insurance companies as well as agent licensing, approval of policy forms and, for certain lines of insurance, approval or filing of rates. In certain jurisdictions, regulations limit sales commissions and certain other marketing expenses that may be incurred by the insurer. In general, insurers are required to file detailed annual financial statements with their supervisory agencies in each of the jurisdictions in which they do business. Such agencies may conduct regular examinations of the insurers' operations and accounts and make requests for particular information from the insurer. Certain jurisdictions also require registration and periodic reporting by holding companies that control a licensed insurer. This holding company legislation typically requires periodic disclosure concerning the corporation that controls the licensed insurer and other affiliated companies, including prior approval of transactions between the insurer and other affiliates such as inter-corporate transfers of assets and payment of dividends by the controlled insurer. In general, these regulatory schemes are designed to protect the interests of policyholders rather than security holders.

Europe

The regulatory systems governing insurers in France, Germany, the United Kingdom ("UK"), Belgium and other European jurisdictions where AXA does business are comprehensive and generally are designed to protect the interests of policyholders rather than those of security holders. In Europe, AXA operates in most major markets through free-standing subsidiaries which are subject to a regulatory scheme based on the European Union ("EU") insurance directives on life insurance and insurance other than life insurance. These directives were implemented in France, Germany, the UK and certain other jurisdictions through legislation that became effective in July 1994 and are founded on the "home country control" principle according to which the ongoing regulation of insurance companies, including their non-home country insurance operations (whether direct or through branches), is the responsibility of the home country insurance regulatory authority. The home country insurance regulator monitors compliance with applicable regulations including regulations governing solvency, actuarial reserves and investment of assets. Selling activities of non-home country insurance operations, however, are generally regulated by the regulator in the country in which the sale of the insurance product takes place. As a result of the implementation of these directives, an insurance company that has been licensed to conduct insurance business in one jurisdiction of the EU may do business directly or through branches in all other jurisdictions of the EU without being subject to licensing requirements under the laws of the other jurisdictions.

The EU has also adopted various directives concerning solvency margin requirements for insurers and insurance groups. A 1998 EU directive, implemented into French law in 2002, requires insurance groups to calculate a consolidated solvency margin. AXA must establish appropriate internal controls to ensure solvency sufficient to cover all of the Group's insurance liabilities, inform the French insurance regulatory authorities annually of certain intra-group transactions, and calculate on a consolidated basis the capital needed to meet the respective solvency requirements of the Group's insurance subsidiaries. Similar group solvency requirements are required to be fulfilled by intermediate holding companies that own Group insurance subsidiaries in different EU jurisdictions. In addition, a 2002 EU directive relating to the regulation and supervision of financial conglomerates was implemented into French law in 2005. This legislation provides for the assessment of a financial conglomerate's capital requirements at the consolidated group level, the supervision of risk concentration and intra-group transactions, and the prevention of double-leveraging of the capital of a holding parent company, i.e. once at the holding parent level and a second time at the subsidiary level ("double gearing"). Although the AXA Group is not currently deemed a financial conglomerate within the meaning of this legislation by the French insurance regulator, there can be no assurances that it will not become (or be deemed) a financial conglomerate in the future. Also, due to the lack of uniform interpretation of this legislation by local insurance regulators throughout the various EU jurisdictions, there can be no assurances that certain regional subsidiaries of the AXA Group may be deemed a financial conglomerate by local regulators and therefore be subject to this law. The EU is currently considering the adoption of a new directive aiming at applying the "home country control" principle to European reinsurance companies and unifying the regulatory regimes applicable to reinsurance companies throughout the EU.

In addition to other applicable regulatory requirements, in France, Germany, the UK, and certain other European jurisdictions, property and casualty insurers are required to maintain equalization reserves to protect against the impact of large claims and catastrophes. The basis on which these equalization reserves are established is set out in the local country regulations based on pre-established formulas applicable to certain lines of business and may be capped at a maximum level.

In addition to the foregoing, there have been various regulatory initiatives within the member states of the European Union relating to, among other subjects, the assessment of capital adequacy, more stringent capital requirements on insurers, the requirement to have appropriate systems and controls to manage the business and prudential regulation. Each of these regulations may have a potential impact on the AXA's subsidiaries doing business in the jurisdiction where such regulation is enacted.

Various AXA subsidiaries have been subject to regulatory investigations and sanctions from time to time in the various European jurisdictions in which they operate. For a description of certain of these investigations, see "Item 18 – Financial Statements; Note 28 – Litigation."

United States

In the United States, regulation of the insurance business remains principally at the state level, with AXA's insurance operations being subject to regulation and supervision by all the various states and territories. Within the United States, the method of regulation varies but generally has its source in statutes that delegate regulatory and supervisory powers to an insurance commissioner. While regulation varies by jurisdiction, most jurisdictions have comprehensive laws and regulations governing approval of policy forms and rates, the standards of solvency that must be met and maintained (including risk based capital measurements), the establishment of reserves, the licensing of insurers and their agents, sales practices by agents, the nature of and limitations on investments, restrictions on the size of risks which may be insured under a single policy, deposits of securities for the benefit of policyholders, methods of accounting, periodic examinations of the affairs of insurance companies, and the form and content of reports of financial condition and results of operations to be filed.

Certain of AXA's U.S. insurance, broker-dealer, investment adviser and investment management subsidiaries, including AXA Equitable Life Insurance Company ("AXA Equitable"), and certain policies and contracts offered by them are subject to regulation under the Federal securities laws administered by the SEC and under certain state securities laws. The SEC conducts regular examinations of the operations of these companies, and from time to time makes requests for particular information from them. The SEC, other governmental regulatory authorities, including state insurance and securities regulators, and the National Association of Securities Dealers ("NASD") may institute administrative or judicial proceedings which may result in censure, fines, the issuance of cease-anddesist orders, the suspension or expulsion of a broker-dealer or member, its officers or employees or other similar sanctions. AXA Financial's broker-dealer subsidairies and its other subsidiaries have provided information and documents to the SEC, NASD and other regulators on a wide range of issues, including supervisory issues, market timing, late trading, valuation, suitability, replacements and exchanges of variable life insurance and annuities, collusive bidding and other inappropriate solicitation activities, "revenue sharing" and directed brokerage arrangements, investment company directed brokerage arrangements, fund portfolio brokerage commissions, mutual fund sales and marketing and "networking arrangements". Fines and other sanctions could result from pending regulatory matters.

Several U.S states, including New York, regulate transactions between an insurer and its affiliates under insurance holding company acts. These acts contain certain reporting requirements and restrictions on provision of services and on transactions, such as asset transfers, loans and shareholder dividend payments by insurers. State insurance regulators also have the discretionary authority to limit or prohibit new issuances of business to policyholders within their jurisdiction when, in their judgment, such regulators determine that the issuing insurer is not maintaining adequate statutory surplus or capital. Life insurers in the United States are also subject to risk-based capital ("RBC") guidelines which provide a method of measuring the adjusted capital (statutory capital and surplus plus asset valuation allowance and other adjustments) that a life insurance company should have for regulatory purposes taking into account the risk characteristics of the company's investments and products. AXA Equitable and AXA's other U.S. life insurance subsidiaries expect that the statutory surplus will continue to be in excess of the minimum RBC levels required to avoid regulatory action.

In addition, a number of states in the U.S., including New York, California and Florida, have enacted legislation requiring disclosure of extensive information concerning Holocaust era insurance policies sold in Europe prior to and during the Second World War. While these statutes vary and certain of them provide exemption for companies such as AXA that participate in the International Commission on Holocaust Era Insurance Claims, the ultimate sanction under certain of these statutes for failure to disclose the required information is revocation of an insurer's license to engage in the insurance business in the concerned state. Although each of AXA's U.S. insurance subsidiaries intends to comply with these laws with respect to its own activities, the ability of AXA and its European affiliates to comply may be impacted by various factors including the availability of relevant information after more than 50 years and privacy laws in effect in various European countries. Any failure to comply with these laws could result in state regulatory authorities seeking to take enforcement actions against AXA and its U.S. affiliates, including AXA Equitable Life Insurance Company. Litigation challenging the validity of the California legislation concluded on June 23, 2003, when the U.S. Supreme Court struck down California Holocaust law, on the grounds that the law violates the U.S. Constitution because it interferes with President's conduct of U.S. foreign policy. Since that decision, various federal legislative initiatives similar to the Californian legislation have been introduced in the U.S. Congress. To date, none of these initiatives have been enacted. Management cannot predict with certainty, however, whether such federal legislative initiatives may be adopted in the future or whether U.S. insurance regulatory authorities may undertake new legislative, regulatory or related initiatives in connection with these matters. For additional information on these matters, see Note 28 "Litigation" in AXA's consolidated financial statements included in Item 18 of this Annual Report.

U.S. federal and state privacy laws and regulations impose restrictions on the use and disclosure of customer information by financial institutions. Legislation imposing additional restrictions on the use and disclosure of customer information is currently pending in the U.S. Congress and in a number of state legislatures. These laws, regulations and legislation, if enacted, could impact AXA's ability to market its products or otherwise limit the nature or scope of AXA's insurance and financial services operations in the U.S.

Although the U.S. Federal government generally does not directly regulate the insurance business, many federal tax laws affect the business in a variety of ways. There are a number of existing, newly enacted or recently proposed legislative initiatives, including Federal tax initiatives that may significantly affect AXA's U.S. life insurance subsidiaries, such as the 2001 legislation providing several years of lower rates for estate, gift and generation skipping taxes ("GST") and a one year of estate and GST repeal (in 2010) before a return to 2001 rates for the year 2011, or the 2003 reductions in income tax rates on long-term capital gains and qualifying corporate dividends. Recently, legislation has been proposed regarding accelerating and making permanent the repeal of the estate and generation skipping taxes. If enacted, this legislation would have an adverse impact on sales and surrenders of life insurance in connection with estate planning. Other provisions of recently enacted and proposed legislation and U.S. Treasury regulations relate to the business use of life insurance, split-dollar arrangements, creation of new tax favored savings accounts and modifications to nonqualified deferred compensation plan and qualified plan rules. These provisions could adversely affect the sale of life insurance to businesses, as well as the attractiveness of qualified plan arrangements, cash value life insurance and annuities. The U.S. Congress may also consider proposals such as Social Security reform or comprehensive overhaul of the Federal tax law, which, if enacted, could adversely impact the attractiveness of cash value life insurance, annuities and tax qualified retirement products. Management cannot predict what other proposals may be made, what legislation, if any, may be introduced or enacted or what the effect of any such legislation might be.

Various AXA subsidiaries have been subject to regulatory investigations and sanctions from time to time in the various U.S. jurisdictions in which they operate. For a description of certain of these investigations, see "Item 18 –Financial Statements; Note 28 – Litigation." Following investigations by state attorney generals, state insurance commissioners of collusive bidding and revenue sharing practices and practices associated with replacements and exchanges of life insurance and annuities, legislatures have adopted or are considering adopting legislations and it is likely that there will be further initiatives in the future.

Asia-Pacific and Other Jurisdictions

The other jurisdictions in which AXA operates, including those in the Asia-Pacific region, also have comprehensive regulatory schemes and AXA must satisfy the local regulatory requirements in each of these jurisdictions. In general, insurance licenses issued by local authorities are subject to revocation and/or modification by those authorities. Consequently, AXA's insurance subsidiaries could be prevented from conducting business in certain of the jurisdictions in which they currently operate should they not meet such local regulatory requirements. In addition to licensing requirements, AXA's insurance operations in these jurisdictions are also generally regulated with respect to currency, policy terms and language, amount and types of security deposits, amount and type of reserves, amount and type of local investment and the share of profits to be paid to policyholders on participating policies. In certain jurisdictions, regulations governing constitution of technical reserves and similar regulations may prevent payment of dividends to shareholders and/or repatriation of assets.

Asset Management

Alliance Capital and AXA Investment Managers are subject to extensive regulation in the various jurisdictions in which they operate. These regulations are generally designed to safeguard client assets and insure adequacy of disclosure concerning investment returns, risk characteristics of invested assets in various funds, suitability of investments for client investment objectives and risk tolerance, as well as the identity and qualifications of the investment manager. These regulations also generally grant supervisory agencies broad administrative powers, including the power to limit or restrict the conduct of business for failure to comply with such laws and regulations. In such event, the possible sanctions that may be imposed include the suspension of individual employees, limitations on engaging in business for specific periods, the revocation of the registration as an investment adviser, censures and fines.

Alliance Capital and certain of its subsidiaries as well as certain U.S. subsidiaries of AXA Investment Managers and AXA Equitable Life Insurance Company are investment advisers registered under the United States Investment Advisers Act of 1940 (the "Investment Advisers Act"). Each of Alliance's U.S. mutual funds is registered with the SEC under the U.S. Investment Company Act of 1940 (the "Investment Company Act") and the shares of most of these funds are qualified for sale in all states in the United States and the District of Columbia, except for U.S. funds offered only to residents of a particular state. Certain subsidiaries of Alliance Capital and AXA Equitable Life Insurance Company are also registered with the SEC as transfer agents and broker-dealers that are subject to minimum net capital requirements. Transactions between AXA Equitable and Alliance Capital are subject to applicable provisions of the New York Insurance Law and transactions between AXA Investment Managers and its insurance company clients are subject to various insurance law regulations of the various jurisdictions where these clients are domiciled. These regulations generally require diversification of invested assets, impose limitations on investments in certain asset classes and also generally require that the terms of transactions between the investment manager and its client be fair and equitable, that charges or fees for services performed be reasonable and that certain other standards be met. Fees must be determined either with reference to fees charged to unaffiliated clients for similar services or, in certain cases, which include ancillary service agreements, based on cost reimbursement. In addition, under the New York Insurance Law and regulations certain investment advisory agreements and ancillary administrative services agreements between AXA Equitable and Alliance Capital are subject to approval by the New York Superintendent of Insurance within a prescribed notice period.

Other

As a publicly-traded company listed both on Euronext Paris and the New York Stock Exchange, AXA is subject to numerous laws, rules and regulations governing a variety of matters. These include (i) timely and accurate disclosure of information to investors, (ii) presentation of financial information in accordance with both French GAAP and U.S. GAAP requirements, (iii) restrictions on presentations of non-GAAP measures in the U.S., auditor independence requirements (including prohibitions on auditors furnishing certain types of non-audit services), (iv) numerous corporate governance requirements (including independence requirements for audit committee members), (v) certification of certain public reports by AXA's Chief Executive Officer and Chief Financial Officer, and (vi) requirements to evaluate, document, and report on AXA's internal accounting and disclosure controls and procedures. The scope and impact of these requirements on the day-to-day operations of AXA has increased significantly over the past years with the adoption of the Sarbanes Oxley Act in the United States in 2002 and the adoption of similar legislation in other jurisdictions, including the Financial Security Law (la loi de securite financiere) in France in 2003. While the spirit of these laws is very similar, their technical requirements sometimes conflict. Management has devoted very substantial resources to insure compliance with both the letter and spirit of these laws over the last two years and anticipates that considerable resources will continue to be devoted to this area in the future.

A new ordinance was adopted in 2004 that modernizes many aspects of French securities laws, most significantly by simplifying the rules applicable to the issuance of new securities by listed companies and expanding the types of securities that can be issued by French companies.

Additional information on regulatory matters

A more detailed description of certain matters involving AXA Financial, Inc. and its subsidiaries (including AXA Equitable Life Insurance Company and Alliance Capital) is included in the Annual Reports on Form 10-K for the year ended December 31, 2004 and subsequent reports on Form 10-Q, respectively, of AXA Financial, Inc. (SEC file no. 1-11166), AXA Equitable Life Insurance Company (SEC file no. 0-25280) and Alliance Capital (SEC file no. 1-9818) filed with the SEC (collectively, the "Subsidiary SEC Reports"). The Subsidiary SEC Reports are publicly available and copies can be obtained through the SEC's EDGAR system (www.sec.gov/edgar), at the SEC's public reference rooms at 450 Fifth St., N.W., Washington, D.C. 20549 or at the SEC's other public reference rooms in New York and Chicago, or on the websites of these subsidiaries.

Property

The Company's headquarters are located in an office building located at 25 Avenue Matignon 75008 Paris, France, which is owned by an affiliate of the Company. In addition to its registered head office, the Company has staff in other locations around Paris including at 21 and 23 Avenue Matignon 75008 Paris, France. The Company also has major operating subsidiaries with headquarters located in other countries including France, the United States, the United Kingdom, Japan, Germany, Southern Europe, Belgium and Australia. The headquarters of these subsidiaries are held on either a leasehold or a freehold basis.

AXA also holds numerous investment properties in connection with its insurance and financial services operations.

Item 5: Operating and Financial Review and Prospects

You should read the following discussion together with AXA's audited consolidated financial statements and the related notes included in Item 18 of this Annual Report. The audited consolidated financial statements have been prepared in accordance with French GAAP, which principles are described in note 2 to the consolidated financial statements. French GAAP differs in certain material respects from U.S. GAAP. A summary of the material differences between French GAAP and U.S. GAAP relevant to AXA, and additional U.S. GAAP disclosures are provided in notes 33 and 34 to the consolidated financial statements.

Certain information discussed below and elsewhere in this Annual Report includes forward-looking statements that involve risks and uncertainties. See "Special Note Regarding Forward-Looking Statements" provided in the beginning of this Annual Report and "Item 3-Key Information-Risk Factors" for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in this Annual Report.

This discussion and analysis also includes certain terms that are used by AXA in analyzing its business operations and, therefore, may not be comparable with terms used by other companies. These terms are defined in the glossary presented at the end of this section.

Overview

The Operating and Financial Review and Prospects item provides certain information on markets for the current year and a discussion and analysis of AXA's operating performance for the years ended 2004, 2003, and 2002 as reported under French GAAP with certain additional U.S. GAAP commentary as set out below.

- The information on the market conditions applicable to the current year focuses, mainly on the financial markets and insurance markets conditions for the main countries in which AXA operates.
- In addition, main operating highlights of the year are specific to AXA, we provide a summary of the principal acquisitions and disposals and capital and financing operations that occurred during the year, as well as any important events subsequent to December 31, 2004.
- An overview of critical accounting policies is provided setting out the accounting policies that use assumptions and estimates to prepare the consolidated financial statements.

The "consolidated operating results" section is based on French GAAP financial statements and is composed of two main parts: (i) Group gross consolidated revenues for the year ended December 31, 2004 compared to December 31, 2003, and for the year ended December 31, 2003 compared to December 31, 2002, for the Group and by operating segment; and (ii) Group consolidated results for the year ended December 31, 2004 compared to December 31, 2003, and for the year ended December 31, 2003 compared to December 31, 2002 for the Group and operating segment. In addition, specific commentary and analysis is provided for each operating segment i.e. Life & Savings, Property & Casualty, International Insurance, Asset Management and Other Financial Services, as well as Holdings Companies non-operating segment. In addition, for each insurance operating segment, general accounts investment results are provided for the principal accounts assets.

Additional information is provided in the "Liquidity and Capital Resources" section, describing AXA's operations sources and uses of funds, solvency margin requirements, supplementary information on contractual obligations and specific information relating to off-balance sheet arrangements, and consolidated cash flow for the year ended December 31, 2004 compared to December 31, 2003, and for the year ended December 31, 2003 compared to December 31, 2002.

Information is also provided under "Other Matters" specific to (i) impairment of investments, and (ii) a reconciliation from French GAAP to U.S. GAAP.

Finally a glossary of certain technical terms is provided at the end of this section.

Insurance and Asset Management markets

Life & Savings

France. According to the Fédération Française des Sociétés d'Assurance (FFSA), the French Life & Savings market growth amounted to +9% at the end of full year 2003, driven by a 13% increase in general account premiums, partly offset by a 7% decrease on unit-linked contracts. In 2004, the increase in gross premium has been estimated to 13% due to a strong increase in gross premium on unit-linked contract estimated to +32% and an estimated increase of 9% in general account premiums. More than one million accounts of the new retirement "P.E.R.P." (Plan d'Epargne Retraite Populaire) product have been opened corresponding to a gross premium of €340 million at the end of November.

United States. In 2004, U.S. investors responded favorably to a second year of positive returns in the U.S. equity markets with continued net inflows to long-term mutual funds and increased sales of equity linked insurance products. Short-term interest rates began to rise as the Federal Reserve tightened monetary policy through a series of increases in the federal funds target rate, while market determined long-term interest rates remained low. In the annuity market, industry sales of variable annuities were up 3%, driven by stronger equity markets and the popularity of guaranteed benefit riders. Industry fixed annuity sales decreased 2% as a result of low interest rates and heightened competition. In the life insurance market, variable life insurance sales declined with industry variable life sales down 5% from 2003. The variable life business generally lags the movement in the equity market. Sales of life insurance products with fixed returns, such as universal life, remained strong in 2004 with industry universal life sales up 14%[1]. Fixed whole life insurance sales decreased 1%, while term insurance sales increased 7% from 2003. Total long-term stock, bond and hybrid fund net inflows were $210 billion for 2004, compared with $216 billion for 2003, however, stock and hybrid fund net inflows increased 17% and 31%, respectively[2].

(1) *Industry Sales Results are from LIMRA for the twelve months ended December 31, 2004 compared to the corresponding period of 2003.*

(2) *Net long-term mutual funds statistics from Investment Company Institute December 31, 2004.*

United Kingdom. New annualized business (new regular premiums plus 10% of single premiums) was 3% higher in 2004 following a 12% fall in new business in 2003. The principal growth area was Group Pensions and Offshore Bonds, whilst volumes of single premium pension business declined. The growth in sales of investment products is, in part, a reflection of improved stock market performance which has seen some increase in investor confidence. In the second half of 2004 companies began the process of positioning themselves to exploit opportunities in the run up to Pensions Simplification A-Day in April 2006. The regulators announced the launch date for "Sandler products" (April 2005) which will include a medium term investment product and a pensions product. These products will have a 1.5% price cap for the first 10 years. Independent financial advisers continued to be the principal sales channel in 2004 accounting for around 70% of new business. The distribution landscape will change in 2005 with the introduction of depolarization and the creation of new categories of intermediary.

Japan. Some positive economic growth, prospects to an end to deflation, an increase in interest rates and a progressive rise in stock prices have all contributed to stability and contentment in the industry. Japan's life insurance market experienced a premium income growth of 1.7%, reaching 25.96 trillion yen in the Japanese fiscal year 2003 and marking the first rise in total premiums in the past six years. This upswing is largely owed to the individual annuity business through bank channels, which has contributed to approximately over 3 trillion yen of inflow since the deregulation commenced in October 2002. Stability in the financial markets have generally improved the performance of many insurers as well as their solvency and credit standing, as markets were 50% higher than the previous year-end. However, a large part of the industry continues to face declines in policies in-force, mainly because of a weak new business environment for traditional products due to the fact that a growing number of policyholders have reduced death benefits to cut premiums in an effort to curb household spending and that surrender & lapse rates remain high.

Foreign insurers have gained market share, reaching 21%, up from 17% of the previous year in terms of premium income.

Australia/New Zealand. The savings related investment sector continued to be a growth area due to the ageing population and continued government support for self-funded retirement. The mutual funds and advice business also experienced significant growth across 2004 as driven by a return of investor confidence and the strong equity performance in the Australian market which led to growth in the retail market of 16%. At least 80% of the Australian retail wealth management inflows come through funds administration platforms. The Australian Life Insurance market has increased by 11%[1].

Hong Kong. The economy continued to grow following the adverse market conditions experienced in early 2003, in particular the outbreak of SARS and depressed investment markets. The economy continued to benefit from increasing numbers of mainland Chinese visitors, which are predicted to increase from 12 million in 2004 to 20 million in 2005. The Life insurance market has showed strong growth, for the 9 months to September 2004, with the individual life new business annual premium equivalent up 28% compared to the same period in 2003 including strong growth from bank distribution. Following the weak investment markets in the first half of 2004 (the Hang Seng Index decreased by 2%), there was a strong recovery in the second half of 2004, with the Hang Seng Index increasing by 16%.

(1) Source: Plan for Life (retail FUA excl cash) Sept. 2004.

Germany. The market experienced in 2004 a surge of the sales of new endowment policies, which will benefit from the old tax regime for regular premiums paid in subsequent years. Starting from 2005 new products will come on the life insurance market, which will be subject to the new tax act effective January 1, 2005. Under this new law, endowment policies will loose their exemption from taxation and unit-linked products will be less attractive to investors. On the other hand, special annuity products will benefit from advantageous tax treatment.

In 2004, according to initial estimates issued by the association of German insurers (GDV), new business from regular premiums grew by 41.4% to €11.4 billion, whereas single premiums decreased by 15.2% to €7.2 billion.

Ongoing difficulties of the public health insurance system contributed to the growth of private health insurance (by € 24.6 billion, +7.4% growth for 2004, according to a forecast by the GDV).

Belgium. After a 2003 high growth year, the collection of insurance and saving increased by about 4.5%. Growth should be restored on the unit-linked market after significant drop since 2001 while non unit-linked market should remain flat. Bank savings accounts increased by 12.3%.

Southern Europe. In 2004, the Spanish market grew by 5.2% in the first 9 months of the year. 2004 was impacted by the rising of housing prices that limited the capacity to save and by changes in the tax regulation which resulted in levelled tax advantages for mutual funds versus unit-linked policies. In Italy, agents primarily drove the growth (by +28%) mainly due to the success of both individual and group guaranteed unit-linked and traditional saving products. In Portugal, market increased by 14.4% in 2004, driven by Investment & Savings product non-unit linked (which grew by +14.5%[1]).

Property & Casualty

France. The French property and casualty market has experienced five consecutive years of growth since 1999. In 2004, the growth reduced slightly to an estimated 4%. The estimated growth amounted to +3% in motor (+5.3% in 2003), +6% in Household (+6.2% in 2003) and +3.5% in commercial property (+13.4% in 2003).

United Kingdom & Ireland. Underwriting conditions have generally been tougher during 2004, with rating increases harder to carry. Nevertheless, written premiums grew by 7% across the business. In commercial lines, rate increases continued to be harder to achieve, particularly for large cases and new business. Small and medium enterprises renewals held up well in 2004. Commercial Property & Casualty price increases were 7% over the year, with fleet prices stable. In personal lines, household and motor rates remained relatively flat. Across the year, most carriers continued to benefit from benign conditions in 2004 with no major weather events. In Ireland, competitiveness on the motor business has significantly increased and led to a fall in average premium.

Germany. In 2004, total business[2] increased by 1.8% (€55.4 billion). The decrease in claims expenditures slowed down compared to 2003 (–1.4%). In motor, the largest Property and Casualty business, gross written premiums (covering 40% of total Property & Casualty) increased slightly by 0.5% to €22.4 billion. Claims paid for current year (all motor aggregated) decreased by 1.1%. Property is the second largest Property & Casualty business with

(1) Source APS, provisional figures.

(2) Source: association of German insurers (GDV): estimation.

€9.8 billion gross written premiums (+2.0%). Claims expenditures relating to Property decreased again, although not as strongly as in 2003 (–2.4%). Gross written premiums in general liability lines increased by 3.5% to € 6.5 billion. In Accident, gross written premiums increased by 3.0% to €6.0 billion.

Southern Europe. In 2004, the Spanish market grew by 9.0% in the first nine months of the year amidst a stable economic environment. This growth was partly supported by record car sales, which rose substantially by 9.8%, thus helping the motor insurance sector to increase by 6.1%, despite aggressive market pricing initiated during the second half year 2002. First steps towards a "zero-tolerance" policy on the roads helped to reduce the number of road accidents by 11.8%. Multi-risk and health businesses increased respectively by 10.7% and 9.9%. In 2004, Italy, in a market that is still very traditional, oriented towards motor business (60% of the volumes). The implementation of the "patente a punti" (driving license with decremented points in case of driving offence) lead to a significant decrease in frequency (–2.2% on twelve months at the end of September[1]) and lower average costs. In this context, some companies started to review their premium rate downward (–1.6 pt on new business). In Portugal, market increased by 3.5% as compared to December 2003 driven by the 4% motor business growth[2].

Belgium. Competition remained tough on the Belgian market, with an estimated growth of 4.6% in 2004. This significant increase, compared to an average annual growth of 3% for the last 10 years, is sustained by motor (+5.4%), which makes out 34% of total Property & Casualty, and household (+4.4%), as a result of rate increases. The workers' compensation market showed only a slight growth of 0.2% in 2004 due to the shrinking employment market.

International Insurance

On the Reinsurance market, after the very low claims experience in 2002 and 2003, prices were almost stable in major lines of business and the capacity was relatively abundant. Competition amongst reinsurers is notably coming from the Bermudian companies whose part in the world reinsurance market has become preponderant. Property, marine and aviation showed stable or slightly decreasing rates and signings were often lower than expected especially in Europe. Motor and casualty benefited from additional rate increases.

On the Large Risks Insurance market, further rate increases and restructuring of large Corporate Insurance programs were conducted especially in liability and to a lesser extent in marine. On the other hand, property and aviation markets softened, in the context of a favorable claims experience.

In these activities, 2004 claims experience was characterized by a high level of major losses, notably as the United States were hit by 4 hurricanes. Other severe natural events also occurred in 2004 such as the Songda typhoon in Japan and the Asian tsunami on December 26, 2004.

Asset management

In 2004, the industry benefited from the continued growth of equity markets (+9% for the S&P 500 American equity index, +13% for the MSCI global equity index) combined to the good performance of fixed-income assets.

Continuing a trend started in 2003, investors are attracted by the prospects of higher returns following years of declining equity markets, but with an increased demand for advice and alternative investments.

(1) *Source "Focus" ANIA: RC Auto.*

(2) *Source APS, provisional figures.*

Market conditions in 2004

Financial markets

In 2004 and for the second year in a row, the financial markets continued to grow, with the "MSCI World index[1]" posting a gain of 13% (compared with a gain of 30.3% in 2003).

This positive performance occurred against a backdrop of buoyant business conditions. Global economic growth was 4.4% for the United States, 3% for Japan, 1.8% for the Eurozone and 7.6% for emerging Asia.

This strong global expansion drove up commodity prices, particularly oil. Naturally, this brought inflation back, although moderately, above the thresholds of 3% in the United States and 2% in the Eurozone.

Stock Markets

Stocks markets were the best performers in 2004, posting a growth of 29.6% for the MSCI dollar for developed Asia ex-Japan and of 26% for the MSCI dollar for the emerging countries. In Europe, Stoxx 50 rose by 6.9%, FTSE by 7.5% and CAC 40 by 7.4%, while the US S&P 500 was up 9% and the Japanese Nikkei advanced by 7.6%.

Bond markets

In 2004, the bond markets behaved well in the context of sustained world growth, a falling dollar, and sharply rising oil prices.

Yields on U.S. 10-year treasuries remained broadly unchanged. On the contrary, in Europe, yields on 10-year maturities government bonds fell by 63 bp in the Eurozone and by 23 bp in the United Kingdom. In a context of improving balance sheet and default rate, high yield investments had a very good year as demonstrated by the five-year maturity high yields bonds which returned double digit global performance.

Exchange rates

In 2004, the Euro emphasized its appreciation against other currencies, especially against the US Dollar (+7.9%), the Yen (+3.3%). The Euro remained stable against the Sterling.

The year end and average exchange rates used in the preparation of AXA's consolidated financial statements in euro are provided in Item 3 – Key Information – Exchange Rate Information. AXA provides on a regular basis certain period-to-period comparisons calculated on a **constant exchange rate basis** to eliminate the effects of changes in exchange rates between the euro and other currencies. In this context, AXA recalculated the financial information as follows: the data for the current year period were restated using the prevailing foreign currency exchange rate for the same period in the prior year.

(1) Morgan Stanley Capital Index, a market capitalization index designed to measure global developed market equity performance.

For information purposes and in respect of AXA's principal non-Euro-based life insurance operations, an analysis is provided below to provide an indication of the impact of foreign currency fluctuations on premium growth.

	U.S.	UK	Japan
Premium growth in original currency (2004 vs 2003)	3%	5%	(6%)
Foreign exchange impact	(9%)	2%	(2%)
Premium growth as reported in Euros	(6%)	7%	(9%)

In addition, AXA provides on a regular basis certain period-to-period comparisons calculated on a **comparable basis** to eliminate the effects of changes in foreign exchange as described above and changes in AXA's scope of consolidation to eliminate the results of acquisitions, disposals and business transfer **(constant structural basis)** and of changes in accounting principles **(constant methodological basis)**, in one of the two periods being compared.

Some additional information about the impact of foreign currency fluctuation on shareholders' equity are provided in note 34 (a) to the consolidated financial statements, in Item 18 of this Annual Report.

December 31, 2004 Operating Highlights

Main events

Executive summary

AXA's key businesses continued to record very strong operating performances while maintaining their growth potential.

- **Life & Savings** new business contribution improved by 40% to €943 million, or +43% at constant exchange rates, and assets supporting contracts with financial risk borne by policyholders increased 13% to €114 billion, up 17% at constant exchange rates, confirming a return to favor of unit-linked products.
- **Property & Casualty** combined ratio improved by 2.1 points to 99.3%.
- **International Insurance** business was resilient, despite an unprecedented year for natural catastrophes, with earnings up €85 million to €227 million in 2004.
- **Assets under management** were up 12% to €869 billion at year-end 2004, or +16% on a constant exchange rate basis, benefiting from strong net inflows of €34 billion, as well as market appreciation.

Significant acquisitions and disposals

Acquisitions

On January 23, 2004, AXA acquired from BBVA group its 50% stake Hilo Direct Seguros y Reaseguros S.A. (**"Direct Seguros"**) for a purchase price of €49 million. Following this transaction, AXA now holds 100% of Direct Seguros. The related goodwill was €28 million, to be amortized over 30 years.

On January 23, 2004, AXA Holdings Belgium acquired the 50% stake of La Poste (Belgium company) in Assurances la Poste Vie and in Assurances la Poste Non Vie for a purchase price of €9.4 million. Following this transaction, AXA Holdings Belgium now holds 100% of Assurances la Poste Vie and of Assurances la Poste Non Vie. The related goodwill was €3.2 million, fully amortized over the first half year of 2004.

On March 18, 2004, AXA RE bought from BNP PARIBAS the remaining 21% minority interests in its subsidiary AXA RE Finance. Following this transaction, AXA RE now holds 100% of AXA RE Finance. The purchase price was €55 million, and the related goodwill was €8 million, fully amortized during the first half of 2004.

On July 8, 2004, AXA announced that, following the receipt of all required regulatory approvals and the satisfaction of all conditions to the merger agreement, AXA Financial, Inc. completed the acquisition of the MONY Group, Inc. ("MONY"), for a total consideration of $1.48 billion (€1.3 billion). As a result of the acquisition, MONY is now a wholly owned subsidiary of AXA Financial. The related goodwill, to be amortized over 30 years, and value of business in force for the transaction were respectively $672 million and $573 million net of tax.

In connection with Alliance Capital's acquisition of the business of Sanford Bernstein in 2000, AXA Financial entered into a liquidity agreement with the former shareholders of Sanford Bernstein pursuant to which such shareholders have the right to put to AXA Financial in any one period up to 20% of the original Alliance Capital units issued to them at the time of the acquisition. In 2004, the former shareholders of Sanford Bernstein exercised their rights to sell 16.32 million Alliance Units (8.16 million Alliance Units in March and December). As a consequence, the ownership interest of AXA Financial in Alliance Capital at December 31, 2004 increased by 5.8% from 55.5% to 61.3%. These transactions generated an exceptional profit of €112 million, as a result of the partial release (€420 million) of the provision set up in 2000 to offset the dilution gain resulting from the acquisition of Sanford Bernstein, Inc, partly offset by the amortization over the period of the additional goodwill generated by the transaction (€308 million at average exchange rate).

Effective January 1, 2004 the policyholder-owned Long Term Fund of Sun Life Assurance Society plc sold AXA Isle of Man Ltd to a shareholder-owned subsidiary of AXA Sun Life Holdings plc, for a total purchase consideration of €89 million. This transaction generated a goodwill of €21 million, entirely amortized over 2004, and a value of business in force of £80.4 million or €114 million instead of pre-existing DAC (Deferred Acquisition Costs) balance of €113 million.

Disposals

On January 2, 2004, AXA concluded the disposal of its insurance brokerage activities in the Netherlands, Unirobe, through the means of a management buy-out. Sales proceeds amounted to €126 million, and the related capital gain was €104 million.

In June 2004, AXA Germany completed the sale of its building society AXA Bausparkasse to BHW, a German competitor specialized in savings plans for the financing of the purchase of real estate properties, which resulted in a net capital loss of €–25 million (net group share).

In October 2004, AXA Insurance UK sold the right to renew of its direct business to RAC plc. The net realized gain from the sale was €12 million.

On October 28, 2004, Alliance Capital Management Holding L.P. ("Alliance Holding") and Alliance Capital Management L.P. ("Alliance Capital") announced that Alliance Capital and Federated Investors, Inc. reached a definitive agreement for Federated to acquire Alliance Capital's cash management business. The transaction is expected to close during third quarter 2005 or before.

On December 1, 2004, AXA Zorg, subsidiary of AXA in the Netherlands operating in the Health and Disability Insurance business completed the sale of its health portfolio to Achmea for a total consideration of €7.5 million. This sale resulted in a realized gain of €3.2 million, net of restructuring provision.

In December, 2004, AXA Belgium Holdings completed the sale of Crealux, a subsidiary which operated in Luxembourg for a total consideration of €87.6 million. This sale resulted in a realized gain of €17 million.

Capital and financing operations

Financing operations

In 2004, AXA issued, under its €5 billion Euro Medium Term Notes program, subordinated debt totaling €1 billion of which (i) callable undated subordinated debt: $150 million in January and $225 million in February 2004 (in two private placements in Europe and Asia) and €125 million in April 2004 (private placement in Europe); (ii) in October and December 2004, respectively €375 million and €250 million undated deeply subordinated notes ("Titres Super Subordonnés"). By partly anticipating the refinancing of debts maturing in 2005 and there after, these issues allowed the Group to benefit from very favorable and unprecedented credit spread conditions and to improve its liquidity by further extending the average maturity of debt and by strengthening hybrid capital through non-dated subordinated issues.

In July 2004, AXA SA and AXA Financial entered into a combined €3.5 billion revolving credit facility and $650 million standby letter-of-credit facility. The facilities will initially be due July 2009 with 2 one-year extension options. The facilities replace AXA S.A.'s €3 billion syndicated credit facility maturing July 2005 and include U.S. commercial paper backup and letter-of-credit facilities. The new facilities enhance the Group's liquidity profile and reflect the favorable conditions currently prevailing in the European credit market.

Capital operations

As the result of successful completion of the merger of MONY with AXA Financial Inc., the ORANs[1] issued by AXA in September 2003 to finance the MONY acquisition were redeemed in shares, with one new ordinary AXA share issued for each ORAN, i.e. a total issuance of 110,245,309 new AXA shares on July 22, 2004. Each ORAN holder received in addition, on July 22, 2004, a "Final Interest" amount equal to Euro 0.38 per ORAN, i.e. the equivalent of the dividend paid by AXA on its ordinary shares on May 3, 2004.

For several years, the AXA Group has been offering to its employees in and outside of France, the opportunity to subscribe for ordinary shares issued by way of a capital increase reserved to employees. In 2004, employees invested a total of €255 million (with €22.5 million in August and €232.1 million in December, leading to a total issuance of 18.9 million new AXA ordinary shares). As of December 31, 2004, the total number of ordinary shares in issue amounted to 1,908 million. Employee shareholders held approximately 5.11% of the outstanding ordinary shares as of December 31, 2004 versus 4.74% as of December 31, 2003.

(1) Bonds redeemable either in shares or in cash ("Obligations Remboursables en Actions ou en Numéraire").

As part of an overall rebalancing of the hedge of its purchase stock option plans, AXA Financial, Inc purchased on November 22, 2004, approximately 25.5 million call options on AXA ADRs, for a total of $89 million. The purpose of the hedge is to protect the Group against an increase in the AXA share price and a depreciation of the U.S. dollar versus the Euro. As a consequence of this rebalancing of its hedging strategy, the AXA Group sold 6.7 million of treasury shares for a total amount of €120 million.

Hedging

Interest rates

The hedging policy is defined in order to monitor the medium term financial expenses variability and consequently to protect its future levels. Interest rates variability is hedged through interest rates swaps and caps mainly.
At 31 December 2003, interest rate sensitivity analyses showed that a 100 basis point upward shift in the yield curve would lead in a fall in economic value of €0.5 billion.
At 31 December 2004, without any major change in the method used, this analysis showed a fall in economic value of €0.7 billion. This sensitivity breaks down into negative effects of €0.4 billion for the Property & Casualty business, €0.6 for the Life & Savings business and a positive effect of 0.3 billion resulting from a reduction in the economic value of Group debt.

Exchange rates

In order to calculate AXA's potential exposure to foreign currency fluctuations, fluctuations of the major foreign currencies are analysed in terms of their impact on Group net income.

In 2004, a 10% increase in the euro against all other currencies would have had an approximately €36 million negative impact on AXA's net income, taking into account hedging particularly U.S. dollar movements.

The same scenario applied in 2003 could have resulted in a positive impact of €19million on AXA's net income, (taking account the tax impact).

As a result, we believe the sensitivity of AXA's income to movements in the euro is relatively limited and stable over time. This results from the quality of hedging on the U.S. dollar, which is the main contributor to Group income after the euro.

In order to further protect the Group balance sheet exposure to the U.S. dollar, $4 billion in hedges have been implemented in the first half year 2004, directly through debt issued in U.S. dollar ($0.375 billion) or synthetically through currency swaps ($3.625 billion) where AXA pays USlibor and receives Euribor.

Other highlights

On October 17, 2004 AXA announced that its conditional proposal to acquire the minority interests in AXA Asia Pacific Holding through a scheme of arrangement announced on August 6, 2004 was withdrawn and terminated following the decision of AXA APH's Committee of Independent Directors (the "Independent Committee") not to recommend AXA's final offer.

Negotiations with the Independent Committee were unsuccessful due to a lack of agreement on price, despite AXA's offer to raise the price to $4.05 per share fully payable in cash.

The AXA Group remained committed to the Asia-Pacific region and to the Group's subsidiaries located there. The development of the Group's activities in this region, where we will continue to invest significantly, remains one of the key axes of our strategy.

Please refer to "Liquidity and Capital Resources" included elsewhere within this section of the Annual Report for further information.

Events subsequent to December 31, 2004

In January 2005, AXA issued, under its €5 billion Euro Medium Notes program, €250 million of undated deeply subordinated notes ("Titres Super Subordonnés") allowing the Group to improve debt quality and to strengthen hybrid capital, whilst anticipating the refinancing of debts maturing in 2005 and there after.

2004 Dividend

At the general meeting of shareholders of AXA held on April 20, 2005, the shareholders approved a dividend in respect of 2004 of €0.61 per ordinary share, or €1,164 million in the aggregate, based on the number of shares outstanding at December 31, 2004. The approved dividend was paid on April 28, 2005.

Merger of FINAXA into AXA

On April 19, 2005, the Supervisory Board of AXA and the Board of Directors of FINAXA announced their intention to merge FINAXA into AXA. Each Board appointed (a) a committee of independent directors to evaluate the transaction and make a recommendation to its Board on the appropriate exchange ratio between FINAXA and AXA ordinary shares and (b) UBS and HSBC CCF to act as independent experts respectively for FINAXA and AXA and render fairness opinions on the exchange ratio. It is expected that the terms and conditions of the contemplated merger will be approved by each Board by the end of June 2005 and presented to both AXA and FINAXA shareholders for approval before the end of 2005. This merger would simplify the shareholding structure of the AXA Group and increase the proportion of AXA ordinary shares publicly traded. AXA would also become the owner of its trademark which is currently licensed to it by FINAXA. FINAXA currently has 75,591,703 ordinary shares outstanding[1] (77,693,701 ordinary shares on a fully diluted basis assuming exercise of all outstanding stock options and conversion of all convertible securities) all of which will be exchanged for AXA ordinary shares upon consummation of the merger. The Mutuelles AXA and FINAXA currently own 20.35% of AXA's outstanding ordinary shares and 32.20% of AXA's voting rights. Following the consummation of the merger, Mutuelles AXA, which currently own 2.72% of AXA outstanding shares representing 4.38% of AXA voting rights and 71.69% of FINAXA outstanding shares (69.75% on a fully diluted basis[2]) representing 80.53% of FINAXA voting rights (79.18% on a fully diluted basis[3]), would become the principal AXA shareholder, holding less than 14% of AXA ordinary shares representing less than 23% of AXA voting rights.

(1) Before payment of the dividend of FINAXA in FINAXA shares, as the case may be.

(2) Idem.

(3) Idem.

Critical accounting policies

The results of AXA are sensitive to the accounting policies, assumptions and estimates that underlie the preparation of its consolidated financial statements. The accounting policies used in the preparation of the consolidated financial statements in accordance with French GAAP are set out in Note 2 in the notes to the consolidated financial statements under Item 18 of this Annual Report. The notes to the consolidated financial statements also contain a summary of (i) recently issued accounting pronouncements, including those not yet adopted, and (ii) significant differences in accounting policies between French GAAP and U.S. GAAP.

Certain of AXA's accounting policies under French GAAP and U.S. GAAP require the use of estimates and assumptions that may involve a degree of judgment that could affect amounts reported in AXA's consolidated financial statements. Many of these policies estimates and related judgments are common in the insurance and financial services industries. In applying these policies, management makes subjective and complex judgments that may require estimates about matters that are inherently uncertain. These estimates may be based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. Consequently, actual experience or current estimates could differ significantly from the previous estimates due to changes in assumptions and financial market or, economic or other conditions. Such differences would be reflected in the financial statements (when appropriate) and could impact AXA's financial results and conditions.

The accounting policies that are deemed critical to AXA's operations results and financial position, in terms of materiality and the degree of judgment and estimation involved are summarized below. The statements below contain forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act. See "Special Note Regarding Forward-looking Statements" included in the beginning of this Annual Report.

AXA's principal ***Investments*** for its insurance related assets are in fixed maturity and equity securities. Under French GAAP, these securities are carried at amortized cost or historical cost unless impaired, whereas under U.S. GAAP these securities are stated at fair value (with changes through Other Comprehensive Income, a component of shareholder's equity) unless otherwise indicated. The basis for measuring fair value may require utilization of investment valuation methodologies, such as discounted cash flows analysis, if quoted market prices are not readily available. Approximately 16% of AXA's total investments in debt and equity securities represented unquoted securities at December 31, 2004. The assessment of whether impairment has occurred is based on a security-by-security evaluation and will depend on, but not be limited to, (i) the length of time or the extent to which an unrealized loss position exists, (ii) whether the issuer has been experiencing significant financial difficulties, (iii) factors specific to an industry sector or sub-sector, and (iv) whether AXA intends to hold the security until recovery in value. The level of impairment losses can be expected to increase when economic conditions worsen and decrease when economic conditions improve. Under French GAAP, the scope of an impairment review is based on market volatility, and (i) the recoverable value, which is not, except in certain circumstances, the market value at year end but rather a value determined based on the net worth, future cash flows and specific considerations relating to the industry sector/or activities of the issuer, and (ii) ability and intent to hold the security until the market value recovers. These allowances may be reversed in future periods if the facts, circumstances and information available to management warrant such course of action. Consequently, the assessment of whether impairments have occurred is based on evaluation of the issuer and its future earnings potential, including near-term prospects of recovery. Under U.S. GAAP, the determination of impairment is based on market value at year end and also may include a certain level of evaluation by management in assessing prospects of near-term recovery. Assessing an issuer's near-term prospects may be difficult and involve many judgments and assumptions. The use of, and changes to, different methodologies and assumptions may have a material effect on AXA's consolidated operating results under U.S. GAAP as compared to French GAAP.

AXA enters into ***derivative transactions*** primarily to hedge interest rate risk, foreign currency risk and change in equity price risk. AXA's financial results are impacted by (i) changes in fair value of derivatives not qualifying as hedges for accounting purposes, (ii) gains or losses on the hedges, and (iii) hedges not adequately covering the anticipated exposure. As AXA manages its hedging strategies to meet the hedging requirements as set forth under French GAAP basis, certain economic hedging relationships established by AXA could not be designated as qualifying U.S. GAAP hedges and, therefore, such derivatives are accounted for as trading instruments creating additional income statement volatility under U.S. GAAP.

The ***"insurance liabilities, gross of reinsurance"*** is the largest liability in AXA's consolidated financial statements (57% of total liabilities at December 31, 2004), representing amounts payable under insurance policies, including traditional life insurance contracts, immediate annuities and health insurance contracts. Generally, amounts are payable over an extended period of time and the profitability of the products is dependent on the pricing of the products. The principal assumptions used in pricing these policies and in the establishment of liabilities for future policy benefits are mortality, morbidity, expenses, policy lapse and surrender rates, investment returns, interest crediting rates to policyholders and inflation. The liabilities are based upon assumptions of many inter-related factors including estimates and subjective judgments such as the expected performance of the related invested assets, future asset reinvestment rates, mortality and persistency. AXA reviews its estimates and monitors trends and developments as part of each closing. Changes in such estimates and assumptions may affect the amounts reported and disclosed in future periods. In addition, differences between the actual experience and assumptions used in pricing the policies and in the establishment of liabilities may result in variances in profit and/or losses. Determination of the liabilities in respect of guaranteed minimum income benefit and death benefit features (GMIBs and GMDBs[1]) is based on models that involve estimates and judgments, including those regarding expected market rates of return and volatility, contracts surrender rates and mortality.

AXA's insurance liabilities also include ***unpaid claims and claim expenses*** (15% of total liabilities at December 31, 2004). The property & casualty claims reserves are determined on a basis to cover the total cost of settling an insurance claim. With the exception of disability annuities, that are deemed structured settlements, the claims reserves are not discounted. The claims reserves include the claims incurred and reported in the accounting period, claims incurred but not reported ("IBNR") in the accounting period and costs associated with the claims settlement management. The claims reserve is based upon estimates of the expected losses for all lines of business taking into consideration management's judgment on the anticipated level of inflation, regulatory risks and the trends in cost and frequency of claims, actual against estimated claims experience, other known trends and development, and local regulatory requirements. In addition to the reviews performed at entity level or, eventually, by the local supervisory authorities, overall reserves for claims payable are reviewed at Group level by Risk Management. Since this work is carried out on a large proportion of the portfolio, it makes a major contribution to improving the reliability of estimates.

(1) Guaranteed Minimum Income Benefits (GMIB) and Guaranteed Minimum Death Benefits (GMDB).

The costs of acquiring new and renewal business that vary with and are primarily related to the production of new business are specifically identified and deferred by establishing an asset, referred to as ***deferred policy acquisition costs ("DAC").*** The extent to which acquisition costs are deferred is a significant factor in that business' reported profitability in any given period. In addition, and in respect of in-force insurance business acquired in a business combination, the present value of future profits attributable to that business is recorded at acquisition date, being ***Value of Purchased Life Business In Force ("VBI").*** In principal, the value of insurance liabilities at date of acquisition net of VBI represents the estimated fair value of such business on such date. The extent to which VBI is calculated will depend on assumptions used to estimate the future profitability of the contracts acquired including the discount rate used. In respect of amortization of DAC and VBI on certain types of insurance contracts, the amortization may be affected by changes in estimated gross profits or margins principally related to investment return, mortality and expense margins, lapse rates and anticipated surrender charges. Should revisions to estimated gross profits or margins be required, the effect is reflected in earnings in the accounting period that the assumptions are revised. Recoverability is assessed at least on an annual basis.

AXA provides ***defined benefit pension plans*** in various forms covering eligible employees across its operations. There are several assumptions that impact the actuarial calculation of pension plan obligations (that is, the projected benefit obligation) and, therefore, the net periodic pension cost reflected in the financial statements. The net periodic pension cost is the aggregation of the compensation cost of benefits promised, interest cost resulting from deferred payment of those benefits, and investment results of assets dedicated to fund those benefits. Each cost component is based on best estimates of long-term actuarial and investment return assumptions. Actual experience different from that assumed generally is recognized prospectively over future periods. In addition and under U.S. GAAP only, an additional minimum pension liability is recognized if the accumulated benefit obligation ("ABO") is in excess of the fair value of plan assets at measurement date (as measured separately for each defined benefit plan). The ABO represents the measurement of pension obligations relating to services performed by active, terminated, and retired employees and uses the same assumptions as used for the projected benefit obligation except for the fact that it does not take account of future salary increases through to retirement date but instead determines the value of the obligation based on past and current salary levels at the current measurement date. The after-tax charge for the additional minimum liability, if any, is recognized in accumulated other comprehensive income (a separate component of shareholders' equity) and not through operating results. The assumptions used may differ from actual result due to changing financial market and economic conditions, changes to terms and conditions of the plans, and longevity of participants.

AXA reviews ***goodwill*** arising from business combinations when there is an indication that impairment may have taken place, or at a minimum on an annual basis. At December 31, 2004, the goodwill asset totaled €12,423 million. Indications of impairment include any events or changes in circumstances that indicate that the carrying amount of goodwill may not be recoverable and, therefore, there is an element of judgment in (i) evaluating when the indication of an impairment is significant enough to require a full test to be undertaken, and (ii) determining the fair value to be used to assess recoverability of the carrying value. The valuation techniques include market quotations and expected discounted cash flows taking account of current shareholder net assets value plus future profitability on business in-force and profitability value on future new business. As at December 31, 2004, the goodwill asset impairment test did not indicate that this asset was impaired. However, future tests may be based upon different assumptions and market/economic conditions, which may or may not result in impairment of this asset in future periods. In addition, changes in market, economic or other conditions may affect the value of goodwill. Should impairment occur, any loss could reduce materially the value of the goodwill asset with a corresponding charge recorded against income.

Under French GAAP, valuation allowances are recorded against deferred tax assets unless under an economic approach (based on thorough analysis of future statutory profits) the ***deferred tax assets*** are deemed recoverable. U.S. GAAP gives greater weight to previous cumulative losses than the outlook for future profitability when determining whether deferred taxes are realizable.

In respect of ***Scope of Consolidation,*** AXA includes in its French GAAP consolidated financial statements the accounts and activities of the holding companies and AXA subsidiaries (see Note 3 to the consolidated financial statements included elsewhere in this Annual Report). Consolidation is based on whether AXA exercises controlling influence, which is presumed when AXA directly or indirectly holds at least 40% of the voting rights and no other shareholder directly or indirectly holds a percentage interest greater than that held by AXA. However, in accordance with French GAAP certain activities involving structured investment transactions, real estate joint ventures and limited partnerships arrangements may not be consolidated if such investments are principally held by AXA's insurance entities. Under the U.S. GAAP "voting interest model", consolidation is based on whether AXA has a majority interest based on voting rights (direct or indirectly held) of more than 50%, regardless of whether or not such interest are held by the insurance entities. In addition and in respect of variable interest entities, even though AXA may not hold more than 50% of the voting rights of the entity, AXA may be deemed to be the primary beneficiary and, therefore, may be required to consolidate such investment vehicles under the U.S. GAAP "variable interest model". The accounting rules for the determination of the primary beneficiary are complex and require evaluation of the contractual rights and obligations associated with each party involved in the entity, an estimate of the entity's expected losses and expected residual returns and the allocation of such estimates to each party. All significant intercompany transactions and balances except those with discontinued operations are eliminated in consolidation.

Consolidated Operating Results

Since January 1, 2003, the Life & Savings segment does not include any longer the contribution of the UK health activities, which are now presented in the Property & Casualty segment. UK health activities accounted for €1,134 million of gross written premiums, and for €52 million of net income group share in 2002. As a consequence, 2002 figures and commentaries presented here below are based on a constant structural basis.

Consolidated gross revenues

The table below presents gross revenues by segment after the elimination of inter-company transactions for the periods indicated.

CONSOLIDATED GROSS REVENUES [a] (in euro millions)

	Years ended December 31,		
	2004	2003	2002
Life & Savings	47,063	46,799	48,586
Property & Casualty	17,852	17,098	15,948
International Insurance	3,371	3,972	5,762
Asset Management	3,087	2,922	3,411
Other Financial Services	791	836	1,020
TOTAL	**72,164**	**71,628**	**74,727**

(a) After elimination of intercompany transactions.

The following commentary on segment contribution to AXA's consolidated gross revenues is based on financial data after the elimination of inter-company transactions, as detailed in Note 32 "segment information" in the notes to the consolidated financial statements included in Item 18 of this Annual Report.

Year ended December 31, 2004 compared to year ended December 31, 2003

Consolidated gross revenues for full-year 2004 were €72,164 million. On a comparable basis, revenues grew by 2% compared to full year 2003. On a reported basis, total revenues were up 0.7% from full year 2003 (€71,628 million), mainly driven by organic growth (revenues on a comparable basis up €1.3 billion, or +2%) and MONY's second half 2004 revenues (€1.0 billion impact, or +1%), partly offset by strength of the Euro versus other currencies (€–1.6 billion impact, or –2%).

Life & Savings

Life & Savings revenues growth was +1%. This increase, on a comparable basis, was mainly driven by France (+9%), United Kingdom (+6%), Southern Europe (+15%), Germany (+2%) and Belgium (+3%). This positive performance was partly offset by a decrease in revenues in the United States (–5%), Japan (–7%) and Australia New Zealand (–14%).

France's revenue growth was driven by a surge in individual unit-linked premiums and, for group retirement premiums, by new business and renewals of contracts with major companies reflecting AXA's favorable competitive position. Life and Health premiums benefited from an increase in the number of contracts as well as in premium rates. Sales in the new French retirement PERP product experienced a promising start in 2004 as 140,000 accounts were opened, with AXA being one of the market's top three players[1].

The United Kingdom benefited from a growth in sales of single premium unit-linked bonds and strong sales of Group Pension regular premium business. The growth was partly offset by a decrease in individual pension business reflecting the impact of actions taken in 2003 to improve profitability.

(1) Source : FFSA at the end of November 2004.

Southern Europe[1] revenues were pulled up by strong Investment & Savings premiums resulting from a new distribution agreement in Spain for unit-linked contracts and from high single premium new business in Italy.

Germany benefited from a high level of sales on group pension funds (named "PensionsKasse") and from a growth in unit-linked investment & savings premium, which nearly doubled compared to last year.

Belgium's revenue growth was driven by strong sales in Crest product lines and unit-linked business and was partly offset by decreases in Group business that resulted from lower single premiums. This decrease in group single premium business was only partly compensated by higher regular premiums.

Excluding the contribution of MONY, **the United States** revenues showed a decrease by 5%, as increases in first year life premiums (up 25%) and institutional premiums relating to contracts with financial risk borne by policyholders were more than offset by a decrease in variable annuity premiums from a very high level last year. However, variable annuity sales have increased by 19% on average since 2002.

Japan's revenues decreased by 7%, but were up 8% excluding the impact of group pension transfers and conversions. This increase was driven by a growth (i) in investment & savings premiums (+25%), reflecting strong individual annuity sales in the "bancassurance" channel and (ii) in health premiums (+16%) fuelled by continuing focus of the sales force on strong margin "Key6" products such as Medical Whole Life and Medical Riders.

Australia/New Zealand revenue decreases were due to product substitution into the rapidly growing mutual fund business and the planned reduction in retirement income business. These were partly offset by an increase in protection products (+ 5%).

Property & Casualty

Property & Casualty gross written premiums were up +3% to €17,852 million, with Personal and Commercial lines growing 4% and 6%, respectively, as the Group attracted new clients and favorable pricing persisted in most business lines. This was partly offset by further restructuring in other lines, primarily in Germany.

Personal lines (59% of the P&C premiums) showed overall growth of 4%.

Motor revenues (+3%) improved in most countries, due to moderate tariff increases and strong positive net inflows, especially in (+154,000 policies), Germany (+139,000 policies), and Southern Europe (+159,000 policies). As a result, motor revenues in France grew 5%, above estimated[2] market trend. Motor revenues for UK, including Ireland, were down 18%, as a result of AXA's continued underwriting discipline amidst softening market rates, the planned reduction in UK Personal Direct prior to its sale to RAC in October 2004 and the decrease in Ireland average premiums following rate reductions in 2003 and in 2004, reflecting an improved claims environment and risk selection.

Non-motor activities rose 5%, mainly driven by strong growth in the UK (+23%) led by the increase in new business from Corporate Partners and intermediaries in Personal Household and Creditor. France experienced strong positive net inflows of 83,000 contracts in Household supported by the successful introduction of segmented products.

(1) From 2004, Italy, Spain and Portugal activities are presented as a single region denominated "Southern Europe".

(2) Internal management estimates.

Commercial lines (34% of the P&C premiums) recorded growth of 6% due to continued tariff increases in most business lines and strong new business in non-motor. Growth was +9% at AXA France, with the main lines of business registering increases in premiums above estimated market trends.

Commercial motor revenues increased by 4%, mainly driven by Southern Europe's renewals of fleet contracts, France's selective rate increases associated with strict underwriting control, and Belgium's rate increases.

Growth in commercial non-motor revenues of 6% was due to successful tariff increases in most countries, especially in property and liability in France, the UK, and Southern Europe.

Other Lines (7% of the P&C premiums) decreased by 3% mainly driven by a sharp decrease in Germany both in assumed business, in line with a reduction of share in the aviation pool and atomic pool, and in foreign activities as they were partly put in run-off.

International Insurance

International Insurance revenues declined by 6% mainly due to a decrease in reinsurance activities in line with the strategic repositioning of AXA RE implemented in 2002. The aim of this strategy was to reduce the portfolio risk and to exit non-strategic business lines. As a result, the decrease was mainly explained by lower non-life gross written premiums resulting from a sharp drop in assumed business and some re-underwriting of the Marine account. AXA Corporate Solutions Assurance's revenues decreased by 3%, driven by lower activity in Property (–19%) and the decrease in Marine business (–5%) partly offset by a strong increase in Aviation (+20%) which was negatively impacted in 2003 by SARS and the Iraq war.

Asset management

Asset management revenues increased by 14% to €3,087 million in 2004, benefiting from higher average Assets Under Management (AUM) (+16%), the result of very strong net inflows (€34 billion) and market appreciation, partly offset by the depreciation of the U.S. Dollar versus the Euro.

Other financial services

Revenues from **Other financial services** increased by 6% which was mainly attributable to the growth of AXA Banque (France) and AXA Bank Belgium revenues.

Year ended December 31, 2003 compared to year ended December 31, 2002

Consolidated gross revenues for the full-year 2003 were €71,628 million, down by –4.1% on a current basis, mainly as a result of the **significant appreciation of the Euro** mainly against U.S. dollar, Yen and British pound (€–5.5 billion impact or –7.4%). Other scopes differences compared to the same period last year (sale of AXA Austria, AXA Hungary, AXA Australia Health activities, and International insurance business in run-off in the United States) also contributed to the decrease (€–1.4 billion).

On a comparable basis, consolidated revenues were up +5.3%, showing a sustained growth throughout the year.

Life & Savings

Life & Savings revenues growth was **+8.5%**, with positive performance recorded in most countries, in particular in the **United States** (+29.1%), **Belgium** (+25.9%), **Germany** (+9.2%), **France** (+4.4%) and **Japan** (+6.2%); this growth was partly offset by the decrease in the **UK** (–11.2%) mainly as a result of AXA's withdrawal from the "With-Profit" bonds market since July 2002, followed by significant reductions in the overall With-Profit bond market, and in **Spain** (–44%) since 2002 revenues had benefited from large Group single contracts relative to pension fund outsourcing. The **U.S.** revenues were favorably impacted by the strong sales of the Variable Annuity Accumulator Series launched in April 2002, despite large Institutional premiums relating to contracts with financial risk borne by policyholders related to Equitable Life benefit plans registered in 2002 (excluding this item, revenues grew by +35%). **Belgium and Germany** benefited from a high level of sales on non-unit linked products, interest-linked products in Belgium and group pension funds in Germany (newly established "Pensionskasse"). Japan revenues growth was driven by continued conversions progress, higher margins on individual health sales, strategic bancassurance agreements, partly compensated by lower Group pension transfers. France benefited from growth in individual general accounts premiums and new Group business.

Property & Casualty

Property & Casualty gross written premiums were up +4%, showing good performance in all major countries, especially in France (+5.9%), the UK (+3.6%). This growth was achieved through successful rates increases and positive net inflows despite the continuing application of strict underwriting policies. Personal lines grew by +3%. This was attributable to both the Motor business (+2%) especially in France, Germany, and Belgium, due to a combination of moderate rates increases and portfolio growth, and the non-Motor business (+4%) mainly in the UK benefiting from new partnerships agreements. Commercial lines also grew by +8%, mainly attributable to France and the UK, due to significant tariff increases in all lines of business, combined with a strict underwriting policy and portfolio pruning.

International insurance

International insurance revenues were down –10.9%, pulled by AXA RE (–17.7%), reflecting (i) continued stringent underwriting policy aiming at reducing the risk exposure of the portfolio while focusing the P&C portfolio on more profitable business, and (ii) a 2002 non-recurring revision on prior year premiums (€+271 million). AXA Corporate Solutions Assurance also showed a –3.9% decrease, reflecting lower premiums on Aviation, reduced exposure to selected business lines, and a decrease in property line following the reshuffling of the UK portfolio, only partly offset by the growth in the Casualty line due to rates adjustments and new business.

Asset management

Asset management fees, commissions and other revenues were nearly flat at –0.3%, both in Alliance Capital (–0.4%) and AXA Investment Managers (+0.5%), recovering in the second half of the year due to stronger equity markets.

Other financial services

Other financial services decrease in revenues (–19.2%) was mainly attributable to AXA Bank Belgium (–21.8%), as a result of lower revenues on off balance-sheet products, on inter-bank operations and on fixed income portfolio, despite higher volume of mortgage loans.

Consolidated net income

The tables below present AXA's consolidated operating results and contribution to AXA's consolidated net income by segment for the periods indicated.

NET INCOME			(in euro millions)
	Years ended December 31,		
	2004	2003	2002
Gross written premiums	67,407	67,306	69,723
Bank revenues	791	820	1,012
Fees, commissions and other revenues	3,966	3,503	3,992
Gross revenues	**72,164**	**71,628**	**74,727**
Change in unearned premium reserves	47	320	(382)
Net investment result [(a)]	25,562	26,935	(8,713)
Total revenues	**97,773**	**98,883**	**65,632**
Insurance benefits and claims	(77,145)	(81,317)	(47,922)
Reinsurance ceded, net	(1,064)	(1,113)	(523)
Insurance acquisition expenses	(6,239)	(5,798)	(5,891)
Bank operating expenses	(454)	(502)	(600)
Administrative expenses	(7,704)	(7,567)	(8,098)
Income before income tax expense	**5,167**	**2,587**	**2,597**
Income tax expense	(1,372)	(536)	(426)
Equity in income (loss) of unconsolidated entities	76	41	23
Minority interests	(321)	(243)	(368)
Goodwill amortization	(1,031)	(844)	(877)
NET INCOME	**2,519**	**1,005**	**949**

(a) For the periods ended December 31, 2004, 2003 and 2002, the change in fair value of contracts with financial risk borne by the policyholders had impacted the net investment result for respectively €+10,583 million, €+14,949 million and €–17,576 million and benefits and claims by the offsetting amounts respectively.

NET INCOME			(in euro millions)
	Years ended December 31,		
	2004	2003	2002
Life & Savings	1,390	671	1,063
Property & Casualty	907	448	(19)
International Insurance	227	142	(176)
Total Insurance	**2,524**	**1,261**	**869**
Asset Management	265	(24)	218
Other Financial Services	22	138	119
Total Financial services	**287**	**115**	**337**
Holding companies	(292)	(371)	(257)
TOTAL	**2,519**	**1,005**	**949**

Year ended December 31, 2004 compared to year ended December 31, 2003

The net income Group Share for the full year 2004 reached €2,519 million, up 151% or a €+1,514 million increase compared to full year 2003. This increase results from improved operational results from our three insurance segments as well as from our asset management segment, combined with a lower invested assets impairment charge.

2004 income included an exceptional profit in Alliance Capital (€112 million) as a result of the partial release (€+420 million) of the provisions set-up in 2000 to offset the dilution gain realized when Alliance Capital acquired Sanford Bernstein. This release was due to the buy-back, in 2004, of €16.32 million private units to the former shareholders of Sanford C. Bernstein, Inc. after they exercised their liquidity put option. It generated an additional goodwill, entirely amortized over 2004 (€308 million).

Goodwill amortization increased by €187 million (or €235 million on a constant exchange rate basis). Apart from the exceptional €308 million charge explained above, goodwill amortisation decreased by €121 million, mainly due to 2003 exceptional amortization of €106 million.

Net capital gains and losses reached €178 million, up €+763 million or €+768 million on a constant exchange rate basis, mainly driven by (i) lower valuation allowance on equity securities and mutual funds (€–783 million to € –261 million), and fixed maturities (€–156 million to €–10 million).

The contribution to AXA's consolidated net income increase **in respect of each operating segment** is set out below:

Life & Savings Segment

Net income increased by €719 million (or €795 million at constant exchange rate) to €1,390 million. This improvement was mainly attributable to higher net investment result (excluding change in fair value of assets with financial risk carried by policyholders) notably reflecting increased net investment income and lower impairment charge, and to higher fees and revenues, due to growth and market appreciation. This increase was primarily driven by to Japan (up €423 million), Belgium (up €156 million) and the United States (up €93 million), which benefited notably from the contribution of MONY for the first time (€42 million net).

Property & Casualty Segment

Net income group share increased by €459 million, up to €907 million, mainly coming from Germany (€+215 million) and United Kingdom (€+166 million). Overall, these increases were driven by improved technical profitability, combined with higher volumes of business, and higher investment results driven by both increased invested assets and lower impairment charges.

International Insurance Segment

The contribution to AXA's consolidated net income improved by €85 million, from €142 million up to €227 million in 2004, mainly attributable to AXA Corporate Solutions Assurance (€+89 million), as a result of improved technical results and significant net capital gains following better market conditions, and AXA Re (€+25 million) reflecting improved technical result in spite of lower net investment result and larger than normal catastrophe losses, these increases being partly offset by a €-35 million deterioration in other entities.

Asset Management Segment

The contribution to AXA's consolidated net income in 2004 increased by €289 million to €265 million, mainly attributable to Alliance Capital. This increase was mainly due to (i) the impact of the 2004 exceptional profit related to the exercise by the former shareholders of Sanford Bernstein of their liquidity put option (€112 million net group share impact), and (ii) the charge recorded in 2003 for legal proceedings and mutual funds investigation settlement matters (€124 million net group share impact in our 2003 results).

Other Financial Services Segment

The contribution to net income in 2004 decreased by €116 million to €22 million. This decrease was primarily due to lower net income in AXA Bank Belgium (€–52 million to €29 million), mainly due to lower gains coming from active asset management (€–32 million net of tax) mainly on fixed maturities. Besides, the €76 million decrease in net income from other entities is mostly explained by the positive impact of the 2003 run off development of CFP subgroup.

Holding companies

The activities from the holding companies resulted in a net loss of €292 million, in 2004 as compared to a net loss of €371 million in 2003. The 2004 results mainly include a €104 million realized capital gain on the disposal of Unirobe, Dutch brokerage company, and some non recurring tax benefits in AXA parent company attributable to the merger, in 2004, between Compagnie Financière de Paris and two of its subsidiaries.

Year ended December 31, 2003 compared to year ended December 31, 2002

The 2003 **net income** reached €1,005 million, or a €+56 million increase compared to 2002, mainly due to higher operating results, partly offset by the unfavorable impact of exchange rates (€–115 million), principally in the Life & Savings segment (€–126 million).

Goodwill amortization decreased by €34 million, favorably impacted by the strengthening of euro against foreign currencies (€+48 million impact), primarily U.S. dollar and Yen. On a constant exchange rate basis, goodwill amortization increased by €14 million.

The contribution to AXA's consolidated net income increase **in respect of each operating segment** is set out below:

Life & Savings Segment

The contribution to AXA's 2003 consolidated net income was €671 million, down by €392 million (or €341 million excluding UK Health business presented from January 1, 2003 in the Property & Casualty segment). This decrease was partly attributable to the unfavorable impact of exchange rates fluctuation (€–126 million, of which €–138 million related to the United States). At constant exchange rates, the decrease was €–215 million. The decrease was mainly attributable to the (i) United Kingdom (€–242 million) driven by a lower technical margin and the impact of 2002 non-recurring tax profits, (ii) Japan (€–206 million) mainly as a result of an additional valuation allowance on deferred tax asset and higher other than temporary impairment on assets, and Germany (€–31 million) due to higher other than temporary impairment on assets. These unfavorable items were partly offset by an improvement in the United States (€+200 million) as a result of higher technical results, and higher net investment gains, and in Hong-Kong (€+85 million) due to higher net capital gains.

Property & Casualty Segment

The contribution to AXA's 2003 consolidated net income was €448 million, up by €467 million (or €415 million including UK Health business). This increase was attributable to most entities mainly as a result of significantly improved operational performance. The Group combined ratio improved by 5 points to 101.4%, or 4 points on a constant structural basis[1], mainly driven by an improvement of the accounting all accident years loss ratio by 4 points or 3.7 points on a constant structural basis to 74.3%. This performance was partly offset by lower earnings in Germany (€–104 million), mainly as a result of lower investment income.

International Insurance Segment

The contribution to AXA's 2003 consolidated net income was €142 million, compared to a loss of €–176 million in 2002, or an increase of €+318 million. This improvement was reflected in both Reinsurance and large risk operations improved technical results. Their contribution to the €318 million was €195 million and €116 million for AXA RE and AXA Corporate Solutions Assurance respectively.

Asset Management Segment

The contribution to AXA's 2003 consolidated net income was €–24 million, down by €242 million compared to 2002. This trend was mainly due to Alliance Capital, showing a €–256 million decrease, or €–264 million at constant exchange rates. Alliance Capital was unfavorably impacted by (i) the non repeated impact of the 2002 exceptional profit related to the exercise by the former shareholders of Sanford Bernstein of their liquidity put option (€–148 million net group share impact), and (ii) a charge recorded in 2003 for legal proceedings and mutual funds investigation settlement matters (€–124 million net group share impact).

Other Financial Services Segment

The contribution to AXA's 2003 consolidated net income was €138 million, up by €20 million. This improvement was mainly attributable to AXA Bank Belgium (€+47 million) due to higher capital gains, partly offset by French Banks (€–6 million) in connection with the integration cost of Banque Directe, and other entities (€–21 million), which benefited from a lower level of positive run-off development.

Holding companies

The activities from the holding companies resulted in a net loss of €–371 million in 2003 as compared to a net loss of €–257 million in 2002. The increase in the net loss was mainly due to AXA S.A (higher financial charges), other French holdings (high level of capital gains in 2002), and Australia New Zealand holdings (sale of AXA Asia Pacific Holdings' health operations in August 2002), partly offset by a significant improvement in Germany holdings (higher capital gains and lower tax charge).

(1) Including UK health activities.

Consolidated Shareholders' Equity

At December 31, 2004, consolidated shareholders' equity totaled €26.2 billion. The movement in shareholders' equity since December 31, 2001 is presented in the table below:

	Shareholders' Equity (in euro millions)	Number of ordinary shares outstanding (in millions)
At December 31, 2001	***24,780***	***1,734***
– Capital increase (Employee share purchase program)	254	27
– Exercise of share options	8	1
– Cash dividend	(1,117)	–
– Impact of foreign currency fluctuations	(1,197)	–
– Other	34	–
December 31, 2002 (before net Income for the year)	***22,762***	***1,762***
– Net Income	949	–
At December 31, 2002	***23,711***	***1,762***
– Employee stock purchase program (July and December 2003)	189	15
– Exercise of share options	8	1
– Cash dividends [(a)]	(680)	–
– Impact of foreign currency fluctuations	(985)	–
– Other [(b)]	154	–
December 31, 2003 (before net income for the year)	***22,397***	***1,778***
– Net income	1,005	–
At December 31, 2003	***23,401***	***1,778***
– Capital increase (Conversion of mandatorily Convertible Bonds - "ORAN")	1,396	110
– Employee stock purchase program (July and December 2004)	255	19
– Exercise of share options	11	1
– Cash dividends	(676)	–
– Impact of foreign currency fluctuations [(c)]	(750)	–
– Other	1	–
December 31, 2004 (before net income for the year)	***23,639***	***1,908***
– Net Income	2,519	–
At December 31, 2004	***26,158***	***1,908***

(a) *Includes the cash dividend paid of €599 million and supplemental tax charge arising from such distribution of €81 million.*

(b) *Including €181 million in counterpart of an exceptional amortization of a goodwill which was offset against shareholders' equity in 1997 at the time of purchase of Germany operations by the Group. This exceptional amortization of goodwill has been posted following the release of a provision set-up at the time of acquisition, this release was due to the disposal, during 2003, of KölnischeRückversichreung JV to General Re.*

(c) *The impact of foreign exchange fluctuations are mainly due to the tax effect on hedging for €–530 million (€338 million at January 1, 2004 and €–191 million relating to 2004). Net of hedge, the impacts of exchange rate fluctuations before tax are mainly due to the U.S. (€–110 million), the UK (€–25 million), and Morocco (€–40 million).*

Earnings per share (EPS)

(in euro millions except ordinary shares in millions and net income per share in euros)

	Years ended December 31,							
	2004		2003				Var. FY 2004 versus FY 2003	
			Adjusted [a]		As published			
	Basic	Fully diluted	Basic	Fully diluted	Basic	Fully diluted	Basic	Fully diluted
Net income	2,519	2,519	1,005	1,005	1,005	1,005	–	–
Weighted numbers of shares	**1,845.2**	**1,910.8**	**1,790.1**	**1,816.6**	**1,763.7**	**1,790.1**	**–**	**–**
Net income Per Ordinary Share	*1.37*	*1.32*	*0.56*	*0.55*	*0.57*	*0.56*	*143.2%*	*138.3%*

(a) Following any significant capital increase with a stock price lower than the market price, such as ORAN conversion in July 2004, average number of shares and consequently EPS over each period have been restated to take into account an adjustment to neutralize this event which is similar to a free distribution of shares according to French regulation.

Return on equity (ROE)

(in euro millions except variations in basis point)

	Years ended December 31, 2004	2003	2002	Var. 2004/2003
Net income	2,519	1,005	949	–
Average Shareholder's equity	**23,392**	**22,958**	**23,643**	**–**
ROE	*10.8%*	*4.4%*	*4.0%*	*6.4 bp*

Life & Savings segment

The tables below present the operating results of AXA's Life & Savings Segment, as well as, the contribution to gross revenues and net income attributable to the principal geographic operations within this segment for the periods indicated. This information below is before elimination of inter-company transactions.

LIFE & SAVINGS SEGMENT [(a)] (in euro millions)

	Years ended December 31,		
	2004	2003	2002 [(c)]
Gross written premiums	46,251	46,299	46,972
Fees, commissions and other revenues	821	513	513
Gross revenues	**47,071**	**46,812**	**47,485**
Change in unearned premium reserves	21	(6)	(7)
Net investment result [(b)]	23,670	25,773	(10,672)
Total revenues	**70,762**	**72,579**	**36,805**
Insurance benefits and claims [(b)]	(62,451)	(65,926)	(30,120)
Reinsurance ceded, net	17	84	289
Insurance acquisition expenses	(2,888)	(2,797)	(2,738)
Administrative expenses	(2,885)	(2,457)	(2,741)
Income before income tax expense	**2,553**	**1,483**	**1,495**
Income tax expense	(758)	(289)	(98)
Equity in income (loss) of unconsolidated entities	44	19	(7)
Minority interests	(107)	(119)	(68)
Goodwill amortization	(342)	(423)	(312)
NET INCOME	**1,390**	**671**	**1,012**

(a) Before elimination of intercompany transactions.

(b) For the periods ended December 31, 2004, 2003 and 2002, the change in fair value of contracts with financial risk borne by policyholders has impacted the net investment result for respectively €+10,583 million, €+14,949 million and €–17,576 million and benefits and claims by the offsetting amounts respectively.

(c) Since FY 2003, UK Health business has been tranfered to UK Property & Casualty segment. Consequently full year 2002 has been restated excluding UK Health business.

CONSOLIDATED GROSS REVENUES [(a)] (in euro millions)

	Years ended December 31,				
	2004	2003		2002	
		FAS 131 basis	As published	FAS 131 basis	As published
France	11,899	10,890	10,890	10,432	10,432
United States	12,880	13,732	13,732	12,726	12,726
United Kingdom [(b)]	6,309	5,831	5,831	7,228	7,228
Japan	5,526	6,078	6,078	6,428	6,428
Germany	3,499	3,428	3,428	3,141	3,141
Belgium	2,203	2,050	2,050	1,629	1,629
Southern Europe [(c)]	1,364	1,182		1,527	
Other countries	3,391	3,620	4,802	4,373	5,900
TOTAL	**47,071**	**46,812**	**46,812**	**47,485**	**47,485**
Intercompany transactions	(9)	(13)	(13)	(33)	(33)
Contribution to consolidated gross revenues	**47,063**	**46,799**	**46,799**	**47,452**	**47,452**

(a) Gross written premiums, plus fees, commissions and other revenues.

(b) Since full year 2003, UK Health business has been tranfered to UK Property & Casualty segment. Consequently full year 2002 have been restated excluding UK Health business.

(c) Starting January 1, 2004, Italy, Spain and Portugal activities (previously under "Other countries") are now reported as one geographical region "Southern Europe".

NET INCOME (in euro millions)

	Years ended December 31,				
	2004	2003		2002	
		FAS 131 basis	As published	FAS 131 basis	As published
France	422	422	422	429	429
United States	525	433	433	370	370
United Kingdom [(a)]	19	(4)	(4)	241	241
Japan	148	(275)	(275)	(102)	(102)
Germany	(50)	(33)	(33)	(3)	(3)
Belgium	95	(60)	(60)	2	2
Southern Europe [(b)]	44	23		31	
Other countries	187	166	189	44	75
Total	**1,390**	**671**	**671**	**1,012**	**1,012**

(a) Since full year 2003, UK Health business has been tranfered to UK Property & Casualty segment. Consequently full year 2002 have been restated excluding UK Health business.

(b) Starting January 1, 2004, Italy, Spain and Portugal activities (previously under "Other countries") are now reported as one geographical region "Southern Europe".

In 2004, the Life & Savings segment accounted for 65% of AXA's consolidated gross revenues after elimination of intercompany transactions (stable compared to 2003 and 2002). The Life & Savings Segment was the primary contributor to AXA's 2004 (55%), 2003 (67%) and 2002 consolidated net income.

Starting January 1st, 2004, Italy, Spain and Portugal activities previously reported under "other countries" were reported as one geographical region named "Southern Europe". Information relating to 2003 and 2002 have been presented in accordance with FAS 131.

The Life & Savings segment does not include any longer the contribution of the UK health activities, presented from January 1, 2003 in the Property & Casualty segment. UK health activities accounted for €1,134 million of gross written premiums, and for €52 million of net income group share in 2002. Commentaries presented here below are based on a constant structural basis.

The year to year commentaries below are based on the operating results of the segment before elimination of intercompany transactions (refer to Note 32 "Segment information" to the consolidated financial statements included elsewhere in this Annual Report for further information).

Year ended December 31, 2004 compared to year ended December 31, 2003

Gross revenues (before elimination of intercompany transactions) increased by €259 million to €47,071 million, or €1,611 million on a constant exchange rates basis, given the unfavorable impact of exchange rates fluctuation (€1,352 million), mainly on United states (€–1,282 million).

This increase at constant exchange rates was mainly attributable to the following countries:

- France (€+1,009 million to €11,899 million) due to sustained growth in all business lines, in particular unit linked,
- United States (€+430 million to €12,880 million) primarily due to MONY acquisition.
- United Kingdom (€+354 million to €6,309 million), where investment and savings premium revenues were up 5% on last year, driven by renewed focus on Offshore Bonds (up 69%), and Group Pensions (up 22%) partially offset by a decrease in Personal and Executive Pensions (down 7%) following a repricing exercise in 2003.
- Southern Europe (€+182 million to €1,364 million) attributable both to good business trends and new partnerships and distribution agreements,
- Belgium (€+152 million to €2,203 million).

These increases were partly offset by decreases in :

- Japan (€–413 million to €5,526 million) because of group pension transfers (€217 million versus €882 million last year), in spite of sharp growth in individual annuity premiums benefiting from the development of bancassurance partnerships signed since August 2003. If group pension transfers and conversion program were excluded, Japan gross revenues would increase.
- Australia and New Zealand (€–246 million to €1,499 million), reflecting the Australian market trend of product substitution into mutual funds business for which revenues consist of fees (versus deposits).

The **net investment result** decreased by €2,103 million in 2004 as compared to 2003. This decrease was primarily attributable to:

- A €4,367 million decrease in the change in fair value of assets with financial risk carried by policyholders (down to €10,583 million), which was mainly due to the United States (€–4,282 million). Most significant contributors to 2004 change in fair value of assets supporting contracts with financial risk borne by policyholders were the United States (€5,446 million), United Kingdom (€3,217 million) and France (€1,156 million). Besides, realized and unrealized gains on UK With-Profit assets increased by €560 million up to €1,693 million, including €1,050 million in equity securities. The corresponding change in liabilities is shown in the insurance benefits and claims below.
- The 2004 net investment income was €404 million higher as compared to 2003 to €10,943 million. This increase was mainly driven by higher asset base and was spread over most entities : (i) France €+135 million of which €+114 million from equity investments, (ii) Japan, €+151 million, driven by a larger asset balance combined with an improved investment yield following the restructuring of the fixed-maturities portfolio, (iii) the United States, €+86 million, primarily due to higher partnership distribution, higher prepayments on fixed maturities and higher level of assets in the general account, partially offset by lower yields, and (iv) the United Kingdom, €+87 million, and Belgium, €+62 million. These increases were partly offset by a €–118 million decrease in Germany in line with lower bond yields.
- The 2004 net investment gain was €1,294 million higher as compared to 2003, up to €450 million. This increase was mainly driven by a lower impairment valuation allowance (€–1,471 million), notably on equity securities in line with the continued market recovery.
    - The impairment charge on equity securities decreased by €–1,165 million to €189 million. The main contributors to 2004 valuation allowance are Japan (€69 million against €332 million in 2003), Belgium (€47 million against €174 million in 2003) and Germany (€18 million against €565 million). Fixed maturities valuation allowances also decreased by €297 million to €38 million. Real estate valuation allowances reached € 75 million, including a €50 million charge in Germany.
    - Net capital gains decreased by €186 million to €715 million primarily attributable to equity securities (€–126 million to €141 million), mainly reflecting the non recurrence of last year €176 million capital gain on the disposal of Credit Lyonnais shares.

Insurance benefits and claims decreased by €3,475 million (or €1,729 million at constant exchange rate) down to €62,451 million. This decrease was mainly driven by the above mentioned decrease in change in fair value of assets with financial risk carried by policyholders (mainly in France, the United States and the United Kingdom), partially compensated by the opposite change in fair value of the UK With-Profit assets.

This decrease was partly reversed by higher revenues level and by higher interest credited and bonus attributed to policyholders as the result of higher net investment results.

Total expenses include insurance **acquisition expenses and administrative expenses**, which increased respectively by €91 million and €428 million in 2004 as compared to 2003 (or respectively €160 million and €523 million at constant exchange rates). These increases were mainly attributable to the United States, where MONY contribution explained most of the €61 million insurance acquisition and €256 million administrative expenses increases.

Administrative expenses also increased in (i) France (€81 million, as both distribution and other management expenses were up in the context of increased activity and launch of new Loi Fillon pension products), and (ii) the United Kingdom (€72 million, or €65 million on a constant exchange rate basis, including a €23 million increase in project costs and a €15 million administration commission increase, driven by higher stock markets).

Income tax expenses increased by €469 million, up to €758 million, mainly due to the United States, Japan and Germany. In the United States, the €292 million increase was due to a higher operating income. In Japan, the €60 million increase in tax expenses resulted from a €213 million increase due to a large improvement in pretax operating income in 2004, partly offset by a non recurring €149 million valuation allowance on tax loss carried forward recorded in 2003. Germany recorded a €67 million increase attributable to €44 million extraordinary tax items in 2004, and higher pretax income.

Goodwill amortization reached €342 million, €81 million lower as compared to 2003. This decrease resulted from a €126 million decrease in 2004 in the United States (as a result of the 2003 €–106 million exceptional amortization of a goodwill), combined with a €42 million increase in the United Kingdom partly attributable to the ownership transfer of the AXA Isle of Man subsidiary.

Net income increased by €719 million (or €795 million at constant exchange rate) to €1,390 million. This improvement was mainly attributable to higher fees and revenues due to growth and market appreciation, and to higher net investment result (excluding change in fair value of assets with financial risk carried by policyholders) notably reflecting increased net investment income and lower impairment charge. This increase was primarily driven by Japan (up €423 million), Belgium (up €156 million) and the United States (up €93 million), which, in addition, benefited from the contribution of Mony for the first time (€42 million net of a €9 million goodwill amortization charge for the period).

Year ended December 31, 2003 compared to year ended December 31, 2002

Gross revenues (before elimination of intercompany transactions) decreased by €1,806 million to €46,812 million, or €672 million on a constant structural basis[1]. This was mainly attributable to the unfavorable impact of exchange rates fluctuation (€–4,208 million), largely offset by higher sales (€+3,536 million) at constant exchange rates.

This growth at constant exchange rates stemmed from the following countries:

- The United States (€+3,709 million to €13,732 million, or +29%), which continued to be driven by strong sales of the "Variable Annuity Accumulator Series" product;
- France (€+458 million to €10,890 million, or +4.4%), due to continued growth in individual general account premiums and new group business;
- Japan (€+396 million to €6,078 million, or +6.1%), as a result of higher margin individual health sales, continued conversion programs and strategic bancassurance agreements, mitigated by a slowdown of Group pension transfers; and
- Belgium (€+421 million to €2,050 million, or +25.9%), and Germany Life and Health (€+287 million to €3,428 million or +9.1%), driven by strong sales of non-unit linked products.

(1) Excluding UK Health activities in 2002.

These improvements were partly offset by a decrease in revenues in the following principal countries:

- in the United Kingdom (€–812 million to €5,831 million, or –11.2%), following AXA's withdrawal from the "With-Profit" bonds market since July 2002. AXA responded to this by focusing on cautious investment products, which continue to drive sales performance in unsettled market conditions, and this resulted in higher sales of unit-linked bonds; AXA has begun to enhance its product range and will continue to mobilize its sales force to mitigate these market conditions in the mid term. New business on an Annual Premium Equivalent basis (APE) in the second half of the year 2003 was 12% higher than in the same period in 2002;
- in Spain (€-375 million to €470 million or –44%) since 2002 revenues had benefited from large group single premium contracts relative to pension fund outsourcing; and
- in Australia health activities (€–326 million) and Austria and Hungary (€–123 million), since these businesses were sold respectively in August 2002 and January 2003.

The net investment result significantly improved by €36,445 million to €25,773 million in 2003. This increase was primarily attributable to:

- a positive change in fair value of assets with financial risk carried by policyholders and UK With-Profit assets in 2003 of €+14,949 million and €+1,134 million respectively, as compared to negative impacts in 2002 (€–17,576 million and €–3,444 million respectively). This evolution was due to the partial recovery of stock markets. The corresponding change in liabilities is shown in the "Insurance benefits and claims" below;
- lower net investment income by €–423 million mainly stemming from the United States (€–491 million). The decrease in the U.S. was principally due to the unfavorable impact of exchange rates fluctuation of €–420 million and lower investment yields. This deterioration was partly offset by improvements in Belgium (€+67 million) due to a higher level of technical reserves and higher dividend income and in the United Kingdom and Japan, the net investment result was up by €+185 million mainly on fixed maturity securities following the capital restructuring of AXA Sun Life funds in 2002, and €+62 million as a result of higher asset balance, partly offset by the impact of exchange rates fluctuation (respectively €–163 million and €–64 million). At constant exchange rates, investment income increased by €+257 million;
- higher net capital losses in 2003 of €–849 million compared to €–614 million in 2002. This €–234 million decrease reflected a higher other-than-temporary impairment charge on equity securities before tax and policyholder's participation (€915 million), partly offset by lower impairment charge on fixed maturity securities (€21 million) and a higher level of net realized capital gains (€660 million).

The 2003 impairment charge on equity securities of €1,353 million before allocation to policyholders participation and tax was principally from the following operations: Germany (€565 million), Japan (€332 million), Belgium (€174 million), France (€160 million), Italy (€46 million), and the United States (€43 million), as compared to €438 million charge in 2002 mainly due to: Belgium (€112 million), Hong Kong (€101 million), Japan (€62 million), the United States (€28 million), France (€24 million), and the United Kingdom (€23 million).

The 2003 impairment charge on fixed maturity securities of €340 million before allocation to policyholders participation and tax was principally from the following operations: United States (€61 million), Japan (€176 million), and Germany (€92 million). In 2002, it amounted to €360 million, attributable to the United States operations.

Net realized capital gains reached €844 million, showing a €+660 million increase. They included €176 million related to the disposal of Credit Lyonnais shares, of which €109 million in France, €53 million in the United Kingdom, and €14 million in Belgium. Excluding this item, they were up €+484 million. This increase primarily related to equity securities (€+567 million), reflecting the recovery of financial markets, in France, Japan, Hong-Kong, and AXA Australia, which showed improved investment gains reflecting the favorable impact of the recovery of stock markets on trading assets. Germany also recorded higher capital gains, mainly on fixed maturity securities following the restructuring of its portfolio to better match assets liability durations. These improvements were partially offset by lower realized capital gains on real estate (€–278 million), mainly attributable to the United States as 2002 benefited from higher gains and Spain as AXA Seguros had benefited in 2002 of large realized capital gains on real estate.

Insurance benefits and claims increased by €35,806 million to €65,926 million. This increase was mainly due to the operating growth in volumes, to the above-mentioned increase in change in fair value of assets supporting contracts with financial risk borne by policyholders (unit linked) (mainly in France, the United States and the United Kingdom), and to the change in fair value of UK With-Profit assets. Furthermore, some entities recorded additional reserve strengthening, especially the UK, where non recurring strengthening of reserves were recorded as follows: (i) €138 million across a number of classes of business following a review of mortality and morbidity experience and model refinements, (ii) €52 million due to changes in the valuation of unit liabilities, and (iii) €25 million related to possible endowment miss-selling obligation on a best estimate basis at the date of the closing. This was partially offset by lower allocation to policyholder's participation as a result of a higher impairment charge as described above.

Total expenses include **acquisition cost and administrative expenses,** which decreased by €225 million, or an increase by €202 million at constant exchange rates. This increase was mainly attributable to a higher level of commissions in the United States, Germany and in France consistent with strong new business, and in Japan from the combination of higher new business and change in product mix. As a result, acquisition cost increase by € 270 million at constant exchange rates. This was partly offset by a reduction in administrative expenses by € 68 million, as a result of the continuous efforts in most countries to reduce the cost base.

Income tax expense increased by €191 million to €–289 million. The increase was mainly due to (i) France (€77 million), as a result of an increase in taxable income at full income tax rate, a lower proportion of income being taxed at nil or reduced rate; (ii) the United States (€38 million), as a result of higher taxable income and the absence of the 2002 tax benefit following settlement with IRS (€152 million), partly offset by a €195 million reduction resulting from the review of deferred tax position related to prior periods; (iii) the United Kingdom (€95 million) mainly as a result of the absence of the 2002 release of distribution tax recorded on the inherited estate attributed to AXA (€111 million), partly compensated by lower taxable income; (iv) Japan (€32 million), mainly driven by a €149 million tax valuation allowance on AXA Japan's tax loss carry forward (compared to €40 million in 2002), partly compensated by lower taxable income; this was partially offset by a decreased tax charge in Germany (€42 million), as a result of lower taxable income.

Goodwill amortization increased by €111 million to €–423 million, mainly as a result of an exceptional amortization in the United States of the goodwill recorded in 2000 when acquiring the minority interest of AXA Financial (€–106 million). In 2003, following the review of deferred tax positions, AXA Financial recorded a non-recurring profit, which was partly offset by an exceptional amortization of the goodwill corresponding to the deferred tax positions related to prior periods to the acquisition by "The Equitable Companies Incorporated" by AXA.

Net Income decreased by €–341 million to €671 million. This decrease was partly attributable to the **unfavorable impact of exchange rates fluctuation** (€–126 million, of which €–138 million related to the United States). At constant exchange rates, the decrease was €–215 million, and was mainly attributable to the **United Kingdom** (€–242 million) driven by a lower technical margin following insurance reserves strengthening and the impact of 2002 non-recurring tax profits, **Japan** (€–206 million) mainly as a result of an additional valuation allowance on deferred tax asset and higher valuation allowance on equity securities and fixed maturities, and **Germany** (€–31 million) due to higher other than temporary impairment on equity securities and fixed maturities. These unfavorable items were partly offset by an improvement in the **United States** (€+200 million) as a result of higher technical results, and higher net investment gains, and in **Hong Kong** (€+85 million) due to higher net capital gains.

Analysis of insurance general account investment results

The following table summarizes the net investment results of AXA's Life & Savings operations for the principal categories of general account assets for the periods indicated. Certain invested assets and associated net investment results are not included, and net investment income is not reduced for investment expenses or interest expense on short-term and long-term debt. Accordingly, the net investment results summarized in the following table are not directly comparable to the net investment results discussed above.

LIFE & SAVINGS [(a)] (in euro millions)

	Years ended December 31, 2004		2003		2002	
	Yields	Amount	Yields	Amount	Yields	Amount
Fixed maturity investments:						
Net investment income	5.5%	7,334	5.5%	7,084	5.8%	7,336
Net realized gains (losses)	0.4%	584	0.0%	(7)	0.4%	532
Net investment results	*5.9%*	*7,918*	*5.5%*	*7,078*	*6.2%*	*7,868*
Related assets at year end		**135,777**		**127,503**		**129,019**
Equity investments (including participating interests):						
Net investment income	3.5%	1,968	3.5%	1,762	2.9%	1,545
Net realized gains (losses)	1.8%	1,020	0.4%	150	(10.0%)	(5,047)
Net investment results	*5.3%*	*2,987*	*3.9%*	*1,912*	*(7.0%)*	*(3,502)*
Related assets at year end		**58,489**		**51,732**		**48,175**
Real estate:						
Net investment income	6.4%	603	6.5%	621	6.4%	667
Net realized gains (losses)	6.6%	635	1.6%	156	4.6%	474
Net investment results	*13.0%*	*1,238*	*8.1%*	*777*	*11.1%*	*1,140*
Related assets at year end		**9,294**		**9,237**		**10,100**
Loans:						
Net investment income	5.5%	1,145	5.8%	1,196	6.1%	1,385
Net realized gains (losses)	(0.2%)	(51)	(0.3%)	(36)	(0.5%)	(106)
Net investment results	*5.3%*	*1,094*	*5.6%*	*1,160*	*5.6%*	*1,279*
Related assets at year end		**20,314**		**20,258**		**20,991**
Other assets and cash and cash equivalents [(b)]**:**						
Net investment income	3.0%	365	2.6%	290	3.8%	449
Net realized gains (losses)	(0.4%)	(43)	0.2%	21	0.4%	43
Net investment results	*2.7%*	*321*	*2.8%*	*311*	*4.2%*	*492*
Related assets at year end		**13,188**		**10,416**		**11,233**
Total invested assets [(b)]**:**						
Net investment income	4.9%	11,414	5.0%	10,953	5.1%	11,383
Net realized gains (losses)	0.9%	2,144	0.1%	285	(1.9%)	(4,105)
Net investment results	*5.8%*	*13,558*	*5.2%*	*11,238*	*3.2%*	*7,278*
Total invested assets at year end		**237,061**		**219,146**		**219,518**

(a) The investment yields were calculated on a constant structual basis using the average net carrying value of invested assets (for each category) in the period. The realized gains were net of realized losses and included the net change in valuation allowances on impaired assets as well as the unrealized gains and losses on investments carried at market value, notably the assets supporting the UK "With-Profit" contracts.

(b) Since 2004, some net investment income, considered as assets backing contracts with financial risk borne by the policyholder have been excluded from "Other assets and cash and cash equivalents".

Property & Casualty segment

The tables below present the operating results of AXA's Property & Casualty segment, as well as, the contribution to gross revenues and net income attributable to the principal geographic operations within this segment for the periods indicated. This information below is before elimination of intercompany transactions.

PROPERTY & CASUALTY SEGMENT [(a)] (in euro millions)

	Years ended December 31,		
	2004	2003	2002 [(b)]
Gross written premiums	17,903	17,093	17,077
Fees, commissions and other revenues	42	35	38
Gross revenues	**17,945**	**17,128**	**17,115**
Change in unearned premium reserves	(250)	(231)	(315)
Net investment result	1,322	1,075	1,218
Total revenues	**19,017**	**17,972**	**18,018**
Insurance benefits and claims	(12,083)	(12,060)	(12,876)
Reinsurance ceded, net	(665)	(495)	(231)
Insurance acquisition expenses	(3,085)	(2,727)	(2,822)
Administrative expenses	(1,746)	(1,865)	(1,785)
Income before income tax expense	**1,439**	**826**	**305**
Income tax (expense) benefit	(408)	(194)	(175)
Equity in income (loss) of unconsolidated entities	30	24	19
Minority interests	(13)	(35)	5
Goodwill amortization	(141)	(172)	(120)
NET INCOME	**907**	**448**	**33**

(a) Before intercompany transactions.

(b) Since 2003, UK Health business has been transferred from Life & Savings segments. Consequently FY 2002 has been restated including UK Health business.

CONSOLIDATED GROSS REVENUES [(a)] (in euro millions)

	Years ended December 31,				
	2004	2003		2002	
		FAS 131 basis	As published	FAS 131 basis	As published
France	4,932	4,640	4,640	4,383	4,383
United Kingdom & Ireland [(b)(c)]	4,493	4,238		4,438	
United Kingdom (excluding Ireland) [(b)(c)]			3,676		3,884
Germany	2,815	2,852	2,852	2,867	2,867
Southern Europe [(b)]	2,901	2,577		2,418	
Belgium	1,443	1,413	1,413	1,401	1,401
Other countries	1,361	1,408	4,547	1,609	4,581
TOTAL	**17,945**	**17,128**	**17,128**	**17,115**	**17,115**
Intercompany transactions	(93)	(30)	(30)	(33)	(33)
Contribution to consolidated gross revenues	**17,852**	**17,098**	**17,098**	**17,082**	**17,082**

(a) Gross written premiums, plus fees, commissions and other revenues.

(b) Starting January 1st, 2004, (i) Italy, Spain and Portugal activities (previously under "Other countries") are reported as one geographical region "Southern Europe" and (ii) UK Property & Casualty segment is now presented including Ireland, which was previously under "Other countries").

(c) Since 2003, UK Health business has been transferred from Life & Savings segments. Consequently FY 2002 has been restated including UK Health business.

AXA GROUP - RATIOS (in %)

	Years ended December 31,		
	2004	2003	2002 [a]
Current accident year loss ratio (net)	74.2%	75.8%	79.0%
All accident year loss ratio (net)	72.0%	74.3%	78.0%
Expense ratio	27.3%	27.2%	27.4%
Combined ratio	99.3%	101.4%	105.4%

(a) *UK Health business has been transferred from Life & Savings segments. Consequently FY 2002 has been restated to include UK Health business*

NET INCOME (in euro millions)

	Years ended December 31,				
	2004	2003		2002	
		FAS 131 basis	As published	FAS 131 basis	As published
France	297	258	258	229	229
United Kingdom & Ireland [b]	244	78		(119)	
United Kingdom [b]			(28)		(168)
Germany	60	(154)	(154)	(50)	(50)
Southern Europe [a]	141	120		67	
Belgium	125	100	100	(47)	(47)
Other countries	41	46	271	(47)	70
Total	**907**	**448**	**448**	**33**	**33**

(a) *Starting January 1st, 2004, (i) Italy, Spain and Portugal activities (previously under "Other countries") are reported as one geographical region "Southern Europe" and (ii) UK Property & Casualty segment is now presented including Ireland, which was previously under "Other countries").*

(b) *Since 2003, UK Health business has been transferred from Life & Savings segments. Consequently FY 2002 has been restated including UK Health business.*

In 2004, the Property & Casualty Segment accounted for 24.7% of AXA's consolidated gross revenues after elimination of intercompany transactions (2003: 24%; 2002: 21%). The Property & Casualty segment had a positive contribution to AXA's 2004 consolidated net income of 36% (positive contribution in 2003: 45%; negative contribution in 2002. –2%). This segment showed continuous operational improvements over 2004 and 2003.

Starting January 1st, 2004, Italy, Spain and Portugal activities previously reported under "other countries" were reported as one geographical region named "Southern Europe". Information relating to 2003 and 2002 has been presented in accordance with FAS 131.

Since 2003, the Property & Casualty segment included the contribution of the UK health activities, previously presented in the Life & Savings segment. UK health activities accounted for €1,134 million of gross written premiums, and for €52 million of net income group share in 2002. As a consequence, pro-forma financial data for 2002 figures are provided and commentaries presented here below are based on a constant structural basis.

The year on year commentaries below are based on the operating results of the segment before elimination of inter-company transactions (refer to Note 32 "Segment information" to the consolidated financial statements included in Item 18 in this Annual Report for further information).

Year ended December 31, 2004 compared to year ended December 31, 2003

Gross revenues (before elimination of intercompany transactions) increased by €817 million to €17,945 million in 2004 (+4.8%), or €782 million on a constant foreign exchange rate basis.

This increase in **gross revenues** was mainly attributable to an increase in premiums in France, the United Kingdom and Southern Europe. In France, the €+292 million or +6% increase in premiums, (up to €4,932 millions) was due to the combined effect of positive new inflow in personal lines and rate increases in most lines of business. In the United Kingdom, gross revenues increased by 6% to €4,493 million, or 4% on a comparable basis, spread over (i) personal lines (where revenues grow by 2% driven by a successful shift to less volatile non motor lines of business, in spite of motor revenues decline notably with the planned reduction in the UK personal direct), (ii) commercial lines, where revenues grew by 5% reflecting successful business campaign, improved retention of existing customers and rate increases, and (iii) health revenues (where revenues increased by 5% as a result of successful launch of lower premium products and partnership deals). In Southern Europe, gross written premiums increased by 7% to €2,901 million as a result of strong net inflows on personal motor (notably in Spain) and household lines, as well as sustained growth in commercial lines and notably important renewal of fleet contracts with increasing number of cars in motors.

Net Investment result increased by €+247 million (or €+241 million at constant exchange rate) to €1,322 million as compared to 2003 as a result of higher investment income (€+85 million to €1,364 million) reflecting higher asset base and lower net investment losses (€+162 million to €–41 million) mainly reflecting lower impairment charge (€–341 million decrease to €183 million in 2004) offset by the non recurrence of the 2003 capital gain on the disposal of Credit Lyonnais shares (€256 million). The €183 million net impairment charge in 2004 was mainly attributable to Germany (€74 million), Belgium (€39 million), Morocco (€35 million), and France (€20 million).

Insurance benefits and claims remained stable (0,2% increase), at €12,083 million. This stability in a context of increasing revenues reflected a continuing improvement in operational performance in most countries.

In France, the current accident year net ratio improved by 4.0 points to 74.4%, mainly driven by a continuing favorable claims frequency trend in personal motor line (+1.6 points to 75.3%), which lead to a +2.6 points improved personal lines loss ratio to 73.5%, and a commercial lines loss ratio decrease by 6.6 points to 75.8% due to the combined effect of a favorable claims experience in 2004 and lower major claims, especially in Property. The all year ratio improved by 2.3 points to 75.7% as a result of higher loss reserve development (€83 million to €–66 million) both in commercial (€–48 million to €–15 million) and personal (€–35 million to €–50 million) lines, mainly due to adverse loss developments in construction and reserve adjustments on natural events, primarily 2003 drought.

In the United Kingdom, the current accident year loss ratio improved by 0.6 point to 68.4%, mainly in personal lines as a result of lower volumes in motor and improved loss ratios on travel and creditor, offsetting increased ratios in property. The all accident year loss ratio improved by 4.7 points to 67.1% as a result of better current accident year loss ratio as well as a strong improvement in loss reserve development, in spite of strengthening of asbestos reserves.

In Germany, the current accident year loss ratio improved by 0.5 point to 75.5% due to an improvement of the reinsurance result following a restructuring of the reinsurance coverage, partly offset by the higher frequency of large claims in Commercial Property. All accident year loss ratio was stable at 69.5%. In 2004, net result on prior years remained high, mainly driven by boni on assumed and foreign business.

In Southern Europe, the current accident year loss ratio slightly improved by 1.2 point to 78.7% driven by the reduced motor claims frequency, in particular in Italy, following the introduction of a driving license with points. All accident year loss ratio improved by 1.1 point 76.2%. Personal lines and commercial lines improved respectively by 0.6 point to 74.1% and by 5.6 points to 82.4%.

In Belgium, the current year loss ratio deteriorated by 1.1 point to 83.5% mainly due to the occurrence of some large claims in 2004 (summer storms) and due to an increase in frequency and average cost in workers' compensation. The all accident year loss ratio deteriorated by 0.3 point to 74.6% as a result of the deterioration of current year loss ratio, offset by a boni in personal lines mainly in motor.

Total expenses included insurance acquisition expenses and administrative expenses. Insurance acquisition expenses increased by €358 million (or a +13.1% increase) attributable to France (€+180 million, in line with higher volumes as well as a shift in AXA France's internal organization towards a more sales oriented structure) and United Kingdom (€+173 million, reflecting a change towards higher commissioned products).

Administrative expenses decreased by €119 million, of which €–114 million attributable to France, and €–50 million in Germany, mainly explained by a €50 million provision for rental risks booked in 2003, theses decreases being partly offset by slight increases in Southern Europe (€–19 million mainly due to non recurring costs linked to staff reduction programs) and Netherlands (€–18 million).

Income tax expense increased by €+214 million up to 408 million, as a consequence of higher operating income in most of the significant countries. In France, the €+65 million increase was also due to an average tax rate increase due to a lower proportion in 2004 of gains taxed at reduced rate. In Germany, the €+56 million increase resulted mainly from the non recurring tax profit recorded in 2003 as a consequence of the disposal of General Re. In Southern Europe, the €+70 million increase was partly attributable to €44 million non recurring tax gains recorded in 2003, of which €39 million in Italy, coming from (i) the release of tax loss carry forward allowance following the restored profitability of the entity and (ii) the positive tax impact from legal restructuring.

Goodwill amortization decreased by €–32 million, to €141 million, mainly as a result of the 2003 exceptional amortization in Germany for €57 million offset by a €+28 million increase in Netherlands due to an exceptional amortization charge.

Net income group share increased by €+459 million, up to €907 million. Overall, these increases were driven by improved operating performance, combined with higher volumes of business, and higher investment results driven by both increased invested assets and lower impairment charges. This was particularly true in Germany (€+215 million net income) and United Kingdom (€+166 million net income).

Year ended December 31, 2003 compared to year ended December 31, 2002

Gross revenues (before elimination of intercompany transactions) increased by €1,147 million to €17,128 million in 2003 or €13 million on a constant structural basis[1]. This evolution was the result of higher revenues (€+433 million) at constant exchange rates, partly offset by the unfavorable impact of exchange rates fluctuations (€–421 million).

This growth at constant exchange rates was primarily attributable to:

- France (€+257 million to €4,640 million, up +6%), in both personal (up 5%) and commercial lines (up 9%), driven by successful rates increases and a strict underwriting policy combined with positive inflows;
- The United Kingdom including Health business (€+161 million to €3,676 million or €4,045 million at constant exchange rates, up +4%), especially in general insurance (+6%). This growth reflected successful rate increases and new business acquisition in commercial lines (up +16%), partly offset by a decrease in personal lines (–5%) mainly as a result of a decrease in the Motor business, reflecting continued strict underwriting policy;
- Belgium (€+13 million to €1,413 million, up +0.7%), mainly driven by personal lines, especially on Motor following rates increases;
- Italy (€+60 million to €1,088 million, up +6%) driven by personal motor (with a return in 2003 to positive net inflows after significant losses in 2002 due to portfolio cleaning measures and rates increases), and general liability;
- Spain (€+96 million to €1,166 million, up +9%) reflecting an increase in personal lines (+6%) following rates increases, and in commercial property (+54%) and mechanical warranties (+34%) since both lines benefited from new agreements with major brokers;
- Canada (€+68 million to €761 million or €812 million at constant exchange rates, up +9%), due to rates increases in all lines of business following the hardening of the market;
- other smaller improvements in other countries, mainly Japan (€+28 million to €94 million or €104 million at constant exchange rates, up +37%) mainly driven by motor business growth, and Morocco (€+12 million to €155 million or €142 million at constant exchange rates, up +9%), partly offset by a slight decrease in Germany (€–15 million to 2,852 million or –0.5%), mainly due to continued portfolio pruning.

These improvements were partly offset by a decrease in revenues in Austria and Hungary (€–272 million), since these businesses were sold respectively in August 2002 and January 2003.

Net investment result decreased by €–143 million to €1,075 million in 2003. This evolution was mainly attributable to:

(i)Lower net investment income (€–131 million to €1,279 million) mainly attributable to Germany (€–118 million) as a result of lower yields on bonds portfolio and lower dividend income, and the impact of exchange rates fluctuation (€–18 million) in the United Kingdom.

(ii)Slightly lower net capital gains and losses (€–12 million) as a result of a higher charge for impairment of equity securities (€–139 million to €496 million) and a charge for impairment on fixed maturities (€24 million) nearly offset by higher realized capital gains (€+152 million to €–204 million).

The 2003 impairment charge on equity securities of €496 million before tax was principally from the following operations: Germany (€156 million), France (€142 million), Belgium (€120 million), the United Kingdom

(1) Including UK Health activities in 2002.

(€42 million), Spain (€12 million), and Morocco (€18 million), as compared to €356 million charge in 2002 mainly due to: the UK (€116 million), Belgium (€97 million), Italy (€35 million), Germany (€29 million, excluding private equity investments), Spain (€23 million) and France (€19 million). The 2003 impairment charge on fixed maturity securities of €24 million before tax was principally from Germany.

Net realized capital gains reached €316 million, showing a €+152 million increase. They included €256 million related to the disposal of Credit Lyonnais shares, of which €137 million in France, €84 million in Belgium, €21 million in Italy and €14 million in Spain. Excluding this item, they decreased €–104 million. This decrease primarily related to equity securities (€–44 million), in France (€–44 million), Germany (€–37 million), and the United Kingdom (€–38 million), partly offset by improved investment gains in Morocco (€63 million). Italy also accounted for lower realized gains on fixed maturities and real estate for respectively €–45 million and €–23 million as 2002 had benefited from large realized gains on these types of securities.

Insurance benefits and claims decreased by €816 million to €12,060 million in 2003. This evolution reflected a significant improvement in operational performance in most countries, as discussed below.

In France, current accident year loss ratio improved from 78.7% in 2002 to 78.4% in 2003. There was favorable experience trend in personal motor which was partly offset by the occurrence of large claims in industrial risks as well as significant weather-related events and the increase in reinsurance costs of commercial lines. All accident years loss ratio decreased by 0.8 point as a result of an improved current accident year loss ratio and overall more favorable loss reserve development that totaled to €+17 million in 2003 as compared to €–6 million in 2002. In 2003, loss development was positive in the property and natural catastrophes lines, partly offset by a €–25 million adjustment in motor annuity reserves mainly as a consequence of a compulsory decrease (–25 basis points at 2.50%) in discount rate due to decreasing French interest rates.

In Germany, the net technical result showed a significant improvement by €212 million to €877 million, mainly driven by significant improvements in the current accident year loss ratio as a result of tariff increases coupled with successful and ongoing portfolio pruning both in personal and commercial lines. Current accident year loss ratio: the 10.2 points improvement to 76% was partly driven by restructuring efforts in motor and tariff increases. In addition, 2003 was not affected by large natural catastrophes. All accident years loss ratio improved by 7.5 points to 69.5%, as a result of lower current accident year loss ratio partly compensated by lower positive development on prior years.

In the United Kingdom, the current accident year loss ratio improved by 5.4 points to 67.9%, mainly due to an improvement in (i) household following non-recurring 2002 weather losses, (ii) property as a result of both rates increases and decrease in claims frequency, (iii) liability due to rate increases, and (iv) a favorable claims performance in the Health business. The all accident years loss ratio improved by 5.2 points to 72.0% as a result of better current accident year loss ratio. In Ireland, the loss ratio improved by 10.5 points to 70.4% resulting from the lower motor claims frequency and a strong improvement in the profitability of household business due largely to the absence of any significant weather catastrophes in the current year, together with favorable movement in prior year claim reserves.

In Belgium, the current year loss ratio improved by 6.3 points to 82.4% due to a lower claim frequency for most lines and specific to commercial property business, a significant decrease in large claim costs. The all accident years loss ratio improved by 5.8 points to 74.3%, in line with the current year loss ratio.

In Italy, further improvement in claims experience following portfolio cleaning measures and tariff increases allowed for a –1.8 point on the loss ratio.

Net result of reinsurance ceded decreased by €–264 million to a loss of €–495 million. This decrease was mainly attributable to Germany (€–110 million) as a result of better loss reserve development since no major losses occurred in 2003 (impact of floods in 2002), and the United Kingdom (€–83 million) due to the non-repeated impact in 2003 of reserve strengthening accounted for in 2002.

Total expenses include **insurance acquisition expenses and administrative expenses**, which decreased slightly by €–15 million. After excluding the effects of foreign currency, which had a favorable impact of €129 million (€113 million specifically from the United Kingdom operations) expenses increased by €114 million in 2003. This increase was primarily due to France, Germany and the United Kingdom, partly offset by Belgium. In France, expenses increased by €44 million mainly due to higher business volumes in 2003. In Germany, expenses included a €50 million provision for rental risk, and an additional €18 million early retirement provision, while 2002 expenses included a provision for early retirement for €41 million. In the United Kingdom, the favorable impact of lower general expenses resulting from tight cost control and efficiency improvements was offset by a higher pension charge, and higher earned commissions driven by the growth in commercial business. In Belgium, further expense reductions were achieved allowing for a decrease of the expense ratio by 0.2 point to 29.4%.

Income tax expense increased by €19 million to €–194 million. This increase was driven by (i) higher pre-tax income in most countries (€+521 million for the whole segment) except in Germany, where the tax charge decreased partly as a result of lower pre-tax income, (ii) partly offset by the following items: (a) in France a lower tax charge (€16 million) was recorded despite pre-tax income slightly increased, due to the fact that earnings taxed at reduced rate were higher in 2003 than in 2002; (b) in Belgium, tax charge only increased marginally (€12 million) due to the fact that net capital gains on equity securities are not taxable, to the implementation in 2003 of the taxation of dividends, partially offset by a 6 points decrease of the local tax rate to 33.99%; (c) in Germany, a tax provision was released for €58 million, following the disposal of Colonia Re J.V. participation to General Re in 2003. This release was offset by an exceptional amortization of goodwill, since this provision was set-up in 1997 when acquiring the German operations; (d) in Italy, non-recurring tax gains were recorded (€29 million), driven by the release of the residual allowance on tax loss carry-forward, reflecting the restored profitability of the motor line, and by a higher tax benefit from the legal restructuring of AXA subsidiaries in Italy.

Goodwill amortization increased by €52 million to €–172 million in 2003, mainly as a result of the exceptional amortization in Germany for €57 million as discussed above.

Net income increased by €415 million to €448 million in 2003. This increase was attributable to most entities mainly as a result of significantly improved operational performance. The Group combined ratio improved by 5 points, or 4 points on a constant structural basis[1]. This performance was partly offset by lower result in Germany (€–104 million), mainly as a result of lower investment income.

(1) Including UK health activities.

Analysis of investment results

The following table summarizes the net investment results of the Property & Casualty operations for the principal categories of invested assets for the periods indicated. Certain invested assets and associated net investment results are not included, and net investment income is not reduced for investment expenses or interest expense on short-term and long-term debt. Accordingly, the net investment results summarized in the following table are not directly comparable to the net investment results discussed above.

PROPERTY & CASUALTY [(a)] (in euro millions)

	Years ended December 31, 2004		2003		2002	
	Yields	Amount	Yields	Amount	Yields	Amount
Fixed maturity investments:						
Net investment income	5.1%	868	5.2%	787	5.7%	849
Net realized gains (losses)	0.1%	10	0.0%	5	0.6%	88
Net investment results	*5.1%*	*878*	*5.2%*	*792*	*6.3%*	*937*
Related assets at year end		**18.056**		**15.832**		**14.059**
Equity investments (including participating interests):						
Net investment income	3.2%	364	3.1%	353	3.0%	348
Net realized gains (losses)	(0.9%)	(97)	(2.5%)	(273)	(2.6%)	(298)
Net investment results	*2.3%*	*267*	*0.6%*	*80*	*0.4%*	*49*
Related assets at year end		**11,343**		**11,382**		**11,358**
Real estate:						
Net investment income	5.3%	123	5.7%	134	5.9%	139
Net realized gains (losses)	2.4%	56	2.9%	68	3.2%	75
Net investment results	*7.8%*	*179*	*8.6%*	*202*	*9.2%*	*214*
Related assets at year end		**2,275**		**2,319**		**2,393**
Loans:						
Net investment income	2.1%	40	3.1%	51	6.8%	113
Net realized gains (losses)	(0.1%)	(2)	(0.0%)	(1)	(0.1%)	(1)
Net investment results	*2.0%*	*38*	*3.0%*	*50*	*6.7%*	*111*
Related assets at year end		**2,201**		**1,668**		**1,629**
Other assets and cash and cash equivalents:						
Net investment income	3.9%	147	3.1%	113	2.5%	75
Net realized gains (losses)	(0.2%)	(9)	(0.1%)	(4)	(0.3%)	(9)
Net investment results	*3.7%*	*138*	*3.0%*	*110*	*2.2%*	*66*
Related assets at year end		**3,608**		**3,931**		**3,282**
Total invested assets:						
Net investment income	4.2%	1,541	4.2%	1,438	4.6%	1,523
Net realized gains (losses)	(0.1%)	(42)	(0.6%)	(204)	(0.4%)	(145)
Net investment results	*4.1%*	*1,500*	*3.6%*	*1,234*	*4.1%*	*1,377*
Total invested assets at year end		**37,483**		**35,132**		**32,721**

(a) *The investment yields were calculated on a constant structual basis using the average net carrying value of invested assets (for each category) in the period. The realized gains were net of realized losses and included the net change in valuation allowances on impaired assets.*

International Insurance segment

In 2004, the presentation of International Insurance segment results was amended as follows: transfer of AXA RE U.S. entities from AXA RE segment to "Other International Activities". Commentary for the 2004 and 2003 figures based upon the amended presentation is provided below. No detailed figures are available for 2002 on this basis. However, the 2002 consolidated gross revenue and net income figures are shown below for comparative purpose.

In 2003, the presentation of International Insurance segment results was amended as follows:

- *Reinsurance operations (AXA RE), large risks international insurance (AXA Corporate Solutions Assurance) and AXA Cessions, are presented separately. This decision was initiated in 2002 and finalized in 2003. As a consequence, pro forma financial data for 2002 figures are provided in tables below.*
- *During 2003, large risks operations of AXA Corporate Solutions Assurance were legally transferred by AXA RE to AXA France. In this context, reporting segment were aligned: AXA Corporate Solutions Insurance U.S. was transferred from AXA Corporate Solutions Assurance to AXA RE, and run off entities have been transferred from AXA Corporate Solutions Assurance to other transnational activities.*

As a consequence, commentaries presented here below are based on a constant structural basis.

The following table presents the gross revenues and net income for the International Insurance segment for the periods indicated.

CONSOLIDATED GROSS REVENUES [(a)] (in euro millions)

	Years ended December 31,				
	2004	2003		2002	
		FAS 131 basis	As reported	FAS 131 basis	As reported
AXA RE [(b)]	1,069	1,650	1,918	2,539	3,609
AXA Corporate Solutions Assurance	1,517	1,571	1,571	1,692	1,654
AXA Cessions	94	87	87	100	100
AXA Assistance	561	482	482	465	465
Other [(b)]	239	426	23	1,142	43
TOTAL	**3,480**	**4,216**	**4,081**	**5,938**	**5,872**
Intercompany transactions [(c)]	(109)	(244)	(109)	(176)	(110)
Contribution to consolidated gross revenues	**3,371**	**3,972**	**3,972**	**5,762**	**5,762**

(a) *Gross written premiums, plus fees, commissions and other revenues.*

(b) *Transfer of AXA RE U.S. entities from AXA RE segment to "Other International Activities".*

(c) *Includes eliminations which in the published December 2003 figures were eliminated with the AXA RE segment. In the December 2004 FAS 131 figures these transaction are not eliminated at the segment by segment presentation level.*

NET INCOME (in euro millions)

	Years ended December 31, 2004	2003 FAS 131 basis	2003 As reported	2002 FAS 131 basis	2002 As reported
AXA RE [(a)]	131	106	142	(70)	(53)
AXA Corporate Solutions Assurance	84	(5)	(5)	(121)	(121)
AXA Cessions	17	16	16	(4)	(4)
AXA Assistance	17	14	14	1	1
Other [(a)]	(23)	11	(25)	18	2
Total	**227**	**142**	**142**	**(176)**	**(176)**

(a) Transfer of AXA RE U.S. entities from AXA RE segment to "Other International Activities".

In 2004, the International Insurance segment accounted for 5% of AXA's consolidated gross revenues after elimination of intercompany transactions (2003 : 6% and 2002 : 8%). The International Insurance segment had a positive contribution to AXA's 2004 consolidated net income of 9% (positive contributions in 2003 : 14% ; negative contribution in 2002: –19%).

AXA RE

AXA RE [(a)] (in euro millions)

	Years ended December 31, 2004	2003 [(b)] FAS 131 basis
Gross written premiums	1,069	1,650
Fees, commissions and other revenues	0	0
Gross revenues	**1,069**	**1,650**
Change in unearned premium reserves	231	256
Net investment result	162	197
Total revenues	**1,462**	**2,103**
Insurance benefits and claims, net of reinsurance ceded	(1,105)	(1,780)
Insurance acquisition expenses	(95)	(119)
Administrative expenses	(88)	(67)
Operating Income	**174**	**138**
Income tax expense / benefit	(32)	(20)
Equity in income (loss) of unconsolidated entities	(0)	0
Minority interests	(0)	(7)
Goodwill amortization (group share)	(10)	(5)
NET INCOME	**131**	**106**

(a) Before intercompany transactions

(b) After transfer of AXA RE U.S. entities from AXA RE segment to "Other International Activities".

AXA RE [a]

	(in euro millions)	
	Years ended December 31,	
	2004	2003 [a] FAS 131 basis
Earned premiums (gross)	1,299	1,906
Attritional current year loss ratio [b] [c]	57.4%	67.6%
Attritional all accident year loss ratio [b] [c]	52.5%	73.8%
Loss ratio [b] [d]	80.8%	91.4%
Net technical result (excluding fees)	**194**	**127**
Expense ratio	18.1%	12.6%
Net investment result	0	0
Operating Income	**174**	**138**

(a) After transfer of AXA RE U.S. entities from AXA RE segment to "Other International Activities".

(b) Net of ceded reinsurance (cession and retrocession).

(c) Attritional data exclude (i) major losses in claims charge and (ii) covers cost in ceded premiums.

(d) (Attritional claim charge and major loss cost on all accident years) divided by (net earned premiums, net of all reinsurance costs including covers).

Year ended December 31, 2004 compared to year ended December 31, 2003

Gross revenues decreased by €582 million on a constant structural basis down to €+1,069 million, in line with the strategic repositioning of the company, implemented since 2002, aiming at reducing the portfolio risk exposure, and existing non strategic business lines. The evolution was mainly driven by a sharp drop in Assumed business, and some re-underwriting of the Marine account.

Change in unearned premium reserves decreased by €–26 million or 10%, down to €231 million. Both 2003 and 2004 figures reflect the sharp drop of gross revenues observed over the two periods.

Net investment result decreased by €–34 million or 18%, down to €162 million, mainly explained by :

- a €–6 million decrease in net capital gains corresponding to (i) a €21 million decrease in realized capital gains as 2003 notably recorded a €35 million gain on Crédit Lyonnais shares and (ii) a €14 million lower valuation allowance on equity securities,
- a €–28 million decrease in investment income essentially explained by lower bond revenues (€–27 million) as a result of lower invested assets in line with lower insurance liabilities reserves.

Insurance benefits and claims, net of reinsurance ceded decreased by €–675 million to €1,105 million. This decrease consisted mainly in higher results on reinsurance (€+408 million), and lower claims expenses (€–158 million).

The **net technical result** increased by €68 million to €194 million, mainly explained by the following:

- Non Life net technical result decreased by €–35 million to €211 million:
  - The net attritional current year loss ratio improved by +5.7 points to 53.4%, reflecting the very favorable 2004 claims environment in respect of attritional losses, however not offsetting the volume impact due to lower earned premiums; the net attritional margin on current accident year thus decreased by €–161 million down to€ 516 million.

- The technical result on prior years improved by €+229 million mainly due to the fact that 2003 accounted for various reserves increases whereas 2004 accounted for favorable reserves developments.
- The cost of cover programs decreased by €103 million to €–165 million, as a result of the reshaping of the protection structure in line with the reduction of the portfolio risk exposure.
- Offsetting the above, major losses cost increased by €+206 million at €256 million essentially due to 2004 U.S. hurricanes (€–236 million impact net of reinsurance and gross of tax).

– Life net technical result significantly increased by €+103 million to €–16 million reflecting the change in ABR reserving estimates in AXA RE Paris' books that occurred in 2003; this improvement had a 4.5 points favorable impact on the overall attritional current year loss ratio.

Total expenses include **administrative and brokerage expenses.** They decreased by €3 million to €182 million, driven by (i) a €24 million reduction in acquisition expenses in line with the lower premium volume, partly offset by (ii) a €21 million increase in administration expenses notably due to the 2004 restructuring cost (€11 million).

Income tax expense amounted to €32 million in 2004, or a €12 million additional charge as compared to 2003, as a consequence of the higher operating income.

Net income improved by €+25 million to €131 million, reflecting improved technical result in spite of lower net investment result.

AXA Corporate Solutions Assurance

AXA CORPORATE SOLUTIONS ASSURANCE [(a)] (in euro millions)

	Years ended December 31,		
	2004	2003	2002
Gross written premiums	1,502	1,556	1,643
Fees, commissions and other revenues	15	15	11
Gross revenues	**1,517**	**1,571**	**1,654**
Change in unearned premium reserves	3	8	(60)
Net investment result	120	42	21
Total revenues	**1,641**	**1,620**	**1,615**
Insurance benefits and claims, net of reinsurance ceded	(1,327)	(1,418)	(1,535)
Insurance acquisition expenses	(108)	(100)	(112)
Administrative expenses	(91)	(96)	(92)
Operating income	**115**	**6**	**(123)**
Income tax expense / benefit	(30)	(11)	1
Equity in income (loss) of unconsolidated entities	0	0	0
Minority interests	(1)	0	2
Goodwill amortization	0	0	0
NET INCOME	**84**	**(5)**	**(121)**

(a) Before intercompany transactions.

AXA CORPORATE SOLUTIONS ASSURANCE (in euro millions)

	Years ended December 31, 2004	2003	2002
Earned premiums excluding fees (gross)	1,506	1,563	1,583
Current accident year loss ratio (net) [(a)]	88.6%	90.2%	99.4%
All accident year loss ratio (net)	87.2%	89.9%	96.3%
Net technical result (excluding fees)	**179**	**145**	**48**
Expense ratio	13.1%	12.4%	12.8%
Net investment results	120	42	21
Operating income	**115**	**6**	**(123)**

(a) *Current accident year claim charges (including claims handling expenses) / Current accident year earned revenues (excluding premium adjustments on previous years).*

Year ended December 31, 2004 compared to year ended December 31, 2003

Gross revenues decreased by €–53 million or 3% on a comparable basis, down to €1,517 million, mainly due to negative inflow in Property (–19%), offset by significant increases (i) in Aviation (+20%), as 2003 activity had been impacted by SARS and the war in Iraq, (ii) in Construction (+16% mainly driven by rate increases in France) and (iii) in Motor (+5% due to new business).

Net investment result increased by €+78 million, to €120 million reflecting (i) €+7 million increase of net investment income to €89 million following higher yield and (ii) higher realized capital gains by €+71 million to €31 million, mainly due to lower valuation allowance on equities (€9 million versus €69 million in 2003), following the continued market improvement.

Insurance benefits and claims net of reinsurance ceded decreased by €–91 million to €1,327 million. This decrease consisted mainly of a lower insurance benefits and claims (€–125 million), partly offset by a higher loss on reinsurance ceded (€–33 million).

The net technical result increased by €+34 million to €+179 million, and to €+194 million including fees as a result of the following trends:

- the net technical result on current accident year improved by €+17 million to €165 million, reflecting a 1.6 point improvement of the net current year loss ratio to 88.6% mainly as a result of the stringent underwriting policies, especially in Property and Liability, emphasized by favorable claims experiences. The costs associated with the Tsunami were estimated at €22 million,
- the net technical result on prior accident years increased by €+17 million to €29 million, as a result of good underwriting results in aviation and positive loss reserve adjustments on Property.

Total expenses include administrative and acquisition expenses. They increased by €+3 million to €199 million, mainly driven by higher acquisition expenses.

Income tax expenses increased by €+19 million to €30 million in line with the operating income increase.

Net income improved by €+89 million to a profit of €84 million, reflecting improved net investment result mainly driven by lower impairment valuation allowances.

Year ended December 31, 2003 compared to year ended December 31, 2002

Gross revenues decreased by €83 million on a constant structural basis down to €+1,571 million or a decrease by €64 million on a comparable basis (constant exchange rate and structure). Strong rate increases and new business, particularly on French lines (Property +23%, Casualty +24%), were more than offset by lower premiums in Aviation (–38%) as well as reduced exposure to selected business lines and the reshuffling of the UK portfolio especially in Property (–60%) and Casualty (–33%).

Net investment result increased by €20 million at €42 million. It included realized capital gains on the sale of Crédit Lyonnais shares in 2003 (€38 million), but was still impacted by impairment valuation allowances for € –68 million on equity securities (as compared to €–88 million in 2002). Investment income remained stable.

Insurance benefits and claims net of reinsurance ceded decreased by €116 million to a €1,418 million. This decrease consisted mainly in a lower insurance benefits and claims (€350 million), partly offset by a lower result on reinsurance ceded (€–234 million).

The net technical result on current accident year improved by €152 million to €147 million, mainly due to strict underwriting policies applied throughout all branches, the restructuring of the UK portfolio and a lower claims charge for large losses (€+63 million). Accordingly, the current accident year loss ratio improved by 10.2 points at 90.2%. The net technical result on previous accident years, €14 million, decreased by €–50 million, as 2002 had been positively impacted by the review of file-by-file cases. Accordingly, the **net technical result** (including fees) increased by €101 million to €160 million with a 6.4 points improvement in the claim ratio for all accident years (net of reinsurance) to 89.9%.

The decrease in net result on reinsurance ceded was mainly attributable to the improvement of loss reserve development.

Total expenses include administrative and acquisition expenses. They decreased by €8 million, mainly driven by lower acquisition expenses.

Net income improved by €116 million to a loss of €–5 million, reflecting improved technical result despite a still significant level of impairment valuation allowances.

AXA Cessions

2004 compared to 2003

Gross revenues increased by €6 million to €94 million **Net income** was quite steady, up €+1 million to € 17 million.

2003 compared to 2002

Gross revenues decreased by €13 million to €87 million. **Net Income** was up €+20 million to €16 million, as 2002 was negatively impacted by risk reserves strengthening. This was partly offset by lower positive reserve development.

Assistance

2004 compared to 2003

Gross revenues increased by €+80 million or +17% on a comparable basis to €561 million, reflecting increased business with car manufacturers (€+16 million) in Germany, France and Greece, new partnerships regarding home services providing (€+23 million) mainly in the United Kingdom and France, positive new inflow on travel insurance mainly in Germany and France (€+8 million) as well as increased legal protection agreements in Italy (€+10 million).

Net Income increased by €+3 million to €17 million in 2004, explained by (i) higher volumes, partly offset by higher expenses, and (ii) higher net realized gains.

2003 compared to 2002.

Gross revenues increased by €17 million to €482 million, driven by growth in the European area, mainly the subscription of new contracts in Germany, a growth in the UK National healthcare service business, and a significant growth in Italy. **Net Income** increased by €13 million to €14 million in 2003, explained by (i) non-recurring 2002 significant bad debt provisions, and (ii) improvement of technical margins.

Other

The U.S. based reinsurance Life and Non Life entities were transferred from AXA RE to the other transnational segment starting October 2004. Information relating to 2003 and 2002 has been presented in accordance with FAS 131.

2004 compared to 2003

Net income from the other transnational Insurance operations decreased by €–33 million to a loss of €–23 million on a comparable basis, mainly due to a €20 million decrease in Non Life activities negatively impacted by the 4 hurricanes that hit the U.S. in third quarter of 2004 (€39 million pre-tax net of reinsurance charge). This exposure is coming from the program business of AXA Re P&C Insurance Company which is now in run-off. In addition, a €31 million valuation allowance was booked on a deferred tax asset, whereas U.S. Life reinsurance activity earnings decreased by €8 million to €25 million in line with the decrease in premiums volume on this portfolio. These negative impacts were partly offset by an improved loss reserve development on European run-off entities.

2003 compared to 2002

Net income from the other transnational Insurance operations decreased by €–26 million to a loss of €–25 million. This was mainly due to lower investment result (€–48 million before tax) due to both the decrease of the volumes of reserves of the entities in run-off, and several non-recurring capital gains in 2002, partly offset by lower reserves strengthening.

Analysis of investment results

The following table summarizes the net investment results of the International Insurance operations for the principal categories of invested assets for the periods indicated. Certain invested assets and associated net investment results are not included, and net investment income is not reduced for investment expenses or interest expense on short-term and long-term debt. Accordingly, the net investment results summarized in the following table are not directly comparable to the net investment results discussed above.

INTERNATIONAL INSURANCE [(a)] (in euro millions)

	Years ended December 31,					
	2004		2003		2002	
	Yields	Amount	Yields	Amount	Yields	Amount
Fixed maturity investments:						
Net investment income	4.6%	249	5.1%	261	5.7%	278
Net realized gains (losses)	0.6%	33	1.0%	53	2.2%	106
Net investment results	*5.2%*	*282*	*6.2%*	*314*	*7.8%*	*383*
Related assets at year end		**5,348**		**4,936**		**5,206**
Equity investments (including participating interests):						
Net investment income	1.9%	29	1.5%	24	1.4%	23
Net realized gains (losses)	4.2%	63	(0.9%)	(13)	(6.8%)	(113)
Net investment results	*6.1%*	*92*	*0.7%*	*11*	*(5.4%)*	*(90)*
Related assets at year end		**1,467**		**1,506**		**1,554**
Real estate:						
Net investment income	12.0%	19	4.3%	8	6.8%	18
Net realized gains (losses)	0.1%	0	0.0%	(0)	2.9%	8
Net investment results	*12.1%*	*19*	*4.3%*	*8*	*9.7%*	*26*
Related assets at year end		**138**		**174**		**227**
Loans:						
Net investment income	8.0%	42	5.3%	29	5.9%	30
Net realized gains (losses)	0.0%	0	0.0%	0	0.0%	(0)
Net investment results	*8.0%*	*42*	*5.3%*	*29*	*5.9%*	*30*
Related assets at year end		**432**		**630**		**469**
Other assets and cash and cash equivalents:						
Net investment income	1.9%	42	3.0%	64	3.9%	69
Net realized gains (losses)	0.2%	5	(0.9%)	(20)	3.0%	53
Net investment results	*2.1%*	*47*	*2.1%*	*43*	*6.9%*	*122*
Related assets at year end		**2,040**		**2,292**		**1,897**
Total invested assets:						
Net investment income	3.9%	381	4.1%	386	4.6%	418
Net realized gains (losses)	1.0%	101	0.2%	20	0.6%	54
Net investment results	*4.9%*	*482*	*4.3%*	*406*	*5.2%*	*472*
Total invested assets at year end		**9,426**		**9,537**		**9,354**

(a) The investment yields were calculated on a constant structual basis using the average net carrying value of invested assets (for each category) in the period. The realized gains were net of realized losses and included the net change in valuation allowances on impaired assets.

Asset Management segment

The Asset Management segment includes third-party asset management and asset management on behalf of AXA insurance companies. The tables below present the revenues and net income for the Asset Management segment for the periods indicated:

CONSOLIDATED GROSS REVENUES (in euro millions)

	Years ended December 31,		
	2004	2003	2002
Alliance Capital	2,421	2,416	2,903
AXA Investment Managers	944	783	820
TOTAL	**3,364**	**3,199**	**3,724**
Intercompany transactions	(277)	(277)	(313)
Contribution to consolidated gross revenues	**3,087**	**2,922**	**3,411**

NET INCOME (in euro millions)

	Years ended December 31,		
	2004	2003	2002
Alliance Capital	170	(89)	167
AXA Investment Managers	95	65	51
TOTAL	**265**	**(24)**	**218**

In 2004, the Asset Management segment accounted for 4% of AXA's consolidated gross revenues after elimination of intercompany transactions (2003: 4% and 2002: 5%). The Asset Management segment had a positive contribution to AXA's 2004 consolidated net income of 11% (negative contribution in 2003: –2% and positive contribution in 2002: 23%).

Alliance Capital

The operating results for Alliance Capital are presented below for the periods indicated. This information below is before any elimination of inter-company transactions

ASSET MANAGEMENT OPERATIONS - ALLIANCE CAPITAL					(in euro millions)
	Years ended December 31,				
	2004	2003		2002	
		Reclassified	As published	Reclassified	As published
Fees, commissions and other revenues	2,421	2,416	2,416	2,903	2,903
Gross revenues	**2,421**	**2,416**	**2,416**	**2,903**	**2,903**
Net investment result	384	(41)	(41)	224	224
Total revenues	**2,805**	**2,375**	**2,375**	**3,127**	**3,127**
Administrative expenses [(a)]	(1,797)	(2,072)	(2,100)	(2,190)	(2,236)
Operating Income	**1,008**	**303**	**275**	**937**	**891**
Income tax expense / benefit [(a)]	(125)	(90)	(62)	(148)	(102)
Minority interests	(193)	(72)	(72)	(230)	(230)
Goodwill amortization	(520)	(230)	(230)	(392)	(392)
NET INCOME	**170**	**(89)**	**(89)**	**167**	**167**
Average exchange rate : 1.00 € = $	*1.24*	*1.13*	*1.13*	*0.95*	*0.95*

(a) Since 2004, the State Tax was presented in Income tax expense. The 2003 and 2002 data has been reclassified to show comparable information. The State tax amounted to €28 million in 2003 and €46 million in 2002

The year on year commentaries below are based on the operating results of the segment before elimination of inter-company transactions (refer to Note 32 "Segment information" to the consolidated financial statements included in Item 18 in this Annual Report for further information).

Year ended December 31, 2004 compared to year ended December 31, 2003

Assets under Management ("AUM") increased by €19 billion from year-end 2003 or €51 billion on a constant exchange rate basis to €395 billion, driven by positive market impact of €46 billion and net positive inflows of €5 billion, of which cash management outflows were €–2 billion. The increase in AUM was partially offset by the negative exchange rate impact of €–32 billion due to the weakening of the U.S. dollar against the Euro.

Gross revenues (Fees, commissions and other revenues) were up €5 million in 2004, or up €246 million at constant exchange rate (+10%) to €2,421 million, due to higher investment advisory fees driven by higher average AUM (up 16%), higher institutional research services fees up 13% due to increased market share and higher performance fees up 13%. The increase in investment advisory fees was partly offset by lower retail long-term open-end mutual fund fees.

Net investment result increased by €425 million up to €384 million, due to an non recurring €420 million release of the provision set up in 2000 to offset the dilution gain in connection with the acquisition of Sanford Bernstein Inc. Excluding this item, net investment result was nearly steady (€+5 million).

Administrative expenses decreased by €275 million or 5% at constant exchange rate mainly due to the absence of the 2003 €243 million charge for legal proceedings and mutual funds investigation settlement matters.

Income tax expense increased by €36 million, mainly driven by higher pretax income.

Goodwill amortization charge increased by €290 million or €337 million at constant exchange rates, mainly due to the €308 million exceptional amortization over the period of the additional goodwill generated by the exercise of Sanford C. Bernstein liquidity option.

Net Income increased by €259 million to €170 million. At constant exchange rates, the increase (€280 million) was mainly due to (i) the exceptional impact of the 2004 exceptional profit related to the exercise by the former shareholders of Sanford Bernstein of their liquidity put option (€112 million net group share impact), and (ii) the charge recorded in 2003 for legal proceedings and mutual funds investigation settlement matters (€124 million net group share impact).

As a result of the acquisition of 16.32 million private units, AXA Financial's ownership interest in Alliance Capital increased by 5.8 points from approximately 55.5% at year-end 2003 to 61.3% at year-end 2004.

Year ended December 31, 2003 compared to year ended December 31, 2002

Assets under Management ("AUM") were up by €7 billion to €376 billion at December 31, 2003, mainly driven by positive market impact (€+71 billion) and net new money (€+7 billion) partly offset by adverse foreign exchange rates impact (€–71 billion). At constant exchange rates, AUM increased by +23%. Net inflows totaled €7 billion and were attributable to net new money of €9 billion, €4 billion and €–6 billion for Institutional, Private Client, and retail sectors, respectively. Retail outflows were predominantly coming from cash management products (€–4 billion).

Gross revenues (before elimination of inter-company transactions) were down by €487 million to €2,416 million in 2003, or nearly stable (–0.4%) at constant exchange rates. This was mainly due to lower institutional research fees and distribution revenues, partially offset by higher performance fees from strong investment returns. Institutional research fees decreased by –9% due to lower NYSE transaction volumes and pricing pressures.

Net investment result decreased by €265 million to €–41 million in 2003, compared to €224 million in 2002. 2002 net investment result benefited from an exceptional item related to a partial release (€277 million) of the provision set up in 2000 to offset the dilution gain in connection with the acquisition of Sanford C. Bernstein, Inc. Excluding this item, and on a constant exchange rates basis, net investment result was nearly stable (€+4 million).

Administrative expenses decreased by €136 million to €2,100 million in 2003, or an increase of €+277 million at constant exchange rates. This deterioration was mainly attributable to a €291 million (€243 million at 2003 exchange rates) charge for legal proceedings and mutual funds investigation settlement matters recorded at the end of September and December 2003. This unfavorable item was partly offset by lower promotion expenses.

Income tax expense decreased by €40 million or €28 million at constant exchange rates, mainly driven by lower operating income.

Goodwill amortization decreased by €162 million, or €126 million on a constant exchange rates basis. This was mainly due to the 2002 exceptional impact of the amortization over the year of an additional goodwill generated in Alliance Capital (€–129 million impact in 2002), following the exercise by the former shareholders of Sanford Bernstein of their liquidity put option.

Net income decreased by €256 million to €-89 million. At constant exchange rates, the decrease (€–264 million) was mainly due to (i) the exceptional impact of the 2002 exceptional profit related to the exercise by the former shareholders of Sanford Bernstein of their liquidity put option (€–148 million net group share impact), and (ii) the charge recorded in 2003 for legal proceedings and mutual funds investigation settlement matters (€–124 million net group share impact).

AXA Investment Managers ("AXA IM")

The operating results for AXA Investment Managers are presented below for the periods indicated. This information below is before any elimination of inter-company transactions.

ASSET MANAGEMENT OPERATIONS -AXA INVESTMENT MANAGERS ("AXA IM")	(in euro millions)		
	Years ended December 31,		
	2004	2003	2002
Fees, commissions and other revenues	944	783	820
Gross revenues	**944**	**783**	**820**
Net investment result	27	13	9
Total revenues	**970**	**796**	**830**
Administrative expenses	(792)	(669)	(716)
Operating income	**179**	**127**	**114**
Income tax expense / benefit	(53)	(36)	(38)
Minority interests	(17)	(14)	(12)
Goodwill amortization	(14)	(11)	(13)
NET INCOME	**95**	**65**	**51**

Year ended December 31, 2004 compared to year ended December 31, 2003

Assets Under Management ("AUM") were €345 billion as at December 31, 2004, increasing by €54 billion since December 2003 (+19% on a comparable basis), mainly due to positive net new money (€+29 billion) and market appreciation (€+24 billion). The net new money increase was mainly driven by the sales of structured products and international equities in the Institutional segment. Third-party AUM reached 25.3% of total AUM versus 19.4% at the end of 2003.

Gross revenues (fees, commissions and other revenues) reached €944 million, +22% on a comparable basis. Excluding fees retroceded to distributors but including carried interest, net revenues reached €660 million, +21% on a comparable basis. Net management fees increased by 20%, driven by higher average AUM (+17% on a comparable basis), and an increased proportion of third-party AUM, which have a higher level of fees than the Main Fund.

Administrative expenses, excluding commissions paid to third party agents, increased by 17% (€+68 million) at constant exchange rate to €508 million. This variance was mostly related to higher personnel costs in line with business growth and higher profitability. AXA IM started the outsourcing of its main administrative operations.

Income tax expense increased by €17 million, mainly driven by higher pretax income.

Net income increased by 30 million compared to 2003, up to 95 million in 2004.

Year ended December 31, 2003 compared to year ended December 31, 2002

Assets under Management ("AUM") reached €292 billion, up by €24 billion compared to December 31, 2002. This improvement was mainly driven by positive market effect (€+19 billion) and net new money (€+13 billion), partly offset by adverse exchange rates impact (€–8 billion). At constant exchange rates, AUM increased by +12%. Positive net new money mainly stemmed from the Institutional segment, especially structured products and international equities.

Gross revenues (before elimination of intercompany transactions, i.e. including fees earned from AXA insurance companies) were down by €37 million in 2003 as compared to 2002, or stable at constant exchange rates. After elimination of inter-company transactions, gross revenues increased by 1%. After exclusion of fees retroceded to distributors, net revenues increased by 4% at constant exchange rates to €554 million. This increase stemmed from higher management fees (+8%) stemming from higher average AUM (+5%) and slightly average fees (mainly higher Unit Linked fees and higher Institutional weight), partly offset by lower performance fees (–24%).

Net Investment result reached €13 million, nearly flat compared to 2002.

Administrative expenses decreased by €46 million compared to 2002, to €669 million. Excluding commissions paid to third party agents, they decreased by €20 million, or a slight increase of €6 million at constant exchange rates.

Net income increase by €15 million to €65 million, reflecting mainly higher net revenues.

Other Financial Services Segment

The tables below present the gross revenues and net income for the Other Financial Services segment for the periods indicated:

GROSS REVENUES		(in euro millions)	
	Years ended December 31,		
	2004	2003	2002
French banks	157	142	137
German banks	68	136	133
AXA Bank Belgium	591	551	723
Other	5	37	52
TOTAL	**821**	**866**	**1,046**
Intercompany transactions	(30)	(30)	(26)
Contribution to consolidated gross revenues	**791**	**836**	**1,020**

NET INCOME		(in euro millions)	
	Years ended December 31,		
	2004	2003	2002
French banks	(10)	(20)	(14)
German banks	2	0	2
AXA Bank Belgium	29	80	33
Other	2	78	99
Total	**22**	**138**	**119**

In 2004, Other Financial Services Segment accounted for 1% of AXA's consolidated gross revenues after elimination of inter-company transactions (2003 and 2002: 1%). The segment contributed 1% to AXA's consolidated 2004 net income (2003: 14% and 2002: 13%).

Year ended December 31, 2004 compared to year ended December 31, 2003

Gross revenues (before elimination of intercompany transactions) decreased by €–45 million, mainly attributable to German Banks (€–68 million). This was mainly due to the sale of AXA Bausparkasse. On a comparable basis, the banking revenues in Germany slightly decrease by €2 million.

Net income decreased by €116 million to €22 million in 2004. This decrease was primarily due to lower net income in AXA Bank Belgium (€–52 million to €29 million), mainly due to lower gains coming from active asset management (€–32 million not of tax) essentially on fixed maturities and to the non recurrence of the capital gain on Crédit Lyonnais shares for €13 million in 2003. In addition the €76 million decrease in net income from other entities is mostly explained by the very positive impact of the 2003 run-off development of the CFP subgroup.

Year ended December 31, 2003 compared to year ended December 31, 2002

Gross revenues (before elimination of intercompagny transactions) decreased by €–180 million, mainly attributable to AXA Bank Belgium (€–172 million). This was mainly due to lower revenues on inter-bank operations and fixed income portfolio, despite higher volume of mortgage loans.

Net income increased by €20 million to €138 million in 2003. This improvement was primarily due to higher net income in AXA Bank Belgium (€+47 million to €80 million), mainly due to higher capital gains of which €13 million related to the sale of Crédit Lyonnais shares. The increase was partly offset by lower net income in French Banks (€–6 million) due to integration cost of Banque Directe partly offset by the exceptional impact of Banque Directe one-off goodwill amortization in 2002 (€13 million), and (iii) lower positive run-off development in CFP sub-group (€–16 million), although it remained significantly positive in 2003.

Holding Company Activities

The Holding Company activities consist of AXA's non-operating companies, including mainly AXA (the Company) being the parent company for AXA group, AXA France Assurance, AXA Financial, AXA Asia Pacific Holdings and AXA UK Holdings The net (loss) income from these activities are presented in the table below for the periods indicated.

NET INCOME

	(in euro millions) Years ended December 31,		
	2004	2003	2002
AXA, the Company	(208)	(225)	(162)
Other French holding companies	(0)	(9)	69
Foreign holding companies	(84)	(137)	(164)
Total	**(292)**	**(371)**	**(257)**

Year ended December 31, 2004 compared to year ended December 31, 2003

Net income increased by €78 million in 2004 to a loss of €292 million. This trend was primarily attributable to:

(i) AXA the parent Company (€+17 million up to €–208 million), due to a €+65 million tax benefit mainly attributable to the merger between Compagnie Financière de Paris and two of its subsidiaries, and a €+16 million foreign exchange gain due to options aiming at reducing the impact of currency fluctuations on Group's earning, partly offset by a €15 million higher financial charges mainly due to the dividend paid on ORAN's (issued for Mony financing) and a €17 million higher expenses combined with a €30 million decrease in net capital gains reflecting the disposal of a large part of strategic holding in Schneider in 2003,

(ii) Dutch holdings (€+107 million, up to €104 million), due to the sale of Unirobe which generated a net capital gain of €104 million,

(iii) German holdings (€–83 million down to €–84 million), due to some non recurring positive items in 2003, including the sale of Colonia Re J.V., the joint venture with General Re (€+10 million), a lower tax charge (€57 million), and a non-recurring profit (€17 million) arising from the release of a tax provision, and

(iv) AXA Financial Inc. (€+36 million up to €–21 million) due to an exceptional pre tax gain on disposal of the discontinued Investment Banking and Brokerage segment of €65.8 million, or €42.8 net of Federal income taxes. The gain resulted from the reduction of state tax liabilities related to the 2000 sale of Donaldson, Lufkin & Jenrette, Inc.

Year ended December 31, 2003 compared to year ended December 31, 2002

Net Income decreased by €114 million in 2003 to a loss of €–371 million in 2003. This trend was primarily attributable to (i) AXA S.A (€–63 million), mainly impacted by an increase of financial charges (€62 million) partly due to a shift from variable rates to fixed rates to protect future financial charges, (ii) other French Holding companies (€–78 million) stemming from the absence in 2003 of net capital gains compared to a high level of capital gains in previous year, and (iii) Australia New Zealand holding (€–75 million) as 2002 benefited from a €87 million capital gain on the sale of health activities. These unfavorable items were partly compensated by a higher net income in the German holding companies (€+86 million). This increase was mainly due to higher capital gains mainly explained by the sale of Colonia Re J.V., the joint venture with General Re (€+10 million), to a lower tax charge (€57 million) despite higher income as 2002 was unfavorably impacted by change in fiscal regime (€29 million), and as 2003 benefited from a non-recurring profit (€17 million) arising from the release of a tax provision set up when acquiring German operations, in connection with the sale in 2003 of AXA's participation in Colonia Re J.V., and to higher investment income.

Liquidity and capital resources

Over the past several years, AXA has expanded its Insurance and Asset Management operations through a combination of acquisitions, joint ventures, direct investments and organic growth. This expansion has been funded primarily through a combination of (i) proceeds from the sale of non-core businesses and assets, (ii) dividends received from operating subsidiaries, (iii) proceeds from the issuance of subordinated convertible debt securities, other subordinated debt securities and borrowings (including debt issued by subsidiaries), and (iv) the issuance of ordinary shares.

The Company and each of its major operating subsidiaries are responsible for financing their operations. The Company, as the holding company for the AXA Group, co-ordinates these activities and, in this role, participates in financing the operations of certain subsidiaries. Certain of AXA's subsidiaries, including AXA France Assurance, AXA Financial Inc., AXA Asia Pacific Holdings and AXA UK Plc. are also holding companies and are dependent on dividends received from their own subsidiaries for funds to meet their obligations. Group operating entities have to meet multiple regulatory constraints, in particular a minimum solvency ratio. Dividend distribution of entities to AXA parent company are sized taking into consideration these constraints as well as potential future regulation evolution. However, based on the information currently available, AXA does not believe that such restrictions constitute a material limitation on its ability to meet its obligations or pay dividends.

AXA's insurance operations

The principal sources of funds for AXA's insurance operations are premiums, investment income and proceeds from sales of invested assets. The major uses of these funds are to pay policyholder benefits, claims and claims expenses, policy surrenders and other operating expenses, and to purchase investments. The liquidity of insurance operations is affected by, among other things, the overall quality of AXA's investments and the ability of AXA to realize the carrying value of its investments to meet policyholder benefits and insurance claims as they fall due.

Life & Savings

Liquidity needs can also be affected by fluctuations in the level of surrenders, withdrawals and guarantees to policyholders in the form of minimum income benefits or death benefits specifically on variable annuity business (see Item 4 – "Life & Savings – Surrenders").

AXA's investment strategy is designed to match the net investment results (the investment yield) and the estimated maturity of its investments with expected payments on insurance contracts. AXA regularly monitors the valuation and maturity of its investments and the performance of its financial assets. Financial market performance may affect the level of surrenders and withdrawals on life insurance policies, as well as projected immediate and long-term cash needs. AXA adjusts its investment portfolios to reflect such considerations.

Property & Casualty and International Insurance

Liquidity needs can be affected by actual claims experience if significantly different from the estimated claims experience (see Item 4 – "Claims Reserves").

Insurance cash flows are generally positive and can be slightly negative in the case of exceptional events. A portion of the assets is invested in liquid, short-term bonds and other listed securities in order to avoid additional liquidity risk that may arise from such events. In the event of large catastrophic or other losses, AXA's Property & Casualty operations would be able to liquidate a certain amount of their investment portfolios.

Asset Management and Financial Services

The principal sources of liquidity relating to these operations are operating cash flows, proceeds from the issuance of ordinary shares (where applicable), credit facilities and other borrowings from credit institutions.

The financing needs of asset management subsidiaries arise from their activities, which require working capital, in particular to finance prepaid commissions on some mutual fund-type products.

Sources of liquidity

At December 31, 2004, AXA's consolidated balance sheet included cash and cash equivalents of €18.7 billion (2003: €19.4 billion), excluding bank overdrafts of €0.6 billion in 2004, (2003: €1.0 billion). The Company (statutory accounts) had cash and cash equivalents of €1,008 billion at December 31, 2004, versus €1,851 million a year earlier. The Company did not have any amounts outstanding on bank overdrafts at December 31, 2004.

On a consolidated basis, the aggregate principal payments required to be made on subordinated and non-subordinated debt instruments issued for 2005 and the four years thereafter amount to €1,238 million in 2005, €315 million in 2006, €367 million in 2007, €258 million in 2008 and €45 million in 2009. The remaining €11,017 million matures after 2009. Off-balance sheet commitments are discussed in Note 29 to the consolidated financial statements.

As part of its risk management, AXA has for a number of years paid constant attention to contractual clauses, particularly those that may cause debts to become repayable before due date. A large proportion of AXA's debts consist of subordinated bonds that do not feature any early redemption clauses, except in the event of liquidation. Early redemption clauses (puts, default triggers, rating triggers) are in general avoided by AXA. However, when market practice makes them unavoidable, AXA has a centralised method of monitoring these clauses. To date, AXA is not exposed to early redemption clauses that could have a significant impact on its financial structure.

Subordinated debt

At December 31, 2004, the Company (statutory accounts) had outstanding subordinated debt of €9,013 million, or € 8,393 million taking into account a €620 million reduction for the impact of foreign exchange derivative instruments.

On a consolidated basis at December 31, 2004, AXA's total outstanding subordinated debt totaled €9,855 million, after taking into account all intra-group eliminations, or €9,235 million after taking into account a €620 million decrease relating to foreign exchange derivative instruments (2003: €8,980 million, €8,453 million and €527 million respectively).

The increase of €782 million in 2004 (after the impact of foreign exchange derivative instruments), or €974 million at constant exchange rates, was mainly due to the issue, under the EMTN (Euro Medium Term Note) program of (i) € 625 million of undated deeply subordinated notes ("Titres Super Subordonnés") (ii) $375 million of subordinated debts (€301 million) and € 125 million. Forestalling partly the refinancing of the debt maturing in 2005 and beyond, these issues allowed the Group to benefit from very favourable credit spread conditions, to improve its liquidity by further extending the average maturity of debt and as well as by improving the nature of the debt (hybrid capital). This increase was partly offset by the positive impact from foreign exchange derivatives (€93 million) due to the strengthening of euro against other currencies.

At December 31, 2004, as 2003 and 2002, the potential number of ordinary shares to be issued upon conversion of AXA's total outstanding subordinated convertible debt was around 64.3 million.

For further information, refer to Notes 18 and 22 to the consolidated financial statements in Item 18.

Non-subordinated debt instruments

At December 31, 2004, the Company (statutory accounts) had outstanding non-subordinated debt instruments of €1,414 million, a decrease of €2,009 million from €3,423 million at December 31, 2003 The decrease in 2004 was mainly due to the repayment of €1,406 million of ORAN bonds issued in 2003, the redemption of Senior Bonds issued in 2002 (€312 million) and the repayment of all commercial papers (€120 million).

On a consolidated basis, AXA's total outstanding issued non-subordinated debt amounted to €3,639 million at December 31, 2004, a decrease of €1,517 million from the €5,156 million figure a year earlier. Of the total non-subordinated debt outstanding at December 31, 2004, the amounts classified as financing debt and operating debt equalled €2,964 million and €675 million, respectively (2003: €4,459 million, and €697 million respectively). On a constant exchange rate basis, the decrease was €1,325 million and was primarily attributable to the drop of financing debts (€–1,327 million) due the following factors:

- the repayment on July 22, 2004 of ORANs bonds issued by AXA in September 2003 in order to finance the acquisition of MONY (each ORAN was redeemed by the issuance of one new ordinary AXA share, or € 1,389 million after the elimination on intra-group financing),
- the redemption of senior bonds (€312 million) issued in 2002 and related to the Euro Medium Term Note program,
- the refund of all commercial papers (€120 million),
- the refund at maturity date of the AXA Financial's Senior bonds (€237 million),
- partly offset by the consolidation of debts located in MONY (senior bonds €463 million) now located in AXA Financial and €220 million now located in Equitable Life.

Of AXA's total outstanding debt at December 31, 2004, short-term debt (maturity of 1 year or less) equalled €599 million (2003: €2,355 million of which €1,389 consisting of ORAN bonds).

For further information see Note 18 to the consolidated financial statements in Item 18.

Amounts owed to credit institutions

On a consolidated basis at December 31, 2004, amounts owed by the Company and its subsidiaries to credit institutions totaled €5,172 million as compared to €3,851 million at December 31, 2003, or an increase of € 1,321 million. Of the total amounts owed to credit institutions outstanding at December 31, 2004, financing and operating debts represented €17 million and €5,155 million (including bank overdrafts for €636 million), respectively. The increase of €1,321 million was attributable primarily to the following items:

- increase in AXA Bank Belgium debt in 2004 (€+2,037 million) in relation to the repurchase agreement operations which amounted to €3,464 million. Such instruments are used to manage the liquidity of the Belgian bank,
- reduction of AXA Banque's operating debt (€176 million),
- decrease of German operating debts of €190 million further to the disposal of AXA Bausparkasse; and
- reduction of bank overdrafts by around €380 million across the Group.

For further information refer to Note 19 to the consolidated financial statements in Item 18.

Issuance of ordinary shares

The information provided below is given on a post 4-for-1 stock split basis.

- Since 1994, AXA has regularly offered shares to its employees. In 2004, AXA employees invested a total of €255 million in the employee stock ownership program (€22.5 million in July 2004 and €232,1 million in December 2004) resulting in the issuance of 18.9 million AXA ordinary shares. At December 31, 2004, AXA employees held approximately 5.11% of AXA ordinary shares (including ADSs –American Depositary Shares–) compared to 4.8% at December 31, 2003.
- In addition, during 2004, approximately 1.2 million ordinary shares were issued in connection with the exercise of AXA share options in 2004 (2003: 0.8 million ordinary shares).

As the result of successful completion of the merger of MONY with AXA Financial Inc., the ORANs[1] redeemable into either shares or cash issued by AXA in September 2003 to finance the MONY acquisition were redeemed on July 22, 2004 by the issuance of 110,245,309 new AXA Shares. Each ORAN holder received in addition, on July 22, 2004, a "final interest" amount equal to Euro 0.38 per ORAN, i.e. the equivalent of the dividend paid by AXA on its shares on May 3, 2004 (€42 million).

At December 31, 2004, the number of treasury shares held by AXA subsidiaries fell by 7.6 million with respect to December 31, 2003. At December 31, 2004, AXA held approximately 22 million of its ordinary shares at a book value of €298 million, or 1.16% of the total outstanding ordinary shares. These shares are allocated principally to the AXA Financial stock-option program, where options have been granted to AXA Financial employees to acquire AXA ADRs (American Depositary Receipts).

The ORANs issued by AXA to finance the acquisition of MONY were redeemed on July 22, 2004 by the issuance of one new ordinary AXA share for each ORAN. Consequently, AXA's subsidiaries received 1.4 million of AXA additional shares.

In 2004, AXA sold 9 million shares at a net realized loss of €27 million (€1.3 million in 2003 and nil in 2002) which 6.7 million shares sold to FINAXA. These shares were principally allocated to the AXA Financial stock-option program; these shares did not need to be allocated to this program anymore as a result of the implementation of the new hedging strategy.

As a part of an overall rebalancing of the hedge of its purchase stock options plans, AXA Financial Inc. purchased on November 22, 2004, approximately 26 million call options on the AXA ADR for the total premium of $ 89 million. The purpose of the hedge is to protect the Group against an increase in the AXA share price and depreciation of

(1) Bonds redeemable either in shares or in cash.

the U.S. dollar versus Euro. As a consequence of this rebalancing of its hedging strategy, the AXA Group sold 6.7 million of treasury shares for a total amount of €120 million.

Dividends received

Dividends paid to the Company were approximately €970 million in 2004 (2003: €1,109 million, 2002: €1,481 million), of which approximately €121 million were in currencies other than the euro (2003: €250 million, 2002: €387 million). The net decrease in dividends received during 2004 is principally due to (i) the absence of dividends paid by AXA Financial in 2004 (vs. €174 million in 2003), as its cash-flows were principally used to redeem debts and finance part of the MONY acquisition and (ii) the decrease of the dividend payment of AXA Participations II (€–135 million) as it did not realised capital gains in 2003. This decrease is partly offset by (i) a €46 million non-recurring dividend from AXA ONA (ii) a €10 million from AXA Canada, (iii) a €35 million dividend from AXA Italia, and (iv) dividend payments from AXA Holding Belgium and AXA Aurora for respectively €28 million and €25 million. AXA France Assurance dividend remained stable at €580 million.

The Company is not subject to restrictions on dividend payments, provided that its accumulated profits are sufficient to cover them. However, some subsidiaries, particularly insurance companies, are subject to restrictions on the amount of dividends they can pay to shareholders. For more information on these restrictions, see Note 30 to the consolidated financial statements in Item 18.

The Company anticipates that cash dividends received from operating subsidiaries will continue to cover its operating expenses including planned capital investment in existing operations, interest payments on its outstanding debt and borrowings, and dividend payments during each of the next three years. AXA expects that anticipated investments in subsidiaries and existing operations, future acquisitions and strategic investments will be funded from available cash flow remaining after payments of dividends, debt service and operating expenses, proceeds from the sale of non-strategic assets and businesses and future issues of debt and equity securities.

Uses of funds

Interest paid by the Company in 2004 totaled €561 million (2003: €487 million, 2002: €564 million) or €240 million after derivative instruments used to hedge the Company's financial charges (2003: €252 million, 2002: €311 million). The Company's annual interest expense is expected to be approximately €240 million, after taking into account hedging instruments, during each of the next three years. On a consolidated basis, total interest paid in cash in 2004 was €845 million (2003: €835 million, 2002: €894 million) or €583 million after derivative instruments (2003: €600 million, and 2002: €641 million). In 2004, this amount include the payment of "final interest" relate to ORANs (€42 million).

Dividends paid to AXA shareholders in 2004 totaled €676 million in respect of the 2003 financial year, or €0.38 per ordinary share, versus €0.34 per share paid in respect of the 2002 financial year (€599 million in total). All dividends in respect of the financial years ended in 2003 and 2002 were paid in cash.

Solvency margins and risk based capital

Each insurance company within AXA is required by regulations in the local jurisdictions to maintain minimum levels of capital adequacy and solvency margin. The primary objective of the solvency margin requirements is to protect policyholders. AXA's insurance subsidiaries are in compliance with the applicable solvency requirements.

The solvency and capital adequacy margins in general are calculated based on a formula that contains variables for expenses, inflation, investment earnings, death, disability claims, surrenders, premium dormancy and policyholder options, distribution of assets among investment categories, and the matching of specific categories of assets and liabilities.

In addition, a European Directive dated October 27, 1998 requires a consolidated solvency calculation effective for periods ending on or after December 31, 2001. France transposed this directive under an ordinance dated August 29, 2001, decreed on March 14, 2002 and applicable from 2002.

The adjusted solvency ratio is approximately 242% at December 31, 2004, on a basis of Solvency I rules, which were effective as of January 1, 2004 and taking into account a portion of future profits generated by the in force life insurance contracts as advised by the 2002.12 Directive dated March 5, 2002. If Solvency I rules had been applied since 2003, AXA's European consolidated solvency margin would have been 205% based on December 31, 2003 estimates, compared to 212% at December 31, 2003 as published in accordance with former regulation.

The new requirements are regulated in France by the *Commission de Contrôle des Assurances, des Mutuelles, et des Institutions de Prévoyance.*

Certain AXA subsidiaries with financial services activities must comply with various French and European regulations that require each to maintain, depending on its area of activity (bank, credit establishment or other), a minimum liquidity ratio or a minimum solvency ratio.

Supplementary Information – Contractual Obligations and specific information relating to off-balance sheet arrangements

A schedule of future payments under certain material contractual obligations for AXA Group is set out in the table below as at December 31, 2004.

CONTRACTUAL OBLIGATIONS (in euro millions)

		Payments due by period			
	Total	Less than 1 year (a)	1-3 years (b)	3-5 years (c)	More than 5 years (d)
Subordinated debt	9,235	313	0	89	8,833
Non subordinated debt	3,639	925	316	214	2,184
TOTAL	**12,874**	**1,238**	**316**	**303**	**11,017**

(a) Relates to payments due in 2005.
(b) Relates to payments due in 2006 and 2007.
(c) Relates to payments due in 2008 and 2009.
(d) Relates to payments due in 2010 and thereafter.

This table includes subordinated debt issued by AXA (the Company) and its subsidiaries and non-subordinated debt issued by AXA (the Company): please refer to detailed disclosure in notes 14 and 18 to the consolidated financial statements included in Item 18 to this Annual Report.

As described above, AXA also has amounts borrowed from credit institutions, amounting to €5,172 million (including bank overdrafts for €636 million). Of the total amounts owed nearly all of the arrangements are payable on demand, except those of the company.

AXA also has contractual obligations: (i) to policyholders and/or designated beneficiaries in respect of life, health, retirement contracts and other savings-related contracts, and (ii) to policyholders in respect of property & casualty contracts including cover for automobile, homeowners/household, property and general liability insurance for both personal and commercial customers (small to medium-sized companies), large insurance risk cover for large national and international corporations, and reinsurance. These obligations include paying death claims, making annuity payments or paying claims arising from an insurable loss event. The timing of such payments depends on such factors as the mortality and persistency of its customer base and the occurrence of insurable loss events.

In addition, from time to time, AXA the Company and or its subsidiaries may become involved in contractual arrangements to which an unconsolidated entity is a party, which may assume many different forms such as, guarantees, subordinated retained interests in assets transferred, derivative instruments, obligations under variable interest entities including special purpose entities and other contingent arrangements. Information on contingent commitments material to AXA can be found in Notes to the consolidated financial statements included elsewhere in this Annual Report, specifically, Note 14 for subordinated debt, Note 18 for debt instrument issued and Note 19 for amounts owed to credit institutions, Note 26 for details on off balance sheet commitments given for the time periods as presented above, Notes 32 and 34 (h) for unfunded commitments specific to variable interest entities including special purpose entities. Specific to our U S operations, AXA Financial has obligations under contingent commitments at December 31, 2004, including: Equitable Life's and Alliance Capital's respective revolving credit facilities and commercial paper programs; Alliance Capital's US$ 100 million Extensible Commercial Notes program; insurance operations US$ 711 million letters of credit; Alliance Capital's US$ 125 million guarantee on behalf of SCBL, a wholly-owned support services subsidiary of Alliance Capital and AXA Financial's guarantees or commitments to provide equity financing to certain limited partnerships of US$ 418 million.

Our subsidiary, Alliance Capital has a US$ 148 million accrual for compensation and benefits, of which approximately US$ 48 million is expected to be paid in 2006-2007, US$ 28 million in 2008-2009 and the rest thereafter.

AXA is also exposed to potential risk related to its own ceded reinsurance arrangements either by AXA's insurance companies (via AXA Cessions) or by AXA's RE. Therefore, AXA is exposed to potential risk with other insurers and to insurance guaranty fund laws in all 50 states in the United States of America, the District of Columbia and Puerto Rico. Under these laws, insurers doing business in these states can be assessed amounts up to prescribed limits to protect policyholders of companies that become impaired or insolvent. Similar policyholder protection mechanisms also exist in other countries in which AXA operates, such as, the United Kingdom and Japan (see "Item 4 –Additional factors – Regulation"). In the aftermath of the September 11, 2001 terrorist attacks, while traditional indicators continue to be used to monitor insurers' financial position, the ability of otherwise fiscally health insurers, or even the insurance industry, to absorb further catastrophic losses of such a nature cannot be predicted.

Please refer to notes 19, 26 and 34(j) to the consolidated financial statements included in Item 18 to this Annual Report for additional information on contractual obligations and off-balance sheet commitments.

Subsequent events after December 31, 2004, affecting AXA's liquidity

Refer to Note 35 to the Consolidated Financial Statements included under Item 18 to this Annual Report.

Consolidated Cash Flows

Year ended December 31, 2004 compared to year ended December 31, 2003

Net cash provided by operating activities totaled €18.1 billion for the year ended December 31, 2004 (2003: € 15.3 billion).

Net cash provided from operating activities in 2004 was €2.8 billion higher than the prior year in line with improved operational performances.

A growth in gross revenues was experienced in two of AXA's major markets: (i) life & savings – notably, in France, due to a surge in individual unit-linked premiums and, for group retirement premiums, in the United Kingdom notably on sales of single premium unit-linked bonds and strong sales of Group pension regular premium business and in Southern Europe which benefited from strong investment & Saving premiums, (ii) property & casualty – with Personal and Commercial lines growing 4% and 6%, respectively, as the Group attracted new clients and favorable pricing persisted in most business lines. Additionally, there was a favorable impact in relation to claims and expense management evolution, the combined ratio for the Group dropping 2 basis points over the prior year.

Net cash used in investing activities was €15.7 billion for the year ended December 31, 2004 (2003: net cash used of €13.1 billion).

Net cash used in investing activities in 2004 was €2.6 billion higher than the prior year and benefited from the second year in a row of the growth of the financial markets.

Net cash provided by financing activities totaled €0,1 billion for the year ended December 31, 2004 (2003: net cash used of €0.6 billion). The main impact is related to the repayment on July 22, 2004 of ORANs bonds issued by AXA in September 2003 in order to finance the acquisition of MONY (each ORAN being redeemed by the issuance of one new ordinary AXA share, €1,389 million).

The net impact of the foreign currency fluctuations was a decrease of approximately €0.4 billion in net cash for the year ended December 31, 2004 (2003: decrease of €0.7 billion). The net change was due to a strengthening of the Euro against other currencies, notably the United States dollar (+7.9%), the Japanese yen (+3.3%), the Euro remained stable against the British pound sterling. The operating, investing and financing activities described above, as well as the impact of foreign exchange and change in scope of consolidation, resulted in an increase in net cash and cash equivalents of €2.3 billion in 2004 (2003: increase of €1.9 billion).

At December 31, 2004, **total consolidated gross cash and cash equivalents** amounted to €21.3 billion, or net cash and cash equivalents of €20.7 billion after deducting bank overdrafts that were classified under "amounts owed to credit institutions" in AXA's consolidated balance sheet (2003: respectively €19.4 billion and €18.4 billion net of bank overdrafts).

Year ended December 31, 2003 compared to year ended December 31, 2002

Net cash provided by operating activities totaled €15.3 billion for the year ended December 31, 2003 (2002. €14.3 billion). Net cash provided from operating activities in 2003 was €1 billion higher than the prior year in line with improved operational performances. A growth in gross revenues was experienced in two of AXA's major markets: i) Life & Savings – notably due to strong sales in the United States following the launch of a variable annuity product, and in Belgium and Germany that benefited from a high level of sales on non unit-linked products, interest-linked products in Belgium and group pension funds in Germany, ii) Property & Casualty – showing good performance especially in France and in the UK through successful rates increase and positive net inflows. Additionally, there was a favorable impact in relation to claims and expense management evolution, the combined ratio for the Group dropping 3 basis points over the prior year.

Net cash used in investing activities was €13.1 billion for the year ended December 31, 2003 (2002: net cash used of €10.8 billion). The increase in cash used in investing activities compared to the prior year is mainly due to the reversal of the downturn that had persisted in the financial markets for three years running. The first solid steps in a synchronized global recovery led by the United States, combined with the recovery in corporate earnings, helped the global 's stock markets to recover to a certain extent. The recovery of the stock market was overall after the lowest points reached in March 2003.

Net cash provided by financing activities totaled €0.6 billion for the year ended December 31, 2003 (2002. net cash used of €2.1 billion). This position is due (i) to ORANs issued following the exercise of warrants allocated free of charge, to shareholders as part of contemplated acquisition of MONY (€1,4 billion), (ii) the issue by AXA of €0.4 billion of fixed-rate undated subordinated bonds in May 2003 and (iii) 0.5 billion of perpetual bonds through private placement in the second half of 2003.

The net impact of the foreign currency fluctuations was a decrease of approximately €0.7 billion in net cash for the year ended December 31, 2003 (2002: decrease of €0.8 billion). The net change was due to a strengthening of the Euro against most currencies, notably the United States dollar, the Japanese yen and British pound sterling. The operating, investing and financing activities described above, as well as the impact of foreign exchange and change in scope of consolidation, resulted in an increase in net cash and cash equivalents of €1.9 billion in 2003 (2002: increase of €0.5 billion).

At December 31, 2003, total consolidated gross cash and cash equivalents amounted to €19.4 billion, or net cash and cash equivalents of €18.4 billion after deducting bank overdrafts that were classified under "amounts owed to credit institutions" in AXA's consolidated balance sheet (2002: €17.6 billion and €16.5 billion net of bank overdrafts, respectively).

Other Matters

Additional information on impairment of investments (French GAAP)

AXA's principal invested assets are in fixed maturity and equity securities, including holdings in mutual funds. Under French GAAP these invested assets are held at amortized cost and historical cost, respectively, net of valuation allowances except for certain fixed maturity and equity securities that are stated at estimated fair value, as they are held to support participating insurance contracts whereby the unrealized gains and losses on such invested assets are included in the determination of the insurance liabilities in respect of participating insurance contracts. For publicly listed fixed maturity and equity securities, fair values are determined based on quoted market prices. For non-publicly listed fixed maturity and equity securities and other invested assets, the basis for measuring fair value may require utilization of investment valuation methodologies such as discounted cash flow analysis and/or reference to quoted prices for similar securities.

TOTAL INVESTED ASSETS, INCLUDING PARTICIPATING INTERESTS (excluding assets backing contracts with financial risk borne by the policyholders)

(in euro billions, except percentages)

	At December 31, 2004		At December 31, 2003	
Insurance activities	259.1	97%	241.2	97%
Non-insurance activities	9.0	3%	8.1	3%
Total consolidated invested assets	**268.1**	**100%**	**249.3**	**100%**
(which exclude investments in affiliated companies and assets backing contracts with financial risk borne by the policyholders)				
Analysed as follows:				
– Fixed maturity securities [a]	165.6	62%	154.4	62%
– Equity securities [b] [c]	69.6	26%	62.4	25%
– Real estate; mortgages, policies and other loans; and investments in participating interests	32.9	12%	32.5	13%
	268.1	100%	249.3	100%

(a) *In 2004, approximately 9% were not publicly-listed securities with a carrying value of €15,0 billion (2003: approximately 17% were not publicly-listed securities with a carrying value of €26.1 billion).*

(b) *In 2004, approximately 34% were not publicly-listed securities with a carrying value of €23.5 billion (2003: approximately 28% were not publicly-listed securities with a carrying value of €17.7 billion), including investments in mutual funds.*

(c) *Includes holdings in mutual funds, including funds that invest in fixed maturity securities, see Note 6 "Investments" to the consolidated financial statements included elsewhere in this annual report.*

AXA records an investment impairment charge when it believes an investment has experienced a decline in fair value that is other-than-temporary. Identifying those situations requires judgment by management and includes an assessment of subjective as well as objective factors including, but not limited to, the duration and extent to which the fair value of a particular security has been depressed; the financial condition, cash flows, and near term earnings potential of the issuer; and any particular problems affecting the issuer's industry sector, as well as AXA's ability and intent to retain the investment to allow sufficient time for any anticipated recovery in fair value. These impairment charges were recorded based on evaluation of the facts and circumstances specific to individual fixed maturity and equity securities and, in the judgment of management, such facts and circumstances did not impact the carrying values of other material investments held by AXA's operations. Increases in defaults, credit downgrades, and overall declines in the global financial markets have contributed to an increase in impairments on AXA's investment assets in 2004 and 2003 as compared to prior years.

In 2004 and in accordance with French GAAP, AXA recorded valuation allowances for other-than-temporary impairments before allocation to participating benefits, DAC/VBI amortization, minority interests and taxes as set out below:

- equity securities of €388 million (2003: €1,982 million), and
- fixed maturity securities of €47 million (2003: €368 million).

There are a number of risks and uncertainties inherent in our assessment methodology described above. Recorded impairments represent the best judgment of management at the time they are made based on the facts and circumstances known to management at that time. Consequently, the amount of any valuation allowance in respect of individually identified impaired fixed maturity and equity investments can be expected to change over time. Based on new information available in future periods, management may adjust the valuation allowance to reflect improvements or further deterioration in economic, financial market, credit or other conditions. Such adjustments are recorded as credits to or charges against AXA's consolidated operating results.

Gross unrealized gains and gross unrealized losses under French GAAP for AXA's fixed maturity and equity investment holdings at December 31, 2004 and 2003 are set out below.

	(in euro billions) Years ended December 31,	
	2004	2003
Fixed Maturity securities		
Gross unrealized gains	12,1	8,7
Gross unrealized losses	(0,1)	(0,4)
Equity securities		
Gross unrealized gains	3,7	2,2
Gross unrealized losses	(1,1)	(2,7)

In the case of unrealized and unrecognized losses, management concluded that based on the methodology described above, including the ability and intent to hold the securities in question, these securities did not have an other-than temporary decline in value. In addition, the amount of such unrealized gains and losses may not represent the actual impact on AXA's consolidated operating results in any one period, as such amounts are presented before allocation to participating life insurance contracts (as a change in future policy benefits), DAC / VBI amortization, minority interests and taxes.

Reconciliation of French GAAP to U.S. GAAP

Significant accounting policies

The notes to the consolidated financial statements contain a summary of AXA's significant accounting policies under French GAAP (see note 2) and a discussion of the differences between French GAAP and U.S. GAAP, which materially affect the determination of AXA's consolidated net income and shareholders' equity, including a discussion of recently issued accounting pronouncements (see notes 33 and 34). Most of these policies are considered to be important to the portrayal of AXA's consolidated financial position and consolidated operating results, especially those which require (i) the use of estimates and assumptions, for example, in respect of establishing insurance future policy benefits and claims reserves, or (ii) management to make difficult, complex or subjective judgments.

Year ended December 31, 2004

Net income group share for 2004 under U.S. GAAP was €3.235 million, €715 higher million than the net income under French GAAP.

This increase was mainly due to:

- differences in scope of consolidation (€+563 million net group share, €+789 million before tax) mainly attributable to the positive impact of the increase in value of investments in mutual funds, which are consolidated at market value under U.S. GAAP (€+794 million before tax),
- differences in goodwill and purchase accounting (€+385 million net group share, €+273 million before tax), of which:
  - exclusion of goodwill amortization charges under U.S. GAAP (€+649 million),
  - the cancellation under U.S. GAAP of the exceptional profit accounted for in Alliance Capital under French GAAP (€–112 million) relating to the partial release of the dilution profit (€420 million) recorded at the time of acquisition of Sanford Bernstein Inc. in 2000, partly offset by the exceptional amortization of the associated goodwill (€308 million using average exchange rate),
  - an additional amortization charge of the value of business in force (V.B.I.) (€–76 million),
- differences in accounting of invested assets (€123 million net group share, €+162 before tax), of which:
  - higher capital gains realized upon sale of invested assets, as corresponding valuation allowances were higher under U.S. GAAP, and, to a lesser extent, the booking of additional valuation allowances under French GAAP in 2004, on assets previously impaired under U.S. GAAP (€+342 million before tax),
  - the impact of SOP03-1 on invested assets, that lead to a reclassification of non qualifying separate account assets in general account, (as explained above – see "Accounting for non-traditional contracts including separate accounts"), and, for real estate and loans, a re-measurement to depreciated cost (instead of market value under French GAAP), for a total amount of €–254 million,
- the impact of accounting for derivatives and hedges (€–273 million net group share), and notably the application of FAS 133, which in particular caused changes in the market value of various derivative instruments to be included within net income under U.S. GAAP, and the impact of realized gains in Japan, on sales of fixed maturities and their corresponding hedging instruments. The majority of the gains on these derivatives recognized this year on the primary accounts had already been recognized in the previous years under U.S. GAAP, because of fair value accounting,
- other items as the accounting for costs in relation to discounts granted in the context of AXA employee stock purchase plan "AXA Actionnariat" share plan for €–64 million.

Year ended December 31, 2003

Net income for 2003 under U.S. GAAP was €3,673 million, or €2,668 million higher than net income under French GAAP.

This increase was principally due to:

- the impact of accounting for derivatives and hedging activities (€+752 million), and notably the application of FAS 133, which in particular caused changes in the market value of various derivative instruments to be included within net income under U.S. GAAP,
- the fact that goodwill is no longer amortized from 2002 (€+562 million).
- the partial recovery in the financial markets and its positive impact on investments in mutual funds, which are included at market value under U.S. GAAP (€+475 million),

- a lower level of other-than-temporary impairment charges on equity securities under U.S. GAAP as compared to French GAAP (€+675 million). The differences between U.S. and French GAAP led to the recording of €373 million net group share of valuation allowances under U.S. GAAP as opposed to €1,048 million under French GAAP (net group share),
- a net release of valuation allowance against deferred tax asset (€+343 million) recorded under U.S. GAAP in 2002 by AXA Japan because the overall deferred tax asset balance decreased,
- the recognition of the disposal gain on the Australian health insurance business (€+93 million), which was recognized in 2002 under French GAAP but in 2003 under U.S. GAAP given the terms and condition of such disposal,
- the cancellation under U.S. GAAP of the profit recorded by AXA Financial under French GAAP (€–89 million), relating to a review of deferred tax positions, and to the compensation charge arising on AXA's employee stock purchase plan in AXA SA (€–46 million),
- a difference in deferred tax recognition of €–29 million. Under French GAAP, deferred income taxes are required to be recognized in respect of distributions if the distribution is not going to be made in the foreseeable future and the ability to make such a distribution is at the control of management, whereas under U.S. GAAP, deferred income taxes arising on distributions are recorded in full if subject to local tax upon distribution (inside tax basis) even if the distribution is not going to be made in the foreseeable future and the ability to make such a distribution is under the control of management).

Year ended December 31, 2002

The 2002 U.S. GAAP net income amounted to a loss of €2,587 million, or €1,639 million lower than the French GAAP net income. This decrease was principally due to:

- the impact relating to impaired securities under U.S. GAAP in 2002 was an additional loss of €1,656 million (net Group share impact). The difference is primarily attributable to differences in conditions when an investment is presumed to be impaired, especially during volatile market conditions, and the amount recorded for impairment,
- the unfavorable impact of financial markets trends (i) on the value of investments in mutual funds and real estate companies, consolidated under U.S. GAAP at their market value (€1,008 million), and (ii) on the profit emerging from the UK "with-profit" funds, of which 10% is recognized in the U.S. GAAP net income (decrease by €274 million),
- an additional valuation allowance recorded under U.S. GAAP in respect of deferred tax assets in the Japanese life insurance operations (€1,014 million) as FAS 109 gives greater weight to previous cumulative losses than the outlook for future profitability when determining whether deferred taxes can be realized,
- under French GAAP, deferred income taxes are not required to be recognized in respect of distributions if the distribution is not going to be made in the foreseeable future and the ability to make such a distribution is at the control of management. Under U.S. GAAP, deferred income taxes arising on distributions are recorded in full if subject to local tax upon distribution (inside tax basis) even if the distribution is not going to be made in the foreseeable future and the ability to make such a distribution is under the control of management. In 2002, a deferred tax liability existed under U.S. GAAP of €345 million in respect of a local UK tax on future fund distributions,
- the elimination under U.S. GAAP of (i) the exceptional profit accounted for by Alliance Capital under French GAAP (€148 million) relating to the partial release of the dilution profit set up at the time of acquisition of Sanford Bernstein offset by associated additional goodwill amortization, as under U.S. GAAP, this dilution profit was entirely accounted within shareholder's equity, and (ii) the realized gain on the disposal of AXA Australia health activities (€87 million),
- the valuation difference between French GAAP and U.S. GAAP (decrease by €119 million) on contracts that reinsure guaranteed minimum income benefit features respectively in AXA Financial (reinsurance ceded) and AXA Corporate Solutions (reinsurance accepted), as these contracts are derivative instruments that are accounted for at fair value under U.S. GAAP,

* these unfavorable items were partly offset by the fact that goodwill is no longer amortized from 2002 (increase by €588 million), and by the overall impact of fair value accounting for derivatives under FAS 133 (increase by €412 million).

Additional information on financial data on a U.S GAAP basis is presented in Item 18 (notes 33 and 34).

Glossary

Comparable Basis

On a comparable basis means that the data for the current year period were restated using the prevailing foreign currency exchange rate for the same period of the prior year (**constant exchange rate** basis) and eliminated the results of acquisitions, disposals and business transfer (**constant structural** basis) and of changes in accounting principles (**constant methodological** basis), in one of the two periods being compared.

Net investment result includes the following items: Net investment income, Realized capital gains and losses, and Valuation allowances and release in respect of impaired invested assets.

Current accident year loss ratio (Property & Casualty) net of reinsurance, is the ratio of:

(i) (Current year claims charge gross of reinsurance + claims-handling costs + result of reinsurance ceded on current accident year), to

(ii) Earned premiums, gross of reinsurance.

All accident years loss ratio (Property & Casualty) net of reinsurance, is the ratio of:

(i) (All accident years claims charge gross of reinsurance + claims-handling costs + result of reinsurance ceded on all accident years), to

(ii) Earned premiums, gross of reinsurance.

The **combined ratio** is the sum of (i) the expense ratio and (ii) the loss ratio (all accident years).

Specific to AXA RE

Covers are specific reinsurance treaties, bought to protect all or a portion of the company's portfolio against **major losses.** Depending on the contractual features of each cover treaty, if such losses do not occur over the insured period, a profit commission (or "no-claim bonus") may be paid to the ceding company. In general, the **cost of a cover** is accrued (or by extension "earned") ratably over the treaty period.

Major losses are defined as any event whose ultimate cost, gross of reinsurance and reinstatement premiums, is greater than $30 million.

Specific to Asset Management

Net new money: Inflows of client money less outflows of client money. Net new money measures the impact of sales efforts, product attractiveness (mainly dependent on performance and innovation), and the general market trend in investment allocation.

Item 6: Directors, Senior Management and Employees

A Management Board and a Supervisory Board have governed AXA since 1997.

An Executive Committee assists the Management Board in the performance of its duties. In addition, the Supervisory Board has established four special-purpose Committees.

Supervisory board

In the discussion below, the paragraphs on the composition of the Supervisory Board and its Committees have been updated, to reflect:

- the re-elections and appointments that were approved by AXA's shareholders on April 20, 2005;
- the positions currently held by each member of the Supervisory Board; and
- changes in the membership of the Board's various Committees in 2004 and early 2005.

Role and powers

The Supervisory Board oversees the management of the Company and is accountable to the shareholders. The Supervisory Board appoints and dismisses the Chairman and members of the Management Board and supervises executive management of the Company.

Article 12 of the Company's articles of incorporation and bylaws, and the Supervisory Board's own internal regulations, specify that, in light of its enhanced supervisory power with respect to matters of particular concern to the shareholders, the following transactions or issues require the prior consent of the Supervisory Board:

- the issuance of securities with a direct or indirect claim on the equity capital of the Company;
- proposed stock repurchase programs submitted to a vote of the shareholders assembled in an ordinary meeting;
- financing operations that may have a material impact on the Company's financial position;
- any contemplated business acquisition whose price is more than €500 million;
- agreements to form strategic partnerships;
- the implementation of all stock option plans;
- proposals to amend the Company's bylaws submitted to a vote of the shareholders in an extraordinary meeting;
- appropriations of earnings and dividends for the previous year proposed to shareholders in an ordinary meeting, and
- interim and final dividend payment dates

Operating procedures

The guidelines governing the operation, organization and compensation of the Supervisory Board are contained in its internal regulations.

These regulations require that the Supervisory Board meet at least five times a year.

Its members receive documentation concerning matters to be reviewed prior to each meeting, generally eight days in advance.

This documentation always includes information on:

- the Group's operations, as presented in the Management Board's quarterly report, a press review, and a stock price performance report;
- reports on committee meetings that have been held since the last Supervisory Board meeting.

In addition to the agenda, this documentation may also include information on issues pertaining to the Group's operations (e.g. a presentation on a particular operating company's strategy and priorities) or a presentation on a particular subject (e.g. the brand, a transversal project, etc.).

Accordingly, the Group's principal managers may be invited to take part in Board meetings from time to time to present their business area, their objectives and their results.

Training courses and special meetings are organized for members of the Supervisory Board as needed. Certain members of the Supervisory Board have requested and received training in the Group's various business areas and have attended presentations on specific Group companies.

To ensure that their interests and those of the Group are aligned, members of the Supervisory Board are required to own shares in the Company, the value of which must be at least equal to the amount of directors' fees they receive in the course of any given year.

Composition

On December 31, 2004, the Supervisory Board had 14 members, elected by the shareholders. Currently, four members of the Supervisory Board are not French nationals.

At the Company's annual general meeting on April 21, 2004, the shareholders re-elected Claude Bébéar, and also elected Jacques Tabourot to the Supervisory Board as its employee-shareholder representative.

Acting on the recommendation of the Selection and Governance Committee, the Supervisory Board recommended that the Management Board ask the shareholders to:

- re-elect Anthony Hamilton, Henri Lachmann and Michel Pébereau for an additional term of four years;
- not to re-elect Thierry Breton, whose term of office expires at the close of this General Meeting and who resigned from his position on February 28, 2005 after his nomination as French Finance Minister;
- ratify the Supervisory Board's decision to appoint Leo Apotheker to fill the vacancy left by the death of Alfred von Oppenheim, for the remainder of the late Mr. von Oppenheim's term;
- elect Jacques de Chateauvieux for a term of four years, replacing Jacques Calvet, whose term expires at the close of this meeting;
- elect Ms. Dominique Reiniche for a term of four years, replacing Bruno Roger, whose term expires at the close of this meeting.

Following the shareholder's approval of these matters, at the April 20, 2005 meeting, to elect, re-elect or appoint the aforementioned individuals, the Supervisory Board is composed of 13 members.

Supervisory Board members are selected on the basis of their acknowledged competence and experience, as well as their ability to work together and become actively involved in the supervision of a company like AXA.

The Board makes a special effort to assess the independence of each Supervisory Board member with respect to the general management duties performed by the Management Board.

Acting on the recommendation of its Selection and Governance Committee, the Supervisory Board has assessed the independence of all of its members on the basis of the recommendations contained in the Bouton Report on corporate governance in publicly traded companies and, for the members of the Audit Committee, on the basis of the criteria set forth in the Sarbanes-Oxley Act.

On December 31, 2004, 10 of the 14 Supervisory Board members met the independence criteria based on the recommendations of the Bouton Report: Thierry Breton, Jacques Calvet, David Dautresme, Anthony Hamilton, Henri Hottinguer, Henri Lachmann, Gérard Mestrallet, Alfred von Oppenheim, Bruno Roger and Ezra Suleiman.

Following the changes approved by shareholders on April 20, 2005, 9 of the 13 Supervisory Board members meet the Bouton Report's recommended criteria for independence. They are: Dominique Reiniche, Leo Apotheker, Jacques de Chateauvieux, David Dautresme, Anthony Hamilton, Henri Hottinguer, Henri Lachmann, Gérard Mestrallet, and Ezra Suleiman.

The Supervisory Board is taking the measures required to ensure that, by July 2005, all of the members of the Audit Committee will meet the independence criteria set forth in the Sarbanes-Oxley Act.

Composition of the Supervisory Board on December 31, 2004:

Name (and age)	Office presently held	Number of AXA shares held on 12/31/04	Directors' fees earned in 2005 for 2004 (gross amounts, in euros)	Directors' fees earned in 2004 for 2003 (gross amounts, in euros)	Present principal occupation or employment	First appointment / term of office
Claude BEBEAR (69)	Chairman of the Supervisory Board	510,306	79,767.48	75,464.53	**Chairman and CEO of FINAXA**; Director or member of the Supervisory Board of AXA Financial (United States), BNP Paribas, Vivendi Universal and Mutuelles AXA; Non-voting member of the board of Schneider Electric.	June 1988/ May 2008
Jean-René FOURTOU (65)	Vice-Chairman of the Supervisory Board	6,876	74,819.37	82,832.95	**Chairman and CEO of Vivendi Universal**; Chairman of the Supervisory Board of Groupe Canal+; Director of Sanofi-Aventis and Cap Gemini.	April 1990/ April 2007
Thierry BRETON (1)(50)	Member of the Supervisory Board	3,500	29,612.17	30,363.84	**Chairman and CEO of France Telecom**; Chairman of the Board of Directors of TSA and Orange; Director or member of the Supervisory Board of Thomson, Schneider Electric and Dexia (Belgium).	May 2001/ April 2005
Jacques CALVET (73) (1)	Member of the Supervisory Board	8,665	78,688.26	80,679.63	**Chairman of the Supervisory Committee of Bazar de l'Hôtel de Ville (BHV)**; Vice-Chairman of the Supervisory Board of Galeries Lafayette; Director or member of the Supervisory Board of Novarte, Société Générale and Société Foncière Lyonnaise; Non-voting member of the board of EPI, Cottin Frères and Enjoy.	January 1997/ April 2005
David DAUTRESME (71) (1)	Member of the Supervisory Board	26,800	54,720.87	56,609.46	**Senior Advisor, Lazard Frères**; Managing partner of DD Finance; Chairman of the Supervisory Board of Club Méditerranée; Director or member of the Supervisory Board of Casino and Fimalac; Non-voting member of the board of Groupe Go Sport, Lazard Frères Banque and Eurazeo.	April 1990/ April 2007
Anthony HAMILTON (63) (1) (2)	Member of the Supervisory Board	4,436	35,222.89	34,012.97	**Non-executive Chairman of AXA UK Plc (United Kingdom) and AXA Equity and Law (United Kingdom)**; Director or member of the Supervisory Board of AXA Financial (United States); Pinault-Printemps-Redoute, Swiss Re Capital Markets Limited (United Kingdom), Binley Limited (United Kingdom) and Tawa UK Limited (United Kingdom).	January 1996/ April 2005
Henri HOTTINGUER (70) (1)	Member of the Supervisory Board	61,871	59,190.28	64,714.72	**Chairman and CEO of Sofibus**; Chairman of the Supervisory Board of Emba NV (The Netherlands); Vice-Chairman of Gespee (Switzerland); Senior Chief Officer and Director of Financière Hottinguer, Intercom and Profinor; Chief Officer of the Board of Director of Hottinguer Finanz & Treuhand (Switzerland); FINAXA, AXA France IARD and AXA France Vie; Non-voting member of the board of Didot Bottin.	June 1988/ April 2007
Henri LACHMANN (66) (1) (2)	Member of the Supervisory Board	7,060	29,612.17	30,363.84	**Chairman and CEO of Schneider Electric**; Vice-Chairman of the Board of Directors of Mutuelles AXA; Director or member of the Supervisory Board of FINAXA, Vivendi Universal and Groupe Norbert Dentressangle; Non-voting member of the board of Fimalac.	May 1996/ April 2005
Gérard MESTRALLET (56) (1)	Member of the Supervisory Board	2,825	45,494.63	36,469.11	**Chairman and CEO of Suez**; Chairman of Suez Environnement, Suez-Tractebel (Belgium) and Electrabel (Belgium); Vice-Chairman of Sociedad General de Aguas de Barcelona (Spain) and Hisusa (Spain); Director or member of the Supervisory Board of Crédit Agricole S.A., Compagnie de Saint-Gobain, Taittinger and Pargesa Holding S.A. (Switzerland).	January 1997/ April 2007
Alfred vonOPPENHEIM* (70) (1)	Member of the Supervisory Board	40,000	43,020.40	46,258.58	–	January 1997/ April 2007
Michel PEBEREAU (63) (2)	Member of the Supervisory Board	4,200	36,268.38	40,118.23	**Chairman of the Board of Directors of BNP Paribas**; Director or member of the Supervisory Board of Saint Gobain, Total, Lafarge, BNP Paribas UK (United Kingdom) and Banque Marocaine pour le Commerce et l'Industrie (BMCI); Non-voting member of the board of Galeries Lafayette.	January 1997/ April 2005
Bruno ROGER (71) (1)	Member of the Supervisory Board	11,236	36,460.00	37,662.09	**Chairman of Lazard Frères (SAS)**; Director or member of the Supervisory Board of Compagnie de Saint Gobain, Pinault Printemps Redoute and Cap Gemini Ernst & Young; Non-voting member of the board of Eurazeo.	January 1997/ April 2005
Ezra SULEIMAN (63) (1)	Member of the Supervisory Board	632 1,000 ADR AXA	30,657.67	19,400.46	**Professor of Politics and Chair of the Committee for European Studies, Princeton University (United States)**; Associate Professor, Institut d'Etudes Politiques (Paris); Member of the Management Committee of Institut Montaigne, Centre Américain, Institut d'Etudes Politiques (Paris); Member of the Editorial Committee of Comparative Politics, La Revue des Deux Mondes and Politique	April 2003/ April 2007

					Internationale	
Jacques TABOUROT (59)	Member of the Supervisory Board	16,055	26,465 07	–	Lecturer in accounting and financial analysis, Bank and Finance program, Université Panthéon-Assas Paris II	April 2004/ April 2008

(1) Independent.

(2) Shareholders re-elected at the annual general meeting on April 20, 2005

• Mr Alfred von Oppenheim died in January 2005

In addition, the following individuals were elected at the annual general meeting on April 20, 2005:

- Dominique Reiniche (49): President, European Group of Coca-Cola Enterprises; First Vice President, Union of European Soft Drinks Associations (UNESDA); Member of the Executive Committee of MEDEF; Chairman, Union des Annonceurs (UDA); Member of the board, ECR Europe; Member of the Advisory Board, ING Direct.
- Leo Apotheker (51): President, Global Field Operations of SAP AG; Member of the Executive Board, SAP AG, SAP America, Inc. (United States), SAP Global Marketing, Inc. (United States), SAP Asia Pte. Ltd. (Singapore), SAP JAPAN Co. Ltd.(Japan), SAP FRANCE S.A, S.A.P. ITALIA Sistemi, applicazioni, prodotti in data processing s.p.a., (Italy), SAP Hellas Systems Application and Data Processing S.A. (Greece), SAP (Beijing) Software System Co. Ltd., (China), Enigma Inc. (United States).
- Jacques de Chateauvieux (54): Chairman and CEO, Groupe Bourbon, Sapmer, JACCAR, Vindemia and Happy World Foods, Ltd.

Self-review

The Supervisory Board understands the importance of self-review.

In addition to the ongoing dialogue between members concerning Supervisory Board operations, the Supervisory Board conducted its first annual self-review in late 2002. This process involves individual interviews and a specially devised questionnaire.

An analysis by the Supervisory Board of the results of the first self-review highlighted the quality of the dialogue and debate between Supervisory Board members, the Group's executive officers and the Management Board. The efficiency of Supervisory Board and committee meetings also emerged as a strong point. Areas for improvement were also noted, and these were addressed in 2003 and 2004. In particular, it was felt that the Supervisory Board needed to broaden its profile in terms of member nationality and to recruit younger members.

In early 2005, the Supervisory Board once again conducted a self-review, asking its members to complete a questionnaire on the following subjects:

- the Board's relationship with the Chairman of the Management Board and Group Management;
- the organization and operation of the Board, and of its Financial, Audit, Selection and Governance, and Compensation Committees (in terms of the quality of the information received, discussion and issues covered);
- the Supervisory Board's internal regulations; and
- the process and level of Board compensation.

Activity

In 2004, the Supervisory Board met seven times, of which one meeting was an entire day devoted to examination of the Group strategy, and the overall attendance rate was 89%.

In 2004, the Board's work focused mainly on the following issues:

- proposed changes to the Board's internal regulations, the composition of its committees and a review of each director's independence;
- the various options for closing the Company's 2003 financial statements, followed in a separate meeting by a review of the 2003 financial statements and performance of both the Group and the Company; review of the interim financial statements for 2004 and examination of reports on them submitted by the Audit Committee and the independent auditors;

- draft management reports and draft resolutions to be presented to the shareholders at their annual meeting,
- Group strategy for the next three years;
- the strategy of selected Group subsidiaries, particularly AXA France, AXA Financial, AXA in United Kingdom and AXA Investment Managers;
- the preparation of the Compliance Guide for AXA Group employees;
- the status of Group transversal projects being implemented and its cost reduction program;
- Group business and operations, via the Management Board's quarterly presentation to the Supervisory Board; and
- work carried out by the Board's four special-purpose committees, whose activities are discussed below, summarized by their respective Chairmen in reports submitted to the Board. The findings of these reports were discussed in Supervisory Boards meetings.

Supervisory board committees

In 1990, special-purpose ad hoc committees were established to help implement the principles of corporate governance at AXA.

In January 1997, when the Company's current form of corporate governance was adopted (governance by a Management Board and a Supervisory Board), the Supervisory Board formally established four special-purpose Committees, whose chairmen and members it appoints and whose role and tasks it specifies.

The Board thus benefits from the work of the Audit, Finance, Compensation and Selection and Governance Committees.

Each Committee issues opinions, proposals and recommendations and is empowered to undertake or commission studies on subjects to be presented to the Supervisory Board. Each Committee may invite outside participants to attend its meetings.

Committee chairmen report on completed committee work at the next scheduled Supervisory Board meeting.

The role, organization and operating procedures of each Committee are set forth in the Supervisory Board's internal regulations.

Audit Committee

On December 31, 2004, the Audit Committee had five members, all of whom were considered independent according to the criteria contained in the Bouton report. They were: Jacques Calvet (Chairman), Thierry Breton, David Dautresme, Gérard Mestrallet and Alfred von Oppenheim.

On February 23, 2005, Henri Lachmann and Ezra Suleiman were appointed to the Audit Committee. Alfred von Oppenheim died in January 2005, and Thierry Breton has left the Committee after his resignation on February 28, 2005. At the end of the General Meeting of April 20, 2005, all of the members of the Audit Committee will be considered independent under both the Sarbanes-Oxley Act and the Bouton Report.

At its meeting on April 20, 2005, the Supervisory Board appointed David Dautresme as Chairman of the Audit Committee, replacing Jacques Calvet, whose term of office is set to expire without re-election.

The Audit Committee met 6 times in 2004. The overall attendance rate was 62%.

Under the rules of procedure ("règlement intérieur") of the Supervisory Board and the Charter of the Audit Committee approved by the Supervisory Board, the Committee's missions are as follows:

- to review the Company's interim and annual financial statements before they are presented to the Supervisory Board, and examine financial disclosures released by the Company at the end of each reporting period,
- to control the appointment of the Company's independent auditors, and review audit programs, findings and recommendations, as well as any actions taken in light of these recommendations. In this regard, the Committee works with the Management Board and Group Internal Audit to review the Internal Audit Guidelines (for subsidiaries) and the structure of internal audit operations; to assess the independence of independent auditors by examining their relationships with the AXA Group and, in particular, by verifying the completeness of invoices submitted for audit work; to supervise the subject and performance of outside audits when the assignment does not pertain to financial statement audits (in particular support for the implementation of new accountings standards); and to review the appointment and replacement of independent auditors for Group subsidiaries. The Audit Committee also may be asked by the Management Board or the independent auditors to examine matters or events that expose the AXA Group to a significant risk,
- to review the accounting rules in force at AXA, and review any proposed changes in method, policy or principle,
- to review the program and aims of AXA's Internal Audit Department, as well as any findings or reports issued by this Department or by outside audit firms. It may commission internal or external audits as needed and monitors the execution of internal controls,
- to notify Company management and, if it deems necessary, the shareholders, of any issue likely to have a material impact on the Group's net worth or financial condition, and
- to consider any matter it deems necessary, and report the findings to the Supervisory Board.

In 2004, the principal matters handled by the Audit Committee included:

- examination of accounts closing options adopted in 2003;
- examination of annual and interim financial statements;
- development of a Group internal audit plan;
- approval of the Group Audit Guidelines;
- analysis of local internal audit plans;
- analysis of independent auditors' action plans;
- re-appointment of independent auditors;
- monitoring of Group risks and principal litigations;
- monitoring of Group internal audit recommendations;
- implications of the French NRE (new economic regulations) Act and the Sarbanes-Oxley Act for the Group's operations and measures taken (in particular, the working group timetable devised to ensure compliance with Section 404 of the Sarbanes-Oxley Act);
- implications of IFRS for Group financial statements; and
- examination of accounts closing options adopted in 2004.

Finance Committee

The Finance Committee had six members on December 31, 2004: Claude Bébéar (Chairman), Thierry Breton, Jacques Calvet, Henri Lachmann, Alfred von Oppenheim and Michel Pébereau. Four of its members met the independence criteria.

Thierry Breton left the Committee after having resigned from the Supervisory Board on February 28, 2005.

On February 23, 2005, Jacques Tabourot became a member of the Finance Committee.

The Committee met three times in 2004. The global attendance rate was 67%

The Finance Committee:

- examines plans to sell real-estate or equity interests whose appraised value exceeds the authorizations granted to the Management Board by the Supervisory Board;
- reviews all material financial transactions involving AXA that are put forth by the Management Board; and
- reviews the broad outlines governing AXA's asset management policy and, more generally, issues that pertain to AXA's investment management policy.

In 2004, the principal matters handled by the Finance Committee included:

- AXA's financial structure;
- AXA's asset management strategy;
- monitoring and assessment of acquisition and disposal plans;
- the principal findings of AXA's Economic Capital analysis;
- management of foreign exchange and interest risk hedging policy;
- implications of new European regulation on stock repurchase;
- examination of the financial resolutions proposed to the shareholders; and
- the recommended dividend.

Selection and Governance Committee

The Selection and Governance Committee had five members on December 31, 2004: Jean-René Fourtou (Chairman), Gérard Mestrallet, Michel Pébereau, Bruno Roger and Ezra Suleiman. Three of its members met the independence criteria on that date.

The Committee met twice in 2004. The global attendance rate was 100%.

The Selection and Governance Committee:

- formulates recommendations to the Supervisory Board on appointments to the Supervisory Board or the Management Board, including their respective chairmen and vice-chairmen, as well as on all appointments to the Supervisory Board's special-purpose committees, including their respective chairmen; and
- is notified of the appointments of AXA's principal executive officers, in particular members of the Executive Committee.

In 2004 and early 2005, the Committee reviewed the qualifications of the Supervisory Board candidates (Dominique Reiniche, Leo Apotheker and Jacques de Chateauvieux) whose election or appointment was approved by the shareholders on April 20, 2005.

The Committee also examined the impact of the changes in Supervisory Board composition or the composition of its four special-purpose committees.

In addition, the Committee assessed the independence of the candidates for seats on the supervisory Board as well as its current members.

The Selection and Governance Committee called on the services of an outside consulting firm to assist it in the search for new Supervisory Board members based on certain pre-defined criteria such as age, nationality, gender, cultural background and experience.

Compensation Committee

The Compensation Committee had four members on December 31, 2004: Henri Hottinguer (Chairman), David Dautresme, Jean-René Fourtou and Anthony Hamilton. Three of its members on that date met the Bouton independence criteria.

On February 23, 2005, Gérard Mestrallet became member of this Committee.
The Committee met five times in 2004. The global attendance rate was 85%.

The Compensation Committee:

- makes recommendations to the Supervisory Board on compensation levels for Management Board members, on the amount of directors' fees to be submitted to a vote of the shareholders, and on proposed stock options grants to members of the Management Board;
- issues an opinion on Management Board recommendations related to the policies and procedures governing executive pay and the Company's proposed stock option grants to employees; and
- is informed by the Management Board of compensation levels set by the boards of AXA Group subsidiaries.

In 2004, the principal matters handled by the Compensation Committee included:

- compensation paid to members of the Management Board and the Executive Committee;
- the total number of stock options to be granted to employees of the AXA Group, the allotment of stock options to members of the Management Board, and information on the stock options granted to employees by each operating unit;
- projected changes in the supplementary pension plan for French executives; and
- compensation and benefits policy for AXA Group executives.

For its work on executive compensation, the Compensation Committee used the findings of comparative studies conducted by a specialized outside consulting firm.

Management board

The Management Board is the Company's collegial decision-making body.

The Management Board holds weekly meetings to discuss Group strategy and operations.

It operates in accordance with a set of internal regulations.

Acting on the recommendation of its Selection and Governance Committee, the Supervisory Board voted on January 15, 2003 to reappoint the members of the Management Board to a second three-year term of office when their terms expired on January 19, 2003. The current term of office will come up for renewal in January 2006.

Current members of the Management Board:

- Henri de Castries (50), Chairman,
- Claude Brunet (47), Transversal Operations and Projects, Human Resources, Brand and Communication,
- Christopher Condron (57), Insurance in the United States and Alliance Capital,
- Denis Duverne (51), Finance, Control and Strategy,
- François Pierson (57), Insurance in France, Large Risks, Assistance and AXA Canada.

Each Management Board member is assigned responsibility for a specific aspect of Company management.

Members of the Management Board devote their time exclusively to the management of the Group.

Executive committee

The Executive Committee's principal mission is to review and execute AXA's strategy.

The Committee's composition reflects the structure of the AXA Group. It includes, mainly, members of the Management Board and the CEOs of the Group's principal business units.

The fifteen members of the Group's Executive Committee, including eight non-French nationals, conduct quarterly business reviews (QBR), during which performance is reviewed. These reviews were introduced in 2000 to provide a clear and consistent framework for:

- reviewing operational performance and monitoring the progress of key projects using quantifiable standards of measurement defined in collaboration with the Management Board;
- assessing the status of transversal projects; and
- exchanging ideas and information on key strategic orientations.

Executive Committee	
Jean-Raymond Abat	Chairman of AXA Seguros (Spain) and head of the Mediterranean region
Alfred Bouckaert	Chief Executive Officer of AXA Belgium (Belgium)
Claude Brunet	Member of the Management Board in charge of Transversal Operations and Projects, Human Resources, Communication and Brand
Henri de Castries	Chairman of the Management Board
Christopher Condron	Member of the Management Board, President and Chief Executive Officer of AXA Financial (United States)
Claus-Michael Dill	Chairman of the Management Board of AXA Konzern AG (Germany)
Philippe Donnet	Chief Executive Officer of AXA Japan (Japan), President of the Board of Directors of AXA RE
Denis Duverne	Member of the Management Board in charge of Finance, Control and Strategy
Hans Peter Gerhardt*	Chief Executive Officer of AXA RE
Dennis Holt	Chief Executive Officer of AXA UK (United Kingdom)
Gerald Lieberman	President and Chief Operating Officer of Alliance Capital (United States)
Nicolas Moreau	Chief Executive Officer of AXA Investment Managers
Les Owen	Group Chief Executive of AXA Asia Pacific Holdings (Australia), Head of the Asia Pacific region (excluding Japan)
François Pierson	Member of the Management Board, Chief Executive Officer of AXA France, Head of Large Risks, Assistance and AXA Canada (Canada)
Stanley Tulin	Vice Chairman and Chief Financial Officer of AXA Financial (United States)

(*) *Hans Peter Gerhardt was appointed as Member of the Executive Committee in March 2005.*

Business units and subsidiaries

Business units

AXA has 10 business units, whose CEOs report directly to the Management Board and its Chairman. They are listed below:

Name	Business unit
Jean-Raymond Abat	Mediterranean Area
Alfred Bouckaert	Benelux
Christopher Condron	United States
Claus-Michael Dill	Germany and Eastern Europe
Philippe Donnet	Japan
Hans Peter Gerhardt	Reinsurance
Dennis Holt	United Kingdom and Ireland
Nicolas Moreau	AXA Investment Managers
Les Owen	Asia-Pacific (excluding Japan)
François Pierson	France and Assistance, Large Risks, Canada

Subsidiaries

Implementing the principles of corporate governance is a priority at AXA.

Consequently, all of AXA's principal subsidiaries, whether publicly traded or not, are governed.

- by a board whose membership includes independent or non-executive directors;
- by an audit committee, whose membership also includes independent or non-executive directors.

Directors service contracts

Mr. Christopher Condron who became a Chief Executive Officer of AXA Financial and a member of AXA's Management Board on July 4, 2001 entered into an employment agreement with AXA Financial that provides certain benefits including a severance benefit in the event that his employment with AXA Financial is terminated under certain circumstances. A copy of Mr. Condron's employment agreement is filed as Exhibit 10.16 to AXA Financial's Form 10-Q the quarter ended June 30, 2001.

Employees

The table below sets forth the number of salaried employees of the AXA Group over the past three years broken down by line of business and geographic region:

Salaried Employees	At December 31, 2002	At December 31, 2003	As at January 1, 2004 (a)	At December 31, 2004
Insurance	**70,127**	**64,939**	**66,916**	**66,869**
France (b)	17,869	16,168	16,168	16,124
Unites States	5,276	4,866	6,524	6,415
Japan	3,135	3,047	3,047	3,020
United Kingdom (and Ireland since January 1, 2004)	10,868	10,794	11,609	12,228
Germany	8,462	7,654	7,654	7,483
Belgium *(including AXA Bank Belgium)* (c)	5,381	4,969	4,969	4,814
Southern Europe	–	–	4,661	4,649
Other countries	13,685	11,933	6,776	6,526
Of which Australia / New Zealand	*2,922*	*2,355*	*2,355*	*2,210*
Of which Hong Kong	*783*	*794*	*794*	*823*
Of which The Netherlands	*960*	*905*	*897*	*700*
Of which Spain	*1,900*	*1,807*	–	–
Of which Canada	*1,847*	*1,779*	*1,779*	*1,818*
Of which Italy	*1,302*	*1,277*	–	–
Of which Portugal	*1,304*	*1,250*	–	–
Of which Morocco	*502*	*501*	*501*	*511*
International insurance	5,451	5,508	5,508	5,610
AXA RE	*895*	*738*	*614*	*445*
AXA Corporate Solutions Assurance	*1,529*	*1,327*	*1,327*	*1,167*
AXA Cessions	*66*	*79*	*79*	*110*
AXA Assistance	*2,961*	*3,182*	*3,182*	*3,560*
Other transnational activities	*0*	*182*	*306*	*328*
Asset management	**6,271**	**6,241**	**6,241**	**6,258**
Alliance Capital	4,145	4,078	4,078	4,118
AXA Investment Managers	2,126	2,163	2,163	2,140
Other Financial Services (excluding AXA Bank Belgium) (c)	**836**	**776**	**642**	**559**
France	510	476	476	481
Germany	326	300	166	78
Services Group	**711**	**679**	**679**	**638**
AXA Technology and AXA Group Solutions	**197**	**1,949**	**1,949**	**2,015**
TOTAL	**78,142**	**74,584**	**76,427**	**76,339**

Personnel of non-consolidated companies or companies accounted for using the equity method are not included in the above table. Personnel of companies proportionally consolidated are included, pro-rata, in accordance with the percentage of consolidation.

(a) *The personnel at January 1st, 2004 are included on a constant structural basis in relation to personnel at December 31, 2003:*

- *Acquisition of the MONY Group and minority buyout of Direct Seguros in Spain,*
- *Disposition of AXA Bausparkasse,*
- *Staff transfers from AXA Re to AXA Liabilities Managers, an AXA Group subsidiary created in January 1, 2003 and dedicated on run-off portfolio management;*
- *Since January 1st, 2004, (i) Italy, Spain and Portugal (previously included in "Other Countries," are now presented on an aggregated basis under "Southern Europe" and (ii) United Kingdom P&C now includes Ireland (which was presented before under "Other Countries").*

(b) *Some of the employees of the French companies of the AXA Group are included in "Groupements d'Interets Economiques (GIEs)". In addition, under a portfolio management agreement, a portion of the personnel of four AXA's "Mutuelles" (not in AXA's consolidated financial statements) is included in the France insurance and financial services activities.*

(c) *Employees of AXA Belgium provide services in common for both the insurance activities and the bank activities. Consequently, split is not available.*

Full disclosure on executive compensation

Executive remuneration and Incentives

The general principles of AXA's executive compensation policy have been reviewed and approved by the Compensation Committee of the AXA Supervisory Board This policy applies to all executive officers of the Company and is adapted to local regulations and practices under the supervision of the Boards of Directors and compensation committees of the Company's subsidiaries. The effective application of these principles is regularly reviewed by the Compensation Committee of the Supervisory Board.

Executive compensation includes a fixed and a variable component. The fixed component is targeted to fall within the lower quartile of the market. The variable component is tied to AXA's global performance, local performance, and the attainment of the executive's individual objectives, weighted to reflect his or her level of responsibility. The variable portion is designed to represent the principal component of the executive's annual global compensation such that, in the case of successful attainment of the objectives, the compensation levels of AXA executives will be in the top two quartiles of the going market rate.

The remuneration of Management Board members is fixed by the Supervisory Board, based on the Remuneration Committee's recommendation.

The fixed remuneration of the Chairman of the Management Board (€500,000) has not changed since he was appointed in May 2000.

The variable component of his pay is calculated on the basis of a predefined target amount (€2,000,000) and includes three components:

- Group performance, as measured by adjusted earnings per share and underlying earnings;
- AXA stock performance, measured in comparison to that of its competitors; and
- Individual performance, which is evaluated by the Compensation Committee on the basis of the specific objectives set at the beginning of the year.

The amounts awarded to the Chairman of the Management Board as variable compensation demonstrate the variability of this pay component:

- Variable compensation for the year 2000 paid in 2001: €1,381,373
- Variable compensation for the year 2001 paid in 2002: €719,967
- Variable compensation for the year 2002 paid in 2003: €1,419,277
- Variable compensation for the year 2003 paid in 2004: €1,824,728
- Variable compensation for the year 2004 paid in 2005: €2,298,157

For other members of the Management Board, four factors are taken into consideration:

- Group performance (adjusted earnings per share and underlying earnings);
- AXA stock price performance compared with its competitors;
- Performance of the business unit or functional area of responsibility, measured against objectives set at the beginning of the year; and
- Individual performance, evaluated on the basis of specific objectives set at the beginning of the year.

For the first time in several years, variable compensation paid in respect of 2004 was higher than the target amount.

For the other members of the Executive Committee, the variable component of pay also depends on Group performance, the performance of their business unit, and their individual performance.

When target variable compensation levels are set (pay for actual performance), the portion tied to Group performance is greater for members of the Management Board than for other members of the Executive Committee (whose variable compensation is generally linked to the results of their respective business units). Performance hurdles (floors and ceilings) are set to ensure the genuine variability of compensation.

The table below provides the following information:

- gross compensation paid in respect of 2004 (e), i.e. the fixed component paid 2004 (a), the variable component earned in 2004 and paid in 2005 (including expatriation allowances paid in 2004) (b), any directors' fees paid in 2004 (c) and benefits in kind for the year 2004 (d);
- gross compensation paid in 2004 (g), i.e. the fixed paid in 2004 (a), the variable component earned in 2003 and paid in 2004 (including expatriation allowances paid in 2004) (f), any directors' fees paid in 2004 (c) and benefits in kind for the year 2004 (d);
- and gross compensation paid in 2003, i.e. fixed compensation paid in 2003, the variable component earned in 2002 and paid in 2003 (including expatriation allowances paid in 2003), any directors' fees paid in 2003 and benefits in kind for the year 2003.

This table also enables comparisons between compensation earned in respect of 2004 and that paid in 2003 and 2004.

	Fixed component for 2004 paid in 2004 (€) (a)	Variable component in 2004 (€) (b)	Directors' fees paid in 2004 (€) (c)	Benefit in kind 2004 (€) (d)	Total compensation paid in respect of 2004 (€) (e) = (a)+(b)+(c)+(d)	Variable component paid in 2004 (€) (f)	Total compensation paid in 2004 (€) (g) = (a)+(f)+(c)+(d)	Variable component paid in 2003 (€)	Total component paid in 2003 (€)
Members of the Management Board									
H. de Castries (France)	500,000	2,298,157	208,758	4,150	3,011,065	1,824,728	2,537,636	1,419,277	2,099,396
C. Brunet (France)	320,000	833,066	97,861	4,150	1,255,077	764,139	1,186,150	498,695	875,920
D. Duverne (France)	350,000	979,162	56,495	4,150	1,389,807	832,998	1,243,643	539,015	903,407
C. Condron (United States) (1)	804,000	3,638,100	0	119,357	4,561,457	4,020,000	4,943,357	3,359,200	4,539,283
F. Pierson (France)	375,000	1,144,339	57,115	13,781	1,590,235	814,878	1,260,774	746,856	1,299,664
Members of the Executive Committee									
J.R. Abat (Spain) (2)	200,000	458,861	28,571	34,436	721,868	428,200	691,207	302,385	540,832
A. Bouckaert (Belgium)	450,000	526,860	130,359	1,875	1,109,094	444,669	1,026,903	293,776	873,904
C.M. Dill (Germany)	550,000	818,943	0	13,210	1,382,153	977,630	1,540,840	650,992	1,312,749
P. Donnet (Japan) (3)	299,840	1,046,326	5,716	405,123	1,757,005	598,666	1,309,345	393,022	895,095
D. Holt (United Kingdom)	589,600	774,310	0	27,726	1,391,636	657,994	1,275,320	570,938	1,169,692
G. Lieberman (United States) (4)	160,800	1,955,137	0	101,721	2,217,658	1,955,137	2,217,658	981,604	1,165,204
N. Moreau (France)	284,120	1,005,174	104,168	3,053	1,396,515	833,677	1,225,018	500,380	883,496
L. Owen (Australia) (5)	710,160	930,310	0	227,903	1,868,372	887,700	1,825,763	657,891	1,591,211
S. Tulin (United States)	603,000	2,685,360	0	124,287	3,412,647	3,015,000	3,742,287	2,519,400	3,278,214
TOTAL	**6,196,520**	**19,094,105**	**689,043**	**1,084,922**	**27,064,589**	**18,055,416**	**26,025,901**	**13,433,431**	**21,428,067**

(1) C. Condron opted for the deferred payment of 25% of the fixed and variable components of his compensation. The amounts indicated reflect the full amount of this compensation.

(2) Compensation and benefits paid to J.R. Abat include benefits paid in respect of his expatriate status in Spain.

(3) Compensation and benefits paid to P. Donnet include benefits paid in respect of his expatriate status in Japan.

(4) G. Lieberman was appointed to the AXA Executive Committee on December 31, 2004, replacing B. Calvert, who resigned from Alliance Capital on December 31, 2004 and is now advisor to the CEO of Alliance Capital.

(5) Compensation and benefits paid to L. Owen include benefits paid in respect of his expatriate status in Australia

Substantial differences in the tax systems to which AXA's executive officers are subject make meaningful comparisons of the compensation and benefits they earn difficult. For information, the relevant marginal tax rates are as follows: Germany: 44.30% (excluding the Church Tax); Australia: 47.00%; Belgium: 53.50%; the United States: 42.70% and 38.07% (respectively, for New York and Philadelphia); Spain: 45.00%; France: 58.09%, including an additional 10.00% for social taxes; the United Kingdom: 40.00%.

Share Ownership of Members of the Management Board

	Number of shares owned as of December 31, 2004 (excluding AXA Actionnariat mutual funds and other shareholding mutual funds)		
	AXA shares	AXA ADR	FINAXA shares
Henri de Castries (Chairman)	77,000	–	64,107
Claude Brunet	1,408	–	–
Christopher Condron (United States)	–	379,110	–
Denis Duverne	26,604	–	–
François Pierson	8,500	–	–

On March 30, 2004 and on December 28, 2004, Messrs Henri de Castries, Claude Bébéar, Denis Duverne and certain other AXA shareholders entered into two agreements providing for an engagement to hold their AXA shares for a period of six years in order to take advantage of the wealth tax regime provided by the "Dutreil" Act of August 1, 2003. The first agreement related to 20.35% of the capital and 32.15% of the voting rights of AXA and the second one related to 20.52% and 32.49%.

Directors' Fees Paid to Supervisory Board Members

The members of the Supervisory Board do not receive remuneration, with the exception of a fee for attending meetings. The amount of directors' fees paid to AXA's Supervisory Board members is indicated in the table above on Supervisory Board members.

The amount of directors' fees to be paid is determined by the shareholders, in accordance with the Company's articles of incorporation and bylaws, and apportioned by the Supervisory Board to its members for their Board and Committee duties as follows:

- half of the amount of directors' fees is distributed evenly among the members of the Supervisory Board as the fixed component;
- a portion of the remainder is distributed among the members of the Supervisory Board in proportion to their actual attendance at the meetings of the Supervisory Board; and
- the remainder is allocated by the Supervisory Board to the various specialized Committees and distributed among their members in proportion to their actual attendance at Committee meetings.

Due to the importance of their role, members of the Audit Committee receive a higher proportion of directors' fees.

In 2004, based on 2003 membership and attendance, the Company paid a gross amount of 660,000 euros (617,109.84 euros net) in directors' fees to the 14 members of the Supervisory Board.

In consideration for the increase in the amount of work accomplished by the Supervisory Board and its special-purpose committees, the shareholders are being asked to increase the total annual amount of directors' fees allocated to the Supervisory Board to €1 million.

The current gross amount of 660,000 euros was approved by the shareholders at their annual meeting in May 1999.

Stock Options

For many years, AXA has promoted a stock option program, for its directors, officers and employees in France and abroad, aimed at rewarding their performance and aligning their interests with those of the Group by linking them to AXA's stock performance over the long term.

Within the global cap approved by the shareholders, the Supervisory Board approves all stock option programs prior to their implementation.

To date, AXA has opted to grant subscription options, with the exception of options granted by AXA Financial to certain of its employees, which are purchase options on ADRs.

Stock options are valid for a period of ten years. They are granted at fair market value, with no discount, and become exercisable upon vesting, generally in thirds between 2 and 4 years following the grant date.

Annual grants are generally made during the first quarter of the year. In 2004, grants were made on March 26, 2004 and the strike price was determined based on the 20 trading days before the attribution.

In the United States, options may be granted during the year to newly-hired or newly-promoted employees or when the performance measures that give rise to option grants are available after the first quarter of the year

The pool of options allocated to each business unit is essentially determined on the basis of their contribution to Group performance the previous year.

Individual option grants are determined on the basis of the following criteria:

- importance of the job	=> role
- importance of the individual in the job	=> retention
- importance of the individual in the future	=> potential
- quality of the individual contribution	=> performance.

Individual option grants are approved by the Management Board, with the exception of grants to members of the Management Board, which are approved by the Supervisory Board (acting on the recommendation of its Compensation Committee).

In 2004, AXA stock option grants were as follows:

- 10,260,484 subscription options at a price of €17 68 granted to 2,189 employees outside the United States, representing 0.54% of the share capital;
- 6,672,473 purchase options granted by AXA Financial at an average price of $20.64 to 1,742 employees in the United States, representing 0.35% of the share capital.

On December 31, 2004, 3,671 AXA employees outside the United States and 6,341 employees in the United States[1] had been granted stock options.

59,838,286 AXA subscription options and 43,935,080 ADR purchase options, together representing 5.4% of the share capital, were outstanding on December 31, 2004.

(1) In light of an AXA Financial all-employee stock option grant in 2001.

STOCK OPTIONS GRANTED TO EXECUTIVE COMMITTEE MEMBERS (options granted but not exercised on December 31, 2004)

Beneficiaries	AXA	AXA ADR (1)	FINAXA
Members of the Management Board			
H. de Castries (Chairman)	4,865,600	286,219	111,264
C. Brunet	831,723	–	–
C. Condron (United States)	–	2,905,746	–
D. Duverne	1,683,656	159,011	–
F. Pierson	1,606,280	–	–
Members of the Executive Committee			
JR. Abat (Spain)	454,575	–	–
A. Bouckaert (Belgium)	679,569	–	–
C.M. Dill (Germany)	576,771	–	–
P. Donnet (Japan)	555,770	–	–
D. Holt (United Kingdom)	498,973	–	–
G. Lieberman (United States) (2)	–	–	–
N. Moreau (3)	422,008	–	–
L. Owen (Australia) (4)	479,140	–	–
S. Tulin (United States)	131,960	2,577,354	–

(1) As part of AXA's buyout of minority interests in AXA Financial, the outstanding options on AXA Financial ordinary shares were converted into AXA American Depository Shares (ADR) on January 2, 2001.

(2) Also owns 80,000 shares of stock in Alliance Capital.

(3) Also owns 7,562 shares of stock in AXA Investment Managers, an unlisted company.

(4) Also owns 4,200,000 shares of stock in AXA Asia Pacific Holdings, a listed company in Australia.

Adjustments in the number of AXA, AXA ADR and Finaxa options were made in light of the following transactions: new issuance of ordinary shares by AXA to finance MONY acquisition and new issue of ordinary shares by Finaxa with preferential subscription rights.

STOCK OPTIONS GRANTED AND EXERCISED BY DIRECTORS, OFFICERS AND EMPLOYEES IN 2004

	AXA STOCK OPTIONS					AXA ADR				
	OPTIONS GRANTED			OPTIONS EXERCISED		OPTIONS GRANTED			OPTIONS EXERCISED	
	Number	Exercise date	Price after adjustments (in euros)	Number	Price	Number	Exercice date	Price (USD)	Number	Price
Management Board members										
H. de Castries (Chairman)	850,000	03/26/2014	17.68	–	–	–	–	–	–	–
C. Brunet	233,750	03/26/2014	17.68	–	–	–	–	–	–	–
C. Condron (United States)	–	–	–	–	–	622,442	03/26/2014	20.59	145,057	12.51
									145,057	12.58
D. Duverne	331,500	03/26/2014	17.68	–	–	–	–	–	–	–
F. Pierson	382,500	03/26/2014	17.68	–	–	–	–	–	–	–

Stocks options granted or exercised by the top 10 beneficiaries (outside the Management Board) during 2004	Number of options granted or exercised	Weighted average price
Stock options granted	1,316,044	17.37 euros
Stock options exercised	389,154	10.09 euros

Performance units

In 2004, the stock options program was partially replaced by a performance unit program.

Performance units are intended to:

- Reward and retain top talent by linking beneficiary compensation to the intrinsic performance of the AXA Group and the local business unit, as well as to AXA stock price performance over the medium term (3 to 5 years).
- Reduce the shareholders' dilution by granting smaller volumes of share options.

The grant criteria for performance units are the same as for stock options.

Performance units function as follows:

- Each beneficiary is initially granted a certain number of performance units, which will be used to calculate the final number of performance units earned after a three-year period, provided that the beneficiary is still an employee of the AXA Group at that date.
- During each of the three years, a fraction representing one-third of the total performance units initially granted is subject to adjustments based on criteria measuring the performance of the AXA Group and that of the beneficiary's local business unit, based on pre-determined targets.
- The extent to which performance targets are met determines the number of performance units actually granted to the beneficiary, which may vary between 0% and 130% of the number of performance units at stake each year.
- At the end of the three-year period, performance units actually granted each year become definitively earned by the beneficiary, provided that the beneficiary is still an employee of the Group.
- The value of each performance unit corresponds to the average opening price of the AXA share during the 20 trading days preceding the end of the three-year period.
- The total amount corresponding to the value of all performance units definitely earned by a beneficiary is paid as cash compensation.
- If the number of performance units definitely earned is equal to or greater than 1,000, the beneficiary receives 70% of the total value so that social contributions and income tax based on 100% can be paid. In order to develop employee stock ownership and align the interests of employees and shareholders, the remaining 30% is reinvested in AXA stock for an additional minimum 2-year lock-in period.

The amounts corresponding to performance units are charged to expenses each year under the variable accounting method, but do not create any dilution for shareholders since no new shares are issued.

Under the first performance unit plan dated March 26, 2004, 1,017,012 performance units were granted to 2,554 employees.

On March 26, 2005, 339,004 performance units were granted based on the 2004 performance of the AXA Group and of the local business units of the beneficiaries.

These units will become definitively acquired only if the beneficiaries are still employees of the AXA Group at the end of the three-year period (i.e. on March 26, 2007).

Performance unit grants to the members of the Management Board are indicated in the table below.

	Initial grant		Actual grant based on performance criteria						Definitive acquisition	
			FY 2004		FY 2005		FY 2006			
	No. units	Date initially granted	Units at stake	Units actually granted	Units at stake	Units actually granted	Units at stake	Units actually granted	No. units acquired	Date acquired
H. de Castries	60,000	03/26/04	20,000		20,000		20,000			03/26/07
C. Brunet	16,500	03/26/04	5,500		5,500		5,500			03/26/07
C. Condron	74,323	03/26/04	24,774		24,774		24,773			03/26/07
D. Duverne	23,400	03/26/04	7,800		7,800		7,800			03/26/07
F. Pierson	27,000	03/26/04	9,000		9,000		9,000			03/26/07

Statement on corporate governance as required by section 303A-11 of the New York Stock exchange's listed company manual

The following is a brief explanation of the principal ways in which AXA's corporate governance practices differ from the New York Stock Exchange corporate governance rules applicable to U.S. domestic companies listed on the NYSE.

Many of the corporate governance rules in the NYSE Listed Company Manual (the "NYSE Governance Rules") do not apply to AXA as a "foreign private issuer." However, Rule 303A.11 requires foreign private issuers to describe significant differences between their corporate governance standards and the corporate governance standards applicable to U.S. companies listed on the NYSE. While management believes that AXA's corporate governance practices are similar in many respects to those of U.S. companies listed on the NYSE and provide investors with protections that are comparable in many respects to those envisioned by the NYSE Governance Rules, there are certain important differences described below.

AXA's corporate governance principles and practices reflect applicable laws and regulations in France as well as those in the United States, including applicable provisions of the Sarbanes-Oxley Act of 2002 ("Sarbanes"). The composition and responsibilities of AXA's Supervisory Board, the various Supervisory Board committees that have been established and AXA's Management Board is set forth earlier in this Item 6. In addition to complying with all applicable laws and regulations concerning corporate governance, AXA's governance principles and practices and its financial communications also take into account various "best practices" that have developed in recent years in the French, broader European, and U.S. markets. While these best practices are often not mandatory for AXA from a technical point of view, management believes that many of them have become (or will develop into) de facto market standards for large international companies such as AXA as they provide shareholders and financial markets with an important measure of transparency. Management also believes that these best practices help facilitate effective and transparent interaction and dialogue between AXA's Supervisory Board and Management Board.

AXA has a dual board structure, consisting of a Supervisory Board elected by the shareholders and a Management Board appointed by the Supervisory Board. This dual governance structure provides a framework governing the exercise of corporate power separating the powers of management (exercised by the Management Board) from those of supervision (exercised by the Supervisory Board). Unlike the Board of Directors of a U.S. company which often includes executive (i.e. "inside") directors, under French law the AXA's Supervisory Board may not include any members executive management or other employees subject only to a limited exception that permits shareholders to elect an employee representative to the Supervisory Board under certain circumstances[1]. The Supervisory Board evaluates the independence of its members using various criteria including, among others, the recommendations set forth in various French reports on corporate governance published by the *Association Française des Entreprises Privées* (AFEP) and the *Mouvement des Entreprises de France* (MEDEF) (i.e. the Bouton Report as well as the Vienot I and Vienot II reports), as well as the standards set forth in the Sarbanes Oxley Act for assessing independence of Audit Committee members. We believe that these criteria for independence are generally consistent with those of the NYSE Governance Rules (i.e. an independent director may have no material financial or other relationship with an issuer that would give rise to an actual or perceived conflict of interest); however, the specific tests of "independence" differ on certain points.

Under French law, the committees of the Supervisory Board are advisory in nature and have no independent or delegated decision making authority. This is different than in a U.S. company listed on the NYSE where, for example, the NYSE Governance Rules require that certain Board committees be vested with decision-making powers on certain matters (e.g. nominating or audit committees). Under French law, ultimate decision making authority rests with the Supervisory Board and board committees are charged with examining matters within their scope of their charter and making recommendations on these matters to the Supervisory Board. In addition, under French law the decision as to whether the appointment of a company's outside auditors belongs to the company's shareholders and must be made by the shareholders at their annual general meeting upon recommendation of the Supervisory Board. This is different than in the case of a U.S. company listed on the NYSE where the NYSE Governance Rules require this decision to be made by the Audit Committee of the Board. In light of the NYSE Governance Rules and the requirements of the Sarbanes Oxley Act, however, AXA's Supervisory Board has approved an Audit Committee Charter providing that the Audit Committee is responsible, to the extent permitted by French law, for the appointment, compensation, retention and oversight of AXA's outside auditors and for making all recommendations to the Supervisory Board with respect to these matters. Finally, unlike U.S. listed companies which are required to have only a single outside auditor, French law requires French listed companies, like AXA, to have two statutory auditors. In this respect, the requirements and spirit of French law are consistent with the overriding goal of the NYSE Governance Rules (i.e. the audit of a listed company's accounts must be conducted by auditors independent from company management)

With respect to approval of employee benefit plans, the NYSE Governance Rules require shareholder approval of all equity compensation plans and material revisions to such plans. The definition of "equity compensation plans" covers plans that provide for the grant to employees or directors of either newly issued securities or treasury securities. Under French law, AXA's shareholders must approve the aggregate number of ordinary shares that may be issued by AXA in connection with any stock option or similar equity based compensation plan that involves issuance of new shares by AXA. This shareholder approval is required regardless of whether the plan is for top

(1) *Under French law, in cases where the employees, as a group, collectively hold more than 3% of a company's outstanding ordinary shares, the company is required to present one or more "employee-representative" candidates for election to its Supervisory Board. This "employee-representative" represents the interest of the employee shareholders. At their Annual Shareholders Meeting on April 21, 2004, AXA's shareholders elected one "employee-representative" to AXA's Supervisory Board in accordance with the requirements of French law.*

management only or for employees generally. Under French law, however, shareholders are not required to approve all specific terms of such plans or amendments to them. In addition to this specific requirement for stock option and similar equity based compensation plans, French law requires AXA's shareholders to approve other increases of share capital in general.

With respect to related party transactions, French law requires the Supervisory Board to approve a broadly-defined range of transactions that could potentially create conflicts-of-interest between AXA, on the one hand, and its directors and officers, on the other hand. While the precise scope of this requirement and its application may differ from those applicable to U.S. companies listed on the NYSE, this requirement is generally consistent with various provisions in the NYSE Governance Rules that require disclosure and/or approval of various types of related party transactions.

Finally, as a "foreign private issuer," AXA is exempt from rules under the U.S. Securities Exchange Act of 1934 (the "Exchange Act") that impose certain disclosure and procedural requirements for proxy solicitations under Section 14 of the Exchange Act. In addition, AXA's officers, directors and principal shareholders are exempt from the reporting and "short-swing" profit recovery provisions of Section 16 of the Exchange Act and the rules under the Exchange Act with respect to their purchases and sales of AXA ordinary shares and ADRs. Moreover, AXA is not required to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act, nor is it required to comply with Regulation FD, which restricts the selective disclosure of material information. Accordingly, there may be less information concerning AXA publicly available than there is for U.S. listed companies. In addition, as AXA is a "foreign private issuer", AXA's Chief Executive Officer and Chief Financial Officer issue the certifications required by Sections 302 and 906 of the Sarbanes Oxley Act on an annual basis (with the filing of AXA's annual report on U.S. Form 20-F) rather than on a quarterly basis as would be the case of a U.S. domestic company filing quarterly reports on Form 10-Q.

For more information regarding AXA's corporate governance, you may also consult Items 7, 9 and 10 in this annual report as well as our statuts which is filed as an exhibit to this annual report.

Item 7: Major Shareholders and Related Party Transactions

Capital Ownership

The table below summarizes the Company's capital ownership and voting power on February 28, 2005:

		Number of shares	Capital ownership	Voting power
Mutuelles AXA [(a)]		388,297,657	20.34%	32.20%
of which:	– Mutuelles AXA	51,959,561	2.72%	4.38%
	– Finaxa [(a)]	336,338,096	17.62%	27.82%
Treasury shares		21,033,592	1.10%	–
Employees and agents		96,511,206	5.06%	6.14%
General public		1,402,648,504	73.50%	61.66%
TOTAL [(b)]		**1,908,490,959**	**100%**	**100%**

(a) Directly and indirectly.

(b) Source Euronext 01.28.2005.

To the best of the Management Board's knowledge, no other shareholders owns more than 5% of the share capital. The Company has agreed to disclose any ownership in excess of 2% of its outstanding share capital known to it. To the best of the Management Board's knowledge, this threshold was not exceeded in 2004.

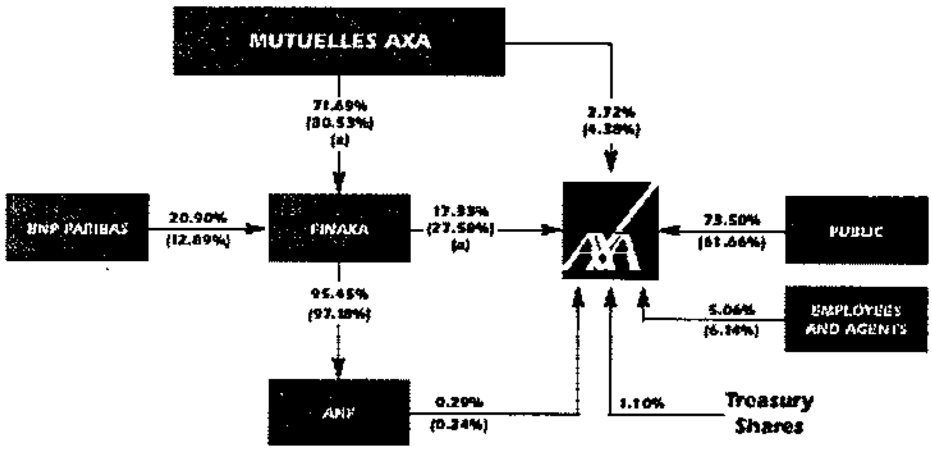
Of the 1,908,490,959 shares comprising the share capital, 415,266,667 shares entitled their holder to double voting rights on February 28, 2005.

As of February 28, 2005, Mutuelles AXA directly or indirectly owned, primarily through Finaxa (a listed holding company), 20.34% of the share capital and 32.20% of the voting power at AXA shareholder meetings. Finaxa holds 95.45% of the share capital and 97.18% of the voting power of ANF, a holding company that owns 0.29% of the share capital and 0.24% of the voting power at AXA shareholder meetings.

As a group, Mutuelles AXA directly and indirectly holds a controlling interest in Finaxa (71 69% of the share capital and 80.53% of voting rights as of February 28, 2005) Each of the members of Mutuelles AXA is party to an agreement pursuant to which it grants the other parties a preemptive right to acquire its shares of Finaxa.

To the best of the Company's knowledge, subsidiaries of the Company do not hold any AXA shares that are pledged. In addition, certain individual holders of the Company may have pledged their AXA shares.

Ownership Structure as of February 28, 2005



(a) *Directly and indirectly.*
( ): *Voting power.*

Change in capital ownership

Changes in ownership of the Company's share capital between December 31, 2002 and December 31, 2004 reflect the various transactions detailed in the preceding table of changes to share capital.

	12/31/2002	12/31/2003	12/31/2004
Mutuelles AXA (a)	**20.5%**	**20.2%**	**20.3%**
of which: – Mutuelles AXA	2.8%	2.8%	2.7%
– Finaxa [(a)]	17.7%	17.4%	17.6%
Treasury shares	**1.7%**	**1.6%**	**1.1%**
General public	**77.8%**	**78.2%**	**78.6%**
TOTAL	**100%**	**100%**	**100%**

(a) *Directly and indirectly.*

On December 31, 2004, the members of the AXA Management Board and AXA Supervisory Board owned 1,197,724 AXA shares and AXA ADRs, equal to 0.027% of the Company's share capital and 0.062% of the voting power.

Fully diluted capital at february 28, 2005

The following table indicates the Company's fully diluted share capital, assuming that the maximum number of new shares is issued following conversion of all outstanding convertible bonds and the exercise of all outstanding stock options.

	Number of outstanding shares or [units] for bonds	Maximum number of shares created
Ordinary shares issued on February 28, 2005*	1,908,490,959	1,908,490,959
Subordinated convertible bonds 1999-2014	9,199,353	37,349,373
Subordinated convertible bonds 2000-2017	6,639,463	26,956,220
Stock options	59,595,138	59,595,138
Maximum total number of shares		2,032,391,690

(*) *Source: Euronext 01/28/2005.*

As of December 31, 2004, to the best of the Company's knowledge based on the information available to it, the Company had approximately:

- 9,722 total registered holders of its ordinary shares (i.e. holding in nominative form); and
- 62,986,547 ADSs outstanding, representing approximately 3.30% of the outstanding ordinary shares, held by 20,815 registered holders.

Substantially all of the AXA ADSs were held by U.S. residents. As of December 31, 2004 to the best of the Company's knowledge based on the information available to it, approximately 11% of the Company's total outstanding ordinary shares were held by U.S. residents.

To the best of the Company's knowledge based on the information available to it, there are no existing arrangements that may at a future date result in a change of control of the Company.

Relationship with the Mutuelles AXA

The Mutuelles AXA are three mutual insurance companies engaged in the life & savings insurance business and property & casualty insurance business in France: AXA Assurances IARD Mutuelle, AXA Assurances Vie Mutuelle and AXA Courtage Assurance Mutuelle. The Mutuelles AXA do not have shares outstanding and the business of each Mutuelle is supervised by a board of directors elected by delegates representing policy-holders. As of February 28, 2005, the Mutuelles AXA, acting as a group, owned, directly and indirectly through intermediate holding companies (including FINAXA), approximately 20.34% of the Company's outstanding ordinary shares representing approximately 32.20% of the total voting power.

The Mutuelles AXA are parties to agreements pursuant to which they have stated their intention to collectively exercise majority control over FINAXA. These agreements affirm the intention of the Mutuelles AXA to utilize the synergies between the Mutuelles AXA and the Company's insurance subsidiaries to enhance their competitiveness while maintaining their separate identities. As part of these agreements, the Mutuelles AXA have also established a strategy committee (comité de coordination stratégique) composed of various members appointed by the boards of directors of the Mutuelles AXA. The strategy committee elects a chairman from among its members who, at present, is Claude Bébéar, who is also Chairman of the Company's Supervisory Board. The strategy committee is generally consulted on all significant matters relating to FINAXA. Under these agreements, each of the Mutuelles

AXA has also granted a right of first refusal to the other Mutuelles AXA in the event of any sale or other disposition of shares of FINAXA (or subscription or other rights or options relating thereto) and agreed not to purchase additional shares of FINAXA without the prior consent of the strategy committee.

The Mutuelles AXA are engaged directly in the Life & Savings business and the Property & Casualty businesses in France. These insurance businesses, which are the Mutuelles AXA's only significant operating business activities, generated gross premiums of €1,578 million in 2004. The insurance businesses of the Mutuelles AXA and the insurance businesses of the Company's French insurance subsidiaries use similar distribution channels and are managed as single businesses, subject to legal and management arrangements established to maintain the legal distinctions between their respective businesses. While the Company and each of the Mutuelles AXA has its own board of directors (or similar corporate governance structure), they have in common certain members of management and certain members of the Company's management and/or Supervisory Board also hold directorships and/or management positions in the Mutuelles AXA. The Mutuelles AXA, which have no employees, also use employees of the Company's French insurance subsidiaries pursuant to management agreements between the Mutuelles and those subsidiaries. There are no agreements between the Mutuelles AXA and the Company's insurance subsidiaries that restrict in any way their ability to compete with one another.

Some of the costs and expenses of operating the Life & Savings business and the Property & Casualty business in the Company's French insurance subsidiaries (other than commissions) are shared by these subsidiaries and the Mutuelles AXA and allocated among them through Groupements d'Intérêt Economique or GIEs. GIEs are partnerships that perform various common services for their members and allocate associated costs and expenses. These costs and expenses currently are allocated on the basis of actual use of the specific service, to the extent practicable. The manner of managing these insurance businesses or allocating these costs and expenses may change in the future. The Property & Casualty insurance business generated in France by insurance brokers is underwritten through a coinsurance arrangement between AXA France IARD, a Property & Casualty insurance subsidiary of the Company and AXA Courtage Assurance Mutuelle, one of the Mutuelles AXA engaged in the Property & Casualty business.

Agreement with BNP Paribas

On September 12, 2001 and following the approval of AXA's Supervisory Board of the same day, the AXA Group (AXA, FINAXA and the Mutuelles AXA) and the BNP Paribas Group entered into an agreement that provides for maintaining a certain level of cross-shareholding between the parties (43,412,598 shares held by the AXA Group in BNP Paribas and 15,795,357 shares held by BNP Paribas in Finaxa as adjusted following the Finaxa's share capital increase of July 20, 2004). The agreement also grants each party a preemptive right to acquire the other party's minimum equity investment following the termination of the agreement as well as an option to repurchase the ownership interests of the other party if there is a change in control of the other party. Furthermore, the AXA Group guarantees the liquidity of BNP Paribas' holdings in ordinary shares of FINAXA.

While initially concluded for a three year period from the date of its execution, the agreement was amended on October 26, 2004 following the approval of AXA's Supervisory Board on September 15, 2004 and extended for a two year period from September 12, 2004, renewable automatically for subsequent terms of three years, unless either party provides notice of termination at least three months before the end of the current term. The other provisions of the initial agreement remain unchanged.

The initial agreement and its amendment were made public by the "Conseil des Marchés Financiers" and by the "Autorité des Marchés Financiers" respectively on September 28, 2001 and October 28, 2004.

The details of this agreement are available on the internet site of the AMF ("Autorité des Marchés Financiers"): www.amf-france.org.

Subsequent events

On April 19, 2005, the Supervisory Board of AXA and the Board of Directors of FINAXA announced their intention to merge FINAXA into AXA. Each Board appointed (a) a committee of independent directors to evaluate the transaction and make a recommendation to its Board on the appropriate exchange ratio between FINAXA and AXA ordinary shares and (b) UBS and HSBC CCF to act as independent experts respectively for FINAXA and AXA and render fairness opinions on the exchange ratio. It is expected that the terms and conditions of the contemplated merger will be approved by each Board by the end of June 2005 and presented to both AXA and FINAXA shareholders for approval before the end of 2005. This merger would simplify the shareholding structure of the AXA Group and increase the proportion of AXA ordinary shares publicly traded. AXA would also become the owner of its trademark which is currently licensed to it by FINAXA. FINAXA currently has 75,591,703 ordinary shares outstanding[1] (77,693,701 ordinary shares on a fully diluted basis assuming exercise of all outstanding stock options and conversion of all convertible securities) all of which will be exchanged for AXA ordinary shares upon consummation of the merger. The Mutuelles AXA and FINAXA currently own 20.35% of AXA's outstanding ordinary shares and 32.20% of AXA's voting rights. Following the consummation of the merger, Mutuelles AXA, which currently own 2.72% of AXA outstanding shares representing 4.38% of AXA voting rights and 71.69% of FINAXA outstanding shares (69.75% on a fully diluted basis[2]) representing 80.53% of FINAXA voting rights (79.18% on a fully diluted basis[3]), would become the principal AXA shareholder, holding less than 14% of AXA ordinary shares representing less than 23% of AXA voting rights.

Employee shareholders

The AXA Group offers its employees an opportunity to become shareholders through a special equity issue reserved exclusively for them.

By virtue of the authorization granted by the shareholders at their meeting of April 30, 2003, the Management Board increased share capital, as provided for by the French *Ordonnance* of October 21, 1986, in two offerings, through the issue of shares to employees of the Group under the Shareplan 2004 program. The shareholders waived their preferential subscription rights so that these offerings could be made to employees.

In the countries that met the legal and tax requirements, two investment options were proposed in 2004:

- the traditional plan, available in 26 countries; and
- the investment leverage plan, offered in 27 countries.

The Shareplan 2004 program was carried out in two phases:

– phase I (July 2004): employees in France were given the opportunity to invest their profit-sharing and bonuses; and

(1) Before payment of the dividend of FINAXA in FINAXA shares, as the case may be.
(2) Idem.
(3) Idem.

– phase II (December 2004): a second issue, open to all Group employees through voluntary contributions.

More than 120 Group companies in 27 countries took part in Shareplan 2004 and participating employees invested a total of 257 million euros (up 35.3% compared with the 190 million euros invested in 2003), as follows:

- 43.5 million euros in the traditional plan (versus 31 million euros in 2003); and
- 213.3 million euros in the investment leverage plan (versus 159 euros million in 2003).

A total of 18,856 million new ordinary shares were issued, each with a par value of 2.29 euros. These shares began earning dividends on January 1, 2004.

As of December 31, 2004, AXA employees held 97,493,470 shares, i.e. 5.11% of the Group's outstanding ordinary shares and 6.19% of the voting rights. These shares are owned through 22 mutual funds or directly, in the form of shares or ADRs.

Other transactions

For information concerning related party transactions, please see note 29 "Related Party Transactions" to the consolidated financial statements included in Item 18 of this annual report.

For information concerning certain relationships and related party transactions involving Alliance Capital, see Item 13 of Alliance Capital's Form 10-K for the year ended December 31, 2004 on file with the SEC (SEC file no. 001-09818).

Item 8: Financial Information

Legal Proceedings

Please see note 28 "Litigation" to the consolidated financial statements for the fiscal year ended December 31, 2004 included as Item 18 in this Annual Report.

Dividend Policy

The Company has paid dividends on its ordinary shares in each for the past five years. The Company pays dividends in Euro. Future dividends will depend on AXA's earnings, financial condition and other factors. Proposals for dividend payments are made by the Management Board, subject to prior approval by the Supervisory Board, and are submitted for final approval to AXA's shareholders at the annual general meeting of shareholders.

For further information on the dividends declared and paid in the most recent five years and on the Company's dividend policy, see "Item 3–Key Information-Dividends" and "Item 10–Additional Information-Dividends".

Item 9: The offer and listing

Markets

The principal trading market for the Company's ordinary shares is the premier marché of Euronext Paris. The Company's ordinary shares are also quoted on the IRSQ in London. The AXA ADSs, each representing one AXA ordinary share, are listed on the NYSE.

The Amsterdam, Brussels and Paris stock exchanges agreed to combine their operations into Euronext Paris - the first pan-European stock exchange. Announced in March 2000, this union was formalized on September 22, 2000 by the creation of a holding company, Euronext N.V., which holds all the shares of the Amsterdam, Brussels and Paris exchanges.

Due to existing regulations in the three countries (primarily concerning listing of shares on the exchanges) and to insure that Euronext is appropriately adapted to the cultural environment of each country, three separate exchanges, now known as Euronext Amsterdam N.V., Euronext Brussels S.A./N.V., and Euronext Paris S.A., continue to exist. They currently constitute three portals into the unified pan-European market.

Trading on Euronext Paris

Official trading of listed securities on Euronext Paris, including the Company's ordinary shares, is transacted through French stockbrokers (sociétés de bourse) and takes place continuously on each business day in Paris from 9:00 a.m. to 5:25 p.m. (Paris time), with a fixing of the closing price at 5:30 p.m.

All the markets of Euronext Paris are cash settlement markets (marché au comptant). Highly liquid shares, including those of the Company, are eligible for deferred settlement (Service à Règlement Différé — SRD). Payment and delivery for shares under the SRD occurs on the last day of each month. Use of the SRD service requires payment of a commission. Under this system, the determination date for settlement the following month occurs on the fifth trading day prior to the end of each month.

In France, the Company's ordinary shares are included in the principal index published by Euronext Paris (the "CAC 40 Index"). The CAC 40 Index is derived daily by comparing the total market capitalization of 40 stocks included in the premier marché of Euronext Paris to the total market capitalization of the same stocks on December 31, 1987. Adjustments are made to allow for expansion of the sample due to new issues. The CAC 40 Index indicates trends in the French stock market as a whole and is one of the most widely followed stock price indices in France. As a result of the creation of Euronext, the Company's ordinary shares are also included in Euronext 100, the index representing Euronext's blue chip companies based on market capitalization. The Company's ordinary shares are also included in the Dow Jones STOXX 50 and Dow Jones Euro STOXX 50, blue chip indices comprised of the 50 most highly capitalized and most actively traded equities throughout Europe and within the European Monetary Union, respectively. In addition the Company's ordinary shares are also included in the Dow Jones Euro Stoxx Insurance, insurance related indices for companies within the European Monetary Union.

The table below sets forth, for the periods indicated, the reported high and low closing prices in Euro for the Company's ordinary shares on the Euronext Paris:

PRICE PER AXA ORDINARY SHARE

Calendar Period	High (€)	Low (€)
2000 (1)	43.87	30.37
2001 (1)	38.95	17.35
2002		
First quarter	26.02	19.60
Second quarter	25.60	16.63
Third quarter	18.16	9.45
Fourth quarter	16.21	10.00
Annual	26.02	9.45
2003		
First quarter	14.00	8.93
Second quarter	14.40	10.73
Third quarter	16.90	12.99
Fourth quarter	16.99	14.69
Annual	16.99	8.93
2004		
First quarter	19.36	16.14
Second quarter	18.74	15.63
Third quarter	18.47	15.60
Fourth quarter	18.56	16.14
Annual	19.36	15.60
2004 and 2005		
November 2004	18.27	16.85
December 2004	18.56	17.55
January 2005	18.90	17.90
February 2005	20.49	18.46
March 2005	21.44	20.14
April 2005	20.92	18.75
May 2005	20.15	19.05

(1) *At the annual general meeting of shareholders of the Company held on May 9, 2001, the Company's shareholders approved a 4-for-1 stock split of the Company's outstanding ordinary shares. Immediately following this stock split, which became effective on May 16, 2001, the parity between the Company's ordinary share and the ADS was changed from one ADS representing one-half of an ordinary share to one ADS representing one ordinary share. The high and low closing prices are adjusted to reflect the 4-for-1 split of AXA's outstanding ordinary shares effective May 16, 2001.*

Trading on the New York Stock Exchange

The Bank of New York serves as depositary with respect to the Company's ADSs traded on the NYSE. Following the change in parity between the AXA ordinary share and the ADS effective May 16, 2001, each ADS represents the right to receive one ordinary share.

The table below sets forth, for the periods indicated, the reported high and low closing prices in U.S. dollars for the Company's ADSs on the NYSE:

PRICE PER AXA ADS

Calendar Period	High ($)	Low ($)
2000 (1)	40.31	29.84
2001 (1)	37.37	15.95
2002		
First quarter	22.92	17.06
Second quarter	25.60	16.93
Third quarter	17.70	9.39
Fourth quarter	15.85	9.65
Annual	22.92	9.39
2003		
First quarter	14.95	10.32
Second quarter	17.14	12.09
Third quarter	19.20	15.52
Fourth quarter	21.47	17.42
Annual	21.47	10.32
2004		
First quarter	24.37	19.73
Second quarter	22.32	19.00
Third quarter	22.30	19.12
Fourth quarter	24.94	20.54
Annual	24.94	19.00
2004 and 2005		
November 2004	24.04	21.50
December 2004	24.94	23.44
January 2005	24.97	23.35
February 2005	27.15	23.96
March 2005	28.48	26.48
April 2005	27.02	24.20
May 2005	25.88	24.17

(1) High and low closing prices are adjusted to reflect the 4-for-1 split of AXA's outstanding ordinary shares and the change in parity between the AXA ordinary share and the ADS effective May 16, 2001

We cannot assure you of the market price of the Company's ordinary shares or ADSs and past price is no indication of future performance. We urge you to obtain current market quotations for these securities.

Item 10: Additional Information

Memorandum and Articles of Association

The Company is a holding company organized under the laws of France as a Société Anonyme (a form of limited liability company), with a Supervisory Board and a Management Board. The Company's principal office is located at 25, avenue Matignon, 75008 Paris, France and AXA is registered under the number: 572 093 920 in the Paris Trade and Company Register. References to "AXA" in this Item 10 are references to the Company, unless otherwise indicated.

Objects and purposes

Under Article 3 of its memorandum and articles of association ("statuts"), AXA's purpose is generally to:

- acquire, manage and/or dispose of equity interests in French or foreign companies or businesses,
- acquire, manage and/or dispose of listed or unlisted shares or other securities, real and/or personal property, as well as rights and listed or unlisted securities related to such assets, and
- to perform any and all industrial, commercial, financial, real or personal property transactions directly or indirectly related to any of the foregoing.

Directors' issues

In addition to French law provisions, AXA's statuts include a number of specific provisions concerning members of the Supervisory Board and Management Board, including the following:

Conflicts of interest

Transactions involving a conflict of interest between a member of the Management Board or Supervisory Board and the Company are subject to the prior approval of the Supervisory Board. Members of the Supervisory Board in a situation of conflict of interest are precluded from voting on matters relating to such conflicts of interests.

Compensation

Upon the proposal of the Compensation Committee, the Supervisory Board fixes the amount and terms of compensation for each of the members of the Management Board. Members of the Supervisory Board receive a fixed annual fee, the amount of which is determined by the shareholders at their annual meeting and is apportioned by the Supervisory Board among its members, such determination and apportionment is made upon the proposal of the Compensation Committee. The Supervisory Board also may compensate its members for the performance of special tasks or assignments in accordance with the provisions of French company law. Decisions of the Supervisory Board in that respect may be passed only if at least half of its members are present. For further information see "Item 6 - Supervisory Board Committees".

Retirement

Any member of the Management Board who during a fiscal year reaches the age of sixty-five while in office is automatically deemed to have resigned at the end of that fiscal year. However, when a member of the Management

Board reaches that age, the Supervisory Board may choose to extend his term one or more times, provided that the total extended period does not exceed three years. Members of the Supervisory Board may not stay in office past the age of seventy. However, this rule may be waived by the Supervisory Board for up to one-third of the members of the Supervisory Board (individuals or representatives of legal entities). Members of the Supervisory Board who have exceeded the age limit can only be appointed by shareholders for one term for a maximum two-year period.

Shareholding

Article 10-2 of AXA's statuts provides that members of the Supervisory Board must own at least 100 ordinary shares for their term of office. Under French law, members of the Management Board are not required to be shareholders of the Company.

For additional information concerning the respective powers of the Management and Supervisory Boards, see "Item 6 – Directors, Senior Management and Employees" in this annual report.

Description of AXA's Capital Stock

AXA ordinary shares

As of March 31, 2005, there were 1,909,548,432 ordinary shares outstanding, each with nominal value of euro 2.29. All these ordinary shares were fully paid and non assessable. The following table sets forth changes in the number of outstanding ordinary shares from January 1, 2004 to February 28, 2005:

Date	Operation	Number of shares issued	Issue premium	Number of shares after the operation	Amount of share capital after the operation in euros
2004	Exercise of stock options	198,198	1,560,737	1,778,301,333	4,072,310,052
	Exercise of stock options	418,104	3,177,766	1,778,719,437	4,073,267,510
	Exercise of stock subscription warrants (employees in Germany)	13,766	141,851	1,778,733,203	4,073,299,034
	New equity issue reserved for AXA employees in France	1,668,797	18,690,526	1,780,402,000	4,077,120,580
	Bonds payable into shares (ORAN, financing for the acquisition of MONY)	110,245,309	1,143,794,078	1,890,647,309	4,329,582,337
	Exercise of stock options	408,081	2,636,812	1,891,055,390	4,330,516,843
	Exercise of stock subscription warrants (employees in Germany)	7,643	77,400	1,891,063,033	4,330,534,345
	New equity issue reserved for employees of AXA	16,495,888	182,658,904	1,907,558,921	4,368,309,929
	New equity issue reserved for employees of AXA (ABSA)	691,167	10,077,215	1,908,250,088	4,369,892,701
	Exercise of stock options	192,371	1,177,460	1,908,442,459	4,370,333,231
	Conversion of stock subscription warrants by German employees	1,711	17,513	1,908,444,170	4,370,337,149
At 02/28/05	Exercise of stock options	46,789	305,298	1,908,490,959	4,370,444,296

Changes in share capital

Capital increase

Pursuant to the statuts of AXA and French law and subject to the exceptions described below, the share capital of AXA may be increased only with the approval of two-thirds of the shareholders present or represented by proxy voting together as a single class at an extraordinary general meeting following a recommendation of the Management Board and after a prior authorization of the Supervisory Board.

Increases in AXA's share capital may be effected by the issuance of additional ordinary shares which may be effected:

- for cash,
- in satisfaction of indebtedness incurred by AXA,
- for assets contributed to AXA in kind,
- by capitalization of existing reserves, profits or share premium,
- upon conversion, exchange or redemption of equity-linked securities issued by AXA,
- upon the exercise of share warrants or other similar securities consisting of rights to subscribe for ordinary shares or of stock options, or
- in place of a cash dividend.

The increase in share capital effected by capitalization of reserves, profits or share premium, requires a simple majority of the votes cast at an extraordinary meeting of shareholders. In the case of an increase in share capital in connection with the payment of a stock dividend (instead of a cash dividend) the voting and quorum procedures of an ordinary meeting of shareholders apply.

The shareholders may delegate to the Management Board the right to carry out any increase in share capital, provided that the shareholders, acting in an extraordinary shareholders' meeting, have previously authorized this increase. The Management Board may further sub-delegate this right to AXA's Chairman and Chief Executive Officer of the Management Board.

Capital decrease

AXA's share capital may generally be decreased only with the approval of two-thirds of the shareholders present or represented by proxy voting together as a single class at an extraordinary shareholders' meeting. The number of shares may be reduced if AXA either exchanges or repurchases and cancels shares. As a general matter, reductions of capital occur pro rata among all shareholders, except (1) in the case of a share buyback program, or a public tender offer to repurchase shares (offre publique de rachat d'actions (OPRA)), where such a reduction occurs pro rata only among tendering shareholders; and (2) in the case where all shareholders unanimously consent to an non pro-rata reduction. AXA may not repurchase more than 10% of its share capital within 18 months from the shareholders' meeting authorizing the buy-back program (unless the shares are bought back to provide them to employees under profit-sharing or stock option plans). In addition, AXA may not cancel more than 10% of its outstanding share capital over any 24-month period and may not hold more than 10% of its share capital in treasury shares.

Treasury shares must be fully paid and held by AXA in registered form. Treasury shares are deemed outstanding under French law but are not entitled to dividends, voting rights or preemptive rights.

Cross shareholdings and holding of AXA shares by AXA subsidiaries

With the exception of treasury shares that may be held by subsidiaries but which are non-voting, French law prohibits a company from holding AXA shares if AXA holds more than 10% of that company's share capital. French law also prohibits AXA from owning any interest in a French company holding more than 10% of AXA's share capital. In the event of a cross-shareholding that violates this rule, the company owning the smaller percentage of shares in the other company must sell its interest. Until sold, these shares are not entitled to voting rights. Failure to sell these shares is a criminal offense under French law.

Preemptive rights

Under French law, shareholders have preemptive rights to subscribe on a pro rata basis for additional shares of any equity securities or other securities giving a right, directly or indirectly, to equity securities issued by AXA for cash. During the subscription period relating to a particular offering of shares, shareholders may transfer preferential subscription rights that they have not previously waived. In order to issue additional ordinary shares without preemptive rights, beyond issuances already approved, AXA must obtain the approval of two-thirds of the voting rights present or represented by proxy at an extraordinary meeting of AXA shareholders, voting together as a single class.

Dividends

AXA may distribute dividends to its shareholders from net income in each fiscal year after deductions for depreciation and provisions, as increased or reduced by any profit or loss carried forward from prior years, and as reduced by the legal reserve fund allocation described below. These distributions are also subject to the requirements of French law and the statuts of AXA.

Under French law, AXA must allocate 5% of its net income in each fiscal year, after reduction for losses carried forward from previous years, if any, to a legal reserve fund until the amount in that fund equals 10% of the nominal amount of its share capital. The legal reserve is distributable only upon AXA's liquidation.

Upon proposal by AXA's Management Board and subject to prior approval by the Supervisory Board, the shareholders of AXA may decide to allocate all or part of distributable profits to special or general reserves, to carry them forward to the next fiscal year as retained earnings, or to allocate them to the shareholders as dividends. If AXA has earned distributable income since the end of the previous fiscal year, as reflected in an interim income statement certified by its auditors, the Management Board may distribute interim dividends to the extent of the distributable income without shareholders approval in accordance with French law. AXA's statuts require AXA to distribute dividends to its shareholders pro rata according to their share holdings. Dividends are payable to holders of shares outstanding on the date of the shareholders' meeting approving the distribution of dividends, or, in the case of interim dividends, on the date the Management Board meets and approves the distribution of interim dividends.

The actual dividend payment date is decided by shareholders at an ordinary general meeting or by the Management Board subject to prior approval by the Supervisory Board, if no decision is taken by the shareholders. AXA must pay any dividends or interim dividends within nine months of the end of its fiscal year. Dividends not claimed within five years of the date of payment become property of the French state.

Under AXA's statuts, at an ordinary annual general meeting, the shareholders may authorize the Management Board to grant an option to each shareholder to receive dividends in either cash or additional ordinary shares.

Form, holding and transfer of securities

French regulations provide that AXA ordinary shares are not represented by share certificates but by book-entry only.

AXA's statuts provide that AXA ordinary shares may be held in registered or bearer form. Any owner of ordinary shares of AXA may elect to have its ordinary shares held in registered form and registered in its name in an account currently maintained by BNP-Paribas for and on behalf of AXA or held in bearer form and recorded in its name in an account maintained by an accredited financial intermediary, such as a French broker, bank or other authorized financial institution. Any shareholder may, at its expense, change from one form of holding to the other. Both methods are operated through Euroclear France (which we refer to in this annual report as "EUROCLEAR"), an organization which maintains share and other securities accounts of French publicly quoted companies and a central depositary system through which transfers of shares and other securities in French publicly quoted companies between accredited financial intermediaries are recorded.

When AXA ordinary shares are held in bearer form by a beneficial owner who is not a resident of France, EUROCLEAR may agree to issue, upon request by AXA, a bearer depository receipt (certificat représentatif) with respect to such ordinary shares for use only outside France. In this case, the name of the holder is deleted from the accredited financial intermediary's books. Title to the ordinary shares represented by a bearer depository receipt will pass upon delivery of the relevant receipt outside France.

Registered ordinary shares must be converted into bearer shares before being traded on the Euronext Paris and, accordingly, must be registered in an account maintained by an accredited intermediary. A shareholder may initiate a transfer by giving selling instructions to the relevant accredited intermediary. Ordinary shares held in bearer form may be transferred through accredited financial intermediaries and may be traded without further requirement. For dealings on the Euronext Paris, a tax assessed on the price at which the securities were traded, or "impôt sur les opérations de bourse", is payable at the rate of 0.3% on transactions of up to 153,000 euros and at a rate of 0.15% on transactions exceeding this amount, capped at 610 euros per transaction. This tax is subject to a rebate of 23 euros per transaction. However, non-residents of France are not required to pay this tax. In addition, a fee or commission is payable to the broker involved in the transaction, regardless of whether the transaction occurs within or outside France. Normally, no registration duty is payable in France, unless the transfer instrument has been executed in France.

Disclosure requirements when holdings exceed specified thresholds

French law provides that any person or entity that, directly or indirectly, acting alone or in concert with other shareholders, becomes the owner of more than 5%, 10%, 20%, 33 1/3%, 50% or 66 2/3% of the outstanding share capital or voting rights of AXA (including through ownership of ADRs representing ADSs), or whose holding falls below any of these levels, must notify AXA and the AMF in writing within five trading days of exceeding or falling below the relevant level and indicate the number of ordinary shares and voting rights held by it.

In addition, the statuts of AXA provide that any individual or entity acting alone or in concert with others that acquires ordinary shares resulting in a direct or indirect holding of 0.5% or more of the outstanding share capital or voting rights of AXA, including through the acquisition of ADRs representing the ADSs, must notify AXA by registered letter with return receipt requested within five calendar days of the date of the acquisition ("inscription en compte") of the ordinary shares or in the case of a holder of ADRs representing ADSs, within five days of the registration of the ADRs representing the ADSs, as a result of which the shareholder, acting alone or in concert with others, has reached or exceeded that percentage. The individual or entity must further notify AXA pursuant to the above conditions each time an additional 0.5% threshold is passed. Any shareholder, including any holder of ADRs representing the ADSs, whose holding falls below any of these thresholds must also notify AXA.

French law imposes additional reporting requirements on persons who, acting alone or in concert with others, acquire more than 10% or 20% of the outstanding shares or voting rights in AXA. These persons must file with the AMF and AXA a report disclosing their intentions for the 12-month period following the acquisition. The report must specify whether the acquirer intends to continue purchasing shares, acquire control of AXA or seek election of nominees to the Management or Supervisory Board. This report must be filed within ten trading days of the date either of these thresholds is crossed. The report will be published by the AMF. The acquiror must also publish a press release in a financial newspaper having national circulation in France. Upon any change of intention, the acquirer must file a new report.

In order to permit holders of ordinary shares to give the notices required by law and the statuts of AXA, AXA is obligated to publish in the Bulletin des Annonces Légales Obligatoires ("BALO") not later than fifteen calendar days after AXA's annual ordinary general meeting of shareholders, information with respect to the total number of voting rights outstanding as of the date of the meeting. In addition, if the number of outstanding voting rights changes by 5% or more, AXA is required to publish in the BALO, within fifteen calendar days of a change, the number of voting rights outstanding and provide the AMF with a written notice. In order to facilitate compliance with the notification requirements, a holder of ADRs representing ADSs may deliver any such notification to The Bank of New York with respect to ADRs representing ADSs and The Bank of New York will, as soon as practicable, forward the notification to AXA and the AMF.

If a shareholder (including an owner of ADRs representing ADSs) fails to comply with these notification requirements, the shareholder will be deprived of voting rights attached to the shares it holds (or underlying its ADRs) in excess of the relevant threshold at all shareholders' meetings held until the end of a two-year period following the date on which the shareholder has complied with the notification requirements. Failure to comply with the notification requirements set forth in AXA's statuts will trigger the same voting limitations upon a request by shareholders holding 5% or more of the share capital registered in the minutes of the relevant shareholders general meeting. Furthermore, any shareholder who fails to comply with these notification requirements may have all or part of its voting rights (and not only with respect to the shares in excess of the relevant threshold) suspended for up to five years by court decree at the request of the Management Board, any AXA shareholder or the AMF. Such shareholder may also be subject to criminal penalties under French law.

Under applicable French stock market regulations, and subject to limited exemptions granted by the AMF, any person or persons acting in concert acquiring one-third or more of the share capital or voting rights of AXA must immediately notify the AMF and initiate a public tender offer for the balance of AXA's outstanding share capital. The tender offer must also cover all securities issued by AXA that are convertible into or exchangeable for equity securities.

Pursuant to French law and AXA's statuts, AXA may obtain from EUROCLEAR, at its own cost and at any time, the name, nationality, address and number of shares held by each holder of ordinary shares and other equity-linked securities with the right to vote in general meetings of shareholders. Whenever these holders are not resident in France and hold such ordinary shares and other equity-linked securities through accredited financial intermediaries, AXA may obtain such information from the relevant accredited financial intermediaries (through Euroclear France), at AXA's own cost. Subject to certain limited exceptions provided by French law, holders who fail to comply with AXA's request for information will not be permitted to exercise voting rights with respect to any such ordinary shares or other equity-linked securities and to receive dividends pertaining thereto (if any) until the date on which these holders comply with AXA's request for information.

Voting rights

Each AXA ordinary share entitles a holder to one vote at all meetings of AXA shareholders, subject to the provisions concerning double voting rights described below. Each ordinary share fully paid and held in registered form by the same person for at least two full fiscal years, will entitle such holder to double voting rights with respect to such ordinary share at any meeting of AXA shareholders, whether annual or extraordinary. The double voting right will automatically terminate for any share that has been converted into a bearer share or for which ownership has been transferred. Any transfer of shares as a result of inheritance, division of community property by spouses or donation to a spouse or heir shall not affect the double voting rights of such shares.

Liquidation rights

If AXA is liquidated, the assets remaining after it pays its debts, liquidation expenses and all prior claims will first be used to repay AXA shareholders up to the amount of the paid-up and non-liquidated capital. Any surplus will be divided among all shareholders, subject to rights arising as among the different classes of shares.

Shareholder meetings

Under French law, annual and extraordinary shareholders' meetings must be convened by means of a preliminary notice published in the BALO at least 30 days prior to the meeting date and indicating the type, agenda, place, date and time of the shareholders' meeting.

Annual ordinary and extraordinary meetings of AXA shareholders are convened and held in accordance with French law. Any shareholder may attend a properly convened meeting of shareholders in person or by proxy upon confirmation of such shareholder's identity and ownership of shares at least five days before the shareholders' meeting, which period may be reduced at the discretion of the Management Board.

Modification of shareholder rights

Under French law, shareholders of a French company generally have the power to amend the statuts of the company. Such an amendment requires the approval of two-thirds of the shareholders attending or represented at an extraordinary shareholders' meeting. However, no such extraordinary shareholders' meetings may decide (i) to increase the liability of the shareholders in respect of the company or a third party; or (ii) to undermine the individual rights vested in each shareholder (such as voting rights, the right to distributable profits of the company when allocated as dividends, the right to sell one's shares and the right to sue the company).

Anti-takeover provisions

There are no French anti-takeover statutes similar to the anti-takeover statutes enacted by certain states in the United States. However, a number of French law provisions may have certain anti-takeover effects. In the case of AXA, the relevant provisions include, among other things:

- AXA's ability to repurchase its own shares; and
- the existence of AXA shares with double voting rights.

French law requires mergers and certain consolidations to be approved by two-thirds of the shareholders present or represented at the extraordinary shareholders' meeting called to decide on such matter. French law also requires the affirmative vote of the shareholders of the surviving corporation in a merger at an extraordinary general meeting. Finally, no general meeting of shareholders is required in a case of a merger of a wholly-owned subsidiary with its parent company.

Convertible/exchangeable bonds

For information on convertible/exchangeable bonds and notes issued by the Company, see footnote 14 "Mezzanine Capital" to the consolidated financial statements included in this annual report as Item 18.

Description of AXA's American Depositary Shares ("ADSs")

The following is a summary of (i) certain provisions of the amended and restated deposit agreement dated April 27, 2001 (referred to herein as the "deposit agreement"), among AXA, The Bank of New York, as depositary, and the holders from time to time of ADRs issued under the deposit agreement, and (ii) certain applicable provisions of French law. This summary describes the material terms and conditions of the deposit agreement but does not purport to be complete and is qualified in its entirety by reference to the deposit agreement, which has been filed as an exhibit to the Company's registration statement on Form F-6 filed with the SEC on June 12, 2001 (registration number 333-13376). Additional copies of the deposit agreement are available for inspection at the Corporate Trust Office of The Bank of New York in New York and at the principal Paris office of the custodian, currently BNP Paribas, or any of their successors.

Capitalized terms used in this summary and not otherwise defined shall have the respective meanings set forth in the deposit agreement.

American Depositary Receipts ("ADRs")

Each ADR evidences an ADS, which in turn represents one AXA ordinary share. An ADR may evidence any whole number of ADSs. The ordinary shares underlying the ADSs represented by ADRs will be deposited with the custodian or any successor custodian, under the terms of the deposit agreement.

Owners of ADRs representing ADSs may hold their ADRs either (i) in street name (or bearer form) through a third party brokerage or safekeeping account, or (ii) in registered form through an account held at The Bank of New York pursuant to which the name of each registered owner of uncertificated ADRs is entered in the books and records of The Bank of New York (commonly referred to as the direct registration system). Under the direct registration system, ownership of uncertificated ADRs is evidenced by periodic statements issued by The Bank of New York to the registered owners of ADRs. The direct registration system includes automated transfers between The Bank of New York and The Depository Trust Company (DTC), the central book-entry clearing and settlement system in the United States. Owners of ADRs who decide to hold their ADRs through a third party brokerage or safekeeping account must rely on the procedures of their brokers or banks to assert their rights as owners of ADRs representing ADSs and should consult with them to determine what those procedures are.

Only persons in whose names ADRs are registered on the books of The Bank of New York will be treated by The Bank of New York and AXA as owners of ADRs.

The rights of holders and beneficial owners of ADRs are subject to the same disclosure requirements regarding acquisition and ownership of ordinary shares as are applicable to holders and beneficial owners of ordinary shares pursuant to the statuts of AXA or French law, as each may be amended from time to time. Failure to comply with these disclosure requirements may affect the holder's or beneficial owner's ability to give voting instructions in respect of the ordinary shares represented by the ADSs evidenced by ADRs. See "AXA Ordinary Shares-Form, Holding and Transfer of Securities" for a description of the disclosure requirements applicable to AXA ordinary shares.

Deposit and withdrawal of AXA ordinary shares

Subject to the provisions of the deposit agreement, The Bank of New York has agreed that, upon receipt of notice from the custodian (currently AXA Banque) of a deposit of AXA ordinary shares with the custodian in form satisfactory to it (in the case of AXA ordinary shares to be held in bearer form), or upon delivery to The Bank of New York of AXA ordinary shares (in the case of AXA ordinary shares to be held in registered form), together with any required certifications, The Bank of New York will execute and deliver, at its Corporate Trust Office to, or upon the order of, the person or persons named in such order, an ADR or ADRs registered in the name or names requested by such person or persons representing the number of ADSs issuable in respect of that deposit, but only upon payment to The Bank of New York of its fee for execution and delivery of the ADRs and all applicable taxes and governmental charges and fees.

Upon surrender of an ADR or ADRs at the Corporate Trust Office of the depositary for the purpose of withdrawal of the ordinary shares underlying the ADSs and all other securities, property and cash received by the depositary or the custodian in respect of such ordinary shares, which are collectively referred to as the "Deposited Securities" and are represented by that ADR, and upon payment of the fees and charges provided in the deposit agreement and subject to the other provisions of the deposit agreement, the Deposited Securities and the AXA statuts, the owner of the ADR thereby cancelled is entitled to the delivery to it, or upon its order, of the Deposited Securities. Delivery of ordinary shares may be made to an account designated by the ADR holder in AXA's share register currently maintained by BNP-Paribas in the case of ordinary shares held in registered form, or in an account maintained by an accredited financial intermediary in the case of ordinary shares held in bearer form. Under French law, no fractional AXA ordinary shares may be delivered. Therefore, The Bank of New York will only accept the surrender for such purpose of ADRs evidencing ADSs which represent a whole number of ordinary shares. As a general rule, AXA ordinary shares are not issued in certificated form, see "Form, Holding, Transfer of AXA Ordinary Shares". Also, for certain limitations on the withdrawal of AXA ordinary shares, see "Transfer of American Depositary Receipts" below.

At the request, risk and expense of any owner surrendering ADRs, The Bank of New York will accept at its Corporate Trust Office proper documents of title, if available, for the Deposited Securities.

Pre-release of ADRs

Unless AXA instructs the depositary not to and subject to the terms of deposit agreement, The Bank of New York may execute and deliver ADRs prior to the receipt of the ordinary shares underlying the ADSs evidenced by such ADRs which have been so pre-released and may deliver ordinary shares upon the receipt and cancellation of any pre-released ADRs. In addition, the Bank of New York may receive ADRs in lieu of ordinary shares in satisfaction of a pre-release. Each such pre-release of ADRs or delivery of ordinary shares in respect of a pre-release is:

- subject to a written representation from the person to whom ADRs or ordinary shares are to be delivered that such pre-release or its customer:
  - at the time of the relevant transaction, owns the ordinary shares or ADRs to be remitted, as the case may be,
  - assigns all beneficial right, title and interest in the relevant ordinary shares or ADRs, as the case may be, to The Bank of New York in its capacity as such and for the benefit of the owners of ADRs, and
  - will not take any action with respect to the relevant ordinary shares or ADRs, as the case may be, that is inconsistent with the transfer of their beneficial ownership, including, without the consent of The Bank of New York, disposing of the relevant ordinary shares or ADRs, as the case may be, other than in satisfaction of the pre-release;
- at all times fully collateralized with cash, U.S. government securities or other collateral of comparable safety and liquidity, as security for the performance of the pre-release's obligations to The Bank of New York;
- terminable by The Bank of New York on not more than five business days notice; and
- subject to such further indemnities and credit regulations as The Bank of New York deems appropriate.

The Bank of New York will also set dollar limits with respect to pre-release transactions to be entered into with any particular pre-release on a case-by-case basis.

Dividends, other distributions and rights

Owners of ADRs generally have the right to receive distributions in respect of cash dividends and distributions made by AXA to the depositary or the custodian in respect of the Deposited Securities. ADS holders' receipt of these distributions may be limited, however, by practical considerations and legal limitations. Under the terms of the deposit agreement owners of ADRs would be entitled to receive such distributions in proportion to the number of ADRs held as of a specified record date.

Amounts distributed to owners of ADRs holders will be reduced by any taxes or other governmental charges required to be withheld by the custodian or The Bank of New York, reasonable expenses of the depositary in foreign currency conversions and any other charges of the depositary as provided for under the deposit agreement. If The Bank of New York determines that any distribution in cash or property is subject to any tax or governmental charges that The Bank of New York or the custodian is obligated to withhold, The Bank of New York may use the cash or sell or otherwise dispose of all or a portion of that property to pay the taxes or governmental charges. See "Taxation".

Cash distributions

The Bank of New York will convert into U.S. dollars at prevailing market rates all cash dividends and other cash distributions that it or the custodian receives, to the extent that it can do so on a reasonable basis, and transfer the resulting dollars to the United States. The Bank of New York will distribute to the owners of ADRs, in proportion to the number of ADRs held as of a specified record date, the amount it receives, after deducting reasonable and customary currency conversion expenses. If The Bank of New York determines that any foreign currency it receives cannot be converted and transferred on a reasonable basis, it may distribute the foreign currency (or an appropriate document evidencing the right to receive the currency), or hold that foreign currency uninvested, without liability for interest, for the accounts of the owners of ADRs entitled to receive it.

Distributions of ordinary shares

If AXA distributes ordinary shares as a dividend, The Bank of New York may, subject to the terms of the deposit agreement with respect to the deposit of ordinary shares and the issuance of ADRs, and subject to any registration requirements under the U.S. securities laws, with AXA's approval, and will, at AXA's request, distribute to owners of ADRs new ADRs representing the ordinary shares. The Bank of New York will distribute only whole ADRs. It will sell the ordinary shares that would have required it to use fractional ADRs and then distribute the proceeds in the same way it distributes cash. If The Bank of New York deposits the ordinary shares but does not distribute additional ADRs, the existing ADRs will also represent the new ordinary shares.

Rights to subscribe for additional ordinary shares and other rights

If holders of ordinary shares have the option of receiving a dividend in cash or in ordinary shares, AXA may also grant that option to owners of ADRs.

However, AXA may elect not to offer ordinary shares to ADR holders in which case ADR holders will only be entitled to receive their dividend in cash.

If AXA offers its holders of ordinary shares any rights to subscribe for additional ordinary shares or any other rights, The Bank of New York will have discretion, after consultation with AXA, as to the procedure to be followed in making such rights available to owners of ADRs, including:

– make the rights available to all or certain owners of ADRs, by means of warrants or otherwise, if lawful and feasible; or

- if it is not lawful or feasible to make the rights available to certain owners of ADRs, attempt to sell those rights or warrants or other instruments, in which case, The Bank of New York will allocate the net proceeds of the sales to the account of the ADR owners entitled to such proceeds, with the allocation being made on an averaged or other practicable basis without regard to any distinctions among owners.

If registration under the Securities Act of 1933, is required in order to offer or sell to the owners of ADRs the securities represented by any rights, The Bank of New York will not make the rights available to ADR owners unless a registration statement is in effect or such securities are exempt from registration. AXA does not, however, have any obligation to file a registration statement or to have a registration statement declared effective. If The Bank of New York cannot make any rights available to ADR owners and cannot dispose of the rights and make the net proceeds available to ADR owners, then it will allow the rights to lapse, and the ADR owners will not receive any value for them. ADR owners may request the delivery of the rights under specific circumstances and subject to certain conditions described in the deposit agreement.

Other distributions

If The Bank of New York or the custodian receives a distribution of anything other than cash ordinary shares or rights, The Bank of New York will distribute the property or securities to the owners of ADRs, in proportion to such holder's holdings. If The Bank of New York determines that it cannot distribute the property or securities in this manner or that it is not feasible to do so, then, it may effect the distribution of the property or securities by any means it deems fair and practical, after consultation with AXA, by selling the property or securities and distributing the net proceeds of the sale to the owners of ADRs.

Record dates

The Bank of New York will fix a record date any time (i) a dividend or distribution is to be made, (ii) rights are to be issued; (iii) there is a change in the number or type of the Deposited Securities an ADS, or (iv) The Bank of New York receives notice of any meeting of or solicitation of consent or proxies from holders of ordinary shares or other Deposited Securities.

The persons who are owners of ADRs on the record date will be entitled to receive the dividend, distribution, rights or net proceeds thereof or to exercise the right to vote.

Notices and reports

When AXA gives notice, by publication or otherwise, of a shareholders' meeting or of the taking of any action regarding any dividend, distribution or offering of any rights, AXA will also transmit to the depositary and the custodian a copy of the notice, in the form given or to be given to holders of Deposited Securities. The Bank of New York will mail or otherwise make available to owners of ADR copies of any such notice in English. AXA will also make available, an English version of its annual report, which include audited consolidated financial statements and semi-annual reports, which include unaudited interim consolidated financial information. In addition, at the request of owners of ADR and upon receipt from AXA, The Bank of New York will make available to such owners other reports and communications received by it or made generally available to it.

Voting of the underlying ordinary shares

Under the deposit agreement, an ADR owner is entitled, subject to any applicable provisions of French law, AXA's statuts and its bylaws and the Deposited Securities, to exercise the voting rights attached to the ordinary shares represented by its ADSs. The Bank of New York will send to ADR owners English-language summaries of any materials or documents provided by AXA for the purpose of exercising voting rights. The Bank of New York will also send to ADR owners instructions for the exercise of voting rights, as well as a voting instruction card and a statement as to how the underlying ordinary shares will be voted if it receives blank or improperly completed voting instructions.

If The Bank of New York receives properly completed voting instructions, on or before the date specified, it will either, in its discretion vote the Deposited Securities in accordance with any non discretionary instructions or insofar as practical and permitted under any applicable provisions of French law and AXA's statuts forward the instructions to the custodian. If the voting instructions are forwarded to the custodian, the custodian will endeavor, insofar as practicable and permitted under applicable provisions of French law and AXA's statuts, to vote, or cause to be voted, the Deposited Securities in accordance with any nondiscretionary instructions. The Bank of New York will only vote ordinary shares or other securities that the ADRs represent in accordance with the ADR holder's instructions. It will not vote if it receives a blank or an improperly completed proxy card. If it receives a properly completed proxy with blank voting instructions, it will vote for AXA proposals and against non-AXA proposals.

In accordance with French law and the statuts of AXA, ordinary shares that have been fully paid and registered in the name of the same holder for at least two full fiscal years will be entitled to double voting rights. Similarly, ADRs that have been beneficially owned by the same holder for two full fiscal years or more and representing ordinary shares held in registered form for two full fiscal years or more may be entitled to double voting rights. No other ADRs will be entitled to double voting rights. In order to be eligible for double voting rights, each such owner of the ADRs must follow procedures established by The Bank of New York to ensure that the ordinary shares underlying the ADSs evidenced by the ADRs are held in registered form and that the beneficial owner of the ADRs evidencing the ADSs representing these ordinary shares has been the same for at least two full fiscal fiscal years.

Changes affecting deposited securities

If there is any change in nominal value or any split-up, consolidation, or other reclassification of Deposited Securities, or any recapitalization, reorganization, merger or consolidation or sale of assets involving AXA, then any securities that The Bank of New York or the custodian receives in respect of Deposited Securities will, subject to the terms of the deposit agreement and applicable law, become new Deposited Securities under the deposit agreement. Each ADR will, subject to the terms of the deposit agreement and applicable law, represent its share of the new Deposited Securities, unless The Bank of New York delivers additional or new ADRs as described in the following sentence. The Bank of New York may, and will, at AXA's request, distribute additional ADRs or ask ADR owners to surrender their outstanding ADRs in exchange for new ADRs describing the new Deposited Securities.

Amendment of the deposit agreement

The Bank of New York and AXA may agree to amend the form of the ADRs and the deposit agreement at any time, without the consent of the ADR holders. If the amendment adds or increases any fees or charges (other than taxes or other governmental charges) or prejudices an important right of ADR holders, it will not take effect as to outstanding ADRs until 90 days after The Bank of New York has mailed the ADR owners a written notice of any such amendment or amendments. At the expiration of that the 90 day, each ADR owner by continuing to hold its ADRs, will be considered to agree to the amendment or amendments and to be bound by the deposit agreement as so amended. The Bank of New York and AXA may not amend the deposit agreement or the form of ADRs to impair ADR owner's rights to surrender their ADRs and receive the ordinary shares and any other property represented by their ADRs, except as is necessary to comply with mandatory provisions of applicable law.

Termination of the deposit agreement

The Bank of New York will terminate the deposit agreement if AXA asks it to do so and will notify the ADR holders at least 30 days before the date of termination. The Bank of New York may likewise terminate the deposit agreement upon at least 30 days notice to AXA and the owners of ADRs if it resigns and a successor depositary has not been appointed by AXA and accepted its appointment within 90 days after The Bank of New York has given AXA notice of its resignation. After termination of the deposit agreement, The Bank of New York will no longer register transfers of ADRs, distribute dividends to the ADR owners, accept deposits of ordinary shares, give any notices, or perform any other acts under the deposit agreement whatsoever, except that The Bank of New York will continue to:

- collect dividends and other distributions pertaining to Deposited Securities;
- sell rights as provided in the deposit agreement and summarized under the heading "Dividends, other distributions and rights - Rights to subscribe for additional ordinary shares and other rights" above; and
- deliver Deposited Securities, together with any dividends or other distributions received with respect thereto and the net proceeds of the sale of any rights or other property, in exchange for surrendered ADRs.

One year after termination, The Bank of New York may sell the Deposited Securities and hold the proceeds of the sale, together with any other cash then held by it, for the pro rata benefit of ADR holders that have not surrendered their ADRs. The Bank of New York will not have liability for interest on the sale proceeds or any cash it holds.

Transfer of ADRs

ADRs are transferable upon surrender by the ADR holder, if the ADRs are properly endorsed and accompanied by the proper instruments of transfer. The Bank of New York will execute and deliver a new ADR to the person entitled to it. The Bank of New York may not suspend the surrender of ADRs and withdrawal of Deposited Securities, except for:

- temporary delays caused by the closing of transfer books maintained by The Bank of New York, AXA or its transfer agent or registrar;
- temporary delays caused by the deposit of ordinary shares in connection with voting at a shareholders' meeting or the payment of dividends;
- the payment of fees, taxes and similar charges; or
- compliance with laws or governmental regulations relating to the ADRs or to the withdrawal of Deposited Securities.

The Bank of New York may refuse to deliver ADRs or to register transfers of ADRs when the transfer books maintained by The Bank of New York or AXA's transfer agent or registrar are closed, at any time that The Bank of New York or AXA thinks it is advisable to do so, or if the transfer-related and other applicable fees have not been paid.

Charges of depositary

To the extent permitted by applicable law or the rules of any securities exchange upon which ADSs are listed or traded, The Bank of New York will charge any party depositing or withdrawing ordinary shares or any party surrendering ADRs or to whom ADRs are issued, including, without limitation, issuance pursuant to a stock dividend or stock split declared by AXA or an exchange of stock regarding the ADRs or Deposited Securities or a distribution of ADRs pursuant to the deposit agreement, where applicable:

- taxes and other governmental charges;
- any registration fees to be paid in connection with transfers of ordinary shares generally;
- a fee of $5.00 or less per 100 ADSs (or portion thereof) for the execution and delivery of ADRs and the surrender of ADRs for the purpose of withdrawal of Deposited Securities;
- a fee of $.02 or less per ADS (or portion thereof) for any cash distribution made pursuant to the deposit agreement, except in the case of a cash dividend or other cash distribution received from AXA on any Deposited Securities;
- a fee for the distribution of securities pursuant to the deposit agreement in an amount equal to the fee for the execution and delivery of ADRs referred to above which would have been charged as a result of the deposit of these securities, but which securities are instead distributed by The Bank of New York to owners of ADRs and the net proceeds distributed; and
- other expenses which are to be borne by persons depositing ordinary shares or owners of ADRs under the deposit agreement, including transmission expenses and reasonable expenses incurred by The Bank of New York in the conversion of foreign currency.

Liability of holders of ADRs for taxes

If any tax or other governmental charge becomes payable by the custodian or The Bank of New York with respect to any ADR or any Deposited Securities, such tax or other governmental charge will be payable by the holder of the ADR to The Bank of New York. The Bank of New York may refuse to effect registration of any transfer of that ADR or any withdrawal of Deposited Securities until payment is made, and may withhold any dividends or other distributions, or, after reasonably attempting to notify the relevant holder, may sell for the account of that owner, any part or all of the Deposited Securities underlying that ADR and may apply any dividends, distributions or the proceeds of any sale to pay any tax or other governmental charge. In this case, the relevant ADR owner will remain liable for any deficiency.

Governing law

The Deposit Agreement is governed by the laws of the State of New York.

Limitation of liability

AXA and The Bank of New York assume no obligation nor will they be subject to any liability under the deposit agreement to holders or beneficial owners of ADRs, other than to perform their respective obligations specifically described in the deposit agreement without negligence, wilful misconduct or bad faith.

Material contracts

There have been no material contracts (outside the ordinary course of business) during the last two years to which the Company is a party.

Exchange controls and other limitations affecting foreign security holders

Under current French foreign exchange control regulations, there are no limitations on the amount of cash payments that may be remitted by AXA to residents of the United States. Laws and regulations concerning foreign exchange controls do require, however, that all payments or transfers of funds made by a French resident to a nonresident be handled by an accredited financial intermediary. In France, all registered banks and substantially all credit establishments are accredited financial intermediaries.

Under current French company law and AXA's statuts, there are no general limitations on the right of non-resident or non-French persons to own or, where applicable, vote the ordinary shares, whether held in the form of ordinary shares or ADSs. However, both European Union and non-European Union residents must file a déclaration administrative or administrative notice, with French authorities in connection with the acquisition of a controlling interest in any French company. Under existing administrative foreign direct investment regulations and administrative rulings, ownership by non-residents of France of more than 33.33% of a listed company's share capital or voting rights is regarded as a controlling interest, but a lower percentage might be held to be a controlling interest in certain circumstances. The factors that will be taken into account in making that determination include the existence of:

- an option of the acquiring party to buy additional shares,
- loans and guarantees granted by the acquiring party to the French company in amounts evidencing control over the financing of the French company, and
- patent licenses granted by an acquiring party or management of technical assistance agreements with the acquiring party that place the French company in a dependent position vis-à-vis that party or its group.

Under current French insurance regulations, any person, or group of persons acting in concert, who is not a resident of a member state of the European Economic Area must obtain authorization from the French Ministry of the Economy prior to entering into a transaction to acquire a direct or indirect interest, or to increase or decrease its direct or indirect interest, in AXA if such transaction would allow that person, or group of persons acting in concert, to (i) acquire control of, or cease to control, AXA or (ii) increase its interest to 10%, 20%, 33.33% or 50% of AXA's voting power, including, in each case, through the holding of ADRs representing ADSs.

Furthermore, any such transaction allowing such person, or group of persons acting in concert, to hold ordinary shares representing in aggregate in excess of 5% of AXA's voting power requires that person to provide prior notice to the French Ministry of the Economy.

No prior authorization is required for such a transaction entered into by a person, or group of persons acting in concert, who is a resident of a member state of the European Economic Area, although that person, or group of persons, is required to provide the French Ministry of the Economy with notice upon completion of the transaction.

Taxation

The following generally summarizes the material U.S. Federal income tax and French tax consequences to U.S. Holders of the ownership and disposal of ordinary shares or ADRs representing ADSs. For purposes of this discussion "U.S. Holder" is any one of the following:

- an individual who is a citizen or resident of the United States,
- a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States or of any political subdivision of the United States, including the District of Columbia,
- an estate the income of which is subject to U.S. Federal income taxation regardless of its source,
- a trust if a court within the United States is able to exercise primary supervision over the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or
- a person otherwise subject to U.S. Federal income tax on its worldwide income.

If a partnership holds ordinary shares or ADRs representing ADSs, the tax treatment of a partner will generally depend upon the statuts of the partner and upon the activities of the partnership. Partners of partnerships holding these ordinary shares or ADRs should consult their tax advisors as to the tax consequences of owning or disposing of ordinary shares or ADRs representing ADSs, as applicable.

A "Non-U.S. Holder" is a holder that is not a U.S. Holder. This discussion does not address the U.S. Federal, local, state, foreign or other tax consequences to Non-U.S. Holders as a result of the ownership or disposal of ordinary shares or ADRs representing ADSs.

This summary is not a complete description of all of the tax consequences of the ownership or disposition of ordinary shares or ADRs representing ADSs. It is based on the current tax laws of France and the United States, including the United States Internal Revenue Code of 1986, as amended (which we refer to in this annual report as the "Code"), its legislative history, temporary, existing and proposed Treasury Regulations, Internal Revenue Service rulings and judicial opinions as well as the Convention between the United States and The Republic of France for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and Capital dated August 31, 1994 (which we refer to in this annual report as the "Treaty"), all as in effect on the date of this annual report and all subject to change, possibly with retroactive effect. Your individual circumstances may affect the tax consequences of the ownership or disposition of ordinary shares or ADRs representing ADSs, and your particular facts or circumstances are not considered in the discussion below.

The summary is not intended to apply to holders of ordinary shares or ADRs representing ADSs in particular circumstances, such as:

- dealers in securities,
- traders in securities who elect to apply a mark-to-market method of accounting,
- financial institutions,
- regulated investment companies,
- tax-exempt organizations,
- insurance companies,
- persons holding ordinary shares or ADRs representing ADSs as part of a hedging, straddle, conversion or other integrated transaction,
- U.S. Holders who hold ordinary shares or ADRs representing ADSs other than as capital assets,
- persons whose functional currency is not the U.S. dollar,
- certain U.S. expatriates,
- persons subject to the U.S. alternative minimum tax, and
- holders of ordinary shares or ADRs representing ADSs that own directly or indirectly or are deemed to own, five percent or more of either the total voting power or the total value of the AXA Shares or that carry on a trade or business in France through a permanent establishment or fixed base for the purpose of which ordinary shares or ADRs have been acquired or held.

For purposes of the Treaty, French tax law and the Code, U.S. owners of ADRs will be treated as owners of ordinary shares underlying the ADSs represented by those ADRs.

Furthermore, although this summary generally applies to relevant holders whether or not they are employees of AXA or its affiliates, this summary does not describe all the tax considerations relevant to persons who acquired ordinary shares or ADRs representing ADSs pursuant to the exercise of an incentive stock option.

French taxation: taxation of dividends-withholding tax

France generally imposes a 25% withholding tax on dividends distributed in cash or in the form of ordinary shares by a French corporation (such as AXA) to shareholders who are not residents of France for French tax purposes. However, the Treaty generally reduces the withholding tax rate to 15% on dividends paid in cash or in the form of shares to an "Eligible U.S. Holder".

Under the Treaty, an "Eligible U.S. Holder" is a U.S. Holder whose ownership of ordinary shares or ADRs representing ADSs is not attributable to a permanent establishment or fixed base in France and who is (i) an individual or other non-corporate holder, or (ii) a corporation that does not own, directly or indirectly, 10% or more of the capital of AXA, provided in each case that that holder:

- is a resident of the United States under the Treaty,
- is entitled to Treaty benefits under the limitation on benefits provisions in Article 30 of the Treaty, and
- complies with certain procedural rules to obtain Treaty benefits.

If a U.S. Holder is a corporation that owns, directly or indirectly, 10% or more of the capital of AXA, the withholding tax rate will be reduced to 5%, provided that all other requirements set forth in the preceding paragraph are met. At the date of this registration statement, the French tax authorities have not published any guideline describing the procedure to be followed in order to obtain Treaty benefits in respect of distributions made in 2005.

Tax on sale or redemption of AXA ordinary shares or ADRs

Under the Treaty, no French tax is levied on any capital gain derived from the sale of AXA ordinary shares or ADRs representing ADSs by a U.S. Holder who:

- is a resident of the United States under the Treaty,
- is entitled to Treaty benefits under the limitation on benefits provisions of Article 30 of the Treaty, and
- does not have a permanent establishment in France to which the ordinary shares or ADRs are attributable to or, in the case of an individual, who does not maintain a fixed base in France to which the ordinary shares or ADRs are effectively connected.

Under French domestic tax law, any gain realized by a shareholder on redemption of ordinary shares by AXA generally will be treated as a dividend and will be subject to French dividend withholding tax as described above under "Taxation of Dividends–Withholding Tax".

French transfer and stamp taxes

Transfers of AXA ordinary shares and ADRs representing ADSs will not be subject to French transfer taxes unless the transfer is effected by means of a written agreement that is executed or enforced within France. Should such written agreement be executed or enforced in France, it would be subject to transfer taxes at the rate of 1% (this rate being increased to 1.1% for transactions entered into as from January 1, 2006), up to a maximum of 3,049 euros per transfer for transactions entered into until December 31, 2005, and 4,000 euros per transfer for transactions entered into thereafter).

In certain cases, a stock exchange stamp tax also may be payable.

French estate, gift and wealth taxes

A transfer of ordinary shares or ADRs representing ADSs by gift by, or by reason of death of, a U.S. Holder that would be subject to French gift or inheritance tax under French domestic tax law will not be subject to such French tax by reason of the Convention between the United States of America and the French Republic for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Estates, Inheritances and Gifts, dated November 24, 1978 unless:

- the donor or decedent is domiciled in France within the meaning of that Convention at the time of making the gift, or at the time of his or her death, or
- the ordinary shares or ADRs were used in, or held for use in, the conduct of business through a permanent establishment or a fixed base in France.

Under French tax law and the Treaty, the French wealth tax generally does not apply to U.S. Holders that are not individuals or in the case of natural persons, who own alone or with their parents, directly or indirectly, ordinary shares or ADRs representing the right to less than 25% of AXA's profits.

Material U.S. federal income tax considerations for U.S. holders: Taxation of dividends

For U.S. Federal income tax purposes, the gross amount of a distribution by AXA to U.S. Holders, including any amounts of French tax withheld, will be treated as dividend income to the extent paid out of AXA's current or accumulated earnings and profits, as determined for U.S. Federal income tax purposes. If a U.S. Holder has the option to receive a distribution either in cash or in the form of ordinary shares, and such U.S. Holder chooses to receive ordinary shares (a "Stock Distribution"), such U.S. Holder will be treated for purposes of the preceding sentence as having received a distribution to the extent of the fair market value of these ordinary shares. That dividend income will not be eligible for the dividend received deduction generally allowed to corporations under Section 243 of the Code. To the extent that an amount received by a U.S. Holder exceeds the U.S. Holder's allocable share of AXA's current and accumulated earnings and profits, the excess will be applied first to reduce the Holder's basis in his or her ordinary shares or ADRs, and then, any remaining excess would constitute gain from the deemed sale or exchange of his or her ordinary shares or ADRs. See «Tax on Sale or Exchange of ordinary Shares or ADRs below.

For U.S. Federal income tax purposes, dividends will be taxable to the U.S. Holder of ordinary shares or ADRs outstanding on the record date established by French law, which in the case of an annual dividend will be fixed by the shareholders at the shareholders' meeting approving the distribution of dividends, and in the case of an interim dividend will be fixed by the Management Board approving the distribution of interim dividends. The amount recognized as dividend income by a U.S. Holder will be equal to the U.S. dollar value of the distributed Euro, or, in case of a Stock Distribution, the ordinary shares, on the date of the recognition of the dividend for U.S. Federal income tax purposes, regardless of whether the payment is in fact converted into U.S. dollars. The Euro distributed will have a tax basis equal to their U.S. dollar value at such time. Any gain or loss realized upon a subsequent conversion or other disposition of the Euro will be treated as ordinary income or loss from sources within the United States.

As discussed above, payments of dividends to a U.S. Holder will be subject to French withholding tax. For U.S. Federal income tax purposes, a U.S. Holder may generally elect to treat these French withholding taxes as either a deduction from gross income or a credit against the U.S. Federal income tax liability of that U.S. Holder. The maximum foreign tax credit allowable generally is equal to the U.S. Holder's U.S. Federal income tax liability for the taxable year multiplied by a fraction, the numerator of which is the U.S. Holder's taxable income from sources without the United States and the denominator of which is the U.S. Holder's taxable income from all sources for the taxable year. That foreign tax credit limitation is applied separately to different «baskets» of income. For purposes of applying the foreign tax credit limitation, dividends are generally included in the "passive income" basket or, if received by certain holders and certain other conditions are met, the "financial services income" basket.

In the case of an Eligible U.S. Holder, if the full withholding tax rate of 25% is applied, the refundable portion of the tax withheld by AXA or the French paying agent, which represents the difference between the 25% and the 15% tax rates, would not be eligible for the foreign tax credit.

Tax on sale or exchange of AXA ordinary shares or ADRs

For U.S. Federal income tax purposes, a U.S. Holder generally will recognize gain or loss on any sale, exchange or other disposition of ordinary shares or ADRs representing ADSs, unless a specific non recognition provision applies. That gain or loss will be measured by the difference between the U.S. dollar value of the amount of cash, and the fair market value of any other property, received and the U.S. Holder's tax basis in the ordinary shares or the ADRs, determined in U.S. dollars. A U.S. Holder's tax basis in the ordinary shares or the ADRs will generally equal the amount paid by that U.S. Holder for the ordinary shares or the ADRs or, in the case of ordinary shares acquired by way of Stock Distribution, the amount included in income at the time of the Stock Distribution.

Gain or loss arising from a sale or exchange of ordinary shares or ADRs will be capital gain or loss if these ordinary shares or ADRs are held as capital assets by the U.S. Holder, and will be short term or long term depending whether the holding period of the U.S. Holder for these ordinary shares or ADRs exceeds one year. In general, gain from a sale or exchange of ordinary shares or ADRs by a U.S. Holder will be treated as United States source income for foreign tax credit limitation purposes.

Backup with holding and information reporting

Under certain circumstances, a U.S. Holder who is an individual may be subject to information reporting requirements and backup withholding, currently at a 30% rate on dividends received on ordinary shares or ADRs representing ADSs. This withholding generally applies only if that individual holder:

- fails to furnish his or her taxpayer identification number to the U.S. financial institution that is in charge of the administration of that holder's ordinary shares or ADRs or any other person responsible for the payment of dividends on the ordinary shares or ADRs,
- furnishes an incorrect taxpayer identification number,
- is notified by the U.S. Internal Revenue Service that he or she has failed to properly report payments of interest and dividends and the U.S. Internal Revenue Service has notified AXA that such individual holder is subject to backup withholding, or
- fails under specified circumstances, to comply with applicable certification requirements.

Any amount withheld from a payment to a U.S. Holder under the backup withholding rules will be allowable as a credit against such U.S. Holder's U.S. Federal income tax liability, provided that the required information is furnished to the U.S. Internal Revenue Service.

U.S. Holders should consult their own tax advisor as to the application of the U.S. Federal information reporting and backup withholding requirements to them and their qualification, if any, for an exemption under these rules as well as the particular tax consequences to them of owning and disposing of ordinary shares and ADRs representing ADSs under U.S. federal, state, local and foreign law.

U.S. state and local taxes

In addition to U.S. Federal income taxes, U.S. Holders may be subject to U.S. state and local taxes with respect to their ordinary shares or ADRs representing ADSs. U.S. Holders should consult their own tax advisors regarding such matters.

Documents on display

AXA files reports with the SEC that contain financial information about AXA and its results or operations. Anybody public may read or copy any document that AXA files with the SEC at the Securities and Exchange Commission's Public Reference Room at 450 Fifth Street, N.W., Washington, D.C. 20549. Anybody may obtain information about the Public Reference Room by calling the SEC for more information at 1-800-SEC-0330. All of AXA's SEC filings made after September 20, 2002 are available to the public at the SEC web site at http://www.sec.gov. AXA's web site at http://www.axa.com includes information about AXA's business. The content of AXA's website is not incorporated by reference into this Form 20-F. The public may also inspect any reports and other information we file with the Securities and Exchange Commission at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

Item 11: Quantitative and Qualitative Disclosures About Market Risk

Organization of Risk Management at AXA

Within the Finance Department, the aim of Risk Management is to identify, quantify and manage the main risks to which the Group is exposed. To achieve this, the Risk Management Department develops and uses various methods and tools to assess and monitor risk.

These systems and tools allow optimal management of risks taken by the Group and, by facilitating a more accurate assessment of risk exposure, help to reduce earnings volatility and to optimize the Group's allocation of capital to its various businesses.

Within the AXA Group, Risk Management is co-ordinated by a central team, supported by local Risk Management teams within each operational entity.

Risk management principles and priorities

In order to have a tangible and measurable contribution to the Group's activities, Risk Management has three key characteristics.

- Pragmatic: focusing on clearly identified priorities;
- Operational: working as closely as possible with the Group's activities;
- Decentralized: based on the subsidiarity principle, in line with the Group's general organization.

Risk Management has five main priorities:

- Co-ordination and monitoring asset-liability management (ALM) and carrying out Economic Capital work;
- Approving new products prior to launch and promoting product innovation;
- Controlling insurance exposures, in particular reviewing reserves and optimizing reinsurance strategies;
- Managing information systems: projection, simulation, risk assessment and consolidation;
- Identifying and assessing operational risk.

The AXA Group's risk management entities: AXA Cessions and group risk management

The Group's Risk Management structure is mainly based around two entities: the Group Risk Management (GRM) department and AXA Cessions.

AXA Cessions advises and accompanies the Group's property and casualty companies with their reinsurance strategy and centralizes the Group's purchasing of reinsurance. Its role is defined more precisely below.

Group Risk Management (GRM), under the authority of the Group Chief Risk Officer, is responsible for defining AXA's standards as regards risk. This includes developing and deploying tools for assessing and managing risk.

GRM also co-ordinates risk detection and management at the Group level, and indirectly at the subsidiaries' level. In particular, this includes all procedures for reporting risk and consolidating risk at Group level. GRM co-ordinates the local Risk Management teams of the Group's various subsidiaries. In line with Group governance principles, this co-ordination focuses on minimum Group-wide requirements defined by GRM in terms of organization, resources and results.

Local teams

Local Risk Management teams are in charge of applying AXA risk management standards and implementing the minimum requirements set by GRM.

The Risk Management departments of operational entities are managed by local Chief Risk Officers, who report directly to local CFOs. The roles and responsibilities of local Risk Management departments are formally approved by local executive committees. These roles and responsibilities comply with the Group's Risk Management priorities. The roles and responsibilities are as follows :

- Leading efforts to determine the Economic Capital of local entities and development of the necessary tools. The Risk Management department performs these tasks using a uniform set of techniques including stochastic models. These modelling techniques allow an assessment of AXA's risk exposure based on the large number of scenarios examined in this type of approach. These tools complement more traditional deterministic forecasting tools, such as stress scenarios. Besides the specific conclusions for each product line and each unit, these analyses indicate that AXA has a significant surplus of assets in excess of the economic capital required to cover a level of assumed risks consistent with an AA credit rating. This favorable situation is attributable primarily to the diversification of risks between the various businesses and countries in which AXA operates.

- Controlling the implementation of ALM policies, and in particular monitoring the strategic asset allocation of local entities (see section "Management processes").
- Implementing pre-launch product approval procedures, and in particular reviewing risk-adjusted profitability analyses.
- Reviewing local technical reserves and optimizing entities' reinsurance strategy.
- Working with local internal audit teams to identify and quantify the main operational risks.

Implementing the risk reporting system requested by Group Risk Management.

Market risks

AXA is exposed to financial market risks through its financial protection business and through its financing its activities as part of its debt management.

Asset-liability management of insurance portfolios

One of the basic functions of the insurance business is to invest premiums received from customers with a view to settling any losses that might occur. The way these premiums are invested must take into account the way in which any losses will be settled. This is the role of asset-liability management. In an effort to protect and enhance shareholder value, AXA actively manages its exposure to market risks.

Primary responsibility for risk management, including market risk, rests with the Group's local subsidiaries, which have the best knowledge of their products, policyholders and risk profile. This approach allows subsidiaries to react in a timely manner to changes in financial markets, insurance cycles and the political and economic environment in which they operate.

Many risk management techniques are used to control and mitigate the market risks to which the AXA Group's operating entities and the Group itself are exposed, through:

- ALM, and in particular the definition of optimal strategic asset allocations.
- Hedging of financial risks when they exceed the tolerance levels set by the Group. Products needed to set up hedging programs involving derivative instruments are designed with the assistance of the Group's specialist asset management teams (AXA Investment Managers and Alliance Capital).
- Reinsurance is also used to mitigate financial risks.
- The overall balance of the product range leads to some natural hedging effects between different products.
- Exposure analyses are carried out to monitor certain specifically identified risks.

AXA's exposure to market risk is reduced by its broad range of operations and geographical positions, which provides good risk diversification. Furthermore, a large portion of AXA's Life & Savings operations involve unit-linked products, in which most of the financial risk is borne directly by policyholders.

ALM figures and information on the AXA Group's main implementation, co-ordination and control processes are set out below.

Asset-liability and market risk management General quantitative information

There is a clear distinction between the issues involved in the Life & Savings and Property & Casualty businesses.

Description of Life & Savings insurance reserves: risk profiles

The market risks to which Life & Savings subsidiaries are exposed arise from a number of factors:

- A decline in returns on assets (due in particular to a sustained fall in yields on fixed-income investments or in the equity market) could reduce the investment margin if the return on new invested assets is not sufficient to cover contractual interest rates payable to life insurance policyholders.
- A rise in yields on fixed-income investments reduces the value of fixed-income portfolios and could have an adverse impact on the solvency margin and surrender levels on certain contracts, if competitive pressures lead to higher rates of policyholder profit participation on new contracts.
- A decline in equity and real estate prices may reduce the level of unrealized capital gains and available surpluses.
- Exposure to foreign exchange risk is generally limited for the Group's life insurance companies. Foreign currency commitments are matched to a large extent by assets in the same currency.

The policies put in place to manage these risks are tailored to each product type and the risks relating to it. The percentages provided below, relating to the allocation of life insurance reserves by product type and thus AXA's obligations to its policyholders, are derived from management data:

- 23% of AXA's life insurance mathematical reserves cover contracts with financial risk borne by the policyholders (unit-linked) that do not affect AXA's risk exposure. On these products, the underlying financial market performance is passed on to policyholders in full. In cases where these products include interest-rate guarantees, they are usually managed by a financial partner within the account. Consequently, they do not present any market risk.
- 11% of AXA's life insurance mathematical reserves cover contracts with financial risk borne by the policyholders, with related interest-rate guarantees provided by the insurance company. Suitable risk management policies have been put in place:
  - in the United States, dynamic hedging programs are implemented using derivatives to cover guaranteed minimum benefits and guaranteed annuities (guaranteed minimum income benefits). In addition, products featuring guaranteed annuities are currently reinsured at a rate of 50%.
    When these unit-linked products show a material risk of transfer to products that offer guaranteed-rate annuities, hedging programs that use derivatives are put in place.
- 17% of AXA's life insurance mathematical reserves cover products without guaranteed cash values upon surrender.

- The in force "With-Profit" policies of AXA UK are managed with a significant surplus of free assets, used to adjust performance over the duration of such policies while at the same time reflecting financial market performance in policyholders' revenues.
- Annuities in the payout phase are usually backed by fixed-income assets with maturities that match the underlying payout schedules, thereby avoiding reinvestment and liquidity risks.
- In the UK, surrender options on guaranteed-rate annuities are monitored through specific analyses and partially covered by interest-rate options.

– 11% of AXA's life insurance reserves are related to products offering one-year guaranteed rates that are updated every year. The risks in event of a sustained fall in interest rates are relatively limited for these types of products, which mainly concern certain French and Japanese contracts. Hedging derivatives programs are often implemented to cover long-term bonds from the risk of an increase of interest rates.

– 38% of AXA's life insurance reserves cover other products. These reserves cover both surrender guarantees and, in some cases, a guaranteed long-term rate. Related risks are managed in the following ways:
  - products that are not surrender-sensitive are usually backed by fixed-income investments whose maturities and interest rates are generally sufficient to cover guaranteed benefits so as to reduce the reinvestment risk as far as possible,
  - other products are managed with the surplus required to cover guarantees,
  - hedging programs that make use of derivatives may be set up to hedge the risk of a fall (floor) or a rise (cap) in interest rates.

Description and breakdown of Property & Casualty insurance reserves

Property & Casualty technical reserves breakdown is as follows:

	Technical reserves at December 31, 2004
Personal lines	
Motor	10,390
Property damage	2,324
Other	4,698
Sub-total	**17,412**
Commercial lines	
Motor	2,068
Property damage	2,244
Professional liability	5,004
Other	5,408
Sub-total	**14,724**
Other	**1,785**
International insurance	
Property damage	2,978
Motor, marine, aviation	2,624
Professional liability	3,437
Assistance	192
Other	1,121
Sub-total	**10,351**

The obligations of Property & Casualty insurance companies are much less dependent on asset values than those of Life & Savings companies. Consequently, market fluctuations are fully reflected in their net asset value and fully borne by the shareholder. However, long-tail activities are more sensitive to movements in financial markets. The principal market risks are as follows:

- A rise in bond yields reduces the value of bond portfolios, which may lead to a liquidity risk in these portfolios or a real loss of value if the rise in yields is related to a rise in inflation.
- Lower yields on fixed-income investments increase the value of bond portfolios, and therefore generally do not present a material risk, with the exception of certain contracts (disability and worker's compensation income) that provide guaranteed rates. On the other hand, a prolonged period of low yields would have an impact on the pricing of these products.
- Foreign exchange rate risk is relatively limited as commitments in foreign currencies are largely backed by assets in the same currencies.
- Inflation is a risk, since it increases the compensation payable to policyholders, with the effect that, if it is not adequately taken into consideration, actual claims payments may exceed the reserves set aside. This risk is particularly significant for long-tail businesses.

The investments of Property & Casualty insurance companies are therefore managed so as to optimize the return on assets while bearing in mind both the aforementioned risks and the requirements in terms of regulatory solvency and meeting commitments. A large portion of investments is made in liquid bonds, to ensure the payment of exceptional benefits and claims that may arise.

Once these factors have been taken into consideration, there is some capacity to make diversified investments (real estate or equity securities) that offer a natural hedge against inflation and optimizes yields while minimizing volatility risk.

Management processes

These processes are carried out in three stages. The first consists of defining general ALM organizational principles, allowing the most effective investment strategy. The second involves implementing investment processes and precise governance principles. The third consists of asset management companies applying the investment strategy.

ALM co-ordination

General organizational principles

The definition and co-ordination of ALM involves five major stages:

- Detailed analysis of the liability structure by insurance companies.
- Definition and proposal of a strategic asset allocation that factors in the long-term outlook as well as short-term constraints (see below).
- Validation of these strategic allocations by Group Risk Management.
- Implementation of these strategic allocations by insurance companies through the definition of management contracts with asset management companies.
- Stock-picking by asset management companies as part of management contracts.

Long-term outlook

Long-term analysis is carried out in order to model commitments resulting from insurance policies and to invest assets so that these commitments can be met with a high degree of confidence.

This work is carried out by Risk Management departments (local and central teams) and takes the form of detailed annual analyses that use consistent methods based on deterministic and stochastic scenarios. The aim of these analyses is to maximize the increase in economic value while complying with risk constraints. They are carried out by all significant Group entities, and provide the following information for the main product lines:

- The amount of assets needed to meet commitments in a specific proportion of cases depending on risk tolerance (for example, in 99% of cases over 10 years).
- The present value of future margins generated by insurance portfolios.

This information is compiled for AXA's insurance operations and for the Group, which allows strategic asset allocation to be monitored and adjusted if necessary.

Short/medium-term outlook

These analyses are designed to validate AXA's ability to satisfy capital adequacy requirements over the short and medium terms. These requirements are included as constraints in asset-liability analyses.

This process is based primarily on monitoring and analyzing local and consolidated capital adequacy and solvency margin requirements. It is intended to ensure that AXA complies with its regulatory commitments and makes optimum use of capital resources at all times.

In addition, AXA's insurance operations are subject to local regulatory requirements in most jurisdictions in which AXA operates. These local regulations prescribe:

- The category, nature and diversification (by issuer, geographical zone and type) of investments.
- The minimum proportion of assets invested in the local currency taking into account technical commitments denominated in this currency (congruence rule).
- In addition, subsidiaries perform simulations on the various regulatory constraints that they have to meet using extreme scenarios for assets (in terms of both the market value of equity securities and interest rate trends). Every six months, these models are sent to the Group's Finance Department, enabling it to assess the extent of each subsidiary's financial flexibility. The results are presented to the Finance Committee of AXA's Supervisory Board on a regular basis.
- ALM constraints are also taken into account when new products are being designed as part of the product approval process.

Monitoring investment processes

AXA manages its financial market risk as part of disciplined and organized investment processes.

As stated in the previous section, insurance subsidiaries are responsible for monitoring risks through the use of liability structure analysis and asset-liability matching techniques. They define strategic asset allocation policy, which is implemented by asset management companies appointed via investment management agreements. Insurance subsidiaries are responsible for monitoring and controlling the investment policy carried out on their behalf by these asset management companies.

Risks relating to investments are controlled through an appropriate governance structure and through reliable reporting procedures.

Governance

An Investment Committee, made up of managers from the financial and operational sides of the insurance company and also, in certain cases, representatives of its board of directors, approves investment strategy and assesses the quality of the results obtained.

The investment committees of significant entities systematically include representatives of the AXA Group, and of Group Risk Management in particular.

These investment processes are part of a broader Group-level framework, which includes:

- defining standards for managing investments and assessing asset-liability mismatch risk (see section above),
- consolidating market risks at Group level.

At Group level, an ALM Co-ordination Committee, supervised by the Group Chief Financial Officer, determines general asset-liability management policy guidelines and evaluates the results, which are then submitted to the Management Board and to the Finance Committee of AXA's Supervisory Board.

Reporting: quarterly asset reporting

Operating entities produce an asset allocation statement every quarter, to ensure that strategic allocations are being implemented. This allows regular monitoring of certain key ALM indicators.

This work is carried out by local teams and then consolidated by GRM to give an overview for the whole Group and to allow any required action to be taken.

Tactical allocation duties of Group asset management companies (AXA IM and Alliance Capital)

Asset management specialists, primarily AXA subsidiaries (AXA Investment Managers and Alliance Capital), are responsible for day-to-day management of investments. Processes have been put in place in these companies to manage investments without exceeding agreed risk tolerance thresholds stipulated by their client insurance companies in investment management agreements. This organization allows skills required in these activities to be available for the benefit of all Group insurance companies.

All products that involve hedging programs using derivative instruments are designed with the help of dedicated teams at AXA IM and Alliance Capital. This organization means that all entities benefit from the best possible expertise and a high level of legal and operational security in these transactions, which are sometimes complex.

Market risks: financial risks relating to the management of equity and debt

The main financial risks relating to the management of equity and debt are as follows:

- Interest-rate risk.
- Exchange-rate risk.
- Liquidity risk.

The risk of dividend restrictions or limitations on the ability to reduce reserves being imposed by authorities in the countries where AXA operates should also be mentioned. The Group's operating subsidiaries must comply with local regulations, particularly minimum solvency requirements. As a result, internal dividends pay-outs must take into account these constraints and possible future regulatory changes.

These risks are monitored and dealt with by the Group Central Finance Department. They are managed through independently-defined policies, in order to optimize investment performance.

For the purpose of optimizing investment performance and financial control, the Finance Department has introduced formal management standards, as well as guidelines for monitoring and assessing financial risks in order to measure the positions of each unit in a consistent manner. These standards have been validated by the Management Board.

Monthly reporting that consolidates interest rate, foreign exchange and liquidity exposures, as well as the interest expense of holding companies, is produced by the Finance Department. It reflects the reports submitted by subsidiaries, which are responsible for the quality of the data. This consolidated reporting includes medium-term forecasts.

Together with information about hedging strategies, reporting documents are sent regularly to the Finance Committee of AXA's Supervisory Board.

Interest-rate risk

Definition: interest-rate risk may result from:

- a mismatch between types of interest rates (fixed versus floating),
- a mismatch between floating rate benchmarks,
- a mismatch between floating rate renewal dates.

Interest rate policy: the policy is defined in order to monitor the medium term financial expenses variability and consequently to protect its future levels.

Assessment:

- Variability analyses measure the change in interest expense over the duration of the strategic plan following a 1% rise in short term interest rates.
- Interest rate sensitivity analyses measure changes in the value of the interest rate position following a 1% upward shift in the yield curve by currency and by maturity.

Exchange-rate risk

Definition: Exchange-rate risk results from a mismatch between the currency of an asset (particularly net foreign-currency investments of subsidiaries) and the currency in which it is financed.

Foreign exchange rate policy: The purpose of the policy is to determine the optimum proportion of foreign-currency-denominated liabilities providing a balance sheet hedge in order to protect AXA's net investments in its subsidiaries denominated in foreign currencies and thus Group consolidated shareholders' equity against currency fluctuations. It also designed to protect other key indicators such as gearing ratios, Embedded Value and solvency margins against such fluctuations.

Assessment: Exchange rate sensitivity analyses measure annual change in interest expenses resulting from a 10% appreciation in the euro against all other currencies together with the impact on the gearing ratio.

Liquidity risk

Definition: Liquidity risk results from a mismatch between the date on which an asset matures and the date on which a liability falls due.

Liquidity policy: The policy establishes the amount of confirmed credit lines required by AXA to weather a liquidity crisis and sets constraints on the debt maturity profile. In addition, normalized levels applied by the Group preserve its liquidity, particularly through a procedure for transferring assets eligible for the European Central Bank's tender operations.

Assessment: The maturity schedule of consolidated debt and credit lines available.

Management: Liquidity risk is managed carefully and conservatively by keeping a long maturity on financial resources –mostly subordinated debt– and by maintaining a large amount of confirmed credit facilities (around €5.4 billion at 31 December 2004). In particular, in July 2004, a syndicated credit line was finalized for AXA S.A. and AXA Financial, combining a €3.5 billion credit facility and a $650 million stand-by letter of credit. These facilities expire in July 2009, and have two one-year extension options. This financing was arranged with a view to the expiry of AXA SA's €3 billion syndicated loan in July 2005. It bolsters the Group's liquidity profile and allows it to benefit from current favorable conditions in the European credit market.

Furthermore, the Group's liquidity profile is bolstered by the following factors:

- The Group's financial strength gives it broad access to various different markets via standardized debt programs: for example €3 billion of commercial paper and a €5 billion EMTN program subject to documentation requirements.
- Constantly maintaining its vigilance regarding contractual documentation clauses that may be binding on the Group, helps AXA ensure that it is not exposed to default or early repayment clauses that may have a material adverse effect on its consolidated financial position.
- AXA holds significant liquidity amounting to €21.4 billion at December 31, 2004. Around 50% of this liquidity is managed within the AXA Trésorerie Europe economic interest grouping (GIE), which was specifically set up to centralize management of the liquidity held by units operating within the euro zone. This GIE reflects the solid liquidity position of the Group, since it had an average cash balance of around €11.2 billion in 2004, which was invested in a highly liquid portfolio with a very short maturity (43 days at end-2004).

Analysis of sensitivity to interest rates, equity prices and exchange rates

AXA performs sensitivity analyses to estimate Group exposure to movements in interest rates, equity prices and exchange rates. These analyses quantify the potential impact on the Group of adverse changes in financial markets.

The AXA Group analyses sensitivity to movements in interest rates and equity markets in two main ways.

On the one hand, it analyses variations in economic value (fair value of net assets and liabilities) resulting from movements in specific interest rates and equity markets. This involves estimating the variation in economic value on a given date, in this case 31 December 2004.

On the other hand, it analyses sensitivity of investment margins over a four-year period, based on various scenarios. Investment margins are expressed as a percentage of technical reserves.

These analyses cover AXA S.A., along with AXA's principal insurance subsidiaries in France, the United States, the United Kingdom, Belgium, Germany, Australia and Japan. At December 31, 2004, these subsidiaries represented more than 90% of AXA's consolidated invested assets and technical reserves within its insurance operations.

Sensitivity of economic value to variations in interest rates and equity markets

Interest rates

The purpose of these analyses is to estimate changes in the economic value of assets and liabilities in the event of a 100 basis point upward or downward shift in the yield curves in the country in which each subsidiary operates.

These analyses are performed without factoring in correlations with other financial market evolutions.

At December 31, 2003, calculations showed that a 100 basis point upward shift in the yield curve would lead to a fall in economic value of €0.5 billion. At December 31, 2004, without any major change in the method used, this analysis showed a fall in economic value of €0.7 billion. This sensitivity breaks down into negative effects of €0.4 billion for the Property & Casualty business, €0.6 billion for the Life & Savings business and a positive effect of € 0.3 billion resulting from a reduction in the economic value of Group debt.

Equity markets

The purpose of these analyses is to estimate changes in the economic value of assets and liabilities in the event of a 20% fall in the main equity markets.

Hypothetical falls of 20% in all world equity markets on December 31, 2004 would have reduced economic value in the scope under consideration by €3.3 billion. 30% of this fall would have affected the Property & Casualty business and 70% the Life & Savings business. This sensitivity is stable compared to the one estimated as at December 31, 2003 (€3.3 billion).

Sensitivity of investment margins

The AXA Group determines the sensitivity of its future investment margins using a number of scenarios over a four-year period.

Two such scenarios are: A 100 basis point rise in interest rates combined with a 20% fall in equity markets, and a 100 basis point fall in interest rates combined with a 20% fall in equity markets.

With respect to a central scenario that assumes investment margins equal to 103 basis points of invested assets during the period under consideration, the first scenario shows little change in investment margins during the period. In this scenario, investment margins fall by an average four basis points relative to invested assets during the period.

In the second scenario, investment margins fall by a slightly greater proportion, i.e. by 14 basis points relative to invested assets.

Sensitivity to exchange rate fluctuations

In order to calculate AXA's potential exposure to foreign currency fluctuations, fluctuations of the major foreign currencies were analyzed in terms of their impact on Group net income. The scenario that resulted in the most adverse effects for AXA was a decline in all currencies against the euro, or a rise in the euro against these currencies.

In 2004, a 10% increase in the euro against all other currencies would have had an approximately €36 million negative impact on AXA's net income, taking into account hedging, particularly on US dollar movements. The same scenario applied to 2003 could have resulted in a positive impact of €19 million on AXA's net income, taking into account the tax impact.

As a result, the sensitivity of AXA's income to movements in the euro is limited and stable over time. This results from the quality of hedging on the US dollar, which is the main contributor to group income after the euro.

Limitations to sensitivity testing

The results of the analyses presented above must be examined with caution due to the following factors.

- Only the assets and liabilities defined at the start of the section on sensitivity analyses were included in the scope of estimates regarding sensitivity of fair values to market fluctuations;
- the results of the sensitivity analysis do not reflect the impact of minority interests;
- the "snapshot" analyses presented do not take into consideration the fact that asset-liability management carried out by the various Group entities to minimize exposure to market fluctuations are active and dynamic strategies. As market indices fluctuate, these strategies may involve buying and selling investments, changing investment portfolio allocation or adjusting bonuses credited to policyholders;
- in addition, these sensitivity analyses do not take into account the impact of market changes on new business, which is a critical component of future profitability. AXA would reflect adverse market changes in the pricing of new products.

Other limitations of these sensitivity analyses include:

- the use of hypothetical market movements that do not necessarily represent management's view of expected future market changes;
- the assumption that interest rates in all countries move identically and that all global currencies move in tandem with the euro; and
- the lack of correlation between interest rates, equity prices and foreign currency exchange rates.

Taken together, these factors limit the ability of these analyses to accurately predict the actual trend in the fair value of assets and liabilities and in AXA's future earnings.

Credit risks

Counterparty credit risk is defined as the risk that a third party in a transaction will default on its commitments. Given the nature of its core business activities, AXA monitors two major types of counterparties, using methods suitable to each type:

- investment portfolios held by the Group's insurance operations (excluding assets backing contracts with financial risk borne by the policyholders where risk is transferred to policyholders) as well as by banks and holding companies. These portfolios give rise to counterparty risk through the bonds and derivative products held;
- receivables from reinsurers resulting from reinsurance ceded by AXA.

Invested assets

AXA has a database consolidating the Group's listed assets and analyzing them by issuer, by credit rating, sector and geographic region to assess the risk of concentration in its equity and bond portfolios. This database allows exposure to the default risk of a given issuer, particularly through holding its bonds, to be monitored. It also allows the monitoring of equity exposure, which is not subject to issuer-specific limits at Group level.

As regards bond issues, total issuer-specific exposure limits apply at Group level and at the level of each subsidiary. These limits depend on the issuer's risk, assessed via its credit rating and type (private, sovereign or quasi-sovereign).

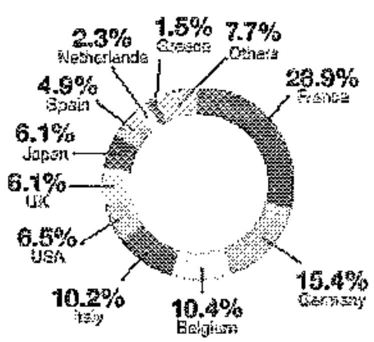
These tools enable Group Risk Management to ensure that these limits are complied with, to analyze potential significant breaches, and to examine any formal requests for special dispensation. The ALM Co-ordination Committee is regularly kept informed of the work performed.

These tools also enable co-ordinated contingency measures to be taken for the most sensitive counterparties.

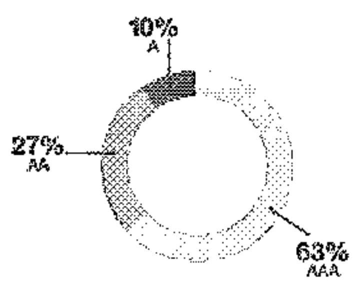
Based on management data at 31 December 2004, the bond portfolio breaks down as follows:

Bonds issued by sovereign states or similar (government-related) account for 57% of the Group's bond exposure. Their breakdown by credit rating and geographical zone is as follows:

BREAKDOWN OF "SOVEREIGN AND GOVERNMENT RELATED" BONDS BY ISSUER COUNTRY OF ORIGIN

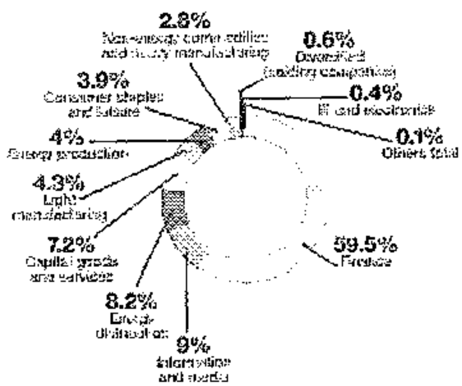


"SOVEREIGN AND GOVERNMENT RELATED" BONDS BY RATING

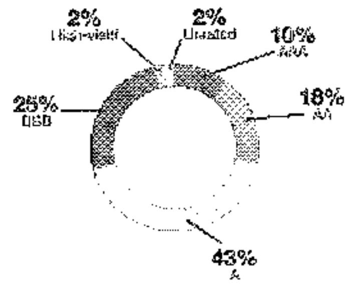


Corporate bonds make up 43% of the Group's bond exposure, and their breakdown by rating and industry is as follows.

BREAKDOWN OF CORPORATE BONDS BY INDUSTRY



CORPORATE BONDS BY RATING



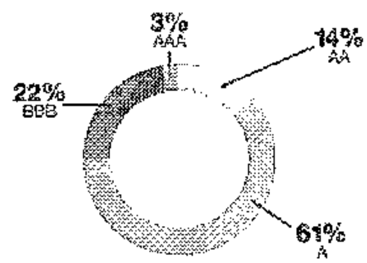
Credit risk diversification and analysis policies, particularly using credit ratings, are implemented by investment departments and monitored by Risk Management teams.

Credit Derivatives

The AXA Group, as part of its investment and credit risk management activities, may use strategies that involve credit derivatives. The credit risk taken by the AXA Group through these instruments is included in analyses of bond portfolios. Limits applied to issuers take into account these credit derivative positions.

At 31 December 2004, the nominal amount of positions taken through credit derivatives was €4.6 billion. The breakdown of underlying bonds by rating is as follows:

BREAKDOWN OF CDSs BY RATING OF UNDERLYING SECURITY



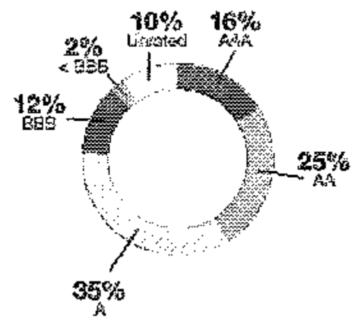
Receivables from reinsurers: rating processes and factors

To manage the risk of reinsurer insolvency, a security committee is in charge of assessing reinsurer quality and acceptable commitments. The committee is run by AXA Cessions, the AXA subsidiary in charge of placing the Group's property and casualty insurance with external reinsurers. This risk is monitored by comparing the various financial strength ratings available on various reinsurers as well as by conducting in-depth analyses of the recoverability of receivables in the event of reinsurer insolvency. The teams in charge of the Group reinsurance program analyze this information to add a credit risk dimension to their work in placing insurance and transferring risk to the reinsurers. The security committee meets monthly - and more frequently during renewal periods - and decides on any action to be taken with the aim of limiting AXA's exposure to the risk of default by any of its reinsurers.

Furthermore, AXA summarizes and analyzes its exposure to all reinsurers (including captive reinsurers) by factoring in all positions with reinsurers (claims, premiums, reserves, deposits, pledges and security deposits).

At December 31, 2004, based on rating data, the breakdown of reserves ceded to reinsurers by reinsurer rating was as follows:

BREAKDOWN OF RESERVES CEDED TO REINSURERS BY RATING UNRATED



Item 12: Description of Securities other than Equity Securities

Not applicable.

PART II

Item 13: Defaults, Dividend Arrearages and Delinquencies

Not applicable.

Item 14: Material Modifications to the Rights of Security Holders and Use of Proceeds

Not applicable.

Item 15: Disclosure Controls and Procedures

As of December 31, 2004 (the "Evaluation Date") the Company conducted an evaluation, pursuant to Rule 13a-15 promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), of the effectiveness of the design and operation of its disclosure controls and procedures. Based on this evaluation, the Company's chief executive officer and chief financial officer concluded that as of the Evaluation Date such disclosure controls and procedures were effective.

Since the Evaluation Date, there have been no significant changes in the Company's internal control over financial reporting that occured during the period covered by this Annual Report that has materially affected, or is reasonable likely to materially affect, the Company's internal controls over financial reporting.

Item 16

A) Audit Committee Financial Expert

AXA's Supervisory Board has created an Audit Committee which operates in accordance with an Audit Committee Charter that defines the Committee's responsibilities. AXA's Supervisory Board has reviewed the qualifications of all Audit Committee members and believes, based on their considerable business and financial experience, that all members of the Committee are financially literate, have the requisite experience and qualifications to fulfill their duties as Audit Committee members and would come withing the definition "financial experts" as set forth in the instructions to Item 16A. For additional information concerning the Audit Committee including the scope of its responsibilities, its composition and the business experience and qualifications of its members, please see Item 6 of this Annual Report.

B) Code of Ethics

In February 2004, AXA's Supervisory Board adopted the AXA Group Compliance Guide which includes, among other policies, a Code of Ethics that applies to directors, officers and employees of AXA Group companies worldwide, including AXA's principal executive, financial and accounting officers. Since its adoption, no amendments have been made to and no waivers have been granted in respect of the Code of Ethics.

The Group Compliance Guide is posted on AXA's website:

–www.axa.com/lib/en/uploads/refdoc/compliance/AXA_ComplianceGuide_2004.pdf

In the event the company amends its code of ethics or grants a waiver that would otherwise require disclosure in its 20-F, the Company will instead disclose the required information of the website above.

C) Principal Accountant Fees and Services

Fees and Services

PricewaterhouseCoopers (PwC) has served as AXA's independent public accountant for each of the fiscal years in the three-year period ended December 31, 2004 with respect to the audited financial statements that appear in this Annual Report, including the reconciliation from French GAAP to U.S. GAAP.

The following table presents the aggregate fees for audit and permitted non-audit services rendered by PwC to AXA and its consolidated subsidiaries in 2004 and 2003:

(in euro millions)	2004	2003
Audit fees	22.7	19.9
Audit related fees	7.0	4.8
Tax fees	4.5	3.1
Other fees for non-audit services	0.5	0.4
Total	**34.7**	**28.2**

Important note : these amounts include fees, costs and VAT where applicable.

In addition to the foregoing fees, PwC has received audit fees related to the audit of affiliated mutual funds which amounted to approximately €7.1 million for the year ended December 31, 2004 and approximately €6.9 million for the year ended December 31, 2003.

Audit fees consist of fees billed for the audit of AXA's consolidated financial statements of AXA and its subsidiaries, audits of subsidiary financial statements (including statutory audits required by local law), review of interim financial statements and other procedures required to be performed by PwC in connection with these reviews and/or the issuance of its audit opinions. Audit fees also include fees for services performed by PwC that are closely related to the audit and in many cases could only be provided by our independent auditors. Such services include comfort letters and consents provided in connection with capital raising activities, certain reports, attestations, or similar documents relating to regulatory filings by AXA and its subsidiaries, reviews of AXA's internal controls, including reviews and testing of information systems, and consultations relating to periodic audit or reviews.

Audit related fees consist of fees billed by PwC for services that are related to the performance of the audit or review of the consolidated financial statements of AXA and its subsidiaries. Audit related services include due diligence services in connection with potential business acquisitions or disposals, accounting consultations related to accounting standards, financial reporting or disclosure matters not classified as audit services, including assistance with understanding and implementing new accounting and financial reporting guidelines, audits of employee benefit plans, specific agreed upon procedures required from time to time in order to respond to requests or questions from regulatory authorities or to comply with financial reporting or other regulatory requirements and assistance with internal control reporting arrangements.

Tax fees consist fees billed for tax compliance, tax planning and advice, expatriate tax services and similar tax services.

Other fees for non-audit services consist fees billed for non-audit services permitted by the SEC's auditor independence rules and which the Audit Committee has determined do not otherwise impair the auditor's independence or judgment, including advisory services with respect to non-financial systems including risk and control assessments, and expatriate administration services.

Audit Committee Pre-approval Policies and Procedures

The Audit Committee is responsible, to the extent permitted by French law, for the appointment, compensation, retention and oversight of AXA's independent auditors. As part of this responsibility, the Audit Committee pre-approves all permitted audit and non-audit services performed by the independent auditor, in order to assure that these services do not impair the auditor's independence or judgment.

AXA's Audit Committee has adopted a policy requiring pre-approval of all audit and permitted non-audit services provided by the independent auditor. The policy identifies the guiding principles that must be considered by the Audit Committee in approving services to ensure that the independent auditor's independence is not impaired; describes the audit, audit related, tax and other non-audit services that may and may not be provided; and sets forth the pre-approval requirements for all permitted services. The policy provides for general pre-approval of certain specified permitted services up to €200,000 per engagement and requires specific pre-approval for engagements exceeding that amount and for all other permitted services. The Audit Committee has also delegated to its Chairman the authority to address requests for pre-approval of certain specified permitted services with fees up to a maximum of €1,000,000 between Audit Committee meetings. With respect to PwC, the policy provides that AXA Group companies may engage PwC only for audit services, certain types of audit related services, and certain tax services.

D) Exemptions from the Listing Standards for the Audit Committees

Not applicable.

E) Purchase of Equity Securities by the Issuer and Affiliated Purchasers

The table below sets forth the information with respect to the purchases of AXA ordinary shares for the year ended December 31, 2004, by or on behalf of AXA or any "affiliated purchaser", as such term is defined in Rule 10b-18(a)(3) under the Securities Exchange Act of 1934, as amended. This table does not include purchases among "affiliated purchasers", as such term is defined in Rule 10b-18 (a)(3) under the Securities Exchange Act of 1934, as amended.

Year 2004	(a) Total Number of Shares (or Units) Purchased	(b) Average Price Paid per Share (or Unit)	(c) Total Number of Shares (or Units) Purchased as Part of Publicity Announced Plans & Programs	(d) Maximum Number of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs
January 1st to January 31st	0	–	0	149,160,549
February 1st to February 29th	0	–	0	149,160,549
March 1st to March 31st	0	–	0	149,160,549
April 1st to April 30th	0	–	0	149,160,549
May 1st to May 31st	0	–	0	149,160,549
June 1st to June 30th	0	–	0	149,160,549
July 1st to July 31st	0	–	0	149,160,549
August 1st to August 31st	0	–	0	149,160,549
September 1st to September 30th	0	–	0	149,160,549
October 1st to October 31st	0	–	0	149,160,549
November 1st to November 30th	6,749,953[1]	EUR 17.71	0	149,160,549
December 1st to December 31st	0	-	0	149,160,549
TOTAL	**6,749,953**	**EUR 17.71**	**0**	**149,160,549**

(1) Purchases made on the open-market.

PART III

Item 17: Financial Statements

Not applicable

Item 18: Financial Statements

The Consolidated Financial Statements also include:

Financial Statement Schedule:

Report of independent Registered Public Accounting Firm

To the supervisory board and shareholders of AXA:

We have audited the accompanying consolidated balance sheets of AXA and its subsidiaries (together, the "Company") as of December 31, 2004, 2003 and 2002 the related consolidated statements of income, of shareholders' equity, and of cash flows for each of the three years in the period ended December 31, 2004, all expressed in Euro. In addition, we have audited the financial statement schedule. These consolidated financial statements and the financial statement schedule ("the statements") are the responsibility of the Company's management. Our responsibility is to express an opinion on these statements based on our audits.

We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company at December 31, 2004, 2003 and 2002 and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2004 in conformity with accounting principles generally accepted in France. In addition, in our opinion, the financial statement schedule presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

As discussed in note 2 and note 3 to the consolidated financial statements, the Company changed its method of accounting for and presenting certain items, as discussed therein.

Accounting principles generally accepted in France vary in certain significant respects from accounting principles generally accepted in the United States of America. Information relating to the nature and effect of such differences is presented in note 33 and note 34 to the consolidated financial statements.

Paris, France
June 15, 2005

PricewaterhouseCoopers Audit

Yves Nicolas

Michael P. Nelligan

AXA CONSOLIDATED BALANCE SHEETS (in euro millions)

Notes		At December 31, 2004	2003	2002
4	**Goodwill**	**12,423**	**12,874**	**14,407**
5	Value of purchased life business inforce	2,993	2,814	3,224
	Other intangible assets	629	556	701
	Total other intangible assets	**3,622**	**3,370**	**3,925**
	Real estate	11,702	11,727	12,714
	Investments in participating interests	2,292	2,797	3,784
	Fixed maturities	157,959	147,811	147,750
	Equity investments	69,008	61,823	57,303
	Mortgage, policy and other loans	18,156	17,009	18,265
6	**Total investments from insurance activities**	**259,116**	**241,167**	**239,816**
7	**Assets backing contracts with financial risk borne by policyholders**	**113,786**	**101,002**	**90,458**
6	**Total investments from non-insurance activities**	**8,962**	**8,100**	**9,024**
8	**Investment in affiliated companies (equity method)**	**871**	**1,254**	**2,093**
	Reinsurers' share of insurance liabilities	7,885	8,470	9,910
	Reinsurers' share of liabilities backing contracts with financial risk borne by policyholders	12	19	20
15	**Reinsurers' share of insurance liabilities**	**7,897**	**8,489**	**9,930**
9	**Receivables from insurance and reinsurance activities**	**10,562**	**11,680**	**14,003**
	Receivables (bank customers)	9,520	8,817	7,889
	Receivables (other)	3,633	3,973	3,477
	Receivables from non-insurance activities	**13,152**	**12,790**	**11,367**
10	**Cash and cash equivalents**	**21,363**	**19,428**	**17,592**
	Tangible assets	1,139	1,243	1,239
	Other tangible assets	5,638	7,680	7,241
	Other assets	**6,777**	**8,922**	**8,480**
11	Deferred acquisition costs	11,954	10,993	10,965
	Other prepayments and deferred charges	10,476	9,163	12,599
	Prepayments and accrued income	**22,430**	**20,156**	**23,563**
	TOTAL ASSETS	**480,961**	**449,233**	**444,657**

The accompanying notes are an integral part of these consolidated financial statements.

AXA CONSOLIDATED BALANCE SHEETS (contined) (in euro millions)

Notes		At December 31, 2004	2003	2002
	Ordinary shares of €2.29 nominal value per share	4,370	4,072	4,035
	2,032 million authorized shares and 1,908 million issued and outstanding shares at December 31, 2004 (2003: 1,895 million authorized shares and 1,778 million issued and outstanding shares).			
	Capital in excess of nominal value	15,348	13,984	13,824
	Retained earnings and reserves brought forward	3,919	4,340	4,902
	Net income for the financial year	2,519	1,005	949
12	**Shareholders' equity**	**26,157**	**23,401**	**23,711**
	Minority interests share in:			
	–Retained earnings and reserves brought forward	1,885	2,226	2,444
	–Net income for the financial year	321	243	368
13	**Minority interests**	**2,206**	**2,469**	**2,812**
	Total minority interests and shareholders' equity	**28,363**	**25,870**	**26,523**
14	**Subordinated debt**	**9,235**	**8,453**	**8,300**
15	**Insurance liabilities, gross of reinsurance**	**272,160**	**259,532**	**263,172**
15	**Liabilities backing contracts with financial risk borne by policyholders**	**113,998**	**101,069**	**90,011**
16	**Provisions for risks and charges**	**7,197**	**6,918**	**9,775**
9	**Payables arising from insurance and reinsurance activities**	**7,437**	**8,312**	**8,299**
	Payables (bank customers)	12,220	11,563	10,656
	Payables (other)	18,509	15,727	15,656
	Payables arising from non-insurance activities	**30,729**	**27,290**	**26,313**
18	**Non-subordinated debt instruments issued**	**3,639**	**5,156**	**4,682**
19	**Amounts owed to credit institutions**	**5,172**	**3,851**	**5,018**
	Accrued expenses	**3,031**	**2,784**	**2,564**
	TOTAL LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY	**480,961**	**449,233**	**444,657**

The accompanying notes are an integral part of these consolidated financial statements.

AXA OFF BALANCE SHEET COMMITMENTS

Notes		(in euro millions) At December 31, 2004	2003	2002
26	**Other commitments received**			
	– Insurance activities	5,380	4,684	4,773
	–Banking activities	11,758	10,121	7,873
	–Other activities	7,239	6,298	5,693
	Total	**24,377**	**21,103**	**18,338**
26	**Other commitments given**			
	–Insurance activities	6,724	6,563	4,643
	–Banking activities	9,754	8,419	9,848
	–Other activities	2,472	2,741	1,635
	TOTAL	**18,950**	**17,723**	**16,126**

The accompanying notes are an integral part of these consolidated financial statements.

AXA CONSOLIDATED STATEMENTS OF INCOME

Notes		(in euro millions, except per ordinary share amounts) Years ended December 31, 2004	2003	2002
	Revenues			
	Gross written premiums	67,407	67,306	69,723
	Revenues from banking activities	791	820	1,012
	Other revenues	3,966	3,503	3,992
32	**Gross Premiums and Financial Services Revenues**	**72,164**	**71,628**	**74,727**
	Change in unearned premium reserves	47	320	(382)
20	Net investment result	25,562	26,935	(8,713)
	Total Revenues	**97,773**	**98,883**	**65,632**
	Insurance benefits and claims	(77,145)	(81,317)	(47,922)
21	Reinsurance ceded, net	(1,064)	(1,113)	(523)
22	Insurance acquisition expenses	(6,239)	(5,798)	(5,891)
	Bank operating expenses	(454)	(502)	(600)
22	Administrative expenses	(7,704)	(7,567)	(8,098)
	Total Benefits, Claims and other deductions	**(92,606)**	**(96,296)**	**(63,034)**
	Income before income tax expense	**5,167**	**2,587**	**2,597**
23	Income tax expense	(1,372)	(536)	(426)
8	Equity in income from affiliated entities	76	41	23
4	Goodwill amortization, net	(1,031)	(844)	(877)
13	Minority interests	(321)	(243)	(368)
	Net Income	**2,519**	**1,005**	**949**

Note: In 2004, the foreign exchange impact on net income amounted to €(92) million (2003: €(79) million, 2002: €+79 million).

The accompanying notes are an integral part of these consolidated financial statements.

AXA CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (in euro millions, except number of shares)

	Ordinary shares			Retained		
	Number in millions	Nominal value	Capital in excess of nominal value	earnings and reserves brought forward	Net income for the financial year	TOTAL
Balance at December 31, 2001	**1,734.2**	**3,971**	**13,627**	**(796)**	**7,976**	**24,780**
– Employee stock purchase program (July and December 2002)	27.2	62	192	–	–	254
– Exercise of share options	0.8	2	6	–	–	8
– Cash dividends	–	–	–	(1,117)	–	(1,117)
– Impact of foreign currency fluctuations	–	–	–	(1,197)	–	(1,197)
– Other	–	–	–	34	–	34
– Net Income	–	–	–	–	949	949
Balance at December 31, 2002	**1,762.2**	**4,035**	**13,824**	**(3,076)**	**8,925**	**23,711**
– Employee stock purchase program (July and December 2003)	15.1	35	154	–	–	189
– Exercise of share options	0.8	2	6	–	–	8
– Cash dividends [(a)]	–	–	–	(680)	–	(680)
– Impact of foreign currency fluctuations	–	–	–	(985)	–	(985)
– Other [(b)]	–	–	–	154	–	154
– Net Income	–	–	–	–	1,005	1,005
Balance at December 31, 2003	**1,778.1**	**4,072**	**13,984**	**(4,587)**	**9,930**	**23,401**
– Employee stock purchase program (July and December 2004)	18.9	43	211	–	–	255
– Exercise of share options "ORAN"	110.2	252	1,144	–	–	1,396
– Exercise of share options	1.2	3	8	–	–	11
– Cash dividends	–	–	–	(676)	–	(676)
– Impact of foreign currency fluctuations [(c)]	–	–	–	(750)	–	(750)
– Other	–	–	–	1	–	1
– Net Income					2,519	2,519
Balance at December 31, 2004	**1,908.4**	**4,370**	**15,347**	**(6,012)**	**12,449**	**26,158**

(a) Includes the cash dividend paid of €599 million and the related supplemental tax charge of €81 million (2002: €971 million and €146 million respectively).

(b) Including €181 million in counterpart of an exceptional amortization of a goodwill which was offset against shareholders' equity in 1997 at the time of purchase of Germany operations by the Group. This exceptional amortization of goodwill has been posted following the release of a provision set-up at the time of acquisition, this release was due to the disposal, during 2003, of KölnischeRückversicherung JV to General Re.

(c) The impact of foreign exchange fluctuations are mainly due to the tax effect on hedging for €–530 million (€–338 million at January 1, 2004 and €–191 million relating to 2004). Net of hedge, the impacts of exchange rate fluctuations before tax are mainly due to the US (€–110 million), the UK (€–25 million), and Morocco (€–40 million).

For further information on the movements in shareholders' equity in the current period see note 12.

The accompanying notes are an integral part of these consolidated financial statements.

AXA CONSOLIDATED STATEMENTS OF CASH FLOWS (in euro millions)

	Years ended December 31, 2004	2003	2002
Net Income	**2,519**	**1,005**	**949**
Adjustments to reconcile net income to net cash provided by operating activities:			
Net investment gains/losses	(1,264)	(1,913)	3,343
Minority interests	321	243	368
Depreciation and amortization expense	62	3,117	1,621
Change in insurance liabilities	12,147	13,574	8,517
Net change in banking activities including broker-dealer receivables & payables	(0)	0	1
Net change in repurchase agreements	57	(80)	627
Other [(a)]	4,263	(608)	(1,098)
Net cash provided by operating activities	**18,106**	**15,339**	**14,328**
Cash flows from investing activities [(b)]:			
Maturities and sales:			
Fixed maturities	61,791	63,370	60,800
Equity investments	30,841	19,198	22,361
Real estate	1,514	1,174	2,217
Loans and other	4,062	4,081	4,964
Purchases:			
Fixed maturities	(69,159)	(68,845)	(68,633)
Equity investments	(35,563)	(24,596)	(22,398)
Real estate	(902)	(725)	(1,244)
Loans and other [(c)]	(8,068)	(6,527)	(8,531)
Net purchases of property and equipment	(186)	(230)	(316)
Net cash used in investing activities	**(15,671)**	**(13,100)**	**(10,780)**
Cash flows from financing activities:			
Long term debt and borrowings	(1,660)	830	(24)
Subordinated debt and mandatorily convertible bonds and notes	1,022	614	(810)
Issuance of ordinary shares [(d)]	1,675	196	262
Dividends	(927)	(1,006)	(1,553)
Net cash (used in) provided by financing activities [(e)]	**110**	**634**	**(2,126)**
Net impact of foreign exchange fluctuations	(360)	(696)	(768)
Change in cash due to change in scope of consolidation	131	(280)	(157)
Net (decrease) increase in cash and cash equivalents	2,316	1,897	497
Cash and cash equivalents beginning of year (net)	18,412	16,515	16,018
Cash and cash equivalents end of year (net) [(c) (d)]	**20,728**	**18,412**	**16,515**
Supplemental cash flow information: continuing and discontinued operations			
Interest paid	1,024	829	894
Income taxes paid	732	300	118
Supplemental cash flow information: continuing operations			
Interest paid	1,024	829	894
Income taxes paid	732	300	118

(a) *Includes the net change in other debtors and other creditors, including reinsurance deposit.*

(b) *Includes the cost of acquisitions and proceeds from sale of subsidiaries.*

(c) *Includes net movements in assets backing contracts with financial risk borne by policyholders (unit-linked) in 2004 for €4,778 million (2003: €4,763 million, and 2002: €4,918 million).*

(d) *As the result of successful completion of the merger of MONY with AXA Financial Inc., the ORANs redeemable into either shares or cash issued by AXA in September 2003 to finance the MONY acquisition were redeemed on July 22, 2004 by the issuance of 110,245,309 new AXA Shares. There was no significant non-cash transactions in 2003 and 2002*

(e) *Represents cash and cash equivalents net of bank overdrafts. Cash and cash equivalents are presented in the balance sheet gross of bank overdrafts, which are presented separately in liabilities under the balance sheet caption "Amounts owed to credit institutions" Gross cash and cash equivalents at December 31, 2004, 2003 and 2002 totaled €18,013 million, €19,428 million, and €17,592 million respectively*

The accompanying notes are an integral part of these consolidated financial statements.

1. Financial Statement Presentation

General principles

AXA, a French "société anonyme" (the "Company" and, together with its consolidated subsidiaries, "AXA" or "the Group"), is the holding (Parent) Company for an international financial services group focused on financial protection, insurance and asset management. The list of AXA's consolidated entities is provided in note 3.

The consolidated financial statements of AXA have been translated into English from those published in French and include additional disclosures required by the U.S. Securities and Exchange Commission ("SEC") primarily included in notes 6, 17, 27, 28, 29, 30, 31, 33 and 34 to the consolidated financial statements.

AXA's consolidated financial statements are prepared as at December 31. Certain entities within AXA have a reporting year-end that does not coincide with December 31, in particular AXA Life Japan and its insurance subsidiaries, which have a September 30 financial year-end.

Foreign Exchange Translation

Assets and liabilities of subsidiaries denominated in non-euro currencies, being the functional currency of the local subsidiary, were translated into euro using year-end spot foreign exchange rates. Revenues and expenses transacted in foreign currencies were translated into euro using the average exchange rate for the accounting period. The impact of foreign exchange rates is recorded within consolidated shareholders' equity.

Changes in presentation

There were no changes in presentation in 2004, 2003 and 2002.

2. Significant Accounting Policies

General Accounting Principles

The consolidated financial statements are prepared in accordance with generally accepted accounting principles in France (referred to as "French GAAP"). French GAAP is based on the:

- French Law of January 3, 1985 and its decree of application regarding consolidation; and
- Regulations issued by the French Accounting Regulations Committee ("Comité de la Réglementation Comptable" or CRC) including the new regulation 2000-05 that became effective on January 1, 2001 and introduced certain

new accounting and disclosure principles for preparing and presenting the consolidated financial statements of an insurance company.

In certain material respects, French GAAP differs from generally accepted accounting principles in the United States of America ("U.S. GAAP"). A description of the significant differences between French GAAP and U.S. GAAP, a reconciliation of AXA's consolidated net income and shareholders' equity to U.S. GAAP for each of the three years ended December 31, 2004 and at December 31, 2004 and 2003 are included in notes 33 and 34.

Changes in Accounting Principles under French GAAP

Changes in accounting principles in 2004

In 2004, in accordance with the French Financial Security Act ("Loi de Sécurité Financière") 2003-706 of 1 August 2003, the CRC adopted regulation 2004-03 of 4 May 2004, which modifies regulation CRC regulation 2000-05. Under this new regulation, special-purpose entities that are controlled in substance must be consolidated. Under the new CRC regulation, the ownership of at least one equity security in the SPE is no longer needed for consolidation to be required. However, the new regulation did not remove specific exclusions concerning entities such as OPCVM mutual funds and SCI non-trading real estate companies. Through opinion 2004-D of 13 October 2004, the "Emergency Committee" ("Comité d'urgence") of the French standard-setter ("Conseil National de la Comptabilité" or CNC) set out situations in which the retention of decision-making powers is no longer presumed for securitization operations. AXA applied these regulatory requirements in 2004.

Also in 2004, the CRC adopted regulation 2004-02, which modifies the rules for recognizing forward financial instruments by insurance companies.

In opinion 2004-14 of 23 June 2004, the CNC confirmed that provisions for liquidity risk must be eliminated from consolidated financial statements.

These last two regulatory changes have no impact on the Group's financial statements.

Changes in accounting principles in 2003

There were no changes in accounting principles adopted in 2003, whose impact was material for the Group.

On December 12, 2002, regulation 02-10 was issued by the French Accounting Regulation Committee "Comité de la réglementation Comptable" or CRC) in respect of depreciation and impairment of assets. In 2003, this regulation came into force following transitional provisions issued by the "Emergency Committee" of the French Standard setter ("Comité d'urgence du Conseil National de la Comptabilité" or CNC), and modified by CRC regulation 03-07 issued on December 12, 2003. In respect of goodwill, AXA already applies this regulation. The methodology used is described in the following pages under the paragraph *Valuations of assets – Goodwill*. Due to AXA's activities, the other provisions set out by this regulation had no significant impact on AXA's consolidated financial statements.

Also in 2003, the French standard setter ("Conseil National de la Comptabilité" or CNC) announced the terms for evaluating liabilities relating to pensions and similar benefits in the form of recommendation 2003-R.01 of April 1, 2003. This recommendation did not impact AXA's consolidated financial statements (see section *Valuation of liabilities-Provisions for risks and charges* below).

Effective from January 1, 2002, AXA has applied CRC regulation 2000-06 in respect of recognizing liabilities and regulation 2002-09 in respect of derivative instruments accounting for companies governed by the French insurance code. The introduction of these regulations did not impact AXA's consolidated financial statements.

Changes in accounting principles in 2002

Effective from January 1, 2002, AXA is required to comply with regulation No. 2000-06 issued by the French Accounting Regulations Committee (the Comité de la Réglementation Comptable) in respect of recognizing liabilities. This new regulation did not impact AXA's consolidated financial statements. There were no other changes in accounting principles adopted in 2002.

Use of Estimates

The preparation of consolidated financial statements in conformity with French generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements as well as the reported amounts of revenues and expenses for the accounting period. Changes in such estimates and assumptions may affect the amounts reported and disclosed in future periods.

Basis of Consolidation

Companies in which AXA exercises controlling influence are **fully consolidated.** Controlling influence is presumed when AXA directly or indirectly holds at least 40% of the voting rights and no other shareholder directly or indirectly holds a percentage interest greater than that held by AXA.

Companies in which AXA directly or indirectly holds 20% or more of the voting rights and for which AXA and other shareholders have agreed to exercise joint controlling influence are **proportionately consolidated.**

Companies in which AXA exercises significant long-term influence, that is, affiliated companies, are accounted for as an investment using the **equity method** of accounting. Significant influence is presumed when AXA directly or indirectly holds 20% or more of the voting rights or when significant influence is exercised through an agreement with other shareholders. Certain entities are also accounted for as investments under the equity method if their contribution to revenue, net income or net financial position is not significant.

Investments in mutual funds, investment and real estate companies principally held by AXA's insurance entities are not consolidated but accounted for at cost, if the exclusion from consolidation does not impact the true and fair presentation of AXA's consolidated financial position or operating results.

Subsidiaries and investments in affiliates are accounted for at cost rather than being consolidated if the following conditions are met:

- the entity is held for sale from the date of acquisition,
- the subsidiary does not have a material impact on AXA's consolidated financial position and consolidated operating results, or
- the information required to prepare the consolidated financial statements cannot be readily obtained, either for reasons of cost or timeliness of preparing such information.

Shares of consolidated entities which are backing contracts with financial risk borne by policyholders (unit-linked), are included in the calculation of AXA's controlling interest but are excluded from the calculation of the percentage of ownership interest

In accordance with CRC regulation 2004-03 of 4 May 2004, special purpose entities that are controlled in substance are now consolidated, with the exception of entities covered by specific exclusions set out in section 1011 of regulation 2000-05. At 31 December 2004, and under this regulation, the Acacia securitization vehicle ("Fonds Commun de Créance") was consolidated within the activities of AXA France Life (AXA France Vie). The main impact of this was a €250 million increase in AXA other debts, as a counterpart entry for an increase in receivables resulting from insurance operations. Other SPVs controlled in substance by the Group, resulting from sales of receivables and with the purpose of issuing securities whose redemption is backed by acquired receivables – known as Collateralized Debt Obligations or CDOs – are not consolidated. This is because their nature and activities are similar to those of mutual funds representing technical commitments to policyholders, in addition they are partly owned by mutual funds backing technical commitments, finally the risk supported by AXA is limited to its investment in these entities.

Business Combinations: Purchase Accounting and Goodwill including acquisitions of Minority Interests

Business acquisitions are generally accounted for using the purchase method of accounting under both French GAAP and U.S. GAAP. Certain business combinations can be accounted as a merger under Article 215 of the new French regulations, so long as specific criteria are met.

Valuation of assets acquired and liabilities assumed

Upon consolidation, the identifiable assets and liabilities of the acquired company are recorded at their estimated fair value. However, the insurance liabilities are maintained at the predecessor's carrying value at the date of the acquisition if the measurement basis is consistent with AXA's accounting principles. In conjunction with purchase accounting relating to acquired life insurance operations, an asset is recorded corresponding to the present value of estimated future profits emerging on purchased life insurance business in-force at the date of acquisition (also referred to as value of purchased life insurance business in-force or VBI). The present value of future profits is estimated using actuarial assumptions based on anticipated experience. This experience is determined as of the purchase date using a discount rate that includes a risk premium. Other intangible assets such as trademarks or market shares are not recognized, unless they can be valued reliably and on the basis of objective criteria.

Acquisitions of minority interests

In respect of acquisitions of minority interests in an existing consolidated entity, the portion of assets acquired and liabilities assumed are maintained at their existing net carrying values at the date of acquisition and not adjusted to reflect their estimated fair values.

Determination of purchase price

The purchase price includes the direct costs and external fees related to the transaction, including the costs of settling or exchanging the target company's outstanding employee share options (applicable to all acquisitions including acquisitions of minority interests). If the transaction is based in a foreign currency, the impact of the foreign currency is included in the purchase price at the date of the transaction or the initial date of the transaction (if it occurs over a period of time).

Goodwill

The difference between the purchase price and the net assets acquired represents goodwill. Positive goodwill, that is, where the purchase price is greater than the identifiable assets acquired, is recorded as an asset.

If goodwill is negative, the following adjustments are made:

- acquisition of a company that was not previously consolidated: the estimated fair value is decreased to the extent necessary to eliminate such excess,
- increase in interest of ownership interest of an existing consolidated company; the net carrying value of the assets are reviewed and decreased in value where appropriate, with the remaining negative goodwill offset against any pre-existing goodwill asset arising from previous partial acquisitions of the company in question.

Any excess remaining after the adjustments above is recorded as a liability and is referred to as negative goodwill. Revisions can be made to goodwill until the end of the fiscal year end following the year of the acquisition, if new information becomes available.

Goodwill recorded is allocated (i) to the companies or portfolios of business acquired in respect of importance in the market and their expected profitability, and (ii) to the segments and entities within the AXA Group that will benefit from the activities acquired.

For acquisitions undertaken prior to January 1, 2001, when new shares were issued by the Company to partly finance an acquisition, a portion or all of the goodwill could be charged directly to retained earnings and reserves (to the extent of the portion financed by the issue of new shares). Effective from January 1, 2001, this treatment is no longer permitted and was not subject to a retroactive adjustment upon adoption of the new French regulations in 2001.

Intercompany transactions

From 1st January, 2001, the entire effect of intercompany transactions is eliminated upon consolidation unless there are other-than-temporary losses, which are usually recorded immediately.

When an asset is disposed of internally and not intended for long-term holding within AXA's asset portfolios:

- the tax corresponding to the realized capital gain or loss is eliminated upon consolidation through a deferred tax adjustment recorded in the balance sheet,
- the same applies to the potential policyholder benefit in respect of the disposal gain or loss (a deferred policyholder benefit asset or liability is then posted to the balance sheet).

In addition, the total or partial transfer of securities in a consolidated company between two subsidiaries that are fully consolidated but held with different ownership percentages will not affect the consolidated operating results, with the exception of the recognition of any related deferred tax and allocation to policyholders' participating benefits, which are not restated in the consolidated accounts as the securities transferred are intended for long-term holding. The impact of these transfers on the Group shareholders' equity (its counterpart being recorded in minority interests) is identified in the "Internal restructuring" line of the shareholder's equity reconciliation.

Valuation of assets

Goodwill

The goodwill amortization period is dependent on the type of business activity acquired, and whether the segment to which it was allocated can be considered as significant at the Group level. The amortization period generally does not exceed 30 years for insurance operations, including banks and asset management companies whose principal activity is the management of assets on behalf of insurance companies of AXA. For Asset Management operations that manage assets on behalf of third parties, the goodwill amortization period does not exceed 20 years, or five years for brokerage operations.

If the goodwill is less than €10 million (€1.5 million for brokerage operations), then the goodwill asset is fully amortized as a charge against earnings in the year of acquisition

If parameters used to determine the initial amortization period (value of assets, future operating profits, market share) do not change in the course of this period, the initial amortization pattern remains the same, significant adverse changes, an exceptional goodwill amortization charge is recorded (or a modification to the initial pattern). However, when the current value is not deemed significantly lower than the net book value the goodwill is maintained at its net book value in the balance sheet. As a consequence, no exceptional amortization charge is recorded if the amount is less than the cumulative amortization charge over a period equal to 1/5th of the initial amortization period as (i) there is an intention to hold the interest in the Company, and (ii) it is more likely the deterioration is not definitive based on available information.

The multi-criteria analysis mentioned above and performed to determine if there are significant adverse changes includes the long-term nature of the holding, and excludes factors affected by short-term market volatility. The analysis also considers the interdependence of transactions within sub-groups. Within each operational entity, a comparison is made between net book value and the recoverable value, which is equal to the highest of the market value and value in use. The value in use is the net assets and expected earnings from existing and new business, taking into account the entity's future prospects. The value of future expected earnings is estimated on the basis of life insurance and savings embedded value figures published by AXA or similar calculations for other activities. Market value takes into account other possible approaches such as those based on different valuation multiples.

Other Intangible Assets

Value of purchased life insurance business in force ("VBI")

The VBI, in respect of acquired life insurance companies, is determined on the basis of profits emerging over the contract period and is amortized over the life of the relevant contracts. VBI is subject to annual recoverability testing based on actual experience and expected trends with respect to the principal assumptions.

Other intangible assets

Other intangible assets mainly include costs associated with developing software for internal use. These costs are capitalized and amortized on a straight-line basis over their estimated useful life (i.e not to exceed five years). They may also include other intangible assets that may be recognized provided that they have been valued reliably and on the basis of objective criteria. If these assets have a finite useful life, they are amortized over this useful life. In all cases, they undergo an impairment test at each accounts closing. In the event of a significant decline in value, a valuation allowance is booked for the difference between the value on the balance sheet and the higher of value in use and market value.

Investments from insurance, banking and other activities

Real estate investments are stated at historical cost less accumulated depreciation and any valuation allowances. Valuation allowances are recorded for a decline in the value of a property that is deemed to be other-than-temporary. Real estate acquired in satisfaction of debt is valued at estimated fair value at the date of foreclosure.

Valuation allowances are recorded on real estate investments in the following cases:

- Buildings to be sold in the twelve months following the end of the accounting period: the allowance is recorded and equals the excess of the net carrying value over the likely selling price, less disposal costs and the cost of works expected to be incurred to bring the building to sale.
- Investment real estate to be held on a long-term view, including securities held in real estate companies: when the appraised value is 15% lower than the net carrying value, the present value of the asset's future estimated cash flows is calculated. If the calculated amount is lower than the net carrying value, a valuation allowance is recorded, equal to the difference between (a) the net carrying value and (b) the higher of the appraised value or the discounted cash flow value.

If, in subsequent periods, the difference between the appraised value and the net carrying value reaches 15% or more, previously recorded valuation allowances are reversed to the extent of the difference between a) the net carrying value and b) the lower of the appraised value or the depreciated cost.

Fixed maturity securities are stated at amortized cost less valuation allowances. A valuation allowance (equal to the difference between carrying value and the year-end market value) is recorded for a decline in value of a security, which is deemed to be other-than-temporary if the amount may not be fully recoverable due to a credit event relating to the security issuer. If this risk is eliminated or improves, the valuation allowance may be reversed. The assessment of the likelihood that the amounts due can be recovered depends on the particular facts and circumstances of the issuer.

A valuation allowance may be necessary for fixed maturity securities that AXA does not intend to hold or if any other factors lead to the conclusion that recovery of amounts due is other-than-temporarily compromised.

Equity securities are stated at historical cost less any valuation allowances for declines in the estimated fair values of specific equity investments that are deemed to be other-than-temporary.

Valuation allowances are determined according to a regulation issued by the French standard setter ("l'Avis du Comité d'urgence du Conseil National de la Comptabilité" or CNC) on December 18, 2002 in respect of other-than-temporary impairments.

It is presumed that there is an other-than-temporary impairment when a significant unrealized loss exists for a continuous period of 6 months or more prior to year-end. An unrealized loss is regarded as significant if it equals 20% of carrying value in periods where the markets are slightly volatile, increasing to 30% when markets are volatile as determined by the French regulator. The 20% criterion was applied at December 31, 2004, taking into account market trends in the second half of 2004, in accordance with recommendations issued by the financial markets and insurance industry supervisory authorities. This 20% criterion was applied at 31 December 2003. At December 31, 2002, the 30% criterion was applied.

Certain equity securities that do not meet the aforementioned criteria are also analyzed in the event that (i) the 20% (or 30%) criterion was not reached for all but a few days during the six month-period prior to year-end, (ii) their market value fell significantly in the last month of the year, (iii) a valuation allowance was already recorded on these securities in prior years, (iv) there are significant factors other than the fall in the share price that raise questions about the fundamentals of the issuer or (v) the securities are intended to be sold in the near future.

Equity securities intended to be held for business purposes are not subject to valuation allowances if there are no particular factors that raise questions about the fundamentals of the issuer.

The valuation allowance recorded for equity securities that are determined to have an other-than-temporary impairment is equal to the difference between the net carrying value and the recoverable value at year-end:

- If there is an intention to hold the security on a long-term basis, the recoverable value is the greater of (i) the market value at year-end or (ii) the value determined by taking into account the holding period, and other factors (net worth, future cash flows and specific considerations relating to the industry sector/activities of the issuer).
- If equity securities are to be sold in the near future or form part of a portfolio with rapid turnover, the recoverable value is the year-end market value.
- For mutual funds, valuation allowances are determined by taking into account the specific nature of each fund.

Valuation allowances recorded for the impairment of equity securities may be reversed in subsequent periods when facts and circumstances warrant a reversal.

Other Investments :

- **Policy loans** are stated at outstanding principal balances.
- **Mortgage loans** on real estate are stated at outstanding principal balances, net of unamortized discounts and valuation allowances. Impairment measurement is based on the present value of expected future cash flows, discounted at the loan's effective interest rate, on the loan's observable market price or the fair value of the collateral if the loan is collateral-dependent.

Investments in real estate companies and mutual funds are accounted for as real estate investments or as equity securities, respectively.

Exceptionally, the investments listed below are valued at fair value:

- Invested assets in respect of **contracts with financial risk borne by policyholders (unit-linked)** and invested assets supporting the **UK "With-Profit" funds;** an adjustment in insurance liabilities is required if a change in fair value occurs,
- Certain investments held by **non-European life insurance subsidiaries,** for which the unrealized gains and losses of invested assets are included within insurance liabilities, and
- Invested assets held by AXA's banking subsidiaries for **trading purposes,** for which the change in fair value is recorded in the net investment result.

Other assets

Real estate (property) owned and occupied by AXA is included under the balance sheet caption "Other assets" and amortized on a straight-line basis over a period, ranging from 20 to 50 years. This includes materials, fixtures and equipment that are amortized on a straight-line basis over each asset's estimated useful life.

Deferred acquisition costs ("DAC") in respect of life insurance operations

The variable costs of acquiring new and renewal business primarily related to the production of new business are specifically identified and deferred by establishing an asset. This asset is amortized based on the estimated gross profits emerging over the contract term. Estimates of gross profits are reviewed at the end of each accounting period and any amount not deemed recoverable from future estimated gross profits is recorded as a charge against income. DAC is reported net of unearned revenue reserves, which are recorded in income over the contract term using the same amortization basis used for DAC.

Reinsurance ceded under non-proportional treaties

The ceding of insurance to reinsurers and of reinsurance to reinsurers (the latter called "retrocession") is accounted for in the balance sheet and statements of income in a manner consistent with the accounting for the underlying direct insurance contract and takes into account contractual clauses.

Valuation of liabilities

Provisions for risks and charges

Restructuring costs

In connection with a **business combination,** restructuring costs relating to employee termination benefits, the closing of office sites and image changes in respect of the acquired company are included in a restructuring provision recognized in the opening balance sheet of the acquired company. When a restructuring provision impacts the acquirer or its subsidiaries, a restructuring provision is recorded as a liability and included in the purchase price. In the event that the provision is not fully utilized, the release of the provision does not impact the post-acquisition operating results.

In other cases, restructuring provisions are recorded in the period during which a restructuring plan is approved with any release in provision recorded in the operating results.

Pensions and other post-retirement benefits

Pension liabilities are calculated using the preferred method under the French CRC regulation 2000-05. They include the benefits payable to AXA Group employees when they retire (departure compensation, additional pension, medical cover). In addition, a provision for long-service benefits is recorded. In order to meet pension liabilities, some regulations have allowed or imposed the establishment of dedicated funds (plan assets). The funding and implementation methods of such plan assets are specific to the local regulation in each country in which the employee benefit plan is held.

Employee benefit liabilities are covered by defined contribution plans and / or defined benefit plans.

- Defined contribution plans are characterized by payments made by the employer to institutions (e.g. pension trusts). These payments free the employer of any further commitment, the institutions are responsible for paying acquired benefits to the employee. The contributions paid by the employer are recorded as an expense in the income statement and no liability needs to be stated.
- Defined benefit plans are characterized by an actuarial assessment of the commitments based on each plan's internal rules. The present value of the future benefits paid by the employer, known as the PBO (Projected Benefit Obligation), is calculated on the basis of long-term projections (salary increase rate, inflation rate, mortality, turnover, pension indexation and remaining service lifetime). The amount recorded in the balance sheet for employee benefits is the difference between the Projected Benefit Obligation and the market value of the corresponding invested plan assets after adjustment for any unrecognized losses or gains. If the PBO exceeds the adjusted assets value, a provision is recorded in the balance sheet under the provision for risks and charges. If the PBO is less than the adjusted assets value, a prepaid asset is recorded in the balance sheet.

In its recommendation 2003-R.01 of April 1, 2003, the French Standard setter (CNC) described methods of valuing liabilities in respect of pensions and similar benefits. The methods used by AXA are similar to those contained in the CNC's recommendation, particularly the corridor method, with the following exceptions:

- AXA excludes benefits covered by an insurance policy from the defined benefit obligation calculation. Similarly, the insurance contracts are not included in the plan assets. The net result is identical to that of the CNC's recommended method with the exception of the impact of actuarial differences on earnings.
- Plan assets may be valued on the basis of market values over a period up to five years, instead of market values at valuation date. In addition, the valuation date used by AXA may be up to three months prior to the year-end, rather than the year-end as recommended by the CNC.
- AXA does not limit the amount of assets posted as a reduction in liabilities to the amount recoverable through reductions in future plan contributions or through a plan refund, past service costs and cumulative nonrecognized actuarial losses.

Finally, curtailment and settlement gains and losses are recognized when they are probable and not when they occur.

Income taxes

Current income tax expense (benefit) is recorded in earnings on the basis of amounts estimated to be payable or recoverable as a result of taxable operations for the current year based on the relevant local tax regulation. Deferred income tax assets and liabilities are recorded on the basis of differences between financial statement carrying amounts and income tax balances of assets and liabilities and for net operating loss carry forwards, if any. Valuation allowances are recorded for deferred tax assets that are not expected to be recovered, and are reversible in future periods if facts and circumstances that led to the valuation allowance change.

Liability for insurance benefits and claims

Unearned premium reserves

Unearned premium reserves represent the portion of gross premiums written which has not yet been earned in the period. A portion is included in income over the periods benefited, as the portion of the unearned premium reserve earned in the period is calculated on a pro rata basis in proportion to the insurance still in force at period-end. The deferred acquisition costs related to such contracts are included as an asset under the heading "Prepayments and accrued income" using the same basis.

Insurance liabilities

For **traditional life insurance contracts** (that is, those contracts with significant mortality risk), the liability for future policy benefits is calculated in accordance with the applicable regulatory principles of each country on the basis of actuarial assumptions as to investment yields, mortality, morbidity and expenses, using a prospective approach.

An additional provision is fully recorded in the event of an adverse impact on the benefits due to a change in mortality tables.

If the contracts include a minimum guaranteed rate of return, the insurance liability will also include a provision necessary to cover the guarantee in the event that the future returns are insufficient.

The liability for **savings contracts or other investment contracts,** in which there is minimal mortality or morbidity risk, is determined using the retrospective method. Under this method, the liability represents an account balance based on the premiums received to date plus any interest or bonus credited to the policyholders less policy charges, such as for insurance administration and surrenders.

In respect of participating life insurance contracts, whether allocated or not, the future policy benefit liability includes a value attributable to anticipated participation rights arising from the operating results or net investment return for the period.

The method of determining the insurance benefits is in line with the preferred method set out in the new French regulations. However, the discount rates used by AXA are, in effect, no more than the conservatively estimated future yield of the investments backing those liabilities.

The future policy benefit on UK "With-Profit" contracts include 100% of the "Fund for Future Appropriation" (FFA), which principally covers the future terminal bonuses according to the terms of these contracts. The FFA and, therefore, the future policy benefits vary with the change in market value of the assets supporting the participating "With-Profit" funds.

Reserves for **guarantees** in respect of contracts with financial risk borne by policyholders (unit-linked) in respect of direct insurance and reinsurance activities are determined using a prospective approach. The current value on future benefit obligations to be paid to the policyholder in the event that the guarantee is triggered is estimated on the basis of reasonable scenarios. The assumptions include an investment return and related volatility, surrender rates and mortality. This current value of future benefit obligations is set up as a provision such that the total average cost of the guarantees is recognized over the contract life.

Provisions for future negative margins can be recorded by each insurance company based on local regulatory requirements (for example, the premium deficiency reserve). To be maintained at the consolidation level, this provision must be necessary from an economic point of view. In the case of life insurance companies, this provision must consider the insurer's recoverability of VBI and DAC.

Insurance claims and claims expenses

The claims reserves are determined on a basis to cover the total cost of settling an insurance claim. With the exception of disability annuities, for which the payments are fixed and determinable, the claims reserves are not discounted.

The claims reserves include the claims incurred and reported in the accounting period, claims incurred but not reported ("IBNR") in the accounting period and costs associated with the claims settlement management. The claims reserve is based upon estimates of the expected losses and unexpired risks for all lines of business taking into consideration management's judgment on the anticipated level of inflation, regulatory risks and the trends in cost and frequency of claims, actual against estimated claims experience, other known trends and development, and local regulatory requirements.

Claims reserves include unexpired risk provisions and equalization provisions related to catastrophe risks as set out below:

- Equalization provisions are determined on the basis of local regulations in certain countries in which AXA operates and, principally, relate to catastrophe risks, such as hail, storms, floods, nuclear accidents, pollution liability, terrorist attacks and aviation.
- Unexpired risk provisions are established for contracts on which the premiums are expected to be insufficient to cover expected future claims and claims expenses. The calculation of the provision includes estimated future losses, administration expenses and investment income based of the received premiums.

Provision for liquidity risk

A provision for liquidity risk must be recorded as a liability by an insurance company if there is a risk of liquidity, principally in the case of large contract surrender, and if the total net book value of investments (excluding fixed maturity investments) of such company is greater than its total market value.

Even though analyses did not demonstrate any liquidity risk, for French regulatory reasons at December 31, 2002, a provision was recorded in the consolidated financial statements for €72 million before tax, or €47 million net Group share. In accordance with the statement made by the "Comité d'urgence" on January 21, 2004, this provision was deemed unnecessary and was reversed to the income statement at December 31, 2003. The CNC confirmed this decision in its opinion 2004-14 of 23 June 2004.

Contracts with risks carried by the policyholders (unit-linked)

These contracts are linked to a specific pool of investment funds / assets and are written by most of AXA's life insurance companies. In respect of these contracts, the investment risks and rewards are principally transferred to the policyholders, however these contracts generally guarantee that most of the benefits due under the contract are realized and supported by the investment funds. For these contracts the liability represents the fair value of the investment funds / assets linked to those contracts at the balance sheet date. Reserves relating to contracts with risks carried by the policyholders (unit-linked) are stated on a separate line on the balance sheet.

Capitalization reserve

In France, increases and decreases in the capitalization reserves are accounted for in the local statutory accounts and are eliminated in preparing consolidated financial statements. A deferred tax charge is recorded if there is a strong probability that this reserve will be released. In the event that the entity is a life insurance company, this will also include a deferred policyholder participating benefit.

Derivative Instruments

Derivative instruments are accounted for according to rules applicable to the business sector concerned. For the insurance industry, the reference text is CRC regulation 2002-09 of December 12, 2002 specific to accounting for forward financial instruments by insurance companies. This opinion is consistent with the existing principles applied by AXA, with the exception of the recognition until 2001 of unrealized gains on derivatives instruments in transactions that do not qualify as hedges.

For derivative transactions that qualify as hedges, which AXA uses in asset-liability management or to hedge certain designated assets or liabilities against a change in fair value or variability in cash flows, the total change in value is recorded in a similar manner as the underlying hedge item; related charges and revenues are recorded in the net investment result. Tests of effectiveness are performed on a routine basis. For foreign currency hedges on net investments in foreign operations, the unrealized and realized gains and losses are recorded in shareholders' equity until the foreign subsidiary is sold, at which time the amount is included in income. In the case of a strategic investment / divestment, the results are deferred until the asset is acquired or sold. In the case of a yield-based investment, results are recorded over the duration of the strategy.

Other derivative instruments that are not involved in qualifying accounting hedges are accounted for on the balance sheet at estimated fair value. The unrealized losses are included in the net investment result. Any unrealized gains are recorded but fully offset by a provision to neutralize the impact in the income statement until the end of the strategy. The estimated fair value is determined using market value, if available, otherwise it is determined using other valuation techniques such as option pricing models, or other internal estimates if the instruments are unlisted.

For AXA's banking subsidiaries, the bank regulations are applied.

Revenue Recognition

Gross premiums and financial services revenues

Gross premiums written correspond to the amount of **premiums written** on business incepted in the year with respect to both insurance and savings contracts by insurance and reinsurance companies, net of policy cancellations and gross of reinsurance ceded. In the reinsurance sector, the premiums are recorded on the basis of declarations made by the cedant and may include estimates of gross premiums written but not yet reported in the period, which are adjusted in future periods to reflect actual gross premiums written and ceded to the reinsurer.

Gross revenues **from banking and other activities** mainly include:

- commissions received upon the sale of financial products, including those revenues received by the insurance companies on such activities,
- commissions received and fees for services rendered in respect of asset management activities,
- rental income received by real estate management companies, and
- sales proceeds received on buildings constructed or renovated and subsequently sold by real estate businesses.

Change in unearned premium reserves

The unearned premium reserve is reported as a liability (see "Unearned Premium Reserve" above). Total revenues in the period include the change in unearned premium reserve, which represents the earned premium in the period, gross of reinsurance.

Net Investment Result

The net investment result in respect of insurance activities includes:

- investment income from the insurance-related invested assets, net of depreciation expense on real estate investments (depreciation expense on real estate not held for investment is included in administrative expenses),
- financial charges and expenses,
- realized investment gains and losses net of valuation allowances for investment impairment, and
- unrealized investment gains and losses on invested assets backing contracts with financial risk borne by policyholders (unit-linked), assets allocated to UK "With-profit" contracts and other invested assets whereby such assets are stated at market value (refer to "Investments from insurance, banking and other activities" above)

In respect of banking activities, interest income and financial charges including interest expenses are included in bank operating income and bank operating expenses, respectively.

From time to time subsidiaries that are not wholly owned by AXA may issue additional capital. As a result, AXA's ownership interest in that subsidiary decreases and a dilution gain or loss arises. This gain or loss is recorded in the net investment result. This gain or loss corresponds to the variation of the equity portion of the subsidiary before and after the operation.

Treasury shares

Treasury shares are recorded as a reduction of consolidated shareholders' equity. However, such investments in the Company stock are accounted for as an investment in equity securities if the treasury shares are held for certain purposes including to stabilize the Company's share price in the market, to be attributed to employees in connection with share purchase programs, or are treated as investments backing contracts with financial risk borne by policyholders (unit linked).

Accounting for Share options

The accounting principles adopted by AXA for the accounting of stock option plans will vary according to the type of stock option plan.

Options to subscribe for shares (increase in the Company's capital)

For share options granted by the Company that **do not feature a liquidity guarantee** given by the Company to the employee, in principle no expense is recorded. For share option plans issued by AXA entities other than the Company in which the grant provides an advantage to the employees (the exercise price is less than the market price at the date the number of options and the exercise price are known), a liability is recorded on a systematic basis over the vesting period.

For all share options granted by the Company or any other AXA entity that provide a **liquidity guarantee,** a liability (corresponding to the difference between the market value of the shares and the exercise price) is determined at a measurement date, being the vesting or exercise date. Accordingly, an estimate of the compensation charge is determined at the end of each interim reporting period dependent on the market value of the underlying shares at such interim date.

In respect of acquisitions of minority interests, the share repurchase leads to an increase in the Group's interest. The cost of settling or exchanging the target company's outstanding employee share options is included in the purchase price, as the buyout includes the cost of acquiring the minority shareholders interests plus the potential shares to be issued by the target company in respect of the share options granted to its employees. The excess price should be split between a charge corresponding to the increase in the Group's interest to the initial interest level and additional goodwill corresponding with the additional interest acquired.

Option to purchase shares (which are purchased on the market)

When employee purchase options (rather than subscription options) are granted by AXA and AXA does not hold the shares, a provision is recorded (corresponding to the difference between the market value of the shares to be acquired in the market and the exercise price over the acquisition period). This provision is adjusted on an annual basis to reflect the change in market value of the underlying shares up until the date the shares are to be acquired.

3. Principal Subsidiaries and Companies accounted for under the equity method

Changes in scope

Principal changes in consolidation in 2004

The main changes in the scope of consolidation in 2004 were the entries of **Oudinot Participation** in France and **AXA America Holdings Inc.** in the United States as part of the MONY acquisition.

The main removals from the scope of consolidation arose from the **disposal of Unirobe's** brokerage business in the Netherlands, the disposal of building society **AXA Bausparkasse** in Germany and the disposal of AXA Belgium's Luxembourg subsidiary **Créalux.**

In Belgium, **UAB**'s activities were merged with AXA Belgium SA. Following the buy-out of minority interests in **Servis** (formerly **Assurance de la Poste**), **Assurances de la Poste Vie** and **Hilo Direct SA de Seguros y Reaseguros** in Spain, these entities are now fully consolidated.

Other 2004 changes are detailed in the schedules presented below.

Principal changes in consolidation in 2003

The main changes in the scope of consolidation in 2003 were the **disposal of activities in Austria and Hungary**, finalized in June 2003, the sale of AXA Asia Pacific Holdings' 50% stake in **Members' Equity Pty Ltd** in January 2003, and, in Germany, the sale of AXA's stake in **Colonia Re JV** to **General Re** in July 2003.

In France, the activities of **Jour Finance** were merged with AXA France Vie, and real estate company **Vendôme Haussmann** joined the scope of consolidation on June 30, 2003.

Companies fully consolidated

The following tables list the companies consolidated (fully or proportionally) or accounted for under the equity method, as well as the Company's share of the subsidiary's voting rights and direct and indirect ownership interest, at December 31, 2004 and 2003.

Certain entities below are the parent companies of sub-groups that can hold interests in entities in more than one country and therefore may be consolidated with an ownership interest less than that indicated for the parent companies of the sub-group.

PARENT AND HOLDING COMPANIES

	Change in Scope	2004 Voting rights	2004 Ownership interest	2003 Voting rights	2003 Ownership interest
France					
AXA		Parent Company		Parent Company	
AXA China		100.00	76.28	100.00	76.31
AXA France Assurance		100.00	100.00	100.00	100.00
Colisée Excellence		100.00	100.00	100.00	100.00
AXA Participations II		100.00	100.00	100.00	100.00
Mofipar		100.00	100.00	99.90	99.90
Oudinot Participation	Entry in scope (linked to the acquisition of MONY)	100.00	100.00	–	–
Société Beaujon		99.99	99.99	99.99	99.99
AXA Technology Services		100.00	99.99	100.00	99.99
United States					
AXA Financial, Inc. (including MONY Holding)		100.00	100.00	100.00	100.00
AXA America Holdings Inc.	Entry in scope (linked to the acquisition of MONY)	100.00	100.00	–	–
United Kingdom					
Guardian Royal Exchange Plc		100.00	99.99	100.00	99.99
AXA UK Holdings Limited		100.00	100.00	100.00	100.00
AXA UK Plc		100.00	99.99	100.00	99.99
AXA Equity & Law Plc		99.96	99.96	99.95	99.95
Asia/Pacific (excluding Japan)					
National Mutual International Pty Ltd		100.00	51.59	100.00	51.66
AXA Life Singapore Holding	Entry in scope	100.00	51.59	–	–
AXA Asia Pacific Holdings Ltd		51.59	51.59	51.66	51.66
Japan					
AXA Japan Holding		97.59	97.59	96.42	96.42
Germany					
GRE Continental Europe Holding Gmbh	Merger with AXA Konzern AG	–	–	100.00	91.05
Kölnische Verwaltungs AG für Versicherungswerte		99.56	97.74	99.56	97.50
AXA Konzern AG		92.67	92.09	91.69	91.05
Belgium					
AXA Holdings Belgium		100.00	99.92	100.00	99.92
Royale Belge Investissement		100.00	99.92	100.00	99.92
Luxembourg					
AXA Luxembourg SA		100.00	99.92	100.00	99.92
The Netherlands					
AXA Verzekeringen		100.00	99.92	100.00	99.92
AXA Nederland BV		100.00	99.92	100.00	99.92
Vinci BV		100.00	100.00	100.00	100.00
Spain					
AXA Aurora S.A.		100.00	100.00	100.00	100.00
Italy					
AXA Italia SpA		100.00	100.00	100.00	100.00
Morocco					
AXA Ona		51.00	51.00	51.00	51.00

LIFE & SAVINGS AND PROPERTY & CASUALTY

	Change in Scope	2004 Voting rights	2004 Ownership interest	2003 Voting rights	2003 Ownership interest
France					
AXA France IARD		99.92	99.92	99.92	99.92
Avanssur (Formerly Direct Assurances IARD)		100.00	100.00	100.00	100.00
AXA France Vie		99.77	99.77	99.77	99.77
Juridica		98.51	98.51	98.51	98.51
United States					
The Equitable Life Assurance Society of the United States		100.00	100.00	100.00	100.00
Canada					
AXA Canada Inc.		100.00	100.00	100.00	100 00
United Kingdom					
AXA Insurance Plc		100.00	99.99	100.00	99.99
AXA Life Plc		100.00	99 99	100.00	99.99
GREA Insurance (Discontinued activity)		100.00	99.99	100.00	99.99
PPP Group Plc		100.00	99.99	100.00	99 99
PPP Healthcare Ltd		100.00	99.99	100.00	99.99
Ireland					
AXA Insurance Limited		100.00	99.99	100.00	99.99
Asia/Pacific (excluding Japan)					
AXA Life Insurance Singapore		100.00	51.59	100.00	51.66
AXA Australia New Zealand		100.00	51.59	100.00	51.66
AXA China Region Limited		100.00	51.59	100.00	51.66
Japan					
AXA Group Life Insurance		100.00	97.59	100.00	96.42
AXA Life Insurance		100.00	97.59	100.00	96.42
AXA Non Life Insurance Co Ltd		100.00	97 59	100.00	100.00
Germany					
AXA Versicherung AG		100.00	92.09	100.00	91.05
AXA Art		100.00	92.09	100.00	91.05
AXA Leben Versicherung AG		100.00	92.09	100.00	91.05
Pro Bav Pensionskasse		100.00	92.09	100.00	91.05
Deutsche Aerzteversicherung		97.87	90.14	97.87	89.12
AXA Kranken Versicherung AG		99.69	91.81	99.42	90.31

LIFE & SAVINGS AND PROPERTY & CASUALTY

	Change in Scope	2004 Voting rights	2004 Ownership interest	2003 Voting rights	2003 Ownership interest
Belgium					
Ardenne Prévoyante		100.00	99.92	100.00	99.92
AXA Belgium SA		100.00	99.92	100.00	99.92
UAB	Merger with AXA Belgium SA	–	–	100.00	99.92
Servis (Formerly Assurance de la Poste) [(a)]	Buyout of minority interests	100.00	99.92	50.00	49.96
Assurances de la Poste Vie [(a)]	Buyout of minority interests	100.00	99.92	50.00	49.96
Luxembourg					
AXA Assurances Luxembourg		100.00	99.92	100.00	99.92
AXA Assurances Vie Luxembourg		100.00	99.92	100.00	99.92
The Netherlands					
AXA Leven N.V.		100.00	99.92	100.00	99.92
AXA Schade N.V.		100.00	99.92	100.00	99.92
AXA Zorg N.V.		100.00	99.92	100.00	99.92
Unirobe Groep B.V.	Sold	–	–	100.00	99.92
Spain					
Ayuda Legal SA de Seguros y Reaseguros	Merger with Aurora SA Iberica de Seguros y Reaseguros	–	–	100.00	99.69
Hilon Direct SA de Seguros y Reaseguros [(a)]	Buyout of minority interests	100.00	100.00	50.00	50.00
AXA Aurora SA Iberica de Seguros y Reaseguros		99.70	99.70	99.69	99.69
AXA Aurora SA Vida de Seguros y Reaseguros		99.70	99.70	99.69	99.69
AXA Aurora SA Vida		99.96	99.67	99.96	99.66
Italy					
AXA Interlife		100.00	100.00	100.00	100.00
UAP Vita		100.00	100.00	100.00	100.00
AXA Assicurazioni		100.00	99.99	100.00	99.99
Switzerland					
AXA Compagnie d'Assurances sur la Vie		100.00	100.00	100.00	100.00
AXA Compagnie d'Assurances		100.00	100.00	100.00	100.00
Portugal					
AXA Portugal Companhia de Seguros SA		99.61	99.37	99.61	99.37
AXA Portugal Companhia de Seguros de Vida SA		95.09	94.89	95.09	94.89
Morocco					
AXA Assurance Maroc		100.00	51.00	100.00	51.00
Epargne Croissance		99.59	50.79	99.59	50.79

(a) At December 31, 2003, these entities were accounted for under the equity method.

INTERNATIONAL INSURANCE (Entities having worldwide activities)

	Change in Scope	2004 Voting rights	2004 Ownership interest	2003 Voting rights	2003 Ownership interest
AXA RE (sub-group)		100.00	100.00	100.00	100.00
AXA Corporate Solutions Assurance (sub-group)		98.75	98.75	98.75	98.75
AXA Cessions		100.00	100.00	100.00	100.00
AXA Assistance SA (sub-group)		100.00	100.00	100.00	100.00
English & Scottish		100.00	100.00	100.00	100.00
Créalux	Sold	–	–	100.00	99.92
Futur Ré	Deconsolidation	–	–	100.00	98.75
Saint-Georges Ré		100.00	100.00	100.00	100.00

ASSET MANAGEMENT (Entities having worldwide activities)

	Change in Scope	2004 Voting rights	2004 Ownership interest	2003 Voting rights	2003 Ownership interest
AXA Investment Managers (sub-group)		95.44	94.90	95.61	93.23
Alliance Capital (sub-group)		61.33	61.33	55.51	55.51
National Mutual Funds Management (sub-group)		100.00	51.59	100.00	51.66

FINANCIAL SERVICES

	Change in Scope	2004 Voting rights	2004 Ownership interest	2003 Voting rights	2003 Ownership interest
France					
AXA Banque		100.00	99.92	100.00	99.92
AXA Banque Financement		65.00	64.95	65.00	64.95
Compagnie Financière de Paris		100.00	100.00	100.00	100.00
Holding Soffim	Merger with Compagnie Financière de Paris	–	–	100.00	100.00
Sofapi	Merger with Compagnie Financière de Paris	–	–	100.00	100.00
Sofinad		100.00	100.00	100.00	100.00
Germany					
AXA Vorsorgebank		100.00	92.09	100.00	91.05
AXA Bausparkasse AG	Sold	–	–	99.69	90.77
Belgium					
AXA Bank Belgium		100.00	99.92	100.00	99.92
IPPA Vastgoed	Sold	–	–	100.00	99.92

Proportionally consolidated companies

LIFE & SAVINGS AND PROPERTY & CASUALTY

	Change in Scope	2004 Voting rights	2004 Ownership interest	2003 Voting rights	2003 Ownership interest
France					
Natio Assurances		50.00	49.96	50.00	49.96
NSM Vie		39.98	39.98	40.30	40.30
Vendôme Haussmann		43.01	42.91	50.00	42.70
Fonds immobiliers Paris Office Funds		50.00	49.91	50.00	49.91

Investments in affiliated companies (equity method)

FINANCIAL SERVICES

	Change in Scope	2004 Voting rights	2004 Ownership interest	2003 Voting rights	2003 Ownership interest
France					
Compagnie Financière de Paris Crédit		100.00	100.00	100.00	100.00
Argovie		94.47	94.25	94.47	94.25
Banque de Marchés et d'Arbitrages		27.71	27.70	27.71	27.70
Asia/Pacific					
AXA General Insurance Hong Kong Ltd		100.00	100.00	100.00	100.00
AXA Insurance Investment Holding		100.00	100.00	100.00	100.00
AXA Insurance Hong Kong Ltd		100.00	100.00	100.00	100.00
AXA Insurance Singapore		100.00	100.00	100.00	100.00
National Mutual Home Loans Origination Fund No. 1		100.00	51.59	100.00	51.66
Ticor		28.62	17.47	28.62	14.98
Turkey					
AXA Oyak Holding AS		50.00	50.00	50.00	50.00
AXA Oyak Hayat Sigorta AS		100.00	50.00	100.00	50.00
AXA Oyak Sigorta AS		70.91	35.45	70.91	35.45

Other non-consolidated activities

AXA also carries out insurance and asset management activities through non-consolidated entities mainly in Middle East, in Asia Pacific (Malaysia, Thailand, and Indonesia), and in Africa (Ivory Coast, Gabon, Cameroon and Senegal).

4. Business Combinations

Goodwill

An analysis of goodwill by principal acquisition and by segment is presented in the table below.

(in euro millions)	2004	2003	2002
Gross amount of goodwill, at January 1,	**16,561**	**17,490**	**18,273**
Accumulated amortization, at January 1,	(3,686)	(3,083)	(2,394)
Net carrying value, at January 1,	**12,874**	**14,407**	**15,879**
Goodwill arising from new acquisition	938	18	159
Goodwill amortization in the period	(1,031)	(844)	(879)
Other variation (excluding foreign exchange)	(26)	(31)	142
Foreign exchange translation adjustments	(333)	(676)	(895)
Net carrying value, at December 31,	**12,423**	**12,874**	**14,407**
Accumulated amortization, at December 31,	4,485	3,686	3,083
Gross amount of goodwill, at December 31,	**16,908**	**16,561**	**17,490**

(in euro millions)	2004	2003	2002
Net carrying value analysed by reportable segment:			
Life & Savings	7,137	7,041	7,758
Property & Casualty	1,948	2,076	2,061
International Insurance	14	15	16
Asset Management	3,257	3,668	4,497
Other	68	74	76
Net carrying value, at December 31,	**12,423**	**12,874**	**14,407**

Acquisition of MONY (2004)

On July 8, 2004, AXA Financial acquired MONY for US$1.48 billion (€1.3 billion). The total cost of the transaction was US$1.63 billion, including:

- US$1.55 billion of cash payments for MONY shares,
- US$80 million of transaction costs borne by AXA Financial.

This transaction gave rise to a goodwill of US$672 million (€541 million), to be amortized over 30 years.

At December 31, 2004, this goodwill had a net value of €485 million (including a €–46 million translation effect), after an amortization charge of €9 million.

Significant acquisitions in 2003
No significant acquisitions undertaken in 2003.

Significant acquisitions in 2002
No significant acquisitions undertaken in 2002.

Analysis of goodwill amortization

(in euro millions)

	Years ended December 31,		
	2004	2003	2002
Goodwill on consolidated entities	(1,037)	(844)	(879)
Negative goodwill on consolidated entities	6	–	1
TOTAL AMORTIZATION OF GOODWILL (NET)	(1,031)	(844)	(877)

At December 31, 2004, accumulated amortization on goodwill totaled €4,485 million (2003: €3,686 million, 2002: € 3,083 million).

Goodwill charged directly to retained earnings and reserves

At December 31, 2004, goodwill (net of notional amortization) recorded in retained earnings and reserves totaled €3,400 million (2003: €3,547 million net and 2002: €3,882 million net). Gross goodwill was €4,432 million. The notional amortization in 2004 was €149 million and included €11 million for Royale Belge, €45 million for UAP and € 92 million for AXA Financial.

In 2003, the notional amortization was €337 million and included €234 million for UAP of which €181 million relating to the release of a deferred tax provision booked when acquiring German activities in 1997).

As of January 1, 2001, goodwill can no longer be charged directly against shareholders' equity.

5. Value of Purchased Life Business in Force (VBI)

The value of purchased life business in force on a consolidated basis and by product type, including the changes thereto, are as follows:

(in euro millions)

	Years ended December 31, 2004	2003	2002
Balance beginning of year	**2,814**	**3,224**	**3,739**
Additions [(a)]	578	–	–
Interest accrued	166	162	150
Amortization expense	(450)	(388)	(395)
Impact of foreign currency fluctuations	(117)	(183)	(263)
Other	–	(0)	(7)
Balance end of year	**2,993**	**2,814**	**3,224**

(a) *Value of purchase life business resulting from the acquisition of MONY by AXA Financial for €464 million together with the VBI from the sale of the "Long Term Fund" held by policyholders of Sun Life Assurance Society plc of AXA Isle of Man Ltd to a fund held by AXA Life Holdings plc (€114 million).*

(in euro millions)

		Year ended December 31, 2004
Total by contract type:		
Life contracts (including endowment)	Gross	2,022
	Net	1,391
Retirement, annuity, investment	Gross	1,855
	Net	1,275
Health	Gross	570
	Net	320

At December 31, 2004, the value of purchased Life insurance business in force (resulting from business acquisitions) totaled €2,993 million. See note 4 "Business Combinations".

Amortization of the value of purchased Life insurance business in force, net of accrued interest, was €284 million in 2004, and is expected to be €241 million in 2005, €229 million in 2006, €211 million in 2007, €198 million in 2008 and €2,113 million thereafter. This amortization pattern has been determined based on expected profits emerging over the contract period, and is subject to annual recoverability testing.

6. *Investments*

Determining fair value

The basis for determining the fair value of investments is as follows:

For publicly traded **fixed maturities and equity investments,** estimated fair value is determined using quoted market prices at date of valuation and **unlisted securities** are valued based on quoted market prices of comparable securities, pricing models or other similar valuation techniques.

Real estate investments are subject to periodic valuations conducted by qualified external appraisers based on local legal requirements. Such expert valuations are reviewed with reference to current market conditions and are based on a number of techniques including comparative studies and capitalization of income.

Fair values of **mortgage, policy and other loans** are estimated by discounting future contractual cash flows using interest rates at which loans with similar characteristics and credit quality would be originated. Fair values of mortgage loans on real estate in the process of foreclosure and non–performing mortgages and other loans are limited to the estimated fair value of the underlying collateral, if lower than the estimated discounted cash flows.

In other cases, the fair value is estimated based on financial and other information available in the market, including reference to quoted prices for similar securities, or estimated discounted cash flows, including an element of premium risk.

The estimated fair value does not take into account supplemental charges or a reduction due to selling costs that may be incurred, nor the tax impact of realizing the unrealized capital gains and losses.

The difference between the net carrying value and the estimated fair value represents the unrealized gains or losses. Upon disposal of the investment, the realized investment gains and losses included in AXA's consolidated operations result may be impacted by the allocation to participating life insurance contracts (as a change in future policy benefits), minority interests and tax.

The method of determining fair value may not correspond to the actual price realized when the investment is sold either in a block (with other similar investments rather than individually) or due to the actual tax impact on the realization of unrealized gains and losses when the investment is sold.

Investments from insurance and non insurance activities

(in euro millions)

	At December 31, 2004								
	Insurance activities			Other activities			TOTAL		
	Gross Carrying Value	Net Carrying value	Fair value (a)	Gross Carrying value	Net Carrying value	Fair value (a)	Gross Carrying value	Net Carrying value	Fair value (a)
–Equity securities and holdings in equity security-based mutual funds	–	24,471	25,931	–	463	483	–	24,934	26,414
–Equity holdings in fixed maturity-based mutual funds	–	32,937	33,841	–	67	67	–	33,004	33,909
–Other mutual funds	–	11,600	11,847	–	26	39	–	11,626	11,886
Equity securities and holdings in mutual funds	71,289	69,008	71,619	592	556	589	71,881	69,564	72,209
Fixed maturities	159,543	157,959	169,806	7,677	7,667	7,790	167,220	165,626	177,596
Real estate	12,717	11,702	14,087	46	30	43	12,763	11,732	14,130
Mortgages, policy and other loans	18,224	18,156	18,709	362	99	106	18,586	18,255	18,815
Invested assets excluding investments in participating interests	**261,774**	**256,825**	**274,222**	**8,677**	**8,352**	**8,528**	**270,450**	**265,177**	**282,750**
– Of which listed	–	188,616	201,496	–	8,087	8,227	–	196,703	209,723
– Of which non listed	–	68,209	72,726	–	266	301	–	68,474	73,027
Investments in participating interests	**2,450**	**2,292**	**3,286**	**812**	**609**	**642**	**3,261**	**2,901**	**3,929**
TOTAL INVESTED ASSETS	**264,224**	**259,116**	**277,508**	**9,488**	**8,962**	**9,171**	**273,712**	**268,078**	**286,679**
– Life & Savings	222,902	219,493	234,832						
– Property & Casualty	34,065	32,636	35,281						
– International insurance	7,257	6,987	7,395						

(a) *The realization of unrealized gains and losses upon disposal of the investments may give rise to an allocation to participating insurance contracts, minority interests and tax*

(in euro millions)

	At December 31, 2003								
	Insurance activities			Other activities			TOTAL		
	Gross Carrying Value	Net Carrying value	Fair value (a)	Gross Carrying value	Net Carrying value	Fair value (a)	Gross Carrying value	Net Carrying value	Fair value (a)
– Equity securities and holdings in equity security-based mutual funds	–	24,744	24,906	–	541	569	–	25,284	25,475
–Equity holdings in fixed maturity-based mutual funds	–	19,883	20,165	–	21	21	–	19,903	20,186
– Other mutual funds	–	17,197	16,169	–	14	27	–	17,211	16,196
Equity securities and holdings in mutual funds	65,122	61,823	61,240	612	576	617	65,734	62,398	61,857
Fixed maturities	149,814	147,811	156,032	6,598	6,594	6,675	156,412	154,405	162,707
Real estate	12,789	11,727	13,982	32	32	42	12,821	11,759	14,025
Mortgages, policy and other loans	17,122	17,009	17,591	268	239	247	17,389	17,248	17,838
Invested assets excluding investments in participating interests	**244,847**	**238,370**	**248,846**	**7,509**	**7,441**	**7,582**	**252,356**	**245,811**	**256,427**
– Of which listed	–	166,030	174,002	–	7,011	7,100	–	173,041	181,102
– Of which non listed	–	72,340	74,843	–	430	482	–	72,770	75,325
Investments in participating interests	**2,955**	**2,797**	**3,565**	**697**	**659**	**654**	**3,652**	**3,456**	**4,219**
TOTAL INVESTED ASSETS	**247,802**	**241,167**	**252,410**	**8,206**	**8,100**	**8,236**	**256,008**	**249,267**	**260,646**
– Life & Savings	209,170	204,350	214,027						
– Property & Casualty	31,701	30,154	31,468						
– International insurance	6,931	6,663	6,915						

(a) *The realization of unrealized gains and losses upon disposal of the investments may give rise to an allocation to participating insurance contracts, minority interests and tax.*

Analysis of fixed maturity and equity security investments

(in euro millions)

	At December 31, 2004			Consisting of:	
	Amortized or historical cost	Net carrying value	Fair value	Gross unrealized gains [(a) (b)]	Gross unrealized losses [(a) (b)]
Fixed Maturities:					
– French government	24,029	24,029	27,497	3,468	(0)
– Foreign governments	49,672	49,616	53,760	4,158	(15)
– Other local governments and agencies	8,158	8,063	8,542	482	(3)
– Government-controlled corporations	8,983	8,976	9,703	738	(10)
– Non-government controlled corporations	45,662	45,475	48,212	2,823	(86)
– Mortgage-backed securities	9,042	9,038	9,314	285	(10)
– Other	2,106	2,103	2,245	148	(7)
Held to maturity and available for sale	**147,653**	**147,301**	**159,272**	**12,102**	**(132)**
Allocated to UK With-Profit business trading			15,736		
Other trading securities			2,588		
Total fixed maturities			**177,596**		
Equity investments (including holdings in mutual funds)					
Available for sale	60,421	58,105	60,749	3,712	(1,067)
Allocated to UK With-Profits business trading			9,383		
Other trading securities			2,076		
Total equity investments (including holdings in mutual funds)			**72,209**		
Investment in participating interests			**3,929**		
TOTAL			**253,734**		

(a) *The realization of unrealized gains and losses upon disposal of the investments may give rise to an allocation to participating insurance contracts, minority interests and tax.*

(b) *Unrealized gains and losses are presented net of valuation allowance*

(in euro millions)

	At December 31, 2003			Consisting of:	
	Amortized or historical cost	Net carrying value	Fair value	Gross unrealized gains (a) (b)	Gross unrealized losses (a) (b)
Fixed Maturities:					
– French government	24,232	24,232	26,909	2,848	(171)
– Foreign governments	40,076	39,930	41,869	1,985	(46)
– Other local governments and agencies	4,304	4,202	4,409	212	(5)
– Government-controlled corporations	10,343	10,332	10,945	632	(19)
– Non-government controlled corporations	48,025	47,748	50,310	2,667	(105)
– Mortgage-backed securities	8,464	8,462	8,620	175	(17)
– Other	1,935	1,935	2,080	153	(8)
Held to maturity and available for sale	**137,379**	**136,840**	**145,142**	**8,672**	**(370)**
Allocated to UK With-Profit business trading			14,989		
Other trading securities			2,575		
Total fixed maturities			**162,707**		
Equity investments (including holdings in mutual funds)					
Available for sale	54,974	51,639	51,097	2,182	(2,723)
Allocated to UK With-Profit business trading			9,486		
Other trading securities			1,274		
Total equity investments (including holdings in mutual funds)			**61,857**		
Investment in participating interests			**4,219**		
TOTAL			**228,783**		

(a) *The realization of unrealized gains and losses upon disposal of the investments may give rise to an allocation to participating insurance contracts, minority interests and tax.*

(b) *Unrealized gains and losses are presented net of valuation allowance.*

At December 31, 2004, the amortized cost and fair value of fixed maturity securities classified as available for-sale (that is excluding UK With-Profit fixed maturities and other fixed maturities trading securities) totaled € 145,455 million and €156,872 million, respectively (2003: €135,084 million and €142,616 million, respectively).

For the year ended December 31, 2004, the proceeds from the sales of fixed maturity securities classified as available for sale totaled €40,606 million, resulting in gross realized gains of €711 million and gross realized losses of €745 million.

At December 31, 2004, the historical cost and fair value of equity securities classified as available for-sale (that is excluding UK With-Profit equity securities and other trading securities) totaled €60,421 million and €60,749 million, respectively.

For the year ended December 31, 2004, the proceeds from the sales of equity securities classified as available for sale totaled €29,254 million, resulting in gross realized gains of €1,840 million and gross realized losses of €591 million.

Insurance related assets (excluding assets backing contracts with financial risk borne by policyholders)

In respect of AXA's consolidated holdings in fixed maturity and equity securities other than assets backing contracts with financial risk borne by policyholders (unit-linked), the breakdown of these investments by industry sector were as follows:

INDUSTRY SECTOR BEAKDOWN

	At December 31, 2004	2003
Financial Services	21%	21%
Manufacturing / Pharmaceuticals	6%	6%
Utilities	3%	4%
Technology & Telecommunications	3%	3%
Government institutions	38%	36%
Other Direct holdings	16%	19%
Investment in mutual funds	14%	11%
TOTAL	**100%**	**100%**

As at December 31, 2004, AXA did not have directly any equity and / or fixed maturity investment in any one issuer other than the French government that was in aggregate 10% or more of AXA's total shareholders' equity, or € 2,616 million.

Based on insurance-related invested assets, AXA's **fixed maturity and equity investments** are predominantly publicly traded. In respect of these investments, 90% (versus 84% published in 2003, or 85% including Southern Europe and Ireland) of the fixed maturity investments and 93% (versus 90% published in 2003 and on a proforma basis) of the equity investments are held by AXA's principal insurance operations in France, the United States, the United Kingdom (including Ireland), Germany, Belgium, Japan and Southern Europe.

Contractual maturities of fixed maturity securities classified as either held to maturity or available for sale

Maturity information for fixed maturity investments classified as either "held-to-maturity" or "available-for-sale" is presented in the table below. Fixed maturities not due at a single maturity date have been included in the table below in the year of final maturity. Actual maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

(in euro millions)

	At December 31, 2004	
	Amortized Cost	Estimated Fair value
Due in one year or less	7,517	7,624
Due after one year through five years	39,849	41,573
Due after five years through ten years	40,419	43,735
Due after ten years	55,511	61,835
Other	4,356	4,505
TOTAL [(a)]	**147,653**	**159,272**

(a) Fixed maturities classified as "available-for-sale" represented 98% of total, based on amortized cost as at December 31, 2004.

Treasury shares

At December 31, 2004, AXA ordinary shares held by AXA, the Company or its subsidiaries ("treasury shares") totaled approximately 22 million shares, a decrease of 7.6 million compared with December 31, 2003. At December 31, 2004, the carrying value of such shares was €298 million, representing 1.16% of outstanding ordinary shares, (2003: 29.6 millions, €473 million, and 1.8%; 2002: 30.5 millions, €487 million, and 1.7%; respectively). These shares were intended to cover the exercise of stock option plans (options to buy AXA ADSs) by employees of AXA Financial, Inc.

ORANs issued by AXA to finance the acquisition of MONY were redeemed on July 22, 2004 through the issue of one AXA share per ORAN. As a result, AXA subsidiaries received an additional 1.4 million AXA shares.

In 2004, AXA sold 9 million shares, giving rise to a capital loss of €27 million (2003: 1.3 million and 2002: nil), 6.7 million shares were sold to a Finaxa subsidiary. These treasury shares were intended to cover AXA Financial's commitments under stock options granted to employees. Once new hedging arrangements had been set up, it was therefore no longer necessary to hold these shares.

In addition, AXA Financial bought options on approximately 26 million AXA American Depositary Shares (ADS), in order to improve hedging of AXA Financial employee stock option plans against a rise in the AXA share price and/or an increase in the euro against the dollar.

Investments in Participating interests

The following table sets forth an analysis of investments in entities in which a participating interest exists.

(in euro millions)

	December 31, 2004						
	Net Carrying value	Fair value	Shareholders' equity	Last fiscal year net income Amount	Year	Fiscal Year end	Percentage of ownership
Listed companies:							
BNP Paribas	1,519	2,344	25,526	4,668	2004	12.31.2004	4.9%
Total	**1,519**	**2,344**					
Investment holdings under €70 million each [(a)]	1,382	1,585					
TOTAL for year ended December 31, 2004	**2,901**	**3,929**					
Of which:							
– Held by insurance companies	2,292	3,286					
– Held by non-insurance companies	609	642					

The stakes in "Schneider", "Banque Commerciale du Maroc" and "Lor Patrimoine" are now included in the "Investment holdings under €70 million each" caption. The net book value of these stakes at December 31, 2004 were respectively €49 million, €58 million and €53 million.

(in euro millions)

	December 31, 2003						
	Net Carrying value	Fair value	Shareholders' equity	Last fiscal year net income Amount	Year	Fiscal Year end	Percentage of ownership
Listed companies:							
BNP Paribas	1,581	2,344	24,560	3,761	2003	12/31/03	5.1%
Schneider	64	80	7,226	433	2003	12/31/03	0.7%
Banque Commerciale du Maroc	145	144	1,554	6	2002	12/31/02	10.2%
Unlisted companies:							
Lor Patrimoine	53	53	53	0	2003	12/31/03	100.00%
SGCI	87	87	58	10	2003	12/31/03	100.00%
Subtotal	**1,929**	**2,709**					
Investment holdings under €50 million each [(a)]	1,527	1,510					
TOTAL for year ended December 31, 2003	**3,456**	**4,219**					
Of which:							
– Held by insurance companies	2,797	3,565					
– Held by non-insurance companies	659	654					

(a) *The stake in "Millenium Entertainment Partners" is now included in the "Investment holdings under €50 million" each caption. The net book value of this stake at December 31, 2003 was €44 million.*

(in euro millions)

	December 31, 2002						
	Net Carrying value	Fair value	Shareholders' equity	Last fiscal year net income Amount	Year	Fiscal Year end	Percentage of ownership
Listed companies:							
Banque de Crédit Marocain	115	90	567	84	2001	12/31/01	10.6%
BNP Paribas	1,585	1,801	25,400	3,295	2002	12/31/02	5.2%
Crédit Lyonnais	498	956	9,207	853	2002	12/31/02	5.1%
Schneider	141	90	7,363	422	2002	12/31/02	1.6%
Unlisted companies:							
Lor Patrimoine	53	53	53		2002	12/31/02	100.0%
SGCI	144	144	115	9	2002	12/31/02	100.0%
Millenium Entertainment Partners	64	71	315	(1)	2002	12/31/02	13.4%
Subtotal	**2,599**	**3,293**					
Investment holdings under €50 million each	2,040	1,736					
TOTAL for year ended December 31, 2002	**4,639**	**5,029**					
Of which:							
– Held by insurance companies	3,785	4,166					
– Held by non-insurance companies	854	863					

Investment valuation allowance

Investment valuation allowances, which have been deducted in arriving at investment net carrying values as presented in the consolidated balance sheets, and changes thereto are shown below.

(in euro millions)

	Balance at January 1, 2004	Additions	Deductions	Other changes [(b)]	Balance at December 31, 2004
Real estate	303	108	(120)	(15)	275
Equity investments and holdings in mutual funds [(c)]	3,531	388	(1,322)	80	2,677
Fixed maturities and other fixed income securities	538	47	(235)	1	351
Mortgages and other loans	141	38	(73)	225	332
Subtotal [(a)]	**4,514**	**581**	**(1,750)**	**291**	**3,635**
Depreciation of real estate used for operating purposes	759	78	–	(82)	755
TOTAL	**5,272**	**660**	**(1,750)**	**209**	**4,391**

(a) Includes provisions on assets from banking activities.

(b) "Other changes" relate principally to changes in scope of consolidation and foreign currency fluctuations.

(c) The additions to the investment valuation allowance for "Equity investment and holdings in mutual funds" include a valuation allowance on quoted securities of €190 million.

(in euro millions)

	Balance at January 1, 2003	Additions	Deductions	Other changes [(b)]	Balance at December 31, 2003
Real estate	504	91	(75)	(216)	303
Equity investments and holdings in mutual funds [(c)]	2,268	1,982	(448)	(271)	3,531
Fixed maturities and other fixed income securities	577	368	(334)	(73)	538
Mortgages and other loans	154	43	(34)	(21)	141
Subtotal [(a)]	**3,503**	**2,483**	**(890)**	**(582)**	**4,514**
Depreciation of real estate used for operating purposes	714	92	–	(48)	759
TOTAL	**4,217**	**2,575**	**(890)**	**(629)**	**5,272**

(a) Includes provisions on assets from banking activities.

(b) "Other changes" relate principally to changes in scope of consolidation and foreign currency fluctuations.

(c) The additions to the investment valuation allowance for "Equity investment and holdings in mutual funds" include a valuation allowance on quoted securities of €965 million.

					(in euro millions)
	Balance at January 1, 2002	Additions	Deductions	Other changes [b]	Balance at December 31, 2002
Real estate	463	58	(95)	78	504
Equity investments and holdings in mutual funds [c]	1,853	1,147	(563)	(169)	2,268
Fixed maturities and other fixed income securities	608	361	(303)	(89)	577
Mortgages and other loans	119	73	(19)	(19)	154
Subtotal [a]	**3,043**	**1,640**	**(980)**	**(199)**	**3,503**
Depreciation of real estate used for operating purposes	837	115	–	(238)	714
TOTAL	**3,880**	**1,754**	**(980)**	**(437)**	**4,217**

(a) Includes provisions on assets from banking activities.

(b) "Other changes" relate principally to changes in scope of consolidation and foreign currency fluctuations.

(c) The additions to the investment valuation allowance for "Equity investment and holdings in mutual funds" include a valuation allowance on quoted securities of €912 million.

7. Assets backing contracts with financial risk borne by policyholders (Unit-Linked)

Assets backing contracts with financial risk borne by policyholders (unit-linked) are stated at market value and are presented in the table below "Holdings in other mutual funds" essentially consisted of investments by the French Life & Savings insurance companies in mutual funds that invest predominantly in real estate.

		(in euro millions)
	At December 31, 2004	2003
Real estate investments	2,201	3,511
Equity securities and other variable yield securities	69,888	59,492
Holdings in equity investment-based mutual funds	7,952	6,510
Fixed maturities and other fixed income securities	14,712	14,076
Holdings in fixed maturity-based mutual funds	2,624	2,686
Holdings in other mutual funds	16,409	14,726
Total assets backing contracts with financial risk borne by the policyholders (unit-linked)	**113,786**	**101,002**

Changes in value are recorded under "Net investment result". See Note 20.

8. Investments in Affiliated Companies (Equity Method)

An analysis of the investments in affiliated companies (accounted for by using the equity method) is given below.

(in euro millions)

	Carrying value at January 1, 2004	Change in Scope	Other changes (a)	Carrying value at December 31, 2004	Contribution to Net Income
AXA Asia Pacific Holdings affiliates:					
– NM Home Loans Trust	34	(12)	(1)	21	–
– NM Property Trust	87	(86)	(0)	0	–
– Ticor	64	–	(2)	62	–
– Other affiliates	784	(253)	(13)	518	38
AXA Seguros affiliates					
– Hilo Direct de Seguros y Reaseguros	21	(21)	–	0	–
AXA France Vie affiliates					
– Argovie	29	–	(1)	28	2
AXA Insurance Hong Kong	60	–	(3)	58	8
AXA Insurance Singapore	45	–	3	48	6
AXA Oyak Sigorta	58	–	6	64	16
Other affiliates under €30 million each	71	2	(0)	74	5
TOTAL	**1,254**	**(370)**	**(12)**	**871**	**76**

(a) Includes foreign currency fluctuations and net income for the period adjusted for dividends received.

(in euro millions)

	Carrying value at January 1, 2003	Change in Scope	Other changes (a)	Carrying value at December 31, 2003	Contribution to Net Income
AXA Germany affiliates:					
– General Re-CKAG	653	(653)	–	0	–
AXA Asia Pacific Holdings affiliates:					
– NM Home Loans Trust	65	–	(31)	34	–
– NM Property Trust	78	–	9	87	7
– Ticor	35	–	30	64	1
– Other affiliates	868	(19)	(65)	784	3
AXA Seguros affiliates					
– Hilo Direct de Seguros y Reaseguros	39	–	(18)	21	3
AXA France Vie affiliates					
– Argovie	26	–	2	29	2
AXA Insurance Hong Kong	69	–	(8)	60	7
AXA Insurance Singapore	49	–	(4)	45	3
AXA Oyak Sigorta	59	–	(0)	58	14
Other affiliates under €30 million each	153	(60)	(21)	71	1
TOTAL	**2,093**	**(732)**	**(107)**	**1,254**	**41**

(a) Includes foreign currency fluctuations and net income for the period adjusted for dividends received.

In **2004**, the main changes in investments in affiliated companies were as follows:

- The sale of AXA Asia Pacific Holdings' stake in National Mutual Property Trust (€–86 million), along with the sale part of the stakes in National NMFM Int Bond Fund (€–40 million) and NMFM Property Fund (€–218 million).
- The change in the consolidation method used for Direct Seguros. Following the buy-out of minorities interests, Direct Seguros is now fully consolidated (€–21 million).

The **2003** changes in scope resulted from the sale of the stake in Colonia Re JV (€–654 million), the disposal of AXA Asia Pacific Holdings subsidiary Members Equity (€–19 million) and the sale of operational activities in Austria and Hungary (€–60 million).

For the years ended December 31, 2004, 2003 and 2002, AXA received revenues from companies accounted for by the equity method of €19 million, €72 million and €46 million respectively. The fall in revenues received in 2004 was mainly due to AXA Asia Pacific Holdings' significant disposals of participating interests. The increase in dividends received in 2003 related to the dividends paid by the Australian entities.

9. *Receivables and Payables from Insurance and Reinsurance Activities*

(in euro millions)

	December 31, 2004			
	Receivables			Payables
	Gross book value	Provisions	Carrying value	
Deposits and guarantees	1,134	0	1,134	1,376
Current accounts from other companies	3,091	(90)	3,001	2,750
Policyholders, brokers, general agents	4,023	(226)	3,797	3,042
Estimated premiums not yet recorded	1,526	–	1,526	–
Other	1,174	(71)	1,103	270
Total at December 31, 2004	**10,949**	**(387)**	**10,562**	**7,437**

(in euro millions)

	December 31, 2003			
	Receivables			Payables
	Gross book value	Provisions	Carrying value	
Deposits and guarantees	2,235	0	2,235	1,598
Current accounts from other companies	3,010	(109)	2,901	2,590
Policyholders, brokers, general agents	3,551	(203)	3,348	3,587
Estimated premiums not yet recorded	2,025	–	2,025	–
Other	1,272	(99)	1,172	537
Total at December 31, 2003	**12,092**	**(411)**	**11,680**	**8,312**

10. Cash and Cash Equivalents

Cash and cash equivalent are mainly liquid and short–term investments. The table below details those cash and cash equivalents by segment.

(in euro millions)

	At December 31,	
	2004	2003
Cash and cash equivalents		
From insurance activities	18,666	16,445
From banking activities	123	211
From other companies [(a)]	2,574	2,772
TOTAL	**21,363**	**19,428**

(a) In 2003, ORANs (bonds redeemable in cash or equity) were issued for a total amount of €1,389 million.

In 2004, there was no significant cash on hand or on deposit that was restricted as regards to withdrawal or usage.

11. Deferred Acquisition Costs

The tables below present (i) the deferred acquisition costs by Insurance segment and (ii) movements in the other deferred acquisition costs (net) for the Life & Savings segment.

(in euro millions)

	At December 31, 2004				2003
	Life & Savings	Property & Casualty	International Insurance	Total	TOTAL
Deferred acquisition costs on unearned premiums	0	1,246	109	1,355	1,273
Deferred acquisition costs on earned premiums					
– gross of unearned revenue reserves	12,356			12,356	11,384
– unearned revenue reserves	(1,757)			(1,757)	(1,664)
Deferred acquisition costs on earned premiums (net)	10,599			10,598	9,720
TOTAL DEFERRED ACQUISITION COSTS	**10,599**	**1,246**	**109**	**11,954**	**10,993**

(in euro millions)

	Years ended December 31, 2004	2003	2002
Deferred acquisition costs on earned premiums (net of unearned revenue reserves):			
Balance beginning of year	**9,720**	**9,557**	**9,613**
Costs capitalized	2,230	2,308	2,137
Interest accrued	452	602	640
Amortization expense	(1,367)	(1,550)	(1,397)
Net change in unearned revenue reserve	104	(32)	(170)
Impact of foreign currency fluctuations	(494)	(1,158)	(1,192)
Other	(47)	(7)	(72)
END OF YEAR BALANCE	**10,598**	**9,720**	**9,557**

12. Shareholders' Equity

At the annual general meeting of shareholders of AXA held on April 21, 2004, the shareholders approved the declaration of a dividend in respect of 2003 of €0.38 per ordinary share or €676 million.

At the annual general meeting of shareholders of AXA held on April 30, 2003, the shareholders approved the declaration of a dividend in respect of 2002 of €0.34 per ordinary share or €599 million (2002 in respect of 2001: € 0.56 per ordinary share, or €971 million).

At the annual general meeting of shareholders of AXA held on May 3, 2002, the shareholders approved the declaration of a dividend in respect of 2001 of €0.56 per ordinary share.

Since 1994 and on a regular basis, AXA offers its employees to become shareholders: as a result and in 2004, AXA employees invested a total of €257 million in AXA shares (with 22.5 million in August and € 232.1 million in December, leading to a total issuance of 18.9 million new ordinary AXA shares). As of December 31, 2004, the total number of shares in issue amounted to 1,908 million. Employee shareholders represented approximately 5.11% of the outstanding shares versus 4.74% as of December 31, 2003.

13. Minority Interests

Changes in minority shareholders' interests are summarized as follows:

	(in euro millions)		
	Years ended December 31,		
	2004	2003	2002
Minority interests at January 1,	**2,469**	**2,812**	**3,409**
Change in scope	(205)	(73)	(129)
Dividends paid by consolidated subsidiaries	(251)	(326)	(467)
Impact of foreign currency fluctuations	(131)	(182)	(375)
Other changes (including internal restructurings)	3	(4)	6
Minority interests in income of consolidated subsidiaries	321	243	368
MINORITY INTERESTS AT DECEMBER 31,	**2,206**	**2,469**	**2,812**

Changes in consolidation scope and impact of acquisitions

In 2004, the principal change was attributable to €–168 million due to the 5.8 point increase in the Group's interest in Alliance Capital (from 55.5% to 61.3%) as 16.32 millions units were bought back from former Sanford Bernstein shareholders and to €43 million change resulting from AXA RE Finance's buyout of minority interests from BNP Paribas.

In 2003, the decrease in minority interests resulted from the acquisition of BNP Paribas' stake in AXA RE subsidiary SPS RE of €(49) million, and the buyout of approximately 1% of minority interests in Germany or €(26) million.

In 2002, certain of Sanford C. Bernstein' former shareholders exercised their options in connection with Alliance Capital acquisition of that company (see notes 4 and 26). As a result, AXA Financial acquired 8.16 million of Alliance Capital units from the former shareholders of Sanford C. Bernstein, increasing AXA's ownership interest in Alliance Capital in 2002 from 52.3% to 55.7% and thereby reducing the share attributable to minority interests.

Minority interests' share in income

Minority interests' share in income in 2004 included €192 million in respect of Alliance Capital, with the remaining balance relating to non-wholly owned operations in Australia and New Zealand (€35 million) and Hong Kong (€61 million).

The minority interests' share of total equity included €1,103 million in respect of Alliance Capital (2003: €1,288 million), with the remaining balance relating to non-wholly owned operations in Australia and New Zealand (€674 million), Japan (€62 million) and Germany (€122 million).

14. Mezzanine Capital

In accordance with the French regulations, debt for which reimbursement is subordinated to other creditors in the event of a Company's liquidation, insolvency or bankruptcy and which has an original maturity date of at least five years (notice period of at least five years in the case of perpetual debt) is considered mezzanine capital.

Subordinated debt

At December 31, 2004, subordinated debt totaled €9,235 million (2003: €8,453 million), and consisted of the following:

(in euro millions)

	At December 31, 2004	2003
AXA, The Company		
Undated deeply subordinated notes ("Titre Super Subordonnés perpétuels")	625	
Subordinated Perpetual Notes, variable (US$ and euro)	2,121	1,772
Perpetual Notes, 3.29% / variable (Yen)	193	200
Subordinated Convertible Notes, 2.5% due 2014 (euro) [a]	1,518	1,518
Subordinated Perpetual Debt (euro)	234	234
Subordinated Perpetual Notes, 7.25% (euro)	500	500
Subordinated Convertible Notes, 3.75% due 2017 (euro) [b]	1,099	1,099
Subordinated Convertible Notes, variable, due 2020 (euro)	215	215
U.S. registered subordinated debt, 8.60%, 2030 (US $)	918	990
U.S. registered subordinated debt, 7.125%, 2020 (GBP)	461	461
U.S. registered subordinated debt, 6.75%, 2020 (euro) [c]	1,071	1,070
Amount of derivatives hedging subordinated debt	(620)	(527)
AXA Financial		
Surplus Notes, 6.95% due 2005	294	316
Surplus Notes, 7.70% due 2015	147	159
AXA Bank Belgium (IPPA Bank)		
Subordinated Notes, 3.14% to 6.90%, through 2008	339	308
Other subordinated debt under €100 million each	121	138
TOTAL	**9,235**	**8,453**

Note: certain increases/decreases year on year are attributable to the impact of foreign exchange rates.

(a) *Issued in February 1999. In 2004, none of these notes had been converted in to AXA ordinary shares. The conversion into shares of all notes in issue at year end would result in the issuance of 37.3 million AXA ordinary shares. The Company has the right to redeem these notes starting in January 2005 at a price of euro 186.12 per note. The issuance price per note was €165. Unless previously converted, redeemed or cancelled, the notes will mature and become repayable in full on January 1, 2014 at a price of €230.88 per note.*

(b) *Issued in February 2000. In 2004, none of these notes had been converted in to AXA ordinary shares. The conversion into shares of all notes in issue at year end would result in the issuance of 26.9 million AXA ordinary shares. The Company has the right to redeem these notes starting in January 2007 at a price of euro 196.00 per note. The issuance price per note was €165.50. Unless previously converted, redeemed or cancelled, the notes will mature and become repayable in full on January 1, 2017 at a price of €269.16 per note*

(c) *The U.S. registered subordinated debt denominated in euro is redeemable after 10 years. The annual interest rate on the eur-denominated tranche of 6.75% is for the first 10 years, and thereafter, at Euribor 3-months plus 220 basis point on a quarterly basis.*

At December 31, 2004, maturing subordinated debt due in 2005 and the following four years totaled €313 million in 2005, nil in 2006, nil in 2007, €44 million in 2008 and €45 million in 2009, followed by €8,833 million thereafter.

In 2004, AXA issued, under its €5 billion Euro Medium Term Notes Program, subordinated debt totaling €12 billion of which (i) callable undated subordinated debt: $150 million in January and $225 million in February 2004 (private placements in Europe and Asia) and €125 million in April 2004 (private placement in Europe); and (ii) in October and December 2004, respectively €375 million and €250 million undated deeply subordinated notes ("Titres Super Subordonnés"). By partly anticipating the refinancing of debts maturing in 2005 and after, these issues allowed the Group to benefit from very favorable and unprecedented credit spread conditions and to improve its liquidity by further extending the average maturity of debt and by strengthening hybrid capital through non–dated subordinated issues.

15. Insurance Liabilities

The table below presents a reconciliation of the insurance liabilities, gross and net of reinsurance ceded, by operating segment.

(in euro millions at December 31)

	Life & Savings		Property & Casualty		International Insurance		Total	
	2004	2003	2004	2003	2004	2003	2004	2003
Gross insurance reserves:								
–Future policy benefits	219,951	207,533	26	27	376	177	220,354	207,737
–Claim reserves	5,522	5,153	24,881	24,208	9,149	10,104	39,552	39,465
–Other reserves	2,349	2,471	3,089	2,979	81	123	5,518	5,572
–Unearned premiums reserves	66	78	5,924	5,623	745	1,057	6,735	6,758
Total insurance liabilities, gross of reinsurance ceded	**227,888**	**215,234**	**33,921**	**32,836**	**10,351**	**11,461**	**272,160**	**259,532**
Liabilities backing contracts with financial risk borne by policyholders (unit–linked), gross of reinsurance ceded	**113,998**	**101,069**	**–**	**–**	**–**	**–**	**113,998**	**101,069**
Less reinsurance ceded on:								
–Future policy benefits	3,449	3,133	–	–	6	6	3,455	3,140
–Claim reserves and other reserves	498	423	1,647	2,219	2,051	2,362	4,197	5,003
–Unearned premium reserves	1	1	111	121	120	205	233	327
Total reinsurance ceded on insurance liabilities	**3,948**	**3,557**	**1,759**	**2,340**	**2,178**	**2,573**	**7,885**	**8,470**
Reinsurance ceded on liabilities backing contracts with financial risk borne by policyholders (unit–linked)	**12**	**19**	**–**	**–**	**–**	**–**	**12**	**19**
TOTAL INSURANCE LIABILITIES, NET OF REINSURANCE CEDED	**337,926**	**312,728**	**32,162**	**30,496**	**8,173**	**8,888**	**378,262**	**352,112**
Which includes:								
–Policyholders' participation (bonuses), excluding UK With-Profit business	9,407	8,894						
– UK With-Profit business liabilities	30,282	29,119						

The movement in insurance reserves (gross of reinsurance) for the Property & Casualty and International Insurance segments is presented below:

(in euro millions)

	2004		2003		2002	
	Property & Casualty	International Insurance	Property & Casualty	International Insurance	Property & Casualty	International Insurance
Gross claims reserves to be paid, January 1	**24,208**	**10,104**	**23,730**	**11,533**	**25,162**	**11,841**
Changes in scope of consolidation, portfolio transfers and change in accounting principles [(a)]	(46)	4	102	(90)	(1,619)	1,136
Impact of foreign currency fluctuations [(b)]	(169)	(415)	(238)	(1,015)	(479)	(1,345)
Sub-Total	**23,992**	**9,693**	**23 594**	**10,428**	**23,064**	**11,632**
Provision attributable to the current year	11,540	2,109	11,245	2,661	10,884	2,904
Increase (decrease) in provision attributable to prior years	(557)	(101)	(331)	(25)	(118)	1,008
Total claims and claims expenses	**10,983**	**2,008**	**10,914**	**2,636**	**10,766**	**3,912**
Claims and claims expenses attributable to current year	(4,748)	(1,286)	(4,660)	(768)	(4,279)	(1,266)
Claims and claims expenses attributable to prior years	(5,346)	(1,266)	(5,641)	(2,192)	(5,820)	(2,744)
Total payments	**(10,094)**	**(2,552)**	**(10,301)**	**(2,960)**	**(10,099)**	**(4,011)**
Gross claims reserves to be paid, December 31	**24,881**	**9,149**	**24,208**	**10,104**	**23,730**	**11,533**

(a) Changes in the scope of consolidation are mainly due to the transfer of UK Discontinued business from Property & Casualty to International Insurance (€1,142 million at January 1, 2002), the disposal of activities in Austria and Hungary (€234 million) and the removal or addition of entities accounted for by the equity method, principally Hong Kong Property & Casualty (€176 million), Direct Assurances (Spain €48 million) and Singapore Property & Casualty (€60 million).
Changes in the scope of consolidation in 2003 are mainly due to the transfer of the Health business in the UK from the Life & Savings segment to Property & Casualty (€124 million).

(b) International Insurance currency fluctuations in 2002 are mainly due to World Trade Center insurance reserves (accounted for in U S dollars).

U.S. Terrorist attacks on September 11, 2001

Our losses arising from insurance claims in connection with the terrorist attacks on September 11, 2001 had a negative effect on our net income in 2001 and 2002. In 2004 and 2003, there was no material impact of the cost of the September 11, 2001 claims apart from the effect of exchange rate. The estimated cost for AXA RE for the year ended December 31, 2002, amounted to €903 million (before tax and net of reinsurance), or €604 million net of tax and reinsurance.

Environmental pollution, asbestos and other exposures

In prior years, AXA issued insurance policies and assumed reinsurance for cover related to environmental pollution and asbestos exposure. Its insurance companies have been and continue to be involved in disputes regarding policy coverage and judicial interpretation of legal liability for potential environmental and asbestos claims. AXA has received and continues to receive notices of potential claims asserting environmental and asbestos losses under insurance policies issued or reinsured by AXA. Such claim notices are frequently merely precautionary in nature. There are significant uncertainties that affect the insurance companies' ability to estimate future losses for these types of claims. However, AXA still carries out regular actuarial reviews to assess the adequacy of the loss provisions relating to these risks.

Under insurance and reinsurance contracts related to environmental pollution and asbestos, AXA paid claims and legal costs of €51 million related to environmental pollution in 2004 of which €35 million related to asbestos and €16 million related to environmental pollution (2003: €53 million and 2002: €45 million). At December 31, 2004, AXA had made cumulative payments relating to such contracts of €571 million of which €422 million related to asbestos and €149 million related to environmental pollution (2003: €536 million).

At December 31, 2004, AXA had insurance claim reserves (gross of reinsurance) of €1,021 million (of which €875 million related to asbestos and €146 million related to environmental pollution) or €914 million net of reinsurance of which €793 million related to asbestos and €121 million related to environmental pollution (2003: €944 million gross of reinsurance or €858 million net of reinsurance), including (i) €380 million for reported claims of which € 298 million related to asbestos and €82 million related to environmental pollution (2003: €365 million) and (ii) €641 million for IBNR (incurred but not reported) claims of which €576 million related to asbestos and €64 million related to environmental pollution (2003: €579 million). The IBNR liabilities are estimated and evaluated regularly based on information received by management.

16. Provisions for Risks and Charges

(in euro millions)

	At December 31,		
	2004	2003	2002
Deferred taxes (see note 23)	2,805	1,954	4,592
Pension obligations and other similar liabilities (see note 17)	2,713	2,726	2,865
Provision for restructuring costs	233	141	154
Provision for real estate companies	30	40	28
Other provisions	1,416	2,057	2,136
TOTAL	**7,197**	**6,918**	**9,775**

Pension obligations and other similar liabilities

Detailed information is provided in note 17 "Employee Benefit Plans".

The pension plan liabilities are calculated based on the application of the preferential method under French regulations. It includes the total consolidated liability to be paid by the Group for its employees from retirement date (departure compensation, pension complement, medical cover and long-service benefits). The principal defined benefit pension plans relate to the following AXA operations at December 31, 2004: the UK, U.S., French and German insurance operations and Japanese Life & Savings operations, although smaller plans exist at most of AXA's locations.

Provision for restructuring Costs

The provision for restructuring costs and charges thereto are presented in the tables below for the years indicated.

(in euro millions)

	2004			2003			2002		
	Provisions established in purchase accounting	Other provisions	Total	Provisions established in purchase accounting	Other provisions	Total	Provisions established in purchase accounting	Other provisions	Total
Provisions at January 1,	**29**	**112**	**141**	**38**	**116**	**154**	**144**	**224**	**368**
Reclassification [a]	–	–	–	–	–	–	(89)	16	(74)
Additions to existing provisions									
Purchase accounting adjustment	93	–	93	6	–	6	2	–	2
Through net income	169	18	186	7	24	31		26	26
Provisions utilized	**(112)**	**(50)**	**(162)**	**(21)**	**(76)**	**(97)**	**(15)**	**(141)**	**(156)**
Release of provision									
Purchase accounting adjustment									
Through net income	(0)		(0)	(0)	(14)	(15)	(1)	(1)	(2)
Other changes	**(15)**	**(10)**	**(26)**	**(1)**	**62**	**61**	**(2)**	**(7)**	**(10)**
Provisions at December 31,	**164**	**69**	**233**	**29**	**112**	**141**	**38**	**116**	**154**

(a) In 2002, AXA Belgium reclassified €74 million of provision for restructuring costs into Pension obligations and other similar liabilities.

In 2004, the utilization of provisions established in purchase accounting mainly occurred in the US following the MONY purchase (€–98 million) and in the UK (€–11 million).

The increase in the provisions established in purchase accounting is mainly explained by the acquisition of MONY acquisition for €261 million, including €93 million through purchase accounting adjustment.

Most additions to other provisions (€18 million) have been booked in AXA RE (€11 million) following the job protection plan introduced in 2003.

In 2004, provisions for restructuring were utilized at AXA Versicherung (€22 million) and in Japan (€7 million) and were used in Australia and New Zealand (€4 million) and in the UK (€3 million). Other changes in 2004 arose from the impact of exchange rate movements on provisions booked in the US (€14 million) and a transfer of restructuring provisions from AXA Versicherung to provisions for employment benefits once the number of people taking early retirement was known (€7 million).

In 2003, the main part of purchase accounting provisions booked relate to AXA France Vie (€6 million). These restructuring costs provisions were transferred by AXA France Collectives, and were released in full during the year. Most of the other provisions (€24 million) took place in the USA, Japan and the UK.

In addition, €45 million of provisions were used for early retirement in France. €6 million of provisions for site restructuring were released. Provisions were also used for restructuring costs at AXA Financial (€12 million), in Australia and New Zealand (€6 million), in Belgium (€4 million) and in the UK (€1 million).

Other provisions

Other provisions include principally:

- The remaining €63 million (€483 million in 2003) balance of the provision set up in 2000 to offset the dilution profit realized by AXA Financial when acquiring Sanford Bernstein. In 2004, €420 million were released relating to the exercise of put options over 16.32 million Alliance Capital units by former Sanford Bernstein shareholders.
- The remaining €79 million balance on the provisions recorded in 2000 in connection with the sale of Banque Worms, (€43 million released in 2004).
- A provision of €170 million associated with the cost of settling/exchanging outstanding share options of AXA Financial. This provision decreased by €23 million in 2004 (€10 million at constant exchange rates) due to the exercise of some of these options.
- Provisions for the deferred compensation plans of AXA Financial (€167 million) and Alliance Capital (€120 million).
- €243 million of provisions for discounts on convertible bonds at AXA SA. These provisions have been recorded since 2002.

17. Employee Benefit Plans

Long–term liabilities of employee benefit plans are calculated according to the "preferred method" under French regulations (refer to note 2 "Significant accounting Policies").

Defined contribution plans

The cost of the contributions paid is an expense in the statement of income, and amounted to €81 million for the year ended December 31, 2004.

Defined benefit plans

The assumptions for each plan are consistent with the economic features of the countries in which the liabilities lie.

The weighted–average assumptions used by AXA for pension plans in the principal regions in which AXA operates are as follows:

Current year calculation assumptions:	Europe	North America	Japan	Others
Pension benefit obligation – assumptions at year-end				
Discount rate	5.1%	5.8%	1.9%	6.6%
Salary increase for future years	3.5%	5.6%	0%	3.6%
Net periodic pension cost – assumptions at beginning of year				
Discount rate	5.5%	6.3%	1.1%	6.6%
Expected rate of return on plan assets	6.4%	8.3%	1.3%	7.5%
Salary increase for future years	3.6%	6.2%	0%	3.6%

Previous year calculation assumptions:	Europe	North America	Japan	Others
Pension benefit obligation – assumptions at year-end				
Discount rate	5.5%	6.3%	1.1%	6.6%
Salary increase for future years	3.6%	6.2%	0%	3.6%
Net periodic pension cost – assumptions at beginning of year				
Discount rate	5.5%	6.8%	2.3%	6.6%
Expected rate of return on plan assets	6.5%	8.4%	1.3%	8.2%
Salary increase for future years	3.5%	7.0%	0%	4.4%

Annual change in pension plan liabilities

A yearly evolution of the PBO (Projected Benefit Obligation) is made based on the following items:

- service cost (representing the increase in the PBO attributable to one year of additional service),
- interest cost (cost of one year less discount),
- benefits paid,
- actuarial gain or losses (change in long term assumptions, change in staff...),
- change in plans.

Given the long-term trend of employee benefit liabilities, the changes due to financial market variations and other actuarial gains or losses are amortized over the liability duration (approximately 15 years) for the amount which exceeds the 10% corridor (the greater of 10% of the present value of future benefits paid and 10% of the fair value of plan assets). They are brought into the income statement as an expense starting in the following accounting year.

Balance sheet information

The balance sheet information for employee benefits captures the difference between the Projected Benefit Obligation ("PBO") and the market value of the corresponding invested plan assets, increased by the unrecognized gains or decreased by the unrecognized losses. When this difference is positive a contingency and loss reserve is booked within the balance sheet liability. When it is negative, an asset is recorded in the balance sheet.

The following table sets forth the change in benefit obligation and change in plan assets associated with various pension plan and post-retirement benefits sponsored by AXA. The amounts are recognized in the accompanying balance sheets as at December 31, 2004 and 2003.

(in euro million)

	Pension benefits		Other benefits	
	2004	2003	2004	2003
Change in benefit obligation:				
Benefit obligation, beginning of year	**8,609**	**8,762**	**524**	**567**
Service cost	177	176	5	5
Interest cost	465	451	30	32
Amendments (including acquisitions)	336	(24)	69	(23)
Actuarial (gains) and losses	657	308	22	57
Benefits paid	(359)	(378)	(4)	(4)
Benefits directly paid by the employer	(100)	(70)	(26)	(28)
Effect of foreign currency fluctuation	(201)	(618)	(40)	(80)
Benefit obligation, end of year (A)	**9,586**	**8,609**	**581**	**524**
Change in plan assets:				
Fair value of plan assets, beginning of year	**5,526**	**5,531**	**8**	**7**
Actuarial return on plan assets	553	728	0	1
Employer contributions	266	138	3	3
Employees contributions	14	16	2	2
Net transfer (including acquisitions)	280	(33)	0	0
Benefits paid	(359)	(378)	(4)	(4)
Effect of foreign currency translation	(151)	(476)	–	–
Fair value of plan assets, end of year (B)	**6,129**	**5,526**	**9**	**8**
Funded Status (B) - (A)	(3,457)	(3,083)	(572)	(516)
Unrecognised (gains) and losses	3,459	3,126	127	130
Net position	**2**	**43**	**(445)**	**(386)**
Recorded in the balance sheet for plans :			–	–
With a positive net position (Asset)	**1,762**	**1,824**		
With a negative net position (Liability)	**(1,761)**	**(1,781)**	**(445)**	**(386)**

For pension plans where the fair value of plan assets exceeds the benefit obligation, the aggregate fair value of plan assets and aggregate benefit obligation were €21 million and €19 million respectively as at December 31, 2004. For pension plans where benefit obligation is in excess of the fair value of the plan assets, the aggregate fair value of plan assets and aggregate benefit obligation were €6,108 million and €9,567 million respectively as at December 31, 2004.

Net periodic benefit cost

The net periodic benefit cost, that is, the annual expense for employee benefits recorded in the income statement, for the years ended December 31, 2004, 2003 and 2002 is presented below:

(in euro million)

	Pensions benefit			Other benefits		
	2004	2003	2002	2004	2003	2002
Service cost	177	176	180	5	5	6
Interest cost	465	451	495	30	32	38
Expected return on plan assets	(426)	(435)	(524)	0	0	0
Amortization of unrecognized amounts	140	118	37	4	3	0
Settlement/Curtailment and Employee contribution	(13)	6	12	(2)	(6)	(1)
Net periodic benefit cost	**344**	**316**	**201**	**36**	**34**	**43**

The balance sheet evolution for a defined benefit plan is function therefore of:

- the accumulated cost recorded in the income statement,
- the accumulated benefits directly paid to the beneficiaries, and
- the accumulated employer contributions to the plan.

(in euro million)

	Pension benefits		Other benefits	
	2004	2003	2004	2003
Beginning of year net position	**43**	**285**	**(386)**	**(441)**
Net Periodic Benefit Cost	(344)	(316)	(36)	(34)
Benefits paid by the Employer	100	70	26	28
Employer Contributions	280	138	3	3
Acquisitions and dispositions	(62)	–	(82)	–
Effect of foreign currency fluctuation	(16)	(133)	30	58
End of the year net position	**2**	**43**	**(445)**	**(386)**

For MONY employee benefit plans, the fair value at acquisition date became new cost basis for post–acquisition accounting. This was accomplished by revaluation of the liabilities using the AXA U.S. operation current assumptions as of the acquisition date, including recognition of any previously deferred actuarial gains and losses formerly not recognized. Any prepaid pension asset was eliminated in connection with these revaluations.

The overall amount of liabilities recorded in the balance sheet for pension benefits and other similar obligations are the following:

(in euro million)

	2004	2003
Negative net position:		
Pension benefits and other benefits	2,205	2,167
Other social liabilities	505	559
Total	**2,710**	**2,726**

In the above template, € 2,205 billion represents the sum of the negative net position of the pension benefits (€1,761 billion) and other benefits (€445 million). Other social liabilities are mainly pre-retirement benefits.

AXA uses December 31 measurement date for the majority of its pension plans and other post-retirement plans.

Near–term cash flows (Benefit Paid and Employer Contributions)

	(in euro million)	
	Pension benefits	Other benefits
Estimated Future Benefits Paid (calculated on a PBO basis)		
2005	489	40
2006	504	40
2007	523	39
2008	550	39
2009	569	39
5 years therafter	3,078	194

The estimated amount of 2005 employer contributions for pension benefits and other benefits is respectively €283 million and €32 million. These amounts also includes benefits directly paid by the employer. These amounts are subject to uncertainty as they will be driven by 2005 economics.

Plan asset mix at the end of year 2004

TOTAL PLAN ASSETS MIX

	Total Group	Europe	North America	Others
Equities	58%	53%	69%	58%
Bonds	34%	40%	23%	26%
Real Estate	5%	4%	7%	15%
Other	2%	3%	1%	1%
Total	**100%**	**100%**	**100%**	**100%**
Total in euro millions	**6,138**	**3,976**	**1,961**	**201**

As pension liabilities are of a long-term nature, a mixture of bond, equity, and real estate investments are used in the plan assets. It should be noticed that the percentage of equity is higher in the Anglo-Saxon countries where the investment strategy is often determined by Plan trustees. This mixture has some degree of volatility of returns, but over the long-term is expected to provide a higher return than pure bond investments, consistent with experience in the past.

The asset mixture is maintained close to the target level, with minor fluctuations over time due to the shifting market values of assets. The asset mix at the end of year 2005 should be very similar to the one presented above at the end of year 2004.

There are diverse methods to determine the expected long term rate of return across the Group given each areas specificities. Globally it is based on the historic returns adjusted for future expectations on each asset class and for the shift of asset mix. In addition, external consultants review or compute these assumptions for reasonableness in most countries.

Other employment benefits

AXA provides certain medical and life insurance benefits ("post-retirement benefits") to qualifying employees, managers and agents who retire after having met certain age and service requirements. The life insurance benefits are related to age and salary at retirement. Similarly, MONY offers certain health care and life insurance benefits to retired employees and field underwriters of MONY Life. The expected costs of providing post-retirement benefit are accrued during the period that the employees earn such benefits. AXA funds post-retirement benefits costs as the benefits are utilized, and made post-retirement benefits payments of €30 million, €32 million and €40 million for the years ended December 31, 2004, 2003 and 2002, respectively.

The post-retirement benefits are principally in the US Life & Savings operations. In 1993, both AXA Financial and MONY announced a limit on the amount that would be contributed toward retiree healthcare. AXA Financial's contribution limit was reached in 2003, and MONY's limit was reached in 2002. As a result, no future health care cost trend rate was assumed in measuring any postretirement benefit obligation or related cost at and for the years ended December 31, 2004 and 2003, except for MONY's dental plan, for which an assumed medical cost trend rate of 5% was applied. Therefore, an increase or decrease of 1% in the health care cost trend rate has no material impact on either the service or interest components of net periodic postretirement benefits costs or on the related accumulated postretirement benefit obligation.

On December 8, 2003, the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (the "MMA") was signed into law. It introduced a prescription drug benefit under Medicare Part D that would go into effect in 2006 as well as a Federal subsidy to employers whose plans provide an "actuarially equivalent" prescription drug benefit, however, detailed regulations necessary to implement and administer the MMA have not yet been issued. Management and its actuarial advisors have not been able to conclude as yet whether the prescription drug benefits provided under AXA Financial's and MONY's retiree medical plans are actuarially equivalent to the new Medicare prescription drug benefits for 2006 and future years. Consequently, measures of the accumulated postretirement benefit obligations and net periodic postretirement benefit cost for these plans at and for the year ended December 31, 2004 do not reflect any amounts associated with enactment of MMA, including the subsidy.

18. Non-subordinated debt instruments issued

(in euro millions)

	At December 31, 2004	2003
Financing Debt		
AXA, The Company		
Euro Medium Term Notes, 6.0%, due through 2013	1,008	1,350
ORANs (Bonds redeemable in shares or cash)	–	1,389
Commercial Paper	–	120
Other	5	9
AXA Financial, Inc.		
Senior Notes, 7.75% due 2010	351	378
Senior debentures, 7.0% due 2028	255	276
Senior Notes, 6.5% due 2008	183	198
Senior Notes, 9.0% due 2004	–	237
Senior Notes MONY, 8.35% due through 2010	253	–
Senior Notes MONY Group Inc., due 2005	210	–
AXA UK Holdings		
Guardian Royal Exchange Loan Notes, 6.625% due 2023	219	219
Equitable Life		
Mortgage Notes, 4.92% due through 2017	257	277
Closed-Block Mony, 6.44%, due 2017	220	
Other financing debt under €100 million each	**3**	**6**
Total financing debt	**2,964**	**4,459**
Operating Debt		
Alliance Capital		
Senior Notes, 5.625% due 2006	299	320
French banks		
AXA Banque	8	41
AXA, the Company		
Operating debts on behalf of its French, UK and German subsidiaries	215	162
Other Financial Services in France		
Fond immobilier Paris office Funds (FIPOF)	61	62
Other operating debt under €50 million each	**92**	**112**
Total operating debt	**675**	**697**
TOTAL	**3,639**	**5,156**

Note: certain increases/decreases year on year are attributable to the impact of foreign exchange rates.

At December 31, 2004, aggregate maturities of non-subordinated debt issued by AXA and its subsidiaries based on required payment of principal at maturity was €925 million in 2005, €315 million in 2006, €0.5 million in 2007, € 213 million in 2008, €0.5 million in 2009 and €2,185 million thereafter.

The redemption on July 22, 2004 of ORAN (bonds redeemable in either shares or cash) issued by AXA in September 2003 to finance the MONY acquisition. Redemption took place through the issuance of one new ordinary AXA share for each ORAN, i.e a total issuance amount of €1,389 million after elimination of intra-Group financing.

EMTNs issued in 2002 as part of the Euro Medium Term Note program were partly redeemed in 2004 (€312 million).

The redemption of all French Commercial paper (€120 million) and the maturing of AXA Financial's senior bonds (€237 million) were partly offset by the consolidation of senior bonds by AXA Financial (€463 million) and Equitable Life (€220 million) as part of the MONY transaction.

AXA Financial, through AXA Equitable discontinued its commercial paper program concurrent with the maturity of its $350.0 million credit facility during the fourth quarter of 2004.

On July 9, 2004, AXA and certain of its subsidiaries entered into a €3.5 billion global credit facility and a $650 million letter of credit facility which mature July 9, 2009, with a group of 30 commercial banks and other lenders. Under the terms of the revolving credit facility, up to $500.0 million is available to AXA Financial, the parent of AXA Equitable.

AXA Financial through AXA Equitable has a $350.0 million, one year promissory note. The promissory note, which matures in March 2005, is related to wholly owned real estate. Certain terms of the promissory note, such as interest rate and maturity date, are negotiated annually.

At December 31, 2004 and 2003, the Company had pledged real estate of $307.1 million and $309.8 million, respectively, as collateral for certain short-term debt.

Of AXA's total non-subordinated debt instrument obligations outstanding at December 31, 2004 of €3,639 million (2003: €5,156 million before accrued interest), the amount related to short-term debt was €599 million (2003: 2,355 million of which €1,389 million consisting of ORAN bonds)

19. *Amounts Owed to Credit Institutions*

	(in euro millions)	
	At December 31,	
	2004	2003
Financing Debt		
Other		
Other financing debt under €50 million each	17	29
Total Financing Debt	**17**	**29**
Operating Debt		
Other financial services in France		
Compagnie Financière de Paris	–	17
AXA Banque	90	266
Other financial services in Germany		
Colonia Bausparkasse	–	190
AXA Vorsorgebank	301	241
Other financial services in Belgium		
AXA Bank Belgium	4,128	2,090
Others	–	2
Bank overdrafts	636	1,016
Total Operating Debt	**5,155**	**3,822**
TOTAL	**5,172**	**3,851**

Note: Certain increases/decreases year on year are attributable to the impact of foreign exchange rates.

In 2004, AXA SA repaid its credit lines of €380 million that were maturing. AXA Bank Belgium increased its operating debt by €2,037 million, mainly used to manage the liquidity of the Belgian banking business. AXA Germany reduced its operating debt by €190 million following the disposal of AXA Bausparkasse in 2004 and AXA Banque reduced its operating debt by €176 million.

AXA (the Company) had standby committed credit facilities at December 31, 2004 of € 6.1 billion (2003: €5.4 billion). These committed credit facilities consist of several different credit lines with interest rates based on the Euro Inter-Bank Offered Rate "EURIBOR" or on the London Interbank Offered Rate "LIBOR". Their objective is to strengthen AXA's financial flexibility and to support its liquidity risk management.

In 2003, the €1,167 million reduction in debt (from €5,017 million) was mainly due to the decreasing operating debt of AXA Banque (lower financing needs in 2003), the decrease of operating debt of Colonia Bausparkasse and AXA Bank Belgium (principally on deposit accounts).

Since 1998, Alliance has had a $425.0 million commercial paper program. In September 2002, Alliance entered into an $800.0 million five-year revolving credit facility with a group of commercial banks and other lenders. Of the $800.0 million total, $425.0 million is intended to provide back-up liquidity for Alliance's $425.0 million commercial paper program, with the balance available for general purposes. Under this revolving credit facility, the interest rate, at the option of Alliance, is a floating rate generally based upon a defined prime rate, a rate related to the London Interbank Offered Rate ("LIBOR") or the Federal funds rate. The revolving credit facility contains covenants that, among other things, require Alliance to meet certain financial ratios. Alliance was in compliance with the covenants at December 31, 2004. At December 31, 2004, no borrowings were outstanding under Alliance's commercial paper program or revolving credit facilities.

Of the total amounts owed to credit institutions on a consolidated basis, nearly all of the arrangements are payable on demand.

20. Net Investment Result

The sources of net investment results are summarized as follows:

(in euro millions)

	Years ended December 31,														
	Insurance			Financial services [a]			Holding companies			Intersegment eliminations			Total		
	2004	2003	2002	2004	2003	2002	2004	2003	2002	2004	2003	2002	2004	2003	2002
Net investment income on:															
Fixed maturities	8,450	8,132	8,462	–	–	–	3	15	7	(47)	(17)	(17)	8,407	8,131	8,453
Equity investments	2,360	2,139	1,915	21	13	7	25	67	35				2,407	2,219	1,958
Mortgage, policy and other loans	1,228	1,276	1,528	–	–	–	8	9	7	(211)	(222)	(178)	1,025	1,063	1,357
Real Estate	744	764	824	1	(3)	2	(0)	(1)	(1)	(0)		(0)	745	761	825
Other invested assets	791	631	822	37	11	16	320	230	386	(337)	(153)	(215)	812	720	1,009
Interest expenses	(315)	(236)	(274)	(43)	(45)	(58)	(836)	(755)	(862)	478	333	361	(716)	(702)	(832)
Other investment expenses	(667)	(569)	(564)	(18)	(22)	(12)	(24)	(13)	(30)	214	84	96	(495)	(520)	(510)
Net investment income	**12,592**	**12,137**	**12,714**	**(1)**	**(45)**	**(44)**	**(505)**	**(446)**	**(457)**	**97**	**26**	**47**	**12,184**	**11,671**	**12,260**
Investment gains/(losses), net of valuation allowances on: [b]															
Fixed maturities	627	52	726	48	145	46	(7)	(4)	(10)	–	–	–	668	193	762
Equity investments	986	(136)	(5,457)	415	27	361	104	34	446	–	–	–	1,505	(74)	(4,650)
Mortgage, policy and other loans	(53)	(36)	(108)	0	0				(12)	–	–	–	(54)	(37)	(120)
Real Estate	691	224	557		3	10	0	0	1	–	–	–	691	227	567
Other	(47)	(3)	87	1	16	(41)	31	(7)	(1)	–	–	–	(16)	6	45
Net Investment gains/(losses)	**2,203**	**101**	**(4,196)**	**464**	**191**	**376**	**128**	**23**	**424**	**–**	**–**	**–**	**2,796**	**315**	**(3,396)**
Change in fair value of assets backing contracts with financial risk borne by the policyholders (unit-linked)(net)	**10,583**	**14,949**	**(17,576)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**10,583**	**14,949**	**(17,576)**
Net investment result[b]	**25,378**	**27,187**	**(9,058)**	**463**	**146**	**331**	**(376)**	**(423)**	**(33)**	**97**	**26**	**47**	**25,562**	**26,935**	**(8,713)**

(a) Amounts do not include investment income and investment expenses from the banking operations, which are included in "Revenues from banking activities" and in "Bank operating expenses" in the consolidated statements of income. Also, depreciation expense related to real estate held by AXA's real estate companies is excluded in the above presentation, as also included in "Bank operating expenses".

(b) Includes realized investment gains and losses and unrealized investment gains and losses on assets accounted for as trading, including losses on assets supporting the UK "With-Profit" business, of €1,694 million in 2004 and €1,134 million in 2003.

(in euro millions)

	Years ended December 31,											
	Life & Savings			Property & Casualty			International Insurance			Total Insurance		
	2004	2003	2002	2004	2003	2002	2004	2003	2002	2004	2003	2002
Net Investment Income												
Fixed maturities	7,334	7,084	7,336	868	787	849	249	261	278	8,450	8,132	8,462
Equity investments	1,968	1,762	1,545	364	353	348	29	24	23	2,360	2,139	1,915
Mortgage, policy and other loans	1,145	1,196	1,385	40	51	113	42	29	30	1,228	1,276	1,528
Real Estate	603	621	667	123	134	139	19	8	18	744	764	824
Other invested assets	602	455	678	147	113	75	42	64	69	791	631	822
Interest expenses	(227)	(152)	(183)	(23)	(38)	(53)	(65)	(46)	(38)	(315)	(236)	(274)
Other investment expenses	(482)	(427)	(431)	(154)	(121)	(94)	(30)	(21)	(38)	(667)	(569)	(564)
Net Investment Income	**10,943**	**10,539**	**10,997**	**1,364**	**1,279**	**1,375**	**286**	**319**	**342**	**12,592**	**12,137**	**12,714**
Net investment gains/(losses), net of valuation allowances on: [(a)]												
Fixed maturities	584	(7)	532	10	5	88	33	53	106	627	52	726
Equity investments	1,020	150	(5,047)	(97)	(273)	(298)	63	(13)	(113)	986	(136)	(5,457)
Mortgage, policy and other loans	(51)	(36)	(106)	(2)	(1)	(1)	–	–	(0)	(53)	(36)	(108)
Real Estate	635	156	474	56	68	75	0	(0)	8	691	224	557
Other	(43)	21	43	(9)	(4)	(9)	5	(20)	53	(47)	(3)	87
Net investment gains/(losses)	**2,144**	**285**	**(4,105)**	**(42)**	**(204)**	**(145)**	**101**	**20**	**54**	**2,203**	**101**	**(4,196)**
Change in fair value of assets backing contracts with financial risk borne by the policyholders (unit–linked) (net)	**10,583**	**14,949**	**(17,576)**	**–**	**–**	**–**	**–**	**–**	**–**	**10,583**	**14,949**	**(17,576)**
Net investment result	**23,670**	**25,773**	**(10,684)**	**1,322**	**1,075**	**1,230**	**386**	**339**	**396**	**25,378**	**27,187**	**(9,058)**

(a) Includes realized investment gains and losses and unrealized investment gains and losses on assets accounted for as trading, including assets supporting the UK With-Profit business of €1,694 million (2003: €1,134 million).

As in 2003, 2004 benefited from good performance in the financial markets, with two principal impacts on the net investment result:

- The higher market value of assets backing contracts with financial risk borne by policyholders (unit-linked) had a € 10.6 billion positive impact on the net investment result of Life & Savings insurance companies (2003: € 14.9 billion and 2002: €–17.6 billion).
- Capital gains, net of valuation allowances, totaled €2.8 billion, as opposed to €315 million in 2003 and net capital losses of €3.4 billion in 2002. These figures included a €1.7 billion impact (2003: €1.1 billion, 2002:€–3.4 billion) from the change in market value on "With-Profit" assets in the U.K. (accounted for at market value in the balance sheet, excluding the positive impact of investment revenues), lower valuation allowances for the impairment of equity securities and investment funds (€388 million versus €1,982 million in 2003 and €1,147 million in 2002), and a €1,750 million total release from valuation allowances in 2004 (2003: €890 million, 2002: €980 million).

In addition:

In the Netherlands, the holding achieved the disposal of the former Dutch brokerage company **Unirobe** on January 2, 2004 resulting in a capital gain of €104 million.

In **United States**, an exceptional profit in Alliance Capital as a result of the partial release (€+420 million) of the provisions set-up in 2000 to offset the dilution gain realized when Alliance Capital acquired Sanford Bernstein. This release was due to the buy-back, in 2004, of 16.32 million private units to the former shareholders of Sanford C. Bernstein, Inc. after they exercised their liquidity put option. It generated an additional goodwill, entirely amortized over the period (€308 million). Moreover, an exceptional profit in the AXA Financial holding (pre-tax gain on disposal of the discontinued Investment Banking and Brokerage segment of €65.8 million, or €42.8 million net of Federal income taxes). The gain resulted from the reduction of state tax liabilities related to the 2000 sale of Donaldson, Lufkin & Jenrette, Inc.

In **Germany,** AXA announced on April 20, 2004 the disposal of **AXA Bausparkasse** building society resulting in a capital loss of €–27 million, net group share, of which €–11 million in the Life company.

In **Belgium,** AXA sold its subsidiary **Créalux.** The resulting capital gain booked in 2004 was €17 million.

Unit Linked French Savings contracts

Unit Linked French Savings Contracts (ACAV and ACAVI) are supported by investments in the form of assets separately accounted for, either directly held assets, mutual funds or real estate funds (collectively referred to as "funds") generally created and managed by AXA. Real estate funds mostly consist of non-listed real estate companies or real estate joint ventures The funds then issue shares at fair value, which form the underlying investments of Unit linked French Savings Contracts.

When AXA establishes such a fund, the insurance Company's General Account contributes cash or other assets, generally in the form of securities or real estate, to the fund in exchange of all of the shares of the fund. When securities or real estate assets are contributed to the funds, a gain or loss is recognized in the AXA's financial statements corresponding to the difference between the estimated fair value of the securities or real estate transferred and AXA's historical carrying value of such assets at the date of transfer.

When Unit linked French Savings Contracts are written, shares of the funds supporting such contracts are transferred from the General Account to the corresponding assets backing contracts with financial risk borne by policyholders on a first-in, first-out basis and a gain or loss is recognized by AXA through its General Account for the difference between the fair value of the fund shares at the operation date and their carrying value. The annual fund income related to the Policyholders' holding is credited to the policyholders by creating corresponding additional fund units (generally transferred from the General Account to the asset backing contracts with financial risk borne by policyholders for the credited amount). At contract maturity or redemption, fund shares are transferred back to the General Account, at fair value which is the new cost basis for transferred shares. Such shares are generally held in the General Account as equity investments or real estate, as appropriate, pending additional Unit linked French Savings Contracts (either new contracts or increased balances) are written; those shares can be held for investment, be sold or be redeemed at fair value by the issuing fund. Fair value of fund shares is determined at least annually for real estate funds and up to daily for mutual funds.

21. Reinsurance

In the normal course of business, AXA seeks to reduce the loss that may arise from catastrophes or other events that cause unfavorable underwriting results through reinsurance. Reinsurance does not relieve the ceding insurance company of its primary obligation to the policyholder in a reinsurance transaction.

AXA limits the effect of catastrophic events and certain other risks on the results of its property and casualty insurance subsidiaries by reinsuring against such events and risks on a non-proportional excess of loss basis. AXA's life insurance subsidiaries reinsure individual mortality risks in excess of amounts that vary by subsidiary, based on its financial position. AXA also assumes certain levels of risk in various areas of exposure from other insurance companies or reinsurers. Reinsurance assumed activity is included with direct insurance activity for each of the three insurance segments.

The components of reinsurance ceded, net, as presented in the consolidated statements of income, are summarized as follows:

(in euro millions)

	Years ended December 31,														
	Life & Savings			Property & Casualty			International Insurance			Intersegment eliminations			Total Insurance		
	2004	2003	2002	2004	2003	2002	2004	2003	2002	2004	2003	2002	2004	2003	2002
Premiums ceded and retroceded	(820)	(740)	(809)	(991)	(1,058)	(1,172)	(1,035)	(1,407)	(1,865)	169	132	169	(2,678)	(3,073)	(3,678)
Change in unearned premium reserve ceded	29	95	139	(25)	18	(39)	(137)	5	(60)	46	5	10	(87)	123	49
Insurance benefits and claims ceded	717	672	885	221	432	840	667	494	716	(218)	(131)	(110)	1,388	1,467	2,331
Commissions received from reinsurers	91	57	73	131	114	142	105	208	572	(13)	(8)	(12)	314	371	774
REINSURANCE CEDED, NET	**17**	**84**	**288**	**(665)**	**(495)**	**(229)**	**(401)**	**(701)**	**(638)**	**(15)**	**(1)**	**57**	**(1,064)**	**(1,113)**	**(523)**

In 2004, the strong increase in reinsurance ceded in the International Insurance business was partly offset by a decrease in Property & Casualty and Life & Savings segments. In Property & Casualty insurance, the fall in reinsurance ceded mainly concerned France, and resulted from reduced claims recovery due to improved gross claims experience (mainly in natural catastrophes) and the increased use of non-proportional treaties. In International Insurance, the improvement in reinsurance ceded results took place mainly at AXA RE, and was due to high claims recovery as a result of major losses in 2004 (particularly U.S. hurricanes and typhoon Songda in Japan).

In 2003, there was a decrease in reinsurance ceded result. In Property & Casualty insurance, the fall was due to improvement in claims gross of reinsurance in Germany, due to the lack of major claims following the floods in 2002, and in the UK due to the increase in reserves carried out in 2002, which was not repeated in 2003. In International insurance, the fall was due to (i) the decrease in reinsurance ceded at AXA Corporate Solutions Assurance resulting from the improvement in gross claims experience, partly offset by (ii) the rise in reinsurance ceded at AXA RE, due to the review of reinsurance programs, resulting in a fall in the amount of premiums ceded.

The following table provides an analysis of premiums written and earned for AXA's three insurance segments for the periods indicated.

(in euro millions, except for percentages)			
	Years ended December 31,		
	2004	2003	2002
Life & Savings			
Direct premiums	44,312	42,342	46,351
Reinsurance assumed	1,930	3,944	1,696
Reinsurance ceded	(811)	(727)	(787)
Net Life & Savings Premiums	***45,431***	***45,559***	***47,260***
Reinsurance assumed as a percentage of net premiums written	*4.2%*	*8.7%*	*3.6%*
Property & Casualty			
Direct premiums written	17,536	16,655	15,569
Reinsurance assumed	273	408	367
Reinsurance ceded	(911)	(995)	(1,111)
Net Property & Casualty Premiums Written	***16,899***	***16,068***	***14,825***
Reinsurance assumed as a percentage of net premiums written	*1.6%*	*2.5%*	*2.5%*
Premiums earned	17,560	16,832	15,628
Reinsurance ceded (earned)	(917)	(977)	(1,138)
Net Property & Casualty Premiums Earned	***16,643***	***15,855***	***14,491***
International Insurance			
Direct premiums written	1,036	1,180	1,276
Reinsurance assumed	2,320	2,776	4,464
Reinsurance ceded	(834)	(1,199)	(1,641)
Net International Insurance Premiums Written	***2,522***	***2,757***	***4,099***
Reinsurance assumed as a percentage of net premiums written	*92.0%*	*100.7%*	*108.9%*
Premiums earned	3,633	4,512	5,681
Reinsurance ceded (earned)	(941)	(1,202)	(1,707)
Net International Insurance Premiums Earned	***2,692***	***3,310***	***3,974***

AXA evaluates the financial condition of its reinsurers to minimize its exposure to significant losses from reinsurer insolvencies. Significant reinsurance amounts recoverable on paid and unpaid losses are secured by letters of credit or assets deposited with AXA or in trusts on behalf of AXA.

AXA regularly conducts analyses of its reinsurance exposure and concentration risks. Ceded exposure is defined as the total of ceded reserves plus current account balances, less reserves covered (including any cash deposits, letters of credit, endorsements and any kind of guarantees). As at December 31, 2004, only the two following reinsurance groups represented individually more than 10% of the total group ceded exposure: Swiss Re Group and Berkshire Hathaway.

22. Operating Charges

The analysis of operating expenses below does not include operating expenses in respect of banking activities, which are presented separately in the statements of income.

The tables below give the split between the operating charges by nature of expenses and by classification. Each classification of operating expenses corresponds to the main functions within an insurance company. Financial services-related expenses incurred by the insurance companies are included under "administrative expenses".

(in euro millions)

	Years ended December 31, 2004								
	Life & Savings	Property & Casualty	International Insurance	Total Insurance	Asset Management	Other financial services	Holding companies	Intersegment eliminations	TOTAL
Insurance acquisition expenses [(a)]	**(2,888)**	**(3,085)**	**(283)**	**(6,256)**	**–**	**–**	**–**	**17**	**(6,239)**
Acquisition costs [(b)]	(4,092)	(3,223)	(287)	(7,601)	–	–	–	17	(7,584)
Insurance claims expenses [(c)]	(341)	(858)	(509)	(1,708)	–	–	–	4	(1,704)
Investment management expenses [(d)]	(120)	(26)	(7)	(153)	–	–	–	23	(129)
Administrative expenses	(2,885)	(1,746)	(339)	(4,971)	(2,589)	(280)	(99)	234	(7,704)
TOTAL BEFORE INTERSEGMENT ELIMINATIONS	**(7,438)**	**(5,853)**	**(1,142)**	**(14,433)**	**(2,589)**	**(280)**	**(99)**	**279**	**(17,121)**
Including:									
Salaries and benefits	(2,284)	(1,386)	(282)	(3,951)	(1,193)	(124)	(144)	1	(5,412)
Depreciation	(150)	(435)	(14)	(598)	(62)	(13)	(24)	–	(697)
Commissions	(3,126)	(3,001)	(532)	(6,658)	–	–	–	28	(6,631)
Other charges	**(1,879)**	**(1,032)**	**(315)**	**(3,225)**	**(1,334)**	**(143)**	**70**	**251**	**(4,381)**

(a) Represents total acquisition expenses as presented in the statement of income including amortization expense for value of purchased life business in-force (VBI) and the change in deferred acquisition costs (DAC), which is net of changes in unearned premium reserves.

(b) Before amortization of value of purchased business in-force, the change in deferred acquisition costs and the change in unearned premium reserves.

(c) Such costs are included within "insurance benefits and claims" in the consolidated statement of income.

(d) Such costs are included within "net investment results" in the consolidated statement of income.

(in euro millions)

	Years ended December 31, 2003								
	Life & Savings	Property & Casualty	International Insurance	Total Insurance	Asset Management	Other financial services	Holding companies	Intersegment eliminations	TOTAL
Insurance acquisition expenses [(a)]	**(2,797)**	**(2,727)**	**(290)**	**(5,814)**	**–**	**–**	**–**	**16**	**(5,798)**
Acquisition costs [(b)]	(3,896)	(2,820)	(290)	(7,007)	–	–	–	16	(6,991)
Insurance claims expenses [(c)]	(339)	(914)	(731)	(1,984)	–	–	–	4	(1,980)
Investment management expenses [(d)]	(203)	(26)	(7)	(236)	–	–	–	75	(161)
Administrative expenses	(2,457)	(1,865)	(313)	(4,635)	(2,769)	(323)	(93)	253	(7,567)
TOTAL BEFORE INTERSEGMENT ELIMINATIONS	**(6,895)**	**(5,625)**	**(1,341)**	**(13,861)**	**(2,769)**	**(323)**	**(93)**	**348**	**(16,699)**
Including:									
Salaries and benefits	(2,085)	(1,800)	(301)	(4,185)	(1,089)	(144)	(136)	1	(5,554)
Depreciation	(187)	(63)	(21)	(271)	(71)	(12)	(17)	–	(371)
Commissions	(2,773)	(2,703)	(756)	(6,232)	–	–	–	31	(6,201)
Other charges	(1,850)	(1,060)	(263)	(3,173)	(1,609)	(166)	59	316	(4,573)

(a) *Represents total acquisition expenses as presented in the statement of income including amortization expense for value of purchased life business in-force (VBI) and the change in deferred acquisition costs (DAC), which is net of changes in unearned premium reserves.*

(b) *Before amortization of value of purchased business in-force, the change in deferred acquisition costs and the change in unearned premium reserves.*

(c) *Such costs are included within "insurance benefits and claims" in the consolidated statement of income.*

(d) *Such costs are included within "net investment results" in the consolidated statement of income*

(in euro millions)

	Years ended December 31, 2002								
	Life & Savings	Property & Casualty	International Insurance	Total Insurance	Asset Management	Other financial services	Holding companies	Intersegment eliminations	TOTAL
Insurance acquisition expenses [(a)]	**(2,806)**	**(2,754)**	**(351)**	**(5,912)**	**–**	**–**	**–**	**20**	**(5,891)**
Acquisition costs [(b)]	(3,775)	(2,806)	(351)	(6,932)	–	–	–	20	(6,911)
Insurance claims expenses [(c)]	(382)	(932)	(1,041)	(2,355)	–	–	–	5	(2,349)
Investment management expenses [(d)]	(248)	(33)	(11)	(292)	–		–	126	(166)
Administrative expenses	(2,868)	(1,658)	(367)	(4,892)	(2,952)	(335)	(177)	259	(8,098)
TOTAL BEFORE INTERSEGMENT ELIMINATIONS	**(7,273)**	**(5,429)**	**(1,769)**	**(14,471)**	**(2,952)**	**(335)**	**(177)**	**411**	**(17,525)**
Including:									
Salaries and benefits	(2,241)	(1,748)	(288)	(4,277)	(1,237)	(150)	(61)	–	(5,724)
Depreciation	(240)	(64)	(26)	(330)	(73)	(15)	(11)	–	(429)
Commissions	(2,559)	(2,690)	(1,088)	(6,337)	–	–	–	32	(6,305)
Other charges	(2,234)	(928)	(367)	(3,528)	(1,642)	(171)	(105)	378	(5,066)

(a) *Represents total acquisition expenses as presented in the statement of income including amortization expense for value of purchased life business in-force (VBI) and the change in deferred acquisition costs (DAC) net of changes in unearned premium reserves.*

(b) *Before amortization of value of purchased business in-force, the change in deferred acquisition costs and the change in unearned premium reserves.*

(c) *Such costs are included within "insurance benefits and claims" in the consolidated statement of income.*

(d) *Such costs are included within "net investment results" in the consolidated statement of income.*

23. Income Taxes

Analysis of income before income taxes as determined on a French GAAP basis split between that arising from the AXA's French businesses (domestic sources) and that arising from AXA's businesses outside of France (foreign sources):

	(in euro millions)
	Year ending December 31, 2004
France	1,145
Other countries	4,023
Total	**5,167**

A summary of the income tax (expense) benefit in the consolidated income statement is shown below:

		(in euro millions)	
	Years ended December 31,		
	2004	2003	2002
French income tax (expense) benefit:			
Current	(452)	(202)	(19)
Deferred	90	(74)	(133)
Total French income tax (expense) benefit	**(361)**	**(276)**	**(152)**
Foreign income tax (expense) benefit:			
Current	(624)	(27)	79
Deferred	(386)	(232)	(353)
Total foreign income tax (expense) benefit	**(1,010)**	**(260)**	**(274)**
TOTAL	**(1,372)**	**(536)**	**(426)**

The income taxes attributable to consolidated operations are different from the amounts determined by multiplying the pre-tax income by the French statutory income tax rate. The sources of differences from the statutory rate and the tax effect of each are as follows:

French GAAP reconciliation (statutory rate to effective rate):

		(in euro millions)	
	Years ended December 31,		
	2004	2003	2002
Statutory base rate	**35.43%**	**35.43%**	**35.43%**
Expected income tax (expense)/benefit	**(1,465)**	**(617)**	**(609)**
Reduction/(increase) in taxes resulting from:			
Impact of different foreign statutory rates	97	85	5
Non taxable investment income	170	148	495
Non deductible operating losses	(279)	(275)	(271)
Utilization of losses carried forward	(2)	27	(38)
Impact of differences between the statutory tax rate and the effective tax rate	106	96	(7)
INCOME TAX EXPENSE	**(1,372)**	**(536)**	**(426)**
Effective tax rate	**33%**	**31%**	**25%**

In 2004, there was €170 million of permanent differences on financial revenues and charges mostly relating to:

- definitive tax savings at AXA SA due to the deduction of previously non-deductible losses (€110 million),
- permanent differences of €–279 million related to (i) cumulative goodwill amortization and (ii) the partial release of the provision booked in 2000 on the dilution gain realized at the time of the Sanford Bernstein acquisition (€147 million),
- €106 million of differences in tax rate and the impact of changes in tax rates including (i) the change in the tax rate on France Vie and France Dommages (€28 million), (ii) the impact of the difference between the 30% theoretical tax rate and actual tax rate (between 0% and 30%) applied in the various UK Life & Savings entities (€54 million).

In 2003, the difference between the theoretical and actual tax charge was mainly due to the parent subsidiary tax regime in France (€82 million), and the release of a deferred tax liability in the United States following a review of deferred tax positions (€211 million), partly offset by a deferred tax depreciation in Japan (€149 million).

In 2002, a €152 million tax credit was recorded in the United Sates life operations following a settlement with the Internal Revenue Service that led to a favorable treatment of certain tax matters related to contracts with financial risk borne by policyholders (unit-linked).

An analysis of deferred tax attributable to shareholders is given below:

		(in euro millions)
	Net deferred tax asset/liability forma [(a)]	
	At December 31, 2004	At December 31, 2003
Investments	(368)	(266)
Insurance operations	(642)	(724)
Compensation and related benefits	401	299
Other	318	789
Including provision on deferred tax asset	*(611)*	*(614)*
TOTAL	**(290)**	**98**
Net Deferred Tax (liability)	**(2,805)**	**(1,954)**
Net Deferred Tax (assets)	**2,515**	**2,053**

(a) As of 2004, deferred tax positions on the balance sheet are stated net at the level of the heads of local tax consolidation groups and distinct tax entities.

The components of deferred income taxes are as follows :

	(in euro millions)
	At December 31, 2004
Deferred tax assets	
Insurance operations	1,261
Investments	655
Compensation and related benefits	476
Net operating loss carryforwards	1,059
Other	640
Deferred tax assets, gross	4,091
Valuation allowance on deferred tax assets	(621)
Deferred tax assets, net	**3,470**
Deferred tax liabilities	
Insurance operations	1,902
Investments	1,023
Other	834
Deferred tax liabilities	3,760
Net deferred tax asset/ (liability)	(290)
Included in deferred tax liabilities per Balance sheet [a]	**2,805**
Included in deferred tax assets per Balance sheet [a]	**2,515**

(a) Deferred tax positions on the balance sheet are stated net at the level of the heads of local tax consolidation groups and distinct tax entities.

At the end of 2004, the net deferred tax balance was €-290 million (2003: €+98 million). The €388 million decrease was mainly due to €338 million of deferred tax assets relating to foreign exchange hedging at January 1, 2004 being reclassified as shareholders' equity in accordance with the accounting treatment of the underlying transaction.

In 2003, Japan increased its deferred tax asset valuation allowance by €161 million from €40 million in 2002. There was a €211 million release of deferred tax liability in the U.S. life operations following a review of the deferred tax positions. In Germany, a deferred tax provision of €282 million booked at the time of acquiring German activities in 1997, was released following the Group's 2003 sale of its stake in Colonia Re JV to General Re.

At December 31, 2004, AXA's consolidated deferred tax assets, net of valuation allowances, included tax benefits attributable to tax loss carryforwards of €609 million (2003: €595 million). The principal countries and entities with tax loss carryforwards at December 31, 2004 included Japan (€122 million vs. €153 million in 2003), the UK (€280 million vs. €330 million in 2003), Germany (€51 million), and Australia and New Zealand (€43 million vs. €10 million in 2003). These net operating loss carryforwards are included in income tax returns that are subject to examination by various tax authorities.

The total amount of net operating loss carry forwards was €609 million in 2004. 8% of this one expires within 2 and 5 years and 52% have a maturity date exceeding 10 years.

24. *Net Income per Ordinary Share*

The Company calculates basic net income per ordinary share and diluted net income per ordinary share:

- The calculation of basic net income per ordinary share assumes no dilution and is based on the weighted average number of ordinary shares outstanding for the period.
- From 2002, the calculation of diluted net income per ordinary share takes into account shares that may be issued as a result of stock option plans and convertible bonds. The effect of stock option plans on the number of fully diluted shares is taken into account only if options are considered to be exercisable on the basis of the average price of AXA share over the period. The effect of convertible bonds (number of shares and income) is integrated in the calculation if it actually generates a dilution of the net income per share.

The continued fall in AXA's average stock price from €17.8 to €14.1 on an average basis in 2003 meant that 35 million shares relating to stock options (2002: 37 million, 2001: 14 million on a proforma basis) were not included in the calculation of the weighted average number of shares on a fully diluted basis.

In 2004, taking into account AXA's average stock price, 44 million shares relating to stock options were not included in the calculation of the weighted average number of shares on a fully diluted basis. This difference is mainly due to a new stock option plan (March 2004, relating to 10 million shares).

In addition, to finance the MONY acquisition, ORAN bonds were redeemed on July 22, 2004 through the issuance of one new ordinary AXA share (at a price of €12.75 versus the market price of €17.08) for each ORAN, i.e. a total issuance of 110,245,309 new AXA shares. According to Recommendation 27 of the *Ordre des Experts Comptables* (French accountants' association), share issues carried out at a below-market price may give rise to an adjustment to the average number of shares during the period and in each period presented. As a consequence, the loss of value suffered by existing shares represents the existing shareholder's theoretical subscription right, and the issue can be regarded as a free distribution of shares in the amount of the total value of subscription rights. An adjustment coefficient equal to the pre-transaction share price divided by the theoretical post-transaction value of the shares is applied to the average number of shares in issue in each period.

As a result of these factors, along with the anti-dilutive effect of convertible bond plans, the fully diluted number of shares is 1,910.8 million at December 31, 2004.

The detailed calculation of net income per ordinary share (basic and diluted) is provided below:

(in euro millions except ordinary shares in millions)

	Years ended December 31,									
	2004		2003 Pro–forma [a]		2003 As published		2002 Pro–forma [a]		2002 As published	
	Ordinary shares	Net Income	Ordinary shares	Net Income	Ordinary shares	Net Income	Ordinary shares	Net Income	Ordinary shares	Net Income
Net Income	**1,845.23**	**2,519**	**1,790.12**	**1,005**	**1,763.66**	**1,005**	**1,762.18**	**949**	**1,736.13**	**949**
Net Income Per Ordinary Share (basic)	–	*1.37*	–	*0.56*	–	*0.57*	–	*0.54*	–	*0.55*
Effect of dilutive securities										
Stock options	5.85	–	3.50	–	3.50	–	2.99	–	2.99	–
Bonds redeemable in shares or cash (ORAN's)	59.72	–	22.97	–	22.97	–	–	–	–	–
Convertible bonds (2.5% 1999–2014)	–	–	–	–	–	–	–	–	–	–
Convertible bonds (3.75% 2000–2017)	–	–	–	–	–	–	–	–	–	–
Net Income attributable to ordinary shares and potentially dilutive securities	**1,910.79**	**2,519**	**1,816.59**	**1,005**	**1,790.12**	**1,005**	**1,765.17**	**949**	**1,739.12**	**949**
Net Income Per Ordinary Share (diluted)	–	*1.32*	–	*0.55*	–	*0.56*	–	*0.54*	–	*0.55*

(a) Following any significant capital increase with a stock price lower than the market price, such an ORAN conversion in July 2004, average number of shares and consequently earning per share over each period can be restated to take into account this event according to French regulation.

25. *Financial Instruments*

Disclosure about fair value

The estimated fair values of the financial instruments for the purposes of fair value disclosure below were based on quoted market prices, if available, estimated discounted cash flows, or quoted market prices of comparable instruments. Estimates of fair value do not reflect any premium or discount that could result from offering for sale at one time AXA's entire holdings of a particular financial instrument, nor do they consider the tax impact of the realization of unrealized gains or losses. In many cases, the disclosed fair value estimates cannot necessarily be realized in immediate settlement of the instruments and, therefore, do not necessarily represent values for which these instruments could have been sold at the date of the consolidated balance sheet.

The basis for determining fair value for invested assets is set out in note 6 "Investments".

The estimated fair value of **insurance investment contracts** having contract values determined by the value of underlying assets is measured at the estimated fair value of such assets. The estimated fair value of other insurance investment contracts is determined by discounting estimated contractual cash flows at current market interest rates. In respect of **short term and long term debt**, (i) the carrying amount of short-term borrowings approximates its fair value, and (ii) the fair value of long-term debt is determined using published market values, where available, or contractual cash flows discounted at market interest rates reflecting the credit worthiness of the Company or subsidiary issuing the debt. The estimated fair values of **financial instruments** for which carrying value differs from estimated fair value are as follows:

(in euro millions)

	At December 31,			
	2004		2003	
	Net Carrying value	Fair value	Net Carrying value	Fair value
Financial Assets:				
Fixed maturities	165,626	177,596	154,405	162,707
Equity investments, including holdings in mutual funds [(a)]	69,564	72,209	62,398	61,857
Mortgage, policy and other loans	18,255	18,815	17,248	17,838
Financial Liabilities:				
Investment contracts	219,866	203,564	233,389	236,804
Short-term and long-term debt and borrowings (including bank overdrafts)	8,811	8,938	9,007	9,139
Subordinated debt and mandatorily convertible bonds	9,235	9,294	8,453	8,516

(a) Excludes investments in participating interests.

Use of derivative investments

AXA primarily uses derivatives instruments for hedging purposes to manage risks, principally interest rate risk and foreign currency exposure.

(in euro millions)

	2004 Net Book Value	2004 Net income impact	2004 Notional amount	2003 Net Book Value	2003 Net income impact	2003 Notional amount
Hedging derivative instruments	**134**	**181**	**163,904**	**(225)**	**120**	**154,791**
Futures/Forward	(100)	(65)	35,870	(559)	(132)	58,171
Options	(163)	(60)	32,053	30	(19)	16,956
Swaps	397	309	94,581	299	273	78,598
Other	0	(3)	1,401	6	(1)	1,065
Other operations	**57**	**(26)**	**10,721**	**(16)**	**(54)**	**12,145**
Financial instruments	**191**	**155**	**174,625**	**(240)**	**66**	**166,936**

At December 31, 2004, the notional amount of all derivative instruments totaled €174.6 billion (2003: € 166.9 billion). The estimated net fair value of these derivative instruments at December 31, 2004 totaled €2,060 million (2003: €1,384 million). The use of credit derivatives held in direct (i.e. without taking into account the credit derivatives managed through certain investment funds notably in Japan), is very limited and has no material impact on AXA's consolidated balance sheet and income statement at December 31, 2004.

While notional amount is the most commonly used measure of volume in the derivatives market, it cannot be used as a measure of risk as the notional amount greatly exceeds the possible credit and market loss that could arise from such transactions. AXA is exposed to the credit risk of the counterparty to the derivative instrument. However, AXA has no credit risk related to notional principal amounts. The notional amounts do not represent the amounts actually exchanged by the parties and thus are not a measure of AXA's exposure to the derivative instruments. AXA's exposure can be measured through the market value of the derivative contract at a given point in time.

Derivative instruments accounted for as hedging derivatives

(in euro millions)

	2004 Net Book Value	2004 Net income impact	2004 Notional amount	2003 Net Book Value	2003 Net income impact	2003 Notional amount
Futures/Forward	(100)	(65)	35,870	(559)	(132)	58,171
Currency futures/forwards	*(216)*	*12*	*4,748*	*(568)*	*(126)*	*11,502*
Other futures/forward	*116*	*(76)*	*31,122*	*9*	*(6)*	*46,669*
Options	(163)	(60)	32,053	30	(19)	16,956
Caps, Floors, Collars	*(10)*	*(79)*	*29,766*	*12*	*(38)*	*15,851*
Other options	*(152)*	*19*	*2,286*	*17*	*19*	*1,105*
Swaps	397	309	94,581	299	273	78,598
Rate swaps	*201*	*215*	*72,536*	*217*	*214*	*64,899*
Other swaps	*196*	*93*	*22,045*	*82*	*59*	*13,699*
Other	0	(3)	1,401	6	(1)	1,065
Hedging derivative instruments	**134**	**181**	**163,904**	**(225)**	**120**	**154,791**

AXA primarily uses derivative instruments for hedging purposes to manage risk, mainly interest rate risk and foreign currency exposures. The risk management and associated hedging strategies are determined and managed by AXA's local operations in light of both local GAAP and French GAAP requirements. Such hedging strategies include (i) managing interest rate exposures on fixed maturity investments, long term debt and guaranteed interest crediting rates on insurance contracts, (ii) managing foreign currency exposures on foreign currency-denominated investments and liabilities, and (iii) managing liquidity positions (including the ability to pay benefits and claims when due) in connection with asset-liability management and local regulatory requirements for AXA's insurance and banking operations.

At December 31, 2004, the notional amount, net fair value and net carrying value of derivative instruments used by the whole AXA Group totaled €163,904 million (2003: €154,791 million), €1,999 million (2003: €1,383 million) and €134 million (2003: €–225 million) respectively. The impact on AXA's 2004 consolidated net income was a gain of €181 million (2003: a gain of €120 million).

At December 31, 2004 and based on notional amounts, (i) approximately 58% of the derivative instruments used for hedging purposes consisted of swap contracts, (ii) approximately 22% of the derivative instruments used for hedging purposes consisted of futures / forwards (principally other than foreign currency contracts), and (iii) 20% of the derivatives are options (Caps, Floors and Collars).

Swaps contracts

Swap contracts are agreements between two parties to exchange one set of cash flows for another. Payments are based on a notional amount. In connection with the use of such derivatives instruments, under French GAAP the balance sheet may include a net receivable or net payable at period-end for cash flow exchanges that have been accrued for but not yet settled as at period-end.

AXA uses primarily (i) interest rate swap contracts to manage cash flows on interest received on investments or interest payments on debt, and to a lesser extent (ii) currency swap contracts to manage foreign currency-denominated cash flows or investments. On a consolidated basis, the notional amount, net fair value and net carrying value of such instruments at December 31, 2004 was €94,581 million (2003: €78,598 million), €2,515 million (2003: €1,724 million) and €397 million (2003: 299 million) respectively. The net impact on AXA's 2004 consolidated net income was a gain of €309 million (2003: a gain of €273 million). At December 31, 2004, interest rate swap contracts accounted for just over 77% of swaps used by AXA (based on notional amounts). Interest rate swaps are used in particular by (i) AXA (the parent company) to hedge its interest rate exposure on debt issued or amounts borrowed and (ii) AXA Bank Belgium mainly to hedge interest rate exposures in connection with its ordinary course of business to achieve an appropriate interest rate spread between the interest earning assets and the interest bearing liabilities. Currency swaps constitute another part of AXA's hedging strategies to manage foreign currency cash flow exposures, and are primarily used by AXA (the parent company): in this respect, additional hedging of $4 billion was arranged in 2004 Finally, AXA Japan arranged cross currency swaps, particularly to replace the utilization of part of its foreign currency forward contracts.

Forward and future contracts

Forward and future contracts are contracts that obligate settlement at a specified price at a specified future date and can be either exchange or non-exchange traded.

On a consolidated basis, the notional amount, net fair value and net carrying value of such instruments at December 31, 2004 were €35,870 million (2003: €58,171 million), €–224 million (2003: €–103 million) and €–100 million (2003: €–559 million) respectively. The net impact on AXA's 2004 consolidated net income was a charge of €65 million (2003: a charge of €132 million). Non-foreign currency related forward and future contracts accounted for 87% of these instruments (based on notional amounts), and were predominantly used by AXA's French insurance operations and AXA Bank Belgium to hedge future operating margins. Additionally, AXA's U.S. insurance operations use forward and futures contracts to hedge certain risks associated with the guaranteed minimum death benefit or guaranteed minimum income benefit features of certain annuity products. At December 31, 2004, products with these features had a total notional value €15,331 million and net amount at risk of €15 million. Foreign currency related forward and future contracts are primarily used in Japan to hedge foreign currency risk associated with foreign currency denominated fixed maturity security investments. In 2004, following the restructuring of the bond portfolio, direct utilization of forward contracts was reduced in Japan, with a move towards cross currency swaps.

Caps/floors

Interest rate caps and floors are option-like agreements where the seller agrees to pay to the counterparty an amount equal to the differential, based on a notional amount, between the interest rate of the specified index and the interest rate cap or floor. These products are used to hedge against interest rate increases (caps) or decreases (floors).

The notional amount, net fair value and net carrying value of such instruments at December 31, 2004 were €29,766 million (2003: €15,851 million), €–185 million (2003: €2 million) and €–10 million (2003: €–12 million) respectively. The net impact on income for 2004 was a loss of €79 million (2003: a charge of €38 million). These types of derivatives are used predominantly by AXA's U.S. and French Life & Savings operations to hedge interest crediting rates on products with guaranteed rates of return and other interest-sensitive products. Income and expenses resulting from these hedges are generally reflected as an adjustment to interest credited to policyholders' account balances. Any net premium paid on such contracts is amortized on a straight-line basis over the life of the contracts.

Other operations

AXA uses derivative instruments to manage the exposures of its assets and liabilities to interest rate, foreign currency and equity price risks in certain of its operations.

Some derivative instruments are used in connection with economic hedging activities that do not meet certain requirements for hedge accounting under French GAAP and, therefore, are accounted for as other operations.

At December 31, 2004, and in respect of derivative instruments accounted for as other operations, the notional amount and the net fair value was €10,721 million and €61 million, respectively (2003: €12,145 million and €1 million, respectively). The net impact on AXA's consolidated net income was a charge of €26 million in 2004 (2003: a charge of €54 million); this excludes unrealized gains that are not recognized under French GAAP. The main AXA subsidiary that uses such instruments is AXA Bank Belgium, which uses principally euro-denominated forward rate contracts, as well as interest rate swaps in order to generate short-term trading profits in the ordinary course of its banking activities.

26. *Off-Balance Sheet Commitments*

In the normal course of business, AXA principally through its financial services operations enters into letters of credit for the purpose of facilitating certain financing transactions and for securing various margin requirements. Additionally, financial guarantees are provided to customers and other financial institutions. Such commitments are noted in the following table:

(in euro millions)

	Years ended December 31,							
	Received		Given					
			2004					2003
	2004	2003	Due in one year or less	Due after one year through three years	Due after three years through five years	Due after five years	TOTAL	TOTAL
Commitments to finance								
Financial institutions	7,821	7,120	5	8	52	16	81	69
Customers	–	4	2,390	0		88	2,478	1,803
Of which lines of credit	*146*	*1,625*	*730*	*–*	*–*	*65*	*795*	*900*
Guarantees								
Financial institutions	234	518	33	483	297	917	1,730	1,991
Customers	2,573	2,479	69	171	3,471	758	4,468	4,489
Other								
Pledged assets and Collaterized commitments	10,191	9,266	4,202	5	5	844	5,055	3,668
Letters of credit	627	168	56		17	597	670	1,097
Commitments on sales currently processed		23						
Commitments related to construction		4	43	98	5	6	152	155
Other commitments	2,931	1,523	359	343	154	3,461	4,316	4,453
TOTAL	**24,377**	**21,103**	**7,155**	**1,108**	**4,000**	**6,686**	**18,950**	**17,723**

Off-balance sheet commitments received by AXA totaled €24,377 million at December 31, 2004, an increase of €3,274 million compared to 2003. This increase was mainly due to pledged assets and collateralized commitments (up €926 million), other commitments received (up €1,408 million) and commitments to finance (up € 697 million), and breaks down as follows:

Financing commitments received totaled €7,821 million at December 31, 2004 (2003: €7,124 million), and consisted mainly of:

- AXA SA credit lines (€6,058 million),
- commitments relating to the €312 million of commercial paper issued by Alliance Capital in 1998, with an extension of €73 million in 1999 and a cash facility of around €422 million,

- bank credit facilities granted to AXA Life Japan as part of its Life & Savings operations (€430 million),
- the U.S. holding company's share in a Group cash facility since July 9, 2004 (€367 million),
- credit facilities received by AXA RE from cedants as part of its reinsurance operations (€95 million).

The €701 million increase in commitments to finance compared to 2003 is mainly due to the €638 million increase in AXA SA credit facilities.

Guarantee commitments totaled €2,807 million (2003: €2,996 million) and consisted mainly of guarantees received from customers of Life & Savings entities (€1,437 million) and Belgian banking entities (€1,139 million) in the form of third-party pledges and mortgages on buildings relating to customer loans.

The fall of €189 million was mainly due to a reduction in letters of credit representing AXA Corporate Solutions Assurance's reinsurance commitments.

Pledged assets and collaterized commitments totaled €10,191 million at December 31, 2004 (2003: € 9,266 million).

Pledged assets represent technical commitments made by reinsurers, mainly to French Life & Savings companies (€259 million) and AXA Corporate Solutions Assurance (€217 million). The €826 million fall in these commitments follows the reclassification of commitments consisting of life insurance contracts used to back loans granted by French banks into the "other commitments received" category.

Collaterized commitments totaled €9,595 million at December 31, 2004 (2003: €7,844 million) and are mainly mortgage collateral given by customers of AXA Bank Belgium on home loans and other professional loans (€9,576 million). They increased by €1,752 million mainly due to higher production of home loans.

Other commitments totaled €2,931 million at December 31, 2004 (2003: €1,523 million), an increase of €1,408 million. This amount breaks down as follows:

- €863 million of securities managed by AXA France Vie on behalf of provident societies (third-party management), a rise of €86 million compared to 2003,
- €347 million of loans of securities to third parties by French life insurance companies. The increase of € 217 million is in line with the growth observed in this business,
- commitments received by AXA RE mainly: €146 million of guarantees relating to forward currency transactions, €54 million transfer commitment of AXA RE on two real estate funds managed by AXA Reim, French Development Venture 2 (FDV 2) and European Logistics Income Venture, and €298 million of notional amounts of commitments received on ABR products,
- €826 million of commitments backing life insurance contracts used as collateral for loans granted by French banks, classified as pledged assets in 2003,
- €91 million of collateral received by AXA Bank Belgium as part of its cash management activities, (€–280 million compared to 2003).

Letters of credit totaled €627 million at December 31, 2004 (2003: €168 million), up €459 million compared to 2003 Letters of credit mainly consists of €477 million of new letters of credit relating to the U.S. reinsurance business.

Off-balance sheet commitments given by AXA totaled €18,950 million at December 31, 2004 (2003: € 17,723 million). This increase resulted from higher pledged assets and collaterized commitments (up

€1,387 million), partly offset by a decrease in letters of credit (down €427 million) and a lower level of guarantee (down €220 million).

Commitments to finance given totaled €2,559 million at December 31, 2004 (2003: €1,872 million) consisting mainly of:

- €2,478 million of commitments to customers (2003: €1,803 million), comprising €1,175 million of commitments relating to home loans made by AXA Bank Belgium (up €276 million due to higher production of home loans), € 592 million of credit facilities and overdraft authorizations granted by French banks to their customers (up €66 million due to growth in this business) and around €711 million of new commitments representing the commitment for MONY subsidiary Advest relating to transactions carried out with or on behalf of institutional customers. These increases were offset by AXA Versicherung's withdrawal from unlisted companies in 2004, which cancelled the related financial commitments (€313 million in 2003).
- €81 million of commitments to credit institutions (2003: €69 million) consisting mainly of €43 million of guarantees given on loans granted to French general agents and €27 million of real estate commitments received by AXA France IARD. These guarantees were stable compared to 2003.

Guarantee commitments totaled €6,198 million at December 31, 2004 (2003: €6,479 million), down € –281 million:

- Guarantee commitments given to financial institutions amount to €1,730 million at December 31, 2004 and are mainly made of €914 million of collateral and pledges given by AXA SA to credit institutions, €354 million of capital financing commitments given by AXA Financial (including MONY) to Limited Partnership, €250 million of investment guarantees given by the German holding company as part of the marketing of its real estate funds and €92 million of collateral given by Alliance Capital to a commercial bank in 2002 to guarantee some of Sanford Bernstein's commitments.
  At December 31, 2003, these commitments totaled €1,991 million, or a €–261 million reduction mainly due to the reduction in guarantee commitments given by AXA Germany concerning the WTC claim (down €103 million).
- Guarantee commitments given to customers totaled €4,468 million at December 31, 2004 and mainly consisted of (i) €3,618 million of mutual fund performance guarantees provided by AXA Banque to funds managed by AXA IM, the fair value of this commitment was nil at December 31, 2004 and (ii) guarantees given by AXA Australia as part of its marketing of mutual funds, guaranteeing that customers will recoup their initial investment. These guarantee commitments were stable compared to December 31, 2003 (€4,489 million).

Pledged assets and real security interests totaled €5,055 million at December 31, 2004 (2003: €3,668 million).
Pledged assets consisted mainly of €296 million of collateral on derivatives given as part of the Japanese life insurance operations, €126 million of assets pledged by AXA Germany to WestLB to hedge a dollar-denominated reinsurance liability and €142 million of pledges given to cedants as part of AXA Re's reinsurance operations.
Collaterized commitments totaled €4,389 million at December 31, 2004 (2003: €3,081 million) and mainly consisted of €3,382 million of securities pledged by AXA Bank Belgium to financial institutions in respect of operations with repurchase agreement, along with €689 million of collaterized commitments given to the National Bank of Belgium as security for clearing-house activities. They also included €318 million relating to a transfer by AXA Financial of a real estate asset as collateral for a short-term debt.

Overall, pledged assets and collaterized commitments given increased by €1,387 million due to the €1,332 million increase in securities pledged by AXA Bank Belgium, and the €115 million increase in pledged assets relating to Japanese entities' derivative transactions, in line with increasing derivative volumes.

Letters of credit given totaled €670 million at December 31, 2004 and are mainly related to international insurance operations, particularly those of AXA RE Paris (€455 million) and AXA RE Finance (€93 million). Such commitments were given in 2001 in connection with future claims settlements arising from the U.S. terrorist attacks of September 11, 2001. The fall in letters of credit was in line with the lower revenues of AXA RE.

Other commitments given totaled €4,316 million at December 31, 2004 (2003: €4,453 million) and consisted mainly of:

- €503 million of commitments given on forward foreign exchange transactions (€152 million), €54 million transfer commitment of AXA RE on two real estate funds managed by AXA Reim, French Development Venture 2 (FDV 2) and European Logistics Income Venture, and €296 million on derivative products hedging ABR contracts. Commitments have been received for an equal amount on these contracts;
- €366 million of commitments on forward financial instruments in the French life insurance business;
- €72 million of compensation commitments granted by AXA France Assurances to a real estate promoter in the event of non motivated refusal to confirm the completion of work of a real estate operation;
- Commitments given by AXA France Vie to the Acacia special-purpose vehicle (€230 million in 2003) are now recognized through the consolidation of this vehicle in the 2004 consolidated financial statements;
- €107 million of commitments given by AXA Bank Belgium as part of its Money Market activity; the fall in these commitments reflecting the fall in cash management activity.

AXA has issued the following subordinated convertible debt instruments (i) €1,524 million 2.5% issued in February 1999 and due in 2014, and (ii) €1,099 million 3.75% issued in February 2000 and due in 2017. At maturity, if such debt instruments are not converted into ordinary shares of AXA, they will be redeemed by AXA at a price in excess of the original issue price per note. This difference totaled €1,049 million at December 31, 2004 after the allocation of a €245 million provision since December 31, 2002.

The scheme governing the financial reorganization of AXA Sun Life in 2001 (the "Scheme") details arrangements under which assets from the inherited estate, attributed to AXA through the reorganization, may be transferred on a temporary or permanent basis to the "With-Profit" funds as required to support the capital requirements of these funds, as determined under the Scheme. In the case of a temporary transfer, assets and related investment income remain attributable to AXA since they will be returned when they are no longer required to support the capital requirements of the "With-Profit" funds, under the stringent tests set out in the Scheme. If all or part of the assets transferred are unlikely to be returned in the foreseeable future (taking into consideration the duration of in-force "With-Profit" policies), then the relevant part of the transfer would be designated permanent. Only a permanent transfer to the "With-Profit" funds would result in a charge against the profit and loss account. The maximum amount that could be transferred under the Scheme is capped at the market value of surplus assets in the nonprofit funds, which was £1.5 billion (€2.1 billion) at December 31, 2004, before taking into account the transfer described below. At December 31, 2004, this transfer amounted to £754 million (€1,069 million), corresponding to the total amount transferred on January 1, 2004 plus the corresponding financial revenues. According to the rules of the plan, an annual test must be carried out at least once every 12-month period, possibly resulting in an additional transfer. The test on January 1, 2005 is unlikely to result in an additional transfer. Current projections, consistent with management's strategic plans, indicate that these cumulative transfers can reasonably be expected to be returned by the "With-Profit" funds over time and are therefore not permanent.

On September 12, 2001 an agreement was established between AXA and BNP Paribas for a period of three years, under which AXA guaranteed the liquidity of BNP Paribas' holdings in ordinary shares of FINAXA. In connection with Alliance Capital's acquisition of Sanford Bernstein in October 2000, former shareholders of Sanford Bernstein received 40.8 million unlisted private units in Alliance Capital, the liquidity of which has been guaranteed by AXA Financial since October 2002. In November 2002, former shareholders of Sanford Bernstein sold 8.16 million of these units to AXA Financial. In March and December 2004, they sold a total of 16.32 million units to AXA Financial. The remaining 16.32 million Alliance Capital units can be sold at a price based on the market value of an Alliance Holding Unit to AXA Financial or its designee. The right to sell expires in October 2010. Generally, Sanford Bernstein may exercice its right to sell only once per year and Sanford Bernstein may not announce its intend to sell until at least nine months have passed since it last made such an announcement.

AXA completed the sale of Banque Worms to Deutsche Bank on April 2, 2001. Under the term of this sale, AXA retained certain of Banque Worms' business assets, including those related to discontinued business, as well as the majority of its investment securities. As of December 31, 2003, most of these assets have been sold. In addition, AXA provided a guarantee to Deutsche Bank covering certain loss incurred by Banque Worms in the event of payment default associated with loans transferred with Banque Worms in the transaction. In 2002 AXA and Deutsche Bank came under an agreement to terminate this guarantee with an immediate payment to Deutsche Bank and transfer to AXA's subsidiary Compagnie Financière de Paris, of an additional loan portfolio. The payment had no impact on AXA's consolidated financial statements for 2003 since it was offset by part of the provision established in 2001 in respect of current and future loss Based on current available information, the remaining provision on the original amount of €79 million is appropriate to cover the residual risks including the additional loan portfolio.

In addition to other employment-related obligations, various AXA subsidiaries are required to indemnify their employees against certain liabilities and costs that they may incur from time to time in performing activities within the scope of their employment duties. These activities may include, for example, service as a director, officer, agent, general partner, or in a similar capacity for (i) an AXA Group company other than the employee's principal employer or (ii) a company outside the AXA Group where service is at the request of (or for the benefit of) the Group (e.g. joint ventures, partnerships, or special-purpose investment companies or funds). The potential amount of compensation relating to commitments covered by these obligations cannot be evaluated with any certainty.

The Group also maintained its policy of hedging certain investments, along with exchange rate and interest risk, using derivatives. See Note 25 "Financial Instruments" for more details.

27. Special purposes vehicles

In the ordinary course of conducting business, AXA in the role of investment manager may act as investment adviser in certain asset-backed investment vehicles commonly known as collateralized debt obligations ("CDOs"). CDOs raise capital by issuing debt and equity securities and use the capital to invest in portfolios of interest-bearing securities. These vehicles are structured to take advantage of the yield differential between their assets and liabilities, including fees received and asset management fees spent. Any net losses of the CDO are borne first by the equity owners to the extent of their investments, and then by debt owners in ascending order of subordination. In addition, AXA's operating entities may from time to time invest directly in some of these CDOs and in CDOs managed by third parties. AXA derives no direct benefit from the total assets within the CDOs other than its direct investment plus any investment management fees, if it is also the investment manager, and cannot utilize those assets in its operations. Neither the creditors nor the equity investors (if any) have any recourse against AXA. AXA's maximum exposure to loss in these vehicles is limited to its investment and prospective investment management fees (where managed by AXA).

Similarly, AXA may also undertake specific transactions to securitize the value of specific assets on its books, such as real estate or premium receivables. All of these undertakings described in this note can be considered activities conducted through special-purpose vehicles ("SPVs").

In accordance with CRC regulation 2004-03 of May 4, 2003, SPVs controlled in substance are now consolidated, with the exception of those covered by specific exclusions stated in section 1011 of regulation 2000-05.

At December 31, 2004, and under this regulation, the Acacia SPV was consolidated within the operations of AXA France Vie. The main impact of this was a €250 million increase in AXA's other debts, and a parallel increase in receivables resulting from insurance operations. Other SPVs controlled in substance by the Group, resulting from sales of receivables and with the purpose of issuing securities whose redemption is backed by acquired receivables – known as Collateralized Debt Obligations or CDOs – are not consolidated. This is because their nature and activities are similar to those of mutual funds representing technical commitments to policyholders, in addition they are partly owned by mutual funds backing technical commitments, finally the risk supported by AXA is limited to its investment in these entities.

At December 31, 2004, the AXA investment in CDOs, being the carrying value included in its consolidated financial statements, totaled €456 million (2003: €200 million) with no additional funding commitments. At such date, these vehicles had total assets of roughly €8.8 billion (2003: €5.3 billion).

28. Litigation

Matters Directly Concerning the Company

On August 25, 1998, AXA and certain other European insurers signed a Memorandum of Understanding with certain U.S. insurance regulators and non-governmental Jewish organizations agreeing to the establishment of the International Commission on Holocaust Era Insurance Claims ("ICHEIC"). Since that time ICHEIC has been conducting an investigatory process to determine the current status of life insurance policies issued to Holocaust victims between 1920 and 1945 and has established a claims and valuation process designed to settle valid claims filed with the ICHEIC with respect to any such policies which remain unpaid. In July 2003, AXA reached a global settlement with various Jewish organizations and the ICHEIC covering the totality of its potential exposure outside of Germany (principally in France and Belgium) as well as its humanitarian contribution to ICHIEC. While the deadline for filing claims with the ICHEIC expired on December 31, 2003, the ICHEIC process and the treatment of claims filed prior to that date are ongoing and AXA continues to actively participate in the ICHEIC process. It is currently anticipated that the ICHEIC claims process should be completed by year-end 2005 and the ICHIEC will begin to wind-down its operations thereafter. In Germany, AXA's German affiliates are involved in the implementation of the intergovernmental agreement on Holocaust matters reached during 2000 between Germany and the United States (the "German Foundation Initiative") that settled all claims relating to the German insurance market. AXA also participates in Holocaust related initiatives undertaken by various European governments including in France where it participates in the Matteoli Commission and in Belgium where AXA's Belgian affiliates participate in a similar body, the Buysse Commission.

In January 2002, Nationwide, a U.S.-based insurance company, commenced an arbitration proceeding before the International Chamber of Commerce in Paris relating to the sale by various AXA Group companies in January 1999 of Paneurolife, a Luxembourg company. Nationwide is seeking cancellation of the sale and/or damages in this proceeding following an investigation by the French judicial system of PanEuroLife for money laundering. A decision is expected before the end of 2005.

In February 2002, AXA and various of its subsidiaries were named as defendants in a lawsuit, *Kyurkjian, et al. v. AXA, et al.*, which was filed in the United States District Court for the Central District of California on behalf of a purported class of plaintiffs composed of descendants of Armenians killed in the genocide of 1915. Plaintiffs have alleged in this lawsuit that such descendants are entitled to benefits under certain life insurance policies issued to Armenians living in Turkey by two insurance companies (now owned by the AXA Group) between 1880 and 1930. Plaintiffs have asserted that AXA, as well as these two insurance companies and/or their successors in interest, have failed to fulfill contractual and other obligations relating to such policies and have requested judicial relief, including unspecified compensatory and punitive damages. In April 2005, a similar suit containing substantially similar allegations was filed in the same California court against AXA and various of its subsidiaries.

To date, none of these matters has resulted in an award or settlement against AXA in an amount material to the consolidated financial position or results of operations of AXA, taken as a whole. Although the outcome of any lawsuit cannot be predicted with certainty, particularly in the early stages of an action, management believes that the ultimate resolution of these matters should not have a material adverse effect on the consolidated financial position of AXA taken as a whole. Due to the nature of such lawsuits and investigations, AXA's management cannot make an estimate of loss, if any, or predict whether or not any of these matters will have a material adverse effect on AXA's consolidated results of operations in any particular period.

Matters Concerning Company Subsidiaries

In addition to the matters set forth above, several AXA subsidiaries are involved in lawsuits (both class action and individual), investigations, and other actions (the "Subsidiary Litigations") arising in the various jurisdictions where they do business. The Subsidiary Litigations include the following:

United States Matters

In the United States, AXA's U.S. subsidiaries are involved in a number of lawsuits, investigations and other actions in various states. A detailed description of these matters involving AXA Financial, Inc. and its subsidiaries (including AXA Equitable and Alliance Capital) is included in the annual reports on Form 10-K for the year ended December 31, 2004 and subsequent reports on Form 10-Q, respectively, of AXA Financial, Inc. (SEC file no. 1-11166), AXA Equitable (SEC file no. 0-25280) and Alliance Capital (SEC file no. 001-09818) filed with the SEC (collectively, the "Subsidiary SEC Reports"). The Subsidiary SEC Reports are publicly available and copies can be obtained through the SEC's EDGAR system (www.sec.gov), at the SEC's public reference rooms at 450 Fifth St., N.W., Washington, D.C. 20549 or at the SEC's other public reference rooms in New York and Chicago, or on the websites of these companies.

Among the matters discussed in the Subsidiary SEC Reports are the following matters concerning AXA Financial, AXA Equitable and Alliance Capital:

AXA Financial and AXA Equitable Matters

A number of lawsuits have been filed against life and health insurers in the United States and certain other jurisdictions involving insurers' sales practices, alleged agent misconduct or misrepresentation, failure to properly supervise agents and other matters. Some of the lawsuits have resulted in the award of substantial judgments against insurers (including material amounts of punitive damages) or in substantial settlements. In certain jurisdictions, juries have substantial discretion in awarding punitive damages. AXA Equitable and certain of its subsidiaries are involved in such sales practices litigation, as well as other unrelated litigation. In addition, AXA Equitable and certain of its affiliates are defendants in an action commenced in Federal District Court in Illinois by American National Bank and Trust Company of Chicago as trustee for Emerald Investments LP ("Emerald") alleging, among other things, that defendants (i) in connection with certain annuities issued by AXA Equitable, breached an agreement with the plaintiffs involving execution of mutual fund transfers, and (ii) wrongfully withheld withdrawal charges in connection with termination of these annuities. In this case, plaintiffs seek substantial lost profits and injunctive relief, punitive damages, attorney's fees and return of withdrawal charges. Subsequently, two additional lawsuits, involving AXA Equitable, Emerald and DH2, Inc., an entity related to Emerald Investments LP, have been filed in the same court. One of them, filed by AXA Equitable, arises out of the same facts. Emerald, defendant in this case, counterclaimed alleging common law fraud, violations of several Federal and state laws relating to securities and consumer protection and seeks unspecified amount of money damages, punitive damages and attorney's fees. In September 2004, the Court dismissed AXA Equitable's action and retained jurisdiction over Emerald's counterclaims in that action. The other lawsuit, filed by DH2, Inc. against AXA Equitable and EQ Advisors Trust, asserts breach of contract and breach of fiduciary duty claims under Federal securities laws, and misappropriation of trade secrets. In March 2005, the Court granted the defendants' motion to dismiss, dismissing DH2's claims for alleged violations of the Investment Company Act with prejudice and dismissing the remaining claims without prejudice on the ground that DH2 failed to state a claim under the Federal securities laws. In April 2005, DH2 filed a second amended complaint and in June 2005 all defendants filed a motion to dismiss the second amended complaint.

AXA Equitable is also involved in a putative class action entitled *Stefanie Hirt, et al. v. The Equitable Retirement Plan for Employees, Managers and Agents, et al.*, which was filed against The Equitable Retirement Plan for Employees, Managers and Agents (the "Retirement Plan") and The Officers Committee on Benefit Plans of Equitable Life, as Plan Administrator. The action was brought by participants in the Retirement Plan. Plaintiffs allege that the change in the pension benefit formula from a final average pay formula to a cash balance formula violates ERISA. In July 2004, the parties filed cross motions for summary judgment asking the court to find in their respective favors on plaintiffs' claim that (1) the cash balance formula of the retirement plan violates ERISA's age discrimination provisions and (2) the notice of plan amendment distributed by AXA Equitable violated ERISA's notice rules. Following a hearing on the motions, the court ordered a limited amount of additional discovery to be conducted followed by a subsequent hearing. In April 2005, the court denied the cross motions for summary judgment without prejudice and set a proof hearing for August 2005.

Alliance Capital Matters

Alliance Capital Mutual Fund Trading Matters. In connection with investigations conducted by the SEC and the Office of the New York State Attorney General ("NYAG") on practices in the mutual fund industry identified as "market timing" and "late trading" of mutual fund shares, Alliance entered into settlement negotiations in the fourth quarter of 2003 with both regulatory authorities and finalized the settlement agreements (each, an "Agreement") in 2004.

Each such Agreements required Alliance Capital to establish a $250 million fund to compensate fund shareholders for the adverse effect of market timing, reduce its fees by 20% with respect to investment advisory agreements with Alliance Capital's sponsored U.S. long-term open-end retail funds for a minimum of five years, commencing on January 1, 2004. In addition, both Agreements provided that the boards of the U.S. funds, all of which have already elected independent chairmen from among their independent directors, be comprised of 75% of independent directors and be assisted by a senior officer and/or any needed staff in their oversight of compliance, fiduciary issues and conflicts of interest.

Alliance Capital has implemented initiatives to address other matters related to the Agreements, including the formation of two new committees composed of executive management to oversee and resolve code of ethics and compliance-related issues, the creation of a company ombudsman to whom Alliance Capital employees may convey concerns about Alliance Capital business matters on a confidential basis, and commencing in 2005, and biannually thereafter, a compliance review of Alliance Capital by an independent third party. In addition, Alliance Capital engaged an Independent Compliance Consultant (the "ICC") who conducted a comprehensive review of Alliance Capital's supervisory, compliance and other policies designed to prevent and detect conflicts of interest, breaches of fiduciary duty and violation of law. The ICC submitted its report to the SEC in December 2004. Alliance Capital has implemented a number of the ICC's recommendations and intends to implement them all by the end of 2005. In agreement with the SEC and the independent directors of the U.S. funds, Alliance Capital has retained Independent Distribution Consultant ("IDC"), to create a plan for the distribution of the $250 million fund to mutual fund shareholders. To the extent IDC concludes that the harm to mutual fund shareholders caused by market timing exceeds $200 million, Alliance Capital will be required to contribute additional monies to the restitution fund. The plan will be submitted to the SEC and Alliance Capital for approval. After the SEC and management of Alliance Capital approve the distribution plan, it will be published and the public will be afforded an opportunity to comment. After the comment period has ended, the SEC will issue an order approving the final plan. The timing of the distribution will be determined by the SEC and Alliance Capital expects this to occur during 2005.

Several lawsuits were filed against certain of Alliance Capital companies in connection with these investigations, some of which are described below.

On October 2, 2003, a purported class action complaint entitled *Hindo, et al. v. AllianceBernstein Growth & Income Fund, et al.* ("Hindo Complaint") was filed against Alliance, certain of its officers and affiliates ("Alliance defendants"), and certain other defendants not affiliated with Alliance Capital, as well as unnamed Doe defendants. The Hindo Complaint was filed in the United States District Court for the Southern District of New York by alleged shareholders of two of the AllianceBernstein family of mutual funds ("AllianceBernstein Funds"). The Hindo Complaint alleges that certain of the Alliance defendants failed to disclose that they improperly allowed certain hedge funds and other unidentified parties to engage in "market timing" and "late trading" of AllianceBernstein Fund securities, violating Sections 11 and 15 of the United States Securities Act of 1933 ("Securities Act"), Sections 10(b) and 20(a) of the United States Securities Exchange Act of 1934 (the "Exchange Act"), and Sections 206 and 215 of the United States Investment Advisers Act of 1940. Plaintiffs seek an unspecified amount of compensatory damages and rescission of their contracts with Alliance Capital, including recovery of all fees paid to Alliance Capital pursuant to such contracts. Since October 2, 2003, 43 additional lawsuits making factual allegations generally similar to those in the Hindo Complaint were filed against Alliance Capital and certain other defendants, and others may be filed. Such lawsuits have asserted a variety of theories for recovery including, but not limited to, violations of the Securities Act, the Exchange Act, the Advisers Act, U.S. Investment Company Act of 1940 (the "Investment Company Act"), the Employee Retirement Income Security Act of 1974 ("ERISA"), certain state securities statutes and common law. All of these lawsuits seek an unspecified amount of damages.

On September 29, 2004, following the transfer of all cases to the United States, plaintiffs filed consolidated amended complaints with respect to four claim types: mutual fund shareholder claims; mutual fund derivative claims; derivative claims brought on behalf of Alliance Holding; and claims brought under ERISA by participants in the Profit Sharing Plan for Employees of Alliance Capital. All four complaints include substantially identical factual allegations, which appear to be based in large part on the SEC Order. Except for the claims in the mutual fund derivative consolidated amended complaint which are generally based on the theory that all fund advisory agreements, distribution agreements and 12b-1 plans between Alliance Capital and the Alliance Bernstein Funds should be invalidated, regardless of whether market timing occurred in each individual fund, because each was approved by fund trustees on the basis of materially misleading information with respect to the level of market timing permitted in funds managed by Alliance Capital, the claims asserted in the other three consolidated amended complaints are similar to those that the respective plaintiffs asserted in their previous federal lawsuits. All of these lawsuits seek an unspecified amount of damages.

In connection with the above-referenced market timing-related matters, Alliance Capital recorded charges totaling $330 million during the second half of 2003 in connection with establishing a $250 million restitution fund to compensate fund shareholders for the adverse effects of market timing in certain sponsored funds, and certain other matters. Alliance Capital paid $1 million during the first quarter of 2005 and has cumulatively paid $303 million related to these matters. However, Alliance Capital cannot determine at this time the eventual, timing or impact of these matters. Accordingly, it is possible that additional charges in the future may be required, the amount, timing, and impact of which cannot be determined at this time

Alliance Enron Related Matters. Alliance Capital and a fund managed by an affiliate of Alliance Capital, the Alliance Premier Growth Fund, have been named in several lawsuits in the U.S. arising out of the Enron affair. These include an action filed in Florida state court by a former client, the Florida State Board of Administration ("SBA"), an action filed in Illinois state court on behalf of a purported class of persons or entities holding an interest in any portfolio managed by Alliance Capital's Large Cap Growth Team, and several actions filed in Federal District Courts in New Jersey and Texas on behalf of purported classes of plaintiffs. The Florida action alleged, among other things, that Alliance breached its investment management agreement with the SBA, breached fiduciary duties, committed negligence, gross negligence and breach of contract and violated various Florida state laws in connection with its acquisition of Enron common stock for the SBA and sought rescission of certain stock purchases made by Alliance. The SBA sought more than $300 million in compensatory damages plus an unspecified amount of punitive damages. On April 18, a jury returned verdicts in favor of Alliance on all counts. The SBA has agreed that it will not appeal this decision. Two New Jersey actions have been brought on behalf of shareholders in the AllianceBernstein Premier Growth Fund, a fund managed by Alliance Capital that purchased Enron securities, against Alliance Capital and other defendants One of them makes various allegations including that Alliance Capital violated the Investment Company Act, common law negligence, negligent misrepresentation and that Alliance Capital breached its duties of loyalty, care and good faith to the fund. In May 2005, the court granted Alliance Capital's motion and dismissed the case. Alliance Capital is unaware of whether plaintiffs intend to appeal the court's ruling. The other alleges violations of securities laws because the fund's registration statements contained untrue statements of material facts and omitted material facts. Plaintiffs seek rescissionary relief or an unspecified amount of compensatory damages on behalf of a class of persons who purchased shares of Premier Growth Fund during the period October 31, 2000 through February 14, 2002. In December 2004, the court granted Alliance Capital's motion and dismissed the case. In January 2005, plaintiff appealed the court's decision. The Texas action alleges that Alliance Capital violated the Securities Act on the theory that Alliance Capital controlled the director of Alliance Capital's general partner who also served on Enron's board. This director signed an allegedly misleading registration statement used by Enron to sell $1.9 billion of debt securities. Plaintiffs seek rescission or a rescissionary measure of damages. The case is currently in discovery. Alliance Capital believes that these actions are without merit and intend to vigorously defend against these allegations. At the present time, Alliance Capital's management is unable to estimate the impact, if any, that the outcome of these actions may have on Alliance Capital's results of operations or financial condition.

Alliance Capital Illinois Class Action Complaint. The Illinois action, filed in October 1, 2003, alleges breach of contract claims and seeks rescissionary damages for all purchases of any non-1-rated stocks Alliance Capital made for Premier Growth Fund and other Large Cap Growth Team clients' portfolio over the past eight years, as well as an unspecified amount of damages Alliance Capital believes that these actions are without merit and intend to vigorously defend against these allegations. At the present time, Alliance Capital's management is unable to estimate the impact, if any, that the outcome of these actions may have on Alliance Capital's results of operations or financial condition.

Alliance Revenue Sharing Related Matters. Certain lawsuits were filed against Alliance Capital and other defendants challenging alleged revenue-sharing practices. Specifically, on June 22, 2004, a purported class action complaint entitled *Aucoin, et al. v. Alliance Capital Management L.P., et al.* ("Aucoin Complaint") was filed against Alliance Capital, Alliance Holding, ACMC, AXA Financial, Alliance Bernstein Investment Research and Management, Inc., certain current and former directors of the AllianceBernstein Funds, and unnamed Doe defendants in the United States District Court for the Southern District of New York by an alleged shareholder of the AllianceBernstein Growth & Income Fund. The Aucoin Complaint alleges, among other things, (i) that certain of the defendants improperly authorized the payment of excessive commissions and other fees from AllianceBernstein Fund assets to broker-dealers in exchange for preferential marketing services, (ii) that certain of the defendants misrepresented and omitted from registration statements and other reports material facts concerning such payments, and (iii) that certain defendants caused such conduct as control persons of other defendants. The Aucoin Complaint asserts claims for violations of the Investment Company Act, the Advisers Act, breach of common law fiduciary duties, and aiding and abetting breaches of common law fiduciary duties. Plaintiffs seek an unspecified amount of compensatory damages and punitive damages, rescission of their contracts with Alliance Capital, including recovery of all fees paid to Alliance Capital pursuant to such contracts, an accounting of all AllianceBernstein Fund-related fees, commissions and soft dollar payments, and restitution of all unlawfully or discriminatorily obtained fees and expenses. Since June 22, 2004, nine additional lawsuits making factual allegations substantially similar to those in the Aucoin Complaint were filed against Alliance Capital and certain other defendants, and others may be filed. All nine of the lawsuits (i) were brought as class actions filed in the United States District Court for the Southern District of New York, (ii) assert claims substantially identical to the Aucoin Complaint, and (iii) are brought on behalf of shareholders of AllianceBernstein Funds. At the present time, management of Alliance Capital is unable to estimate the impact, if any, that the outcome of these matters may have on Alliance Capital's results of operations or financial condition. In February 2005, plaintiffs in these actions filed a consolidated amended class action complaint that asserts claims substantially similar to the preceding complaints. The Alliance Capital defendants moved to dismiss the consolidated complaint in April 2005.

AXA Financial, AXA Equitable and Alliance Capital, as well as certain of AXA's other US subsidiaries, are involved in various other types of lawsuits (both class action and individual), investigations or actions, including in connection with the ownership and/or management of real estate, asset management activities, corporate transactions, employee benefit disputes, alleged discrimination in employment practices, as well as other matters. For additional details on these matters, please see the Subsidiary SEC Reports.

Other US Matters

AXA Investment Managers Matters. AXA Investment Managers is a defendant in a lawsuit *Minnesota Life Insurance Co. et al. v. AXA Investment Managers, et al.*, pending in the U.S. District Court of Minnesota. Plaintiffs allege that AXA Investment Managers encouraged two former executives of Advantus (an asset management subsidiary of Minnesota Life Insurance Co.) to disclose confidential information they received as Advantus executives during their last four months at Advantus before being hired by AXA Investment Managers. Plaintiffs also claim that AXA Investment Managers misused Advantus fund performance record. Plaintiffs claim compensatory damages of

$31 million and punitive damages. Defendants are contesting both the basis and the amount of these claims and have filed counterclaims in an aggregate amount of $26.5 million. The case is currently scheduled for trial in August 2006. Management of AXA Investment Managers is currently unable to estimate the impact, if any, that the outcome of these matters may have on AXA Investment Managers' results of operations or financial condition.

AXA Re Matters. SEC, New York Attorney General, Department of Justice Investigations.

The insurance industry is currently the subject of several investigations being led by various regulatory authorities principally in the United States, including the United States Securities and Exchange Commission ("SEC"), the New York Attorney General ("NYAG") as well as various other state attorneys general, the United States Department of Justice ("DOJ"), the United States Federal Bureau of Investigation ("FBI") and various state insurance commissioners. These investigations, which are wide ranging in scope and on-going, concern various practices of insurers (principally in the property and casualty and related businesses including general insurance lines) and reinsurers, as well as the purchase and sale of non-traditional insurance products (including finite risk reinsurance). AXA Re has received subpoenas, inquiries and requests for documents and other information from the SEC, NYAG, FBI/DOJ and various other US regulators and law enforcement authorities seeking information relating to (i) specific reinsurance transactions with MBIA concerning the 1998 bankruptcy of Allegheny Health, Education and Research Foundation, and (ii) the purchase and/or sale of non-traditional products (including finite reinsurance) by AXA Re and its affiliates. Certain of the Company's other subsidiaries with operations in the United States have also received subpoenas, inquiries and requests for documents or other information, principally focussed on purchases and/or sales of non-traditional products (including finite reinsurance), in connection with these on-going investigations. At this stage, management cannot assess with any certainty the potential financial, regulatory or other impacts that these matters may have on AXA Re and/or its affiliates including the Company. AXA Re and the other AXA Group companies that have received these subpoenas, inquiries and other requests for information intend to fully cooperate with the authorities investigating these matters. At this time, management is unable to predict what actions, if any, regulators may take against AXA Re, and/or other AXA Group companies in connection with these matters. Any regulatory actions or sanctions that may arise and/or negative publicity associated with the AXA brand name generated by these investigations may result in general reputational damage to AXA which could adversely affect AXA's results of operations.

WTC Litigation. Litigation is currently pending in New York concerning whether the destruction of the World Trade Centers on September 11, 2001 constituted a single incident or two separate incidents for insurance coverage purposes. The verdicts rendered to date in this litigation with respect to several insurance and reinsurance company defendants have been mixed – the initial verdict was favorable for one group of defendants which were deemed to have written their coverage on a certain form of policy and adverse for a second group deemed to have written their coverage on another form. This litigation is continuing on appeal. While AXA is not party to this litigation, certain of AXA's subsidiaries, including its reinsurance subsidiaries, will be affected if it is ultimately determined that the destruction of the World Trade Centers constituted two incidents for insurance coverage purposes. In this event, management estimates that AXA's additional exposure to the World Trade Center destruction will amount to approximately $17 million in the aggregate. Consequently, management believes that the ultimate resolution of this litigation will not have a material adverse effect on the consolidated financial position or results of operations of AXA, taken as a whole.

Europe, Asia and Rest of the World Matters

In Europe, Asia and other jurisdictions where AXA operates, various AXA subsidiaries have been subject to regulatory investigations and sanctions from time to time in connection with their business. For example, in Germany, one of AXA's Germany subsidiaries, AXA Versicherung AG, was among the ten German insurers investigated and fined by the German competition authorities for certain alleged anticompetitive practices among leading German "industrial" non-life issuers. AXA Versicherung AG was fined €27.5 million and intends to appeal this decision and sanction. This fine will not have an adverse impact on the results of operations or financial condition of AXA Versicherung given that a reserve in excess of the fine amount had prevously been established. In the UK, the Financial Services Authority (the "FSA") fined one of AXA UK's subsidiaries, AXA Sun Life, GBP500,000 for producing misleading advertisements for the sale of two of its products during the period between January 2002 and January 2004. AXA Sun Life implemented additional remedial measures, including the appointment of an independent third party to report on its system and controls relating to financial promotion. Also, on June 13, 2005, the European Commission announced that it had decided to commence an investigation into certain areas of the financial services industry in the European Union, including retail banking and business insurance. The scope of this investigation is not yet clear but management believes that it may cover certain of the same matters under investigation by U.S. regulatory authorities described above. Management is not in a position at this time to assess the potential impacts of this investigation. There may be additional such regulatory investigations and/ or sanctions in the future.

Some of these Subsidiary Litigations have been brought on behalf of various alleged classes of claimants, and certain of the claimants in these actions seek significant or unspecified amounts of damages, including punitive damages. In some jurisdictions, juries have substantial discretion in awarding punitive damages. To date no Subsidiary Litigation has resulted in an award or settlement against AXA in an amount material to the consolidated financial position or results of operations of AXA, taken as a whole. Although the outcome of any lawsuit cannot be predicted with certainty, particularly in the early stages of an action, management believes that the ultimate resolution of the Subsidiary Litigations should not have a material adverse effect on the consolidated financial position of AXA, taken as a whole. However, due to the nature of such lawsuits and investigations, AXA's management cannot make an estimate of loss, if any, or predict whether or not the Subsidiary Litigations will have a material adverse effect on the AXA's consolidated results of operations in any particular period.

In addition to the matters described above, AXA and certain of its subsidiaries are involved in various legal actions and proceedings of a character normally incident to their business. Some of these actions and proceedings have been brought on behalf of various alleged classes of claimants, and certain of these claimants seek significant or unspecified amounts of damages, including punitive damages. While the ultimate outcome of such matters cannot be predicted with certainty, based on information currently available to it, in the opinion of management no such matter is likely to have a material adverse effect on the consolidated financial position or results of operations of AXA, taken as a whole. It should be noted, however, that the frequency of large damage awards in certain jurisdictions, particularly the United States, that bear little or no relation to actual economic damages incurred by plaintiffs continues to create the potential for an unpredictable judgment in any given matter that adversely impact AXA's results of operations in a particular reporting period.

29. *Related Party Transactions*

The Company has been party to the following transactions between the Company or its subsidiaries, on the one hand, and related parties, on the other hand, in 2004 and 2003 which may be deemed to have been either material to AXA or the related party in question or unusual in their nature or conditions:

Groupements d'intérêt économique (GIE). From time to time AXA and certain of its affiliates enter into partnerships that perform various common services for their members and allocate associated costs and expenses among its members. These partnerships are governed by the French law applicable to *"Groupement d'Intérêt Economique"* (GIE). The expenses invoiced to entities through the GIE may be calculated using allocation keys. In 2003 and 2004, expenses invoiced by GIEs to the Company, its subsidiaries and affiliates amounted to € 558 million, as compared to €626 million in 2002.

A GIE also assumes cash management for the Company, its subsidiaries and affiliates. At December 31, 2004 the cash managed by the GIEs amounted to €11.5 billion, (€8.1 billion at December 31, 2003) Members of the GIE are the Company and affiliated entities.

Relationships with the Mutuelles AXA. The Mutuelles AXA are three mutual insurance companies engaged in the life & savings insurance business and property & casualty insurance business in France: AXA Assurances IARD Mutuelle, AXA Assurances Vie Mutuelle and AXA Courtage Assurance Mutuelle. These insurance businesses, which are the Mutuelles AXA's only significant operating business activities, generated gross premiums of €1,578 million in 2004. The insurance businesses of the Mutuelles AXA and the insurance businesses of the Company's French insurance subsidiaries use similar distribution channels and are managed as single businesses, subject to legal and management arrangements established to maintain the legal distinctions between their respective businesses.

The Mutuelles AXA do not have shares outstanding and the business of each Mutuelle AXA is supervised by a board of directors elected by delegates representing policyholders. As of February 28, 2005, the Mutuelles AXA, acting as a group, owned, directly and indirectly through intermediate holding companies (including FINAXA), approximately 20.34% of the Company's outstanding ordinary shares representing approximately 32.35% of the total voting power.

While the Company and each of the Mutuelles AXA has its own board of directors (or similar corporate governance structure), they have in common certain members of management and certain members of the Company's management and/or Supervisory Board also hold directorships and/or management positions in the Mutuelles AXA. The Mutuelles AXA, which have no employees, also use employees of the Company's French insurance subsidiaries pursuant to management agreements between the Mutuelles AXA and those subsidiaries. There are no agreements between the Mutuelles AXA and the Company's insurance subsidiaries that restrict in any way their ability to compete with one another.

Certain of the costs and expenses of operating the Life & Savings business and the Property & Casualty business in the Company's French insurance subsidiaries (other than commissions) are shared by these subsidiaries and the Mutuelles AXA and allocated among them through a GIE. These costs and expenses currently are allocated on the basis of actual use of the specific service, to the extent practicable. The manner of managing these insurance businesses or allocating these costs and expenses may change in the future.

The Property & Casualty insurance business generated in France by insurance brokers is underwritten through a coinsurance arrangement between AXA France IARD, a Property & Casualty insurance subsidiary of the Company and AXA Courtage Assurance Mutuelle, one of the Mutuelles AXA engaged in the Property & Casualty business. Technical results are shared between entities in proportion with their written premiums. Aggregate written premiums (AXA Courtage Assurance Mutuelle and AXA France IARD) recorded in the agreement amounted to € 1,407 million in 2004 (of which €1,252 million attributed to AXA France IARD), €1,325 million in 2003 (of which €1,179 million attributed to AXA France IARD), and €1,262 million in 2002 (of which €1,123 million attributed to AXA France IARD).

In 2004, a corporation controlled by an investor group including certain members of the Supervisory Board and the Management Board of the Company engaged AXA Millesimes, a wholly-owned subsidiary of the Company, to manage a vineyard owned by the corporation and provide services related to the vineyard's wine production. The agreement was entered into on an arms-length basis and reflects prevailing terms and conditions for similar transactions.

AXA/FINAXA Trademark License. The name "AXA" and the AXA trademark are owned by FINAXA. On May 21, 1996, the Company and FINAXA entered into a licensing agreement subsequently amended pursuant to which FINAXA (1) granted the Company a non-exclusive license to use the AXA trademark in the jurisdictions in which AXA currently has operations and in any additional jurisdictions in which the AXA trademark is registered, and (2) agreed not to grant licenses to use the AXA trademark to any other company or partnership unless (i) that company or partnership holds an ownership interest in FINAXA or (ii) FINAXA and/or the Company hold, directly or indirectly, an interest in that company or partnership. The non-exclusive license grants the Company the right, subject to the prior written approval of FINAXA, to grant sub-licenses to companies controlled, directly or indirectly, by the Company. FINAXA has no obligation to grant any such approval. Over the past several years, a number of the Company's principal subsidiaries around the world have begun to use the AXA name pursuant to sublicenses granted by the Company. Pursuant to a supplemental agreement entered into on May 3, 2005 with a retroactive effect as of January 1, 2005, the Company is obligated to pay FINAXA pursuant to the licensing agreement an annual fee of €762,245 as well as 80% of any net royalties received from sub-licensees. AXA's non-exclusive license may be terminated at any time by either party, three months after delivery to the other party of a written notice of termination. FINAXA has, however, agreed not to exercise its right to terminate the license so long as FINAXA is the Company's largest shareholder. Upon termination, the Company and the companies to which it has granted sublicenses are required to cease utilization of the AXA trademark and any sublicenses will immediately terminate. On April 20, 2005, FINAXA and AXA announced their intention to merge FINAXA into AXA. See note 35 for additional details of this proposed transaction. If consumated AXA will become the owner of its trademark.

Loans/Guarantees/Capital Contributions. The Company from time to time makes capital contributions and/or loans to its subsidiaries and affiliates to finance their business operations. As at December 31, 2004, the aggregate amount outstanding in respect of loans made by the Company to its subsidiaries or affiliates was approximately €3.1 billion (2003: €3.2 billion). This amount represents approximately forty separate loans originated at different times and bearing interest at varying rates that generally reflected prevailing market rates at the respective dates such loans were originated. In order to facilitate certain intra-group financing arrangements, support credit ratings of its subsidiaries, and/or to promote efficient use of the Group's capital resources generally, the Company from time to time guarantees repayment of loans extended from one of its subsidiaries to another and/or guarantees other obligations of its subsidiaries. As of December 31, 2004, the principal amount of such intra-group loans guaranteed by the Company was €2,217 million (2003: €2,597 million) and the aggregate liabilities covered by the other guarantees extended to its subsidiaries was approximately €5,683 million (2003: €1,681 million). The beneficiaries of these guarantees are generally required to compensate the Company at a negotiated rate based on prevailing market rates and conditions for guaranties of a similar nature. In addition, from time to time the Company provides comfort or similar letters to rating agencies and/or regulators for the benefit of its subsidiaries for various business purposes, including for purposes of facilitating specific transactions, achieving target ratings levels and, more generally, helping develop the business of these subsidiaries. At December 31, 2004 and 2003, there were no loans outstanding from the Company to any member of AXA's Management Board or Supervisory Board. For additional information concerning commitments and guarantees given by the Company, see note 26 "Off Balance Sheet Commitments".

Agreement with BNP Paribas. On September 12, 2001, the AXA and BNP Paribas Groups entered into an agreement (the "BNP Agreement") which provides for maintaining a certain level of cross-shareholding between the parties and facilitating the potential disposition of BNP Paribas' investment in FINAXA. Specifically, the BNP Agreement provides that the AXA Group will hold a minimum number of 43,412,598 shares in BNP Paribas which on July 31, 2004 represented on approximate 4.91% ownership interest in BNP Paribas; and that BNP Paribas will hold a minimum number of 15,795,357 shares in FINAXA (following adjustment linked to FINAXA's share capital increase of July 20, 2004) which on July 31, 2004 represented on approximate 20.90% ownership interest in FINAXA. Additionally, the BNP Agreement grants both BNP Paribas and the Company a right of first refusal to acquire the other party's equity investment (not including any shares held in excess of the minimum amount) during a one-year period following any termination of the agreement. Further, each party has an option to repurchase the ownership interests of the other party if there is a change in control of the other party. Initially entered into for a three-year period commencing from the execution date of the agreement, a supplemental agreement was entered into by the parties on October 26, 2004 which provides that the agreement is renewed for a two-year period commencing on September 12, 2004 and is automatically renewed thereafter for additional one-year periods. However, either party may terminate the agreement early if it gives the other party notice at least three months prior to the expiration of the current two-year period or the subsequent one-year periods. This agreement and the supplemental agreement were filed with and made public by respectively the Conseil des Marchés Financiers on September 28, 2001 and the Autorité des Marchés Financiers on October 28, 2004.

In addition to the foregoing transactions to which the Company is party, there are various on-going business relationships and transactions between various subsidiaries of the Company which include the following:

Investment Management. The AXA Group has two principal asset management subsidiaries, Alliance Capital Management and AXA Investment Managers (the "Asset Managers"). In addition to managing assets for unaffiliated third parties, the Asset Managers manage the "general account" investment assets of AXA's various insurance subsidiaries. At December 31, 2004, the general account assets managed on behalf of the Company's insurance subsidiaries by the Asset Managers totaled approximately €229 billion (2003: €212 billion) and generated approximately €277 million in fees for year ended December 31, 2004 (2003: €277 million). In addition, the Asset Managers manage most of the assets backing contracts with financial risk borne by policyholders (unit-linked) of the Company's insurance subsidiaries, which totaled approximately €66 billion at December 31, 2004 (2003: €65 billion).

AXA Technology Services. As one of many initiatives designed to better leverage the AXA Group's global scale, the AXA Group has established a technology services company, AXA Technology Services ("AXA Tech"), which provides technology services to various AXA Group companies. AXA Tech also negotiates and administers relationships with various IT providers on a Group-wide basis. Services provided by AXA Tech to Group companies are generally provided pursuant to contracts with fully negotiated terms and conditions (including service level standards, and fees) which are based on market standards and conditions. Total fees paid by AXA Group companies to AXA Tech in 2004 were approximately €634 million (2003: €643 million). AXA also from time to time provides guaranties to AXA Tech in order to facilitate certain contractual arrangements that AXA Tech has entered into with various third party service providers for technology and/or telecommunications equipment and/or services, including a guaranty provided by AXA SA in connection with an agreement between AXA Tech and France Telecom, dated December 15, 2003, pursuant to which AXA SA provided a performance guaranty to France Telecom on behalf of AXA Tech which is capped at € 50 million during the term of the agreement.

Reinsurance. In order to achieve optimal pricing in the market and cost efficiencies on a Group level, various insurance subsidiaries of the Company cede reinsurance through AXA Cessions. AXA Cessions acts on behalf of the ceding AXA insurers to arrange reinsurance cover with suitable third-party reinsurers. Total premiums ceded by AXA Group insurers through AXA Cessions were approximately €631 million for the year ended December 31, 2004 (2003: €671 million) and total claims reserves with respect to this ceded reinsurance were approximately €1,470 million at December 31, 2004 (2003: €1,531 million).

30. Dividend restrictions and minimum capital requirements

The Company is not subject to legal restrictions on the amount of dividends it may pay to its shareholders provided that accumulated earnings available for distribution are sufficient. However, certain AXA subsidiaries, principally insurance companies, are subject to restrictions on the amount of funds they may transfer in the form of cash dividends or otherwise to their shareholders.

In most cases, the amounts available for dividends from AXA's insurance subsidiaries are limited to the accumulated earnings calculated using the subsidiaries' historical statutory basis of accounting. These amounts can be further limited based on the discretion of the insurance regulators in each country in which AXA operates. In some cases, amounts available for dividends are also subject to regulatory capital adequacy tests or the approval of an independent actuary, or subject to individual terms contained in company by-laws.

In accordance with European Union directives, insurance companies organized in European Union member countries are required to maintain minimum solvency margins which must be supported by capital, retained earnings and reserves and, in France and certain other countries (as approved by local regulators), unrealized capital gains on marketable securities and real estate as reported in regulatory filings. AXA's insurance operations in countries outside of the European Union are also subject to capital adequacy and solvency margin regulations. At December 31, 2004, management believes AXA's subsidiaries are in compliance with all applicable solvency and capital adequacy margin requirements.

The adjusted solvency ratio was estimated on the basis of regulation that came into force on January 1, 2004 (Solvency I) and takes into account part of the future benefits stated in Directive 2002/12 of March 5, 2002.

AXA's principal insurance operations in France, the United States, the United Kingdom, Japan, Germany and Belgium accounted for 81% of AXA's consolidated gross policyholder benefits and insurance claims reserves at December 31, 2004 (2003: 80%). The table below presents certain statutory information that relate to these entities (and before allocation to minority interests).

(in euro millions)

	At December 31,			
	2004		2003	
	Principal Life & Savings operations (b)	Principal Property & Casualty (including the International Insurance operations) (c)	Principal Life & Savings operations	Principal Property & Casualty (including the International Insurance operations)
Statutory capital and surplus (a)	10,464	5,351	9,405	5,524
Maximum amount of dividends that could be paid by these operations without prior regulatory approval	1,393	638	1,119	618

(a) The statutory capital and surplus is an aggregate number, being the sum of the statutory capital and surplus including income for each insurance company in each country subject to local regulatory requirements, which may differ from jurisdiction to jurisdiction. Current year is, in general, an estimate that is updated once calculation prepared for the regulator are final.

(b) At constant exchange rate, statutory capital and surplus for Life & Savings operations increased by €+1,392 million, and the maximum amount of dividends increased by €301 million.

(c) At constant exchange rate, statutory capital and surplus for Property & Casulaty operations including the International Insurance operations decreased by €–203 million, and the maximum amount of dividends increased by €+20 million.

31. Share Options

The total employee stock based compensation cost recorded in earnings for the year ended December 31, 2004 is a loss of €2.7 million (2003: €1.3 million profit and 2002: €4 million profit).

Options issued by the company

AXA (the Company). Executive officers and other key employees may be granted options to purchase ordinary shares of AXA (the Company) pursuant to stock option plans maintained by the Company. While the precise terms and conditions of each option grant may vary, options are generally (1) granted at a price not less than the average closing price of the ordinary share on the Paris Bourse during the 20 trading days preceding the date of grant (2) are valid for maximum term of ten years, and (3) become exercisable in installments of 33% per year on each of the second through fourth anniversaries of the grant date.

	2004		2003		2002	
	Shares (in millions)	Price (in euros) (a)	Shares (in millions)	Price (in euros) (a)	Shares (in millions)	Price (in euros) (a)
Outstanding January 1,	**52.3**	**22.69**	**44.0**	**25.66**	**40.4**	**27.06**
Granted	10.3	17.68	10.8	11.01	9.8	20.98
Capital increase (b)	–	–	0.4	–	–	–
Subscribed	(1.2)	9.44	(0.6)	10.84	(0.8)	9.53
Expired	(1.5)	23.94	(2.4)	24.76	(5.4)	30.06
Outstanding December 31,	**59.8**	**22.06**	**52.3**	**22.69**	**44.0**	**25.66**
Options exercisable at year end	30.9	26.61	23.9	24.68	17.2	20.95
Options available for future grants at year end	0.0		49.5		6.1	

(a) Price refers to weighted average exercisable price in euros.

(b) In connection with the ORAN which were issued and according to the terms and conditions of the AXA share plans, the number of share options were increased in proportion.

In respect of share option plans issued by AXA (the Company) for AXA ordinary shares, the number of share options outstanding and the number of share options exercisable at December 31, 2004 are set out below.

Exercisable until	Number Outstanding (in millions)	Number Exercisable (in millions)
March 28, 2005	0.8	0.8
July 09, 2006	1.2	1.2
January 21, 2007	3.0	3.0
September 09, 2007	0.2	0.2
September 29, 2007	0.1	0.1
April 19, 2008	6.3	6.3
June 08, 2009	5.2	5.2
November 17, 2009	0.2	0.2
July 11, 2010	0.1	0.1
July 04, 2010	5.4	5.4
November 12, 2010	0.2	0.2
May 08, 2011	7.7	5.2
February 26, 2012	8.7	2.9
March 13, 2013	10.4	–
March 26, 2014	10.1	–
TOTAL	**59.8**	**30.9**

	Outstanding at December 31 (in millions)	Weighted average exercice (in euros)	Exercisable at December 31 (in millions)	Weighted average exercice (in euros)
0.00 € – 6.48 €	–	–	–	–
6.48 € – 12.96 €	15.6	10.95 €	5.2	10.93 €
12.96 € – 19.44 €	10.2	17.65 €	0.1	14.74 €
19.44 € – 25.92 €	15.1	21.99 €	9.3	22.70 €
25.92 € – 32.40 €	13.2	30.56 €	10.6	30.17 €
32.40 € – 38.87 €	0.2	38.54 €	0.2	38.54 €
38.87 € – 45.35 €	5.5	40.76 €	5.5	40.76 €
TOTAL	**59.8**	**22.06 €**	**30.9**	**26.61 €**

Options to purchase AXA ADRs

AXA Financial can grant options to purchase AXA ADRs. The options are issued at the fair market value of the AXA ADRs on the date of grant. Options granted prior to 2004 vested over a 3 year period with one third vesting on each anniversary date, however, beginning with new grants in 2004, new stock option awards generally vest over 4 year period with one third vesting on each of the second, third and fourth anniversaries of the grant. Options currently issued and outstanding have a 10-year contractual term from their date of grant. In January 2001, certain employees exchanged AXA ADR options for tandem Stock Appreciation Rights and at-the-money AXA ADR options of equivalent intrinsic value.

A summary of the activity in the option shares granted by AXA Financial pursuant to its option plans follows, including information about options outstanding and exercisable at December 31, 2004.

AXA ADRs options	Number Outstanding (in millions)	Weighted Average Exercise Price (in U.S. dollars)
Balance as at January 2, 2002	**30.0**	**31.55**
Granted	6.7	17.24
Subscribed	(0.2)	10.70
Expired	(1.2)	27.12
Balance as at December 31, 2002	**35.3**	**25.14**
Granted	9.1	12.60
Subscribed	(1.7)	7.85
Expired	(1.8)	25.16
Balance as at December 31, 2003	**40.9**	**23.04**
Granted	7.2	20.66
Subscribed	(2.5)	14.82
Expired	(1.6)	23.74
Balance as at December 31, 2004	**44.0**	**23.03**

Information about options outstanding and exercisable at December 31, 2004 in respect of AXA Financial employee share option plans to purchase AXA ADRs follows:

	Outstanding at December 31, 2004 (in millions)	Weighted average exercise price (in U.S. dollars)	Exercisable at December 31, 2004 (in millions)	Weighted average exercise price (in U.S. dollars)
$6.33 – $8.97	0.2	7.65	0.2	7.65
$10.13 – $15.12	10.1	12.66	4.4	12.81
$15.91 – $22.84	15.5	19.42	7.1	18.51
$25.96 – $32.87	13.1	30.65	12.3	30.64
$35.85	5.1	35.85	5.1	35.85
$6.33 – $35.85	**44.0**	**23.03**	**29.1**	**25.71**

Other

Under a separate variable option plan, in 1996 AXA granted key managers options that vest over five years to acquire approximately 2 million shares of a wholly-owned subsidiary. The plan allows holders to benefit indirectly in the appreciation of the share price in ordinary shares of AXA Asia Pacific Holdings. The shares under option would represent 25% of the shares issued by the subsidiary, if and when such options are exercised. Any shares acquired by exercising options are nontransferable and the holders have certain rights to put the shares to AXA for a price based on the equivalent market price of AXA Asia Pacific Holdings common stock at the date when put. Of the 2,152,310 options, 1,661,000 have been exercised and 426,060 options have been cancelled at December 31, 2004. The balance of outstanding options at December 31, 2004 was 65,250.

32. Segment Information

AXA has five operating business segments: Life & Savings, Property & Casualty, International Insurance, Asset Management and Other Financial Services. In addition, non-operating activities are conducted by the holding companies. The financial information for AXA's business segments, and the holding company activities, is presented on a French GAAP basis and is consistent with the presentation providedlin the consolidated financial statements presented herein.

No segment is dependent upon a single customer, or a few customers, the loss of which would have a significant effect on the earnings of the segment. AXA is not dependent on any one, or a few, independent brokers or independent agents or other insurance companies for which a loss of business would have a material adverse effect on the earnings of any one of the segments or AXA. No customer accounted for 10% or more of AXA's consolidated revenues in 2004.

Life & Savings Segment products and services. Includes individual and group traditional term and whole life insurance (including participating policies whereby the policyholder participates in the net investments results or profits of the insurance company), immediate annuities and investment products (including endowments, savings-related products, such as variable life and variable annuity products and other investment-linked products) and services (such as financial planning services, sales of mutual fund investments) that are designed to meet a broad range of its customers' needs throughout their financial life-cycles.

Property & Casualty Segment products and services. Includes a full range of products including principally automobile and homeowners' insurance to individuals and commercial property and liability insurance to corporate customers, including workers' compensation benefits.

International Insurance Segment products and services. The reinsurance operations principally focus on property damage, third party liability and marine property and third party liability reinsurance through proportional and non-proportional treaties. The products in the insurance operations within this segment, which specifically relate to AXA Corporate Solutions Insurance, include large commercial risk coverage to large national and international corporations principally including property and casualty; marine aviation and transport; construction risk; financial risk; and directors and officers liability.

Asset Management Segment products and services. Includes diversified asset management (including mutual funds management) and related services to a variety of institutional clients and individuals, including AXA's insurance companies.

Other Financial Services Segment products and services. This segment includes principally other financial services, such as banking activities conducted primarily in France and Belgium.

Information described as "Insurance" below includes the three insurance segments: Life & Savings, Property & Casualty and International Insurance. Information described below as "Financial Services" includes both the Asset Management Segment and the Other Financial Services Segment.

Gross premiums and financial services revenues

	(in euro millions)		
	Years ended December 31,		
	2004	2003	2002
LIFE & SAVINGS			
France	11,893	10,882	10,423
United States	12,880	13,732	12,726
United Kingdom (a)	6,309	5,831	8,362
Japan	5,526	6,078	6,428
Germany	3,499	3,428	3,140
Belgium	2,203	2,050	1,629
Southern Europe (b)	1,364		
Other countries	3,389	4,798	5,877
Total (reinsurance assumed accounted for €1,930 million, €3,944 million and €1,696 million, respectively)	**47,063**	**46,799**	**48,586**
PROPERTY & CASUALTY			
France	4,895	4,640	4,383
Germany	2,796	2,847	2,843
United Kingdom (a)(c)	4,469	3,664	2,749
Belgium	1,430	1,405	1,395
Southern Europe (b)	2,901		
Other countries	1,361	4,543	4,577
Total (reinsurance assumed accounted for €273 million, €408 million, and €367 million respectively)	**17,852**	**17,098**	**15,948**
INTERNATIONAL INSURANCE			
AXA Corporate Solutions	2,656	3,550	5,335
AXA Assistance	475	408	397
Others	240	14	30
Total (reinsurance assumed accounted for €2,320 million, €2,776 million, and €4,464 million, respectively)	**3,371**	**3,972**	**5,762**
ASSET MANAGEMENT			
Alliance Capital	2,312	2,311	2,778
AXA Investment Managers	776	611	633
Total Asset Management	**3,087**	**2,922**	**3,411**
OTHER FINANCIAL SERVICES			
French banks	153	139	134
German banks	56	122	117
AXA Bank Belgium	578	539	717
Other	5	37	52
Total Other Financial Services	**791**	**836**	**1,020**
TOTAL	**72,164**	**71,628**	**74,727**

(a) Since January 1, 2003, UK Health business is presented in the UK Property and Casualty segment (€1,134 million of gross revenues in 2002).

(b) Since January 1, 2004 Italy, Spain and Portugal activities (previously reported under "other countries") are reported as one geographical region "Southern Europe". Gross premiums and financial services revenues for Southern Europe Life & Savings were €1,182 million and €1,515 million, respectively in 2003 and 2002. Gross premiums and financial services revenues for Southern Europe Property and Casualty were €2,577 million and €2,418 million, respectively in 2003 and 2002.

(c) UK Property and Casualty segment is presented since January 1, 2004 including Ireland, which was previously under "Other Countries". Ireland gross revenues were €559 million and €554 million in 2003 and 2002 respectively.

Results of operations

(in euro millions)

	Life & Savings	Property & Casualty	International Insurance	Asset Management	Other financial services	Holding companies	Intersegment eliminations	Total
	Years ended December 31, 2004							
	Data before intersegment eliminations							
Gross written premiums	46,251	17,903	3,465	–	–	–	(211)	67,407
Revenues from banking activities	–	–	–	–	821	–	(30)	791
Other revenues	821	42	15	3,364	–	0	(277)	3,966
Gross written premiums and financial services revenues	**47,071**	**17,945**	**3,480**	**3,364**	**821**	**0**	**(518)**	**72,164**
Change in unearned premiums reserve	21	(250)	318	–	–	–	(41)	47
Net investment results	23,670	1,322	386	411	52	(376)	97	25,562
Total revenues	**70,762**	**19,017**	**4,185**	**3,775**	**873**	**(376)**	**(463)**	**97,773**
Insurance benefits and claims	(62,451)	(12,083)	(2,819)	–	–	–	208	(77,145)
Reinsurance ceded, net	17	(665)	(401)	–	–	–	(15)	(1,064)
Insurance acquisition expenses	(2,888)	(3,085)	(283)	–	–	–	17	(6,239)
Bank operating expenses	–	–	–	–	(472)	–	18	(454)
Administrative expenses	(2,885)	(1,746)	(339)	(2,589)	(280)	(99)	234	(7,704)
Income before income tax expense	**2,553**	**1,439**	**342**	**1,186**	**121**	**(475)**	**–**	**5,167**
Income tax expense	(758)	(408)	(104)	(178)	(96)	172	–	(1,372)
Income after income tax expense	**1,795**	**1,031**	**239**	**1,008**	**25**	**(303)**	**–**	**3,796**
Equity in income from affiliated entities	44	30	1		1	0	–	76
Amortization of goodwill, net	(342)	(141)	(11)	(534)	(3)		–	(1,031)
Minority interests	(107)	(13)	(2)	(210)	(1)	11	–	(321)
NET INCOME	**1,390**	**907**	**227**	**265**	**22**	**(292)**	**–**	**2,519**

(in euro millions)

	Years ended December 31, 2003							
	Life & Savings	Property & Casualty	International Insurance	Asset Management	Other financial services	Holding companies	Intersegment eliminations	Total
	Data before intersegment eliminations							
Gross written premiums	46,299	17,093	4,065	–	–	–	(151)	67,306
Revenues from banking activities	–	–	–	–	850	–	(30)	820
Other revenues	513	35	16	3,199	16	0	(277)	3,503
Gross written premiums and financial services revenues	**46,812**	**17,128**	**4,081**	**3,199**	**866**	**0**	**(458)**	**71,628**
Change in unearned premiums reserve	(6)	(231)	559	–	–	–	(2)	320
Net investment results	25,773	1,075	339	(28)	174	(423)	26	26,935
Total revenues	**72,579**	**17,972**	**4,979**	**3,171**	**1,040**	**(423)**	**(434)**	**98,883**
Insurance benefits and claims	(65,926)	(12,060)	(3,481)	–	–	–	150	(81,317)
Reinsurance ceded, net	84	(495)	(701)	–	–	–	(1)	(1,113)
Insurance acquisition expenses	(2,797)	(2,727)	(290)	–	–	–	16	(5,798)
Bank operating expenses	–	–	–	–	(519)	–	16	(502)
Administrative expenses	(2,457)	(1,865)	(313)	(2,769)	(323)	(93)	253	(7,567)
Income before income tax expense	**1,483**	**826**	**194**	**402**	**199**	**(516)**	**–**	**2,587**
Income tax expense	(289)	(194)	(41)	(98)	(55)	140	–	(536)
Income after income tax expense	**1,194**	**632**	**154**	**304**	**144**	**(376)**	**–**	**2,051**
Equity in income from affiliated entities	19	24	0	–	(2)	1	–	41
Amortization of goodwill, net	(423)	(172)	(5)	(241)	(3)	–	–	(844)
Minority interests	(119)	(35)	(7)	(87)	(0)	5	–	(243)
NET INCOME	**671**	**448**	**142**	**(24)**	**138**	**(371)**	**–**	**1,005**

(in euro millions)

	Life & Savings	Property & Casualty	International Insurance	Asset Management	Other financial services	Holding companies	Intersegment eliminations	Total
	Years ended December 31, 2002							
	Data before intersegment eliminations							
Gross written premiums	48,080	15,969	5,844	–	–	–	(169)	69,723
Revenues from banking activities	–	–	–	–	1,038	–	(26)	1,012
Other revenues	539	12	28	3,724	8	0	(319)	3,992
Gross written premiums and financial services revenues	**48,619**	**15,981**	**5,872**	**3,724**	**1,046**	**0**	**(514)**	**74,727**
Change in unearned premiums reserve	(16)	(307)	(58)	–	–	–	(2)	(382)
Net investment results	(10,684)	1,230	396	233	98	(33)	47	(8,713)
Total revenues	**37,920**	**16,904**	**6,210**	**3,957**	**1,144**	**(33)**	**(470)**	**65,632**
Insurance benefits and claims	(30,958)	(12,038)	(5,035)	–	–	–	110	(47,922)
Reinsurance ceded, net	288	(229)	(638)	–	–	–	57	(523)
Insurance acquisition expenses	(2,806)	(2,754)	(351)	–	–	–	20	(5,891)
Bank operating expenses	–	–	–	–	(625)	–	25	(600)
Administrative expenses	(2,868)	(1,658)	(367)	(2,952)	(335)	(177)	259	(8,098)
Income before income tax expense	**1,575**	**224**	**(182)**	**1,005**	**184**	**(210)**	**(0)**	**2,597**
Income tax expense	(119)	(153)	43	(140)	(64)	8	–	(426)
Income after income tax expense	**1,456**	**71**	**(139)**	**865**	**120**	**(202)**	**–**	**2,171**
Equity in income from affiliated entities	(7)	19	(1)	–	14	(2)	–	23
Amortization of goodwill, net	(319)	(113)	(27)	(405)	(14)	–	–	(877)
Minority interests	(68)	5	(9)	(242)	(1)	(53)	–	(368)
NET INCOME	**1,063**	**(19)**	**(176)**	**218**	**119**	**(257)**	**–**	**949**

In addition, to the amortization of goodwill, AXA also has amortization expense related to value of purchased business in-force (VBI), which relates specifically to the Life & Savings Segment, see Note 5 "Value of Purchased Life Business In Force (VBI)" relating to the amortization of VBI. Information on the net investment results by segment is presented in Note 20 "Net Investment Result".

Analysis of total assets

(in euro millions)

	Years ended December 31, 2004	2003	2002
Life & Savings	371,725	343,099	336,681
Property & Casualty	43,099	41,177	39,127
International Insurance	12,635	14,319	17,095
Asset Management	5,949	6,740	7,132
Other Financial Services	18,818	16,911	17,474
Holding Companies	28,735	26,986	27,148
TOTAL ASSETS	**480,961**	**449,233**	**444,657**

33. Summary of Material Differences between French GAAP and U.S. GAAP

The following information referred as "U.S. GAAP financial information" reflects AXA Group consolidated financial statements, restated according to generally accepted accounting principles in the United States ("U.S. GAAP"). French accounting principles, as described in Note 3 of the Notes to Financial statements are referred hereafter as "French GAAP".

AXA's consolidated financial statements are prepared in accordance with French GAAP. These accounting principles differ in certain material respects from U.S. GAAP in each of the three years ended December 31, 2004, 2003 and 2002. The significant differences in accounting principles between French GAAP and U.S. GAAP, including significant changes arising from the adoption of new U.S. GAAP accounting principles in the three years ended December 31, 2004, are summarized below.

Changes in Accounting Principles under U.S. GAAP

Fin 46: consolidation of variable interest entities

In January 2003, the FASB issued Interpretation No.46, "Consolidation of Variable Interest Entities", which was amended in December 2003 ("FIN 46R"). FIN 46R clarifies the application of Accounting Research Bulletin No. 51 "Consolidated Financial Statements" as it relates to certain entities called variable interest entities ("VIEs"). A VIE is an entity in which equity investors do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk to finance its activities without subordinated financial support from other parties. Depending on the facts and circumstances, VIEs may include investments in limited partnerships, certain joint ventures, offshore (non U.S.) funds, and, vehicles formerly known as special purpose vehicles, such as, collateralized debt obligations (also known as debt securitizations).

For entities that meet the characteristics of a VIE, FIN 46R introduced a consolidation model that focuses on the relative exposures of the participants to the economic risks and rewards derived from the assets of the VIE rather than on percentage ownership of voting interest, if any, to determine whether a parent-subsidiary relationship exists. Under the VIE consolidation model, the party with the majority of the economic risks or rewards associated with a VIE's activities, including those conveyed by derivatives, credit enhancements and other arrangements, is the "primary beneficiary". The primary beneficiary is required to consolidate the VIE. FIN 46 not only provides a consolidation model but also requires specific disclosures relating to VIEs in which AXA has a significant variable interest, but is not the primary beneficiary.

As required, AXA adopted this interpretation with immediate effect for all new VIEs created on or after February 1, 2003 with no impact on the consolidated financial statements at December 31, 2003. AXA adopted this interpretation for the remaining VIEs created before February 1, 2003 with effect from January 1, 2004, which resulted in a €–15 million impact.

Accounting for non-traditional contracts including separate accounts

In July 2003, the American Institute of Certified Public Accountants ("AICPA") issued Statement of Position 03-1, *"Accounting and Reporting by Insurance Enterprises for Certain Nontraditional Long-Duration Contracts and for Separate Accounts" ("SOP 03-1")*. SOP 03-1 provides guidance notably relating to (a) accounting and reporting of unit linked funds that qualify as separate accounts according to specific criteria provided therein; (b) general account interests in those qualifying separate accounts, if any; (c) assets and liabilities associated with market value-adjusted annuities; and (d) liabilities related to certain mortality and annuitization benefits, whereby the determination of liabilities, as well as related impacts on deferred acquisition costs and value of purchased business in force, will be based on models that involve numerous estimates and assumptions. In addition and in late 2004, the AICPA issued several Technical Practice Aids (TPAs) providing further guidance on the subject matter.

The adoption of SOP 03-1 required several changes to AXA's U.S. GAAP accounting policies and reporting relating to its unit linked business as set out below:

- the derecognition of certain unit linked business (assets and liabilities) for French GAAP purposes that did not qualify as U.S GAAP separate accounts as defined by SOP 03-1, primarily affecting AXA's unit linked business outside of the U.S.: resulting in a reclassification of the French GAAP unit linked assets and liabilities into specific U.S. GAAP balance sheet captions for investments and future policy benefits for U.S. GAAP accounting and reporting purposes. The unit linked assets were primarily investments in fixed maturity and equity securities and are predominantly to be classified as Trading, and, real estate that is now accounted for at historical cost less accumulated depreciation resulting in an after-tax cumulative effect in change in accounting principle recorded in net income of €–74 million and Other Comprehensive Income (a separate component of U.S. GAAP shareholder's equity) of €32 million,
- the recognition of AXA's general account interests in U.S. GAAP qualifying separate accounts in the Balance Sheet caption "investments-equity securities" classified as Trading: prior to the adoption of SOP 03-1, such interests were included in Separate Accounts' asset. This change is limited to the presentation in the balance sheet and is not material,
- in addition, the adoption of SOP 03-1 results primarily in a change in method of determining liabilities associated with annuitization benefits provided on certain contracts in the United Kingdom, the United States and Japan resulting in an after-tax cumulative effect in change in accounting principle recorded in net income of €87 million.

Accounting for certain financial instruments with characteristics of both liabilities and equities

FAS 150 establishes standards for classification and measurement of certain financial instruments (notably mandatorily redeemable shares and obligations to repurchase shares such as, forward purchase contracts or written put options) with characteristics of both liabilities and equity in the statement of financial position. AXA adopted FAS 150, which is effective for financial instruments entered into or modified after May 31, 2003 and FAS 150 had no material impact on AXA's consolidated statement of financial position upon adoption. For all other pre-existing financial instruments, FAS 150 is effective at the beginning of the first interim period beginning after June 15, 2003 but given that AXA is not required to publish U.S GAAP interim financial reports, the effective date would be as at January 1, 2004 and at such date there was no material impact on AXA's consolidated statement of financial position or consolidated income statement under U.S. GAAP upon adoption.

Accounting for costs associated with exit or disposal activities

FASB 146 "Accounting for costs associated with exit or disposal activities" ("FAS 146") requires that the liability for a cost associated with the exit or disposal activity be recognized and measured initially at fair value only when the liability is incurred. AXA adopted FAS 146 on a prospective basis from January 1, 2003. FAS 146 had no material impact on AXA's consolidated statement of financial position or consolidated income statement under U.S. GAAP upon adoption.

Accounting for business combinations and impairment or disposal of long-lived assets

On January 1, 2002, AXA adopted statement of Financial Accounting Standards ("FAS") No. 141 "Business combinations", FAS 142 "Goodwill and other intangible assets", and FAS 144 "Accounting for the impairment or disposal of long-lived assets".

FAS 141 addresses financial accounting and reporting for business combinations, including investments accounted for under the equity method, collectively referred to in this section as "business combinations", with an acquisition date on or after July 1, 2001. All business combinations in the scope of FAS 141 are to be accounted for using the purchase method whereby a goodwill asset is recorded for the excess of the purchase price over the estimated fair value of net identifiable assets acquired. If the goodwill is negative, it will no longer be set up as a deferred credit and included in income over the estimated useful life but rather recognized as an after-tax extraordinary gain in the income statement in the period of acquisition. Pooling-of-interests is no longer permitted. In addition, other intangible assets can be recognized apart from goodwill if the intangible either (i) reflects a contractual-legal right, or (ii) is separable, that is, capable of being separated, sold, divided, transferred (regardless of intent / existence in the market and either individually or with a group of related assets and liabilities). Prior to FAS 141, only intangibles that could be identified and named could be recognized as an asset apart from goodwill. FAS 141 had no material impact on the results of operations or financial position of AXA upon its adoption on January 1, 2002.

FAS 142 addresses financial accounting and reporting for acquired goodwill and other intangible assets, including intangible assets that are acquired individually or with a group of other assets not acquired in a business combination. At the time of adoption January 1, 2002 the U.S. GAAP carrying value for goodwill was tested for impairment. In subsequent periods, goodwill is no longer amortized but rather subject to an impairment test, at least annually. In addition, at January 1, 2002 AXA ceased to amortize negative goodwill, which was eliminated and recorded in income: the after-tax cumulative effect of the change in accounting for negative goodwill was €12 million net group share. In future periods, any negative goodwill identified in connection with a business combination will be recorded immediately in income in the period of transaction. AXA's intangible assets have finite useful lives and continue to be amortized over their estimated useful lives.

FAS 144 retains many of the fundamental recognition and measurement provisions previously required under FAS No. 121, "Accounting for the impairment of long-lived assets to be disposed of", except for the removal of goodwill from its scope, inclusion of specific guidance on cash flow recoverability testing and the criteria that must be met to classify a long-lived asset as held-for-sale. FAS 144 had no material impact on the results of operations or financial position of AXA upon its adoption on January 1, 2002.

Scope of consolidation

Under U.S. GAAP, entities are assessed for consolidation under one of two methodologies as summarized below:

- AXA is required to fully consolidate an entity if (i) the entity is a variable interest entity (VIE) as defined under FIN46R and (ii) AXA is determined to be the primary beneficiary, that is, AXA has a variable interest in the VIE that will absorb a majority of the VIE's expected losses or receive a majority of its expected residual returns, or both. Such basis for determining if consolidation is required does not exist under French GAAP.
- For entities that are not VIEs, AXA is required to fully consolidate the entity if AXA has a majority ownership interest, that is an direct or indirect interest of more than 50% of the voting rights, whereas under French GAAP control is presumed if AXA directly or indirectly holds at least 40% of the voting rights and no other shareholder directly or indirectly holds a percentage interest greater than that held by AXA.

Under U.S. GAAP, the equity method of accounting is used for investments in entities (including VIEs not requiring consolidation by AXA) when AXA's ownership interest approximates 20% or more and is not greater than 50% including those companies proportionately consolidated under French GAAP.

Under French GAAP, AXA accounts for its investments in investment companies and real estate companies (including mutual funds) owned by insurance subsidiaries using the cost method. Under U.S. GAAP, such entities are first assessed for consolidation under the "variable interest" model before assessing for consolidated based on ownership interest. In consolidating mutual funds or investments in investment companies for U.S. GAAP purposes, fixed maturity and equity securities held by the funds are classified as trading and, are stated at estimated fair value.

Business Combinations – Purchase accounting

Business acquisitions are generally accounted for using the purchase method of accounting under both French GAAP and U.S. GAAP.

In respect of significant acquisitions, material accounting differences between French GAAP and U.S. GAAP relate primarily to (i) the different methods of determining the purchase price attributable to the issuance of ordinary shares of AXA and settling / exchanging outstanding employee share options, (ii) the differences in the underlying accounting principles used for determining the value of net assets acquired between French GAAP and U.S. GAAP, and (iii) the portion of goodwill charged directly to shareholders' equity when ordinary shares of AXA were issued in respect of transactions that were completed before the adoption of the new French Regulations on January 1, 2001.

The significant differences in accounting principles used for determining goodwill between French GAAP and U.S. GAAP are summarized below.

Purchase price

- Under both French GAAP and U.S. GAAP, the purchase price is determined at transaction date unless newly issued ordinary shares are exchanged. If ordinary shares are issued in connection with an acquisition, under French GAAP the purchase price is determined at the closing date of the offer period whereas under U.S. GAAP the purchase price is determined at the date the merger agreement is signed and announced (so long as the terms of exchange are fixed), using the average market rate over a period consisting of a number of days before and after such date.
- In connection with an acquisition of a target company, not of a minority interest, under both French GAAP and U.S. GAAP, the purchase price includes the cost of settling or exchanging outstanding employee share options of the target company However, in respect of a minority interest buyout, costs associated with settling or exchanging outstanding employee share options are included in the purchase price under French GAAP, but are excluded from the purchase price and recorded as compensation expense under U.S. GAAP.

Value of assets acquired and liabilities assumed

Under French GAAP, the portion of assets acquired and liabilities assumed, other than in connection with a buyout of minority interests, are recorded at their estimated fair value at the date of acquisition. The insurance liabilities are maintained at the predecessor's carrying value if the measurement basis is consistent with AXA's French accounting principles. The portion of assets acquired and liabilities assumed in connection with a buyout of minority interests are maintained at carrying value at date of acquisition.

Under U.S. GAAP and in respect of all acquisitions including the buyout of minority interests, the portion of assets acquired and liabilities assumed are recorded at their estimated fair values at the date of acquisition.

Determination of identifiable intangible assets

Intangible assets arising from business combinations can be recognized under French GAAP based upon objective and pertinent criteria and, for AXA, is predominantly the value of purchased business in-force (VBI) as an intangible asset. Under U S. GAAP, an intangible asset must be recognized at date of acquisition if there is either (i) a contractual or legal right or (ii) it is separable, that is, it is capable of being separated or divided from the acquired entity and sold, transferred, licensed, rented or exchanged. Such intangible assets may include, but are not limited to, customer and contract lists.

Goodwill

Under French GAAP and in respect of acquisitions completed prior to January 1, 2001, a portion of goodwill could have been charged directly to shareholders' equity to the extent that ordinary shares were issued by the parent company in connection with the transaction, with the remaining amount recorded as a goodwill asset. For all acquisitions completed on or after January 1, 2001, the difference between the purchase price and the value of the portion of net assets acquired is recorded as a goodwill asset. However, the French GAAP basis may not generate a goodwill asset value that is equal to that determined under U.S. GAAP due to (i) the accounting for net assets acquired in respect of a buyout of minority interests, (ii) the accounting for the value of shares exchanged, if applicable, (iii) the accounting for the settlement or exchange of outstanding employee share options of the acquired company, (iv) the identification and valuation of identifiable intangible assets, and (v) goodwill is maintained in the functional currency of the acquired company under U.S. GAAP rather than at the historical rate.

Under French GAAP, the goodwill asset is amortized over the remaining estimated useful life and subject to routine impairment testing. Effective from January 1, 2002 under U.S. GAAP, the goodwill asset is not amortized anymore but is subject to an impairment test at least annually. Any negative goodwill is amortized in income over the estimated remaining useful life under French GAAP whereas effective from January 1, 2002 under U.S. GAAP, negative goodwill is recorded in income immediately.

Revisions to goodwill

Under French GAAP, revisions can be made to the goodwill calculation up to the end of financial year following the acquisition. Under U.S. GAAP, revisions can be made to the goodwill calculation up to 12 months from the date of acquisition only with respect to outstanding known contingencies at date of acquisition.

Shares issued by a subsidiary (dilution gains)

When a subsidiary of AXA issues shares, this decreases (dilutes) AXA's ownership interest in that subsidiary and is treated as a partial disposal of the investment in that subsidiary.

Under both French GAAP and U.S. GAAP, if a subsidiary issues shares for a price in excess of or less than the carrying value of the investment in that subsidiary, the difference is generally reflected as a gain or loss in income. However, the after-tax gain or loss may differ between French GAAP and U.S. GAAP due to differences in the underlying accounting principles used for determining the value of net assets disposed.

Under French GAAP, in the event that a subsidiary issues shares and there is a specific plan to repurchase such shares (at the time shares were issued), this gain is recorded in income with a corresponding charge to establish a provision, on a pre-tax basis. There is no impact on AXA's consolidated net income and shareholders' equity under French GAAP. At the point in time when a portion or all of the issued shares are repurchased a portion or all of the provision will be released with a corresponding reduction in goodwill arising on the acquisition. Under U.S. GAAP, the after tax gain is accounted for as a capital transaction and recorded in shareholders' equity.

Accounting for investments (other than held by unit linked Funds)

Fixed maturities, equity and real estate, other than assets allocated to uk "With-Profit" contracts

Under French GAAP, investments in fixed maturity and equity securities are, in general, carried at amortized cost and historical cost, respectively, less valuation allowances. Under U.S. GAAP, the accounting for these securities depends on the investment classification:

- securities classified as "held to maturity" are reported at amortized cost,
- securities classified as "trading" are reported at fair value with changes in unrealized gains and losses included in income, and

- securities classified as "available for sale" are reported at fair value with changes in unrealized gains and losses included in "other comprehensive income" (a separate component of shareholders' equity).

In respect of valuation allowances on impairment of investments in fixed maturity and equity securities and real estate investments, under French GAAP AXA has applied the rules for other-than-temporary decline in value as described in Note 2. Under French GAAP, the impairment charge can be reversed in future periods in the event that market conditions change.

Under U.S. GAAP, unless evidence exists to support a realizable value equal to or greater than the cost basis of the investment, an impairment write-down to fair value should be recorded as realized loss in the income statement. The write-down is not reversible in future periods. As a result of the large number of investments in equity securities, AXA has concluded for the periods presented that all declines in value in excess of cost should be realized as an other-than-temporary impairment in the income statement unless the decline in value was both (i) less than 20% compared to cost and (ii) for a time period of less than six consecutive months. In addition, the Company reviews whether there are any qualitative factors specific to the issuer and or industry in which it operates that would indicate that the decline in value was other-than-temporary.

Assets allocated to UK "With-Profit" contracts

The assets supporting the UK "With-Profit" contracts consist primarily of investments in fixed maturity and equity securities, real estate and loans. The UK "With-Profit" contracts are participating contracts and distribution from the "With-Profit" long-term fund is based on legal restrictions whereby policyholders have a 90% right to all risks and rewards of the participating ("With-Profit") fund. Therefore, changes in the estimated market value of these assets held in the "With-Profit" fund impact the valuation of the fund and, therefore, the valuation of the underlying insurance liabilities.

Under French GAAP, all assets supporting the UK participating ("With-Profit") fund are stated at market value with changes in market value included in income, as the unrealized investment gains and losses on these investments are included in the determination of the related insurance liability.

Under U.S. GAAP, the fixed maturity and equity securities are designated as trading and, therefore, are accounted for in a manner similar to French GAAP. However, real estate assets and loans allocated to UK "With-Profit" contracts are carried at historical cost less accumulated depreciation and amortized cost or unpaid principal balance, respectively.

Accouting for Derivatives and Hedging activities

Under FAS 133 all derivatives are on the balance sheet at fair value with changes in fair value (that is, the gains and losses) recorded in the income statement, unless the derivative is used as a hedging instrument. If the derivative is used as a hedging instrument, the accounting for such changes in fair value depends on the hedging relationship as summarized below.

- Fair value hedges. The entire change in fair value of the derivative is recorded in income along with the associated gain or loss on the hedged item attributable to the risk being hedged.

- Cash-flow hedges. The change in fair value of the derivative attributable to the effective portion of the hedge is recorded in "other comprehensive income" (a separate component of shareholders' equity), which is subsequently reclassified into income in the same period in which the forecasted transaction affects income. The change in fair value of the derivative attributable to the ineffective portion of the hedge is recorded in income.
- Net investment hedges. The change in fair value of the derivative or non-derivative instrument attributable to the effective portion of the foreign currency hedge, together with the associated foreign exchange gain or loss on the hedged item, is recorded in a component of "other comprehensive income" as a part of the cumulative foreign translation adjustment. The change in fair value of the derivative attributable to the ineffective portion of the hedge is recorded in income.

FAS 133 hedge accounting has very prescriptive rules for (i) the types of risks that can be hedged (for example, hedge of net exposures are not permitted), and (ii) the extent to which hedge relationships must be documented and tested for effectiveness, which affect the accounting for hedges under U.S. GAAP. The strict guidance set out by the FASB and the DIG limits the extent to which existing hedge arrangements qualify for hedge accounting under FAS 133. AXA manages its risks and, therefore, its hedging strategies to meet the hedging requirements as set forth under French GAAP, rather than U.S. GAAP. As a result, certain hedging relationships established by AXA have not been designated as qualifying hedging relationships under FAS 133 and, therefore, are not subject to U.S. GAAP hedge accounting and consequently are referred to as «freestanding derivatives» with the change in fair value recorded in income for U.S. GAAP.

Given that AXA's hedging strategies are designed to comply with French GAAP measurement and recognition requirements, AXA's U.S GAAP consolidated net income could be subject to increased volatility in future periods. Significant differences could arise between the AXA's consolidated net income and shareholders' equity under French GAAP as compared to U.S. GAAP in future periods.

Separate account (unit linked) assets and liabilities

Under French GAAP unit linked assets and liabilities represent funds whereby the amount payable to the policyholder is based partly or wholly in reference to the market value of a pool of assets or in reference to an index. The unit linked assets and liabilities are presented as summary totals in AXA's consolidated financial statements prepared in accordance with French GAAP under the corresponding captions.

Under U.S. GAAP and due to AXA's adoption of SOP 03-1 on January 1, 2004 (see "Accounting for non-traditional contracts including separate accounts"), the accounting and reporting of unit linked assets and liabilities is limited to those deemed to be separate account assets and liabilities based on specific SOP03-1 criteria namely: (i) the fund is legally recognized, (ii) the separate account assets are legally insulated from the general account liabilities of the insurance enterprise, (iii) the policyholder directs investment or there are pre-determined specific investment policy/objectives, and (iv) the investment performance passed-through to policyholder, subject to contract fees and assessments. Any general account interests in the separate accounts are to be reported as a part of the general account invested assets. Consequently the unit linked funds that do not qualify as U.S. GAAP separate accounts are reclassified out of French GAAP unit linked assets and liabilities and, for U.S. GAAP included, as appropriate, in the other balance sheet captions and valued in accordance with the AXA's general policies for valuing investments and liabilities.

Future policy benefits

Under French GAAP, insurance liabilities for Life & Savings business, also referred to as future policy benefits, are calculated in accordance with the applicable local regulatory and accounting rules if consistent with the French accounting principles used by AXA. The future policy benefits are actuarially determined using actuarial assumptions relating to investment yields, mortality, morbidity and expenses. Contracts are assumed to remain in-force until their contractual maturity date or the death of the insured.

Under U.S. GAAP, future policy benefits for traditional life policies, that is for contracts with significant mortality or morbidity risk, are computed using a net level premium method on the basis of actuarial assumptions as to mortality, persistency and interest based on the insurance company's experience, with a margin for adverse deviation; such actuarial assumptions are established as of the date of policy issue. When the liabilities for future policy benefits plus the present value of expected future gross premiums are insufficient to provide for expected future policy benefits and expenses, a premium deficiency reserve is established by a charge to earnings. As a result of the adoption of SOP 03-1, certain mortality and annuitization benefits are also required to be recognized in certain circumstances and may result in differences with French GAAP depending on the basis for which the assumption have been determined.

The liabilities are based upon assumptions of many inter-related factors including estimates and subjective judgments such as the expected performance of the related invested assets, future asset reinvestment rates, mortality and persistency. AXA reviews its estimates and monitors trends and developments as part of each closing. Changes in such estimates and assumptions may affect the amounts reported and disclosed in future periods.

AXA Equitable Life Insurance Company. For French GAAP purposes, in 1996 Equitable Life changed its method of accounting for certain long-duration participating life insurance contracts in accordance with the provisions prescribed by FAS 120, "Accounting and reporting by mutual Life insurance enterprises and by insurance enterprises for certain long-duration participating contracts". Under French GAAP, the liability for terminal dividends is accrued in proportion to gross margins over the life of the contract. For U.S. GAAP purposes, management elected not to implement FAS 120 for AXA's consolidated financial statements and, accordingly, has maintained its U.S. GAAP methodology for all long-duration participating life insurance contracts based on FAS 60 whereby the terminal dividends are taken into account in the establishment of reserve factors, and the reserves are accrued in proportion to premium revenue over the life of the contract.

Reinsurance contracts that cover Guaranteed Minimum Income Benefits ("GMIBs") features of variable annuity / separate account type contracts are accounted for as insurance contracts under French GAAP on a prospective basis whereby the amount is recognized over the contract term. Under U.S. GAAP the reinsurance contract covering the income feature represents a derivative instrument accounted for under FAS 133 at fair value.

Profit recognition for UK "With-Profit" business

Under French GAAP, the profit recognized by AXA in respect of the UK "With-Profit" business represents 10% of the bonus declared by the actuary. Under U.S. GAAP, 10% of all changes in the UK with-profit fund (revenues and expenses) are recognized in the income statement, with the remaining 90% attributed to "unallocated policyholder dividend liability".

Cost of reinsurance

Under French GAAP, the cost of reinsurance is recorded in income in the year the reinsurance arrangement is placed with a third party reinsurer, including for long duration contracts. Under U.S. GAAP, the cost of reinsurance on long duration contracts is amortized into income over the lifetime of payments. This adjustment is included in the caption "future policy benefits" as presented in AXA's reconciliations of consolidated net income and consolidated shareholders' equity from French GAAP to U.S. GAAP.

Equalization reserves

Under French GAAP, equalization reserves are recognized in respect of future catastrophe risks, which are determined in accordance with local regulatory requirements in certain jurisdictions in which AXA operates. Such reserves are not permitted to be recognized as a liability under U.S. GAAP until such losses are incurred.

Other differences

Restructuring provisions

For restructuring provisions established prior to January 1, 2003 under French GAAP and U.S. GAAP, the nature of costs that can be included in restructuring provisions is generally similar. However, U.S. GAAP requires that certain conditions exist including the timing of recording restructuring provision for involuntary termination benefits. Consequently, certain costs included in restructuring provisions under French GAAP are not permitted under U.S. GAAP. These differences will reduce over time as the related restructuring costs are incurred.

In respect of all new exit or disposal activities established on or after January 1, 2003, U.S. GAAP as set out in FAS 146 (see "Changes in Accounting Principles under U.S. GAAP") is different from French GAAP as it relates to (i) timing of recognition (recognized if incurred only, a commitment to undertake a restructuring or exit plan is not sufficient), and (ii) measurement at inception at fair value.

Share-based compensation (other than in respect of business combinations)

Under French GAAP, the accounting of share-based compensation is limited to share option plans and depends on whether the share option plan (i) relates to the purchase of shares in the open market or the increase in AXA share capital, (ii) provides for a guarantee of liquidity, or (iii) is issued by AXA (the Company) or another AXA entity.

Under U.S. GAAP, the accounting for share-based compensation is identical whatever the characteristics of the plan.

There are two principal differences that arise between French GAAP and U.S. GAAP as set out below:

- under French GAAP share-based compensation is not recorded in respect of certain share option plans issued by AXA (the Company) that do not provide a guarantee for liquidity whereas under U.S. GAAP a compensation charge is recorded if at grant date the options are issued at a significant discount;

- for all other share option plans issued by AXA (the Company) and other AXA entities, the principles for measuring share-based compensation under French GAAP are principally similar to those used under U.S. GAAP. However, the compensation expense is recorded over the vesting period in the income statement and included as a liability under French GAAP whereas under U.S. GAAP the amount is recorded against shareholders' equity.

Pension plans

Under French GAAP, AXA uses an actuarial methodology that is consistent with the measurement and recognition basis prescribed under U.S GAAP, with the exception of the recognition of an additional minimum pension liability that is not recognized under French GAAP. For U.S. GAAP purposes, an additional minimum pension liability is recorded if the accumulated benefit obligation exceeds the fair value of plan assets, such that the total liability in the balance sheet is at least equal to the unfunded accumulated benefit obligation. The after-tax amount is recorded in "Other Comprehensive Income" (separate component of shareholders' equity).

Intrafund transactions

Under French GAAP, realized gains are recognized when securities or real estate with appreciated values are contributed to mutual funds or real estate funds established for the purpose of supporting French savings contracts that is, funds with financial risks borne by the policyholders (unit linked). Under U.S. GAAP, gains are proportionately recognized solely when the transactions are with funds held by U.S. GAAP qualifying separate accounts under SOP03-1 to the extent there is no General Account interest in the fund.

Long-term debt with early redemption rights

Under French GAAP when long-term debt is issued with early redemption rights whereby the redemption price is in excess of the original issue price per bond or note, the excess premium may not be amortized over the period from original issue date to earliest redemption period subject to certain market conditions.

Under U.S. GAAP, as the value of the long-term debt accretes according to the stated redemption price, this accretion, if significant, is amortized over the period up to earliest redemption date and is recorded as interest expense with a corresponding increase in the value of the principal outstanding in the balance sheet.

Deferred tax

Under French GAAP, deferred income taxes are not required to be recognized in respect of distributions if the distribution is not going to be made in the foreseeable future and the ability to make such a distribution is at the control of management. Under U.S. GAAP, deferred income taxes arising on distributions are recorded in full if subject to local tax upon distribution (inside tax basis) even if the distribution is not going to be made in the foreseeable future and the ability to make such a distribution is under the control of management.

Under French GAAP, valuation allowances are recorded against deferred tax assets unless under an economic approach (based on an analysis of future statutory profits), the deferred tax assets are deemed recoverable. U.S. GAAP FAS 109 "Accounting for Income Taxes" gives greater weight to previous cumulative losses than the outlook for future probability when determining whether deferred tax assets are realizable.

Under both French GAAP and U.S. GAAP, the impact of a change in enacted tax rates on deferred tax assets and liabilities is recorded in income. Due to certain significant differences in the underlying accounting principles between French GAAP and U.S. GAAP, particularly in respect of the value of fixed maturity and equity investments (held at amortized cost or historical cost under French GAAP and generally at market value under U.S. GAAP), the impact of the change in tax rates on income under French GAAP and U.S. GAAP will differ accordingly mainly regarding stock price regulation or shares attributed to employees plans.

Treasury shares

Under French GAAP, treasury shares are reported as an asset if certain conditions are satisfied. Under U.S. GAAP, the cost of treasury shares is reported as a deduction from shareholders' equity. If such shares are then reissued, the proceeds received are correspondingly reported as a change in shareholders' equity. Therefore, any gains or losses from holding such shares are recorded as adjustments to shareholders' equity.

Derecognition of transferred assets

Assets transferred to entities in which AXA does not hold an ownership are permitted to be recognized as a disposal under French GAAP. Under U.S. GAAP any realized profit or loss on the disposal is eliminated if the transaction does not meet the requirements for derecognition due to various factors including continuing involvement.

Net income statement reconciliation between French and U.S. GAAP

The impact on consolidated net income of material differences between French and U.S. GAAP is as follows:

(in euro millions)

	Periods ended December 31		
	2004	2003	2002
CONSOLIDATED NET INCOME IN ACCORDANCE WITH FRENCH GAAP	**2,519**	**1,005**	**949**
Material differences (gross of tax)			
Differences in scope of consolidation	789	471	(1,481)
Goodwill and purchase accounting	273	470	402
Investment accounting and valuation	162	1,142	(1,637)
Deferred acquisition costs	42	(15)	(112)
Equalization provisions	60	74	0
Future policy benefits (net of reinsurance)	(21)	(28)	(297)
Restructuring provisions and other non admissible provisions	(8)	(109)	(12)
Derivatives and hedging activities	(519)	1,092	486
Other items	(77)	(94)	(59)
Tax	15	(336)	(826)
Total reconciling adjustments	**715**	**2,668**	**(3,536)**
CONSOLIDATED NET INCOME IN ACCORDANCE WITH U.S. GAAP (a)	**3,235**	**3,673**	**(2,588)**

(a) *All operating results are from continuing operations.*

Year ended December 31, 2004

Net income group share for 2004 under U.S. GAAP was €3,235 million, €715 higher million than the net income under French GAAP.

This increase was mainly due to :

- differences in scope of consolidation (€+563 million net group share, €+789 million before tax) mainly attributable to the positive impact of the increase in value of investments in mutual funds, which are consolidated at market value under U.S. GAAP (€+794 millions before tax),
- differences in goodwill and purchase accounting (€+385 million net group share, €+273 million before tax), of which :
    - exclusion of goodwill amortization charges under U.S. GAAP (€+649 million);
    - the cancellation under U.S. GAAP of the exceptional profit accounted for in Alliance Capital under French GAAP (€–112 million) relating to the partial release of the dilution profit (€+420 million) recorded at the time of acquisition of Sanford Bernstein Inc. in 2000, partly offset by the exceptional amortization of the associated goodwill (€–308 million using average exchange rate),
    - an additional amortization charge of the value of business in force (V.B.I.) (€–76 million before tax),
- differences in accounting of invested assets (€+123 million net group share, €+165 before tax), of which :
    - higher capital gains realized upon sale of invested assets, as corresponding valuation allowances were higher under U.S. GAAP, and, to a lesser extent, the booking of additional valuation allowances under French GAAP in 2004, on assets previously impaired under U.S. GAAP (€+342 million before tax),
    - the impact of SOP03-1 on invested assets, that lead to a reclassification of non qualifying separate account assets in general account, (as explained above – see "Accounting for non-traditional contracts including separate accounts"), and, for real estate and loans, a re-measurement to depreciated cost (instead of market value under French GAAP), for a total amount of €–254 million,
- the impact of accounting for derivatives and hedges (€–273 million net group share; €–579 million before tax), and notably the application of FAS 133, which in particular caused changes in the market value of various derivative instruments to be included within net income under U.S. GAAP, and the impact of realized gains in Japan, on sales of fixed maturities and their corresponding hedging instruments. The majority of the gains on these derivatives recognized this year on the primary accounts had already been recognized in the previous years under U.S. GAAP, because of fair value accounting,
- other items as the accounting for costs in relation to discounts granted in the context of AXA employee stock purchase plan "AXA Actionnariat" (€–64 million).

The contribution of each segment to the consolidated net income was as follows :

CONSOLIDATED NET INCOME (in euro millions)

	Year ended December 31, 2004	
	U.S. GAAP	French GAAP
Life & Savings	1,374	1,390
Property & Casualty	1,483	907
International Insurance	274	227
Total Insurance	**3,131**	**2,524**
Asset Management	277	265
Other Financial Services	(34)	22
Total Financial Services	**243**	**287**
Holdings	(140)	(292)
Net income, group share	**3,235**	**2,519**

(The amounts of differences in principles discussed below are provided net of deferred tax impacts).

The **Life and Savings** segment net income group share was €16 million lower than the French GAAP net income, due to :

- a €–131 million difference in the booking of the impact on the sale in Japan of fixed maturities. The transaction resulted in a difference of €–131 million because most of the profit on the associated hedging instruments had been previously recognized under U.S. GAAP,
- the impact of accounting derivatives and hedges (€–377 million) in accordance with FAS 133, which caused changes in the market value of various derivative instruments to be included within net income in U.S. GAAP,
- the reversal under U.S. GAAP of the goodwill amortization charges booked under French GAAP (€+330 million),
- the increase in value of mutual funds (€+302 million),
- the effect of SOP03-1, as explained above, that lead to a €–206 million difference in relation to real estate assets,
- higher capital gains realized upon sale of invested assets, as corresponding valuation allowances were higher under U.S. GAAP, and, to a lesser extent, the booking of additional valuation allowances under French GAAP in 2004, on assets already impaired under U.S. GAAP (€+112 million).

The **Property and Casualty** segment was the one most affected by these restatements. Net income group share was €576 million higher under U.S. GAAP, due to:

- the increase in value of mutual funds (€+262 million),
- the exclusion of goodwill amortization charges (€+140 million),
- higher capital gains realized upon sale of invested assets, as corresponding valuation allowances were higher under U.S. GAAP, and, to a lesser extent, the booking of additional valuation allowances under French GAAP in 2004, on assets already impaired under U.S. GAAP (€+116 million),
- the cancellation of equalization provision movements (€+61 million).

Net income group share in the **International Insurance** segment was €47 million higher under U.S. GAAP, as a result of:

- the increase in value of mutual funds (€+31 million),
- the cancellation of the reversal of an equalization provision booked in the set of primary accounts (€–21 million),
- the reversal of net capital losses realized on the disposal of treasury shares (€+23 million).

In the **Asset Management** segment, (which net income group share was €12 million higher under U.S. GAAP), the positive effect of eliminating goodwill amortization (€+165 million) was almost offset by the net profit recorded under French GAAP relating to Sanford Bernstein (€112 million), as described above

The net income group share of **Other Financial Services** was €56 million lower under U.S. GAAP, mainly due to the booking under U.S. GAAP of the change in fair value of derivatives in accordance with FAS 133 (€–50 million).

The net income group share of **Holding companies** was €153 million higher under U.S. GAAP, due to fair value accounting for derivatives in accordance with FAS 133 (€+273 million), this impact being partly compensated by a compensation charge arising on the AXA Employee stock purchase plan "AXA Actionnariat" (€–64 million).

Year ended December 31, 2003

CONSOLIDATED NET INCOME	(in euro millions)	
	Year ended December 31, 2003	
	U.S. GAAP	French GAAP
Life & Savings	1,998	671
Property & Casualty	1,225	448
International Insurance	302	142
Total Insurance	**3,525**	**1,261**
Asset Management	118	(24)
Other Financial Services	178	138
Total Financial Services	**297**	**115**
Holdings	(149)	(371)
Net income, group share	**3,673**	**1,005**

Net income Group share for 2003 under U.S. GAAP was €3,673 million, higher than the by €2,668 million than net income under French GAAP.

This increase was principally due to:

- the impact of accounting derivatives and hedges (€+752 million), and notably the application of FAS 133 (€+655 million), which in particular caused changes in the market value of various derivative instruments to be included within net income under U.S. GAAP,
- the exclusion of goodwill amortization charges under U.S. GAAP (€+562 million),
- the partial recovery in the financial markets and its positive impact on investments in mutual funds, which are included at market value under U.S. GAAP (€+475 million),
- the reduction in non-temporary impairment charges on equity securities under U.S. GAAP (€+675 million) The differences between U.S. and French GAAP led to the recording of €373 million net group share of valuation allowances under U.S. GAAP (impact in terms of net income Group share) as opposed to €1,048 million under French GAAP (net group share),
- a net release of deferred tax depreciation reserves (€+343 million) recorded under U.S. GAAP in 2002 by AXA Japan,
- the recognition of the disposal gain on the Australian health insurance business (€+93 million), which was recognized in 2002 under French GAAP.

These factors were partially offset by the non-recognition under U.S. GAAP of the profit recorded by AXA Financial under French GAAP (€–89 million), relating to a review of deferred tax positions.

The **Life & Savings** segment was the one most affected by these restatements. Net income Group share was € 1,327 million higher under U.S. GAAP, due to:

- the impact of accounting derivatives and hedges (€+439 million),
- a net release of Japanese deferred tax depreciation reserves (€+343 million),
- the exclusion of goodwill amortization charges (€+299 million),
- reduced non-temporary impairment charges on equity securities under U.S. GAAP (€+284 million),
- the increase in market value of mutual fund investments (€+134 million),

These factors were partially offset by the non-recognition under U.S. GAAP of the profit recorded at AXA Financial under French GAAP (€–89 million), relating to a review of deferred tax positions.

In the **Property & Casualty** segment, net income Group share was €777 million higher under U.S. GAAP, mainly due to (i) the increase in market value of mutual fund investments (€+294 million), (ii) reduced valuation allowances on equity securities (€+354 million) and (iii) the non-recognition of goodwill amortization charges (€+120 million).

Net income Group share in the **International Insurance** segment was €160 million higher under U.S. GAAP, due to (i) the difference in valuation of reinsurance liabilities relating to Guaranteed Minimum Income Benefit contracts (€+58 million), (ii) reduced valuation allowances on equity securities (€+37 million), (iii) the increase in market value of mutual fund investments (€+44 million) and (iv) the elimination of equalization reserves, which are not recognized under U.S. GAAP (€+20 million).

In the **Asset Management** segment, the €142 million increase in net income Group share compared to French GAAP was mainly due to the lack of goodwill amortization charges under U.S. GAAP (€+138 million).

In **Other Financial Services**, net income Group share was €40 million higher under U.S. GAAP, mainly due to the application of FAS 133 (€+43 million).

The net income Group share of **Holding companies** was €222 million higher under U.S. GAAP, due to (i) the recognition of derivative instruments under FAS 133 (€+185 million) and (ii) the recognition of the disposal gain on the Australian health insurance business (€+93 million), partially offset by (iii) the compensation charge arising on the AXA's employee stock purchase plan (€–46 million).

Year ended December 31, 2002

CONSOLIDATED NET INCOME (in euro millions)

	Year ended December 31, 2002	
	U.S. GAAP	French GAAP
Life & Savings	(1,506)	1,063
Property & Casualty	(937)	(19)
International Insurance	(455)	(176)
Total Insurance	**(2,898)**	**869**
Asset Management	223	218
Other Financial Services	61	119
Total Financial Services	**284**	**337**
Holdings	27	(257)
Net Income, group share	**(2,588)**	**949**

Net income Group share for 2002 under U.S. GAAP amounted to a loss of **€–2,588 million,** which was € 3,537 million lower than the French GAAP net income figure.

This decrease was principally due to:

- the impairment charge on equity securities under U.S. GAAP. The differences between U.S. and French GAAP led to the recording of €2,270 million (net group share) of valuation allowances under U.S. GAAP, compared with € 614 million (net group share) under French GAAP;
- the adverse impact of financial market trends (i) on the value of investments in mutual funds, which are consolidated at net asset value under U.S. GAAP (€–1,008 million), and (ii) on the profit emerging from the UK "With-Profit" funds, of which 10% is recognized in the U.S. GAAP net income (€–274 million);
- an additional valuation allowance recorded against the Japanese deferred tax asset (€–1,014 million), arising automatically under U.S. GAAP due to a cumulative tax loss taking place over a three-year period, and the recognition of the deferred tax liability on future distributions in the UK (€–345 million) relating to the profit emerging from the non-profit fund; under U.S. GAAP, any distribution tax is recorded, regardless of the probability of distribution in a foreseeable future;
- the elimination under U.S. GAAP of the exceptional profit accounted for in Alliance Capital under French GAAP (€148 million) relating to the partial release of the dilution profit recorded at the time of acquisition of Sanford Bernstein in 2000. Under U.S. GAAP, this dilution profit was entirely accounted for within shareholder's equity;
- the non-recognition of the disposal gain on the Australian health insurance business (€–87 million);
- the valuation difference between French and U.S. GAAP (€–119 million) concerning assets and liabilities relating to reinsurance contracts with guaranteed minimum income benefit features at AXA Financial (reinsurance ceded) and AXA Corporate Solutions (reinsurance accepted), these contracts are considered as derivative instruments, and as such are accounted for at fair value under FAS133.

These factors were partly offset by:

- The absence of goodwill amortization under U S. GAAP as of 2002 (€+588 million), and the impact of fair value accounting for derivatives under FAS 133 (€+412 million).

The **Life & Savings** segment was the one most affected by these differences. Net income Group share was € 2,569 million lower under U.S. GAAP, due to:

(i) the additional valuation allowance recorded against the Japanese deferred tax asset (€–1,014 million);
(ii) a higher impairment charge on equity securities (€–926 million);
(iii) the adverse impact of financial market trends on the value of investments in mutual funds (€–421 million);
(iv) the recognition of deferred tax liabilities on future distributions in UK (€–345 million);
(v) the recognition of 10% of the profit emerging from the UK "With-Profit" funds (€–274 million).

These factors were partly offset by:

(vi) the absence of goodwill amortization as of 2002 (€+301 million).

In the **Property & Casualty** segment, net income Group share was €918 million lower under U.S. GAAP than under French GAAP, mainly due to (i) the adverse impact of financial market trends on the value of investments in mutual funds (€–515 million), (ii) a higher impairment charge on equity securities for (€–589 million), partly offset by (iii) the absence of goodwill amortization as of 2002 (€+103 million).

Net income Group share in the **International Insurance** segment was €279 million lower under U.S. GAAP than under French GAAP, as a result of (i) the valuation difference on accepted reinsurance contracts that cover guaranteed minimum income benefits, which are treated as derivatives instruments under U.S. GAAP rather than valued as insurance contracts (€–148 million), (ii) a higher impairment charge on equity securities (€–75 million), and (iii) the adverse impact of financial market trends on the value of investments in mutual funds (€–67 million).

In the **Asset Management** segment, the positive impact of eliminating goodwill amortization (€+154 million) was almost fully offset by the elimination of the exceptional profit recorded under French GAAP relating to Sanford Bernstein (€–148 million).

The net income Group share of **Holding companies** was €284 million higher under U.S. GAAP, due to (i) fair value accounting for derivatives under FAS 133 (€+498 million), partly offset by (ii) the elimination of the gain realized on the disposal of AXA Australia health activities (€–87 million), (iii) a higher impairment charge on equity securities (€–67 million), and (iv) a compensation charge arising on the employee stock purchase plan (€–61 million).

The impact on consolidated shareholders' equity of material differences between French and U.S. GAAP are as follows:

	(in euro millions)	
	Periods ended December 31	
	2004	2003
CONSOLIDATED SHAREHOLDERS'EQUITY IN ACCORDANCE WITH FRENCH GAAP	**26,157**	**23,401**
Material differences (net of tax)		
Differences in scope of consolidation	221	(381)
Goodwill and purchase accounting	1,263	1,144
Investment accounting and valuation	4,483	2,270
Deferred acquisition costs	28	(22)
Equilization provisions	269	231
Future policy benefits (net of reinsurance)	215	227
Treasury shares held	(378)	(473)
Derivatives and hedging activities	247	432
Deferred tax : differences in principle	(942)	(899)
Minimum pension liability	(1,161)	(1,028)
Other items	28	15
Total reconciling adjustments	**4,274**	**1,517**
CONSOLIDATED SHAREHOLDERS'EQUITY IN ACCORDANCE WITH U.S. GAAP [(a)]	**30,431**	**24,918**

(a) All from continuing operations.

34. Additional U.S. GAAP Disclosures

(a) Comprehensive income (based on French GAAP data)

Comprehensive income (loss) includes net income (loss) and represents the change in shareholders' equity during a period from non-owner sources. It includes revenues, expenses, gains and losses that have been excluded from net income. Using amounts determined in accordance with French GAAP, comprehensive income (loss) is set out below:

CHANGE FROM NON-OWNER SOURCES INCLUDED IN SHAREHOLDERS' EQUITY

	2004	2003	2002
Foreign currency fluctuation adjustments	(750)	(985)	(1,197)
Other	1	154	34
Total change	**(749)**	**(831)**	**(1,163)**
Net income	2,519	1,005	949
TOTAL COMPREHENSIVE INCOME	**1,770**	**175**	**(214)**

Comprehensive income (loss), being net income (loss) plus the change in other comprehensive income, totaled €1,770 million, €175 million, and €(214) million in 2004, 2003, 2002, respectively. AXA concluded that it was not practical to present the components of AXA's accumulated balance of other comprehensive income.

(b) Net income per ordinary shares

	Years ended December 31, 2004	2003	2002
Income applicable to ordinary shares			
Basic	3,235	3,673	(2,588)
Dilutive securities issued by subsidiaries	–	–	–
Interest on assumed conversion of convertible debts	110	91	–
Dilutive	3,345	3,764	(2,588)
Weighted average of ordinary shares outstanding (a)			
Basic	1,805	1,734	1,705
Assumed exercise of stock options	6	3	–
Assumed conversion of convertible debts	124	87	–
Dilutive	1,935	1,824	1,705
Net income per ordinary share			
Basic	1.79	2.12	(1.52)
Diluted	1.73	2.06	(1.52)

(a) *Weighted average of outstanding ordinary shares after the elimination of the weighted average number of ordinary shares held in Treasury.*

The calculation of basic and diluted net income per ordinary share under U.S. GAAP is based on the same methodology as for French GAAP (see note 24 "Net Income per Ordinary Share"). However, certain differences arise due to (i) the underlying differences in the treatment of treasury shares held by AXA and its subsidiaries, and (ii) the amount of net income that results in different conclusion on dilutive and anti-dilutive impact of EPS.

In accordance with the terms and conditions of the €1,524 million 2.5% subordinated convertible debt issued in February 1999 and due in 2014, and €1,099 million 3.75% subordinated convertible debt issued in February 2000 and due in 2017, the company has the right of early redemption at a price greater than the original issue price per note starting in January 2005 and 2007.

As a result the amortization of the redemption premium under U.S. GAAP was approximately €61 million in 2004 (2003: €61 million and 2002: €61 million). The two subordinated debt instruments are convertible into AXA ordinary shares.

These potential shares were treated as "dilutive" under U.S. GAAP and, therefore, were included in the U.S. GAAP net income per ordinary share (diluted). The potential conversion of these two subordinated convertible debt instruments into 64 million ordinary shares were included in the calculation of net income per ordinary share (diluted) together with 60 million shares in order to redeem the ORAN bonds issued as part of the Mony acquisition and the 6 million stock options taken into account in the earning per share calculation under French GAAP.

(c) Derivative instruments

AXA manages its risks and, therefore, its hedging strategies to meet the hedging requirements as set forth under French GAAP, rather than according to the requirements of U.S. GAAP. As a result, certain hedging relationships established by AXA could not be designated in qualifying hedging relationships under FAS 133 and, therefore, have no hedge designation and are referred to as "free standing derivatives" with the change in fair value recorded in income. However, certain existing hedge arrangements met the criteria for measurement and recognition as fair value hedges under FAS 133.

At December 31, 2004, AXA had derivative assets and derivative liabilities at estimated fair value of € 4,095 million and € 2,015 million, respectively (2003 : € 3,054 million and € 1,654 million, respectively). The change in estimated fair value of derivative instruments not in qualifying U.S. GAAP hedging activities included in the 2004 U.S. GAAP consolidated net income was a loss of approximately €212.8 million, included under the caption "Net investment result" (2003: a gain €450 million).

Certain hedge arrangements met the U.S. GAAP criteria for measurement and recognition primarily in respect of (i) certain hedges of changes in fair value attributable to interest rate risk (through the use of interest rate swaps), and (ii) certain hedges of changes in fair value attributable to foreign currency risk (primarily through the use of currency swaps and foreign currency forwards). In respect of the derivative instruments used for these qualifying U.S GAAP hedges, the amount of hedge effectiveness included in AXA's 2004 U.S. GAAP consolidated net income was nil (2003 : debit of €23 million). There was a gain of €352 million included in AXA's 2004 U.S. GAAP consolidated net income representing the component of the derivative instruments gain excluded from the assessment of hedge effectiveness (2003: net loss €10.1 million).

Given that AXA's hedging strategies are designed to comply with French GAAP measurement and recognition requirements, AXA's consolidated net income as determined in accordance with U.S. GAAP is subject to increased volatility in future periods. Significant differences could arise between AXA's consolidated net income and shareholders' equity under French GAAP as compared to U.S. GAAP in future periods.

(d) Deferred tax

The U.S. GAAP net deferred tax asset and liability attributable to shareholders are as follows:

(in euro millions)

	Deferred Tax U.S. GAAP			Deferred Tax French GAAP
	Assets	Liabilities	Net	Net
2004	2,225	(6,412)	(4,188)	(290)
2003	2,032	(4,368)	(2,336)	98
2002	4,778	(6,810)	(2,032)	171

The components of deferred income taxes attributable to shareholders under U.S. GAAP are as follows :

DEFERRED TAX U.S. GAAP	(in euro millions) 2004
Deferred tax asset, gross	5,124
Valuation allowance on deferred tax assets	(1,002)
Deferred tax asset, net	**4,122**
Liabilities	**(8,310)**
Net deferred tax asset / (liability)	**(4,188)**
Included in deferred tax assets	2,225
Included in deferred tax liabilities	(6,412)

Note: Deferred tax positions on the balance sheet are stated net at the level of the heads of local tax consolidation groups and distinct tax entities.

The difference between French and U.S. GAAP net deferred tax figures is mainly due to:

- the difference in valuation of invested assets, which are reported at cost under French GAAP and at fair value under U.S. GAAP (€2,251 million additional net deferred tax liability),
- the difference in valuation of Value of Business in Force (€875 million additional net deferred tax liability),
- other differences in principles, for example relating to the €585 million additional valuation allowance booked on the deferred tax asset in Japan under U.S. GAAP, which reflected differences both on the tax loss carry forward and the temporary differences.

(e) Supplemental Cash Flow information

This information should be read in conjunction with the Consolidated Statements of Cash Flows. The Consolidated Statements of Cash Flows as presented on page F-06, is in compliance with FAS95, except for the differences noted below.

For the years ended December 31, 2004, 2003, and 2002, deposits related to investment contracts amounted to €12,392 million, €17,814 million, and €17,524 million, respectively, and withdrawals related to investment contracts amounted to €5,276 million, €6,224 million, and €10,657 million, respectively, and are part of operating cash flow under French GAAP. Such deposits and withdrawals would be reflected as financing activities in a statement of cash flows prepared in accordance with U.S. GAAP.

(f) Employee benefit plan

For pension plans where the fair value of plan assets exceeds the accumulated benefit obligation, the aggregate fair value of plan assets and aggregate accumulated benefit obligations were €2,233 million and €2,135 million, respectively as at December 31, 2004 (2003: €2,094 million and €1,967 million, respectively).

For pension plans where the accumulated benefit obligation is in excess of the fair value of plan assets, the aggregate accumulated benefit fair value of plan assets and aggregate accumulated benefit obligations were €3,896 million and € 6,540 million, respectively as at December 31, 2004 (2003: €3,431 million and €5,827 million, respectively).

The following table provides a reconciliation of the funded status of pension obligations to the accrued pension cost, including the additional minimum liability recognized for U.S. GAAP only.

RECONCILIATION OF FUNDED STATUS TO ACCRUED PENSION COST	(in euro millions)	
	2004	2003
Funded Status	(3,457)	(3,083)
Unrecognized prior service cost	64	60
Unrecognized net loss / (gain)	3,395	3,058
Unrecognized transition obligation / (asset)	0	8
Net position (as reported under French GAAP)	**2**	**43**
Additional Minimum Liability	(1,947)	(1,647)
Accrued pension liability under U.S. GAAP	**(1,945)**	**(1,604)**

Of the €1,947 million additional minimum liability, €70 million was charged against unrecognized prior service costs (an intangible asset) with a balance of 1,876 million gross of tax recognized against shareholders' equity.

(g) Share-based compensation

Details on share option plans in respect of AXA are provided in note 31 "Share Options".

The total compensation cost recognized in income for stock-based employee compensation in 2004 is €81 million (2003: €50 million, and 2002 : €63 million).

The 2004 cost mainly includes the cost of the AXA Shareplan. It also includes U.S.$16.2 million in connection with the AXA Financial Stock Appreciation Rights liability, as they are subject to variable accounting based on the change in market value of AXA ADRs and U.S.$ 13.0 million in connection with the AXA ADRs granted to senior executives and non-employee directors.

Details on share option plans in respect of AXA are provided in note 31 "Share Options". In October 1995, the FASB issued Statement of Financial Accounting Standards No. 123 ("FAS 123") "Accounting for stock-based compensation" which requires disclosure of the cost to AXA of share options granted on or after January 1, 1995 based on the fair value of the options on the date they were granted. AXA has elected to continue to account for share-based compensation using the intrinsic method prescribed under APB No. 25. The following table illustrates the effect on net income and net income per ordinary share, had AXA accounted for share options (see note 31) granted since January 1, 1995 in accordance with FAS 123's fair value based method. Such proforma effects are not necessarily indicative of future effects on net income and net income per ordinary share.

(in euro millions except for share amounts)

	Years Ended December 31, 2004	2003	2002
U.S. GAAP			
Net Income			
– As reported	3,235	3,673	(2,588)
– Adjustment for compensation expense determined under fair value	(33)	(65)	(50)
– Pro forma	3,202	3,608	(2,639)
Net Income per ordinary share			
Basic:			
– As reported	1.79	2.12	(1.52)
– Pro forma	1.77	2.08	(1.55)
Diluted:			
– As reported	1.73	2.06	(1.52)
– Pro forma	1.71	2.03	(1.55)

The Black-Scholes option pricing model was used in determining the fair values of option awards used in the proforma disclosures above. The option pricing assumptions and weighted average fair values for 2004, 2003 and 2002 are as follows:

AXA SA

	2004	2003	2002
Dividend yield	3.10%	2.82%	2.66%
Volatility	28.00%	43.41%	43.00%
Risk-free interest rate	3.20%	3.64%	4.75%
Expected life (years)	6	6	6
Weighted average fair value per option at grant date	€3.96	€4.54	€7.89

AXA ADR

	2004	2003	2002
Dividend yield	3.10%	2.48%	2.54%
Volatility	29.00%	46.00%	46.00%
Risk-free interest rate	2.90%	2.72%	4.04%
Expected life (years)	5	5	5
Weighted average fair value per option at grant date	$4.44	$4.39	$6.30

(h) Variable interest entities

As described under "Scope of Consolidation" in Note 33, AXA is required to consolidate an entity that is a variable interest entity (VIE) in which AXA has a variable interest deemed to be the primary beneficiary according to FIN 46R. The primary beneficiary is the party in the VIE that has a variable interest which absorbs the majority of the VIE's losses or receives the majority of its residual returns, or both. In addition, AXA is also required to disclose VIE's in which it has a significant variable interest, as determined by consideration of the significance of the variability absorbed by AXA in relation to the VIE's total variability. Generally, AXA considers the absorption of greater than 20% of an entity's variability to be significant.

AXA has completed its transition to the consolidation requirements of FIN 46 R. AXA was required to adopt FIN 46R in 2003 for VIEs created on or after February 1, 2003. At December 31, 2003, there were no VIEs created on or after February 1, 2003 in which AXA was deemed to be the primary beneficiary that would have required consolidation by AXA in 2003.

In the ordinary course of conducting business, AXA in the role of investment manager may act as investment adviser in certain asset-backed investment vehicles commonly known as collateralized debt obligations ("CDOs"). CDOs raise capital by issuing debt and equity securities (the latter if "not rated instruments") and use the capital to invest in portfolios of interest bearing securities. These vehicles are structured to take advantage of the yield differential between their assets and liabilities including paying investment advisory fees and other expenses. Any net losses of the CDO are borne first by the equity owners to the extent of their investments, and then ultimately by the debt owners in ascending order of subordination. In addition, AXA's operating entities may from time to time invest directly in some of these CDOs and in CDOs managed by third parties.

AXA identified three CDOs which were required to be consolidated as of January 1, 2004. Consolidation of these entities resulted in an increase of €1.7 billion in AXA's assets, principally investments, and an increase of €1.7 billion in its operating debt and liabilities. The difference between the net amount added to the balance sheet and the amount of any previously recognized interest in the newly consolidated entities was recognized in the consolidated statement of income as a cumulative effect of an accounting change of €–28 million at January 1, 2004. Substantially all of the assets of the CDOs act as collateral for the related CDO debt holders. AXA has no right to use these assets. In the event of a default, neither the creditors nor the equity investors (if any) have any recourse against AXA.

AXA also has significant interests in CDOs, which do not require consolidation because management has determined that AXA is not the primary beneficiary. At December 31, 2004, AXA's investment in such CDOs, being the carrying value included in its consolidated financial statements, totaled approximately €172 million with no additional funding commitments. At such date, these vehicles had total assets of roughly €6.2 billion.

As a result of its review of all other VIEs, AXA consolidated one private equity partnership as of January 1, 2004. Consolidation of this entity resulted in increases in AXA's assets, principally investments, and in its liabilities, principally minority interest, each of approximately €48 million.

At December 31, 2004 AXA also had significant variable interests in certain other VIEs totaling €629 million, of which €595 million related to partnership interests and private equity and real estate investment pools, and €34 million related to other investments. At December 31, 2004, AXA had approximately €52 million of funding commitments in respect of these vehicles. The investment carrying value and funding commitments represent AXA's maximum exposure to loss from its direct involvement in these VIEs.

In addition and specific to Alliance Capital, as of March 31, 2004 Alliance Capital consolidated an investment in a joint venture and its funds under management. At December 31, 2004, Alliance Capital sold this investment and accordingly, no longer consolidates this investment and its funds under management. Alliance Capital derived no direct benefit from client assets under management of these entities other than investment fees and could not utilize those assets in its operations. Alliance Capital also has significant variable interests in certain VIEs with approximately €627 million in client assets under management. Alliance Capital's maximum exposure to loss to these entities is limited to a nominal investment and prospective investment management fees.

In conclusion, AXA derives no direct benefit from the total assets within these variable interest entities other than its direct investment plus any investment management fees, if it is also the investment manager, and cannot utilize those assets in its operations. In addition, any additional liabilities recognized as a result of consolidating the VIEs would not represent additional claims on the general assets of AXA, rather they would only represent claims against the additional assets recognized by AXA as a result of consolidating the VIEs.

(i) Equity and fixed maturity securities

Investment financial data on a U.S. GAAP basis in respect of AXA's principal consolidated entities is presented in the tables below:

(in euro millions)

	As at December 31, 2004					
	Less than 12 months		More than 12 months		Total	
	Closing market value	Gross unrealized losses	Closing market value	Gross unrealized losses	Closing market value	Gross unrealized losses
French government fixed maturity securities	306	(3)	0	(0)	306	(3)
Foreign government fixed maturity securities	1,090	(23)	88	(2)	1,178	(25)
Other local government and agencies fixed maturity securities	349	(3)	29	(1)	377	(3)
Mortgage backed securities	701	(8)	226	(8)	926	(17)
Other corporate bonds	4,247	(43)	1,068	(35)	5,315	(78)
Total fixed maturities	**6,692**	**(80)**	**1,410**	**(46)**	**8,102**	**(126)**
Quoted equity securities	967	(59)	0	0	967	(59)
Unquoted securities	3,648	(22)	0	0	3,648	(22)
Total equity securities	**4,615**	**(81)**	**0**	**0**	**4,615**	**(81)**
TOTAL	**11,307**	**(160)**	**1,410**	**(46)**	**12,717**	**(207)**

French Government fixed maturity securities
The unrealized losses are mainly recorded by Belgium Life subsidiaries and reinsurance activities and with a unrealized loss lower than 20%.

Foreign Government fixed maturity securities
The €25 million unrealized losses are attributable to Germany (€15 million), and international activities (€6 million).

Other local government and agencies fixed maturities securities
The unrealized loss position is mainly attributable to the United States.

Mortgage backed securities
The unrealized loss position is mainly attributable to the United States (€7 million) and Japan (€7 million).

Other corporate bonds
The unrealized loss position is mainly attributable to the United States (€48 million, mainly attributable to an interest rate increase), Southern Europe (€5 million) and the United Kingdom (€7 million).

(in euro millions)

	At December 31, 2004				
	Amortized Cost or Cost	Net Carrying Value	Fair Value	Gross unrealized gains	Gross unrealized losses
Fixed maturities					
Held to maturity	160	163	263	3	(0)
Available for sale	156,609	168,660	168,650	12,178	(126)
Trading		20,321	20,321		
			189,233		
Equity investment (including holdings in mutual funds and investments in participating interests)					
Available for sale	82,520	86,859	90,221	4,239	(81)
Trading		30,950	30,950		
			121,172		
Total under U.S. GAAP		**306,953**	**310,405**	**16,420**	**(207)**

(in euro millions)

	At December 31, 2003				
	Amortized Cost or Cost	Net Carrying Value	Fair Value	Gross unrealized gains	Gross unrealized losses
Fixed maturities					
Held to maturity	1,248	1,248	1,424	177	(1)
Available for sale	134,193	141,756	141,756	8,069	(506)
Trading		17,561	17,561		
			160,742		
Equity investment (including holdings in mutual funds and investments in participating interests)					
Available for sale	36,110	39,000	39,000	3,128	(228)
Trading		28,558	28,558		
			67,558		
Total under U.S. GAAP		**228,124**	**228,300**	**11,374**	**(736)**

AT DECEMBER 31, 2004 (in euro millions)

			Analysis of unrealized losses			
	Amortized cost/cost	Market Value	Total URL	Less than 20%	20%-50%	More than 50%
Below Investment Grade						
≤ 6 months	188	182	(6)	(3)	0	(3)
6-12 months	29	28	(1)	(1)	0	0
> 12 months	0	0	0	0	0	0
Total	**217**	**210**	**(7)**	**(4)**	**0**	**(3)**
Investment Grade						
≤ 6 months	4,266	4,226	(40)	(40)	(0)	0
6-12 months	2,168	2,136	(33)	(31)	(2)	0
> 12 months	1,458	1,411	(47)	(44)	(2)	(0)
Total	**7,892**	**7,773**	**(119)**	**(115)**	**(4)**	**(0)**
Total Fixed maturities						
≤ 6 months	4,548	4,502	(46)	(44)	0	(3)
6-12 months	2,223	2,189	(34)	(32)	(1)	0
> 12 months	1,458	1,412	(47)	(44)	(2)	(0)
Total	**8,229**	**8,103**	**(126)**	**(120)**	**(4)**	**(3)**
Total equities						
≤ 6 months	4,696	4,615	(81)	(79)	(1)	(1)
6-12 months	0	0	0	0	0	0
> 12 months	0	0	0	0	0	0
Total	**4,696**	**4,615**	**(81)**	**(79)**	**(1)**	**(1)**
TOTAL	**12,925**	**12,717**	**(207)**	**(197)**	**(5)**	**(3)**

AT DECEMBER 31, 2003	(in euro millions)					
			Analysis of unrealized losses			
	Amortized cost/cost	Market Value	Total URL	Less than 20%	20%-50%	More than 50%
Below Investment Grade						
≤ 6 months	917	892	(26)	(18)	(4)	(4)
6-12 months	112	101	(11)	(11)	0	(0)
≥ 12 months	0	0	0	0	0	0
Total	**1,029**	**993**	**(37)**	**(29)**	**(4)**	**(4)**
Investment Grade						
≤ 6 months	13,465	13,103	(362)	(361)	(1)	0
6-12 months	2,474	2,399	(76)	(73)	(2)	0
≥ 12 months	1,635	1,603	(32)	(29)	(3)	(1)
Total	**17,574**	**17,105**	**(469)**	**(463)**	**(6)**	**(1)**
Total Fixed maturities						
≤ 6 months	14,382	13,995	(388)	(380)	(5)	(4)
6-12 months	2,587	2,500	(87)	(84)	(2)	(0)
≥ 12 months	1,635	1,603	(32)	(29)	(3)	(1)
Total	**18,603**	**18,097**	**(506)**	**(493)**	**(9)**	**(5)**
Total equities						
≤ 6 months	1,976	1,748	(228)	(226)	(1)	(1)
6-12 months	0	0	0	0	0	0
≥ 12 months	0	0	0	0	0	0
Total	**1,976**	**1,748**	**(228)**	**(226)**	**(1)**	**(1)**
TOTAL	**20,579**	**19,845**	**(735)**	**(718)**	**(11)**	**(5)**

(j) Contractual obligations

A schedule of future payments under AXA's consolidated contractual obligations on operating leases follows :

	AT DECEMBER 31, 2004
Contractual obligations	
Less than one year	372
1 to 2 years	304
2 to 3 years	243
3 to 4 years	202
4 to 5 years	186
More than 5 years	1,010
Future minimum lease payments	2,316

(k) Segment information

Under U S. GAAP, as defined by FASB Statement 131, "Segment Information" ("FAS 131"), when there is a change in the composition of the reportable segments, the corresponding information for earlier periods is restated, which is not the case under French GAAP. As of January 1, 2003, the health activities in the United Kingdom were transferred from the Life & Savings segment to the Property & Casualty segment. Certain other transfers affecting the International Insurance segment were also made. Accordingly, under FAS 131, the Company has restated the segment information previously reported for 2002.

(l) Separate accounts assets and liabilities

In AXA 's consolidated financial statements prepared in accordance with French GAAP, unit linked funds whereby the policyholders benefits are determined wholly or partly in reference to specific invested assets or to an investment related index are referred to either as business with financial risk borne by the policyholders or unit-linked business. The assets and liabilities of this linked business are reported as summary totals in AXA's consolidated balance sheets.

Upon the adoption of SOP03-1 "Accounting and Reporting by Insurance Enterprises for Certain Non-traditional Long-Duration Contracts and for Separate Accounts" effective from January 1, 2004, specific criteria must be met in order for assets and liabilities to be treated as qualifying separate accounts with summary totals in AXA's consolidated balance sheet, namely: (i) the fund is legally recognized, (ii) the separate account assets are legally insulated from the general account liabilities of the insurance enterprise, (iii) the policyholder directs investment or there are pre-determined specific investment policy/objectives, and (iv) the investment performance passed-through to policyholder, subject to contract fees and assessments. In addition, any general account interest in the separate account can no longer be included in separate accounts but should rather be reported along with all other general account invested assets.

Consequently, as of January 1, 2004, total assets of €52,103 million can no longer be treated as separate account assets because (i) it represents the general account's interest in the qualifying separate accounts, or (ii) because the unit linked business does not qualify as separate account for U.S. GAAP accounting and reporting purposes.

The U.S. GAAP reclassifications for assets and liabilities with financial risk borne by the policyholders that do not qualify as separate accounts under SOP 03-1 have the following effects on AXA's consolidated financial statements:

	(in euro millions)
	At Dec 31,2004
Assets with financial risk borne by the policyholders, as reported under French GAAP	**113,786**
Reclassification to general accounts for U.S. GAAP reporting purposes	
Fixed maturity securities	11,585
Equity securities	40,644
Real estate investments	1,897
Cash	4,694
Other assets	301
Separate account assets as reported under U.S. GAAP	**54,665**

	(in euro millions)
	At Dec 31,2004
Liabilities with financial risk borne by the policyholders, as reported under French GAAP	**113,998**
Reclassification to general accounts for U.S. GAAP reporting purposes	59,336
Separate account liabilities as reported under U.S. GAAP	**54,662**

(m) New accounting pronouncements not yet adopted

U.S. GAAP

In December 2003, the AICPA issued Statement of Position 03-03 *"Accounting for Certain Loans or Debt Securities Acquired in a Transfer" ("SOP 03-3")*. SOP 03-3 provides guidance on the accounting for differences between contractual and expected cash flows from the purchaser's initial investment in loans or debt securities acquired in a transfer, if those differences are attributable, at least in part, to credit quality. Among other things, SOP 03-3 limits the recognition of the excess of contractual cash flows over expected cash flows as an adjustment of yield, loss accrual or valuation allowance at the time of purchase. SOP 03-3 requires subsequent increases in expected cash flows to be recognized prospectively through an adjustment of yield and requires subsequent decreases in expected cash flows to be recognized as an impairment. In addition, SOP 03-3 prohibits the creation or carrying over of a valuation allowance in the initial accounting of all loans within its scope that are acquired in a transfer. SOP 03-3 becomes effective for loans or debt securities acquired by AXA in 2005.

In March 2004, the Emerging Issues Task Force (EITF) reached a further consensus on EITF Issue No. 03-1 *"The Meaning of Other-than-Temporary Impairment and its Application to Certain Investments" ("EITF 03-1")*. EITF 03-1 require certain qualitative and quantitative disclosures for unrealized losses on debt and equity securities that have not been recognized as other-than-temporary impairments. The guidance sets forth certain disclosures of investments in debt and equity securities in unrealized loss positions at balance sheet date that have not been recognized as other-than-temporary impairments (refer to note 34(i)). In addition, EITF 03-1 provides application guidance that should be used to determine when an investment is considered impaired, whether that impairment is other-than-temporary, and the measurement of an impairment loss along with accounting considerations subsequent to the recognition of an other-than-temporary impairment. The recognition and measurement guidance is applicable for reporting periods beginning after June 15, 2004 (that is, in AXA's 2005 consolidated financial statements). However, through the issuance of FSP EITF 03-1-1, "Effective Date of Paragraphs 10-20 of EITF Issue No. 03-1, The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investments", the FASB has postponed the effective date of certain recognition and measurement guidance included in EITF 03-1. Until the new guidance is finalized, the impact on AXA's financial position and results of operations can not be determined.

On December 16, 2004, the FASB issued SFAS Statement No. 123(R), "Share-Based Payment". SFAS Statement No. 123(R) eliminates the alternative to apply the intrinsic value method of accounting for employee stock-based compensation awards that was provided in FASB Statement No. 123, "Accounting for Stock-Based Compensation" ("SFAS No. 123") as originally issued. SFAS No. 123(R) requires the cost of all share-based payments to employees, including stock options, stock appreciation rights, and most tax-qualified employee stock purchase plans, to be recognized in the financial statements based on the fair value of those awards. Under SFAS No. 123(R) the cost of equity-settled awards generally is based on fair value at date of grant, adjusted for subsequent modifications of terms or conditions, while cash-settled awards require remeasurement of fair value at the end of each reporting period. SFAS No. 123(R) does not prescribe or specify a preference for a particular valuation technique or model for estimating the fair value of employee stock options and similar awards but instead requires consideration of certain factors in selecting one that is appropriate for the unique substantive characteristics of the instruments awarded. SFAS No. 123(R) is effective for reporting periods beginning after June 15, 2005 (that is, in AXA's 2006 consolidated financial statements) with earlier adoption permitted, and generally requires adoption using a modified version of prospective application. Under "modified prospective" application, SFAS No. 123(R) applies to new awards granted and to awards modified, repurchased, or cancelled after the required effective date. Additionally, compensation cost for unvested awards outstanding as of the required effective date must be recognized prospectively over the remaining requisite service/vesting period based on the fair values of those awards as already calculated under SFAS No. 123. Entities may further elect to apply SFAS No 123(R) on a "modified retrospective" basis to give effect to the fair value based method of accounting for awards granted, modified, or settled in cash in earlier periods. The cumulative effect of initial application, if any, is recognized as of the required effective date.

As more fully described in Note 34(g) of Notes to Consolidated Financial Statements, AXA elected under SFAS No. 123 to continue to account for stock-based compensation using the intrinsic value method and instead to provide only proforma disclosure of the effect on net earnings from applying the fair value based method. Consequently, adoption of SFAS No. 123(R) would be expected to result in recognition of compensation expense for certain types of AXA's equity-settled awards, such as options to purchase AXA shares, for which no cost previously would have been charged to net earnings under the intrinsic value method. Similarly, certain types of AXA's cash-settled awards, such as stock appreciation rights, may be expected to result either in different amounts of compensation expense or different patterns of expense recognition under SFAS No. 123(R) as compared to the intrinsic value method Management of AXA currently is assessing the impact of adoption of SFAS No. 123(R), including measurement and reporting of related income tax effects, selection of an appropriate valuation model and determination of assumptions, as well as consideration of plan design issues.

On May 19, 2004, the FASB approved the issuance of FASB Staff Position ("FSP") No. 106-2, "Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003", effective for the first interim or annual period beginning after June 15, 2004. With respect to the U.S., FSP 106-2 provides guidance on the accounting for the effects of the Medicare Prescription Drug, Improvement and Modernization Act of 2003 ("MMA") for employers that sponsor U.S. postretirement health care plans that provide prescription drug benefits. MMA introduced a new prescription drug benefit under Medicare that will go into effect in 2006 and also includes a U.S. Federal subsidy payable to plan sponsors equal to 28% of certain prescription drug benefits payable to Medicare-eligible retirees. The subsidy only is available to an employer that sponsors a retiree medical plan that includes a prescription drug benefit that is at least as valuable as (i.e., actuarially equivalent to) the new Medicare coverage. The subsidy is not subject to U.S. Federal income tax.

Clarifying regulations are expected to be issued by the Centers for Medicare and Medicaid Services to address the interpretation and determination of actuarial equivalency under MMA. In accordance with the provisions of FSP 106-2, management and its actuarial advisors will re-evaluate actuarial equivalency as new information about its interpretation or determination become available. Management and its actuarial advisors have not as yet been able to conclude whether the prescription drug benefits provided under AXA's U.S. retiree medical plans are actuarially equivalent to the new Medicare prescription drug benefits for 2006 and future years. Consequently, measurements of the accumulated postretirement benefit obligation and net periodic postretirement benefit cost for these plans at and for the period ended December 31, 2004 do not reflect any amount associated with enactment of MMA, including the subsidy.

IFRS

In the 2003 Annual Report, the Group described the first steps of its program to prepare its consolidated financial statements according to international accounting standards (IFRS) as of the financial year starting on or after January 1, 2005 in compliance with European Parliament Regulation (EC) 1606/2002.

Conversion program :

- In view of this transition, since 2003, the Group devised a program to convert its French GAAP consolidated financial statements to these new international accounting standards. As indicated in the Chairman of the Supervisory Board report on internal controls, the project management, conducted by Planning Budget Results Central teams (P.B.R.C.), resulted in the implementation of specific management structures and a strong cooperation on these topics with the auditors. Governance structures include: a steering committee bringing together Group Finance Department and CFOs of main Group subsidiaries, a central project team with experts in both accounting and actuarial areas, some project teams at Group subsidiaries level and an implementation committee bringing together project leaders and experts.

This program conducted since 2003 to the strengthening of the central project team, the creation of project teams in all Group subsidiaries and the setting up of meetings of the steering committee. Training seminars dealing with these new accounting policies were organized. A guide listing the principles defined in these new accounting standards and operational and financial implementation modalities has been drawn up and shared with all teams within the Group.

This program has been pursued in 2004, resulting in the beginning of the preparation of the 2004 opening shareholders' equity in accordance with the new international accounting standards. The data collection and processing IT system has been set up and the detailed instructions, including a chart of accounts and data entry models, have been shared within the Group; the IFRS guide has also been updated so as to reflect changes in the IFRS accounting principles. Two consolidation processes have been undertaken, first in June and in October 2004, so as to efficiently prepare the operational implementation of the transition, and to assess the impacts of the new accounting standards on both the opening shareholders equity, and the net income.

As some standards, that are very important for the Group, were still being developed (e.g. IFRS 4 "Insurance Contracts" and IAS 32&39 "Financial Instruments") the Group had to continue in 2004 to analyse the implications of the new standards and to carry out a number of estimates. In the meantime new projects have been started, notably the one relating to the consolidation of mutual funds, which will take end during the first quarter of 2005.

Based on the analysis performed in 2004, the principles for applying these new accounting standards in their current interpretation and definition have been decided by the Management Board and discussed with the Audit Committee in December 2004. These application principles are currently being implemented, in a view to prepare the final set of the opening balance sheet, and 2004 comparative data.

The main differences of principle between French GAAP and IFRS are explained here after with some estimated impacts on the shareholder's equity as of January 1, 2004.

Scope and methodology for consolidation

Investment in mutual funds, investment and real estate companies (principally held in AXA's entities and backing insurance liabilities) are not consolidated in French GAAP, in compliance with the CRC Regulation 2000-05.

According to IFRS, all entities in which AXA has a significant influence should be consolidated with:

- the full consolidation method if AXA exercises an exclusive control;
- the proportionate method if AXA exercises a joint control;
- the equity method if AXA exercises a significant long-term influence.

Invested assets

Classification

According to IFRS, the intention to hold the investment is more important than the nature of the investment. Applying this principle, invested assets are classified in the following categories:

- held to maturity and accounted for at amortized cost;
- loans & receivables are accounted for at amortized cost;
- trading and accounted for at fair value with change in fair value in P&L;
- available for sale accounted for at fair value with change in fair value in shareholder's equity, or by exception, designated at the origin at fair value with change in fair value in P&L.

This option (designation at fair value with change in fair value in P&L), as defined by IAS 39 will be used by the Group in the following cases :

- assets backing unit linked liabilities;
- securities held by some mutual funds included in the scope of consolidation on the basis of Group risk management policy;
- assets included in hedging strategies set out by the Group for economical reasons but not eligible to hedge accounting as defined per IAS 39.

Investment properties (excluding investment properties backing totally or partially contracts with financial risk borne by policyholders (unit linked) or "With Profit" contracts, which are accounted for at fair value) and owner-occupied properties, remain accounted for at amortized cost in IFRS.

Identification and valuation of embedded derivatives

According to IFRS, embedded derivatives should be separated and accounted for at fair value with change in fair value in P&L if the host contract is not accounted for with the same method and derivatives are not clearly and closely related to the host contract. So far, total of embedded derivatives in invested assets which are not accounted for at fair value through P&L in accordance with this method is not material at the Group level.

Impairment rules

There is no difference of impairment rules for debt securities between French GAAP and IFRS. AXA considers that equity securities with unrealized losses for a continuous period of 6 months or more prior to the closing date or higher than 20% of the carrying value at the closing date should be impaired in IFRS. The impairment is calculated in reference to the market value at the closing date rather than to a recoverable value. In IFRS, any impairment of equity securities is irreversible.

Accounting rules for derivatives and hedging

The Group applies as much as possible the hedge accounting rules. When it is not possible, the derivatives are accounted for at fair value with change in fair value in P&L. The impact on earnings is limited for the following strategies:

- hedged items accounted for at fair value with change in fair value in P&L as well;
- some hedged insurance contracts that AXA plans to re-measure to reflect current prices (i.e. assessed according to updated assumptions).

Given the accounting principles applicable to invested assets and financial instruments as explained above, their impact on AXA Group shareholder's equity as at January 1, 2004 should be very positive.

Insurance & investment contracts

Classification and accounting rules of the contracts

According to IFRS 4 and IAS 39, contracts should be classified in 2 categories: insurance contracts or investment contracts.

The French GAAP rules are still valid for insurance contracts for IFRS Phase 1. Accounting rules for investment contracts with discretionary participation features comply with the French GAAP as well. Besides, consistently with the accounting standards currently used by the group, an adequacy test is performed to ensure that the existing provisions are sufficient to afford the future flows including the settlement costs, the embedded options and guarantees. The only exception refers to provisions related to catastrophic risks which are eliminated under IFRS (positive impact of this principle on the shareholder's equity as of January 1, 2004 is estimated to be €0,3 bn).

A small part (estimated to be around 9% of the technical provisions as of December 31, 2003) of the contracts are classified as investment contracts without discretionary participation features and accounted for differently under IFRS and French GAAP. In accordance with IAS 39, these contracts are accounted for using the "deposit accounting" method, which mainly results in not recognizing in the P&L the corresponding premiums and benefits and claims. For the Group, this category includes mainly unit-linked contracts for which the liabilities represent already the fair value of the investment funds / assets linked to those contracts at the balance sheet date in French GAAP.

Consequently, the existing deferred acquisition cost and value of business in force in French GAAP are not significantly impacted by the IFRS. The existing acquisition costs of investment contracts without discretionary participation features are not deferred in IFRS (estimated to be less than 10% of the total existing deferred acquisition costs as of December 31, 2003). The written-off deferred acquisition costs are partially replaced by deferred revenues to the extent of origination costs for investment contracts without discretionary participation features which provide investment management services. The scope of origination is more restrictive under IFRS than the scope of acquisition costs under French GAAP.

The minimum guarantees offered by some contracts in direct insurance activities and the performance guarantees offered by some contracts in reinsurance activities are subject to hedge strategies. In order to limit the mismatch between the valuation of liabilities and the valuation of the related derivatives, the Group plans to adjust liabilities to better reflect current market prices for those contracts.

Shadow accounting

In compliance with the possibility offered by the IFRS 4, the shadow accounting rules are applied for insurance and investment contracts including a discretionary participating feature on technical provisions, deferred acquisition costs and value of business in force to reflect unrealized losses and gains attributable to the policyholder. The participation rate considered is the best estimate based on constructive obligation.

Accounting rules for derivatives and hedging

Similar to embedded derivatives in the invested assets according to IAS 39, embedded derivatives in insurance & investment contracts should be separated and accounted for at fair value with change in fair value in P&L if they don't meet the following criteria of exclusion:

- if they are clearly and closely related to the host contracts;
- if they are explicitly excluded by IFRS 4 in Phase I (e.g. surrender option for a fixed amount in an insurance contracts);
- if they are an insurance benefit.

So far, total of embedded derivatives in insurance and investment contracts which are not accounted for at fair value do not seem to be material at Group level.

Share-based payment

Group's share-based compensation plans are predominantly equity-settled plans and share-plans. All equity-settled plans granted after November 7, 2002 and not completely acquired by their beneficiaries as at January 1, 2004 are accounted for at fair value at the grant date and the fair value is accrued over the vesting period.

The favourable conditions offered to Group's employees with share-plans are also accounted for in P&L according to IFRS 2 and are recorded through P&L.

Treasury shares

According to French GAAP, treasury shares are accounted for as an investment in equity securities if they are held to stabilize the Company's share price in the market, to be attributed to employees in connection with share purchase programs, or are treated as investment backing contracts with financial risk borne by policyholders (unit-linked). According to IFRS, all treasury shares have to be netted to equity. The negative impact of this principle on the shareholder's equity as of January 1, 2004 estimated to be €0.5 bn.

Compound financial instruments

According to IFRS, any financial instruments issued by the Group with an equity component (e.g. option granted to convert the debt instrument into an equity instrument of the company) and a liability component (e.g. contractual obligation to deliver cash) are classified separately as a liability in the balance sheet with only the equity component in the shareholder's equity (positive impact of this principle on the shareholder's equity as of January 1, 2004 is estimated to be €0.1 bn).

First time adoption

In addition to the main differences between French GAAP and IFRS described above, the Group has applied IFRS restrospectively, in accordance with the requirements of IFRS 1 and except for the cases permitted. In particular, the Group applied retrospectively the impairment rules on equities invested assets. Besides, AXA has decided on the following options for the first time adoption of IFRS as of January 1, 2004:

- application from 2004 financial year of the rules IFRS 4, IAS 32 and 39 and IFRS 2;
- past actuarial losses accounted for in shareholder's equity (negative impact of this principle on the shareholder's equity as of January 1, 2004 is estimated to be €2.0 bn);
- no restatement of past business combinations but retroactive adjustment to book goodwill in local currency of the acquired entity (negative impact of this principle on the shareholder's equity as of January 1, 2004 is estimated to be €1.3 bn);
- reset to zero all past cumulative translation adjustments.

35. Events Subsequent to December 31, 2004

Deeply subordinated notes

In January 2005, AXA issued, under its €5 billion Euro Medium Notes program, €250 million of undated deeply subordinated notes ("Titres Super Subordonnés") allowing the Group to improve debt quality and to strengthen hybrid capital, whilst anticipating the refinancing of debts maturing in 2005 and after.

2004 dividend

At the general meeting of shareholders of AXA held on April 20, 2005, the shareholders approved the dividend in respect of 2004 of €0.61 per ordinary share, or €1,164 million, based on the number of shares outstanding at December 31, 2004. The approved dividend will be paid in 2005.

Merger of FINAXA into AXA

On April 19, 2005, the Supervisory Board of AXA and the Board of Directors of FINAXA announced their intention to merge FINAXA into AXA. Each Board appointed (a) a committee of independent directors to evaluate the transaction and make a recommendation to its Board on the appropriate exchange ratio between FINAXA and AXA ordinary shares and (b) UBS and HSBC CCF to act as independent experts respectively for FINAXA and AXA and render fairness opinions on the exchange ratio. It is expected that the terms and conditions of the contemplated merger will be approved by each Board by the end of June 2005 and presented to both AXA and FINAXA shareholders for approval before the end of 2005. This merger would simplify the shareholding structure of the AXA Group and increase the proportion of AXA ordinary shares publicly traded. AXA would also become the owner of its trademark which is currently licensed to it by FINAXA. FINAXA currently has 75,591,703 ordinary shares outstanding[1] (77,693,701 ordinary shares on a fully diluted basis assuming exercise of all outstanding stock options and conversion of all convertible securities) all of which will be exchanged for AXA ordinary shares upon consummation of the merger. The Mutuelles AXA and FINAXA currently own 20.35% of AXA's outstanding ordinary shares and 32.20% of AXA's voting rights. Following the consummation of the merger, Mutuelles AXA, which currently own 2.72% of AXA outstanding shares representing 4.38% of AXA voting rights and 71.69% of FINAXA outstanding shares (69.75% on a fully diluted basis[2]) representing 80.53% of FINAXA voting rights (79.18% on a fully diluted basis[3]), would become the principal AXA shareholder, holding less than 14% of AXA ordinary shares representing less than 23% of AXA voting rights.

(1) *Before payment of the dividend of FINAXA in FINAXA shares, as the case may be.*

(2) *Idem.*

(3) *Idem.*

Schedule II

AXA (Parent Company)

CONDENSED BALANCE SHEETS

	(in euro millions)	
	At December 31, 2004	2003
Assets		
Investment in subsidiaries	37,476	35,932
Real estate	3	4
Other invested assets	3,081	3,283
Total investments	**40,560**	**39,219**
Cash and equivalents	1,008	1,851
Other assets	736	586
Total assets	**42,304**	**41,656**
Liabilities		
Short-term and long-term debt and borrowings	2,155	4,225
Other liabilities	2,000	1,690
Total liabilities	**4,155**	**5,915**
Subordinated debt	9,131	8,223
Shareholders' equity		
Ordinary shares, €2.29 nominal value per ordinary share: *2,032 million shares authorized and 1,908 million shares issued at December 31, 2004 and 1,895 million shares authorized and 1,778 million shares issued at December 31, 2003.*	4,370	4,072
Capital in excess of nominal value	15,348	13,984
Retained earnings and reserves	9,300	9,462
Total shareholders' equity	**29,018**	**27,518**
Total liabilities, subordinated debt and shareholders' equity	**42,304**	**41,656**

Schedule II

AXA (Parent Company)

CONDENSED STATEMENTS OF INCOME	(in euro millions)		
	Years Ended December 31,		
	2004	2003	2002
Dividends received from subsidiaries	970	1,109	1,481
Net investment results	(310)	(75)	(129)
Total revenues	**660**	**1,034**	**1,352**
Operating expenses	(171)	(139)	(152)
Income before income taxes	489	895	1,200
Income tax (expense) benefit	30	(32)	(134)
Net Income	**519**	**863**	**1,066**

See notes to parent company condensed financial statements.

Schedule II

AXA (Parent Company)

CONDENSED STATEMENTS OF CASH FLOWS (in euro millions)

	Years Ended December 31, 2004	2003	2002
Net income	**519**	**863**	**1,066**
Adjustments to reconcile net income to net cash provided by operating activities:			
– Net realized investment (gains) losses	12	7	(49)
– Change in income taxes	59	(194)	(50)
– Changes in other assets and liabilities	29	35	270
Net cash provided by operating activities	**619**	**711**	**1,237**
Cash flows from investing activities:			
– Maturities and sales of investments	1,475	2,132	1,703
– Purchases of investments	(29)	(142)	(96)
– Investments in subsidiaries	(2,883)	(3,025)	(1,389)
Net cash used in investing activities	**(1,437)**	**(1,035)**	**218**
Cash flows from financing activities:			
– Additions to debt	1,051	2,856	571
– Repayments of debt	(666)	(473)	(1,165)
– Issuance of ordinary shares	266	196	262
– Dividends	(676)	(599)	(971)
Net cash provided by financing activities	**(25)**	**1,980**	**(1,303)**
Change in cash and equivalents	(843)	1,656	152
Cash and equivalents, beginning of year	1,851	195	43
Cash and equivalents, end of year [(a)]	**1,008**	**1,851**	**195**

(a) As the result of successful completion of the merger of MONY with AXA Financial Inc., the ORANs redeemable into either shares or cash issued by AXA in September 2003 to finance the MONY acquisition were redeemed on July 22, 2004 by the issuance of 110,245,309 new AXA Shares.
There was no significant non-cash transactions in 2003 and 2002.

Schedule II

AXA (Parent Company)

Notes to Parent Company Condensed Financial Statements

1. Financial Statement Policies and Changes in Presentation

These parent company condensed financial statements of AXA (the Company), a French *société anonyme à Directoire et Conseil de Surveillance* should be read in conjunction with AXA's consolidated financial statements and the notes thereto prepared in accordance with French GAAP and reconciled to U.S. GAAP, which are included elsewhere in this annual report.

In France, parent company financial statements are prepared using a French statutory basis of accounting, which uses the cost method of accounting for investments.

2. Long-term Debt and Other Obligations

At December 31, 2004 and 2003, long-term debt and borrowings amounted to €2,008 million and €3,925 million, respectively. At December 31, 2004 aggregate maturities of long-term debt and borrowings based on required payments at maturity for 2005, the following four years and thereafter are €644 million in 2005, €67 million in 2006, € 230 million in 2007, €15 million in 2008, €1,052 million in 2009 and thereafter.

Information relating to the subordinated debt (including terms of redemption by the issuer and share conversion) is provided in note 14 to AXA's consolidated financial statements.

3. Material Differences Between French GAAP and U.S. GAAP

The parent company condensed financial statements for the Company are prepared in accordance with generally accepted accounting principles in France. These accounting principles differ in certain material respects from accounting principles generally accepted in the United States of America.

The principle difference between French statutory GAAP and French GAAP (on a consolidated basis) as well as U.S. GAAP (at the parent company level) relates to the accounting for equity investments in which the Company has significant influence. Under the French statutory basis of accounting, the cost method of accounting is used, whereas, under French GAAP (on a consolidated basis) and U.S. GAAP (parent company level), the equity method of accounting is used. Other differences between French GAAP and U.S. GAAP are described in Notes 33 and 34 to AXA' s consolidated financial statements included elsewhere in this annual report.

4. Guarantees

The guarantees given by AXA, the Company, were €9,635 million as at December 31, 2004 and consisted mainly of guarantees given to entities from the Group (€7,900 million), and redemption premium on subordinated convertible bonds for €1,049 million.

The guarantees received by AXA, the Company, as at December 31, 2004 amounted to €6,058 million. It concerns chiefly credit lines from banks.

Guarantees are described in Note 26 Off-balance sheet commitments and Note 29 Related party transaction of Item 18.

NET INCOME

(in euro millions)

	Years Ended December 31, 2004	2003	2002
Net income in accordance with French GAAP (statutory basis)	**519**	**863**	**1,066**
Dividends from subsidiaries	(970)	(1,090)	(1,458)
Contribution of consolidated subsidiaries under equity method	2,727	1,230	1,111
Other adjustments [(a)]	243	2	230
Total adjustments	2,000	142	(117)
Net income in accordance with French GAAP (consolidated basis)	**2,519**	**1,005**	**949**
U.S. GAAP adjustments	716	2,668	(3,536)
Net income in accordance with U.S. GAAP	**3,235**	**3,673**	**(2,588)**

(a) In 2004, other adjustments primarily relate to exceptional items, including:

- *an exceptional profit of €112 million in Alliance Capital due to the partial release (€420 million) of the provision set up in 2000 to offset the dilution gain recorded when acquiring Sanford C. Bernstein, Inc. This release was due to the buy-back of 16.32 million private units in Alliance Capital to the former shareholders of Sanford Bernstein, after these shareholders exercised their liquidity put options. This operation generated an additional goodwill of €308 million that was entirely amortized during the year.*
- *a €104 million capital gain on the sale of Unirobe, dutch broker company.*

In 2002, other adjustments primarily relate to exceptional items, including:

- *the realized capital gain on the sale of AXA Australia Health activities (National Mutual Health Insurance of €87 million Group Share),*
- *an exceptional profit of €148 million in Alliance Capital due to the partial release (€277 million) of the provision set up in 2000 to offset the dilution gain recorded when acquiring Sanford C. Bernstein, Inc. This release was due to the buy-back of 8.16 million private units in Alliance Capital to the former shareholders of Sanford Bernstein, after these shareholders exercised their liquidity put options. This operation generated an additional goodwill of U.S.$122 million that was entirely amortized during the year (€129 million).*

SHAREHOLDERS' EQUITY

(in euro millions)

	At December 31, 2004	2003
Shareholders' equity in accordance with French GAAP (statutory basis)	**29,018**	**27,518**
Equity method adjustments	1,397	141
Goodwill charged directly to shareholders' equity	(4,258)	(4,258)
Shareholders' equity in accordance with French GAAP (consolidated basis)	**26,157**	**23,401**
U.S. GAAP adjustments	4,274	1,517
Shareholders' equity in accordance with U.S. GAAP	**30,431**	**24,918**

Item 19

The following is a list of the exhibits filed with this annual report or incorporated herein by reference:

1. (a) "Statuts" of the Company.

(b) "Reglement Interieur" of the Supervisory Board.

2. Amended and Restated Deposit Agreement, dated as of April 27, 2001, among AXA, The Bank of New York and all owners from time to time of American Depositary Receipts issued thereunder, filed as Exhibit 3A to the Registration Statement on Form F-6 filed on April 18, 2001 (commission file no. 333-13376) and incorporated herein by reference.

3. Voting Trust Agreement, as amended, dated as of January 22, 1997, filed as Exhibit 9.2 to the Company's Registration Statement on Form F-4 filed on November 21, 2000 (registration no. 333-50438) and incorporated herein by reference.

4. (a) Employment Agreement, dated May 11, 2001, between Christopher M. Condron, and AXA Financial, Inc., filed as exhibit 10.16 to the Company's Quarterly Report on Form 10-Q for the period ended June 30, 2001, filed on August 13, 2001 and incorporated herein by reference.

8. List of the Company's consolidated subsidiaries at December 31, 2004 is provided in note 3 to the consolidated financial statements included as Item 18 in this annual report.

12. (a) Certification required of the Chief Executive Officer required by Section 302 of the Sarbanes-Oxley Act of 2002.

(b) Certification required of the Chief Financial Officer required by Section 302 of the Sarbanes-Oxley Act of 2002.

13. (a) Certification required of the Chief Executive Officer required by Section 906 of the Sarbanes-Oxley Act of 2002.

(b) Certification required of the Chief Financial Officer required by Section 906 of the Sarbanes-Oxley Act of 2002.

99. (a) Consent of Independent Accountants.

Signatures

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

AXA

/s/Denis Duverne
Denis Duverne
Chief Financial Officer
Member of the Management Board

Date: June 21, 2005

2004 Annual Report

AXA FINANCIAL PROTECTION

Be Life Confident

Be

50 million customers

across the globe have placed their trust in AXA

112,000 employees and distributors

worldwide working to deliver the right solutions and top quality service to our customers

Life Confident

All around the world, we deliver our products and services under a global brand. Combined with our tagline –Be Life Confident– the AXA brand conveys our promise to customers: we will protect them and help them realize their projects at every stage of their lives

17,500 employees volunteer for their local community.

72.2 billion euros in consolidated revenues (+ 2% on a comparable basis).

869 billion euros in assets under management (+ 16% at constant exchange rates).

2.7 billion euros in underlying earnings (+ 38 % at constant exchange rates).

2.5 billion euros in net income, Group share (+ 160% at constant exchange rates).

This report is a free translation of AXA's French *Document de Référence*. It is being furnished solely for information and convience purposes and is qualified in its entirety by reference to the original French *Document de référence* which is available on AXA's website at www.axa.com.

Our Vision

To help our clients be life confident: its our vision of the business and how it should be done.

Our Business: Financial Protection

Financial Protection involves supporting our clients – individuals as well as small, mid-size and large businesses – throughout their lives by responding to their insurance, protection, retirement savings and estate planning needs.

Aware and proud of our industry's contribution to the economic and social development of the countries in which we are present, we seek to do business responsibly by living up to consistent values and stakeholder commitments throughout the world.

Our ambition

Together, we are working toward the shared ambition of becoming a global leader in our core business of Financial Protection, by delivering both high-quality products and high-quality service and performance.

Our Values

Team Spirit, Integrity, Innovation, Pragmatism, Professionnalism.

Our Commitments

To do business responsibly and build a relationship of trust with our partners.

Our Clients

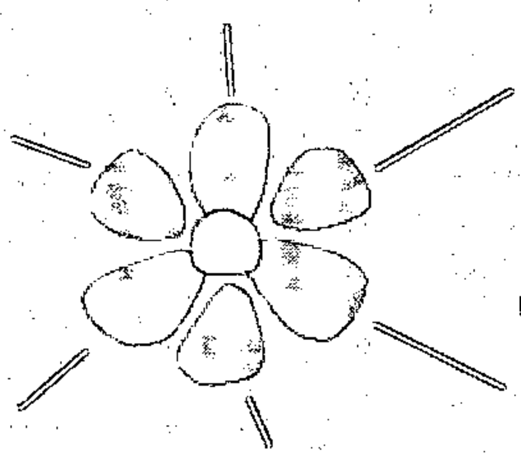
Consistently deliver efficient local service and adapted solutions, while adhering to the highest standard of professional conduct.

The Community

Act as a responsible corporate citizen by sharing our professional expertise with the community, innovating in the area of employment and sponsoring philanthropic initiatives.

Our Suppliers

Maintain excellent relationships with suppliers by adhering to a set of clearly defined procurement guidelines and promoting ongoing dialogue.



Our Shareholders

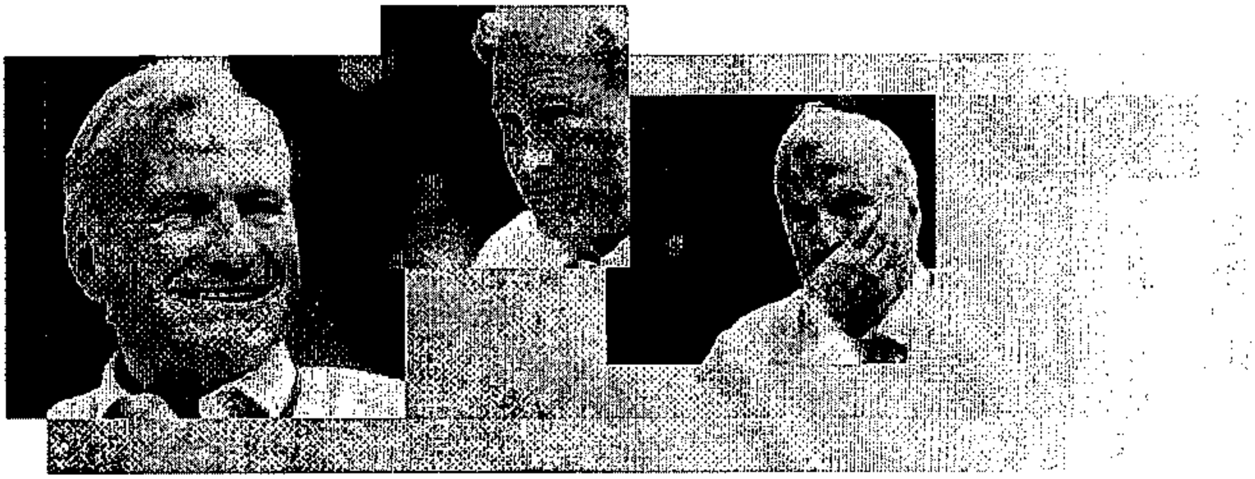
Achieve operating performance that ranks among the best in the industry, in order to create lasting value, and strive to furnish accurate financial information.

Our Employees

Ensure professional fulfillment by offering a supportive and respectful workplace where people are empowered and the continuous development of competencies is encouraged.

The Environment

Contribute to environmental preservation efforts by making available our environmental risk management capability and promoting environmentally sound practices in the workplace.



One thing that has not changed in twenty years, however, is AXA's strategy : stay focused on one core business.

Claude Bébéar, the Chairman of the Supervisory Board

The AXA brand was born twenty years ago.
Twenty years of international expansion, twenty years of exponential growth, followed by consolidation. Since then, the world has witnessed two decades of economic spasms: the real estate and junk bond crises of the early 1990s; euphoria for the new economy in the late 1990s; the stock market meltdown of the early 2000s; the current uncertainties related to the threat of terrorism, the war in Iraq, the US deficit and weak dollar; the emergence of China and, not far behind it, India.

Twenty years that have also seen the demise of industry titans and the rise of new players.

One thing that has not changed in twenty years, however, is AXA's strategy: stay focused on one core business; see the inevitable globalization as an opportunity; gain strength in the domestic market –in our case, France– before setting out to conquer international markets; go after leadership in each new market; take the time to understand and respect cultural differences; "think global but act local," while building synergies between subsidiaries; put the accent on operational excellence; believe that the value of an organization depends on its people and motivate employees by ensuring that their interests coincide with those of the organization; develop a shared corporate culture based on a common set of values.

While individuals may come and go, strategy remains.

AXA's efforts to consolidate growth over the last few years are bearing fruit today, and enable us to stay confidently on track. The Financial Protection business is evolving because the world around it is changing.

Today, AXA has both the financial strength and the ability to innovate, allowing us to lay claim to the only role that is truly worth playing: the leadership role.

Claude Bébéar

"In a world of growth and
Protection business is more obvi
the risks they face, prevent them
Henri de Castries, the Chairman of

What lessons have you learned from the key events of 2004?

Henri de Castries: Despite the most robust growth in the global economy in nearly 30 years, 2004 also demonstrated once again that expansion, no matter how rapid, does not rule out risk. For anyone who may have forgotten, events such as the Indian Ocean tsunami in December, the hurricanes in Florida, and several severe industrial disasters served as brutal reminders.

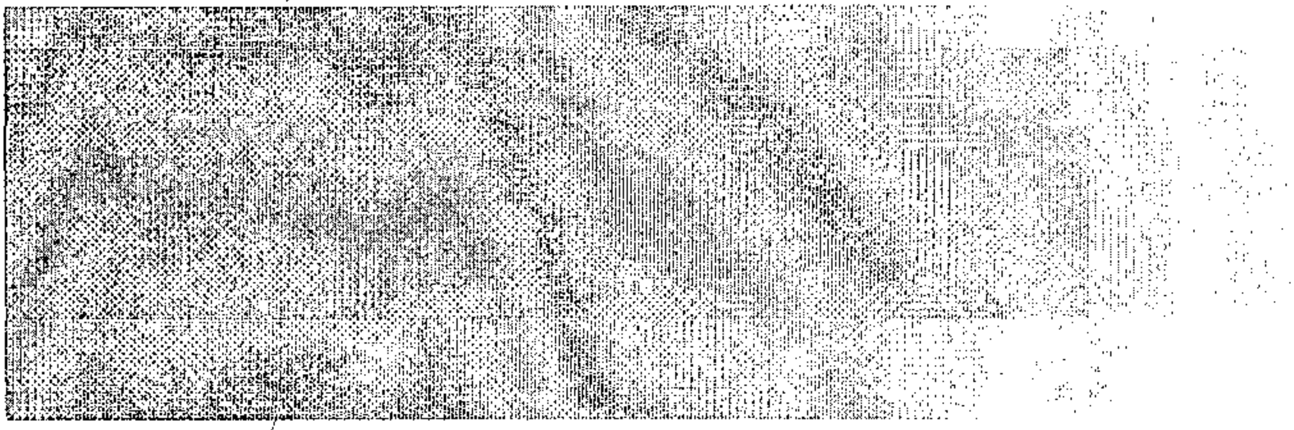
In a world of growth and risk, the legitimacy of AXA's core Financial Protection business is more obvious than ever. It helps our clients to identify the risks they face, prevent them from occurring, and repair the damage. Financial protection is necessary. It renders growth both possible and sustainable. In fact, this business –our business– was ahead of the collective awareness curve on sustainable development issues.

On balance, how did AXA perform last year?

H. d. C.: 2004 was an excellent year from a growth and an earnings standpoint. We won over a significant number of new clients in our key markets—more than 500,000 new contracts in France or more than 280,000 new customers in the Mediterranean region, for example. While there is still room for improvement, our organic growth enabled us to pick up market share. The integration of MONY in the United States is going according to plan, extending our reach in this key market.

While the financial environment is still not cloudless, we produced significant earnings growth in all our businesses. As a result, we are able to offer our shareholders a substantially higher dividend payout. This enhanced performance came from across the board—with high profitability in France, the United States, Belgium and the Mediterranean region, and significant improvement in both Japan and the United Kingdom.

We can also be pleased with our asset management business. AXA Investment Managers, which celebrated its ten years in the business last year, was one of the top global performers in its segment, bringing in an impressive 29 billion euros in net new monies.



risk, the legitimacy of AXA's core Financial
ous than ever. It helps our clients to identify
from occurring, and repair the damage."
the Management Board

The year was not without disappointment, however. Unable to reach an agreement on price terms with the committee of independent directors of our subsidiary AXA Asia Pacific, we preferred to withdraw our offer to acquire outstanding minority interests. This decision has no impact on our strategy in the high-growth Asian region, however.

What is your strategy going forward?
H. d. C.: Our strategy has not changed. AXA still has significant room for performance improvement. To boost organic growth, we must make further improvements in the quality of service we deliver, continue to roll out more competitive and innovative products, and strengthen our distribution channels. At the same time, we need to continue driving down our unit costs. And as was the case with MONY, we must remain attuned to genuine opportunities for external growth in our key markets.This puts us in the virtuous circle of growth. We will be able to consistently offer higher earnings for our shareholders and even better development opportunities for our employees.

What are AXA's principal trump cards?
H. d. C.: AXA has a number of things going for it: a global brand, considerable financial strength and high quality products. Our biggest strength, however, lies in the expertise and the enthusiasm of the people who work for AXA. They are proud to work for a company that has become a global powerhouse in twenty years. But they also realize that we still have a long way to go. At the end of the day, they are quietly determined to demonstrate that they are willing and able to change the way they work if it means offering better service to their customers.

Introduction

History and development

AXA[1] originated from several French regional mutual insurance companies, known collectively as "les Mutuelles Unies".

In 1982, les Mutuelles Unies took control of Groupe Drouot and following this transaction the new Group began operating under the name of AXA.

In 1986, AXA acquired Groupe Présence.

In 1988, AXA transferred its insurance businesses to Compagnie du Midi and operated under the name of AXA Midi, which subsequently reverted back to the AXA name. Two years later, the French insurance operations were reorganized to operate by distribution channel.

In 1992, AXA took control of Equitable Companies Incorporated following the demutualization of Equitable Life.

In 1995, AXA acquired a majority ownership interest in National Mutual Holdings following its demutualization. National Mutual Holdings changed its name to AXA Asia Pacific Holdings Ltd.

In 1997, AXA merged with Compagnie UAP. This transaction enabled AXA to significantly increase its size and reinforce its strategic positions, especially in Europe.

In 1998, AXA purchased the minority interests of AXA Royale Belge and, in 1999, acquired Guardian Royal Exchange in Great Britain through its subsidiary Sun Life & Provincial Holdings ("SLPH"). The Guardian Royal Exchange acquisition allowed AXA to further establish its positions in both the United Kingdom and Germany.

In 1999, Equitable Companies Incorporated changed its name to AXA Financial, Inc. ("AXA Financial").

In 2000, AXA acquired a majority ownership interest in "Nippon Dantaï Life Insurance Company", resulting in a new company called "AXA Nichidan" (which became in 2001 "AXA Life Insurance Co."). In addition, in July 2000, AXA increased its interest in SLPH from 56.3% to 100%. In August 2000, AXA sold its interest in Donaldson Lufkin & Jenrette to Credit Suisse Group, which was completed in November 2000. In October 2000, Alliance Capital, a subsidiary of AXA Financial, acquired the U.S. asset management company Sanford C. Bernstein. In December 2000, AXA acquired the remaining minority interests in AXA Financial, which is now a 100% owned subsidiary of AXA.

In 2001 and 2002, AXA acquired two financial advisory networks in Australia, Sterling Grace and Ipac Securities, as well as a banking platform in France, Banque Directe. AXA also continued to streamline its portfolio of businesses, selling its health business in Australia and insurance operations in Austria and Hungary, and reorganizing its reinsurance business. In 2002, the Group sold its bank reinsurance business in Chile.

In 2003, AXA sold all its activities in Argentina and Brasil. In September 2003, the Group announced the acquisition of the American group Mony. This operation was subjected to the approval of the shareholders of Mony and to the obtaining of various lawful authorizations.

In 2004, AXA purchased the American group Mony; this operation allowed AXA to reinforce for a total amount of approximately 25% the capacity of distribution of AXA Life activities in the United States. In addition, AXA sold its insurance activities in Uruguay (AXA Seguros Uruguay) thus finalizing its disengagement from South America; it also disposed of its broking activities (Unirobe) and its activity of health insurance in the Netherlands, and finally its activity of loan on real property in Germany (AXA Bausparkasse AG).

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(1) In this annual report
- *the "Company" refers to the holding company AXA, organized under the laws of France,*
- *"AXA" refers to the Company and its direct and indirect subsidiaries*

Corporate Governance

Implementing sound corporate governance principles has been a priority at AXA for many years. Because its stock is publicly traded on the New York Stock Exchange, AXA is subject to the Sarbanes-Oxley Act, which was adopted in the United States in 2002. Accordingly, AXA has made various adjustments necessary to bring the Company into compliance with the Act. AXA has also reviewed its rules of corporate governance in light of the recommendations contained in the Bouton Report and the relevant sections of the French Financial Security Act *(Loi de Sécurité Financière)* of August 1, 2003.

Governance Structure: Management Board and Supervisory Board

A Management Board and a Supervisory Board have governed AXA since 1997. This form of corporate governance, which separates the powers of management from those of supervision, is considered to offer one of the most balanced frameworks for exercising corporate power.

An Executive Committee assists the Management Board in the performance of its duties. In addition, the Supervisory Board has established four special-purpose Committees.

Supervisory Board

The "Supervisory Board" and "Supervisory Board Committees" paragraphs below correspond to the first part of the Supervisory Board Chairman's Report on the conditions under which the Board's work is prepared and organized, which was prepared in accordance with the French Financial Security Act of August 1, 2003. The second part, which concerns internal control procedures, is included at the end of this section on Corporate Governance.

In the discussion below, the paragraphs on the composition of the Supervisory Board and its Committees have been updated, to reflect:
- the re-elections and appointments that will be submitted to a vote of AXA's shareholders on April 20, 2005;
- the positions currently held by each member of the Supervisory Board;
- changes in the membership of the Board's various Committees in 2004 and early 2005.

Role and powers

The Supervisory Board oversees the management of the Company and is accountable to the shareholders. The Supervisory Board appoints and dismisses the Chairman and members of the Management Board and supervises executive management of the Company.

Article 12 of the Company's articles of incorporation and bylaws, and the Supervisory Board's own internal regulations, specify that, in light of its enhanced supervisory power with respect to matters of particular concern to the shareholders, the following transactions or issues require the prior consent of the Supervisory Board:
- the issuance of securities with a direct or indirect claim on the equity capital of the Company;
- proposed stock repurchase programs submitted to a vote of the shareholders assembled in an ordinary meeting;
- financing operations that may have a material impact on the Company's financial position;
- any contemplated business acquisition whose price is more than €500 million;
- agreements to form strategic partnerships;
- the implementation of all stock option plans;
- proposals to amend the Company's bylaws submitted to a vote of the shareholders in an extraordinary meeting;
- appropriations of earnings and dividends for the previous year proposed to shareholders in an ordinary meeting;
- interim and final dividend payment dates.

Operating procedures

The guidelines governing the operation, organization and compensation of the Supervisory Board are contained in its internal regulations.

These regulations require that the Supervisory Board meet at least five times a year.

Its members receive documentation concerning matters to be reviewed prior to each meeting, generally eight days in advance

This documentation always includes information on:
- the Group's operations, as presented in the Management Board's quarterly report, a press review, and a stock price performance report;
- reports on committee meetings that have been held since the last Supervisory Board meeting.

In addition to the agenda, this documentation may also include information on issues pertaining to the Group's operations (e.g. a presentation on a particular operating company's strategy and priorities) or a presentation on a particular subject (e.g. the brand, a transversal project, etc.).

Accordingly, the Group's principal managers may be invited to take part in Board meetings from time to time to present their business area, their objectives and their results.

Training courses and special meetings are organized for members of the Supervisory Board as needed. Certain members of the Supervisory Board have requested and received training in the Group's various business areas and have attended presentations on specific Group companies.

To ensure that their interests and those of the Group are aligned, members of the Supervisory Board are required to own shares in the Company, the value of which must be at least equal to the amount of directors' fees they receive in the course of any given year.

Composition

On December 31, 2004, the Supervisory Board had 14 members, elected by the shareholders. Currently, four members of the Supervisory Board are not French nationals.

At the Company's annual general meeting on April 21, 2004, the shareholders re-elected Claude Bébéar, and also elected Jacques Tabourot to the Supervisory Board as its employee-shareholder representative.

Acting on the recommendation of the Selection and Governance Committee, the Supervisory Board has decided to recommend that the Management Board ask the shareholders to:
- re-elect Anthony Hamilton, Henri Lachmann and Michel Pébereau for an additional term of four years;
- not to re-elect Mr. Jacques Calvet and Bruno Roger;
- not to re-elect Thierry Breton, whose term of office expires at the close of this General Meeting and who resigned from his position on February 28, 2005 after his nomination as French Finance Minister ;
- ratify the Supervisory Board's decision to appoint Léo Apotheker to fill the vacancy left by the death of Alfred von Oppenheim, for the remainder of the late Mr. von Oppenheim's term;
- elect Jacques de Chateauvieux for a term of four years, replacing Jacques Calvet, whose term expires at the close of this meeting;
- elect Ms. Dominique Reiniche for a term of four years, replacing Bruno Roger, whose term expires at the close of this meeting.

If the shareholders decide, at the April 20, 2005 meeting, to elect, re-elect or appoint the aforementioned individuals, the Supervisory Board will be composed of 13 members.

Supervisory Board members are selected on the basis of their acknowledged competence and experience, as well as their ability to work together and become actively involved in the supervision of a company like AXA.

The Board makes a special effort to assess the independence of each Supervisory Board member with respect to the general management duties performed by the Management Board.

Acting on the recommendation of its Selection Committee, the Supervisory Board has assessed the independence of all of its members on the basis of the recommendations contained in the Bouton Report on corporate governance in publicly traded companies and, for the members of the Audit Committee, on the basis of the criteria set forth in the Sarbanes-Oxley Act.

On December 31, 2004, 10 of the 14 Supervisory Board members met the independence criteria based on the recommendations of the Bouton Report: Thierry Breton, Jacques Calvet, David Dautresme, Anthony Hamilton, Henri Hottinguer, Henri Lachmann, Gérard Mestrallet, Alfred von Oppenheim, Bruno Roger and Ezra Suleiman.

If the shareholders ratify the resolutions submitted to them on April 20, 2005, 9 of the 13 Supervisory Board members will meet the Bouton Report's recommended criteria for independence. They are: Dominique Reiniche, Léo Apotheker, Jacques de Chateauvieux, David Dautresme, Anthony Hamilton, Henri Hottinguer, Henri Lachmann, Gérard Mestrallet, and Ezra Suleiman.

The Supervisory Board is taking the measures required to ensure that, by July 2005, all of the members of the Audit Committee will meet the independence criteria set forth in the Sarbanes-Oxley Act.

Composition of the Supervisory Board on December 31, 2004:

Name (and age)	Office presently held	Number of AXA shares held on 12/31/2004	Directors' fees earned in 2005 for 2004 (gross amounts, in euros)	Directors' fees earned in 2004 for 2003 (gross amounts, in euros)
Claude BEBEAR (69)	Chairman of the Supervisory Board	510,306	79,767 48	75,464.53
Jean-René FOURTOU (65)	Vice-Chairman of the Supervisory Board	6,876	74,819.37	82,832.95
Thierry BRETON (1) (50)	Member of the Supervisory Board	3,500	29,612.17	30,363.84
Jacques CALVET (73) (1)	Member of the Supervisory Board	8,665	78,688.26	80,679.63
David DAUTRESME (71) (1)	Member of the Supervisory Board	26,800	54,720.87	58,609.46
Anthony HAMILTON (63) (1)(2)	Member of the Supervisory Board	4,436	35,222 89	34,012.97
Henri HOTTINGUER (70) (1)	Member of the Supervisory Board	61,871	59,190.28	64,714 72
Henri LACHMANN (66) (1)(2)	Member of the Supervisory Board	7,060	29,612.17	30,363.84
Gérard MESTRALLET (56) (1)	Member of the Supervisory Board	2,825	45,494.63	36,469.11
Alfred von OPPENHEIM* (70) (1)	Member of the Supervisory Board	40,000	43,020.40	46,258.58
Michel PEBEREAU (63) (2)	Member of the Supervisory Board	4,200	36,268.38	40,118.23
Bruno ROGER (71) (1)	Member of the Supervisory Board	11,236	36,460.00	37,662.09
Ezra SULEIMAN (63) (1)	Member of the Supervisory Board	632 1,000 AXA ADR	30,657.67	19,400.46
Jacques TABOUROT (59)	Member of the Supervisory Board	16,055	26,465.07	–

(1) Independent.
(2) Shareholders will be asked to consider re-election at the annual general meeting on April 20, 2005
(*) Mr. Alfred von Oppenheim died in January 2005.

In addition, the following individuals are expected to be elected at this annual general meeting (April 20, 2005):
- Dominique Reiniche (49): President, European Group of Coca-Cola Enterprises; First Vice-President, Union of European Soft Drinks Associations (UNESDA) ; Member of the Executive Committee of MEDEF; Chairman, Union des Annonceurs (UDA) ; Member of the board, ECR Europe; Member of the Advisory Board, ING Direct.
- Léo Apotheker (51): President, Global Field Operations of SAP AG ; Member of the Executive Board, SAP AG, SAP

Present principal occupation or employment	First appointment / term of office
Chairman and CEO of FINAXA; Director or member of the Supervisory Board of AXA Financial (United States), BNP Paribas, Vivendi Universal and Mutuelles AXA; Non-voting member of the board of Schneider Electric.	June 1988/ May 2008
Chairman and CEO of Vivendi Universal; Chairman of the Supervisory Board of Groupe Canal+; Director of Sanofi-Aventis and Cap Gemini.	April 1990/ April 2007
Chairman and CEO of France Telecom; Chairman of the Board of Directors of TSA and Orange; Director or member of the Supervisory Board of Thomson, Schneider Electric and Dexia (Belgium).	May 2001/ April 2005
Chairman of the Supervisory Committee of Bazar de l'Hôtel de Ville (BHV); Vice-Chairman of the Supervisory Board of Galeries Lafayette; Director or member of the Supervisory Board of Novarte, Société Générale and Société Foncière Lyonnaise; Non-voting member of the board of EPI, Cottin Frères and Enjoy.	January 1997/ April 2005
Senior Advisor, Lazard Frères; Managing partner of DD Finance; Chairman of the Supervisory Board of Club Méditerranée; Director or member of the Supervisory Board of Casino and Fimalac; Non-voting member of the board of Groupe Go Sport, Lazard Frères Banque and Eurazeo.	April 1990/ April 2007
Non-executive Chairman of AXA UK Plc (United Kingdom) and AXA Equity and Law (United Kingdom); Director or member of the Supervisory Board of AXA Financial (United States); Pinault-Printemps-Redoute, Swiss Re Capital Markets Limited (United Kingdom), Binley Limited (United Kingdom) and Tawa UK Limited (United Kingdom).	January 1996/ April 2005
Chairman and CEO of Sofibus; Chairman of the Supervisory Board of Emba NV (The Netherlands); Vice-Chairman of Gaspee (Switzerland); Senior Chief Officer and Director of Financière Hottinguer, Intercom and Profinor; Chief Officer of the Board of Director of Hottinguer Finanz & Treuhand (Switzerland); FINAXA, AXA France IARD and AXA France Vie; Non-voting member of the board of Didot Bottin.	June 1988/ April 2007
Chairman and CEO of Schneider Electric; Vice-Chairman of the Board of Directors of Mutuelles AXA; Director or member of the Supervisory Board of FINAXA, Vivendi Universal and Groupe Norbert Dentressangle; Non-voting member of the board of Fimalac.	May 1996/ April 2005
Chairman and CEO of Suez; Chairman of Suez Environnement, Suez-Tractebel (Belgium) and Electrabel (Belgium); Vice-Chairman of Sociedad General de Aguas de Barcelona (Spain) and Hisusa (Spain); Director or member of the Supervisory Board of Crédit Agricole S.A., Compagnie de Saint-Gobain, Taittinger and Pargesa Holding S.A (Switzerland).	January 1997/ April 2007
–	January 1997/ April 2007
Chairman of the Board of Directors of BNP Paribas; Director or member of the Supervisory Board of Saint Gobain, Total, Lafarge, BNP Paribas UK (United Kingdom) and Banque Marocaine pour le Commerce et l'Industrie (BMCI); Non-voting member of the board of Galeries Lafayette.	January 1997/ April 2005
Chairman of Lazard Frères (SAS); Director or member of the Supervisory Board of Compagnie de Saint Gobain, Pinault Printemps Redoute and Cap Gemini Ernst & Young; Non-voting member of the board of Eurazeo.	January 1997/ April 2005
Professor of Politics and Chair of the Committee for European Studies, Princeton University (United States); Associate Professor, Institut d'Etudes Politiques (Paris); Member of the Management Committee of Institut Montaigne, Centre Américain, Institut d'Etudes Politiques (Paris); Member of the Editorial Committee of Comparative Politics, La Revue des Deux Mondes and Politique Internationale.	April 2003/ April 2007
Lecturer in accounting and financial analysis, Bank and Finance program, Université Panthéon-Assas Paris II.	April 2004/ April 2008

America, Inc. (United States), SAP Global Marketing, Inc. (United States), SAP Asia Pte. Ltd. (Singapore), SAP JAPAN Co. Ltd. (Japan), SAP FRANCE S.A., S.A.P. ITALIA Sistemi, applicazioni, prodotti in data processing s.p.a., (Italy), SAP Hellas Systems Application and Data Processing S.A. (Greece), SAP (Beijing) Software System Co. Ltd. (China), Enigma Inc. (United States).

– Jacques de Chateauvieux (54): Chairman and CEO, Groupe Bourbon, Sapmer, JACCAR, Vindemia and Happy World Foods, Ltd.

Self-review

The Supervisory Board understands the importance of self-review.

In addition to the ongoing dialogue between members concerning Supervisory Board operations, the Supervisory Board conducted its first annual self-review in late 2002. This process involves individual interviews and a specially devised questionnaire.

An analysis by the Supervisory Board of the results of the first self-review highlighted the quality of the dialogue and debate between Supervisory Board members, the Group's executive officers and the Management Board The efficiency of Supervisory Board and committee meetings also emerged as a strong point. Areas for improvement were also noted, and these were addressed in 2003 and 2004. In particular, it was felt that the Supervisory Board needed to broaden its profile in terms of member nationality and recruit younger members.

In early 2005, the Supervisory Board once again conducted a self-review, asking its members to complete a questionnaire on the following subjects:

- the Board's relationship with the Chairman of the Management Board and Group Management;
- the organization and operation of the Board, and of its Financial, Audit, Selection and Governance, and Compensation Committees (in terms of the quality of the information received, discussion and issues covered);
- the Supervisory Board's internal regulations;
- the process and level of Board compensation.

Activity

In 2004, the Supervisory Board met 7 times, of which one meeting was an entire day devoted to examination of the Group strategy, and the overall attendance rate was 89%.

In 2004, the Board's work focused mainly on the following issues:

- proposed changes to the Board's internal regulations, the composition of its committees, and a review of each director's independence,
- the various options for closing the Company's 2003 financial statements, followed in a separate meeting by a review of the 2003 financial statements and performance of both the Group and AXA; review of the interim financial statements for 2004 and examination of reports on them submitted by the Audit Committee and the independent auditors;
- draft management reports and draft resolutions to be presented to the shareholders at their annual meeting;
- Group strategy for the next three years;
- the strategy of selected Group subsidiaries, particularly AXA France, AXA Financial, AXA in United Kingdom and AXA Investment Managers;
- the preparation of the Compliance Guide for AXA Group employees;
- the status of Group transversal projects being implemented and its cost reduction program;
- Group business and operations, via the Management Board's quarterly presentation to the Supervisory Board,
- work carried out by the Board's four special-purpose committees, whose activities are discussed below, summarized by their respective Chairmen in reports submitted to the Board. The findings of these reports were discussed in meetings.

Supervisory Board Committees

In 1990, special-purpose ad hoc committees were established to help implement the principles of corporate governance at AXA.

In January 1997, when the Company's current form of corporate governance was adopted (governance by a Management Board and a Supervisory Board), the Supervisory Board formally established four special-purpose Committees, whose chairmen and members it appoints and whose role and tasks it specifies.

The Board thus benefits from the work of the Audit, Finance, Compensation and Selection and Governance Committees.

Each Committee issues opinions, proposals and recommendations and is empowered to undertake or commission studies on subjects to be presented to the Supervisory Board. Each Committee may invite outside participants to attend its meetings.

Committee chairmen report on completed committee work at the next scheduled Supervisory Board meeting.

The role, organization and operating procedures of each Committee are set forth in the Supervisory Board's internal regulations

Audit Committee

On December 31, 2004, the Audit Committee had five members, all of whom would be considered independent according to the criteria contained in the Bouton report. They were: Jacques Calvet (Chairman), Thierry Breton, David Dautresme, Gérard Mestrallet and Alfred von Oppenheim.

On February 23, 2005, Henri Lachmann and Ezra Suleiman were appointed to the Audit Committee. Alfred von Oppenheim died in January 2005, and Thierry Breton has left the Committee after his resignation on February 28, 2005. At the end of the General Meeting of April 20, 2005, all of the members of the Audit Committee will be considered independent under both the Sarbanes-Oxley Act and the Bouton Report.

At its meeting on April 20, 2005, the Supervisory Board is expected to appoint David Dautresme Chairman of the Audit Committee, replacing Jacques Calvet, whose term of office is set to expire without re-election.

The Audit Committee met 6 times in 2004. The overall attendance rate was 62%.

Under the rules of procedure *("règlement intérieur")* of the Supervisory Board and the Charter of the Audit Committee approved by the Supervisory Board, the Committees missions are as follows:

- to review the Company's interim and annual financial statements before they are presented to the Supervisory Board, and examine financial disclosures released by the Company at the end of each reporting period,
- to control the appointment of the Company's independent auditors, and review audit programs, findings and recommendations, as well as any actions taken in light of these recommendations; the Committee works with the Management Board and Group Internal Audit to review the Internal Audit Guidelines (for subsidiaries) and the structure of internal audit operations; it assesses the independence of independent auditors by examining their relationships with the AXA Group and, in particular, by verifying the completeness of invoices submitted for audit work; it supervises the subject and performance of outside audits when the assignment does not pertain to financial statement audits (in particular support for the implementation of new accountings standards); it reviews the appointment and replacement of independent auditors for Group subsidiaries; and the Audit Committee also may be asked by the Management Board or the independent auditors to examine matters or events that expose the AXA Group to a significant risk,
- to review the accounting rules in force at AXA, and review any proposed changes in method, policy or principle,
- to review the program and aims of AXA's Internal Audit Department, as well any findings or reports issued by this Department or by outside audit firms. It may commission internal or external audits as needed and monitors the execution of internal controls,
- to notify Company management and, if it deems necessary, the shareholders, of any issue likely to have a material impact on the Group's net worth or financial condition,
- to consider any matter it deems necessary, and report the findings to the Supervisory Board.

In 2004, the principal matters handled by the Audit Committee included:

- examination of accounts closing options adopted in 2003;
- examination of annual and interim financial statements;
- development of a Group internal audit plan;
- approval of the Group Audit Guidelines;
- analysis of local internal audit plans;
- analysis of independent auditors' action plans;
- re-appointment of independent auditors;
- monitoring of Group risks and principal litigations;
- monitoring of Group internal audit recommendations;
- implications of the French NRE (new economic regulations) Act and the Sarbanes-Oxley Act for the Group's operations and measures taken (in particular, the working group timetable devised to ensure compliance with Section 404 of the Sarbanes-Oxley Act);
- implications of IFRS for Group financial statements; and
- examination of accounts closing options adopted in 2004.

Finance Committee

The Finance Committee had six members on December 31, 2004: Claude Bébéar (Chairman), Thierry Breton, Jacques Calvet, Henri Lachmann, Alfred von Oppenheim and Michel Pébereau. Four of its members met the independence criteria.

Thierry Breton left the Committee after having resigned from the Supervisory Board on February 28, 2005.

On February 23, 2005, Jacques Tabourot became a member of the Finance Committee.

The Committee met three times in 2004. The global attendance rate was 67%.

The Finance Committee:
- examines plans to sell real-estate or equity interests whose appraised value exceeds the authorizations granted to the Management Board by the Supervisory Board;
- reviews all material financial transactions involving AXA that are put forth by the Management Board;
- reviews the broad outlines governing AXA's asset management policy and, more generally, issues that pertain to AXA's investment management policy.

In 2004, the principal matters handled by the Finance Committee included:
- AXA's financial structure;
- AXA's asset management strategy;
- monitoring and assessment of acquisition and disposal plans;
- the principal findings of AXA's Economic Capital analysis;
- management of foreign exchange and interest risk hedging policy;
- implications of new European regulation on stock repurchase;
- examination of the financial resolutions proposed to the shareholders;
- the recommended dividend.

Selection and Governance Committee

The Selection and Governance Committee had five members on December 31, 2004: Jean-René Fourtou (Chairman), Gérard Mestrallet, Michel Pébereau and Bruno Roger and Ezra Suleiman. Three of its members met the independence criteria on that date

The Committee met twice in 2004. The global attendance rate was 100%.
The Selection Committee:
- formulates recommendations to the Supervisory Board on appointments to the Supervisory Board or the Management Board, including their respective chairmen and vice-chairmen, as well as on all appointments to the Supervisory Board's special-purpose committees, including their respective chairmen;
- is notified of the appointments of AXA's principal executive officers, in particular members of the Executive Committee.

In 2004 and early 2005, the Committee reviewed the qualifications of the Supervisory Board candidates (Dominique Reiniche, Léo Apotheker and Jacques de Chateauvieux) whose election or appointment will be put to a vote of the shareholders on April 20, 2005.

The Committee also examined the impact of the changes in Supervisory Board composition on the composition of its four special-purpose committees.

In addition, the Committee assessed the independence of the candidates for seats on the Supervisory Board as well as its current members.

The Selection and Governance Committee called on the services of an outside consulting firm to assist it in the search for new Supervisory Board members based on certain pre-defined criteria such as age, nationality, gender, cultural background and experience.

Compensation Committee

The Compensation Committee had four members on December 31, 2004: Henri Hottinguer (Chairman), David Dautresme, Jean-René Fourtou and Anthony Hamilton. Three of its members on that date met the Bouton independence criteria.

On February 23, 2005, Gérard Mestrallet became member of this Committee.

The Committee met 5 times in 2004. The global attendance rate was 85%.

The Compensation Committee:
- makes recommendations to the Supervisory Board on compensation levels for Management Board members, on the amount of directors' fees to be submitted to a vote of the shareholders, and on proposed stock options grants to members of the Management Board;
- issues an opinion on Management Board recommendations related to the policies and procedures governing executive pay and the Company's proposed stock option grants to employees; and
- is informed by the Management Board of compensation levels set by the boards of AXA Group subsidiaries.

In 2004, the principal matters handled by the Compensation Committee included:
- compensation paid to members of the Management Board and the Executive Committee;
- the total number of stock options to be granted to employees of the AXA Group, the allotment of stock options to members of the Management Board, and information on the stock options granted to employees by each operating unit;
- projected changes in the supplementary pension plan for French executives; and
- compensation and benefits policy for AXA Group executives

For its work on executive compensation, the Compensation Committee used the findings of comparative studies conducted by a specialized outside consulting firm.

Management Board

The Management Board is the Company's collegial decision-making body.

The Management Board holds weekly meetings to discuss Group strategy and operations.

It operates in accordance with a set of internal regulations.

Acting on the recommendation of its Selection Committee, the Supervisory Board voted on January 15, 2003 to reappoint the members of the Management Board to a second three-year term of office when their terms expired on January 19, 2003. The current term of office will come up for renewal in January 2006.

Current members of the Management Board:

- Henri de Castries (50), Chairman.
- Claude Brunet (47), Transversal Operations and Projects, Human Resources, Brand and Communications.
- Christopher Condron (57), Insurance in the United States and Alliance Capital.
- Denis Duverne (51), Finance, Control and Strategy.
- François Pierson (57), Insurance in France, Large Risks, Assistance and AXA Canada.

Each Management Board member is assigned responsibility for a specific aspect of Company management.

Members of the Management Board devote their time exclusively to the management of the Group.

Executive Committee

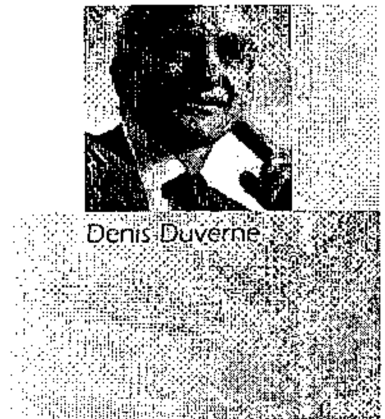
The Executive Committee's principal mission is to review and execute AXA's strategy.

The Committee's composition reflects the structure of the AXA Group. It includes, mainly, members of the Management Board and the CEOs of the Group's principal business units.

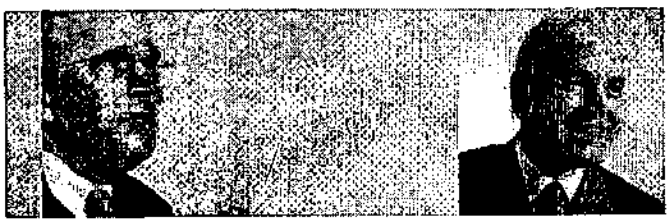
The 15 members of the Group's Executive Committee, including 8 non French, conduct quarterly business reviews (QBR), during which performance is reviewed. These reviews were introduced in 2000 to provide a clear and consistent framework for:

- reviewing operational performance and monitoring the progress of key projects using quantifiable standards of measurement defined in collaboration with the Management Board;
- assessing the status of transversal projects;
- exchanging ideas and information on key strategic orientations.

François Pierson — Stanley Tulin — Hans Peter Gerhardt*



Denis Duverne



Claus-Michael Dill — Claude Brunet

Dennis Holt — Nicolas Moreau

Executive Committee

François Pierson
Member of the Management Board, Chief Executive Officer of AXA France, Head of Large Risks, Assistance and AXA Canada (Canada)

Stanley Tulin
Vice Chairman and Chief Financial Officer of AXA Financial (United States)

Denis Duverne
Member of the Management Board in charge of Finance Control and Strategy

Claus-Michael Dill
Chairman of the Management Board of AXA Konzern AG (Germany)

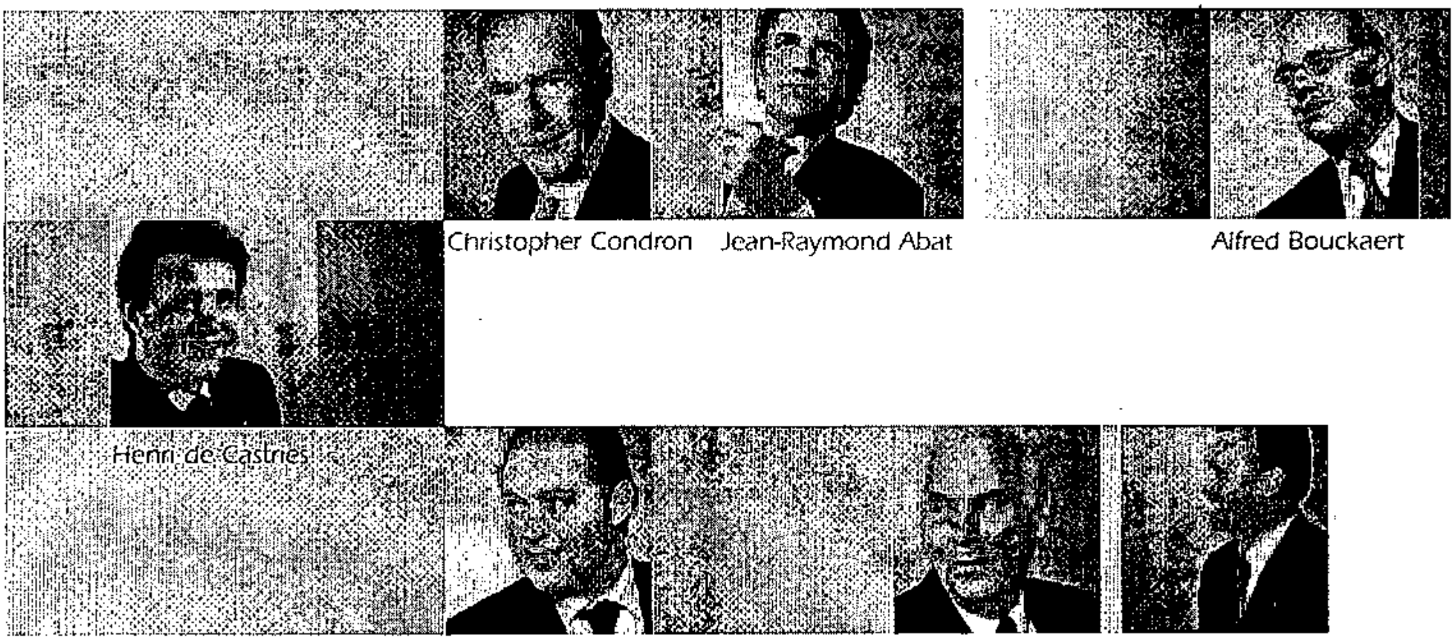
Claude Brunet
Member of the Management Board in charge of Transversal Operations and Projects, Human Resources, Communications and Brand

Hans Peter Gerhardt*
Chief Executive Officer of AXA RE

Dennis Holt
Chief Executive Officer of AXA UK (United Kingdom)

Nicolas Moreau
Chief Executive Officer of AXA Investment Managers

(*) Hans Peter Gerhardt was appointed as Member of the Executive Committee in March 2005



Philippe Donnet Gerald Lieberman Les Owen

Christopher Condron
Member of the Management Board, President and Chief Executive Officer of AXA Financial (United States).

Jean-Raymond Abat
Chairman of AXA Seguros (Spain) and head of the Mediterranean region.

Alfred Bouckaert
Chief Executive Officer of AXA Belgium (Belgium)

Henri de Castries
Chairman of the Management Board.

Philippe Donnet
Chief Executive Officer of AXA Japan (Japan), President of the Board of Directors of AXA RE.

Gerald Lieberman
President and Chief Operating Officer of Alliance Capital (United States).

Les Owen
Group Chief Executive of AXA Asia Pacific Holdings (Australia), Head of the Asia Pacific region (excluding Japan).

Business Units and Subsidiaries

Business Units

AXA has 10 business units, whose CEOs report directly to the Management Board and its Chairman.

They are listed below:

Name	Business unit
Jean-Raymond Abat	Mediterranean Area
Alfred Bouckaert	Benelux
Christopher Condron	United States
Claus-Michael Dill	Germany and Eastern Europe
Philippe Donnet	Japan
Hans Peter Gerhardt	Reinsurance
Dennis Holt	United Kingdom and Ireland
Nicolas Moreau	AXA Investment Managers
Les Owen	Asia-Pacific (excluding Japan)
François Pierson	France and Assistance, Large Risks, Canada

Subsidiaries

Implementing the principles of corporate governance is a priority at AXA.

Consequently, all of AXA's principal subsidiaries, whether publicly traded or not, are governed:
- by a board whose membership includes independent or non-executive directors;
- by an audit committee, whose membership also includes independent or non-executive directors.

Full Disclosure on Executive Compensation

Executive Remuneration and Incentives

The general principles of AXA's executive compensation policy have been reviewed and approved by the Compensation Committee of the AXA Supervisory Board. This policy applies to all executive officers of the Company and is adapted to local regulations and practices under the supervision of the Boards of Directors and compensation committees of the Company's subsidiaries. The effective application of these principles is regularly reviewed by the Compensation Committee of the Supervisory Board.

Executive compensation includes a fixed and a variable component. The fixed component is targeted to fall within the lower quartile of the market. The variable component is tied to AXA's global performance, local performance, and the attainment of the executive's individual objectives, weighted to reflect his or her level of responsibility. The variable portion is designed to represent the principal component of the executive's annual global compensation such that, in the case of successful attainment of the objectives, the compensation levels of AXA executives will be in the top two quartiles of the going market rate.

The remuneration of Management Board members is fixed by the Supervisory Board, based on the Remuneration Committee's recommendation.

The fixed remuneration of the Chairman of the Management Board (€500,000) has not changed since he was appointed in May 2000.
The variable component of his pay is calculated on the basis of a predefined target amount (€2,000,000) and includes three components :
- Group performance, as measured by adjusted earnings per share and underlying earnings;
- AXA stock performance, measured in comparison to that of its competitors;
- Individual performance, which is evaluated by the Compensation Committee on the basis of the specific objectives set at the beginning of the year

The amounts awarded to the Chairman of the Management Board as variable compensation demonstrate the genuine variability of this pay component:
- Variable compensation for the year 2000 paid in 2001. €1,381,373.
- Variable compensation for the year 2001 paid in 2002. €719,967.
- Variable compensation for the year 2002 paid in 2003: €1,419,277.
- Variable compensation for the year 2003 paid in 2004: €1,824,728.
- Variable compensation for the year 2004 paid in 2005: €2,298,157.

For other members of the Management Board, four factors are taken into consideration:

- Group performance (adjusted earnings per share and underlying earnings);
- AXA stock price performance compared with its competitors;
- performance of the business unit or functional area of responsibility, measured against objectives set at the beginning of the year;
- individual performance, evaluated on the basis of specific objectives set at the beginning of the year.

For the first time in several years, variable compensation paid in respect of 2004 was higher than the target amount.

For the other members of the Executive Committee, the variable component of pay also depends on Group performance, the performance of their business unit, and their individual performance.

When target variable compensation levels are set (pay for actual performance), the portion tied to Group performance is greater for members of the Management Board than for other members of the Executive Committee (whose variable compensation is generally linked to the results of their respective business units). Performance hurdles (floors and ceilings) are set to ensure the genuine variability of compensation.

The table below provides the following information:

- gross compensation paid in respect of 2004 (e), i.e. the fixed component paid 2004 (a), the variable component earned in 2004 and paid in 2005 (including expatriation allowances paid in 2004) (b), any directors' fees paid in 2004 (c) and benefits in kind for the year 2004 (d);
- gross compensation paid in 2004 (g), i.e. the fixed paid in 2004 (a), the variable component earned in 2003 and paid in 2004 (including expatriation allowances paid in 2004) (f), any directors' fees paid in 2004 (c) and benefits in kind for the year 2004 (d);
- and gross compensation paid in 2003, i.e. fixed compensation paid in 2003, the variable component earned in 2002 and paid in 2003 (including expatriation allowances paid in 2003), any directors' fees paid in 2003 and benefits in kind for the year 2003.

This table also enables comparisons between compensation earned in respect of 2004 and that paid in 2003 and 2004.

	Fixed component for 2004 paid in 2004 (a)	Variable component in 2004 (€) (b)	Director's fees paid in 2004 (€) (c)	Benefit in kind 2004 (€) (d)	Total compensation paid in respect of 2004 (€) (e) = (a)+(b)+(c)+(d)	Variable component paid in 2004 (€) (f)	Total compensation paid in 2004 (€) (g) = (a)+(f)+(c)+(d)	Variable component paid in 2003 (€)	Total compensation paid in 2003 (€)
Members of the Management Board									
H. de Castries (France)	500.000	2,298.157	208,758	4,150	3,011,065	1.824,726	2,537,636	1,419,277	2,099,396
C Brunet (France)	320,000	833.066	97,861	4,150	1.255,077	764,139	1,186,150	498,695	875,920
D Duverne (France)	350,000	979,162	56,495	4,150	1.389,807	832,998	1,243.643	539,015	903,407
C Condron (United States)[1]	804,000	3,638,100	-	119.357	4,561,457	4,020,000	4,943.357	3.359,200	4,539,283
F Pierson (France)	375,000	1,144,339	57,115	13,781	1,590,235	814.878	1,260,774	746.856	1,299.664
Members of the Executive Committee									
J.R. Abat (Spain)[2]	200,000	458,861	28 571	34,436	721,868	428,200	691,207	302,385	540,832
A Bouckaert (Belgium)	450.000	526,860	130,359	1,875	1,109,094	444,669	1,026,903	293,776	873,904
C.M Dill (Germany)	550.000	818,943	-	13,210	1,382,153	977,630	1.540,840	650,992	1,132,749
P. Donnet (Japan)[3]	299.840	1,046.326	5,716	405,123	1,757,005	598,666	1,309,345	393,022	895,095
D. Holt (United Kingdom)	589,600	774,310	-	27,726	1,391,636	657,994	1,275.320	570,938	1,169,692
G Lieberman (United States)[4]	160,800	1,955,137	-	101.721	2,217,658	1,955,137	2,217.658	981.604	1,165.204
N Moreau (France)	284,120	1,005,174	104,168	3,053	1,396,515	833.677	1,225,018	500.380	883,496
L. Owen (Australia)[5]	710,140	930,624	-	227,980	1,869.004	888,000	1,826,380	657,981	1,591,211
S. Tulin (United States)	603,000	2,685,360	-	124,287	3,412,647	3,015,000	3,742,287	2,519,400	3,278,214
TOTAL	**6,196,760**	**19,094,419**	**689,043**	**1,084,999**	**27,065,221**	**18,055,716**	**26,026,518**	**13,433,431**	**21,428,064**

(1) C. Condron opted for the deferred payment of 25% of the fixed and variable components of his compensation. The amounts indicated reflect the full amount of this compensation.

(2) Compensation and benefits paid to J.R. Abat include benefits paid in respect of his expatriate status in Spain

(3) Compensation and benefits paid to P. Donnet include benefits paid in respect of his expatriate status in Japan

(4) G. Lieberman was appointed to the AXA Executive Committee on December 31, 2004, replacing B. Calvert, who resigned from Alliance Capital on December 31, 2004 and is now advisor to the CEO of Alliance Capital

(5) Compensation and benefits paid to L. Owen include benefits paid in respect of his expatriate status in Australia

Substantial differences in the tax systems to which AXA's executive officers are subject make meaningful comparisons of the compensation and benefits they earn difficult. For information, the relevant marginal tax rates are as follows: Germany: 44.3% (excluding the Church Tax); Australia: 47%; Belgium: 53.50%; the United States. 42.7% and 38.07% (respectively, for New York and Philadelphia); Spain: 45%; France: 58.09%, including an additional 10% for social taxes; the United Kingdom: 40%.

Share Ownership of Members of the Management Board

	Number of shares owned as of December 31, 2004 (excluding AXA Actionnariat mutual funds and other shareholding mutual funds)		
	AXA shares	AXA ADR	Finaxa shares
Henri de Castries (Chairman)	77,000	–	64,107
Claude Brunet	1,408	–	–
Christopher Condron (United States)	–	379,110	–
Denis Duverne	26,604	–	–
François Pierson	8,500	–	–

On March 30, 2004 and on December 28, 2004, Messrs Henri de Castries, Claude Bébéar, Denis Duverne and other AXA shareholders entered into two agreements providing for an engagement to hold their AXA shares for a period of 6 years in order to take advantage of the favorable wealth tax regime provided by the "Dutreil" Act of August 1, 2003. The first agreement related to 20.35% of the capital and 32.15% of the voting rights of AXA and the second one related to 20.52% and 32.49%.

Directors' fees paid to Supervisory Board Members

The members of the Supervisory Board do not receive remuneration, with the exception of a fee for attending meetings. The amount of directors' fees paid to AXA's Supervisory Board members is indicated in the table above on Supervisory Board members.

The amount of directors' fees to be paid is determined by the shareholders, in accordance with the Company's articles of incorporation and bylaws, and apportioned by the Supervisory Board to its members for their Board and Committee duties as follows:

- half of the amount of directors' fees is distributed evenly among the members of the Supervisory Board as the fixed component;
- a portion of the remainder is distributed among the members of the Supervisory Board in proportion to their actual attendance at the meetings of the Supervisory Board;
- the remainder is allocated by the Supervisory Board to the various specialized Committees and distributed among their members in proportion to their actual attendance at Committee meetings.

Due to the importance of their role, members of the Audit Committee receive a higher proportion of directors' fees.

In 2004, based on 2003 membership and attendance, the Company paid a gross amount of 660,000 euros (617,109.84 euros net) in directors' fees to the 14 members of the Supervisory Board.

In consideration for the increase in the amount of work accomplished by the Supervisory Board and its special-purpose committees, the shareholders are being asked to increase the total annual amount of directors' fees allocated to the Supervisory Board to €1 million.

The current gross amount of 660,000 euros was approved by the shareholders at their annual meeting in May 1999.

Stock options

For many years, AXA has promoted a stock option program, for its directors, officers and employees in France and abroad, aimed at rewarding their performance and aligning their interests with those of the Group by linking them to AXA's stock performance over the long term.

Within the global cap approved by the shareholders, the Supervisory Board approves to all stock option programs prior to their implementation.

To date, AXA has opted to grant subscription options, with the exception of options granted by AXA Financial to certain of its employees, which are purchase options on ADRs.

Stock options are valid for a period of 10 years. They are granted at fair market value, with no discount, and become exercisable upon vesting, generally in thirds between 2 and 4 years following the grant date.

Annual grants are generally made during the first quarter of the year. In 2004, grants were made on March 26, 2004 and the strike price was determined based on the 20 trading days before the attribution

In the United States, options may be granted during the year to newly-hired or newly-promoted employees or when the performance measures that give rise to option grants are available after the first quarter of the year.

The pool of options allocated to each business unit is essentially determined on the basis of their contribution to Group performance the previous year

Individual option grants are determined on the basis of the following criteria:
- importance of the job ⇨ role
- importance of the individual in the job ⇨ retention
- importance of the individual in the future ⇨ potential
- quality of the individual contribution ⇨ performance

Individual option grants are approved by the Management Board, with the exception of grants to members of the Management Board, which are approved by the Supervisory Board (acting on the recommendation of its Compensation Committee).

In 2004, AXA stock option grants were as follows:
- 10,260,484 subscription options at a price of €17.68 granted to 2,189 employees outside the United States, representing 0.54% of the share capital,
- 6,672,473 purchase options granted by AXA Financial at an average price of $20.64 to 1,742 employees in the United States, representing 0.35% of the share capital.

On December 31, 2004, 3,671 AXA employees outside the United States and 6,341 employees in the United States[1] had been granted stock options.

59,838,286 AXA subscription options and 43,935,080 ADR purchase options, together representing 5.4% of the share capital, were outstanding on December 31, 2004.

STOCK OPTIONS GRANTED TO EXECUTIVE COMMITTEE MEMBERS
(options granted but not exercised on December 31, 2004)

BENEFICIARIES	AXA	AXA ADR (a)	FINAXA
Members of the Management Board			
H. de CASTRIES (Chairman)	4,865,600	286,219	111,264
C. BRUNET	831,723	-	-
C. CONDRON (United States)	-	2,905,746	-
D. DUVERNE	1,683,656	159,011	-
F. PIERSON	1,606,280	-	-
Members of the Executive Committee			
J.R. ABAT (Spain)	454,575	-	-
A. BOUCKAERT (Belgium)	679,569	-	-
C.M. DILL (Germany)	576,771	-	-
P. DONNET (Japan)	555,770	-	-
D. HOLT (United Kingdom)	498,973	-	-
G. LIEBERMAN (United States) (b)	-	-	-
N. MOREAU (c)	422,008	-	-
L. OWEN (d) (Australia)	479,140	-	-
S. TULIN (United States)	131,960	2,577,354	-

(a) As part of AXA's buyout of minority interests in AXA Financial, the outstanding options on AXA Financial ordinary shares were converted into AXA American Depository Shares (ADR) on January 2, 2001.
(b) Also owns 80,000 shares of stock in Alliance Capital.
(c) Also owns 7,562 shares of stock in AXA Investment Managers, an unlisted company.
(d) Also owns 4,200,000 shares of stock in AXA Asia Pacific Holdings, an unlisted company in Australia.

(1) In light of an AXA Financial all-employee stock option program in 2001.

Adjustments in the number of AXA, AXA ADR and Finaxa options were made in light of the following transactions: new issuance of ordinary shares by AXA to finance MONY acquisition and new issue of ordinary shares by Finaxa with preferential subscription rights.

STOCK OPTIONS GRANTED AND EXERCISED BY DIRECTORS, OFFICERS AND EMPLOYEES IN 2004

	AXA STOCK OPTIONS					AXA ADR				
	OPTIONS GRANTED			OPTIONS EXERCISED		OPTIONS GRANTED			OPTIONS EXERCISED	
Beneficiaries	Number	Exercise date	Price after adjustements (€)	Number	Price	Number	Exercise date	Price (USD)	Number	Price
Management Board members										
H. de CASTRIES (Chairman)	850,000	03/26/2014	17.68	–	–	–	–	–	–	–
C. BRUNET	233,750	03/26/2014	17.68	–	–	–	–	–	–	–
C. CONDRON (United States)	–	–	–	–	–	622,442	03/26/2014	20.59	145,057	12.51
									145,057	12.58
D. DUVERNE	331,500	03/26/2014	17.68	–	–	–	–	–	–	–
F. PIERSON	382,500	03/26/2014	17.68	–	–	–	–	–	–	–

STOCK OPTIONS GRANTED OR EXERCISED BY THE TOP 10 BENEFICIARIES (OUTSIDE THE MANAGEMENT BOARD) DURING 2004

	Number of options granted or exercised	Weighted average price
Stock options granted	1,316,044	17.37 euros
Stock options exercised	389,154	10.09 euros

Performance Units

In 2004, the stock options program was partially replaced by a performance unit program.

Performance units are intended to:

- Reward and retain top talent by linking beneficiary compensation to the intrinsic performance of the AXA Group and the local business unit, as well as to AXA stock price performance over the medium term (3 to 5 years).
- Reduce the shareholder's dilution by granting smaller volumes of share options.

The grant criteria for performance units are the same as for stock options.

Performance units work as follows:

- Each beneficiary is initially granted a certain number of performance units, which will be used to calculate the final number of performance units earned after a three-year period, provided that the beneficiary is still an employee of the AXA Group.
- During each of the three years, a fraction representing one-third of the total performance units initially granted is subject to adjustments based on criteria measuring the performance of the AXA Group and that of the beneficiary's local business unit, based on pre-determined targets.
- The extent to which performance targets are met determines the number of performance units actually granted to the beneficiary, which may vary between 0% and 130% of the number of performance units at stake each year.
- At the end of the three-year period, performance units actually granted each year become definitively earned by the beneficiary, provided that the beneficiary is still en employee of the Group.
- The value of each performance unit corresponds to the average opening price of the AXA share during the 20 trading days preceding the end of the three-year period.

- The total amount corresponding to the value of all performance units definitely earned by a beneficiary is paid as cash compensation.

If the number of performance units definitely earned is equal to or greater than 1,000, the beneficiary receives 70% of the total value so that social contributions and income tax based on 100% can be paid. In order to develop employee stock ownership and align the interests of employees and shareholders, the remaining 30% is reinvested in AXA stock for an additional minimum 2-year lock-in period.

The amounts corresponding to performance units are charged to expenses each year under the variable accounting method, but do not create any dilution for shareholders since no new shares are issued.

Under the first performance unit plan dated March 26, 2004, 1,017,012 performance units were granted to 2,554 employees.

On March 26, 2005, 339,004 performance units will actually be granted based on the 2004 performance of the AXA Group and of the local business units of the beneficiaries.

These units will become definitively acquired only if the beneficiaries are still employees of the AXA Group at the end of the three-year period (i.e. on March 26, 2007).

Performance unit grants to the members of the Management Board are indicated in the table below.

	Initial grant		Actual grant based on performance criteria						Definitive acquisition	
			Financial Year 2004		Financial Year 2005		Financial Year 2006			
	No. units	Date initially granted	Units at stake	Units actually granted	Units at stack	Units actually granted	Units at stake	Units actually acquired	No. units définitive	Date acquired
H. de Castries	60,000	03/26/2004	20,000	–	20.000	–	20,000	–	–	03/26/2007
C. Brunet	16,500	03/26/2004	5,500	–	5.500	–	5,500	–	–	03/26/2007
C. Condron	74,321	03/26/2004	24,774	–	24.774	–	24,773	–	–	03/26/2007
D. Duverne	23.400	03/26/2004	7,800	–	7.800	–	7,800	–	–	03/26/2007
F. Pierson	27.000	03/26/2004	9.000	–	9,000	–	9,000	–	–	03/26/2007

Internal Control Procedures

Control Environment

AXA's core Financial Protection business is about helping people manage financial risk and wealth. Making effective risk management solutions available to clients presupposes AXA's ability to effectively control its own risks. Implementing and monitoring stringent internal control policies and procedures throughout the Group is critical to AXA's daily operations and long-term survival.

AXA has a dual corporate governance structure that establishes and maintains a clear separation of power between management (Management Board) and supervision (Supervisory Board). AXA's operations are organized into ten business units (BUs) whose chief executive officers report directly to the Management Board and its Chairman. The CEOs of each business unit, as well as members of the Management Board, serve mainly on the Executive Committee. This Committee meets four times a year to review Company performance during its Quarterly Business Review (QBR), a process that was formally established in 2000.

AXA promotes the establishment of a disciplined internal control environment throughout the Group, ensuring in particular that:

- Group strategy, operational objectives, reporting lines with subsidiaries and accountability for executing objectives are clear,
- the organizational structures in place are effective. AXA's principal subsidiaries, whether traded on a public stock market or not, have appointed independent (non-executive) directors to their boards of directors and audit committees,
- formal guidelines are in place for its businesses and operations, written codes of ethics and anti-fraud and anti-money laundering policies in particular,
- operating processes are subject to controls and ongoing improvement, notably via the Group-wide continuous process improvement program called AXA Way,
- AXA employees have the resources they need to operate. The corporate Human Resources Department has implemented processes for assessing and monitoring AXA employees, as well for providing training and development opportunities.

Setting and Reviewing Business Objectives

Setting business objectives and strategic planning process

The aim of AXA's strategic planning process is to exert upstream control over major trends and the three-year forecasts developed by the Group's principal subsidiaries. Subject to various analyses and adjustments, this procedure results in a consolidated forecast that is used as the Group's budget and forms the basis of the objectives contained in each operating unit's annual target letter.

Each year, as part of a rigorous, interactive process, the Group's principal operating units present the following information for each of their business segments (property/casualty insurance, life insurance, asset management, banking), with a rolling, three-year outlook:

- analysis of strategic position (threats, opportunities and strategy),
- operational performance review,
- quantitative targets (revenues, expenses, profitability, productivity and quality indicators) based on a central set of economic forecasts,
- sensitivity analysis, taking various economic scenarios into account,
- description of corresponding action plans, including HR and IT systems aspects,
- specific information, depending on the Group's priorities.

This procedure enables Group Management to exert upstream control over the strategies, action plans and resources of its principal subsidiaries, and to set targets that are consistent with its ambitions.

Role of Business Support Development ("BSD")

As indicated above, the Group has a decentralized organization structured around ten business units.

AXA's Management Board maintains ongoing relationships with all of these BUs through its BSD organization, which reports back to Group management on key projects being considered or under way at business unit level.

Operating units draw up their strategic plans in accordance with targets set by the Management Board. The BSD team prepares these targets, sends them to the business units and monitors compliance.

The BSD team collects, reviews and transmits information to the Management Board concerning the business model, market position or any other issue that may help the Board determine strategy. The BSD team passes on specific information and requests to facilitate and monitor execution of the strategy. The BSD team is involved in preparing for QBRs and analyzing discrepancies between actual performance and plans.

BSD officers also sit on local boards of directors and are involved in major BU projects, such as acquisitions, partnerships and restructuring.

Risk Assessment and Management

A sophisticated risk management capability has been put in place to ensure that the aforementioned objectives are met.

Through corporate governance boards

Management Board and Supervisory Board

AXA has a dual governance structure. Work done by the Supervisory Board is described in the first part of this report (see section on Corporate Governance). The Management Board is the Group's collegial management decision-making body. To ensure that Group business is monitored between Quarterly Business Reviews, the Management Board's five members meet weekly to discuss strategy and operations. Its members devote their time exclusively to managing the Group, and none are directors of companies outside the AXA Group. Each Management Board member is assigned responsibility for some specific aspect of the Company's management.

Executive Committee

In carrying out its duties, the Management Board is assisted by an Executive Committee, whose composition reflects the Group's structure. It consists of:
- the members of the Management Board,
- the CEOs of the Group's business units.

The Executive Committee meets quarterly as part of the QBR process.

QBRs (Quarterly Business Reviews)

Quarterly Business Reviews are divided into two parts:
- meetings between the Management Board and each business unit
- a meeting attended by all Executive Committee members.

In preparation for individual meetings with the Management Board, each business unit provides the Board with formal quarterly information updates on its performance, operational questions that are specific to it, and transversal issues

In 2004, the following transversal issues were examined in detail:
- the performance of Property & Casualty operations,
- the profitability of the Life & Savings business,
- customers and distribution networks satisfaction surveys,
- the results of employee satisfaction surveys.

During the actual review meeting, the Management Board compares the actual business and performance of each business unit with the targets set out in the budget and in the annual target letter, and also examines market trends, the competitive environment and regulatory issues.. In this way, quarterly business reviews enable the Management Board to monitor operations on a regular basis.

QBRs also provide members of the Executive Committee with regular and formal opportunities to meet and discuss the Group's strategic priorities for the years to come, to develop actions plans, and to monitor their execution. In 2004, specific initiatives aimed at reinforcing growth in the life and savings and property and casualty segments were launched under the sponsorship of Executive Committee members.

In addition, members of the Executive Committee share their local achievements during these daylong meetings, and efforts are made to encourage the reuse of winning practices and success stories in areas touching on the business as well as on its people.

Finally, the Executive Committee meeting is the venue for discussion on actions that need to be taken to optimize Group operations.

By Internal Departments

Risk Management Department

The role of Risk Management is to identify, measure and monitor the principal risks to which AXA is exposed. To this end, the Risk Management Department develops and deploys a number of risk measurement and monitoring instruments and methods, including a set of standardized stochastic modeling tools

Where appropriate, this work leads to the implementation of decisions that affect the Group's risk profile, helping to reduce the volatility of AXA's earnings through improved understanding of the risks taken and to optimize capital allocation.

A central team, supported by local risk management teams within each operating unit, coordinates Risk Management for the AXA Group. The types of risk covered include operating risks, asset and liability risks, and asset/liability mismatch risks. The principal control processes that fall under the responsibility of the Risk Management unit are described below:

- the asset/liability management policy in place at operating unit level is monitored and controlled through an annual detailed analysis of asset/liability matching. This work is undertaken to validate the strategic allocations of invested assets. In addition, a quarterly reporting process is used to monitor portfolio developments and detect deviations from strategic asset allocations as well as with respect to benchmarks determined with asset managers,
- the central Risk Management Department carries out an annual review of the insurance reserves established by property-casualty and reinsurance operating units,
- the central Risk Management Department conducts a decentralized review of risk-adjusted pricing and profitability for new products prior to launch,
- credit and concentration risks in the Group's asset portfolios (equities and bonds) are managed by the Risk Management department and aggregated at the Group level. The central Risk Management Department also monitors the corresponding exposures on a monthly basis, and ensures that local operating units comply with the concentration limits established by the Group,
- economic capital is estimated annually for each product line and operating unit and then aggregated at the Group level. This is one of the main uses of the stochastic modeling tools developed and implemented by the Risk Management Department. This work enables asset, liability and operational risks to be modeled together.

Summary findings are then presented to the Management Board, for decision-making purposes where appropriate. The Supervisory Board and the Audit Committee are also informed.

Reinsurance – AXA Cessions

Reinsurance policy is implemented by operating units with the help of AXA Cessions, a centralized unit. Operating units define their needs on the basis of cost constraints and risk exposure reduction targets. With the exception of optional reinsurance operations that are still carried out directly, risks are ceded through AXA Cessions, which operates directly in the reinsurance market. AXA Cessions has substantial expertise, particularly in carrying out actuarial analyses of the Group's exposure to catastrophic risks. AXA Cessions manages reinsurer counterparty risk through a Security Committee.

Internal Audit

Role

The Group's internal audit department works on behalf of the Management Board and the Audit Committee to verify that the AXA Group's internal audit systems are efficient and effective. All Group subsidiaries, companies, activities and projects fall within its scope.

Organization and Resources

AXA's internal audit organization is structured around a central Internal Audit Department that coordinates and supervises the Group's overall internal audit system, and internal audit teams set up within Group subsidiaries. The central department operates mainly through:

- functional management of internal audit teams within operating units
- strategic internal audit assignments.

The head of the Group's internal audit team reports to the Management Board and, more specifically, to the Management Board member charged with the routine operations of AXA's Finance Department. In addition, strategic internal audit assignments are carried out exclusively in accordance with the written instructions of the Management Board Chairman. The director of the Group Internal Audit Department also has a direct link with AXA's Audit Committee, serving as its secretary, and has direct and regular contact with the Chairman of the Committee.

Local internal audit teams are placed under the responsibility of a director, who generally reports directly to the local CEO or CFO, and also to the local internal audit committee. These local teams have functional reporting ties to the Group's Internal Audit Department.

Scope of Operations

The Group internal audit team fulfils its responsibilities in two ways.

- It coordinates internal audit teams, which entails establishing internal audit directives and standards, planning the work done by local teams, guaranteeing that the relevant risk-based approach is used, monitoring the quality of work and compliance with recommendations, ensuring that adequate resources are made available to internal audit teams, and encouraging the development of professional best practices. Reviews of its work are presented to the Management Board and the Audit Committee.

- It carries out strategic internal audits, which are intended to determine whether the managers of local operations are effectively fulfilling their planning, organizational, governance and supervisory roles.

Local internal audit teams focus mainly on identifying the risks facing their units, and on evaluating monitoring systems that may help to prevent them or limit their impact. Their field experience makes their efforts more effective.

ADMINISTRATION AND MANAGEMENT

The Group Internal Audit Department complies with a set of guidelines approved by AXA's Management Board and Audit Committee.

The internal audit profession has its own international organization, the Institute of Internal Auditors (IIA), which has drawn up a set of international standards governing practice. These standards have been recognized by regulators and adopted by the Group internal audit team.

RISK IDENTIFICATION

Several years ago, the Group Internal Audit Department set up a risk-based planning system for local internal audit teams based on the RAM (risk assessment model) system. The aim of the RAM system is to identify each company's risk exposure and evaluate the internal audit systems that have been adopted to prevent and/or limit the impact of risks.

Determining the main risks faced by a business is a crucial part of the internal audit planning process, and ensures that internal audit assignments focus on those areas most at-risk. Internal and external auditors hold meetings to exchange views on the risks facing the Group and on the conclusions made in drawing up action plans.

Group IT Department

A dedicated organization has been set up to handle IT risks:
- the Group IT Department defines Group IT policy, especially with respect to security issues.
- AXA Technology Services ("AXA Tech") is responsible for operating IT equipment and telecoms networks for 80% of the Group.
- AXA Group Solutions offers AXA subsidiaries shared IT solutions that are consistent with the Group's general strategy.
- the IT departments of local operating units develop and maintain the software used in the business.

The Group IT department sets IT security standards and monitors their application.

The Management Board approves IT security policy, and is kept informed of implementation status.

The Group IT department works through TOs (Transversal Officers), who report to and maintain ongoing relationships with all operating units, and ensure adequate reporting at the Group level on strategic or large-scale IT projects.

AXA Tech is responsible for ensuring that IT security policy is consistently and transparently implemented

Group Program Department

The Group Program Department is responsible for monitoring and reducing risks to business continuity. It defines continuity standards for both operations and IT systems, and monitors their implementation at operating unit level. The Management Board approves business continuity management policy, and is kept informed of implementation status.

Customer Care and Group Distribution Department

The Customer Care and Distribution Department implements tools for measuring customer service quality and customer satisfaction (including survey tools such as Customer Scope, Distributor Scope, and a set of key performance indicators for its sales channels).

The Customer Care and Distribution Department also identifies best practices worldwide, submits them to review by the Group Distribution Committee, and then disseminates them for local deployment.

Group Procurement Department

To reduce procurement costs and ensure better management of the Group's principal outside suppliers, AXA has established a Group Procurement unit. Its mission is to build up procurement capability within AXA's principal operating units, to use the Group's size as leverage with suppliers where possible, and to reduce supplier risk by setting and upholding uniform standards.

The Management Board approves Group procurement strategy and is kept informed of its implementation status.

Legal Department (DJC)

The Group's Legal Department provides expertise on all significant corporate legal issues facing the Group and ensures the legal security of operations undertaken by the Group or its executives. The DJC is responsible for identifying and managing the legal risks to which the Group is exposed. It monitors significant litigation involving the Group, and manages some of the litigation directly involving AXA or its executives. The DJC also helps draft the business critical standards and procedures described below (anti-money laundering, Compliance Guide, monitoring off-balance sheet commitments).

The Group's principal operating units have their own legal departments. Their role is to ensure the security of operations at the local level as well as compliance with local law. The DJC coordinates local legal departments and does preliminary work on decisions that impact or concern the Group.

Finance and Control Department (DCFG)
The role of the DCFG is described below in detail (Group and subsidiary capital adequacy).

Planning, Budgets, Results and Central Department (PBRC)
The role of the Group's PBRC Department is described in detail here after in this document.

Control Procedures

Compliance Guide
In 1990, AXA introduced a Code of Ethics, mainly involving bans on trading in AXA and Finaxa shares.

In order to comply with the Sarbanes-Oxley Act, a new Code of Ethics was adopted in February 2004. The new Code deals with conflicts of interest, trading in the shares of AXA and its listed subsidiaries, confidentiality rules and the control of sensitive information, the policy for protecting and safeguarding the company's data, and the process for dealing with employee complaints.

AXA's Code of Ethics merely complements the codes in force within the Business Units. In particular, and in accordance with local regulations, these codes cover the methods used to market the Group's products and services and its selling practices.

The Group's scale, along with its focus on sustainable development, the increasing interest shown by governments in selling practices, and the fact that inadequacies have been revealed on several occasions, has prompted the Group to increase the resources it allocates to controlling the quality of its marketing methods and selling practices.

Anti-money laundering initiatives
AXA is strongly committed to the fight against money laundering in all of its business locations. The Group's anti-money laundering strategy is set out in a set of guidelines that has been approved by the Management Board and Supervisory Board and distributed widely within the Group.

In accordance with these guidelines, each operating unit has developed procedures based on certain general principles in addition to the applicable local regulations. The 'know your customer' principle is crucial, and underlies all transactions. Particular attention is paid to transactions made in cash or any equivalent monetary instrument. Procedures are regularly reviewed and adjusted on the basis of experience acquired.

A network of correspondents involved in the fight against money laundering has been set up to co-ordinate efforts and distribute important information. In France, an organization has been set up to ensure efficient collaboration with TRACFIN.

Monitoring off-balance sheet commitments
Off-balance sheet commitments are monitored as part of the consolidation process, under which each subsidiary transmits information to the PBRC.

Most of AXA's commitments given are financial in nature, and fall into three main categories.

COLLATERAL SECURITIES, PLEDGES AND GUARANTEES
These commitments are governed by the Supervisory Board's internal regulations, which set an authorized annual limit, along with limits for each type of commitment. They are also subject to a specific procedure. The DJC is responsible for supervising these commitments, and in particular for analyzing their legal nature, arranging their prior validation by management, and monitoring their execution. Most of these commitments are granted to subsidiaries and relate to loan guarantees on behalf of other Group entities or third parties.

DERIVATIVE INSTRUMENTS
In managing interest rate and exchange rate risk, the DCFG is authorized to use derivative instruments, mainly interest rate and currency swaps, currency futures, options, caps and floors. These instruments, which may be either standard or structured, are used as part of strategies described and authorized by the Supervisory Board's Finance Committee. Persons authorized to commit the company and carry out such transactions are listed on an approval form.

The DCFG has established an organization that separates the responsibilities of the team in charge of initiating derivatives transactions from those of the team responsible for monitoring related risks.

Whenever a hedging strategy is implemented, the DCFG ensures that the necessary documentation is drawn up and that efficiency testing is done.

OTHER COMMITMENTS

The DCFG is responsible for determining the required amount of committed credit facilities. At the consolidated level, it also ensures that the conditions and the contract terms are favorable to the Group and, in particular, that they do not contain any significant constraints that may result in resources becoming payable in advance of their scheduled maturity.

Detailed information about off-balance sheet commitments can be found in the notes to the Company's annual financial statements.

Group and subsidiary capital adequacy

The Supervisory Board's Finance Committee and the Management Board are regularly informed by the CFO of all major projects and changes relating to the management of the Group's consolidated financial position, and examine reports and three-year forecasts periodically. These forecasts, which factor in extreme financial market swing scenarios, are also updated monthly and presented as part of the Group Management performance indicators.

In addition, the Finance Committee validates the risk analysis methods, measurement standards and action plans that allow the Group to maintain a solid financial position. It also determines the scope of action of the DCFG.

Working in close collaboration with local finance teams, the DCFG (i) defines and manages subsidiaries' capital adequacy; (ii) defines and manages the Group's liquidity policy; and (iii) coordinates and centralizes the Group's financing policy.

Monitoring Group and Subsidiary Capital Adequacy

LOCAL SOLVENCY REGULATIONS

Each subsidiary's finance department is responsible for producing regulatory information and for liaising with local regulators.

For every interim reporting period, each subsidiary sends a report to the DCFG, enabling the latter to verify its capital adequacy with respect to local regulatory constraints.

In addition, subsidiaries carry out simulations that take into account their regulatory requirements using extreme scenarios concerning assets (market value of equities and interest rate movements). For every interim reporting period, these simulations are sent to the DCFG, enabling the latter to measure each subsidiary's financial flexibility.

CONSOLIDATED SOLVENCY MARGIN

Subject to regulations that require additional monitoring for insurance companies, the AXA Group calculates an adjusted solvency margin on the basis of the Group's consolidated financial statements. This information is transmitted to the CCA (the French insurance industry supervisory commission)

The DCFG also maintains a three-year forecast of the Group's consolidated solvency margin at all times, using extreme equity market and interest rate scenarios.

Liquidity Risk Monitoring and Management

The liquidity risk is managed by AXA's various operating units. The DCFG monitors this risk at the consolidated level, carrying out standardized measurements of the maturity of resources available to each local operating unit that may carry a significant risk. To this end, the DCFG has devised formal principles for monitoring and measuring resources, along with liquidity risk management standards.

- Liquidity is managed centrally and conservatively by the DCFG, with the aim of maintaining abundant cash at all times, using long-term and mainly subordinated debt facilities. In addition, a significant amount of unused confirmed medium-term credit facilities is maintained as a back-up at all times.
- AXA Trésorerie, an inter-company partnership (GIE), carries out centralized cash management for AXA operating units in the eurozone.
- In addition, the standards applied by the Group ensure liquidity due to the profile of invested assets, particularly through the ownership of a significant portfolio of assets defined as eligible by the European Central Bank (ECB). A Group liquidity back-up plan ensures AXA's ability to withstand a liquidity crisis.

Group Financing Policy
and Management of Consolidated Debt

To ensure that the Group has ample financial flexibility, the

DCFG liaises with AXA subsidiaries to coordinate consolidated debt, and also manages this debt in terms of interest rate and exchange rate risk. The DCFG has devised formal principles for managing and measuring resources in terms of interest rate and exchange rate risk, with the aim of maintaining a standardized consolidated position. To this end, it relies on information transmitted by subsidiaries. An accounting reconciliation is carried out at six-month intervals.

Debt ratios are managed to ensure that they remain compatible with the Group's financial strength rating targets, even in adverse circumstances of rising interest rates and falling profits. These ratios, as well as the repayment schedule and debt service costs, are managed on the basis of a three-year plan.

Information and Communications

Investor Relations

The quality of financial and accounting information depends upon the production, review and validation of financial information, and on the principle of having a single source of information. With very few exceptions, all financial information reported by the Company comes from the PBRC Department. Exceptions arise periodically when the financial markets request management information that does not originate from the Group's accounting and financial consolidation systems.

Financial and accounting information is monitored in different ways depending on the medium used, with the aim of enhancing disclosures in both qualitative and quantitative terms.

Financial communications media (press releases, press and financial market presentations, etc.)
Information issued via these media is produced by the Financial Communications Department, and is intended to give a clear and intelligible overview of the Company's business and operations during a given period. It is reviewed and validated by the Financial Department and the Legal Department prior to submission for approval to the Management Board. Press releases concerning financial statements are reviewed by the Supervisory Board. The outside auditors also review press releases concerning annual and half-year accounts closings.

Legal documents *(Document de Référence)*
Several departments within AXA (Financial Communications, Internal Communications and Legal) are involved in preparing these documents. The PBRC Department coordinates their preparation and ensures the overall consistency of the information contained in them. Each contributor works to ensure that documents comply with standards and are clear. They are submitted for approval to the Management Board. All information contained in these legal documents is also audited by the outside auditors in accordance with professional standards applicable in France.

Internal and External Communications

The Internal and External Communications Department ensures that information flows smoothly and is shared throughout the AXA Group. To achieve this aim, it uses a variety of media, including a global electronic messaging system, intranets, document databases and regular in-house publications. It also defines Group external communications policy, and has the resources needed to release accurate and reliable information and manage the image impairment risk.

Ongoing Assessment of and Improvements in Internal Control Procedures

Evaluating corporate governance structures

The Supervisory Board and some of its specialized sub-committees use regular self-assessment as a means to improve performance. The procedures used to evaluate the Supervisory Board are described in the first section of this report. The Supervisory Board evaluates the Management Board through its ongoing supervision of the latter's management of the Company.

AXA Way

In 2002, AXA launched AXA Way, its continuous process improvement program designed to optimize customer service quality, build market share and develop distribution. A common method for selecting, monitoring and measuring projects has been defined by a central unit, which is also responsible for training local AXA Way teams. Local operating units develop AXA Way projects with the support of an AXA Way Leader, and the local CEO (who is also a member of the Executive Committee) always serves as project sponsor. While these projects are carried out on the basis of the aforementioned Group method, it is sufficiently flexible and can be adapted to take local issues into account.

Self-assessment (scorecards)

Self-assessments (scorecards) are carried out regularly in areas that are key to the Group's business (IT security, IT governance, property-casualty insurance, life insurance, distribution, etc.).

HR Scope

Since 1993, AXA has conducted periodic surveys that encourage its employees to express their views on issues such as their work environment and systems of reward and recognition. Survey findings are communicated to all AXA employees, and serve as the basis of a formal dialogue with management that leads to the development of targeted action plans. A summery of the process and resulting plans are reviewed by the Management Board. In 2002, the Scope survey process became an annual event.

Major incident reporting system

In accordance with the AXA Compliance Guide, all AXA employees may anonymously submit any concerns they may have regarding issues related to accounting, internal control, auditing or fraud. All AXA employees have the option of speaking with their supervisor, or with a representative of their HR, Legal or Compliance Department or the AXA Legal Department. Alternatively, they may wish to submit their complaint directly to the Chairman of the Audit Committee via a dedicated fax number.

Monitoring audit recommendations

All audit assignments culminate in a set of recommendations for the audited unit or business. These recommendations and related action plans are subject to regular monitoring, the results of which are submitted to the Management Board and Audit Committee for review.

Consolidation, Reporting, and Financial and Accounting Information Controls

Principles

The PBRC Department, which is part of the Financial Department, is responsible for consolidation, management control and financial and accounting information audits. It works with local PBR (planning, budgets and results) units within the finance departments of Group subsidiaries.

The PBRC's **role encompasses:**

- establishing and distributing consolidation standards and Group reporting standards, and managing the worldwide network of PBR teams,
- managing the IFRS conversion process for the Group,
- managing the Group's economic and accounting reporting system,
- coordinating the production of AXA's *Document de Référence* filed with the AMF,
- developing and using management control tools,
- analyzing quantitative data on Group business and results, and key performance indicators,
- liaising with the outside auditors (independent accountants) and contributing to Audit Committee meetings as required.

Financial and accounting information is consolidated within the Finance Department in accordance with French accounting standards. It is reviewed on the basis of a complementary economic analysis.

Responsibilities

Responsibilities are divided between the subsidiaries, which consolidate and control the financial information produced in their consolidation sub-group, and the PBRC, which reviews this information and produces the Group's consolidated financial statements and related summaries.

The role of the PBRC in this process is as follows:

- upstream of the consolidation and control process, it is responsible for the information transmission system – comprised of the consolidation system, consolidation guidelines, reporting guidelines and guidelines for measuring embedded value – and for issuing instructions to subsidiaries,
- downstream of the consolidation and audit process, it is responsible for reviewing financial and accounting information produced by subsidiaries, and for reviewing and checking the various finished products, including the *Document de Référence*,
- it is also responsible for monitoring and resolving technical issues specific to the holding company or relating to the IFRS conversion.

The consolidation system is managed and updated by a dedicated team. Financial accounting data that comply with the Group's accounting standards and that reflect consolidation rules under French accounting standards are entered into the system locally.

This system is also used to deliver the management control information used to produce an economic perspective on the consolidated financial statements. The process through which this management reporting information is produced and validated is the same as that used to prepare consolidated financial information.

Group accounting standards, which are consistent with French accounting and regulatory principles for French-GAAP compliant consolidated financial statements, are set forth in the AXA Group Consolidation Guidelines. Updated annually by PBRC experts, these guidelines are submitted to AXA's independent accountants for review and approval before being made available to AXA subsidiaries. These experts are also responsible for ensuring that interim and annual financial statements are compliant with generally accepted standards, as illustrated in the *Document de Référence*.

In addition, as part of the IFRS conversion effort, a Group Accounting Standards guide has been prepared, reviewed by the independent accountants and disseminated to subsidiaries prior to completion of the first steps in the consolidation process for fiscal year 2004, as a prerequisite to the transition in 2005 toward the new standard.

Control mechanisms

As indicated in the previous paragraph, AXA subsidiaries are responsible for controlling the financial information produced locally for consolidation purposes.

Moreover, the review and analysis of financial and accounting information, which is consolidated using the aforementioned system and accompanied by detailed comments from subsidiaries that make up the various consolidation sub-groups, are carried out by teams that liaise with subsidiaries on a full-time basis. In particular, these teams review:

- restatements of local GAAP to comply with Group standards and consolidation principles,
- all items in the financial statements, including,
  - information provided to the financial communications department,
  - notes to the consolidated financial statements,
  - all information additional to the notes and published in the Group's interim and annual report,
- the analysis of results, shareholders' equity and the main balance sheet items,
- the activity and management reports.

This organization is used for all AXA Group publications, i.e. interim and annual French GAAP financial statements, quarterly revenue releases, and an annual statement of embedded value. Starting in 2005, it will also be used for IFRS-compliant financial statements.

In all cases, the procedures are those described above, along with close collaboration with the outside auditors, which generally work as follows:

- all changes in accounting standards and/or regulations – i.e. new demands made by the French authorities – are anticipated in collaboration with accountants and outside auditors. Rule changes are implemented after approval of the accounting approach adopted by the AXA Group and its outside auditors,
- the main audit issues are addressed and resolved in the phase prior to accounts closing through closing meetings with local and central auditors,
- the principal options for closing the consolidated accounts are presented to the Management Board and then to the Audit Committee prior to their examination of the annual accounts, for validation purposes,
- the auditing of financial and accounting data is finalized at the accounts closing stage in meetings attended by local and central auditors and local and central finance teams. All of these meetings give rise to a detailed audit report.

Other information

Along with work relating to the preparation of financial statements, PBRC Department produces monthly activity reports, quarterly profitability reports and one half-year and two full-year sets of targets for internal use, and consolidates the financial data contained in the budget and the business plan. The outside auditors identify risks and validate the proposed accounting principles and accounts closing options, working on both annual and half-year financial statements.

In addition, the production of Group financial statements involves a process of transmitting information to Group subsidiaries. This allows for an assessment of the validity of financial data, through the transmission of subsidiary-related data that has been approved by the subsidiary's CEO and CFO. Through this process, the Group CFO is apprised of the specific conditions under which the work has been carried out.

It should be noted that due to the high number of mergers and acquisitions to which the Group has been party in recent years, financial information is produced by several different information systems, which are gradually becoming more integrated.

The PBRC Department is spearheading the Group's conversion to IFRS standards, which includes defining processes for applying accounting principles and completing consolidation work. It is working closely with the outside auditors on this project. In addition, the PBRC Department is also coordinating various governance structures set up at Group level in connection with this project. The conversion project and its status are described in the section entitled "Other Supplementary Financial Information".

As indicated in the section entitled "Other information of a financial nature", the guidelines for applying the new standards, as they currently stand and insofar as the Company was able to interpret them at this date, were approved by the Management Board and presented to the Audit Committee in December of 2004. These application guidelines are currently being implemented, with the aim of establishing a definitive opening balance sheet and pro forma financial statements for 2004. For this reason, it is not possible at this time to present definitive quantified data on the impact of adopting IFRS standards.

Conclusion

By implementing the aforementioned structures of corporate governance and human resources, as well as the internal departments and procedures described above, AXA has acquired an internal control system that is adapted to the risks of its business.

Naturally, this system is not foolproof. However, it does constitute a robust control structure for a global organization such as AXA.

Neither the control environment nor the control system is static. Consequently, Group Management remains attentive to changes in this area, so that continuous improvements can be made to its own internal control system

Report of the Independent Auditors, prepared in compliance with the last paragraph of Article L.225-235 of Commercial Code, on the report prepared and submitted by the Chairman of the AXA Supervisory Board pertaining to the internal control procedures relating to the preparation and treatment of financial and accounting information

(For the year ended December 31, 2004)

This is a free translation into English of the statutory auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders of **AXA**
25, avenue Matignon
75008 Paris

To the Shareholders,

In our capacity as Independent Auditors of AXA, and in compliance with the requirements of the last paragraph of Article L.225-235 of the Commercial Code we hereby submit our report on the report prepared and submitted by the Chairman of the Supervisory Board of your Company in conformity with the terms of Article L.225-68 of the aforementioned Code, for the year ended December 31 2004.

It is the role of the Chairman of the Supervisory Board to submit a formal report in which particular attention is drawn to (i) the conditions under which the work completed by the Supervisory Board during the year ended was prepared and organized, and (ii) the internal control procedures that the Company has put in place.

Our role is to report the matters we have revealed on the information and representations contained in the Chairman's report on internal control procedures pertaining to the preparation and treatment of accounting and financial information to establish the consolidated financial statements in accordance with the French accounting principles.

We performed our procedures in accordance with professional guidelines applicable in France. These require us to perform procedures to assess the fairness of the information set out in the President's report on the internal control procedures relating to the preparation and processing of financial and accounting information to prepare the consolidated financial statements in accordance with French accounting rules and principles. These procedures notably consisted of:

- review the aims and general organization of internal control, as well as the internal control procedures pertaining to the preparation and treatment of accounting and financial information used to establish the consolidated financial statements in accordance with French accounting rules and principles, as presented in the Chairman's report;
- review the work serving as the basis for the information and data provided in this report.

On the basis of our work, we have no particular matter to report on the information contained in the report of the Chairman of the Supervisory Board, which was prepared in accordance with the requirements of the last paragraph of Article L.225-68 of the French Commercial Code, relating to the internal control procedures applied within the Company in connection with the preparation and treatment of accounting and financial information that is then used to establish consolidated financial statements in accordance with the French accounting rules and principles.

Paris, February 24, 2005

The Independent Auditors

PricewaterhouseCoopers Audit
Yves Nicolas – Catherine Pariset

Mazars & Guérard
Patrick de Cambourg – Jean-Pierre Lassus

AXA stock
and Employee stock program

Stock Market

Shares

AXA ordinary shares are listed on Euronext Paris SA on the Premier Marché (continu A), Euroclear France code: 12062 and, since June 25th 1996, American Depositary Receipts (ADR) each representing one AXA ordinary shares are listed on the New York stock exchange.

AXA stock created since January 1st 2005 by exercise of convertible bonds or subscription options are listed "au comptant" on the Premier Marché until they are assimilated after the payment of the 2004 dividend planned on April 28th 2005.

AXA AND AXA ADR TRANSACTIONS OVER 20 MONTHS (PARIS AND NEW YORK)

	PARISBOURSE Volume (in thousand)	Price per Share in euros High	Low	NEW YORK STOCK EXCHANGE Volume (in thousand)	Price per ADS in US$ High	Low
2003						
July	209,204	15.21	12.87	6,995	17.40	15.16
August	212,288	16.73	13.94	6,377	18.37	16.17
September	264,705	17.38	14.31	6,209	19.41	16.88
October	222,334	16.47	14.20	7,069	19.13	17.02
November	189,190	17.00	15.21	4,705	19.59	18.20
December	157,426	17.18	16.23	5,277	21.49	19.41
2004						
January	208,523	19.36	16.98	6,844	24.37	21.61
February	160,371	19.28	17.77	6,169	24.04	22.31
March	235,919	18.83	16.14	8,118	23.32	19.73
April	207,913	18.74	17.11	6,349	22.28	20.37
May	235,481	17.81	15 63	5,671	21.65	19.00
June	180,392	18 33	16.47	5,745	22.32	20.00
July	150,284	18.47	16.32	4,432	22.30	19.79
August	149,805	17.09	15.6	5,104	20.64	19.12
September	157,836	17.39	16.08	4,140	21.21	19.88
October	223,248	17.56	16.14	5,601	21.84	20.54
November	182,370	18.27	16.85	6,435	24.04	21.50
December	151,546	18.56	17.55	6,255	24.94	23.44
2005						
January	155,380	18.90	17.90	6,654	24.97	23.35
February	152,554	20 49	18.46	6,901	27.15	23.96

Debt convertible into stocks

AXA subordinated convertible bonds

	Subordinated convertible bonds from February 8, 1999	Subordinated convertible bonds from February 17, 2000
Number of bonds	9,239,333	6,646,524
Issue price	€ 165	€ 165,50
Total principal amount	€ 1,524,489,945	€ 1,099,999,722
Closing date	February 8, 1999	February 17, 2000
Maturity date	January 1, 2014	January 1, 2017
Coupon	2.50%	3.75%
Conversion	starting February 9, 1999: 4.06 shares for 1 bond.	starting February 17, 2000: 4.06 shares for 1 bond.
Maturity of the bonds	redemption on January 1, 2004 at 230.88 euros per bond, i.e. 139.93% of the nominal amount.	redemption on January 1, 2017 at 269.16 euros per bond, i.e. 162.63% of the nominal amount.
Early redemption	– The Company may purchase the notes on any Stock Exchange or otherwise in accordance with applicable law, including by way of tender for purchase or exchange, – at the option of the issuer, in cash, from January 1, 2005 at a price with a gross 4.45% actuarial yield, if the Company's share average over 10 consecutive days is above 125% of the anticipated repayment price, – At any time, at the option of the issuer, at 230.88 euros if the number of bonds in circulation is below 10% of the number of bonds issued.	– The Company may purchase the notes on any Stock Exchange or otherwise in accordance with applicable law, including by way of tender for purchase or exchange, – at the option of the issuer, in cash, from January 1, 2007 at a price with a gross 6.00% actuarial yield, if the Company's share average over 10 consecutive days is above 125% of the anticipated repayment price, – At any time, at the option of the issuer, at 269.16 euros if the number of bonds in circulation is below 10% of the number of bonds issued.
Number of bonds in circulation as of January 31st, 2005	9,199,353	6,639,463

Convertible subordinated bonds of AXA 2.5% due 2014 are listed *au comptant* on the *Premier Marché* of Paris stock exchange.

AXA CONVERTIBLE BONDS (2.5% 1999-2014) TRANSACTIONS

Calendar period	Volume	Highest 2.5% Bond price (in euros)	Lowest 2.5% Bond price (in euros)
2003			
July	12,172	175.00	165.00
August	7,975	171.00	165.00
September	89,563	175.00	167.10
October	26,442	173.00	169.50
November	13,570	173.50	170.50
December	77,341	181.00	170.50
2004			
January	19,074	179.75	172.00
February	26,322	178.00	173 05
March	71,878	185.00	176.80
April	27,847	180 00	177 00
May	66,463	180.00	174.00
June	47,286	178.30	174 30
July	181,060	190.00	177.00
August	54,074	184.50	178 00
September	21,547	189.00	182.50
October	14,403	190.00	186.00
November	58,556	198.00	184.00
December	19,284	197.90	191.05
2005			
January	25,877	195.50	188.20
February	41,758	196.70	190.50

Convertible subordinated bonds AXA 3.75% 2017 are listed *au comptant* on the *Premier Marché* of Paris stock exchange.

AXA CONVERTIBLE BONDS (3.75% 2000-2017) TRANSACTIONS

Calendar period	Volume	Highest 3.75% Bond price (in euros)	Lowest 3.75% Bond price (in euros)
2003			
July	4,803	192.50	183.40
August	8,707	191 00	179.00
September	44,105	202 00	188.40
October	14,465	195 00	191.00
November	37,642	198.00	191 80
December	11,939	202.00	194.00
2004			
January	16,453	200.00	192.10
February	38,461	200.00	187 00
March	11,836	203.00	197.00
April	180,805	202.30	197.00
May	50,490	202.10	197.50
June	93,824	200.80	195.00
July	40,028	204.00	200.80
August	27,034	206.80	202.00
September	71,180	213.75	205.50
October	52,618	215.65	212.20
November	92,102	218 50	213.00
December	3,180	225.00	215.40
2005			
January	29,116	221.00	202.00
February	28,576	223 75	217.50

Employee shareholders

The AXA Group offers its employees an opportunity to become shareholders through a special equity issue reserved exclusively for them.

By virtue of the authorization granted by the shareholders at their meeting of April 30, 2003, the Management Board increased share capital, as provided for by French *Ordonnance* of October 21, 1986, in two offerings, through the issue of shares to employees of the Group under the Shareplan 2004 program. The shareholders waived their preferential subscription rights so that these offerings could be made to employees.

In the countries that met the legal and tax requirements, two investment options were proposed in 2004:
- the traditional plan, available in 26 countries,
- the investment leverage plan offered in 27 countries.

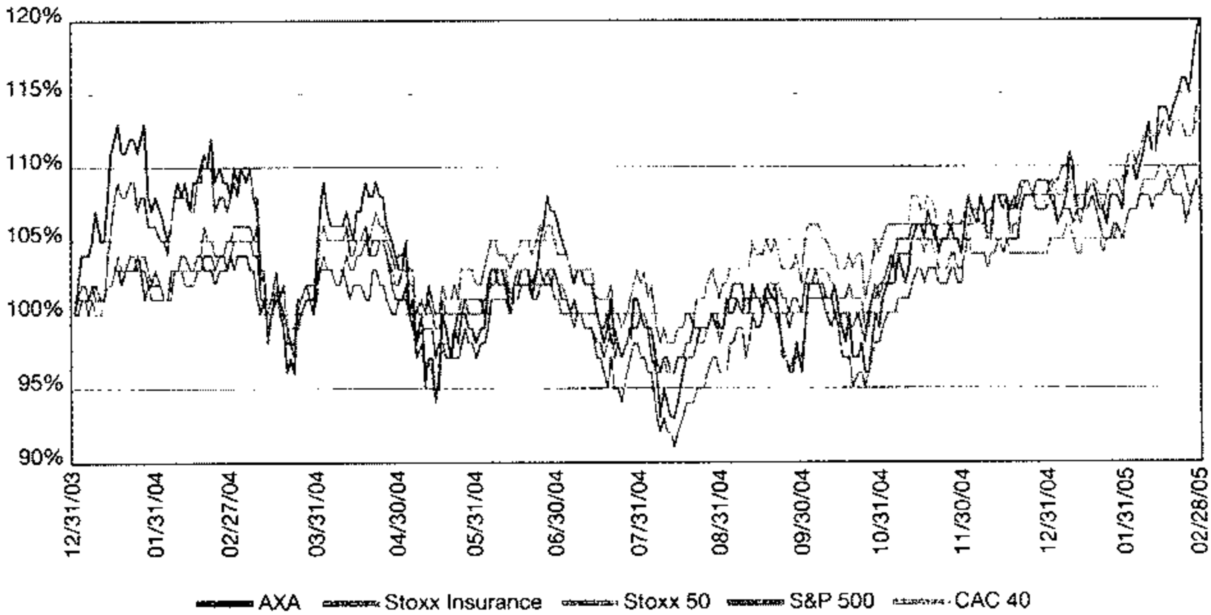
The Shareplan 2004 program was carried out in two phases:
- phase I (July 2004): employees in France were given the opportunity to invest their profit-sharing and bonuses,
- phase II (December 2004): a second issue, open to all Group employees through voluntary contributions.

More than 120 Group companies in 27 countries took part in Shareplan 2004, and participating employees invested a total of 257 million euros (up 35.3% compared with the 190 million euros invested in 2003) as follows:
- 43.5 million euros in the traditional plan (versus 31 million euros in 2003),
- 213.3 million euros in the investment leverage plan (versus 159 million euros in 2003).

A total of 18,856 million new ordinary shares were issued, each with a par value of 2.29 euros. These shares began earning dividends on January 1, 2004.

As of December 31, 2004, AXA employees held 97,493,470 shares, i.e. 5.11% of the Group's outsanding ordinary shares and 6.19% of the voting rights. These shares are owned through 22 mutual funds or directly, in the form of shares or ADRs.

AXA Stock Price Trends



	12/31/03	12/31/04	Change 2004/2003	02/28/05	Change 2005/2004
AXA	16.97	18.18	7.1%	20.31	11.7%
Stoxx Insurance	173.56	187.26	7.9%	198.58	6.0%
Stoxx 50	2,660.37	2,774.77	4.3%	2,892.56	4.2%
S&P 500	1,111.92	1,211.92	9.0%	1,203.60	(0.7%)
CAC 40	3,557.90	3,821.16	7.4%	4,027.16	5.4%

2004 overview

During the first half of 2004, global financial market performance was relatively subdued as investors focused on dividend paying stocks. The second half of 2004 saw renewed confidence.in equities, particularly in small to mid-cap companies. As uncertainty around the U.S. election lifted, financial markets gained momentum in the fourth quarter of 2004, somewhat dampened by U.S. dollar weakness, U.S. deficits and oil prices. Overall, the world economy saw record growth in 2004 (+5%), while Euro-zone GDP grew 1.6% and the U.S. showed GDP growth of 3.9%. Favorable economic reports as well as strengthened business and consumer sentiment also boosted markets.

In Europe, the Stoxx 50 rose 4% during 2004, with the German DAX up 7%, the French CAC 40 up 7% and the UK FTSE 100 up 8%. In Japan, the Nikkei 225 closed up 8%, while the U.S. Dow Jones Index increased 3%, the wider S&P 500 rose 9% and the technology heavy Nasdaq increased 9%.

The European insurance sector, with the Stoxx Insurance Index up 8%, performed in line with the market during 2004. During 2004, most insurers showed improved results on the back of stronger fundamentals, higher equity markets and continued favorable pricing on Property & Casualty and reinsurance segments, despite larger than normal catastrophe losses. Second half 2004 U.S. hurricanes, Japan typhoons, as well as the devastating South East Asian tsunami, reminded the industry that unforeseen external factors may emerge and that pricing discipline remains critical.

The following factors negatively affected the insurance sector during 2004:

Strengthening Euro

Continued strength of the Euro, up 8% against the U.S. dollar in 2004, impacted European insurers with significant business in the United States. The dollar hit a record low against the Euro on December 30, 2004 when EUR 1 = $1.3637. AXA's hedging strategy mitigated the effect of the Dollar/Euro exchange fluctuation on its underlying earnings and balance sheet in 2004.

Spreads

Low interest rates have been an area of attention for insurers over the past couple of years. Lower bond yields combined with crediting rates approaching minimum guarantees have narrowed investment spreads. Proper asset liability management helped lessene this impact, but the low level of long-term rates continues to be closely monitored.

Regulatory risks remain for life insurers

Following the mutual funds late trading and market timing investigations in 2003 and 2004, several U.S. Property and Casualty and Group Life insurers were investigated during 2004 by the New York Attorney General for alleged anti competitive practices. The investigation is not yet complete, and therefore, its ultimate impact on insurers remains unclear.

Uncertainly over financial reporting rules

The year 2004 was key in terms of financial reporting changes for the insurance sector with the finalization of IFRS Phase 1 principles, the launch of the CFO Forum's European Embedded Value principles and the adoption of new solvency rules. Of these changes, some will introduce new accounting challenges through 2009, with IFRS Phase 2 relative to insurance contracts. At the beginning of the process, uncertainties remain on new accounting rules' ability to give a clear and economic view of insurance companies. AXA was one of the first companies to update investors on IFRS transition impacts on January 6, 2005.

A number of factors positively affected insurers' performance in 2004:

Non-life pricing discipline

Property & Casualty combined ratios continued to improve across the European insurance sector, due to a still strong pricing cycle and increased underwriting discipline implemented by certain players, notwithstanding some reserve additions in specific lines. In 2004, AXA's combined ratio strengthened 2.1 points to 99.3%.

Equity markets' continued recovery

After having substantially recovered in 2003, equity markets continued to grow in 2004. As a result, life insurance companies earned higher fees on asset management and equity market-sensitive products, while the prolonged market recovery also led to progressive renewed customer confidence in unit-linked products.

Improved risk management

Integrated risk management systems are becoming increasingly common among large and diversified insurers. Insurers such as AXA have implemented sophisticated risk management programs to ensure that many dimensions of risk are now being identified and managed. Risk management programs include, most notably, asset and liability management programs designed to provide better matching of invested assets and policyholder liabilities, dynamic hedging programs to manage the guaranteed benefits features associated with annuity contracts and pooling reinsurance coverage to optimize the risk versus retention relationship.

Stronger balance sheets and capital positions

To survive the difficult market conditions of 2000-2002, many companies have significantly rationalized their businesses by focusing on operating drivers, disposing of non-core activities and strengthening their balance sheet. Capital has been largely restored, helping to position the industry for growth and allowing for acquisitions and increased dividend capacity.

AXA's stock price increased by 7% in 2004, benefiting from AXA's consistent strategy, operating discipline and balance sheet quality. From year-end 2002 to year-end 2004, AXA outperformed the sector, increasing by 32% as compared to 19% for the Stoxx Insurance Index over the same period. In 2004 investors preferred companies still in recovery mode or those distributing stronger dividend yields.

2005

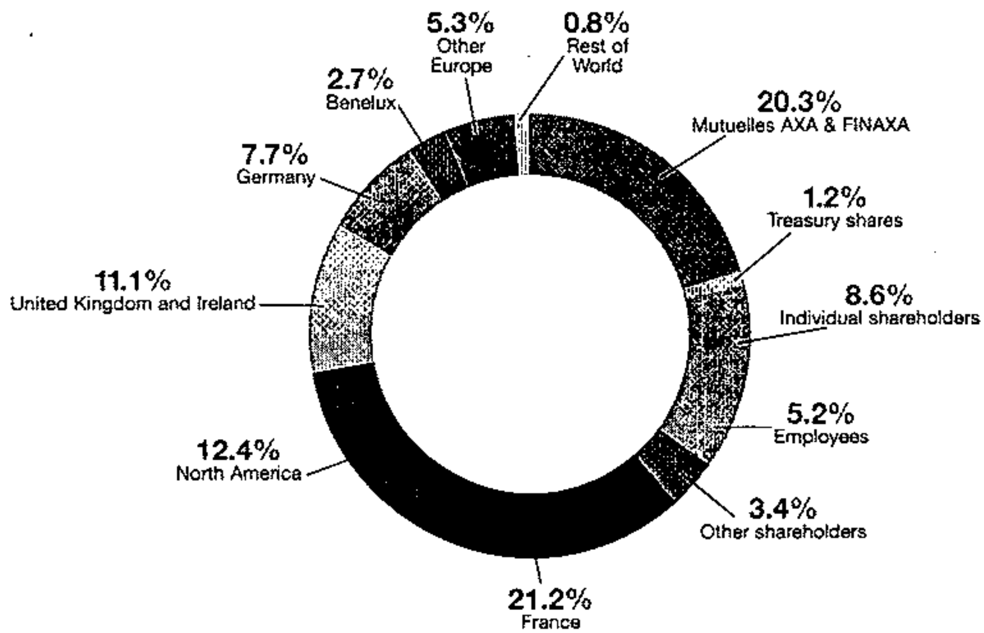
The insurance sector had an encouraging start to the year with better than expected 2004 earnings announcements from several large companies. Equity markets strengthened and initial sales figures look encouraging: French life insurance sales grew 11% in January, according to the FFSA, including increased unit-linked sales. Non-life insurance is also showing a favorable start, with quality renewals in reinsurance and pricing discipline in primary Property & Casualty lines.

AXA's full year 2004 earnings were announced on February 24, 2005 Net income of €2,519 million was ahead of analysts' expectations, and up 151% from 2003. Underlying earnings were up 34% to €2,723 million, driven by double-digit earnings growth in Life & Savings, Asset Management, Property & Casualty and International Insurance. Life & Savings earnings benefited from productivity improvements and a return in favor of unit-linked products. Life & Savings new business value, which is the present value of future profits on new business issued in 2004 after deducting the cost of capital, increased 51% to €771 million. Asset Management attracted net inflows of €34 billion. Property & Casualty's combined ratio improved to 99 3%, in line with the over-the-cycle target of 98%-102%. Despite the unusually high frequency and severity of natural catastrophes in 2004, International Insurance demonstrated resilience with underlying earnings up 10% to €155 million. AXA proposed a dividend of €0.61 per share, up 61% compared to prior year.

From December 31, 2004 to February 28, 2005 AXA's stock price increased by 11.7% outperforming the Stoxx Insurance Index up 6.0%, the Stoxx 50 index up 4.2% and the CAC 40 up 5.4%.

As of the end of February 2005, of the 31 analysts following AXA, 27 have a Buy recommendation, 3 are neutral and 1 has an underperform recommendation.

AXA Shareholders



Source: Citigate Financial Intelligence 2004 Ownership Analysis.

The Shareholder as Key Stakeholder

Because stable capital ownership is of critical importance to organizations that seek to create lasting value, AXA considers its shareholders as key partners in its development strategy.

AXA believes that shareholders, whether they are individual or institutional investors, are key stakeholders. Building loyal and durable shareholder relationships gives the AXA Group the time needed to fully execute its business strategy. The appeal of AXA's stock is also a crucial driver of development for the Group.

Accordingly, AXA strives to deliver clear, complete and reliable information that meets the needs and concerns of all shareholders, regardless of the level of expertise as investors. The Group dedicates significant resources to ensure that the various demands of these constituents are adequately met.

Trust-based relationships with all shareholders

Ensuring that the information delivered to all of its shareholders meets the highest standards of quality is therefore of particular importance at AXA, as is establishing solid trust-based relationships through local support from dedicated teams of experts who are always available to respond to investor requests.

AXA produces a number of information resources and reference materials for its shareholders, including the annual report, the activity and sustainable development report, the half-year and full-year earnings release and the financial supplements.

Recently, AXA enhanced the design and content of its corporate website (**www.axa.com**) to offer interested investors easy access to all information produced and released by its investor relations departments. The site also features live webcasts of earnings presentations and the proceedings of the annual shareholders' meeting.

Individual investors: keeping the lines of communication open

Individual investors receive major information concerning AXA via inserts published in the financial, business and economic press. In addition, shareholders need own only one share of AXA stock to qualify for membership in the Shareholders' Circle *(Cercle des Actionnaires)*. As one of the benefits of membership, shareholders in the Circle receive informational materials and invitations to events intended specifically for individual investors.

In addition, the quality of both the information and the communications resources made available to individual investors is the focus of ongoing dialogue with the CCAI (the *Comité Consultatif des Actionnaires Individuels*) and continuous enhancements. One-third of the CCAI's fifteen members, who are chosen from among members of the Shareholders' Circle, are replaced every two years. In 2004, the Committee met twice with Group senior executives. These encounters are followed by working sessions with management from AXA's individual investor relations team

In 2004, following these meetings, two new publications were launched to replace the Shareholders' Circle newsletter *(Lettre du Cercle des actionnaires)*:

- *L'Essentiel* is published three times a year concurrently with the release of interim and annual earnings and the annual shareholders' meeting.
- *Horizon*, which is also published three times a year, contains in-depth feature articles on AXA strategy and AXA stock price trends.

Every year, AXA executives take part in well-attended meetings with the investment community held in various French cities. Henri de Castries, Chairman of the AXA Management Board, addressed 700 individuals assembled in Lyon on November 3, 2004.

For the last two years, AXA has been an exhibitor at *Actionaria*, an event for individual investors held in Paris every November. In addition to a series of lectures for retail investors, *Actionaria* serves as a key point of encounter between France's largest CAC40-listed corporations and the 30,000 individual shareholders who attend each year.

Institutional investors: dedicated experts and tools

AXA also maintains regular contact with institutional investors. AXA executives and the investor relations team devote considerable time and resources to establish and maintain an active dialogue with the institutional investment community.

Earnings announcements:

Twice a year, AXA holds meetings in Paris and London to announce interim and annual earnings. The Management Board is present for these events.

Road shows:

Following the earnings announcements, AXA representatives meet with institutional investors in the world's major financial marketplaces to exchange views on earnings and Group strategy. In 2004, 35 full day road shows were held in more than 20 cities in 13 countries.

Industry conferences:

AXA also attends industry conferences around the world to explain its strategy and positioning as well as its views on the industry. In 2004, AXA representatives traveled to eight cities in six countries to take part in 16 industry events.

Regional and Group presentations:

As part of a global effort to improve investor understanding of its various activities since 2002, AXA has been delivering country-specific presentations that illustrate how Group strategy is being implemented locally, the major successes it has brought about, and the key challenges and opportunities facing AXA. In 2004, AXA made three presentations on its business in Southern Europe, the United States and Japan

All of these presentations on the Group and its performance are webcast live on **www.axa.com.** They are also made available via teleconference. All industry conference presentations are available on the corporate website.

Continuous information flow:

In addition to regularly scheduled encounters with institutional investors, AXA strives to provide the investment community with a steady and timely flow of information updates.

Press releases and email alerts:

AXA communicates on a regular basis with the investment community, through press releases for Group announcements, and through email alerts for breaking news on AXA subsidiaries. Institutional investors interested in receiving subsidiary email alerts may subscribe to such service.

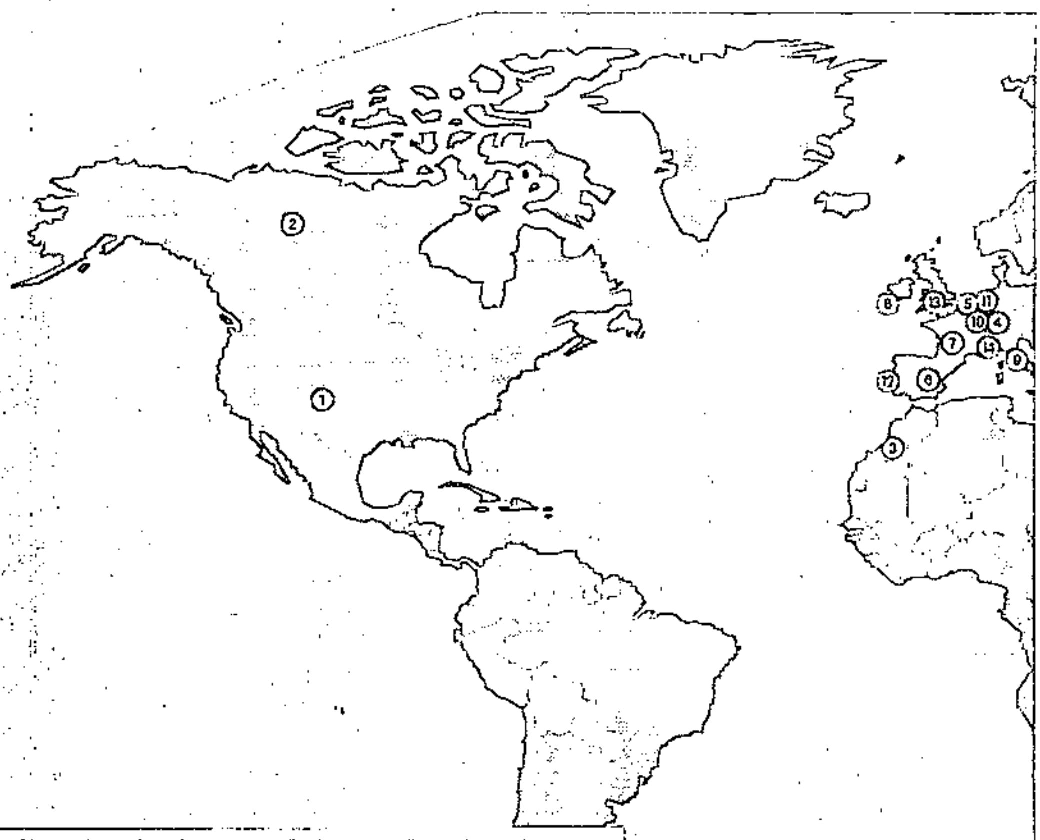
Website:

To meet the special needs of the institutional investment community, AXA has developed a special section on its website that incorporates all of the information that this audience requests, to the extent feasable and allowed by applicable laws and regulations.

Dedicated investor relations team:

Based in Paris and New York, AXA's investor relations professionals maintain ongoing relationships with brokerage house analysts, fund managers and investment company analysts, as well as with rating agency representatives. The investor relations department provides timely updates and comprehensive information on events that impact Group operations and performance, and is always available to answer questions.

AXA Group



MAIN SUBSIDIARIES AS AT DECEMBER 31, 2004

AXA's companies' contacts are available on the web site: www.axa.com

America

① UNITED STATES

Insurance

AXA Financial Inc[a]	100%	100%
MONY Holdings LLC[b]	100%	100%

② CANADA

Insurance

AXA Assurances	100%	100%
AXA Insurance	100%	100%

Africa

③ MOROCCO

Insurance

AXA ONA[c]	51%	51%

Europe

④ GERMANY

[illegible]

AXA Konzern AG[d]	92%	92%

Financial Services

AXA Bank	92%	100%

⑤ BELGIUM

AXA Holdings Belgium[e]	100%	100%

Financial Services

AXA Bank Belgium	100%	100%

⑥ SPAIN

[illegible]

AXA Aurora SA[f]	100%	100%
Direct Seguros	100%	100%

(a) Holding Company that owns AXA Equitable Life Insurance Company – (b) Holding Company that owns MONY Life Insurance Company and MONY Life Insurance Company of America. – (c) Holding Company that owns AXA Assurance Maroc – (d) Holding Company that owns AXA Versicherung AG, AXA Lebenversicherung AG and AXA Art – (e) Holding Company that owns AXA Belgium – (f) Holding Company that owns AXA Aurora Iberica and AXA Aurora Vida – (g) Holding Company that owns AXA France Vie, AXA France IARD, Avanssur (previously Direct Assurances IARD) and AXA Corporate Solutions Assurance – (h) Holding Company that owns AXA Assicurazioni SpA – (i) Holding Company that owns AXA Assurance Luxembourg

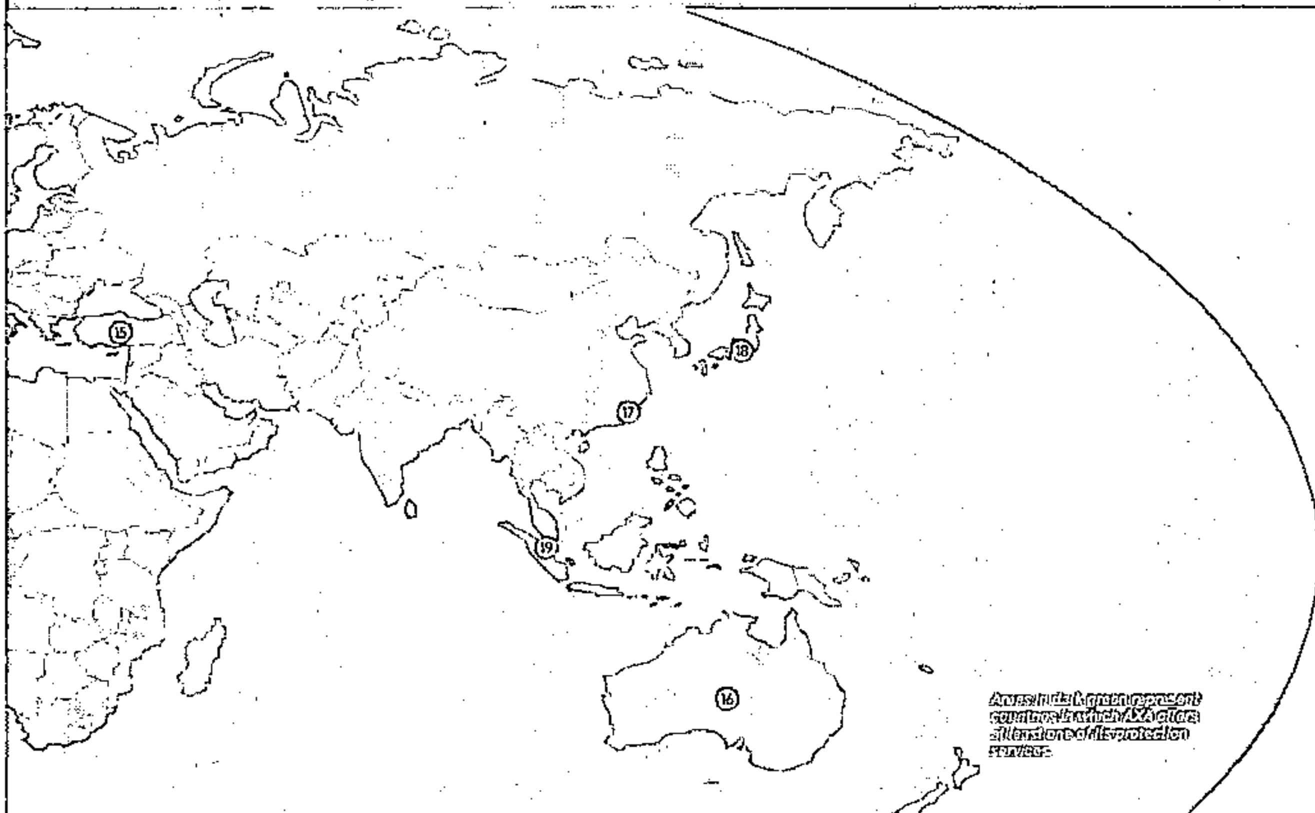
MAIN SUBSIDIARIES AS AT DECEMBER 31, 2004

International Insurance

AXA RE	100%	100%
AXA Assistance SA	100%	100%

Asset Management

AXA Investment Managers	95%	100%
AXA Real Estate Investment Managers	95%	100%
Alliance Capital Management	61%	61%
AXA Rosenberg	76%	100%



7 FRANCE

Insurance

AXA France Assurance[f]	100%	100%

Financial Services

Compagnie Financière de Paris	100%	100%
AXA Banque	100%	100%

8 IRELAND

Insurance

AXA Insurance Limited	100%	100%

9 ITALY

Insurance

AXA Italia SpA[h]	100%	100%

10 LUXEMBOURG

Insurance

AXA Luxembourg SA[i]	100%	100%

11 THE NETHERLANDS

Insurance

AXA Nederland BV[j]	100%	100%

12 PORTUGAL

AXA Portugal	99%	100%
AXA Portugal Vie	95%	95%

13 UNITED KINGDOM

Insurance

AXA UK Plc[k]	100%	100%

14 SWITZERLAND

Insurance

AXA Assurances	100%	100%

15 TURKEY

Insurance

AXA Oyak Holding AS[l]	50%	50%

Asia-Pacific

16 AUSTRALIA/NEW ZEALAND

Insurance

AXA Asia Pacific Holdings limited[m]	52%	100%

17 HONG KONG

Insurance

AXA China Region limited	52%	100%

18 JAPAN

Insurance

AXA Japan Holding Co. Ltd[n]	98%	100%

19 SINGAPORE

Insurance

AXA Life Singapore Holdings[o]	52%	100%

Ownership interest percentage %
Voting Right percentage %

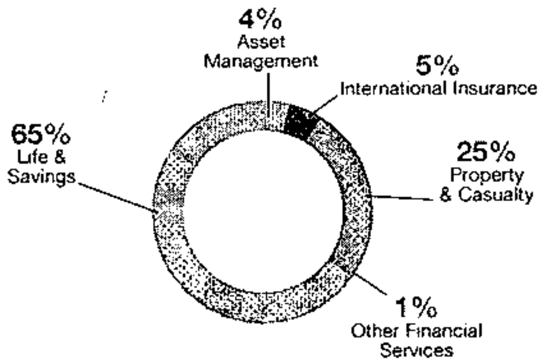
and AXA Assurance Vie Luxembourg – (j) Holding Company that owns AXA Leven NV and AXA Schade – (k) Holding Company that owns AXA Sun Life Plc, AXA Insurance Plc and AXA PPP Healthcare limited – (l) Holding Company that owns AXA Oyak – (m) Holding Company that owns AXA Australia New Zealand – (n) Holding Company that owns AXA Life Insurance Co. Ltd and AXA Non-Life Insurance Co. Ltd – (o) Holding Company that owns AXA Life Insurance Singapore Pte Ltd.

Financial highlights

ACTIVITY INDICATORS

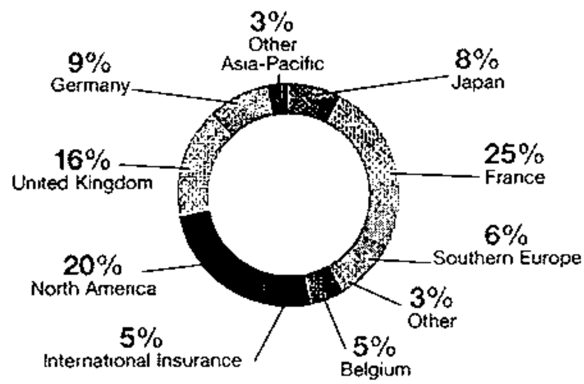
Gross premiums and financial services revenues

BY BUSINESS SEGMENT



TOTAL: €72.2 billion

BY GEOGRAPHIC REGION (INSURANCE ONLY)

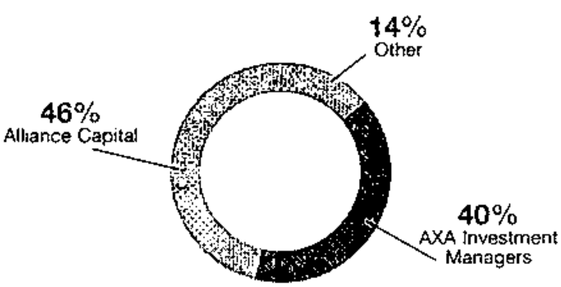


TOTAL: €68.3 billion

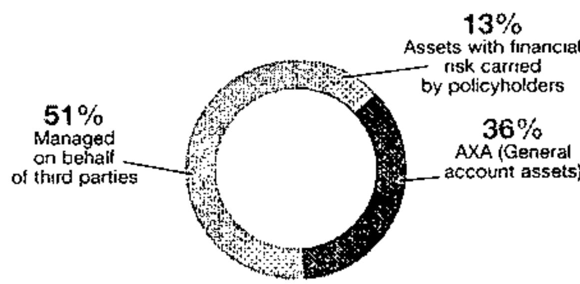
Total consolidated gross premiums and financial services revenues in 2004: €72.2 billion (+1.8% on a comparable basis)

Assets under management

BY COMPANY



BY CATEGORY

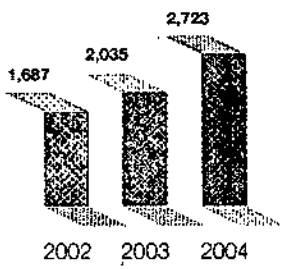


Total assets under management as at December 31, 2004: €869 billion

PROFITABILITY INDICATORS

UNDERLYING EARNINGS (b)

(in euro millions)



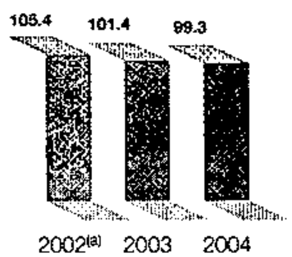
CONTRIBUTION TO CONSOLIDATED UNDERLYING EARNINGS, ADJUSTED EARNINGS AND NET INCOME GROUP SHARE

(in euro millions)

	2004	2003	2002
Life & Savings	1,603	1,301	1,636
Property & Casualty	1,063	753	226
International Insurance	155	141	(78)
Asset Management	316	146	258
Other Financial Services	26	112	133
Holding companies	(439)	(419)	(488)
Underlying earnings (b)	**2,723**	**2,035**	**1,687**
Cost of September 11th events	–	–	(89)
Net investment gains attributable to shareholders	178	(585)	(240)
Adjusted earnings (b)	**2,901**	**1,450**	**1,357**
Impact of exceptional operations	267	148	235
Goodwill amortization (Group share)	(649)	(593)	(643)
Net income Group Share	**2,519**	**1,005**	**949**

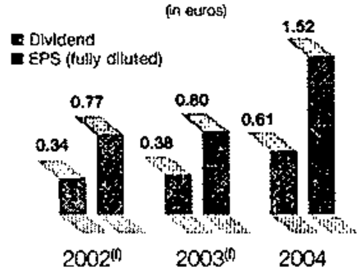
COMBINED RATIO

(in %)



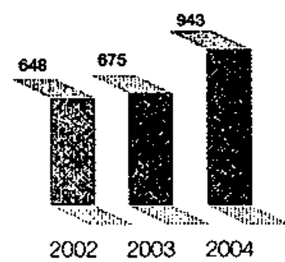
ADJUSTED EARNINGS (b) PER ORDINARY SHARE AND NET DIVIDEND PER SHARE

(in euros)



NEW BUSINESS CONTRIBUTION (d)

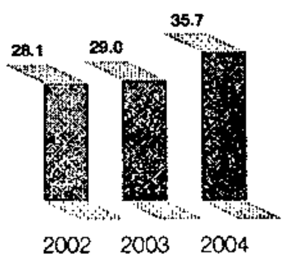
(in euro millions)



BALANCE SHEET INDICATORS

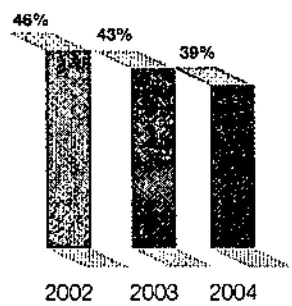
EMBEDDED VALUE (c)

(in euro billions)



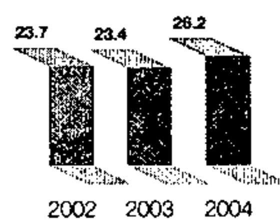
GEARING RATIO (e)

(in %, as at December 31)



CONSOLIDATED SHAREHOLDERS' EQUITY (GROUP SHARE)

(in euro billions, as at December 31)



	2002	2003	2004
In millions of shares	1,762	1,778	1,908
Adjusted ROE (b):	5.7%	6.3%	12.4%
Underlying ROE (b):	7.1%	8.9%	11.6%

a) *Combined ratios are presented including UK Health activities.*

b) ***Underlying earnings*** *are adjusted earnings, excluding net capital gains attributable to shareholders and claims associated with September 11, 2001 terrorist attacks.* ***Adjusted earnings*** *represent net income before the impact of exceptional operations and goodwill amortization. Adjusted and underlying earnings are non-GAAP measures, which may not be comparable to similarly titled measures reported by other companies. Management uses these non-GAAP measures as key indicators of performance in assessing AXA's various businesses and believes that the presentation of these measures provides useful and important information to shareholders and investors as measures of AXA's financial performance.*

c) *Please refer to page 58 for further details.*

d) *Starting in 2003, new business contributions are converted in Euro using average exchange rates over the year instead of year-end exchange rates. 2002 numbers have been restated accordingly.*

(e) *Since 2004, gearing ratio excludes cash surplus at Group Level.*

(f) *Following any significant capital increase with a stock price lower than the market price, such as ORAN conversion in July 2004, average number of shares and consequently earning per share over each period can be restated to take into account this event.*

GROSS PREMIUMS AND FINANCIAL SERVICES REVENUES BY ACTIVITY

(in euro millions)

	2004 Gross (a)	2004 Net (a)	2003	2002	2004 vs 2003 On a current basis	2004 vs 2003 On comparable basis
LIFE & SAVINGS	**47,071**	**47,063**	**46,799**	**48,586**	**0.6%**	**1.0%**
France	11,899	11,893	10,882	10,423	9.3%	9.3%
United States (b)	12,880	12,880	13,732	12,726	(6.2%)	(4 7%)
United Kingdom	6,309	6,309	5,831	8,362	8.2%	6.1%
Japan	5,526	5,526	6,078	6,428	(9 1%)	(6.8%)
Germany	3,499	3,499	3,428	3,140	2.1%	2.1%
Belgium	2,203	2,203	2,050	1,629	7.4%	3.3%
Southern Europe	1,364	1,364	1,182	1,515	15 4%	15.4%
Italy	649	649	566	552	14.6%	14.6%
Spain	555	555	470	834	18.0%	18.0%
Portugal	160	160	146	129	9.9%	9.9%
Other countries	3,391	3,389	3,615	4,362	(6.3%)	(4 5%)
Australia / New Zealand	1,499	1,496	1,697	2,018	(11.9%)	(14.4%)
Hong Kong	751	751	791	936	(5.1%)	5.1%
The Netherlands	802	802	768	918	4 4%	5.6%
Other countries	340	340	359	490	(5 3%)	(4.5%)
PROPERTY & CASUALTY	**17,945**	**17,852**	**17,098**	**15,948**	**4.4%**	**3.4%**
France	4,932	4,895	4,640	4,383	5.5%	5.5%
United Kingdom & Ireland	4,493	4,469	4,222	3,303	5.9%	(1.8%)
Germany	2,815	2,796	2,847	2,843	(1.8%)	(1.8%)
Southern Europe	2,901	2,901	2,577	2,418	12 6%	7.0%
Italy	1,140	1,140	1,088	1,027	4.8%	4.8%
Spain	1,417	1,417	1,166	1,070	21.6%	9.1%
Portugal	344	344	324	320	6.2%	6.2%
Belgium	1,443	1,430	1,405	1,395	1.8%	1.6%
Other countries	1,361	1,361	1,408	1,606	(3.3%)	(0.3%)
Canada	746	746	761	744	(2.0%)	0.2%
The Netherlands	212	212	248	237	(14.4%)	(14.4%)
Other countries	403	403	398	625	1.1%	7 4%
INTERNATIONAL INSURANCE (c)	**3,480**	**3,371**	**3,972**	**5,762**	**(15.1%)**	**(6.4%)**
AXA RE	1,069	1,056	1,913	3,472	(44.8%)	(14.9%)
AXA Corporate Solutions Assurance	1,517	1,506	1,550	1,762	(2.8%)	(3.0%)
AXA Cessions	94	94	87	100	7.2%	7.2%
AXA Assistance	561	475	408	397	16.3%	16.4%
Other transnational activities	239	240	14	30	n/a	(22.8%)
TOTAL INSURANCE	**68,497**	**68,286**	**67,870**	**70,296**	**0.6%**	**1.2%**
ASSET MANAGEMENT	**3,364**	**3,087**	**2,922**	**3,411**	**5.7%**	**13.9%**
Alliance Capital	2,421	2,312	2,311	2,778	0.0%	10.0%
AXA Investment Managers	944	776	611	633	26.9%	28.6%
OTHER FINANCIAL SERVICES	**821**	**791**	**836**	**1,020**	**(5.4%)**	**5.5%**
AXA Banque & AXA Banque Financement (France)	157	153	139	134	10.1%	10.1%
AXA Bank Germany	68	56	122	117	(54.2%)	0.3%
AXA Bank Belgium	591	578	539	717	7.2%	7.6%
Other	5	5	37	52	(87 6%)	(75.3%)
TOTAL OTHER FINANCIAL SERVICES	**4,185**	**3,878**	**3,758**	**4,430**	**3.2%**	**12.2%**
Intercompany eliminations	**(518)**	**-**	**-**	**-**	**-**	**-**
TOTAL	**72,164**	**72,164**	**71,628**	**74,727**	**0.7%**	**1.8%**

(a) Presented gross and net of intercompany eliminations.

(b) Including MONY in 2004.

(c) In 2004, part of AXA RE activities has been transferred to AXA Liabilities Managers ("Others transnational activities"), an AXA Group subsidiary dedicated on run-off portfolio management.

EXCHANGE RATES

(1 euro = X foreign currency)

	Year End Exchange Rate 2004	Year End Exchange Rate 2003	Average Exchange Rate 2004	Average Exchange Rate 2003	Average Exchange Rate 2002
U.S. Dollar	1.36	1.26	1.24	1.13	0.95
Japanese Yen (a) (x100)	137.17	128.87	132.45	129.20	115.07
Australian Dollar	1.75	1.68	1.69	1.74	1.74
British Pound	0.71	0.70	0.68	0.69	0.63

(a) The exchange rates presented correspond to the year-end exchange rate and average exchange rate for a September 30 financial year.

CONSOLIDATED ADJUSTED EARNINGS AND NET INCOME BY ACTIVITY (in euro millions except per ordinary share amounts)

	2004	2003	2002
LIFE & SAVINGS	**1,727**	**898**	**1,367**
France	425	425	432
United States	674	530	520
United Kingdom	109	43	348
Japan	199	(224)	(45)
Germany	(38)	(26)	(0)
Belgium	104	(55)	8
Southern Europe	45	24	32
Italy	23	(11)	2
Spain	14	29	30
Portugal	8	7	0
Other countries	209	179	72
Australia / New Zealand	50	39	59
Hong Kong	74	99	33
The Netherlands	71	30	(6)
Other countries	14	12	(14)
PROPERTY & CASUALTY	**1,035**	**519**	**93**
France	304	266	237
United Kingdom & Ireland	274	127	(137)
Germany	71	(183)	(28)
Southern Europe	145	123	71
Italy	48	65	42
Spain	81	47	33
Portugal	17	11	(4)
Belgium	142	118	(29)
Other countries	98	68	(21)
Canada	65	37	19
The Netherlands	0	10	(3)
Other countries	33	21	(36)
INTERNATIONAL INSURANCE [a]	**238**	**147**	**(149)**
AXA RE	142	146	(14)
AXA Corporate Solutions Assurance	84	(5)	(123)
AXA Cessions	17	16	(4)
AXA Assistance	17	14	1
Other transnational activities	(23)	(25)	(8)
TOTAL INSURANCE	**2,999**	**1,564**	**1,311**
ASSET MANAGEMENT	**318**	**148**	**258**
Alliance Capital	210	72	195
AXA Investment Managers	108	76	63
OTHER FINANCIAL SERVICES	**26**	**126**	**133**
AXA Banque & AXA Banque Financement (France)	(10)	(20)	(3)
AXA Bank Germany	2	0	2
AXA Bank Belgium	32	68	36
Other	2	78	98
TOTAL OTHER FINANCIAL SERVICES	**344**	**274**	**391**
HOLDINGS	**(442)**	**(388)**	**(344)**
AXA SA	(208)	(225)	(162)
Other french holdings	(0)	(9)	69
Other french holdings	(234)	(154)	(251)
ADJUSTED EARNINGS [b]	**2,901**	**1,450**	**1,357**
Adjusted earnings per ordinary share (basic) [c]	***1.57***	***0.81***	***0.77***
Adjusted earnings per ordinary share (diluted) [c]	***1.52***	***0.80***	***0.77***
Return on equity	***12.4%***	***6.3%***	***5.7%***
Impact of exceptional operations	267	148	235
Goodwill amortization	(649)	(593)	(643)
NET INCOME, GROUP SHARE	**2,519**	**1,005**	**949**
Net income per ordinary share (basic) [c]	***1.37***	***0.56***	***0.54***
Net income per ordinary share (diluted) [c]	***1.32***	***0.55***	***0.54***
Return on equity	***10.8%***	***4.4%***	***4.0%***

(a) In 2004, part of AXA RE acitvities has been transferred to AXA Liablities Managers ("Others transnational activities"), an AXA Group subsidiary dedicated on run-off portfolio management.

(b) Adjusted earnings represents AXA's consolidated net income before goodwill amortization and exceptional operations. Adjusted earnings is a non-GAAP measure, which management believes provides a meaningful understanding of the results. It should be noted that "Adjusted earnings" as defined may not be comparable with similarly-titled measures reported by other companies as it is not defined under either French GAAP or U.S. GAAP.

(c) Following any significant capital increase with an issuance price lower than the market price, such as ORAN conversion in July 2004, average number of shares and consequently EPS over prior periods must be restated to reflect an adjustment to neutralize this.

SHARES, SHAREHOLDER'S EQUITY, RESTATED NET ASSET, DIVIDENDS

	2004	2003	2002
Number of ordinary share outstanding (in millions)	1,908.44	1,778.10	1,762.17
Average share price (in euros)	17.5	14.1	17.8
Share price as at December 31 (in euros)	18.2	17.0	12.8
High share price (in euros)	19.4	17.6	26.1
Low share price (in euros)	15.6	9.1	8.8
Stock capitalization (in euro millions)	**34,696**	**30,174**	**22,538**
Shareholder's equity (in euro millions)	28,364	25,870	26,523
Represented by Net Income (in euro millions)	*2,840*	*1,248*	*1,317*
Shareholder's equity, group share (in euro millions)	26,158	23,401	23,711
Represented by Net Income, group share (in euro millions)	*2,519*	*1,005*	*949*
Adjusted Earnings	**2,901**	**1,450**	**1,357**
Restated net Asset			
Total (in euro millions):			
– Gross	36,888	30,138	27,871
– Net	33,347	27,810	25,915
Per share (in euros) :			
– Gross	19.3	16.9	15.8
– Net	17.5	15.6	14.7
Dividends [(a)]			
– gross per share, including tax allowance (in euros)	0.92	0.57	0.51
– net per ordinary share (in euros)	0.61	0.38	0.34
– net total (in euro millions)	1,164	676	599
Dividend Pay-Out Ratio [(b)]	40%	47%	44%

(a) 2004 dividends proposed for approval by AXA shareholders at the annual general meeting of shareholders held on April 20, 2005.
(b) Net Dividend / Adjusted Earnings

SALARIED EMPLOYEES

	As at December 31, 2002	As at December 31, 2003	As at January 1, 2004 [a]	As at December 31, 2004
Insurance	**70,127**	**64,939**	**66,916**	**66,869**
France [b]	17,869	16,168	16,168	16,124
United States	5,276	4,866	6,524	6,415
Japan	3,135	3,047	3,047	3,020
United Kingdom (& Ireland since January 1st, 2004)	10,868	10,794	11,609	12,228
Germany	8,462	7,654	7,654	7,483
Belgium (including AXA Bank Belgium) [c]	5,381	4,969	4,969	4,814
Southern Europe	-	-	4,661	4,649
Other countries	13,685	11,933	6,776	6,526
of which Italy	*1,302*	*1,277*	–	–
of which Spain	*1,900*	*1,807*	–	–
of which Portugal	*1,304*	*1,250*	–	–
of which Australia / New Zealand	*2,922*	*2,355*	*2,355*	*2,210*
of which Hong Kong	*783*	*794*	*794*	*823*
of which Canada	*1,847*	*1,779*	*1,779*	*1,818*
of which The Netherlands	*960*	*905*	*897*	*700*
of which Morocco	*502*	*501*	*501*	*511*
International insurance	5,451	5,508	5,508	5,610
AXA RE	*895*	*738*	*614*	*445*
AXA Corporate Solutions Assurance	*1,529*	*1,327*	*1,327*	*1,167*
AXA Cessions	*66*	*79*	*79*	*110*
AXA Assistance	*2,961*	*3,182*	*3,182*	*3,560*
Other transnational activities	*0*	*182*	*306*	*328*
Asset Management	**6,271**	**6,241**	**6,241**	**6,258**
Alliance Capital	4,145	4,078	4,078	4,118
AXA Investment Managers	2,126	2,163	2,163	2,140
Other Financial Services (excluding AXA Bank Belgium) [c]	**836**	**776**	**642**	**559**
France	510	476	476	481
Germany	326	300	166	78
Services Group	**711**	**679**	**679**	**638**
AXA Technology, AXA Consulting and e-business	**197**	**1,949**	**1,949**	**2,015**
TOTAL	**78,142**	**74,584**	**76,427**	**76,339**

Personnel of non-consolidated companies or companies accounted for using the equity method are not included in the above table. Personnel of companies proportionally consolidated are included, pro-rata, in accordance with the percentage of consolidation.

(a) The personnel at January 1, 2004 are included on a constant structural basis in relation to personnel at December 31, 2003:

- *Acquisition of (i) MONY Group in the United States and (ii) minority interests buyout of Direct Seguros in Spain Property & Casualty,*
- *The disposals of (i) AXA Bausparkasse building society in Germany and (ii) Unirobe, our former Dutch brokerage company in The Netherlands,*
- *Transfer from AXA RE to AXA Liabilities Managers, an AXA Group subsidiary dedicated on run-off portfolio management. This specific company was created in January, 1, 2003,*
- *Starting January 1st 2004, (i) Italy, Spain and Portugal activities (previously under "Other countries") are now reported as one geographical region "Southern Europe" and (ii) UK Property & Casualty segment is now presented including Ireland, which was previously under "Other countries").*

(b) A portion of the personnel of AXA' s French affiliates are included in GIEs. In addition, the personnel included in insurance and financial services activities in France are included in the "cadre de convention" of 4 not consolidated "mutuelles".

(c) Employees of AXA Belgium provide services in common for both the insurance activities and the bank activities. Consequently, split is not available.

RATINGS CONCLUSIONS FOR THE COMPANY AND ITS PRINCIPAL SUBSIDIARIES

	2004 Agency	Date	Rating	Outlook
Insurer Financial Strength Ratings				
The Company's principal insurance subsidiaries	Standard & Poor's	02/07/05	AA-	Stable
	Moody's	02/14/05	Aa3	Stable
	Fitch Ratings	01/17/05	AA	Stable
Ratings of the Company's Long Term and Short Term Debt				
Senior Debt	Standard & Poor's	02/07/05	A	
	Moody's	02/14/05	A2	
	Fitch Ratings	01/17/05	A+	
Long Term Subordinated Debt	Standard & Poor's	02/07/05	BBB+	
	Moody's	02/14/05	A3	
	Fitch Ratings	01/17/05	A- (non dated debt)	
		01/17/05	A (dated debt)	
Short Term Debt	Standard & Poor's	02/07/05	A-1	
	Moody's	02/14/05	P-1	
	Fitch Ratings	01/17/05	F-1	

Embedded Value

(in euro millions)

	2004	2003	Change (%)	Change on a constant exchange rate (%)
ANAV Life [b]	10,982	8,100	35.6%	38.7%
ANAV Other activities	8,903	7,260	22.6%	24.9%
Cost of Capital	(2,593)	(2,544)	1.9%	5.4%
Life PVFP [a]	18,454	16,192	14.0%	18.4%
EV	**35,746**	**29,008**	**23.2%**	**26.8%**
Number of shares	1,908	1,778	7.3%	–
EV/share	18.73	16.31	14.8%	18.2%
Life NBC [c]	943	675	39.7%	42.9%
Life NBV [d]	771	512	50.6%	55.5%
Life NB APE Premiums	4,837	4,433	9.1%	6.7%
Life NB APE Margin [c]	19.5%	15.2%	4.3 pts	5.2 pts
Life NB APE Margin [d]	15.9%	11.5%	4.4 pts	5.3 pts

(a) Measures of New Business adjust for currency exchange and scope
(b) In this section, "Life" will refer to whole "Life & Savings" activities in the Group
(c) Before cost of capital
(d) After cost of capital

"Embedded Value" (EV) is a valuation methodology often used for long term insurance business. It attempts to measure the present value of cash available to shareholders now and in the future. This value can be considered in three pieces,

1) "Adjusted Net Asset Value" (ANAV) which measures the current balance sheet wealth,
2) "Cost of Capital" (CoC) which measures the cost to shareholder of some of the balance sheet not being immediately available for distribution, and
3) "Present Value of Future Profits" (PVFP) which measures the present value of future shareholder profits for business currently in the portfolio.

EV is not an estimate of AXA's "fair value", regardless of how one might define "fair value". It does not include the value of business to be sold in the future, nor make full allowances for value across a range of different scenarios.

"New Business Contribution" (NBC) and "New Business Value" (NBV) measure the value of new business sold during the year. It includes the PVFP on new business, and also the upfront costs associated with acquiring new business (often called "strain"). Therefore NBC and NBV combine elements that increase PVFP balances from one year to the next and elements that reduce the ANAV from one year to the next. NBC is measured before cost of capital, while NBV is measured after cost of capital.

"Annualized Premium Equivalent" (APE) is a measure of new business volume which includes sales of regular recurring premium business at 100% but sales of single premium business at only 10%. The "APE Margin" is the ratio of NBC to APE.

AXA publishes PVFP only for its Life & Savings business. AXA's ANAV calculation does include elements for all of its business.

The ANAV can be reconciled to the consolidated balance sheet as follows:

(in euro millions)

Published Shareholder's Equity:	26,158
+ Net Unrealized Capital Gains	7,189
= Published Net Asset Value	**33,347**
- Life Insurance Intangible Asset Value	(14,950)
+ Unrealized Gains in AXA Investment Managers	1,338
+ Other Adjustments [a]	150
= ANAV	**19,885**
Consisting of	
Life insurance ANAV	10,982
Other ANAV	8,903

(a) "Other adjustments" are:
1) Unrealized capital gains or losses which are included in the PVFP calculation,
2) Adjustments from GAAP to Statutory basis for life businesses,
3) Value embedded in undiscounted Property & Casualty and International liabilities,
4) Restatements of Pension Liabilities, and
5) EV-specific consolidation adjustments.

The Life Insurance ANAV is calculated from the free surplus available on a local regulatory (statutory) basis, adjusted for any unrealized capital gains or losses not included in the calculation of PVFP. Starting from the consolidated accounts, an adjustment made to reflect the differences between AXA's consolidated accounting basis and local regulatory bases, including elimination of intangible assets such as Deferred Acquisition Costs, Value of Business Inforce, and Goodwill.

The Other ANAV includes unrealized capital gains or losses including those on our investment management companies: Alliance Capital (market value basis with no control premium) and AXA Investment Managers (estimated market value). Other ANAV also includes the value embedded in our undiscounted policy liabilities, and intangible assets are not eliminated.

The Cost of Capital is calculated for Life & Savings business only. The capital is the amount required for an AA-equivalent rating, above the statutory reserves held. The cost is the difference between the face amount of capital required and the present value of the sum of future capital releases and investment earnings on assets supporting the capital.

The PVFP is calculated for Life & Savings business only. It is based on future regulatory earnings on our current portfolio, not including any value of future sales. Investment returns include the unrealized capital gains and losses on assets backing policyholder liabilities, where appropriate for local regulation and management practice.

The PVFP calculation of necessity involves many assumptions about the future. Our major assumptions include:
- Discount rate generally based on risk premium of 250 basis points (higher in Asia / Pacific), with a weighted average of 6.75% resulting.
- Actuarial assumptions reflect best estimates based on recent experience.
- No productivity gains in the future are assumed, while inflation averaging 2.0% is assumed.
- Expenses are adjusted for non-recurring expenses and one-time strategic spending.

- No benefit from future mortality improvement on Life business is included, while annuity business does have an allowance for the costs of longevity increasing.
- A weighted average tax rate of 33.5%.
- A weighted average equity return of 7.4%, and risk-free return of 4.2%.

The following table is a summary of key assumptions for 2003 and 2004 :

	Post-tax discount rate		Pre-tax risk free rate		Pre-tax equity return	
	2004	2003	2004	2003	2004	2003
Weighted average	6.75%	7.06%	4.17%	4.48%	7.42%	7.76%

The following table presents an analysis of the movement of EV between 2003 and 2004:

AXA Group EV 2003	**29,008**
Modeling Changes and opening adjustments	379
Adjusted Group EV 2003	**29,387**
Life New Business Value after Cost of Capital	771
Other life operating movements	1,934
Life investment movements	1,387
Life movements before capital flows	**4,092**
Other than life Net Income excluding Goodwill amortisation	1,450
Other than life Change in Unrealised Capital Gains/Losses	1,506
Movement in Unrealized Gains of AXA Investment Managers	231
Other than life Goodwill amortisation	(319)
Other than life movement in other adjustments[a]	27
Other than life movements before capital flows	**2,895**
Foreign Currency Effects	(952)
Capital flows and acquisitions	324
Total other	(628)
AXA Group EV 2004	**35,746**

(a) "Other than life other adjustments" are:

1) Value embedded in undiscounted Property & Casualty and International liabilities.

2) Restatements of Pension Liabilities, and

3) EV-specific consolidation adjustments.

The sensitivity of the EV and NBC to changes in major assumptions has been calculated as follows (measure in Euro per share difference from the base case):

ASSUMPTION TESTED

	EV Impact	NBC Impact
Upward parallel shift of 100 bp in reinvestment rates	0.62	0.05
Downward parallel shift of 100 bp in reinvestment rates	(1.03)	(0.07)
100 bp increase in the discount rate	(1.01)	(0.08)
10% decrease in lapse rates	0.41	0.05
10% permanent decrease in expenses	0.38	0.03
10 bp increase in general account spread	0.20	0.01
100 bp increase in asset return for unit-linked business	0.28	0.04
Life mortality improvement (50 bp per year)	0.17	0.01
10% higher equity markets at start of the projection	0.59	0.05
10% lower equity markets at the start of the projection	(0.64)	(0.06)
100 bp increase in total asset return in all future years	2.06	0.11
100 bp decrease in total asset return in all future years	(2.75)	(0.13)
100 bp decrease of total asset return in all future years (Japan only)	(0.55)	(0.04)

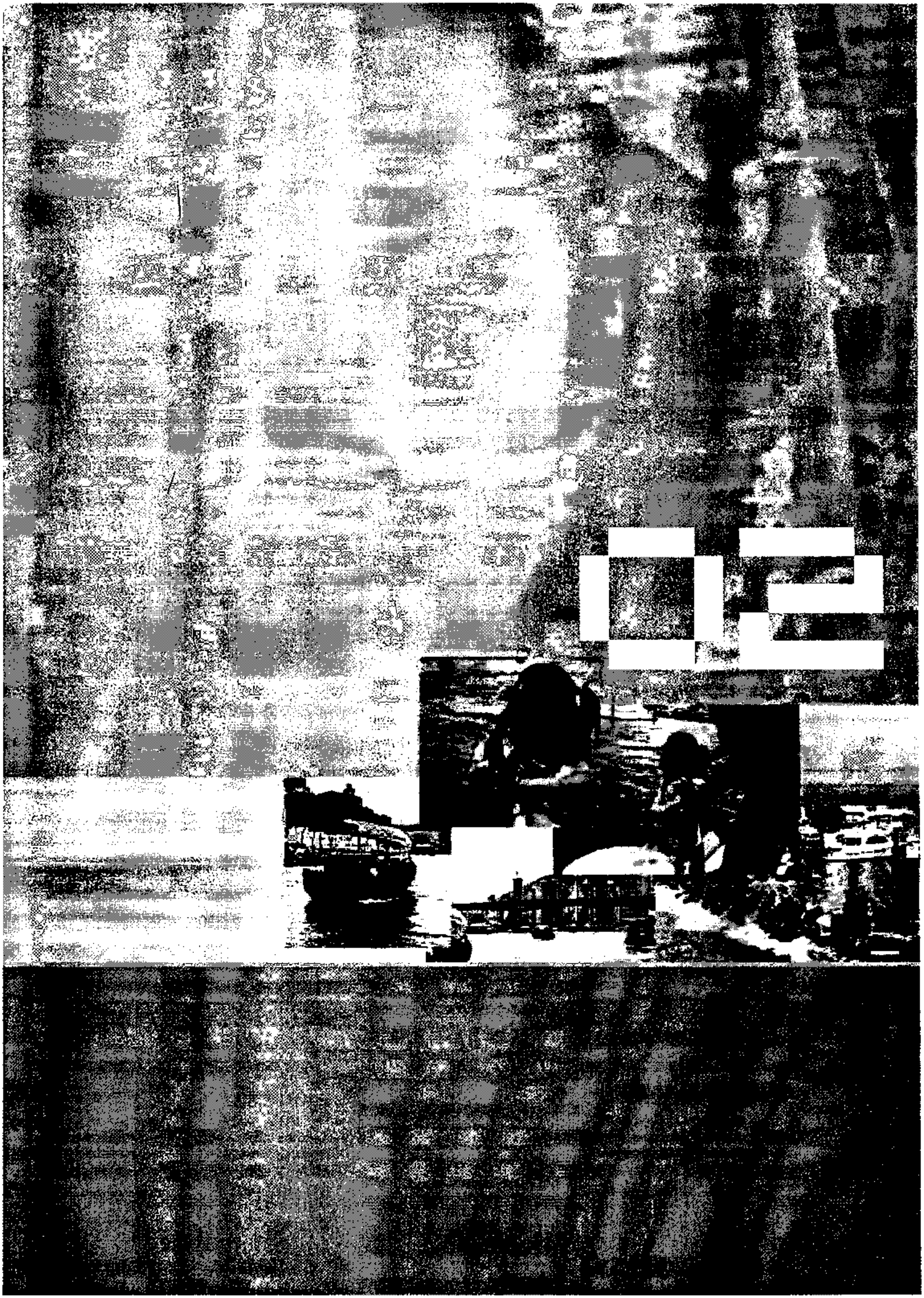
An independent actuarial consultancy, Tillinghast, was hired by AXA to perform a review, and has issued the following statement of opinion:

"Tillinghast has reviewed the methodology and assumptions used to determine the embedded value at December 31, 2004, and the value added by 2004 new business for the principal life operating entities of the AXA Group.

Tillinghast has concluded that the methodology used is reasonable and consistent with recent industry practice for traditional embedded value reporting. The values are based on deterministic projections of future after-tax profits, with an explicit allowance made for the cost of equity-based product guarantees in the life business using stochastic projections on a realistic basis. Allowance for risk is made through the use of a single risk discount rate by currency and an explicit adjustment for the level and cost of holding capital. The embedded value may not correspond to a "fair value" valuation or to that required to comply with the European Embedded Value Principles, as published by the CFO Forum.

Tillinghast has concluded that the operating assumptions are reasonable in the context of AXA's recent experience and expected future operating environment and are consistent with other information disclosed in this document, and that the economic assumptions, risk discount rates and allowance for the cost of capital are reasonable for this purpose.

Tillinghast also performed limited high-level checks on the results of the calculations and discovered no material issues. Tillinghast has not, however, performed detailed checks on the models and processes involved."


02

Sustainable Development

AXA's Sustainable Development Policy

Aware of its responsibilities, AXA has integrated sustainable development into its business strategy as well as into the methods used to achieve its business objectives. Corporate responsibility guides the AXA Group in its relationships with all its stakeholders.

A Driver of Economic Development

The notion of sustainable development is at the core of Financial Protection business. As a business that involves managing risks of all kinds, Financial Protection is based on the principles of economic solidarity and long-term equilibrium. The financial protection business contributes to economic development on two levels. First, in every society that has adopted the practice, insurance has contributed throughout history to the expansion of trade. Through insurance, clients pool resources (in the form of equitable premiums) to shoulder the financial consequences of losses that, while they may affect only one member of the pool –an individual or a business– are often too onerous to be borne alone.

Second, by investing the premiums paid by their policy-holders, insurers have acquired considerable expertise in asset management. In addition to generating returns, these investments also contribute to the development of the businesses in which insurers invest.

Responsible Underwriting Practices

However, the role of the insurer may extend beyond covering risks and making long-term equity investments. The underwriting policies that insurance companies adopt can also have an impact on policyholder practice. Aware of AXA's insurance subsidiaries establish and enforce underwriting guidelines that contribute to the sustainable development of the communities in which they do business – by emphasizing risk prevention, particularly in areas that touch on ecology.

Encouraging Prevention

AXA plays an important role in onsite risk management for its commercial insurance clients. Before agreeing to insure a business, AXA sends out specialists to perform risk audits on all or a representative sample of its operating facilities. During such audits, experts identify risk exposures, recommend preventive steps to be taken, and suggest ways of reducing the impact of losses that may occur.

AXA's Asset Management Business and Sustainable Community Development

AXA has developed expertise in medium- to long-term asset management within AXA Investment Managers (AXA IM) and Alliance Capital. In 2003, AXA IM began incorporating social and environmental responsibility criteria into its analysis of business fundamentals. Particularly sensitive to the notion of corporate citizenship, AXA Investment Managers was a European pioneer in the field of Socially Responsible Investment (SRI). In France, AXA Investment Managers formed a dedicated SRI unit in 1998, and has held regular client seminars on the subject since 1999.

As an asset manager, the AXA Group votes proxies at annual shareholder meetings. To ensure that this fiduciary duty is fulfilled responsibly, AXA IM and Alliance Capital have adopted formal proxy voting policies and procedures. In both cases, transparency of information is considered to be a key component of good governance, board structure and defense of shareholder rights are scrutinized. In 2004, AXA IM voted proxies at 694 shareholder meetings. In 188 instances, the company cast a vote against and/or abstained from voting.

AXA's Commitments: a Common Platform

For many years now, AXA Group subsidiaries have been developing and adopting best practices with the aim of satisfying their customers, their shareholders and their employees. In 2003, a common platform was created for all Group affiliates: AXA's commitments. They offer a short presentation of the spirit of accountability that guides AXA's relationships with its various stakeholders: customers – shareholders – employees – suppliers – community and environment.

Seeking Continuous Improvement

The year 2004 was devoted to the gradual implementation of this sustainable development policy through a series of decentralized local initiatives. This approach offers the advantage of ensuring that at each new step, policies touching on social, environmental or community issues are tested in a particular market, business line or area before being more broadly rolled out. The environmental management system for AXA's operating facilities is being implemented in accordance with this gradual approach. After pilots were conducted in France and in Belgium, the system was extended in 2004 to AXA subsidiaries in Spain, Italy and the United Kingdom.

AXA's Stakeholders

One of the most deeply engrained cultural convictions at AXA is that maintaining a healthy balance between customers, shareholders and employees is one of the prerequisites for becoming a consistently high performing organization. AXA's commitments give tangible expression to this belief. In addition to commitments to the three stakeholders the Group considers to be key to its development, AXA has also made commitments to its suppliers, the community and, more generally, to the environment.

AXA and its customers

Challenges

Improving customer satisfaction is one of AXA's strategic priorities. To fulfill this aspiration, AXA seeks to involve all its employees in the challenge of defining the organizations, practices and behaviors that will help to improve the quality of the Group's products, service level and distribution.

Improving the product offering also requires intuiting market needs and expectations, as well as cultivating the ability to innovate in ways that truly respond to needs expressed by customers.

But at AXA, putting the customer at the center of the organization's concerns also means delivering service quality that makes life easier for its clients. And this in turn means being able to make and keep binding service level promises. AXA's Customer Scope survey was designed to measure customer satisfaction in key areas, detect achievements and identify new sources of progress.

Finally, AXA reinforce monitoring to ensure that our sales channels—AXA's first point of contact with customers—are structured and trained to offer sound, personalized advice based on care and expertise, and that our sales associates comply with the highest standards of professional conduct.

The combined force of these ongoing efforts and total employee involvement will help AXA to retain its customers and acquire new ones.

AXA's commitments to customers

AXA seeks to offer its customers expert advice and a broad range of solutions adapted to their evolving needs through continuous innovation and:

- Effective local service.
- Professional expertise.
- Adherence to a professional code of ethics.

Recent developments

Product and prevention

The products and services offered by AXA are generally the result of highly refined market research and client segmentation. Customer needs and expectations are the starting point for subsequent design and development.

The decision to make prevention a pivotal element in AXA's product range –for the benefit of the policyholder and the insurer– offers a perfect illustration of this approach to product design. As an added bonus, the result is often a product that is totally new to the market.

One such innovation was introduced in 2004. For example and AXA France study showed that one out of every two companies is forced out of business within five years following a major fire. Whether the damage is direct or indirect, companies that have experienced losses due to fire experienced difficulties continuing to do business on solid foundations. AXA France addressed the issue by launching a prevention program aiming at achieving a lasting reduction in the occurrence of small- and mid-sized business fires. The resulting Fire Prevention Guide *(Charte Prévention Incendie)* offers a simple, efficient and relatively inexpensive remedy. In three sections –raising management awareness and communicating with employees, fire insurance premium reduction, and a network of approved service providers– the Guide contains all of the information businesses need to enforce effective fire prevention measures in the workplace.

Socially Responsible Investment (SRI)

While responsible investment forms an integral part of its way of doing business, AXA's range of SRI vehicles addresses growing demand from clients. AXA IM's family of SRI funds, which was first launched in 2002, includes:

- *AXA Euro Valeurs Responsables*, with assets under management valued at 153 million euros, has been AXA IM's leading SRI fund invested in equities since it was established in 2002.
- AWF Development Debt is an SRI fixed-income fund that supports micro-financing initiatives through direct investment. In 2004, it was ranked as the best performing fund in the Fixed Income Global (Others) category by Standard & Poor's.

In the employee savings business in France, AXA IM manages the first mutual fund vehicle for employee savings that makes equity allocations on the basis of SRI criteria (325 million euros in assets).

In addition, AXA IM subsidiary AXA Private Equity, which invests in businesses that do not raise funds by issuing publicly-traded stock, is a strong proponent of using SRI criteria in addition to conventional financial considerations when analyzing potential investments. AXA Private Equity believes that investment strategies taken social and environmental considerations into account create value over the long term.

Improving Service Quality

In honoring its stakeholder commitments, AXA has made customer satisfaction the key source of inspiration for action. The AXA Way continuous process improvement program was introduced to increase customer satisfaction. Inspired by a method that has been used widely by manufacturing companies, it places the customer at the center of the organization's concerns, attitudes and operations. In doing so, AXA Way focuses on customers and aims at identifying and understanding their real needs. Program achievements to date corroborate the validity of this approach which empowers employees to bring about changes in an organized and disciplined manner. The program seeks to promote improvements that employees have identified by analyzing the daily processes through which they deliver service to their customers.

By the end of 2004, eighteen AXA companies were involved in program deployment, some 6,000 employees had received training in AXA Way methods, and a total of 349 projects had been completed.

Measuring Customer Satisfaction

AXA has developed the Customer Scope survey to measure client satisfaction. This reliable tool of measurement is currently being used throughout the Group to poll customers on their perception of the quality of their contacts with the company at key moments: when they purchase a product, file a claim, or receive a benefit, for example. Their suggestions serve as a basis for actions undertaken to improve service quality, with the ultimate aim of increasing customer satisfaction.

Service platforms

Customer care centers also play an important role in AXA's monitoring of client satisfaction level. They serve a dual purpose: in addition to being a useful sales tool, they also provide effective follow-up for pending claims. In both cases, they can enhance service quality, in part by ensuring that callers are routed to qualified contact people who are available to field requests. As a result, customer cases are handled more rapidly and AXA sales associates can concentrate on areas where they add significant value: advice and sales.

Professional ethics

AXA adopted a new compliance guide after the Sarbanes-Oxley Act took effect in the United States. Released in 2004, the guide offers ethical guidance for ordinary course of business conduct. Some of the issues covered include possible conflicts of interest; rules governing trading in listed AXA Group securities; control and use of material non-public information; and Group statement on record-keeping and retention of information.

Supplementing the Group Compliance Guide, AXA's various operating units have also developed codes of conduct that incorporate local regulations relating to the sale and marketing of financial services. Professional standards governing client relationships emphasize the duty to provide sound advice and clear information, to refrain from disclosing client information, to adhere to fair business practices, and to fight against fraud and money-laundering.

The fight against money-laundering

Wherever its affiliates have established business relationships, AXA is unfailingly committed to the fight against money-laundering. The nature of this combat is spelled out in a set of formal Anti-Money-Laundering (AML) guidelines that were issued in 2002 after approval by both the Management Board and the Supervisory Board. On the basis of these guidelines, each AXA subsidiary has set up policies and procedures that combine general principles with local regulations in force, and has appointed an AML officer. One of the keys to success in this battle is adherence to the "Know Your Client" due diligence that underlies all transactions. This same obligation of due diligence holds for intermediaries, and becomes especially important when the transaction is in cash or in an equivalent monetary instrument. Policies and procedures are subject to ongoing change as experience is acquired in this area. In France, a dedicated organization has been set up to ensure efficient cooperation with TRACFIN. Subsidiaries that operate in countries considered to be at risk are subject to particularly close monitoring. Finally, a training plan to raise sales staff awareness was rolled out in 2004.

AXA and its employees

Challenges

In a customer service industry, a company's most valuable assets are the people it employs. AXA greatest source of strength is its employees expertise and engagement. As champions of change, people are key drivers of continuous process improvement at AXA.

AXA's greatest human resources challenge today is to put in place a set of policies and procedures that will help the Group to attract and retain the best talent in its industry. AXA also ensures that its employees can constantly acquire and refine their skills, and that these competencies are put to the best possible use in the workplace. Finally, maintaining workplace morale is an ongoing concern, particularly in periods of rapid organizational change.

AXA's commitments to employees

- To provide a workplace in which employees are respected.
- To encourage a management style that empowers and develops people.

Recent developments

Engagement through empowerment

Employee engagement is one of the objectives of AXA's human resources policy. It requires a management style that empowers people, based on performance and staff development and aligned with AXA's core values: professionalism, innovation, pragmatism, team spirit and integrity. It also requires that individual objectives be clearly agreed to during the annual performance appraisals that managers conduct with each of the employees who report to them.

AXA encourages its employees to invest in its stocks through Shareplan, its employee stock ownership program. As of year-end 2004, employees together owned more than five percent of AXA's equity capital, and one employee out of two was an AXA shareholder. These numbers serve as an indicator of the level of employee engagement at AXA.

Employee stakeholder award

On November 19, 2004, AXA was in the winner's circle for the grand prize in French employee stock ownership. The awards recognize the achievements of France's largest listed companies (included in the CAC 40 and SBF 120 indices) in the area of responsible and significant development of employee stock ownership. The high quality of information made available to employees in connection with the program, as well as the fact that employee shareholders have a seat on the Supervisory Board, were factors that weighed heavily in AXA's favor.

Two-way labor-management dialogue

The importance of establishing and maintaining a genuine dialogue between employees and managers is deeply engrained at AXA. Constructive communication helps to foster the stability required to implement the Group's development strategy. The dialogue with personnel or with representatives is organized and conducted at the local level on a regular basis. AXA also has a European Works Council (EWC), whose extensive role makes it a pioneer in social relations. Monthly, personnel representatives from AXA's principal European subsidiaries and the Group head of human resources meet with the EWC. Twice a year, the Chaiman of AXA's Management Board, Henri de Castries, attends these meetings.

Fair hiring and pay policy

Ensuring equitable treatment of employees is one of AXA's ongoing aspirations. Rules governing recruitment –both internal and external– and compensation are clearly spelled out. The methods used to recruit and promote are intended to encourage equal opportunity and respect for workplace diversity and to prevent harassment.

Rewards and systems of compensation are performance based. They seek to take into account individual competencies and contributions to performance, through a variable pay component tied to the achievement of mutually agreed-upon objectives.

AXA Financial defends workplace diversity

In 2004, AXA Financial created the Diversity Advisory Council, which brings together eleven individuals from a various business areas, two members of the Executive Management Committee, and AXA Financial CEO Kip Condron. The Council works with the Human Resources Department to create programs, policies and procedures aimed at strengthening diversity. Its mission includes improving recruitment, development and retention of diverse talents within the company and raising client and vendor awareness of diversity issues.

Learning to improve

AXA employees work with their direct manager to maintain and acquire the skills needed to meet company objectives as well as their own career goals. The annual performance review is one of the keys to this process, since it includes a formal discussion of individual training and development needs. Managers set up a training plan with each of their employees.

In 2004, more than half of all AXA employees, sales and non-sales staff alike, completed at least one training course. On average, each sales associate received 3.4 days of training, and each non-sales associate received 1.8 days of training during the year.

Employee Scope

In 1993, AXA began administering Scope, a survey designed to measure employee morale. In 2004, more than 65,000 employees completed and returned questionnaires-81 percent of the total number sent out. Thanks to this high response rate, Scope findings are considered to be a highly reliable indicator of how employees perceive the AXA organization. In the interest of tracking changes in the global level of employee satisfaction, AXA has devised a key performance indicator defined as the arithmetic mean of the scores received for all Scope questions for all AXA Group companies. In 2004, the score was 38 points, a 2-point improvement over 2003.

Scope results are analyzed in detail –some 2,400 feedback groups were set up for this purpose in 2004– and serve as the basis for local action plans. Since 2004, the AXA Group Executive Committee monitors the effective implementation of local action plans, which attests to the growing importance of Scope.

Human resources data for 2004

At year-end 2004, the AXA Group had approximatively 90,000[1] employees, of whom 65 percent were based in Europe. This staffing level, little changed overall versus 2003, and reflects an increase in North America (following the integration of former MONY employees), a slight increase in Asia (mostly India and Indonesia) and declined in Europe.

The decrease in the number of exclusive sales associates, from 23,033 in 2003 to 22,191 in 2004, is mainly due to two factors: the more stringent selection criteria adopted in the United States regarding distribution network and, in Asia, the change in status of a number of sales associates, from tied agent to broker.

Voluntary attrition among non-sales staff was 8 percent in 2004, a reasonable rate. For sales personnel, the percentage was nearly 22 percent.

(1) Human resources data is expressed in number of people and consolidation methodology is not taken into account.

2004 SOCIAL DATA

Compared to 2003 data corrected against modified definitions used in 2004

	2004 Perimeter	Change	2003 Perimeter
STAFFING LEVEL - December 31			
Non-sales staff	**74,463**	**(0.9%)**	**75,119**
- Senior managers	2,111	(5.6%)	2,236
Men	81%		79%
Women	19%		21%
- Managers	16,837	0.5%	16,751
Men	61%		62%
Women	39%		38%
- Employees	55,515	(1.1%)	56,132
Men	40%		40%
Women	60%		60%
Sales staff	**15,464**	**(1.4%)**	**15,681**
Men	59%		61%
Women	41%		39%
WORKFORCE	**89,927**	**(1.0%)**	**90,800**
Tied agents	**22,191**	**(3.7%)**	**23,033**
Men	80%		79%
Women	20%		21%
TOTAL WORKFORCE	**112,118**	**(1.5%)**	**113,833**
Men	54.4%		54.8%
Women	45.6%		45.2%
Average age of employees	**40**		**40**
Non-sales force	40		40
Sales force	42		40
Average length of service			
Non-sales force	12.7		12.4
Sales force	7.9		8.0
Temporary employees (non-sales force)	**3,715**	**(0.5%)**	**3,733**
Employees with disabilities	**1,012**	**(3.4%)**	**1,048**

2004 SOCIAL DATA

Compared to 2003 data corrected against modified definitions used in 2004

	2004 Perimeter	Change	2003 Perimeter
COMPENSATION			
Total payroll in euros (all employees)	4,688,006,022	6.7%	4,395,536,622
Variable / total compensation ratio	16%		16%
Number of employees holding stock options	3,690	16.4%	3,169
CHANGES IN STAFFING LEVEL			
Non-sales force			
External recruitment (open-ended employment contracts)	7,501	29.2%	5,805
Fixed-term employment contracts transformed into open-ended contracts	983		733
Departures	10,353	2.3%	10,117
of which dismissals	24.6%		28.4%
of which resignations	57.8%		51.0%
other (retirements...)	17.6%		20.6%
Net number of new jobs created during the year (external recruitment + fixed-term contracts transformed into open-ended contracts - departures)	(1,869)		(3,579)
Voluntary turnover	8.01%		N/D
Sales force			
External recruitment (open-ended employment contracts)	4,027	(10.5%)	4,497
Fixed-term employment contracts transformed into open-ended contracts	70		0
Departures	4,106	(8.0%)	4,465
of which dismissals	13.6%		43.1%
of which resignations	82.3%		54.0%
other (retirements...)	4.2%		2.8%
Net number of new jobs created during the year (external recruitment + fixed-term contracts transformed into open-ended contracts - departures)	(10)		31
Voluntary turnover	21.72%		N/A

2004 SOCIAL DATA Compared to 2003 data corrected against modified definitions used in 2004

	2004 Perimeter	2003 Perimeter
TRAINING		
Average number of days spent in training per employee		
Non-sales force	1.8 (1)	2 (3)
Sales force	3.4	6 (4)
% of employees who participated in at least one training program during the year		
Non-sales force	55%	63% (3)
Sales force	51%	60% (4)
WORKWEEK - ABSENTEEISM		
Average number of days worked per annum (legal/contractual)	**229**	**226**
Average number of hours worked per week (non-sales force, employees)	**36**	**34**
% workforce working part-time (not including salaried sales force)	**11.0%**	**10.8%**
Rate of absenteeism - all employees		
Non-sales force (a)	4.9% (2)	4.6% (5)
of which, due to illness	77%	80%
of which, due to a workplace accident	1%	2%
of which, due to maternity leave	21%	19%
Sales force (b)	2.9%	3.2%

(a) 2004 calculation is based on average FTE, 2003 calculation is based on average headcount on December 31.
(b) 2004 and 2003 calculations are based on average headcount on December 31.

(1) Basis of calculation: 90% of the Group non-sales staff.
(2) Basis of calculation: 78% of the Group non-sales staff.
(3) Basis of calculation: 86% of the Group non-sales staff.
(4) Basis of calculation: 60% of the Group sales staff.
(5) Basis of calculation: 77% of the Group non-sales staff.

AXA and its shareholders

AXA's commitments to shareholders

- Operating performance that ranks among the best in the industry.
- Effective corporate governance.
- Full and complete financial information.

For a detailed description of how these commitments translate into practice, see the introduction.

AXA and its suppliers

Challenges

By maintaining an ongoing dialogue with its suppliers, AXA's aim is to select product vendors and service providers not only on the basis of the usual cost/benefit considerations, but also with the aim of establishing lasting relationships with them. Today, AXA spends a total of 3.9 billion euros globally to procure information technologies and general resources, and an additional 10 billion euros for insurance related services. Given the magnitude of this outlay, AXA is a significant economic agent and intends to abide by the highest standards of responsible spending.

AXA's commitments to suppliers

- Maintaining quality relationships by adhering to a clearly defined code of purchasing conduct, promoting ongoing dialogue and respecting the terms of payment.
- Encouraging our suppliers to be socially and environmentally responsible.

Recent developments

The importance of dialogue

Ongoing dialogue is the key to strong relationships with suppliers. It increases the likelihood that issues can be dealt with before they become full-blown problems, and also fosters a global approach to related services. The decision to establish a Key Suppliers Account Manager (KSAM) program supports this dual aim. Today, this program covers around twenty of AXA's largest suppliers, which together account for 33 percent of all Group purchases. By globalizing rather than centralizing the procurement function, AXA aims at optimizing procedures and costs.

Code of conduct

In addition, AXA expects its employees to behave in accordance to its code of conduct in their contacts with suppliers. A special code of conduct that spells out AXA's expectations with respect to its buyers has been signed by all members of the Group Procurement Department. It is also distributed to local procurement units, where individual buyers are asked to sign it and adhere to its contents. It covers the following main topics:
- Fairness and competitive bidding.
- Objectivity and neutrality.
- Disclosure and confidentiality.
- Transparency and traceability.

New screening tools

A number of new tools are currently being developed. Once completed, tested and adjusted, they should take AXA once step further toward its goal of fully implementing the Group's commitments to sustainable development. A clause relating to compliance by AXA's supplier and its own affiliates with the ILO's (International Labor Organization) four Fundamental Principles and Rights at Work, regarding freedom of association and the elimination of forced labor, child labor and discrimination, is currently being tested.

AXA and the Community

Challenges

Because AXA extends financial protection to people, enterprises and local governments, it is at the heart of the communities in which the Group does business. This close and constant interaction with civil society bestows both rights and responsibilities on AXA: the duty to act responsibly, participate actively in the community, promote philanthropic endeavors, and share our expertise, especially in the area of prevention.

AXA's commitment to the community is a natural extension of its core business, which involves protecting people, businesses and wealth. The AXA Group has a formal policy of corporate philanthropy, based on three key concepts: volunteer work, community philanthropy and cultural heritage philanthropy.

Commitments

Our commitments to the community:
- Developping philanthropic initiatives that are related to our core business
- Sharing our expertise with the community, particularly in the area of prevention

Recent developments

AXA Hearts in Action: volunteer work

The desire of AXA employees to get involved in the community dovetails with our conviction that the twin underpinnings of all social relationships are support and interaction. AXA Hearts in Action, founded in 1991, serves as a bridge between the need for human and financial resources on the part of community outreach organizations and the desire on the part of AXA employees to lend a hand. Every year, nearly 18,000 AXA employees around the world volunteer their skills, their time and their generosity to initiatives that reach out to people who are disadvantaged, disabled or excluded from the mainstream of society. Around the world, AXA offers support of many kinds to its volunteer employees –in the form of equipment, logistics or grants– for well-defined projects.

Once every four years, AXA Hearts in Action volunteers from around the world organize an international event. In 2004, the AXA Challenge International was devoted to a single theme –sports and disability– for the first time.

Community philanthropy: education...

In addition to the individual or collective involvement of its own employees, AXA also participates in the community by providing financial aid for education and prevention. In the United States, for example, where college tuition costs are rising three times faster than inflation, the AXA Foundation helps to pay for post-secondary education through scholarships. The AXA Achievement℠ Scholarship Program concentrates AXA Financial's sponsorship efforts on a single cause. The objective of AXA Achievement℠ is to offer college scholarships to deserving young people who distinguish themselves not only in the classroom but also in their local communities.

One of the major contributions to education in 2004 was the sponsorship of the China European International Business School (CEIBS), one of Asia's top business schools, which was set up with the help of the European Union. AXA also endowed the AXA-HEC international management chair at Tsinghua-SEM (School of Economic Management).

... and prevention

In other countries, the focus is on preventing accidents. *AXA Prévention* is a French non-profit organization that seeks to promote responsible behavior through annual nationwide information campaigns that are extended through local initiatives. In 2004, *AXA Prévention* ran a radio campaign encouraging young drivers to improve their road skills through additional training. Today, one of France's top priorities is to reduce road accidents among young drivers, who are disproportionately involved in driving-related casualties.

AXA Prévention barometer

The *AXA Prévention*–TNS Sofres survey created in 2004 will help the organization to better target its initiatives, particularly those for young people. After the French government took measures aimed at more stringent enforcement of rules of the road, *AXA Prévention* sought to ascertain whether or not drivers had changed their behavior behind the wheel. In fact, while 55 percent of those surveyed claimed to have changed, and 74 percent said they were in favor of stricter enforcement, a cross-analysis of this data with actual practice revealed the existence of a gap between words and deeds.

Cultural and heritage philanthropy

AXA's commitment to protecting the world's heritage and cultural treasures is a natural extension of its core financial protection business, which involves not only protecting the assets of individuals and businesses, but also developing and passing on their accumulated wealth. The aim of every initiative undertaken in this area is to preserve or restore works of art, build up national museum collections, or expose a wider public audience to art and culture. AXA's subsidiaries in several countries have developed partnerships with major local museums. In France, the AXA Group donated a work of art from the Dogon country in Mali to the public. The wooden statue is considered to be a masterpiece of African art. The work's size (almost two meters high), beauty and age (tenth or eleventh century) make it a truly remarkable piece. It will be exhibited at the *Musée du Quai Branly,* which is scheduled to open in 2006 with works representing the art and civilization of Africa, Asia, Oceania and the Americas.

AXA IM: an investor in the social economy

In 2004, AXA IM responded to a call for capital by SIFA *(Société d'Investissement France Active)*, investing 150,000 euros in the organization. Today, AXA IM is the thirteenth largest institutional investor lending its financial supporting to SIFA, out of a total of 92. Founded in 1991, SIFA is a social economy investment firm whose business purpose is to make equity investments in businesses that create jobs, in particular for individuals who live on the margins of society. Thanks to SIFA's efforts, nearly 10,000 jobs have been durably created or safeguarded in recent years.

AXA and the environment

Challenges

Protecting the environment has become one of our most critical obligations to future generations. AXA has adapted its organization and its underwriting policy to meet the needs of its clients for environmental risk coverage. At the same time, efforts are being made by AXA to gradually improve its own environmental record.

As a provider of services, AXA does not contribute directly to serious environmental pollution. Nevertheless, the Group could play a significant role in protecting the environment through its environmental insurance business and the quality of its underwriting policy in this area. Similarly, AXA's own investment policy seeks to minimize risk through optimal asset allocation, which could serve to encourage responsible environmental practice. This is the case when it comes to SRI investments (AXA IM) and some of Alliance Capital's ethical funds, which screen potential investments on the basis of environmental criteria.

Today, the global stakes in this domain are very high. Consequently, regardless of their personal ecological imprint, it is the responsibility of everyone –individuals, corporations and local governments– to help reduce environmental impairment. In addition to saving the planet, these efforts can also reduce the cost of doing business. To this end, AXA has taken steps to implement an environmental management system for its own operating facilities.

AXA's commitments with respect to the environment

- Offering its clients the benefit of its expertise in environmental risks.
- Improving its own environmental record.

Recent developments

Environmental impact coverage

Through its subsidiary AXA Corporate Solutions, AXA has been offering sophisticated global risk coverage for several years. While large corporations have generally already integrated the environmental factor into their risk management framework, most small- and mid-sized businesses have not. Faced with increasing pressure from regulators and growing awareness of environmental issues on the part of the public, however, these businesses are gradually moving toward the development of sound environmental practices. On August 1, 2004, AXA France introduced a new environmental product for this market segment, which includes three types of commercial insurance: third-party environmental impact liability, protection against losses to property, and business interruption coverage.

AXA's environmental scorecard

Gradually, environmentally sound management of operating facilities is becoming a formal policy for AXA companies worldwide. In 2004, Spain, Italy and the United Kingdom joined Belgium and France in the environmental reporting process, which serves as the basis for identifying environmental improvement targets for each operating facility. AXA has developed a grid of relevant indicators for its business and designed a web-based data gathering tool.

AXA REIM in France finalizes on its Environmental Guidelines

AXA Real Estate Investment Managers (AXA REIM) is the AXA IM subsidiary specialized in real-estate asset management. With operations in seven European countries, it manages office and residential properties on behalf of the AXA subsidiaries that own them as well as for third-party clients. AXA REIM in France recently assessed its property portfolio against the French environmental high quality standard HQE. Once this step was completed, company management devised a pilot set of written environmental standards that comply with the HQE standard, which its general contractors and building maintenance firms will be required to meet

As an extension of this project, AXA REIM France tested the HQE certification process for commercial real estate on a 60,000 square-meter office construction project in the Greater Paris Area In addition to meeting environmental standards, this project will also have to demonstrate its compatibility with the financial constraints of the investing clients. This practice is expected to lead to an environmental reporting system for real-estate assets, based on that developed for AXA's administrative facilities, as the guidelines are implemented.

Environmental Data for 2004

For the five countries that participated in the environmental reporting process for 2004, the initial findings show significant variations. The ratio of water and energy consumption to number of users varies significantly within the sample. For Belgium and France, two countries whose data can be compared against last year's findings, global energy consumption rose significantly but by less than ten percent. Conversely, efforts to reduce the use of office consumables, notably "paper and printouts", paid off thanks to the rollout of new data processing methods (reduction in list printouts of 71.5% in Belgium and 88% in France), despite an increase in paper consumption.

The trend in waste recycling is down, suggesting the need to step up the action plans initiated in 2004 as well as to set specific targets to encourage the sorting of paper and office consumables

Similarly, by analyzing various local processes and encouraging the development of synergies, the performance gaps from one country to the next will narrow over the longer term.

The consolidation of transportation consumptions proved difficult given the diversity of the data provided by local facilities. Therefore, the results cannot be used for global consolidation purposes. However, they can be used to identify underlying trends and measures that can be taken to improve AXA's environmental management scorecard.

	Indicator	Unit	France 2004	France 2003[a]	Belgium 2004	Belgium 2003[a]
General data	Number of employees on site	nb of people	18,275	17,813	4,789	5,230
Water	Potable water consumption	cubic meters	206,714	206,686	71,294	72,997
	Water consumption per person on site[f]	cubic meters/ personne	12.94	11.69	16.87	14.61
Power	Global electricity consumption	kWh	79,182,469	82,784,504	27,657,046	26,837,925
	out of which: electricity consumption FOR urban district heating	kWh	8,849,918	7,575,912	9,523	8,315
	out of which: electricity consumption FOR urban district refrigeration	kWh	6,876,312	11,715,430	-	-
	Global gas consumption	kWh	25,794,702	25,959,366	19,233,398	16,607,536
	Global heating oil consumption	kWh	688,864	1,059,455	-	302,400
	Global energy consumption	kWh	98,534,143	106,649,069	46,890,444	43,747,861
	Total power consumption per person at facility[f]	kWh	6,160.92	6,047.30	11,025.23	8,364.79
Raw materials and consumables	Paper consumption	Tons	2,308.25	2,013	1,040	991
	Computer print-out consumption	Tons	5	42	199	701
	Quantity of paper consumed (paper + print outs)	Tons	2,163.25	2,052	1,239	1,692
	Out of which paper and print-outs using recycled paper	Units	10	59	-	-
	Out of which paper and print-outs chlorine-free bleached paper	Tons	208.55	269	-	-
	Use of paper from sources under sustainable timber management	Tons	yes by 73.33%	yes by 67.5%	no	no
	Quanity of paper (paper and computer printouts) consumed per person on site	Tons/person	0.19	0.13	0.29	0.63
	Office supplies (toner, cartridges)	Units	10,661	11,887	7,755	7,767
Waste	Waste not separated for recycling	cubic meters	29,869	22,762	4,359	2,981
	Paper separated for recycling (excluding cardboard)	m³	2,807	5,673	5,166	3,588
	Office supplies (cartridges, toner) separated for recycling	Units	14,610	36,393	1,825	6,000
	Recovered batteries	kg	2,933	3,612	-	-
	Recovered fluorescent tubes (neons)	Units	15,027	21,150	1,704	14,900
	Glass separated for recycling	kg	44,973	47,873	35,400	35,400
	Restaurant waste	cubic meters	6,852	5,283	552	528
	Electronic & computer equipment donated	Units	651	521	136	354
	Electronic & computer equipment resold	Units	9,225	6,033	803	1,531
	Electronic & computer equipment reprocessed by a specialized company	Units	12,725	12,572	1,898	2,776
Transportation	Home/Workplace commute	Roundtrip in Pkm	142,309,964[c]	138,712,534	22,408,629	23,783,119
	Business travel by air and rail	Pkm	21,474,336[d]	55,816,952	-	-
CO² emissions resulting from[e]	Home/Workplace commute	Tons	11,033[e]	10,754	2,962	3,143
	Business travel by air and rail	Tons	1,407	5,081	-	-

(a) The data for 2003 may vary from those disclosed in the previous environmental report due to new consolidation rules. Using a constant perimeter, the data will be more easily compared with the coming reports.
(b) Combined boiler using either gas either heating oil.
(c) Estimations following the number of employees' variation.
(d) The number of business travels fell by 71% by air and by 59% by rail while the number of visio-and phone-conferences keep increasing.
(e) Estimations indexed on the same emission rates as in 2003.
(f) Please refer to page 74 regarding the ratio calculation.

	Indicator	Unit	England 2004	Spain 2004	Italy 2004
General data	Number of employees on site	no of people	7,090	2,548	892
Water	Potable water consumption	cubic meters	49,053.21	11,322	25,342
	Water consumption per person on site[f]	cubic meters/ personne	6.92	6.15	28.42
Power	Global electricity consumption	kWh	29,517,920	7,953,894	3,504,818
	out of which: electricity consumption FOR urban district heating	kWh	-	-	-
	out of which: electricity consumption FOR urban district refrigeration	kWh	-	-	-
	Global gas consumption	kWh	18,310,605	111,864	-
	Global heating oil consumption	kWh	-	31,994	2,231,519
	Global energy consumption	kWh	47,828,525	3,423,038	5,736,337
	Total power consumption per person at facility[f]	kWh	6,745.91	4,539.84	6,432.67
Raw materials and consumables	Paper consumption	Tons	1,098.40	210	51.10
	Computer print-out consumption	Tons	10.40	122	1.20
	Quantity of paper consumed (paper + print outs)	Tons	835.80	332	52.30
	Out of which paper and print-outs using recycled paper	units	-	-	-
	Out of which paper and print-outs using chlorine-free bleached paper	Tons	1,098	210	51.10
	Use of paper from sources under sustainable timber management?	Tons	yes by 83.33%	no	yes by 100%
	Quantity of paper (paper and computer print-outs) consumed per person on site	Tons/pers	0.21	0.17	0.06
	Office supplies purchased (toner, cartridges)	Units	106,228	4,768	3,469
Waste	Waste not separated for recycling	cubic meters	2,179	1,491	1,695
	Paper separated for recycling (excluding cardboard)	cubic meters	38,210	40	36.50
	Office supplies (cartridges, toner) separated for recycling	Units	56,668	4,768	3,469
	Recovered batteries	kg	-	320	30
	Recovered fluorescent tubes (neons)	units	1,200	1,900	1,113
	Glass separated for recycling	kg	-	-	-
	Restaurant waste	cubic meters	-	455	-
	Electronic & computer equipment donated	Units	-	-	14
	Electronic & computer equipment resold	Units	-	-	56
	Electronic & computer equipment reprocessed by a specialized company	Units	10	-	1,335
Transportation	Home/Workplace commute	Roundtrip in Pkm	The data gathered could not be consolidated at the corporate level		
	Business travel by air and rail	Pkm			
CO^2 emissions resulting from:[e]	Home/Workplace commute	Tons	-	-	-
	Business travel by air and rail	Tons	-	-	-

(a) The data for 2003 may vary from those disclosed in the previous environmental report due to new consolidation rules. Using a constant perimeter, the data will be more easily compared with the coming reports.

(b) Combined boiler using either gas either heating oil.

(c) Estimations following the number of employees' variation

(d) The number of business travels fell by 71% by air and by 59% by rail while the number of visio-and phone-conferences keep increasing

(e) Estimations indexed on the same emission rates as in 2003.

(f) Please refer to page 74 regarding the ratio calculation

AXA's International Commitments

Aware of the importance of striking a sustainable balance between the demands of economic, social and environmental performance for long-term development of business, AXA participates in the biggest global initiatives and has signed the significant related instruments.

In 2002, AXA joined the UNEP (United Nations Environmental Programme) Finance Initiative, a global pact with institutions in the financial sector in the area of social and environmental responsibility. In February 2003, AXA signed the Global Compact initiated by the Secretary General of the United Nations, pursuant to which signatories commits to supporting ten universal principles related to labor, human rights, the environment and the fight against corruption. AXA joined the Carbon Disclosure Project (environmental risk management for investors) in 2003.

AXA supports the Carbon Disclosure Project

As a major institutional investor, AXA must constantly weigh the impacts of risks and opportunities related to global warming on the portfolios it manages. This is why AXA supports the Carbon Disclosure Project. Today, it is widely acknowledged that greenhouse gas emissions have an impact on climate change. Founded by the Rockefeller Philanthropy Advisors, the project involves surveying the world's 500 largest corporations (based on market capitalization) to gain a better understanding of corporate policy with respect to CO2 emissions. The findings are disclosed to institutional investors that have signed a global request for this disclosure.

Sustainable Development Organization

In 2001, AXA set up a Sustainable Development department with reporting ties to the head of Corporate Communications and Brand. The department is responsible for defining policy and coordinating its implementation by Group subsidiaries. It works through a network of local correspondents, and also draws support from area experts, such as HR experts for employment issues, and AXA Cessions' emerging risks and sustainable development unit, which is currently responsible for raising awareness of sustainable development issues in the insurance business.

Developing indicators and using benchmarks

The discussion and planning phase that began in 2002 led in 2003 to the development of a common set of formal commitments, which are gradually being implemented by AXA subsidiaries worldwide.

Monitoring and performance measurement are difficult issues given the absence of a recognized international standard in terms of indicators. The United Nations' Global Reporting Initiative (GRI), in collaboration with the UN's Global Compact, is an attempt to harmonize the collection and consolidation of corporate sustainable development data by defining parameters and guidelines for sustainability reporting. The decree implementing the French NRE Act of 2001 and the Global Compact serve as benchmarks for developing the Group's social and environmental indicators. The main difficulty in terms of application stems from the fact that it was initially conceived as a single, general international standard to be adopted worldwide, and therefore does not capture cultural or industry-specific factors. The standard is currently being revised so that issues of concern to a particular industry –such as financial services– can be adequately taken into account.

Attempts to set up indicators also run into obstacles due to local regulations and terminology. For example, what is covered by the term "recycled paper" differs substantially from one country to the next. Indeed, numerous different standards exist—even within Europe.

Setting up an information system

AXA has devised its own web-based system for gathering and consolidating sustainable development data –the ResponsibilityWeb. The site was upgraded in 2004 to improve data traceability and consolidation. However, due to the current lack of uniformity between local standards and differences in terminology, indicators need to be specified for each country.

HR indicators benefit from the strength of the Group's human resources network, which has been managing the Scope employee satisfaction survey since 1993. Environmental data is collected using a more recently established network, which is gradually being strengthened as the scope of reporting on the environmental management of AXA's operating facilities is enlarged.

Social Ratings

Inclusion of AXA in principal Ethical Indicators

ASPI EUROZONE	yes
FTSE 4 Good	yes
DJSI STOXX et World	no

- ASPI EUROZONE : rating by Vigeo is used to determine the inclusion in the ASPI EUROZONE index.
- FTSE 4Good : inclusion in the FTSE4 Good index is decided on by its scientific committee based on the qualitative analysis made by its partners Eiris/Ethifinance.
- DJSI World and STOXX: SAM analysis is used to determine the inclusion in the Dow Jones Sustainibility Index (DJSI). The 20 best performances of each industry are included in the DJSI World or the DJSI STOXX (Europe).

AXA's Corporate Social Responsibility profile: Quantitative ratings

Rating by Innovest:

Innovest Strategic Value Advisors analyzes relative corporate performance on intangible value drivers related to the strength and sustainability of companies' competitive advantage.

Rating by Vigeo:

AXA's performance is assessed by Vigeo through its rating process proposed to investors.

By assessing differentials typically not identified by traditional securities analysis, it uncovers hidden risks and value potential for investors.

AXA

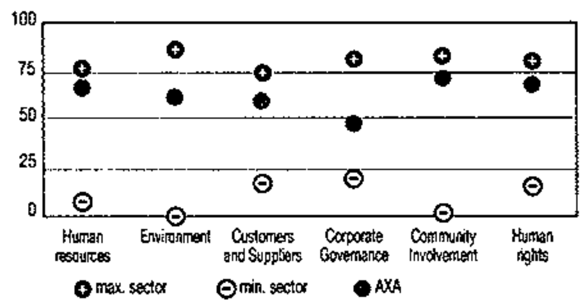
Country	FRANCE
Industrial sector	Insurance – Europe
Combined IVA Rating	A
Sub-Factors	(scale from 0 to 10)
Strategic Governance	6,0
Human Capital	6,9
Environment	6,0
Stakeholder Capital	5,3

AXA

Criteria (min. – / max. ++)	Rating 2005/01	Score 2005/01
Human Resources	+	68
Environment	+	61
Customers & Suppliers	+	59
Corporate Governance	=	47
Community Involvement	+	73
Human Rights	+	67

Score scaling: 0 to 100.

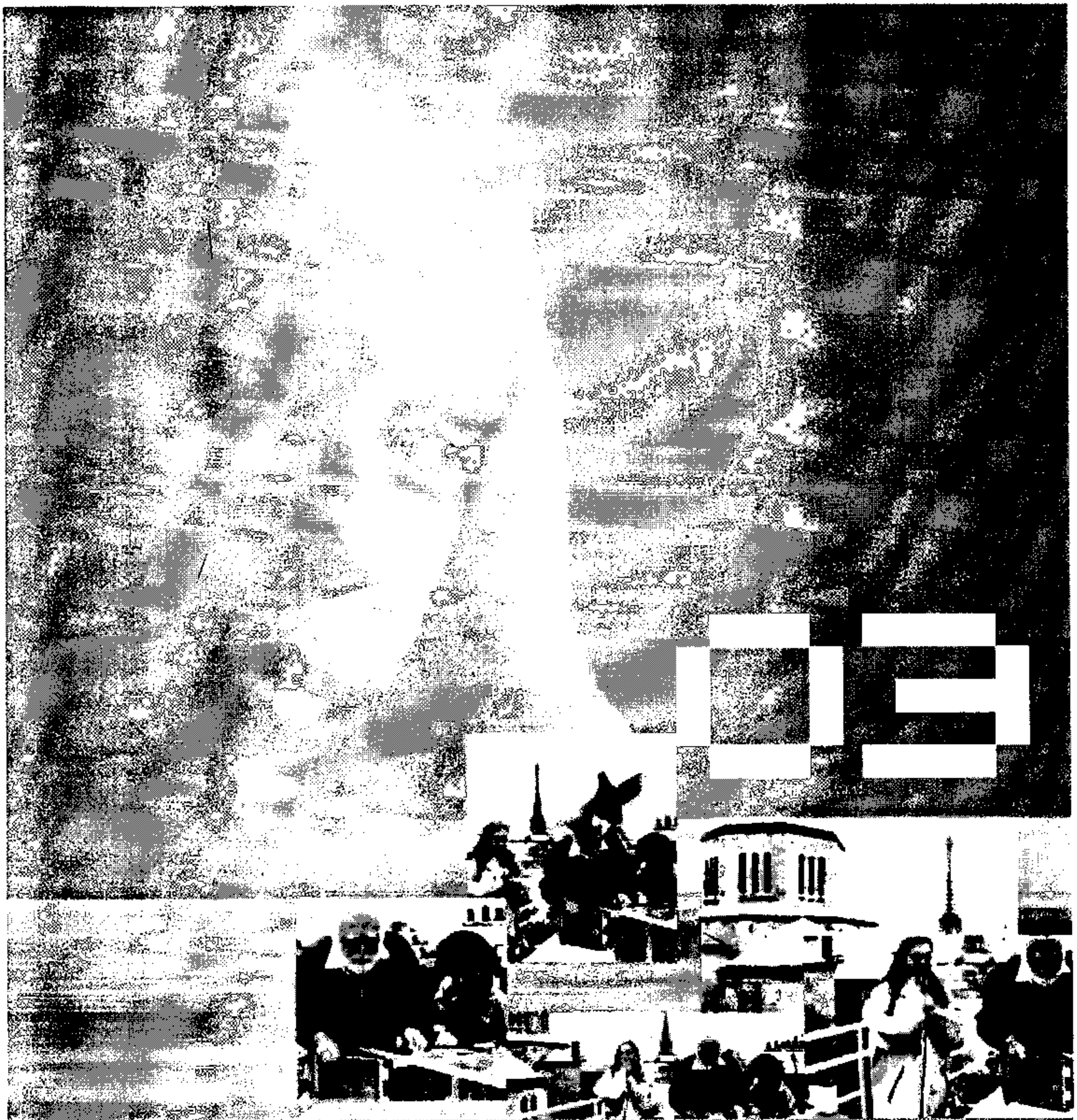
BENCHMARK : COMPANY/SECTOR



Rating by SAM:

The scores reflect the company's performance across economic, environmental and social criteria. Each dimension is itself a compound of criteria and has a different weighting in the total score. This total is to be compared to the industry average. The values for the total score, the dimension and the criteria scores are on a scale from 0 to 100%.

Scores	AXA	Industry average	Lowest score DJSI World	Lowest score DJSI STOXX
TOTAL	50	40	53	53
Dimension Scores				
Economic	55	43	49	53
Environmental	36	33	32	39
Social	54	42	47	52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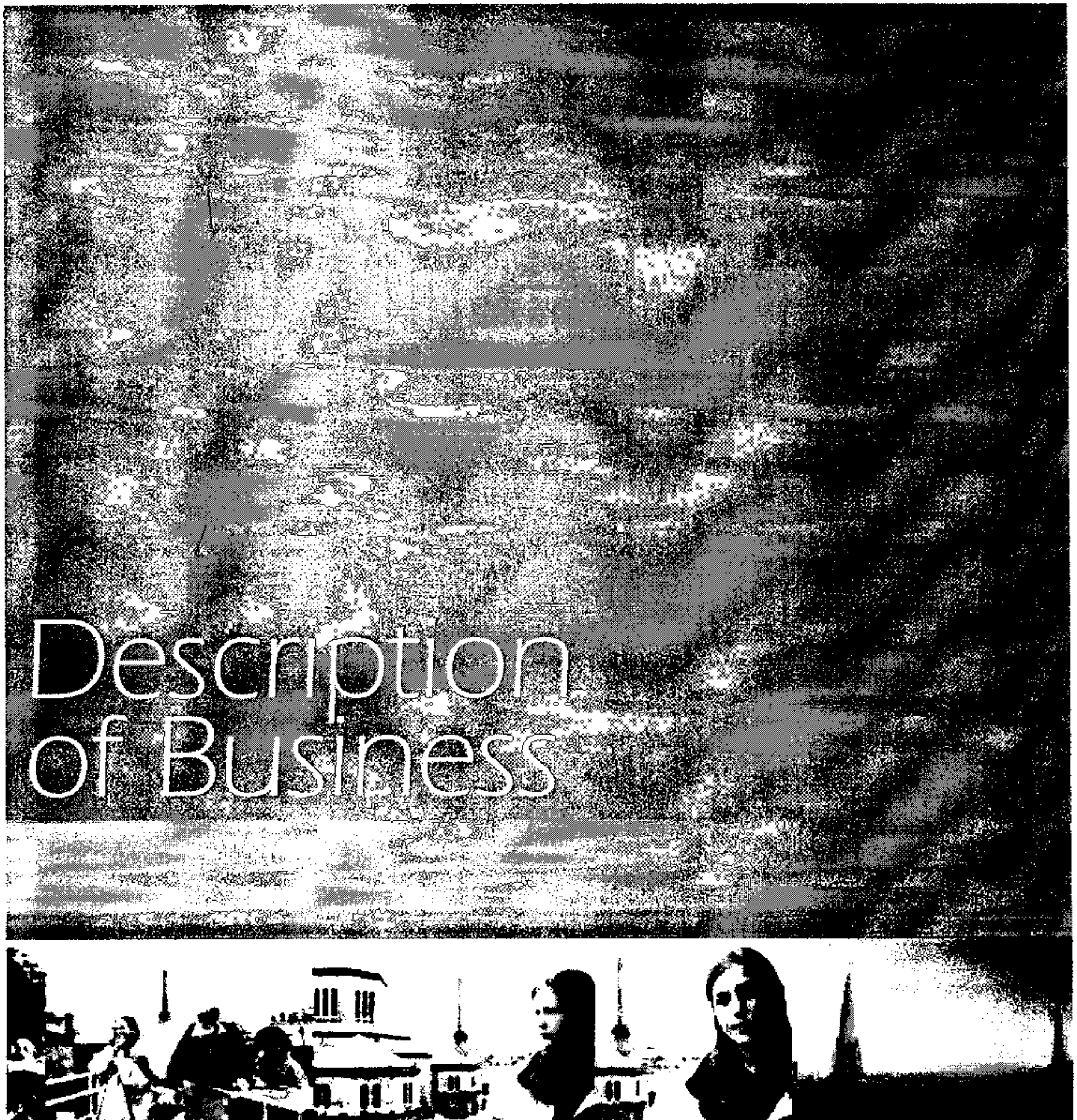


Description of Business

Introduction

The Company is the holding company for AXA, a worldwide leader in financial protection. Based on available information at December 31, 2004, AXA was one of the world's largest insurance groups, with consolidated gross revenues of €72.2 billion for the year ended December 31, 2004. AXA is also one of the world's largest asset managers, with total assets under management as at December 31, 2004 of €868.6 billion, including assets managed on behalf of third party clients in an aggregate amount of €445.9 billion. Based on available information at December 31, 2003 and taking into account banking companies engaged in the asset management business, AXA was the world's 7th largest asset manager[1] including, with total assets under management of €774.6 billion. AXA operates primarily in Western Europe, North America, the Asia Pacific region and, to a lesser extent, in other regions including in particular the Middle East and Africa. AXA has five operating business segments: Life & Savings, Property & Casualty, International Insurance (including reinsurance), Asset Management, and Other Financial Services. In addition, various holding companies within the AXA Group conduct certain non-operating activities.

The tables below summarize certain key financial data by segment for the periods and as at the dates indicated.

CONSOLIDATED GROSS PREMIUMS AND NET INCOMES

(in euro millions, except percentages)

	Years ended December 31, 2004		2003		2002	
Consolidated gross premiums and financial services revenues						
Life & Savings (a)	47,063	65%	46,799	65%	48,586	65%
Property & Casualty	17,852	25%	17,098	24%	15,948	21%
International Insurance	3,371	5%	3,972	6%	5,762	8%
Asset management	3,087	4%	2,922	4%	3,411	5%
Other financial services	791	1%	836	1%	1,020	1%
CONSOLIDATED GROSS PREMIUMS AND FINANCIAL SERVICES REVENUES	**72,164**	**100%**	**71,628**	**100%**	**74,727**	**100%**
Adjusted earnings (b)						
Life & Savings	1,727	52%	898	49%	1,367	80%
Property & Casualty	1,035	31%	519	28%	93	5%
International Insurance	238	7%	147	8%	(149)	(9%)
Asset management	318	10%	148	8%	258	15%
Other financial services	26	1%	126	7%	133	8%
ADJUSTED EARNINGS FROM OPERATING SEGMENTS	**3,343**	**100%**	**1,838**	**100%**	**1,701**	**100%**
Holdings companies	(442)		(388)		(344)	
ADJUSTED EARNINGS	**2,901**		**1,450**		**1,357**	
Impact of exceptional operations	*267*		*148*		*235*	
Goodwill amortization	*(649)*		*(593)*		*(643)*	
NET INCOME	**2,519**		**1,005**		**949**	

(a) Gross premiums received from policyholders in respect of Life & Savings products which are classified as "universal life" or "investment contracts" (including assets backing contracts with financial risk borne by policyholders (unit-linked)) for U.S. GAAP, are recorded as revenue under French GAAP. Under U.S. GAAP, such amounts received are recorded as deposits, and only the policy-related fees charged to the policyholders for costs of insurance, administration, investment management, etc, are recorded as revenue.

(b) Adjusted earnings represent net income before the impact of exceptional operations and amortization of goodwill. Adjusted earnings are a non-GAAP measure, which management believes provides a meaningful understanding of the results. It should be noted that this information may not be comparable with similarly-titled measures reported by other companies as it is not defined under either French GAAP or U.S. GAAP.

1. Based on 2003 assets under management.

The table below sets forth the total assets managed by AXA's entities, including assets managed on behalf of third parties:

AXA'S TOTAL ASSETS UNDER MANAGEMENT

(In euro millions)

	At December 31, 2004	2003	2002
AXA (general account assets)	308,914	281,328	275,531
Assets with financial risk borned by policyholders (unit-linked)	113,786	101,002	90,458
Subtotal	**422,700**	**382,330**	**365,989**
Managed on behalf of third parties	445,923	392,305	375,567
TOTAL	**868,623**	**774,635**	**741,556**

The table below sets forth AXA's consolidated gross premiums and financial revenues by segment for each of its major geographic markets for the years indicated:

BREAKDOWN OF AXA'S GROSS PREMIUMS AND FINANCIAL SERVICES REVENUES

	Years ended December 31, 2004 Segment contribution (%)	2004 Market contribution to total Segment (%)	2003 Segment contribution (%)	2003 Market contribution to total Segment (%)	2002 Segment contribution (%)	2002 Market contribution to total Segment (%)
Total gross premiums and financial services revenues (in euro millions)	72,164		71,628		74,727	
Life & Savings	**65%**		**65%**		**65%**	
France		25%		23%		21%
United States		27%		29%		26%
United Kingdom		13%		12%		17%
Japan		12%		13%		13%
Germany		7%		7%		6%
Belgium		5%		4%		3%
Southern Europe (a)		3%		3%		3%
Other countries (a)		7%		8%		9%
Property & Casualty	**25%**		**24%**		**21%**	
France		27%		27%		27%
Germany		16%		17%		18%
United Kingdom (including Ireland)		25%		25%		21%
Belgium		8%		8%		9%
Southern Europe (a)		16%		15%		15%
Other countries (a)		8%		8%		10%
International Insurance	**5%**		**6%**		**8%**	
AXA RE (b)		31%		48%		60%
AXA Corporate Solutions Assurance		45%		39%		31%
AXA Cessions		3%		2%		2%
AXA Assistance		14%		10%		7%
Others (b)		7%		0%		1%
Asset Management	**4%**		**4%**		**5%**	
Alliance Capital		75%		79%		81%
AXA Investment Managers		25%		21%		19%
Other Financial Services	**1%**		**1%**		**1%**	
French banks		19%		17%		13%
German banks		7%		15%		12%
AXA Bank Belgium		73%		64%		70%
Others		1%		4%		5%

(a) Starting January 1st, 2004, Italy, Spain and Portugal activities (previously reported under "Other countries") are now reported as one geographical region named "Southern Europe".
(b) In 2004, transfert of AXA RE US entities from AXA RE segment to "Other International Activities" reported in "Others".

Life & Savings Segment

AXA's Life & Savings segment offers a broad range of life insurance products including retirement and life products as well as health insurance products for individuals and companies, with an emphasis on savings-related products including assets with financial risk carried by policyholders (unit-linked) products. The Life & Savings Segment accounted for €47.1 billion or 65% of AXA's consolidated gross premiums and financial services revenues for the year ended December 31, 2004 (2003: €46.8 billion or 65% respectively).

The table below summarizes AXA's Life & Savings gross premiums and gross insurance liabilities by geographic region for the periods and as at the dates indicated:

LIFE & SAVINGS SEGMENT

(in euro millions, except percentages)

	Gross premiums and financial services revenues Years ended December 31,						Gross insurance liabilities at December 31, 2004
	2004		2003		2002		
			Pro forma	As published	Pro forma	As published	
France	25%	11,893	10,882	10,882	10,423	10,423	87,862
United States	27%	12,880	13,732	13,732	12,726	12,726	87,925
Japan	12%	5,526	6,078	6,078	6,428	6,428	26,307
United Kindom [a]	13%	6,309	5,831	5,831	7,228	8,362	67,603
Germany	7%	3,499	3,428	3,428	3,140	3,140	28,461
Belgium	5%	2,203	2,050	2,050	1,629	1,629	14,330
Southern Europe [b]	3%	1,364	1,182	–	1,515	–	7,600
Others [b]	7%	3,389	3,615	4,798	4,362	5,877	21,797
Australia and New Zealand	*3%*	*1,496*	*1,697*	*1,697*	*2,018*	*2,018*	*9,583*
Hong Kong	*2%*	*751*	*791*	*791*	*936*	*936*	*3,560*
TOTAL	**100%**	**47,063**	**46,799**	**46,799**	**47,452**	**48,586**	**341,886**
Represented by:							
Gross premiums written	–	*46,242*	*46,286*	*46,286*	*46,939*	*48,048*	–
Others revenues [c]	–	*821*	*513*	*513*	*512*	*539*	–

(a) Since FY 2003, UK Health business has been tranfered to UK Property & Casualty segment. Consequently FY 2002 has been restated excluding UK Health business.

(b) Starting January 1st, 2004, Italy, Spain and Portugal activities (previously reported under "Other countries") are now reported as one geographical region named "Southern Europe".

(c) Includes revenues from other activities (commissions and related fees associated with the management of AXA's general account assets and mutual funds sales).

Market

In 2004, the European, US and Japanese markets continue to grow mainly due to stronger financial markets and a rising demand for insurance and investment products especially unit linked type products in most countries where AXA operates.

France experienced mixed results in 2004 mainly due to a delay in the effectiveness of the new regulation on PERP/PERE affecting pension-relating products which delayed the launchering of new products in that business.

In United States, investors responded favorably to a second year of positive returns in the U.S. equity markets with continued net inflows to long-term mutual funds and increased sales of equity linked insurance products.

The Japanese insurance market experienced growth for the first time after a 6-year decline in paticular, with respect to in individual annuity products sold through the bancassurance agreements.

Germany, the financial markets continued to recover as volatility declined. A retirement earnings law ("Alterseinkünftegesetz") came into effect January 1, 2005. It changes the taxation of and thus will change the demand for pension product.

In the United Kingdom, the principal growth area was group pensions. During the second half of 2004 companies began the process of positioning themselves to exploit opportunities in the run up to Pensions Simplification A-Day in April 2006.

In each of its principal markets, AXA operates through well-established life insurance companies. AXA's principal life insurance subsidiaries are set out below:

- **Europe:**
  - France: AXA France Vie,
  - United Kingdom: AXA Life Plc,
  - Germany: AXA Lebensversicherung AG, AXA Krankenversicherung AG,
  - Belgium: AXA Belgium SA.
  - Southern Europe:
    - Italy: AXA Assicurazioni e Investimenti; AXA Interlife,
    - Spain: AXA Aurora Vida; AXA Aurora Iberica,
    - Portugal: AXA Seguros Portugal.
- **North America:**
  - United States: AXA Equitable Life Insurance Company "AXA Financial" and its insurance and distribution subsidiaries and affiliates, MONY Life Insurance company "MONY Life".
- **Asia / Pacific region:**
  - Japan: AXA life Insurance Co. and AXA Group Life Insurance.

Information on market trends in countries where AXA operates is presented in the introduction of the Management Report.

The table below presents the life insurance markets in which AXA operates ranked by worldwide gross premiums in 2003, along with AXA's ranking (by market share).

LIFE & SAVINGS SEGMENT

	Based on worldwide gross life insurance premiums in 2003			
	Country Statistics (a)		AXA (b)	
	Ranking	% premiums written	Ranking	Market share
United States	1	29%	3	7% (c)
Japan	2	22%	12	3%
United Kingdom	3	10%	6 (d)	5%
France	4	6%	3	9%
Germany	5	5%	7	4%
Belgium	15	1%	4	12%
Southern Europe (e)	–	6%	–	–

(a) Source: Swiss Re, Sigma report 2004 "World insurance in 2003".
(b) In general, based on 2003 market data for each specific country or an estimate for 2004.
(c) Relates to the variable annuity products (September 2004 data).
(d) Based on annualized new business premium equivalent (regular premiums plus one-tenth of new business single premiums).
(e) Southern Europe: In 2004, AXA ranking and market share are respectively: in Spain 10 with 2.2% and Portugal 7 with 2.6%. In 2003, in Italy 16 with 1%.

In addition to the principal markets discussed above, AXA offers life, health and retirement products in other countries in Europe (Netherlands, Luxembourg, Switzerland and Turkey), Morocco, Canada, Australia, New Zealand, Hong Kong, Singapore, and China, as well as other countries in Asia Pacific region, the Middle East and Africa. The products offered in these markets are offered through various distribution channels, including general agents, salaried sales forces, bank networks, financial advisers and brokers.

Competition

The nature and level of competition vary among the countries in which AXA operates. There is strong competition among companies for all the types of individual and group Life & Savings products sold by AXA. Many other insurance companies offer one or more products similar to those offered by AXA, in some cases using similar marketing techniques. In addition, AXA still competes with banks, mutual funds, investment advisers and other financial institutions for sales of savings-related investment products and, to a lesser extent, life insurance products.

The principal competitive factors affecting the Life & Savings segment's business include:

- Price,
- Ratings for an insurer's financial strength and claims-paying ability (at December 31, 2004, main Life & Savings entities of AXA Group were rated AA by Fitch Ratings, AA– by Standard & Poor's and Aa3 by Moody's), which enable them to account for the best ratings for financial strength.

- Size, strength and quality of the distribution platform, in particular the quality of advisors,
- Range of product lines and product quality,
- Quality of service,
- Investment management performance,
- Historical levels of bonuses with respect to participating contracts,
- Reputation, visibility and recognition of brand,
- Changes in regulations that may affect the policy charging structure relating to commission and administrative charges, and
- Quality of management.

Products

AXA's Life & Savings products include a broad range of life, health, retirement and savings-related products marketed to individuals and corporate clients, the latter in the form of group contracts. The life and savings-related products offered by AXA include term life, whole life, universal life, mortgage endowment, deferred annuities, immediate annuities, variable life and other investment-based products The health products offered include critical illness and permanent health insurance products. The nature of the products offered by AXA varies from market to market. In Germany, due to the retirement earnings law, the endowment policy looses their exemption from taxation, and the law makes unit-linked products less attractive to investment funds. Besides, special annuity products (e.g. the "Riester-Rente" and the "Rürup-Rente" benefit from advantageous tax treatement which is likely to shift demand.

The table below presents consolidated gross written premiums (after intersegment elimination) and gross insurance liabilities by major product for the periods and as at the dates indicated for AXA's Life & Savings segment

LIFE & SAVINGS SEGMENT

(in euro millions, except percentages)

	Gross written premiums Years ended December 31, 2004		2003	2002	Gross insurance liabilities at December 31, 2004
Retirement/annuity/investment contracts	64%	29,684	30,107	29,435	237,545
Individual	55%	25,510	25,433	24,136	201,675
Group	9%	4,174	4,674	5,298	35,870
Life contracts (including endowment contracts)	21%	9,938	10,043	10,481	76,977
Health contracts (a)	10%	4,590	4,064	6,067	11,530
Other	4%	2,030	2,073	2,065	15,835
TOTAL	**100%**	**46,242**	**46,286**	**48,048**	**341,886**
Total includes:					
Assets backing contracts with financial risk borne by policyholders (unit-linked)	*35%*	*16,415*	*15,022*	*14,344*	*113,998*
UK "With-Profit" business	*3%*	*1,034*	*1,288*	*3,128*	*30,282*

(a) Since January 1, 2003, UK Health business is presented in the UK Property & Casualty segment (€1,134 millions of gross revenues in 2002)

Certain of AXA's Life & Savings products are participating contracts, which enable the policyholders to participate in the excess assets over liabilities (the surplus) of life company issuing the contract through an interest or bonus payment. AXA offers this contracts in most of its principal Life & Savings operations. The policyholder may participate in the investment return and/or in part of the operating profits earned by the issuing company. The nature and extent of such participation vary from country to country. Therefore, such participations, including policyholder participations on UK "With-Profit" business (explained below), are treated as dividends that may either increase the present value of future policy benefits or be paid in cash to the policyholder in the year the bonus is credited.

UK "With-Profit" business

A participating contract, specific to United Kingdom and known as the "With-Profit" contract, is offered by many life insurance companies in the United Kingdom. In 2002, AXA decided to cease the marketing of new product for the "With-Profit" contracts. Under "With-Profit" contracts, policyholders' premiums are paid into a fund and are invested in a range of assets, including fixed maturity and equity securities, real estate and loans. The policyholders are entitled to receive a share of the profits arising from these investments which includes regular bonuses and terminal bonuses. The regular bonuses are designed to provide a return to the policyholder through a periodic increase in benefits and are credited to the policyholder. Periodically, they do not reflect the return earned by the issuing company over period. Once credited, regular bonuses are guaranteed to be paid at maturity, death or as otherwise specified in the policy. Terminal bonuses, which are not guaranteed in advance of payment and are designed to provide policyholders with their share of total investment performance (including investment income and realized and unrealized investment gains or losses) and other experience of the fund (including expenses, mortality experience and income taxes). Terminal bonuses can represent a significant portion of the total amount paid at maturity (which has in the past often exceeded 50% and currently exceeds 25% in some case) or upon surrender prior to maturity. The amount of terminal bonus to be paid is determined at the discretion of the board of directors.

Following policyholder and court approvals, in 2001 AXA Equity & Law underwent a financial reorganization whereby the life insurance funds were transferred to AXA Sun Life and fundamentally restructured. A portion of the assets that accumulated over the years (which we refer to in this annual report as the "inherited estate") were attributed to AXA as the shareholder, less a portion allocated to the "With-Profit" policyholders in the form of a reorganization bonus, based on the number of eligible policyholders that elected in favor of this plan.

Variable life and variable annuity products

Variable life and variable annuity products may be linked to investments supporting such contracts and are referred to in this annual report as "assets with financial risk carried by policyholders contracts" or "unit-linked contracts". In general, the investment risk (and reward) is transferred to the policyholder while the issuing company earns fee income from managing the underlying assets. However, there may be certain types of variable products that offer guarantees, such as guarantees of minimum income benefits or death benefits.

In 2004, AXA's Life & Savings operations continued experience growth in savings-related unit linked products. This growth has been notable in Europe and is attributable to (i) an increase in consumer awareness of such products, (ii) government initiatives to move away from state funded pensions to private funded pensions and (iii) favorable financial market performance in 2003 and 2004. In United States, variable annuity premiums decreased due to a very high level last year. Gross premiums on such business have increased from €14.3 billion in 2002 to €15 billion in 2003. In 2004, mainly due to the continued growth of financial markets, gross premiums in unit-linked reached €16.3 billion, representing at constant exchange rates 35% of total gross revenues, compared to 32% in 2003.

Distribution

AXA distributes its Life & Savings products through a number of channels that vary from country to country including notably exclusive agents, independent brokers, salaried sales forces, direct marketing (mail, telephone, or internet sales) and specialized networks (including banks and other financial services providers). In Europe, a number of distribution channels are used by both AXA's Life & Savings operations and its Property & Casualty insurance operations.

The split by distribution channels used by AXA's principal Life & Savings operations, based on consolidated gross premiums from new business for the year ended December 31, 2004, is presented below:

BASED ON GROSS PREMIUMS FROM NEW BUSINESS IN 2004

	Agents and direct sales force	Intermediaries / independent advisers / brokers	Other networks, including direct marketing / corporate partnerships and bank networks
France [a]	66%	26%	8%
United States	39%	61%	0%
Japan	70%	16%	14%
United Kingdom	7%	83%	10%
Germany	48%	39%	13%
Belgium	4%	79%	17%
Southern Europe [b]	64%	10%	25%

(a) In 2004, a more refined segmentation has been set up for the group retirement branch. Part of the gross revenues that were attributed to brokerage is now transferred to the direct sales force. Pro forma figures for 2003 distribution network data are as follows. Agents and direct sales force: 66%, Intermediaries/Independent advisers/Brokers: 30%, other networks: 4%.

(b) In 2003, the distribution channels in Southern Europe were respectively 71%, 8%, and 21%.

Surrenders and Lapses

For most Life & Savings products, costs to the issuing company in the first year are higher than costs in subsequent years due to first year commissions and the costs of underwriting and issuing a contract. Consequently, the rate of policies remaining in-force and not lapsing, also known as the "persistency rate", plays an important role in profitability. The majority of individual retirement products and individual Life & Savings products issued by AXA may be surrendered for a cash surrender value. Most of the individual life and retirement products issued by AXA have front-end charges to the policyholder (or subscription fees), which are assessed at the inception date of the contract and/or surrender charges (charges assessed in the case of early surrender). Both front-end charges and surrender charges are intended to offset a portion of the acquisition costs.

Total surrenders and lapses for 2004 and the ratio of surrenders and lapses to gross insurance reserves for the periods indicated are presented below.

LIFE & SAVINGS SEGMENT - SURRENDERS AND LAPSES

	Years ended December 31,			
	2004		2003	2002
	Total surrenders & lapses (in euro millions)	Surrenders & lapses ratio %	Surrenders & lapses ratio %	%
French operations	5,045	6.6%	7.1%	6.6%
US operations [a]			-	-
Individual life	1,242	4.9%	4.4%	4.0%
Individual retirement	3,951	8.2%	8.4%	9.8%
Japan [b]	2,864	10.7%	12.0%	9.5%
UK operations	4,476	8.4%	7.6%	7.6%
German operations	477	1.8%	1.4%	1.2%
Belgian operations	936	7.6%	7.7%	6.4%
Southern Europe operations [c]	372	5.5%	-	-

(a) Amounts reported for the US operations exclude lapses and, institutional assets with financial risk carried by policyholders (€1,958 million)

2003 reflects updated information since publication of French Annual Report. US surrenders were previously estimated to be 4.0% and 6.7% respectively for individual life and individual retirement

Excluding MONY in 2004, lapses rate were Individual life. 5.2% and Individual retirement. 8%.

(b) Including conversions in Japan

(c) In 2002 and 2003, lapse rate in Southern Europe were 6.7% and 4.9% respectively

Property & Casualty Segment

AXA's Property & Casualty segment offers a range of personal and commercial insurance products. The Property & Casualty segment accounted for €17.9 billion, or 25% of AXA's consolidated gross premiums and financial services revenues for the year ended December 31, 2004 (2003: €17.1 billion or 24% respectively).

The table below summarizes AXA's consolidated gross premiums and financial services revenues (after intersegment eliminations) and claims reserves for the Property & Casualty segment for the periods and as at the dates indicated.

PROPERTY & CASUALTY SEGMENT

(in euro millions, except percentages)

	Gross premiums and financial services revenues Years ended December 31,						Gross insurance liabilities at December 31, 2004
	2004		2003		2002		
			Pro forma	As published	Pro forma	As published	
France	27%	4,895	4,640	4,640	4,383	4,383	9,735
Germany	16%	2,796	2,847	2,847	2,843	2,843	5,544
United Kingdom (& Ireland) [a] [b]	25%	4,469	4,222	3,664	4,438	2,749	6,547
Belgium	8%	1,430	1,405	1,405	1,395	1,395	4,992
Southern Europe [a]	16%	2,901	2,577	-	2,418	-	4,668
Others	8%	1,361	1,408	4,543	1,606	4,577	2,434
TOTAL	**100%**	**17,852**	**17,098**	**17,098**	**17,082**	**15,948**	**33,921**
Represented by:							
Gross premiums written	-	*17,810*	*17,063*	*17,063*	*17,044*	*15,936*	-
Other revenues	-	*42*	*35*	*35*	*38*	*12*	-

(a) Starting January 1st 2004, (i) Italy, Spain and Portugal activities (previously reported under "Other countries") are now reported as one geographical region named "Southern Europe" and (ii) UK Property & Casualty segment is now presented including Ireland, which was previously reported under "Other countries".
(b) Since 2003, UK Health business has been transferred from Life & Savings segment. Consequently FY 2002 has been restated including UK Health business.

For the ten-year loss development of the Property & Casualty claims reserves, see "Property and Casualty Claims Reserves" included at the end of this section of the annual report. Key ratios for Property & Casualty operations are presented in the Management Report.

Market

During 2004, the Property & Casualty market continued to grow, driven by an increase in the number of contracts underwritten. Premium also continued to increase albeit at a lower rate than in 2003 in an increasingly competitive environment.

In each of its principal markets, AXA operates through well-established Property & Casualty insurance companies.

AXA's principal Property & Casualty insurance subsidiaries are set out below:

France:	AXA France IARD, AVANSSUR (ex Direct Assurance IARD), Natio Assurance and AXA Protection Juridique,
United Kingdom: & Ireland	AXA Insurance UK and AXA Insurance Limited,
Germany:	AXA Versicherung AG,
Belgium:	AXA Belgium SA,
Southern Europe:	
Italy:	AXA Assicurazioni E Investimenti,
Spain:	AXA Aurora Iberica; Hilo Direct Seguros y Reasuguros,
Portugal:	AXA Seguros Portugal.

Information on market trends per country where AXA operates is presented in the introduction of the Management Report.

The table below sets forth the Property & Casualty markets in which AXA operates ranked by worldwide gross premiums in 2003, along with AXA's ranking (by market share).

PROPERTY & CASUALTY

	Based on worldwide gross Property & Casualty premiums written in 2003			
	Country Statistics (a)		AXA (b)	
	Ranking	% premiums written	Ranking	Market share
Germany	3	7%	7	5% (c)
United Kingdom	4	7%	5	5% (d)
France	5	5%	1	14%
Belgium	14	1%	1	17%
Southern Europe (e)	–	6%	–	–

(a) Source Swiss Re, Sigma report 2004 "World insurance in 2003"
(b) In general, based on 2003 market data for each specific country or an estimate for 2004.
(c) Based on 2003 gross Property & Casualty premiums written in Germany, AXA is ranked as follows (group ranking without international insurance), third in liability insurance (7 1% market share), fifth in homeowners' insurance (4.8% market share), sixth in automobile insurance (4 1% market share)
(d) The United Kingdom, excluding Health and Ireland product lines are ranked with 11% share of United Kingdom SME business.
(e) Southern Europe. In 2004, ranking and market share AXA are respectively in Spain 3 with 5% and in Portugal 2 with 8.3% In 2003, in Italy 9 with 3%

In addition to the principal markets discussed above, AXA offers personal and commercial Property & Casualty insurance products in the following countries: Netherlands, Luxembourg, Switzerland, Canada, Morocco, Turkey, Japan, Singapore, and Hong Kong, as well as other countries in the Middle East and Africa. The products offered in these markets are offered through various distribution channels, including brokers and direct sales force.

Competition

The nature and level of competition vary among the countries in which AXA operates. Overall, the Property & Casualty insurance industry in each of AXA's principal markets is highly competitive, and tends to be cyclical with surplus underwriting capacity leading to lower premium rates. The principal competitive factors are as follows:

- Price,
- Quality of service,
- Distribution network,
- Brand recognition,
- Changes in regulations, which may affect premium rates charged or claims settlement costs paid, and
- Ratings for financial strength and claims-paying ability.

In France, Germany and Belgium, markets are fragmented. In the United Kingdom, industry-wide consolidation across the sector has affected both major insurance companies and brokers, resulting in increased concentration among the top players in recent years. In Ireland, new players have entered the Irish market recently.

Products

AXA's Property & Casualty insurance operations offer a broad range of products including automobile, homeowners / household, property and general liability insurance for both personal and commercial customers, the latter specifically focusing on small to medium-sized companies and permanent health insurance.

The table below sets forth gross written premiums and gross insurance reserves by major product for the periods and as at the dates indicated.

PROPERTY & CASUALTY SEGMENT

(in euro millions, except percentages)

	Gross written premiums Years ended December 31, 2004		2003	2002	Insurance Reserves December 31, 2004
Personal line					
Motor (Automobile)	33%	5,889	5,550	5,686	10,390
Homeowners/household	15%	2,626	2,205	2,273	2,324
Other (a)	13%	2,359	2,083	1,548	4,698
Commercial line					
Motor (Automobile)	7%	1,244	1,258	1,252	2,068
Property damage	11%	2,031	2,265	2,078	2,244
Liability	7%	1,320	1,242	1,111	5,004
Other (a)	11%	2,008	1,666	1,179	5,408
Other	2%	333	794	808	1,785
TOTAL	**100%**	**17,810**	**17,063**	**15,936**	**33,921**

(a) Since January 1, 2003, UK Health business is presented under lines "Other" (€1,036 million gross revenues in 2003).

Distribution

AXA distributes its Property & Casualty insurance products through a number of channels that vary from country to country. In Europe, the same distribution channels are used by both AXA's Life & Savings operations and Property & Casualty operations. The split by distribution channels used by AXA's Property & Casualty operations, based on gross written premiums for the year ended December 31, 2004, is presented below.

BASED ON GROSS WRITTEN PREMIUMS IN 2004

	General agents and sale force	Intermediaries / Independent advisers / brokers	Direct sales and marketing	Other networks, including corporate partnerships and bank networks
France	70%	25%	4%	1%
Germany	46%	41%	4%	9%
United Kingdom & Ireland (a)	0%	58%	26%	16%
Belgium	–	75%	1%	24%
Southern Europe (b)	65%	26%	5%	4%

(a) Including health. On a comparable basis, in 2003, the distribution channels were respectively 0%, 56%, 28% and 15%.
(b) In 2003, the distribution channel in Southern Europe were respectively 64%, 20%, 5% and 11%.

Ceded Reinsurance

AXA's Property & Casualty insurance operations use various types of reinsurance, primarily to limit their maximum exposure to catastrophic events, environmental pollution risks and certain other types of risks. A growing portion of AXA's Property & Casualty insurance exposures are ceded internally to AXA Cessions, which organizes external reinsurance programs. Total gross premiums ceded by AXA Cessions, on behalf of AXA's Property & Casualty operations to third party reinsurers in 2004 was €952 million (2003: €1,043 million).

International Insurance Segment

AXA's International Insurance segment is primarily comprised of AXA RE for the reinsurance activities and AXA Corporate Solutions Assurance for large risks insurance activities.
The business operations of these International Insurance activities are described below.

AXA RE is a reinsurance focused, principally third-party on Property and catastrophe businesses as well as some other profitable third-party reinsurance niches. Such business is underwritten in Paris, Canada, Miami (for South American business) and Singapore.

AXA Corporate Solutions Assurance provides global Property & Casualty insurance coverage for large corporate clients in Europe, as well as marine and aviation insurance coverage for all clients on a worldwide basis

AXA Cessions is an intra-group reinsurance company. Certain companies within the AXA Group cede internally some of their exposure to AXA Cessions which analyses, structures and places reinsurance programs for such risk with third-party reinsurers. It also provides advice in risk management and purchases of reinsurance cover to AXA group subsidiaries.

AXA Assistance provides assistance services including medical aid for travelers and automobile-related road assistance mainly to insurance companies, credit card companies, tour operators and automobile manufacturers.

AXA Liabilities Managers (classified below in other international activities), manages the internal Property & Casualty run off portfolios either located in AXA RE, AXA Belgium, and AXA UK or corresponding to stand-alone run-off companies of the "Other transnational activities" segment (inclusive of the Property & Casualty entities formerly managed by AXA RE in the United States).

The International Insurance segment accounted for €3.4 billion, or 5% of AXA's consolidated gross premiums and financial services revenues for the year ended December 31, 2004 (2003: €4.0 billion or 6%, respectively).

The table below summarizes AXA's consolidated gross premiums and financial services revenues and gross insurance liabilities (gross of reinsurance) for the International Insurance Segment for the periods and at the dates indicated.

INTERNATIONAL INSURANCE SEGMENT

(in euro millions, except percentages)

	Gross premiums and financial services segment Years ended December 31, 2004		2003	2002	Gross insurance liabilities at December 31, 2004
AXA RE (a)	31%	1,056	1,913	3,472	3,564
AXA Corporate Solutions Assurance	45%	1,506	1,550	1,762	4,431
AXA Cession	3%	94	87	100	125
AXA Assistance	14%	475	408	397	192
Other international activities (a)	7%	240	14	30	2,040
TOTAL	**100%**	**3,371**	**3,972**	**5,762**	**10,351**
Represented by:					
Gross written premiums	–	*3,356*	*3,956*	*5,740*	–
Other revenues	–	*15*	*16*	*22*	–

(a) In 2004, transfert of AXA RE US entities from AXA RE segment to "Other International Activities" reported in "Others"

For the ten-year loss development of AXA's International Insurance claims reserves, see "Property and Casualty claims reserves" included at the end of this section of the annual report.

Market and competition

On the **reinsurance** market, after the very low claims experience in 2002 and 2003, prices were almost stable in major lines of business and the capacity was relatively abundant. Competition among reinsurers is mainly coming from the Bermudian companies whose part in the world reinsurance market has become preponderant. The bulk of AXA RE's portfolio – property, marine and aviation – showed stable or slightly decreasing rates and treaties were often lower than expected especially in Europe. The rest of the portfolio -Motor and Casualty- benefited from additional rate increases.

On the **Large Risks Insurance** market, further rate increases and restructuring of large Corporate Insurance programs were conducted, especially in liability, and to a lesser extent in marine. On the other hand, property and aviation market softened, in the context of a favorable claims experience.

Products

The table below presents the International Insurance segment's gross written premiums and gross insurance liabilities by major product for the periods and as at the dates indicated:

INTERNATIONAL INSURANCE

(in euro millions, except percentages)

	Gross written premiums Years ended December 31, 2004		2003	2002	Gross insurance liabilities at December 31, 2004
Property damage	43%	1,450	1,746	2,852	2,978
Automobile, Marine, Aviation	20%	680	705	1,235	2,624
Casualty / Civil Liability	18%	604	608	689	3,437
Assistance	14%	475	408	397	192
Other	4%	148	489	566	1,120
TOTAL	**100%**	**3,356**	**3,956**	**5,740**	**10,351**

AXA RE - Reinsurance activity

AXA RE's main reinsurance products consist on treaties (about 90% in both proportional and non proportional reinsurance) related to Catastrophe covers all around the world but especially in the US (essentially wind, flood and earthquake covers). In addition, AXA RE offers the following reinsurance products on a very selective basis: other property damage, third-party liability, marine, credit, life and health insurance.

AXA Corporate Solutions Assurance - Large risk insurance activity

AXA Corporate Solutions Assurance underwrites large insurance risks for large national and international corporations. The insurance products offered cover property damage, third party lisibility, marine, aviation and transport, construction risk, financial risk, and directors and officers liability. AXA Corporate Solutions Assurance also offers loss-prevention and risk management services.

Distribution

AXA RE and AXA Corporate Solutions Assurance distribute their products principally through insurance and reinsurance brokers.

AXA Assistance distributes its products through general agents, independent advisors and brokers or direct sales / marketing; but also through AXA France distribution network which offers in its Property & Casualty insurance products, assistance services.

Ceded Reinsurance and retrocessions

AXA Corporate Solutions Assurance and AXA RE review their exposures to ensure that the risks underwritten are diversified geographically and by line of business in order to avoid risk of concentration.

- In 2004, **AXA Corporate Solutions Assurance** ceded €588 million premiums (2003: €664 million) to third-party reinsurers.
- Premiums retroceded by **AXA RE** to external reinsurers in 2004 are split between (i) ceded €59 million premiums related to specific and proportional retrocessions (deemed to protect specific lines of business), and (ii) ceded €230 million related to covers (deemed to cover the whole portfolio against major events).

Also, in 2004, approximately €631 million, or 79% of total reinsurance ceded to third parties, were placed externally by **AXA Cessions** on behalf of AXA's insurance subsidiaries (2003: €671 million or 54%).

Asset Management Segment

During 2004, the AXA's Asset Management Segment benefited from the continued growth of equity markets (+9% for the S&P 500 American equity index) combined with the good performance of fixed-income assets. Continuing a trend started in 2003, investors are attracted by the prospects of higher returns following years of declining equity markets, but with an increased demand for advice and alternative investments.

Asset Management is important to AXA, from both a strategic and profitability perspective. The development of Asset Management activities is a key part of AXA's financial services strategy, which seeks to capitalize on existing strengths and expand the client base. This strategy is based on the belief that its Asset Management expertise will enable AXA to benefit in the future from the expected growth in savings-related products in the markets in which it operates. The Asset Management segment accounted for €3.1 billion of AXA's consolidated gross premiums and financial services revenues for the year-ended December 31, 2004 (2003: €2,9 billion)

AXA's principal Asset Management companies are Alliance Capital Management ("Alliance Capital") and AXA Investment Managers. The Asset Management companies manage assets on behalf of retail investors, private clients and institutional clients as well as on behalf of companies affiliated with AXA.

AXA has Asset Management specialists teams in each of its major markets: Western Europe, the United States and the Asia / Pacific region.

The table below sets forth the total assets managed by the companies comprising AXA's Asset Management segment, including assets managed on behalf of third parties, and the fees earned by such companies on these assets as at the dates and for the periods indicated.

ASSETS MANAGEMENT SEGMENT

(in euro millions, except percentages)

	At December 31,		
	2004	2003	2002
Assets under management by AXA at December 31, (a)			
Managed on behalf of third parties	445,318	391,690	372,931
Assets backing contracts with financial risk borne by policyholders	66,138	65,158	58,887
Other invested assets	229,331	211,562	204,857
TOTAL	**740,788**	**668,410**	**636,674**
Commissions and fees earned for the years ended December 31,			
Alliance Capital	2,421	2,416	2,903
AXA Investment Managers	944	783	820
SUB-TOTAL	**3,364**	**3,199**	**3,724**
Intercompany eliminations	(277)	(277)	(313)
CONTRIBUTION TO AXA'S CONSOLIDATED GROSS PREMIUMS AND FINANCIAL SERVICES REVENUES	**3,087**	**2,922**	**3,411**

(a) Based on estimated fair value at the dates indicated. Assets under management presented in this table are based on asset management companies only, AXA Group (including insurance companies) assets under management amounted to respectively €869 million, €775 million and €742 million as of December 31, 2004, 2003 and 2002

The Asset Management industry remains highly fragmented, with no single competitor or any small group of competitors, dominating the worldwide market. AXA's Asset Management operations are subject to substantial competition in all aspects of its business due, in part, to the relatively low barriers to entry. Asset Management companies compete on the range of investment products offered, the investment performance of such products and the quality of services provided to clients.

Alliance Capital

Alliance Capital, through its parent company Alliance Holding, is a subsidiary of AXA Financial and is a leading global investment management firm in the U.S. Alliance Capital provides diversified investment management and related services to individual investors, private clients and to a variety of institutional clients, including AXA Financial (one of Alliance

Capital's largest institutional clients) as well as unaffiliated entities such as corporate and public employee pension funds, endowment funds, and U.S. and foreign governments.

Alliance Capital provides diversified Asset Management and related services globally to a broad range of clients including:
- management of assets backing contracts with financial risk borne by policyholders (unit-linked), hedge funds and other investment vehicles for private clients (such as, high net worth individuals, trusts and estates, charitable foundations),
- management of mutual funds sponsored by Alliance Capital, its subsidiaries and affiliates for individual investors,
- management of investments on behalf of institutional investors, and
- investment research and advisory services for institutional investors.

In 2000, Alliance Capital acquired the business of Sanford C. Bernstein Inc., which complemented Alliance Capital's growth equity investment orientation, with a highly regarded value equity investment capability, institutional research capabilities and a strong private client business portfolio. In connection with this acquisition, AXA Financial agreed to provide liquidity to the former shareholders of Sanford C. Bernstein who received private Alliance Capital units over an eight-year period following a two-year lockout period. After the expiration of this lockout period in October 2002, AXA Financial acquired 8.16 million of the former Bernstein shareholders' units in November 2002. In 2004, the former shareholders of Sanford C. Bernstein exercised their rights to sell 16.32 million Alliance Capital Units (8.16 million Alliance Capital Units in March and in December). The remaining 16.3 million Alliance Capital Units may be sold to AXA Financial at the prevailing market price over the remaining 6 years of the original eight-year period, ending in 2010. Generally, not more than 20% of the original units issued to the former Bernstein shareholders may be put to AXA Financial in any one annual period.

As at December 31, 2004, Alliance Capital had €395 billion of assets under management, including €352 billion of assets managed on behalf of third party clients (2003: €376 billion and €327 billion, respectively). Excluding exchange rates impact, assets under management in Alliance Capital increased by +13% to €427 billion (in 2003, the increase at constant exchange rate were +23%).

AXA Investment Managers ("AXA IM")

AXA IM is one of the largest Asset Management companies based in Europe. AXA IM's clients include both (i) institutional investors and (ii) individual investors. AXA IM provides diversified Asset Management and related services globally to mutual funds, which are distributed through AXA's distribution networks, AXA IM's own sales team and external distributors, and AXA's insurance subsidiaries in respect of their insurance-related invested assets and assets backing contracts with financial risk borne by policyholders (unit-linked).

In 2004, AXA IM began outsourcing its middle-office activities to State Street Corporation (effective December 2004 in France and Germany and March 2005 in the UK).

As at December 31, 2004, AXA IM had €345 billion of assets under management, including €93 billion of assets managed on behalf of third party clients (2003: €292 billion, €64 billion respectively).

Other Financial Services Segment

The operations in the Other Financial Services segment are conducted primarily in Belgium and in France. For the years ended December 31, 2004 and 2003, the Other Financial Services segment accounted for €0.8 billion, or 1% of AXA's consolidated gross premiums and financial services revenues.

The segment operations principally include:

AXA Bank Belgium

AXA Bank Belgium is a subsidiary of AXA Belgium that offers a comprehensive range of financial services to individuals and small businesses. It has a network of a thousand of independent bank agents that support the sale of products offered by AXA Belgium and AXA Investment Managers.

AXA Banque and AXA Banque Financement

Based in Paris, **AXA Banque** delivers banking services dedicated to AXA. Its main activities include cash and securities flows management and bank account services to AXA's existing clients and distribution networks, as well as to direct clients. In 2002, AXA Banque merged with Banque Directe, purchased the same year from BNP Paribas. Banque Directe was a provider of online banking services and complements AXA's existing financial offering in France. **AXA Banque Financement** provides short-term loans to customers of AXA's French insurance operations

Insurance-related Invested Assets

The assets underlying AXA's insurance operations (included within the three segments: the Life & Savings segment, the Property & Casualty segment and the International Insurance segment) are managed principally by AXA's Asset Management entities – Alliance Capital and AXA Investment Managers. These assets consist of (i) **general account** assets whereby the insurer generally bears the investment risk and reward, and (ii) **assets with financial risk carried by policyholders (unit-linked),** whereby the investment risk and reward is principally transferred to the policyholders.

The discussion below concerns the general account investment assets of AXA's insurance operations, which are referred to in this annual report as "insurance-related invested assets."

The general account liabilities of AXA's Life & Savings operations can be divided into two primary types, participating and non-participating. For **participating products,** the investment results of the underlying assets determine, to a large extent, the return to the policyholder that is either reflected as an increase in future policy benefits or paid out in cash in the year the bonus is credited to the policyholder. The insurer's profits on such business are earned from investment management net of policyholders' participation, mortality and other charges. For **non-participating** or **interest-sensitive products,** the insurer's profits are earned from a positive spread between the investment return, the crediting or reserve interest rate, and mortality.

Although all the general account assets of each insurer support all of that insurer's liabilities, the insurers have developed asset-liability management techniques with separate investment objectives for specific classes of product liabilities.

At December 31, 2004, based on total invested assets[1], the net book value of the insurance-related invested assets supporting the general account Life & Savings operations, primarily consisted of fixed maturity investments including equity holdings in fixed maturity-based mutual funds and equity investments of 72% and 10%, respectively (69% and 14% in 2003). At such date, the insurance-related invested assets supporting the Property & Casualty operations primarily consisted of fixed maturity investments including equity holdings in fixed maturity-based mutual funds and equity investments of 61% and 20%, respectively (56% and 23% in 2003).

1. Based on net carrying value and excluding assets backing UK "With-Profit" contracts, assets backing assets with financial risk borned by policyholders (unit-linked contracts) and investments in affiliated companies (Equity Method).

The following table presents AXA's consolidated insurance-related invested assets, by insurance segment at December 31, 2004.

INSURANCE - RELATED INVESTED ASSETS

(in euro millions, except percentages)

	At December 31, 2004									
	Life & Savings		Property & Casualty		International Insurance		Total		% du total	
	Net carrying value [a]	Market value	Net carrying value [a]	Market value	Net carrying value [a]	Market value	Net carrying value [a]	Market value	Net carrying value [a]	Market value
Fixed maturities										
(a) Held to maturity and available for sale	*116,256*	*126,559*	*18,030*	*19,352*	*5,348*	*5,571*	*139,635*	*151,482*	*56%*	*57%*
- French government	20,698	23,799	2,346	2,664	467	512	23,514	26,975	9%	10%
- Foreign government	34,756	38,073	8,758	9,386	2,503	2,600	46,017	50,060	18%	19%
- Local governments	6,663	7,062	1,336	1,414	27	27	8,026	8,503	3%	3%
- Government controlled corporations	6,751	7,390	1,625	1,689	589	623	8,976	9,703	4%	4%
- Non-government controlled corporation	39,991	42,489	2,962	3,161	1,478	1,518	44,432	47,167	18%	18%
- Mortgage-backed securities	5,978	6,207	540	572	181	185	6,700	6,964	3%	3%
- Other	1,388	1,518	460	467	103	105	1,950	2,091	1%	1%
Intercompany transactions not required by issuers	*21*	*19*	-	-	-	-	*21*	*19*	*0%*	*0%*
(b) Allocated to UK with-profits business-trading [b]	*15,736*	*15,736*	-	-	-	-	*15,736*	*15,736*	6%	6%
(c) Trading securities [c]	2,588	*2,588*	-	-	-	-	2,588	2,588	1%	1%
Total fixed maturities	**134,580**	**144,883**	**18,030**	**19,352**	**5,348**	**5,571**	**157,959**	**169,806**	**63%**	**63%**
Equity investments, including holdings in mutual funds										
Available-for-sale	46,097	48,223	10,151	10,562	1,416	1,491	57,664	60,276	23%	22%
Allocated to UK with-profits business-trading [b]	9,383	9,383	-	-	-	-	9,383	9,383	4%	4%
Trading securities [c]	1,960	1,960	-	-	-	-	1,960	1,960	1%	1%
Total equity investments, including holdings in mutual funds	**57,441**	**59,566**	**10,151**	**10,562**	**1,416**	**1,491**	**69,008**	**71,619**	**28%**	**27%**
Of which equity holdings in fixed maturity-based mutual funds	*28,391*	*29,178*	*4,134*	*4,241*	*412*	*422*	32,937	33,841	*14%*	*14%*
Investment in participating interests	1,048	1,668	1,192	1,541	51	78	2,292	3,286	1%	1%
TOTAL [c] [d]	**193,069**	**206,117**	**29,374**	**31,455**	**6,815**	**7,140**	**229,258**	**244,712**	**92%**	**91%**
Real Estate	**9,290**	**11,052**	**2,274**	**2,814**	**138**	**221**	**11,702**	**14,087**	**5%**	**5%**
Of which allocated to UK with-profits business-trading [b]	*3,080*	*3,080*					3,080	3,080	*1%*	*1%*
Prêts et autres placements	**17,134**	**17,663**	**988**	**1,012**	**34**	**34**	**18,156**	**18,709**	**7%**	**7%**
Of which allocated to UK with-profits business-trading [b]	35	35					35	35	0%	0%
Cash and cash equivalents	**13,067**	**13,067**	**3,560**	**3,560**	**2,040**	**2,040**	**18,666**	**18,666**	**7%**	**7%**
INVESTED ASSETS	**232,560**	**247,899**	**36,196**	**38,841**	**9,027**	**9,435**	**277,783**	**296,175**		
Of which allocated to UK with-profits business-trading [b]	*28,234*	*28,234*					*28,234*	*28,234*	*11%*	*11%*
INVESTED ASSETS EXCLUDING UK WITH-PROFITS	**204,325**	**219,665**	**36,196**	**38,841**	**9,027**	**9,435**	**249,548**	**267,940**	**100%**	**100%**

(a) Amounts are net of valuation allowances. For details on valuation allowances see note 8 to AXA's consolidated financial statements

(b) Assets allocated to UK With-Profit business are carried at estimated fair value in the consolidated balance sheet of AXA

(c) Trading securities that support insurance liabilities related to unit-linked contracts and investments in participating interests are not included in this table

(d) Refer to note 3 to AXA's consolidated financial statements included in this annual report that set out the investment valuation methodology.

AXA did not have directly any equity and / or fixed maturity investment with respect to insurance-related invested assets in any one issuer other them the French government that was in aggregate 10% or more of AXA's total shareholders' equity, or €2,616 million at December 31, 2004.

AXA's **fixed maturity and equity investments** are predominantly publicly traded. In respect of these investments, 90% (compared to 84% in 2003, or 85% including Southern Europe and Ireland) of the fixed maturity investments and 93% (compared to 90% in 2003 and on a proforma basis) of the equity investments are held by AXA's principal insurance operations in France, the United States, the United Kingdom (including Ireland), Germany, Belgium, Japan and Southern Europe.

More specifically, the insurance-related invested assets backing the insurance liabilities in these operations were predominantly holdings in domestic investments, or in the local currency of the liabilities. In 2004, insurance related invested assets included Government bonds (38% compared to 36% in 2003), investments in financial services companies (21% in 2003) and in other companies (27% compared to 32% in 2003), as well as mutual funds (14% compared to 11% in 2003).

Overall, the fixed maturity and equity investments together with real estate, mortgages and loans are concentrated in the local markets in which AXA's principal subsidiaries operate.

Derivatives. AXA uses derivative instruments to minimize adverse fluctuations in equity prices, interest rates, foreign exchange rates and equity prices. The basis for which AXA manages these risks, the sensitivities associated with managing these types of risks, and the potential impact on the AXA consolidated financial results are set out in further detail in note 28 to the consolidated financial statements included in this annual report.

Analysis of insurance general account investment results

LIFE & SAVINGS [a]

(in euro millions)

	Years ended December 31, 2004 Yields	2004 Amount	2003 Yields	2003 Amount	2002 Yields	2002 Amount
Fixed maturity investments:						
Net investment income	5.5%	7,334	5.5%	7,084	5.8%	7,336
Net realized gains (losses)	0.4%	584	0.0%	(7)	0.4%	532
Net investment results	*5.9%*	*7,918*	*5.5%*	*7,078*	*6.2%*	*7,868*
Related assets at year end		**135,777**		**127,503**		**129,019**
Equity investments (including participating interests):						
Net investment income	3.5%	1,968	3.5%	1,762	2.9%	1,545
Net realized gains (losses)	1.8%	1,020	0.4%	150	(10.0%)	(5,047)
Net investment results	*5.3%*	*2,987*	*3.9%*	*1,912*	*(7.0%)*	*(3,502)*
Related assets at year end		**58,489**		**51,732**		**48,175**
Real estate:						
Net investment income	6.4%	603	6.5%	621	6.4%	667
Net realized gains (losses)	6.6%	635	1.6%	156	4.6%	474
Net investment results	*13.0%*	*1,238*	*8.1%*	*777*	*11.1%*	*1,140*
Related assets at year end		**9,294**		**9,237**		**10,100**
Loans:						
Net investment income	5.5%	1,145	5.8%	1,196	6.1%	1,385
Net realized gains (losses)	(0.2%)	(51)	(0.3%)	(36)	(0.5%)	(106)
Net investment results	*5.3%*	*1,094*	*5.6%*	*1,160*	*5.6%*	*1,279*
Related assets at year end		**20,314**		**20,258**		**20,991**
Other assets and cash and cash equivalents [b]**:**						
Net investment income	3.0%	365	2.6%	290	3.8%	449
Net realized gains (losses)	(0.4%)	(43)	0.2%	21	0.4%	43
Net investment results	*2.7%*	*321*	*2.8%*	*311*	*4.2%*	*492*
Related assets at year end		**13,188**		**10,416**		**11,233**
Total invested assets [b]**:**						
Net investment income	4.9%	11,414	5.0%	10,953	5.1%	11,383
Net realized gains (losses)	0.9%	2,144	0.1%	285	(1.9%)	(4,105)
Net investment results	*5.8%*	*13,558*	*5.2%*	*11,238*	*3.2%*	*7,278*
Total invested assets at year end		**237,061**		**219,146**		**219,518**

(a) The investment yields were calculated on a constant structural basis using the average net carrying value of invested assets (for each category) in the period. The realized gains were net of realized losses and included the net change in valuation allowances on impaired assets as well as the unrealized gains and losses on investments carried at market value, notably the assets supporting the UK "With-Profit" contracts.

(b) Since 2004, some net investment income, considered as assets backing contracts with financial risk borne by policyholders (unit-linked) have been excluded from "Other assets and cash and cash equivalents".

PROPERTY & CASUALTY (a)

(in euro millions)

	Years ended December 31,					
	2004		2003		2002	
	Yields	Amount	Yields	Amount	Yields	Amount
Fixed maturity investments:						
Net investment income	5.1%	868	5.2%	787	5.7%	849
Net realized gains (losses)	0.1%	10	0.0%	5	0.6%	88
Net investment results	*5.1%*	*878*	*5.2%*	*792*	*6.3%*	*937*
Related assets at year end		**18,056**		**15,832**		**14,059**
Equity investments (including participating interests):						
Net investment income	3.2%	364	3.1%	353	3.0%	348
Net realized gains (losses)	(0.9%)	(97)	(2.5%)	(273)	(2.6%)	(298)
Net investment results	*2.3%*	*267*	*0.6%*	*80*	*0.4%*	*49*
Related assets at year end		**11,343**		**11,382**		**11,358**
Real estate:						
Net investment income	5.3%	123	5.7%	134	5.9%	139
Net realized gains (losses)	2.4%	56	2.9%	68	3.2%	75
Net investment results	*7.8%*	*179*	*8.6%*	*202*	*9.2%*	*214*
Related assets at year end		**2,275**		**2,319**		**2,393**
Loans:						
Net investment income	2.1%	40	3.1%	51	6.8%	113
Net realized gains (losses)	(0.1%)	(2)	(0.0%)	(1)	(0.1%)	(1)
Net investment results	*2.0%*	*38*	*3.0%*	*50*	*6.7%*	*111*
Related assets at year end		**2,201**		**1,668**		**1,629**
Other assets and cash and cash equivalents:						
Net investment income	3.9%	147	3.1%	113	2.5%	75
Net realized gains (losses)	(0.2%)	(9)	(0.1%)	(4)	(0.3%)	(9)
Net investment results	*3.7%*	*138*	*3.0%*	*110*	*2.2%*	*66*
Related assets at year end		**3,608**		**3,931**		**3,282**
Total invested assets:						
Net investment income	4.2%	1,541	4.2%	1,438	4.6%	1,523
Net realized gains (losses)	(0.1%)	(42)	(0.6%)	(204)	(0.4%)	(145)
Net investment results	*4.1%*	*1,500*	*3.6%*	*1,234*	*4.1%*	*1,377*
Total invested assets at year end		**37,483**		**35,132**		**32,721**

(a) The investment yields were calculated on a constant structual basis using the average net carrying value of invested assets (for each category) in the period. The realized gains were net of realized losses and included the net change in valuation allowances on impaired assets.

INTERNATIONAL INSURANCE [a]

(in euro millions)

	Years ended December 31,					
	2004		2003		2002	
	Yields	Amount	Yields	Amount	Yields	Amount
Fixed maturity investments:						
Net investment income	4.6%	249	5.1%	261	5.7%	278
Net realized gains (losses)	0.6%	33	1 0%	53	2.2%	106
Net investment results	*5.2%*	*282*	*6.2%*	*314*	*7.8%*	*383*
Related assets at year end		**5,348**		**4,936**		**5,206**
Equity investments (including participating interests):						
Net investment income	1.9%	29	1.5%	24	1.4%	23
Net realized gains (losses)	4.2%	63	(0 9%)	(13)	(6.8%)	(113)
Net investment results	*6.1%*	*92*	*0 7%*	*11*	*(5.4%)*	*(90)*
Related assets at year end		**1,467**		**1,506**		**1,554**
Real estate:						
Net investment income	12.0%	19	4.3%	8	6.8%	18
Net realized gains (losses)	0.1%	0	0.0%	(0)	2.9%	8
Net investment results	*12.1%*	*19*	*4.3%*	*8*	*9.7%*	*26*
Related assets at year end		**138**		**174**		**227**
Loans:						
Net investment income	8.0%	42	5.3%	29	5.9%	30
Net realized gains (losses)	0.0%	0	0.0%	0	0.0%	(0)
Net investment results	*8.0%*	*42*	*5.3%*	*29*	*5.9%*	*30*
Related assets at year end		**432**		**630**		**469**
Other assets and cash and cash equivalents:						
Net investment income	1.9%	42	3.0%	64	3.9%	69
Net realized gains (losses)	0.2%	5	(0 9%)	(20)	3.0%	53
Net investment results	*2.1%*	*47*	*2.1%*	*43*	*6.9%*	*122*
Related assets at year end		**2,040**		**2,292**		**1,897**
Total invested assets:						
Net investment income	3.9%	381	4.1%	386	4.6%	418
Net realized gains (losses)	1.0%	101	0.2%	20	0.6%	54
Net investment results	*4.9%*	*482*	*4.3%*	*406*	*5.2%*	*472*
Total Invested assets at year end		**9,426**		**9,537**		**9,354**

(a) The investment yields were calculated on a constant structural basis using the average net carrying value of invested assets (for each category) in the period The realized gains were net of realized losses and included the net change in valuation allowances on impaired assets

Property & Casualty Claims Reserves

Establishment of claims reserves

AXA is required to establish reserves for outstanding claims (claims which have not yet been settled) and associated claims expenses that arise from its Property & Casualty and International Insurance operations. AXA establishes its gross insurance liabilities, or claims reserves, by product, type of insurance coverage and year, and charges them to income as incurred.

Claims reserves (also referred to as "loss reserves") fall into two categories namely:

- Reserves for reported claims and claims expenses. These reserves are for outstanding claims which have not yet been settled and are based on undiscounted estimates of the future claims payments that will be made in respect of the reported claims, including the expenses relating to the settlement of such claims; and
- Reserves for incurred but not yet reported ("IBNR") claims and claims expenses. IBNR reserves are established on an undiscounted basis, to recognize the estimated cost of losses that have occurred but have not yet been notified to AXA. These reserves include the expenses associated with claims settlement, necessary to bring claims to final settlement.

The process of estimating the original gross claims reserve is based on information available at the time the reserve was originally established. However, claims reserves are subject to change due to the number of variables which affect the ultimate cost of claims, such as (i) development in claims between the amount estimated and actual experience; (ii) changes arising from the occurrence of large natural catastrophes late in the financial year for which limited information may be available at year end; (iii) judicial trends; (iv) regulatory changes; and (v) inflation and foreign currency fluctuations.

As a result, actual losses may deviate from the original gross reserves established. Consequently, the reserve may be re-estimated on the basis of information becoming available. Any adjustment resulting from change in claims reserves is recorded in the financial statements of the relevant period.

AXA continually reviews the adequacy of established claims reserves, including claims development, and actual claims experience compared to initial assumptions used to estimate initial gross claims reserve. Based on current information available in the preparation of the consolidated financial statements included in this annual report, AXA believes that these provisions are sufficient.

The information within this section sets forth separately (i) AXA's Property & Casualty insurance operations including the Property & Casualty segment operations and AXA Corporate Solutions Assurance within the International Insurance segment, and (ii) AXA RE business in the International Insurance segment.

In accordance with prior years' presentation, AXA RE's information is provided separately because: (i) AXA RE's business consists of insurance assumed from other insurers, (ii) the type of insurance and the nature of the risks and exposures covered by AXA RE is different compared to the direct insurance coverage provided by AXA's Property & Casualty insurance operations and AXA Corporate Solutions Assurance, (iii) a portion of this business is ceded to other reinsurers through retrocession programs which are monitored separately within the reinsurance operations, and (iv) the claims are accounted for on an "underwriting year basis" covering a 24-month period rather than on an "accident year basis" covering a 12-month period.

Property & Casualty and International Insurance (excluding AXA RE)

AXA does not discount its reserves for claims and claims expenses except for disability claims for which a final settlement has been agreed upon and payments are fixed over a period of time. The disability claims reserves have not been included in the Loss Reserve Development Table, since these are similar to structured settlements.

AXA's French Property & Casualty operations underwrite construction coverage with a ten-year contract term. In accordance with the French regulations, a specific provision is added to the claims reserves based on methodology established by the French government. This reserve is in addition to each single notified claim. The construction reserves and catastrophe equalization reserves were excluded from the Loss Reserve Development table because such reserves do not provide any indication as to how claims have been reserved (initially) and the outcome upon settlement of such claims in future periods based on the underwriting and associated reserving methodologies adopted by AXA. In addition, local regulations require certain AXA Property & Casualty operation to establish equalization reserves specific to catastrophe risks.

The Property & Casualty loss reserves that were excluded from the Loss Reserve Development Table amounted to €4,8 million and represented 12.8% of total gross Property & Casualty insurance liabilities at December 31, 2004 (2003: 14.4%). For further information, refer to the "Reconciliation of Loss Reserves to Consolidated Financial Statements" table following the Loss Reserve Development tables.

The loss reserve development table presents the claims reserve development for calendar years 1994 through 2004, as determined in accordance with French GAAP. The first row captionned "gross reserves for unpaid claims and claims expenses" represents the original gross claims reserve liability reported at the balance sheet date for the year indicated. The third row captionned "paid (cumulative)" represents the cumulative amounts paid as of the end of each year with respect to the original gross claims reserve liability reported. The fourth row captionned "Reserve re-estimated" represents the previously recorded liability as adjusted (re-estimated) based on claims experience as of the end of each year. Estimates are adjusted, as more information on unsettled claims becomes known from time to time to unsettled claims. For example, the gross claims reserve as at December 31, 1996 was originally €5,847 and increased by €12,943 million to €18,790 million primarily due to the UAP acquisition in 1997. By the end of 2004, aggregate amounts paid were €12,143 million and the original gross claims reserve had been re-estimated to be €16,272 million at December 31, 2004. The "cumulative redundancy (deficiency)" for each year represents the aggregate amount by which the original gross claims reserve liability as of that year-end has changed in subsequent periods.

LOSS RESERVE DEVELOPMENT TABLE: PROPERTY & CASUALTY INCLUDING INTERNATIONAL INSURANCE OPERATIONS (EXCEPT FOR AXA RE)

(in euro millions except percentages)

	At December 31,										
	1994	1995	1996	1997 (b)	1998	1999 (c)	2000	2001	2002	2003	2004 (d)
Gross reserves for unpaid claims and claims expenses developed initially at the booking date (d)	5,595	5,712	5,847	20,371	20,941	26,656	26,916	28,636	28,465	27,825	29,128
Gross reserves for unpaid claims and claims expenses developed in 2004 (d)	14,995	14,682	18,790	21,769	22,481	24,892	25,765	27,225	27,872	28,237	29,128
Paid (cumulative) at:											
One year later	1,419	1,305	1,388	4,737	4,745	7,727	6,807	6,715	6,371	6,075	
Two years later	2,044	1,684	5,759	6,632	6,818	11,184	10,302	9,900	9,554		
Three years later	2,368	6,898	7,327	8,087	9,361	13,474	12,378	12,440			
Four years later	7,082	8,123	8,351	10,338	10,632	14,798	14,220				
Five years later	8,089	8,917	10,619	11,218	11,384	16,239					
Six years later	8,591	9,075	11,187	11,512	12,435						
Seven years later	8,799	9,615	11,387	12,508							
Eight years later	9,079	9,660	12,143								
Nine years later	9,079	10,114									
Ten years later	9,446										
Reserve re-estimated at:											
One year later	5,303	5,607	5,537	19,425	19,040	23,041	27,069	27,425	26,856	27,527	
Two years later	5,177	5,477	13,881	17,510	19,407	26,294	25,919	25,718	26,219		
Three years later	5,278	13,376	13,864	17,971	22,048	25,542	24,864	25,610			
Four years later	12,353	13,303	14,214	20,162	21,485	24,409	24,665				
Five years later	12,160	13,730	16,742	19,873	20,804	24,304					
Six years later	12,490	13,472	16,439	19,052	20,820						
Seven years later	12,323	13,273	16,024	19,293							
Eight years later	12,166	12,905	16,272								
Nine years later	11,835	13,028									
Ten years later	11,969										
Cumulative redundancy (deficiency) from the initial gross reserves in excess of re-estimated gross reserves:											
Amount (a)	3,026	1,654	2,518	2,476	1,661	588	1,101	1,616	1,653	710	na
Percent (a)	20.2%	11.3%	13.4%	11.4%	7.4%	2.4%	4.3%	5.9%	5.9%	2.5%	na

(a) It is not appropriate to extrapolate future redundancies or future deficiencies based on the loss reserve development presented in the table as conditions and trends that have affected the development of the liability in prior periods may not necessarily occur in the future periods.

(b) AXA acquired Compagnie UAP ("UAP") on January 1, 1997. The operations of AXA and UAP were integrated in 1998. At the date of acquisition, UAP had net reserves of €13.7 billion. The outstanding claims reserves and claim expenses of UAP's Property & Casualty operations are included in the year end reserves as at December, 31, 1997 and thereafter. Cumulative payments and reserve development for the 1998 year and thereafter include the development of the integrated Property & Casualty liabilities of AXA, including UAP, as loss development data specific to UAP is not available and there is no reasonable basis of allocating cumulative payments and reserves re-estimated between AXA and UAP post-acquisition.

(c) AXA acquired GRE in May 1999. The operations of GRE have been integrated within AXA. At time of acquisition the gross reserves totalled €5.6 billion.

(d) In 2004, the companies AXA Corporate Solution US, AXA RE P&C Insurance company and AXA RE P&C Reinsurance company were transferred from AXA RE to the Other transnational activities.
The reserves of AXA Corporate Solution Insurance US were presented on an occuring year basis and included in Property & Casualty loss reserve development table (excluding AXA RE).
The reserves of AXA RE P&C Insurance company and AXA RE Reinsurance company were presented on an underwriting year basis and included in AXA RE loss reserve development table.

The majority of the business of the Property & Casualty insurance operations is short tail and, therefore, losses develop and are paid relatively quickly. In 2004, approximately 40% of the claims charges were paid in the year that the claim event occurred (2003: 39%).

In respect of the direct insurance business in 2003, there were no notable changes in the claims payment patterns. In addition, (i) there have been no significant changes in assumptions during the current year, and (ii), in 2004, the company AXA Corporate Solution Insurance US was transferred from the reinsurance business to International Insurance activities.

AXA RE

LOSS RESERVE DEVELOPMENT TABLE - AXA RE

(in euro millions except percentages)

	At December 31,										
	1994	1995 (c)	1996	1997 (d)	1998	1999 (d)	2000	2001 (d)	2002	2003	2004 (e)
Gross reserves for claims expenses in Balance Sheet developed initially (a)	**1,496**	**2,451**	**2,646**	**2,880**	**3,060**	**3,396**	**3,455**	**5,868**	**4,778**	**4,200**	**3,314**
Gross reserves for claims expenses in Balance Sheet developed in 2004 (e)	**1,496**	**2,451**	**2,646**	**2,880**	**3,060**	**3,396**	**3,453**	**5,868**	**4,778**	**3,742**	**3,314**
Initial retroceded reserves	(201)	(262)	(196)	(285)	(416)	(430)	(393)	(1,652)	(1,020)	(853)	
Retroceded reserves in 2004 (e)	(201)	(262)	(196)	(285)	(416)	(430)	(393)	(1,652)	(1,020)	(490)	(410)
Initial net claims reserves in excess of (less than) re-estimated net claims reserves:	**1,295**	**2,189**	**2,450**	**2,595**	**2,644**	**2,966**	**3,060**	**4,216**	**3,758**	**3,252**	**2,904**
Paid (cumulative) at:											
One year later	374	602	615	583	956	1,165	1,218	1,987	1,441	950	
Two years later	566	1,008	965	1,094	1,594	1,893	1,860	3,198	2,113		
Three years later	737	1,221	1,230	1,430	2,000	2,265	2,449	3,603			
Four years later	849	1,410	1,427	1,685	2,232	2,779	2,549				
Five years later	935	1,548	1,586	1,815	2,677	2,726					
Six years later	1,037	1,677	1,689	2,101	2,566						
Seven years later	1,106	1,759	1,953	1,971							
Eight years later	1,156	2,000	1,813								
Nine years later	1,288	1,856									
Ten years later	1,203										
Reserve re-estimated at:											
One year later	1,558	2,811	2,970	2,945	3,743	3,969	4,199	5,922	5,012	3,438	
Two years later	1,549	2,917	2,829	3,159	3,817	4,105	4,061	6,183	4,163		
Three years later	1,675	2,774	2,891	3,168	3,772	3,955	4,034	5,314			
Four years later	1,643	2,818	2,844	3,045	3,643	4,027	3,817				
Five years later	1,653	2,755	2,754	2,941	3,722	3,755					
Six years later	1,681	2,676	2,612	2,964	3,444						
Seven years later	1,622	2,558	2,692	2,724							
Eight years later	1,552	2,653	2,468								
Nine years later	1,688	2,452									
Ten years later	1,503										
Cumulative redundancy (deficiency) from the initial gross claims reserves in excess of (less than) re-estimated gross claims reserves	**(7)**	**(1)**	**178**	**156**	**(384)**	**(359)**	**(364)**	**554**	**615**	**304**	
Re-estimated retroceded reserves	126	229	229	335	488	412	367	1,095	703	295	
Premium adjustment (b)	268	525	569	634	719	1,023	1,266	1,367	1,260	536	
Re-estimated net claims reserves:	1,109	1,698	1,670	1,755	2,237	2,320	2,184	2,852	2,200	2,607	
Initial net claims reserves in excess of (less than) re-estimated net claims reserves:											
Amount (b)	186	491	780	840	407	646	876	1,364	1,558	645	na
Percent of original net reserve (a)	14.4%	22.4%	31.8%	32.4%	15.4%	21.8%	28.6%	32.4%	41.5%	19.8%	na

(a) The loss reserve development table is presented on an underwriting year basis for AXA RE business. Accordingly reserves re-estimated and the excess of re-estimated reserves in excess of the original reserves include reserves for losses occurring up to twelve months subsequent to the original year-end. It is not appropriate to extrapolate future redundancies or future deficiencies based on the loss reserve development presented in the table as conditions and trends that have affected the development of the liability in prior periods may not necessarily occur in the future periods.

(b) Represents premium earned subsequent to the accounting year end and premium reinstatements / experience-rated premiums received and accrued from the ceding insurers as assumed losses were incurred.

(c) Includes the claims reserves of Abeille Re acquired in 1995.

(d) In 2001, the claims reserve of AXA RE were adversely affected by the September 11th attacks.

(e) In 2004, the companies AXA Corporate Solution Insurance US, AXA RE P&C Insurance company and AXA RE P&C Reinsurance company were transferred from AXA RE to the Other transnational activities. The reserves of AXA Corporate Solution Insurance US were presented on an occurring year basis and included in Property & Casualty loss reserve development table (excluding AXA RE). The reserves of AXA RE P&C Insurance company and AXA RE P&C Reinsurance company were presented on an underwriting year basis and included in AXA RE loss reserve development table.

Reconciliation of loss reserves developed to consolidated financial statements

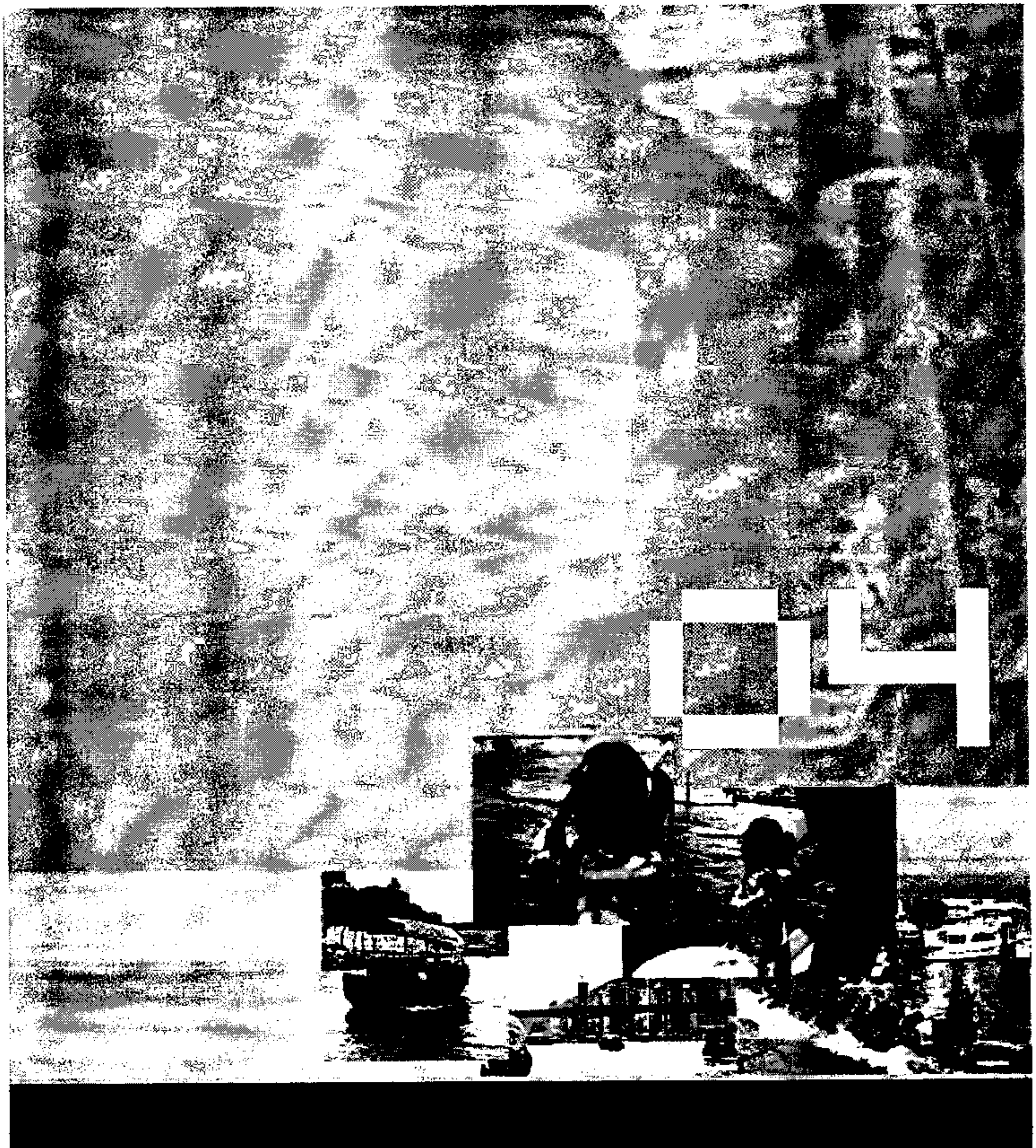
The following table reconciles the gross insurance liabilities, e.g., the gross claims reserves including claim expenses, in the loss development tables presented above to that presented in the AXA's consolidated financial statements (refer to Note 19).

(in euro millions)

	At December 31, 2004	2003
Total gross claims and other reserves developed		
Property & Casualty and International Insurance (excluding AXA RE)	26,128	27,825
AXA RE [(a)]	3,314	4,200
Total gross claims and other reserves developed	**32,442**	**32,025**
Gross claims and other reserves not developed		
Equalization reserves	407	397
Other reserves [(b)]	4,150	4,991
Total gross claims and other reserves excluding Life & Savings Segment	**37,199**	**37,413**
Claims and other reserves for Life & Savings Segment	7,871	7,624
Claims reserves, including other reserves, gross of reinsurance	**45,070**	**45,037**

(a) Total gross claims and other reserves developed are presented on the loss reserve development basis: The reserves of AXA Corporate Solution Insurance US were included in Property & Casualty and International Insurance loss reserve. The reserves of AXA RE P&C Insurance company and AXA RE Reinsurance company (€460 million) were included in AXA RE.

(b) Of which Future policy benefits or annuity claims (€1,950 million), construction reserves (€1,056 million) and reserves on acceptations (€975 million).


04

Investment Strategy

2004 **Investment Strategy**

Significant acquisitions

On July 8, 2004, following the receipt of all required regulatory approvals and the satisfaction of all conditions to the merger agreement, AXA Financial, Inc. has finalized the acquisition of the MONY Group, Inc. ("MONY"), including MONY Life, MONY Life of America, Enterprise Capital Management, Advest and MONY Partner. This acquisition reinforces AXA Financial Life & Savings and asset management activities and will enable AXA to greatly expand its presence and influence in the U.S. market for financial advice, by increasing its multi-channel distribution networks and client bases. Following this acquisition, AXA Financial, Inc holds 100% of the MONY Group, Inc.

In 2003 and in 2002, AXA has undertaken no major acquisitions.

On January 2, 2001, so as to finalize the exchange offer realized in December 2000 on the shares held through AXA Financial minority interests, AXA Merger Corp., the entity created to manage the acquisition process, has been absorbed. On this occasion, the shares still held by the public have each induced a 35.75 dollars cash payment and a conversion into 0.295 "AXA American Depositary Share" (ADS), thus producing a 737 million euros increase in AXA shareholders' equity. Following this operation, AXA now holds 100% of AXA Financial equity.

In 2000:

- ***AXA Nichidan.*** In order to develop its activity on the strategic Asian market, AXA has acquired over 95% of Nippon Dantai Life Insurance Company Ltd. ("Nippon Dantai"). As a result of this acquisition, AXA increased significantly its presence in the Japanese life and savings insurance market as Nippon Dantai was the 13th largest life insurance company and the 2nd largest stock life (non mutual) insurance company in Japan at that time. Following this acquisition, Nippon Dantai has been absorbed by AXA Insurance Holding Co. Ltd., its activity being split between AXA Life Insurance Co. Ltd. and AXA Group Life Insurance Co. Ltd.
- ***Sanford Bernstein.*** Alliance Capital Management L.P. ("Alliance Capital"), a subsidiary of AXA Financial, has acquired Sanford C. Bernstein, Inc., a US-based asset manager with assets under management of approximately 90 billion dollars (96 billion euros).
- ***Minority interests buy-out.*** AXA has continued its reinforcement strategy through the buy-out of minority interests. AXA has thus acquired the minority interests in AXA UK Holdings (43.8%), previously named Sun Life & Provincial Holdings, in the United Kingdom, in **AXA Financial, Inc.** (39.9%) in the United States and in **AXA China Region** (26%), subsidiary based in Hong Kong and owned by AXA Asia Pacific Holdings in which AXA has a 51% voting interest.

- ***In 1999, Guardian Royal Exchange.*** AXA has acquired the group Guardian Royal Exchange ("GRE"), through AXA UK Holdings, previously named Sun Life & Provincial Holdings. Based in London, GRE's insurance operations were located in the United Kingdom, Ireland and Germany. Pursuant to this acquisition, AXA has reinforced its presence in these countries, especially on the health, property and casualty market in the UK

- ***In 1998, Royale Belge and ANHYP.*** AXA has acquired the remaining 51% minority interests in Royale Belge (subsequently renamed AXA Belgium) through a public exchange offer. In the same year, AXA Belgium acquired a Belgian bank, ANYHP, through a public acquisition offer. In January 2000, ANYHP was merged with AXA's existing Belgian Bank, IPPA, to create AXA Bank Belgium.

- ***In 1997, Compagnie UAP.*** AXA has acquired Compagnie UAP (a French holding company for a group of insurance and financial services companies) through a public exchange offer. This acquisition increased significantly AXA's operations on the life and savings as well as on the property and casualty markets in Western Europe.

- ***In 1995, AXA Asia Pacific Holdings (previously National Mutual Holdings).*** AXA acquired a controlling equity interest in National Mutual Holdings (renamed AXA Asia Pacific Holdings), in connection with the demutualization of its subsidiary National Mutual Life Association of Australasia ("National Mutual Life").

- ***In 1991, AXA Financial, Inc. (previously Equitable Holdings Companies Inc.).*** AXA invested 1 billion dollars in The Equitable Life Assurance Society of the United States ("Equitable Life"), in anticipation of Equitable's Life demutualization. Following the demutualization of Equitable Life in 1992, AXA's initial investment was converted into a controlling equity interests in The Equitable Holding Companies, Inc. (renamed AXA Financial, Inc.), the holding of Equitable Life.

Significant divestitures

Over the past years, AXA has also sold a number of non-strategic assets and operations that are summarized below:

- ***In 2001, Banque Worms (France).*** The sale of Banque Worms to Deutsche Bank was completed on April 2 2001. Under the terms of the agreement, AXA has retained some of Banque Worms' business assets, including those related to discontinued businesses, as well as the majority of its investment securities portfolio.
- ***In 2000, Donaldson, Lufkin & Jenrette (United States).*** On November 3, 2000, AXA sold the investment bank Donaldson, Lufkin & Jenrette ("DLJ") to Crédit Suisse Group for 7.3 billion dollars (8.4 billion euros at the date of the operation). The consideration included cash for 2.4 billion dollars and 25.7 million shares from the Crédit Suisse Group (6.4 million were immediately sold, the remaining 19.3 million shares have been sold in January 2001).

AXA keeps considering opportunities that will increase the size and geographical diversity of its worldwide operations in insurance and asset management.

Liquidity and capital resources

Over the past several years, AXA has expanded its Insurance and Asset Management operations through a combination of acquisitions, joint ventures, direct investments and organic growth. This expansion has been funded primarily through a combination of (i) proceeds from the sale of non-core businesses and assets, (ii) dividends received from operating subsidiaries, (iii) proceeds from the issuance of subordinated convertible debt securities, other subordinated debt securities and borrowings (including debt issued by subsidiaries), and (iv) the issuance of ordinary shares.

The Company and each of its major operating subsidiaries are responsible for financing their operations. The Company, as the holding company for the AXA Group, co-ordinates these activities and, in this role, participates in financing the operations of certain subsidiaries. Certain of AXA's subsidiaries, including AXA France Assurance, AXA Financial Inc., AXA Asia Pacific Holdings and AXA UK Plc. are also holding companies and are dependent on dividends received from their own subsidiaries for funds to meet their obligations. Operating entities have to meet multiple regulatory constraints, in particular a minimum solvency ratio. Dividend distribution of entities to AXA parent company are sized taking into consideration these constraints as well as potential future regulation evolution. However, based on the information currently available, AXA does not believe that such restrictions constitute a material limitation on its ability to meet its obligations or pay dividends.

AXA's insurance operations

The principal sources of funds for AXA's insurance operations are premiums, investment income and proceeds from sales of invested assets. The major uses of these funds are to pay policyholder benefits, claims and claims expenses, policy surrenders and other operating expenses, and to purchase investments. The liquidity of insurance operations is affected by, among other things, the overall quality of AXA's investments and the ability of AXA to realize the carrying value of its investments to meet policyholder benefits and insurance claims as they fall due.

Life & Savings

Liquidity needs can also be affected by fluctuations in the level of surrenders, withdrawals and guarantees to policyholders in the form of minimum income benefits or death benefits specifically on variable annuity business (see "Description of Business – Life & Savings – Surrenders").

AXA's investment strategy is designed to match the net investment results (the investment yield) and the estimated maturity of its investments with expected payments on insurance contracts. AXA regularly monitors the valuation and maturity of its investments and the performance of its financial assets. Financial market performance may affect the level of surrenders and withdrawals on life insurance policies, as well as projected immediate and long-term cash needs. AXA adjusts its investment portfolios to reflect such considerations.

Property & Casualty and International Insurance

Liquidity needs can be affected by actual claims experience if significantly different from the estimated claims experience (see "Description of business – Claims Reserves")

Insurance cash flows are generally positive and can be slightly negative in the case of exceptional events. A portion of the assets is invested in liquid, short-term bonds and other listed securities in order to avoid additional liquidity risk that may arise from such events. In the event of large catastrophic or other losses, AXA's Property & Casualty operations would be able to liquidate a certain amount of their investment portfolios.

Asset Management and Financial Services

The principal sources of liquidity relating to these operations are operating cash flows, proceeds from the issuance of ordinary shares (where applicable), credit facilities and other borrowings from credit institutions.

The financing needs of asset management subsidiaries arise from their activities, which require working capital, in particular to finance prepaid commissions on some mutual fund-type products

Sources of liquidity

At December 31, 2004, AXA's consolidated balance sheet included cash and cash equivalents of €18.7 billion (2003: €19.4 billion), excluding bank overdrafts of €0.6 billion in 2004, (2003: €1.0 billion). The Company (statutory accounts) had cash and cash equivalents of €1,008 million at December 31, 2004, versus €1,851 million a year earlier. The Company did not have any amounts outstanding on bank overdrafts at December 31, 2004.

On a consolidated basis, the aggregate principal payments required to be made on subordinated and non-subordinated debt instruments issued for 2005 and the four years thereafter amount to €1,238 million in 2005, €315 million in 2006, €367 million in 2007, €258 million in 2008 and €45 million in 2009. The remaining €11,017 million matures after 2009. Off-balance sheet commitments are discussed in Note 29 to the consolidated financial statements.

As part of its risk control environment, AXA has for a number of years paid constant attention to contractual clauses, particularly those that may lead to early redemption. A large proportion of AXA's debts consist of subordinated bonds with no early redemption clauses, except in the event of liquidation. Early redemption clauses (puts, default triggers, rating triggers) are in general avoided by AXA. However, when market practice makes them unavoidable, AXA has a centralised method of monitoring these clauses. To date, AXA is not exposed to early redemption clauses that could have a significant impact on its financial structure.

Subordinated debt

At December 31, 2004, the Company (statutory accounts) had outstanding subordinated debt of €9,013 million, or €8,393 million taking into account a €620 million reduction for the impact of foreign exchange derivative instruments.

On a consolidated basis at December 31, 2004, AXA's total outstanding subordinated debt totalled €9,855 million, after taking into account all intra-group eliminations, or €9,235 million after taking into account a €620 million decrease relating to foreign exchange derivative instruments (2003: €8,980 million, €8,453 million and €527 million respectively).

The increase of €782 million in 2004 (after the impact of foreign exchange derivative instruments), or €974 million at constant exchange rates, was mainly due, within the content of the EMTN (Euro Medium Term Note) to the issue of (i) €625 million of undated deeply subordinated notes ("Titres Super Subordonnés") (ii) $375 million of subordinated debts (€301 million) and €125 million. Forestalling partly the refinancing of the debt maturing in 2005 and after, these issues allowed the Group to benefit from very favourable and unprecedented credit spread conditions and to improve its liquidity by further extending the average maturity of debt and by the strengthening hybrid capital through non-dated subordinated issues.

This increase was partly offset by the positive impact from foreign exchange derivatives (€93 million) due to the strengthening of euro against other currencies.

At December 31, 2004, as 2003 and 2002, the potential number of ordinary shares to be issued upon conversion of AXA's total outstanding subordinated convertible debt was around 64.3 million.

For further information, refer to Note 17 to the consolidated financial statements.

Non-subordinated debt instruments

At December 31, 2004, the Company (statutory accounts) had outstanding non-subordinated debt instruments of €1,414 million, a decrease of €2,009 million from €3,423 million at December 31, 2003. The decrease in 2004 was mainly due to the repayment of €1,406 million of ORAN bonds issued in 2003, the redemption of senior bonds issued in 2002 (€312 million) and the repayment of all French Commercial Paper (€120 million).

On a consolidated basis, AXA's total outstanding issued non-subordinated debt amounted to €3,639 million at December 31, 2004, a decrease of €1,517 million from the €5,156 million figure a year earlier. Of the total non-subordinated debt outstanding at December 31, 2004, the amounts classified as financing debt and operating debt equalled €2,964 million and €675 million, respectively (2003: €4,459 million, and €697 million respectively). On a constant exchange rate basis, the decrease was €1,325 million and was primarily attributable to the decrease of financing debts (€-1,327 million) due the following factors:

- the redemption July 22nd, 2004 of ORANs bonds issued by AXA in September 2003 in order to finance the acquisition of MONY (each ORAN will be redeemed by the issuance of one new ordinary AXA share, €1,389 million after the elimination of intragroup financing),
- the redemption of senior bonds (€312 million) issued in 2002 and related to the Euro Medium Term Note program (€312 million),
- the refund of all French Commercial Paper (€120 million),
- the refund at maturity date of the AXA Financial's senior bonds (€237 million),
- partly offset by the consolidation of AXA Financial's senior bonds (€463 million) and Equitable Life (€220 million) relate to MONY transaction.

Of AXA's total outstanding debt at December 31, 2004, short-term debt (maturity of 1 year or less) equalled €599 million (2003: €2,355 million of which €1,389 consisting of ORAN bonds).

For further information see Note 21 to the consolidated financial statements.

Amounts owed to credit institutions

On a consolidated basis at December 31, 2004, amounts owed by the Company and its subsidiaries to credit institutions totalled €5,172 million as compared to €3,851 million at December 31, 2003, or an increase of €1,321 million. Of the total amounts owed to credit institutions outstanding at December 31, 2004, financing and operating debts (including bank overdrafts for €636 million), represented €17 million and €5,155 million, respectively. The increase of €1,321 million was attributable primarily to the following items:

- increase in AXA Bank Belgium debt in 2004 (€+2,037 million) in relation to the securities sold under repurchase agreement which amounted to €3,464 million. Such instruments are used to manage the liquidity risk of the Belgian bank,
- reduction of AXA Banque's operating debt (€176 million),
- decrease of German operating debts of €190 million further to the disposal of AXA Bausparkasse,
- reduction of bank overdrafts by around €380 million across the Group.

For further information refer to Note 22 to the consolidated financial statements.

Issuance of ordinary shares

The information provided below is given on a post 4-for-1 stock split basis:

- since 1994, AXA has regularly offered shares to its employees. In 2004, AXA employees invested a total of €255 million in the employee stock ownership program (€22.5 million in July 2004 and €232.1 million in December 2004) resulting in the issuance of 18.9 million AXA ordinary shares. At December 31, 2004, AXA employees held approximately 5.11% of AXA ordinary shares (including ADSs) compared to 4.8% at December 31, 2003,
- in addition, during 2004, approximately 1.2 million ordinary shares were issued in connection with the exercise of AXA share options in 2004 (2003: 0.8 million ordinary shares).

At December 31, 2004, the number of treasury shares held by AXA subsidiaries fell by 7.6 million with respect to December 31, 2003. At December 31, 2004, AXA held approximately 22 million of its ordinary shares at a book value of €298 million, or 1.16% of the total outstanding ordinary shares. These shares are allocated principally to the AXA Financial stock-option program, where options have been granted to AXA Financial employees to acquire AXA ADRs.

The ORANs[1] issued by AXA to finance the acquisition of MONY were redeemable July 22nd, 2004 by the issuance of one new ordinary AXA share for each ORAN. Consequently, AXA's subsidiaries received 1.4 million of AXA additional shares.

In 2004, AXA sold 9 million shares drawing a realized loss of €27 million (€1.3 million in 2003 and nil in 2002) which 6.7 million shares sold to FINAXA. These shares were principally allocated to the AXA Financial stock-option program; these shares do not need to be allocated to this program anymore given the new hedging strategy implemented.

As a part of an overall rebalancing of the hedge of its purchase stock options plans, AXA Financial Inc. purchased on November 22, 2004, approximately 26 million call options on the AXA ADR (American Depositary Receipt), for a total premium of $ 89 million. The purpose of the hedge is to protect the Group against an increase in the AXA share price and depreciation of the US dollar versus Euro. As a consequence of this rebalancing of its hedging strategy, the AXA Group sold 6.7 million of treasury shares for a total amount of €120 million.

As the result of successful completion of the merger of MONY with AXA Financial Inc., the ORANs redeemable into either shares or cash issued by AXA in September 2003 to finance the MONY acquisition were redeemed on July 22, 2004 by the issuance of 110,245,309 new AXA Shares. Each ORAN holder received in addition, on July 22, 2004, a "final interest" amount equal to Euro 0.38 per ORAN, i.e. the equivalent of the dividend paid by AXA on its shares on May 3, 2004 (€42 million).

Dividends received

Dividends paid to the Company were approximately €970 million in 2004 (2003: €1,109 million, 2002: €1,481 million), of which approximately €121 million were in currencies other than the euro (2003: €250 million, 2002 €387 million). The net decrease in dividends received during 2004 is principally due to (i) the absence of dividends paid by AXA Financial in 2004 (vs €174 million in 2003), as its cash-flows were principally used to redeem debts and finance part of the MONY acquisition and (ii) the decrease of the dividend payment of AXA Participations II (€–135 million) as it did not realised capital gains in 2003. This decrease is partly offset by the payment of (i) a €46 million non-recurring dividend from AXA ONA (ii) a €10 million from AXA Canada, (iii) a €35 million dividend from AXA Italia, and (iv) dividend payments from AXA Holding Belgium and AXA Aurora dividends for respectively €28 million and €25 million. AXA France Assurance dividend remained stable to €580 million.

The Company is not subject to restrictions on dividend payments, provided that its accumulated profits are sufficient to cover them. However, some subsidiaries, particularly insurance companies, are subject to restrictions on the amount of dividends they can pay to shareholders. For more information on these restrictions, see Note 33 to the consolidated financial statements.

The Company anticipates that cash dividends received from operating subsidiaries will continue to cover its operating expenses including planned capital investment in existing operations, interest payments on its outstanding debt and borrowings, and dividend payments during each of the next three years. AXA expects that anticipated investments in subsidiaries and existing operations, future acquisitions and strategic investments will be funded from available cash flow remaining after payments of dividends, debt service and operating expenses, proceeds from the sale of non-strategic assets and businesses and future issues of debt and equity securities.

Uses of funds

Interest paid by the Company in 2004 totalled €561 million (2003: €487 million, 2002: €564 million) or €240 million after derivative instruments used to hedge the Company's financial charges (2003: €252 million, 2002: €311 million). The Company's annual interest expense is expected to be approximately €240 million, after taking into account hedging instruments, during each of the next three years. On a consolidated basis, total interest paid in cash in 2004 was €845 million (2003: €835 million, 2002: €894 million) or

(1) Bonds redeemable either in shares or in cash

€583 million after derivative instruments (2003: €600 million). In 2004, this amount include the payment of "final interest" relating to ORANs (€42 million).

Dividends paid to AXA shareholders in 2004 totalled €676 million in respect of the 2003 financial year, or €0.38 per ordinary share, versus €0.34 per share paid in respect of the 2002 financial year (€599 million in total). All dividends in respect of the financial years ended in 2003 and 2002 were paid in cash.

Solvency margins and risk based capital

Each insurance company within AXA is required by regulations in the local jurisdictions to maintain minimum levels of capital adequacy and solvency margin. The primary objective of the solvency margin requirements is to protect policyholders. AXA's insurance subsidiaries are in compliance with the applicable solvency requirements.

The solvency and capital adequacy margins in general are calculated based on a formula that contains variables for expenses, inflation, investment earnings, death, disability claims, surrenders, premium dormancy and policyholder options, distribution of assets among investment categories, and the matching of specific categories of assets and liabilities.

In addition, a European Directive dated October 27, 1998 requires a consolidated solvency calculation effective for periods ending on or after December 31, 2001. France transposed this directive under an ordinance dated August 29, 2001, decreed on March 14, 2002 and applicable from 2002.

The adjusted solvency ratio is approximately 242% at December 31, 2004, compared to 212% at December 31, 2003 on a basis of Solvency I rules, which were effective as of January 1, 2004 and taking into account a portion of future profits generated by the in force life insurance contracts as advised by the 2002.12 Directive dated March 5, 2002.

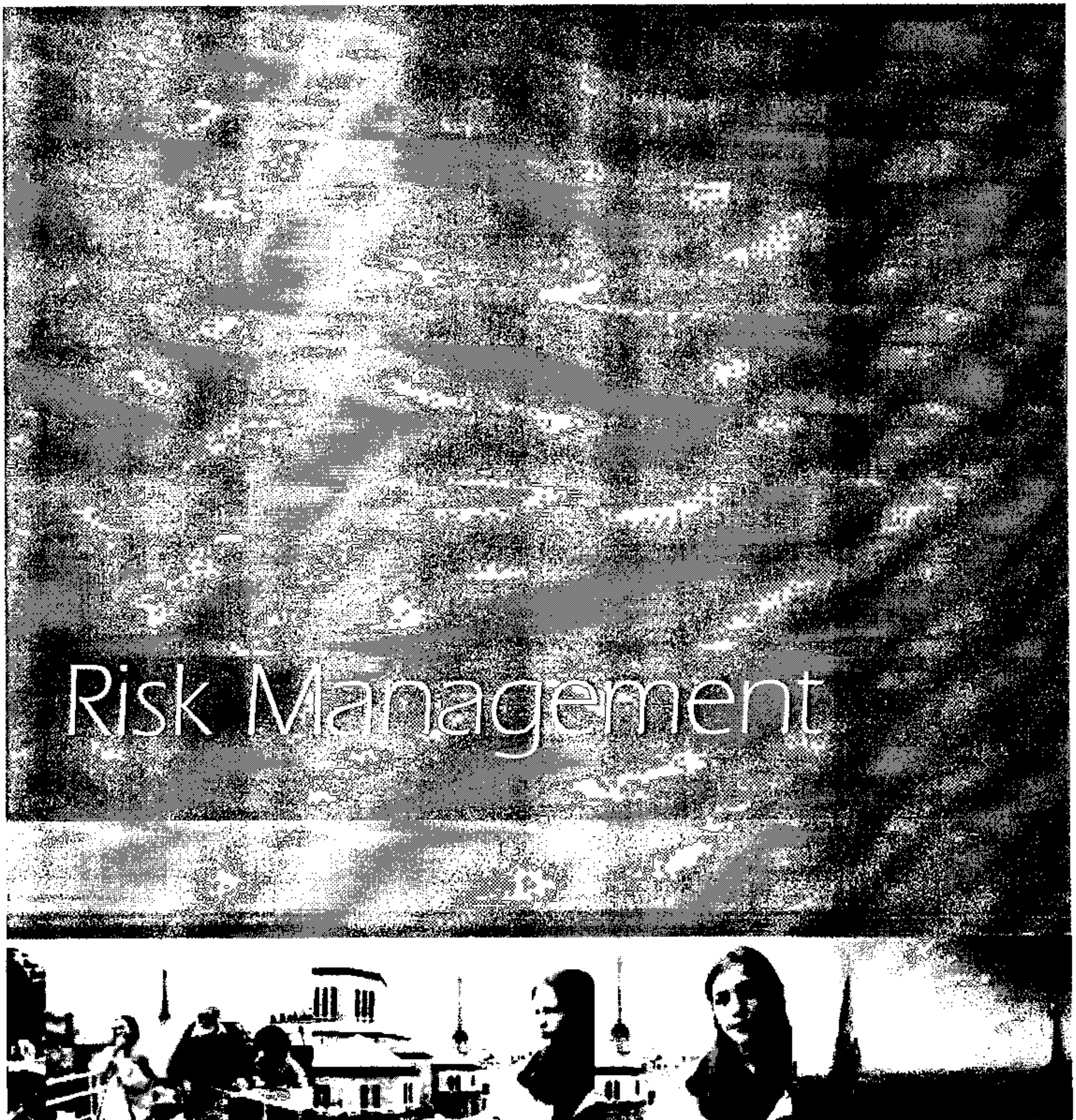
The new requirements are regulated in France by the *Commission de Contrôles des Assurances, des Mutuelles et des Institutions de Prévoyance.*

Certain AXA subsidiaries with financial services activities must comply with various French and European regulations that require each to maintain, depending on its area of activity (bank, credit establishment or other), a minimum liquidity ratio or a minimum solvency ratio.

Subsequent events after December 31, 2004, affecting AXA's liquidity

In AXA's ordinary general meeting of shareholders, to be held on April 28, 2005, a dividend of €1,164 million (€0.61 per share) in respect of the 2004 financial year will be proposed for approval to shareholders.

Risk Management



The Risk Management Organization

Within the Finance Department, the aim of Risk Management is to identify, quantify and manage the main risks to which the Group is exposed. To achieve this, the Risk Management Department develops and uses various methods and tools to assess and monitor risk.

These systems and tools allow optimal management of risks taken by the Group and, by facilitating a more accurate assessment of risk exposure, help to reduce earnings volatility and to optimize the Group's allocation of capital to its various businesses.

Within the AXA Group, Risk Management is co-ordinated by a central team, supported by local Risk Management teams within each operational entity.

Risk Management principles and priorities

In order to have a tangible and measurable contribution to the Group's activities, Risk Management has three key characteristics.

- Pragmatic: focusing on clearly identified priorities;
- Operational: working as closely as possible with the Group's activities; and
- Decentralized: based on the subsidiarity principle, in line with the Group's general organization.

Risk Management has five main priorities:

- Co-ordination and monitoring asset-liability management (ALM) and carrying out Economic Capital work;
- Approving new products prior to launch and promoting product innovation;
- Controlling insurance exposures, in particular reviewing reserves and optimizing reinsurance strategies;
- Managing information systems: projection, simulation, risk assessment and consolidation; and
- Identifying and assessing operational risk.

The AXA Group's Risk Management entities: AXA Cessions and Group Risk Management

The Group's Risk Management structure is mainly based around two entities: the Group Risk Management (GRM) department and AXA Cessions.

AXA Cessions advises and accompanies the Group's property and casualty companies with their reinsurance strategy and centralizes the Group's purchasing of reinsurance. Its role is defined more precisely below.

Group Risk Management (GRM), under the authority of the Group Chief Risk Officer, is responsible for defining AXA's standards as regards risk. This includes developing and deploying tools for assessing and managing risk.
GRM also co-ordinates risk detection and management at the Group level, and indirectly at the subsidiaries' level. In particular, this includes all procedures for reporting risk and consolidating risk at Group level. GRM co-ordinates the local Risk Management teams of the Group's various subsidiaries. In line with Group governance principles, this co-ordination focuses on minimum Group-wide requirements defined by GRM in terms of organization, resources and results.

Local teams

Local Risk Management teams are in charge of applying AXA risk management standards and implementing the minimum requirements set by GRM.

The Risk Management departments of operational entities are managed by local Chief Risk Officers, who report directly to local CFOs. The roles and responsibilities of local Risk Management departments are formally approved by local executive committees. These roles and responsibilities comply with the Group's Risk Management priorities (see above).

- Leadership of efforts to determine the Economic Capital of local entities and development of the necessary tools. The Risk Management department performs these tasks using a uniform set of techniques including stochastic models. These modelling techniques allow an assessment of AXA's risk exposure based on a the large number of scenarios examined in this type of approach. These tools complement more traditional deterministic forecasting tools, such as stress scenarios. Besides the specific conclusions for each product line and each unit, these analyses indicate that AXA has a significant surplus of assets in excess of the economic capital required to cover a level of assumed risks consistent with an AA credit rating. This favorable situation is attributable primarily to the diversification of risks between the various businesses and countries in which AXA operates.
- Controlling the implementation of ALM policies, and in particular monitoring the strategic asset allocation of local entities (see section "Management processes").
- Implementing pre-launch product approval procedures, and in particular reviewing risk-adjusted profitability analyses (see section "Pre-launch product appoval and exposure monitoring").
- Reviewing local technical reserves and optimizing entities' reinsurance strategy (see section "Monitoring of Property & Casualty reserves").
- Working with local internal audit teams to identify and quantify the main operational risks (see section "Operational risk / General principles").
- Implementing the risk reporting system requested by Group Risk Management.

Market Risks

AXA is exposed to financial market risks through its financial protection business and through its financing its activities as part of its debt management. These two distinct sets of risks can be summarized as follows:

Asset-liability management of insurance portfolios

One of the basic functions of the insurance business is to invest premiums received from customers with a view to settling any losses that might occur. The way these premiums are invested must take into account the way in which any losses will be settled. This is the role of asset-liability management. In an effort to protect and enhance shareholder value, AXA actively manages its exposure to market risks.

Primary responsibility for risk management, including market risk, rests with the Group's local subsidiaries, which have the best knowledge of their products, policyholders and risk profile. This approach allows subsidiaries to react in a timely manner to changes in financial markets, insurance cycles and the political and economic environment in which they operate.

Many risk management techniques are used to control and mitigate the market risks to which the AXA Group's operating entities and the Group itself are exposed, through:

- ALM, and in particular the definition of optimal strategic asset allocations
- Hedging of financial risks when they exceed the tolerance levels set by the Group. Products needed to set up hedging programs involving derivative instruments are designed with the assistance of the Group's specialist asset management teams (AXA Investment Managers and Alliance Capital).
- Reinsurance is also used to mitigate financial risks.
- The overall balance of the product range leads to some natural hedging effects between different products.
- Exposure analyses are carried out to monitor certain specifically identified risks.

AXA's exposure to market risk is reduced by its broad range of operations and geographical positions, which provides good risk diversification. Furthermore, a large portion of AXA's Life & Savings operations involve unit-linked products, in which most of the financial risk is borne directly by policyholders.

ALM figures and information on the AXA Group's main implementation, co-ordination and control processes are set out below.

Asset-liability and market risk management General quantitative information

There is a clear distinction between the issues involved in the Life & Savings and Property & Casualty businesses.

Description of Life & Savings insurance reserves. Risk profiles

The market risks to which Life & Savings subsidiaries are exposed arise from a number of factors:

- A decline in returns on assets (due in particular to a sustained fall in yields on fixed-income investments or in the equity market) could reduce the investment margin if the return on new invested assets is not sufficient to cover contractual interest rates payable to life insurance policyholders
- A rise in yields on fixed-income investments reduces the value of fixed-income portfolios and could have an adverse impact on the solvency margin and surrender levels on certain contracts, if competitive pressures lead to higher rates of policyholder profit participation on new contracts.
- A decline in equity and real estate prices may reduce the level of unrealized capital gains and available surpluses.
- Exposure to foreign exchange risk is generally limited for the Group's life insurance companies. Foreign currency commitments are matched to a large extent by assets in the same currency.

The policies put in place to manage these risks are tailored to each product type and the risks relating to it.

The percentages provided below, relating to the allocation of life insurance reserves by product type and thus AXA's obligations to its policyholders, are derived from management data:

- 23% of AXA's life insurance mathematical reserves cover separate-account (unit-linked) products that do not affect AXA's risk exposure. On these products, the underlying financial market performance is passed on to policyholders in full. In cases where these products include interest-rate guarantees, they are usually managed by a financial partner within the separate account. Consequently, they do not present any market risk.
- 11% of AXA's life insurance mathematical reserves cover separate-account products with related interest-rate guarantees provided by the insurance company. Suitable risk management policies have been put in place:
  - in the United States, dynamic hedging programs are implemented using derivatives to cover guaranteed minimum death benefits and guaranteed annuities (guaranteed minimum income benefits). In addition, products featuring guaranteed annuities are currently reinsured at a rate of 50%.

    When these unit-linked products show a material risk of transfer to products that offer guaranteed-rate annuities, hedging programs that use derivatives are put in place.
- 17% of AXA's life insurance mathematical reserves cover products without guaranteed cash values upon surrender.
  - The in force "With-Profit" policies of AXA UK are managed with a significant surplus of free assets, used to adjust performance over the duration of such policies while at the same time reflecting financial market performance in policyholders' revenues.
  - Annuities in the payout phase are usually backed by fixed-income assets with maturities that match the underlying payout schedules, thereby avoiding reinvestment and liquidity risks.
  - In the UK, surrender options on guaranteed-rate annuities are monitored through specific analyses and partially covered by interest-rate options.
- 11% of AXA's life insurance reserves are related to products offering one-year guaranteed rates that are updated every year. The risks in event of a sustained fall in interest rates are relatively limited for these types of products, which mainly concern certain French and Japanese contracts. Hedging derivatives programs are often implemented to cover long-term bonds from the risk of an increase of interest rates.
- 38% of AXA's life insurance reserves cover other products. These reserves cover both surrender guarantees and, in some cases, a guaranteed long-term rate. Related risks are managed in the following ways:
  - products that are not surrender-sensitive are usually backed by fixed-income investments whose maturities and interest rates are generally sufficient to cover guaranteed benefits so as to reduce the reinvestment risk as far as possible.
  - other products are managed with the surplus required to cover guarantees.
  - hedging programs that make use of derivatives may be set up to hedge the risk of a fall (floor) or a rise (cap) in interest rates.

Description and breakdown of Property & Casualty insurance reserves

Property & Casualty technical reserves break down as follows.

	Tehnical reserves December 2004
Personal lines	
Motor	10,390
Physical damage	2,324
Other	4,698
SUB-TOTAL	**17,412**
Commercial lines	
Motor	2,068
Physical damage	2,244
Professional liability	5,004
Other	5,408
SUB-TOTAL	**14,724**
OTHER	**1,785**
International insurance	
Physical damage	2,978
Motor, marine, aviation	2,624
Professional liability	3,437
Assistance	192
Other	1,121
SUB-TOTAL	**10,351**

The obligations of Property & Casualty insurance companies are much less dependent on asset values than those of Life & Savings companies. Consequently, market fluctuations are fully reflected in their net asset value and fully borne by the shareholder. However, long-tail activities are more sensitive to movements in financial markets. The principal market risks are as follows:

- A rise in bond yields reduces the value of bond portfolios, which may lead to a liquidity risk in these portfolios or a real loss of value if the rise in yields is related to a rise in inflation.
- Lower yields on fixed-income investments increase the value of bond portfolios, and therefore generally do not present a material risk, with the exception of certain contracts (disability and worker's compensation income) that provide guaranteed rates. On the other hand, a prolonged period of low yields would have an impact on the pricing of these products.
- Foreign exchange rate risk is relatively limited as commitments in foreign currencies are largely backed by assets in the same currencies.
- Inflation is a risk, since it increases the compensation payable to policyholders, with the effect that, if it is not adequately taken into consideration, actual claims payments may exceed the reserves set aside. This risk is particularly significant for long-tail businesses.

The investments of Property & Casualty insurance companies are therefore managed so as to optimize the return on assets while bearing in mind both the aforementioned risks and the requirements in terms of regulatory solvency and meeting commitments. A large portion of investments is made in liquid bonds, to ensure the payment of exceptional benefits and claims that may arise.

Once these factors have been taken into consideration, there is some capacity to make diversified investments (real estate or equity securities) that offer a natural hedge against inflation and optimizes yields while minimizing volatility risk.

Management processes

These processes are carried out in three stages. The first consists of defining general ALM organizational principles, allowing the most effective investment strategy The second involves implementing investment processes and precise governance principles. The third consists of asset management companies applying the investment strategy.

ALM co-ordination

General organizational principles:

The definition and co-ordination of ALM involves five major stages:

- Detailed analysis of the liability structure by insurance companies.
- Definition and proposal of a strategic asset allocation that factors in the long-term outlook as well as short-term constraints (see below).
- Validation of these strategic allocations by Group Risk Management.
- Implementation of these strategic allocations by insurance companies through the definition of management contracts with asset management companies
- Stock-picking by asset management companies as part of management contracts.

Long-term outlook:

Long-term analysis is carried out in order to model commitments resulting from insurance policies and to invest assets so that these commitments can be met with a high degree of confidence.

This work is carried out by Risk Management departments (local and central teams) and takes the form of detailed annual analyses that use consistent methods based on deterministic and stochastic scenarios. The aim of these analyses is to maximize the increase in economic value while complying with risk constraints. They are carried out by all significant Group entities, and provide the following information for the main product lines:

- The amount of assets needed to meet commitments in a specific proportion of cases depending on risk tolerance (for example, in 99% of cases over 10 years).
- The present value of future margins generated by insurance portfolios.

This information is compiled for AXA's insurance operations and for the Group, which allows strategic asset allocation to be monitored and adjusted if necessary.

Short-/medium-term outlook

These analyses are designed to validate AXA's ability to satisfy capital adequacy requirements over the short and medium terms. These requirements are included as constraints in asset-liability analyses.

This process is based primarily on monitoring and analyzing local and consolidated capital adequacy and solvency margin requirements. It is intended to ensure that AXA complies with its regulatory commitments and makes optimum use of capital resources at all times.

In addition, AXA's insurance operations are subject to local regulatory requirements in most jurisdictions in which AXA operates. These local regulations prescribe:

- The category, nature and diversification (by issuer, geographical zone and type) of investments.
- The minimum proportion of assets invested in the local currency taking into account technical commitments denominated in this currency (congruence rule).
- In addition, subsidiaries perform simulations on the various regulatory constraints that they have to meet using extreme scenarios for assets (in terms of both the market value of equity securities and interest rate trends). Every six months, these models are sent to the Group's Finance Department, enabling it to assess the extent of each subsidiary's financial flexibility. The results are presented to the Finance Committee of AXA's Supervisory Board on a regular basis.
- ALM constraints are also taken into account when new products are being designed as part of the product approval process (see section "Pre-launch product apporval and exposure monitoring").

Monitoring investment processes

AXA manages its financial market risk as part of disciplined and organized investment processes.

As stated in the previous section, insurance subsidiaries are responsible for monitoring risks through the use of liability structure analysis and asset-liability matching techniques. They define strategic asset allocation policy, which is implemented by asset management companies appointed via investment management agreements. Insurance subsidiaries are responsible for monitoring and controlling the investment policy carried out on their behalf by these asset management companies.

Risks relating to investments are controlled through an appropriate governance structure and through reliable reporting procedures.

Governance

An Investment Committee, made up of managers from the financial and operational sides of the insurance company and also, in certain cases, representatives of its board of directors, approves investment strategy and assesses the quality of the results obtained.

The investment committees of significant entities systematically include representatives of the AXA Group, and of Group Risk Management in particular.

These investment processes are part of a broader Group-level framework, which includes:

- defining standards for managing investments and assessing asset-liability mismatch risk (see section above),
- consolidating market risks at Group level.

At Group level, an ALM Co-ordination Committee, supervised by the Group Chief Financial Officer, determines general asset-liability management policy guidelines and evaluates the results, which are then submitted to the Management Board and to the Finance Committee of AXA's Supervisory Board.

Reporting: quarterly asset reporting

Operating entities produce an asset allocation statement every quarter, to ensure that strategic allocations are being implemented. This allows regular monitoring of certain key ALM indicators.

This work is carried out by local teams and then consolidated by GRM to give an overview for the whole Group and to allow any required action to be taken.

Tactical allocation duties of Group asset management companies (AXA IM and Alliance Capital)
Asset management specialists, primarily AXA subsidiaries (AXA Investment Managers and Alliance Capital), are responsible for day-to-day management of investments. Processes have been put in place in these companies to manage investments without exceeding agreed risk tolerance thresholds stipulated by their client insurance companies in investment management agreements. This organization allows skills required in these activities to be available for the benefit of all Group insurance companies.

All products that involve hedging programs using derivative instruments are designed with the help of dedicated teams at AXA IM and Alliance Capital. This organization means that all entities benefit from the best possible expertise and a high level of legal and operational security in these transactions, which are sometimes complex.

Market risks: financial risks relating to the management of equity and debt

The main financial risks relating to the management of equity and debt are as follows:
- Interest-rate risk.
- Exchange-rate risk.
- Liquidity risk.

The risk of dividend restrictions or limitations on the ability to reduce reserves being imposed by authorities in the countries where AXA operates should also be mentioned. The Group's operating subsidiaries must comply with local regulations, particularly minimum solvency requirements. As a result, internal dividends pay-outs must take into account these constraints and possible future regulatory changes.

These risks are monitored and dealt with by the Group Central Finance Department. They are managed through independently-defined policies, in order to optimize investment performance.

For the purpose of optimizing investment performance and financial control, the Finance Department has introduced formal management standards, as well as guidelines for monitoring and assessing financial risks in order to measure the positions of each unit in a consistent manner. These standards have been validated by the Management Board.

Monthly reporting that consolidates interest rate, foreign exchange and liquidity exposures, as well as the interest expense of holding companies, is produced by the Finance Department. It reflects the reports submitted by subsidiaries, which are responsible for the quality of the data. This consolidated reporting includes medium-term forecasts.

Together with information about hedging strategies, reporting documents are sent regularly to the Finance Committee of AXA's Supervisory Board

Interest-rate risk

Definition: interest-rate risk may result from:
- a mismatch between types of interest rates (fixed versus floating);
- a mismatch between floating rate benchmarks; or
- a mismatch between floating rate renewal dates.

Interest rate policy: the policy is defined in order to monitor the medium term financial expenses variability and consequently to protect its future levels.

Assessment:
- Variability analyses measure the change in interest expense over the duration of the strategic plan following a 1% rise in short term interest rates.
- Interest rate sensitivity analyses measure changes in the value of the interest rate position following a 1% upward shift in the yield curve by currency and by maturity.

Exchange-rate risk

Definition: Exchange-rate risk results from a mismatch between the currency of an asset (particularly net foreign-currency investments of subsidiaries) and the currency in which it is financed.

Foreign exchange rate policy: The purpose of the policy is to determine the optimum proportion of foreign-currency-denominated liabilities providing a balance sheet hedge in order to protect AXA's net investments in its subsidiaries denominated in foreign currencies and thus Group consolidated shareholders' equity against currency fluctuations. It alaso designed to protect other key indicators such as gearing ratios, Embedded Value and sovnecy margins against such fluctuations.

Assessment: Exchange rate sensitivity analyses measure annual change in interest expenses resulting from a 10% appreciation in the euro against all other currencies together with the impact on the gearing ratio

Liquidity risk

Definition: Liquidity risk results from a mismatch between the date on which an asset matures and the date on which a liability falls due.

Liquidity policy: The policy establishes the amount of confirmed credit lines required by AXA to weather a liquidity crisis and sets constraints on the debt maturity profile. In addition, normalized levels applied by the Group preserve its liquidity, particularly through a procedure for transferring assets eligible for the European Central Bank's tender operations.

Assessment: The maturity schedule of consolidated debt and credit lines available.

Management: Liquidity risk is managed carefully and conservatively by keeping a long maturity on financial resources –mostly subordinated debt– and by maintaining a large amount of confirmed credit facilities (around €5.4 billion at 31 December 2004). In particular, in July 2004, a syndicated credit line was finalized for AXA S.A. and AXA Financial, combining a €3.5 billion credit facility and a $650 million stand-by letter of credit. These facilities expire in July 2009, and have two one-year extension options. This financing was arranged with a view to the expiry of AXA S.A.'s €3 billion syndicated loan in July 2005. It bolsters the Group's liquidity profile and allows it to benefit from current favorable conditions in the European credit market.

Furthermore, the Group's liquidity profile is bolstered by the following factors:
- The Group's financial strength gives it broad access to various different markets via standardized debt programs: for example €3 billion of commercial paper and a €5 billion EMTN program subject to documentation requirements.
- Constantly maintaining its vigilance regarding contractual documentation clauses that may be binding on the Group, helps AXA ensure that it is not exposed to default or early repayment clauses that may have a material adverse effect on its consolidated financial position.
- AXA holds significant liquidity amounting to €21.4 billion at 31 December 2004. Around 50% of this liquidity is managed within the AXA Trésorerie Europe economic interest grouping (GIE), which was specifically set up to centralize management of the liquidity held by units operating within the euro zone. This GIE reflects the solid liquidity position of the Group, since it had an average cash balance of around €11.2 billion in 2004, which was invested in a highly liquid portfolio with a very short maturity (43 days at end-2004).

Analysis of sensitivity to interest rates, equity prices and exchange rates

AXA performs sensitivity analyses to estimate Group exposure to movements in interest rates, equity prices and exchange rates. These analyses quantify the potential impact on the Group of adverse changes in financial markets.

The AXA Group analyses sensitivity to movements in interest rates and equity markets in two main ways.

On the one hand, it analyses variations in economic value (fair value of net assets and liabilities) resulting from movements in specific interest rates and equity markets. This involves estimating the variation in economic value on a given date, in this case 31 December 2004.

On the other hand, it analyses sensitivity of investment margins over a four-year period, based on various scenarios. Investment margins are expressed as a percentage of technical reserves.

These analyses cover AXA S.A., along with AXA's principal insurance subsidiaries in France, the United States, the United Kingdom, Belgium, Germany, Australia and Japan. At December 31, 2004, these subsidiaries represented more than 90% of AXA's consolidated invested assets and technical reserves within its insurance operations.

Sensitivity of economic value to variations in interest rates and equity markets

Interest rates

The purpose of these analyses is to estimate changes in the economic value of assets and liabilities in the event of a 100 basis point upward or downward shift in the yield curves in the country in which each subsidiary operates.

These analyses are performed without factoring in correlations with other financial market evolutions.

At 31 December 2003, calculations showed that a 100 basis point upward shift in the yield curve would lead to a fall in economic value of €0.5 billion. At 31 December 2004, without any major change in the method used, this analysis showed a fall in economic value of €0.7 billion. This sensitivity breaks down into negative effects of €0.4 billion for the

Property & Casualty business, €0.6 billion for the Life & Savings business and a positive effect of €0.3 billion resulting from a reduction in the economic value of Group debt.

Equity markets

The purpose of these analyses is to estimate changes in the economic value of assets and liabilities in the event of a 20% fall in the main equity markets.

Hypothetical falls of 20% in all world equity markets on 31 December 2004 would have reduced economic value in the scope under consideration by €3,3 billion. 30% of this fall would have affected the Property & Casualty business and 70% the Life & Savings business. This sensitivity is stable compared to the one estimated as at December 31st, 2003 (€3.3 billion).

Sensitivity of investment margins

The AXA Group determines the sensitivity of its future investment margins using a number of scenarios over a four-year period.

Two such scenarios are: A 100 basis point rise in interest rates combined with a 20% fall in equity markets, and a 100 basis point fall in interest rates combined with a 20% fall in equity markets.

With respect to a central scenario that assumes investment margins equal to 103 basis points of invested assets during the period under consideration, the first scenario shows little change in investment margins during the period. In this scenario, investment margins fall by an average 4 basis points relative to invested assets during the period.

In the second scenario, investment margins fall by a slightly greater proportion, i.e. by 14 basis points relative to invested assets.

Sensivity to exchange rate fluctuations

In order to calculate AXA's potential exposure to foreign currency fluctuations, fluctuations of the major foreign currencies were analyzed in terms of their impact on Group net income. The scenario that resulted in the most adverse effects for AXA was a decline in all currencies against the euro, or a rise in the euro against these currencies.

In 2004, a 10% increase in the euro against all other currencies would have had an approximately €36 million negative impact on AXA's net income, taking into account hedging, particularly on US dollar movements. The same scenario applied to 2003 could have resulted in a positive impact of €19 million on AXA's net income, taking into account the tax impact.

As a result, the sensitivity of AXA's income to movements in the euro is limited and stable over time. This results from the quality of hedging on the US dollar, which is the main contributor to group income after the euro.

Limitations to sensitivity testing

The results of the analyses presented above must be examined with caution due to the following factors.

- Only the assets and liabilities defined at the start of the section on sensitivity analyses were included in the scope of estimates regarding sensitivity of fair values to market fluctuations.
- The results of the sensitivity analysis do not reflect the impact of minority interests.
- The 'snapshot' analyses presented do not take into consideration the fact that asset-liability management carried out by the various Group entities to minimize exposure to market fluctuations are active and dynamic strategies. As market indices fluctuate, these strategies may involve buying and selling investments, changing investment portfolio allocation or adjusting bonuses credited to policyholders.
- In addition, these sensitivity analyses do not take into account the impact of market changes on new business, which is a critical component of future profitability. Like its industry peers, AXA would reflect adverse market changes in the pricing of new products.

Other limitations of these sensitivity analyses include:

- the use of hypothetical market movements that do not necessarily represent management's view of expected future market changes;
- the assumption that interest rates in all countries move identically and that all global currencies move in tandem with the euro; and
- the lack of correlation between interest rates, equity prices and foreign currency exchange rates

Taken together, these factors limit the ability of these analyses to accurately predict the actual trend in the fair value of assets and liabilities and in AXA's future earnings.

Controlling exposure and insurance risk

The Group's insurance business exposes it to various risks with a wide range of time horizons. Natural risks arising from climate change, particularly global warming, are long-term risks to which AXA Group pays close attention. On a more short-term view, insurance risks are dealt with mainly through procedures governing pre-launch product approval, exposure analyses, the use of reinsurance and reviews of technical reserves.

Long-term outlook Natural risks: climate change

The evolution and increase in risks caused by climate change and, more specifically, by global warming, represent a major challenge for all human activities and particularly insurance operations.

Global warming is now proven beyond doubt, although experts disagree on its scale, causes and pace. Greenhouse gas emissions are the principal cause. Very broadly, global warming leads to higher maximum and minimum temperatures, with more hot days (heatwaves) and fewer cold days (severe cold spells), as well as heavier and more frequent precipitation (storms, cyclones, etc.). These phenomena have already been observed and could become more prevalent, albeit to different extents, across almost all land surfaces on the planet.

Aside from the immediate destruction caused mainly by flooding (and to a lesser extent by drought), climate change will have major implications for a large number of human activities:

- Agriculture: higher risks of damage to certain crops. Reduction in agricultural yields. Faster soil erosion. Cattle more fragile and subject to a higher heat-related mortality rate.
- Timber production: Increased incidence of forest fires. Reduction in the vitality of trees.
- Human health: Increased morbidity and mortality rates owing to the effects of major heatwaves on individuals, particularly in urban areas. Lower morbidity and mortality rates attributable to cold weather. Expansion of the area in which certain dangerous disease carriers (such as mosquitoes) live, leading to higher risks of epidemics.
- Basic services: Reduction in the quantity (drought) and quality (heavy rain) of water resources. Sparser resources for hydro-electric power generation, reduced reliability of electricity supplies (networks under greater strain) in view of higher demand for refrigeration and cooling.
- Other: change in tourist destinations, higher risks for all coastal infrastructure and so forth.

These changes already affect and will affect in future a large number of insurance sectors (property, agricultural, business interruption, civil liability, marine and aviation, life, health, etc.). The insurance sector thus faces major challenges in the coming years in the form of potential increases in property and casualty claims, the emergence of new liability claims and growing uncertainties about the size of maximum possible losses, which have become harder to assess and to predict on the basis of past events. Furthermore, certain key economic sectors, which work together with the insurance sector, are set to undergo radical changes, due in particular to future greenhouse gas emission constraints laid down in the Kyoto protocol, which came into force on February 16, 2005. A European spot market for CO^2 emission rights has been created, and related funds and derivative products are currently being developed.

Gradual premium rate adjustments to reflect these risk factors will be required, but are not likely to be sufficient on their own. Significant opportunities exist for the development of climate-related derivative products for sectors such as agriculture, tourism and construction. Furthermore, the increasingly substantial damage caused by meteorological events is likely to increase the use of tools such as catastrophe bonds to transfer some of these sophisticated types of risk to the capital markets.

By seeking to develop these solutions and actively contributing to the overall debate about the issues involved -particularly as part of the Carbon Disclosure Project- AXA, along with other major market players, intends to promote a better understanding and better forecasting of the risks resulting from global warming.

Pre-launch product approval and exposure monitoring

Risk relating to new product launches, particularly underwriting, pricing and ALM risks (before taking into account reinsurance) is managed on a gross basis, primarily by AXA's insurance operations. These have a set of actuarial tools for this purpose, enabling them to price products and then monitor their profitability over time.

The principal Risk Management tools are as follows:
- Pre-launch approval procedures for new products.
- Exposure analyses
- Optimization of reinsurance strategies (see section "Implementation of the reinsurance strategy / Role of AXA Cessions").

Product approval

In its Individual Life & Savings activities, the AXA Group has set up pre-launch product approval procedures in each of its principal subsidiaries. These procedures are defined and implemented locally, and are structured and harmonized using the minimum requirements defined by Group Risk Management. The main characteristics of these procedures are as follows:
- Although the decision to launch a new product is taken locally, it must be the result of a documented approval process that complies with local governance practices.
- All significant Individual Life & Savings products must go through this process.
- Guarantees and options embedded in the product must be quantified using stochastic methods defined by Group Risk Management in order to ensure that they are correctly reflected in pricing. This work also gives a better understanding of any asset-liability mismatch risk at the product design stage.
- Pricing reports are sent to GRM on a quarterly basis.

These procedures are intended to ensure that new risks underwritten by the Group have undergone a rigorous prior approval process before the products are offered to customers. They also facilitate the sharing of product innovation within the Group.

As regards the Property & Casualty business, the conceptual framework and working methods governing the product approval process have been defined in accordance with the Life & Savings product approval process, and will be implemented in 2005.

Exposure analysis

A uniform Group-wide framework for quantifying all risks has been developed by Group Risk Management and AXA Cessions using stochastic modelling tools factoring in insurance risks. This framework includes pricing control systems used by insurance operations as part of their product development process, such as those described in the previous section.

This type of analysis underlines the benefits of the diversification created by AXA's wide range of businesses and regional operations.

In Life & Savings, mortality/longevity risks are the main risks covered by contracts, particularly in annuity products or contracts including an annuity option.

The aforementioned tools allow multi-country analyses to be carried out on mortality/longevity risks. The AXA Group regularly monitors its exposure to these risks. It uses the results of its work to enhance the structure of its product ranges and its reinsurance coverage.

Analysis of underwriting by AXA Cessions as part of the definition of reinsurance requirements

Reinsurance purchasing is an important part of the Group's insurance activities and risk management. For Property & Casualty operations, reinsurance programs are set up as follows:

Reinsurance placement is handled centrally for AXA's main Property and Casualty portfolios through AXA Cessions, an AXA subsidiary. Prior to ceding risks, in-depth actuarial analyses and modelling are conducted on each portfolio by AXA Cessions to optimize the quality and cost of reinsurance cover. These analyses are performed in collaboration with the technical and reinsurance departments of Group operational entities. They measure frequency risks as well as specific natural catastrophe risks (storms, flooding, earthquakes). They provide guidance for determining the most appropriate reinsurance cover (retention levels and scope of cover) for each portfolio and for each type of risk in accordance with objectives and capital allocation constraints.

Implementation of the reinsurance strategy Role of AXA Cessions

After analysis work, the Group's various operating subsidiaries place their reinsurance requirements with AXA Cessions. AXA Cessions then directly cedes a certain number of risks on the reinsurance market on their behalf. It also sets up an internal 'pool' for the risks that are not directly ceded. This pool mainly deals with Property & Casualty and natural catastrophe risks, and enables the Group to diversify its risks by pooling the risks borne by its various operational entities, mainly in Western Europe. The retention rate and coverage extent on this pool is designed to protect the Group effectively at low cost. This coverage is arranged through the reinsurance markets or directly in the financial markets through securitization (CAT bond).

In addition to the analyses performed above, AXA closely and regularly monitors its exposure to its main reinsurers, as described in the paragraph relating to credit risk management.

Monitoring of Property & Casualty reserves

In addition to controlling upstream risks through prior product approval and analyzing the reinsurance strategy, the non-Property & Casualty businesses specifically monitor reserve risks. Reserves have to be booked for claims as they are incurred or reported. These reserves are evaluated by the claims departments for each individual claim.

Additional reserves for incurred but not reported (IBNR) claims, along with reserves for claims incurred and reported but insufficiently reserved are also booked. Various statistical and actuarial methods are used in these calculations. This work is done by operational entities.

In addition to the reviews performed at entity level or, eventually, by the local supervisory authorities, overall reserves for claims payable are reviewed at Group level by Risk Management.

Since this work is carried out on a large proportion of the portfolio, it makes a major contribution to improving the reliability of estimates. However, these estimates are based on assumptions regarding the development of reserved claims, which may be different from the actual development of claims over time.

Credit risks

Counterparty credit risk is defined as the risk that a third party in a transaction will default on its commitments. Given the nature of its core business activities, AXA monitors two major types of counterparties, using methods suitable to each type:

- Investment portfolios held by the Group's insurance operations (excluding assets backing separate-account products where risk is transferred to policyholders) as well as by banks and holding companies. These portfolios give rise to counterparty risk through the bonds and derivative products held.
- Receivables from reinsurers resulting from reinsurance ceded by AXA.

Invested assets

AXA has a database consolidating the Group's listed assets and analyzing them by issuer, by credit rating, sector and geographic region to assess the risk of concentration in its equity and bond portfolios. This database allows exposure to the default risk of a given issuer, particularly through holding its bonds, to be monitored. It also allows the monitoring of equity exposure, which is not subject to issuer-specific limits at Group level.

As regards bond issues, total issuer-specific exposure limits apply at Group level and at the level of each subsidiary. These limits depend on the issuer's risk, assessed via its credit rating and type (private, sovereign or quasi-sovereign).

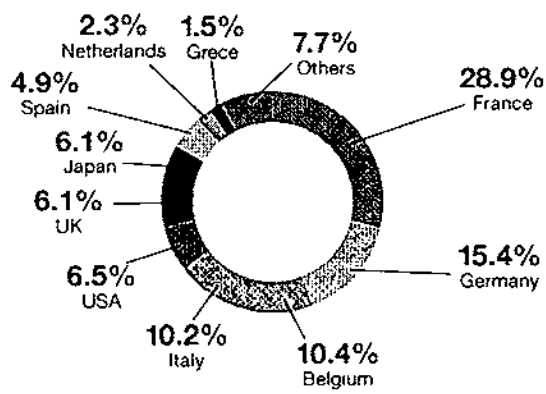
These tools enable Group Risk Management to ensure that these limits are complied with, to analyze potential significant breaches, and to examine any formal requests for special dispensation. The ALM Co-ordination Committee is regularly kept informed of the work performed.

These tools also enable co-ordinated contingency measures to be taken for the most sensitive counterparties.

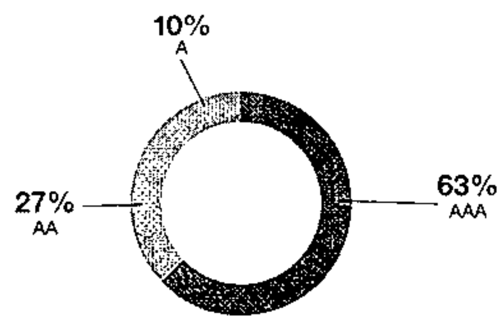
Based on management data at 31 December 2004, the bond portfolio breaks down as follows:

Bonds issued by sovereign states or similar (government-related) account for 57% of the Group's bond exposure. Their breakdown by credit rating and geographical zone is as follows:

BREAKDOWN OF "SOVEREIGN AND GOVERNMENT RELATED" BONDS BY ISSUER COUNTRY OF ORIGIN

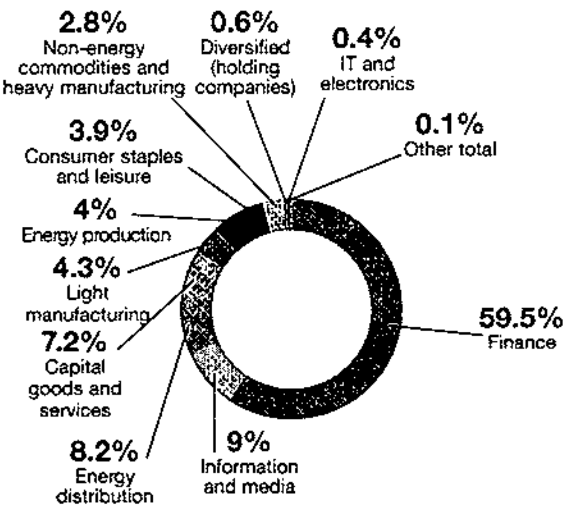


"SOVEREIGN AND GOVERNMENT RELATED" BONDS BY RATING

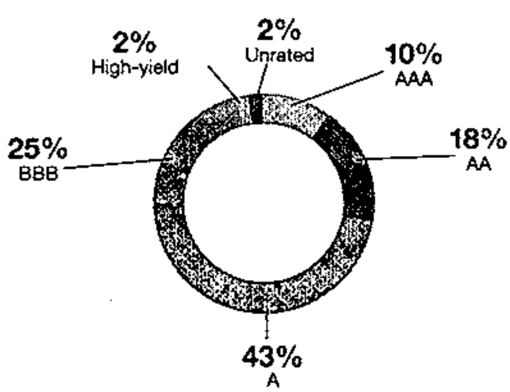


Corporate bonds make up 43% of the Group's bond exposure, and their breakdown by rating and industry is as follows.

BREAKDOWN OF CORPORATE BONDS BY INDUSTRY



CORPORATE BONDS BY RATING



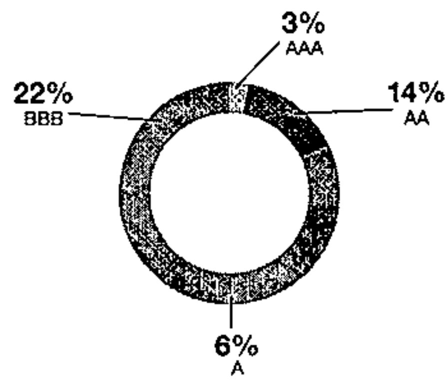
Credit risk diversification and analysis policies, particularly using credit ratings, are implemented by investment departments and monitored by Risk Management teams.

Credit derivatives

The AXA Group, as part of its investment and credit risk management activities, may use strategies that involve credit derivatives. The credit risk taken by the AXA Group through these instruments is included in analyses of bond portfolios. Limits applied to issuers take into account these credit derivative positions.

At 31 December 2004, the nominal amount of positions taken through credit derivatives was €4.6 billion. The breakdown of underlying bonds by rating is as follows:

BREAKDOWN OF CDSs BY RATING OF UNDERLYING SECURITY



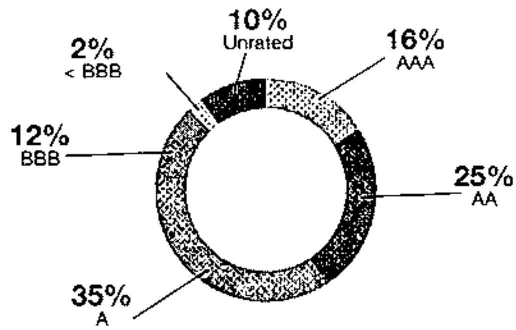
Receivables from reinsurers: rating processes and factors

To manage the risk of reinsurer insolvency, a security committee is in charge of assessing reinsurer quality and acceptable commitments. The committee is run by AXA Cessions, the AXA subsidiary in charge of placing the Group's property and casualty insurance with external reinsurers (see section "Implementation of the reinsurance strategy / Role of AXA Cession"). This risk is monitored by comparing the various financial strength ratings available on various reinsurers as well as by conducting in-depth analyses of the recoverability of receivables in the event of reinsurer insolvency. The teams in charge of the Group reinsurance program analyze this information to add a credit risk dimension to their work in placing insurance and transferring risk to the reinsurers. The security committee meets monthly - and more frequently during renewal periods - and decides on any action to be taken with the aim of limiting AXA's exposure to the risk of default by any of its reinsurers.

Furthermore, AXA summarizes and analyzes its exposure to all reinsurers (including captive reinsurers) by factoring in all positions with reinsurers (claims, premiums, reserves, deposits, pledges and security deposits).

At 31 December, based on rating data, the breakdown of reserves ceded to reinsurers by reinsurer rating was as follows:

BREAKDOWN OF RESERVES CEDED TO REINSURERS BY RATING UNRATED



Operational Risk

General principles

Guided by the principles set forth by the Basel Committee on banking supervision, AXA defines operational risk as direct or indirect loss resulting from inadequate or failed internal processes, people and systems, or from external events.

Responsibility for managing day-to-day operational risks lies mainly with subsidiaries, which are best positioned to take the appropriate measures to mitigate the risks facing their organizations. However, for some risks, AXA defines standard rules for identifying and monitoring operational risks.

AXA has classified its operational risks as follows:
- Business interruption due to external (disaster, etc.) or internal events.
- Fraud.
- Legal and regulatory.
- Human resources.
- IT
- Risks specifically related to the outsourcing of certain activities to external suppliers.
- Organization and processes.

Using the typology provided above, AXA subsidiaries perform annual inventories of their operational risks to identify and evaluate them. AXA Group Audit Department is responsible for centralizing key results of this process.

On this basis, AXA develops quantification methods to estimate the capital allocation needed to cover operational risks based on models inspired by those proposed by the Basel Committee for banking supervision. These efforts are due to be continued during 2004.

Concurrently, GRM is implementing a review and assessment of the main insurance processes (pricing, underwriting, claims management, etc.) implemented by operational subsidiaries, with the aim of conducting a comparative assessment of their scoring practices. The review and assessment include product development and pricing, underwriting, claims management, calculation of reserves and so forth.

Based on the scores obtained, AXA defines minimum requirements. All subsidiaries are then expected to comply with these requirements by undertaking any remedial actions that may be necessary.

Money laundering and corruption risk

AXA's initiatives to combat money-laundering and corruption are described in the Sustainable Development section of this Annual Report.

Legal risk

AXA, due to its principal activity of acquiring and managing equity interests in insurance companies, is considered to be an insurance group ("société de groupe d'assurance") under Article L.322-1-2 of the French Insurance Code (the "Code des assurances"). Consequently, it is subject to supervision by the French Insurance Commission (the "Commission française de Contrôle des Assurances des Mutuelles et des institutions de prévoyance" or CCAMIP), which ensures compliance with the relevant legal and regulatory provisions of the French insurance code.

AXA is also subject to regulations pertaining to the additional supervision of insurance groups. As such, the Group computes an adjusted solvency margin based on consolidated financial statements, which must be submitted annually to the CCAMIP.

Risk related to the US stockmarket listing

AXA is listed on the Paris stock exchange and, since August 1996, on the New York Stock Exchange (NYSE). Because AXA, like all other non-US issuers, is listed on two different exchanges, it is subject to two sets of securities law, accounting and corporate governance rules, which may differ in certain respects. AXA prepares its consolidated financial statements in accordance with accounting principles generally accepted in France (French GAAP), and then reconciles this information with accounting principles generally accepted in the United States (US GAAP). The application these two methods may lead to some differences. In addition, the non-US issuers listed on the NYSE (like US issuers) are subject to the Sarbanes Oxley Act, which was adopted in the US in July 2002. In particular, the Sarbanes Oxley Act requires that both the CEO and the CFO certify AXA's consolidated financial statements, and contains requirements concerning corporate governance. Specialist teams at AXA ensure that the Group complies with these regulations through specific and targeted analyses and reports.

Litigation

AXA and its subsidiaries are involved in a number of lawsuits arising from their business activities, particularly the US, where lawsuits –including class-action lawsuits– are in progress against AXA and its subsidiaries. In some of these lawsuits, plaintiffs are seeking punitive damages which bear little relation to the real amount of damages they suffered. Although it is difficult to predict with any certainty the level of damages or indemnification that AXA and its subsidiaries may be required to pay as a result of these lawsuits, as of the date of this report, none of these lawsuits has resulted in a decision against AXA or any of its subsidiaries that has had a material adverse effect on the Group's consolidated financial position. At the present time, based on information available to its AXA's management does not believe that any of these lawsuits is likely to have a material adverse impact on the consolidated financial position of the AXA Group taken as a whole.

PanEurolife

In January 2002, US insurance company Nationwide, filed a complaint with the International Chamber of Commerce against the AXA Group companies in connection with their sale of the Luxembourg life insurance company PanEurolife to Nationwide in January 1999. Nationwide is seeking cancellation of the sale and/or damages after PanEurolife was investigated by the French judicial system for alleged money laundering. A decision is due in 2005.

Holocaust

Since 1998, AXA has carried out research efforts in France, Germany and Belgium to identify unpaid life insurance policies issued to Holocaust victims. On August 25, 1998, AXA and five other European insurers signed a Memorandum of Understanding with certain US insurance regulators and non-governmental Jewish organizations agreeing to the establishment of the International Commission on Holocaust Era Insurance Claims (ICHEIC). The ICHEIC established a claims and valuation process designed to settle valid claims. All claims relating to the German insurance market were settled under an inter-governmental agreement between Germany and the United States. For France and Belgium, a global settlement with Jewish organizations and the ICHEIC was signed in July 2003. In addition, AXA's French and Belgian subsidiaries have contributed to a fund set up by the French and Belgian authorities for insurers. AXA continues to participate in the ICHEIC.

Armenia

In February 2002, descendants of some Armenians killed during the Turkish genocide of 1915 filed a class-action suit against AXA and certain of its subsidiaries in the Federal Court of Los Angeles (in the US state of California). In their suit, the descendants allege that insurance companies currently owned by AXA issued insurance policies between 1880 and 1930 and did not pay related benefits. They are seeking damages.

Litigation in the US

In addition to the foregoing, AXA and its subsidiaries face a certain number of lawsuits in the US arising from their ordinary business activities. In particular, AXA Financial, AXA Equitable and Alliance Capital are involved in several lawsuits, including class-action suits. These litigations relate to various matters including, among others, the sale of their products in the US market, their investments, their real estate and asset management activities, their employees and their agents. Some of these lawsuits expose these companies to a risk of punitive damages, which bears no relation to the real damages suffered by the plaintiffs. Among the more significant of these lawsuits, Alliance Capital is the target of several lawsuits relating to the bankruptcy of Enron as a result of the purchase and holding of Enron securities by certain Alliance Capital funds. In particular, The Florida State Board of Administration ("SBA") has filed such a complaint and the lawsuit is currently pending in Florida. SBA claims damages for an aggregate amount of $2.9 billion. On January 14, 2005, the court rejected some of SBA claims thereby reducing the amount of potential damages to which Alliance Capital is exposed. Alliance Capital believes that SBA's complaint is without merit and intends to defend vigorously against the allegations. In addition, certain U.S. regulatory authorities investigate the markets they supervise. These investigations may result in lawsuits, from time to time. For example, certain US insurance regulators, the SEC and certain state attorney generals –and, in particular, the New York state attorney general– have recently launched an in-depth investigation of existing practices in the insurance market. As a result, AXA and its subsidiaries may be investigated by these authorities. It is difficult to estimate with any certainty the damages or indemnification that AXA and its subsidiaries may be subjected to from time to time as a result of these lawsuits and investigations.

To the best of the Company's knowledge and at the current stage of the various lawsuits, none of the lawsuits described above is likely to have a material adverse effect on the business or consolidated financial position of AXA and its subsidiaries taken as a whole. However, neither AXA nor AXA's management is able to estimate the loss, or predict the impact, if any, that the outcome of these lawsuits might have on AXA's consolidated results of operations in any particular period.

Social and environmental risks

With respect to its employment practices, AXA's key challenge is to retain employees and position itself as an employer that is able to attract top talent.

Environmental risks are limited because AXA's core business activities are globally non-polluting. Nevertheless, AXA's environmental initiatives are described in the Sustainable Development section of this document.

Insurance cover

The AXA Group's general policy concerning the insurance of transferable risks

This policy is underpinned by two objectives inspired by the decentralized manner in which AXA's insurance operations and management services units are managed.

Subsidiaries are responsible for identifying and obtaining insurance coverage with respect to their transferable risks (relating to property, equipment and personnel). A Group company can insure Property & Casualty risks, which are mainly related to domestic risks. A number of entities choose to be insured by an insurer outside the Group.

For example, facilities located in France benefit from extensive coverage, regardless of their actual use or ownership status. IT risks are covered under comprehensive policies that include machine breakdown as well as the provision of gross replacement and other costs required to restore normal operation.

To avoid possible conflicts of interest, all liability risks are covered by policies written by insurers other than AXA.

AXA Cessions is in charge of assessing the Group-wide consistency of these local insurance purchases.

For risks that concern all AXA subsidiaries, Group-wide programs have been set up to provide protection against major risks that are common to various insurance operations.

Group-wide programs

Professional Liability

This program was initiated in 1999 and extends to all AXA subsidiaries, with the exception of AXA Financial and AXA Asia Pacific Holdings, which already had adequate coverage suited to the specific features of these particularly sensitive markets.

This insurance covers the needs of our various activities, based on comparative market data. It consists of worldwide insurance covering all of our main activities, i.e. insurance, reinsurance, banking, asset management and investment, assistance and real estate management.

- The Fraud program covers all of AXA's subsidiaries, with the exception of the two mentioned in the preceding paragraph. It covers the same scope of application and includes IT fraud.
- Directors & Officers Liability.

AXA Financial and AXA Asia Pacific and their subsidiaries have their own insurance.

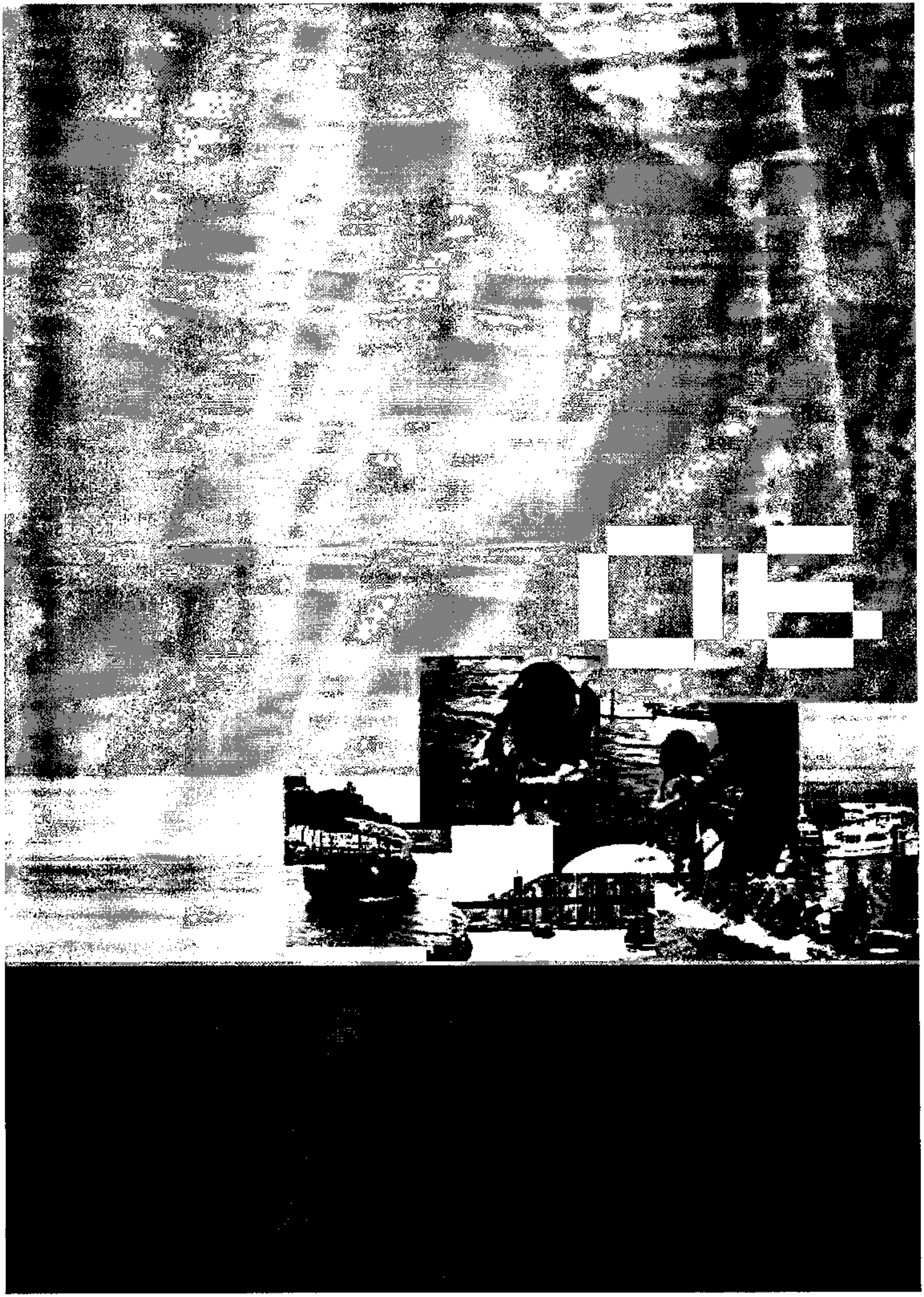
AXA carries a D&O liability policy that combines coverage suited to countries whose legal system is based on common law and those whose legal system is based on civil or codified law. The policy offers protection against legislation and regulations in force in the various countries in which AXA operates.

The level of coverage for corporate officers has been determined by reference to companies of a similar size and with similar activities.

This insurance is taken out with insurers of acknowledged competence and solidity.

Underlying coverage is taken out by some entities, particularly in order to meet local legal requirements.

The overall cost of these three Group-wide programs is €12 million.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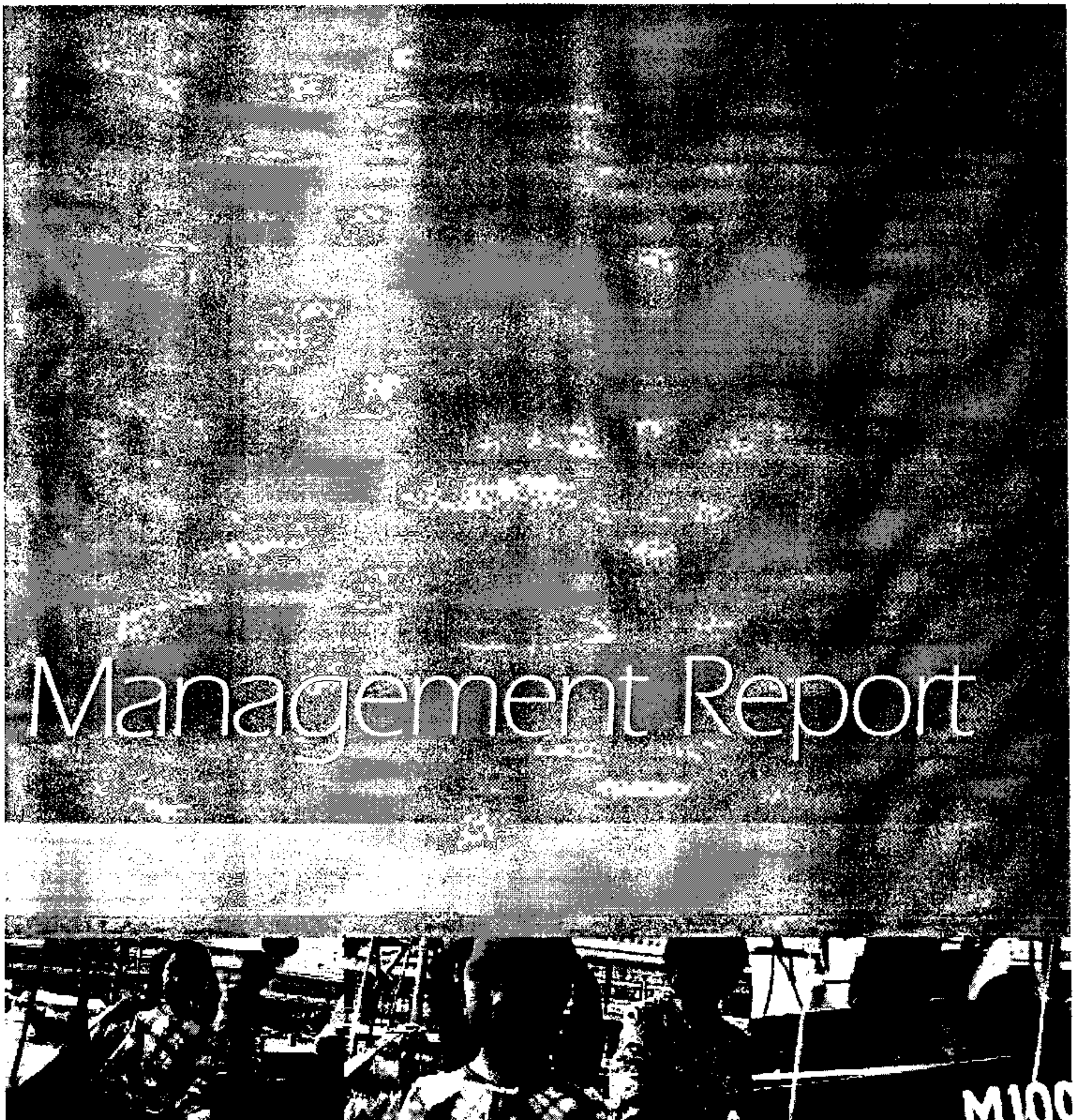


Management Report

Cautionary statements concerning the use of non-GAAP measures and forward-looking statements

This report includes certain terms that are used by AXA in analyzing its business operations and, therefore, may not be comparable with terms used by other companies; these terms are defined in the glossary provided at the end of this document.

Certain statements contained herein are forward-looking statements including, but not limited to, statements that are predications of or indicate future events, trends, plans or objectives. Undue reliance should not be placed on such statements because, by their nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results and AXA's plans and objectives to differ materially from those expressed or implied in the forward looking statements (or from past results). These risks and uncertainties include, without limitation, the risk of future catastrophic events including possible future terrorist related incidents. Please refer to AXA's Annual Report on Form 20-F and AXA's Document de Reference for the year ended December 31, 2003, for a description of certain important factors, risks and uncertainties that may affect AXA's business. AXA undertakes no obligation to publicly update or revise any of these forward-looking statements, whether to reflect new information, future events or circumstances or otherwise.

Insurance and Asset Management markets

Life & Savings

France. According to the FFSA, the French Life & Savings market growth amounted to +9% at the end of full year 2003, driven by a 13% increase in general account premiums, partly offset by a 7% decrease on unit-linked contracts. In 2004, the increase in gross premium has been estimated to 13% explained by a strong increase in gross premium on unit-linked contract estimated to +32% and by an estimated increase of 9% in general account premiums. More than 1 million accounts of the new retirement "P.E.R.P." product have been opened corresponding to a gross premium of €340 million at the end of November.

United States. In 2004, U.S. investors responded favorably to a second year of positive returns in the U.S. equity markets with continued net inflows to long-term mutual funds and increased sales of equity linked insurance products. Short-term interest rates began to rise as the Federal Reserve tightened monetary policy through a series of increases in the federal funds target rate, while market determined long-term interest rates remained low. In the annuity market, industry sales of variable annuities were up 5%, driven by stronger equity markets and the popularity of guaranteed benefit riders. Industry fixed annuity sales decreased 1% as a result of low interest rates and heightened competition. In the life insurance market, variable life insurance sales modestly improved with industry variable life sales up 2% from 2003. The variable life business generally lags the movement in the equity market. Sales of life insurance products with fixed returns, such as universal life, remained strong in 2004 with industry universal life sales up 20%[1]. Fixed whole life insurance sales decreased 2%, while term insurance sales increased 8% from 2003. Total long-term stock, bond and hybrid fund net inflows were $210 billion for 2004, compared with $216 billion for 2003, however, stock and hybrid fund net inflows increased 17% and 31%, respectively[2].

United Kingdom. New annualized business (new regular premiums plus 10% of single premiums) was 3% higher in 2004 following a 12% fall in new business in 2003. The principal growth area was Group Pensions and Offshore Bonds, whilst volumes of single premium pension business declined. The growth in sales of investment products is, in part, a reflection of improved stock market performance which has seen some increase in investor confidence. In the second half of 2004 companies began the process of positioning themselves to exploit opportunities in the run up to Pensions Simplification A-Day in April 2006. The regulators announced the launch date for "Sandler products" (April 2005) which will include a medium term investment product and a pensions product. These products will have a 1.5% price cap for the first 10 years. Independent Financial Advisers continued to be the principal sales channel in 2004 accounting for around 70% of new business. The distribution landscape will change in 2005 with the introduction of depolarization and the creation of new categories of intermediary.

Asia Pacific

Japan. Some positive economic growth, prospects to an end to deflation, an increase in interest rates and a progressive rise in stock prices have all contributed to stability and contentment in the industry. Japan's life insurance market experienced a premium income growth of 1.7%, reaching 25.96 trillion yen in the Japanese fiscal year 2003 and marking the first rise in total premiums in the past six years. This upswing is largely owed to the individual annuity business through bank channels, which has contributed to approximately over 3 trillion yen of inflow since the deregulation commencing in October 2002. Stability in the financial markets have generally improved the performance of many insurers as well as their solvency and credit standing, as markets finished 50% higher than the previous year. However, a large part of the industry continues to face declines in policies in-force, mainly due to a weak new business environment for traditional products as a growing number of policyholders have reduced death benefits to cut premiums in an effort to curb household spending as well as lingering high surrender & lapse rates. Foreign insurers on the other hand, have in its place gained market share, reaching 21%, up from 17% of the previous year in terms of premium income.

Australia/New Zealand. The savings related investment sector continued to be a growth area due to the ageing population and continued government support for self-funded retirement. The mutual funds and advice business also experienced significant growth across 2004 as driven by a return of investor confidence and the strong equity performance in the Australian market which led to growth in the retail market of 16%. At least 80% of the Australian retail wealth management inflows come through funds administration platforms. The Australian Life Insurance market has increased by 11%[3].

Hong Kong. The economy continued to grow following the adverse market conditions experienced in early 2003, in particular the outbreak of SARS and depressed investment markets. The economy continued to benefit from increasing numbers of Mainland Chinese visitors, which are predicted to increase from 12 million in 2004 to 20 million in 2005. The life insurance market has showed strong growth, for the 9 months to September 2004, with the individual life new business annual premium equivalent up 28% compared to the same period in 2003 including strong growth from bank distribution. Following the weak investment markets in the first half of 2004 (the Hang Seng Index decreased by 2%), there was a strong recovery in the second half of 2004, with the Hang Seng Index increasing by 16%.

1. Industry Sales Results are from LIMRA as of September 30, 2004.
2. Net long-term mutual funds statistics from Investment Company Institute December 31, 2004.
3. Source: Plan for Life (retail FUA excl cash) Sept. 2004.

Germany. The retirement Earnings Law ("Alterseinkunftegesetz") came into force on January 1st, 2005 Contributions to the state pension system will progressively become tax-deductible, and benefits will become fully taxable. The tax deductible portion of the contribution will start at 60 % in 2005 and be increased by 2% each year until it reaches 100% in 2025. The taxable portion of the pension will be increased to 50% for pensions commencing in 2005 and for pensions that are already in payment. The taxable portion will be increased each year, reaching 100% in 2040.

For endowment policies, the main product of life insurers, taken out after 2004, the return on assets will no longer be tax-free and will be treated as taxable income at maturity. There is an exception for contracts with a maturity date after the policyholder's 60th birthday and a duration of at least 12 years: in such cases only 50 % of the contract's proceeds are considered as taxable income. The market experienced in 2004 a surge of the sales of new endowment policies, which will benefit from the old tax regime for regular premiums paid in subsequent years. Starting from 2005 new products will come on the life insurance market, which will meet the requirements of the new tax act.

In 2004, according to preliminary results of the development of the German life insurance market from the association of German insurers (GDV), new business of regular premiums grew by 41.4% to €11.4 billion, whereas single premiums decreased by 15.2% to €7.2 billion.

Ongoing difficulties of the public health insurance system are continuing to push private health insurance (€24.6 billion, +7.4% for 2004, according to a forecast by the association of German insurers).

Belgium. After a 2003 high growth year, the harvest of insurance and saving increased by about 4.5%. Growth should be restored on the Unit-linked market after significant drop since 2001 while Non Unit-linked market should remain flat. Bank savings accounts increased by 12.3%.

Southern Europe. In 2004, the **Spanish** market grew by 5.2% in the first 9 months of the year. 2004 was impacted by the rising of housing prices that limited the capacity to save as well as by the tax regulation changes which resulted in levelled tax advantages for mutual funds versus unit-linked policies. In **Italy,** agents primarily drove the growth (+28%) mainly thanks to the success of both individual and group guaranteed unit-linked and traditional saving products. 2004 was also the year of implementing pension reform, with an estimated €1.3 billion invested through 2005. The reform grants the employee the right to elect to remain with the existing plan or change to a provider of choice. In **Portugal,** market increased by 14.4% in 2004, driven by Investment & Savings product non-UL (+14.5%[1]).

Property & Casualty

France. Market has experienced 5 consecutive years of growth since 1999. The increase in gross premium has accelerated from 2% in 1999 to 7% in 2001, 2002 and an estimated 8% in 2003 (including large risks) In 2004, the growth reduced slightly to an estimated 4%. The estimated growth amounted to +3% in Motor (+5.3% in 2003), +6% in Household (+6.2% in 2003) and +3 5% in commercial property (+13.4% in 2003)

United Kingdom & Ireland. Underwriting conditions have generally been tougher during 2004, with rating increases harder to carry. Nevertheless, written premiums grew by 7% across the business. In Commercial Lines, rate increases continued to be harder to achieve, particularly for large cases and new business. SME renewals held up well in 2004. Commercial Property & Casualty price increases were 7% over the year, with fleet prices stable. In Personal Lines, Household and Motor rates remained relatively flat. Across the year, most carriers will have continued to benefit from benign conditions in 2004 with no major weather events. In Ireland, competitiveness in Motor has significantly increased and led to a fall in average premium.

Germany. In 2004, total business[2] increased by 1.8% (€55.4 billion). The decrease in claims expenditures slowed down compared to 2003 (-1.4%). In motor line, gross written premiums (covering 40% of total Property & Casualty) increased slightly by 0.5% to €22.4 billion. Claims paid for current year (all motor lines aggregated) decreased by 1.1% Property is the second largest Property & Casualty business with €9.8 billion gross written premiums (+2.0%). Claims expenditures decreased again, although not as strongly as the year before (-2.4%). Gross written premiums in General Liability lines increased by 3.5% to €6.5 billion. In Accident, gross written premiums increased by 3.0% to €6.0 billion.

1. *Source APS, provisional figures.*
2. *Source: association of German insurers (GDV) estimation*

Southern Europe. In 2004, **the Spanish** market grew by 9.0% in the first 9 months of the year amidst a stable economic environment. This growth was partly supported by record car sales, which rose spectacularly by 9.8%, thus helping the motor insurance sector to increase by 6.1%, despite aggressive market pricing initiated during the second half year 2002. First steps towards a "zero-tolerance" policy on the roads helped to reduce the number of road accidents by 11.8%. Multi-risk and health businesses increased respectively by 10.7% and 9.9%. In 2004, **Italy,** in a market still very traditional, oriented towards motor business (60% of the volumes). The implementation of the "patente a punti" (driving license with decremented points in case of driving offence) lead to a significant decrease in frequency (-2.2% on twelve months at the end of September[1]) and lower average costs. In this context, some companies started to review their premium rate downward (-1.6 pt on new business). In **Portugal,** market increased by 3.5% as compared to December 03 driven by the 4% motor business growth[2].

Belgium. Competition remained tough on the Belgian market, with an estimated growth of 4.6% in 2004. This significant increase, compared to an average annual growth of 3% for the last 10 years, is sustained by motor (+5.4%), which makes out 34% of total Property & Casualty, and household (+4.4%), as a result of rate increases. The Workers' compensation market showed only a slight growth of 0.2% in 2004 due to the shrinking employment market.

International Insurance

On the **Reinsurance** side, after the very low claims experience in 2002 and 2003, prices were almost stable in major lines of business and the capacity was relatively abundant. Competition amongst reinsurers is notably coming from the Bermudian companies whose part in the world reinsurance market has become preponderant. Property, Marine and Aviation- showed stable or slightly decreasing rates and signings were often lower than expected especially in Europe. Motor and Casualty benefited from additional rate increases.

On the **Large Risks Insurance** market, further rate increases and restructuring of large Corporate Insurance programs were conducted especially in liability and to a lesser extent in marine. On the other hand, property and aviation markets softened, in the context of a favorable claims experience.

In these activities, 2004 claims experience was characterized by a high level of major losses, notably as the United States were hit by 4 hurricanes. Other severe natural events also occurred in 2004 such as the Songda typhoon in Japan and the Asian tsunami on December 26, 2004.

Asset management

In 2004, the industry benefited from the continued growth of equity markets (+11% for the S&P 500 American equity index, +16% for the MSCI global equity index) combined to the good performance of fixed-income assets.

Continuing a trend started in 2003, investors are being lured back by the prospects of higher returns after years of declining equity markets, but with an increased demand for advice and alternative investments.

1. *Source "Focus" ANIA: RC Auto.*
2. *Source APS, provisional figures.*

Market conditions in 2004

Financial markets

In 2004 and for the second year in a row, the financial markets continued to grow, with the "MSCI World index[1]" posting a gain of 13% (compared with a gain of 30 3% in 2003).

This positive performance occurred against a backdrop of buoyant business conditions. Global economic growth was 4.4% for the United States, 3% for Japan, 1.8% for the Eurozone and 7.6% for emerging Asia.

This strong global expansion drove up commodity prices, particularly oil. Naturally, this brought inflation back, although moderately, above the thresholds of 3% in the United States and 2% in the Eurozone.

Stock Markets

Stocks markets were the best performers in 2004, posting a growth of 29.6% for the MSCI dollar for developed Asia ex-Japan and of 26% for the MSCI dollar for the emerging countries. In Europe, Stoxx 50 rose by 6 9%, FTSE by 7.5% and CAC 40 by 7.4%, while the U.S. S&P 500 was up 9% and the Japanese Nikkei advanced by 7.6%.

Bond Markets

In 2004, the bond markets behaved well in the context of sustained world growth, a falling dollar, and sharply rising oil prices.

Yields on U S. 10-year treasuries remained broadly unchanged. On the contrary, in Europe, yields on 10-year maturities government bonds fell by 63 bp in the Eurozone and by 23 bp in the United Kingdom. In a context of improving balance sheet and default rate, high yield investments had a very good year as demonstrated by the five-year maturity high yields bonds which returned double digit global performance.

Exchange Rates

In 2004, the Euro emphasized its appreciation against other currencies, especially against the U.S. Dollar (+7 9%), the Yen (+3.3%). The Euro remained stable against the Sterling.

1. Morgan Stanley Index, a market capitalization index designed to measure global developed market equity performance.

December 31, 2004 operating highlights

Significant acquisitions and disposals

Acquisitions

On January 23, 2004, AXA concluded with BBVA Group an agreement under which AXA has acquired the 50% stake of BBVA in its subsidiary Hilo Direct Seguros y Reaseguros S.A. ("Direct Seguros"). After this transaction, AXA holds 100% of Direct Seguros. The purchase price amounted to €49 million, and the related goodwill was €28 million, to be amortized over 30 years.

On January 23, 2004, AXA Holdings Belgium concluded with La Poste an agreement under which AXA Holdings Belgium acquired the 50% stake of La Poste in Assurances la Poste Vie and in Assurances la Poste Non Vie. After this transaction, AXA Holdings Belgium holds 100% of Assurances la Poste Vie and of Assurances de la Poste Non Vie. The purchase price amounted to €9.4 million, and the related goodwill was €3.2 million, fully amortized over the first half year of 2004.

On March 18, 2004, AXA RE bought from BNP PARIBAS the remaining 21% minority interests in its subsidiary AXA RE Finance. After this transaction, AXA RE holds 100% of AXA RE Finance. The purchase price amounted to €55 million, and the related goodwill was €8 million, fully amortized during the first half of 2004.

On July 8, 2004, AXA announced that, following the receipt of all required regulatory approvals and the satisfaction of all conditions to the merger agreement, AXA Financial, Inc. completed the acquisition of the MONY Group, Inc. ("MONY"), for a total consideration of $1.48 billion (€ 1.3 billion). As a result of the acquisition, MONY is now a wholly owned subsidiary of AXA Financial. The related goodwill, to be amortized over 30 years, and value of business in force for the transaction were respectively $672 million and $573 million net of tax.

In connection with Alliance Capital's acquisition of the business of Sanford Bernstein in 2000, AXA Financial entered into a liquidity agreement with the former shareholders of Sanford Bernstein such that they can put to AXA Financial in any one period up to 20% of the original Alliance Capital units issued at the time of the acquisition. In 2004, the former shareholders of Sanford C. Bernstein exercised their rights to sell 16.32 million Alliance Units (8.16 million Alliance Units in March and December). As a consequence, the ownership interest of AXA Financial in Alliance Capital at this date increased by 5.8% points from 55.5% to 61.3%. These transactions generated an exceptional profit of €112 million, as a result of the partial release (€420 million) of the provision set up in 2000 to offset the dilution gain resulting from the acquisition of Sanford Bernstein, Inc. partly offset by the amortization over the period of the additional goodwill generated by the transaction (€308 million at average exchange rate).

Effective January 1, 2004 the policyholder-owned Long Term Fund of Sun Life Assurance Society plc sold AXA Isle of Man Ltd to a shareholder-owned subsidiary of AXA Life Holdings plc, for a total purchase consideration of €89 million. This transaction generated a goodwill of €21 million, entirely amortized over the period, and a value of business in force of £80.4 million or €114 million instead of pre-existing DAC (Deferred Acquisition Costs) balance of €113 million.

Disposals

On January 2, 2004, AXA concluded the disposal of its insurance brokerage activities in the Netherlands, Unirobe, through the means of a management buy-out. The proceeds for the sale amounted to €126 million, and the related capital gain was €104 million.

On April 20, 2004, AXA Germany sold its building society AXA Bausparkasse to BHW, a German competitor specialized in savings plans for the financing of the purchase of real estate properties. The transaction was completed in June 2004 and resulted in a net capital loss of €-25 million (net Group share).

In October 2004, AXA Insurance UK sold the right to renew of its direct business to RAC plc. The proceeds for the sale amounted to €12 million.

On October 28, 2004, Alliance Capital Management Holding L.P. ("Alliance Holding") and Alliance Capital Management L.P. ("Alliance Capital") announced that Alliance Capital and Federated Investors, Inc. have reached a definitive agreement for Federated to acquire Alliance Capital's cash management business. The transaction is expected to close between first and third quarter 2005.

On December 1, 2004, AXA Zorg, subsidiary of AXA in the Netherlands operating in the Health and Disability Insurance business completed the sale of its health portfolio to Achmea for a total consideration of €7.5 million. This sale resulted in a realized gain of €3.2 million, net of restructuring provision.

In December, 2004, AXA Belgium Holdings completed the sale of Crealux, a subsidiary which operated in Luxembourg for a total consideration of €87.6 million. This sale resulted in a realized gain of €17 million.

Capital and financing operations

Financing operations

In 2004, AXA issued, under its €5 billion Euro Medium Term Notes program, subordinated debt totaling €1 billion of which (i) callable undated subordinated debt: $150 million in January and $225 million in February 2004 (in two private placements in Europe and Asia) and €125 million in April 2004 (private placement in Europe); (ii) in October and December 2004, respectively €375 million and €250 million undated deeply subordinated notes ("Titres Super Subordonnés"). By partly anticipating the refinancing of debts maturing in 2005, these issues allowed the Group to benefit from very favorable and unprecedented credit spread conditions and to improve its liquidity by further extending the average maturity of debt and by strengthening hybrid capital through non-dated subordinated issues.
In order to further protect the Group balance sheet exposure to the USD, $4 billion hedges have been implemented in the first half year 2004, directly through debt in USD ($0.375 billion) or synthetically through Cross Currency Swaps ($3.625 billion).

In July 2004, a combined €3.5 billion revolving credit facility and $650 million standby letter-of-credit facility for AXA SA and AXA Financial was signed. The facility will initially be due July 2009 with 2 one-year extension options. It anticipated the replacement of AXA S.A €3 billion syndicated credit facility maturing July 2005 and included the needs of AXA Financial for U.S. Commercial Paper backup and letter-of-credit facilities, allowing the group to comfort its liquidity profile and to benefit from the favorable conditions currently prevailing on the European credit market.

Capital operations

As the result of successful completion of the merger of MONY with AXA Financial Inc, the ORAN's[1] redeemable into either shares or cash issued by AXA in September 2003 to finance the MONY acquisition were redeemed on July 22, 2004 by the issuance of one new ordinary AXA share for each ORAN, i.e. a total issuance of 110,245,309 new AXA shares. Each ORAN holder received in addition, on July 22, 2004, a "Final Interest" amount equal to Euro 0.38 per ORAN, i.e. the equivalent of the dividend paid by AXA on its shares on May 3, 2004.

For several years, the AXA Group has been offering to its employees in and outside of France, the opportunity to subscribe for shares issued by way of a capital increase reserved for employees. In 2004, employees invested a total of €255 million (with 22.5 million in August and €232.1 million in December, leading to a total issuance of 18.9 million new ordinary AXA shares). As of December 31, 2004, the total number of shares in issue amounted to 1,908 million. Employee shareholders represented approximately 5.11% of the outstanding shares versus 4.74% as of December 31, 2003.

As part of an overall rebalancing of the hedge of its purchase stock option plans, AXA Financial, Inc purchased on November 22, 2004, approximately 25.5 million call options on the AXA ADR, for a total premium of $89 million. The purpose of the hedge is to protect the Group against an

1 *Bonds redeemable either in shares or in cash*

increase in the AXA share price and a depreciation of the U.S. dollar versus Euro. As a consequence of this rebalancing of its hedging strategy, the AXA Group sold 6.7 million of treasury shares for a total amount of €120 million.

Other Highlights

On October 17th, 2004 AXA announced that its conditional proposal to acquire the minority interests in AXA APH through a Scheme of Arrangement that was announced on August 6, 2004 was withdrawn and terminated following the decision of AXA APH's Committee of Independent Directors (the "Independent Committee") not to recommend AXA's final offer.

Discussions with the Independent Committee regarding the acquisition of the minority interests in AXA APH through a scheme of arrangement were unsuccessful as a difference remained outstanding on the issue of price, despite AXA's offer to raise the price to $ 4.05 per share fully payable in cash.

The commitment of the AXA Group to the Asia-Pacific region and to the Group's subsidiaries that are based there, the confidence in the management and staff of AXA APH, are unchanged and intact. The development of the Group's activities in this region, where we will continue to invest significantly, remains one of the key axes of our strategy.

Events subsequent to December 31, 2004

In January 2005, AXA issued, under its €5 billion Euro Medium Notes program, €250 million of undated deeply subordinated notes ("Titres Super Subordonnés") allowing the Group to improve debt quality and to strengthen hybrid capital, whilst anticipating the refinancing of debts maturing in 2005.

Consolidated Operating results

Consolidated gross revenues

CONSOLIDATED GROSS REVENUES [a] (in euro millions)

	FY 2004	FY 2003	Change	Change on a comparable basis [b]	FY 2002
Life & Savings	47,063	46,799	0.6%	1.0%	48,586
Property & Casualty	17,852	17,098	4.4%	3.4%	15,948
International Insurance	3,371	3,972	(15.1%)	(6.4%)	5,762
Asset Management	3,087	2,922	5.7%	13.9%	3,411
Other Financial Services	791	836	(5.4%)	5.5%	1,020
TOTAL	**72,164**	**71,628**	**(0.7%)**	**1.8%**	**74,727**

(a) Net of intercompany eliminations.
(b) Percentages are on constant methodology, constant exchange rates, constant structural basis ("constant scope")

Consolidated gross revenues for full-year 2004 were €72,164 million. On a comparable basis, revenues grew by 2% compared to full year 2003

On a reported basis, total revenues were up 0.7% from full year 2003 (€71, 628 million), mainly driven by organic growth (revenues on a comparable basis up €1.3 billion, or +2%) and MONY's 2H04 revenues (€1.0 billion impact, or +1%), partly offset by strength of the Euro versus other currencies (€-1.6 billion impact, or -2%).

Life & Savings revenues growth was +1%. This increase, on a comparable basis, was mainly driven by France (+9%), United Kingdom (+6%), Southern Europe (+15%), Germany (+2%) and Belgium (+3%). This positive performance was partly offset by a decrease in revenues in the United States (-5%), Japan (-7%) and Australia New Zealand (-14%).

France's revenue growth was driven by a surge in individual unit-linked premiums and, for group retirement premiums, by new business and renewals of contracts with major companies reflecting AXA's favorable competitive position. Life and Health premiums benefited from an increase in the number of contracts as well as in premium rates. Sales in the new French retirement PERP product experienced a promising start in 2004 as 140,000 accounts were opened, with AXA being on of the market's top three players[1]; **The United Kingdom** benefited from a growth in sales of single premium unit-linked bonds and strong sales of Group Pension regular premium business. The growth was partly offset by a decrease in individual pension business reflecting the impact of actions taken in 2003 to improve profitability. **Southern European**[2] revenues were pulled up by strong Investment & Savings premiums resulting from a new distribution agreement in Spain for unit-linked contracts and from high single premium new business in Italy. **Germany** benefited from a high level of sales on group pension funds (named "PensionsKasse") and from a growth in unit-linked investment & savings premium, which nearly doubled compared to last year. **Belgium's** revenue growth was driven by strong sales in Crest product lines and unit-linked business and was partly offset by decreases in Group business that resulted from lower single premiums. This decrease in group single premium business was only partly compensated by higher regular premiums. Excluding the contribution of MONY, **the United States** revenues showed a decrease by 5%, as increases in first year life premiums (up 25%) and institutional separate account premiums were more than offset by a decrease in variable annuity premiums from a very high level last year.

1. Source: FFSA at the end of November 2004.
2. From 2004, Italy, Spain and Portugal activities are presented as a single region denominated "Southern Europe"

However, full year 2004 variable annuity sales have increased by 19% on a CAGR[1] basis over 2002 levels. **Japan's** revenues decreased by 7%, but were up 8% excluding the impact of group pension transfers and conversions. This increase was driven by a growth (i) in investment & savings premiums (+25%), reflecting strong individual annuity sales in the "bancassurance" channel and (ii) in health premiums (+16%) fuelled by continuing focus of the sales force on strong margin "Key6" products such as Medical Whole Life and Medical Riders. **Australia New Zealand** revenue decreases were due to product substitution into the rapidly growing mutual fund business and the planned reduction in retirement income business. These were partly offset by an increase in protection products (+5%).

Property & Casualty gross written premiums were up +3% to €17,852 million, with Personal and Commercial lines growing 4% and 6%, respectively, as the Group attracted new clients and favorable pricing persisted in most business lines. This was partly offset by further restructuring in other lines, primarily in Germany.

Personal lines (59% of the P&C premiums) showed overall growth of 4%.

Motor revenues (+3%) improved in most countries, due to moderate tariff increases and strong positive net inflows, especially in France (+154,000 policies), Germany (+139,000 policies), and Southern Europe (+159,000 policies). As a result, motor revenues in France grew 5%, above estimated[2] market trend. Motor revenues for UK, including Ireland, were down 18%, as a result of AXA's continued underwriting discipline amidst softening market rates, the planned reduction in UK Personal Direct prior to its sale to RAC in October 2004 and the decrease in Ireland average premiums following rate reductions in 2003 and in 2004, reflecting an improved claims environment and risk selection.

Non-motor activities rose 5%, mainly driven by strong growth in the UK (+23%) led by the increase in new business from Corporate Partners and intermediaries in Personal Household and Creditor. France experienced strong positive net inflows of 83,000 contracts in Household supported by the successful introduction of segmented products.

Commercial lines (34% of the P&C premiums) recorded growth of 6% due to continued tariff increases in most business lines and strong new business in non-motor. Growth was +9% at AXA France, with the main lines of business registering increases in premiums above estimated market trends.

Commercial motor revenues increased by 4%, mainly driven by Southern Europe's renewals of fleet contracts, France's selective rate increases associated with strict underwriting control, and Belgium's rate increases.

Growth in commercial non-motor revenues of 6% was due to successful tariff increases in most countries, especially in property and liability in France, the UK, and Southern Europe.

Other Lines (7% of the P&C premiums) decreased by 3% mainly driven by a sharp decrease in Germany both in assumed business, in line with a reduction of share in the Aviation pool and Atomic pool, and in foreign activities as they were partly put in run-off.

International insurance revenues declined by 6% mainly due to a decrease in reinsurance activities in line with the strategic repositioning of AXA RE implemented in 2002. The aim of this strategy was to reduce the portfolio risk and to exit non-strategic business lines. As a result, the decrease was mainly explained by lower non-life gross written premiums resulting from a sharp drop in assumed business and some re-underwriting of the Marine account. AXA Corporate Solutions Assurance's revenues decreased by 3%, driven by lower activity in Property (-19%) and the decrease in Marine business (-5%) partly offset by a strong increase in Aviation (+20%) which was negatively impacted in 2003 by SARS and the Iraq war.

1 Compound Annual Growth Rate.
2. Internal management estimates.

Asset management revenues increased by 14% to €3,087 million in 2004, benefiting from higher average Assets Under Management (AUM) (+16%), the result of very strong net inflows (€35 billion) and market appreciation, partly offset by the depreciation of the U.S. Dollar versus the Euro

Revenues from **Other financial services** increased by 6% which was mainly attributable to the growth of AXA Banque (France) and AXA Bank Belgium revenues.

Consolidated adjusted earnings and net income

ADJUSTED EARNINGS & NET INCOME (GROUP SHARE)

(in euro millions)

	FY 2004	FY 2003	FY 2002
Gross written premiums	67,407	67,306	69,723
Bank revenues	791	820	1,012
Fees, commissions and other revenues	3,966	3,503	3,992
Gross revenues	**72,164**	**71,628**	**74,727**
Change in unearned premium reserves	47	320	(382)
Net investment result [b]	25,021	26,834	(9,229)
Total revenues	**97,233**	**98,783**	**65,116**
Insurance benefits and claims [b]	(77,145)	(81,309)	(47,922)
Reinsurance ceded, net	(1,064)	(1,113)	(523)
Insurance acquisition expenses	(6,239)	(5,798)	(5,891)
Bank operating expenses	(454)	(502)	(600)
Administrative expenses	(7,760)	(7,567)	(8,098)
Operating Income	**4,571**	**2,494**	**2,081**
Income tax expense / benefit	(1,344)	(793)	(357)
Equity in income (loss) of unconsolidated entities	76	41	23
Minority interests	(402)	(292)	(390)
ADJUSTED EARNINGS [a]	**2,901**	**1,450**	**1,357**
Impact of exceptional operations	267	148	235
Goodwill amortization (Group share)	(649)	(593)	(643)
NET INCOME	**2,519**	**1,005**	**949**

(a) Adjusted Earnings represents AXA's consolidated net income, before goodwill amortization and exceptional operations. Adjusted Earnings is a non-GAAP measure, which management believes provides a meaningful understanding of the results. It should be noted that "Adjusted Earnings" as defined may not be comparable with similarly-titled measures reported by other companies as it is not defined under either French GAAP or U.S. GAAP.

(b) For the periods ended December 31, 2004, 2003 and 2002, the change in fair value of separate accounts had impacted the net investment result for respectively Euro +10,583 million, Euro +14,949 million and Euro −17,576 million and benefits and claims by the offsetting amounts respectively

The net income Group Share for the Full Year 2004 reached €2,519 million, up 151% or a €+1,514 million increase compared to Full Year 2003.

2004 net income included **€267 million of exceptional operations** relating to:

- The realized capital gain on the disposal of Unirobe, our former Dutch brokerage company in The Netherlands Holding (€+104 million).
- The realized capital loss on the disposal of AXA Bausparkasse building society in Germany (€-25 million, net group share, of which €-10 million in the Life company).
- The realized capital gain on the sale by AXA Insurance UK of the right to renew of its direct business to RAC plc. in October 2004 (€+12 million net Group share).
- An exceptional profit in Alliance Capital (€112 million) as a result of the partial release (€+420 million) of the provisions set-up in 2000 to offset the dilution gain realized when Alliance Capital acquired Sanford Bernstein. This release was due to the buy-back, in 2004, of 16.32 million private units to the former shareholders of Sanford C. Bernstein, Inc. after they exercised their liquidity put option. It generated an additional goodwill, entirely amortized over the period (€308 million).
- An exceptional profit in the AXA Financial holding (pre-tax gain on disposal of the discontinued Investment Banking and Brokerage segment of €65.8 million, or €42.8 million net of Federal income taxes). The gain resulted from the reduction of state tax liabilities related to the 2000 sale of Donaldson, Lufkin & Jenrette, Inc.
- The realized capital gain on the disposal of Crealux in Belgium (€17 million, net group share)
- The realized capital gain on the disposal of the health portfolio of AXA Zorg in Netherlands (€3 million net of taxes).

In Full Year 2003, exceptional operations amounted to €148 million, and included:

- Realized capital gains on the disposals of (i) the Austrian and Hungarian subsidiaries (€+37 million), (ii) Auxifina in AXA Bank Belgium (€+15 million), and (iii) Members Equity in Australia (€+12 million).
- An exceptional profit in AXA Financial (€66 million net of goodwill effect) following a review of tax positions related to periods prior to the acquisition of "The Equitable Inc." by AXA. The comprehensive tax review impact was partly compensated by an exceptional amortization of the goodwill (recorded in 2002 when acquiring the minority interest of AXA Financial) for €-106 million.
- An exceptional profit in Germany Holdings operations (€17 million net of goodwill impact) as a result of the release of a provision set-up when acquiring German operations in 1997; this release was due to the disposal of Colonia Re participation to General Re and was offset by an exceptional goodwill depreciation.

Goodwill amortization group share increased by €56 million (or €68 million on a constant exchange rate basis). This was mainly due to the amortization of the Netherlands P&C remaining goodwill (€33 million) ; and the amortization over the year of the goodwill created by the AXA Isle of man transaction in the United Kingdom life operations (€21 million).

Net capital gains and losses reached €178 million, up €+763 million or €+768 million on a constant exchange rate basis, mainly driven by (i) lower valuation allowance on equity securities and mutual funds (€-783 million to €-261 million), on fixed maturities (€-156 million to €-10 million) ; (ii) the non recurrence in 2004 of a valuation allowance recorded in 2003 on the Japanese deferred tax asset related to prior year capital losses (€+119 million) ; (iii) partly offset by a lower level of realized gains (€-287 million) as 2003 adjusted earnings benefited from a large non-recurring capital gain from the sale of Crédit Lyonnais shares (€442 million). Excluding this item, realized capital gains were up by €155 million to €476 million.

Group **underlying earnings** significantly improved by **€+688 million to €2,723 million** or an increase of 34% due to a significant improvement in Life & Savings, Property & Casualty and International Insurance as well as in Asset Management. As a consequence, **adjusted earnings were up €+1,451 million to €2,901 million.**

ADJUSTED EARNINGS & NET INCOME (GROUP SHARE)

(in euro millions)

	FY 2004	FY 2003	FY 2002
Life & Savings	1,727	898	1,367
Property & Casualty	1,035	519	93
International Insurance	238	147	(149)
Asset Management	318	148	258
Other Financial Services	26	126	133
Holding companies	(442)	(388)	(344)
ADJUSTED EARNINGS [(a)]	**2,901**	**1,450**	**1,357**
Impact of exceptional operations	267	148	235
Goodwill amortization (Group share)	(649)	(593)	(643)
NET INCOME	**2,519**	**1,005**	**949**

(a) Adjusted Earnings represents AXA's consolidated net income, before goodwill amortization and exceptional operations. Adjusted Earnings is a non-GAAP measure, which management believes provides a meaningful understanding of the results. It should be noted that "Adjusted Earnings" as defined may not be comparable with similarly-titled measures reported by other companies as it is not defined under either French GAAP or U.S. GAAP.

Life & Savings

At €1,727 million, adjusted earnings were up €829 million, with main contributors being the United States (€674 million, including MONY), France (€425 million), Japan (€199 million), United Kingdom (€109 million) and Belgium (€104 million).

This increase was mainly driven by :

- Improved underlying earnings up €301 million or €372 million on a constant exchange rate basis to €1,603 million, due to the unfavorable impact of the appreciation of euro against foreign currencies (€-71 million impact). At constant exchange rate, the improvement was mainly attributable to the United States (€+131 million, including €56 million for MONY), The United Kingdom (€+132 million) and Japan (€+116 million). Fees and revenues growth as well as highly investment margin have been the two drivers of this strong improvement of Life & Savings underlying earnings.
- A sharp increase in net capital gains (€+527 million to €124 million or €+533 million on a constant exchange rate), mainly driven by (i) a much lower level of impairment valuation allowances on equity securities and mutual funds (€+418 million to €-113 million) and on bonds (€+145 million to €-3 million); (ii) the non recurrence in 2004 of a valuation allowance recorded in 2003 on the Japanese deferred tax asset related to prior year losses (€+119 million); (iii) partly offset by a lower level of realized capital gains (€-168 million to €257 million) as 2003 adjusted earnings benefited from a non recurring capital gain from the sale of Credit Lyonnais shares (€142 million).

Property & Casualty

Adjusted earnings increased by €+516 million to €1,035 million, with main contributors as follows: France (€304 million), the United Kingdom including Ireland (€274 million), Southern Europe (€145 million) and Belgium (€142 million). This improvement reflected:

- **Strong operational performance across the board,** mainly due to a significantly improved Group combined ratio by -2.1 points to 99.3%. As a consequence, the net technical result increased by €359 million. Investment income increased by +6.6% or €+85 million. As a result and after tax, underlying earnings increased by €+310 million to €1,063 million.
- **A significant increase in net capital gains** (€+206 million to €-28 million or €+204 million on a constant exchange rate), mainly driven by (i) a much lower level of impairment valuation allowances on equity securities and mutual funds (€+295 million to €-119 million) and on fixed maturities (€+14 million to €-1 million), (ii) partly offset by a lower level of realized capital gains (€-96 million). In 2003, adjusted earnings benefited from a non-recurring capital gain from the sale of Credit Lyonnais shares (€215 million). Excluding this item, realized capital gains were up by €+119 million to €106 million.

International Insurance[1]

Adjusted earnings reached €238 million, up €+91 million compared to 2003, driven by:

- **Improved underlying earnings up €+14 million to €155 million,** attributable on a comparable basis to

1. Note that large risk and reinsurance U.S. activities were included in AXA RE's segment at year end 2003 and are included in Other transnational activities segment in 2004.

both **AXA RE** (€+33 million to €108 million) and to **AXA Corporate Solutions Assurance** (€+23 million to €54 million) as a result of the improvement in technical margins, partly offset by a decrease in **Other Transnational activities** (€-46 million to €-41 million) negatively impacted by the cost of hurricanes.

- **Higher net capital gains** (€+78 million to €83 million), mainly as a result of lower valuation allowances on equity securities (€+59 million) and of higher realized capital gains (€+18 million). 2003 benefited from €58 million realized gain on Credit Lyonnais shares.

Asset Management

Asset management companies also showed improved **adjusted earnings up €+170 million** or €+ 193 on a constant exchange rate basis **to €318 million,** reflecting **higher underlying earnings by €+170 million** or €+192 million on a constant exchange rate basis **to €316 million.** This trend was attributable to both Alliance Capital (€+158 million) and AXA Investment Managers (€+34 million) as a result of higher average assets under management due to net new money and market appreciation and the non recurrence of the 2003 charge for legal proceeding and mutual fund matters in Alliance Capital (€104 million).

Other Financial Services

Adjusted earnings deteriorated by **€-100 million to €26 million,** as a result of (i) **lower underlying earnings (€-86 million to €26 million)** attributable to AXA Bank Belgium (€-22 million to €32 million) and to CFP (-83 million to €-1 million), as a result of lower positive run-off development in 2004, and (ii) **lower net capital gains (€-14 million)** as 2003 benefited in AXA Bank Belgium of the capital gain on Credit Lyonnais shares for €13 million.

Holdings

Holding companies **adjusted earnings** decreased by €54 million to €-442 million, mainly attributable to Germany Holdings (€-51 million to €-69 million) as a consequence of the sale of Cologne Re JV in 2003.

Consolidated Shareholders' Equity

At December 31, 2004, consolidated shareholders' equity totaled €26.2 billion. The movement in shareholders' equity since December 31, 2003 is presented in the table below:

	Shareholders' Equity (in euro millions)	Number of ordinary shares outstanding (in millions)
At December 31, 2003	**23,401**	**1,778.1**
Capital increase (Conversion of mandatorily Convertible Bonds - "ORAN")	1,396	110.2
Employee shareplans (July & December 2004)	255	18.9
Exercise of share options	11	1.2
Cash dividend	(676)	–
Impact of foreign exchange fluctuations	(750)	–
Other	1	–
At December 31, 2004 (before net income of the period)	**23,638**	**1,908.4**
Net income for the period	2,519	–
At December 31, 2004	**26,158**	**1,908.4**

Creation of Shareholder Value

EARNINGS PER SHARE ("EPS")

(in euro millions except ordinary shares in millions)

	FY 2004		FY 2003				FY 2002				Var. FY 2004 versus FY 2003	
			Restated [b]		As published		Restated [b]		As published			
	Basic	Fully diluted	Basic	Fully diluted	Basic	Fully diluted	Basic	Fully diluted	Basic	Fully diluted	Basic	Fully diluted
Weighted numbers of shares	1,845.2	1,910.8	1,790.1	1,816.6	1,763.7	1,790.1	1,762.1	1,765.1	1,736.1	1,739.1	-	-
Net income	2,519	2,519	1,005	1,006	1,005	1,006	949	949	949	949	-	-
Net income Per Ordinary Share	1.37	1.32	0.56	0.55	0.57	0.56	0.54	0.54	0.55	0.55	143.2%	138.3%
Adjusted Earnings	2,901	2,901	1,450	1,450	1,450	1,450	1,357	1,357	1,357	1,357	-	-
Adjusted Earnings Per Ordinary Share	1.57	1.52	0.81	0.80	0.82	0.81	0.77	0.77	0.78	0.78	94.1%	90.2%
Underlying Earnings Per Ordinary Share [a]	1.48	1.43	1.14	1.12	1.15	1.14	0.96	0.96	0.97	0.97	29.8%	27.2%

(a) Underlying earnings per Ordinary Share (Underlying EPS) represents the AXA's consolidated Adjusted Earnings, excluding the impact of September 11 attacks and net capital gains attributable to shareholders, divided by the average number of outstanding ordinary shares

(b) Following any significant capital increase with a stock price lower than the market price, such as ORAN conversion in July 2004, average number of shares and consequently EPS over each periods have been restated to take into account an adjustment to neutralize this event which is similar to a free distribution of shares

RETURN ON EQUITY (ROE)

(in euro millions except percentages)

	FY 2004	FY 2003	FY 2002	Var. FY 2004/ FY 2003
Average Shareholder's equity	23,392	22,958	23,643	-
Net income	2,519	1,005	949	-
ROE	10.8%	4.4%	4.0%	6.4 pts
Adjusted Earnings	2,901	1,450	1,357	-
Adjusted ROE	12.4%	6.3%	5.7%	6.1 pts
Underlying ROE	11.6%	8.9%	7.1%	2.8 pts

Life & Savings Segment

The following tables present the consolidated gross revenues, adjusted earnings and net income attributable to AXA's Life & Savings segment for the periods indicated.

LIFE & SAVINGS SEGMENT (a)

(in euro millions)

	FY 2004	FY 2003	FY 2002	
			Pro forma (c)	As Published
Gross written premiums	46,251	46,299	46,972	48,080
Fees, commissions and other revenues	821	513	513	539
Gross revenues	**47,071**	**46,812**	**47,485**	**48,619**
Change in unearned premium reserves	21	(6)	(7)	(16)
Net investment result (b)	23,673	25,744	(10,672)	(10,684)
Total revenues	**70,765**	**72,551**	**36,805**	**37,920**
Insurance benefits and claims (b)	(62,451)	(65,926)	(30,120)	(30,958)
Reinsurance ceded, net	17	84	289	288
Insurance acquisition expenses	(2,888)	(2,797)	(2,738)	(2,806)
Administrative expenses	(2,875)	(2,457)	(2,741)	(2,868)
Operating Income	**2,567**	**1,454**	**1,495**	**1,575**
Income tax expense/benefit	(759)	(448)	(98)	(119)
Equity in income (loss) of unconsolidated entities	44	19	(7)	(7)
Minority interests	(126)	(127)	(83)	(83)
ADJUSTED EARNINGS	**1,727**	**898**	**1,308**	**1,367**
Impact of exceptional operations	(7)	72	-	-
Goodwill amortization (Group share)	(330)	(299)	(296)	(303)
NET INCOME	**1,390**	**671**	**1,012**	**1,063**

(a) Before intercompany transactions.

(b) For the periods ended December 31, 2004, 2003 and 2002, the change in fair value of separate accounts had impacted the net investment result for respectively Euro +10,583 million, Euro +14,949 million and Euro -17,576 million and benefits and claims by the offsetting amounts respectively.

(c) Since FY 2003, UK Health business has been tranfered to UK Property & Casualty segment. Consequently FY 2002 have been restated excluding UK Health business.

CONSOLIDATED GROSS REVENUES (a)

(in euro millions)

	FY 2004	FY 2003		FY 2002	
		Pro forma (b)	As published	Pro forma (b),(c)	As published
France	11,899	10,890	10,890	10,432	10,432
United States	12,880	13,732	13,732	12,726	12,726
United Kingdom	6,309	5,831	5,831	7,228	8,362
Japan	5,526	6,078	6,078	6,428	6,428
Germany	3,499	3,428	3,428	3,141	3,141
Belgium	2,203	2,050	2,050	1,629	1,629
Southern Europe	1,364	1,182	-	1,527	-
Other countries	3,391	3,620	4,802	4,373	5,900
TOTAL	**47,071**	**46,812**	**46,812**	**47,485**	**48,619**
Intercompany transactions	(9)	(13)	(13)	(33)	(33)
Contribution to consolidated gross revenues	**47,063**	**46,799**	**46,799**	**47,452**	**48,586**

(a) Gross written premiums, plus fees, commissions and other revenues.

(b) Starting January 1st, 2004, Italy, Spain and Portugal activities (previously under "Other countries") are now reported as one geographical region "Southern Europe".

(c) Since FY 2003, UK Health business has been tranfered to UK Property & Casualty segment. Consequently FY 2002 have been restated excluding UK Health business.

ADJUSTED EARNINGS & NET INCOME

(in euro millions)

	FY 2004	FY 2003 Pro forma (a)	FY 2003 As published	FY 2002 Pro forma (a) (b)	FY 2002 As published
France	425	425	425	432	432
United States	674	530	530	520	520
United Kingdom	109	43	43	290	348
Japan	199	(224)	(224)	(45)	(45)
Germany	(38)	(26)	(26)	(0)	(0)
Belgium	104	(55)	(55)	8	8
Southern Europe	45	24	–	32	–
Other countries	209	179	204	72	104
ADJUSTED EARNINGS	**1,727**	**898**	**898**	**1,308**	**1,367**
Impact of exceptional operations	(7)	72	72	–	–
Goodwill amortization (Group share)	(330)	(299)	(299)	(296)	(303)
NET INCOME	**1,390**	**671**	**671**	**1,012**	**1,063**

(a) Starting January 1st 2004, Italy, Spain and Portugal activities (previously under "Other countries") are now reported as one geographical region "Southern Europe"
(b) Since FY 2003, UK Health business has been tranfered to UK Property & Casualty segment. Consequently FY 2002 have been restated excluding UK Health business.

Life & Savings operations - France

LIFE & SAVINGS OPERATIONS - FRANCE

(in euro millions)

	FY 2004	FY 2003	FY 2002
Gross written premiums	*11,899*	*10,890*	*10,432*
Investment margin	921	920	872
Fees & revenues	1,149	1,017	982
Net technical margin	63	98	104
Expenses (net of DAC/VBI)	(1,547)	(1,471)	(1,464)
Operating Income	**587**	**565**	**495**
Income tax expense/benefit	(163)	(141)	(64)
Equity in income (loss) of unconsolidated entities	2	2	2
Minority interests	(1)	(1)	(1)
ADJUSTED EARNINGS	**425**	**425**	**432**

Gross written premiums were up +9% to €11,899 million due to sustained growth in all business lines.

- *Investment & Savings* (67% of gross written premiums): Individual unit linked premiums increased by +58% to €1,461 million and represented 21% of individual Investment & Savings premiums (14% in 2003) due to a strong focus on these products in all sales networks. General account individual premiums registered a moderate growth (+1%). Group pensions premiums were up +13% mainly due to large renewal premiums from major companies. The new French retirement "P.E.R.P." product, launched in May 2004, had a very satisfactory first year with more than 140 000 accounts opened.
- *Life & Health* (33% of gross written premiums) grew by 8%, mainly as a result of rates increases and positive net inflows in the Health business.

Investment margin marginally increased by €1 million to €921 million as a result of higher investment income and net realized gains, offset by higher amounts credited to policyholders. Investment income grew by €89 million to €3,168 million resulting from the increase in dividend yields (€+1 14 million). **Net capital gains and losses** were up €53 million to €174 million in 2004 as a consequence of lower valuation allowances on equities (€-13 million in 2004 to be compared to €-160 million in 2003) partly offset by lower realized gains on equities (€65 million in 2004 to be compared to €188 million in 2003). In 2003, realized gains on equities included a €109 million capital gain on the sale of Credit Lyonnais shares. Amounts credited to policyholders increased by €-141 million to €-2,420 million, as a consequence of higher average general account reserves, partly compensated by a slight decrease in main products distribution rate (to 4.65%).

Fees & revenues rose by €132 million, or +13%, to €1,149 million in 2004 mainly due to higher fees arising from unit-linked products (€+89 million), as a result of higher sales and higher average reserves. Fees & revenues also increased on Group Life, Disability & Health business (€+37 million) as sales rose by 8%.

Net technical margin decreased by €35 million from €+98 million in 2003 to €+63 million in 2004, mainly as the consequence of adverse claims experience in Group disability.

Expenses net of DAC and VBI increased by €76 million or +5% to €1,547 million in 2004 as both distribution (up 9.6%, in line with premium growth) and other management expenses were up in a context of increased activity and launch of new Loi Fillon products (pension reform).

The underlying cost income ratio deteriorated by 0.8 point to 76.8% as increased fees & revenues were offset by a lower net technical margin and increased expenses.

Income tax expense was up €23 million mainly as a result of higher pretax income and a lower proportion of realized gains which are taxed at a reduced rate.

Adjusted earnings were stable at €425 million mainly driven by the improvement in fees & revenues (€132 million) offset by the increase in expenses (€76 million) and the decrease in technical margin (€35 million).

Underlying earnings increased by €9 million to €372 million.

Life & Savings operations - United States

LIFE & SAVINGS OPERATIONS - UNITED STATES (in euro millions)

	FY 2004	FY 2003	FY 2002
Gross revenues	*12,880*	*13,732*	*12,726*
Investment margin	770	608	550
Fees & revenues	1,112	843	921
Net technical margin	439	494	348
Expenses (net of DAC/VBI)	(1,367)	(1,258)	(1,352)
Operating Income	**953**	**687**	**467**
Income tax expense / benefit	(279)	(157)	53
Minority interests	0	(0)	(0)
ADJUSTED EARNINGS	**674**	**530**	**520**
Average exchange rate : 1.00 € = $	*1.24*	*1.13*	*0.95*

Gross revenues decreased by 6% to €12,880 million on a current exchange rate basis, but increased by 3% on a constant exchange rate basis. Excluding the contribution of MONY for the second half of 2004, revenues were expectedly down 5% as increases in First Year life premiums (up 25%) and Institutional Separate Account premiums (up 65%) were more than offset by a 10% decrease in Variable Annuity premiums from a very high level last year. However, Variable Annuity premiums increased by 19% on a CAGR basis over 2002 sales.

Investment margin increased by €162 million in 2004 to €770 million, or by €238 million on a constant exchange rate basis. Excluding the contribution of MONY in 2004, these amounts were €130 million and €204 million, respectively. The increase excluding MONY was mainly due to €152 million higher realized capital gains to €63 million mainly as a result of higher gains on sales and lower write downs of fixed maturities (€82 million) and equity interest (€34 million) and higher gains on sales of real estate (€31 million). Investment income increased by €35 million to €2,026 million, primarily due to (i) higher partnership distributions, (ii) higher prepayments on fixed maturities and (iii) higher level of assets in the general account partially offset by lower yields. Interest and bonus credited decreased by €16 million to €1,350 million as the impact of lower credited rates in life and annuity business and lower dividends was partially offset by higher general account balances.

Fees & revenues increased by €269 million in 2004, or by €380 million on a constant exchange rate basis. Excluding the contribution of MONY in 2004, these amounts were €122 million and €218 million, respectively. This increase was mainly due to higher fees earned on separate account business (€205 million on a constant exchange rate basis), resulting from positive net cash flows and higher average account balances.

Net technical margin decreased by €55 million in 2004, or by €11 million on a constant exchange rate basis. Excluding the contribution of MONY in 2004, the net technical margin decreased by €124 million, or by €88 million on a constant exchange rate basis. This decrease was notably attributable to lower life mortality margin (€59 million, including reinsurance ceded reserve adjustment) to €269 million and unfavorable reinsurance assumed reserve adjustment (€35 million) partially offset by higher "GMDB/GMIB" margins (€6 million).

Expenses (including commissions and DAC) increased by €109 million in 2004 or by €245 million on a constant exchange rate basis. Excluding the contribution of MONY in 2004, expenses decreased €53 million, or an increase of €67 million on a constant exchange rate basis.

Excluding the contribution of MONY, expenses, net of capitalization, increased by €51 million on a constant exchange rate basis principally due to (i) greater commission expenses of €48 million (ii) the non recurrence of a 2003 reserve release related to employee stock options of €36 million, and (iii) an increase in benefit and tax expenses reflecting higher qualified pension plan expenses of €19 million, partly offset by (iv) a decrease in other miscellaneous expenses of €30 million primarily within variable expenses, lower amortization of IT expenses net of capitalization and the absence of field restructuring costs. This was partially offset by higher DAC capitalization (€22 million).

DAC amortization increased by €16 million reflecting reactivity to higher capital gains and higher margins in products which are DAC reactive partially offset by favorable DAC unlocking for expected higher emerging margins on variable life and annuity products and model updates.

Underlying cost income ratio improved to 83.3% versus 86.7% in 2003, as the strong improvement in investment margin and fees & revenues was partially offset by lower technical margin and higher commissions. Excluding MONY, the underlying cost income ratio improved to 82.9%.

Income tax expense increased by €123 million in 2004, or by €150 million on a constant exchange rate basis. Excluding the contribution of MONY in 2004, these amounts were €89 million and €114 million, respectively. This increase is principally due to (i) the impact of higher pre-tax income and (ii) the absence of a €25 million reduction in taxes in 2003 which resulted from a review of the deferred tax positions related to periods subsequent to the acquisition of The Equitable Companies Inc. by AXA in 1992.

Adjusted earnings increased by €143 million in 2004 to €674 million, or by €210 million on a constant exchange rate basis. MONY contributed €51 million in 2004 after only 6 months of integration in the AXA Group. Excluding the contribution of MONY in 2004, adjusted earnings increased by €154 million on a constant exchange rate basis. This increase was primarily due to strong improvement in both investment margin and fees & revenues partially offset by lower technical margin, higher expenses and higher taxes.

Underlying earnings increased by €68 million to €643 million and by €132 million on a constant exchange rate basis. MONY contributed €56 million in 2004. Excluding the contribution of MONY in 2004, underlying earnings increased by €70 million on a constant exchange rate basis. This increase primarily reflects higher interest margin and Separate Account fees partially offset by lower net technical margin, higher expenses, and higher income tax.

Life & Savings operations - United Kingdom

LIFE & SAVINGS OPERATIONS - UNITED KINGDOM

(in euro millions)

	FY 2004	FY 2003	FY 2002 Pro forma [a]	FY 2002 As Published
Gross revenues	*6,309*	*5,831*	*7,228*	*8,362*
Investment margin [b]	194	310	279	279
Fees & revenues [b]	439	307	335	335
Net technical margin [b]	(3)	(155)	48	48
Expenses (net of DAC/VBI) [b]	(545)	(417)	(465)	(465)
Health Operating Income	–	–	–	80
Operating Income	**85**	**45**	**197**	**277**
Income tax expense / benefit	24	(2)	93	71
Minority interests	(0)	(0)	(0)	(0)
ADJUSTED EARNINGS	**109**	**43**	**290**	**348**
Average exchange rate : 1.00 € = £	*0.68*	*0.69*	*0.63*	*0.63*

(a) Since FY 2003, UK Health business has been transferred to UK Property & Casualty segment. Consequently FY 2002 and FY 2001 have been restated excluding UK Health business.

(b) FY 2002 margin analysis as published is presented excluding Health business

Gross revenues: Total revenues increased by 8% to €6,309 million or 6% on a constant exchange rate basis, with new business on an Annual Premium Equivalent (APE[1]) basis up 3% on a constant change rate basis.

- *Investment & Savings* (87% of gross revenues): Premium revenues were up 5% on last year, driven by renewed focus on Offshore Bonds (up 69%) and Group Pensions (up 22%) partially offset by a decrease in Personal and Executive Pensions (down 7%) following a repricing exercise in 2003.

- *Life* (13% of gross revenues): Total Life premiums were up 15% predominantly due to increased sales of Creditor Insurance business.

Investment margin decreased by €116 million in 2004 as compared to 2003, or €120 million on a constant exchange rate basis, mainly due to:
- non recurring gains in 2003 of €70 million due to (i) the sale of Credit Lyonnais shares (€52 million) and (ii) favorable currency movements on non-sterling denominated bonds held in shareholder funds (€18 million),
- €36 million reduction of shareholders' profits from With-Profit bonus payments which have reduced in line with market trends.

Fees & revenues increased by €132 million in 2004 as compared to 2003, or €123 million on a constant exchange rate basis, due to:
- a €37 million increase in loadings on unit linked business and a €14 million increase in fees earned on account balances as a direct result of the transfer of ownership of the Isle of Man subsidiary at January 1 2004 to a wholly owned shareholder fund,
- €36 million increase in loadings on life and pension premiums mainly attributable to Non-Profit business,
- €35 million increase in fees earned on account balances, largely due to better financial markets.

Net technical margin increased by €152 million both on current and constant exchange rate bases. This was mainly

1 Annual Premium Equivalent is New Regular Premiums plus one tenth of Single premiums due to 2003 non-recurring strengthening of reserves: (i) across a number of classes of business following of review of mortality and morbidity experience and model refinement, (ii) due to changes in the valuation of unit liabilities, and (iii) related to possible endowment mis-selling obligation.

Expenses, net of policyholder allocation[1] increased by €128 million, or €117 million on a constant exchange rate basis, due to (i) €37 million related to the transfer of ownership of the Isle of Man subsidiary, (ii) €35 million increased amortization of deferred cost reflecting the increased loadings on premiums on Non-profit business mentioned above, (iii) €26 million lower net transfer of expenses to the With Profit Funds as a consequence of lower new With Profit business and (iv) a €10 million increase related to the development of the Protection offering.

The **underlying cost income ratio** improved to 112.0% in 2004 from 131.7% in 2003 largely as a result of an improved Technical margin and higher Fees & Revenues, offset by increased expenses from Non-profit business.

Income tax expense decreased by €26 million or by €25 million on a constant exchange rate basis mainly due to tax credits in relation to the settlement of issues from prior year tax accounts.

Adjusted earnings increased by €66 million in 2004 to €109 million, or €64 million on a constant exchange rate basis, as a result of non-recurring reserve strengthening in 2003 and increased loadings on account balances in 2004, partly offset by a lower investment margin due to large realized gains in 2003 and lower With Profit bonus payments in 2004.

Underlying earnings increased by €134 million in 2004 to €108 million or by €132 million on a constant exchange rate basis.

1. Part of these expenses are located in the With-Profit funds and therefore are borne by policyholders.

Life & Savings operations - Japan

LIFE & SAVINGS OPERATIONS - JAPAN (in euro millions)

	FY 2004	FY 2003	FY 2002
Gross written premiums	*5,526*	*6,078*	*6,428*
Investment margin	158	(399)	(71)
Fees & revenues	865	854	927
Net technical margin	49	134	(43)
Expenses (net of DAC/VBI)	(677)	(689)	(759)
Operating Income	**396**	**(101)**	**54**
Income tax expense / benefit	(191)	(132)	(100)
Minority interests	(6)	8	2
ADJUSTED EARNINGS	**199**	**(224)**	**(45)**
Average exchange rate : 1.00 € = Yen	*132.45*	*129.20*	*115.07*

Gross Written Premiums decreased by 7% on a constant exchange rate basis to €5,526 million. Excluding (i) group pension transfers (€217 million versus €882 million last year) and (ii) the conversion program started in January 2003 to Life (€248 million versus €480 million last year) and Health products (€448 million versus €342 million last year), premiums increased by 8% to €4,614 million driven by the following factors:

- *Investment & Savings* (35% of gross written premiums excluding conversions and group pension transfers): premiums increased by 25% to €1,618 million mainly driven by the sharp growth in individual annuity premiums benefiting from the development of bancassurance partnerships signed since August 2003 (€+536 million single premiums). This increase was partly offset by a reduction in group pension premiums by 9% (€–129 million) and a decrease of in-force annuity contracts having high guaranteed rates (€–114 million) as the salesforce focused mainly on conversions and profitable medical product sales.
- *Life* (44% of gross written premiums excluding conversions and group pension transfers): premiums decreased by 5% to €2,039 million reflecting the decline in endowment and whole life as a result of lower contract in-force, since these products were not promoted for new business.
- *Health* (21% of gross written premiums excluding conversions and group pension transfers): premiums increased by 16% to €957 million mainly driven by the continuing focus of the salesforce on selling high margin medical products such as medical whole life and medical riders.

Investment margin increased by €558 million (or €562 million on a constant exchange rate basis) to €+158 million mainly as a result of the reduction of valuation allowance on invested assets (€523 million in 2003 versus €85 million in 2004, €436 million decrease on a constant exchange rate basis) driven by the partial recovery of the Japanese financial markets in the first half-year of 2004. Excluding valuation allowances, the investment margin was up by €+120 million (€+126 million at constant exchange rate) reflecting higher investment income (€+151 million to €676 million, or €+168 million at constant exchange rate) driven by (i) a larger asset balance and (ii) improved investment yield following the restructuring started in 2003 of the fixed maturity portfolio. This increase was partially offset by lower realized capital gains (€–64 million or €–61 million at constant exchange rate) to €151 million (of which €155 million fixed maturities) as a result of high capital gains realized principally on equities during the second half of 2003. Additionally, interests credited to policyholders decreased by €33 million (or €19 million at constant exchange rate) mainly as a result of the decline in group pension in-force and conversions to products crediting lower guaranteed rate.

Fees & revenues increased by €11 million (or €33 million at constant exchange rate) to €865 million driven by the continuing shift in product mix towards high margin products, especially Health, and the improved retention of business both in Life and Health reflecting the success of a strategic initiative launched two years ago. This increase was partially offset by lower fees notably on Medical Term contracts converted into products with reduced loadings following fierce competition on this market.

Net technical margin reduced by €84 million (or €83 million at constant exchange rate) to €49 million. The mortality margin decreased by €43 million to €–2 million driven by a strengthening of insurance reserves to reflect mortality experience on long term products (annuity portfolio), partially offset by improved mortality and morbidity margin both on life and health. The surrender margin reduced by €40 million to €51 million due to lower conversions and surrenders partly offset by the non recurrence of the 2003 reserve strengthening on Medical Term product.

Expenses gross of DAC and VBI amortization improved by €35 million (or €16 million at constant exchange rate) to €762 million following the full amortization in 2003 of some IT systems (€19 million), lower non-payroll operating expenses (€6 million) notably due to a decrease in outsourced consulting costs as well as reduced staff expenses due to lower headcount (€2 million). These reductions were partially offset by an increase in commissions (€–12 million). **Expenses, net of DAC and VBI amortization,** decreased by €12 million (or increased by €5 million at constant exchange rate) to €677 million due to increases in VBI amortization mainly driven by higher investment result and in DAC amortization in line with a higher DAC balance. This evolution was partially offset by the decrease in expenses described above and higher DAC capitalization due to a growth in bonuses and incentives paid to the salesforce.

Underlying cost income ratio improved by 13.3 points to 75.7% mainly reflecting the improved net investment income.

Income tax expenses increased by €60 million (or €65 million at constant exchange rate) to €191 million. Excluding the non-recurring valuation allowance on tax losses carried forward recorded in 2003 (€149 million), income tax expenses increased by €213 million resulting from the large improvement in pre-tax operating income in 2004.

Adjusted earnings increased by €423 million (or €428 million at constant exchange rate) to €199 million reflecting higher net investment result and the strong reduction of valuation allowances booked in 2004 compared to 2003 both on invested assets and tax losses carried forward.

Underlying earnings increased by €111 million (or €116 million at constant exchange rate) to €163 million, mainly as a result of (i) the improvement in investment income, (ii) lower expenses and (iii) an improved product mix.

Life & Savings operations - Germany

LIFE & SAVINGS OPERATIONS - GERMANY

(in euro millions)

	FY 2004	FY 2003	FY 2002
Gross written premiums	*3,499*	*3,428*	*3,141*
Investment margin [a]	14	(37)	36
Fees & revenues [a]	51	39	27
Net technical margin [a]	1	10	10
Expenses (net of DAC/VBI) [a]	(54)	(39)	(35)
Health operating income	33	18	23
Operating Income	**45**	**(8)**	**61**
Income tax expense / benefit	(86)	(20)	(62)
Minority interests	4	3	0
ADJUSTED EARNINGS	**(38)**	**(26)**	**(0)**

(a) Excluding health business.

Gross written premiums rose by 2% (€+71 million to €3,499 million) mainly due to Investment & Savings and Health.

- *Investment & Savings* (20% of gross written premiums) increased by 6% to €704 million, notably driven by unit-linked premiums, which nearly doubled compared to last year, mostly coming from the "Pensionskasse" (Group Pension Fund). The share of unit-linked premiums significantly grew to 15% (8% for the same period in 2003). Non unit-linked premiums slightly decreased by 2% to €600 million due to lower single premiums, partly compensated by strong new business for regular premiums in traditional annuity business in "Pensionskasse"

- *Life* (48% of gross written premiums): Revenues were flat at €1,697 million.

- *Health* (26% of gross written premiums). Gross written premiums increased by 14% to €894 million in 2004 as a result of (i) high new business volume in 2003 that led to high regular premiums in 2004, (ii) the successful premium adjustment at the beginning of the year and (iii) further legal premium increase (estimated market growth of 6.4%).

- *Other* (6% of gross written premiums – primarily consortium and medical council business) decreased by 25% down to €204 million as the share in medical council business was reduced at the beginning of the year.

Given the highly regulated policyholder participation rates, the margin analysis is presented net of policyholder participation.

Investment margin increased by €51 million to €14 million. *Net investment income* increased by €64 million, of which €+38 million from policyholder benefits effects linked to one-off tax items. The remaining €+26 million resulted from lower direct bonus credited to policyholders. *Net realized gains and losses* decreased by €13 million, mainly due to realized losses on equity securities aiming at reducing the equity exposure of the general account.

Fees & revenues increased by €12 million to €51 million, mainly due to strong new business growth in "Pensionskasse" (group pension fund).

Net technical margin decreased by €9 million to €1 million, as a result of reserve strengthening due to increased longevity risks in annuity portfolios following the publication of revised mortality tables.

Expenses rose by €15 million to €-54 million, due to the strong new business strain on "Pensionskasse".

The **underlying cost income ratio** increased from 113.3% to 124.9% due to higher commission expenses and lower technical margin.

The **Health operating income** increased by €15 million to €33 million due to improvement in the investment and net technical margins as well as in fees & revenues.

The €67 million increase **in income tax expenses** to €–86 million was mainly attributable to (i) extraordinary tax items to an amount of €–44 million and (ii) higher statutory pre-tax income.

Adjusted earnings decreased by €12 million down to €–38 million, as the impact of extraordinary tax items and the increase in expenses were partly offset by higher investment margin and fees & revenues.

Underlying earnings decreased by €10 million to €9 million.

Life & Savings operations - Belgium

LIFE & SAVINGS OPERATIONS - BELGIUM

(in euro millions)

	FY 2004	FY 2003	FY 2002
Gross written premiums	*2,203*	*2,050*	*1,629*
Investment margin	120	2	61
Fees & revenues	136	130	128
Net technical margin	41	50	38
Expenses (net of DAC/VBI)	(183)	(185)	(195)
Operating Income	**114**	**(4)**	**32**
Income tax expense / benefit	(10)	(51)	(24)
Minority interests	(0)	0	(0)
ADJUSTED EARNINGS	**104**	**(55)**	**8**

On January 23, 2004, AXA Belgium bought out the minority interests in Assurances La Poste Vie. As a consequence, Assurances La Poste Vie has been fully integrated in AXA consolidated accounts since January 2004 (the entity was previously consolidated under the equity method at 50%). Overall impact is not significant, except on revenues, for which commentaries below are based on restated figures to be on a comparable basis.

Gross written premiums increased by 7% to €2,203 million or 3% on a comparable basis.

- *Individual Life and Savings* (83% of gross written premiums). Premiums increased by 7% to €1,821 million. Excluding a non-recurring premium of €103 million in 2003, Individual Life and Savings gross written premiums increased by 14%. The growth in the main guaranteed rate product Crest (+25% to €1,108 million) and in unit-linked contracts (+37% to €273 million) was offset by decreases in the short-term non unit-linked product Opti-Deposit (–73%) and in Life products (–3%).

- *Group Life and Savings* (17% of gross written premiums). Premiums were down by –11% to €381 million. The good level of regular premiums (+2%) could not offset the weak level of single premiums (–49%).

The **investment margin** increased by €118 million to €120 million, mainly due to lower valuation allowances on equity securities (€41 million in 2004 as compared to €171 million in 2003). Excluding this impact (€+130 million as compared to 2003), the investment margin decreased by €12 million to €161 million mainly driven by higher interests credited, partly offset by a higher net investment income in relation to a higher level of technical reserves and higher realized capital gains. The 2004 average policyholder crediting rate increased by 3 basis points to 4.46% while average minimum guaranteed rates decreased by 24 bps.

Fees & revenues at €136 million were up by €6 million (+4%) mainly due to higher sales.

The **net technical margin** decreased by €9 million to €41 million, mainly due to a lower mortality margin which was high in 2003 and the absence of any mortality bonus charge in 2003.

Expenses decreased slightly by €2 million at €–183 million.

The **Underlying cost income** ratio went up from 60.2% in 2003 to 68.9% in 2004 as a result of a lower underlying investment margin.

Income tax expenses decreased by €41 million to €10 million, due to a lower taxable income (of which net capital gains and losses on equity securities are excluded) and an exceptional recovery on prior year taxes.

Adjusted earnings increased by €158 million to €104 million mainly as a result of higher net capital gains driven by the high amount of valuation allowances recorded in 2003.

Underlying earnings decreased by €9 million to €85 million, mostly driven by a lower underlying investment margin.

Life & Savings operations - Southern Europe

LIFE & SAVINGS OPERATIONS - SOUTHERN EUROPE (in euro millions)

	FY 2004	FY 2003	FY 2002
Gross written premiums	*1,364*	*1,182*	*1,527*
Investment margin	51	0	46
Fees & revenues	96	84	80
Net technical margin	35	44	11
Expenses (net of DAC/VBI)	(113)	(106)	(101)
Operating Income	**69**	**22**	**36**
Income tax expense / benefit	(23)	3	(4)
Minority interests	(0)	(0)	(0)
ADJUSTED EARNINGS	**45**	**24**	**32**

Gross written premiums rose by 15% to €1,364 million driven by investment and savings lines as well as traditional risk life products.

- *Investment & Savings* (86% of gross written premiums) grew by +17% to €1,170 million.
  Unit-Linked contracts (21% of gross written premiums) were up by 35% to €281 million. The strong increase in Spain (+204% to €147 million) benefiting from new distribution agreements with banks, and in Portugal (+186% to €16 million) following the Portuguese financial market recovery and some successful reinvestment campaigns, was partly offset by the customer's reorientation towards products perceived as safer such as non-UL savings in Italy (–24% to €118 million).
  Non Unit-Linked contracts (65% of gross written premiums) increased by 12% to €889 million mainly driven by the high new business trend in Italy (+50%) particularly focused on single premiums, the key growth area in the Italian market.

- *Life contracts* (14% of gross written premiums) grew by 7% to €195 million thanks to higher new business in Spain through the development of partnerships with banks.

Investment margin strongly increased from breakeven to €51 million. This improvement was mainly due to lower valuation allowances on equity securities (a €1 million release in 2004 versus €–43 million allowance in 2003). Excluding net realized capital gains and losses, investment margin increased by €7 million to €45 million primarily driven by a larger asset base.

Fees & revenues grew by €12 million to €96 million mostly benefiting from the development of traditional life products sold through banks in Spain and traditional savings products in Italy.

Net technical margin decreased by €9 million to €35 million driven by (i) a lower surrender margin (€–9 million) as 2003 experienced a high level of surrenders on products with high surrender penalties, especially in Italy, and (ii) a lower release of insurance reserve on an old-generation guaranteed index-linked product in Italy (€–4 million). This was partly offset by higher mortality gains (€+3 million), which benefited in 2004 from a favorable claim experience.

Expenses, net of DAC and VBI amortization, grew by €7 million to €113 million reflecting higher commissions net of DAC in line with higher fees (€9 million) notably coming from a bancassurance agreement in Spain. This increase was mitigated by lower non-commission expenses (€–1 million) as a result of cost cutting efforts.

The **underlying cost income ratio** deteriorated by 3.8 points to 70.2% driven by the combined effect of higher commissions and lower technical margin.

Income tax expenses grew by €26 million mainly reflecting an increase in pre-tax adjusted earnings in 2004 (€+47 million, generating a €–17 million tax impact) as well as the non-recurrence of a 2003 one-time tax credit in Spain (€–9 million).

As a result of lower valuation allowance and higher fees & revenues, **adjusted earnings** strongly improved by €21 million to €45 million.

Underlying earnings were down by €7 million to €41 million mainly due to the 2003 one-time tax credit in Spain. Excluding this impact, underlying earnings were up by €2 million as a result of higher fees & revenues.

Life & Savings Operations - Other Countries

The following tables present the operating results for the other Life & Savings operations of AXA, which include Australia/ New Zealand, Hong Kong, The Netherlands, Singapore, Switzerland, Canada, Morocco, Luxembourg and Turkey, for the years indicated.

CONSOLIDATED GROSS REVENUES

(in euro millions)

	FY 2004	FY 2003	FY 2002
Australia / New Zealand	1,499	1,702	2,029
Hong Kong	751	791	936
The Netherlands	802	768	918
Other countries	340	359	490
Singapore	*103*	*111*	*119*
Switzerland	*92*	*88*	*81*
Canada	*62*	*56*	*58*
Morocco	*56*	*83*	*81*
Luxembourg	*27*	*22*	*29*
TOTAL	**3,391**	**3,620**	**4,373**
Intercompany transactions	(2)	(5)	(12)
Contribution to consolidated gross revenues	**3,389**	**3,615**	**4,362**

ADJUSTED EARNINGS & NET INCOME

(in euro millions)

	FY 2004	FY 2003	FY 2002
Australia / New Zealand	50	39	59
Hong Kong	74	99	33
The Netherlands	71	30	(6)
Other countries	14	12	(14)
Singapore	*2*	*(0)*	*(3)*
Switzerland	*2*	*0*	*(21)*
Canada	*3*	*3*	*4*
Morocco	*2*	*5*	*1*
Luxembourg	*3*	*1*	*1*
Turkey	*2*	*3*	*0*
ADJUSTED EARNINGS	**209**	**179**	**72**
Impact of exceptional operations	3	12	–
Goodwill amortization (group share)	(26)	(25)	(28)
NET INCOME	**187**	**166**	**44**

Australia and New Zealand[1]

Total gross revenues were €1,499 million, 14% below last year at constant exchange rate.

Gross written premiums decreased by 17% to €1,341 million due to (i) the Australian market trend of product substitution into the rapidly growing mutual fund businesses, (ii) a planned reduction in retirement income business following tactical price increases implemented during the second half of 2003 which successfully increased profitability, partly offset by (iii) a 5% increase in protection products.

- *Fee Revenues*, the key growth area for the Australian market, increased 17% to €155 million, as a result of funds growth and increased sales through wrap accounts and retail unit trusts.

- *Retail net mutual fund* sales of €773 million, were 16% lower than last year. Whilst the launch of the Generations product range in 2004 was highly successful, last year benefited from a large inflow of €129 million in December. This year result also included a €65 million outflow to Alliance Capital as part of a wholesale mandate.

Adjusted Earnings increased by €10 million at constant exchange rate to €50 million driven by the improvement of underlying earnings to €52 million. Based on 100% ownership, the €19 million increase in underlying earnings was explained by the following:

- The **investment margin**[2] decreased by €7 million at constant exchange rate to €1 million due to higher interest expenses on debt. Excluding this, the investment margin was in line with last year.
- **Fees & revenues** were €44 million higher at constant exchange rate to €488 million due to increased fees of €22 million from mutual funds and advice businesses mentioned above. The result also benefited from the growth in the protection portfolio and high sales in September of fixed term annuities.
- The **net technical margin** increased by €13 million at constant exchange rate to €31 million mainly due to improved underwriting performance for group superannuation, and a continued good performance in the income protection portfolio following favorable claims termination experience.
- Total **expenses** were €19 million higher at constant exchange rate to €437 million due to increased VBI amortization for annuities reflecting improved margins and higher commission expenses consistent with the growth in mutual fund and advice businesses.
- The **income tax benefit** decreased by €11 million at constant exchange rate to €18 million. This was predominantly due to increased pre-tax earnings and high levels of tax credits last year.

The **underlying cost income ratio** improved from 88.6% to 80.9% in 2004 reflecting higher fees and technical margin.

Hong Kong[3]

Gross revenues of €751 million were 5% higher than last year at constant exchange rate, while APE was up 14%. This was driven by (i) higher productivity from agents and AXA Advisers, (ii) the success of a non linked endowment product attracting demand in the current market, (iii) higher premiums from life, group and general insurance business from the direct and broker channels reflecting success in diversifying the distribution channels, and (iv) higher levels of in-force premiums as a result of continued improvements in persistency.

Adjusted earnings decreased by €17 million at constant exchange rate to €74 million reflecting a €20 million decrease in **underlying earnings** partly offset by a €3 million increase in realized gains attributable to shareholders.

Underlying earnings decreased by €20 million at constant exchange rate to €60 million, mainly driven by (i) a €19 million deterioration of the **technical margin** due to a €15 million non-recurring reserve strengthening as a result of model refinements and lower surrender margin resulting from improved persistency, and (ii) a €4 million increase in **expenses** mainly due to higher commissions in line with higher sales. These impacts were partly offset by higher **fees & revenues** (up €10 million) due to improved persistency and sales driving an increase in the inforce portfolio.

As a consequence, the **underlying cost income ratio** increased from 46.1% to 54.9%.

1. The AXA Asia pacific group is 51.6% owned by AXA.
2. The investment margin includes the contribution of equity accounted subsidiaries held by policyholder funds.
3. The AXA Asia Pacific Group is 51.6% owned by AXA.
4. The health portfolio has been sold per December 1st 2004.

The Netherlands

Gross revenues increased by 4%, to €802 million as compared to 2003, or 6% on a comparable basis[1]

- *Life insurance* (67% of total gross revenues) increased by 11% to €540 million, mainly due to higher single premium immediate annuities, with APE up 30 % compared to 2003.

- *Health and disability* (33% of total gross revenues) decreased by 8%, or 5% on a comparable basis to €262 million. This decrease was mainly due to the cancellation of Group contracts regarding both Health and Disability as a result of tariffs increase.

Life insurance **adjusted earnings** increased by €34 million to €49 million compared to 2003. The **investment margin** increased by €34 million, mainly due to the gain on sale of the real estate portfolio (€33 million). **Fees & revenues** increased by €4 million, driven by higher new business. The **net technical margin** was €1 million higher mainly from mortality and reinsurance margins, which compensated for lower surrender margins. **Expenses** decreased by €15 million mostly attributable to lower management expenses and a decrease in VBI and DAC amortization (as in 2003 amortization was accelerated). **Income tax** expenses increased by €20 million reflecting higher operating results.

The underlying cost income ratio improved by 6.0 points to 63.5%.

Health **adjusted earnings** improved by €7 million to €22 million, mainly as a result of positive loss reserve development and an improvement of the current year result in both Health and Disability insurance.

Underlying earnings for Life and Health increased by €21 million to €56 million

1. *The health portfolio has been sold per December 1st 2004*

Property & Casualty Segment

The tables below present the gross premiums and net income attributable to AXA's Property & Casualty segment for the periods indicated.

PROPERTY & CASUALTY SEGMENT [(a)]

(in euro millions)

	FY 2004	FY 2003	FY 2002 Pro forma [(b)]	FY 2002 As Published
Gross written premiums	17,903	17,093	17,077	15,969
Fees, commissions and other revenues	42	35	38	12
Gross revenues	**17,945**	**17,128**	**17,115**	**15,981**
Change in unearned premium reserves	(250)	(231)	(315)	(307)
Net investment result	1,304	1,018	1,218	1,230
Total revenues	**19,000**	**17,915**	**18,018**	**16,904**
Insurance benefits and claims	(12,083)	(12,052)	(12,876)	(12,038)
Reinsurance ceded, net	(665)	(495)	(231)	(229)
Insurance acquisition expenses	(3,085)	(2,727)	(2,822)	(2,754)
Administrative expenses	(1,746)	(1,865)	(1,785)	(1,658)
Operating income	**1,421**	**777**	**305**	**224**
Income tax expense / benefit	(403)	(273)	(175)	(153)
Equity in income (loss) of unconsolidated entities	30	24	19	19
Minority interests	(14)	(9)	3	3
ADJUSTED EARNINGS	**1,035**	**519**	**152**	**93**
Impact of exceptional operations	12	43	–	–
Goodwill amortization (Group share)	(140)	(114)	(118)	(111)
NET INCOME	**907**	**448**	**33**	**(19)**

(a) Before intercompany transactions.

(b) Since 2003, UK Health business has been transferred from Life & Savings segments. Consequently FY 2002 has been restated including UK Health business.

CONSOLIDATED GROSS REVENUES (a)

(in euro millions)

	FY 2004	FY 2003 Pro forma (b)	FY 2003 As published	FY 2002 Pro forma (b) (c)	FY 2002 As published
France	4,932	4,640	4,640	4,383	4,383
United Kingdom & Ireland	4,493	4,238	3,676	4,438	2,749
Germany	2,815	2,852	2,852	2,867	2,867
Southern Europe	2,901	2,577	–	2,418	–
Belgium	1,443	1,413	1,413	1,401	1,401
Other countries	1,361	1,408	4,547	1,609	4,581
TOTAL	**17,945**	**17,128**	**17,128**	**17,115**	**15,981**
Intercompany transactions	(93)	(30)	(30)	(33)	(33)
Contribution to consolidated gross revenues	**17,852**	**17,098**	**17,098**	**17,082**	**15,948**

(a) Gross written premiums, plus fees, commissions and other revenues

(b) Starting January 1st 2004, (i) Italy, Spain and Portugal activities (previously under "Other countries") are now reported as one geographical region "Southern Europe" and (ii) UK Property & Casualty segment is now presented including Ireland, which was previously under "Other countries")

(c) Since 2003, UK Health business has been transferred from Life & Savings segments. Consequently FY 2002 has been restated including UK Health business

ADJUSTED EARNINGS & NET INCOME

(in euro millions)

	FY 2004	FY 2003 Pro forma (a)	FY 2003 As published	FY 2002 Pro forma (a) (b)	FY 2002 As published
France	304	266	266	237	237
United Kingdom & Ireland	274	127	9	(78)	(196)
Germany	71	(183)	(183)	(28)	(28)
Southern Europe	145	123	–	71	–
Belgium	142	118	118	(29)	(29)
Other countries	98	68	309	(21)	109
ADJUSTED EARNINGS	**1,035**	**519**	**519**	**152**	**93**
Impact of exceptional operations	12	43	43	–	–
Goodwill amortization (group share)	(140)	(114)	(114)	(118)	(111)
NET INCOME	**907**	**448**	**448**	**33**	**(19)**

(a) Starting January 1st 2004, (i) Italy, Spain and Portugal activities (previously under "Other countries") are now reported as one geographical region "Southern Europe" and (ii) UK Property & Casualty segment is now presented including Ireland, which was previously under "Other countries")

(b) Since 2003, UK Health business has been transferred from Life & Savings segments. Consequently FY 2002 has been restated including UK Health business.

Property & Casualty Operations - France

PROPERTY & CASUALTY OPERATIONS - FRANCE

(in euro millions)

	FY 2004	FY 2003	FY 2002
Gross written premiums	*4,932*	*4,640*	*4,383*
Current accident year loss ratio (net)	74.4%	78.4%	78.7%
All accident year loss ratio (net)	75.7%	78.0%	78.8%
Net technical result	**1,181**	**1,011**	**913**
Expense ratio	23.6%	23.5%	24.1%
Net investment result	432	433	473
Operating Income	**465**	**363**	**349**
Income tax expense / benefit	(161)	(96)	(113)
Minority interests	(0)	(0)	(0)
ADJUSTED EARNINGS	**304**	**266**	**237**

Gross written premiums grew by 6% to €4,932 million due to the combined effect of positive new inflow in personal lines and of rate increases in most lines of business.

- *Personal lines* (63% of gross written premiums) grew by 4% due to strong positive net inflows (motor: +154,000 contracts, household: +83,000 contracts), resulting from the successful introduction of segmented products and moderate rate increases.

- *Commercial lines premiums* (37% of gross written premiums) increased by 9% resulting from selective rate increases in the main lines of business.

The **net technical result** significantly improved by €170 million or +17% to €1,181 million:

- The *current accident year net loss ratio* improved by 4.0 points to 74.4%, mainly driven by (i) a continuing favorable claims frequency trend in personal motor line (+1.6 point to 75.3%), which lead to a +2.6 points improved personal lines loss ratio to 73.5% and (ii) a commercial lines loss ratio decrease by -6.6 points to 75.8% due to the combined effect of a favorable claims experience in 2004 and lower major claims, especially in Property.
- The *all year loss ratio* improved by 2.3 point to 75.7% as a result of higher loss reserve development (€83 million to €-66 millions) both in commercial (€-48 million to €-15 million) and personal (€-35 million to €-50 million) lines, mainly due to adverse loss developments in construction and reserve adjustments on natural events, primarily 2003 drought.

The **expense ratio** marginally increased by 0.1 point to 23.6%.

As a consequence of an improved all accident year net loss ratio (2.3 points to 75.7%) and a stable expense ratio, the **combined ratio** improved 2.2 points to 99.3%.

Net investment result decreased by €1 million to €432 million. **Investment income** improved by €52 million to €447 million following higher income mainly on bonds (€+13 million) and on equities (€+17 million) as a consequence of higher dividend distribution. **Net investment gains** were down by €53 million to €-15 million, reflecting lower valuation allowance (€-129 million to €-10 million), compensated by lower realized gains (€-186 million to €-6 million) as a €137 million gain was realized in 2003 on Credit Lyonnais whereas mutual funds restructuring lead to €-38 million losses.

Income tax expense increased by €65 million to €161 million under the combined effect of higher taxable operating income and an increase average tax rate (+7.8 points to 34.5%) due to lower proportion of realized gains which are taxed at a reduced rate.

Adjusted earnings increased by €38 million to €304 million, reflecting a 2.2 point improved combined ratio, partly offset by higher income tax expense.

Underlying earnings improved by €92 million, to €308 million, reflecting an improved combined ratio as well as increased investment income.

Property & Casualty Operations - United Kingdom & Ireland

PROPERTY & CASUALTY OPERATIONS - UNITED KINGDOM & IRELAND (in euro millions)

	FY 2004	FY 2003 Pro forma [a]	FY 2003 As published	FY 2002 Pro forma [a] [c]	FY 2002 As published
Gross revenues	*4,493*	*4,238*	*3,676*	*4,438*	*2,749*
Current accident year loss ratio (net)	68.4%	69.0%	67.9%	71.6%	72.5%
All accident year loss ratio (net)	67.1%	71.8%	72.0%	77.6%	78.7%
Net technical result [b]	**1,470**	**1,181**	**1,013**	**963**	**561**
Expense ratio	31.1%	28.8%	31.0%	28.8%	36.5%
Net investment result	261	142	92	148	82
Operating Income	**342**	**120**	**(15)**	**(154)**	**(308)**
Income tax expense / benefit	(68)	7	24	76	112
Minority interests	(0)	(0)	(0)	0	0
ADJUSTED EARNINGS	**274**	**127**	**9**	**(78)**	**(196)**
Average exchange rate : 1.00 € = £ [a]	*0.68*	*0.69*	*0.69*	*0.63*	*0.63*

(a) Starting January 1st 2004, UK Property & Casualty segment is now presented including Ireland, which was previously under "Other countries", and average exchange rate presented only applies to UK

(b) The net technical result is now presented including fees, commissions and other revenues

(c) Since 2003, UK Health business has been transferred from Life & Savings segments. Consequently FY 2002 has been restated including UK Health business

Gross revenues increased by 6% to €4,493 million or 4% increase on a comparable basis.

- *Personal Lines* (37% of gross revenues): Revenues grew by 2% driven by a successful shift to less volatile non-motor lines of business in the UK and Ireland (+21%) mainly led by new business from Corporate Partners in household, travel and creditor. Overall, Motor revenues declined by 18% (26% for UK alone), with notably the planned reduction in UK Personal Direct prior to its sale to RAC in October 2004, and Motor now represents only 38% (only 23% for UK alone) of total personal lines revenues compared to 48% in 2003. In Ireland, average premiums fell as a consequence of rate reductions in 2H03 and 2004 reflecting improved claims environment and risk selection.

- *Commercial Line* (38% of gross revenues): Revenues grew by 5% reflecting a successful Q1 new business campaign, improved retention of existing customers and rate increases. Despite a competitive environment, Property increased by 7%, Casualty by 6% and Motor by 1%.

- *Health revenues* (25% of gross revenues) increased by 5% on a comparable basis, mainly as a result of successful launch of lower premium products and partnership deals in Personal lines. Commercial lines benefited from continuing growth in Large Corporate and higher average premiums in Small Corporate.

The **net technical result** increased by €289 million to €1,470 million, or by €265 million on a constant exchange rate basis.

- *The current accident* year loss ratio improved by 0.6 point to 68.4%, mainly in personal lines as a result of lower volumes in motor and improved loss ratios on travel and creditor, offsetting increased ratios in property.

- *The all accident year loss ratio* improved by 4.7 points to 67.1% as a result of better current accident year loss ratio as well as a strong improvement in loss reserve development, in spite of strengthening of asbestos reserves.

The expense ratio deteriorated by 2.3 points to 31.1% driven by an increase in earned commissions of 2.3 points reflecting the change in business mix towards higher commissioned products whilst management expenses were flat on a comparable basis.

These movements led to a 2.4 point improvement in the net combined ratio to 98.2%.

Net investment result increased by €119 million to €261 million, or by €114 million on a constant exchange rate basis, resulting from substantially lower impairment charges reflecting the improvement in equity markets in 2004 and the equity sell down strategy which resulted in realized losses in 2003 and higher investment income due to higher technical reserves.

The income tax expenses increased by €75 million in 2004 as compared to 2003 both on current and constant exchange rate bases mainly reflecting the increase in the operating income.

Adjusted earnings increased by €148 million in 2004 to €274 million or by €145 million on a constant exchange rate basis reflecting the improvement in the combined ratio and a lower impairment charge compared to 2003.

Underlying earnings increased by €90 million in 2004 or €87 million on a constant exchange rate basis to €278 million, primarily driven by an improved combined ratio and investment income.

Property & Casualty Operations - Germany

PROPERTY & CASUALTY OPERATIONS - GERMANY (in euro millions)

	FY 2004	FY 2003	FY 2002
Gross written premiums	*2,815*	*2,852*	*2,867*
Current accident year loss ratio (net)	75.5%	76.0%	86.2%
All accident year loss ratio (net)	69.5%	69.5%	77.0%
Net technical result	**862**	**877**	**665**
Expense ratio	29.3%	31.5%	30.3%
Net investment result	100	(93)	245
Operating Income	**133**	**(121)**	**35**
Income tax expense / benefit	(59)	(82)	(70)
Equity in income (loss) of unconsolidated entities	3	3	5
Minority interests	(6)	16	3
ADJUSTED EARNINGS	**71**	**(183)**	**(28)**

Gross written premiums decreased by 1% to €2,815 million mainly due to a reduction of foreign and pool businesses partly offset by a growth in the Motor and Commercial Property lines.

- *Personal lines* (63% of gross written premiums): premiums increased by 1% to €1,774 million driven by a growth in Motor (primarily from "die Alternative"), partly offset by a decrease in most other lines as a result of a tightening business environment.

- *Commercial lines* (28% of gross written premiums): premiums improved by 1% to €787 million due to additional new business in property, partly offset by a decrease in the other business lines.

- *Other lines* (9% of gross written premiums): premiums were down by 19% to €253 million due to a decrease in assumed business and in foreign activities, partly put in run-off.

The **Net Technical Result** deteriorated by €16 million to €862 million as a result of lower earned premiums:

- *Current accident year loss ratio* improved by 0.5 point to 75.5% due to an improvement of the reinsurance result following a restructuring of the reinsurance coverage, partly offset by the higher frequency of large claims in Commercial Property.
- *All accident year loss ratio* was stable at 69.5%. In 2004, net result on prior years remained high, mainly driven by boni on assumed and foreign business.

Expense Ratio improved by 2.2 points to 29.3%. Excluding a €50 million provision for rental risks and the €18 million early retirement provision, both booked in 2003, expense ratio was stable.

As a result, the net combined ratio improved from 101% to 98.8%.

Net investment result improved by €193 million to €100 million mainly due to the increase of net capital gains and losses by €206 million to €-68 million mainly as a result of a €105 million reduction in asset valuation allowance (€75 million in 2004 compared to €180 million in 2003) as well as capital losses from equities and equity funds in 2003. Net investment income decreased by €13 million to €168 million due to lower interest income.

Income Tax expenses decreased by €23 million despite the higher operating income due to the fact that the high realized losses and asset impairments on equities in 2003 were not tax deductible and to a release of tax provision for prior years.

Adjusted earnings improved by €254 million to €71 million mainly resulting from lower valuation allowances and realized losses on equity securities.

Underlying earnings increased by €58 million to €118 million, mainly due to an improved combined ratio and lower taxes, partly offset by a lower investment income.

Property & Casualty Operations - Southern Europe

PROPERTY & CASUALTY OPERATIONS - SOUTHERN EUROPE (in euro millions)

	FY 2004	FY 2003		FY 2002	
		Pro forma [a]	As published [b]	Pro forma [a]	As published [b]
Gross written premiums	*2,901*	*2,711*	*2,577*	*2,526*	*2,418*
Current accident year loss ratio (net)	78.7%	79.9%	79.6%	80.2%	79.9%
All accident year loss ratio (net)	76.2%	77.3%	77.1%	78.1%	78.0%
Net technical result	**655**	**587**	**563**	**535**	**516**
Expense ratio	23.3%	23.7%	24.1%	23.8%	24.1%
Net investment result	203	157	152	140	137
Operating Income	**216**	**131**	**121**	**94**	**88**
Income tax expense / benefit	(71)	(4)	(1)	(21)	(19)
Equity in income (loss) of unconsolidated entities	0	-	3	-	4
Minority interests	(0)	-	(0)	-	(2)
ADJUSTED EARNINGS	**145**	**126**	**123**	**73**	**71**

(a) Following the buyout of Direct Seguros minority interests, 2003 pro-forma presents data as if buyout had been in force
(b) Following the combination of Italy, Spain and Portugal activities, "As published" figures were not disclosed but were included in "Other countries"

On January 23, 2004, AXA Spain bought out the minority interests in Hilo Direct Seguros. As a consequence, Hilo Direct Seguros has been fully integrated in AXA consolidated accounts since January 2004 (the entity, 50% owned, was previously equity accounted). Commentaries below are based on 2003 restated figures to be on a comparable basis.

Gross written premiums increased by 7% to €2,901 million as a result of strong net inflows in personal motor and household lines, as well as a sustained growth in commercial lines

- *Personal lines* (76% of gross written premiums) grew by 5% to €2,194 million. In motor (56% of gross written premiums, €1,622 million), the 5% growth was driven by strong net inflows (+159,000 policies, i.e. +5%) coming from Spain (+108,000 policies) as a result of a new focus on commercial strategy, Italy (+35,000 contracts) and Portugal (+15,000 contracts). Average premium grew moderately (+1%) due to the hardening of competition in Italy and Spain. Non-motor lines (20% of gross written premiums) rose by 6% to €572 million, mainly driven by the increase in household portfolio (+30,000 policies, i.e. +3%).

- *Commercial lines* (24% of gross written premiums) grew by 13% to €707 million. In motor (6% of gross written premiums, €182 million), gross written premiums rose by 22% thanks to important renewals of fleet contracts with higher number of cars covered. Non-motor (18% of gross written premiums, €525 million) increased by 10% primarily boosted by commercial liability branch in Italy and Spain.

The **net technical result** increased by €69 million to €655 million, driven by a 1.1 point loss ratio improvement to 76.2% (€+30 million) together with the increase in volume of premiums (€+40 million).

- *Current accident year loss ratio* slightly improved by 1.2 point to 78.7% driven by the reduced motor claims frequency, in particular in Italy, following the introduction of a driving license with points.

- *All accident year loss ratio* improved by 1.1 point 76.2%. Personal lines and commercial lines improved respectively by 0.6 point to 74.1% and by 5.6 points to 82.4%.

Expense ratio improved by 0.4 point to 23.3%, the positive impact of the continuing cost cutting efforts in a growing business being partly offset by the increase in non-recurring costs linked to staff reduction programs (€25 million in 2004 versus €12 million in 2003).

As a result, the net combined ratio showed a 1.4 point improvement on a comparable basis to 99.5%.

Net investment result improved by €46 million to €203 million reflecting (i) higher investment income (€+24 million) mainly linked to a larger asset base and (ii) higher net capital gains (€+22 million). This increase resulted from the combination of €6 million lower valuation allowances on equity securities to €9 million and higher capital gains (€+16 million); 2003 included €35 million capital gain on the sale of Credit Lyonnais shares whereas 2004 included €49 million capital gain on real estate.

Income tax expense increased by €66 million to €71 million: in 2003, tax benefits included notably (i) €39 million non-recurring tax gains in Italy coming from the release of the tax loss carry forward valuation allowance following the restored profitability of the entity, as well as the positive tax impact from legal restructuring; and (ii) €5 million non-recurring tax gains in Spain. In 2004, the increase in pre-tax earnings resulted in an additional €30 million tax expense, partly offset by a €+8 million one-time tax benefit mostly from the reinvestment of a real estate capital gain in Spain.

Adjusted earnings improved by €19 million to €145 million, driven by the improved combined ratio as well as a higher investment result, partly offset by the decrease in non-recurring tax benefits.

Underlying earnings were up by €4 million to €114 million. The improvement in technical profitability of the business was partly offset by the large 2003 non-recurring tax items.

Property & Casualty Operations - Belgium

PROPERTY & CASUALTY OPERATIONS - BELGIUM

(in euro millions)

	FY 2004	FY 2003	FY 2002
Gross written premiums	*1,443*	*1,413*	*1,401*
Current accident year loss ratio (net)	83.5%	82.4%	88.7%
All accident year loss ratio (net)	74.6%	74.3%	80.2%
Net technical result	**366**	**360**	**275**
Expense ratio	28.4%	29.4%	29.6%
Net investment result	237	227	150
Operating Income	**193**	**174**	**15**
Income tax expense / benefit	(50)	(56)	(44)
Minority interests	(0)	(0)	0
ADJUSTED EARNINGS	**142**	**118**	**(29)**

On January 23, 2004, AXA Belgium bought out the minority interests in Assurances La Poste Non Vie. As a consequence, Assurances la Poste Non Vie has been fully integrated in AXA consolidated accounts since January 2004 (the entity was previously consolidated under the equity method at 50%). Overall impact is non significant, except on revenues, for which commentaries below are based on restated figures to be on a comparable basis.

Gross written premiums increased by 2% on a comparable basis to €1,443 million with a growth both in personal and commercial lines.

- *Personal lines* (62% of the total gross written premiums): premiums increased by 1%. Motor (58% of personal lines gross written premiums) grew by 2%, mainly due to rate increases. Household increased by 1% as a result of rate increases, partially offset by the loss of a bancassurance distribution agreement.

- *Commercial lines* (36% of the total gross written premiums): premiums increased by 2%, driven by Motor (6%, due to tariff increases) and Property & Engineering (7%, due to tariff increases and important new contracts). Workers' Compensation remained stable.

- *Other lines* (2% of the total gross written premiums): premiums increased by 35% to €31 million.

The **net technical result** was €366 million, increasing by €6 million compared to 2003.

- *The current year loss ratio* deteriorated by 1.1 point to 83.5% mainly due to the occurrence of some large claims in 2004 (summer storms) and due to an increase in frequency and average cost in workers' compensation.

- *The all accident year loss ratio* deteriorated by 0.3 point to 74.6% as a result of the deterioration of current year loss ratio, offset by a boni in personal lines mainly in motor.

Compared to 2003, the **expense ratio** improved by 1.0 point to 28.4% as a result of productivity improvement.

As a result, the **combined ratio** in 2004 improved by 0.7 point to 103.0%. Excluding Workers' Compensation, combined ratio improved by 1.7 point to 99.0% compared to 2003.

Net investment result increased by €10 million to €237 million due to higher realized capital gains (€14 million) partly offset by lower investment income.

Income tax expense decreased by €6 million to €50 million as a result of a one-off tax recovery, partially offset by a higher taxable income.

Adjusted earnings were up €24 million to €142 million in 2004 due to higher net investment result, an improved combined ratio and lower tax expenses.

Underlying earnings increased by €3 million to €146 million as a result of the improvement of the combined ratio partially offset by lower investment income and an increase in tax expenses.

Property & Casualty Operations - Other Countries

CONSOLIDATED GROSS REVENUES (in euro millions)

	FY 2004	FY 2003	FY 2002
Canada	746	761	744
The Netherlands	212	248	239
Other countries	403	398	627
Morocco	*137*	*155*	*130*
Japan	*115*	*94*	*76*
Switzerland	*87*	*87*	*89*
Luxembourg	*64*	*63*	*58*
TOTAL	**1,361**	**1,408**	**1,609**
Intercompany transactions	0	0	(3)
Contribution to consolidated gross revenues	**1,361**	**1,408**	**1,606**

ADJUSTED EARNINGS & NET INCOME (in euro millions)

	FY 2004	FY 2003	FY 2002
Canada	65	37	19
The Netherlands	0	10	(3)
Other countries	33	21	(36)
Morocco	*(0)*	*21*	*(4)*
Japan	*3*	*(18)*	*(25)*
Switzerland	*2*	*1*	*(19)*
Hong Kong	*8*	*7*	*6*
Turkey	*6*	*4*	*1*
Singapore	*6*	*3*	*3*
Luxembourg	*7*	*3*	*1*
ADJUSTED EARNINGS	**98**	**68**	**(21)**
Impact of exceptional operations	–	–	–
Goodwill amortization (group share)	(57)	(23)	(27)
NET INCOME	**41**	**46**	**(47)**

Canada

Gross revenues remained stable on a constant exchange rate basis at €746 million:

- *Commercial lines* (46% of total premiums) 8% increase resulted from successful rate increases and new business,
- *Personal lines* (54% of total premiums) 6% decrease was mainly due to the Ontario personal motor portfolio following prior years' turnaround action plan and the impact of government-mandated rate decreases.

Adjusted earnings increased by €29 million on a constant exchange rate basis, to €65 million, reflecting the 4.7 point improvement of the **combined ratio** to 94.3% mainly due to (i) a 6.2 point lower loss ratio (to 65.5%) following the implementation of various underwriting actions and increased commercial lines' premium rates and (ii) the 1.5 point expense ratio increase to 28.8% due to increased performance-related expenses such as commissions to brokers.

Underlying earnings reached €61 million, up by €27 million on a constant exchange rate basis.

The Netherlands

Gross revenues decreased by 14% to €212 million compared to 2003 mainly as a result of portfolio pruning in the Agents and Authorized agents distribution channel.

Adjusted earnings increased by €3 million, excluding Unirobe for an amount of €13 million in 2003, to breakeven

The **combined ratio** improved by 1 point to 112.3%, due to positive loss reserve development on previous years. Furthermore, a restructuring provision for an amount of €3 million was booked.

Underlying earnings improved by €2 million, excluding Unirobe, to a loss of €5 million.

Other countries

Adjusted earnings were up €12 million to €33 million, mainly attributable to the following countries

Morocco[1]

Gross written premiums increased by 2% to €137 million at constant exchange rate mainly driven by motor personal lines following the development of agents' channel.

Underlying earnings increased from breakeven to €13 million reflecting the booking in 2003 of a tax provision in relation to tax litigation and the 1.6 point improvement of the combined ratio in 2004 to 102.9% driven notably by the motor business. 2003 benefited from large realized capital gains (€+21million) following a restructuring of the asset portfolio. In 2004, additional impairment was booked on equities resulting in €13 million of net capital losses.

Consequently, **adjusted earnings** decreased by €22 million to breakeven in 2004.

Japan

Gross written premiums increased by 26% at constant exchange rate to €115 million, mainly driven by motor business growth (+35%, 87% of revenues). Total motor portfolio (269,000 contracts) continued to show a sharp increase (+72,000 contracts compared to 2003) thanks to competitive rates. Average premium decreased, but up-selling campaigns and the launch of new riders in August helped address this.

Adjusted earnings increased by €21 million both at constant and current exchange rates, to €3 million reflecting the improvement of the combined ratio from 127.2% to 112.9%, mainly as a result of increased scale, and the partial release of the valuation allowance on deferred tax assets following the continuous improvement in operating income experienced over the past years.

1. The AXA Assurance Maroc is 51% owned by AXA.

International Insurance Segment

The following tables present the gross premiums and net income for the International Insurance Segment for the periods indicated:

CONSOLIDATED GROSS REVENUES [a]

(in euro millions)

	FY 2004	FY 2003 Pro forma [b]	FY 2003 As Published	FY 2002 As Published
AXA RE	1,069	1,650	1,918	3,513
AXA Corporate Solutions Assurance	1,517	1,571	1,571	1,762
AXA Cessions	94	87	87	100
AXA Assistance	561	482	482	465
Other	239	426	23	31
TOTAL	**3,480**	**4,216**	**4,081**	**5,872**
Intercompany transactions [c]	(109)	(244)	(109)	(110)
Contribution to consolidated gross revenues	**3,371**	**3,972**	**3,972**	**5,762**

(a) Gross written premiums, plus fees, commissions and other revenues.
(b) Transfer of AXA RE U.S. entities from AXA RE segment to "Other International Activities".
(c) Includes eliminations which in the published December 2003 figures were eliminated within the AXA RE segment. In the December 2004 pro forma figures, these transactions are not eliminated at the segment-by-segment presentation level.

ADJUSTED EARNINGS & NET INCOME

(in euro millions)

	FY 2004	FY 2003 Pro forma [a]	FY 2003 As Published	FY 2002 As Published
AXA RE	142	111	146	(14)
AXA Corporate Solutions Assurance	84	(5)	(5)	(123)
AXA Cessions	17	16	16	(4)
AXA Assistance	17	14	14	1
Other	(23)	11	(25)	(8)
ADJUSTED EARNINGS	**238**	**147**	**147**	**(149)**
Impact of exceptional operations	–	–	–	–
Goodwill amortization (Group share)	(11)	(5)	(5)	(27)
NET INCOME	**227**	**142**	**142**	**(176)**

(a) Transfer of AXA RE U.S. entities from AXA RE segment to "Other International Activities".

AXA RE

AXA RE [a]

(in euro millions)

	FY 2004	FY 2003 Pro forma [b]	FY 2003 As Published	FY 2002 As Published
Gross written premiums	1,069	1,650	1,918	3,507
Fees, commissions and other revenues	0	0	0	6
Gross revenues	**1,069**	**1,650**	**1,918**	**3,513**
Change in unearned premium reserves	231	256	558	(37)
Net investment result	162	197	236	265
Total revenues	**1,462**	**2,103**	**2,712**	**3,742**
Insurance benefits and claims, net of reinsurance ceded	(1,105)	(1,780)	(2,307)	(3,519)
Insurance acquisition expenses	(95)	(119)	(122)	(170)
Administrative expenses	(88)	(67)	(111)	(116)
Operating Income	**(174)**	**138**	**171**	**(64)**
Income tax expense / benefit	(32)	(20)	(18)	59
Equity in income (loss) of unconsolidated entities	(0)	0	0	(1)
Minority interests	(0)	(7)	(7)	(9)
ADJUSTED EARNINGS	**142**	**111**	**146**	**(14)**

(a) Before intercompany transactions.
(b) Transfer of AXA RE U.S. entities from AXA RE segment to "Other International Activities".

AXA RE

(in euro millions)

	FY 2004	FY 2003 Pro forma [d]	FY 2003 As Published	FY 2002 As Published
Earned premiums (gross)	*1,299*	*1,906*	*2,476*	*3,471*
Attritional current year loss ratio [a] [b]	57.4%	67.6%	69.8%	72.3%
Attritional all accident year loss ratio [a] [b]	52.5%	73.8%	75.1%	75.3%
Loss ratio [a] [c]	80.8%	91.4%	91.1%	102.1%
Net technical result (excluding fees)	**194**	**127**	**169**	**(49)**
Expense ratio	18.1%	12.6%	12.3%	12.2%
Net investment result	162	197	236	265
Operating Income	**174**	**138**	**171**	**(64)**

(a) Net of ceded reinsurance (cession and retrocession).
(b) Attritional data exclude (i) major losses in claims charge and (ii) covers cost in ceded premiums.
(c) (Attritional claim charge and major loss cost on all accident years) divided by (net earned premiums, net of all reinsurance costs including covers).
(d) Transfer of AXA RE U.S. entities from AXA RE segment to "Other International Activities".

Gross revenues decreased by 15% on a comparable basis to €1,069 million, in line with the strategic repositioning of the company, implemented since 2002, aiming at reducing the portfolio risk exposure and exiting non-strategic business lines. This evolution was mainly driven by a sharp drop in Assumed business and some re-underwriting of the Marine account.

The **net technical result** increased by €68 million to €194 million, mainly explained by the following:

Non Life net technical result decreased by €35 million to €211 million:
- *The net attritional current* year loss ratio improved by 5.7 points to 53.4%, reflecting the very favorable 2004 claims environment in respect of attritional losses, however not offsetting the volume impact due to lower earned premiums; the net attritional margin on current accident year thus decreased by €161 million down to €516 million.
- *The technical result on prior* years improved by €229 million mainly due to the fact that 2003 accounted for various reserves increases whereas 2004 accounted for favorable reserves developments of which significant boni on AXA RE Finance run-off and AXA RE Paris.
- *The cost of cover programs* decreased by €103 million to €–165 million, resulting from the reshaping of the protection structure in line with the reduction of the portfolio risk exposure.
- Offsetting the above, *major losses cost* increased by €206 million at €256 million essentially due to 2004 U.S. hurricanes (€–236 million impact net of reinsurance and gross of tax).

Life net technical result significantly increased by €103 million to €–16 million reflecting the change in ABR reserving estimates in AXA RE Paris' books that occurred in 2003; this improvement had a 4.5 points favorable impact on the overall attritional current year loss ratio.

General expenses decreased by €3 million to €182 million, driven by (i) a €24 million reduction in acquisition expenses in line with the lower premium volume, partly offset by (ii) a €21 million increase in administration expenses notably due to the 2004 restructuring cost (€11 million).

As a result, the **combined ratio** improved by 5 points to 98.8%. Excluding the impact of life activities, the non life combined ratio reached 96.3%.

Net investment result decreased by €35 million to €162 million explained by:
- a €6 million decrease in *net capital gains* corresponding to (i) a €21 million decrease in realized capital gains as 2003 notably recorded a €35 million gain on Crédit Lyonnais shares and (ii) a €14 million lower valuation allowance on equity securities;
- a €28 million decrease in *investment income* essentially explained by lower bond revenues (€–27 million) as a result of lower invested assets in line with lower technical reserves.

Income tax expense amounted to €–32 million in 2004, or a €12 million additional charge as compared to 2003, as a consequence of the higher operational result.

Adjusted earnings increased by €31 million to €142 million as the improvement of the combined ratio was primarily offset by a lower investment result.

Underlying earnings improved by €33 million to €108 million.

AXA Corporate Solutions Assurance

AXA CORPORATE SOLUTIONS ASSURANCE (a)

(in euro millions)

	FY 2004	FY 2003	FY 2002 Pro forma (b)	FY 2002 As Published
Gross written premiums	1,502	1,556	1,643	1,741
Fees, commissions and other revenues	15	15	11	22
Gross revenues	**1,517**	**1,571**	**1,654**	**1,762**
Change in unearned premium reserves	3	8	(60)	(23)
Net investment result	120	42	50	43
Total revenues	**1,641**	**1,620**	**1,644**	**1,783**
Insurance benefits and claims, net of reinsurance ceded	(1,327)	(1,418)	(1,564)	(1,650)
Insurance acquisition expenses	(108)	(100)	(112)	(123)
Administrative expenses	(91)	(96)	(92)	(119)
Operating Income	**115**	**6**	**(123)**	**(109)**
Income tax expense / benefit	(30)	(11)	1	(16)
Equity in income (loss) of unconsolidated entities	0	0	0	0
Minority interests	(1)	0	2	2
ADJUSTED EARNINGS	**84**	**(5)**	**(121)**	**(123)**

(a) Before intercompany transactions
(b) (i) Run off entities transferred from AXA Corporate Solutions Assurance to other transnational activities
(ii) Transfer of AXA Corporate Solutions Insurance U.S. from AXA Corporate Solutions Assurance to AXA RE.

AXA CORPORATE SOLUTIONS ASSURANCE (d)

(in euro millions)

	FY 2004	FY 2003	FY 2002 Pro forma (d)	FY 2002 As Published
Earned premiums excluding fees (gross)	*1,506*	*1,563*	*1,583*	*1,718*
Attritional current year loss ratio (a) (b)				76.5%
Attritional all accident year loss ratio (a) (b)				74.5%
Loss ratio (a) (c)				93.4%
Current accident year loss ratio (net) (e)	88.6%	90.2%	99.4%	
All accident year loss ratio (net)	87.2%	89.9%	96 3%	
Net technical result (excluding fees)	**179**	**145**	**48**	**68**
Expense ratio	13.1%	12.4%	12 8%	12.4%
Net investment results	120	42	21	43
Operating Income	**115**	**6**	**(123)**	**(109)**

(a) Net of ceded reinsurance (cession and retrocession).
(b) Attritional data exclude (i) major losses in claims charge and (ii) covers cost in ceded premiums
(c) (Attritional claim charge and major loss cost on all accident years) divided by (net earned premiums)
(d) (i) Run off entities transferred from AXA Corporate Solutions Assurance to other transnational activities
(ii) Transfer of AXA Corporate Solutions Insurance U.S. from AXA Corporate Solutions Assurance to AXA RE.
(e) Current accident year claim charges (including claims handling expenses) / Current accident year earned revenues (excluding premium adjustments on previous years).

Gross revenues decreased by 3% on a comparable basis, down to €1,517 million, mainly due to negative inflow in Property (–19%), offset by significant increases (i) in Aviation (+20%), as 2003 activity had been impacted by SARS and the war in Iraq, (ii) in Construction (+16% mainly driven by rate increases in France) and (iii) in Motor (+5% due to new business).

The **net technical result** increased by €34 million to €+179 million, and to €+194 million including fees as a result of the following trends:

- *The net technical result on current accident year* improved by €17 million to €165 million, reflecting a 1.6 point improvement of the net current year loss ratio to 88.6% mainly as a result of the stringent underwriting policies, especially in Property and Liability, emphasized by favorable claims experiences. The costs associated with the Tsunami were estimated at €22 million.
- *The net technical result on prior accident years* increased by €+17 million to €29 million, as a result of good underwriting results in aviation and positive loss reserve adjustments on Property.

The expense ratio increased by 0.7 point to 13.1%, notably as a result of lower premiums.

As a result, **the net combined ratio** improved by 2.0 points to 100.3%.

The net investment result increased by €78 million to €+120 million reflecting (i) €7 million increase of investment income to €89 million following higher yield and (ii) higher realized capital gains by €71 million to €31 million, mainly due to lower valuation allowance on equities (€9 million versus. €69 million in 2003), reflecting the continued market improvement.

Income tax expenses increased by €19 million to €-30 million in line with the pre-tax operating result increase.

Adjusted earnings increased by €89 million to €84 million, mainly as a result of significant net capital gains following better market conditions, the combined ratio +2.0 points improvement offset by lower volumes.

Underlying earnings increased by €23 million to €54 million driven by improved combined ratio.

AXA Cessions

Adjusted earnings increased by €+1 million to €17 million, mainly due to (i) a €+3 million increase in the net technical margin (notably higher boni) partly offset by (ii) a €-2 million increase in general expenses. As a consequence, underlying earnings increased by €+1 million to €16 million.

AXA Assistance

Gross revenues increased by 17% on a comparable basis to €561 million, reflecting increased business with car manufacturers (€+16 million) in Germany, France and Greece, new partnerships regarding home services providing (€+23 million) mainly in the United Kingdom and France, positive new inflow on travel insurance mainly in Germany and France (€+8 million) as well as increased legal protection agreements in Italy (€+10 million).

Adjusted earnings increased by €3 million to €17 million, as a result of increased underlying earnings and higher net realized gains.

Underlying earnings increased by €2 million to €18 million mainly due to better technical results as a consequence of higher volumes, partly offset by higher expenses.

Other

The U.S. based reinsurance Life and Non Life entities were transferred from AXA RE to the other transnational segment from October 2004.

The other transnational activities **adjusted earnings** decreased by €33 million to €–23 million on a comparable basis mainly due to a €20 million decrease in Non Life activities negatively impacted by the 4 hurricanes that hit the U.S. in 3Q04 (€39 million pre-tax net of reinsurance charge). This exposure is coming from the program business of AXA Re P&C Insurance Company which is now in run off. In addition, a €31 million valuation allowance was booked on a deferred tax asset, whereas U.S. Life reinsurance activity earnings decreased by €8 million to €25 million in line with the decrease in premiums volume on this portfolio. These negative impacts were partly offset by an improved reserve development on European run-off entities.

Underlying earnings decreased by €-46 million to €–41 million on a comparable basis.

Asset Management Segment

The asset management segment includes third-party asset management and asset management on behalf of AXA insurance companies. The tables below present the revenues and the net income for the Asset Management Segment for the periods indicated:

CONSOLIDATED GROSS REVENUES

(in euro millions)

	FY 2004	FY 2003	FY 2002
Alliance Capital	2,421	2,416	2,903
AXA Investment Managers	944	783	820
TOTAL	**3,364**	**3,199**	**3,724**
Intercompany transactions	(277)	(277)	(313)
Contribution to consolidated gross revenues	**3,087**	**2,922**	**3,411**

ADJUSTED EARNINGS & NET INCOME

(in euro millions)

	FY 2004	FY 2003	FY 2002
Alliance Capital	210	72	195
AXA Investment Managers	108	76	63
ADJUSTED EARNINGS	**318**	**148**	**258**
Impact of exceptional operations	112	–	148
Goodwill amortization (group share)	(165)	(172)	(188)
NET INCOME	**265**	**(24)**	**218**

Alliance Capital

ASSET MANAGEMENT OPERATIONS - ALLIANCE CAPITAL

(in euro millions)

	FY 2004	FY 2003	FY 2002
Fees, commissions and other revenues	2,421	2,416	2,903
Gross revenues	**2,421**	**2,416**	**2,903**
Net investment result	(36)	(41)	(53)
Total revenues	**2,384**	**2,375**	**2,850**
Administrative expenses	(1,797)	(2,100)	(2,236)
Operating Income	**587**	**275**	**614**
Income tax expense / benefit (a)	(125)	(62)	(102)
Minority interests	(252)	(141)	(317)
ADJUSTED EARNINGS	**210**	**72**	**195**
Average exchange rate : 1,00 € = $	*1.24*	*1.13*	*0.95*

(a) The State Tax is now presented in Income tax expense. This item was previously presented in administrative expenses, in December 2003 for an amount of €28 million.

Assets under Management ("AUM") increased by €19 billion from year-end 2003 or €51 billion on a constant exchange rate basis to €395 billion driven by positive market impact of €46 billion and net positive inflows of €5 billion, of which cash management outflows were €-2 billion. The increase in AUM was partially offset by the negative exchange rate impact of €-32 billion due to the weakening of the U.S. dollar against the Euro.

Fees, commissions and other revenues were up €5 million in 2004, or up €246 million at constant exchange rate (+10%) to €2,421 million, due to higher investment advisory fees driven by higher average AUM (up 16%), higher Institutional research services fees up 13% due to increased market share and higher performance fees up 13%. The increase in investment advisory fees were partly offset by lower retail long-term open-end mutual fund fees.

Administrative expenses decreased by €303 million or 6% at constant exchange rate mainly due to the absence of the 2003 charge for mutual fund matters.

Operating Income increased by €312 million or €370 million on a constant exchange rate basis due to the 2003 charge for mutual fund matters and higher investment advisory, institutional research services and performance fees in 2004. As a result, the operating cost income ratio improved by 13.6 points from 83.5% in 2003 to 69.9% in 2004. Excluding the charge for mutual fund matters recorded in 2003, the cost income ratio improved by 1 point.

Adjusted Earnings increased by €138 million to €210 million, or €158 million at constant exchange rate (+218%) due to the non repeat of the 2003 charge for mutual fund matters.

Underlying Earnings increased by €138 million to €207 million, or €158 million at constant exchange rate.

As a result of the acquisition of 16.32 million private units in 2004, AXA Financial's ownership interest in Alliance Capital increased 6 points from approximately 55% at December 2003 to 61% at December 2004.

AXA Investment Managers ("AXA IM")

ASSET MANAGEMENT OPERATIONS - AXA INVESTMENT MANAGERS

(in euro millions)

	FY 2004	FY 2003	FY 2002
Fees, commissions and other revenues	944	783	820
Gross revenues	**944**	**783**	**820**
Net investment result	27	13	9
Total revenues	**970**	**796**	**830**
Administrative expenses	(792)	(669)	(716)
Operating Income	**179**	**127**	**114**
Income tax expense / benefit	(53)	(36)	(38)
Minority interests	(18)	(15)	(13)
ADJUSTED EARNINGS	**108**	**76**	**63**

Assets Under Management ("AUM") were €345 billion as at December 31, 2004, increasing by €54 billion since December 2003 (+19% on a comparable basis), mainly due to positive net new money (€+29 billion) and market appreciation (€+24 billion). The net new money increase was mainly driven by the sales of structured products and international equities in the Institutional segment. Third-party AUM reached 25.3% of total AUM versus 19.4% at the end of 2003.

Fees, commissions and other revenues, including those earned from AXA insurance companies eliminated in consolidation, reached €944 million, +22% on a comparable basis. Excluding fees retroceded to distributors but including carried interest, net revenues reached €660 million, +21% on a comparable basis. Net management fees increased by 20%, driven by higher average AUM (+17% on a comparable basis), and an increased proportion of third-party AUM, which have a higher level of fees than the Main Fund.

Administrative expenses, excluding commissions paid to third party agents, increased by 17% (€+68 million) at constant exchange rate to €508 million. This variance was mostly related to higher personnel costs in line with business growth and higher profitability. AXA IM started the outsourcing of its main administrative operations.

The **cost income ratio** improved from 79.6% in 2003 to 76.8% in 2004 reflecting higher net revenues.

Adjusted and underlying earnings increased by €32 million to €108 million as a result of the cost income ratio improvement

Other Financial Services Segment

The tables below present the revenues and the net income for the Other Financial Services segment for the periods indicated:

CONSOLIDATED GROSS REVENUES

(in euro millions)

	FY 2004	FY 2003	FY 2002
French banks	157	142	137
German banks	68	136	133
AXA Bank Belgium	591	551	723
Other	5	37	52
TOTAL	**821**	**866**	**1,046**
Intercompany transactions	(30)	(30)	(26)
Contribution to consolidated gross revenues	**791**	**836**	**1,020**

ADJUSTED EARNINGS & NET INCOME

(in euro millions)

	FY 2004	FY 2003	FY 2002
French banks	(10)	(20)	(3)
German banks	2	0	2
AXA Bank Belgium	32	68	36
Other	2	78	98
ADJUSTED EARNINGS	**26**	**126**	**133**
Impact of exceptional operations	–	15	–
Goodwill amortization (group share)	(3)	(3)	(14)
NET INCOME	**22**	**138**	**119**

French Banks

Adjusted and underlying earnings increased by €10 million to €-10 million mainly resulting from a higher interest margin (€+5 million) thanks to improved credit spread and €+4 million on commissions (reflecting the turnover growth)

German Banks

In May 2004, AXA Germany sold the AXA Bausparkasse. As a consequence, commentaries below are based on restated figures to be on a comparable basis and thus only include AXA Bank.

The banking revenues slightly decreased by €2 million to €68 million.

Adjusted and underlying earnings increased by €4 million to €2 million, mainly resulting from lower expenses

AXA Bank Belgium

Net sales of AXA savings products decreased by €469 million, mainly attributable to lower mutual fund sales and deposit accounts.

Net sales of mortgage loans increased by €309 million due to sustained demand in the context of low interest rates and an increased contribution of the brokers' network.

Adjusted earnings decreased by €36 million to €32 million, mainly due to lower gains coming from active asset management (€-32 million net of tax) essentially on fixed maturities and to the non-recurrence of the capital gain on Crédit Lyonnais shares for €13 million in 2003.

Consequently, **underlying earnings** decreased by €22 million to €32 million, on the back of lower fixed maturities gains.

Other

CFP subgroup **adjusted earnings** decreased by €82 million to €-1 million, fully explained by the very positive impact of the 2003 run-off development

Holding Company Activities

The Holding company activities consist of AXA' s non-operating companies, including mainly AXA parent company, AXA France Assurance, AXA Financial, AXA Asia Pacific Holdings and AXA UK Holdings.

ADJUSTED EARNINGS & NET INCOME

(In euro millions)

	FY 2004	FY 2003	FY 2002
AXA, The Company	(208)	(225)	(162)
Other French holding companies	(0)	(9)	69
Foreign holding companies	(234)	(154)	(251)
ADJUSTED EARNINGS	**(442)**	**(388)**	**(344)**
Impact of exceptional operations	149	17	87
Goodwill amortization (group share)	–	–	–
NET INCOME	**(292)**	**(371)**	**(257)**

AXA (the parent company)

Adjusted earnings increased by €17 million to €–208 million.

2004 activity was impacted by (i) €+65 million tax benefit mainly due to the merger between Compagnie Financière de Paris and two of its subsidiaries and (ii) a €+16 million on foreign exchange gain.

These were partly offset by (i) a €15 million higher financial charges mainly due to the dividend paid on ORAN's (issued for Mony financing) partly compensated by financial income due to short term investment of ORAN proceeds before conversion (excluding ORAN, the financial charge remains stable), (ii) a €17 million higher expenses of which €6 million related to the AXA Trademark, €4 million related to the amortization of fees linked to ORAN's and €6 million higher re-invoiced central function cost. In addition, net capital gains decreased by €30 million reflecting the disposal of a large part of strategic holding in Schneider executed in 2003.

Underlying earnings increased by €21 million to €–232 million mainly driven by the tax benefit.

Other French holding companies

Adjusted earnings increased €9 million to breakeven mainly explained by the €5 million higher net capital gains.

Foreign Holding Companies

AXA Financial Inc.

Adjusted earnings decreased by €7 million in 2004, or by €13 million on a constant exchange rate basis, to €–63 million. **Underlying earnings** decreased by €8 million or €15 million on a constant exchange rate basis to €–62 million due to higher net interest expense principally related to the MONY acquisition.

AXA Asia Pacific Holdings[1]

Adjusted earnings were a loss of €4 million compared to a loss of €5 million in 2003. Reduced debt following the disposal of non-core assets and favorable interest rate differentials led to reduced interest charges partly offset by the passive income tax expense on gains realized in Hong Kong.

AXA UK Holdings

Adjusted earnings decreased by €16 million in 2004 or by €14 million at constant exchange rate to €-70 million, due to a €5 million decrease in the investment result, mainly explained by higher average debt levels, and the non recurrence of the 2003 €9 million provision release related to GRE 1999 acquisition

Other foreign holding companies

German Holding companies

Adjusted earnings decreased by €51 million to €-69 million, mainly explained by the sale of Cologne Re JV mid-2003 which generated a €10 million capital gain as well as dividends recorded in 2003 (€19 million). In addition, 2004 was impacted by higher administrative expenses (€+6 million) and a higher tax charge (€+3 million). Underlying earnings decreased by €20 million to €-50 million.

Belgium Holding companies

Adjusted earnings decreased by €3 million to €-17 million, mainly due to lower dividends received from real estate companies.

Outlook

After several years of substantial improvements in our various businesses, Management believes that the Group is now in a unique position to take advantage of its earnings capacity and organic growth momentum.

Superior diversification should enable the Group to capture growth opportunities in its key life markets. In addition, management currently anticipates that 2005 should see the full benefit of the MONY integration which, as indicated previously, should contribute in 2005 at least $170 million in underlying earnings to the AXA Group French GAAP earnings.

The strong emphasis on improving Life and Savings business mix toward more profitable products, higher assets under management boosted by third party assets net inflows, combined with tight expense discipline, should continue to underpin Life and Savings and Asset Management underlying earnings growth in 2005, albeit in a low interest rate environment.

In Property and Casualty, management believes that, barring any major catastrophes, the growth momentum created by positive net inflows, productivity gains and underwriting discipline in a more contrasted rate environment should contribute to strong underlying earnings. In 2005, a more normal claims environment should also support International Insurance underlying earnings.

In addition, barring any downturn in the financial markets, management also believes that AXA's adjusted earnings should be progressively fuelled by stronger capital gains.

1 The AXA Asia Pacific Group is 51.6% owned by AXA.

Glossary

Comparable Basis

On a comparable basis means that the data for the current year period were restated using the prevailing foreign currency exchange rate for the same period of prior year (**constant exchange rate** basis) and eliminated the results of acquisitions, disposals and business transfer (**constant structural** basis) and of changes in accounting principles (**constant methodological** basis), in one of the two periods being compared.

Adjusted Earnings

Adjusted earnings represent the net income (group share) before the impact of exceptional operations and amortization of goodwill.

Adjusted earnings per share **(adjusted EPS)** represents the AXA's consolidated net income before the impact of exceptional operations and amortization of goodwill, divided by the weighted average number of outstanding ordinary shares.

Adjusted earnings per share diluted **(adjusted EPS diluted)** represents the AXA's consolidated net income before the impact of exceptional operations and amortization of goodwill, divided by the weighted average number of outstanding ordinary shares, on a diluted basis (that is to say including the potential impact of all outstanding stock options, that are not anti-dilutive, being exercised, and conversion of existing convertible debt into shares, if their impact is not anti-dilutive).

Underlying Earnings

Underlying earnings correspond to adjusted earnings excluding (i) net realized capital gains attributable to shareholders and (ii) the impact of September 11th, 2001 terrorist attacks.

Life & Savings Margin Analysis

Even though the presentation of Margin Analysis is not the same as the Statement of Income, it is based on the same GAAP measures as used to prepare the Statement on Income in accordance with French GAAP. As a result, the operating income under Margin Analysis is equal to that reported in AXA's Statement of Income for the segment. There are certain material differences between the detailed line-by-line presentation in the Statement of Income and the components of Margin Analysis as set out below.

(i) Gross premiums (net of deposits), fees and other revenues are allocated in the Margin Analysis based on the nature of the revenue between "Fees and Revenues" and "Net Technical Margin".
(ii) Policyholders' interest in participating insurance contracts is reflected as a change in insurance benefits in the Statement of Income. In the Margin Analysis, it is allocated to the related margin, that is, primarily, the "Investment Margin" and the "Net Technical Margin".
(iii) The "Investment margin" represents the net investment result in the Statement of Income and is adjusted to take into account the policyholders' participation (see above) and to exclude the loading on (or contractual charges included in) unit-linked business, which are included in "Fees and Revenues".

Investment margin includes the following items:
(i) Net investment income,
(ii) Realized capital gains & losses,
(iii) Valuation allowance & release in respect of impaired invested assets,
(iv) Interests and bonuses credited to policyholders and unallocated policyholder bonuses, relating to the net investment result.

Fees & Revenues include:
(i) Revenues derived from mutual fund sales (which are part of consolidated revenues),
(ii) Loading charged to policyholders on premiums and on funds under management for separate accounts (unit-linked) business,
(iii) Loading on (or contractual charges included in) premiums received on all non unit-linked product lines (Life, Investment & Savings and Health),
(iv) Other fee revenues, e.g., fees received on financial planning, sales of third party products.

Net Technical result is the sum of the following components:
(i) Mortality/morbidity margin: The amount charged to the policyholder in respect of mortality/morbidity for the related period less benefit claims. It is equal to the

difference between income for assuming risk and the actual cost of benefits, including changes in valuation assumptions and additional reserves for mortality risk. This margin does not include the claims handling costs and change in claims handling cost reserves,
(ii) Surrender margin: The difference between the benefit reserve and the surrender value paid to the policyholder in the event of early contract termination,
(iii) Policyholder bonuses: If the policyholder participates in the risk margin and the expenses of the company,
(iv) Ceded reinsurance result.

Expenses are:
(i) Acquisition expenses, including commissions and general expenses allocated to new business, related to insurance products as well as to other activities (e.g., mutual fund sales),
(ii) Deferred Acquisition Costs (DAC): capitalization of acquisition expenses linked to new business, net of the corresponding Unearned Revenue Reserve (URR),
(iii) DAC: amortization of acquisition expenses on current year and prior years new business. This amortization also includes the impact of interest capitalized and is net of the corresponding change in URR in the period,
(iv) VBI: amortization of Value of Purchased Life Business In-force,
(v) Administrative expenses.

Operating income corresponds to the income derived from operations, before tax, minority interest, and goodwill amortization.

Life & Savings expense ratio

Two types of expense ratio are calculated:
(i) **Ratio of gross operating expenses to total gross insurance reserves:** gross operating expenses / total gross insurance reserves, where:
- Gross operating expenses are total expenses excluding (1) expenses related to mutual fund business (mainly fees paid to the sales force), (2) deferral or amortization of Deferred Acquisition Costs (DAC), and (3) amortization of Value of purchased Life Business In-force (VBI); they include capitalization and amortization of software expenses,
- Gross insurance reserves are total insurance liabilities, gross of reinsurance, including benefit and claims reserves, unearned premiums reserves, and separate account liabilities.

(ii) **Underlying cost income ratio:** expenses / "underlying" operating margin, where:
- Expenses are total expenses, excluding expenses related to mutual fund business (mainly fees paid to the sales force) net of Participating Benefits, gross of deferral and amortization of Deferred Acquisition Costs (DAC) and gross of amortization of Value of purchased Life Business In-force (VBI),
- "Underlying" operating margin is the sum of (i) Investment margin excluding net capital gains / losses attributable to shareholders; (ii) Fees and revenues, and (iii) Net technical margin (items as defined in the Margin Analysis).

Property & Casualty (including AXA Corporate Solutions Assurance)

Net investment result includes the following items:
(i) Net investment income,
(ii) Realized capital gains & losses,
(iii) Valuation allowances & release in respect of impaired invested assets.

Net technical result is the sum of the following components:
(i) Earned premiums, gross of reinsurance,
(ii) Claims charges, gross of reinsurance,
(iii) Change in claims reserves, including claims handling costs reserves and equalization reserves, gross of reinsurance,
(iv) Claims handling costs,
(v) Net result of ceded reinsurance

Expense ratio is the ratio of:
(i) Expenses (excluding claims handling costs but including non recurring expenses), to
(ii) Earned revenues, gross of reinsurance.

Current accident year loss ratio (Property & Casualty) net of reinsurance, is the ratio of:
(i) [current year claims charge gross of reinsurance + claims-handling costs + result of reinsurance ceded on current accident year], to
(ii) Earned revenues, gross of reinsurance.

All accidents year loss ratio (Property & Casualty) net of reinsurance, is the ratio of:
(i) [all accident years claims charge gross of reinsurance + claims-handling costs + result of reinsurance ceded on all accident years], to
(ii) Earned revenues, gross of reinsurance.

The **combined ratio** is the sum of (i) the expense ratio and (ii) the loss ratio (all accident years).

AXA RE

Covers are specific reinsurance treaties, bought to protect all or a portion of the company's portfolio against **major losses.** If such losses do not occur over the insured period, a profit commission (or "no-claim bonus") is paid to the ceding company. In general, the **cost of a cover** is accrued (or by extension "earned") ratably over the treaty period.

Major losses are defined as any event whose ultimate cost, gross of reinsurance and reinstatement premiums, is greater than $30 million[1].

Net technical margin includes:

(i) Earned premiums, net of reinsurance (cession/retrocession and covers)

(ii) Claims charge all accident years, net of reinsurance, including major losses,

(iii) Commissions (fixed commissions, sliding scale commissions as well as profit commissions), (a) paid to the ceding companies and (b) received from the reinsurance companies,

(iv) Claims handling costs.

Net attritional margin on current accident year includes the following elements:

(i) Earned premiums, net of cession/retrocession (reinsurance ceded excluding covers),

(ii) Current year claims charge (excluding major losses), net of cession/retrocession,

(iii) Commissions (fixed commissions, sliding scale commissions and profit commissions), (a) paid to the ceding companies and (b) received from the reinsurance companies, excluding commissions related to covers,

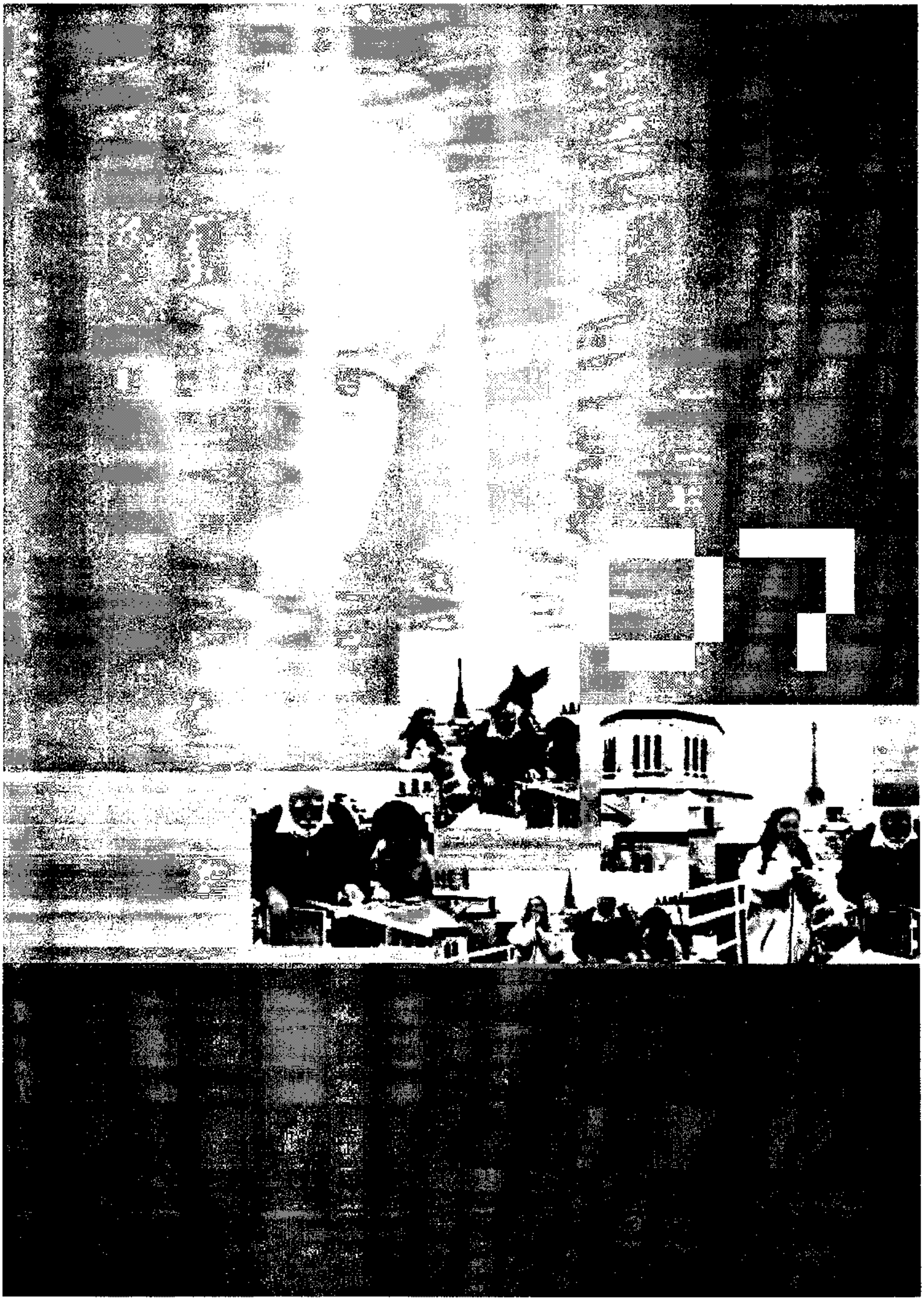
(iv) Claims handling costs.

Asset Management

Net New Money: Inflows of client money less outflows of client money. Net New Money measures the impact of sales efforts, product attractiveness (mainly dependent on performance and innovation), and the general market trend in investment allocation.

Operating Cost Income Ratio: operating expenses over net revenues (including performance fees).

1. This is a change as compared to the definition of major losses used for previous reporting periods. However due to the very low level of significant losses that occurred in 2002 and 2003, there is no difference in the presentation of the profit and loss account of AXA Re for those two periods according to the definition which is used, either the previous one (net ultimate cost over $50 million) or the new one (gross ultimate cost over $30 million).



Financial Statements

Consolidated balance sheet

ASSETS

(in euro millions)

Notes		At December 31, 2004	2003	2002
6	**Goodwill**	**12,423**	**12,874**	**14,407**
7	Value of purchased life business inforce	2,993	2,814	3,224
	Other intangible assets	629	556	701
	Total other intangible assets	**3,622**	**3,370**	**3,925**
	Real estate	11,702	11,727	12,714
	Investments in participating interests	2,292	2,797	3,784
	Fixed maturities	157,959	147,811	147,750
	Equity investments	69,008	61,823	57,303
	Mortgage, policy and other loans	18,156	17,009	18,265
8	**Total investments from insurance activities**	**259,116**	**241,167**	**239,816**
9	**Assets backing contracts with financial risk borne by policyholders (unit-linked)**	**113,786**	**101,002**	**90,458**
10	**Total investments from non-insurance activities**	**8,962**	**8,100**	**9,024**
11	**Investment in affiliated companies (equity method)**	**871**	**1,254**	**2,093**
	Reinsurers' share of insurance liabilities	7,885	8,470	9,910
	Reinsurers' share of liabilities with financial risk borne by policyholders (unit-linked)	12	19	20
18	**Reinsurers' share of insurance liabilities**	**7,897**	**8,489**	**9,930**
12	**Receivables from insurance and reinsurance activities**	**10,562**	**11,680**	**14,003**
	Receivables (bank customers)	9,520	8,817	7,889
	Receivables (other)	3,633	3,973	3,477
	Receivables from non-insurance activities	**13,152**	**12,790**	**11,367**
13	**Cash and cash equivalents**	**21,363**	**19,428**	**17,592**
	Tangible assets	1,139	1,243	1,239
	Other tangible assets	5,638	7,680	7,241
	Other assets	**6,777**	**8,922**	**8,480**
14	Deferred acquisition costs	11,954	10,993	10,965
	Other prepayments and deferred charges	10,476	9,163	12,599
	Prepayments and accrued income	**22,430**	**20,156**	**23,563**
5	**TOTAL ASSETS**	**480,961**	**449,233**	**444,657**

LIABILITIES

(in euro millions)

Notes		At December 31, 2004	2003	2002
	Ordinary shares	4,370	4,072	4,035
	Capital in excess of nominal value	15,348	13,984	13,824
	Retained earnings brought forward	3,919	4,340	4,902
	Net income for the financial year	2,519	1,005	949
15	**Shareholders' equity**	**26,157**	**23,401**	**23,711**
	Minority interests' share in retained earnings brought forward	1,885	2,226	2,444
	Minority interests' share in net income for the financial year	321	243	368
16	**Minority interests**	**2,206**	**2,469**	**2,812**
	Total minority interests and shareholders' equity	**28,363**	**25,870**	**26,523**
	Mandatorily convertible bonds and notes	**–**	**–**	**–**
17	**Subordinated debt**	**9,235**	**8,453**	**8,300**
18	**Insurance liabilities, gross of reinsurance**	**272,160**	**259,532**	**263,172**
18	**Liabilities with financial risk borne by policyholders (unit-linked), gross of reinsurance**	**113,998**	**101,069**	**90,011**
19	**Provisions for risks and charges**	**7,197**	**6,918**	**9,775**
12	**Payables arising from insurance and reinsurance activities**	**7,437**	**8,312**	**8,299**
	Payables (bank customers)	12,220	11,563	10,656
	Payables (other)	18,509	15,727	15,656
	Payables arising from non-insurance activities	**30,729**	**27,290**	**26,313**
21	**Non-subordinated debt instruments issued**	**3,639**	**5,156**	**4,682**
22	**Amounts owed to credit institutions**	**5,172**	**3,851**	**5,018**
	Accrued expenses	**3,031**	**2,784**	**2,564**
	TOTAL LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY	**480,961**	**449,233**	**444,657**

OFF BALANCE SHEET COMMITMENTS

(in euro millions)

Notes		At December 31, 2004	2003	2002
29	**Other commitments received**			
	– Insurance activities	5,380	4,684	4,773
	– Banking activities	11,758	10,121	7,873
	– Other activities	7,239	6,298	5,693
	Total	**24,377**	**21,103**	**18,338**
29	**Other commitments given**			
	– Insurance activities	6,724	6,563	4,643
	– Banking activities	9,754	8,419	9,848
	– Other activities	2,472	2,741	1,635
	Total	**18,950**	**17,723**	**16,126**

Consolidated statement of income

CONSOLIDATED STATEMENT OF INCOME

(in euro millions, except per ordinary share amounts)

Notes		At December 31, 2004	2003	2002
	Gross written premiums	67,407	67,306	69,723
	Revenues from banking activities	791	820	1,012
	Other revenues	3,966	3,503	3,992
23	**Gross Premiums and Financial Services Revenues**	**72,164**	**71,628**	**74,727**
	Change in unearned premium reserves	47	320	(382)
24	Net investment result [a]	25,562	26,935	(8,713)
	Total Revenues	**97,773**	**98,883**	**65,632**
	Insurance benefits and claims [a]	(77,145)	(81,317)	(47,922)
25	Reinsurance ceded, net	(1,064)	(1,113)	(523)
26	Insurance acquisition expenses	(6,239)	(5,798)	(5,891)
	Bank operating expenses	(454)	(502)	(600)
26	Administrative expenses	(7,704)	(7,567)	(8,098)
	Income before income tax expense	**5,167**	**2,587**	**2,597**
20	Income tax expense	(1,372)	(536)	(426)
	Net Income	**3,796**	**2,051**	**2,171**
11	Equity in income from affiliated entities	76	41	23
6	Goodwill amortization, net	(1,031)	(844)	(877)
	Minority interests	(321)	(243)	(368)
	NET INCOME GROUP SHARE	**2,519**	**1,005**	**949**
27	Net Income per ordinary share (basic) [d]	1.37	0.56	0.54
27	Net Income per ordinary share (diluted) [d]	1.32	0.55	0.54
	Impact of exceptional operations [c]	267	148	235
	Goodwill amortization (group share)	(649)	(593)	(643)
	ADJUSTED EARNINGS, GROUP SHARE [b]	**2,901**	**1,450**	**1,357**
27	Adjusted earnings per ordinary share (basic) [d]	1.57	0.81	0.77
27	Adjusted earnings per ordinary share (diluted) [d]	1.52	0.80	0.77

(a) For the periods ended December 31, 2004, 2003, and 2002, the change in fair value of Assets backing contracts with financial risk borne by policyholders (unit-linked) had impacted the net investment result for respectively Euro +10,583 million, Euro +14,949 million, and Euro −17,576 million

(b) Adjusted earnings represents AXA's consolidated net income before goodwill amortization and exceptional operations. Adjusted earnings is a non-GAAP measure, which management believes provides a meaningful understanding of the results. It should be noted that "Adjusted Earnings" as defined may not be comparable with similarly-titled measures reported by other companies as it is not defined under either French GAAP or U.S. GAAP

*(c) **In 2004, the exceptional operations included:***

– The realized capital gain on the disposal of Unirobe, AXA's former Dutch brokerage company in The Netherlands Holding (€+104 million)
– The realized capital loss on the disposal of AXA Bausparkasse building society in Germany (€–25 million, net Group share, of which €–10 million in the Life company).
– The realized capital gain on the sale by AXA Insurance UK of the right to renew of its motor direct business to RAC Plc in October 2004 (€+12 million net Group share)
– An exceptional profit in Alliance Capital (€112 million) as a result of the partial release (€+420 million) of the provisions set-up in 2000 to offset the dilution gain realized when Alliance Capital acquired Sanford C. Bernstein. This release was due to the buy-back, in 2004, of 16.32 million private units to the former shareholders of Sanford C. Bernstein, Inc. after they exercised their liquidity put option. It generated an additional goodwill, entirely amortized over the period (€308 million).
– An exceptional profit in the AXA Financial holding (pre-tax gain on disposal of the discontinued Investment Banking and Brokerage segment of €65,8 million, or €42,8 million net of Federal income taxes). The gain resulted from the reduction of state tax liabilities related to the 2000 sale of Donaldson, Lufkin & Jenrette, Inc
– The realized capital gain on the disposal of Crealux in Belgium (€17 million, net Group share).
– The realized capital gain on the disposal of the health portfolio of AXA Zorg in Netherlands (€3 million net of taxes).

In 2003, the exceptional operations included:

– Capital gains on disposals of group subsidiaries in Austria and Hungary (€37 million), the sale of Auxifina by AXA Bank Belgium (€15 million) and the sale of Members Equity in Australia (€12 million).
– A non-recurrent gain of €66 million in the USA (after adjustment for goodwill amortization) following the review of deferred tax liabilities relating to periods prior to AXA's acquisition of The Equitable Inc. The review led to an exceptional €106 million write-off of goodwill recognized at the time of the buyout of minorities in AXA Financial in 2000
– A non-recurrent gain of €19 million at the German holding company (after adjustment for goodwill amortization) following the release of a provision booked when the Group acquired German activities in 1997, which had become unnecessary

In 2002, the exceptional operations included:

– The capital gain realised on the sale of AXA Australia Health activities (National Mutual Health Insurance € –87 million).
– An exceptional profit of €148 million at Alliance Capital due to the partial release (€277 million) of the provision booked in 2000 to offset the dilution gain recorded when acquiring Sanford C. Bernstein Inc. This release was due to the buy-back of 8.16 million private units in Alliance Capital from the former shareholders of Sanford C. Bernstein, after these shareholders exercised their liquidity put options. This operation generated €122 million of additional goodwill, which was amortized in full during the year (€129 million)

(d) Following any significant capital increase with a stock price lower than the market price, such as ORAN conversion in July 2004, average number of shares and consequently earning per share over each period can be restated to take into account this event

Note to the consolidated financial statements

Preliminary note : in the notes below, the "Company" refers to the holding company AXA SA and "AXA" or the "Group" refers to the Company and its consolidated subsidiaries.

1. Year 2004 Operating Highlights

The Company is a holding company for AXA, an international group of companies offering financial protection products and services. AXA operates principally in Western Europe, North America and Asia-Pacific. In AXA's annual report and financial statements, the segmental analysis is based on five types of activities: "Life & Savings", "Property & Casualty", "International Insurance" (including reinsurance) and "Other Financial Services". An additional "Holdings" segment includes all non-operational activities.

1.1. Significant acquisitions and disposals

Acquisitions

On January 23, 2004, AXA concluded with BBVA Group an agreement under which AXA acquired the 50% stake of BBVA in its subsidiary Hilo Direct Seguros y Reaseguros S.A. (**"Direct Seguros"**). After this transaction, AXA holds 100% of Direct Seguros. The purchase price amounted to €49 million, and the related goodwill was €28 million, to be amortized over 30 years.

On January 23, 2004, **AXA Belgium** concluded with La Poste an agreement under which AXA Holdings Belgium acquired the 50% stake of La Poste in Assurances la Poste Vie and in Assurances la Poste Non Vie. After this transaction, AXA Holdings Belgium holds 100% of Assurances la Poste Vie and of Assurances de la Poste Non Vie. The purchase price amounted to €9.4 million, and the related goodwill was €3.2 million, fully amortized over the first half year of 2004.

On March 18, 2004, **AXA RE** bought from BNP PARIBAS the remaining 21% minority interests in its subsidiary AXA RE Finance. After this transaction, AXA RE holds 100% of AXA RE Finance. The purchase price amounted to €55 million, and the related goodwill was €8 million, fully amortized during the first half of 2004.

On July 8, 2004, AXA announced that, following the receipt of all required regulatory approvals and the satisfaction of all conditions to the merger agreement, AXA Financial, Inc. completed the acquisition of the **MONY** Group, Inc. ("MONY"), for a total consideration of $1.48 billion (€1.3 billion). As a result of the acquisition, MONY is now a wholly owned subsidiary of AXA Financial. The related goodwill, to be amortized over 30 years, and value of business in force for the transaction were respectively $672 million and $573 million net of tax.

In connection with Alliance Capital's acquisition of the business of **Sanford C. Bernstein** in 2000, AXA Financial entered into a liquidity agreement with the former shareholders of Sanford C. Bernstein pursuant to which they can put to AXA Financial in any one period up to 20% of the original Alliance Capital units issued at the time of the acquisition. In 2004, the former shareholders of Sanford C. Bernstein exercised their rights to sell 16.32 million Alliance Capital units (8.16 million Alliance Capital units in March and December). As a consequence, the ownership interest of AXA Financial in Alliance Capital increased by 5.8% points from 55.5% to 61.3%. These transactions generated an exceptional profit of €112 million, as a result of the partial release (€420 million) of the provision set up in 2000 to offset the dilution gain resulting from the acquisition of Sanford Bernstein, Inc, partly offset by the amortization over the period of the additional goodwill generated by the transaction (€308 million at average exchange rate).

Effective January 1, 2004 the policyholder-owned Long Term Fund of Sun Life Assurance Society plc sold AXA Isle of Man Ltd to a shareholder-owned subsidiary of AXA Life Holdings plc, for a total purchase consideration of €89 million. This transaction generated a goodwill of €21 million, entirely amortized over the period, and a value of business in force of £80.4 million or €114 million instead of pre-existing DAC (Deferred Acquisition Costs) balance of €113 million.

Disposals

On January 2, 2004, AXA concluded the sale of its insurance brokerage activities in the Netherlands, **Unirobe,** through a management buy-out. The proceeds for the sale amounted to €126 million, and the related capital gain was €104 million.

On April 20, 2004, AXA Germany sold its building society **AXA Bausparkasse** to BHW, a German competitor specialized in savings plans for the financing of the purchase of real estate properties. The transaction was completed in June 2004 and resulted in a net capital loss of €-25 million (net Group share).

In October 2004, AXA Insurance UK sold the right to renew of its direct business to **RAC plc** (Royal Automobile Club). The proceeds for the sale amounted to €12 million

On October 28, 2004, **Alliance Capital Management Holding** L P ("Alliance Holding") and Alliance Capital Management L.P. ("Alliance Capital") announced that Alliance Capital and Federated Investors, Inc. reached a definitive agreement for Federated Investors to acquire Alliance Capital's cash management business. The transaction is expected to close between first and third quarter 2005.

On December 1, 2004, **AXA Zorg,** subsidiary of AXA in the Netherlands operating in the Health and Disability Insurance business completed the sale of its health portfolio to Achmea for a total consideration of €7.5 million. This sale resulted in a realized gain of €3.2 million, net of restructuring provision.

In December, 2004, AXA Belgium Holdings completed the sale of **Crealux,** a subsidiary which operated in Luxembourg for a total consideration of €87.6 million. This sale resulted in a realized gain of €17 million.

1.2. Capital and Financing operations

Capital increase

As the result of successful completion of the acquisition of MONY by AXA Financial Inc, the ORAN's[1] issued by AXA in September 2003 to finance the MONY acquisition were redeemed on July 22, 2004 by the issuance of one new ordinary AXA share for each ORAN, i.e. a total issuance of 110,245,309 new AXA shares. Each ORAN holder received in addition, on July 22, 2004, a "Final Interest" amount equal to Euro 0.38 per ORAN, i.e. the equivalent of the dividend paid by AXA on its shares on May 3, 2004.

For several years, the AXA Group has been offering to its employees in and outside of France, the opportunity to subscribe for shares issued by way of a capital increase reserved for employees. In 2004, employees invested a total of €255 million (with €22.5 million in August and €232.1 million in December), leading to a total issuance of 18.9 millions new ordinary AXA shares. As of December 31, 2004, the total number of shares in issue amounted to 1,908 million Employee shareholders represented approximately 5.11% of the outstanding shares versus 4.74% as of December 31, 2003.

As part of an overall rebalancing of the hedge of its purchase stock option plans, AXA Financial, Inc purchased on November 22, 2004, approximately 25.5 million call options on the AXA ADR, for a total premium of $89 million. The purpose of the hedge is to protect the Group against an increase in the AXA share price and a depreciation of the U.S. dollar versus Euro. As a consequence of this rebalancing of its hedging strategy, the AXA Group sold 6.7 million of treasury shares for a total amount of €120 million.

Financing operation

In 2004, AXA issued, under its €5 billion Euro Medium Term Notes program, subordinated debt totaling €1 billion of which (i) callable undated subordinated debt: $150 million in January and $225 million in February 2004 (private placements in Europe and Asia) and €125 million in April 2004 (private placement in Europe); and (ii) in October and December

1 *Bonds redeemable either in shares or in cash*

2004, respectively €375 million and €250 million undated deeply subordinated notes ("Titres Super Subordonnés"). By partly anticipating the refinancing of debts maturing in 2005 and after, these issues allowed the Group to benefit from very favorable and unprecedented credit spread conditions and to improve its liquidity by further extending the average maturity of debt and by strengthening hybrid capital through non-dated subordinated issues.

In order to further protect the Group balance sheet exposure to the USD, $4 billion in hedges have been implemented in the first half year 2004, directly through debt in USD ($0.375 billion) or synthetically through Cross Currency Swaps ($3.625 billion).

In July 2004, a combined €3.5 billion revolving credit facility and $650 million standby letter-of-credit facility for AXA SA and AXA Financial was signed. The facility will initially be due July 2009 with 2 one-year extension options. It anticipated the replacement of AXA's SA €3 billion syndicated credit facility and included the needs of AXA Financial for U.S. Commercial Paper backup and letter-of-credit facilities, allowing the group to comfort its liquidity profile and to benefit from the favorable conditions currently prevailing on the European credit market.

Others Highlights

On October 17, 2004 AXA announced that its conditional proposal to acquire the minority interests in AXA APH through a Scheme of Arrangement that was announced on August 6, 2004 was withdrawn and terminated following the decision of AXA APH's Committee of Independent Directors (the "Independent Committee") not to recommend AXA's final offer.

Discussions with the Independent Committee regarding the acquisition of the minority interests in AXA APH through a scheme of arrangement were unsuccessful as a difference remained outstanding on the issue of price, despite AXA's offer to raise its initial offer of $ 4.05 per share fully payable in cash.

The commitment of the AXA Group to the Asia-Pacific region and to the Group's subsidiaries that are based there, the confidence in the management and staff of AXA APH, are unchanged and intact. The development of the Group's activities in this region, where AXA expects to continue to invest significantly, remains one of the key axes of AXA's strategy.

2. Events subsequent to december 31, 2004

In January 2005, AXA issued, under its €5 billion Euro Medium Notes program, €250 million of undated deeply subordinated notes ("Titres Super Subordonnés") allowing the Group to improve debt quality and to strengthen hybrid capital, whilst anticipating the refinancing of debts maturing in 2005 and after.

3. Accounting policies and consolidation method

3.1. Financial statement presentation

General principles

AXA, a French "société anonyme" (the "Company" and, together with its consolidated subsidiaries, "AXA" or the "Group"), is the holding (parent) company for an international financial services group focused on financial protection, insurance and asset management. The list of AXA's consolidated entities is provided in note 4 of the notes to consolidated financial statements.

AXA's consolidated financial statements are prepared as at December 31. Certain entities within AXA have a reporting year-end that does not coincide with December 31, in particular AXA Life Japan and its insurance subsidiaries, which have a September 30 financial year-end.

Assets and liabilities of subsidiaries denominated in non-euro currencies, being the functional currency of the local subsidiary, were translated into euro using year-end spot foreign exchange rates. Revenues and expenses transacted in foreign currencies were translated into euro using the average exchange rate for the accounting period. The impact of foreign exchange rates is recorded within consolidated shareholders' equity.

3.2. General accounting principles

The consolidated financial statements are prepared in accordance with generally accepted accounting principles in France (referred to as "French GAAP"). French GAAP is based on the:

- French act of January 3, 1985 and its decree of application regarding consolidation; and
- Regulations issued by the French Accounting Regulations Committee ("Comité de la Réglementation Comptable" or CRC) including the new regulation 2000-05 that became effective on January 1, 2001 and introduced certain new accounting and disclosure principles for preparing and presenting the consolidated financial statements of an insurance company.

3.3. Changes in accounting principles

In 2004, in accordance with the French Financial Security Act ("Loi de Sécurité Financière") 2003-706 of 1 August 2003, the CRC adopted regulation 2004-03 of 4 May 2004, which modifies regulation CRC regulation 2000-05. Under this new regulation, special-purpose entities that are controlled in substance must be consolidated. Under the new CRC regulation, the ownership of at least one equity security in the SPE is no longer needed for consolidation to be required. However, the new regulation did not remove specific exclusions concerning entities such as OPCVM mutual funds and SCI non-trading real estate companies. Through opinion 2004-D of 13 October 2004, the "Emergency Committee" ("Comité d'urgence") of the French standard-setter ("Conseil National de la Comptabilité" or CNC) set out situations in which the retention of decision-making powers is no longer presumed for securitization operations. AXA applied these regulatory requirements in 2004 (see section 3 4).

Also in 2004, the CRC adopted regulation 2004-02, which modifies the rules for recognizing forward financial instruments by insurance companies.

In opinion 2004-14 of 23 June 2004, the CNC confirmed that provisions for liquidity risk must be eliminated from consolidated financial statements

These last two regulatory changes have no impact on the Group's financial statements.

In 2003, the CNC announced terms for evaluating liabilities relating to pensions and similar benefits in the form of recommendation 2003-R.01 of April 1, 2003. This recommendation did not impact AXA's consolidated financial statements (see section 3.6.1. below).

Effective from January 1, 2002, AXA has applied CRC regulation 2000-06 in respect of recognizing liabilities and regulation 2002-09 in respect of derivative instruments accounting for companies governed by the French insurance code The introduction of these regulations did not impact AXA's consolidated financial statements.

3.4. Consolidation principles and method

3.4.1. Basis of consolidation

Companies in which AXA exercises controlling influence are **fully consolidated.** Controlling influence is presumed when AXA directly or indirectly holds at least 40% of the voting rights and no other shareholder directly or indirectly holds a percentage interest greater than that held by AXA.

Companies in which AXA directly or indirectly holds 20% or more of the voting rights and for which AXA and other shareholders have agreed to exercise joint controlling influence are **proportionately consolidated.**

Companies, in which AXA exercises significant long-term influence, that is, affiliated companies, are accounted for as an investment using the **equity method** of accounting. Significant influence is presumed when AXA directly or indirectly holds 20% or more of the voting rights or when significant influence is exercised through an agreement with other shareholders. Certain entities are also accounted for as investments under the equity method if their contribution to revenue, net income or net financial position is not significant.

Investments in mutual funds, investment and real estate companies principally held by AXA's insurance entities are not consolidated but accounted for at cost, if the exclusion from consolidation does not impact the true and fair presentation of AXA's consolidated financial position or operating results.

Subsidiaries and investments in affiliates are accounted for at cost rather than being consolidated if the following conditions are met:
- the entity is held for sale from the date of acquisition,
- the subsidiary does not have a material impact on AXA's consolidated financial position and consolidated operating results, or
- the information required to prepare the consolidated financial statements cannot be readily obtained, either for reasons of cost or timeliness of preparing such information.

Shares consolidated entities which are backing assets backing contracts with financial risk borne by policyholders (unit-linked), are included in the calculation of AXA's controlling interest but are excluded from the calculation of the percentage of ownership interest.

In accordance with CRC regulation 2004-03 of 4 May 2004, mentioned in section 3.3 above, special purpose entities that are controlled in substance are now consolidated, with the exception of entities covered by specific exclusions set out in section 1001 of regulation 2000-05. At 31 December 2004, and under this regulation, the Acacia securitization vehicle ("Fonds Commun de Créance") was consolidated within the activities of AXA France Vie. The main impact of this was a €250 million increase in AXA other debts, as a counterpart entry for an increase in receivables resulting from insurance operations. Other SPVs controlled in substance by the Group, resulting from sales of receivables and with the purpose of issuing securities whose redemption is backed by acquired receivables – known as Collateralized Debt Obligations or CDOs – are not consolidated. This is because their nature and activities are similar to those of mutual funds representing technical commitments to policyholders, in addition they are partly owned by mutual funds backing technical commitments, finally the risk supported by AXA is limited to its investment in these entities.

3.4.2. Business combination: purchase accounting and goodwill including acquisitions of minority interests

Valuation of assets acquired and liabilities assumed

Upon consolidation, the identifiable assets and liabilities of the acquired company are recorded at their estimated fair value. However, the insurance liabilities are maintained at the predecessor's carrying value at the date of the acquisition if the measurement basis is consistent with AXA's accounting principles. In conjunction with purchase accounting relating to acquired life insurance operations, an asset is recorded corresponding to the present value of estimated future profits emerging on purchased life insurance business in-force at the date of acquisition (also referred to as value of purchased life insurance business in-force or VBI). The present value of future profits is estimated using actuarial assumptions based on anticipated experience. This experience is determined as of the purchase date using a discount rate that includes a risk premium. Other intangible assets such as trademarks or market shares are not recognized, unless they can be valued reliably and on the basis of objective criteria.

Acquisitions of minority interests

In respect of acquisitions of minority interests in an existing consolidated entity, the portion of assets acquired and liabilities assumed are maintained at their existing net carrying values at the date of acquisition and not adjusted to reflect their estimated fair values.

Determination of purchase price

The purchase price includes the direct costs and external fees related to the transaction, including the costs of settling or exchanging the target company's outstanding employee share options (applicable to all acquisitions including acquisitions of minority interests). If the transaction is based in a foreign currency, the impact of the foreign currency is included in the purchase price at the date of the transaction or the initial date of the transaction (if it occurs over a period of time).

Goodwill

The difference between the purchase price and the net assets acquired represents goodwill. Positive goodwill, that is, where the purchase price is greater than the identifiable assets acquired, is recorded as an asset.

If goodwill is negative, the following adjustments are made:
- Acquisition of a company that was not previously consolidated: the estimated fair value is decreased to the extent necessary to eliminate such excess,
- Increase in interest of ownership interest of an existing consolidated company: the net carrying value of the assets are reviewed and decreased in value where appropriate, with the remaining negative goodwill offset against any pre-existing goodwill asset arising from previous partial acquisitions of the company in question.

Any excess remaining after the adjustments above is recorded as a liability and is referred to as negative goodwill.

Revisions can be made to goodwill until the end of the fiscal year end following the year of the acquisition, if new information becomes available

Goodwill recorded is allocated (i) to the companies or portfolios of business acquired in respect of importance in the market and their expected profitability, and (ii) to the segments and entities within the AXA Group that will benefit from the activities acquired

For acquisitions undertaken prior to January 1, 2001, when new shares were issued by the Company to partly finance an acquisition, a portion or all of the goodwill could be charged directly to retained earnings and reserves (to the extent of the portion financed by the issue of new shares). Effective from January 1, 2001, this treatment is no longer permitted and was not subject to a retroactive adjustment upon adoption of the new French regulations in 2001.

3.4.3. Intercompany transactions

From January 1, 2001, the entire effect of intercompany transactions is eliminated upon consolidation unless there are other-than-temporary losses, which are usually recorded immediately.

When an asset is disposed of internally and not intended for long-term holding within AXA's asset portfolios.
- The tax corresponding to the realized capital gain or loss is eliminated upon consolidation through a deferred tax adjustment recorded in the balance sheet,
- The same applies to the potential policyholder benefit in respect of the disposal gain or loss (a deferred policyholder benefit asset of liability is then posted to the balance sheet).

In addition, the total or partial transfer of securities in a consolidated company between two subsidiaries that are fully consolidated but held with different ownership percentages will not affect the consolidated operating results, with the exception of the recognition of any related deferred tax and allocation to policyholders' participating benefits, which are not restated in the consolidated accounts as the securities transferred are intended for long-term holding. The impact of these transfers on the Group shareholder's equity (its counterpart being recorded in minority interests) is identified in the "Internal restructuring" line of the shareholder's equity reconciliation.

3.5. Valuation of assets

3.5.1. Goodwill

The goodwill amortization period is dependent on the type of business activity acquired, and whether the segment to which it was allocated can be considered as significant at the Group level. The amortization period generally does not exceed 30 years for insurance operations, including banks and asset management companies whose principal activity is the management of assets on behalf of insurance companies of AXA. For Asset Management operations that manage assets on behalf of third parties, the goodwill amortization period does not exceed 20 years, or five years for brokerage operations.

If the goodwill is less than €10 million (€1.5 million for brokerage operations), then the goodwill asset is fully amortized as a charge against earnings in the year of acquisition.

If parameters used to determine the initial amortization period (value of assets, future operating profits, market share) do not change in the course of this period, the initial amortization pattern remains the same significant adverse changes, an exceptional goodwill amortization charge is recorded (or a modification to the initial pattern). However, when the current value is not deemed significantly lower than the net book value the goodwill is maintained at its net book value in the balance sheet. As a consequence, no exceptional amortization charge is recorded if the amount is less than the cumulative amortization charge over a period equal to 1/5th of the initial amortization period as (i) there is an intention to hold the interest in the Company, and (ii) it is more likely the deterioration is not definitive based on available information.

The multi-criterion analysis mentioned above and performed to determine if there are significant adverse changes includes the long-term nature of the holding, and excludes factors affected by short-term market volatility. The analysis also considers the interdependence of transactions within sub-groups. Within each operational entity, a comparison is made between net book value and the recoverable value, which is equal to the highest of the market value and value in use. The value in use is the net assets and expected earnings from existing and new business, taking into account the entity's future prospects. The value of future expected earnings is estimated on the basis of life insurance and savings embedded value figures published by AXA or similar calculations for other activities. Market value takes into account other possible approaches such as those based on different valuation multiples.

3.5.2. Intangible assets

Value of purchased life insurance business in force ("VBI")

The VBI, in respect of acquired life insurance companies, is determined on the basis of profits emerging over the contract period and is amortized over the life of the relevant contracts. VBI is subject to annual recoverability testing based on actual experience and expected trends with respect to the principal assumptions.

Other intangible assets

Other intangible assets mainly include costs associated with developing software for internal use. These costs are capitalized and amortized on a straight-line basis over their estimated useful life (i.e not to exceed five years). They may also include other intangible assets that may be recognized provided that they have been valued reliably and on the basis of objective criteria. If these assets have a finite useful life, they are amortized over this useful life. In all cases, they undergo an impairment test at each accounts closing. In the event of a significant decline in value, a valuation allowance is booked for the difference between the value on the balance sheet and the higher of value in use and market value.

3.5.3. Investments from insurance, banking and other activities

Real estate investments are stated at historical cost less accumulated depreciation and any valuation allowances. Valuation allowances are recorded for a decline in the value of a property that is deemed to be other-than-temporary. Real estate acquired in satisfaction of debt is valued at estimated fair value at the date of foreclosure.

Valuation allowances are recorded on real estate investments in the following cases:

- Buildings to be sold in the twelve months following the end of the accounting period: The allowance is recorded and equals the excess of the net carrying value over the likely selling price, less disposal costs and the cost of works expected to be incurred to bring the building to sale.
- Investment real estate to be held on a long-term view, including securities held in real estate companies: When the appraised value is 15% lower than the net carrying value, the present value of the asset's future estimated cash flows is calculated. If the calculated amount is lower than the net carrying value, a valuation allowance is recorded, equal to the difference between (a) the net carrying value and (b) the higher of the appraised value or the discounted cash flow value.

If, in subsequent periods, the difference between the appraised value and the net carrying value reaches 15% or more, previously recorded valuation allowances are reversed to the extent of the difference between a) the net carrying value and b) the lower of the appraised value or the depreciated cost.

Fixed maturity securities are stated at amortized cost less valuation allowances. A valuation allowance (equal to the difference between carrying value and the year-end market value) is recorded for a decline in value of a security, which is deemed to be other-than-temporary if the amount may not be fully recoverable due to a credit event relating to the security issuer. If this risk is eliminated or improves, the valuation allowance may be reversed. The assessment of the likelihood that the amounts due can be recovered depends on the particular facts and circumstances of the issuer.

A valuation allowance may be necessary for fixed maturity securities that AXA does not intend to hold or if any other factors lead to the conclusion that recovery of amounts due is other-than-temporarily compromised.

Equity securities are stated at historical cost less any valuation allowances for declines in the estimated fair values of specific equity investments that are deemed to be other-than-temporary.

Valuation allowances are determined according to a regulation issued by the French standard setter ("l'Avis du Comité d'urgence du Conseil National de la Comptabilité" or CNC) on December 18, 2002 in respect of other-than-temporary impairments.

It is presumed that there is an other-than-temporary impairment when a significant unrealized loss exists for a continuous period of 6 months or more prior to year-end. An unrealized loss is regarded as significant if it equals 20% of carrying value in periods where the markets are slightly volatile, increasing to 30% when markets are volatile as determined by the French regulator. The 20% criterion was applied at December 31, 2004, taking into account market trends in the second half of 2004, in accordance with recommendations issued by the financial markets and insurance industry supervisory authorities. This 20% criterion was applied at 31 December 2003. At December 31, 2002, the 30% criterion was applied

Certain equity securities that do not meet the aforementioned criteria are also analyzed in the event that (i) the 20% (or 30%) criterion was not reached for all but a few days during the six month-period prior to year-end, (ii) their market value fell significantly in the last month of the year, (iii) a valuation allowance was already recorded on these securities in prior years, (iv) there are significant factors other than the fall in the share price that raise questions about the fundamentals of the issuer or (v) the securities are intended to be sold in the near future

Equity securities intended to be held for business purposes are not subject to valuation allowances if there are no particular factors that raise questions about the fundamentals of the issuer.

The valuation allowance recorded for equity securities that are determined to have an other-than-temporary impairment is equal to the difference between the net carrying value and the recoverable value at year-end:

- If there is an intention to hold the security on a long-term basis, the recoverable value is the greater of (i) the market value at year-end or (ii) the value determined by taking into account the holding period, and other factors (net worth, future cash flows and specific considerations relating to the industry sector/activities of the issuer).
- If equity securities are to be sold in the near future or form part of a portfolio with rapid turnover, the recoverable value is the year-end market value.
- For mutual funds, valuation allowances are determined by taking into account the specific nature of each fund.

Valuation allowances recorded for the impairment of equity securities may be reversed in subsequent periods when facts and circumstances warrant a reversal.

Other investments

- **Policy loans** are stated at outstanding principal balances.
- **Mortgage loans** on real estate are stated at outstanding principal balances, net of unamortized discounts and valuation allowances Impairment measurement is based on the present value of expected future cash flows, discounted at the loan's effective interest rate, on the loan's observable market price or the fair value of the collateral if the loan is collateral-dependent.

Investments in real estate companies and mutual funds are accounted for as real estate investments or as equity securities, respectively.

Exceptionally, the investments listed below are valued at fair value:

- Invested assets in respect of **assets backing contracts with financial risk borne by policyholders (unit-linked)** and invested assets supporting the **UK "With-Profit" funds;** an adjustment in insurance liabilities is required if a change in fair value occurs,
- Certain investments held by **non-European life insurance subsidiaries,** for which the unrealized gains and losses of invested assets are included within insurance liabilities, and
- Invested assets held by AXA's banking subsidiaries for **trading purposes,** for which the change in fair value is recorded in the net investment result.

3.5.4. Other assets

Real estate (property) owned and occupied by AXA is included under the balance sheet caption "Other assets" and amortized on a straight-line basis over a period, ranging from 20 to 50 years. This includes materials, fixtures and equipment that are amortized on a straight-line basis over each asset's estimated useful life

3.5.5. Deferred acquisition costs ("DAC") in respect of life insurance operations

The variable costs of acquiring new and renewal business primarily related to the production of new business are specifically identified and deferred by establishing an asset. This asset is amortized based on the estimated gross profits emerging over the contract term. Estimates of gross profits are reviewed at the end of each accounting period and any amount not deemed recoverable from future estimated gross profits is recorded as a charge against income. DAC is reported net of unearned revenue reserves, which are recorded in income over the contract term using the same amortization basis used for DAC.

3.5.6. Reinsurance ceded under non-proportional treaties

The ceding of insurance to reinsurers and of reinsurance to reinsurers (the latter called "retrocession") is accounted for in the balance sheet and statements of income in a manner consistent with the accounting for the underlying direct insurance contract and takes into account contractual clauses.

3.6. Valuation of liabilities

3.6.1. Provisions for risks and charges

Restructuring costs

In connection with **a business combination,** restructuring costs relating to employee termination benefits, the closing of office sites and image changes in respect of the acquired company are included in a restructuring provision recognized in the opening balance sheet of the acquired company. When a restructuring provision impacts the acquirer or its subsidiaries, a restructuring provision is recorded as a liability and included in the purchase price. In the event that the provision is not fully utilized, the release of the provision does not impact the post-acquisition operating results.

In other cases, restructuring provisions are recorded in the period during which a restructuring plan is approved with any release in provision recorded in the operating results.

Pensions and other post-retirement benefits

Pension liabilities are calculated using the preferred method under the French CRC regulation 2000-05. They include the benefits payable to AXA Group employees when they retire (departure compensation, additional pension, medical cover). In addition, a provision for long-service benefits is recorded. In order to meet pension liabilities, some regulations have allowed or imposed the establishment of dedicated funds (plan assets). The funding and implementation methods of such plan assets are specific to the local regulation in each country in which the employee benefit plan is held.

Employee benefit liabilities are covered by defined contribution plans and / or defined benefit plans.

- Defined contribution plans are characterized by payments made by the employer to institutions (e.g. pension trusts). These payments free the employer of any further commitment, the institutions are responsible for paying acquired benefits to the employee. The contributions paid by the employer are recorded as an expense in the income statement and no liability needs to be stated.
- Defined benefit plans are characterized by an actuarial assessment of the commitments based on each plan's internal rules. The present value of the future benefits paid by the employer, known as the PBO (Projected Benefit Obligation), is calculated on the basis of long-term projections (salary increase rate, inflation rate, mortality, turnover, pension indexation and remaining service lifetime). The amount recorded in the balance sheet for employee benefits is the difference between the Projected Benefit Obligation and the market value of the corresponding invested plan assets after adjustment for any unrecognized losses or gains. If the net result is negative, a provision is recorded in the balance sheet under the provision for risks and charges. If the net result is positive, a prepaid asset is recorded in the balance sheet.

In its recommendation 2003-R.01 of April 1, 2003, the French Standard setter (CNC) described methods of valuing liabilities in respect of pensions and similar benefits. The methods used by AXA are similar to those contained in the CNC's recommendation, particularly the corridor method, with the following exceptions:

- AXA excludes benefits covered by an insurance policy from the defined benefit obligation calculation. Similarly, the insurance contracts are not included in the plan assets. The net result is identical to that of the CNC's recommended method with the exception of the impact of actuarial differences on earnings.
- Plan assets may be valued on the basis of market values over a period up to five years, instead of market values at valuation date. In addition, the valuation date used by AXA may be up to three months prior to the year-end, rather than the year-end as recommended by the CNC.
- AXA does not limit the amount of assets posted as a reduction in liabilities to the amount recoverable through reductions in future plan contributions or through a plan refund, past service costs and cumulative nonrecognized actuarial losses.
- Past service costs are recognized over the expected remaining service life of the plan participants, even if benefits are fully vested.

Finally, curtailment and settlement gains and losses are recognized when they are probable and not when they occur.

Income taxes

Current income tax expense (benefit) is recorded in earnings on the basis of amounts estimated to be payable or recoverable as a result of taxable operations for the current year based on the relevant local tax regulation. Deferred income tax assets and liabilities are recorded on the basis of differences between financial statement carrying amounts and income tax balances of assets and liabilities and for net operating loss carry forwards, if any. Valuation allowances are recorded for deferred tax assets that are not expected to be recovered, led to the valuation allowance change.

3.6.2. Liability for insurance benefits and claims

Unearned premium reserves

Unearned premium reserves represent the portion of gross premiums written which has not yet been earned in the period. A portion is included in income over the periods benefited, as the portion of the unearned premium reserve earned in the period is calculated on a pro rata basis in proportion to the insurance still in force at period-end. The deferred acquisition costs related to such contracts are included as an asset under the heading "Prepayments and accrued income" using the same basis.

Insurance liabilities

For **traditional life insurance contracts** (that is, those contracts with significant mortality risk), the liability for future policy benefits is calculated in accordance with the applicable regulatory principles of each country on the basis of actuarial assumptions as to investment yields, mortality, morbidity and expenses, using a prospective approach.

An additional provision is fully recorded in the event of an adverse impact on the benefits due to a change in mortality tables.

If the contracts include a minimum guaranteed rate of return, the insurance liability will also include a provision necessary to cover the guarantee in the event that the future returns are insufficient.

The liability for **savings contracts or other investment contracts,** in which there is minimal mortality or morbidity risk, is determined using the retrospective method. Under this method, the liability represents an account balance based on the premiums received to date plus any interest or bonus credited to the policyholders less policy charges, such as for insurance administration and surrenders.

In respect of participating life insurance contracts, whether allocated or not, the future policy benefit liability includes a value attributable to anticipated participation rights arising from the operating results or net investment return for the period.

The method of determining the insurance benefits is in line with the preferred method set out in the new French regulations. However, the discount rates used by AXA are, in effect, no more than the conservatively estimated future yield of the investments backing those liabilities.

The future policy benefit on UK "With-Profit" contracts include 100% of the "Fund for Future Appropriation" (FFA), which principally covers the future terminal bonuses according to the terms of these contracts. The FFA and, therefore, the future policy benefits vary with the change in market value of the assets supporting the participating "With-Profit" funds

Reserves for **guarantees** in respect of liabilities with financial risk borne by policyholders (unit-linked) contracts in respect of direct insurance and reinsurance activities are determined using a prospective approach. The current value on future benefit obligations to be paid to the policyholder in the event that the guarantee is triggered is estimated on the basis of reasonable scenarios. The assumptions include an investment return and related volatility, surrender rates and mortality. This current value of future benefit obligations is set up as a provision such that the total average cost of the guarantees is recognized over the contract life.

Provisions for future negative margins can be recorded by each insurance company based on local regulatory requirements (for example, the premium deficiency reserve). To be maintained at the consolidation level, this provision must be necessary from an economic point of view. In the case of life insurance companies, this provision must consider the insurer's recoverability of VBI and DAC

Insurance claims and claims expenses

The claims reserves are determined on a basis to cover the total cost of settling an insurance claim. With the exception of disability annuities, for which the payments are fixed and determinable, the claims reserves are not discounted.

The claims reserves include the claims incurred and reported in the accounting period, claims incurred but not reported ("IBNR") in the accounting period and costs associated with the claims settlement management. The claims reserve is based upon estimates of the expected losses and unexpired risks for all lines of business taking into consideration management's judgment on the anticipated level of inflation, regulatory risks and the trends in cost and frequency of claims, actual against estimated claims experience, other known trends and development, and local regulatory requirements.

Claims reserves include unexpired risk provisions and equalization provisions related to catastrophe risks as set out below:

- Equalization provisions are determined on the basis of local regulations in certain countries in which AXA operates and, principally, relate to catastrophe risks, such as hail, storms, floods, nuclear accidents, pollution liability, terrorist attacks and aviation.
- Unexpired risk provisions are established for contracts on which the premiums are expected to be insufficient to cover expected future claims and claims expenses. The calculation of the provision includes estimated future losses, administration expenses and investment income based of the received premiums.

3.6.3. Provision for liquidity risk

A provision for liquidity risk must be recorded as a liability by an insurance company if there is a risk of liquidity, principally in the case of large contract surrender, and if the total net book value of investments (excluding fixed maturity investments) of such company is greater than its total market value.

Even though analyses did not demonstrate any liquidity risk, for French regulatory reasons at December 31, 2002, a provision was recorded in the consolidated financial statements for €72 million before tax, or €47 million net Group share. In accordance with the statement made by the "Comité d'urgence" on January 21, 2004, this provision was deemed unnecessary and was reversed to the income statement at December 31, 2003. The CNC confirmed this decision in its opinion 2004-14 of 23 June 2004 (see setion 3.3. "Changes in accounting principles").

3.6.4. Liabilities with financial risk borne by policyholders (unit-linked)

These contracts are linked to a specific pool of investment funds / assets and are written by most of AXA's life insurance companies. In respect of these contracts, the investment risks and rewards are principally transferred to the policyholders, however these contracts generally guaranty that most of the benefits due under the contract are realized and supported by the investment funds. For these contracts the liability represents the fair value of the investment funds / assets linked to those contracts at the balance sheet date.

Reserves relating to liabilities with financial risk borne by policyholders (unit-linked) are stated on a separate line on the balance sheet.

3.6.5. Capitalization reserve

In France, increases and decreases in the capitalization reserves are accounted for in the local statutory accounts and are eliminated in preparing consolidated financial statements. A deferred tax charge is recorded if there is a strong probability that this reserve will be released. In the event that the entity is a life insurance company, this will also include a deferred policyholder participating benefit.

3.7. Derivative instruments

Derivative instruments are accounted for according to rules applicable to the business sector concerned. For the insurance industry, the reference text is CRC regulation 2002-09 of December 12, 2002 specific to accounting for forward financial instruments by insurance companies. This opinion is consistent with the existing principles applied by AXA, with the exception of the recognition until 2001 of unrealized gains on derivatives instruments in transactions that do not qualify as hedges.

For derivative transactions that qualify as hedges, which AXA uses in asset-liability management or to hedge certain designated assets or liabilities against a change in fair value or variability in cash flows, the total change in value is recorded in a similar manner as the underlying hedge item; related charges and revenues are recorded in the net investment result. Tests of effectiveness are performed on a routine basis. For foreign currency hedges on net investments in foreign operations, the unrealized and realized gains and losses are recorded in shareholders' equity until the foreign subsidiary is sold, at which time the amount is included in income. In the case of a strategic investment / divestment, the results are deferred until the asset is acquired or sold. In the case of a yield-based investment, results are recorded over the duration of the strategy.

Other derivative instruments that are not involved in qualifying accounting hedges are accounted for on the balance sheet at estimated fair value. The unrealized losses are included in the net investment result. Any unrealized gains are recorded but fully offset by a provision to neutralize the impact in the income statement until the end of the strategy. The estimated fair value is determined using market value, if available, otherwise it is determined using other valuation techniques such as option pricing models, or other internal estimates if the instruments are unlisted.

For AXA's banking subsidiaries, the bank regulations are applied.

3.8. Revenue recognition

3.8.1. Gross premiums and financial services revenues

Gross premiums written correspond to the amount of **premiums written** on business incepted in the year with respect to both insurance and savings contracts by insurance and reinsurance companies, net of policy cancellations and gross of reinsurance ceded. In the reinsurance sector, the premiums are recorded on the basis of declarations made by the cedant and may include estimates of gross premiums written but not yet reported in the period, which are adjusted in future periods to reflect actual gross premiums written and ceded to the reinsurer

Gross revenues **from banking and other activities** mainly include:

- commissions received upon the sale of financial products, including those revenues received by the insurance companies on such activities,
- commissions received and fees for services rendered in respect of asset management activities,
- rental income received by real estate management companies, and
- sales proceeds received on buildings constructed or renovated and subsequently sold by real estate businesses.

3.8.2. Change in unearned premium reserves

The unearned premium reserve is reported as a liability (see "Unearned Premium Reserve" above). Total revenues in the period include the change in unearned premium reserve, which represents the earned premium in the period, gross of reinsurance.

3.8.3. Net investment result

The net investment result in respect of insurance activities includes:

- investment income from the insurance-related invested assets, net of depreciation expense on real estate investments (depreciation expense on real estate not held for investment is included in administrative expenses),
- financial charges and expenses,
- realized investment gains and losses net of valuation allowances for investment impairment, and
- unrealized investment gains and losses on invested assets in respect of assets backing contracts with financial risk borne by policyholders (unit-linked), assets allocated to UK "With-profit" contracts and other invested assets whereby such assets are stated at market value (refer to "Investments from insurance, banking and other activities" above).

In respect of banking activities, interest income and financial charges including interest expenses are included in bank operating income and bank operating expenses, respectively.

From time to time subsidiaries that are not wholly owned by AXA may issue additional capital. As a result, AXA's ownership interest in that subsidiary decreases and a dilution gain or loss arises. This gain or loss is recorded in the net investment result. This gain or loss corresponds to the variation of the equity portion of the subsidiary before and after the operation

3.9. Treasury shares

Treasury shares are recorded as a reduction of consolidated shareholders' equity. However, such investments in the Company stock are accounted for as an investment in equity securities if the treasury shares are held for certain purposes including to stabilize the Company's share price in the market, to be attributed to employees in connection with share purchase programs, or are treated as investments supporting assets backing contracts with financial risk borne by policyholders (unit-linked).

3.10. Accounting for share options

The accounting principles adopted by AXA for the accounting of stock option plans will vary according to the type of stock option plan.

Options to subscribe for AXA shares (leading to an increase in AXA's capital)

For share option plans issued by the Company that **do not feature a liquidity guarantee** given by AXA (the Company) to the employee, in principle no expense is recorded.

For share option plans issued by AXA entities other than the Company in which the grant provides an advantage to the employees (the exercise price is less than the market price at the date the number of options and the exercise price are known), a liability is recorded on a systematic basis over the vesting period.

For all share options granted by the Company or any other AXA entity that provide a **liquidity guarantee,** a liability (corresponding to the difference between the market value of the shares and the exercise price) is determined at a measurement date, being the vesting or exercise date. Accordingly, an estimate of the compensation charge is determined at the end of each interim reporting period dependent on the market value of the underlying shares at such interim date.

In respect of acquisitions of minority interests, the share repurchase leads to an increase in the Group's interest. The cost of settling or exchanging the target company's outstanding employee share options is included in the purchase price, as the buyout includes the cost of acquiring the minority shareholders interests plus the potential shares to be issued by the target company in respect of the share options granted to its employees. The excess price should be split between a charge corresponding to the increase in the Group's interest to the initial interest level and additional goodwill corresponding with the additional interest acquired.

Purchase options on AXA shares (from the market)

When employee purchase options (rather than subscription options) are granted by AXA and AXA does not hold the shares, a provision is recorded (corresponding to the difference between the market value of the shares to be acquired in the market and the exercise price over the acquisition period). This provision is adjusted on an annual basis to reflect the change in market value of the underlying shares up until the date the shares are to be acquired.

4. Scope of consolidation

4.1. Change in Scope

Main changes in the scope of consolidation in 2004

The main changes in the scope of consolidation in 2004 were the entries of **Oudinot Participation** in France and **AXA America Holding Inc.** in the United States as part of the MONY acquisition.

The main removals from the scope of consolidation arose from the **disposal of Unirobe's** brokerage business in the Netherlands, the disposal of building society **AXA Bausparkasse** in Germany and the disposal of AXA Belgium's Luxembourg subsidiary **Créalux.**

In Belgium, **UAB's** activities were merged with AXA Belgium SA. Following the buy-out of minority interests in **Servis** (formerly **Assurance de La Poste**), **Assurances de La Poste Vie** and **Hilo Direct SA de Seguros y Reaseguros** in Spain, these entities are now fully consolidated.

Other 2004 changes are detailed in the schedules presented in note 4.2.

Main changes in the scope of consolidation in 2003

The main changes in the scope of consolidation in 2003 were the **disposals of activities in Austria and Hungary** finalized in June 2003, the sale of AXA Asia Pacific Holdings' 50% stake in **Members' Equity Pty Ltd** in January 2003, and, in Germany, the sale of AXA's stake in **Colonia Re JV to General Re** in July 2003.

In France, the activities of **Jour Finance** were merged with AXA France Vie, and real estate company **Vendôme Haussmann** joined the scope of consolidation on June 30, 2003.

4.2. Consolidated companies

Fully consolidated companies

Certain entities below are the parent companies of sub-groups that can hold interests in entities in more than one country and therefore may be consolidated with an ownership interest less than that indicated for the parent company of the sub-group.

PARENT AND HOLDING COMPANIES

	Change in Scope	2004 Voting rights	2004 Ownership interest	2003 Voting rights	2003 Ownership interest
France					
AXA		Parent company		Parent company	
AXA China		100.00	76.28	100.00	76.31
AXA France Assurance		100.00	100.00	100.00	100.00
Colisée Excellence		100.00	100.00	100.00	100 00
AXA Participations II		100.00	100.00	100.00	100 00
Mofipar		100.00	100.00	99.90	99 90
Oudinot Participation	Scope entry (linked to the acquisition of MONY)	100.00	100.00	–	–
Société Beaujon		99.99	99.99	99.99	99.99
AXA Technology Services		100.00	99.99	100.00	99.99
United States					
AXA Financial, Inc. (incl. MONY Holding)		100.00	100.00	100.00	100.00
AXA America Holding Inc.	Scope entry (linked to the acquisition of MONY)	100.00	100.00	–	–
United Kingdom					
Guardian Royal Exchange Plc		100.00	99.99	100.00	99 99
AXA UK Holdings Limited		100.00	100.00	100.00	100.00
AXA UK Plc		100.00	99.99	100.00	99.99
AXA Equity & Law Plc		99.96	99.96	99.95	99 95
Asia/Pacific (excluding Japan)					
National Mutual International Pty Ltd		100.00	51.59	100.00	51 66
AXA Life Singapore Holding	Scope entry	100.00	51.59	–	–
AXA Asia Pacific Holdings Ltd		51.59	51.59	51.66	51.66
Japan					
AXA Japan Holding		97.59	97.59	96.42	96.42
Germany					
GRE Continental Europe Holding Gmbh	Merger with AXA Konzern AG	–	–	100.00	91 05
Kölnische Verwaltungs AG für Versicherungswerte		99.56	97.74	99.56	97.50
AXA Konzern AG		92.67	92.09	91.69	91.05
Belgium					
AXA Holdings Belgium		100.00	99.92	100 00	99.92
Royale Belge Investissement		100.00	99.92	100 00	99.92
Luxembourg					
AXA Luxembourg SA		100.00	99.92	100.00	99.92
The Netherlands					
AXA Verzekeringen		100.00	99.92	100.00	99.92
AXA Nederland BV		100.00	99.92	100.00	99.92
Vinci BV		100.00	100.00	100.00	100.00
Spain					
AXA Aurora SA		100.00	100.00	100.00	100 00
Italy					
AXA Italia SpA		100.00	100.00	100.00	100.00
Morocco					
AXA Ona		51.00	51.00	51.00	51.00

LIFE & SAVINGS AND PROPERTY & CASUALTY

	Change in Scope	2004		2003	
		Voting rights	Ownership interest	Voting rights	Ownership interest
France					
AXA France Iard		99.92	99.92	99.92	99.92
Avanssur (formerly Direct Assurances Iard)		100.00	100.00	100.00	100.00
AXA France Vie		99.77	99.77	99.77	99.77
Juridica		98.51	98.51	98.51	98.51
United States					
The Equitable Life Assurance Society of the United States		100.00	100.00	100.00	100.00
Canada					
AXA Canada Inc.		100.00	100.00	100.00	100.00
United Kingdom					
AXA Insurance Plc		100.00	99.99	100.00	99.99
AXA Sun Life Plc		100.00	99.99	100.00	99.99
GREA Insurance ("Discontinued" activity)		100.00	99.99	100.00	99.99
PPP Group Plc		100.00	99.99	100.00	99.99
PPP Healthcare Ltd		100.00	99.99	100.00	99.99
Ireland					
AXA Insurance Limited		100.00	99.99	100.00	99.99
Asia/Pacific (excluding Japan)					
AXA Life Insurance Singapore		100.00	51.59	100.00	51.66
AXA Australia New Zealand		100.00	51.59	100.00	51.66
AXA China Region Limited		100.00	51.59	100.00	51.66
Japan					
AXA Group Life Insurance		100.00	97.59	100.00	96.42
AXA Life Insurance		100.00	97.59	100.00	96.42
AXA Non Life Insurance Co Ltd		100.00	97.59	100.00	100.00
Germany					
AXA Versicherung AG		100.00	92.09	100.00	91.05
AXA Art		100.00	92.09	100.00	91.05
AXA Leben Versicherung AG		100.00	92.09	100.00	91.05
Pro Bav Pensionskasse		100.00	92.09	100.00	91.05
Deutsche Aerzteversicherung		97.87	90.14	97.87	89.12
AXA Kranken Versicherung AG		99.69	91.81	99.42	90.31

LIFE & SAVINGS AND PROPERTY & CASUALTY

	Change in Scope	2004 Voting rights	2004 Ownership interest	2003 Voting rights	2003 Ownership interest
Belgium					
Ardenne Prévoyante		100.00	99.92	100.00	99 92
AXA Belgium SA		100.00	99.92	100.00	99.92
UAB	Merger with AXA Belgium SA		–	100.00	99.92
Servis (Formerly Assurance de La Poste) [a]	Buy-out of minority interests	100.00	99.92	50.00	49.96
Assurances de La Poste Vie [a]	Buy-out of minority interests	100.00	99.92	50.00	49 96
Luxembourg					
AXA Assurances Luxembourg		100.00	99.92	100.00	99.92
AXA Assurances Vie Luxembourg		100 00	99.92	100.00	99.92
The Netherlands					
AXA Leven N.V.		100.00	99.92	100.00	99.92
AXA Schade N V.		100.00	99.92	100.00	99 92
AXA Zorg N.V.		100.00	99.92	100.00	99.92
Unirobe Groep B.V.	Sold	–	–	100.00	99 92
Spain					
Ayuda Legal SA de Seguros y Reaseguros	Merger with AXA Aurora SA Iberica de Seguros y Reaseguros	–	–	100 00	99.69
Hilo Direct SA de Seguros y Reaseguros [a]	Buy-out of minority interests	100.00	100.00	50.00	50.00
AXA Aurora SA Iberica de Seguros y Reaseguros		99.70	99.70	99.69	99.69
AXA Aurora SA Vida de Seguros y Reaseguros		99.70	99.70	99.69	99.69
AXA Aurora SA Vida		99.96	99.67	99 96	99.66
Italy					
AXA Interlife		100.00	100.00	100.00	100 00
UAP Vita		100.00	100.00	100.00	100.00
AXA Assicurazioni		100.00	99.99	100.00	99.99
Switzerland					
AXA Compagnie d'Assurances sur la Vie		100.00	100.00	100.00	100.00
AXA Compagnie d'Assurances		100.00	100.00	100.00	100 00
Portugal					
AXA Portugal Companhia de Seguros SA		99.61	99.37	99.61	99.37
AXA Portugal Companhia de Seguros de Vida SA		95.09	94.89	95.09	94 89
Morocco					
AXA Assurance Maroc		100.00	51.00	100.00	51 00
Epargne Croissance		99.59	50.79	99.59	50.79

(a) At December 31 2003, these entities were accounted for under the equity method.

INTERNATIONAL INSURANCE (ENTITIES HAVING WORLDWIDE ACTIVITIES)

	Change in Scope	2004 Voting rights	2004 Ownership interest	2003 Voting rights	2003 Ownership interest
AXA RE (sub-group)		100.00	100.00	100.00	100.00
AXA Corporate Solutions Assurances (sub-group)		98.75	98.75	98.75	98.75
AXA Cessions		100.00	100.00	100.00	100.00
AXA Assistance SA (sub-group)		100.00	100.00	100.00	100.00
English & Scottish		100.00	100.00	100.00	100.00
Créalux	Sold	-	-	100.00	99.92
Futur Ré	Deconsolidation	-	-	100.00	98.75
Saint-Georges Ré		100.00	100.00	100.00	100.00

ASSET MANAGEMENT (ENTITIES HAVING WORLDWIDE ACTIVITIES)

	Change in Scope	2004 Voting rights	2004 Ownership interest	2003 Voting rights	2003 Ownership interest
AXA Investment Managers (sub-group)		95.44	94.90	95.61	93.23
Alliance Capital (sub-group)		61.33	61.33	55.51	55.51
National Mutual Funds Management (sub-group)		100.00	51.59	100.00	51.66

OTHER FINANCIAL SERVICES

	Change in Scope	2004 Voting rights	2004 Ownership interest	2003 Voting rights	2003 Ownership interest
France					
AXA Banque		100.00	99.92	100.00	99.92
AXA Banque Financement		65.00	64.95	65.00	64.95
Compagnie Financière de Paris		100.00	100.00	100.00	100.00
Holding Soffim	Merger with Compagnie Financière de Paris	-	-	100.00	100.00
Sofapi	Merger with Compagnie Financière de Paris	-	-	100.00	100.00
Sofinad		100.00	100.00	100.00	100.00
Germany					
AXA Vorsorgebank		100.00	92.09	100.00	91.05
AXA Bausparkasse AG	Sold	-	-	99.69	90.77
Belgium					
AXA Bank Belgium		100.00	99.92	100.00	99.92
IPPA Vastgoed	Sold	-	-	100.00	99.92

Proportionally consolidated companies

	Change in Scope	2004 Voting rights	2004 Ownership interest	2003 Voting rights	2003 Ownership interest
France					
Natio Assurances		50.00	49.96	50 00	49 96
NSM Vie		39.98	39.98	40.30	40.30
Vendôme Haussmann		43.01	42.91	50.00	42.70
Fonds Immobiliers Paris Office Funds		50.00	49.91	50 00	49.91

Investments in affiliated companies (equity method)

	Change in Scope	2004 Voting rights	2004 Ownership interest	2003 Voting rights	2003 Ownership interest
France					
Compagnie Financière de Paris Crédit		100.00	100.00	100.00	100.00
Argovie		94.47	94.25	94.47	94 25
Banque de Marchés et d'Arbitrages		27.71	27.70	27.71	27 70
Asia/Pacific					
AXA General Insurance Hong Kong Ltd		100.00	100.00	100.00	100.00
AXA Insurance Investment Holding		100.00	100.00	100 00	100.00
AXA Insurance Hong Kong Ltd		100.00	100.00	100.00	100.00
AXA Insurance Singapore		100.00	100.00	100.00	100.00
National Mutual Home Loans Origination Fund No. 1		100.00	51.59	100.00	51 66
Ticor		28.62	17.47	28.62	14.98
Turkey					
AXA Oyak Holding AS		50.00	50.00	50 00	50.00
AXA Oyak Hayat Sigorta AS		100.00	50.00	100.00	50.00
AXA Oyak Sigorta AS		70.91	35.45	70.91	35 45

Other non-consolidated activities

AXA also carries out insurance and asset management activities through non-consolidated entities mainly in Middle East, in Asia Pacific (Malaysia, Thailand, and Indonesia), and in Africa (Ivory Coast, Gabon, Cameroon and Senegal).

5. Total asset by segment

An analysis of total assets by segment is given below:

(in euro millions)

	At December 31,		
	2004 (a)	2003	2002
Life & Savings	371,725	343,099	336,681
Property & Casualty	43,099	41,177	39,127
International Insurance	12,635	14,319	17,095
Asset Management	5,949	6,740	7,132
Other Financial Services	18,818	16,911	17,474
Holding Companies	28,735	26,986	27,148
TOTAL ASSETS	**480,961**	**449,233**	**444,657**

(a) At constant exchange rate (2003), the total Group assets in 2004 amounts to €492,690 million.

6. Goodwill

An analysis of goodwill by principal acquisition and segment is presented in the table below. In general, the figures shown below refer to several operational entities whose contribution to Group earnings is decreased by the goodwill amortization charge.

	At Dec. 31 2002 Carrying value	Acquisition	Currency changes	Amortization	Other changes
MONY - 2004	–	–	–	–	–
Financial reorganization					
AXA Equity & Law – 2001	406	–	(31)	(14)	–
Sterling Grace – 2001	116	–	7	(10)	14
AXA Financial, Inc (acquisition of minority interests) – 2000	4,409	–	–	(310)	–
Sanford C. Bernstein – 2000	2,879	–	(473)	(150)	–
Alliance Capital – 2000[a]	449	–	(74)	(24)	–
SLPH (acquisition of minority interests) – 2000	1,726	–	–	(64)	(2)
AXA Nichidan (renamed AXA Life Japan) – 2000	1,574	–	(113)	(53)	–
AXA China Region – 2000	235	–	36	(16)	(2)
AXA Investment Managers (including AXA Rosenberg) – 1999 and 2002	131	–	(20)	(10)	1
Guardian Royal Exchange (excluding Albingia) – 1999	381	–	(19)	(22)	2
Guardian Royal Exchange (Albingia) – 1999	359	–	–	(14)	–
AXA Colonia (acquisition of minority interests) – 1998	154	–	–	(6)	–
Royale Belge (acquisition of minority interests) – 1998	570	–	–	(22)	–
UAP – 1997	226	–	–	(80)	–
Goodwill under euro 100 millions each	793	18	10	(49)	(44)
TOTAL	**14,407**	**18**	**(676)**	**(844)**	**(31)**
Total by segment :					
Life & Savings	7,758	–	(92)	(423)	(202)
Property & Casualty	2,061	18	(18)	(172)	187
International Insurance	16	–	–	(5)	4
Asset Management	4,497	–	(567)	(241)	(21)
Other	76	–	–	(3)	1

(a) The portion of goodwill attributed to the Asset Management activities is to be amortized over 20 years (remaining useful life of 16 years)

(b) In 2004, the former shareholders of Sanford C Bernstein exercised their rights to sell 16.32 million Alliance Capital units to Axa Financial, generating a goodwill of €308 million fully amortized over the period

(in euro millions)

At Dec. 31, 2003 Carrying value	Acquisition	Currency changes	Amortization	Other changes	At Dec. 31, 2004 Carrying value	Years remaining
–	541	(46)	(9)	–	485	29 years
361	–	–	(14)	–	347	26 years
127	–	–	(10)	(0)	117	12 years
4,100	–	–	(176)	–	3,925	26 years
2,255	–	(153)	(137)	–	1,965	16 years
352	308	(24)	(332)	–	305	16 years
1,660	–	–	(64)	–	1,596	26 years [a]
1,408	11	(84)	(52)	–	1,283	26 years
253	–	(9)	(16)	–	228	15 years
102	–	(6)	(9)	–	87	10 years
342	–	–	(14)	(3)	325	25 years
346	–	–	(14)	–	333	25 years
148	–	–	–	(8)	140	25 years
547	–	–	(55)	–	492	24 years
145	–	–	(7)	9	147	22 years
727	78	(11)	(124)	(25)	645	–
12,874	**938**	**(333)**	**(1,031)**	**(26)**	**12,423**	
7,041	576	(142)	(342)	5	7,137	
2,076	20	–	(141)	(8)	1,948	
15	9	–	(11)	–	14	
3,668	312	(189)	(534)	(0)	3,257	
74	22	(2)	(3)	(23)	68	

The main goodwills are attributable to the following operations and entities:

Acquisition of MONY (2004)

On July 8, 2004, AXA Financial acquired MONY for US$1.48 billion (€1.3 billion). The total cost of the transaction was US$1.63 billion, including:
- US$1.55 billion of cash payments for MONY shares,
- US$80 million of transaction costs borne by AXA Financial.

This transaction gave rise to a goodwill of US$672 million (€541 million), to be amortized over 30 years

At December 31, 2004, this goodwill had a net value of €485 million, after an amortization charge of €9 million.

Financial reorganization of AXA Equity & Law – AXA UK (2001)

As a result of AXA Equity & Law's financial reorganization, AXA acquired a portion of the surplus assets held in the participating ("With-Profit") fund and related future benefits based on the percentage of policyholders who elected in favor of the plan.

This acquisition was carried out via the payment of an incentive bonus of £260 million plus £18 million of direct expenses associated with the transaction (a total of approximately €451 million based on the average £/€ exchange rate for the period).

This total cost is accounted for as goodwill and is being amortized over a remaining useful life of 26 years The net book value of this goodwill at December 31, 2004 was €347 million. The annual goodwill amortization charge in 2004 is €14 million.

Buy-out of minority interests – AXA Financial (2000)

The aggregate purchase consideration was €11,213 million and included the following items:
- €3,868 million financed by capital increase, representing the value of the 25.8 million ordinary shares issued by AXA at a price of €149.90 per share based on the December 22, 2000 quotation, the closing date of the initial offer period and before the 4-for-1 stock split,
- €7,316 million in cash relating to the cost of settling or exchanging outstanding employee share options of AXA Financial, fees, and direct transaction costs.

Based on the carrying value of the net assets acquired of €3,913 million, the goodwill amounted to €7,301 million. In accordance with article D248-3 of the decree dated January 17, 1986 and with recommendations issued by the "Commission des Opérations de Bourse" (French stockmarket regulator) in its bulletin 210 of January 1998, the excess purchase price was charged directly to consolidated retained earnings and reserves in an amount of €2,518 million; i.e. the entire excess purchase price in proportion to the ratio of the value of ordinary shares issued by AXA to total purchase price. The remaining €4,782 million goodwill was recorded as an asset.

In 2003, an exceptional goodwill amortization charge of €106 million was booked following a review of deferred tax liabilities relating to periods prior to AXA's acquisition of "The Equitable Inc" This amortization charge, together with an additional charge booked following the exercise of stock options, takes the overall amortization charge for 2003 to €310 million.

At December 31, 2004, this goodwill had a net book value of €3,925 million, and was being amortized over a remaining useful life of 26 years, for the main part of this goodwill.

The recurrent amortization charge was €176 million in 2004 based on the following notional attribution, estimated on the expected contribution of the acquired activities:
- 80% was attributed to the Life insurance operations (being amortized over 30 years),
- 20% was attributed to the Asset Management operations of Alliance Capital (being amortized over 20 years).

Had no goodwill been charged directly to retained earnings and reserves, additional goodwill amortization of €92 million would have been recorded.

Sanford C. Bernstein transaction (2000)

The total purchase price was $3.5 billion (€4.0 billion) and consisted of $1.5 billion of cash and 40.8 newly issued private units in Alliance Capital. The cash was funded by AXA Financial through a financing agreement whereby in June 2000, AXA Financial purchased units in limited partnership Alliance Capital Management L.P. for an aggregate purchase price of US$1.6 billion, and as a result recorded goodwill of €583 million. Added to the €3,689 million recorded at the time of acquisition, the total goodwill linked to the acquisition of Sanford Bernstein amounted to €4,272 million, amortized over 20 years.

In connection with this acquisition, AXA Financial agreed in 2000 to provide liquidity to the former shareholders of Sanford Bernstein over an eight-year period following a two-year lockout period. Not more than 20% of the original units issued to former Sanford Bernstein shareholders may be put to AXA Financial in any one annual period.

At December 31, 2004, this goodwill had a net value of €1,965 million, and was being amortized over a remaining useful life of 16 years. The annual amortization charge in 2004 was €137 million.

Buy-out of minority interests – Sun Life & Provincial Holdings (subsequently renamed AXA UK Holdings) (2000)

Total cost of the acquisition cost of 44% minority interests in Sun Life & Provincial Holdings (SLPH) amounted to £2.3 billion (approximately €3.7 billion). The goodwill recorded was €1,971 million and is being amortized over 30 years.

At December 31, 2004, this goodwill had a net book value of €1,596 million, and was being amortized over a remaining useful life of 26 years. The goodwill amortization charge in 2004 was €64 million.

AXA Nichidan (now known as AXA Life Japan) (2000)

The valuation of the assets transferred by AXA and Nippon Dantai to the new joint entity, AXA Nichidan Holding, together with the two cash contributions made by AXA to increase AXA Nichidan's capital generated a goodwill of €1,856 million, to be amortized over 30 years. Following the 2001 revaluation of an intangible asset that decreased the opening shareholders' equity by €130 million (Group share), goodwill was subsequently increased.

At December 31, 2004, this goodwill had a net book value of €1,283 million, following the recognition of additional goodwill of €11 million following a buy-out of minority interests, and was being amortized over a remaining useful life of 26 years. The annual amortization charge in 2004 was €52 million.

Buy-out of minority interests – AXA China Region (2000)

The total of the transaction cost amounted to €519 million and resulted in a goodwill of €300 million. This goodwill is being amortized over 20 years, consistent with the estimated useful life used in accounting for the acquisition of AXA Asia Pacific Holdings (parent company of AXA Australia and AXA China Region) in 1995.

At December 31, 2004, this goodwill had a net book value of €228 million, and was being amortized over a remaining useful life of 15 years. The annual amortization charge in 2004 was €16 million.

Guardian Royal Exchange (1999)

The acquisition of GRE (Guardian Royale Exchange), in 1999, resulted in a goodwill of €1,138 million to be amortized over 30 years.

The goodwill relating to the English, Irish and Portuguese Property & Casualty subsidiaries was mainly due to a significant deficiency in insurance claims reserves, and had been impaired in 1999 for €446 million (€259 million net Group share).

Following a review of the risks insured and the resulting additional technical reserves booked in 2000, the opening shareholders' equity of british entities of the former GRE group was revised and, therefore, goodwill modified (at December 31, 2000, gross goodwill was €1,261 million and net goodwill €770 million).

At December 31, 2004, this goodwill had a net book value of €658 million, and was being amortized over a remaining useful life of 25 years. The annual amortization charge in 2004 was €28 million.

Royale belge (1998)

At December 31, 1999, gross goodwill from the buy-out of the minority interests of Royale Belge amounted to €1,007 million, of which €337 million was charged directly to retained earnings and reserves.

At December 31, 2004, this goodwill had a net value of €493 million, and was being amortized over a remaining useful life of 24 years. The annual amortization charge in 2004 was €55 million. Had no goodwill been charged directly to retained earnings and reserves, additional goodwill amortization of €11 million would have been recorded against income.

UAP (1997)

In 1997, AXA acquired UAP, resulting in goodwill of €1,863 being booked, of which €1,641 million was charged directly to retained earnings and reserves. As a result of purchase accounting adjustments made in 1998 and in 1999, the total goodwill increased to €1,866 million at December 31, 1999, of which €1,584 million represented the amount charged directly to retained earnings and reserves.

In 2003, following the release of a provision booked when the Group acquired German activities in 1997 and which took place after the Group sold its stake in Colonia Re JV to General Re, an exceptional amortization of €57 million was recognized.

At December 31, 2004, this goodwill had a net book value of €147 million, after an amortization charge of €7 million. The remaining amortization period is 22 years. Had no goodwill been charged directly to retained earnings and reserves, additional goodwill amortization of €45 million would have been recorded against income.

Goodwill amortization

An analysis of goodwill amortization (positive and negative) is presented below:

(in euro millions)

	Years ended December 31,		
	2004	2003	2002
Goodwill on consolidated entities	(1,037)	(844)	(879)
Goodwill from companies accounted for by the equity method	–	–	–
Negative goodwill on consolidated entities	6	–	1
TOTAL AMORTIZATION OF GOODWILL (NET)	**(1,031)**	**(844)**	**(877)**

At December 31, 2004, accumulated amortization of goodwill totalled €4,485 million (2003: €3,686 million), following amortization charges of €1,031 million and a €-111 million impact from currency variations.

Goodwill charged directly to retained earnings and reserves

At December 31, 2004, goodwill (net of notional amortization) recorded in retained earnings and reserves totalled €3,400 million (2003: €3,547 million net and 2002: €3,882 million net). Gross goodwill was €4,432 million. Notional amortization in 2004 was €149 million (€11 million for Royale Belge, €45 million for UAP and €92 million for AXA Financial).

In 2003, notional amortization was €337 million, including €181 million relating to the UAP and the release of a provision booked when acquiring German activities in 1997.

As of January 1, 2001 and the coming out of new French consolidation rules, goodwill can no longer be charged directly against shareholders' equity. This explains the lack of variation between 2001 and 2004 (with the exception of notional amortization allowances).

7. Value of purchase life business (VBI)

At December 31, 2004, the value of purchased Life insurance business in force (resulting from business acquisitions) totalled €2,993 million. The value of purchased Life business in force on a consolidated basis and by product type, including the changes thereto, are set out in the table below.

(in euro millions)

		2004	2003	2002
Balance beginning of year		**2,814**	**3,224**	**3,739**
Additions (a)		578	–	–
Interest accrued		166	162	150
Amortization expense		(450)	(388)	(395)
Impact of foreign currency fluctuations		(117)	(183)	(263)
Other		–	–	(7)
Balance end of year		**2,993**	**2,814**	**3,224**
– Life contracts (including endowment)	Gross	2,022	1,787	1,937
	Net	1,391	1,246	1,426
– Retirement, annuity, investment	Gross	1,855	1,692	1,771
	Net	1,275	1,196	1,343
– Health	Gross	570	600	629
	Net	320	372	455
– Other	Gross	6	–	3
	Net	6	–	–

(a) Value of purchase life business resulting from the acquisition of MONY by AXA Financial for €464 million together with the VBI from the sale of the "Long Term Fund" held by policyholders of Sun Life Assurance Society plc of AXA Isle of Man Ltd to a fund held by AXA Life Holdings plc (€114 million).

Amortization of the value of purchased Life insurance business in force, net of accrued interest, was €284 million in 2004, and is expected to be €241 million in 2005, €229 million in 2006, €211 million in 2007, €198 million in 2008 and €2,113 million thereafter. This amortization pattern has been determined based on expected profits emerging over the contract period, and is subject to annual recoverability testing.

8. Investments

8.1. Determining Fair Value

The accounting principles applicable to investments in determining fair value (or "market value") are described below:

- For publicly traded fixed maturities and equity investments, estimated fair value is determined using quoted market prices.
- For real estate investments, fair value determination is usually based on studies conducted by qualified external appraisers. They are based on a multi-criteria approach, and their frequency and terms are based on local regulations.
- Fair values of mortgages, policy loans and other loans are estimated by discounting future contractual cash-flows using interest rates at which loans with similar characteristics and credit quality would be originated. Fair values of doubtful loans are limited to the estimated fair value of the underlying collateral, if lower than the estimated discounted cash-flows.
- In other cases, fair value is estimated based on financial and other information available in the market, or estimated discounted cash flows, including a risk premium.

Estimated fair value does not take into account supplemental charges or reductions due to selling costs that may be incurred, nor the tax impact of realizing unrealized capital gains and losses.

The difference between the net carrying value and the estimated fair value represents the unrealized gains or losses. Upon disposal of the investment, the realized investment gains and losses included in AXA's consolidated operations result may be impacted by the allocation to participating Life insurance contracts (as a change in future policy benefits), minority interests and tax.

8.2. Analysis of fixed maturity and equity security investments

A. An analysis of investments is presented below

ASSETS INVESTED

(in euro millions)

	At December 31, 2004								
	Insurance activities			Other activities			Total		
	Gross Carrying Value	Net Carrying Value	Fair value (a)	Gross Carrying Value	Net Carrying Value	Fair value (a)	Gross Carrying Value	Net Carrying Value	Fair value (a)
– Equity securities and holdings in equity security-based mutual funds	–	24,471	25,931	–	463	483	–	24,934	26,414
– Equity holdings in fixed maturity-based mutual funds	–	32,937	33,841	–	67	67	–	33,004	33,909
– Other mutual funds	–	11,600	11,847	–	26	39	–	11,626	11,886
Equity securities and holdings in mutual funds	71,289	69,008	71,619	592	556	589	71,881	69,564	72,209
Fixed maturities	159,543	157,959	169,806	7,677	7,667	7,790	167,220	165,626	177,596
Real estate	12,717	11,702	14,087	46	30	43	12,763	11,732	14,130
Mortgages, policy and other loans	18,224	18,156	18,709	362	99	106	18,586	18,255	18,815
Invested assets excluding investments in participating interests	**261,774**	**256,825**	**274,222**	**8,677**	**8,352**	**8,528**	**270,450**	**265,177**	**282,750**
– Of which listed	–	188,616	201,496	–	8,087	8,227	–	196,703	209,723
– Of which non listed	–	68,209	72,726	–	266	301	–	68,474	73,027
Investments in participating interests	**2,450**	**2,292**	**3,286**	**812**	**609**	**642**	**3,261**	**2,901**	**3,929**
TOTAL INVESTED ASSETS	**264,224**	**259,116**	**277,508**	**9,488**	**8,962**	**9,171**	**273,712**	**268,078**	**286,679**
– Life & Savings	222,902	219,493	234,832	–	–	–	–	–	–
– Property & Casualty	34,065	32,636	35,281	–	–	–	–	–	–
– International insurance	7,257	6,987	7,395	–	–	–	–	–	–

(a) The realization of unrealized gains and losses upon disposal of the investments may give rise to an allocation to participating insurance contracts, minority interests and tax.

ASSETS INVESTED

(in euro millions)

	At December 31, 2004								
	Insurance activities			Other activities			Total		
	Gross Carrying Value	Net Carrying Value	Fair value (a)	Gross Carrying Value	Net Carrying Value	Fair value (a)	Gross Carrying Value	Net Carrying Value	Fair value (a)
– Equity securities and holdings in equity security-based mutual funds	–	24,744	24,906	–	541	569	–	25,284	25,475
– Equity holdings in fixed maturity-based mutual funds	–	19,883	20,165	–	21	21	–	19,903	20,186
– Other mutual funds	–	17,197	16,169	–	14	27	–	17,211	16,196
Equity securities and holdings in mutual funds	65,122	61,823	61,240	612	576	617	65,734	62,398	61,857
Fixed maturities	149,814	147,811	156,032	6,598	6,594	6,675	156,412	154,405	162,707
Real estate	12,789	11,727	13,982	32	32	42	12,821	11,759	14,025
Mortgages, policy and other loans	17,122	17,009	17,591	268	239	247	17,389	17,248	17,838
Invested assets excluding investments in participating interests	**244,847**	**238,370**	**248,846**	**7,509**	**7,441**	**7,582**	**252,356**	**245,811**	**256,427**
– Of which listed	–	166,030	174,002	–	7,011	7,100	–	173,041	181,102
– Of which non listed	–	72,340	74,843	–	430	482	–	72,770	75,325
Investments in participating interests	**2,955**	**2,797**	**3,565**	**697**	**659**	**654**	**3,652**	**3,456**	**4,219**
TOTAL INVESTED ASSETS	**247,802**	**241,167**	**252,410**	**8,206**	**8,100**	**8,236**	**256,008**	**249,267**	**260,646**
– Life & Savings	209,170	204,350	214,027	–	–	–	–	–	–
– Property & Casualty	31,701	30,154	31,468	–	–	–	–	–	–
– International insurance	6,931	6,663	6,915	–	–	–	–	–	–

(a) The realization of unrealized gains and losses upon disposal of the investments may give rise to an allocation to participating insurance contracts, minority interests and tax.

B. Treasury shares

At December 31, 2004, AXA ordinary shares held by the Company and its subsidiaries ("treasury shares") totalled around 22 million, a decrease of 7.6 million compared with December 31, 2003. At December 31, 2004, the carrying value of such shares was €298 million, representing 1.16% of outstanding ordinary shares. These shares were intended to cover the exercise of stock option plans (options to buy AXA ADRs) by employees of AXA Financial, Inc.

ORANs issued by AXA to finance the acquisition of MONY were redeemed on July 22, 2004 through the issue of one AXA share per ORAN. As a result, AXA subsidiaries received an additional 1.4 million AXA shares.

In 2004, AXA sold 9 million shares, giving rise to a capital loss of €27 million (2003: 1.3 million and 2002: nil), of which 6.7 million shares were sold to a Finaxa subsidiary. These treasury shares were intended to cover AXA Financial's commitments under stock options granted to employees. Once new hedging arrangements had been set up, it was therefore no longer necessary to hold these shares.

In addition, AXA Financial bought options on approximately 26 million AXA American Depositary Receipt (ADR), in order to improve hedging of AXA Financial employee stock option plans against a rise in the AXA share price and/or an increase in the euro against the dollar.

8.3. Investments in participating interests

An analysis of investments in participating interests at December 31, 2004 is presented below:

(in euro millions)

	At Decembre 31, 2004						
	Net Carrying value	Fair value	Shareholder's equity	Last fiscal year net income Amount	Year	Fiscal Year end	Percentage of ownership
Listed companies:							
BNP - Paribas	1,519	2,344	25,526	4,668	2004	31.12.2004	4.9%
Total	**1,519**	**2,344**					
Investment holdings under euro 70 million each	1,382	1,585					
TOTAL for year ended December 31, 2004	**2,901**	**3,929**					
Held by insurance companies	2,292	3,286					
Held by non-insurance companies	609	642					

The stake in "Schneider", "Banque Commerciale du Maroc" and "Lor Patrimoine" are now included in the "Investment holdings under €70 million each" caption. The net book value of these stakes at December 31, 2004 were €49 million, €58 million and €53 million, respectively.

(in euro millions)

	At Decembre 31, 2003						
	Net Carrying value	Fair value	Shareholder's equity	Last fiscal year net income Amount	Year	Fiscal Year end	Percentage of ownership
Listed companies:							
BNP - Paribas	1,581	2,344	24,560	3,761	2003	31.12.2003	5.1%
Schneider	64	80	7,226	433	2003	31.12.2003	0.7%
Banque Commerciale du Maroc	145	144	554	6	2002	31.12.2002	10.2%
Unlisted companies:							
Lor Patrimoine	53	53	53	0	2003	31.12.2003	100.0%
SGCI	87	87	58	10	2003	31.12.2003	100.0%
Subtotal	**1,930**	**2,708**					
Investment holdings under euro 50 million each	1,527	1,510					
TOTAL for year ended December 31, 2003	**3,456**	**4,219**					
Held by insurance companies	2,797	3,565					
Held by non-insurance companies	659	654					

The stake in "Millennium Entertainment Partners" is now included in the "Investment holdings under €50 million each" caption. The net book value of this stake at December 31, 2003 was €44 million.

8.4. Fixed maturity and equity securities

Securities (excluding assets in representation of unit-linked accounts) are detailed below. The amortized or historical cost represents the acquisition cost of the securities, net of discount or premium in respect of fixed maturity securities acquired.

(in euro millions)

	At December 31, 2004				
	Amortized or historical cost	Net Carrying value	Gross unrealized gains (a)	Gross unrealized losses (a)	Fair value
Fixed Maturities					
(a) Held to maturity and available for sale	147,653	147,301	12,102	(132)	159,272
– French government	24,029	24,029	3,468	-	27,497
– Foreign governments	49,672	49,616	4,158	(15)	53,760
– Other local governments and agencies	8,158	8,063	482	(3)	8,542
– Government-controlled corporations	8,983	8,976	738	(10)	9,703
– Non-government controlled corporations	45,662	45,475	2,823	(86)	48,212
– Mortgage-backed securities	9,042	9,038	285	(10)	9,314
– Other	2,106	2,103	148	(7)	2,245
(b) Allocated to UK with-profits business trading	–	–	–	–	15,736
(c) Other trading securities	–	–	–	–	2,588
Total fixed maturities					**177,596**
Equity investments (including holdings in mutual funds)					
(a) Available for sale	60,421	58,105	3,712	(1,067)	60,749
(b) Allocated to UK with-profits business trading	–	–	–	–	9,383
(c) Other trading securities	–	–	–	–	2,076
Total equity investments (including holdings in mutual funds)					**72,209**
Investment in participating interests					**3,929**
TOTAL					**253,734**

(a) The realization of unrealized gains and losses upon disposal of the investments may give rise to an allocation to participating insurance contracts, minority interests and tax

(in euro millions)

	At December 31, 2003 Amortized or historical cost	Net Carrying value	Gross unrealized gains (a)	Gross unrealized losses (a)	Fair value
Fixed Maturities					
(a) Held to maturity and available for sale	137,739	136,840	8,672	(370)	145,142
– French government	24,232	24,232	2,848	(171)	26,909
– Foreign governments	40,076	39,930	1,985	(46)	41,869
– Other local governments and agencies	4,304	4,202	212	(5)	4,409
– Government-controlled corporations	10,343	10,332	632	(19)	10,945
– Non-government controlled corporations	48,025	47,748	2,667	(105)	50,310
– Mortgage-backed securities	8,464	8,462	175	(17)	8,620
– Other	1,935	1,936	153	(8)	2,080
(b) Allocated to UK with-profits business trading	–	–	–	–	14,989
(c) Other trading securities	–	–	–	–	2,575
Total fixed maturities					**162,706**
Equity investments (including holdings in mutual funds)					
(a) Available for sale	54,974	51,639	2,182	(2,723)	51,097
(b) Allocated to UK with-profits business trading	–	–	–	–	9,486
(c) Other trading securities	–	–	–	–	1,274
Total equity investments (including holdings in mutual funds)					**61,857**
Investment in participating interests					**4,219**
TOTAL					**228,782**

(a) The realization of unrealized gains and losses upon disposal of the investments may give rise to an allocation to participating insurance contracts, minority interests and tax.

8.5. Investment Valuation Allowance and asset amortization

Changes in investment valuation allowances and asset amortization over the last three years have been as follows:

(in euro millions)

	Balance at January 1, 2004	Additions	Deductions	Other changes (b)	Balance at December 31, 2004
Real estate	303	108	(120)	(15)	275
Equity investments and holdings in mutual funds	3,531	388	(1,322)	80	2,677
Fixed maturities and other fixed income securities	538	47	(235)	1	351
Mortgages and other loans	141	38	(73)	225	332
SUBTOTAL (a)	**4,513**	**581**	**(1,750)**	**291**	**3,635**
Depreciation of real estate used for operating purposes	759	78	–	(82)	755
TOTAL	**5,272**	**660**	**(1,750)**	**209**	**4,391**

(a) Includes provisions on assets from banking activities
(b) "Other changes" relate principally to changes in scope of consolidation and foreign currency fluctuations

(in euro millions)

	Balance at January 1, 2003	Additions	Deductions	Other changes (b)	Balance at December 31, 2003
Real estate	504	91	(75)	(216)	303
Equity investments and holdings in mutual funds	2,268	1,982	(448)	(271)	3,531
Fixed maturities and other fixed income securities	577	368	(334)	(73)	538
Mortgages and other loans	154	43	(34)	(21)	141
SUBTOTAL (a)	**3,503**	**2,483**	**(890)**	**(582)**	**4,514**
Depreciation of real estate used for operating purposes	714	92	–	(48)	759
TOTAL	**4,217**	**2,575**	**(890)**	**(629)**	**5,272**

(a) Includes provisions on assets from banking activities
(b) "Other changes" relate principally to changes in scope of consolidation and foreign currency fluctuations

(in euro millions)

	Balance at January 1, 2002	Additions	Deductions	Other changes (b)	Balance at December 31, 2002
Real estate	463	58	(95)	78	504
Equity investments and holdings in mutual funds	1,853	1,147	(563)	(169)	2,268
Fixed maturities and other fixed income securities	608	361	(303)	(89)	577
Mortgages and other loans	119	73	(19)	(19)	154
SUBTOTAL (a)	**3,043**	**1,640**	**(980)**	**(199)**	**3,503**
Depreciation of real estate used for operating purposes	837	115	–	(238)	714
TOTAL	**3,880**	**1,754**	**(980)**	**(437)**	**4,217**

(a) Includes provisions on assets from banking activities
(b) "Other changes" relate principally to changes in scope of consolidation and foreign currency fluctuations

9. Assets backing contracts with financial risk borne by policyholders (unit-linked)

Assets backing contracts with financial risk borne by policyholders (unit-linked) (stated at market value refer to Note 3-5 on accounting principles) are presented in the table below.

"Holdings in other mutual funds" essentially consisted of investments by the French Life & Savings insurance companies in mutual funds that invest predominantly in real estate.

(in euro millions)

	At December 31, 2004	2003
Real estate investments	2,201	3,511
Equity securities and other variable yield securities	69,888	59,492
Holdings in equity investment-based mutual funds	7,952	6,510
Fixed maturities and other fixed income securities	14,712	14,076
Holdings in fixed maturity-based mutual funds	2,624	2,686
Holdings in other mutual funds	16,409	14,726
TOTAL Assets backing contracts with financial risk borne by policyholders (unit-linked)	**113,786**	**101,002**

Changes in value are recorded under Net investment result.

10. Assets from the Banking Sector and Other Activities

Assets from the banking sector and other activities are presented in note 8 above.

11. Investments in Affiliated Companies (Equity Method)

An analysis of the investments in affiliated companies (accounted for by using the equity method) over the last three years is given below.

(in euro millions)

	Carrying value at January 1, 2004	Change in Scope	Other changes (a)	Carrying value at December 31, 2004	Contribution to 2004 net income
AXA Asia Pacific Holdings affiliates					
– NM Home Loans Trust	34	(12)	(1)	21	–
– NM Property Trust	87	(86)	–	–	–
– Ticor	64	–	(2)	62	–
– Other affiliates	784	(253)	(13)	518	38
AXA Seguros affiliates					
– Hilo Direct de Seguros y Reaseguros	21	(21)	–	–	–
AXA France Assurances affiliates					
– Argovie	29	–	(1)	28	2
AXA Insurance Hong Kong	60	–	(3)	58	8
AXA Insurance Singapore	45	–	3	48	6
AXA Oyak Sigorta	58	–	6	64	16
Other affiliates	71	2	–	74	5
TOTAL	**1,254**	**(370)**	**(12)**	**871**	**76**

(a) Includes foreign currency fluctuations and net income for the period adjusted for dividends received

(in euro millions)

	Carrying value at January 1, 2003	Change in Scope	Other changes (a)	Carrying value at December 31, 2003	Contribution to 2003 net income
AXA Colonia affiliates					
– Général Ré - CKAG	653	(653)	–	–	–
AXA Asia Pacific Holdings affiliates					
– NM Home Loans Trust	65	–	(31)	34	–
– NM Property Trust	78	–	9	87	7
– Ticor	35	–	30	64	1
– Other affiliates	868	(19)	(65)	784	3
AXA Seguros affiliates					
– Hilo Direct de Seguros y Reaseguros	39	–	(18)	21	3
AXA France Assurances affiliates					
– Argovie	26	–	2	29	2
AXA Insurance Hong Kong	69	–	(8)	60	7
AXA Insurance Singapore	49	–	(4)	45	3
AXA Oyak Sigorta	59	–	–	58	14
Other affiliates	153	(60)	(21)	71	1
TOTAL	**2,093**	**(732)**	**(107)**	**1,254**	**41**

(a) Includes foreign currency fluctuations and net income for the period adjusted for dividends received.

(in euro millions)

	Carrying value at January 1, 2002	Change in Scope	Other changes [a]	Carrying value at December 31, 2002	Contribution to 2002 net income
AXA Colonia affiliates					
– Général Ré - CKAG	653	–	–	653	–
AXA Asia Pacific Holdings affiliates					
– NM Home Loans Trust	69	–	(5)	65	–
– NM Property Trust	85	–	(7)	78	(2)
– Ticor	31	–	3	35	6
– Other affiliates	678	247	(58)	868	(17)
AXA Seguros affiliates					
– Hilo Direct de Seguros y Reaseguros	–	39	–	39	4
AXA France Assurances affiliates					
– Argovie	–	26	–	26	2
AXA Insurance Hong Kong	–	69	–	69	6
AXA Insurance Singapore	–	49	–	49	3
AXA Oyak Sigorta	–	59	–	59	–
Other affiliates [b]	51	97	4	153	21
TOTAL	**1,569**	**586**	**(63)**	**2,093**	**23**

(a) Includes foreign currency fluctuations and net income for the period adjusted for dividends received.
(b) Includes €60 million from Hungarian and Austrian entities and €37 million from Compagnie Financière de Paris Crédit, which was equity-accounted from 2002.

In **2004,** the main changes in investments in affiliated companies were as follows:

- The sale of AXA Asia Pacific Holdings' stake in National Mutual Property Trust (€–86 million), along with the sale part of the stakes in National NMFM Int Bond Fund (€–40 million) and NMFM Property Fund (€-218 million).
- The change in the consolidation method used for Direct Seguros. Following the buy-out of minority interests, Direct Seguros is now fully consolidated (€–21 million).

The **2003** changes in scope resulted from the sale of the stake in Colonia Re (€–654 million), the disposal of AXA Asia Pacific Holdings subsidiary Members Equity (€–19 million) and the sale of operational activities in Austria and Hungary (€–60 million).

The **2002** changes in scope were mainly related to entities that were consolidated under the equity method in 2002 which were previously fully consolidated, since they no longer met Group materiality requirements. The change in scope relating to AXA Asia Pacific Holdings' other subsidiaries (€247 million) was linked to the increase in ownership stake.

For the years ended December 31, 2004, 2003 and 2002, AXA received revenues from companies accounted for the equity method of €19 million, €72 million and €46 million respectively. The fall in revenues received in 2004 compared to 2003 was mainly due to AXA Asia Pacific Holdings' significant disposals of participating interests.

12. Receivables and Payables from Insurance and Reinsurance Activities

The receivables and payables from insurance and reinsurance activities are as follows:

(in euro millions)

	Receivables			
	Gross book value	Provisions	Carrying value	Payables
Deposits and guarantees	1,134	–	1,134	1,376
Current accounts from other companies	3,091	(90)	3,001	2,750
Policyholders, brokers, general agents	4,023	(226)	3,797	3,042
Estimated premiums not yet recorded	1,526	–	1,526	–
Other	1,174	(71)	1,103	270
TOTAL at December 31, 2004	**10,949**	**(387)**	**10,562**	**7,437**
TOTAL at December 31, 2003	**12,092**	**(411)**	**11,680**	**8,312**

13. Cash and cash equivalents

Cash and cash equivalent are mainly liquid and short-term investments. The table below details those cash and cash equivalents by segment.

(in euro millions)

	At December 31,	
	2004	2003
Cash and cash equivalents	**21,363**	**19,428**
From insurance activities	18,666	16,445
From banking activities	123	211
From other companies	2,574	2,772

14. Deferred Acquisition Costs

The table below presents the deferred acquisition costs (DAC) by insurance segment:

(in euro millions)

	At December 31, 2004 Life & Savings	Property & Casualty	International Insurance	TOTAL	At December 31, 2003
Deferred acquisition costs on unearned premiums	–	1,246	109	1,355	1,273
Other deferred acquisition costs					
– gross of unearned revenue reserves	12,356	–	–	12,356	11,384
– unearned revenue reserves	(1,757)	–	–	(1,757)	(1,664)
Other deferred acquisition costs (net)	10,599	–	–	10,598	9,720
TOTAL DEFERRED ACQUISITION COSTS	**10,599**	**1,246**	**109**	**11,954**	**10,993**

Changes in other deferred acquisition costs in the Life & Savings segment are provided below:

OTHER DEFERRED ACQUISITION COSTS (net of unearned revenue reserves)

(in euro millions)

	Years ended December 31, 2004	2003	2002
BALANCE BEGINNING OF YEAR	**9,720**	**9,557**	**9,613**
Capitalized costs	2,230	2,308	2,137
Accrued interest	452	602	640
Amortization expense	(1,367)	(1,550)	(1,397)
Net change in unearned revenue reserve	104	(32)	(170)
Impact of foreign currency fluctuations	(494)	(1,158)	(1,192)
Other	(47)	(7)	(72)
YEAR-END BALANCE	**10,598**	**9,720**	**9,557**

15. Shareholder's equity

Changes in consolidated shareholder's equity in the last three years are presented in the table below:

	Nominal value	Capital in Excess of Nominal value	Retained earnings brought forward	Net income for the year	Shareholders' Equity (in euro millions)	Number of ordinary shares outstanding
Balance at December 31, 2001	**3,971**	**13,627**	**(796)**	**7,976**	**24,780**	**1,734.2**
Employee stock purchase program (July and December 2002)	62	192	–	–	254	27.2
Exercise of share options	2	6	–	–	8	0.8
Cash dividends	–	–	(1,117)	–	(1,117)	–
Impact of foreign currency fluctuations	–	–	(1,197)	–	(1,197)	–
Other	–	–	34	–	34	–
Net income	–	–	–	949	949	–
Balance at December 31, 2002	**4,035**	**13,824**	**(3,076)**	**8,925**	**23,711**	**1,762.2**
Employee stock purchase program (July and December 2003)	35	154	–	–	189	15.1
Exercise of share options	2	6	–	–	8	0.8
Cash dividends [a]	–	–	(680)	–	(680)	–
Impact of foreign currency fluctuations	–	–	(985)	–	(985)	–
Other [b]	–	–	154	–	154	–
Net income	–	–	–	1,005	1,005	–
Balance at December 31, 2003	**4,072**	**13,984**	**(4,587)**	**9,930**	**23,401**	**1,778.1**
Employee stock purchase program (July and December 2004)	43	211	–	–	255	18.9
Capital increase (conversion of mandatorily bonds - "ORAN")	252	1,144	–	–	1,396	110.2
Exercise of share options	3	8	–	–	11	1.2
Cash dividends	–	–	(676)	–	(676)	–
Impact of foreign currency fluctuations [c]	–	–	(750)	–	(750)	–
Other	–	–	1	–	1	–
Net income	–	–	–	2,519	2,519	–
Balance at December 31, 2004	**4,370**	**15,347**	**(6,012)**	**12,449**	**26,158**	**1,908.4**

(a) Includes the dividend of €599 million for the year ended December 31, 2002 and the related supplemental tax charge of €81 million

(b) Includes €181 million related to the release of a tax provision booked when acquiring German operations in 1997 and recorded through equity. The release was made following the disposal of Kolnische Ruckversicherung JV to General Re, the capital gain on which was considered as tax free

(c) The impact of foreign exchange fluctuation are mainly due to the tax effect on hedging for €-530 million (€-338 million at January 1, 2004 and €-191 million relating to 2004). Net of hedge, the impacts of exchange rate fluctuation before tax are mainly due to the U.S. (€-110 million), the UK (€-25 million), and Morocco (€-40 million)

16. Minority Interests

(in euro millions)

	2004	2003	2002
MINORITY INTERESTS AT JANUARY 1,	**2,469**	**2,812**	**3,409**
Changes in scope of consolidation	(205)	(73)	(129)
Dividends paid by consolidated subsidiaries	(251)	(326)	(467)
Impact of foreign currency fluctuations	(131)	(182)	(375)
Other changes (including internal restructurings)	3	(4)	6
Minority interests in income of consolidated subsidiaries	321	243	368
MINORITY INTERESTS AT DECEMBER 31,	**2,206**	**2,469**	**2,812**

Changes in scope of consolidation

The main changes in 2004 were as follows:

€-168 million attributable to the 5.8 points increase in the Group's interest in Alliance Capital (from 55.5% to 61.3%) as 16.32 million units were bought back from former Sanford Bernstein shareholders.

a €43 million change resulting from the buy-out of AXA RE Finance's minority interests from BNP Paribas by AXA RE.

Changes in the scope of consolidation in 2003 (€-73 million) resulted mainly from the purchase of BNP Paribas' stake in AXA RE subsidiary SPS RE (€-49 million) and the buy-out of around 1% of minority interests in Germany (€-26 million).

Minority interests' share in net income

Minority interests' share of income in 2004 includes €192 million in respect of Alliance Capital, with the remaining balance relating to non-wholly owned operations in Australia and New Zealand (€35 million) and Hong Kong (€61 million). The minority interests' share of total equity includes €1,103 million in respect of Alliance Capital, with the remaining balance relating to non-wholly owned operations in Australia and New Zealand (€674 million), Japan (€62 million) and Germany (€122 million).

17. Subordinated Debt

At December 31, 2004, subordinated debt totalled €9,235 million (2003: €8,453 million), and broke down as follows:

(in euro millions at December 31)

	2004	2003
AXA, The Company		
Undated deeply Subordinated Notes (Titres Super Subordonnés)	625	–
Subordinated Perpetual Notes, variable (U.S. $ and euro)	2,121	1,772
Perpetual Notes, 3.29% / variable (Yen)	193	200
Subordinated/Convertible Notes, 2.5% due 2014 (euro)	1,518	1,518
Subordinated Perpetual Debt (euro)	234	234
Subordinated Perpetual Notes, 7.25% (euro)	500	500
Subordinated Convertible Notes, 3.75% due 2017 (euro)	1,099	1,099
Subordinated Convertible Notes, variable, due 2020 (euro)	215	215
U.S. registered subordinated debt, 8.60%, 2030 (U.S. $)	918	990
U.S. registered subordinated debt, 7.125%, 2020 (GBP)	461	461
U.S. registered subordinated debt, 6.75%, 2020 (euro)	1,071	1,070
Amount of derivatives hedging subordinated debt	(620)	(527)
AXA Financial		
Surplus Notes, 6.95% due 2005	294	316
Surplus Notes, 7.70% due 2015	147	159
AXA Bank Belgium (formerly IPPA Bank)		
Subordinated Notes, 3.14% to 6.90%, through 2008	339	308
Other subordinated debt (under euro 100 million each)	121	138
TOTAL	**9,235**	**8,453**

At December 31, 2004, maturing subordinated debt due in 2005 and the following four years totalled €313 million in 2005, nil in 2006, nil in 2007, €44 million in 2008 and €45 million in 2009, followed by €8,833 million in 2010 and thereafter.

In 2004, the Group's borrowings and subordinated debt increased by €782 million, or by €974 million at constant exchange rates. The positive impact of exchange rate movements was therefore €191 million. This change was mainly the result of:

- The issue, as part of the Euro Medium Term Note (EMTN) Program, of (i) €625 million of Undated deeply-Subordinated Notes (Titres Super Subordonnés), (ii) $375 million (€301 million) and €125 million of securities, partly offset by
- a €93 million positive impact from currency derivatives, arising from the strengthening of the euro against other currencies.

18. Insurance Liabilities

The table below sets out insurance liabilities by segment:

(in euro millions, at December 31)

	Life & Savings 2004	Life & Savings 2003	Property & Casualty 2004	Property & Casualty 2003	International Insurance 2004	International Insurance 2003	Total 2004	Total 2003
Gross insurance reserves:								
– Future policy benefits (b)	219,951	207,533	26	27	376	177	220,354	207,737
– Claim reserves	5,522	5,153	24,881	24,208	9,149	10,104	39,552	39,465
– Other reserves	2,349	2,471	3,089	2,979	81	123	5,518	5,572
– Unearned premiums reserves	66	78	5,924	5,623	745	1,057	6,735	6,758
Total insurance liabilities, gross of reinsurance ceded	**227,888**	**215,235**	**33,921**	**32,836**	**10,351**	**11,461**	**272,160**	**259,532**
Liabilities with financial risk borne by policyholders (unit-linked), gross of reinsurance ceded	**113,998**	**101,069**	**–**	**–**	**–**	**–**	**113,998**	**101,069**
Less reinsurance ceded on:								
– Future policy benefits	3,449	3,133	–	–	6	6	3,455	3,139
– Claim reserves and others reserves	498	423	1,647	2,219	2,051	2,362	4,197	5,004
– Unearned premiums reserves	1	1	111	121	120	205	233	327
Total reinsurance ceded on insurance liabilities	**3,948**	**3,557**	**1,759**	**2,340**	**2,178**	**2,573**	**7,885**	**8,470**
Reinsurance ceded on liabilities with inancial risk borne by policyholders (unit-linked)	**12**	**19**	**–**	**–**	**–**	**–**	**12**	**19**
TOTAL INSURANCE LIABILITIES, NET OF REINSURANCE CEDED	**337,926**	**312,728**	**32,162**	**30,496**	**8,173**	**8,888**	**378,262**	**352,112**
(b) Which includes:								
– Policyholders' participation (bonuses), excluding UK with-profit business	9,407	8,894						
– UK with-profit business liabilities	30,282	29,119						

The movement in claims reserves (gross of reinsurance) for the Property & Casualty and International Insurance segments is presented below :

(in euro millions)

	2004		2003		2002	
	Property & Casualty	International Insurance	Property & Casualty	International Insurance	Property & Casualty	International Insurance
Gross claims reserves to be paid, January 1st	**24,208**	**10,104**	**23,730**	**11,533**	**25,162**	**11,841**
Changes in scope of consolidation, portfolio transfers and change in accounting principles [(a)]	(46)	4	102	(90)	(1,619)	1,136
Impact of foreign currency fluctuations [(b)]	(169)	(415)	(238)	(1,015)	(479)	(1,345)
	23,992	**9,693**	**23,594**	**10,428**	**23,064**	**11,632**
Provision attributable to the current year	11,540	2,109	11,245	2,661	10,884	2,904
Increase (decrease) in provision attributable to prior years	(557)	(101)	(331)	(25)	(118)	1,008
Total claims and claims expenses	**10,983**	**2,008**	**10,914**	**2,636**	**10,766**	**3,912**
Claims and claims expenses attributable to current year	(4,748)	(1,286)	(4,660)	(768)	(4,279)	(1,266)
Claims and claims expenses attributable to prior years	(5,346)	(1,266)	(5,641)	(2,192)	(5,820)	(2,744)
Total payments	**(10,094)**	**(2,552)**	**(10,301)**	**(2,960)**	**(10,099)**	**(4,010)**
Gross claims reserves to be paid, December 31	**24,881**	**9,149**	**24,208**	**10,104**	**23,730**	**11,533**

(a) Changes in the scope of consolidation in 2002 are mainly due to the transfer of UK discontinued business from Property & Casualty to International Insurance (€1,142 million at January 1, 2002), the disposal of the activities in Austria and Hungary (€234 million) and the removal or addition of entities accounted for by the equity method, mainly Hong Kong Property & Casualty (€176 million), Direct Assurances (Spain, €48 million) and Singapore Property & Casualty (€60 million). Changes in the scope of consolidation in 2003 are mainly due to the transfer of United Kingdom Health business activities from Life & Savings segment to Property & Casualty segment (€124 million).

(b) International Insurance currency fluctuations in 2002 are mainly due to World Trade Center insurance reserves (accounted for in dollars).

Environmental pollution, and asbestos

In prior years, AXA issued insurance policies and assumed reinsurance for cover related to environmental pollution and asbestos exposure. Its insurance companies have been and continue to be involved in disputes regarding policy coverage and judicial interpretation of legal liability for potential environmental and asbestos claims. AXA has received and continues to receive notices of potential claims asserting environmental and asbestos losses under insurance policies issued or reinsured by AXA. Such claim notices are frequently merely precautionary in nature. There are significant uncertainties that affect the insurance companies' ability to estimate future losses for these types of claims. However, AXA still carries out regular actuarial reviews to ensure that loss provisions relating to these risks are adequate.

Under insurance and reinsurance contracts related to environmental pollution and asbestos, AXA paid claims and legal costs of €51 million related to environmental pollution in 2004 of which €35 million related to asbestos and €16 million related to environmental pollution (2003: €53 million and 2002: €45 million). At December 31, 2004, AXA had made cumulative payments relating to such contracts of €571 million of which €422 million related to asbestos and €149 million related to environmental pollution (2003: €536 million).

At December 31, 2004, AXA had insurance claim reserves (gross of reinsurance) of €1,021 million (of which €875 million related to asbestos and €146 million related to environmental pollution) or €914 million net of reinsurance of which €793 million related to asbestos and €121 million related to environmental pollution (2003: €944 million gross of reinsurance or €858 million net of reinsurance), including (i) €380 million for reported claims of which €298 million related to asbestos and €82 million related to environmental pollution (2003: €365 million) and (ii) €641 million for IBNR (incurred but not reported) claims of which €576 million related to asbestos and €64 million related to environmental pollution (2003: €579 million). The IBNR liabilities are estimated and evaluated regularly based on information received by management.

19. Provisions for Risks and Charges

(in euro millions)

		At December 31, 2004	2003	2002
	Deferred taxes (a)	2,805	1,954	4,592
I	Pension obligations and other similar liabilities	2,713	2,726	2,865
II	Provision for restructuring costs	233	141	154
	Provision for real estate companies	30	40	28
III	Other provisions	1,416	2,057	2,136
	TOTAL	**7,197**	**6,918**	**9,775**

(a) Deferred tax positions on the balance sheet are analyzed in Note 20.

I. Employee Benefits

Long-term liabilities of employee benefit plans are calculated according to the "preferred method" under French regulations (refer to note 3.6 "Valuation of liabilities").

Defined contribution plans

The cost of the contributions paid is an expense in the statement of income, and amounted to €81 million for the year ended December 31, 2004.

Defined benefit plans

The assumptions for each plan are consistent with the economic features of the countries in which the liabilities lie.

The weighted-average assumptions used by AXA for pension plans in the principal regions in which AXA operates are as follows:

DECEMBER 2004 CALCULATION ASSUMPTIONS

	Europe	North America	Japan	Others
Pension benefit obligation – assumptions at year-end				
Discount rate	5.1%	5.8%	1.9%	6.6%
Salary increase for future years	3.5%	5.6%	0%	3.6%
Net periodic pension cost - assumptions at beginning of year				
Discount rate	5.5%	6.3%	1.1%	6.6%
Expected rate of return on plan assets	6.4%	8.3%	1.3%	7.5%
Salary increase for future years	3.6%	6.2%	0%	3.6%

DECEMBER 2003 CALCULATION ASSUMPTIONS

	Europe	North America	Japan	Others
Pension benefit obligation – assumptions at year-end				
Discount rate	5.5%	6.3%	1.1%	6.6%
Salary increase for future years	3.6%	6.2%	0%	3.6%
Net periodic pension cost - assumptions at beginning of year				
Discount rate	5.5%	6.8%	2.3%	6.6%
Expected rate of return on plan assets	6.5%	8.4%	1.3%	8.2%
Salary increase for future years	3.5%	7.0%	0%	4.4%

Annual change in pension plan liabilities

A yearly evolution of the PBO (Projected Benefit Obligation) is made based on the following items:

- service cost (representing the increase in the PBO attributable to one year of additional service),
- interest cost (cost of one year less discount),
- benefits paid,
- actuarial gain or losses (change in long term assumptions, change in staff, ..),
- change in plans.

Given the long-term trend of employee benefit liabilities, the changes due to financial market variations and other actuarial gains or losses are amortized over the liability duration (approximately 15 years) for the amount which exceeds the 10% corridor (the greater of 10% of the present value of future benefits paid and 10% of the fair value of plan assets). They are brought into the income statement as an expense starting in the following accounting year.

Balance sheet information

The balance sheet information for employee benefits captures the difference between the Projected Benefit Obligation ("PBO") and the market value of the corresponding invested plan assets, increased by the unrecognized gains or decreased by the unrecognized losses. When this difference is positive a contingency and loss reserve is booked within the balance sheet liability. When it is negative, an asset is recorded in the balance sheet.

The following table sets forth the change in benefit obligation and change in plan assets associated with various pension plan and post-retirement benefits sponsored by AXA.

(in euro millions)

	Pension benefits 2004	Pension benefits 2003	Others benefits 2004	Others benefits 2003
CHANGE IN BENEFIT OBLIGATION				
Benefit obligation, beginning of year	**8,609**	**8,762**	**524**	**567**
Service cost	177	176	5	5
Interest cost	465	451	30	32
Amendments (including acquisitions)	336	(24)	69	(23)
Actuarial (gains) and losses	657	308	22	57
Benefits paid	(359)	(378)	(4)	(4)
Benefits directly paid by the employer	(100)	(70)	(26)	(28)
Effect of foreign currency fluctuation	(201)	(618)	(40)	(80)
Benefit obligation, end of year (A)	**9,586**	**8,609**	**581**	**524**
CHANGE IN PLAN ASSETS:				
Fair value of plan assets, beginning of year	**5,526**	**5,531**	**8**	**7**
Actuarial return on plan assets	553	728	0	1
Employer contributions	266	138	3	3
Employees contributions	14	16	2	2
Net transfer (including acquisitions)	280	(33)	0	0
Benefits paid	(359)	(378)	(4)	(4)
Effect of foreign currency translation	(151)	(476)	–	-
Fair value of plan assets, end of year (B)	**6,129**	**5,526**	**9**	**8**
Funded Status (B) – (A)	(3,457)	(3,083)	(572)	(516)
Unrecognised (gains) and losses [a]	3,459	3,126	127	130
Net position	**2**	**43**	**(445)**	**(386)**
Recorded in the balance sheet for plans:				
With a positive net position (Asset)	**1,762**	**1,824**	**-**	**-**
With a negative net position (Liability)	**(1,761)**	**(1,781)**	**(445)**	**(386)**

(a) Not recorded yet

For pension plans where the fair value of plan assets exceeds the benefit obligation, the aggregate fair value of plan assets and aggregate benefit obligation were €21 million and €19 million respectively as at December 31, 2004. For pension plans where benefit obligation is in excess of the fair value of the plan assets, the aggregate fair value of plan assets and aggregate benefit obligation were €6,108 million and €9,567 million respectively as at December 31, 2004.

Net periodic benefit cost

The net periodic benefit cost, that is, the annual expense for employee benefits recorded in the income statement, for the years ended December 31, 2004, and 2003 is presented below:

(in euro millions)

	Pension benefits		Other benefits	
	2004	2003	2004	2003
Service cost	177	176	5	5
Interest cost	465	451	30	32
Expected return on plan assets	(426)	(435)	–	–
Amortization of unrecognized amounts	140	118	4	3
Settlement/Curtailment and Employee contribution	(13)	6	(2)	(6)
Net periodic benefit cost	**344**	**316**	**36**	**34**

The balance sheet evolution for a defined benefit plan is function therefore of:

- the accumulated costs recorded in the income statement,
- the accumulated benefits directly paid to the beneficiaries, and
- the accumulated employer contributions to the plan.

(in euro millions)

	Pension benefits		Other benefits	
	2004	2003	2004	2003
Beginning of year net position	**43**	**285**	**(386)**	**(441)**
Net Periodic Benefit Cost	(344)	(316)	(36)	(34)
Benefits paid by the Employer	100	70	26	28
Employer Contributions	280	138	3	3
Acquisitions and dispositions	(62)	–	(82)	–
Effect of foreign currency fluctuation	(16)	(133)	30	58
End of the year net position	**2**	**43**	**(445)**	**(386)**

For MONY employee benefit plans, the fair value at acquisition date became new cost basis for post-acquisition accounting. This was accomplished by revaluation of the liabilities using the AXA U.S. operation current assumptions as of the acquisition date, including recognition of any previously deferred actuarial gains and losses formerly not recognized. Any prepaid pension asset was eliminated in connection with these revaluations.

The overall amount of liabilities recorded in the balance sheet for pension benefits and other similar obligations are the following.

	2004	2003
Negative net position:		
Pension benefits and other benefits	2,205	2,167
Other social liabilities	508	559
TOTAL	**2,713**	**2,726**

In the above template, €2,205 million represents the sum of the negative net position of the pension benefits (€1,761 million) and other benefits (€445 million). Other social liabilities are mainly pre-retirement benefits.

AXA uses December 31 measurement date for a majority of its pension plans and other post-retirement plans

NEAR-TERM CASH FLOWS (Benefit Paid and Employer Contributions)

(in euro millions)

	Pension benefits	Other benefits
Estimated Future Benefits Paid (calculated on a PBO basis)		
2005	489	40
2006	504	40
2007	523	39
2008	550	39
2009	569	39
5 years therafter	3,078	194

The estimated amount of 2005 employer contributions for pension benefits and other benefits is respectively €283 million and €32 million. These amounts also includes benefits directly paid by the employer These amounts are subject to uncertainty as they will be driven by 2005 economics.

Plan asset mix at the end of year 2004

TOTAL PLAN ASSETS MIX

(in euro millions, except percentages)

	Total Group	Europe	North America	Others
Equities	58%	53%	69%	58%
Bonds	34%	40%	23%	26%
Real Estate	5%	4%	7%	15%
Other	2%	3%	1%	1%
	100%	**100%**	**100%**	**100%**
Total	**6,138**	**3,976**	**1,961**	**201**

As pension liabilities are of a long-term nature, a mixture of bond, equity, and real estate investments are used in the plan assets. It should be noticed that the percentage of equity is higher in the Anglo-Saxon countries where the investment strategy is often determined by Plan trustees This mixture has some degree of volatility of returns, but over the long-term is expected to provide a higher return than pure bond investments, consistent with experience in the past.

The asset mixture is maintained close to the target level, with minor fluctuations over time due to the shifting market values of assets. The asset mix at the end of year 2005 should be very similar to the one presented above at the end of year 2004.

There are diverse methods to determine the expected long term rate of return across the Group given each areas specificities. Globally it is based on the historic returns adjusted for future expectations on each asset class and for the shift of asset mix. In addition, external consultants review or compute these assumptions for reasonableness in most countries.

Other employment benefits

AXA provides certain medical and life insurance benefits ("post-retirement benefits") to qualifying employees, managers and agents who retire after having met certain age and service requirements. The life insurance benefits are related to age and salary at retirement. Similarly, MONY offers certain health care and life insurance benefits to retired employees and field underwriters of MONY Life. The expected costs of providing post-retirement benefit are accrued during the period that the employees earn such benefits. AXA funds post-retirement benefits costs as the benefits are utilized, and made post-retirement benefits payments of €39 million, €32 million and €40 million for the years ended December 31, 2004, 2003 and 2002, respectively.

The post-retirement benefits are principally in the U.S. Life & Savings operations. In 1993, both AXA Financial and MONY announced a limit on the amount that would be contributed towards healthcare. AXA Financial's contribution limit was reached in 2003 and MONY's limit was reached in 2002. As a result, no future health care cost trend rate was assumed in measuring any post-retirement benefit obligation or related cost at and for the years ended December 31, 2004 and 2003, except for MONY's dental plan, for which an assumed medical cost trend rate of 5% was applied.

Therefore a decrease or increase of 1% in the health care cost trends rate has no material impact on either the service or interest components of net periodic post-retirement benefits costs or on the related accumulated post-retirement benefit obligation.

On December 8, 2003, the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (the "MMA") was signed into law in the United States of America. With respect to post-retirement benefit plans in the U.S., it introduces a prescription drug benefit under Medicare Part D, that would go into effect in 2006, as well as a Federal subsidy to employers whose plan provide an "actuarially equivalent" prescription drug benefit. However, detailed regulations necessary to implement and administer the MMA have not yet been issued.

Management and its actuarial advisors have not been able to conclude as yet whether the prescription drug benefits provided under AXA Financials and MONY's retiree medical plans are actuarially equivalent to the new Medicare Prescription Drug benefits for 2006 and future years. Consequently, measures of the accumulated post-retirement benefit obligations and net periodic post-retirement benefit cost for these plans at and for the year ended December 31, 2004 do not reflect any amounts associated with enactment of MMA, including the subsidy.

II. Provisions for restructuring costs

(in euro millions)

	2004			2003		
	Provisions established in purchase accounting	Other provisions	Total	Provisions established in purchase accounting	Other provisions	Total
Provisions at January 1st,	**29**	**112**	**141**	**38**	**116**	**154**
Additions to existing provisions						
Purchase Accounting Adjustment	93	–	93	6	–	6
Through net income	169	18	186	7	24	31
Provisions utilized	**(112)**	**(50)**	**(162)**	**(21)**	**(76)**	**(97)**
Release of provision						
Purchase Accounting Adjustment	–	–	–	–	–	–
Through net income	–	–	–	–	(14)	(15)
Other changes	**(15)**	**(10)**	**(26)**	**(1)**	**62**	**61**
Provisions at December 31,	**164**	**69**	**233**	**29**	**112**	**141**

Release of provisions established in purchase accounting mainly occurred in the U.S. following the MONY purchase (€-98 million) and in the UK (€-11 million).

The increase in the provisions established in purchase accounting is mainly explained by the acquisition of MONY for €261 million, including €93 million through purchase accounting adjustment.

Most additions to other provisions (€18 million) have been booked in AXA RE (€11 million) following the job protection plan introduced in 2003.

In 2004, provisions for restructuring were (i) released at AXA Versicherung (€22 million) and in Japan (€7 million) and (ii) were used in Australia/New Zealand (€4 million) and in the UK (€3 million).

Other changes in 2004 arose from the impact of exchange rate movements on provisions booked in the U.S. (€14 million) and a transfer of restructuring provisions from AXA Versicherung to provisions for employment benefits once the number of people taking early retirement was known (€7 million).

III. Other provisions

Compared to 2003, other provisions decreased by €641 million or €597 million at constant exchange rate. This was mainly due to significant utilization of provisions at Alliance Capital (€445 million at constant exchange rate) and the discharge of funding of commitments granted by AXA SA between 1999 and 2001 to Compagnie Financière de Paris as part of the management of banking run-offs (€82 million).

At December 31, 2004, other provisions are €1,416 million mainly included the following:

- The remaining €63 million (€483 million in 2003) balance of the provision set up in 2000 to offset the dilution profit realized by AXA Financial when acquiring Sanford C. Bernstein. In 2004, €420 million were released relating to the exercise of put options over 16.32 million Alliance Capital units by former Sanford C. Bernstein shareholders.
- The remaining €79 million balance on the provisions recorded in 2000 in connection with the sale of Banque Worms, (€43 million released in 2004).
- A provision of €170 million associated with the cost of settling/exchanging outstanding share options of AXA Financial. This provision decreased by €23 million in 2004 (€10 million at constant exchange rate) due to the exercise of some of these options.
- Provisions for the deferred compensation plans of AXA Financial (€167 million) and Alliance Capital (€120 million).
- Provisions for discounts on convertible bonds at AXA SA (€243 million). These provisions have been recorded since 2002.
- Provisions for legal disputes, mainly in France (€93 million), in UK (€18 million) and Belgium (€15 million).
- Provisions for the vacating of premises, mainly in France (€15 million) and in the UK (€24 million).

20. Tax

I. Deferred tax

An analysis of deferred tax sets forth below:

(in euro millions)

	At December 31, 2004 Net Deferred Tax	At December 31, 2003 Net Deferred Tax
Investments	(368)	(266)
Insurance operations	(642)	(724)
Compensation and related benefits	401	299
Other	318	789
including provision on deferred tax asset	*(611)*	*(614)*
TOTAL	**(290)**	**98**
Net Deferred Tax (liability)	(2,805)	(1,954)
Net Deferred Tax (assets)	2,515	2,053

At December 31, 2004, the net deferred tax balance was €-290 million (2003: €+98 million). The €388 million decrease was mainly due to €338 million of deferred tax assets relating to foreign exchange hedging at January 1, 2004 being reclassified as shareholders' equity following the completion of the transaction that was the origin of these assets.

The change in the deferred tax position between 2003 and 2004 breaks down as follows:

(in euro millions)

Net Deferred tax at January 1st,	**98**
Profit and loss impact	(296)
Shareholders' equity	(5)
Change in scope	415
Impact of foreign currency fluctutations	(45)
Other [a]	(458)
Net Deferred tax at December 31,	**(290)**

(a) Included €338 million reclassified from AXA SA deferred tax assets to equity (please see comment above).

11. Income tax expenses

(in euro millions)

	Years ended December 31 2004	2003	2002
French income tax (expense) benefit:	**(361)**	**(276)**	**(152)**
– Current	(452)	(202)	(19)
– Deferred	90	(74)	(133)
Foreign income tax (expense) benefit:	**(1,010)**	**(260)**	**(274)**
– Current	(624)	(27)	79
– Deferred	(386)	(232)	(353)
GRAND TOTAL	**(1,372)**	**(536)**	**(426)**

Changes in income tax expenses between 2003 and 2004 break down as follows:

(in euro millions)

Current income tax receivable	255
Current income tax payable	(388)
Net income tax at January 1st, 2004	**(133)**
Cash payments	422
Profit and loss impact	(1,075)
Shareholders' equity	–
Change in scope	10
Impact of foreign currency fluctuations	15
Other	196
Current income tax receivable	409
Current income tax payable	(975)
Net income tax at December 31, 2004	**(566)**

Provisions for income taxes are different from the amounts determined by multiplying pre-tax income by the French statutory income tax rate (35.43% in 2004, 2003 and 2002).

The reconciliation between the theoretical and actual tax charges is presented below.

(in euro millions)

	Years ended December 31 2004	2003	2002
Income tax expense at French statutory base rate	(1,465)	(617)	(609)
Impact of different foreign statutory rates	97	85	5
Impact of difference between the statutory tax rate and the effective tax rate	106	96	(7)
Permanent differences relating to:			
– Investments	170	148	495
– Operating expenses and other	(279)	(275)	(271)
Utilization of losses carried forward	(2)	27	(38)
INCOME TAX EXPENSE	**(1,372)**	**(536)**	**(426)**

In 2004, the difference between the theoretical and actual tax charges was mainly due to:

- €170 million of permanent differences on financial revenues and charges mostly relating to definitive tax savings at AXA SA due to the deduction of previously non-deductible losses (€110 million),
- €279 million of permanent differences on other revenues and charges, mainly relating to (i) cumulative goodwill amortization, and (ii) the partial release of the provision booked in 2000 on the dilution gain realized at the time of the Sanford Bernstein acquisition (€147 million),
- €106 million of differences and the impact of tax rate changes including (i) the change in the tax rate on France Life & Savings and France Property & Casualty (€28 million), (ii) the impact of the difference between the 30% theoretical tax rate and actual tax rate (0-30%) applied in the various UK Life & Savings entities (€54 million).

In 2003, the difference between the theoretical and actual tax charge was mainly due to the parent subsidiary tax regime in France (€82 million), and the release of a deferred tax liability in the United States following a review of deferred tax positions (€211 million), partly offset by a deferred tax depreciation in Japan (€149 million).

Some companies in the AXA Group are subject to examination by tax authorities. Reserves booked for the tax issues that have not been contested by the Group are evaluated as appropriate.

At December 31, 2004, AXA's consolidated deferred tax assets, net of valuation allowances, included tax benefits attributable to tax loss carryforwards of €609 million (2003: €595 million). The principal countries and entities with tax loss carryforwards at December 31, 2004 included Japan (€122 million vs. €153 million in 2003), the UK (€280 million vs. €330 million in 2003), Germany (€51 million), and Australia and New Zealand (€43 million vs. €10 million in 2003).

21. Non-subordinated debts instruments issued

(At December 31, in euro millions)

	2004	2003
FINANCING DEBT	**2,964**	**4,459**
AXA, The Company		
Euro Medium Term Notes, 6.0%, due through 2013	1,008	1,350
ORAN bonds (bonds redeemable in shares or cash)	–	1,389
Commercial Paper	–	120
Other	5	9
AXA Financial, Inc.		
Senior Notes, 7.75% due 2010	351	378
Senior Notes, 7.0% due 2028	255	276
Senior Notes, 6.5% due 2008	183	198
Senior Notes, 9.0% due 2004	–	237
Senior Notes MONY, 8.35% due through 2010	253	–
MONY Group Inc. Notes due through 2005	210	–
AXA UK Holdings		
GRE Loans Notes, 6.625%, due 2023	219	219
Equitable Life		
Mortgage Notes, 4.92% / 12% due through 2017	257	277
Closed-Block Mony, 6.44% due 2017	220	–
Other financing debt	3	6
OPERATING DEBT	**675**	**697**
Alliance Capital		
Senior Notes, 5.625% due 2006	299	320
French banks		
AXA Banque	8	41
AXA SA operating debts on behalf of its French, UK and German subsidiaries	215	162
Other Financial Services in France		
Fonds immobilier Paris Office Funds (FIPOF)	61	62
Other	92	112
TOTAL	**3,639**	**5,156**

At December 31, 2004, aggregate maturities of non-subordinated debt issued by AXA and its subsidiaries based on required payment of principal at maturity was €925 million in 2005, €315 million in 2006, €0.5 million in 2007, €213 million in 2008, €0.5 million in 2009 and €2,185 million thereafter.

Non-subordinated debt decreased by €1,517 million in 2004, or €1,325 million at constant exchange rate. Movements in exchange rate therefore had a €192 million positive impact.

This decrease was mainly due to a fall in financing debt (€–1,327 million), resulting mostly from:

- the redemption on July 22, 2004 of ORAN bonds (bonds redeemable in either shares or cash) issued by AXA in September 2003 to finance the MONY acquisition. Redemption took place through the issuance of one new ordinary AXA share for each ORAN, i.e. a total issuance amount of €1,389 million after elimination of intra-Group financing.

- the redemption of EMTNs issued in 2002 as part of the Euro Medium Term Note program (€312 million),
- the redemption of all commercial paper (€120 million),
- the maturing of AXA Financial's senior bonds (€237 million),
- partly offset by the issuance of senior bonds by AXA Financial (€463 million) and Equitable Life (€220 million) as part of the MONY transaction.

22. Amounts Owed to Credit Institutions

(At December 31, in euro millions)

	2004	2003
FINANCING DEBT	**17**	**29**
Other	17	29
OPERATING DEBT	**4,519**	**2,806**
Other financial services in France:		
Compagnie Financière de Paris	–	17
AXA Banque	90	266
Other financial services in Germany:		
Colonia Bausparkasse	–	190
AXA Vorsorgebank	301	241
Other financial services in Belgium:		
AXA Bank Belgium	4,128	2,090
Other	–	2
Bank overdrafts	**636**	**1,016**
TOTAL	**5,172**	**3,851**

The increase in amounts owed to credit institutions in 2004 (€1,321 million) was due to:
- a €2,037 million increase in debt at AXA Bank Belgium in 2004, mainly due to its credit spread portfolio on which total debt was €3,464 million. These instruments are used to manage the liquidity of the Belgian banking business,
- a €176 million reduction in operating debt at AXA Banque and a €190 million reduction in operating debt in Germany following the disposal of AXA Bausparkasse in 2004,
- a reduction of around €380 million in bank overdrafts across the whole Group.

23. Segment information and technical results

23.1. Gross written premiums and financial revenues

The following table presents AXA's consolidated gross premiums and financial services revenues by segment:

GROSS WRITTEN PREMIUMS AND FINANCIAL REVENUES

(Years ended December 31, in euro millions)

	2004	2003	2002
LIFE & SAVINGS	**47,063**	**46,799**	**48,586**
Direct premiums	44,312	42,342	46,531
Reinsurance assumed	1,930	3,944	1,696
Other	821	513	539
France	11,893	10,882	10,423
United States	12,880	13,732	12,726
United Kingdom	6,309	5,831	8,362
Japan	5,526	6,078	6,428
Germany	3,499	3,428	3,140
Belgium	2,203	2,050	1,629
Other countries	4,753	4,798	5,877
PROPERTY & CASUALTY	**17,852**	**17,098**	**15,948**
Direct premiums written	17,536	16,655	15,569
Reinsurance assumed	273	408	367
Other	42	35	12
France	4,895	4,640	4,383
Germany	2,796	2,847	2,843
United Kingdom (and Ireland since January 1, 2004)	4,469	3,664	2,749
Belgium	1,430	1,405	1,395
Other countries	4,262	4,543	4,577
INTERNATIONAL INSURANCE	**3,371**	**3,972**	**5,762**
Direct premiums written	1,036	1,180	1,276
Reinsurance assumed	2,320	2,776	4,464
Other	15	16	22
AXA RE	1,056	1,913	3,472
AXA Corporate Solutions Assurance	1,506	1,550	1,762
AXA Cessions	94	87	100
AXA Assistance	475	408	397
Others	240	14	30
ASSET MANAGEMENT	**3,087**	**2,922**	**3,411**
Alliance Capital	2,312	2,311	2,778
AXA Investment Managers	776	611	633
OTHER FINANCIAL SERVICES	**791**	**836**	**1,020**
French banks	153	139	134
German banks	56	122	117
AXA Bank Belgium	578	539	717
Other	5	37	52
TOTAL	**72,164**	**71,628**	**74,727**

23.2. Segment Information

The following tables set out the analysis of technical result by insurance segment:

LIFE & SAVINGS

(in euro millions)

	Gross written premiums Years ended December 31, 2004	2003	2002	Insurance reserves at December 31, 2004
Retirement/annuity/investment contracts				
- individual	25,510	25,433	24,136	201,675
- group	4,174	4,674	5,298	35,870
Life contracts (including endowment contracts)	9,938	10,043	10,481	76,977
Health contracts [a]	4,590	4,064	6,067	11,530
Other [a]	2,030	2,073	2,065	15,835
SUB-TOTAL	**46,242**	**46,286**	**48,048**	**341,886**
Fees, commissions and other revenues	821	513	539	
TOTAL	**47,063**	**46,799**	**48,586**	
Total gross premiums include:				
- Assets backing contracts with financial risk borne by policyholders (unit-linked)	16,415	15,022	14,344	113,998
- UK "With-Profit" business	1,034	1,288	3,128	30,282

(a) Health business included in 2002 €866 million of premiums from group protection segment presented in 2003 and 2004 on "other".

PROPERTY & CASUALTY

(in euro millions)

	Gross written premiums Years ended December 31, 2004	2003	2002	Insurance reserves at December 31, 2004
Personal line				
Automobile	5,889	5,550	5,686	10,390
Property damage	2,626	2,205	2,273	2,324
Other	2,359	2,083	1,548	4,698
Commercial line				
Automobile	1,244	1,258	1,252	2,068
Property damage	2,031	2,265	2,078	2,244
Liability	1,320	1,242	1,111	5,004
Other	2,008	1,666	1,179	5,408
Other	333	794	808	1,785
SUB-TOTAL	**17,810**	**17,063**	**15,936**	**33,921**
Fees, commissions and other revenues	42	35	12	
TOTAL	**17,852**	**17,098**	**15,948**	

INTERNATIONAL INSURANCE

(in euro millions)

	Gross written premiums Years ended December 31, 2004	2003	2002	Insurance reserves at December 31, 2004
Property damage	1,450	1,746	2,852	2,978
Automobile, Maritime, Aviation	680	705	1,235	2,624
Casualty / Liability	604	608	689	3,437
Assistance	475	408	397	192
Other	148	489	566	1,120
SUB-TOTAL	**3,356**	**3,956**	**5,740**	**10,351**
Fees, commissions and other revenues	15	16	22	
TOTAL	**3,371**	**3,972**	**5,762**	

23.3. Consolidated Statements of Income by activity

The tables below set out AXA's consolidated statements of income by activity:

(in euro millions)

	Years ended December 31, 2004							
	Life & Savings	Property & Casualty	International Insurance	Asset Management	Other financial services	Holding companies	Inter-segments eliminations	Total
	Data before intersegment eliminations							
Gross written premiums	46,251	17,903	3,465	–	–	–	(211)	67,407
Revenues from banking activities	–	–	–	–	821	–	(30)	791
Other revenues	821	42	15	3,364	–	–	(277)	3,966
Gross written premiums and financial services revenues	**47,071**	**17,945**	**3,480**	**3,364**	**821**	**–**	**(518)**	**72,164**
Change in unearned premiums reserve	21	(250)	318	–	–	–	(41)	47
Net investment results	23,670	1,322	386	411	52	(376)	97	25,562
Total revenues	**70,762**	**19,017**	**4,185**	**3,775**	**873**	**(376)**	**(463)**	**97,773**
Insurance benefits and claims	(62,451)	(12,083)	(2,819)	–	–	–	208	(77,145)
Reinsurance ceded, net	17	(665)	(401)	–	–	–	(15)	(1,064)
Insurance acquisition expenses	(2,888)	(3,085)	(283)	–	–	–	17	(6,239)
Bank operating expenses	–	–	–	–	(472)	–	18	(454)
Administrative expenses	(2,885)	(1,746)	(339)	(2,589)	(280)	(99)	234	(7,704)
Total benefits, claims and other deductions	**2,553**	**1,439**	**342**	**1,186**	**121**	**(475)**	**–**	**5,167**
Income tax expense	(758)	(408)	(104)	(178)	(96)	172	–	(1,372)
Income after income tax expense	**1,795**	**1,031**	**239**	**1,008**	**25**	**(303)**	**–**	**3,796**
Equity in income from affiliated entities	44	30	1	–	1	–	–	76
Amortization of goodwill, net	(342)	(141)	(11)	(534)	(3)	–	–	(1,031)
Minority interests	(107)	(13)	(2)	(210)	(1)	11	–	(321)
NET INCOME	**1,390**	**907**	**227**	**265**	**22**	**(292)**	**–**	**2,519**

(in euro millions)

	Years ended December 31, 2003							
	Life & Savings	Property & Casualty	International Insurance	Asset Management	Other financial services	Holding companies	Inter-segments eliminations	Total
	Data before intersegment eliminations							
Gross written premiums	46,299	17,093	4,065	–	–	–	(151)	67,306
Revenues from banking activities	–	–	–	–	850	–	(30)	820
Other revenues	513	35	16	3,199	16	–	(277)	3,503
Gross written premiums and financial services revenues	**46,812**	**17,128**	**4,081**	**3,199**	**866**	**–**	**(458)**	**71,628**
Change in unearned premiums reserve	(6)	(231)	559	–	–	–	(2)	320
Net investment results	25,773	1,075	339	(28)	174	(423)	26	26,935
Total revenues	**72,579**	**17,972**	**4,979**	**3,171**	**1,040**	**(423)**	**(434)**	**98,883**
Insurance benefits and claims	65,926	(12,060)	(3,481)	–	–	–	150	(81,317)
Reinsurance ceded, net	84	(495)	(701)	–	–	–	(1)	(1,113)
Insurance acquisition expenses	(2,797)	(2,727)	(290)	–	–	–	16	(5,798)
Bank operating expenses	–	–	–	–	(519)	–	16	(502)
Administrative expenses	(2,457)	(1,865)	(313)	(2,769)	(323)	(93)	253	(7,567)
Total benefits, claims and other deductions	**1,483**	**826**	**194**	**402**	**199**	**(516)**	**–**	**2,587**
Income tax expense	(289)	(194)	(41)	(98)	(55)	140	–	(536)
Income after income tax expense	**1,194**	**632**	**154**	**304**	**144**	**(376)**	**–**	**2,051**
Equity in income from affiliated entities	19	24	–	–	(2)	1	–	41
Amortization of goodwill, net	(423)	(172)	(5)	(241)	(3)	–	–	(844)
Minority interests	(119)	(35)	(7)	(87)	–	5	–	(243)
NET INCOME	**671**	**448**	**142**	**(24)**	**138**	**(371)**	**–**	**1,005**

(in euro millions)

	Life & Savings	Property & Casualty	International Insurance	Asset Management	Other financial services	Holding companies	Inter-segments eliminations	Total
	Years ended December 31, 2002							
	Data before intersegment eliminations							
Gross written premiums	48,080	15,969	5,844	–	–	–	(169)	69,723
Revenues from banking activities	–	–	–	–	1,038	–	(26)	1,012
Other revenues	539	12	28	3,724	8	–	(319)	3,992
Gross written premiums and financial services revenues	**48,619**	**15,981**	**5,872**	**3,724**	**1,046**	**–**	**(514)**	**74,727**
Change in unearned premiums reserve	(16)	(307)	(58)	–	–	–	(2)	(382)
Net investment results	(10,684)	1,230	396	233	98	(33)	47	(8,713)
Total revenues	**37,920**	**16,904**	**6,210**	**3,957**	**1,144**	**(33)**	**(470)**	**65,632**
Insurance benefits and claims	(30,958)	(12,038)	(5,035)	–	–	–	110	(47,922)
Reinsurance ceded, net	288	(229)	(638)	–	–	–	57	(523)
Insurance acquisition expenses	(2,806)	(2,754)	(351)	–	–	–	20	(5,891)
Bank operating expenses	–	–	–	–	(625)	–	25	(600)
Administrative expenses	(2,688)	(1,658)	(367)	(2,952)	(335)	(177)	259	(8,098)
Total benefits, claims and other deductions	**1,575**	**224**	**(182)**	**1,005**	**184**	**(210)**	**–**	**2,597**
Income tax expense	(119)	(153)	43	(140)	(64)	8	–	(426)
Income after income tax expense	**1,456**	**71**	**(139)**	**865**	**120**	**(202)**	**–**	**2,171**
Equity in income from affiliated entities	(7)	19	(1)	–	14	(2)	–	23
Amortization of goodwill, net	(319)	(113)	(27)	(405)	(14)	–	–	(877)
Minority interests	(68)	5	(9)	(242)	(1)	(53)	–	(368)
NET INCOME	**1,063**	**(19)**	**(176)**	**218**	**119**	**(257)**	**–**	**949**

23.4. Technical results

The table below summarizes AXA's technical results:

LIFE & SAVINGS SEGMENT

(in euro millions)

	Years ended December 31, 2004 Gross	2004 Cessions and retrocessions	2004 Net	2003 Net	2002 Net
Gross written premiums	46,251	(820)	45,430	45,560	47,271
Change in unearned premium reserves	21	–	21	(6)	(16)
Net investment result included in technical result	12,054	–	12,054	10,032	6,340
Net change in assets backing contracts with financial risk borne by policyholders (unit-linked)	10,583	–	10,583	14,949	(17,576)
Claims paid	(39,232)	628	(38,604)	(36,025)	(38,641)
Change in claims reserves	(223)	58	(165)	(79)	(80)
Change in future policy benefits	(4,003)	42	(3,960)	(3,076)	4,506
Change in liabilities with financial risk borne by policyholders (unit-linked)	(11,211)	(7)	(11,218)	(19,376)	6,537
Change in other technical reserves	35	(7)	28	(142)	70
Policyholders' bonuses	(7,772)	31	(7,741)	(6,456)	(2,302)
Acquisition costs	(2,825)	–	(2,825)	(2,736)	(2,777)
Administrative expenses	(2,727)	–	(2,727)	(2,332)	(2,671)
Commissions received from reinsurers	–	91	91	57	73
Change in equalization reserves	(45)	–	(45)	(6)	(24)
Technical result	**906**	**17**	**922**	**365**	**710**
Net investment result – other			1,033	792	553
Other revenues, net of benefits, claims and other deductions			598	326	313
Income before income tax expense			**2,553**	**1,483**	**1,575**

PROPERTY & CASUALTY SEGMENT

(in euro millions)

	Years ended December 31, 2004 Gross	Cessions and retrocessions	Net	2003 Net	2002 Net
Gross written premiums	17,903	(991)	16,912	16,035	14,796
Change in unearned premium reserves	(250)	(6)	(256)	(214)	(335)
Net investment result included in technical result	1,056	–	1,056	853	999
Claims paid	(11,139)	689	(10,450)	(10,683)	(10,527)
Change in claims reserves	(851)	(468)	(1,319)	(826)	(647)
Change in future policy benefits	1	–	1	–	12
Change in other technical reserves	(49)	(19)	(67)	(83)	(51)
Acquisition costs	(3,085)	–	(3,085)	(2,727)	(2,751)
Administrative expenses	(1,708)	–	(1,708)	(1,825)	(1,658)
Commissions received from reinsurers		131	131	114	142
Change in equalization reserves	(45)	–	(45)	(35)	3
Technical result	**1,833**	**(665)**	**1,169**	**608**	**(15)**
Net investment result – other			266	222	230
Other revenues, net of benefits, claims and other deductions			4	(5)	9
Income before income tax expense			**1,439**	**826**	**224**

INTERNATIONAL INSURANCE SEGMENT

(in euro millions)

	Years ended December 31, 2004 Gross	Cessions and retrocessions	Net	2003 Net	2002 Net
Gross written premiums	3,465	(1,035)	2,430	2,658	3,979
Change in unearned premium reserves	318	(137)	181	563	(123)
Net investment result included in technical result	303	–	303	270	340
Claims paid	(3,132)	742	(2,390)	(2,711)	(3,974)
Change in claims reserves	487	(75)	411	(254)	(312)
Change in future policy benefits	(210)	–	(210)	9	(35)
Change in other technical reserves	3	–	3	7	(4)
Acquisition costs	(284)	–	(284)	(290)	(351)
Administrative expenses	(335)	–	(335)	(310)	(363)
Commissions received from reinsurers	–	105	105	208	572
Change in equalization reserves	33	–	33	(39)	11
Technical result	**649**	**(401)**	**248**	**112**	**(261)**
Net investment result – other			83	69	56
Other revenues, net of benefits, claims and other deductions			12	13	24
Income before income tax expense			**342**	**194**	**(182)**

24. Net Investment Result

(in euro millions)

	Years ended December 31, Insurance			Financial services			Holding companies			Intersegments eliminations			Total		
	2004	2003	2002	2004	2003	2002	2004	2003	2002	2004	2003	2002	2004	2003	2002
Net investment income on:	12,592	12,137	12,714	(1)	(45)	(44)	(505)	(446)	(457)	97	26	47	12,184	11,671	12,260
Fixed maturities	8,450	8,132	8,462	-			3	15	7	(47)	(17)	(17)	8,407	8,131	8,453
Equity investments	2,360	2,139	1,915	21	13	7	25	67	35	-	-	-	2,407	2,219	1,958
Mortgage, policy and other loans	1,228	1,276	1,528	-	-	-	8	9	7	(211)	(222)	(178)	1,025	1,063	1,357
Real Estate	744	764	824	1	(3)	2	-	(1)	(1)	-		-	745	761	825
Other invested assets (a)	791	631	822	37	11	16	320	230	386	(337)	(153)	(215)	812	720	1,009
Interest expenses (b)	(315)	(236)	(274)	(43)	(45)	(58)	(836)	(755)	(862)	478	333	361	(716)	(702)	(832)
Other investment expenses	(667)	(569)	(564)	(18)	(22)	(12)	(24)	(13)	(30)	214	84	96	(495)	(520)	(510)
Investment gains/(losses), net of valuation allowances on:	2,203	101	(4,196)	464	191	376	128	23	424	-	-	-	2796	315	(3,396)
Fixed maturities	627	52	726	48	145	46	(7)	(4)	(10)	-	-	-	668	193	762
Equity investments	966	(136)	(5,457)	415	27	361	104	34	446	-	-	-	1,505	(74)	(4,650)
Mortgage, policy and other loans	(53)	(36)	(108)	-	-	-	-		(12)	-	-	-	(54)	(37)	(120)
Real Estate	691	224	557		3	10	-	-	1	-	-	-	691	227	567
Other	(47)	(3)	87	1	16	(41)	31	(7)	(1)	-	-	-	(16)	6	45
Change in fair value of assets backing contracts with financial risk borne by policyholders (unit-linked) (net)	10,583	14,949	(17,576)	-	-	-	-	-	-	-	-	-	10,583	14,949	(17,576)
Net investment result (a)	25,378	27,187	(9,058)	463	146	331	(376)	(423)	(33)	97	26	47	25,562	26,935	(8,713)

(a) Amounts do not include investment income and investment expenses from the banking operations, which are included in "Revenues from banking activities" and in "Bank operating expenses" in the consolidated statements of income. Also, depreciation expense related to real estate held by AXA's real estate companies is excluded in the above presentation, as also included in "Bank operating expenses".

(b) Interest expenses borne by holdings is net of other investment expenses.

(in euro millions)

	Years ended December 31, Life & savings			Property & Casualty			International Insurance			Total Insurance		
	2004	2003	2002	2004	2003	2002	2004	2003	2002	2004	2003	2002
Net investment income on:	10,943	10,539	10,997	1,364	1,279	1,375	286	319	342	12,592	12,137	12,714
Fixed maturities	7,334	7,084	7,336	868	787	849	249	261	278	8,450	8,132	8,462
Equity investments	1,968	1,762	1,545	364	353	348	29	24	23	2,360	2,139	1,915
Mortgage, policy and other loans	1,145	1,196	1,385	40	51	113	42	29	30	1,228	1,276	1,528
Real Estate	603	621	667	123	134	139	19	8	18	744	764	824
Other invested assets	602	455	678	147	113	75	42	64	69	791	631	822
Interest expenses	(227)	(152)	(183)	(23)	(38)	(53)	(65)	(46)	(38)	(315)	(236)	(274)
Other investment expenses	(482)	(427)	(431)	(154)	(121)	(94)	(30)	(21)	(38)	(667)	(569)	(564)
Investment gains/(losses), net of valuation allowances on:	2,144	285	(4,105)	(42)	(204)	(145)	101	20	54	2,203	101	(4,196)
Fixed maturities	584	(7)	532	10	5	88	33	53	106	627	52	726
Equity investments	1,020	150	(5,047)	(97)	(273)	(298)	63	(13)	(113)	986	(136)	(5,457)
Mortgage, policy and other loans	(51)	(36)	(106)	(2)	(1)	(1)	-	-	-	(53)	(36)	(108)
Real Estate	635	156	474	56	68	75	-	-	8	691	224	557
Other	(43)	21	43	(9)	(4)	(9)	5	(20)	53	(47)	(3)	87
Change in fair value of assets backing contracts with financial risk borne by policyholders (unit-linked) (net)	10,583	14,949	(17,576)	-	-	-	-	-	-	10,583	14,949	(17,576)
Net investment result	23,670	25,773	(10,684)	1,322	1,075	1,230	386	339	396	25,378	27,187	(9,058)

As in 2003, 2004 brought good performance in the financial markets, with two principal impacts on the net investment result:

- The higher market value of assets backing contracts with financial risk borne by policyholders (unit-linked) had a €10.6 billion positive impact on the net investment result of Life & Savings insurance companies (2003: €14.9 billion and 2002, €-17.6 billion).
- Capital gains, net of valuation allowances, totalled €2.8 billion, as opposed to €315 million in 2003 and net capital losses of €3.4 billion in 2002. These figures included a €1.7 billion impact (2003: €1.1 billion) from the change in market value on "With-Profit" assets in the UK (accounted for at market value in the balance sheet, excluding the positive impact of investment revenues), lower valuation allowances for the impairment of equity securities and investment funds (€388 million versus €2 billion in 2003), and a €1.8 billion release from valuation allowances in 2004 (2003: €0.9 billion).

25. Reinsurance

The components of reinsurance ceded as presented in the consolidated statements of income are summarized as follows:

(in euro millions)

	Years ended December 31,														
	Life & Savings			Property & Casualty			International Insurance			Intersegments eliminations			Total Insurance		
	2004	2003	2002	2004	2003	2002	2004	2003	2002	2004	2003	2002	2004	2003	2002
Premiums ceded and retroceded	(820)	(740)	(809)	(991)	(1,058)	(1.172)	(1,035)	(1,407)	(1,865)	169	132	169	(2,678)	(3,073)	(3,678)
Change in unearned premium reserve ceded	29	95	139	(25)	18	(39)	(137)	5	(60)	46	5	10	(87)	123	49
Insurance benefits and claims ceded	717	672	885	221	432	840	667	494	716	(218)	(131)	(110)	1,388	1,467	2,331
Commissions received from reinsurers	91	57	73	131	114	142	105	208	572	(13)	(8)	(12)	314	371	774
REINSURANCE CEDED, NET	**17**	**84**	**288**	**(665)**	**(495)**	**(229)**	**(401)**	**(701)**	**(638)**	**(15)**	**(1)**	**57**	**(1,064)**	**(1,113)**	**(523)**

The strong increase in reinsurance ceded in the International Insurance business in 2004 was partly offset by a decrease in Property & Casualty and Life & Savings segments. These movements were mainly due to the following factors:

- In Property & Casualty insurance, the fall in reinsurance ceded mainly concerned France, and resulted from reduced claims recovery due to improved gross claims experience (mainly in natural catastrophes) and the increased use of non-proportional treaties,
- In International Insurance, the improvement in reinsurance ceded results took place mainly at AXA RE, and was due to high claims recovery as a result of major losses in 2004 (particularly U.S. hurricanes and typhoon Songda in Japan).

26. Operating charges

The analysis of operating expenses below does not include those relating to banking activities, which are presented separately in the income statement.

The tables below break down operating charges by nature of expenses and by classification. Each classification of operating expenses corresponds to the main functions within an insurance company. Financial services-related expenses incurred by the insurance companies are included under "administrative expenses".

(in euro millions)

	Years ended December 31, 2004								
	Life & Savings	Property & Casualty	International Insurance	Total Insurance	Assets Management	Other financial services	Holding companies	Intersegments eliminations	TOTAL
Insurance acquisition expenses[a]	(2,888)	(3,085)	(283)	(6,256)	-	-	-	17	(6,239)
Acquisition costs[b]	(4,092)	(3,223)	(287)	(7,601)	-	-	-	17	(7,584)
Insurance claims expenses[c]	(341)	(858)	(509)	(1,708)	-	-	-	4	(1,704)
Investment management expenses[d]	(120)	(26)	(7)	(153)	-	-	-	23	(129)
Administrative expenses	(2,885)	(1,746)	(339)	(4,971)	(2,589)	(280)	(99)	234	(7,704)
TOTAL BY DESTINATION	**(7,438)**	**(5,853)**	**(1,142)**	**(14,433)**	**(2,589)**	**(280)**	**(99)**	**279**	**(17,121)**
TOTAL BY NATURE	**(7,438)**	**(5,853)**	**(1,142)**	**(14,433)**	**(2,589)**	**(280)**	**(99)**	**279**	**(17,121)**
Including:									
Salaries and benefits	(2,284)	(1,386)	(282)	(3,951)	(1,193)	(124)	(144)	1	(5,412)
Depreciation	(150)	(435)	(14)	(598)	(62)	(13)	(24)	-	(697)
Commissions	(3,126)	(3,001)	(532)	(6,658)	-	-	-	28	(6,631)
Other charges	(1,879)	(1,032)	(315)	(3,225)	(1,334)	(143)	70	251	(4,381)

(a) Represents total acquisition expenses as presented in the statement of income including amortization expense for value of purchased life business in-force (VBI) and the change in deferred acquisition costs (DAC), which is net of changes in unearned premium reserves.

(b) Before amortization of value of purchased business in-force, the change in deferred acquisition costs and the change in unearned premium reserves.

(c) Such costs are included within "insurance benefits and claims" in the consolidated statement of income.

(d) Such costs are included within "net investment results" in the consolidated statement of income.

(in euro millions)

	Years ended December 31, 2003 Life & Savings	Property & Casualty	International Insurance	Total Insurance	Assets Management	Other financial services	Holding companies	Intersegments eliminations	TOTAL
Insurance acquisition expenses (a)	**(2,797)**	**(2,727)**	**(290)**	**(5,814)**	**-**	**-**	**-**	**16**	**(5,798)**
Acquisition costs (b)	(3,896)	(2,820)	(290)	(7,007)	-	-	-	16	(6,991)
Insurance claims expenses (c)	(339)	(914)	(731)	(1,984)	-	-	-	4	(1,980)
Investment management expenses (d)	(203)	(26)	(7)	(236)	-	-	-	75	(161)
Administrative expenses	(2,457)	(1,865)	(313)	(4,635)	(2,769)	(323)	(93)	253	(7,567)
TOTAL BY DESTINATION	**(6,895)**	**(5,625)**	**(1,341)**	**(13,861)**	**(2,769)**	**(323)**	**(93)**	**348**	**(16,699)**
TOTAL BY NATURE	**(6,895)**	**(5,625)**	**(1,341)**	**(13,861)**	**(2,769)**	**(323)**	**(93)**	**348**	**(16,699)**
Including:									
Salaries and benefits	(2,085)	(1,800)	(301)	(4,185)	(1,089)	(144)	(136)	1	(5,554)
Depreciation	(187)	(63)	(21)	(271)	(71)	(12)	(17)	-	(371)
Commissions	(2,773)	(2,703)	(756)	(6,232)	-	-	-	31	(6,201)
Other charges	(1,850)	(1,060)	(263)	(3,173)	(1,609)	(166)	59	316	(4,573)

(a) Represents total acquisition expenses as presented in the statement of income including amortization expense for value of purchased life business in-ı rce (VBI) and the change in deferred acquisition costs (DAC), which is net of changes in unearned premium reserves

(b) Before amortization of value of purchased business in-force, the change in deferred acquisition costs and the change in unearned premium reserves

(c) Such costs are included within "insurance benefits and claims" in the consolidated statement of income.

(d) Such costs are included within "net investment results" in the consolidated statement of income

(in euro millions)

	Years ended December 31, 2002 Life & Savings	Property & Casualty	International Insurance	Total Insurance	Assets Management	Other financial services	Holding companies	Intersegments eliminations	TOTAL
Insurance acquisition expenses (a)	**(2,806)**	**(2,754)**	**(351)**	**(5,912)**	**-**	**-**	**-**	**20**	**(5,891)**
Acquisition costs (b)	(3,775)	(2,806)	(351)	(6,932)	-	-	-	20	(6,911)
Insurance claims expenses (c)	(382)	(932)	(1,041)	(2,355)	-	-	-	5	(2,349)
Investment management expenses (d)	(248)	(33)	(11)	(292)	-	-	-	126	(166)
Administrative expenses	(2,868)	(1,658)	(367)	(4,892)	(2,952)	(335)	(177)	259	(8,098)
TOTAL BY DESTINATION	**(7,273)**	**(5,429)**	**(1,769)**	**(14,471)**	**(2,952)**	**(335)**	**(177)**	**411**	**(17,525)**
TOTAL BY NATURE	**(7,273)**	**(5,429)**	**(1,769)**	**(14,471)**	**(2,952)**	**(335)**	**(177)**	**411**	**(17,525)**
Including:									
Salaries and benefits	(2,241)	(1,748)	(288)	(4,277)	(1,237)	(150)	(61)	1	(5,723)
Depreciation	(240)	(64)	(26)	(330)	(73)	(15)	(11)	-	(429)
Commissions	(2,559)	(2,690)	(1,088)	(6,337)	-	-	-	32	(6,305)
Other charges	(2,233)	(928)	(366)	(3,528)	(1,642)	(171)	(104)	378	(5,067)

(a) Represents total acquisition expenses as presented in the statement of income including amortization expense for value of purchased life business in-force (VBI) and the change in deferred acquisition costs (DAC), which is net of changes in unearned premium reserves

(b) Before amortization of value of purchased business in-force, the change in deferred acquisition costs and the change in unearned premium reserves

(c) Such costs are included within "insurance benefits and claims" in the consolidated statement of income.

(d) Such costs are included within "net investment results" in the consolidated statement of income

Employee data

The following table presents employee data for AXA for the year ended December 31, 2004:

	Number of employees[a]	Salaries and benefits (in euro millions)
Life & Savings and Property & Casualty[b]	58,712	(3,669)
International Insurance	5,610	(282)
Financial Services and Holding companies[b]	12,017	(1,460)
TOTAL	**76,339**	**(5,412)**

(a) The employees of proportionally consolidated entities are included according to the percentage of consolidation.
(b) Employees of AXA Belgium provide services for both the insurance and banking activities. The breakdown is not available.

On a comparable basis (76,427 staff at January 1, 2004), the number of employees was stable. To obtain this comparable basis, figures were restated mainly for MONY staff in the U.S. (up 1,685 staff) and staff in the German banking business AXA Bausparkasse (–134 staff).

The UK recorded an increased number of employees (up 619 or +5%), linked to the development of the call center in India (AXA Business Services). Following the integration of AXA Assistance Morocco, which was previously equity-accounted, and the growth in the assistance business in Germany and Italy, AXA Assistance recorded an increase of its employee number (up 378 or 12%).

These increases were offset by slight reductions in many countries: Germany (down 171), Belgium (down 155), the Netherlands (down 197) and at AXA RE (down 169) and AXA Corporate Solutions Assurance (down 160).

Remuneration of the Management and Officers

The aggregate remuneration of the Executive Officers of the consolidating entity paid in relation to their services' in the controlled entities amounted to €26 million (€11 million for the Management Board and €15 million for the Executive Committee).

The members of the Supervisory Board do not receive remuneration in relation to their services with the exception of fees for attending meetings which total amount paid by the Company is less than €1 million.

There were no pensions or other similar benefits provided to these executives specific to these capacities. There were no advances or loans given to these directors by AXA (the Company) or by any of the entities under AXA's control.

27. Net Income per Ordinary Share

The Company calculates basic net income per ordinary share and diluted net income per ordinary share:

- The calculation of basic net income per ordinary share assumes no dilution and is based on the weighted average number of ordinary shares outstanding for the period.
- From 2002, the calculation of diluted net income per ordinary share takes into account shares that may be issued as a result of stock option plans and convertible bonds. The effect of stock option plans on the number of fully diluted shares is taken into account only if options are considered to be exercisable on the basis of the average price of AXA share over the period. The effect of convertible bonds (number of shares and income) is integrated in the calculation if it actually generates a dilution of the net income per share.

In 2003, the continued fall in AXA's average stock price from €17.8 to €14.1 meant that 35 million shares relating to stock options (2002: 37 millions) were not included in the calculation of the weighted average number of shares on a fully diluted basis.

(1) 2004 remuneration includes 2003 variable remuneration paid in 2004.

In 2004, taking into account AXA's average stock price, 44 million shares relating to stock options were not included in the calculation of the weighted average number of shares on a fully diluted basis. This difference is mainly due to a new stock option plan (March 2004, relating to 10 million shares).

In addition, to finance the MONY acquisition, ORAN bonds were redeemed on July 22, 2004 through the issuance of one new ordinary AXA share (at a price of €12.75 versus the market price of €17 08) for each ORAN, i.e. a total issuance of 110,245,309 new AXA shares. According to Recommendation 27 of the *Ordre des Experts Comptables* (French accountants' association), share issues carried out at a below-market price may give rise to an adjustment to the average number of shares during the period and in each period presented. As a consequence, the loss of value suffered by existing shares represents the existing shareholder's theoretical subscription right, and the issue can be regarded as a free distribution of shares in the amount of the total value of subscription rights. An adjustment coefficient equal to the pre-transaction share price divided by the theoretical post-transaction value of the shares is applied to the average number of shares in issue in each period

As a result of these factors, along with the anti-dilutive effect of convertible bond plans, the fully diluted number of shares is 1,910.8 million at December 31, 2004.

The detailed calculation of net income per ordinary share (basic and diluted) is provided below:

(in euro millions except ordinary shares in millions)	Years ended December 31														
	2004			2003						2002					
				Proforma (a)			As published			Proforma (a)			As published		
	Ordinary shares	Net Income	Adjusted Earnings	Ordinary shares	Net Income	Adjusted Earnings	Ordinary shares	Net Income	Adjusted Earnings	Ordinary shares	Net Income	Adjusted Earnings	Ordinary shares	Net Income	Adjusted Earnings
Net Income and Adjusted Earnings (Group Share)	*1,845.23*	2,519	2,901	*1,790.12*	1,005	1,450	*1,763.66*	1,005	1,450	*1,762.18*	949	1,357	*1,736.13*	949	1,357
Net Income and Adjusted Earnings Per Ordinary Share (basic)	–	*1.37*	*1.57*	–	*0.56*	*0.81*	–	*0.57*	*0 82*	–	*0.54*	*0 77*	–	*0.55*	*0 78*
Effect of dilutive securities															
Stock options	5.85	–	–	3.50	–	–	3.50	–	–	2.99	–	–	2 99	–	–
ORAN bonds (bonds redeemable in shares or cash)	59.72	–	–	22 97	–	–	22 97	–	–	–	–	–	–	–	–
Convertible Bonds (2 5% 1999-2014)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Convertible Bonds (3.75% 2000-2017)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Net Income and Adjusted Earnings attributable to ordinary shares and potentially dilutive securities	*1,910.79*	2,519	2,901	*1,816.59*	1,005	1,450	*1,790.12*	1,005	1,450	*1,765.17*	949	1,357	*1,739.12*	949	1,357
Net Income and Adjusted Earnings Per Ordinary Share (diluted)	–	1.32	1.52	–	0.55	0.80	–	0.56	0 81	–	0 54	0 77	–	0.55	0 78

(a) Following any significant capital increase with a stock price lower than the market price, such as ORAN conversion in July 2004, average number of shares and consequently earning per share over each period can be restated to take into account this event.

28. Financial Instruments

AXA primarily uses derivatives instruments for hedging purposes to manage risks, principally interest rate risk and foreign currency exposure.

(in euro millions)

	2004 Net book value	2004 Net income impact	2004 Notional amount	2003 Net book value	2003 Net income impact	2003 Notional amount
Hedging derivative instruments	**134**	**181**	**163,904**	**(225)**	**120**	**154,791**
Futures/Forward	(100)	(65)	35,870	(559)	(132)	58,171
Options	(163)	(60)	32,053	30	(19)	16,956
Swaps	397	309	94,581	299	273	78,598
Other	–	(3)	1,401	6	(1)	1,065
Other operations	**57**	**(26)**	**10,721**	**(16)**	**(54)**	**12,145**
Financial instruments	**191**	**155**	**174,625**	**(240)**	**66**	**166,936**

At December 31, 2004, the notional amount of all derivative instruments totalled €174.6 billion (2003: €166.9 billion). The estimated net fair value of these derivative instruments at December 31, 2004 totalled €2,060 million (2003: €1,384 million). The use of credit derivatives held in direct (i.e. without taking into account the credit derivatives managed through certain investment funds notably in Japan), is very limited and has no material impact on AXA's consolidated balance sheet and income statement at December 31, 2004.

While notional amount is the most commonly used measure of volume in the derivatives market, it cannot be used as a measure of risk as the notional amount greatly exceeds the possible credit and market loss that could arise from such transactions. AXA is exposed to the credit risk of the counterparty to the derivative instrument. However, AXA has no credit risk related to notional principal amounts. The notional amounts do not represent the amounts actually exchanged by the parties and thus are not a measure of AXA's exposure to the derivative instruments. AXA's exposure can be measured through the market value of the derivative contract at a given point in time.

Derivative instruments accounted for as hedging derivatives

(in euro millions)

	2004 Net book value	2004 Net income impact	2004 Notional amount	2003 Net book value	2003 Net income impact	2003 Notional amount
Futures/Forward	**(100)**	**(65)**	**35,870**	**(559)**	**(132)**	**58,171**
Currency futures/forward	(216)	12	4,748	(568)	(126)	11,502
Other futures/forward	116	(76)	31,122	9	(6)	46,669
Options	**(163)**	**(60)**	**32,053**	**30**	**(19)**	**16,956**
Caps, Floors, Collars	(10)	(79)	29,766	12	(38)	15,851
Other options	(152)	19	2,286	17	19	1,105
Swaps	**397**	**309**	**94,581**	**299**	**273**	**78,598**
Rate swaps	201	215	72,536	217	214	64,899
Other swaps	196	93	22,045	82	59	13,699
Other	**–**	**(3)**	**1,401**	**6**	**(1)**	**1,065**
Hedging derivative instruments	**134**	**181**	**163,904**	**(225)**	**120**	**154,791**

AXA primarily uses derivative instruments for hedging purposes to manage risk, mainly interest rate risk and foreign currency exposures. The risk management and associated hedging strategies are determined and managed by AXA's local operations in light of both local GAAP and French GAAP requirements. Such hedging strategies include (i) managing interest rate exposures on fixed maturity investments, long term debt and guaranteed interest crediting rates on insurance contracts, (ii) managing foreign currency exposures on foreign currency-denominated investments and liabilities, and (iii) managing liquidity positions (including the ability to pay benefits and claims when due) in connection with asset-liability management and local regulatory requirements for AXA's insurance and banking operations.

At December 31, 2004, the notional amount, net fair value and net carrying value of derivative instruments used by the whole AXA Group totalled €163,904 million (2003: €154,791 million), €1,999 million (2003: €1,383 million) and €134 million (2003: €-225 million) respectively. The impact on AXA's 2004 consolidated net income was a gain of €181 million (2003. a gain of €120 million)

At December 31, 2004 and based on notional amounts, (i) approximately 58% of the derivative instruments used for hedging purposes consisted of swap contracts, (ii) approximately 22% of the derivative instruments used for hedging purposes consisted of futures / forwards (principally other than foreign currency contracts), and (iii) 20% of the derivatives are options (Caps, Floors and Collars).

Swaps contracts

Swap contracts are agreements between two parties to exchange one set of cash flows for another. Payments are based on a notional amount. In connection with the use of such derivatives instruments, under French GAAP the balance sheet may include a net receivable or net payable at period-end for cash flow exchanges that have been accrued for but not yet settled as at period-end.

AXA uses primarily (i) interest rate swap contracts to manage cash flows on interest received on investments or interest payments on debt, and to a lesser extent (ii) currency swap contracts to manage foreign currency-denominated cash flows or investments On a consolidated basis, the notional amount, net fair value and net carrying value of such instruments at December 31, 2004 was €94,581 million (2003: €78,598 million), €2,515 million (2003: €1,724 million) and €397 million (2003: €299 million) respectively. The net impact on AXA's 2004 consolidated net income was a gain of €309 million (2003: a gain of €273 million). At December 31, 2004, interest rate swap contracts accounted for just over 77% of swaps used by AXA (based on notional amounts). Interest rate swaps are used in particular by (i) AXA (the parent company) to hedge its interest rate exposure on debt issued or amounts borrowed and (ii) AXA Bank Belgium mainly to hedge interest rate exposures in connection with its ordinary course of business to achieve an appropriate interest rate spread between the interest earning assets and the interest bearing liabilities. Currency swaps constitute another part of AXA's hedging strategies to manage foreign currency cash flow exposures, and are primarily used by AXA (the parent company): in this respect, additional hedging of $4 billion was arranged in 2004 Finally, AXA Japan arranged cross currency swaps, particularly to replace the utilization of part of its foreign currency forward contracts.

Forward and future contracts

Forward and future contracts are contracts that obligate settlement at a specified price at a specified future date and can be either exchange or non-exchange traded

On a consolidated basis, the notional amount, net fair value and net carrying value of such instruments at December 31, 2004 were €35,870 million (2003: €58,171 million) €-224 million (2003: €-103 million) and €-100 million (2003: €-559 million) respectively. The net impact on AXA's 2004 consolidated net income was a charge of €65 million (2003: a charge of €132 million). Non-foreign currency related forward and future contracts accounted for 87% of these instruments (based on notional amounts), and were predominantly used by AXA's French insurance operations and AXA Bank Belgium to hedge future operating margins. Additionally, AXA's U.S. insurance operations use forward and futures contracts to hedge certain risks associated with the guaranteed minimum death benefit or guaranteed minimum income benefit features of certain annuity products. At December 31, 2004, products with these features had a total notional value €15,331 million and net amount at risk of €15 million. Foreign currency related forward and future contracts are primarily used in Japan to hedge foreign currency risk associated with foreign currency denominated fixed maturity security investments. In 2004, following the restructuring of the bond portfolio, direct utilization of forward contracts was reduced in Japan, with a move towards cross currency swaps.

Caps/floors

Interest rate caps and floors are option-like agreements where the seller agrees to pay to the counterparty an amount equal to the differential, based on a notional amount, between the interest rate of the specified index and the interest rate cap or floor. These products are used to hedge against interest rate increases (caps) or decreases (floors).

The notional amount, net fair value and net carrying value of such instruments at December 31, 2004 were €29,766 million (2003: €15,851 million), €–185 million (2003: €2 million) and €–10 million (2003: €–12 million) respectively. The net impact on income for 2004 was a loss of €79 million (2003: a charge of €38 million). These types of derivatives are used predominantly by AXA's U.S. and French Life & Savings operations to hedge interest crediting rates on products with guaranteed rates of return and other interest-sensitive products. Income and expenses resulting from these hedges are generally reflected as an adjustment to interest credited to policyholders' account balances. Any net premium paid on such contracts is amortized on a straight-line basis over the life of the contracts.

Other operations

AXA uses derivative instruments to manage the exposures of its assets and liabilities to interest rate, foreign currency and equity price risks in certain of its operations.

Some derivative instruments are used in connection with economic hedging activities that do not meet certain requirements for hedge accounting under French GAAP and, therefore, are accounted for as other operations.

At December 31, 2004, and in respect of derivative instruments accounted for as other operations, the notional amount and the net fair value was €10,721 million and €61 million, respectively (2003: €12,145 million and €1 million, respectively). The net impact on AXA's consolidated net income was a charge of €26 million in 2004 (2003: a charge of €54 million); this excludes unrealized gains that are not recognized under French GAAP. The main AXA subsidiary that uses such instruments is AXA Bank Belgium, which uses principally euro-denominated forward rate contracts, as well as interest rate swaps in order to generate short-term trading profits in the ordinary course of its banking activities.

29. Off Balance Sheet Commitments

(At December 31, in euro millions)

	Received		Given					
			2004					2003
	2004	2003	Due in one year or less	Due after one year through three years	Due after three years through five years	Due after five years	TOTAL	TOTAL
Commitments to finance								
Financial institutions	7,821	7,120	5	8	52	16	81	69
Customers	–	4	2,390	–	–	88	2,478	1,803
Of which lines of credit [a]	*146*	*1,625*	*730*	–	–	*65*	*795*	*900*
Guarantees								
Financial institutions	234	518	33	483	297	917	1,730	1,991
Customers	2,573	2,479	69	171	3,471	758	4,468	4,489
Other								
Pledged assets and Collaterized commitments	10,191	9,266	4,202	5	5	844	5,055	3,668
Letters of credit	627	168	56	–	17	597	670	1,097
Commitments on sales currently processed	–	23	–	–	–	–	–	–
Commitments related to construction	–	4	43	98	5	6	152	155
Other engagements	2,931	1,523	359	343	154	3,461	4,316	4,453
TOTAL	**24,377**	**21,103**	**7,155**	**1,108**	**4,000**	**6,686**	**18,950**	**17,723**

(a) Not available for 2002

Off-balance sheet commitments received by AXA totalled €24,377 million at December 31, 2004, an increase of €3,274 million compared to 2003. This increase was mainly due to pleadged assets and collateralized commitments (up €926 million), other commitments received (up €1,408 million) and commitments to finance (up €697 million), and breaks down as follows:

Financing commitments received totalled €7,821 million at December 31, 2004 (2003: €7,124 million), and consisted mainly of:
- AXA SA credit lines (€6,058 million),
- commitments relating to the €312 million of commercial paper issued by Alliance Capital in 1998, with an extension of €73 million in 1999 and a cash facility of around €422 million,
- bank credit facilities granted to AXA Life Japan as part of its Life & Savings operations (€430 million),
- the U.S. holding company's share in a Group cash facility since July 9, 2004 (€367 million),
- credit facilities received by AXA RE from cedants as part of its reinsurance operations (€95 million).

The €701 million increase in commitments to finance compared to 2003 is mainly due to the €638 million increase in AXA SA credit facilities.

Guarantee commitments totalled €2,807 million (2003: €2,996 million) and consisted mainly of guarantees received from customers of Life & Savings entities (€1,437 million) and Belgian banking entities (€1,139 million) in the form of third-party pledges and mortgages on buildings relating to customer loans.

The fall of €189 million was mainly due to a reduction in letters of credit representing AXA Corporate Solutions Assurance's reinsurance commitments.

Pledged assets and collaterized commitments totalled €10,191 million at December 31, 2004 (2003: €9,266 million).

Pledged assets represent technical commitments made by reinsurers, mainly to French Life & Savings companies (€259 million) and AXA Corporate Solutions Assurance (€217 million). The €826 million fall in these commitments follows the reclassification of commitments consisting of life insurance contracts used to back loans granted by French banks into the "other commitments received" category.

Collaterized commitments totalled €9,585 million at December 31, 2004 (2003: €7,844 million) and are mainly mortgage collateral given by customers of AXA Bank Belgium on home loans and other professional loans (€9,576 million). They increased by €1,752 million mainly due to higher production of home loans.

Other commitments totalled €2,931 million at December 31, 2004 (2003: €1,523 million), an increase of €1,408 million. This amount breaks down as follows:
- €863 million of securities managed by AXA France Vie on behalf of provident societies (third-party management), a rise of €86 million compared to 2003,
- €347 million of loans of securities to third parties by French life insurance companies. The increase of €217 million is resulting line with the growth observed in this business.
- commitments received by AXA RE mainly: €146 million of guarantees relating to forward currency transactions, €54 million transfer commitment on a real estate fund managed by AXA Reim, FDV Venture, and €298 million of notional commitments received on ABR products,
- €826 million of commitments backing life insurance contracts used as collateral for loans granted by French banks, classified as pledged assets in 2003,
- €91 million of collateral received by AXA Bank Belgium as part of its cash management activities, (€-280 million compared to 2003).

Letters of credit totalled €627 million at December 31, 2004 (2003: €168 million), up €459 million compared to 2003 Letters of credit mainly consist of €477 million of new letters of credit relating to the U.S. reinsurance business.

Off-balance sheet commitments given by AXA totalled €18,950 million at December 31, 2004 (2003: €17,723 million). This increase resulted from higher pledged assets and collaterized commitments (up €1,387 million), partly offset by a decrease in letters of credit (down €427 million) and a lower level of guarantee (down €220 million).

Commitments to finance given totalled €2,559 million at December 31, 2004 (2003: €1,872 million) consisting mainly of:
- €2,478 million of commitments to customers (2003: €1,803 million), comprising €1,175 million of commitments relating to home loans made by AXA Bank Belgium (up €276 million due to higher production of home loans), €592 million of credit facilities and overdraft authorizations granted by French banks to their customers (up €66 million

due to growth in this business) and around €711 million of new commitments representing the commitment for MONY subsidiary Advest relating to transactions carried out with or on behalf of institutional customers. These increases were offset by AXA Versicherung's withdrawal from unlisted companies in 2004, which cancelled the related financial commitments (€313 million in 2003).

- €81 million of commitments to credit institutions (2003: €69 million) consisting mainly of €43 million of guarantees given on loans granted to French general agents and €27 million of real estate commitments received by AXA France IARD. These guarantees were stable compared to 2003.

Guarantee commitments totalled €6,260 million at December 31, 2004 (2003: €6,479 million), down €-219 million:

- Guarantee commitments given to financial institutions amount to €1,730 million at December 31, 2004 and are mainly made of €914 million of collateral and pledges given by AXA SA to credit institutions, €307 million of capital financing commitments given by AXA Financial to Limited Partnership, €250 million of investment guarantees given by the German holding company as part of the marketing of its real estate funds and €92 million of collateral given by Alliance Capital to a commercial bank in 2002 to guarantee some of Sanford Bernstein's commitments.
  At December 31, 2003, these commitments totalled €1,991 million, or a €-247 million mainly due to the reduction in guarantee commitments given by AXA Germany concerning the WTC claim (down €103 million).
- Guarantee commitments given to customers totalled €4,468 million at December 31, 2004 and mainly consisted of (i) €3,618 million of mutual fund performance guarantees provided by AXA Banque to funds managed by AXA IM, the fair value of this commitment was nil at December 31, 2004 and (ii) guarantees given by AXA Australia as part of its marketing of mutual funds, guaranteeing that customers will recoup their initial investment. These guarantee commitments were stable compared to December 31, 2003 (€4,489 million)

Pledged assets and real security interests totalled €5,055 million at December 31, 2004 (2003. €3,668 million).

- Pledged assets consisted mainly of €296 million of collateral on derivatives given as part of the Japanese life insurance operations, €126 million of assets pledged by AXA Germany to WestLB to hedge a dollar-denominated reinsurance liability and €142 million of pledges given to cedants as part of AXA Re's reinsurance operations.
- Collaterized commitments totalled €4,389 million at December 31, 2004 (2003: €3,081 million) and mainly consisted of €3,382 million of securities pledged by AXA Bank Belgium to financial institutions in respect of repo operations (cash management), along with €689 million of collaterized commitements given to the National Bank of Belgium as security for clearing-house activities. They also included €318 million relating to a transfer by AXA Financial of a real estate asset as collateral for a short-term debt.

Overall, pledged assets and collaterized commitments given increased by €1,387 million due to the €1,332 million increase in securities pledged by AXA Bank Belgium, and the €115 million increase in pledged assets relating to Japanese entities' derivative transactions, in line with increasing derivative volumes.

Letters of credit given totalled €670 million at December 31, 2004 and are mainly related to international insurance operations, particularly those of AXA RE Paris (€455 million) and AXA RE Finance (€93 million). Such commitments were given in 2001 in connection with future claims settlements arising from the U.S. terrorist attacks of September 11, 2001. The fall in letters of credit was in line with the lower revenues of AXA RE.

Other commitments given totalled €4,316 million at December 31, 2004 (2003: €4,453 million) and consisted mainly of:

- €503 million of commitments given on forward foreign exchange transactions (€152 million), €54 million transfer commitment on a real estate fund managed by AXA Reim, FDV Venture, and €296 million on derivative products hedging ABR contracts. Commitments have been received for an equal amount on these contracts.
- €366 million of commitments on forward financial instruments in the French life insurance business.
- €72 million of compensation commitments granted by AXA France Assurances to a real estate promoter in the event of non motivated refusal to confirm the completion of work of a real estate operation.
- Commitments given by AXA France Vie to the Acacia special-purpose vehicle (€230 million in 2003) are now recognized through the consolidation of this vehicle in the 2004 consolidated financial statements.
- €107 million of commitments given by AXA Bank Belgium as part of its Money Market activity; the fall in these commitments reflecting the fall in cash management activity.

AXA has issued the following subordinated convertible debt instruments (i) €1,524 million 2.5% issued in February 1999 and due in 2014, and (ii) €1,099 million 3.75% issued in February 2000 and due in 2017. At maturity, if such debt instruments are not converted into ordinary shares of AXA, they will be redeemed by AXA at a price in excess of the original issue price per note. This difference totalled €1,049 million at December 31, 2004 after the allocation of a €245 million provision since December 31, 2002.

The scheme governing the financial reorganization of AXA Sun Life in 2001 (the "Scheme") details arrangements under which assets from the inherited estate, attributed to AXA through the reorganization, may be transferred on a temporary or permanent basis to the "With-Profit" funds as required to support the capital requirements of these funds, as determined under the Scheme. In the case of a temporary transfer, assets and related investment income remain attributable to AXA since they will be returned when they are no longer required to support the capital requirements of the "With-Profit" funds, under the stringent tests set out in the Scheme. If all or part of the assets transferred are unlikely to be returned in the foreseeable future (taking into consideration the duration of in-force "With-Profit" policies), then the relevant part of the transfer would be designated permanent. Only a permanent transfer to the "With-Profit" funds would result in a charge against the profit and loss account. The maximum amount that could be transferred under the Scheme is capped at the market value of surplus assets in the non-profit funds, which was £1.5 billion (€2.1 billion) at December 31, 2004, before taking into account the transfer described below.

At December 31, 2004, this transfer amounted to £754 million (€1,069 million), corresponding to the total amount transferred on January 1, 2004 plus the corresponding financial revenues. According to the rules of the plan, an annual test must be carried out at least once every 12-month period, possibly resulting in an additional transfer. The test on January 1, 2005 is unlikely to result in an additional transfer.

Current projections, consistent with management's strategic plans, indicate that these cumulative transfers can reasonably be expected to be returned by the "With-Profit" funds over time and are therefore not permanent.

On September 12, 2001 an agreement was established between AXA and BNP Paribas for a period of three years, under which AXA guaranteed the liquidity of BNP Paribas' holdings in ordinary shares of Finaxa. In connection with Alliance Capital's acquisition of Sanford Bernstein in October 2000, former shareholders of Sanford Bernstein received 40.8 million unlisted private units in Alliance Capital, the liquidity of which has been guaranteed by AXA Financial Holding since October 2002. At the end of 2002, former shareholders of Sanford Bernstein sold 8.16 million of these units to AXA Financial. In March and December 2004, they sold a total of 16.32 units to AXA Financial. The remaining 16.32 million Alliance Capital units can be sold at market price to AXA Financial over the next five years, until 2009, but not more than 20% of the original total of 40.8 million units may be sold to AXA Financial in any one annual period.

In addition to other employment-related obligations, various AXA subsidiaries are required to indemnify their employees against certain liabilities and costs that they may incur from time to time in performing activities within the scope of their employment duties. These activities may include, for example, service as a director, officer, agent, general partner, or in a similar capacity for (i) an AXA Group company other than the employee's principal employer or (ii) a company outside the AXA Group where service is at the request of (or for the benefit of) the Group (e.g. joint ventures, partnerships, or special-purpose investment companies or funds). The potential amount of compensation relating to commitments covered by these obligations cannot be evaluated with any certainty.

30. Special purposes vehicles

In the ordinary course of conducting business, AXA in the role of investment manager may act as investment adviser in certain asset-backed investment vehicles commonly known as collateralized debt obligations ("CDOs"). CDOs raise capital by issuing debt and equity securities and use the capital to invest in portfolios of interest-bearing securities. These vehicles are structured to take advantage of the yield differential between their assets and liabilities, including fees received and asset management fees spent. Any net losses of the CDO are borne first by the equity owners to the extent of their investments, and then by debt owners in ascending order of subordination. In addition, AXA's operating entities may from time to time invest directly in some of these CDOs and in CDOs managed by third parties. AXA derives no direct benefit from the total assets within the CDOs other than its direct investment plus any investment management fees, if it is also the investment manager, and cannot utilize those assets in its operations. Neither the creditors nor the equity investors (if any) have any recourse against AXA. AXA's maximum exposure to loss in these vehicles is limited to its investment and prospective investment management fees (where managed by AXA).

Similarly, AXA may also undertake specific transactions to securitize the value of specific assets on its books, such as real estate or premium receivables. All of these undertakings described in this note can be considered activities conducted through special-purpose vehicles ("SPVs").

In accordance with CRC regulation 2004-03 of May 4, 2003, SPVs controlled in substance are now consolidated, with the exception of those covered by specific exclusions stated in section 1011 of regulation 2000-05.

At December 31, 2004, and under this regulation, the Acacia SPV was consolidated within the operations of AXA France Vie. The main impact of this was a €250 million increase in AXA's other debts, and a parallel increase in receivables resulting from insurance operations. Other SPVs controlled in substance by the Group, resulting from sales of receivables and with the purpose of issuing securities whose redemption is backed by acquired receivables – known as Collateralized Debt Obligations or CDOs – are not consolidated. This is because their nature and activities are similar to those of mutual funds representing technical commitments to policyholders, in addition they are partly owned by mutual funds backing technical commitments, finally the risk supported by AXA is limited to its investment in these entities.

At December 31, 2004, the AXA investment in CDOs, being the carrying value included in its consolidated financial statements, totalled €352 million (2003: €200 million) with no additional funding commitments. At such date, these vehicles had total assets of roughly €8.8 billion (2003: €5.3 billion).

31. Related party transactions

From time to time AXA enters into agreements and transactions with its subsidiaries and affiliates for various business purposes including the provision of services and / or financing of operating activities. These agreements are formalized under French regulations as "Groupements d'Intérêt Economique" or Economic Interest Groupings (GIEs). Expenses invoiced to entities through GIEs may be calculated using allocation criteria. In 2003 and 2004, expenses invoiced by GIEs to the Company, its subsidiaries and affiliates amounted to €558 million, as compared to €626 million in 2002.

GIEs also take care of cash management for the Company, its French subsidiaries and affiliates. At December 31, 2004 the cash managed by GIEs amounted to €11.5 billion (2003: €8.1 billion).

Members of these GIEs (related parties) consist of the Company, the entities controlled directly or indirectly and the three insurance "mutuelles"[1].

The three "mutuelles" mentioned above, along with several entities in the French insurance segment, have signed agreements relating to the management of the "mutuelles" portfolio.

In 2002, Property & Casualty technical results from the brokers network were allocated to AXA Courtage IARD SA and AXA Courtage Assurance Mutuelle through a GIE, in compliance with an existing co-insurance agreement. In 2003, following the restructuring of the French business, this GIE ceased to manage the broker network's coinsurance. A new co-insurance system was set up to take care of dividing up premiums written by the broker network between AXA Courtage Assurance Mutuelle and AXA France IARD, resulting from the merger between AXA Courtage IARD, AXA Assurances IARD and AXA Conseil IARD.

As part of this co-insurance system, technical results are shared between entities in proportion with their written premiums. Aggregate written premiums (Mutual and Limited Company) recorded in the agreement amounted to €1,407 million in 2004 (of which €1,252 million attributed to the Limited Company), €1,325 million in 2003 (of which €1,179 million attributed to the Limited Company), and €1,262 million in 2002 (of which €1,123 million attributed to the Limited Company).

Finaxa[2] has granted AXA a non-exclusive license to use the AXA trademark in the jurisdictions in which AXA currently has operations and in any additional jurisdictions in which the AXA trademark is registered. AXA has the possibility to grant sub-licenses to entities controlled by the Group.

(1) At December 31, 2004, the three AXA "mutuelles" (AXA Assurance IARD Mutuelle, AXA Assurance Vie Mutuelle et AXA Courtage Assurance Mutuelle) owned 2.72% of the Company's equity capital.
(2) At December 31, 2004, Finaxa was 71.68%-owned by the AXA "mutuelles" and directly held 17.36% of AXA.

32. Consolidated statement of cash-flows

(in euro millions)

	Years ended December 31, 2004	2003	2002
Net income	**2,519**	**1,005**	**949**
Adjustments to reconcile net income to net cash provided by operating activities:			
Net investment gains/losses	(1,264)	(1,913)	3,343
Minority interests	321	243	368
Depreciation and amortization expense	62	3,117	1,621
Change in insurance liabilities	12,147	13,574	8,517
Net change in banking activities including broker-dealer receivables & payables	–	–	1
Net change in repurchase agreements	57	(80)	627
Other	4,263	(608)	(1,098)
Net cash provided by operating activities	**18,106**	**15,338**	**14,328**
Cash flows from investing activities [a]:			
Maturities and sales:			
Fixed maturities	61,791	63,370	60,800
Equity investments	30,841	19,198	22,361
Real estate	1,514	1,174	2,217
Loans and other	3,876	3,851	4,649
Purchases:			
Fixed maturities	(69,159)	(68,845)	(68,633)
Equity investments	(35,563)	(24,596)	(22,398)
Real estate [b]	(902)	(725)	(1,244)
Loans and other [b]	(8,068)	(6,527)	(8,531)
Net cash used in investing activities	**(15,671)**	**(13,100)**	**(10,780)**
Cash flows from financing activities:			
Long term debt and borrowings	(1,660)	830	(24)
Subordinated debt and mandatorily convertible bonds and notes	1,022	614	(810)
Issuance of ordinary shares [c]	1,675	196	262
Dividends	(927)	(1,006)	(1,553)
Net cash (used in) provided by financing activities	**110**	**634**	**(2,126)**
Cash flows from other activities:			
Net impact of foreign exchange fluctuations	(360)	(696)	(768)
Change in cash due to change in scope of consolidation	131	(280)	(157)
Net (decrease) increase in cash and cash equivalents [d]	**2,316**	**1,897**	**497**
Cash and cash equivalents beginning of year (net)	18,412	16,515	16,018
Cash and cash equivalents end of year (net)	20,728	18,412	16,515

(a) Includes the cost of acquisitions and proceeds from the sale of subsidiaries

(b) Includes net movements in assets backing contracts with financial risk borne by policyholders (unit-linked).

(c) This amount included capital increases in cash. It does not include non-cash transactions: (i) conversion of convertible bonds into ordinary shares, (ii) the merger of existing wholly-owned subsidiaries with and into AXA (the Company), and (iii) ordinary shares exchanged in connection with AXA's buyout of minority interests in AXA Financial.

(d) Cash and cash equivalents stands for cash net of bank overdrafts in the balance sheet, cash is presented gross of bank overdrafts, the latter appears separately in liabilities on the line "amounts owed to credit institutions". Cash and cash equivalents amounts at December 31, 2004, 2003, 2002, €18,013 million, €19,428 million, €17,592 million respectively.

33. Dividend restrictions and minimum capital requirements

The Company is not subject to legal restrictions on the amount of dividends it may pay to its shareholders provided that accumulated earnings available for distribution are sufficient. However, some AXA subsidiaries, principally insurance companies, are subject to restrictions on the amount of funds they may transfer in the form of cash dividends or otherwise to their shareholders.

In most cases, the amounts available for dividends from AXA's insurance subsidiaries are limited to the accumulated earnings calculated using the subsidiaries' historical statutory basis of accounting. These amounts can be further limited based on the discretion of the insurance regulators in each country in which AXA operates. In some cases, amounts available for dividends are also subject to regulatory capital adequacy tests or the approval of an independent actuary, or subject to individual terms contained in company by-laws.

In accordance with European Union directives, insurance companies organized in European Union member countries are required to maintain minimum solvency margins which must be supported by capital, retained earnings and reserves and, in France or in certain other countries (as approved by local regulators), unrealized capital gains on marketable securities and real estate as reported in regulatory filings. AXA's insurance operations in countries outside of the European Union are also subject to capital adequacy and solvency margin regulations. At December 31, 2004, management believes AXA's subsidiaries are in compliance with all applicable solvency and capital adequacy margin requirements.

The adjusted solvency ratio was estimated on the basis of regulation that came into force on January 1, 2004 (Solvency I) and takes into account part of the future benefits stated in Directive 2002/12 of March 5, 2002.

34. Condensed consolidated U.S. GAAP financial statements

Since 2002, information relative to condensed U.S. GAAP financial statement are presented in the chapter "Other financial information".

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REPORT OF INDEPENDENT ACCOUNTANTS ON THE CONSOLIDATED FINANCIAL STATEMENTS

(for the year ended December 31, 2004)

To the Shareholders of **AXA**
25, avenue Matignon
75008 Paris

This is a free translation into English of the statutory auditors' report issued in the French language and is provided solely for the convenience of English-speaking readers. The statutory auditors' report includes information specifically required by French law in all audit reports, whether qualified or not, which is presented below in the opinion on the financial statements. This information includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole, and not to provide separate assurance on individual account captions or information taken outside of the consolidated financial statements.

This report, together with the statutory auditors' report addressing financial and accounting information in the President's report on internal control, should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France

To the Shareholders,

In compliance with the assignment entrusted to us by the shareholders, we have audited the accompanying consolidated financial statements of AXA for the year ended December 31, 2004.

The consolidated financial statements are the responsibility of the Management Board. Our role is to express an opinion on these financial statements based on our audit.

OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with the professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall consolidated financial statement presentation. We believe that our audit provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and results of the consolidated group of companies in accordance with the accounting rules and principles applicable in France.

JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of Article L 225-235 of the French Commercial Code relating to the justification of our assessments, which were introduced by the Financial Security Act of August 1, 2003, we would like to bring the following matters to your attention.

- Consolidated balance sheet items that are specific to insurance and reinsurance business are estimated on the basis of statistical and actuarial data, specific actuarial reserves, deferred acquisition costs and their amortization, and the value of business in force The methods and assumptions used to calculate the carrying values of these items are described in notes 3.6 2, 3.5.5 and 3.5.2 of the notes to the consolidated financial statements.
- We have assessed the reasonableness of the assumptions used to calculate these values, particularly with respect to the Group's loss experience and its regulatory and economic environments. We also assessed the overall consistency of these assumptions.
- The carrying values of purchase goodwill are tested at each closing for recoverability using the methods described in note 3.5.1 of the consolidated financial statements.
- We have assessed whether the multi-criteria approaches used rely on assumptions that are consistent with the

forecasts that emerge from the strategic plans established by the AXA Group.

- The methods and assumptions used to establish valuation allowances for other than temporary impairment in the investment portfolio are described in note 3.5.3 of the consolidated financial statements.
  We have assessed the consistency of the valuation allowances with AXA's intended holding periods for the related securities. Management indicated that AXA is able to hold these securities for a duration that is consistent with the intended holding periods.
- Deferred tax assets are tested at each closing for recoverability.
  We have assessed the consistency of the assumptions used with the tax projections that emerge from the strategic plans drawn up by the AXA Group.

The assessments were made in the context of our audit of the consolidated financial statements, taken as a whole, and therefore contributed to the formation of our opinion expressed in the first part of this report.

SPECIFIC VERIFICATION

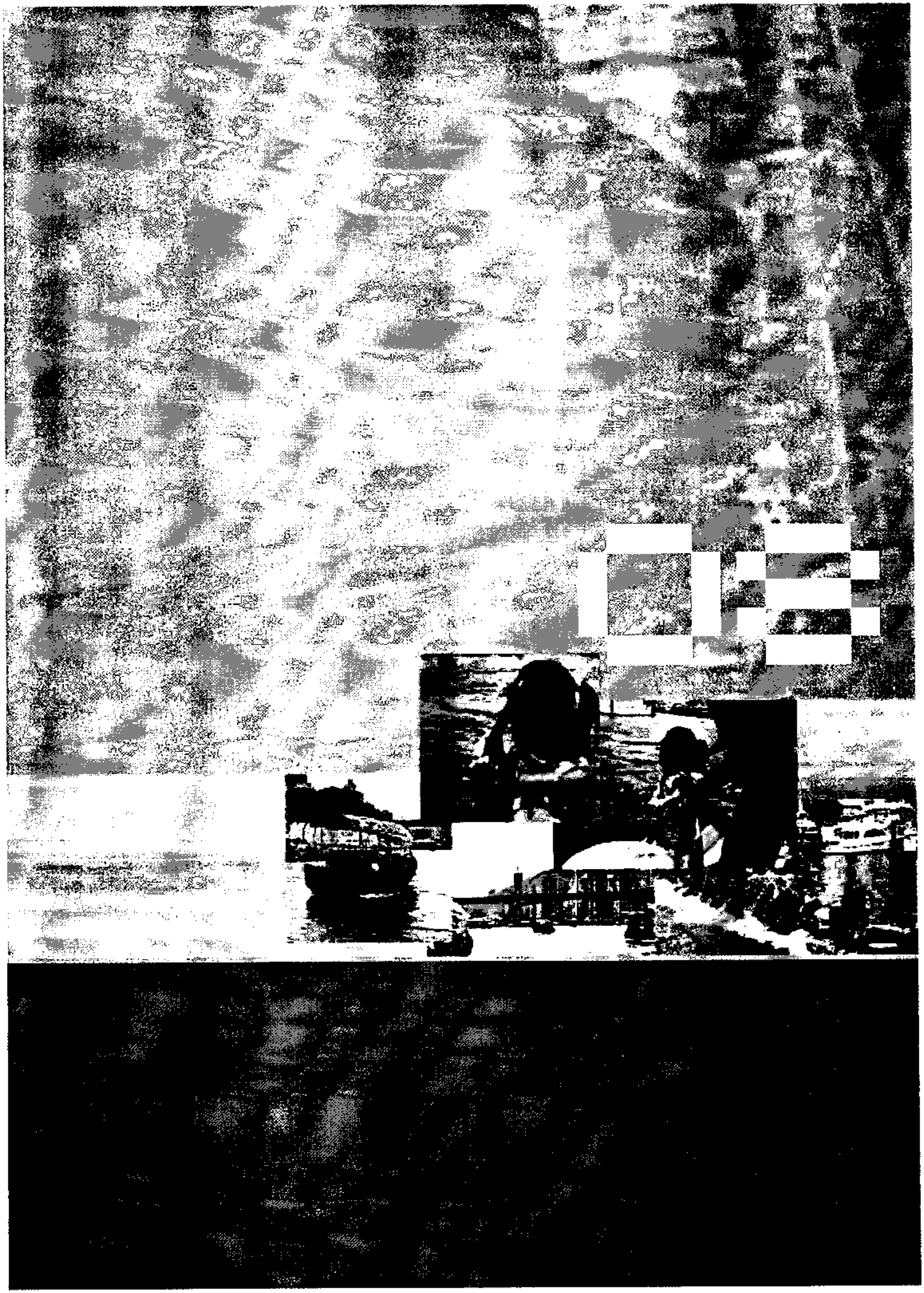
We have also verified the information given in the Management Board's annual report on operations. We have no matters to report with regard to its fair presentation and conformity with the consolidated financial statements.

Paris, February 24, 2005

The Independent Auditors

PricewaterhouseCoopers Audit
Yves Nicolas – Catherine Pariset

Mazars & Guérard
Patrick de Cambourg – Jean-Pierre Lassus



Other supplementary information

U.S. GAAP Financial information

The following information referred as "U.S. GAAP financial information" reflects AXA Group consolidated financial statements, restated according to generally accepted accounting principles in the United States ("U.S. GAAP"). French accounting principles, as described in Note 3 of the Notes to Financial statements are referred hereafter as "French GAAP".

AXA's consolidated financial statements are prepared in accordance with French GAAP. These accounting principles differ in certain material respects from U.S. GAAP in each of the three years ended December 31, 2004, 2003 and 2002. The significant differences in accounting principles between French GAAP and U.S. GAAP, including significant changes arising from the adoption of new U.S. GAAP accounting principles in the three years ended December 31, 2004, are summarized below

Summary of material differences between French Gaap and U.S. GAAP

Changes in accounting principles under U.S. GAAP

FIN 46: consolidation of variable interest entities

In January 2003, the FASB issued Interpretation No. 46, "Consolidation of Variable Interest Entities", which was amended in December 2003 ("FIN 46R"). FIN 46R clarifies the application of Accounting Research Bulletin No. 51 "Consolidated Financial Statements" as it relates to certain entities called variable interest entities ("VIEs"). A VIE is an entity in which equity investors do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk to finance its activities without subordinated financial support from other parties. Depending on the facts and circumstances, VIEs may include investments in limited partnerships, certain joint ventures, off-shore (non U.S.) funds, and, vehicles formerly known as special purpose vehicles, such as, collateralized debt obligations (also known as debt securitizations).

For entities that meet the characteristics of a VIE, FIN 46R introduced a consolidation model that focuses on the relative exposures of the participants to the economic risks and rewards derived from the assets of the VIE rather than on percentage ownership of voting interest, if any, to determine whether a parent-subsidiary relationship exists Under the VIE consolidation model, the party with the majority of the economic risks or rewards associated with a VIE's activities, including those conveyed by derivatives, credit enhancements and other arrangements, is the "primary beneficiary". The primary beneficiary is required to consolidate the VIE. FIN 46 not only provides a consolidation model but also requires specific disclosures relating to VIEs in which AXA has a significant variable interest, but is not the primary beneficiary.

As required, AXA adopted this interpretation with immediate effect for all new VIEs created on or after February 1, 2003 with no impact on the consolidated financial statements at December 31, 2003. AXA adopted this interpretation for the remaining VIEs created before February 1, 2003 with effect from January 1, 2004, which resulted in a €–15 million impact.

Accounting for non-traditional contracts including separate accounts

In July 2003, the American Institute of Certified Public Accountants ("AICPA") issued Statement of Position 03-1, *"Accounting and Reporting by Insurance Enterprises for Certain Nontraditional Long-Duration Contracts and for Separate Accounts" ("SOP 03-1")*. SOP 03-1 provides guidance notably relating to (a) accounting and reporting of unit linked funds that qualify as separate accounts according to specific criteria provided therein; (b) general account interests in those qualifying separate accounts, if any; (c) assets and liabilities associated with market value-adjusted annuities; and (d) liabilities related to certain mortality and annuitization benefits, whereby the determination of liabilities, as well as related impacts on deferred acquisition costs and value of purchased business in force, will be based on models that involve numerous estimates and assumptions. In addition and in late 2004, the AICPA issued several Technical Practice Aids (TPAs) providing further guidance on the subject matter.

The adoption of SOP 03-1 required several changes to AXA's U.S. GAAP accounting policies and reporting relating to its unit linked business as set out below:

- the derecognition of certain unit linked business (assets and liabilities) for French GAAP purposes that did not qualify as U.S GAAP separate accounts as defined by SOP 03-1, primarily affecting AXA's unit linked business outside of the U.S.: resulting in a reclassification of the French GAAP unit linked assets and liabilities into specific U.S. GAAP balance sheet captions for investments and future policy benefits for U.S. GAAP accounting and reporting purposes. The unit linked assets were primarily investments in fixed maturity and equity securities and are predominantly to be classified as Trading, and, real estate that is now accounted for at historical cost less accumulated depreciation resulting in an after-tax cumulative effect in change in accounting principle recorded in net income of €74 million and Other Comprehensive Income (a separate component of U.S. GAAP shareholder's equity) of €32 million.
- The recognition of AXA's general account interests in U.S. GAAP qualifying separate accounts in the Balance Sheet caption "investments-equity securities" classified as Trading: prior to the adoption of SOP 03-1, such interests were included in Separate Accounts' asset. This change is limited to the presentation in the balance sheet and is not material.
- In addition, the adoption of SOP 03-1 results primarily in a change in method of determining liabilities associated with annuitization benefits provided on certain contracts in the United Kingdom and Japan resulting in an after-tax cumulative effect in change in accounting principle recorded in net income of €87 million.

Accounting for certain financial instruments with characteristics of both liabilities and equities

FAS 150 establishes standards for classification and measurement of certain financial instruments (notably mandatorily redeemable shares and obligations to repurchase shares such as, forward purchase contracts or written put options) with characteristics of both liabilities and equity in the statement of financial position. AXA adopted FAS 150, which is effective for financial instruments entered into or modified after May 31, 2003 and FAS 150 had no material impact on AXA's consolidated statement of financial position upon adoption. For all other pre-existing financial instruments, FAS 150 is effective at the beginning of the first interim period beginning after June 15, 2003 but given that AXA is not required to publish U.S GAAP interim financial reports, the effective date would be as at January 1, 2004 and at such date there was no material impact on AXA's consolidated statement of financial position or consolidated income statement under U.S. GAAP upon adoption.

Accounting for costs associated with exit or disposal activities

FASB 146 "Accounting for costs associated with exit or disposal activities" ("FAS 146") requires that the liability for a cost associated with the exit or disposal activity be recognized and measured initially at fair value only when the liability is incurred. AXA adopted FAS 146 on a prospective basis from January 1, 2003. FAS 146 had no material impact on AXA's consolidated statement of financial position or consolidated income statement under U.S. GAAP upon adoption.

Accounting for business combinations and impairment or disposal of long-lived assets

On January 1, 2002, AXA adopted statement of Financial Accounting Standards ("FAS") No. 141 "Business combinations", FAS 142 "Goodwill and other intangible assets", and FAS 144 "Accounting for the impairment or disposal of long-lived assets".

FAS 141 addresses financial accounting and reporting for business combinations, including investments accounted for under the equity method, collectively referred to in this section as "business combinations", with an acquisition date on or after July 1, 2001. All business combinations in the scope of FAS 141 are to be accounted for using the purchase method whereby a goodwill asset is recorded for the excess of the purchase price over the estimated fair value of net identifiable assets acquired. If the goodwill is negative, it will no longer be set up as a deferred credit and included in income over the estimated useful life but rather recognized as an after-tax extraordinary gain in the income statement in the period of acquisition. Pooling-of-interests is no longer permitted. In addition, other intangible assets can be recognized apart from goodwill if the intangible either (i) reflects a contractual-legal right, or (ii) is separable, that is, capable of being separated, sold, divided, transferred (regardless of intent / existence in the market and either individually or with a group of related assets and liabilities). Prior to FAS 141, only intangibles that could be identified and named could be recognized as an asset apart from goodwill FAS 141 had no material impact on the results of operations or financial position of AXA upon its adoption on January 1, 2002.

FAS 142 addresses financial accounting and reporting for acquired goodwill and other intangible assets, including intangible assets that are acquired individually or with a group of other assets not acquired in a business combination. At the time of adoption January 1, 2002 the U.S. GAAP carrying value for goodwill was tested for impairment. In subsequent periods, goodwill is no longer amortized but rather subject to an impairment test, at least annually. In addition, at January 1, 2002 AXA ceased to amortize negative goodwill, which was eliminated and recorded in income: the after-tax cumulative effect of the change in accounting for negative goodwill was €12 million net group share. In future periods, any negative goodwill identified in connection with a business combination will be recorded immediately in income in the period of transaction. AXA's intangible assets have finite useful lives and continue to be amortized over their estimated useful lives.

FAS 144 retains many of the fundamental recognition and measurement provisions previously required under FAS No. 121, «Accounting for the impairment of long-lived assets to be disposed of», except for the removal of goodwill from its scope, inclusion of specific guidance on cash flow recoverability testing and the criteria that must be met to classify a long-lived asset as held-for-sale. FAS 144 had no material impact on the results of operations or financial position of AXA upon its adoption on January 1, 2002.

Scope of consolidation

Under U.S. GAAP, entities are assessed for consolidation under one of two methodologies as summarized below.

- AXA is required to fully consolidate an entity if (i) the entity is a variable interest entity (VIE) as defined under FIN46R and (ii) AXA is determined to be the primary beneficiary, that is, AXA has a variable interest in the VIE that will absorb a majority of the VIE's expected losses or receive a majority of its expected residual returns, or both. Such basis for determining if consolidation is required does not exist under French GAAP.
- For entities that are not VIEs, AXA is required to fully consolidate the entity if AXA has a majority ownership interest, that is an direct or indirect interest of more than 50% of the voting rights, whereas under French GAAP control is presume if AXA directly or indirectly holds at least 40% of the voting rights and no other shareholder directly or indirectly holds a percentage interest greater than that held by AXA.

Under U.S. GAAP, the equity method of accounting is used for investments in entities (including VIEs not requiring consolidation by AXA) when AXA's ownership interest approximates 20% or more and is not greater than 50% including those companies proportionately consolidated under French GAAP.

Under French GAAP, AXA accounts for its investments in investment companies and real estate companies (including mutual funds) owned by insurance subsidiaries using the cost method. Under U.S. GAAP, such entities are first assessed for consolidation under the "variable interest" model before assessing for consolidated based on ownership interest. In consolidating mutual funds or investments in investment companies for U.S. GAAP purposes, fixed maturity and equity securities held by the funds are classified as trading and, are stated at estimated fair value.

Business combinations - purchase accounting

Business acquisitions are generally accounted for using the purchase method of accounting under both French GAAP and U.S. GAAP.

In respect of significant acquisitions, material accounting differences between French GAAP and U.S. GAAP relate primarily to (i) the different methods of determining the purchase price attributable to the issuance of ordinary shares of AXA and settling / exchanging outstanding employee share options, (ii) the differences in the underlying accounting principles used for determining the value of net assets acquired between French GAAP and U.S. GAAP, and (iii) the portion of goodwill charged directly to shareholders' equity when ordinary shares of AXA were issued in respect of transactions that were completed before the adoption of the new French Regulations on January 1, 2001.

The significant differences in accounting principles used for determining goodwill between French GAAP and U.S. GAAP are summarized below.

Purchase price

- Under both French GAAP and U.S. GAAP, the purchase price is determined at transaction date unless newly issued ordinary shares are exchanged. If ordinary shares are issued in connection with an acquisition, under French GAAP the purchase price is determined at the closing date of the offer period whereas under U.S. GAAP the purchase price is determined at the date the merger agreement is signed and announced (so long as the terms of exchange are fixed), using the average market rate over a period consisting of a number of days before and after such date.
- In connection with an acquisition of a target company, not of a minority interest, under both French GAAP and U.S. GAAP, the purchase price includes the cost of settling or exchanging outstanding employee share options of the target company. However, in respect of a minority interest buyout, costs associated with settling or exchanging outstanding employee share options are included in the purchase price under French GAAP, but are excluded from the purchase price and recorded as compensation expense under U.S. GAAP.

Value of assets acquired and liabilities assumed

Under French GAAP, the portion of assets acquired and liabilities assumed, other than in connection with a buyout of minority interests, are recorded at their estimated fair value at the date of acquisition. The insurance liabilities are maintained at the predecessor's carrying value if the measurement basis is consistent with AXA's French accounting principles. The portion of assets acquired and liabilities assumed in connection with a buyout of minority interests are maintained at carrying value at date of acquisition.

Under U.S. GAAP and in respect of all acquisitions including the buyout of minority interests, the portion of assets acquired and liabilities assumed are recorded at their estimated fair values at the date of acquisition.

Determination of identifiable intangible assets

Intangible assets arising from business combinations can be recognized under French GAAP based upon objective and pertinent criteria and, for AXA, is predominantly the value of purchased business in-force (VBI) as an intangible asset. Under U.S. GAAP, an intangible asset must be recognized at date of acquisition if there is either (i) a contractual or legal right or (ii) it is separable, that is, it is capable of being separated or divided from the acquired entity and sold, transferred, licensed, rented or exchanged. Such intangible assets may include, but are not limited to, customer and contract lists.

Goodwill

Under French GAAP and in respect of acquisitions completed prior to January 1, 2001, a portion of goodwill could have been charged directly to shareholders' equity to the extent that ordinary shares were issued by the parent company in connection with the transaction, with the remaining amount recorded as a goodwill asset. For all acquisitions completed on or after January 1, 2001, the difference between the purchase price and the value of the portion of net assets acquired is recorded as a goodwill asset. However, the French GAAP basis may not generate a goodwill asset value that is equal to that determined under U.S. GAAP due to (i) the accounting for net assets acquired in respect of a buyout of minority interests, (ii) the accounting for the value of shares exchanged, if applicable, (iii) the accounting for the settlement or exchange of outstanding employee share options of the acquired company, (iv) the identification and valuation of identifiable intangible assets, and (v) goodwill is maintained in the functional currency of the acquired company under U.S. GAAP rather than at the historical rate.

Under French GAAP, the goodwill asset is amortized over the remaining estimated useful life and subject to routine impairment testing. Effective from January 1, 2002 under U.S. GAAP, the goodwill asset is not amortized anymore but is subject to an impairment test at least annually. Any negative goodwill is amortized in income over the estimated remaining useful life under French GAAP whereas effective from January 1, 2002 under U.S. GAAP, negative goodwill is recorded in income immediately.

Revisions to goodwill

Under French GAAP, revisions can be made to the goodwill calculation up to the end of financial year following the acquisition. Under U.S. GAAP, revisions can be made to the goodwill calculation up to 12 months from the date of acquisition only with respect to outstanding known contingencies at date of acquisition.

Shares issued by a subsidiary (dilution gains)

When a subsidiary of AXA issues shares, this decreases (dilutes) AXA's ownership interest in that subsidiary and is treated as a partial disposal of the investment in that subsidiary.

Under both French GAAP and U.S. GAAP, if a subsidiary issues shares for a price in excess of or less than the carrying value of the investment in that subsidiary, the difference is generally reflected as an after-tax gain or loss in income. However, the after-tax gain or loss may differ between French GAAP and U.S. GAAP due to differences in the underlying accounting principles used for determining the value of net assets disposed.

Under French GAAP, in the event that a subsidiary issues shares and there is a specific plan to repurchase such shares (at the time shares were issued), this gain is recorded in income with a corresponding charge to establish a provision, on a pre-tax basis. There is no impact on AXA's consolidated net income and shareholders' equity under French GAAP. At the point in time when a portion or all of the issued shares are repurchased a portion or all of the provision will be released with a corresponding reduction in goodwill arising on the acquisition Under U.S. GAAP, the after tax gain is accounted for as a capital transaction and recorded in shareholders' equity.

Accounting for investments (other than held by unit linked funds)

Fixed maturities, equity and real estate, other than assets allocated to "With-Profit" contracts

Under French GAAP, investments in fixed maturity and equity securities are, in general, carried at amortized cost and historical cost, respectively, less valuation allowances. Under U.S. GAAP, the accounting for these securities depends on the investment classification:

- securities classified as "held to maturity" are reported at amortized cost,
- securities classified as "trading" are reported at fair value with changes in unrealized gains and losses included in income, and
- securities classified as "available for sale" are reported at fair value with changes in unrealized gains and losses included in "other comprehensive income" (a separate component of shareholders' equity).

In respect of valuation allowances on impairment of investments in fixed maturity and equity securities and real estate investments, under French GAAP AXA has applied the rules for other-than-temporary decline in value as described in Note 2. Under French GAAP, the impairment charge can be reversed in future periods in the event that market conditions change.

Under U.S. GAAP, unless evidence exists to support a realizable value equal to or greater than the cost basis of the investment, an impairment write-down to fair value should be recorded as realized loss in the income statement. The write-down is not reversible in future periods. As a result of the large number of investments in equity securities, AXA has concluded for the periods presented that all declines in value in excess of cost should be realized as an other-than-temporary impairment in the income statement unless the decline in value was both (i) less than 20% compared to cost and (ii) for a time period of less than six consecutive months. In addition, the Company reviews whether there are any qualitative factors specific to the issuer and or industry in which it operates that would indicate that the decline in value was other-than-temporary.

Assets allocated to "With-Profit" contracts

The assets supporting the UK "With-Profit" contracts consist primarily of investments in fixed maturity and equity securities, real estate and loans. The UK "With-Profit" contracts are participating contracts and distribution from the "With-Profit" long-term fund is based on legal restrictions whereby policyholders have a 90% right to all risks and rewards of the participating ("With-Profit") fund. Therefore, changes in the estimated market value of these assets held in the "With-Profit" fund impact the valuation of the fund and, therefore, the valuation of the underlying insurance liabilities.

Under French GAAP, all assets supporting the UK participating ("With-Profit") fund are stated at market value with changes in market value included in income, as the unrealized investment gains and losses on these investments are included in the determination of the related insurance liability

Under U.S. GAAP, the fixed maturity and equity securities are designated as trading and, therefore, are accounted for in a manner similar to French GAAP. However, real estate assets and loans allocated to UK "With-Profit" contracts are carried at historical cost less accumulated depreciation and amortized cost or unpaid principal balance, respectively.

Accounting for derivatives and hedging activities

Under FAS 133 all derivatives are on the balance sheet at fair value with changes in fair value (that is, the gains and losses) recorded in the income statement, unless the derivative is used as a hedging instrument. If the derivative is used as a hedging instrument, the accounting for such changes in fair value depends on the hedging relationship as summarized below.

- Fair value hedges. The entire change in fair value of the derivative is recorded in income along with the associated gain or loss on the hedged item attributable to the risk being hedged.

- Cash-flow hedges. The change in fair value of the derivative attributable to the effective portion of the hedge is recorded in "other comprehensive income" (a separate component of shareholders' equity), which is subsequently reclassified into income in the same period in which the forecasted transaction affects income. The change in fair value of the derivative attributable to the ineffective portion of the hedge is recorded in income.

- Net investment hedges. The change in fair value of the derivative or non-derivative instrument attributable to the effective portion of the foreign currency hedge, together with the associated foreign exchange gain or loss on the hedged item, is recorded in a component of «other comprehensive income» as a part of the cumulative foreign translation adjustment. The change in fair value of the derivative attributable to the ineffective portion of the hedge is recorded in income.

FAS 133 hedge accounting has very prescriptive rules for (i) the types of risks that can be hedged (for example, hedge of net exposures are not permitted), and (ii) the extent to which hedge relationships must be documented and tested for effectiveness, which affect the accounting for hedges under U.S. GAAP. The strict guidance set out by the FASB and the DIG limits the extent to which existing hedge arrangements qualify for hedge accounting under FAS 133. AXA manages its risks and, therefore, its hedging strategies to meet the hedging requirements as set forth under French GAAP, rather than U.S. GAAP. As a result, certain hedging relationships established by AXA have not been designated as qualifying hedging relationships under FAS 133 and, therefore, are not subject to U.S. GAAP hedge accounting and consequently are referred to as "freestanding derivatives" with the change in fair value recorded in income for U.S. GAAP.

Given that AXA's hedging strategies are designed to comply with French GAAP measurement and recognition requirements, AXA's U.S GAAP consolidated net income could be subject to increased volatility in future periods. Significant differences could arise between the AXA's consolidated net income and shareholders' equity under French GAAP as compared to U.S. GAAP in future periods.

Separate account (unit linked) assets and liabilities

Under French GAAP unit linked assets and liabilities represent funds whereby the amount payable to the policyholder is based partly or wholly in reference to the market value of a pool of assets or in reference to an index. The unit linked assets and liabilities are presented as summary totals in AXA's consolidated financial statements prepared in accordance with French GAAP under the captions.

Under U.S. GAAP and due to AXA's adoption of SOP 03-1 on January 1, 2004 (see "Accounting for non-traditional contracts including separate accounts"), the accounting and reporting of unit linked assets and liabilities is limited to those deemed to be separate account assets and liabilities based on specific SOP03-1 criteria namely: (i) the fund is legally recognized, (ii) the separate account assets are legally insulated from the general account liabilities of the insurance enterprise, (iii) the policyholder directs investment or there are pre-determined specific investment policy/objectives, and (iv) the investment performance passed-through to policyholder, subject to contract fees and assessments. Any general account interests in the separate accounts are to be reported as a part of the general account invested assets. Consequently the unit linked funds that do not qualify as U.S. GAAP separate accounts are reclassified out of French GAAP unit linked assets and liabilities and for U.S. GAAP included, as appropriate, in the other balance sheet captions and valued in accordance with the AXA's general policies for valuing investments and liabilities, as appropriate.

Future policy benefits

Under French GAAP, insurance liabilities for Life & Savings business, also referred to as future policy benefits, are calculated in accordance with the applicable local regulatory and accounting rules if consistent with the French accounting principles used by AXA. The future policy benefits are actuarially determined using actuarial assumptions relating to investment yields, mortality, morbidity and expenses. Contracts are assumed to remain in-force until their contractual maturity date or the death of the insured.

Under U.S. GAAP, future policy benefits for traditional life policies, that is for contracts with significant mortality or morbidity risk, are computed using a net level premium method on the basis of actuarial assumptions as to mortality, persistency and interest based on the insurance company's experience, with a margin for adverse deviation; such actuarial assumptions are established as of the date of policy issue. When the liabilities for future policy benefits plus the present value of expected future gross premiums are insufficient to provide for expected future policy benefits and expenses, a premium deficiency reserve is established by a charge to earnings. As a result of the adoption of SOP 03-1, certain mortality and annuitization benefits are also required to be recognized in certain circumstances and may result in differences with French GAAP depending on the basis for which the assumption have been determined.

Equitable Life. For French GAAP purposes, in 1996 Equitable Life changed its method of accounting for certain long-duration participating life insurance contracts in accordance with the provisions prescribed by FAS 120, "Accounting and reporting by mutual Life insurance enterprises and by insurance enterprises for certain long-duration participating contracts". Under French GAAP, the liability for terminal dividends is accrued in proportion to gross margins over the life of the contract. For U.S. GAAP purposes, management elected not to implement FAS 120 for AXA's consolidated financial statements and, accordingly, has maintained its U.S. GAAP methodology for all long-duration participating life insurance contracts based on FAS 60 whereby the terminal dividends are taken into account in the establishment of reserve factors, and the reserves are accrued in proportion to premium revenue over the life of the contract.

Reinsurance contracts that cover Guaranteed Minimum Income Benefits ("GMIBs") features of variable annuity / separate account type contracts are accounted for as insurance contracts under French GAAP on a prospective basis whereby the amount is recognized over the contract term. Under U.S GAAP the reinsurance contract covering the income feature represents a derivative instrument accounted for under FAS 133 at fair value.

Profit recognition for UK "With-Profit" business

Under French GAAP, the profit recognized by AXA in respect of the UK "With-Profit" business represents 10% of the bonus declared by the actuary Under U.S. GAAP. 10% of all changes in the UK with-profit fund (revenues and expenses) are recognized in the income statement, with the remaining 90% attributed to "unallocated policyholder dividend liability".

Cost of reinsurance

Under French GAAP, the cost of reinsurance is recorded in income in the year the reinsurance arrangement is placed with a third party reinsurer, including for long duration contracts. Under U S. GAAP, the cost of reinsurance on long duration contracts is amortized into income over the lifetime of payments This adjustment is included in the caption "future policy benefits" as presented in AXA's reconciliations of consolidated net income and consolidated shareholders' equity from French GAAP to U.S. GAAP.

Equalization reserves

Under French GAAP, equalization reserves are recognized in respect of future catastrophe risks, which are determined in accordance with local regulatory requirements in certain jurisdictions in which AXA operates Such reserves are not permitted to be recognized as a liability under U.S. GAAP until such losses are incurred.

Other differences

Restructuring provisions

For restructuring provisions established prior to January 1, 2003 under French GAAP and U.S. GAAP, the nature of costs that can be included in restructuring provisions is generally similar. However, U.S. GAAP requires that certain conditions exist including the timing of recording restructuring provision for involuntary termination benefits. Consequently, certain costs included in restructuring provisions under French GAAP are not permitted under U.S. GAAP. These differences will reduce over time as the related restructuring costs are incurred.

In respect of all new exit or disposal activities established on or after January 1, 2003, U.S. GAAP as set out in FAS 146 (see "Changes in Accounting Principles under U.S. GAAP") is different from French GAAP as it relates to (i) timing of recognition (recognized if incurred only, a commitment to undertake a restructuring or exit plan is not sufficient), and (ii) measurement at inception at fair value.

Share-based compensation (other than in respect of business combinations)

Under French GAAP, the accounting of share-based compensation is limited to share option plans and depends on whether the share option plan (i) relates to the purchase of shares in the open market or the increase in AXA share capital, (ii) provides for a guarantee of liquidity, or (iii) is issued by AXA (the Company) or another AXA entity.

Under U.S. GAAP, the accounting for share-based is identical whatever the characteristics of the plan.

There are two principal differences that arise between French GAAP and U.S. GAAP as set out below.

- Under French GAAP share-based compensation is not recorded in respect of certain share option plans issued by AXA (the Company) that do not provide a guarantee for liquidity whereas under U.S. GAAP a compensation charge is recorded if at grant date the options are issued at a significant discount.
- For all other share option plans issued by AXA (the Company) and other AXA entities, the principles for measuring share-based compensation under French GAAP are principally similar to those used under U.S. GAAP. However, the compensation expense is recorded over the vesting period in the income statement and included as a liability under French GAAP whereas under U.S. GAAP the amount is recorded against shareholders' equity.

Pension plans

Under French GAAP, AXA uses an actuarial methodology that is consistent to the measurement and recognition basis prescribed under U.S. GAAP, with the exception of the recognition of an additional minimum pension liability that is not recognized under French GAAP. For U.S. GAAP purposes, an additional minimum pension liability if the accumulated benefit obligation exceeds the fair value of plan assets, such that the total liability in the balance sheet is at least equal to the unfunded accumulated benefit obligation. The after-tax amount is recorded in "Other Comprehensive Income" (separate component of shareholders' equity).

Intrafund transactions

Under French GAAP, realized gains are recognized when securities or real estate with appreciated values are contributed to mutual funds or real estate funds established for the purpose of supporting French savings contracts that is, separate account (unit linked) funds. Under U.S. GAAP, gains are proportionately recognized solely when the transactions are with funds held by U.S. GAAP qualifying separate accounts under SOP03-1 to the extent there is no General Account interest in the fund.

Long-term debt with early redemption rights

Under French GAAP when long-term debt is issued with early redemption rights whereby the redemption price is in excess of the original issue price per bond or note, the excess premium may not be amortized over the period from original issue date to earliest redemption period subject to certain market conditions.

Under U.S. GAAP, as the value of the long-term debt accretes according to the stated redemption price, this accretion, if significant, is amortized over the period up to earliest redemption date and is recorded as interest expense with a corresponding increase in the value of the principal outstanding in the balance sheet.

Deferred tax

Under French GAAP, deferred income taxes are not required to be recognized in respect of distributions if the distribution is not going to be made in the foreseeable future and the ability to make such a distribution is at the control of management. Under U.S. GAAP, deferred income taxes arising on distributions are recorded in full if subject to local tax upon distribution (inside tax basis) even if the distribution is not going to be made in the foreseeable future and the ability to make such a distribution is under the control of management.

Under French GAAP, valuation allowances are recorded against deferred tax assets unless under an economic approach (based on an analysis of future statutory profits), the deferred tax assets are deemed recoverable. U.S. GAAP FAS 109 "Accounting for Income Taxes" gives greater weight to previous cumulative losses than the outlook for future probability when determining whether deferred tax assets are realizable.

Under both French GAAP and U.S. GAAP, the impact of a change in enacted tax rates on deferred tax assets and liabilities is recorded in income. Due to certain significant differences in the underlying accounting principles between French GAAP and U.S. GAAP, particularly in respect of the value of fixed maturity and equity investments (held at amortized cost or historical cost under French GAAP and generally at market value under U.S. GAAP), the impact of the change in tax rates on income under French GAAP and U.S. GAAP will differ accordingly mainly regarding stock price regulation or shares attributed to employees plans.

Treasury shares

Under French GAAP, treasury shares are reported as an asset if certain conditions are satisfied. Under U.S. GAAP, the cost of treasury shares is reported as a deduction from shareholders' equity. If such shares are then reissued, the proceeds received are correspondingly reported as a change in shareholders' equity. Therefore, any gains or losses from holding such shares are recorded as adjustments to shareholders' equity.

Derecognition of transferred assets

Assets transferred to entities in which AXA does not hold an ownership are permitted to be recognized as a disposal under French GAAP. Under U.S. GAAP any realized profit or loss on the disposal is eliminated if the transaction does not meet the requirements for derecognition due to various factors including continuing involvement.

Net income statement reconciliation between French and U.S. GAAP

Year ended December 31, 2004

Because of new U.S. auditing standards, the information provided below regarding financial information prepared in accordance with U.S. GAAP will be final only when the 20-F will be filed to the SEC (U.S. Securities and Exchange Commission) in June 2005.

The impact on consolidated net income of material differences between French and U.S. GAAP is as follows.

(in euro millions)

	Periods ended December 31,		
	2004	2003	2002
Consolidated net income in accordance with French GAAP	**2,519**	**1,005**	**949**
Material differences (gross of tax)			
Differences in scope of consolidation	789	471	(1,481)
Goodwill and purchase accounting	273	470	402
Investment accounting and valuation	162	1,142	(1,637)
Deferred acquisition costs	42	(15)	(112)
Equalization provisions	60	74	0
Future policy benefits (net of reinsurance)	(21)	(28)	(297)
Restructuring provisions and other non admissible provisions	(8)	(109)	(12)
Derivatives and hedging activities	(519)	1,092	486
Other items	(77)	(94)	(59)
Tax	15	(336)	(826)
Total reconciling adjustments	**715**	**2,668**	**(3,536)**
Consolidated net income in accordance with U.S. GAAP	**3,235**	**3,673**	**(2,588)**

Net income group share for 2004 under U.S. GAAP was €3.235 million, €716 higher million than the net income under French GAAP.

This increase was mainly due to :

- differences in scope of consolidation (€+563 million net group share, €+789 million before tax) mainly attributable to the positive impact of the increase in value of investments in mutual funds, which are consolidated at market value under U.S. GAAP (€+794 millions before tax),
- differences in goodwill and purchase accounting (€+385 million net group share, €+273 million before tax), of which:
  - exclusion of goodwill amortization charges under U.S. GAAP (€+649 million),
  - the cancellation under U.S. GAAP of the exceptional profit accounted for in Alliance Capital under French GAAP (€-112 million) relating to the partial release of the dilution profit (€420 million) recorded at the time of acquisition of Sanford Bernstein Inc. in 2000, partly offset by the exceptional amortization of the associated goodwill (€308 million using average exchange rate),
  - an additional amortization charge of the value of business in force (V.B.I.) (€-76 million before taxes),
- differences in accounting of invested assets (€123 million net group share, €+165 million before taxes), of which :
  - higher capital gains realized upon sale of invested assets, as corresponding valuation allowances were higher under U.S. GAAP, and, to a lesser extent, the booking of additional valuation allowances under French GAAP in 2004, on assets previously impaired under U.S. GAAP (€+342 million before tax),
  - the impact of SOP03-1 on invested assets, that lead to a reclassification of non qualifying separate account assets in general account, (as explained above - see "Accounting for non-traditional contracts including separate accounts"), and, for real estate and loans, a re-measurement to depreciated cost (instead of market value under French GAAP), for a total amount of €-254 million,
- the impact of accounting for derivatives and hedges (€-273 million net group share, €-519 million before taxes), and notably the application of FAS 133, which in particular caused changes in the market value of various derivative instruments to be included within net income under U.S. GAAP, and the impact of realized gains in Japan, on sales of fixed maturities and their corresponding hedging instruments. The majority of the gains on these derivatives recognized this year on the primary accounts had already been recognized in the previous years under U.S. GAAP, because of fair value accounting,
- other items as the accounting for costs in relation to discounts granted in the context of AXA employee stock purchase plan "AXA Actionnariat" (€-64 million).

The contribution of each segment to the consolidated net income was as follows :

CONSOLIDATED NET INCOME

(in euro millions)

	Year ended December 31, 2004	
	U.S. GAAP	French GAAP
Life & Savings	1,374	1,390
Property & Casualty	1,483	907
International Insurance	274	227
Total Insurance	**3,131**	**2,524**
Asset Management	277	265
Other Financial Services	(34)	22
Total Financial Services	**243**	**287**
Holdings	(140)	(292)
Net Income, Group share	**3,235**	**2,519**

(The amounts of differences in principles discussed below are provided net of deferred tax impacts).

The **Life and Savings** segment net income group share was €16 million lower than the French GAAP net income, due to :

- a -131 million euros difference in the booking of the impact on the transfer in Japan of fixed maturities. The transaction resulted in a difference of €-131 million because most of the profit on the associated hedging instruments had been previously recognized under U.S. GAAP,

- the impact of accounting derivatives and hedges (€-377 millions) in accordance with FAS 133, which caused changes in the market value of various derivative instruments to be included within net income in U.S. GAAP,
- the reversal under U.S. GAAP of the goodwill amortization charges booked under French GAAP (€+330 millions),
- the increase in value of mutual funds (€+302 million),
- the effect of SOP03-1, as explained above, that lead to a €-206 million difference in relation to real estate assets,
- higher capital gains realized upon sale of invested assets, as corresponding valuation allowances were higher under U.S. GAAP, and, to a lesser extent, the booking of additional valuation allowances under French GAAP in 2004, on assets already impaired under U.S. GAAP (€+112 million).

The **Property and Casualty** segment was the one most affected by these restatements. Net income group share was €576 million higher under U.S. GAAP, due to:

- the increase in value of mutual funds (€+262 million),
- the exclusion of goodwill amortization charges (€+140 millions),
- higher capital gains realized upon sale of invested assets, as corresponding valuation allowances were higher under U.S. GAAP, and, to a lesser extent, the booking of additional valuation allowances under French GAAP in 2004, on assets already impaired under U.S. GAAP (€+116 million).
- the cancellation of equalization provision movements (€+61million).

Net income group share in the **International Insurance** segment was €47 million higher under U.S. GAAP, as a result of:

- the increase in value of mutual funds (€+31 million),
- the cancellation of the reversal of an equalization provision booked in the set of primary accounts (€-21 million),
- the reversal of net capital gains realized on the disposal of treasury shares (€-23 million).

In the **Asset Management** segment, (which net income group share was €12 million higher under U.S. GAAP), the positive effect of eliminating goodwill amortization (€+165 million) was almost offset by the net profit recorded under French GAAP relating to Sanford Bernstein (€112 million), as described above.

The net income group share of **Other Financial Services** was €56 million lower under U.S. GAAP, mainly due to the booking under U.S. GAAP of the change in fair value of derivatives in accordance with FAS 133 (€-50 million).

The net income group share of **Holding companies** was €153 million higher under U.S. GAAP, due to fair value accounting for derivatives in accordance with FAS 133 (€+273 million), this impact being partly compensated by a compensation charge arising on the AXA Employee stock purchase plan "AXA Actionnariat" (€-64 million).

Year ended december 31, 2003

CONSOLIDATED NET INCOME

(in euro millions)

	Year ended December 31, 2003	
	U.S. GAAP	French GAAP
Life & Savings	1,998	671
Property & Casualty	1,225	448
International Insurance	302	142
Total Insurance	**3,525**	**1,261**
Asset Management	118	(24)
Other Financial Services	178	138
Total Financial Services	**297**	**115**
Holdings	(149)	(371)
Net Income, Group share	**3,673**	**1,005**

Net income Group share for 2003 under U.S. GAAP was €3,673 million, higher than the by €2,668 million figure than net income under French GAAP.

This increase was principally due to:

- The impact of accounting derivatives and hedges (€+752 million), and notably the application of FAS 133 (€+655 million), which in particular caused changes in the market value of various derivative instruments to be included within net income under U.S.GAAP.
- The exclusion of goodwill amortization charges under U.S. GAAP (€+562 million).
- The partial recovery in the financial markets and its positive impact on investments in mutual funds, which are included at market value under U.S. GAAP (€+475 million).
- The reduction in non-temporary impairment charges on equity securities under U.S. GAAP (€+675 million). The differences between U.S. and French GAAP led to the recording of €373 million net group share of valuation allowances under U.S. GAAP (impact in terms of net income Group share) as opposed to €1,048 million under French GAAP (net group share).
- A net release of deferred tax depreciation reserves (€+343 million) recorded under U.S. GAAP in 2002 by AXA Japan.
- The recognition of the disposal gain on the Australian health insurance business (€+93 million), which was recognized in 2002 under French GAAP.

These factors were partially offset by the non-recognition under U.S. GAAP of the profit recorded by AXA Financial under French GAAP (€-89 million), relating to a review of deferred tax positions.

The **Life & Savings** segment was the one most affected by these restatements. Net income Group share was €1,327 million higher under U.S. GAAP, due to:

- The impact of accounting derivatives and hedges (€+439 million).
- A net release of Japanese deferred tax depreciation reserves (€+343 million).
- The exclusion of goodwill amortization charges (€+299 million).
- Reduced non-temporary impairment charges on equity securities under U.S. GAAP (€+284 million).
- The increase in market value of mutual fund investments (€+134 million).

These factors were partially offset by the non-recognition under U.S. GAAP of the profit recorded at AXA Financial under French GAAP (€-89 million), relating to a review of deferred tax positions.

In the **Property & Casualty** segment, net income Group share was €777 million higher under U.S. GAAP, mainly due to (i) the increase in market value of mutual fund investments (€+294 million), (ii) reduced valuation allowances on equity securities (€+354 million) and (iii) the non-recognition of goodwill amortization charges (€+120 million).

Net income Group share in the **International Insurance** segment was €160 million higher under U.S. GAAP, due to (i) the difference in valuation of reinsurance liabilities relating to Guaranteed Minimum Income Benefit contracts (€+58 million), (ii) reduced valuation allowances on equity securities (€+37 million), (iii) the increase in market value of mutual fund investments (€+44 million) and (iv) the elimination of equalization reserves, which are not recognized under U.S. GAAP (€+20 million).

In the **Asset Management** segment, the €142 million increase in net income Group share compared to French GAAP was mainly due to the lack of goodwill amortization charges under U.S. GAAP (€+138 million).

In **Other Financial Services**, net income Group share was €40 million higher under U.S. GAAP, mainly due to the application of FAS 133 (€+43 million).

The net income Group share of **Holding companies** was €222 million higher under U.S. GAAP, due to (i) the recognition of derivative instruments under FAS 133 (€+222 million) and (ii) the recognition of the disposal gain on the Australian health insurance business (€+93 million), partially offset by (iii) the compensation charge arising on the AXA's employee stock purchase plan (€-46 million).

Taking into account 2004 results and the differences between French and U.S. GAAP, the Group's consolidated U.S. GAAP shareholders' equity was €30,431 million at December 31, 2004.

(in euro millions)

	2004	2003	2002
Consolidated Shareholders' equity in accordance with French GAAP	**26,157**	**23,401**	**23,711**
Material differences (gross of taxes)			
Differences in scope of consolidation	221	(381)	(1,198)
Goodwill and purchase accounting	1,263	1,144	3,606
Investment accounting and valuation	4,483	2,270	408
Deferred acquisition costs	28	(22)	(96)
Equalization provisions	269	231	200
Future policy benefits (net of reinsurance)	215	227	(194)
Treasury shares held	(378)	(473)	(487)
Derivatives and hedging activities	247	432	(41)
Deferred tax: differences in principle	(942)	(899)	(1,359)
Minimum pension liability	(1,161)	(1,028)	(1,039)
Other items	28	15	346
TOTAL U.S. GAAP ADJUSTMENTS	**4,274**	**1,517**	**146**
Consolidated Shareholders' equity in accordance with U.S. GAAP	**30,431**	**24,918**	**23,857**

Adoption of New International Accounting Standards

In the 2003 Annual Report, the Group described the first steps of its program to prepare its consolidated financial statements according to international accounting standards (IFRS) as of the financial year starting on or after January 1, 2005 in compliance with European Parliament Regulation (EC) 1606/2002.

Conversion program :

In view of this transition, since 2003, the Group devised a program to convert its French GAAP consolidated financial statements to these new international accounting standards. As indicated in the Chairman of the Supervisory Board report on internal controls (section 6), the project management, conducted by Planning Budget Results Central teams (P.B.R.C.), resulted in the implementation of specific management structures and a strong cooperation on these topics with the auditors Governance structures include: a steering committee bringing together Group Finance Department and CFOs of main Group subsidiaries, a central project team with experts in both accounting and actuarial areas, some project teams at Group subsidiaries level and an implementation committee bringing together project leaders and experts.

This program conducted since 2003 to the strengthening of the central project team, the creation of project teams in all Group subsidiaries and the setting up of meetings of the steering committee. Training seminars dealing with these new accounting policies were organized. A guide listing the principles defined in these new accounting standards and operational and financial implementation modalities has been drawn up and shared with the whole teams within the Group.

This program has been pursued in 2004, resulting in the beginning of the preparation of the 2004 opening shareholder's equity in accordance with the new international accounting standards. The data collection and processing IT system has been set up and the detailed instructions, including a chart of accounts and data entry models, have been shared within the Group; the IFRS guide has also been updated so as to reflect changes in the IFRS accounting principles. Two consolidation processes have been undertaken, first in June and in October 2004, so as to efficiently prepare the operational implementation of the transition, and to assess the impacts of the new accounting standards on both the opening shareholders equity, and the net income.

As some standards, that are very important for the Group, were still being developed (e.g. IFRS 4 "Insurance Contracts" and IAS 32&39 "Financial Instruments") the Group had to continue in 2004 to analyse the implications of the new standards and to carry out a number of estimates. In the meantime new projects have been started, notably the one relating to the consolidation of mutual funds, which will take end during the first quarter of 2005.

Based on the analysis performed in 2004, the principles for applying these new accounting standards in their current interpretation and definition have been decided by the Supervisory Board and discussed with the Audit Committee in December 2004. These application principles are currently being implemented, in a view to prepare the final set of the opening balance sheet, and 2004 comparative data.

As a consequence, it is not yet possible at this stage to present any final figures on the impact of the conversion to IFRS.

However, the main difference of principles between French GAAP and IFRS are explained here after with some estimated impacts on the shareholder's equity as of January 1, 2004.

Scope and methodology for consolidation

Investment in mutual funds, investment and real estate companies (principally held in AXA's entities and backing insurance liabilities) are not consolidated in French GAAP, in compliance with the CRC Regulation 2000-05.

According to IFRS, all entities in which AXA has a significant influence should be consolidated with:

- the full consolidation method if AXA exercises an exclusive control;
- the proportionate method if AXA exercises a joint control;
- the equity method if AXA exercises a significant long-term influence.

Invested assets

Classification

According to IFRS, the intention to hold the investment is more important than the nature of the investment. Applying this principle, invested assets excluding derivative instruments are classified in the following categories:

- held to maturity and accounted for at amortized cost;
- loans & receivables are accounted for at amortized cost;
- trading and accounted for at fair value with change in fair value in P&L;
- available for sale accounted for at fair value with change in fair value in shareholder's equity, or by exception, designated at the origin at fair value with change in fair value in P&L.

This option (designation at fair value with change in fair value in P&L), as defined by IAS 39 will be used by the Group in the following cases :

- assets backing unit linked liabilities;
- securities held by some mutual funds included in the scope of consolidation on the basis of Group risk management policy;
- assets included in hedging strategies set out by the Group for economical reasons but not eligible to hedge accounting as defined per IAS 39.

Investment properties (excluding investment properties backing totally or partially separate account (unit linked) or "With Profit" contracts, which are accounted for at fair value) and owner-occupied properties, remain accounted for at amortized cost in IFRS.

Identification and valuation of embedded derivatives

According to IFRS, embedded derivatives should be separated and accounted for at fair value with change in fair value in P&L if the host contract is not accounted for with the same method and derivatives are not clearly and closely related to the host contract. So far, total of embedded derivatives in invested assets which are not accounted for at fair value through P&L in accordance with this method is not material at the Group level.

Impairment rules

There's no difference of impairment rules for debt securities between French GAAP and IFRS. AXA considers that equity securities with unrealized losses for a continuous period of 6 months or more prior to the closing date or higher than 20% of the carrying value at the closing date should be impaired in IFRS. The impairment is calculated in reference to the market value at the closing date rather than to a recoverable value. In IFRS, any impairment of equity securities is irreversible.

Accounting rules for derivatives and hedging
The Group applies as much as possible the hedge accounting rules When it is not possible, the derivatives are accounted for at fair value with change in fair value in P&L. The impact on earnings is limited for the following strategies:
- hedged items accounted for at fair value with change in fair value in P&L as well;
- some hedged insurance contracts that AXA plans to re-measure to reflect current prices (i.e. assessed according to updated assumptions).

Given the accounting principles applicable to invested assets and financial instruments as explained above, their impact on AXA Group shareholder's equity as at January 1, 2004 should be very positive.

Insurance & investment contracts

Classification and accounting rules of the contracts
According to IFRS 4 and IAS 39, contracts should be classified in 2 categories: insurance contracts or investment contracts

The French GAAP rules are still valid for insurance contracts for IFRS Phase 1. Accounting rules for investment contracts with discretionary participation features comply with the French GAAP as well. Besides, consistently with the accounting standards currently used by the Group, an adequacy test is performed to ensure that the existing provisions are sufficient to afford the future flows including the settlement costs, the embedded options and guarantees The only exception refers to provisions related to catastrophic risks which are eliminated in IFRS (positive impact of this principle on the shareholder's equity as of January 1, 2004 estimated to € 0.3 billion).

A small part (estimated to around 9% of the technical provisions as of December 31, 2003) of the contracts are classified as investment contracts without discretionary participation features and accounted for differently in IFRS and French GAAP. In accordance with IAS 39, these contracts are accounted for using the "deposit accounting" method, which mainly results in not recognizing in our P&L the corresponding premiums and benefits and claims For the Group, this category includes mainly unit-linked contracts for which the liabilities represented already the fair value of the investment funds / assets linked to those contracts at the balance sheet date in French GAAP.

Consequently, the existing deferred acquisition cost and value of business in force in French GAAP are not significantly impacted by the IFRS. The existing acquisition costs of investment contracts without discretionary participation features are not deferred in IFRS (estimated to less than 10% of the total existing deferred acquisition costs as of December 31, 2003). The written-off deferred acquisition costs are partially replaced by deferred revenues to the extent of origination costs for investment contracts without discretionary participation features which provide investment management services. The scope of origination is more restrictive under IFRS than the scope of acquisition costs under French GAAP.

The minimum guarantees offered by some contracts in direct insurance activities and the performance guarantees offered by some contracts in reinsurance activities are subject to hedge strategies. In order to limit the mismatch between the valuation of liabilities and the valuation of the related derivatives, the Group plans to adjust liabilities to better reflect current market prices for those contracts.

Shadow accounting
In compliance with the possibility offered by the IFRS 4, the shadow accounting rules are applied for insurance and investment contracts including a discretionary participating feature on technical provisions, deferred acquisition costs and value of business in force to reflect unrealized losses and gains attributable to the policyholder. The participation rate considered is the best estimate based on constructive obligation.

Accounting rules for embedded derivatives
Similar to embedded derivatives in the invested assets, embedded derivatives in insurance & investment contracts should be separated and accounted for at fair value with change in fair value in P&L if they don't meet the following criteria of exclusion:
- if they are clearly and closely related to the host contracts;
- if they are explicitly excluded by IFRS 4 in Phase I (e.g. surrender option for a fixed amount in an insurance contracts);
- if they are an insurance contract

So far, total of embedded derivatives in insurance and investment contracts which are not accounted for at fair value do not seem to be material at Group level.

Share-based payment

Group's share-based compensation plans are predominantly equity-settled plans and share-plans. All equity-settled plans granted after November 7, 2002 and not completely acquired by their beneficiaries as at January 1, 2005 are accounted for at fair value at the grant date and the fair value is accrued over the vesting period.

The favourable conditions offered to Group's employees with share-plans are also accounted for in P&L according to IFRS 2 and are recorded through P&L.

Treasury shares

According to French GAAP, treasury shares are accounted for as an investment in equity securities if they are held to stabilize the Company's share price in the market, to be attributed to employees in connection with share purchase programs, or are treated as investment supporting separate accounts (unit-linked) contracts. According to IFRS, all treasury shares have to be netted to equity. The negative impact of this principle on the shareholder's equity as of January 1, 2004 estimated to €0,5 billion.

Compound financial instruments

According to IFRS, any financial instruments issued by the Group with an equity component (e.g. option granted to convert the debt instrument into an equity instrument of the company) and a liability component (e.g. contractual obligation to deliver cash) are classified separately on the liability side of the balance sheet with only the equity component in the shareholder's equity (positive impact of this principle on the shareholder's equity as of January 1, 2004 estimated to €0,2 billion).

First time adoption

In addition to main differences between French GAAP and IFRS described here above, the Group has applied IFRS restrospectively, in accordance with the requirements of IFRS 1 and except for the cases permitted. In particular, the Group applied retrospectively the impairment rules on equities invested assets. Besides, AXA has decided on some options for the first time adoption of IFRS as of January 1, 2004:

- application from 2004 financial year of the rules IFRS 4, IAS 32 and 39 and IFRS 2,
- past actuarial losses accounted for in shareholder's equity (negative impact of this principle on the shareholder's equity as of January 1, 2004 estimated to €2,0 billion);
- no restatement of past business combinations but retroactive adjustment to book goodwill in local currency of the acquired entity (negative impact of this principle on the shareholder's equity as of January 1, 2004 estimated to €1,3 billion);
- reset to zero all past cumulative translation adjustments.

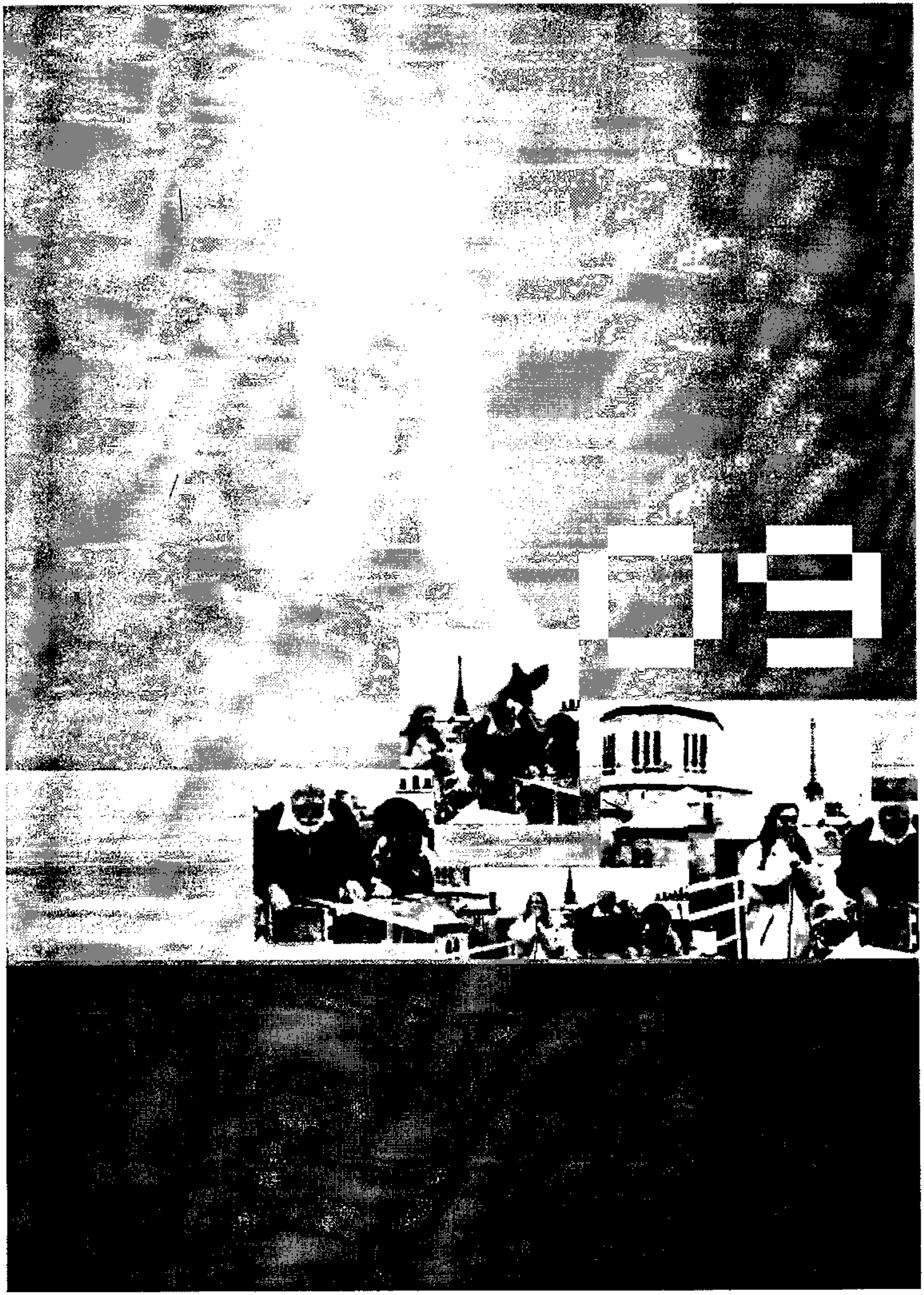
Information about the transition to IFRS

First 2005 months will be the opportunity to finalize the 2004 Opening Balance and the HY 2004 proforma accounts in the perspective of comparison with the HY 2005 financial statements published in compliance with the IFRS.

The Group has already explained the transition terms and its consequences during a meeting set up on January 6, 2005, open to financial analysts, journalists and investors.

Releases are the followings:

- May 2005 : publication of first quarter gross written premiums and indicators in accordance with IFRS.
- June 2005 : communication of the impacts of IFRS rules on the opening shareholders' equity (January 1, 2004) and net income 2004.
- September 2005 : publication of Half Year financial statements in accordance with IFRS, with 2004 Half Year comparative data.



AXA
(Parent Company)

Management Board's Report on the Parent Company Financial Statements

Net Income

Net income for the fiscal year ended December 31, 2004 was €519 million, compared to €863 million for the year ended 31 December, 2003.

Dividends received from subsidiaries were to €970 million for the year ended December 31, 2004, a decrease of €139 million compared with the previous year.

Dividends received from European companies for the year ended December 31, 2004 were €717 million, an increase of €96 million compared with the previous year, mainly due to a €35 million increase in dividends from Italy, a €28 million increase from Belgium and a €25 million increase from Spain. These entities' earnings enabled them to raise dividend payments while at the same time improving solvency. Dividend payments received from AXA France Assurance were stable at €580 million.

Dividends from insurance companies outside Europe decreased by €134 million to €121 million for the year ended December 31, 2004. AXA Financial did not pay any dividends in 2004, compared to a €174 million payment in 2003. Its cash flow available in 2004 was used mainly to redeem debt and finance the MONY acquisition.

This decline was mitigated by an exceptional €46 million dividend from Morocco and a €10 million dividend from Canada.

Dividends from the financial services subsidiaries decreased by €100 million compared with the previous year to €132 million. This was mainly due to the €135 million decrease in the dividend paid in 2004 by AXA Participations 2, resulting from the lack of capital gains realized in 2003, compared to the previous year.

Net financial charges, including interest expense net of income from loans and investments, were €178 million in 2004, compared to €157 million in 2003

Interest expense increased by €35 million to €558 million, mainly due to the final interest payment of €0.38 on the ORANs bonds (bonds redeemable in shares or cash), which caused a €30 million increase in financial charges in 2004. The ORANs bonds were issued in October 2003 to finance the MONY acquisition, and the bonds were redeemed in shares on 22 July 2004 when the acquisition was completed.

Interest income from investments increased by €14 million, mainly due to interest on cash resulting from the ORANs issue during the first six months of the year, until the bonds were redeemed in shares. Excluding the ORANs bonds, net financial charges were stable.

Operating expenses were €165 million, compared to €131 million in 2003. Of this €34 million increase, €9 million was due to renewed brand promotion efforts, €11 million to amortization ORAN issue costs (versus €4 million in 2003) and a €10 million increase in the cost of central functions, resulting from enhanced internal control and risk management along with preparations for the change in accounting standards.

There was a *net loss on capital operations* of €139 million, compared to a net gain of €75 million in 2003. This amount included realized capital gains and losses, valuation allowances for the impairment of financial assets and subsequent releases thereof, allowances to provisions for contingent liabilities, realized foreign exchange gains and losses, and non-recurring items.

In 2004, capital gains, net of provisions releases, were €29 million, including €15 million due to the sale of Schneider stakes. In 2003, capital gains, net of provisions releases, were €100 million, of which €47 million was due to gains on the sale of Schneider stakes and €44 million related to releases of impairment provisions on Compagnie Financière de Paris.

Allowances for the impairment of financial assets totaled €49 million for the year ended December 31, 2004. Of this, €16 million related to the UK holding company AXA UK Limited Holdings due to losses suffered by operating subsidiaries, €8 million to AXA Middle East, and €8 million to AXA IT service companies servicing the AXA Group.

Net foreign exchange losses were at €50 million for the year ended December 31, 2004, compared to a gain of €99 million in 2003. The 2004 figure included a €97 million provision for foreign exchange risks on foreign currency-denominated receivables and payables. In addition, the use of currency options to hedge the AXA Group's dollar-denominated earnings against a fall of the dollar versus euro, generated a gain of €27 million, net of premiums paid in 2004. €20 million of additional foreign exchange gains were recognized in the parent company financial statements in 2004.

In 2004, the holding company maintened its hedging policy on net investments denominated in foreign currencies, aimed at protecting the Group's consolidated shareholders' equity against currency fluctuations. In particular, an additional $4 billion was hedged. At the consolidated level, net investments hedge accounting is applied, such that exchange rate movements have no impact on Group results. At the parent company level, unrealized foreign exchange losses on debts must be provisioned, due to the principle of recording investment securities at their historical price in euros.

Allowances to provisions for contingent liabilities, except €97 million provision for foreign exchange were €89 million for the year ended December 31, 2004. These allowances primarily related to redemption of premiums payable on convertible bonds, which were €84 million, a similar amount to that set aside in 2003.

Tax expense fell by €62 million relative to 2003, and included €85 million tax benefit mainly due to the restructuring of Compagnie Financière de Paris subsidiaries. The Company's own tax expenses increased by €57 million, due to the sharp increase in underlying foreign exchange gains, mainly resulting from the euro's rally against the dollar. Due to changes in the losses of companies within the tax consolidation group, along with changes in the tax rate applicable to the long-term tax base as of 2005 and the fall in the additional corporate income tax contribution, provisions for tax savings repayments fell by €29 million in 2004 compared to 2003.

Balance Sheet

At December 31, 2004 total assets were €42,304 million, compared to €41,656 million at December 31, 2003.

Assets

Investments in subsidiaries net of valuation allowances, were €37,475 million as of December 31, 2004, compared to €35,932 million as of December 31, 2003, an increase of €1,543 million.

To optimize the financial position of the AXA Japan holding company, loans granted in 2003 were capitalized in an amount of €1,035 million, including interest. AXA Non Life Insurance Co Limited shares were also transferred to this holding company for €222 million.

The company increased its stake in AXA Investment Managers, particularly through its purchase of a 3.7% stake from its Australian subsidiary National Mutual Funds Management for €64 million.

In order to streamline management of its U.S. businesses, a holding company called AXA America Holding Inc was set up in the U.S. All AXA Financial shares owned by AXA SA and AXA RE, along with all AXA America Corporate Solutions shares owned by AXA RE, were transferred to this new holding company.

Initially, these shares were transferred to a French holding company, Oudinot Participations, to ensure that this restructuring would be tax-neutral in France. Oudinot Participations is now wholly owned by AXA SA following the redistribution of Oudinot Participations shares by AXA RE. The restructuring was completed by Oudinot Participations transferring the aforementioned shares to AXA America Holding Inc. The book value of AXA Financial shares transferred by AXA SA was €11,759 million.

AXA SA subscribed to a €434 million capital increase by AXA RE in order to bring the AXA RE's capital to a level compatible with its underwriting plans for 2005.

Receivables from subsidiaries were €3,034 million, down €122 million with respect to the 2003 figure of €3,156 million.

The par value of loans granted in 2003 to AXA Holding Japan, €980 million, was capitalized in 2004, as previously described.

The Company also granted new loans to group entities as part of the financing of the MONY acquisition, in an amount of $920 million or €675 million. A loan of $200 million (€147 million) was granted to AXA Financial as part of the purchase of Alliance Capital shares

Loans outstanding decreased by €76 million, due in particular to reimbursements carried out by AXA UK subsidiary AXA Isle of Man.

Miscellaneous receivables were €469 million at December 31, 2004 and included €329 million of financial receivables, corporate tax receivables of €60 million from the French Treasury and €60 million relating to current tax accounts of companies belonging to AXA's tax consolidation group.

Treasury instruments of €36 million were mainly due to premiums paid related to contracts maturing after 2004.

Cash and cash equivalents were €1,105 million, mainly due to the issue of €625 million of Super-Subordinated Notes at the end of the year.

Liabilities

Shareholders' equity, before 2004 net income and after payment of dividends in respect of the prior year were €28,499 million, an increase of €1,657 million, including €1,396 million relating to the redemption of ORANs bonds in shares, €255 million relating to new equity issues reserved for the employee stock purchase program and €11 million in respect of subscription options exercised.

Other shareholders' equity were €628 million, compared to €2,719 million in 2003. The Company reclassified in subordinated debt all ordinary subordinated debt securities, with characteristics which may encourage the issuer to early redeem the debt Only perpetual Super-Subordinated Notes issued in 2004 are now included under "other shareholders' equity" item. As a result, other debts (€2,719 million) have been reclassified in "subordinated debts".

Provisions for contingent liabilities were €987 million, including €556 million to cover the possible repayment of tax savings in connection with tax consolidation, €245 million for the redemption of premiums on convertible bonds, and €142 million of provisions for exchange rate risks.

Subordinated debt was €8,503 million as of December 31, 2004 compared to €5,504 million in 2003, an increase of €2,999 million. The increase is due to the aforementioned reclassification, and new issues. In the first half of 2004, as part of its €5 billion Euro Medium Term Notes program, the Company issued €400 million of undated subordinated debt: $375 million in January 2004 and €125 million in April 2004. These issues allowed to refinance part of the debt maturing in 2005 and beyond. The notes were issued in very favourable market conditions, and increased the Company's liquidity by extending the average term of its debt and increasing the level of hybrid capital through the issuance of undated debt.

Exchange rate effects resulting from movements in the euro against other currencies led to a €120 million decrease of subordinated debt.

Financial debt decreased by €2,070 million as of December 31, 2004, mainly due to the redemption of ORANs bonds in shares (€1,406 million) and the maturing of Euro Medium Term Notes (€312 million)

At December 31, 2004, *other payables* included primarily €54 million in remaining capital to be called-up on AXA Italia Spa, as well as €51 million in payables to minority investors in AXA Financial, €60 million with respect to general expenses payable and €87 million of financial expenses payable on swaps

Treasury instruments of €15 million at December 31, 2004 represented premiums received on financial instruments.

Unrealized foreign exchange gains were to €746 million at December 31, 2004, compared to €648 million at December 31, 2003. This item reflects the positive effects derived from the revaluation of denominated foreign currency assets and liabilities at the balance sheet date. The main counterpart to unrealised foreign exchange gains is the decrease in debt issued in dollars, due to the sharp decrease of dollar-denominated against the euro in 2004.

Appropriation of earnings

The amount available for the appropriation of earnings stands at €3,006,020,186:

– net income for the year	€518,959,933
– retained earnings	€2,487,060,253

The Management Board proposes that this amount be appropriated as follows:

– allocation to the legal reserve	€25,947,997
– dividend	€1,164,150,944
– allocation to retained earnings	€1,815,921,245

In accordance with the foregoing, the Management Board recommends the payment of a dividend of €0.61 for each of the 1,908,444,170 ordinary shares with dividend rights at January 1, 2004, payable as of April 28, 2005.

This dividend will give rise to a 50% tax credit for individuals whose fiscal residence is in France as of January 1 2005, equal to €0.305 per share.

Balance sheet - assets

(in euros millions)

	December 31, 2004 Gross carrying value	Amortization and provisions	Net carrying value	Net carrying value as at Dec. 31, 2003	Net carrying value as at Dec. 31, 2002
FIXED ASSETS					
INTANGIBLE ASSETS					
TANGIBLE ASSETS					
Land	1	–	1	1	1
Buildings and other fixed assets	3	1	2	3	3
FINANCIAL ASSETS					
Investments in and receivables from subsidiaries [a]					35,883
Investments in subsidiaries	37,959	483	37,476	35,932	–
Receivables from subsidiaries	3,044	10	3,034	3,156	–
Other financial assets	22	6	16	19	246
Loans [b]	52	20	32	108	2,056
	41,080	**520**	**40,560**	**39,218**	**38,188**
CURRENT ASSETS					
OPERATING RECEIVABLES					
Tax receivables	60	–	60	1	114
Receivables and subsidiaries' current accounts	412	3	409	369	227
Securities	3	–	3	12	2
Cash instruments	36	–	36	–	–
Cash and cash equivalents	1,005	–	1,005	1,839	193
Prepaid expenses	7	–	7	1	1
	1,523	**3**	**1,520**	**2,222**	**536**
PREPAYMENTS AND ACCRUED INCOME					
Deferred charges	205	150	55	97	88
Bond redemption premiums	4	–	4	4	5
Unrealized foreign exchange losses	165	–	165	115	132
TOTAL ASSETS	**42,978**	**673**	**42,304**	**41,656**	**38,950**

(a) In 2002, this item included €35,853 million in investments in subsidiaries and €30 million in receivables. In 2003, these items are shown separately.
(b) In 2002, this item included €2,004 million in loans to the Company's subsidiaries. These loans are now shown under receivables from subsidiaries.

Balance sheet - liabilities

(in euros millions)

	December 31, 2004	December 31, 2003	December 31, 2002
SHAREHOLDERS' EQUITY			
CAPITAL			
Ordinary shares	4,370	4,072	4,035
CAPITAL IN EXCESS OF NOMINAL VALUE			
Issue premiums	14,461	13,097	12,937
Merger and contribution premiums	887	887	887
RESERVES			
Legal reserve	407	404	397
Specific reserves for long term capital gains	2,216	2,185	2,372
Other reserves	3,671	3,671	3,671
Retained earnings	2,487	2,340	1,773
Net income for the financial year	519	863	1,066
	29,018	**27,518**	**27,139**
OTHER SHAREHOLDERS' EQUITY			
Perpetual subordinated notes	628	2,719	1,892
	628	**2,719**	**1,892**
PROVISIONS FOR CONTINGENT LIABILITIES	987	865	783
LIABILITIES			
SUBORDINATED DEBT	*8,503*	*5,504*	*5,623*
FINANCIAL DEBTS	*2,101*	*4,171*	*2,813*
OPERATING PAYABLES			
Tax payables	–	–	1
Social payables	1	1	1
OTHER PAYABLES			
Debts on fixed assets	54	54	54
Other	247	172	361
Cash instruments	15	–	–
Deferred income	3	3	3
	10,925	**9,906**	**8,857**
PREPAYMENTS AND ACCRUED EXPENSE			
Unrealized foreign exchange gains	746	648	279
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**42,304**	**41,656**	**38,950**

Income statement

(in euro millions)

		2004	2003	2002
I. RESULT ON ORDINARY ACTIVITIES				
FINANCIAL & OPERATING REVENUES				
Revenues from buildings				
Dividends received from subsidiaries		970	1,109	1,481
Revenues on short-term investments		379	365	499
Other revenues		7	8	0
	I	**1,356**	**1,482**	**1,981**
OPERATING EXPENSES				
External expenses and other expenses		(131)	(107)	(127)
Tax expenses		(1)	(1)	(1)
Compensation and benefits		(6)	(5)	(3)
Interest expense		(558)	(522)	(629)
Allowances :				
• for depreciation of buildings and deferred charges		(33)	(26)	(21)
• to debtors' reserves				
Other expenses				–
	II	**(729)**	**(661)**	**(781)**
Operating profit	**(III = I + II)**	**627**	**821**	**1,200**
Contribution on common operations	IV	1	0	0
FINANCIAL OPERATIONS ON SECURITIES				
Net income on sales of short-term securities			–	2
Net expenses on sales		–	(1)	0
Investment result on securities	**V**	**0**	**(1)**	**2**
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX	**(VI = III + IV + V)**	**628**	**820**	**1,202**
II. RESULT ON CAPITAL OPERATIONS				
Proceeds from the sale of fixed assets		12,025	164	732
Releases of provisions for contingent liabilities		15	68	126
Releases of equity provisions		42	107	125
Foreign exchange result		(50)	99	49
Net book value on the sale of fixed assets		(12,038)	(171)	(768)
Allowances to provisions for contingent liabilities		(89)	(88)	(102)
Allowances to equity provisions		(49)	(100)	(150)
Exceptional result		5	(3)	(14)
	VII	**(139)**	**75**	**(2)**
INCOME TAX EXPENSE / BENEFIT	VIII	30	(32)	(134)
III. NET INCOME FOR THE FINANCIAL YEAR	**VI + VII +VIII**	**519**	**863**	**1,066**

Statement of cash flows

(in euro millions)

	From 01/01/2004 to 12/31/2004	From 01/01/2003 to 12/31/2003	From 01/01/2002 to 12/31/2002
CASH INFLOWS			
Profit on ordinary activities before tax	627	820	1,202
Result on capital operations before tax	(138)	75	(1)
Income tax expense/benefit	30	(32)	(134)
Changes in reserves and amortization	161	101	150
Cash flow for the year	**680**	**964**	**1,217**
Increases in shareholders' equity	266	196	262
New borrowings	1,051	2,856	571
Sale or decrease in fixed assets			
– Tangible fixed assets	–	1	–
– Financial assets	1,487	2,139	1,654
TOTAL CASH INFLOWS	**3,484**	**6,156**	**3,704**
CASH OUTFLOWS			
Dividends paid out during the year	676	680	1,117
Repayments of financial debts & loans	666	473	1,165
Purchase of fixed assets			
– Tangible fixed assets	–	–	–
– Financial assets	2,912	3,167	1,486
TOTAL CASH OUTFLOWS	**4,254**	**4,320**	**3,768**
CHANGE IN WORKING CAPITAL	**(770)**	**1,836**	**(64)**
Short-term equivalents			
Change in:			
– operating receivables	108	81	(186)
– operating payables	(70)	101	(30)
– cash and cash equivalents	(808)	1,654	152
TOTAL	**(770)**	**1,836**	**(64)**

Subsidiaries and participating

	Share capital 1	Other shareholders' equity 2	Percentage of capital held 3	Gross book value of securities held 4	
A. Detailed information concerning subsidiaries and investments accounting for in excess of 1% of AXA's shareholders' equity					
1) Subsidiaries (at least 50%-owned)					
CIE FINANCIERE DE PARIS 137, rue Victor Hugo, 92687 Levallois-Perret	9	136	100.00%	184	
SOCIETE DE GESTION CIVILE IMMOBILIERE Cœur Défense - Tour B - La Défense 4 - 100, esplanade du Général de Gaulle, 92932 Paris-La Défense	43	22	100.00%	87	
AXA UK Limited Holdings 140, Frenchurch Street, EC3M 6BL - London	104	(72)	100.00%	108	
AXA ASSISTANCE 12 bis, boulevard des Frères Voisins, 92130 Issy-les-Moulineaux	42	23	100.00%	48	
AXA Canada (b) 2020, rue University - Montreal - Québec H3A 2A5	144	151	100.00%	205	
AXA CESSIONS 109, rue La Boétie, 75008 Paris	40	9	100.00%	47	
AXA EQUITY AND LAW Plc 107, Cheapside EC2V 6DU - London	1	1,502	99.96%	1,133	
AXA OYAK HOLDING AS Meclisi Mebusan Caddasi n 81 Oyak Hann - Salipazari - 80040 Istanbul	66	(10)	50.00%	48	
AXA PARTICIPATION 2 23, avenue Matignon, 75008 Paris	3	497	100.00%	455	
AXA France ASSURANCE 26, rue Drouot 75009 PARIS	378	3,904	100.00%	3,415	
AXA INSURANCE HOLDING JAPAN 1-2-19 Higashi - Shibuya-ku - 150 - 8020 Tokyo 150	1,505	1,361	97.59%	3,629	
VINCI B.V. Graadt van Roggenweg 500 - Postbus 30800 3503 AP Utrecht - Pays-Bas	472	2,188	100.00%	2,910	
AXA GENERAL INSURANCE HONG KONG 30th F, Hong Kong Telecom Tower, Taikoo Place, 979 King's Road Quarry Bay - Hong Kong	16	25	100.00%	65	
LOR PATRIMOINE 23, avenue Matignon, 75008 Paris	53	–	99.99%	53	
AXA RE PARIS (b) 39, rue du Colisée, 75008 Paris	444	503	100.00%	984	
AXA INSURANCE INVESTMENT HOLDING 77, Robinson road - # 11 - 00 SIA Building - 068896 Singapore	42	(1)	100.00%	78	

(a) For insurance companies, gross written premiums.
For real estate companies: rental revenues
For holding companies dividends
For financial services companies, gross banking revenues
(b) Consolidated data

interests

	Net book value of securities held 5	Loans and cash advances given by the company still outstanding 6	Guarantees and commitments given by the company 7	Last closing revenues available(a) 8	Last closing result available 9	Dividends received 10	Closing date and other observations 11
	134	35	–	4	1	61	Dec. 31, 2004
	87	–	–	4	3	3	Dec. 31, 2004
	26	–	–	–	(6)	–	Dec. 31, 2004
	48	11	–	561	17	2	Dec. 31, 2004
	205	–	–	755	48	10	Dec. 31, 2004
	47	–	–	724	17	5	Dec. 31, 2004
	1,133	–	–	–	7	–	Dec. 31, 2004
	48	–	–	12	12	5	Dec. 31, 2004
	455	–	–	7	8	12	Dec. 31, 2004
	3,415	–	–	716	706	580	Dec. 31, 2004
	3,629	301	294	–	(25)	–	Dec. 31, 2004
	2,910	–	–	23	23	28	Dec. 31, 2004
	65	–	–	59	8	6	Dec. 31, 2004
	53	–	–	1	0	–	Dec. 31, 2004
	984	–	–	1,263	107	–	Dec. 31, 2004
	44	–	–	–	0	1	Dec. 31, 2004

	Share capital 1	Other shareholder equity 2	Percentage of capital held 3	Gross book value of securities held 4	
MOFIPAR 23, avenue Matignon, 75008 Paris	12	46	100.00%	75	
AXA UK PLC [b] 107, Cheapside, EC2V 6DU - London	1,469	3,430	78.31%	4,556	
AXA AURORA Plaza de Federico Moyua n°4 - 48009 Bilbao	260	87	100.00%	565	
OUDINOT PARTICIPATIONS 39, rue du Colisée, 75008 Paris	9,150	3,140	100.00%	12,299	
AXA ITALIA SPA 15, Via Léopardi - 20123 Milano	624	69	98.24%	715	
AXA LIFE HONG KONG 151 Gloucester Road - Wan Chai - Hong Kong	6	0	100.00%	90	
AXA ONA 120, avenue Hassan II - Casablanca 21000	417	11	51.00%	229	
AXA PORTUGAL COMPANHIA DE SEGUROS Praca Marquês de Pombal, 14 - 1058-801 Lisbonne	37	40	83.01%	72	
SAINT GEORGES RE 9, avenue de Messine - 75009 Paris	10	5	100.00%	82	
AXA HOLDINGS BELGIUM 25, boulevard du Souverain - 1170 Bruxelles	453	2,929	84.30%	3,885	
AXA TECHNOLOGY SERVICES 14, rue de Londres - 75009 Paris	35	(16)	99.78%	73	
2) Participating interests (10 to 50%-owned)					
AXA INVESTMENT MANAGERS SA Cœur Défense - Tour B - La Défense 4 - 100, Esplanade du Général de Gaulle - 92932 Paris-La Défense	48	560	47.77%	186	
AXA KONZERN AG Gereonsdriesch 9-11 postfach 50670 Koeln	80	1,127	26.33%	712	
AXA ASIA PACIFIC HOLDING LIMITED [b] 447 Collins Street Melbourne Victoria 3000	674	559	42.65%	541	
SUB-TOTAL A				**37,529**	
B. General information about other units and participating interests					
1) Subsidiaries not shown in section A					
a) French subsidiaries (total)				98	
b) Foreign subsidiaries (total)				210	
2) Participating interests not shown in section A					
a) in French companies (total)				39	
b) in foreign companies (total)				32	
TOTAL (A + B)				**37,908**	

(a) For insurance companies: gross written premiums.
For real estate companies: rental revenues.
For holding companies: dividends.
For financial services companies: gross banking revenue.
(b) Consolidated data.

	Net book value of securities held	Loans and cash advances given by the company still outstanding	Guarantees and commitments given by the company	Last closing revenues available*	Last closing result available	Dividends received	Closing date and other observations
	5	6	7	8	9	10	11
	61	–	–	5	3	2	Dec. 31, 2004
	4,556	177	–	10,778	201	–	Dec. 31, 2004
	565	–	–	41	79	25	Dec. 31, 2004
	12,299	–	–	–	517	–	Dec. 31, 2004
	715	–	50	34	32	35	Dec. 31, 2004
	6	–	–	0	0	–	Dec. 31, 2004
	229	–	–	110	16	47	Dec. 31, 2004
	72	–	–	351	20	2	Dec. 31, 2004
	26	–	–	5	11	–	Dec. 31, 2004
	3,885	–	–	51	128	28	Dec. 31, 2004
	25	–	–	–	6	–	Dec. 31, 2004
	186	–	–	33	57	40	Dec. 31, 2004
	712	350	–	274	181	10	Dec. 31, 2004
	541	763	–	–	197	45	Dec. 31, 2004
	37,161	**1,638**	**344**	**15,811**	**2,374**	**949**	
	67	–	18			15	
	142	19	14			6	
	38	20	–			0	
	18	3	–			1	
	37,426	**1,680**	**376**			**969**	

Financial results over the past five years

(in euro millions)

	01/01/2000 12/31/2000	01/01/2001 12/31/2001	01/01/2002 12/31/2002	01/01/2003 12/31/2003	01/01/2004 12/31/2004
1 - CLOSING BALANCE SHEET SUMMARY					
a) Ordinary shares (nominal value)	3,809	3,971	4,035	4,072	4,370
b) Ordinary shares (numbers in million)	416	1,734	1,762	1,778	1,908
c) Bonds mandatorily convertible into ordinary shares (numbers in million)	16	16	16	126	16
2 - INCOME STATEMENT SUMMARY					
a) Gross revenues before sales tax	1,755	2,232	1,981	1,474	1,349
b) Pre-tax income from continuing operations, before depreciation, amortization and changes in reserves	1,199	1,481	1,223	846	660
c) Total pre-tax income, including capital gains and losses before depreciation, amortization and changes in reserves	1,143	1,402	1,222	934	603
d) Income tax expense / benefit	124	253	(134)	(32)	30
e) Net after-tax income after depreciation, amortization and changes in reserves	1,058	1,620	1,066	863	519
f) Net dividend distribution	927	971	599	676	1,164
3 - PER SHARE DATA					
a) After tax income, before depreciation, amortization and changes in reserves	3.04	0.95	0.62	0.51	0.33
b) After tax income, after depreciation, amortization and changes in reserves	2.54	0.93	0.61	0.49	0.27
c) Net dividend per share	2.20	0.56	0.34	0.38	0,61 (a)
4 - PERSONNEL					
a) Number of employees	–	–	–	–	–
b) Payroll expenditures	–	–	–	–	–
c) Employer contribution to employee benefits and social charges	–	–	–	–	–

(a) Dividend of € 0.61 per share proposed to the shareholders meeting on April 20, 2005, based on 1,908,444,170 outstanding shares

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General Information

Principal statutory information concerning the Company

Corporate Name
AXA
Registered principal offices.
25, avenue Matignon - 75008 Paris

Legal form and governing law
A form of limited liability company (French *société anonyme*) with a Management Board and a Supervisory Board, governed by the laws of France, in particular the French Company Code (the *Code de Commerce*) and the French Insurance Code (the *Code des Assurances*).

Incorporation and life of the Company
The Company was incorporated in 1852. The corporate life of the Company is set to expire on December 31, 2059, unless it is prolonged after, or wind-up before, this date.

Corporate purpose (Article 3 of the articles of incorporation and bylaws):
- to acquire, manage and/or dispose of equity interests in French or foreign companies or businesses, regardless of their legal form;
- to perform any and all transactions directly or indirectly related to the foregoing or in furtherance thereof;
- in particular, to acquire and manage equity interests in any form, directly or indirectly, in any French or foreign company engaged in the insurance business.

Trade and Company Register
No. 572.093.920 in the Paris Trade and Company Register
APE Code 741 J.

Documents pertaining to the Company may be consulted at:
AXA Legal Department
21, avenue Matignon - 75008 Paris (France).

Fiscal year
From January 1st to December 31st.

Distribution of profits
Net profits for the fiscal year and any retained earnings, less any prior losses and amounts appropriated to reserves in accordance with applicable law, constitute the distributable profit. Shareholders have control over this profit, and may decide at the annual general meeting on its appropriation as well as on the distribution of sums drawn from the reserves under its control. In such case, the shareholders' decision expressly indicates the reserve accounts from which amounts are to be drawn.

With the exception of a reduction in the share capital, no dividend may be paid out to shareholders if the amount of shareholders' equity is less than the share capital plus the reserves that, by law, cannot be distributed. Likewise, no dividend may be paid out if this would cause shareholders' equity to fall below said threshold.

Meetings of shareholders and voting power
Shareholders are convened, meet, and deliberate in accordance with applicable law and regulations.

Any shareholder has the right to attend such meetings, either in person or by proxy, provided that the shareholder is registered with the Company.

Related formalities must be completed at least five days prior to the meeting. However, the Management Board may reduce or waive this requirement, provided that its decision pertains to all shareholders Accordingly, the AXA Management Board has reduced this requirement to two days.

Shareholders may vote by mail in accordance with legislation and regulations in force.

Each shareholder is entitled to one vote per share held. However, since the Extraordinary Shareholders' meeting of May 26, 1977, Article 23 of the Company bylaws provides that holders of shares that are fully paid up and registered in the name of their owner for at least two years at the end of the calendar year preceding the scheduled date of a shareholders' meeting enjoy double voting rights with respect to these shares.

In the event of a share capital increase through capitalization of reserves, profits, share or issue premiums, registered shares that are freely allotted to shareholders on the basis of existing shares granting a double voting right shall also grant a double voting right to their holders.

The law also allows the Company to request from the depository trust company concerned, at its own expense and at any time, information pertaining to the identity of holders of shares of the Company carrying immediate or future voting rights in shareholder meetings, as well as the number of shares held by each individual or legal entity.

Notification of statutory thresholds (Article 7 of the articles of incorporation and bylaws)
Any person or entity that directly or indirectly becomes the owner of at least 0.5% of the share capital and/or voting power must notify the Company of the total number of shares held. Notification must be made by certified letter, return receipt requested, within five days of the date on which the shares that allowed the holder to reach or pass said threshold were registered.

This notification must be made whenever an additional 0.5% threshold is reached.

Failure to comply with the requirement to disclose the passing of statutory thresholds may entail the forfeiture of the voting rights attached to any shares that exceed the aforementioned thresholds if ownership of these shares has not been duly disclosed to AXA. This period of forfeiture may last for two years as of the date on which the holder complies with these disclosure requirements.

Independent Auditors

The independent auditors are:

Incumbent auditors:

PricewaterhouseCoopers Audit: 32, rue Guersant - 75017 Paris, represented by Catherine Pariset and Yves Nicolas, first appointed on February 28, 1989. The current appointment is for a term of six years, until the annual general meeting of the shareholders called to approve the financial statements for the fiscal year 2005.

Mazars & Guérard: 39, rue de Wattignies - 75012 Paris, represented by Patrick de Cambourg and Jean-Pierre Lassus, first appointed on June 8, 1994. The current appointment is for a term of six years, until the annual general meeting of the shareholders called to approve the financial statements for the fiscal year 2009.

Alternate auditors:

- **Patrick Frotiée:** 32, rue Guersant - 75017 Paris, first appointed on May 17, 1995. The current appointment is for a period of six years, until the annual general meeting of the shareholders called to approve the financial statements for the fiscal year 2005.

- **Jean-Louis Simon:** 39, rue de Wattignies - 75012 Paris, first appointed on April 21, 2004. The current appointment is for a period of six years, until the annual general meeting of the shareholders called to approve the financial statements for the fiscal year 2009.

TABLE OF COMPENSATION PAID TO INDEPENDENT AUDITORS IN 2004 AND 2003

(in euro thousands)

	PricewaterhouseCoopers		Mazars & Guérard	
	2004	2003	2004	2003
Audit	**29,528**	**24,745**	**4,901**	**2,695**
Statutory audit and certification of local and consolidated financial statements	21,643	19,555	4,130	2,235
Other specific audit assignments	7,885	5,191	770	461
Other services	**5,219**	**3,278**	**618**	**182**
Legal, tax and employment consulting	4,482	3,080	67	24
Information, technology and services	60	85	95	-
Internal audit	209	-	-	-
Other	468	114	455	158
SUB-TOTAL	**34,747**	**28,023**	**5,518**	**2,877**
Affiliated Companies/Mutual funds	**7,039**	**7,083**	**675**	**514**
TOTAL	**41,786**	**35,106**	**6,193**	**3,391**

Ownership of the AXA Trademark by FINAXA

FINAXA owns the name "AXA" and the AXA trademark and, for this reason, is responsible for managing and protecting the trademark. In 1996, the Company and FINAXA entered into a licensing agreement pursuant to which FINAXA granted the Company a non-exclusive license to use the AXA trademark in countries in which the Company and its subsidiaries currently have operations. This license grants AXA the right to grant sublicenses to use the AXA trademark and/or its derivatives around the world As of February 1, 2005, the Company had granted 20 sublicenses

Pursuant to this licensing agreement, the Company is required to pay FINAXA an annual fee of 762,245 euros.

In addition to this sum, 50% of the annual fees that the Company receives from its licensees (a total amount of 3,562,500 euros in respect of 2004) is payable by the Company to FINAXA.

Agreement with BNP Paribas

On September 12, 2001 and following the approval of AXA's Supervisory Board of the same day, the AXA Group (AXA, FINAXA and the Mutuelles AXA) and the BNP Paribas Group entered into an agreement that provides for maintaining a certain level of cross-shareholding between the parties (43,412,598 shares held by the AXA Group in BNP Paribas and 15,795,357 shares held by BNP Paribas in Finaxa as adjusted following the Finaxa's share capital increase of July 20, 2004). The agreement also grants each party a preemptive right to acquire the other party's minimum equity investment following the termination of the agreement as well as an option to repurchase the ownership interests of the other party if there is a change in control of the other party. Furthermore, the AXA Group guarantees the liquidity of BNP Paribas' holdings in ordinary shares of FINAXA.

While initially concluded for a three year period from the date of its execution, the agreement was amended on October 26, 2004 following the approval of AXA's Supervisory Board on September 15, 2004 and extended for a two year period from September 12, 2004, renewable automatically for subsequent terms of one years, unless either party provides notice of termination at least three months before the end of the current term. The other provisions of the initial agreement remain unchanged.

The initial agreement and its amendment were made public by the "Conseil des Marchés Financiers" and by the "Autorité des Marchés Financiers" respectively on September 28, 2001 and October 28, 2004

The details of this agreement are available on the internet site of the AMF ("Autorité des Marchés Financiers") :
www.amf-france.org.

Information concerning the share capital of the Company

Changes in share capital

Date	Operations	Number of shares issued	Issue premium	Number of shares after the operation	Amount of share capital after the operation in euros
2000	Bond redemption	4,114,000	244,585,766	360,449,728	3,298,115,011
	New equity issue	2,023,778	197,048,504	362,473,506	3,316,632,579
	Conversion of bonds into shares	45,428	7,083,481	362,518,934	3,317,048,246
	Exercise of stock options	274,146	9,168,254	362,793,080	3,319,556,682
	New equity issue	30,232,756	3,403,502,793	393,025,836	3,596,186,399
	New equity issue reserved for employees	1,970,360	216,524,113	394,996,196	3,614,215,193
	Conversion of bonds into shares	1,062	163,865	394,997,258	3,614,224,910
	Exercise of stock options	243,497	8,677,461	395,240,755	3,616,452,908
	New equity issue	17,210,490	2,421,730,759	412,451,245	3,773,928,891
	New equity issue	3,677,833	517,654,994	416,129,078	3,807,581,063
	Exercise of stock options	101,624	3,389,284	416,230,702	3,808,510,923

Date	Operations	Number of shares issued	Issue premium	Number of shares after the operation	Amount of share capital after the operation in euros
2001	New equity issue	4,916,344	691,975,418	421,147,046	3,853,495,470
	Bond redemption	7,180,360	254,442,642	428,327,406	3,919,195,764
	Exercise of stock options	5,415	718,859	428,332,821	3,919,245,312
	Exercise of stock options	116,486	3,463,637	428,449,307	3,920,311,159
	Stock split	-	-	1,713,797,228	3,920,311,159
	New equity issue	-	(4,284,493)	1,713,797,228	3,924,595,652
	Exercise of stock options	54,684	603,822	1,713,851,912	3,924,720,878
	Share capital reduction	(19,996)	(709,888)	1,713,831,916	3,924,675,087
	New equity issue reserved for employees of AXA	978,476	22,524,517	1,714,810,392	3,926,915,797
	Exercise of stock options	942,524	11,600,032	1,715,752,916	3,929,074,177
	Conversion of bonds into shares	106	4,047	1,715,753,022	3,929,074,420
	New equity issue reserved for employees	16,702,674	245,465,482	1,732,455,696	3,967,323,543
	New equity issue reserved for employees	572,561	10,935,915	1,733,028,257	3,968,634,708
	Exercise of stock options	1,158,810	10,593,596	1,734,187,067	3,971,288,383
	Conversion of bonds	202	7,787	1,734,187,269	3,971,288,846
2002	Exercise of stock options	322,983	2,505,905	1,734,510,252	3,972,028,477
	Exercise of stock options	267,887	2,254,863	1,734,778,139	3,972,641,938
	New equity issue reserved for employees of AXA	689,142	12,011,745	1,735,467,281	3,974,220,073
	Exercise of stock options	147,185	519,863	1,735,614,466	3,974,557,127
	Exercise of subscription warrants (employees in Germany)	443	8,461	1,735,614,909	3,974,558,141
	New equity issue reserved for employees of AXA	25,506,749	171,015,878	1,761,121,658	4,032,968,596
	New equity issue reserved for employees in Germany	977,622	8,798,598	1,762,099,280	4,035,207,351
2003	Exercise of stock options	68,064	584,201	1,762,167,344	4,035,363,217
	Exercise of stock options	336,782	2,535,734	1,762,504,126	4,036,134,449
	Exercise of subscription warrants (employees in Germany)	3,887	34,983	1,762,508,013	4,036,143,350
	New equity issue reserved for employees of AXA	1,294,128	10,275,376	1,763,802,141	4,039,106,903
	Exercise of stock options	120,318	796,863	1,763,922,459	4,039,382,431
	Exercise of subscription warrants (employees in Germany)	2,488	22,392	1,763,924,947	4,039,388,129
	Exercise of stock options	239,806	1,601,711	1,764,164,753	4,039,937,284
	New equity issue reserved for employees of AXA	13,836,694	143,735,303	1,778,001,447	4,071,623,314
	Exercise of stock options	99,532	768,553	1,778,100,979	4,071,851,241
	Conversion of bonds	1788	68,532	1,778,102,767	4,071,855,336
	Exercise of stock subscription warrants (employees in Germany)	368	3278	1,778,103,135	4,071,856,179

Date	Operations	Number of shares issued	Issue premium	Number of shares after the operation	Amount of share capital after the operation in euros
2004	Exercise of stock options	198,198	1,560,737	1,778,301,333	4,072,310,052
	Exercise of stock options	418,104	3,177,766	1,778,719,437	4,073,267,510
	Exercise of stock subscription warrants (employees in Germany)	13,766	141,851	1,778,733,203	4,073,299,034
	New equity issue reserved for AXA employees in France	1,668,797	18,690,526	1,780,402,000	4,077,120,580
	Bonds payable into shares (ORAN, financing for the acquisition of MONY)	110,245,309	1,143,794,078	1,890,647,309	4,329,582,337
	Exercise of stock options	408,081	2,636,812	1,891,055,390	4,330,516,843
	Exercise of stock subscription warrants (employees in Germany)	7643	77,400	1,891,063,033	4,330,534,345
	New equity issue reserved for employees of AXA	16,495,888	182,658,904	1,907,558,921	4,368,309,929
	New equity issue reserved for employees of AXA (ABSA)	691,167	10,077,215	1,908,250,088	4,369,892,701
	Exercise of stock options	192,371	1,177,460	1,908,442,459	4,370,333,231
	Conversion of stock subscription warrants by employees in Germany	1,711	17,513	1,908,444,170	4,370,337,149
02/28/05	Exercise of stock options	46,789	305,298	1,908,490,959	4,370,444,296

Capital ownership

To the best of the Company's knowledge, the table below summarizes its capital ownership and voting power on February 28, 2005:

	Number of shares	Capital ownership	Voting power
Mutuelles AXA [a]	388,297,657	20.34%	32.20%
of which: – Mutuelles AXA	51,959,561	2.72%	4.38%
– FINAXA [a]	336,338,096	17.62%	27.82%
Treasury shares	21,033,592	1.10%	–
Self holding shares	–	–	–
Employees and agents	96,511,206	5.06%	6.14%
General public	1,402,648,504	73.50%	61.66%
TOTAL [b]	**1,908,490,959**	**100%**	**100%**

(a) Directly and indirectly (including ANF)
(b) Source Euronext 01 28 2005.

To the best of the Management Board's knowledge, no other shareholders owns more than 5% of the share capital The Company has agreed to disclose any ownership in excess of 2% of its outstanding share capital known to it. To the best of the Management Board's knowledge, this threshold was not exceeded in 2004

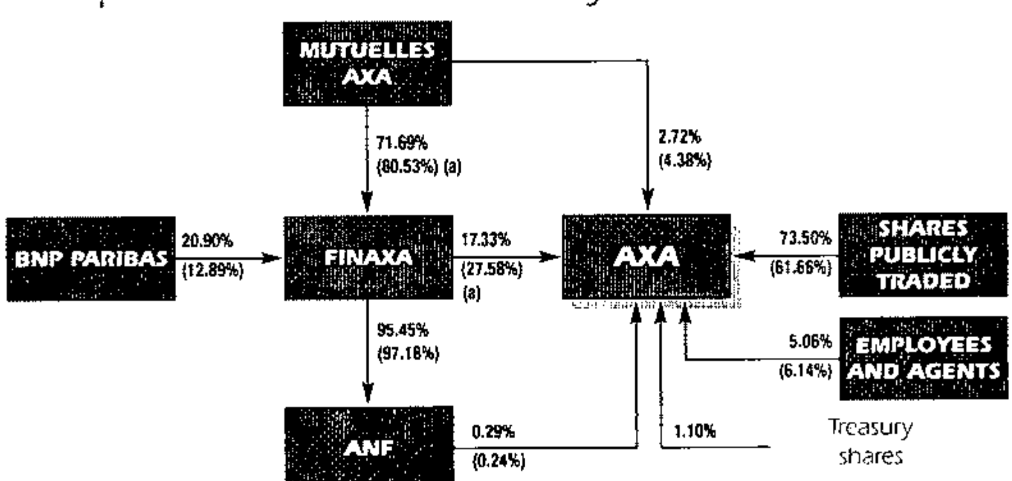
Of the 1,908,490,959 shares comprising the share capital, 415,266,667 shares entitled their holder to double voting rights on February 28, 2005.

As of February 28, 2005, Mutuelles AXA directly or indirectly owned, primarily through Finaxa (a listed holding company), 20.34% of the share capital and 32.20% of the voting power at AXA shareholder meetings Finaxa holds 95.45% of the share capital and 97.18% of the voting power of ANF, a holding company that owns 0.29% of the share capital and 0 24% of the voting power at AXA shareholder meetings.

As a group, Mutuelles AXA directly and indirectly holds a controlling interest in Finaxa (71.69% of the share capital and 80.53% of voting rights as of February 28, 2005). Each of the members of Mutuelles AXA is party to an agreement pursuant to which it grants the other parties a preemptive right to acquire its shares of Finaxa.

To the best of the Company's knowledge, subsidiaries of the AXA Group do not hold any AXA shares that are pledged. In addition, to the best of the Company's knowledge, a very small number of individual registered shareholders hold AXA shares that are pledged.

Ownership structure as of February 28, 2005



(a) Directly and indirectly
( ) Voting power

Change in capital ownership

Changes in ownership of the Company's share capital between December 31, 2002 and December 31, 2004 reflect the various transactions detailed in the preceding table of changes to share capital.

	12/31/2002	12/31/2003	12/31/2004
Mutuelles AXA [a]	**20.5%**	**20.2%**	**20.3%**
of which: – Mutuelles AXA	2.8%	2.8%	2.7%
– FINAXA [a]	17.7%	17.4%	17.6%
Treasury shares	**1.7%**	**1.6%**	**1.1%**
General public	77.8%	78.2%	78.6%
TOTAL	**100%**	**100%**	**100%**

(a) Directly and indirectly.

On December 31, 2004, the members of the AXA Management Board and AXA Supervisory Board owned 1,197,724 AXA shares and AXA ADRs, equal to 0.027% of the Company's share capital and 0.062% of the voting power.

Fully diluted capital at February 28, 2005

The following table indicates the Company's fully diluted share capital, assuming that the maximum number of new shares is issued following conversion of all outstanding convertible bonds and the exercise of all outstanding stock options.

	Number of outstanding shares or (units) for bonds	Maximum number of shares created
Ordinary shares issued on February 28, 2005*	1,908,490,959	1,908,490,959
Subordinated convertible bonds 1999-2014	9,199,353	37,349,373
Subordinated convertible bonds 1999-2017	6,639,463	26,956,220
Stock options	59,595,138	59,595,138
Maximum total number of shares	–	2,032,391,690

(*) Source : Euronext 01.28.2005.

Dividends

Date	Distribution (in euro millions)	Number of shares	Net dividende per share in euros	Tax credit per share in euros	Gross dividend per share in euros
12/31/2000	926	421,147,046 [a]	2.20	1.10	3.30
12/31/2001 [b]	971	1,734,187,269	0.56	0.28	0.84
12/31/2002	599	1,762,167,344	0.34	0.17	0.51
12/31/2003	676	1,778,103,135	0.38	0.19	0.57
12/31/2004 [c]	1,164	1,908,444,170	0.61*	–	0.61*

(*) As of January 1, 2005 individual shareholders who have elected tax domicile in France are eligible for an abatement of 50% on the dividend (i.e., 0.305 euros per share).
(a) Amounts taking into account a four-for-one stock split.
(b) Including shares issued in connection with the buyout of the minority interests in AXA Financial on January 2, 2001.
(c) Proposal submitted to the Extraordinary and Ordinary Shareholders' Meeting held on April 20, 2005.

Dividends not claimed within five years of the date of payout become the property of the French Treasury Department.

Summary
of stock option plans

AXA

By virtue of the various authorizations granted by extraordinary meetings of shareholders and following the acquisition of options granted by companies that have merged with and into the Company, the Board of Directors (and subsequently the Management Board) of the Company has granted options to purchase shares of the Company. The terms and conditions of these grants are indicated in the tables below:

Date of Board Meeting / Date Shareholders' Meeting	03/29/1995 (a) 06/08/1994	07/10/1996 (a) 06/08/1994	01/22/1997 (a) 06/08/1994	09/10/1997 (a bis) 10/20/1992	09/30/1997 (a) 05/12/1997
Initial allocation adjusted at 10/22/2003 (b)	5,128,150	3,961,926	5,290,291	167,501	203,910
- Number of beneficiaries	193	162	62	1	2
- Executive Committee allocation	301,158	247,897	753,301	167,501	0
- Executive Committee beneficiaries (d)	4	5	8	1	0
Option exercisable as of	03/29/1997	07/10/1998	01/22/1999	09/10/1999	09/30/1999
Expiration date	03/28/2005	07/09/2006	01/21/2007	09/09/2007	09/29/2007
Discount granted	4.99%	5.34%	4.96%	–	0.00%
Term of exercise of stock options	25% 03/29/1997	25% 07/10/1998	25% 01/22/1999	25% 09/10/1999	25% 09/30/1999
	50% 03/29/1998	50% 07/10/1999	50% 01/22/2000	50% 09/10/2000	50% 09/30/2000
	75% 03/29/1999	75% 07/10/2000	75% 01/22/2001	75% 09/10/2001	75% 09/30/2001
	100% 03/29/2000	100%(*) 07/10/2001	100% 01/22/2002	100% 09/10/2002	100% 09/30/2002
Number of shares subscribed at 12/31/2004 (b)	3,792,074	2,013,168	1,872,500	0	50,977
Options cancelled at 12/31/2004 (b)	508,566	734,650	441,414	0	50,978
OUTSTANDING at 12/31/2004 (b)	**827,510**	**1,214,108**	**2,976,377**	**167,501**	**101,955**
Subscription price in Euros (c)	8.22	10.02	12.04	11.23	14.74

(*) Last quarter submitted to the realization of objectives assigned to different entities for the period as of 12/31/1996 to 12/31/2000.
(a) Of AXA origin.
(a bis) Of Lor Finance origin.
(b) Adjusted amounts.
(c) Adjusted subscription price.
(d) Actual Executive Committee.

Date of Board Meeting Date of Shareholders' Meeting	04/20/1998 (a) 05/12/1997	06/09/1999 (a) 05/12/1997	06/09/1999 (a) 05/05/1999	11/18/1999 (a) 05/05/1999
Initial allocation adjusted at 10/22/2003 [b]	9,611,145	3,152,120	4,238,809	462,756
– Number of beneficiaries	357	168	180	91
– Executive Committee allocation	1,080,724	101,955	923,715	0
– Executive Committee beneficiaries [d]	9	2	8	0
Option exercisable as of	04/20/00	06/09/01	06/09/01	11/18/01
Expiration date	04/19/08	06/08/09	06/08/09	11/17/09
Discount granted	5.00%	0.00%	0.00%	0.00%
Term of exercise of stock options	25% 04/20/2000	25% 06/09/2001	25% 06/09/2001	25% 11/18/2001
	50% 04/20/2001	50% 06/09/2002	50% 06/09/2002	50% 11/18/2002
	75% 04/20/2002	75% 06/09/2003	75% 06/09/2003	75% 11/18/2003
	100% 04/20/2003	100% 06/09/2004	100% 06/09/2004	100% 11/18/2004
Number of shares subscribed at 12/31/2004 [b]	557,890	14,783	86,730	0
Options cancelled at 12/31/2004 [b]	2,711,503	893,986	1,180,213	241,466
OUTSTANDING AT 12/31/2004 [b]	**6,341,752**	**2,243,351**	**2,971,866**	**221,290**
Subscription price in Euros [c]	23.53	28.11	28.11	32.12

Date of Board Meeting Date of Shareholders' Meeting	07/05/2000 (a) 05/05/1999	07/12/2000 (a) 05/05/1999	11/13/2000 (a) 05/05/1999	05/09/2001 (a) 05/09/2001
Initial allocation adjusted at 10/22/2003 [b]	7,624,096	276,749	293,459	9,856,213
– Number of beneficiaries	889	113	98	1,419
– Executive Committee allocation	908,518	24,988	0	1,815,828
– Executive Committee beneficiaries [d]	11	1	0	12
Option exercisable as of	07/05/02	07/12/02	11/13/02	05/09/03
Expiration date	07/04/10	07/11/10	11/12/10	05/08/11
Discount granted	0.00%	0.00%	0.00%	0.00%
Term of exercise of stock options	33,33% 07/05/2002	25% 07/12/2002	33,33% 11/13/2002	33,33% 05/09/2003
	66,66% 07/05/2003	50% 07/12/2003	66,66% 11/13/2003	66,66% 05/09/2004
	100% 07/05/2004	75% 07/12/2004	100% 11/13/2004	100% 05/09/2005
		100% 07/12/2005		
Number of shares subscribed at 12/31/2004 [b]	0	0	0	0
Options cancelled at 12/31/2004 [b]	2,191,205	165,186	56,487	2,111,317
OUTSTANDING AT 12/31/2004 [b]	**5,432,891**	**111,563**	**236,972**	**7,744,896**
Subscription price in Euros [c]	40.76	40.86	38.54	32.16

(a) Of AXA origin.
(b) Adjusted amounts.
(c) Adjusted subscription price.
(d) Actual Executive Committee.

Date of Board Meeting / Date of Shareholders' Meeting	02/27/2002 (a) 05/09/2001	03/14/2003 (a) 05/09/2001	03/14/2003 (a) 05/03/2002	03/26/2004 (a) 05/03/2002
Initial allocation adjusted at 10/22/2003 [b]	9,866,010	8,035,642	2,843,655	10,260,484
– Number of beneficiaries	1,655	1,721	229	2,188
– Executive Committee allocation	2,219,432	688,422	2,246,165	2,537,250
– Executive Committee beneficiaries [d]	12	3	9	11
Option exercisable as of	02/27/04	03/14/05	03/14/05	03/26/06
Expiration date	02/26/12	03/13/13	03/13/13	03/25/14
Discount granted	0.00%	0.00%	0.00%	0.00%
Term of exercise of stock options	33.33% 02/27/2004	33.33% 03/14/2005	33.33% 03/14/2005	33.33% 03/26/2006
	66.66% 02/27/2005	66.66% 03/14/2006	66.66% 03/14/2006	66.66% 03/14/2007
	100% 02/27/2006	100% 03/14/2007	100% 03/14/2007	100% 03/14/2008
Number of shares sibscribed at 12/31/2004 [b]	0	12,261	2,505	0
Options cancelled at 12/31/2004 [b]	1,123,701	402,396	31,688	186,986
OUTSTANDING AT 12/31/2004 [b]	**8,742,309**	**7,620,985**	**2,809,462**	**10,073,498**
Subscription price in Euros [c]	20.88	10.96	10.96	17.68

(a) Of AXA origin.
(b) Adjusted amounts.
(c) Adjusted subscription price.
(d) Actual Executive Committee

Except for UAP stock option plans, stock options granted in plans up to November 18, 1999 may be exercised under the following conditions:

- 25% of the total grant is exercisable at the end of the second year following the date of the grant;
- 50% of the total grant is exercisable as of the third year following the date of the grant;
- 75% of the total grant is exercisable as of the fourth year following the date of the grant;
- 100% of the total grant is exercisable as of the fifth year following the date of the grant.

Stock options granted in plans from and after July 5, 2000 may be exercised under the following conditions:

- 33.33% of the total grant is exercisable at the end of the second year following the date of the grant;
- 66.66% of the total grant is exercisable at the end of the third year following the date of the grant,
- 100% of the total grant is exercisable at the end of the fourth year following the date of the grant.

FINAXA

FINAXA is a form of limited liability company (French *société anonyme*) with registered share capital of 230,554,694.15 euros on 28 February, 2005. Its stock option grants are summarized in the following tables:

Date of Board Meeting Date of Shareholders' Meeting	07/10/1996 06/15/1995	05/07/98 05/28/97	05/26/99 05/28/97	05/26/99 05/26/99
Number of options (adjusted)	546,203	404,595	178,310	125,136
– Number of beneficiaries	5	1	1	1
– Executive Committee allocation	70,000	0	0	0
– Executive Committee beneficiaries	1	0	0	0
Option exercisable as of	07/10/1998	05/07/00	05/26/01	05/26/01
Expiration date	07/09/2006	05/06/08	05/25/09	05/25/09
Discount granted	5%	5%	0%	0%
Term of exercise of stock options	25% 07/10/1998	25% 05/07/2000	25% 05/26/2001	25% 05/26/2001
	50% 07/10/1999	50% 05/07/2001	50% 05/26/2002	50% 05/26/2002
	75% 07/10/2000	75% 05/07/2002	75% 05/26/2003	75% 05/26/2003
	100%(*) 07/10/2001	100% 05/07/2003	100% 05/26/2004	100% 05/26/2004
Number of shares subscribed at 12/31/2004	257,929	0	0	0
Options cancelled at 12/31/2004	1	0	0	0
OUTSTANDING AT 12/31/2004	**288,273**	**404,595**	**178,310**	**125,136**
Subscription price in euros	34.66	82.19	91.57	91.57

(*) Last quarter submitted to the realization of objectives assigned to different entities for the period as of 12/31/1996 to 12/31/2000.

Date of Board Meeting Date of Sharehold. Meeting	07/05/00 05/26/99	05/30/01 05/26/99	04/02/03 05/30/01	04/14/04 05/21/02
Number of options	207,355	227,585	465,284	126,436
– Number of beneficiaries	5	1	3	1
– Executive Committee allocation	75,000	0	0	0
– Executive Committee beneficiaries	1	0	0	0
Option exercisable as of	07/05/02	05/30/03	04/02/05	04/14/06
Expiration date	07/04/10	05/29/11	04/01/13	04/14/14
Discount granted	0%	0%	0%	0%
Term of exercise of stock options	33.33% 07/05/2002	33.33% 05/30/2003	33.33% 04/02/2005	33.33% 04/14/2006
	66.66% 07/05/2003	66.66% 05/30/2004	66.66% 04/02/2006	66.66% 04/14/2007
	100% 07/05/2004	100% 05/30/2005	100% 04/02/2007	100% 04/14/2008
Number of shares subscribed at 12/31/2004	0	0	0	0
Options cancelled at 12/31/2004	65,747	0	0	0
OUTSTANDING AT 12/31/2004	**141,608**	**227,585**	**465,284**	**126,436**
Subscription price in euros	161.98	127.79	46.38	58.87

MOFIPAR

MOFIPAR is a limited liability company (French *société anonyme*) with registered share capital of 11,585,450.70 euros on February 28, 2005. It was established in 1993.

In August 1996, Mofipar set up a stock option plan within the Company involving 33% of its share capital, for the benefit of employees, directors and officers of AXA.

This single plan allows holders of options to benefit indirectly from the appreciation of the share price of ordinary shares of AXA Asia Pacific Holdings.

As of December 31, 2004, Mofipar stock options plan had been granted to 6 individuals.

MOFIPAR

Date of Board Meeting Date of Shareholders' Meeting	08/05/96 07/29/96
Number of options	2,152,310
– Number of beneficiaries	119
– Executive Committee allocation	180,000
– Executive Committee beneficiaries	5
Options exercisable as of	08/05/01
Expiration date	08/04/06
Terme of exercise of stock options	100% 08/05/2001
Number of shares subscribed at 12/31/2004	1,661,000
Options cancelled at 12/31/2004	426,060
OUTSTANDING AT 12/31/2004	**65,250**
Subscription price in euros	7.09

Agreements with Directors and Officers of the Company

No agreements were entered into by and between the Company and any of its directors and officers.

No loan or guarantee has been granted or issued by the Company to any member of its governing structures.

Authorizations to issue shares and other securities

Valid financial authorizations (December 31, 2004)

The authorizations to issue securities that were valid at December 31, 2004 and until the annual shareholder meeting on April 20, 2005 are summarized in the tables below

ISSUES WITH PREFERENTIAL SUBSCRIPTION RIGHTS

Securities	Maximum amount of the issue in euros	Maximum amount of the capital increase in euros	Term	Expiration
Capitlization of reserves, earnings or premium	–	1 billion	26 months	June 30, 2005
Shares and other securities granting a claim to shares, of the Company at maturity through subscription, conversion, exchange, redemption, presentation of a warrant or other	6 billion*	1 billion**	26 months	June 30, 2005

(*) The face value of debt instruments associated with the issue of securities may not exceed the global upper limit of 6 billion euros.

(**) The face value of the capital increase may not exceed the global upper limit of 1 billion euros.

ISSUES WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS

Securities	Maximum amount of the issue in euros	Maximum amount of the capital increase in euros	Term	Expiration
Shares or securities granting a claim to shares of the Company at maturity through subscription, conversion, exchange, redemption, presentation of a warrant or other	6 billion*	1 billion**	26 months	June 30, 2005
Shares reserved for employees	–	150 million	26 months	June 30, 2005
Shares issued in connection with the exercise of stock options	–	3% of share capital	38 months	July 2, 2005

( ) The face value of debt instruments associated with the issue of securities may not exceed the global upper limit of 6 billion euros.

( ) The face value of the capital increase may not exceed the global upper limit of 1 billion euros.

New financial authorizations

The following authorizations to issue shares or securities require shareholder consent. They will be submitted to the shareholders on April 20, 2005:

ISSUES WITH PREFERENTIAL SUBSCRIPTION RIGHTS

Securities	Maximum amount of the issue in euros	Maximum amount of the capital increase in euros	Term	Expiration
Capitalization of reserves, earnings or premium	–	1 billion	26 months	June 20, 2007
Ordinary shares and other security granting a claim to shares of the Company at maturity through subscription, conversion, exchange, redemption, presentation of a warrant or other	6 billion*	1.5 billion**	26 months	June 20, 2007

ISSUES WITHOUT PREFERENTIEL SUBSCRIPTION RIGHTS

Securities	Maximum amount of the issue in euros	Maximum amount of the capital increase in euros	Term	Expiration
Ordinary shares and other security granting a claim to shares of the Company at maturity through subscription, conversion, exchange, redemption, presentation of a warrant or other***	6 billion*	1 billion**	26 months	June 20, 2007
Shares reserved for employees	–	150 million	26 months	June 20, 2007
Free allotment of shares	–	0.5% of the share capital****	38 months	June 20, 2008
Shares issued in connection with the exercise of stock options	–	2.5% of the share capital*****	38 mohths	June 20, 2008

The face value of debt instruments associated with the issue of securities may not exceed the global upper limit of 6 billion euros. This upper limit is separate and distinct from the amount of the securities that give the right to grant debt securities (ceiling of 2 billion euros).

The face value of the capital increase may not exceed the global upper limit of 1.5 billion euros.

Including the issue of ordinary shares or securities for up to 10% of the share capital in accordance with the terms and conditions determined by the shareholder meeting, in the event of a public offer initiated by the Company, in consideration for contributions in kind for up to 10% of the share capital, or as a result of a securities issue by subsidiaries of AXA.

At the date of the Shareholder Meeting of 04/20/2005.

At the date of attribution of the options by the Management Board.

The global nominal amount of the capital increases made by offerings representing share capital, excluding capital increases reserved for employees and stock options, may not exceed the global upper limit of 2 billion euros.

Purchase and sale of shares by the Company

At the shareholder meeting held on April 21, 2004, the shareholders were asked to authorize the Management Board to trade in the Company's shares for the purpose of stabilizing the market price, under the following conditions:

Maximum purchase price €35
Minimum sale price €12
Maximum number of shares
that can be bought or sold: ....177,810,313.

The Company did not repurchase any of its own shares in 2004 nor did it carry out transactions on its shares through derivative instruments. On December 31, 2004, no optional positions existed.

European Commission Regulation 2273/2003 of December 22, 2003, implementing Directive 2003/6/CE on market abuse, went into effect in October 2004. This regulation substantially changes the rules governing the repurchase by companies of their own shares.

The shareholders will be asked once again on April 20, 2005 to authorize the Management Board to trade in the Company's shares.

The resolution being submitted on April 20, 2005 is consistent with the new regulation and the two market practices currently recognized by the AMF (and which the AMF is in the process of formally accepting).

The Company will be authorized to purchase up to but no more than 8.90% of its outstanding share capital after taking into account the treasury shares (for information, on February, 28, 2005, AXA's outstanding share capital, excluding treasury shares was 169,624,655 shares).

These shares may be acquired for the purpose of: a) engaging in market practices accepted by the AMF, such as a liquidity agreement to stabilize the market price of the Company's shares; b) (i) covering stock options offered to some or all employees or directors and officers of the Company and/or affiliates as defined in Article L.225-180 of the French Company Code, (ii) allocating free shares to employees and former employees enrolled in a company savings plan sponsored by the Company or the AXA Group and (iii) allocating free shares to employees and directors and officers of the Company and its affiliates as defined in Article L.225-197-2 of the French Company Code, in connection with the provisions of Articles L.225-197-1 and following of the French Company Code; c) holding or transferring such shares, especially in connection with external growth acquisitions, in compliance with the market practices accepted by the AMF; d) remitting shares during the exercise of rights attached to securities with an immediate or future claim to shares of the Company; e) canceling some or all of these shares for the purpose of optimizing cash management, return on equity and earnings per share, subject to shareholder approval of the 27th extraordinary resolution hereinafter, which authorizes this cancellation; and, more generally, f) performing all transactions allowable under laws and regulations in force.

The liquidity agreement referred to above under a) must be entered into with an investment services provider and comply with an AMF-approved code of ethics.

At this time, only external growth transactions are authorized under market regulations in force and may take the form of tender offers.

The unit purchase price may not exceed 35 euros.

The acquisition, sale, or transfer of these shares may be completed and paid for by all appropriate means in accordance with laws and regulations, including through open market transactions or private agreements, especially the acquisition or sale of stock in blocks, by using financial derivatives and warrants or, more generally, issuing securities with a claim to shares of the Company, and through public offerings, at such time as the Management Board shall choose.

This stock repurchase program is the subject of a prospectus *(note d'information)* that will receive the visa of the AMF.

PricewaterhouseCoopers Audit
32, rue Guersant
75017 Paris

Mazars & Guérard
Le Vinci - 4, allée de l'Arche
92075 Paris-La Défense Cedex

Special report of the Independent Auditors on regulated agreements

(for the year ended December 31, 2004)

This is a free translation into English of the statutory auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders of **AXA**
25, avenue Matignon
75008 Paris

To the Shareholders,

In our capacity as Independent Auditors of AXA, we hereby submit our report on the regulated agreements.

In accordance with Article L.225-88 of the French Company Code, we were informed of the agreements that were subject to the prior approval of your Supervisory Board.

It does not fall within the scope of our assignment to ascertain the potential existence of other agreements but rather, on the basis of the information that was supplied to us, to inform you, the shareholders, of the relevant features of those agreements of which we were informed. It is not our responsibility to express an opinion on the utility or merits of such agreements. Pursuant to Article 117 of the French Decree of March 23, 1967, you are asked to form an opinion on the relevance of such agreements for the purpose of approving them.

We performed our work in accordance with the professional standards applicable in France. Those standards require that we plan and perform the review to obtain reasonable assurance about whether the evidence supporting the information in our possession is consistent with that information.

Agreements authorized during prior fiscal years and which remained in force during the year ended December 31, 2004.

Pursuant to the French Decree of March 23, 1967, we were informed that the following agreements, approved in prior fiscal years, remained in force in 2004:

With FINAXA: In May of 1996, FINAXA granted AXA a non-exclusive license to use the AXA trademark in the countries where the Company and its subsidiaries operate. Under the terms of this licensing agreement, the Company is required to pay FINAXA an annual fee of 762,245.09 euros, as well as 50% of all net fees it receives from own licensees.

To enable the subsidiaries of the Company to use the AXA trademark to distribute products using new technologies and through partnerships with companies that are not controlled by AXA, FINAXA and AXA amended the agreement in January of 2001, to specify the terms and conditions under which licenses and sub-licenses are granted to subsidiaries of AXA and companies not controlled by AXA, subject to the prior written consent of FINAXA.

As of December 31, 2004, AXA had granted a total of 20 sub-licenses to 20 subsidiaries it controls, which in turn may sub-license the right to use the "AXA" trademark to their own affiliates, provided that the latter are controlled within the meaning of Article L.233-3 of the French Company Code.

AXA earned 7,012,300 euros in annual fees for the year ended December 31, 2004. Under the term of the license, AXA recorded a charge with respect to FINAXA of 3,562,500 euros, plus a fixed amount of 762,245.09 euros.

With the BNP Paribas Group: On September 12, 2001, and after the AXA Supervisory Board had signaled its consent, the AXA Group (AXA, FINAXA and the Mutuelles AXA) entered into an agreement with BNP Paribas, whereby the parties undertake to maintain a minimum level of cross-shareholdings (respectively, 43,412,598 BNP Paribas shares held by the AXA Group and 15,795,357 FINAXA shares owned by BNP Paribas, after adjustment reflecting the issue of new FINAXA equity on July 20, 2004). The agreement also grants each party a preemptive right to acquire the other party's minimum equity investment when the agreement expires, as well as a reciprocal option to repurchase the ownership interests of the other party in the event of a change in control of the other party. Furthermore, the AXA Group has agreed to guarantee the liquidity of BNP Paribas' holdings in ordinary (i.e., common) shares of FINAXA.

Initially concluded for a period of three years, the agreement was amended on October 26, 2004, following the approval of the AXA Supervisory Board on September 15, 2004, and extended for a two-year period as from September 12, 2004, and renewable automatically for subsequent terms of one year, unless either party provides notice of termination at least three months before the end of the current term. The other provisions of the initial agreement remain unchanged.

This agreement and the amendment were made public by the *Conseil des Marchés Financiers* and then by the *Autorité des Marchés Financiers* on September 28, 2001 and October 28, 2004, respectively.

With France Télécom: AXA Technology Services (as the Principal), AXA (as the Guarantor) and France Telecom entered into an agreement on December 15, 2003, after the Supervisory Board granted its authorization on December 10, 2003. This agreement entrusts the management of all AXA Group communications networks worldwide to a single global provider, and contains a clause committing to expenditures totaling approximately 280 million euros over the term of the agreement (six and a half years starting from July 1, 2003). It also provides for a contract performance guarantee from AXA to France Telecom on behalf of AXA Technology Services, the amount of which is capped at 50 million euros and the term of which is the term of the agreement.

Paris, February 24, 2005

The Independent Auditors

PricewaterhouseCoopers Audit
Yves Nicolas - Catherine Pariset

Mazars & Guérard
Patrick de Cambourg - Jean-Pierre Lassus

Persons responsible for the Annual Report (document de référence)

Persons responsible for the document de référence

To the best of our knowledge, the information contained in this document accurately reflected the true financial position of the Company. It comprises all information required to enable investors to reach an informed opinion of the assets, activities, financial position, earnings and propects of the Company. It contains no misleading omissions.

Paris, March 31, 2005
Chairman of the Management Board
Henri de Castries

Statement by the independent accountants

This is a free translation into English of the statement issued in the French language and is provided solely for the convenience of English speaking readers. This statement includes information specifically required by French law. This should be read in conjunction with French law and professional auditing standards applicable in France.

In our capacity as independent auditors of AXA and in accordance with the Livre II of the general reglementation of the AMF (the French Securities and Exchange Commission), we have verified in accordance with French professional standards, the information concerning the financial position and historic financial statements contained in this annual report *(document de référence)*.
This annual report was prepared under the responsibility of the Chairman of the Management Board. Our responsibility is to express an opinion on the accuracy of the information contained herein concerning the Company's financial position and financial statements. Our procedures, which were performed in accordance with French professional standards consisted of assessing the accuracy of the information about the financial position and the financial statements and verifying its consistency with the audited financial statements, reading the other information contained in this annual report in order to identify any material inconsistencies with the disclosures relating to the financial position and the financial statements, and of drawing your attention to any manifestly misleading statements that may have come to our attention based on our general understanding of the company as acquired during our audit, with the exception of information concerning AXA's Embedded Value (excluding Adjusted NAV, which was subject to the same procedures set forth hereinabove), which we did not review.

With respect to:
- information pertaining to Embedded Value, included on pages 58-61 of the Financial Highlights section of the annual report, we verified its consistency with the findings of the independent actuarial firm Tillinghast dated March 17, 2005, issued after a limited examination of AXA's own calculations
- AXA's European consolidated solvency margin, the estimates established at the December 31, 2004 reporting date were calculated on the basis of European Life Insurance Directives.

This annual report does not contain any isolated forward-looking statements.

We have audited the annual and consolidated financial statements for the years ended December 31, 2002, 2003 and 2004 drawn up by the Management Board, in accordance with professional standards in France, and issued an unqualified opinion thereon. Based on the procedures described above, we have nothing to report regarding the accuracy of the information concerning financial position and the financial statements, as presented in this annual report.

Paris, March 31, 2005

The Independent Auditors

PricewaterhouseCoopers Audit
Catherine Pariset - Yves Nicolas

Mazars & Guérard
Patrick de Cambourg - Jean-Pierre Lassus

Nota bene : This annual report *(document de référence)* include also:
- the report of Independent Auditors on the consolidated financial statements for the year ended December, 31 2004, page 276-277 of this document, including the justification of assessments of the Independent Auditors prepared in accordance with the requirements of Article L 225-235 of the Commercial Code,
- the report of the Independent Auditors, page 39 of this document, prepared in compliance with the last paragraph of Article L.225-235 of Commercial Code, on the report prepared and submitted by the Chairman of the AXA Supervisory Board pertaining to the internal procedures relating to the preparation and treatment of financial and accounting information.

Person responsible for investor information

M. Denis Duverne
AXA
25, avenue Matignon, 75008 Paris
Tél.: 01 40 75 57 00

Correspondence table of the "Document de référence"

Informations | **Pages**

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AMF

Pursuant to AMF regulations no. 211-1 to 211-42, this shelf registration document was registered with the *Autorité des Marchés Financiers* (AMF) on March 31, 2005. It may be used in connection with a financial transaction only if accompanied by a transaction memorandum registered with the *Autorité des Marchés Financiers*.

AXA

A French corporation (*Société Anonyme*) governed by a Management Board and a Supervisory Board

with registered capital stock of 4,375,603,269.94 euros

Registered principal office: 25, Avenue Matignon - 75008 Paris

Registered with the Paris Trade and Company Registry under number 572.093.920 RCS Paris

UPDATE OF THE ANNUAL REPORT (*DOCUMENT DE REFERENCE*) ORIGINALLY FILED WITH THE AMF (*AUTORITE DES MARCHES FINANCIERS*) ON MARCH 31, 2005 UNDER NUMBER D.05-0313

SUPPLEMENTARY INFORMATION FILED WITH THE AMF (*AUTORITE DES MARCHES FINANCIERS*) ON NOVEMBRE 14, 2005

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I- UPDATE RELATED TO EVENTS SUBSEQUENT TO MARCH 31, 2005 (DATE ON WHICH THE *DOCUMENT DE RÉFÉRENCE* WAS FILED)

1.1. Annual General Meeting of April 20, 2005

The shareholders ratified all of the resolutions submitted to their approval, including the following:

- Approval of the parent company and consolidated financial statements for the fiscal year ended December 31, 2004;
- Appropriation of earnings and determination of a dividend of Euro 0.61 per share, payable as of April 28, 2005;
- All resolutions related to financial authorizations and changes to the bylaws;
- Reappointment of some members of the Supervisory Board, and appointment of new members to replace Thierry Breton, Jacques Calvet and Bruno Roger:
    - Reappointed: Anthony Hamilton, Henri Lachmann and Michel Pébereau;
    - Appointed: Ms. Dominique Reiniche, Mr. Léo Apotheker and Mr. Jacques de Chateauvieux.

1.2. Half-year financial disclosures

1.2.1. Operating highlights through June 30, 2005

- **Continued focus on profitable growth driving strong performance**
  - AXA Group underlying earnings up 28%[1] to Euro 1,761 million
  - Life & Savings new business value up 20%[2] to Euro 443 million
  - P&C revenues up 3%[3] together with the combined ratio improving 1 point to 97.5%
  - Asset management net inflows of Euro 16 billion[4] contributing to underlying earnings growth of 30%[5]

- **Tight management and increased earnings resulting in a stronger Balance Sheet**
  - Gearing at a historically low level of 38% vs. 42% at year end 2004
  - P&C reserve ratios continued to improve
  - Shareholders' equity up 15% to Euro 32.7 billion
  - Unrealized gains attributable to shareholders[6] standing at Euro 10.1 billion, up 28%

- **Selective acquisition strategy delivering results**
  - MONY integration well on track
  - Advest sale reduces MONY goodwill by 31% and should strongly enhance returns
  - Recent acquisitions of Framlington and Seguro Directo should further complement the growth potential of AXA Investment Managers and AXA Portugal

[1] At constant exchange rates
[2] At constant scope and exchange rates
[3] At constant scope and exchange rates
[4] Excluding AC Cash Management Services
[5] At constant exchange rates
[6] Including, fair value of invested assets recorded through shareholders' equity, unrealized gains on Alliance Capital and unrealized gains on loans and real estate which are not recorded in shareholders' equity

1H' 05 Results

IFRS (Euro millions, except per share amounts)	1H 05	1H 04	Change (reported)	Change (@ Cst FX)	1H 05 per share[7]	Change
Underlying Earnings	**1,761**	**1,398**	**+ 26%**	**+ 28%**	**0.93**	**+ 21%**
Net capital gains	370	263				
Adjusted Earnings	**2,132**	**1,661**	**+ 28%**	**+ 31%**	**1.12**	**+ 24%**
Profit or loss on financial assets under Fair Value option and derivatives	119	-16				
Exceptional operations	27	126				
Goodwill & related intangibles	-4	-38				
Net income, Group share	**2,274**	**1,733**	**+ 31%**	**+ 33%**	**1.19**	**+ 27%**

[7] Fully diluted. Weighted average number of fully diluted shares was 1,958m in 1H05 versus 1,931m in 1H04.

Underlying Earnings

1H05 underlying earnings[8] improved by 26% (or +28% at constant exchange rates) to Euro 1,761 million, driven by double-digit growth in Life & Savings, Property & Casualty and Asset Management.

IFRS (Euro millions)	1H 05	1H 04	Change	Change @ Cst FX
Life & Savings	972	815	+ 19%	+ 22%
Property & Casualty	695	577	+ 20%	+ 21%
International Insurance	103	138	- 25%	- 26%
Asset Management	154	123	+ 25%	+ 30%
Other Financial Services & Holdings	- 163	- 256	--	--
Total Underlying Earnings	**1,761**	**1,398**	**+ 26%**	**+ 28%**

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

LIFE & SAVINGS. Life & Savings underlying earnings increased by 22%, to Euro 972 million, notably driven by fees & revenues and technical margin, which more than compensated for a continued low interest rate environment.
As expected, the US benefited from Euro 61 million incremental earnings stemming from the MONY acquisition. Japan's underlying earnings included non recurring elements for a net impact of Euro 47 million including a positive tax impact (Euro 188 million) reflecting the improvement in recoverability of tax losses carried forward, partly offset by additional VBI[9] and DAC[10] amortization due to a change in future investment assumptions (Euro -136 million).
In addition to these elements, the main contributors to the Life & Savings' strong performance were France and the US.

Underlying investment margin was Euro 1,098 million, down 3%, mainly driven by Japan.
In Japan, the decrease in investment margin resulted from higher currency hedging costs and the portfolio restructuring (shift from US bonds into Japanese bonds) implemented in late 2004.

[8] Underlying earnings are adjusted earnings, excluding net capital gains attributable to shareholders. Adjusted earnings represent net income before the impact of exceptional operations, goodwill and related intangibles amortization/impairments, and profit or loss on financial assets accounted for under the fair value option and derivatives related to invested assets (For more details see glossary in the Management Report). Adjusted and underlying earnings are non-GAAP measures and as such are not audited, and they may not be comparable to similarly titled measures reported by other companies. Management uses these non-GAAP measures as key indicators of performance in assessing AXA's various businesses and believes that the presentation of these measures provides useful and important information to shareholders and investors as measures of AXA's financial performance.

[9] VBI: Value of Business In force
[10] DAC: Deferred Acquisition Costs

In the US, the positive impact of the integration of MONY more than offset lower yields and prepayments on fixed maturities as well as lower partnership distributions from a very strong level in 2004.

Fees & Revenues were Euro 2,437 million, up 18%. Excluding the positive effect of MONY, Fees & Revenues were up 13%, driven by higher separate account balances resulting from both market appreciation and strong net inflows, notably in France, the UK and the US, and by strong overall sales of life products. The UK also benefited from the development of credit insurance business. In addition, mutual fund revenues were up 15% mainly driven by Australia.

Net technical margin was Euro 532 million, up 34%. Excluding MONY, net technical margin was up 12% driven by better morbidity margin on health products in Japan, better life mortality experience in the US and adverse 2004 claims experience in Group disability in France.

Globally, total gross margin (sum of the above margins) was Euro 4,067 million, up 13% with MONY representing 7 points of this growth.

Expenses, tax and minority interests were Euro -3,095 million up 11% with MONY representing 7 points of this growth. H1 2005 was impacted by higher DAC amortization especially in the US and by higher expenses in the UK related to sales and customer services strategic initiatives. Japan was positively impacted by the non-recurring profit mentioned above.

PROPERTY & CASUALTY. Property & Casualty underlying earnings were Euro 695 million, up 21%, due principally to a 1.0 point improvement in the combined ratio to 97.5%, together with premium growth, and higher investment income supported by strong cash flows. 1H'05 continued to benefit from improved claims frequency in individual motor and a low level of large claims, especially in Property.
The main contributors to the P&C improvement were Germany, France, the UK & Ireland and Canada.

Ratios (in %)	**Combined ratios**	
	1H 2005	**Change from 1H 2004**
France	98.5	- 1.0
Germany	96.7	- 2.5
UK & Ireland	97.3	- 0.2
Belgium	96.5	+ 1.6
Southern Europe	99.1	--
Other countries	94.8	- 4.9
Total P&C	**97.5**	**- 1.0**

The loss ratio improved 1.5 point to 70.2% driven by improvement in the current year loss ratio and positive prior year developments in all countries.

Overall current year loss ratio benefited from:
- the favorable evolution of bodily injury claims frequency on the personal motor portfolio in France and Southern Europe;
- lower severity of bodily injury claims and a favorable product mix in the UK.

The expense ratio increased 0.5 point to 27.3% mainly driven by acquisition expenses, notably in the UK with a continued shift towards lower loss/higher commission business. The administrative expense ratio was stable at 10%.

P&C performance was achieved while maintaining very strong premiums and claims ratios.
The net technical reserves to net earned premiums ratio increased by 2 points to 199% compared to June 30, 2004 ratio while the net claims reserves to net claims paid ratio increased by 8 points to 262%.

Investment income increased Euro 105 million to Euro 819 million driven by higher average asset bases fueled by positive cash flows (Euro 1.6 billion)[11] .

[11] Net operational cash flows are written premiums net of claims paid, including expenses, taxes and investment income. Scope : France, UK + Ireland, Germany, Belgium and Southern Europe.

INTERNATIONAL INSURANCE. International Insurance underlying earnings were down 26% to Euro 103 million as AXA RE was impacted by major losses in 1H'05 (Euro 73 million, gross of tax), compared to none during the same period last year.

AXA RE underlying earnings were down 37% at Euro 55 million. 10 points of this decrease is explained by the transfer in October 2004 of AXA RE US entities to the Other International Activities segment (Euro 13 million of underlying earnings for 1H'04).
On a comparable basis, underlying earnings decreased 27%, driven by (i) a 5.2 point deterioration of the loss ratio to 82.0% as major losses recorded in 1H'05 more than offset lower attritional claims, as well as (ii) unfavorable geographical mix of results negatively impacting the overall tax rate.
At the same time, AXA RE continued to improve its expense ratio by 2.6 points to 15.0% following on-going cost control.
As a result, AXA RE combined ratio was 97.0% versus 94.4% last year.

AXA Corporate Solutions Assurance underlying earnings were up 47% or Euro 12 million to Euro 38 million mainly driven by stronger investment income which benefited from the reinvestment of positive cash flows.

ASSET MANAGEMENT. Asset Management underlying earnings were Euro 154 million, up 30%, benefiting from higher average Assets Under Management, fuelled by solid net inflows of Euro 16 billion[12], and cost-control.
Total AUM for Asset Management at the end of June 2005, was Euro 809 billion, up 5%[13] at constant exchange rates versus December 31, 2004.

Alliance Capital underlying earnings increased 19% to Euro 98 million mainly driven by a 1.5 point improvement in the operating cost income ratio and by a 2.8% increase in the ownership interest of the AXA Group to 61% as of June 30, 2005.

AXA Investment Managers underlying earnings increased 53% to Euro 57 million driven by a strong increase of revenues[14] (+21%) supported by higher average AUM (+19%), which benefited from strong net inflows, favorable market appreciation and higher performance fees. At the same time, expenses grew at a lower pace resulting in a 2.8 point improvement of the operating cost income ratio.

OTHER FINANCIAL SERVICES & HOLDINGS. Other Financial Services & Holdings underlying earnings improved by Euro 91 million to Euro -163 million, mainly due to a tax benefit at AXA SA (Euro 47 million) and to higher AXA Bank Belgium earnings.

[12] Excluding impact of the sale of AC Cash Management Services
[13] Idem
[14] Revenues, excluding management and front-end fees collected on behalf of external distributors

Adjusted Earnings

1H'05 adjusted earnings, the basis for our dividend policy, were up 28% (or +31% at constant exchange rates) to Euro 2,132 million, driven by the solid underlying earnings performance as well as a Euro 107 million increase in net capital gains attributable to shareholders to Euro 370 million.

1H'05 net capital gains attributable to shareholders benefited from (i) Euro 114 million release of valuation allowance on tax losses carried forward in Japan, (ii) capital gains on the restructuring of the AXA Japan investment portfolio (Euro 200 million) offset by related impacts of changes in future investment assumptions, (iii) strong equity markets, especially in Europe.

Net Income, Group share

1H'05 net income of Euro 2,274 million increased by 31% (or 33% at constant exchange rates) driven by the increase in adjusted earnings. The lower impact from exceptional operations was more than offset by (1) higher profit on financial assets under Fair Value option and derivatives and (2) the non-recurrence of half-year 2004 goodwill impairment in our Netherlands P&C operation.

Balance Sheet

As of June 30, 2005 shareholders' equity was Euro 32.7 billion, up 15% compared to December 31, 2004, primarily benefiting from retained earnings and the appreciation of financial markets.

Fair value of invested assets recorded through shareholders' equity was Euro 7.5 billion, up Euro 1.7 billion versus December 31, 2004.

Total unrealized capital gains attributable to shareholders reached Euro 10.1 billion as of 6/30/05 of which

- Euro 7.5 billion of fair value of invested assets recorded through shareholders' equity, as mentioned above,
- Euro 1.1 billion of unrealized capital gains on real estate and loans (not recorded through shareholders' equity), stable from December 31, 2004,
- Euro 1.5 billion of unrealized gain on Alliance Capital investment (not recorded through shareholders' equity), up Euro 0.5 billion from December 31, 2004.

The deleveraging of the balance sheet, in progress since year end 2000, accelerated in 1H'05 and as of June 30, 2005 gearing stood at 38% down from 42% as of December 31, 2004.

Outlook

In the first half of 2005, the Group demonstrated its capacity to deliver very strong earnings growth in Life & Savings, Property & Casualty and Asset Management. Management currently expects the financial market environment to remain good for Life & Savings and Asset Management, and more particularly for higher margin unit-linked products in a context of low interest rates.

In Property & Casualty, management expects a continuation of the positive trends witnessed in the first half of the year, despite some pricing pressure, due to continued moderate claims frequencies.

Despite the recent weather related events in the US and barring any new major catastrophic events, Management believes that the Group is well on track to deliver strong double digit earnings growth for the full year 2005.

1.2.2. Half-year 2005 Management Report

Cautionary statements concerning the use of non-GAAP measures and forward-looking statements

This report includes certain terms that are used by AXA in analyzing its business operations and, therefore, may not be comparable with terms used by other companies; these terms are defined in the glossary provided at the end of this document.

Certain statements contained herein are forward-looking statements including, but not limited to, statements that are predications of or indicate future events, trends, plans or objectives. Undue reliance should not be placed on such statements because, by their nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results and AXA's plans and objectives to differ materially from those expressed or implied in the forward looking statements (or from past results). These risks and uncertainties include, without limitation, the risk of future catastrophic events including possible future weather-related catastrophic events or terrorist related incidents. Please refer to AXA's Annual Report on Form 20-F and AXA's Document de Reference for the year ended December 31, 2004, for a description of certain important factors, risks and uncertainties that may affect AXA's business. AXA undertakes no obligation to publicly update or revise any of these forward-looking statements, whether to reflect new information, future events or circumstances or otherwise.

Market conditions in first half-year 2005

Financial markets

Stock markets

Performance in the equity markets was mixed over the period: although the global progression was 3.52%, the US markets were down (-4.7% for the Dow Jones, -1.7% for the S&P 500 and -5.5% for the NASDAQ). Japanese Nikkei was nearly flat (+0.8%). In Europe, the CAC 40 was up +10.7%, the STOXX 50 +7.8%, and the FTSE +6.2%.

Bond markets

All of the world's bond markets turned in a positive performance. Globally, 10-year government maturities are up +4.61%, with both Bund (+6.76%) and Gilt (+5.79%) yields standing out. As for spread bonds, performance has also been positive across the board: emerging markets (+5.11%), investment grade corporate bonds (+3.43%), High Yield debt (+1.31%) and BBB-rated corporate debt (+1.22%). For two-year government bonds, the rise was less spectacular (+0.97%) due to expectations of key rate increases by the Federal Reserve. The Federal Reserve Board raised its intervention rate to 3.25%, a 100bp hike since the beginning of this year. Elsewhere - in the eurozone, the United Kingdom and Japan - the status quo has ruled so far this year.

Exchange rates

Compared to December 31, 2004, the US dollar recovered against the euro (by 12% from 1.36 to 1.21 USD/€), as well as the GBP (from 0.71 to 0.67 GBP/€) and the Yen (from 140.6 to 133.4 JPY/€).

June 30, 2005 operating highlights

Capital and financing operations

CAPITAL OPERATIONS:

On June 29, 2005, the Management Board of AXA (following a meeting of the Supervisory Board) and the Board of Directors of FINAXA approved the terms and conditions of the merger of FINAXA into AXA.

For AXA and its shareholders, this merger simplifies the shareholder structure, improves the standing of the stock and increases the proportion of publicly traded shares. In addition, AXA will obtain ownership of the "AXA" brand which is currently the property of FINAXA. For FINAXA shareholders, this transaction improves the liquidity of their securities and eliminates the discount which affects the value of their securities.

Following the studies conducted by the committees of independent directors appointed within the Supervisory Board of AXA and the Board of Directors of FINAXA, the Management Board of AXA and the Board of Directors of FINAXA have set an exchange ratio of 3.75 AXA shares for one FINAXA share, corresponding to 15 AXA shares for 4 FINAXA shares. Independent banks respectively appointed by the Supervisory Board of AXA and the Board of Directors of FINAXA have each given a fairness opinion confirming that the exchange ratio is fair to the shareholders of each company.

AXA will undertake a capital increase of a minimum of 288 million shares. This number could go up to 299 million shares depending on the proportion of FINAXA's dividend paid in newly issued FINAXA shares. This number could also be adjusted for FINAXA stock options and convertible bonds exercised up to the suspension date of these operations.

Following this capital increase, AXA shares currently held by FINAXA and its subsidiaries, which amount to 336 million shares, would be cancelled. As a consequence, AXA's shareholders equity would be reduced by Euro 0.8 to 0.9 billion, following the merger.
Under IFRS principles, this merger would be +1.2% accretive to AXA non-diluted EPS as soon as 2005 and -0.7% dilutive to fully diluted EPS.
Mutuelles AXA[15] and FINAXA currently own 20.35% of AXA outstanding shares and 32.20% of AXA voting rights. Following the merger, the Mutuelles AXA, which currently own 2.72% of AXA outstanding shares representing 4.38% of AXA voting rights and 71.69% of FINAXA outstanding shares representing 80.53% of FINAXA voting rights, would become the principal AXA shareholder, holding approximately 14% of AXA shares representing 23% of voting rights.
The terms and conditions of the merger, including the exchange ratio, will be submitted to Court Appointed Merger Auditors ("Commissaires aux Apports et à la Fusion") who will deliver their reports before December 16, 2005, the date of the Extraordinary General Assemblies of FINAXA and AXA at which the merger will be presented for approval to the shareholders of each company.

AXA will undertake FINAXA rights and obligations as at January 1, 2005.

FINANCING OPERATIONS:

On January 25, 2005, AXA issued, under its €5 billion Euro Medium Term Notes program, €250 million of undated deeply subordinated notes ("Titres Super Subordonnés"), allowing the Group to improve debt quality and to strengthen hybrid capital, whilst anticipating the refinancing of debts maturing in 2005 and after.

Other

In order to further protect the Group balance sheet exposure to the USD, an additional $1.950 billion economic **hedges** have been implemented in the first half-year 2005, through Cross Currency Swaps.

Events subsequent to June 30, 2005

On July 29, 2005, AXA announced its intention to acquire from the group Caixa Geral de Depósitos the insurance company "Seguro Directo Gere – Companhia de Seguros, S.A.". Usually known as Seguro Directo, the company operates in the direct insurance market in Portugal (by telephone and Internet), where it has a market share of almost 50% and gross revenues of approximately Euro 23 million.
This acquisition is consistent with the growth strategy of AXA Portugal and will allow the company to diversify its distribution channels and further improve the service to its 700.000 clients. AXA has the objective of growing the direct distribution channel and re-establishing the leadership position Seguro Directo once held in Portugal.

The transaction is subject to regulatory approvals, including the Portuguese Insurance Institute and Antitrust Authority.

On July 28, 2005, AXA Investment Managers (AXA IM) and Framlington Group Limited announced that AXA IM entered into an agreement to buy Framlington Group Limited from HSBC Holdings plc and Comerica Incorporated. Completion of the transaction is subject to certain conditions, including FSA approval. Framlington is an investment management boutique with an emphasis on specialist, high-performance and high-value-added equity investments, and has a significant market position within the UK retail market segment, capturing 10.7% of overall UK retail net sales during 2004. Assets under management, as at the end of June 2005, were £4.5 billion.

Under this agreement, AXA IM will buy 100% of Framlington Group Limited shares for a total consideration of £174 million over consolidated Net Asset Value at completion. This acquisition will be financed internally within the AXA Group.

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[15] AXA Assurances IARD Mutuelle, AXA Assurances Vie Mutuelle and AXA Courtage Assurance Mutuelle

On August 29, 2005, Hurricane Katrina made landfall on the U.S. Gulf Coast causing severe damages and floods. AXA has exposures to this event mainly through its reinsurance activities in AXA RE, and marginally through its large risks (AXA Corporate Solutions Assurance) and Art (AXA Art) businesses. As at the date of publication of this Management Report, AXA RE only received limited information from its cedants in relation with this event. The corresponding cost to AXA, of which a significant part will be reinsured or retroceded outside of the AXA Group, will be included in the Full Year 2005 financial statements. Based on our current knowledge, including an insurance market loss in the range of $40 billion to $60 billion, the costs related to Hurricane Katrina are estimated to be approximately $200 million before tax and net of retrocession in AXA RE.

On September 14, 2005, AXA Financial, Inc., a Delaware corporation (the "Company"), and Merrill Lynch, Pierce, Fenner & Smith Incorporated, a Delaware corporation ("Merrill Lynch"), entered into a definitive Stock Purchase Agreement, dated as of September 14, 2005 (the "Stock Purchase Agreement").

Pursuant to the Stock Purchase Agreement, Merrill Lynch will purchase from the Company all of the issued and outstanding shares of capital stock of The Advest Group, Inc. ("Advest"), a Delaware corporation and a wholly owned subsidiary of the Company, for $400 million in cash, subject to adjustments in certain circumstances. The Company's estimated post-tax proceeds from the sale will be approximately $297 million. The Company preliminarily estimates that the purchase price will result in a pre-tax gain to the Company of approximately $6 million and a post-tax loss to the Company of approximately $96 million. This transaction reduces the Company's goodwill by approximately $190 million, representing 31% of the total goodwill related to the MONY acquisition in 2004.

The sale of Advest is expected to close in the fourth quarter of 2005 and is subject to certain regulatory approvals.

Consolidated Operating results

Consolidated gross revenues

Consolidated Gross Revenues (a)		
(in euro million)	**HY 2005**	**HY 2004**
Life and Savings	21 907	21 085
of which Gross written premiums	*21 127*	*20 570*
of which Fees and revenues from investment contracts with no participating feature	*237*	*216*
Property & Casualty	10 314	9 794
International Insurance	2 501	2 284
Asset Management	1 550	1 518
Other Financial services (Net banking revenues) (b)	225	198
Holding companies activities	0	0
TOTAL	**36 499**	**34 880**

(a) Net of intercompany eliminations

(b) Excluding net realized capital gains and change in fair value of assets under fair value option and derivatives, net banking revenues and total consolidated revenues would respectively amount to €200 million and €36,473 million for the period of June 30, 2005.

Consolidated gross revenues for Half-Year 2005 were **€36,499 million,** up 4.6% compared to previous period.

Excluding the unfavorable impact of the appreciation of the euro against other currencies (1.5 point, mainly from the US Dollar), and additional revenues stemming from (i) MONY integration (€867 million or 2.5 points) and (ii) the change in consolidation method of Turkey, Hong-Kong and Singapore P&C operations (€287 million, or 0.8 point)[16], gross consolidated revenues were **up 3.3% on a comparable basis.**

Life & Savings revenues growth was **+2.4% to €21,907 million,** mainly driven by good performances in **France (+10.7% to 6,583 million)** primarily due to a surge in Unit-Linked premiums and price increases in Health, **Belgium (+27.1% to 1,353 million)** driven by Individual Investment non Unit-Linked products (Crest) and individual investment structured Unit-Linked product (Millesimo), and **Southern Europe (+25.2% to €717 million),** mainly due to large corporate Investment & savings contracts in Italy. This trend was partly offset by lower revenues in **the United States (-2.5% to €6,623 million), the UK (-2.1% to €1,130 million)** and **Japan (-16.5% to €2,322 million).** The **US** revenues were down **-2.5%, or +2.0% excluding Real Estate Institutional Separate Account premiums**. This growth was mainly attributable to an increase in First Year Life premiums (+15%) and Variable Annuity premiums (+5%), as well as increases in asset management fees (other revenues), partially offset by a decline in Life renewal premiums (-4%) and Fixed Annuity premiums (-46%). In the **UK**, the decline **(-2.1%)** mainly stemmed from Investment & Savings, as the market is shifting away from Old World products towards Self Invested Personal Pensions and Stakeholder products in advance for Pensions Simplifications in 2006. Investment & Savings margins increased

[16] Fully consolidated starting January 1, 2005 (previously accounted for under the equity method)

€27 million (+14.8 %) mostly due to €17 million higher fees on account balance and €9 million front end fees. **In Japan (-16.5%), excluding group pension transfers and conversion program,** premiums **decreased by 6% to €2,195 million**. This was mainly due to a 22% decrease in Investment & Savings, primarily as a result of a reduction in group pension premiums (€-63 million) and individual fixed annuities sold via bancassurance partnerships (€-187 million). This trend was partially offset by the 17% health premium increase driven by the good retention on high margin medical products such as Medical Whole Life and Medical Riders.

Group New Business APE[17] reached €2,515 million, up +10.8% compared to Half-Year 2004. On a pro-forma basis[18], Group New Business APE increased by ~6.5%, stemming from all significant countries except Germany. Germany APE decline (-19%) was primarily due to a new business surge at the end of 2004 in anticipation of a change in the tax regulation (non UL products), and to a decrease in Health due to a weak market environment.

Property & Casualty gross written premiums were **up 2.9% to €10,314 million**, mainly driven by France (+3.8% to 2,770 million), Southern Europe (+5.5% to €1,551 million), while Germany, Belgium and the UK showed lower performance. **Personal lines** were **up nearly 4%**, stemming from both **Motor** (France +3% and Southern Europe +5%), benefiting from positive net inflows of 35,300 and 91,300 respectively) and **Non Motor** (mainly in Household in the UK +11%, Southern Europe +9%, France +2% and Belgium +3%). **Commercial lines (+1.5%)** benefited from **Non Motor** lines (+2%) primarily in France and Southern Europe (+7% for both), mainly as a result of tariff increases in most business lines, while maintaining a strict underwriting policy. **Motor** lines declined (-1%) mainly in Ireland, due to falling average premiums reflecting the competitive market. **Other lines** increased by 2% driven by UK health (+8%).

International Insurance revenues were **up 10.6% to €2,501 million,** both attributable to AXA RE and AXA Corporate Solutions Assurance. **AXA RE** sticks to its underwriting strategy aiming at diversifying the portfolio both geographically in Property as well as in terms of lines of business. The growth in revenues **(+15.4% to €1,056 million)** was mainly driven by higher non life gross written premiums (97% of reinsurance activity) which increased by 15% on a comparable basis, notably including higher premiums in European proportional Property Cat and Credit business, as well as selected non proportional General Liability business. **AXA Corporate Solutions Assurance** revenues were up **+9.2% to €1,059 million,** as a result of the combined effect of increased activity in Marine (+17% to €224 million), Aviation (+28% to €109 million) and Construction (+42% to €81 million) lines partly offset by decrease in Liability (-3% to €255 million). However, it should be noted that marine and aviation growth benefited from seasonal effect in first half year 2005.

Asset management revenues increased by **+5.7% to €1,550 million**, driven by higher average Assets under Management and strong net inflows. **Alliance Capital** revenues were **up +1.2% to €1,117 million**, thanks to higher investment advisory fees, driven by higher average Asset Under Management (AUM) (+10%) and higher performance fees in 2Q05, offset by lower distribution revenues and lower shareholder servicing fees. **AXA Investment Managers** showed a **+20.2%** performance to **€433 million**, due to AUM growth (+19%) and higher performance fees.

[17] Annual premiums equivalent is New regular premiums plus one tenth of Single premiums
[18] Excluding MONY in the United States

Net banking revenues in Other Financial Services were up **+15.9% to €225 million**, mainly attributable to AXA Bank Belgium (+20.6% to €161 million), as a result of higher revenues on mortgage loans and lower interest paid for certificates of deposits, partly offset by lower income from inter-bank operations.

Consolidated underlying, adjusted earnings and net income

Underlying earnings, adjusted earnings and Net income

(in euro million)	HY 2005	2004
Gross written premiums	33 844	32 571
Fees and revenues from investment contracts with no participating feature	237	216
Revenues from insurance activities	***34 082***	***32 786***
Net revenues from banking activities	***200***	***207***
Revenues from other activities	***2 192***	***1 900***
TOTAL REVENUES	**36 473**	**34 893**
Change in unearned premium reserves net of unearned revenues and fees	***-1 943***	***-1 723***
Net investment result excluding financing expenses (a)	***12 308***	***10 118***
Technical charges relating to insurance activities (a)	-36 313	-33 347
Net result of reinsurance ceded	-302	-585
Bank operating expenses	-26	-58
Acquisition costs	-3 142	-2 740
Amortization of value of purchased life business in force and other intangible asset	-370	-167
Administrative expenses	-3 932	-3 627
Valuation allowances on tangibles assets	25	-18
Other	-56	-130
Other operating income and expenses	***-44 116***	***-40 672***
INCOME FROM OPERATING ACTIVITIES, GROSS OF TAX	**2 723**	**2 617**
Income arising from investment in associates - Equity method	9	40
Financing debts expenses	-305	-291
OPERATING INCOME GROSS OF TAX	**2 427**	**2 366**
Income tax	-439	-742
Minority interests share in income	-226	-227
UNDERLYING EARNINGS	**1 761**	**1 398**
Net realized capital gains attributable to shareholders	370	263
ADJUSTED EARNINGS	**2 132**	**1 661**
Profit or loss (excluding change) on financial assets (under fair value option) & derivatives	119	-16
Exceptional operations (including discontinued operations)	27	126
Goodwill and other related intangible impacts	-4	-38
NET INCOME	**2 274**	**1 733**

(a) For the periods ended June 30, 2005 and June 30, 2004, the change in fair value of assets backing contracts with financial risk borne by policyholders had impacted the net investment result for respectively €+3,807 million and €+3,483 million and benefits and claims by the offsetting amounts respectively.

Underlying, Adjusted earnings and Net Income		
(in euro million)	**HY 2005**	**HY 2004**
Life & Savings	972	815
Property & Casualty	695	577
International Insurance	103	138
Asset Management	154	123
Other Financial Services	42	8
Holding companies	-205	-265
UNDERLYING EARNINGS	**1 761**	**1 398**
Net realized capital gains attributable to shareholders	370	263
ADJUSTED EARNINGS	**2 132**	**1 661**
Profit or loss (excluding change) on financial assets (under fair value option) & derivatives	119	-16
Exceptional operations (including discontinued operations)	27	126
Goodwill and other related intangible impacts	-4	-38
NET INCOME	**2 274**	**1 733**

Group underlying earnings reached **€1,761 million, up +26% or €+363 million. At constant exchange rates**, the growth was **€+393 million,** attributable to all operational segments except International Insurance as AXA RE was unfavorably impacted by major losses in the first half of 2005:

Life & Savings underlying earnings were **up €+183 million**. In the United States, incremental underlying earnings coming from Mony was **€64 million** (or €61 million at current exchange rate). Underlying earnings also included **non-recurring impacts** in **Japanese earnings for €47 million** (reported improvement was €+43 million): mainly a positive tax impact (€193 million), reflecting the improvement in recoverability of tax losses carried forward, partly offset by additional VBI and DAC amortization due to a change in future investment assumptions (€-136 million net of tax).

Excluding Mony and Japan, underlying earnings were up €+76 million, mainly attributable to **France** (€+31 million to €249 million), **the United States** (€+25 million), and **Germany** (€+15 million to €15 million). The improvement was mainly the result of **(i) higher Fees and Revenues** (€+261 million), pulled up by France, the US, and the UK, **(ii) an improved net technical margin** (€+28 million), partly offset by **(iii) higher expenses** (€-205 million), mainly in the US, UK, and France, and **(iv) a decrease in investment margin** (€-31 million) , primarily in the US.

Property & Casualty underlying earnings improved by **€+118 million** to **€695 million**. This improvement was attributable to all countries (mainly France €+31 million, Germany €+38 million, UK €+16 million, Canada €+20 million) except Belgium, and derived from:

(i) **A higher net technical result** (€+271 million to €2,734 million), with an **accounting loss ratio improving by 1.5 point to 70.2%**

(ii) **Higher expenses** (€-170 million to €-2,508 million), **the expense ratio slightly deteriorating by 0.5 point to 27.3%, but only due to higher acquisition ratio** in France and in the UK.

As a consequence, **Group combined ratio improved by 1.0 point to 97.5%.**

(iii) **Higher investment income overall** (€+105 million to €819 million) mainly as a result of higher technical reserves and stable investment yield.

(iv) **Higher income tax expense** (€-61 million to €-321 million) in line with higher pre-tax earnings

(v) Income/Loss arising from investment in affiliates and associates-equity method decreased by €-17 million as a result of the change in consolidation method for Asian P&C entities and Turkey.

(vi) Minority interest increased by €9 million, of which €7 million on Turkey, previously accounted for under the equity method.

International Insurance underlying earnings reached **€103 million, down €-35 million.**

This was mainly attributable **to AXA RE (€-33 million or €-20 million on a comparable basis**[19]), as a result of lower technical result (as two major losses - Erwin storm and Suncor Energy fire - occurred at the beginning of 2005 for €73 million as well as negative development on 2004 hurricanes for €39 million mitigated by other boni). The combined ratio increased by 2.6% to 97% as a consequence of the deterioration of the loss ratio (up 5.1 points to 82%) and despite the improvement of the expense ratio by 2.6 points to 15% (decrease in general expenses)

AXA Corporate Solutions Assurance improvement **(€+12 million)** mainly stemming from higher investment revenues, was more than offset by the **deterioration in other transnational activities** (€-10 million or €-23 million on a comparable basis), as a result of a €-9 million mali on 2004 US hurricanes (exposure coming from the program business of AXA RE P&C Insurance Company, now in run off) and a €10 million decrease in US Life reinsurance earnings (decrease in premiums volume on this portfolio and the implementation cost of a dynamic hedging program on part of the business). In **AXA Corporate Solutions Assurance**, the combined ratio increased by 0.6 point to 100.5%, reflecting the loss ratio deterioration (up 0.6 point to 87.4%) while the expense ratio remained stable at 13.1%.

Asset Management underlying earnings increased by **€+37 million to €154 million**, attributable to both Alliance Capital and AXA Investment Managers.

In **Alliance Capital**, the improvement was €+17 million (to €98 million) due to (i) slightly higher fees, commissions and other revenues (higher investment advisory fees driven by 10% higher average AUM and increased performance fees, partially offset by lower distribution revenues and lower shareholder servicing fees in the retail channel), whereas expenses remained flat, (ii) and higher ownership interest in Alliance Capital (from approximately 58% at June 2004 to 61% at June 2005 following the acquisition by AXA Financial of 8.16 million private units in H2 2004). The operating cost income ratio improved by 1.5 point from 71.6% in 2004 to 70.1% in 2005.

In **AXA Investment Managers** (€+20 million to €57 million), the increase in fees, commissions and other revenues (mainly driven by management fees reflecting higher average AUM (+19% on a comparable basis), and higher performance fees) was beyond the increase in general expense, and resulted in an improved operating cost income ratio (-2.8 pt to 75.7%).

In Other Financial Services underlying earnings increased by **€+34 million to €42 million**, mainly attributable to (i) AXA Bank Belgium (€+22 million to €36 million), mainly due to an improved interest margin and the reversal of a provision for risks (€16 million), and (ii) CFP: €+14 million to €7 million, following positive run-off developments in first half 2005.

Holdings underlying earnings were **up €+57 million to €-205 million**. This improvement was mainly attributable to (i) AXA SA (€-67 million to €-86 million), mainly due to a €47 million non recurring

[19] Transfers of US AXA RE Life and non life activity to other Transnational activities

tax benefit, the non-recurrence of the 2004 interest charge on the ORAN issued for Mony financing (€10 million), and a tax saving of €8 million related to withholding taxes on dividends received, (ii) partly offset by AXA Financial Holdings (€-18 million at constant exchange rate to €-43 million) due to higher net interest expense principally related to the MONY acquisition.

Net capital gains attributable to shareholders were **up €+107 million to €370 million,** mainly as a result of:

- An additional €114 million release of valuation allowance on tax losses carried forward in Japan
- Higher realized capital gains by €130 million (including impact of foreign exchange),
- €-200 million in Japan related to a reserve strengthening following a change in future investment assumptions in 2005 (€-322 million pre-tax), and
- €+65 million in the UK related to the unfavorable impact in 2004 of the transfer of ownership of the Isle of Man subsidiary.

As a result, **net realized capital gains remained nearly flat (€-5 million** including impact of foreign exchange**).**

As a result of higher underlying earnings and higher net capital gains, **adjusted earnings were up €+471 million to €2,132 million.**

The Half-Year 2005 **Net Income** reached **€2,274 million, up €+541 million or +31%** compared to half-Year 2004. At constant exchange rates, the growth amounted to **+33%.**

This growth was the result of:

(i) Higher adjusted earnings (+28% or €+471 million to €2,132 million)

(ii) Higher result (excluding exchange rates) on financial assets accounted for under Fair Value Option and derivatives (€+135 million to €119 million). This trend was mainly attributable to Life & Savings, Property & Casualty, and Holdings operations.

Life & Savings operations (€+43 million to €41 million) were positively impacted by:

- Higher profit and loss on change in fair value of underlying assets within consolidated mutual funds accounted for under fair value option (€+16 million), of which €+11 million in France
- Higher positive change in fair value of derivatives partly offset by lower profit and loss on assets under fair value option (€+38 million net impact). This was mainly attributable to France (€+45 million) reflecting a higher positive change in fair value of derivative and positive performance of equities and fixed interest securities markets during the first half year 2005 partly offset by €-10 million in the US
- In the UK, the non symmetric accounting treatment on unrealized gains attributable to policyholders in Unit Linked Life (€-11 million tax impact)

Property & Casualty operations (€+35 million to €47 million) encountered higher profit and loss on change in fair value of consolidated Mutual funds (€+42 million), of which €+28 million in France, €9 million in Germany, and €5 million in Belgium.

In **Holdings** operations (€+48 million to €26 million), AXA SA and other French Holdings showed positive change in fair value of derivatives

(iii) Lower goodwill and other related intangible impacts (€+34 million to €-4 million), as Half-Year 2004 included the goodwill amortization of the remaining balance in The Netherlands P&C (€-33 million; AXA Schade) following the sale of Unirobe, which was a distributor for AXA Schade, and the amortization of the goodwill related to the minority interest buy-out of AXA Re Finance (€-5 million). Half-Year 2005 goodwill expense only related to the normal amortization of Mony intangible asset.

(iv) Partly offset by lower result of exceptional operations (€-99 million to €27 million)

Half-Year **2005 exceptional operations (€27 million)** related to the realized capital gains on the sale of AXA Assistance participation in CAS (€23 million), of Alliance Capital Cash Management activity (€3 million - €9 million before tax and minority interest), and of BIA in AXA Bank Belgium (€2 million).

Half-Year **2004 exceptional operations (€126 million)** related to:

- The realized capital gains on the disposal of Unirobe in The Netherlands Holding (€+104 million),
- The realized capital loss on the disposal of AXA Bausparkasse in Germany (€-22 million, net group share, of which €-8 million in the Life company)
- An exceptional profit in the AXA Financial holding (pre-tax gain on disposal of the discontinued Investment Banking and Brokerage segment of €66.7 million, or €43.4 million net of Federal income taxes). The gain resulted from the reduction of state tax liabilities related to the 2000 sale of DLJ.

Consolidated Shareholders' Equity

As of June 30, 2005, consolidated shareholders' equity totaled €32.7 billion. The movement in shareholders' equity since December 31, 2004 is presented in the table below:

	Shareholders' Equity *(in euro million)*
At December 31, 2004	**28 523**
- Share capital	4
- Capital in excess of nominal value	25
- Equity-share based compensation	-5
- Treasury shares	-12
- Change in equity component of compound financial instruments	0
- Super subordinated debt (including accrued interests)	236
- Fair value recorded in shareholders' equity	1 695
- Impact of currency fluctuations	1 127
- Cash dividend	-1 164
- Actuarial gains and losses on pension benefits	-15
- Other	-8
At June 30, 2005 (before net income of the period)	**30 406**
Net income for the period	**2 274**
At June 30, 2005	**32 680**

Creation of Shareholder Value

EARNINGS PER SHARE ("EPS")

(in euro million except ordinary shares in millions)	HY 2005 Basic	HY 2005 Fully diluted	HY 2004 Basic	HY 2004 Fully diluted	Var. HY05 versus HY04 Basic	Var. HY05 versus HY04 Fully diluted
Weighted numbers of shares	1 885,2	1 957,7	1 749,6	1 930,5		
Net income	2 274	2 328	1 733	1 812		
Net income Per Ordinary Share	*1,21*	*1,19*	*0,99*	*0,94*	*21,8%*	*26,7%*
Adjusted Earnings	2 132	2 186	1 661	1 741		
Adjusted Earnings Per Ordinary Share	*1,13*	*1,12*	*0,95*	*0,90*	*19,1%*	*23,8%*
Underlying Earnings Per Ordinary Share	*0,93*	*0,93*	*0,80*	*0,77*	*16,9%*	*21,2%*

RETURN ON EQUITY (ROE)[20]

(in euro million except percentages)	HY 2005	FY 2004	Var. HY 2005 / FY 2004
Average Shareholder's equity	29 464	23 505	
Average Shareholder's equity (a)	22 854	18 511	
Net income	2 274	3 738	
ROE	*15,4%*	*15,9%*	*-0,5 pts*
Adjusted Earnings	2 132	3 344	
Adjusted ROE	*18,7%*	*18,1%*	*0,6 pts*
Underlying ROE	*15,4%*	*14,3%*	*1,2 pts*

(a) excluding change in fair value on invested assets and derivatives (recorded through SHE)

20 ROE on Net Income are calculated on total average shareholder's equity, whereas adjusted and underlying ROE are calculated with Shareholder's equity excluding change in Fair Value on invested assets and derivatives (included in consolidated shareholder's equity)

Life & Savings Segment

The following tables present the consolidated gross revenues, adjusted earnings and net income attributable to AXA' s Life & Savings segment for the periods indicated

Life & Savings Segment (a)

	HY	
(in euro million)	**2005**	**2004**
Gross written premiums	21 131	20 574
Fees and revenues from investment contracts with no participating feature	237	216
Revenues from insurance activities	***21 368***	***20 790***
Net revenues from banking activities	***0***	***0***
Revenues from other activities	***543***	***300***
TOTAL REVENUES	**21 911**	**21 090**
Change in unearned premium reserves net of unearned revenues and fees	***-119***	***-196***
Net investment result excluding financing expenses (b)	***11 221***	***9 233***
Technical charges relating to insurance activities (b)	-28 697	-26 188
Net result of reinsurance ceded	54	-3
Bank operating expenses	0	0
Acquisition costs	-1 397	-1 152
Amortization of value of purchased life business in force and other intangible asset	-362	-162
Administrative expenses	-1 389	-1 264
Change in tangible assets impairment	2	-5
Others income and expenses	-32	-49
Other operating income and expenses	***-31 821***	***-28 822***
INCOME FROM OPERATING ACTIVITIES, GROSS OF TAX	**1 191**	**1 304**
Income arising from investment in associates - Equity method	4	16
Financing debts expenses	-51	-39
OPERATING INCOME GROSS OF TAX	**1 144**	**1 281**
Income tax	-101	-388
Minority interests share in income	-70	-78
UNDERLYING EARNINGS	**972**	**815**
Net realized capital gains attributable to shareholders	213	168
ADJUSTED EARNINGS	**1 185**	**983**
Profit or loss (excluding change) on financial assets (under fair value option) & derivatives	41	-1
Exceptional operations (including discontinued operations)	0	-7
Goodwill and other related intangible impacts	-4	0
NET INCOME	**1 223**	**975**

(a) before intercompany transactions

(b) For the periods ended June 30, 2005 and June 30, 2004, the change in fair value of assets backing contracts with financial risk borne by policyholders had impacted the net investment result for respectively €+3,807 million and €+3,483 million and benefits and claims by the offsetting amounts respectively.

Consolidated Gross revenues [a]		
(in euro million)	**HY 2005**	**HY 2004**
France	6 587	5 948
United States	6 623	6 183
United Kingdom	1 130	1 176
Japan	2 322	2 890
Germany	1 718	1 672
Belgium	1 353	1 065
Southern Europe	717	572
Other countries	1 461	1 584
TOTAL	**21 911**	**21 090**
Intercompany transactions	-4	-5
Contribution to consolidated gross revenues	**21 907**	**21 085**

(a) Gross written premiums including intercompany eliminations

Underlying, Adjusted earnings and Net Income		
(in euro million)	**HY 2005**	**HY 2004**
France	249	218
United states	388	317
United Kingdom	43	38
Japan	118	80
Germany	15	1
Belgium	42	41
Southern Europe	25	23
Other countries	92	97
UNDERLYING EARNINGS	**972**	**815**
Net realized capital gains attributable to shareholders	213	168
ADJUSTED EARNINGS	**1 185**	**984**
Profit or loss (excluding change) on financial assets (under fair value option) & derivatives	41	-1
Exceptional operations (including discontinued operations)	0	-7
Goodwill and other related intangible impacts	-4	0
NET INCOME	**1 223**	**975**

Life & Savings operations - France

(in euro million)	Periods ended June 30, 2005	2004
Gross revenues	**6 587**	**5 948**
APE (group share)	*581*	*539*
Underlying investment margin	515	519
Underlying fees & revenues	564	518
Underlying technical margin	65	48
Underlying expenses	-745	-716
Underlying amortization of VBI	-28	-27
Underlying operating earnings before tax	**371**	**342**
Underlying income tax expenses / benefits	-120	-116
Minority interests	-2	-8
Underlying earnings group share	**249**	**218**
Net capital gains attributable to shareholders net of income tax	35	47
Adjusted earnings group share	**284**	**265**
Profit or loss (excluding change) on financial assets (under FV option) & derivatives	44	-11
Exceptional operations (including discontinued operations)	0	0
Goodwill and other related intangibles impacts	0	0
Net income group share	**328**	**254**

Gross revenues increased by €638 million, or +10.7%, to €6,587 million resulting from

- Strong growth in *Investments & Savings* (68% of gross revenues) of 11.2% to €4,487 million, as both general account and unit linked premiums grew by respectively 6% and 39%.
- Steady growth in *Life & Health* (32% of revenues) of 9.8% to €2,099 million mainly due to rate increases in the Group Life & disability business.

APE grew by 7.8% (€+42 million) to €581 million reflecting increased investments and savings APE (+13%) due to strong growth in individual unit-linked premiums (up 39% to represent 28% of individual investments and savings APE) partly offset by Group business which was impacted by strict underwriting and significant large premiums reported in the first half of 2004.

Underlying investment margin decreased by €4 million or -1% to €515 million, as higher investment income by €157 million to €1,958 million mainly benefiting from higher dividend yields on the European equity markets was offset by higher amounts credited to policyholders (€-161 million to €1,444 million).

Fees & revenues were up €46 million or +9% to €564 million mainly resulting from strong growth of fees on unit linked products (€+17 million to €170 million), and on non unit linked business (€+29 million to €394 million, mainly group life business), both due to new inflows and higher account balances.

Net technical margin improved by €17 million to €65 million, as half year 2004 was negatively affected by adverse claims experience in Group disability.

Expenses increased by €29 million to €745 million mainly due to €35 million higher commissions, in line with increased volume, partly offset by lower administrative expenses.

VBI amortization remained stable at €-28 million.

Underlying cost income ratio improved by 1.6% to 69.5% as a result of higher fees and revenues, increased technical margin and lower administrative expenses, partly offset by higher commissions paid.

Income tax expenses increased by €4 million to €-120 million as the higher taxable result was partly offset by reduced tax rate.

As a consequence, and net of minority interests (which dropped following capital operations regarding real estate companies), **underlying earnings** improved by €31 million to €249 million.

Adjusted earnings improved by €18 million to €284 million, reflecting increased underlying earnings offset mainly by unrealized foreign exchange losses on currency macro hedge (€-39 million versus nil in 2004) and despite higher net realized gains mainly on equities (€+27 million to €74 million with gross realized gains at €235 million).

Net income was up €74 million to €328 million resulting from increased adjusted earnings and from positive change in fair value of derivatives (€+21 million) and assets designated at fair value through profit & loss (€+33 million net) including consolidated mutual funds, in line with positive performance of equities and fixed interest securities markets during the first half year 2005.

Life & Savings operations - United States

(in euro million)	Periods ended June 30, 2005	2004
Gross revenues	**6 623**	**6 183**
APE (group share)	*829*	*687*
Underlying investment margin	374	363
Underlying fees & revenues	648	454
Underlying technical margin	275	185
Underlying expenses	-728	-553
Underlying amortization of VBI	-24	0
Underlying operating earnings before tax	**545**	**449**
Underlying income tax expenses / benefits	-158	-132
Minority interests	0	0
Underlying earnings group share	**388**	**317**
Net capital gains attributable to shareholders net of income tax	16	27
Adjusted earnings group share	**404**	**344**
Profit or loss (excluding change) on financial assets (under FV option) & derivatives	2	8
Exceptional operations (including discontinued operations)	0	0
Goodwill and other related intangibles impacts	-4	0
Net income group share	**402**	**352**
Average exchange rate : 1.00 € = $	*1,29*	*1,23*

Gross revenues increased by 7.1% to €6,623 million or by 12% on a constant exchange rate basis. Excluding the contribution of MONY (€867 million), gross revenues decreased by 3% at constant exchange rate, as the 5% increase in Variable Annuity premiums and the 15% increase in First Year life premiums were more than offset by a 68% decrease in Real Estate Institutional Separate Account premiums, a 46% decline in Fixed Annuity premiums and a 4% decline in Life renewal premiums. Other revenues were up 25% driven by increases in asset management fund fees resulting from higher account balances.

APE increased by 21% to €829 million or by 26% on a constant exchange rate basis. Excluding the contribution from MONY's distribution channels, APE was up 3% primarily driven by Life APE (up 9%) and Variable Annuity APE (up 5%) partly offset by a 45% decline in Fixed Annuity APE, as, in the current interest rate environment, this product does not match Group profitability targets.

Underlying investment margin increased by €11 million to €374 million, or by €29 million on a constant exchange rate basis. Excluding the contribution of MONY in 2005, investment margin decreased by €34 million, or €19 million on a constant exchange rate basis. *Investment income,* despite a higher level of assets in the general account, decreased by €10 million to €999 million, primarily due to, (i) lower yields, (ii) lower prepayments on fixed maturities and (iii) lower partnership distributions. *Interest and bonus credited* increased by €9 million to €671 million as the impact of lower credited rates in life and annuity business were more than offset by higher general account balances.

Fees & revenues increased by €193 million to €648 million, or by €224 million on a constant exchange rate basis. Excluding the contribution of MONY in 2005, fees and revenues increased by €84 million, or €110 million on a constant exchange rate basis. This increase was mainly due to higher fees earned on separate account business, resulting from positive net cash flows and higher average account balances.

Net technical margin increased by €90 million to €275 million, or by €103 million on a constant exchange rate basis. Excluding the contribution of MONY in 2005, the net technical margin increased by €6 million, or by €15 million on a constant exchange rate basis. This increase was notably attributable to a €26 million better life mortality experience. "GMDB/GMIB" margins decreased slightly (€-9 million) primarily due to the impact of poor market performance in first half year 2005 on the unhedged portfolio.

Expenses increased by €175 million to €728 million and by €209 million on a constant exchange rate basis. Excluding the contribution of MONY in 2005, expenses increased €55 million, or €84 million on a constant exchange rate basis, principally due to (i) greater commission expenses (€-34 million), (ii) an increase in other miscellaneous expenses primarily within variable expenses and growth initiatives partly offset by lower amortization of IT expenses net of capitalization (net impact of €-41 million), (iii) higher DAC amortization (€-63 million) reflecting reactivity to higher margins in products which are DAC reactive and lower favorable DAC unlocking in the first half of 2005 for expected higher emerging margins on variable life and annuity products, partly offset by (iv) higher DAC capitalization (€+54 million).

VBI amortization was €24 million in 2005 reflecting the consolidation of MONY.

Underlying cost income ratio decreased slightly to 77.3% versus 77.8% in 2004, as the strong improvement in fees & revenues was partly offset by higher expenses.

Income tax expenses increased by €25 million, or by €33 million on a constant exchange rate basis. Excluding the contribution of MONY in 2005, these amounts decreased by €9 million and €3 million, respectively.

Underlying earnings increased by €71 million to €388 million and by €89 million on a constant exchange rate basis. MONY contributed €61 million in 2005. Excluding the contribution of MONY in 2005, underlying earnings increased by €25 million on a constant exchange rate basis. This increase primarily reflects higher fees and revenues and net technical margin partially offset by higher expenses including DAC amortization.

Adjusted earnings were €404 million, up €60 million or a €79 million on a constant exchange rate basis. MONY contributed €65 million in 2005. Excluding the contribution of MONY in 2005, adjusted earnings increased by €11 million on a constant exchange rate basis. This increase was driven by the higher underlying earnings partially offset by €14 million lower net capital gains to €12 million (gross realized gains amounted to €36 million in half year 2005 or €28 million excluding Mony).

Net income increased by €50 million to €402 million, or €69 million on a constant exchange rate basis. MONY contributed €59 million in 2005. Excluding the contribution of MONY in 2005, net income increased by €7 million on a constant exchange rate basis, in line with adjusted earnings.

Life & Savings operations - United Kingdom

	Periods ended June 30,	
(in euro million)	2005	2004
Gross revenues	1 130	1 176
APE (group share)	*381*	*339*
Underlying investment margin	97	106
Underlying fees & revenues	212	167
Underlying technical margin	18	3
Underlying expenses	-288	-219
Underlying amortization of VBI	-12	-23
Underlying operating earnings before tax	**28**	**34**
Underlying income tax expenses / benefits	15	4
Minority interests	0	0
Underlying earnings group share	**43**	**38**
Net capital gains attributable to shareholders net of income tax	8	-65
Adjusted earnings group share	**51**	**-27**
Profit or loss (excluding change) on financial assets (under FV option) & derivatives	-11	-1
Exceptional operations (including discontinued operations)	0	0
Goodwill and other related intangibles impacts	0	0
Net income group share	**40**	**-27**
Average exchange rate : 1.00 € = £	*0,69*	*0,67*

Gross revenues decreased by 4% to €1,130 million or 2% on a constant exchange rate basis:
Investment & Savings (67% of gross revenues)

- *Insurance Premiums* (49% of gross revenues) decreased by 4% as a result of a reduction in premiums from Old World pension products that are categorized as Insurance.
- *Margins on Investments Products* (18% of gross revenues) increased 15% reflecting higher fund management charges driven by net new money growth in 2004 and 2005 and improved stock market levels during 2005.

Life Insurance premiums (33% of gross revenues) decreased by 6% primarily due to lower volumes of single premium Creditor Insurance written in 2005.

APE was up 14% on a constant exchange rate basis to €381 million reflecting increases in unit linked Pension and Bond sales. Total unit linked bond APE were €141 million, up 32%, benefiting from a 13% Onshore Bond growth and an 85% Offshore Bond growth. Group pensions were up 25% due to an increased number of large schemes in the first half of 2005.
The unit linked share of total APE increased by 5 points to 87% reflecting a significant increase in unit linked bond sales

Underlying investment margin decreased by €9 million or €7 million on a constant exchange rate basis to €97 million, driven by a €8 million reduction on shareholders' participation in With-Profit bonus payments.

Fees and revenues increased by €45 million or €49 million on a constant exchange rate basis to €212 million, due to (i) €33 million increase in loadings on premiums on life and pension products mainly attributable to the increasing volume of Creditor Insurance business and (ii) €16 million increase in fees earned due to higher average account balances coming from net new inflows and improved stock market levels.

Net technical margin increased by €16 million on a current and constant exchange rate basis to €18 million mainly due to the non recurrence of a €8 million 2004 reserves strengthening on possible mis-selling obligations, while 2005 benefited from a €7 million reserves release.

Expenses, net of policyholder allocation[21] increased by €70 million, or €75 million on a constant exchange rate basis to €288 million, mainly as a result of (i) €20 million lower allocation of expenses to the With-Profit fund due to the decreasing volumes of new business, (ii) €23 million increase in amortization of deferred expenses relating to single premium Creditor Insurance business written in 2004 and 2005 (offsetting the increase in loadings on premiums above) and (iii) €30 million increased expenses mainly relating to new investments in sales and customer service, including the acquisition of the sales force of the Britannia Building Society.

The **underlying cost income ratio** has increased from 109.6% to 114.5% in 2005, due to lower business written in the with profit funds.

VBI amortization declined by €11 million both on a current and constant exchange rate basis to €12 million, due to changes in amortization patterns driven by recent favorable changes in lapse and mortality experience of Insurance products.

Income tax decreased by €11 million both on current and constant exchange rate basis to a tax benefit of €15 million, partly due to lower taxable profits and partly due to differing profit profiles by entity.

Underlying earnings increased by €5 million or €6 million on a constant exchange rate basis to €43 million.

Adjusted earnings increased by €78 million or €79 million on a constant exchange rate basis to €51 million. This increase was much stronger than the underlying increase due to the negative impact in 2004 adjusted earnings of the transfer of ownership of the Isle of Man subsidiary.

Net income included the undiscounted tax adjustment on unrealized gains attributable to policyholders in Unit Linked Life[22], for €11 million in 2005. As a result, net income increased by €67 million or €68 million on a constant exchange rate basis to €40 million.

21 Part of these expenses are located in the With-Profit funds and therefore are borne by policyholders.

22 Mismatch where undiscounted deferred tax is provided on unit linked assets but the unit liability reflects the expected timing of the payment of future tax."

Life & Savings operations – Japan

(in euro million)	Periods ended June 30, 2005	2004
Gross revenues	**2 322**	**2 890**
APE (group share)	*258*	*252*
Underlying investment margin	-41	11
Underlying fees & revenues	428	437
Underlying technical margin	70	50
Underlying expenses	-310	-286
Underlying amortization of VBI	-266	-68
Underlying operating earnings before tax	**-118**	**144**
Underlying income tax expenses / benefits	240	-61
Minority interests	-3	-3
Underlying earnings group share	**118**	**80**
Net capital gains attributable to shareholders net of income tax	114	119
Adjusted earnings group share	**232**	**199**
Profit or loss (excluding change) on financial assets (under FV option) & derivatives	3	10
Exceptional operations (including discontinued operations)	0	0
Goodwill and other related intangibles impacts	0	0
Net income group share	**236**	**209**
Average exchange rate : 1.00 € = Yen	*136,99*	*131,75*

Gross revenues decreased by 16% on a constant exchange rate basis to €2,322 million. Excluding (i) group pension transfers (€13 million versus €61 million last year) and (ii) the conversion program started in January 2003 to life products (€32 million versus €147 million last year) and to health products (€82 million versus €258 million last year), premiums decreased by 6% to €2,195 million driven by the following factors:

- *Investment & Savings* (31% of gross revenues excluding conversions and group pension transfers): Premiums decreased by 22% to €680 million reflecting (i) a reduction in group pension premiums (€-63 million) due to a lower inforce and (ii) a reduction in single premium individual fixed annuities sold via bancassurance partnerships (€-187 million) partly offset by higher recurring premiums from existing individual annuity contracts (€+17 million) especially after strong sales in 2004.

- *Life* (46% of gross revenues excluding conversions and group pension transfers): premiums decreased by 1% to €1,006 million mainly driven by lower regular premiums in Endowment and Whole Life as a result of lower in-force, since these products were not promoted for new business. This was partly offset by the strong sales in LTTP (Long-Term Term Product) launched in October 2004, LTPA (Long-Term Personal Accident) launched in March 2005 and term riders as a result of increasing clients' needs for savings.

- *Health* (23% of gross revenues excluding conversions and group pension transfers): premiums increased by 17% to €509 million driven by the good retention on high margin medical products such as Medical Whole Life and Medical Riders.

APE increased by 7%, with individual business APE up 4%, driven by Term Life products and riders (following the launch of new products in October 2004 and March 2005), and Group Life APE up 164%, thanks to the New Mutual Aid product. After a slow start in 1Q05 Japan APE grew strongly during the second quarter with new business APE increasing by 10% as a result of new product launch and improved productivity in the AXA Advisors channel.

Half-year 2005 net income included the following two significant items:
Adjusted net realized capital gains net of valuation allowance reached €322 million, mainly following a change in asset allocation from US Bonds to Japanese government bonds. AXA Japan actively manages its investments considering both income and realized capital gains/losses to optimize continuously the investment yield in the context of low interest rates and significant traditional insurance in-force. Therefore, investment income and realized gains are taken into account together to fund investment items such as guaranteed credited interest and bonuses as well as reserves impacts due to change in future investment assumptions in 2005.
In this context, AXA Japan recorded a strengthening of insurance reserves (€352 million pre-tax), mainly resulting from a change in future investment assumptions, which impacted the investment margin (€329 million pre-tax). In addition, this new set of assumptions led to record higher VBI and DAC amortization (respectively €197 million and €22 million).
Secondly, following an improved outlook on recovery of the tax losses carried forward, a €309 million release of valuation allowance on deferred tax assets was recorded.
The overall combined impact of these two significant items was €+47 million underlying earnings and €-39 million on adjusted earnings and net income.

Underlying investment margin decreased by €52 million, or €54 million at constant exchange rate, to €-41 million mainly driven by:

- A €44 million reduction to €251 million in net investment income due to a lower gross investment yield from 2.5% to 2.0% as a result of higher currency hedge costs and a fixed-income portfolio restructuring at the end of 2004 (partly out of US bonds into Japanese government bonds).
- Higher interest credited (€2 million) to €285 million mainly due to increased contract in-force.

Fees & revenues decreased by €9 million at current exchange rate, or increased by €9 million at constant exchange rate, to €428 million reflecting the contribution from new business resulting from the launch of new Term products and sales of high margin health products, along with continuing efforts to retain profitable policies. This increase was partly offset by a small decline in group medical fees and revenues, which was limited by the implementation of a retention program on Medical Term customers in a competitive environment.

Net technical margin increased by €20 million, or by €23 million at constant exchange rate, to €70 million. The mortality margin improved by €38 million to €57 million driven by (i) a better morbidity on health products and (ii) a lower insurance reserve strengthening on annuity portfolio (€+11 million to €18 million). The surrender margin decreased by €15 million to €13 million mainly due to lower individual annuity conversions and surrenders partly offset by improved retention on Medical riders.

Expenses increased by €24 million, or by €36 million at constant exchange rate, to €310 million following (i) higher DAC amortization (€34 million) resulting from higher in-force and a change in future investment assumptions, (ii) increased operating expenses (€6 million) due to increased spending on projects focused on product development and distribution partially offset by (iii) lower commissions net of capitalization (€4 million) driven by a decline in commission rate.

VBI amortization increased by €198 million or €209 million at constant exchange rate, to €266 million mainly due to a change in future investment assumptions.

Underlying cost income ratio increased from 74.4% to 76.9% mainly reflecting lower net investment income.

Income tax expense reduced significantly compared to last year by €300 million, or €310 million at constant exchange rate to a tax benefit of €240 million. A €193 million release of valuation allowance was recorded in 2005 reflecting the improvement in recoverability of tax losses carried forward.

Excluding this impact, income tax expenses reduced by €108 million, or €110 million at constant exchange rate, to €+48 million due to lower pre-tax earnings in 2005.

Underlying earnings increased by €38 million, or €43 million at constant exchange rate, to €118 million mainly driven by the release of valuation allowance on tax losses carried forward (€193 million) and improved mortality profits partly offset by lower net investment income and higher VBI and DAC amortization (€+122 million and €+14 million respectively) due to a change in future investment assumptions. Excluding the combined impact of the two significant items mentioned above, underlying earnings slightly decreased by €9 million or €6 million at constant exchange rate.

Adjusted earnings increased by €34 million, or €43 million at constant exchange rate, to €232 million in line with the €+43 million improvement of underlying earnings due to:

- Higher pre-tax **realized capital gains** net of valuation allowances (€+74 million to €314 million) were offset by a strengthening of insurance reserves following a change in future investment assumptions in 2005 (€-326 million to €314 million);
- Lower DAC and VBI amortization reactivity (€+62 million) linked to realized gains in 2004;
- Lower income tax impact due to an additional €114 million release of valuation allowance on tax losses carried forward coupled with reduced tax expense resulting from lower pretax operating income in 2005.

Net income increased by €27 million, or €36 million at constant exchange rate, to €236 million following the improvement in adjusted earnings by €43 million partly offset by a €7 million decrease of gains on fair valued invested assets in 2005 (€27 million in 2005 versus €22 million in 2004, before tax, DAC and VBI reactivity and minority interests).

Life & Savings operations – Germany

(in euro million)	Periods ended June 30, 2005	2004
Gross revenues	**1 718**	**1 672**
APE (group share)	*132*	*163*
Underlying investment margin	35	36
Underlying fees & revenues	45	37
Underlying technical margin	19	16
Underlying expenses	-35	-31
Underlying amortization of VBI	-6	-7
Underlying operating earnings before tax	**58**	**51**
Underlying income tax expenses / benefits	-41	-50
Minority interests	-1	0
Underlying earnings group share	**15**	**1**
Net capital gains attributable to shareholders net of income tax	2	-25
Adjusted earnings group share	**17**	**-24**
Profit or loss (excluding change) on financial assets (under FV option) & derivatives	0	-1
Exceptional operations (including discontinued operations)	0	-7
Goodwill and other related intangibles impacts	0	0
Net income group share	**17**	**-32**

Gross revenues rose by 3% (€+46 million to €1,718 million) mainly due to unit-linked business.

- *Investment & Savings* (22% of gross revenues) increased by 17% to €371 million, mainly driven by regular unit-linked premiums as a result of high new business in the previous years. The share of unit-linked premiums grew significantly to 22% (14% for the same period in 2004). Non-unit linked premiums increased by 5% to €288 million mainly driven by annuity business.
- *Life* (47% of gross revenues) were flat at €801 million. Decrease in Life non unit-linked premiums (-3%) was compensated by strong growth in unit-linked premiums (+19%). The share of unit-linked premiums thus rose to 15% (12% for the same period in 2004).
- *Health* (26% of gross revenues) slightly increased by 1% to €448 million due to the last step of legal premium adjustment, which was partly offset by higher cancellations at the end of 2004.
- *Other* (5% of gross revenues) amounted to €97 million (-10%) due to the decrease in Medical Council business and lower consortium business.

APE decreased by -19% to €132 million, due to lower activity level in the first half of 2005 (mainly in non unit linked products: -30%) as a result of a change in tax regulation at year end 2004, partly offset by increase in unit linked (+11%).

Underlying investment margin remained stable at €35 million due to an increase in net investment Income (€+31 million in Life) mainly driven by a higher proportion of fixed income securities in the asset mix, offset by a corresponding increase (€-32 million in Life) in policyholder participation.

Fees & revenues amounted to €45 million, up €8 million, mainly due to increased unit linked business.

Net technical margin increased by €3 million to €19 million mainly driven by higher profit from lapses in health and lower policyholder ratio applied to technical items in Life.

Expenses increased by €5 million to €35 million as lower expenses were more than offset by a lower policyholder bonus rate applied to expenses (similarly to technical items)

Amortization of VBI remained stable at €-6 million.

As a consequence, **underlying cost income ratio** improved by 18.8 points to 58.0%.

Tax expenses decreased by €9 million to €-41 million mainly explained by non recurring tax items in 2004.

Underlying earnings increased by €15 million to €15 million mainly due to the increase of fees & revenues and to lower tax expenses.

Adjusted earnings increased by €41 million to €17 million benefiting from increased underlying earnings and higher net capital gains (€+27 million to €2 million) due to the fact that capital losses accounted for in the first half of 2004 were attributable for a significant part to the shareholders.

Net income increased by €50 million to €17 million, benefiting from increased adjusted earnings and the non recurrence of the loss on the sale of Bausparkasse in 2004 (€8 million).

Life & Savings operations - Belgium

(in euro million)	Periods ended June 30, 2005	2004
Gross revenues	**1 353**	**1 065**
APE (group share)	*115*	*91*
Underlying investment margin	61	64
Underlying fees & revenues	68	61
Underlying technical margin	25	21
Underlying expenses	-90	-94
Underlying amortization of VBI	-1	-1
Underlying operating earnings before tax	**64**	**51**
Underlying income tax expenses / benefits	-21	-10
Minority interests	0	0
Underlying earnings group share	**42**	**41**
Net capital gains attributable to shareholders net of income tax	21	55
Adjusted earnings group share	**63**	**95**
Profit or loss (excluding change) on financial assets (under FV option) & derivatives	1	-7
Exceptional operations (including discontinued operations)	0	0
Goodwill and other related intangibles impacts	0	0
Net income group share	**64**	**88**

Gross revenues increased by 27% to €1,353 million.

- *Individual Life and Savings* (86% of gross revenues) increased by 31% to €1,158 million due to the growth in the main guaranteed rate product Crest (+23% to €722 million) and in unit-linked contracts (+126% to €249 million) following the successful launch of a new structured product (Millesimo) at the end of 2004.
- *Group Life and Savings* (14% of gross written revenues) went up by 9% to €194 million mainly due to the growth of Traditional products (+11%) which represent 86% of Group. Regular premiums increased by 6% to €172 million and single premiums by 42% to €23 million.

APE increased by 26% on a comparable basis, to €115 million. Single premiums APE increased by 32% to 98 million due to Crest 30 and structured unit-linked products. New business for regular premiums went up by 1.6% to €17 million mainly due the group life product "Optiplan Groupe".

Underlying investment margin decreased by €2 million to €61 million due to the decrease of the rate of return (-20 bps on an annual basis) while average credited rate was stable. As a consequence of the high production in products with lower guaranteed rates (Crest 30), the average guaranteed rate decreased by 34 bp on an annual basis.

Fees & revenues at €68 million went up by €6 million (+10%) mainly due to higher sales.

Net technical margin increased by €5 million to €25 million, mainly due to a higher mortality margin and a recovery on undue annuity paid to a social security body.

Expenses decreased by €4 million, to €-90 million.

VBI amortization remained stable.

The **underlying cost income ratio** decreased from 66.6% to 65.7% as a consequence of higher revenues and lower expenses.

Income tax expense increased by €11 million to €21 million, mainly due to higher underlying before tax and the non recurrence of an exceptional refund in 2004.

Underlying earnings increased by €2 million to €42 million, driven by increasing margins partly offset by the increasing income tax expense.

Adjusted earnings decreased by €32 million to €63 million mainly driven by reduced capital gains (€-34 million to €21 million).

Net income decreased by €24 million to €64 million as the decrease of €32 million of adjusted earnings was partly offset by profit on mutual funds under fair value option.

Life & Savings operations – Southern Europe

(in euro million)	Periods ended June 30, 2005	2004
Gross revenues	**717**	**572**
APE (group share)	71	52
Underlying investment margin	28	23
Underlying fees & revenues	53	47
Underlying technical margin	13	22
Underlying expenses	-59	-54
Underlying amortization of VBI	-3	-3
Underlying operating earnings before tax	**32**	**34**
Underlying income tax expenses / benefits	-8	-11
Minority interests	0	0
Underlying earnings group share	**25**	**23**
Net capital gains attributable to shareholders net of income tax	4	6
Adjusted earnings group share	**29**	**29**
Profit or loss (excluding change) on financial assets (under FV option) & derivatives	2	0
Exceptional operations (including discontinued operations)	0	0
Goodwill and other related intangibles impacts	0	0
Net income group share	**31**	**29**

Gross revenues were €717 million up 25.2% driven by savings products (86% of the business) up 28.8% as well as a sustained growth in traditional life premiums (+7.1%).

- *Investment unit-linked* premiums (13% of gross revenues) increased by 16.7% to €91 million benefiting from new bank distribution agreement signed early 2005 in Spain.
- *Investment & savings non-unit linked* premiums (73% of gross revenues) were up 31.1% to €523 million as a result of a sustained market growth in Italy and Portugal, and several non-recurring large contracts in Italy.
- *Life* premiums (14% of gross revenues) increased by 7% to €103 million benefiting from distribution agreements with banks in Spain. This evolution is expected to slow down over the second half-year following the termination of the Hispamer agreement.

APE was up by 36.4% driven by (i) increasing investment single premium sales, notably in Italy and Spain, and (ii) the strong activity from bank distribution agreements in Spain. In line with gross written premium evolution, APE increase should slow down over the second half year as explained above.

Underlying investment margin rose by €5 million to €28 million, driven by higher investment income (€+8 million to €162 million) as a result of a larger average asset base partly offset by higher interests credited (€3 million to €134 million) mainly following a new business shift towards products with a lower crediting rate.

Fees & revenues were up by €7 million to €53 million in line with volume growth.

Net technical margin decreased by €9 million to €13 million, reflecting (i) a lower release of insurance reserve on an old-generation guaranteed index-linked product in Italy (€-6 million) and (ii) a €3 million lower mortality margin as a result of a slight deterioration of frequency and average costs on traditional products over the period mainly in Spain.

Expenses increased by €5 million to €59 million mainly as a result of higher commissions in line with volume growth.

As a result, the **underlying cost income ratio increased** by 0.6 point to 68.0%.

Income tax expenses decreased by €3 million to €8 million mainly as a result of lower pre-tax underlying earnings.

Underlying earnings increased by €1 million to €25 million as a result of the evolutions mentioned above.

Adjusted earnings remained stable at €29 million. Net capital gains amounted to €4 million. Gross realized gains amounted to €16 million.

Net income was up €2 million to €31 million due to the positive change in fair value of consolidated funds and derivative products following improved equity markets.

Life & Savings Operations - Other Countries

The following tables present the operating results for the other Life & Savings operations of AXA, which include Australia/New Zealand, Hong Kong, The Netherlands, Singapore, Switzerland, Canada, Morocco, Luxembourg and Turkey, for the years indicated.

Consolidated Gross revenues		
(in euro million)	HY 2005	HY 2004
Australia / New Zealand	566	601
Hong Kong	357	363
The Netherlands	291	457
Other countries	246	162
Singapore	63	53
Switzerland	68	40
Canada	35	31
Morocco	27	28
Luxembourg	17	10
Turkey (a)	37	0
TOTAL	1 461	1 584
Intercompany transactions	0	-2
Contribution to consolidated gross revenues	1 461	**1 582**

(a) Change in consolidation method in Turkey (from equity method to full consolidation) as at January 1st, 2005.

Underlying, Adjusted earnings and Net Income		
(in euro million)	HY 2005	HY 2004
Australia / New Zealand	29	29
Hong Kong	36	39
The Netherlands	19	23
Other countries	7	7
Singapore	0	0
Switzerland	1	1
Canada	0	1
Morocco	2	2
Luxembourg	2	1
Turkey	1	1
UNDERLYING EARNINGS	92	97
Net realized capital gains attributable to shareholders	13	4
ADJUSTED EARNINGS	105	102
Profit or loss (excluding change) on financial assets (under fair value option) & derivatives	1	1
Exceptional operations (including discontinued operations)	0	0
Goodwill and other related intangible impacts	0	0
NET INCOME	106	102

AUSTRALIA AND NEW ZEALAND[23]

Total gross revenues of €566 million were 5% lower than last year on a constant exchange rate basis.

- *Gross written premiums* decreased by 9% to €460 million on a constant exchange rate basis. This reflects the ongoing planned reduction in retirement income business following continued tactical pricing increases and legislative changes in late 2004. The decision to channel individual pension business into Generations, a simplified administration platform for mutual fund portfolios, has also contributed to the reduction in premiums (*see Net mutual retail fund sales below*).
- *Fees from investment contracts without discretionary participation features* of €17 million remained in line with last year.
- *Revenues from mutual fund and advice businesses*, which remains the key growth area for the Australian market, increased 18% from last year to €88 million as a result of improved sales of the global equity growth and value funds, the successful launch of the Generations platform and funds growth from improved market conditions.
- *Net mutual retail fund sales* of €468 million are 14% lower than last year. Whilst the launch of the Generations product range has been successful, the 2005 result includes a higher level of retail unit trust outflows A local bank was utilizing an AXA solution until the development of their own product, which has now occurred.

APE of €95 million group share (€183 million on a 100% ownership basis) increased by 2% on a constant exchange rate basis. The decrease in traditional products, due to the planned reduction in retirement income was more than offset by an increase in mutual funds sales driven by global equity growth and value funds and the successful launch of the Generations administration platform.

Underlying earnings increased by €1 million on a constant exchange rate basis to €29 million. Improvements in **fees & revenues** of €11 million largely from mutual fund fees as discussed above were partly offset by an €8 million decrease in **net technical margin** driven by a return to a normalized claims pattern from the income protection portfolio, consistent with expectations. As a result, the **underlying cost income ratio** increased marginally from 77.8% to 78.4% following higher commissions from the growing servicing business.

Adjusted earnings and **net income** increased by €6 million on a constant exchange rate basis to €32 million as a result of the increased underlying earnings mentioned above as well as €2 million higher net capital gains to €3 million reflecting improved Australian equity market. Last years result also included a tax expense of €3 million on the sale of AXA IM shares to the AXA parent company.

HONG-KONG

Gross revenues of €357 million were 3% higher than last year on a constant exchange rate basis reflecting continued improvement in persistency and higher sales in the unit linked life and investment products, partly offset by decreases in non-unit linked financial protection sales.

APE was up 13% on a constant exchange rate basis to €62 million group share due to Dimensions, a unit linked product launched in late 2004 and higher sales of "Mandatory Provident Fund", a pension product.

Underlying earnings of €36 million decreased by €3 million or by €1 million on a constant exchange rate basis mainly driven by a lower net **technical margin** (€-4 million) due to higher death claims resulting from a more severe and extended winter period partly offset by increased **fees & revenues** (€+3 million) reflecting increased sales and in-force portfolio.

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23 The AXA Asia Pacific group is 51.6% owned by AXA earnings and APE are presented on a Group Share basis while revenues are presented on a 100% basis.

The underlying cost income ratio improved from 47.0% to 46.1% driven by lower expenses reflecting timing differences on expenditure.

Adjusted earnings and **net income** decreased by €3 million on a constant exchange rate basis to €39 million as a result of the reduction in underlying earnings (€-1 million) and in net capital gains (€-3 million to €2 million) following the increase in the corporate spread for the US corporate bonds.

THE NETHERLANDS

Gross revenues were flat at €291 million on a comparable basis [24].

APE decreased by €3 million (-11%), mainly due to lower mortgages and group pensions.

Underlying earnings decreased by €3 million, or increased by €5 million on a comparable basis to €19 million driven by increased fees & revenues and a higher investment margin partly offset by higher commissions expenses.

Adjusted earnings and net income increased by €2 million, or increased by €10 million respectively to €26 million and €27 million on a comparable basis, mainly due to lower valuation allowance of €30 million and higher realized losses of €24 million.

[24] The Life segment now excludes the health and disability portfolios. Health portfolio has been disposed of at December 1st 2004, and disability portfolio is now reported under Property & Casualty segment.

Property & Casualty Segment

The tables below present the gross premiums and net income attributable to AXA's Property & Casualty segment for the periods indicated.

Property and Casualty Segment (a)		
	HY	
(in euro million)	**2005**	**2004**
Gross written premiums	10 369	9 821
Fees and revenues from investment contracts with no participating feature	0	0
Revenues from insurance activities	***10 369***	***9 821***
Net revenues from banking activities	***0***	***0***
Revenues from other activities	***21***	***21***
TOTAL REVENUES	**10 391**	**9 841**
Change in unearned premium reserves net of unearned revenues and fees	***-1 217***	***-1 141***
Net investment result excluding financing expenses	***828***	***724***
Technical charges relating to insurance activities	-6 137	-5 896
Net result of reinsurance ceded	-304	-342
Bank operating expenses	0	0
Acquisition costs	-1 584	-1 457
Amortization of value of purchased life business in force and other intangible asset	-1	0
Administrative expenses	-931	-866
Change in tangible assets impairment	22	-14
Others income and expenses	-14	-1
Other operating income and expenses	***-8 948***	***-8 575***
INCOME FROM OPERATING ACTIVITIES, GROSS OF TAX	**1 054**	**849**
Income arising from investment in associates - Equity method	1	18
Financing debts expenses	-9	-9
OPERATING INCOME GROSS OF TAX	**1 047**	**858**
Income tax	-321	-260
Minority interests share in income	-31	-21
UNDERLYING EARNINGS	**695**	**577**
Net realized capital gains attributable to shareholders	140	121
ADJUSTED EARNINGS	**835**	**698**
Profit or loss (excluding change) on financial assets (under fair value option) & derivatives	47	12
Exceptional operations (including discontinued operations)	0	0
Goodwill and other related intangible impacts	0	-32
NET INCOME	**882**	**677**

(a) before intercompany transactions

Consolidated Gross revenues [a]		
(in euro million)	**HY 2005**	**HY 2004**
France	2 797	2 668
Germany	1 802	1 807
United Kingdom & Ireland	2 311	2 391
Belgium	781	779
Southern Europe	1 558	1 466
Other countries	1 142	730
TOTAL	**10 391**	**9 841**
Intercompany transactions	-77	-47
Contribution to consolidated gross revenues	**10 314**	**9 794**

(a) Gross written premiums including intercompany eliminations

Underlying, Adjusted earnings and Net Income		
(in euro million)	**HY 2005**	**HY 2004**
France	195	164
United Kingdom & Ireland	161	145
Germany	105	68
Belgium	84	92
Southern Europe	70	67
Other countries	81	42
UNDERLYING EARNINGS	**695**	**577**
Net realized capital gains attributable to shareholders	140	121
ADJUSTED EARNINGS	**835**	**698**
Profit or loss (excluding change) on financial assets (under fair value option) & derivatives	47	12
Exceptional operations (including discontinued operations)	0	0
Goodwill and other related intangible impacts	0	-32
NET INCOME	**882**	**677**

Property & Casualty Operations - France

(in euro million)	Periods ended June 30, 2005	2004
Gross revenues	**2 797**	**2 668**
Current accident year loss ratio (net)	74,5%	74,9%
All accident year loss ratio (net)	74,5%	76,4%
Net technical result	**628**	**552**
Expense ratio	24,0%	23,1%
Net underlying investment result	275	251
Underlying operating earnings before tax	**311**	**260**
Underlying income tax expenses / benefits	-116	-96
Net income from investment in affiliates and associates	0	0
Minority interests	0	0
Underlying earnings group share	**195**	**164**
Net capital gains attributable to shareholders net of income tax	13	15
Adjusted earnings group share	**208**	**179**
Profit or loss (excluding change) on financial assets (under FV option) & derivatives	29	1
Exceptional operations (including discontinued operations)	0	0
Goodwill and other related intangibles impacts	0	0
Net income group share	**237**	**180**

Gross revenues increased by 4.8% to €2,797 million, or 3.8% to €2,770 million net of intercompany transactions, in a more competitive French market with some pressure on rates, mainly on the personal motor business and on commercial property.

- *Personal lines* (61% of gross revenues) grew by 2.4% to €1,691 million, reflecting positive net inflows in Motor with +35,300 new contracts and tariff increase in Household.
- The 6.1% increase in *Commercial lines* revenues (39% of gross revenues, €1,079 million) resulted from rate increases mainly on Construction and Liability.

Net technical result improved by €76 million to €628 million reflecting both the volume effect and the improvement of the all accident year loss ratio by 1.9 point to 74.5%:

- The *current net technical result* increased by €40 million to €628 million resulting from increased activity and the improvement of the current accident year loss ratio by 0.3 point to 74.5%, as better frequency in personal motor offset the continued increase of claims average cost.
- The *prior years net technical result* improved by €36 million to nil mainly due to adverse loss developments in construction in half year 2004 and positive developments in property in half year 2005 offset by reserve strengthening on natural events (€40 million related to 2003 drought) and the decrease of discounting rate on annuities.

Expense ratio increased by 0.9 point to 24% explained by higher acquisition ratio by 0.9 point to 14.9%. Expenses increased by €50 million to €591 million under the combined effect of (i) increased commissions by €15 million to €393 million in line with increased volume, (ii) slightly higher expenses (€+6 million to €150 million) due to IT costs, and (iii) a €28 million lower level of capitalization on acquisition costs to €48 million.

As a result, the **combined ratio** improved by 1.0 point to 98.5%.

Net underlying investment result increased by €26 million to €275 million reflecting higher income mainly in bonds following an increase in the average asset bases and in equities following higher dividend yield.

Income tax expenses increased by €20 million to €-116 million in line with increased taxable result.

As a consequence, **underlying earnings** increased by €31 million to €195 million.

Adjusted earnings grew by €29 million to €208 million resulting from increased underlying earnings and higher realized gains mainly on equities (€+26 million to €38 million) offset by unrealized losses on foreign currency macro hedge (€-29 million to €25 million). In half year 2005, gross realized gains amounted to €53 million of which €49 million on equity.

Net income increased by €57 million to €237 million mainly due to the increase of adjusted earnings and favorable change in fair value of consolidated mutual funds.

Property & Casualty Operations - United Kingdom & Ireland

(in euro million)	Periods ended June 30, 2005	2004
Gross revenues	2 311	2 391
Current accident year loss ratio (net)	66,7%	68,9%
All accident year loss ratio (net)	65,5%	68,4%
Net technical result	746	699
Expense ratio	31,8%	29,1%
Net underlying investment result	148	128
Underlying operating earnings before tax	206	183
Underlying income tax expenses / benefits	-46	-38
Net income from investment in affiliates and associates	0	0
Minority interests	0	0
Underlying earnings group share	161	145
Net capital gains attributable to shareholders net of income tax	28	37
Adjusted earnings group share	189	182
Profit or loss (excluding change) on financial assets (under FV option) & derivatives	0	0
Exceptional operations (including discontinued operations)	0	0
Goodwill and other related intangibles impacts	0	0
Net income group share	189	182
Average exchange rate : 1.00 € = £	*0,69*	*0,67*

Gross revenues decreased by 1% to €2,311 million, or increased by 1% on a comparable basis.

- *Personal lines* (35% of gross revenues) were up 4% at €809 million. This reflects continued growth in Property (+15%), and Creditor (+24%) driven by new business deals, partially offset by a 6% decrease following a fall of average premiums and lower volumes in Ireland.
- *Commercial Lines* (38% of gross revenues) were down 4% at €878 million. This reflects lower new business in liability lines (-9%) due to decreasing rates in the UK while Property remained flat. Motor performance (-7%) was mainly explained by falling premiums in Ireland.
- *Health* business (27% of gross revenues) was up 7% at €624 million. This was mainly due to a transfer of a major portfolio in November 2004 in Personal medical insurance.

Net technical result increased by €47 million to €746 million, or by €61 million on a constant exchange rate basis.

- The *current accident year loss ratio* improved by 2.2 points to 66.7% mainly due to favorable claims experience in the UK, in particular the absence of exceptional large injury loss claims on Personal Motor, and a favorable product mix.
- The *all accident year loss ratio* improved by 2.9 point to 65.5% as a result of better current accident year loss ratio and positive prior year reserves development.

Expense ratio deteriorated by 2.7 points to 31.8%, driven by an increase in commission ratio by 3.7 points to 19.8%, reflecting the change in business mix towards, higher commission products and increased profit share payments in Creditor business. This was partially offset by an improvement of the general expense ratio by 1.0 point to 12%, reflecting improved controls on management expenses together with reduced staff and associated costs following the sale of AXA Direct

As a result, the **combined ratio** improved by 0.2 point to 97.3%.

Net underlying investment result increased by €20 million to €148 million, or €23 million on a constant exchange rate basis. The key drivers were higher reserves and higher cash interest rates.

Income tax expenses increased by €8 million to €-46 million, reflecting the higher proportion of earnings coming from the UK with higher tax rate.

Underlying earnings increased by €16 million in 2005 to €161 million, driven by an improved combined ratio and a higher investment income.

Adjusted earnings and net income increased by €7 million in 2005, or €9 million on a constant exchange rate basis to €189 million as the increase in underlying earnings was partly offset by a €10 million reduction in realized gains to €28 million. In half year 2005, realized gains gross of tax amounted to €37 million.

Property & Casualty Operations - Germany

(in euro million)	Periods ended June 30; 2 005	2004
Gross revenues	**1 802**	**1 807**
Current accident year loss ratio (net)	77,0%	77,2%
All accident year loss ratio (net)	69,4%	70,0%
Net technical result	**430**	**428**
Expense ratio	27,3%	29,2%
Net underlying investment result	130	107
Underlying operating earnings before tax	**177**	**118**
Underlying income tax expenses / benefits	-64	-46
Net income from investment in affiliates and associates	1	2
Minority interests	-9	-6
Underlying earnings group share	**105**	**68**
Net capital gains attributable to shareholders net of income tax	38	-18
Adjusted earnings group share	**143**	**50**
Profit or loss (excluding change) on financial assets (under FV option) & derivatives	13	12
Exceptional operations (including discontinued operations)	0	0
Goodwill and other related intangibles impacts	0	1
Net income group share	**157**	**62**

Gross revenues decreased by 0.3% to €1,802 million, or decreased by 0.8% on a comparable basis[25]:

- *Personal lines* (59% of total gross revenues) decreased by 0.2% due to the decrease in motor (-0.3%), partly offset by an increase in Liability (+2.3%) due to additional premium in services, craft and medical sector.
- *Commercial lines* (33% of total gross revenues) decreased by 0.4% due to the reduction in Aviation line, which was partly offset by tariff increases and new business in Industrial Liability and Engineering.
- *Other lines* (8% of total gross revenues) decreased by 5.9 % mainly due to continued reduction in assumed business.

Net technical result improved by €2 million to €430 million, due to:

- *The current accident year loss ratio* improved slightly by -0.3 point to 77.0%.
- *The all accident year loss ratio* improved by -0.5 point to 69.4% due to €9 million higher boni in 2005. The €101 million boni in 2005 included €44 million on fire and weather related events, and €22 million mainly in aviation.

Expense ratio decreased by 1.9 point to 27.3% explained both by a €15 million non recurring cost in 2004 and slightly lower administrative expenses.

As a result, the **combined ratio** improved by 2.5 points to 96.7%.

25 Including DaÈv Sach in 2004 (€9 million gross revenues) which is a newly consolidated entity in 2005.

Net underlying investment result was up by €24 million to €130 million mainly driven by higher fixed income revenues as a consequence of a higher asset base coupled with a higher proportion of fixed income assets in the investment portfolio.

Income tax expense increased by €18 million in line with taxable earnings.

Underlying earnings improved by €38 million to €105 million, mainly driven by the increase in net investment income and lower expenses.

Adjusted earnings increased by €94 million to €143 million resulting from the improvement of underlying earnings and €56 million higher capital gains, as 2004 experienced realized losses (mainly a negative currency impact on foreign government bonds: €12 million net of tax) whereas realized gains on equities (€+24 million to €36 million) and fixed maturities (€+18 million to €7 million) were recorded in 2005. In 2005, gross capital gains amounted to €41 million.

Net income improved by €94 million to €157 million, in line with the increase of adjusted earnings.

Property & Casualty Operations – Southern Europe

(in euro million)	Periods ended June 30, 2005	2004
Gross revenues	**1 558**	**1 466**
Current accident year loss ratio (net)	80,6%	80.9%
All accident year loss ratio (net)	75,1%	75.2%
Net technical result	**356**	**334**
Expense ratio	24,0%	23,8%
Net underlying investment result	92	77
Underlying operating earnings before tax	**104**	**89**
Underlying income tax expenses / benefits	-35	-22
Net income from investment in affiliates and associates	0	0
Minority interests	0	0
Underlying earnings group share	**70**	**67**
Net capital gains attributable to shareholders net of income tax	16	42
Adjusted earnings group share	**86**	**109**
Profit or loss (excluding change) on financial assets (under FV option) & derivatives	0	1
Exceptional operations (including discontinued operations)	0	0
Goodwill and other related intangibles impacts	0	0
Net income group share	**86**	**110**

On a comparable basis, **gross revenues** were up by +6.3% to €1,558 million:

- *Personal lines* (75% of gross revenues) rose by 6.4% to €1,172 million, reflecting a sustained growth in motor (+5.2% to €859 million) driven by the net inflow in all countries. Motor portfolio was up 2.6% increasing by 91,300 policies since December 2004. Non motor lines were up by 9.8% notably thanks to net inflows in household (+14,900 policies representing a 1.6% growth since December 2004).
- *Commercial lines* (25% of gross revenues) were up +5.7% to €386 million. Motor was down 0.6% following the non-renewal of one large fleet contract. Non-motor increased by +8.2% driven by commercial liability business developing on local administration agreements.

Net technical result improved by €22 million to €356 million driven by a 6.1% earned premium growth.

- *The current accident year loss ratio* slightly improved by 0.3 point to 80.6% driven by the favorable evolution of bodily injury claim frequency in motor.
- *The all accident year loss ratio* remained almost stable at 75.1% (-0.1 point).

Expense ratio increased by 0.2 point to 24.0%. Commission ratio remained stable at 13.8% and other acquisition costs were up by €11 million reflecting gross written premium growth as well as an increase in marketing costs to further develop the direct distribution sales.

As a result, the **combined ratio** remained stable at 99.1%.

Net underlying investment result increased €15 million to €92 million mainly driven by a larger average asset base.

Income tax expense increased by €12 million to €35 million due to higher pre-tax underlying earnings and the non-recurrence of a tax gain accounted for in 2004 following the sale of real estate in Spain.

Consequently, **underlying earnings** were up €3 million to €70 million.

Adjusted earnings and **net income** were down respectively by €23 million and €24 million to €86 million due to the €26 million net capital gains decrease to €16 million resulting from significant capital gains on real estate realized in 2004 (€2 million compared to €24 million in 2004). Gross realized gains amounted to €23 million in half year 2005.

Property & Casualty Operations - Belgium

	Periods ended June 30,	
(in euro million)	2005	2004
Gross revenues	781	779
Current accident year loss ratio (net)	81,6%	79,8%
All accident year loss ratio (net)	68,0%	66,1%
Net technical result	229	242
Expense ratio	28,5%	28,8%
Net underlying investment result	95	97
Underlying operating earnings before tax	119	132
Underlying income tax expenses / benefits	-36	-41
Net income from investment in affiliates and associates	0	0
Minority interests	0	0
Underlying earnings group share	84	92
Net capital gains attributable to shareholders net of income tax	37	21
Adjusted earnings group share	120	113
Profit or loss (excluding change) on financial assets (under FV option) & derivatives	5	-1
Exceptional operations (including discontinued operations)	0	0
Goodwill and other related intangibles impacts	0	0
Net income group share	125	112

Gross written premiums increased by 0.2% to €781 million driven by growth in both personal and commercial lines.

- *Personal lines* (62% of the total gross revenues) increased by 1.2% at €482 million. Motor (57% of personal lines written premiums) remained stable (+0.1%) at €276 million due to a decrease in portfolio offset by rates increases. Household increased by 4.9% to €118 million as a result of rate increases.
- *Commercial lines* (38% of the total gross revenues) increased by 0.8% at €299 million, driven by Workers' Compensation (+5.6% mainly due to an increase in average premium) and Motor (+1.9% following portfolio increases), partly offset by a decrease in Corporate Accident (-6.0%).
- *Other Lines* decreased from €6 million in 2004 to nil 2005 due to the decrease of internal reinsurance and ceded premium.

The net technical result was down by €13 million to €229 million:

- *The current year loss ratio* deteriorated by 1.7 point to 81.6% mainly due to a deteriorated claims pattern in Personal and Collective Accidents, Personal Liability, Health and Workers' Compensation on Small Businesses.
- *The all accident year loss ratio* deteriorated by 1.9 point to 68.0% due to the deterioration in current year loss ratio.

Compared to first half 2004, **the expense ratio** slightly decreased by 0.2 point to 28.5%.

As a result, the **combined ratio** deteriorated by 1.6 points to 96.5%.

Net underlying investment results decreased by €2 million.

Income tax expense decreased by €5 million as a result of lower taxable earnings.

Underlying earnings decreased by €8 million to €84 million as a result of deterioration in combined ratio and lower net investment income partially offset by lower tax expenses.

Adjusted earnings increased by €8 million to €120 million as increased capital gains more than offset lower underlying earnings.

Net income increased by €13 million to €125 million with the increase of adjusted earnings and capital gains on mutual funds under fair value option.

Property & Casualty Operations - Other Countries

Consolidated Gross revenues

(in euro million)	**HY 2005**	**HY 2004**
Canada	413	371
The Netherlands	189	128
Other countries	540	231
Morocco	73	70
Japan	73	63
Switzerland	60	59
Luxembourg	42	39
Turkey (a)	217	0
Hong Kong (a)	34	0
Singapore (a)	41	0
TOTAL	**1 142**	**730**
Intercompany transactions	-2	0
Contribution to consolidated gross revenues	**1 139**	**730**

(a) Change in consolidation method in Turkey, Hong-Kong and Singapore (from equity method to full consolidation) as at January 1st, 2005.

Underlying, Adjusted earnings and Net Income

(in euro million)	**HY 2005**	**HY 2004**
Canada	45	25
The Netherlands	9	0
Other countries	27	17
Morocco	13	10
Japan	-6	-9
Switzerland	1	1
Luxembourg	4	3
Turkey	5	4
Hong Kong	6	5
Singapore	4	3
UNDERLYING EARNINGS	**81**	**42**
Net realized capital gains attributable to shareholders	7	23
ADJUSTED EARNINGS	**88**	**65**
Profit or loss (excluding change) on financial assets (under fair value option) & derivatives	0	0
Exceptional operations (including discontinued operations)	0	0
Goodwill and other related intangible impacts	0	-34
NET INCOME	**88**	**32**

CANADA

Gross revenues increased by €42 million (+11.3%) to €413 million, or €28 million (+7.6%) on a comparable basis. This was mainly due to (i) the positive impact of a strong inflow of policies issued for a set tariff over a 18 to 24 months period (€+19 million) and (ii) increased revenues (€+10 million) in commercial lines as a result of both rate and volume increases.

Net technical result increased by €27 million to €154 million.

- The *current accident year loss ratio* decreased by 0.4 point to 67.7% due to lower reinsurance cost partly offset by a larger number of large claims mainly in Personal auto and in Commercial Property.
- The prior year technical result improved by €19 million to €+31 million due to boni resulting from favorable developments and better weather conditions in December 2004 than expected in the early close-off. Consequently, the *all accident year loss ratio* improved by 5.2 points to 59.6%.

Expense ratio improved by 0.8 point to 29.0% due to lower contingent commissions paid to brokers partly offset by increased employee expenses.

As a result, the **combined ratio** improved by 6 points to 88.6%.

Net underlying investment result improved by €2 million to €22 million reflecting higher income on bonds and on Treasury.

Income tax expenses increased by €5 million to €22 million due to higher taxable income.

Underlying earnings increased by €20 million or €19 million on a constant exchange rate to €45 million, due to the strong improvement of the combined ratio.

Adjusted earnings and net income increased by €20 million or €18 million on a constant exchange rate basis to €50 million in line with the increase of underlying earnings.

NETHERLANDS

The disability portfolio which was previously reported under the Life segment is now reported under the Property & Casualty segment. The Health portfolio which was previously reported under the Life segment has been disposed of at December 1st 2004.

The figures on comparable basis include the disability portfolio.

Gross revenues increased by 48% or by 1% on a comparable basis to €189 million. This increase was mainly explained by the disability portfolio, which was up €6 million as a result of higher insured sums (change in regulations).

Underlying earnings increased by €9 million or by €5 million on a comparable basis to €9 million, as current year technical result improved by €5 million mainly in Fire and Disability. **Combined ratio** improved by 9 points to 99% or by 5 points on a comparable basis due to an improvement of the P&C (excluding disability) accounting loss ratio.

Adjusted earnings increased by €13 million or by €8 million on a comparable basis to €15 million driven by underlying earnings and higher realized capital gains of €4 million due to the sale of real estate in 2005.

Net income increased by €46 million or by €40 million on a comparable basis to €15 million, as 2004 was impacted by goodwill impairment of €33 million.

MAROCCO[26]

Gross revenues increased by 5.2% on a constant exchange rate basis to €73 million.

Underlying earnings increased by €3 million to €13 million thanks to higher dividend income from the equity portfolio and a slight improvement of the **combined ratio** (-0.3 point at 101.0%).

Adjusted earnings and net income decreased by €16 million to €8 million mainly attributable to a high level of realized gains on equity securities in 2004.

JAPAN

Gross revenues increased by 18.5% on a constant exchange rate to €73 million, mainly driven by motor business growth (+27%, 78% of revenues). Total motor portfolio (309,000 contracts) continued to show a sharp increase (+76,000 contracts compared to June 2004) thanks to competitive rates.

Underlying earnings improved by €2 million both on constant and current exchange rates, to €-6 million following the improvement of the **combined ratio** from 117.9% in June 2004 to 111.7% this year. This continuing improvement resulted mainly from the increased scale attributable to the motor portfolio growth.

Adjusted earnings and net income were €-8 million, following the booking of €1 million losses on sales of fixed maturities in June.

TURKEY[27]

On a comparable basis, **gross revenues** increased by 16.8% to €217 million mainly driven by motor growth which benefited from a positive net inflow.

Underlying earnings increased by €1 million to €5 million reflecting business volume growth and the deterioration of expense ratio. The **combined ratio reached 98.2%.**

Adjusted earnings and **net income** were up €2 million to €6 million as a result of realized capital gains on bonds.

[26] AXA Assurance Maroc is 51% owned by AXA.

[27] AXA Oyak is 35% owned by AXA. Turkish operations, which were previously accounted under the equity method, were consolidated from January 2005.

International Insurance Segment

The following tables present the gross premiums and net income for the International Insurance Segment for the periods indicated:

Consolidated Gross revenues [a]		
(in euro million)	**HY 2005**	**HY 2004**
AXA RE	1 065	1 005
AXA Corporate Solutions Assurance	1 068	990
AXA Cessions	29	71
AXA Assistance	304	264
Other	86	23
TOTAL	**2 552**	**2 353**
Intercompany transactions	-51	-69
Contribution to consolidated gross revenues	**2 501**	**2 284**

(a) Gross written premiums including intercompany eliminations

Underlying, Adjusted earnings and Net Income		
(in euro million)	**HY 2005**	**HY 2004**
AXA RE	55	88
AXA Corporate Solutions Assurance	38	26
AXA Cessions	4	10
AXA Assistance	10	9
Other	-5	5
UNDERLYING EARNINGS	**103**	**138**
Net realized capital gains attributable to shareholders	32	22
ADJUSTED EARNINGS	**135**	**159**
Profit or loss (excluding change) on financial assets (under fair value option) & derivatives	-3	2
Exceptional operations (including discontinued operations)	23	0
Goodwill and other related intangible impacts	-0	-5
NET INCOME	**155**	**156**

AXA RE

	Periods ended June 30,		
(in euro million)	2 005	2004 proforma [(d)]	2 004
Gross revenues	1 065	853	1 085
Attritional current year loss ratio [(a)(b)]	56,9%	61,7%	63,2%
Attritional all accident year loss ratio [(a)(b)]	57,6%	55,7%	58,0%
All accident year loss ratio (net) [(c)]	82,0%	76,8%	76,9%
Net technical result (excluding fees)	100	123	153
Expense ratio	15,0%	17,6%	18,1%
Net underlying Investment result	66	56	70
Underlying operating earnings before tax	82	86	111
Underlying income tax expenses / benefits	-28	-11	-23
Underlying earnings net of tax	54	75	87
Net income from investment in affiliates and associates	1	0	1
Minority interests	0	0	0
Underlying earnings group share	55	75	88
Net capital gains attributable to shareholders net of income tax	10	14	19
Adjusted earnings group share	64	88	107
Profit or loss (excluding change) on financial assets (under FV option) & derivatives	1	2	2
Exceptional operations (including discontinued operation)	0	0	0
Goodwill and other related intangibles impacts	0	-5	-5
Net income group share	66	85	103

(a) Net of ceded reinsurance (cession and retrocession)

(b) Attritional data exclude (i) major losses in claims charge and (ii) covers cost in ceded premiums

(c) (Attritional claim charge and major loss cost on all accident years) divided by (net earned premiums, net of all reinsurance costs including covers)

(d) Transfer of AXA RE US entities from AXA RE segment to "Other Transnational Activities" from October 2004

All commentaries below are presented on a proforma basis.

Gross revenues increased by 15% on a comparable basis up to €1,065 million, due to the non-recurrence of some 2004 negative premium adjustments and to higher premiums in European proportional Property Cat and Credit business as well as in selected non proportional General Liability business in order to take advantage of favorable pricing conditions.

Net technical result decreased by €23 million to €100 million, mainly explained by the following:
Non Life net technical result decreased by €42 million to €73 million:

- *The net attritional margin on current accident year* increased by €12 million up to €243 million driven by a 1.8 point lower *net attritional current year* loss ratio at 59.0%.
- *The cost of cover programs* decreased by €22 million to €-73 million.
- *The technical result on prior years* decreased by €4 million to €-24 million. 2005 notably experienced €-39 million mali (net of reinsurance) on 2004 US hurricanes, partly offset by various boni on other underwriting years.
- *Major losses cost* was €73 million in 2005, due to Erwin storm and Suncor Energy fire versus nil in 2004.

Life net technical result increased by €19 million to €27 million due to the good performance of stock market in the first half year 2005.

Expense ratio improved by 2.6 points to 15% as a result of a decrease in general expenses by €10 million to €83 million, due to lower employment costs.

Overall, the **combined ratio** increased by 2.6 points to 97.0%.

Net underlying investment result increased by €10 million to €66 million in 2005, mainly driven by an increased asset base.

Income tax expense amounted to €-28 million in 2005, or a €17 million increase, mainly due to the increase of AXA RE Paris gross tax result and to an unfavorable mix of taxable and non taxable results in 2005.

Underlying earnings decreased by €20 million to €55 million mainly as the result of lower technical result (as two major losses occurred at the beginning of 2005) and a higher effective tax rate.

Adjusted earnings decreased by €24 million to €64 million driven by the decrease in underlying earnings and lower realized capital gains attributable to shareholders net of tax (€-4 million to €10 million). Accordingly, realized gains gross of tax decreased by €6 million to €15 million explained by a €10 million negative impact of exchange rate derivatives.

Compared to the change in adjusted earnings, **net income** decreased only by €19 million to €66 million due to the non recurrence of a €5 million impairment of the goodwill generated by the buyout of AXA RE Finance minority interests in 2004.

AXA Corporate Solutions Assurance

(in euro million)	Periods ended June 30,	
	2005	2004
Gross revenues	1 068	990
Current accident year loss ratio (net) [a]	88,6%	86,7%
All accident year loss ratio (net)	87,4%	86,8%
Net technical result	104	100
Expense ratio	13,1%	13,0%
Net underlying investment result	79	51
Underlying operating earnings before tax	63	45
Underlying tax expenses / benefits	-24	-18
Net income from investment in affiliates and associates	0	0
Minority interests	0	0
Underlying earnings group share	38	26
Net capital gains attributable to shareholders net of income tax	19	-5
Adjusted earnings group share	58	21
Profit or loss (excluding change) on financial assets (under FV option) & derivatives	-3	0
Exceptional operations (including discontinued operation)	0	0
Goodwill and other related intangibles impacts	0	0
Net income group share	54	21

(a) Current accident year claim charges (including claims handling expenses) / Current accident year earned revenues (excluding premium adjustments on previous years).

Gross revenues increased by 7.9% to €1,068 million, reflecting a selective growth on Marine, Aviation and Construction. However, it should be noted that marine and aviation growth benefited from seasonal effect in half year 2005. Other lines experienced a more limited growth in a softening market.

Net technical result improved by €4 million to €104 million mainly due to:

- Decreased current net technical result by €10 million to €89 million. This is the result of an increased *net current accident year loss ratio* by 1.9 point to 88.6% mainly due to higher impact of large claims.
- Increased prior accident year net technical result by €14 million to €15 million due to higher boni following positive experience in Property, Construction and Aviation. Overall, the *all accident year loss ratio* increased by 0.6 point to 87.4%.

The **expense ratio** remained stable at 13.1%.

As a result, the **combined ratio** increased by 0.6 point to 100.5%.

Net underlying investment result improved by €28 million to €79 million mainly due to higher fixed income revenues resulting from significant investments in bonds since half year 2004 on the back of improved cash flows.

Income tax expense increased by €6 million to €-24 million due to an increased taxable income.

Underlying earnings increased by €12 million to €38 million resulting from the increase of the net investment income partly offset by the slight deterioration of the combined ratio.

Adjusted earnings increased by €37 million to €58 million and **net income** increased by €33 million to €54 million in line with (i) the increase of the underlying earnings, (ii) foreign exchange gains (increase of €9 million to €4 million) and (iii) net realized capital gains mainly on equities (net increase of €12 million to €14 million).

AXA Cessions

Underlying earnings and adjusted earnings decreased by €5 million to €5 million, mainly due to a decrease in the net technical margin (notably lower boni).

AXA Assistance

Gross revenues increased by €40 million or +15% on a comparable basis to €304 million reflecting increased business with car manufacturers, new partnerships regarding home services providing, positive new inflow on travel activity in France and Germany and increased legal protection agreements in Italy.

Underlying earnings increased by 10% to €10 million due to higher revenues offset by increased expenses mainly commissions.

Adjusted earnings increased by €2 million or +24% to €12 million in line with underlying earnings and realized foreign exchange gains.

Net income increased by €25 million to €34 million due to the sale of CAS, a UK based software company.

Other

Other transnational activities

The US based reinsurance Life and Non Life entities were transferred from AXA RE to the other transnational segment from October 2004.

Underlying earnings decreased by €-23 million to €-5 million on a comparable basis mainly due to a €-9 million mali on 2004 US hurricanes (exposure coming from the program business of AXA RE P&C Insurance Company, now in run off) and a €10 million decrease in US Life reinsurance earnings, mainly due to the decrease in premiums volume on this portfolio and the implementation cost of a dynamic hedging program on part of the business.

Asset Management Segment

Consolidated Gross revenues		
(in euro million)	**HY 2005**	**HY 2004**
Alliance Capital	1 173	1 208
AXA Investment Managers	537	452
TOTAL	**1 709**	**1 660**
Intercompany transactions	-159	-142
Contribution to consolidated gross revenues	**1 550**	**1 518**

Underlying, Adjusted earnings and Net Income		
(in euro million)	**HY 2005**	**HY 2004**
Alliance Capital	98	86
AXA Investment Managers	57	38
UNDERLYING EARNINGS	**154**	**123**
Net realized capital gains attributable to shareholders	5	2
ADJUSTED EARNINGS	**159**	**125**
Profit or loss (excluding change) on financial assets (under fair value option) & derivatives	-2	1
Exceptional operations (including discontinued operations)	3	0
Goodwill and other related intangible impacts	0	0
NET INCOME	**160**	**126**

Alliance Capital

(in euro million)	Periods ended June 30, 2005	2004
Gross revenues	**1 173**	**1 208**
Net underlying investment result	-10	-11
Total revenues	**1 162**	**1 197**
General expenses	-878	-920
Underlying operating earnings before tax	**285**	**277**
Underlying income tax expenses / benefits	-74	-66
Net income from investment in affiliates and associates	0	0
Minority interests	-113	-126
Underlying earnings group share	**98**	**86**
Net capital gains attributable to shareholders net of income tax	4	2
Adjusted earnings group share	**102**	**87**
Profit or loss (excluding change) on financial assets (under FV option) & derivatives	0	0
Exceptional operations (including discontinued operation)	3	0
Goodwill and other related intangibles impacts	0	0
Net income group share	**105**	**87**
Average exchange rate : 1.00 € = $	*1.29*	*1.23*

Assets under Management ("AUM") increased by €31 billion from year-end 2004 to €427 billion at the end of June 2005 as net positive long-term inflows (€4 billion), a positive exchange rate impact (€48 billion) and a slightly favorable market impact (€1 billion) more than offset the €22 billion decrease in AUM related to the sale of the Cash Management Services to Federated Investors.

Fees, commissions and other revenues were down €35 million to €1,173 million, or up 1% on a comparable basis, due to higher investment advisory fees driven by 10% higher average AUM and increased performance fees, partially offset by lower distribution revenues and lower shareholder servicing fees in the Retail channel. In addition, Alliance has restructured its Private Client fee structure during the first half of 2005, effectively eliminating transaction charges while raising base fees.

General expenses decreased by €-42 million or remained flat at constant exchange rate.

The **operating cost income ratio** decreased by 1.5 point from 71.6% in 2004 to 70.1% in 2005.

Income tax expenses increased by €9 million to €74 million, or up €12 million at constant exchange rate due to higher pre tax-earnings.

Underlying earnings increased by €12 million to €98 million, or up €17 million at constant exchange rate due to higher earnings and higher ownership interest in Alliance Capital.

Adjusted earnings increased by €15 million to €102 million or up €20 million at constant exchange rate basis driven by higher underlying earnings and higher net capital gains (€-2 million)

Net income increased by €18 million to €105 million, up €23 million at constant exchange rate due to increased adjusted earnings and net capital gains largely from the sale of Alliance cash management business (€3 million).

As a result of the acquisition of 8.16 million private units in the second half of 2004, AXA Financial's ownership interest in Alliance Capital increased 2.8 points from approximately 58% at June 2004 to 61% at June 2005.

AXA Investment Managers ("AXA IM")

	Periods ended June 30,	
(in euro million)	**2 005**	**2004**
Gross revenues	**537**	**452**
Net underlying investment result	9	5
Total revenues	**545**	**457**
General expenses	-444	-388
Underlying operating earnings before tax	**102**	**69**
Underlying income tax expenses / benefits	-30	-23
Net income from investment in affiliates and associates	0	0
Minority interests	-14	-8
Underlying earnings group share	**57**	**38**
Net capital gains attributable to shareholders net of income tax	0	0
Adjusted earnings group share	**57**	**38**
Profit or loss (excluding change) on financial assets (under FV option) & derivatives	-2	1
Exceptional operations (including discontinued operation)	0	0
Goodwill and other related intangibles impacts	0	0
Net income group share	**55**	**39**

Assets Under Management ("AUM") were €382.4 billion as of June 30, 2005, increasing by €37 billion compared to December 2004 (+11% on a comparable basis) driven by positive net new money (€+12 billion), mainly from third-party institutional and retail clients, market appreciation (€+16 billion), foreign exchange variance (€+7 billion) and a change in scope on money market AUM (€+3 billion).

Fees, commissions and other revenues, including those earned from AXA insurance companies eliminated in consolidation, increased by €85 million from 1H2004 to €537 million (or +20%). Excluding fees retroceded to distributors, net revenues grew by 25.3%, or 21.4% on a comparable basis (including carried interest), which is mainly driven by higher average AUM (+19% on a comparable basis), and higher performance fees.

General expenses increased by €56 million to €444 million. Excluding commissions paid to third-party agents, expenses increased by 21.9% on a constant exchange rate basis. Excluding non-recurring costs, expenses increased by 19.7%, i.e. at a lower pace than fees, commissions and other revenues.

The **operating cost income ratio** improved from 78.5% to 75.7%.

Tax expenses increased by €7 million, broadly in line with the growth in taxable earnings.

Underlying and adjusted earnings, increased by €18 million to €57 million as a result of business growth and an improvement in cost income ratio.

The **net income** increased by €15 million to €55 million.

Other Financial Services Segment

The tables below present the revenues and the net income for the Other Financial Services segment for the periods indicated:

Consolidated Gross revenues		
(in euro million)	**HY 2005**	**HY 2004**
AXA Banque (France)	53	41
AXA Bank (Germany)	14	14
AXA Bank (Belgium)	164	140
Other	2	8
TOTAL	**232**	**203**
Intercompany transactions	-7	-5
Contribution to consolidated gross revenues	**225**	**198**

Underlying, Adjusted earnings and Net Income		
(in euro million)	**HY 2005**	**HY 2004**
AXA Banque (France)	-2	-6
AXA Bank (Germany)	1	2
AXA Bank (Belgium)	36	14
Other	8	-2
UNDERLYING EARNINGS	**42**	**8**
Net realized capital gains attributable to shareholders	5	-0
ADJUSTED EARNINGS	**47**	**8**
Profit or loss (excluding change) on financial assets (under fair value option) & derivatives	10	-7
Exceptional operations (including discontinued operations)	2	0
Goodwill and other related intangible impacts	0	0
NET INCOME	**58**	**1**

AXA Banque (France)

Underlying earnings and adjusted earnings increased by €3 million to €-2 million resulting from stable underlying banking revenues while expenses were down following the non recurrence of the 2004 media campaign.

Net income increased by €15 million to €7 million resulting from favorable impact of the change in fair value of macro-hedge derivatives (€10 million compared to €-2 million in 2004).

AXA Bank (Germany)

Gross revenues decreased slightly by €1 million to €12 million mainly due to reduced commission income. **Underlying and adjusted earnings** decreased both by €1 million to €1 million.

AXA Bank (Belgium)

Underlying earnings increased by €22 million to €36 million, mainly due to an improved interest margin (€+6 million) and the reversal of a provision for risks related to loan activities in France following a favorable Court decision (€16 million).

Adjusted earnings increased by €27 million to €41 million due to an increase in underlying earnings and in capital gains on equities (€+5 million).

Net income increased by €36 million to €45 million mainly driven by the increase in adjusted earnings and the change in fair value of derivatives.

Other

CFP subgroup **underlying earnings** increased by €14 million to €7 million, explained by positive run-off developments in first half 2005.

Holding Company Activities

The Holding company activities consist of AXA's non-operating companies, including mainly AXA parent company, AXA France Assurance, AXA Financial, AXA Asia Pacific Holdings and AXA UK Holdings.

Underlying, Adjusted earnings and Net Income		
(in euro million)	**HY 2005**	**HY 2004**
AXA the company	-86	-153
Other French holdings companies	-11	-13
Foreign holdings companies	-109	-99
UNDERLYING EARNINGS	**-205**	**-265**
Net realized capital gains attributable to shareholders	-25	-50
ADJUSTED EARNINGS	**-230**	**-314**
Profit or loss (excluding change) on financial assets (under fair value option) & derivatives	26	-22
Exceptional operations (including discontinued operations)	0	134
Goodwill and other related intangible impacts	0	0
NET INCOME	**-204**	**-202**

AXA (the parent company)

Underlying earnings improved by €67 million from half year 2004. This was mainly due to (i) a €47 million non recurring tax benefit, (ii) the non-recurrence of the 2004 interest charge on the ORAN issued for Mony financing (€10 million), and (iii) a tax saving of €8 million related to withholding taxes on dividends received.

First half 2005 experienced a moderately higher financial charge mainly due to the increase of the percentage of fixed rate debt; this increase in fixed rate debt to the detriment of variable debt was the consequence of our current funding policy which, in the context of declining long term rates, aims at protecting future financial charges, whilst locking-in attractive medium term fixed rates.

Adjusted earnings increased by €88 million to €-102 million mainly driven by the increase of the underlying earnings and an increase of €18 million on foreign exchange operations due to lower exchange losses and a better optimization of hedge accounting related to net investment hedges.

The Mark-to-Market on the portion of interest rate derivative instruments which were not considered as hedge accounting under IFRS, improved by €60 million mainly resulting from (i) the decline of €uro interest rates in H1 2005 and (ii) the widening of the €uro/USD interest yield curve differential. Offsetting this improvement, and mainly due to the rise of the USD against the €uro, the mark-to-market on options hedging AXA's underlying earnings denominated in foreign currencies decreased by €62 million during the first half 2005 against €-17 million in the first half 2004 closing.

As a result, **net income** increased by €103 million to €-102 million.

Other French holding companies

Underlying and adjusted earnings were nearly flat at €-11 million. Due to a favorable change in fair value of derivatives (€+26 million), **net income** was up €+24 million to €15 million.

Foreign Holding Companies

AXA Financial Inc.

Underlying earnings decreased by €16 million or €18 million on a constant exchange rate basis to €-43 million due to higher net interest expense principally related to the MONY acquisition. **Adjusted earnings** decreased by €16 million, or by €18 million on a constant exchange rate basis, to €-42 million. **Net income** decreased by €52 million, or by €54 million on a constant exchange rate basis, to €-41 million reflecting the absence of the adjustment recognized in 2004 to income taxes on the gain on the sale of DLJ in 2000.

AXA Asia Pacific Holdings

Underlying earnings increased by €8 million on a constant exchange rate basis to €4 million driven by positive income received on cross currency interest rate swaps used to hedge the US dollar denominated debt and investment in Hong-Kong.

Net capital gains increased by €11 million on a constant exchange rate basis to €8 million due to a loss on currency hedging instruments in 2004. This has not recurred in 2005 due to a restructure of the instruments.

As a result, **adjusted earnings** and **net income** increased by €19 million on a constant exchange rate basis to a loss of €4 million.

AXA UK Holdings

Adjusted earnings and **net income** increased by €3 million in 2005, both on current and constant exchange rate bases, to €-33 million due to a tax release, partly offset by a reduction in the net investment result.

Other foreign holding companies

German Holding companies.

Underlying earnings and adjusted earnings decreased by €6 million to €-28 million mainly due to higher interest expenses as well as higher tax expenses.

Net Income increased by €7 million to €-28 million as the decrease in adjusted earnings was more than offset by the non recurrence of the €-13 million impact of the sale of Bausparkasse in 2004.

Belgium Holding companies

The **net income** decreased by €1.5 million to €-8 million, with lower financial charges due to an early repayment of a loan to AXA bank partly offset by higher tax income expense.

Outlook

In the first half of 2005, the Group demonstrated its capacity to deliver very strong earnings growth in Life & Savings, Property & Casualty and Asset Management. Management currently expects the financial market environment to remain good for Life & Savings and Asset Management, and more particularly for higher margin unit-linked products in a context of low interest rates.

In Property & Casualty, management expects a continuation of the positive trends witnessed in the first half of the year, despite some pricing pressure, due to continued moderate claims frequencies.

Despite the recent weather related events in the US and barring any new major catastrophic events, Management believes that the Group is well on track to deliver a strong double digit earnings growth for the full year 2005.

Glossary

Comparable basis

On a comparable basis means that the data for the current year period were restated using the prevailing foreign currency exchange rate for the same period of prior year (**constant exchange rate** basis) and eliminated the results of acquisitions, disposals and business transfer (**constant structural** basis) and of changes in accounting principles (**constant methodological** basis), in one of the two periods being compared.

Adjusted earnings

Adjusted earnings represent the net income (group share) before

- (i) The impact of exceptional operations (primarily change in scope, including restructuring costs related to a newly acquired company during the considered accounting period).
- (ii) Goodwill and other related intangible impacts, and
- (iii) Profit and loss on financial assets accounted for under fair value option (excluding assets backing contract liabilities for which the financial risk is borne by the policyholder) and derivatives related to invested assets (excluding (i) all impacts of foreign exchange except the ones related to currency options in earnings hedging strategies and (ii) those related to insurance contracts evaluated according to the "selective unlocking "accounting policy).

Adjusted earnings per share (**adjusted EPS**) represents the AXA's consolidated adjusted earnings, divided by the weighted average number of outstanding ordinary shares.

Adjusted earnings per share diluted (**adjusted EPS diluted**) represents the AXA's consolidated adjusted earnings, divided by the weighted average number of outstanding ordinary shares, on a diluted basis (that is to say including the potential impact of all outstanding dilutive stock options being exercised performance shares, and conversion of existing convertible debt into shares provided that their impact is not anti-dilutive).

Underlying earnings

Underlying earnings correspond to adjusted earnings excluding net realized capital gains attributable to shareholders.

Net realized gains or losses attributable to shareholders include

- i) realized gains and losses (on assets not designated under fair value option or trading assets) ii)change in impairment valuation allowance, iii) foreign exchange rates impacts (including derivatives and except the ones mentioned above) net of tax,
- related impact on policyholder participation net of tax (Life business),
- DAC and VBI amortization or other reactivity to those elements if any (Life business).

The Statement of Income referred here-after and presented page 8 of the current document is based on an underlying basis.

Life & Savings Margin Analysis

Life & Savings margin analysis is presented on an underlying basis.

Even though the presentation of Margin Analysis is not the same as the Statement of Income (underlying basis), it is based on the same GAAP measures as used to prepare the Statement on Income in accordance with IFRS. As a result, the operating income under Margin Analysis is equal to that reported in AXA's Statement of Income for the segment.

There are certain material differences between the detailed line-by-line presentation in the Statement of Income and the components of Margin Analysis as set out below.

- **For insurance contracts and investment contracts with DPF:**

(i) Gross premiums (net of deposits), fees and other revenues are allocated in the Margin Analysis based on the nature of the revenue between "Fees and Revenues" and "Net Technical Margin".

(ii) Policyholders' interest in participating contracts is reflected as a change in insurance benefits in the Statement of Income. In the Margin Analysis, it is allocated to the related margin, that is, primarily, the "Investment Margin" and the "Net Technical Margin".

(iii) The "Investment margin" represents the net investment result in the Statement of Income and is adjusted to take into account the related policyholders' participation (see above) as well as changes in specific reserves linked to invested assets returns and to exclude the fees on (or contractual charges included in) contracts with a financial risk borne by policyholders, which are included in "Fees and Revenues".

(iv) Change in URR (Unearned Revenue Reserve – capitalization net of amortization) is presented in the line "Change in unearned premiums net of unearned revenues and fees" in the underlying Statement of Income, whereas it is located in the line "Fees & Revenues" in the Margin analysis.

- **For investment contracts without DPF:**

(i) Deposit accounting is applied. As a consequence, fees and charges related to these contracts are presented in the underlying Statement of Income within Gross consolidated revenues on a separate line, and in Margin analysis in the lines "Fees & Revenues" and "Net Technical margin".

(ii) Change in UFR (Unearned Fees Reserve– capitalization net of amortization) is presented in the line "Change in unearned premiums net of unearned revenues & fees" in the underlying Statement of Income, whereas it is located in the line "Fees & Revenues" in the Margin analysis.

Underlying Investment margin includes the following items:

(i) Net investment income .

(ii) Interests and bonuses credited to policyholders and unallocated policyholder bonuses (and the change in specific reserves purely linked to invested assets returns) related to the net investment income.

Underlying Fees & Revenues include:

(i) Revenues derived from mutual fund sales (which are part of consolidated revenues),

(ii) Loading charged to policyholders on premiums / deposits and fees on funds under management for separate accounts (unit-linked) business,

(iii) Loading on (or contractual charges included in) premiums / deposits received on all non unit-linked product lines,

(iv) Deferral income such as capitalization net of amortization of URR (Unearned Revenue Reserve) and UFR (Unearned Fees Reserve),

(v) Other fee revenues, e.g., fees received on financial planning, sales of third party products.

Underlying Net Technical result includes the following components:

(i) Mortality/morbidity margin: The amount charged to the policyholder in respect of mortality/morbidity for the related period less benefit and claims. It is equal to the difference between income for assuming risk and the actual cost of benefits, including changes in valuation assumptions and additional reserves for mortality risk. This margin does not include the claims handling costs and change in claims handling cost reserves,

(ii) Surrender margin: The difference between the benefit reserve and the surrender value paid to the policyholder in the event of early contract termination,

(iii) Policyholder bonuses if the policyholder participates in the risk margin,

(iv) Other changes in insurance reserves and economic hedging strategies impacts related to insurance contracts valuated according to the "selective unlocking" accounting policy.

(v) Ceded reinsurance result.

Underlying Expenses are:

(i) Acquisition expenses, including commissions and general expenses allocated to new business, related to insurance products as well as to other activities (e.g., mutual fund sales),

(ii) Capitalization of acquisition expenses linked to new business: Deferred Acquisition Costs (DAC) and net rights to future management fees only for investment contracts without DPF.

(iii) Amortization of acquisition expenses on current year and prior years new business, including the impact of interest capitalized: amortization charge for Deferred Acquisition Costs (DAC) and net rights to future management fees only for investment contracts without DPF,

(iv) Administrative expenses

(v) Claims handling costs

(vi) Policyholder bonuses if the policyholder participates in the expenses of the company.

Underlying VBI amortization includes VBI (Value of Purchased Life Business In-force) amortization related to underlying margins, as well as amortization of other intangibles related to the in-force business

Underlying Operating earnings before tax corresponds to the income derived from operations, before tax, minority interest, and goodwill and other related intangible impact.

Life & Savings cost income Ratio

Underlying cost income ratio: Expenses as defined above / "underlying" operating margin, where:

- Expenses are total expenses, excluding expenses related to mutual fund business net of Participating Benefits, excluding deferral and amortization of Deferred Acquisition Costs (DAC) and net rights to future management fees and excluding amortization of Value of purchased Life Business In-force (VBI),
- "Underlying" operating margin is the sum of (i) Underlying Investment margin; (ii) Underlying Fees and revenues excluding the change in deferral income, and (iii) Underlying Net technical Margin (all items defined above).

Property & Casualty (including AXA Corporate Solutions Assurance)

Underlying net investment result includes the net investment income less the recurring interest credited to insurance annuity reserves

Underlying net technical result is the sum of the following components:

(i) Earned premiums, gross of reinsurance,

(ii) Claims charges, gross of reinsurance,

(iii) Change in claims reserves, including claims handling costs reserves, gross of reinsurance, less the recurring interest credited to insurance annuity reserves,

(iv) Claims handling costs,

(v) Net result of ceded reinsurance.

Expense ratio is the ratio of:

(i) Expenses (excluding claims handling costs but including non recurring expenses), to

(ii) Earned revenues, gross of reinsurance.

Expenses include two components: expenses (including commissions) related to acquisition of contracts (with the related **acquisition ratio**) and all other expenses (with the related **administrative expense ratio**)

Current accident year loss ratio (Property & Casualty) net of reinsurance is the ratio of:

(i) [current year claims charge gross of reinsurance + claims-handling costs + result of reinsurance ceded on current accident year excluding the recurring interest credited to the insurance annuity reserves], to

(ii) Earned revenues, gross of reinsurance.

All accidents year loss ratio (Property & Casualty) net of reinsurance is the ratio of:

(i) [all accident years claims charge gross of reinsurance + claims-handling costs + result of reinsurance ceded on all accident years excluding the recurring interest credited to the insurance annuity reserves]to ,

(ii) Earned revenues, gross of reinsurance.

The **combined ratio** is the sum of (i) the expense ratio and (ii) the loss ratio (all accident years).

AXA RE

Covers are specific reinsurance treaties, bought to protect all or a portion of the company's portfolio against **major losses**. If such losses do not occur over the insured period, a profit commission (or "no-claim bonus") is paid to the ceding company. In general, the **cost of a cover** is accrued (or by extension "earned") ratably over the treaty period.

Major losses are defined as any event whose ultimate cost, gross of reinsurance and reinstatement premiums, is greater than $30 million.

Net technical margin includes:

(i) Earned premiums, net of reinsurance (cession / retrocession and covers)

(ii) Claims charge all accident years, net of reinsurance, including major losses,

(iii) Commissions (fixed commissions, sliding scale commissions as well as profit commissions), (a) paid to the ceding companies and (b) received from the reinsurance companies,

(iv) Claims handling costs.

Net attritional margin on current accident year includes the following elements:

(i) Earned premiums, net of cession / retrocession (reinsurance ceded excluding covers),

(ii) Current year claims charge (excluding major losses), net of cession / retrocession,

(iii) Commissions (fixed commissions, sliding scale commissions and profit commissions), (a) paid to the ceding companies and (b) received from the reinsurance companies, excluding commissions related to covers,

(iv) Claims handling costs.

Asset Management

Net New Money: Inflows of client money less outflows of client money. Net New Money measures the impact of sales efforts, product attractiveness (mainly dependent on performance and innovation), and the general market trend in investment allocation.

Operating Cost Income Ratio: operating expenses over net revenues (including performance fees).

1.2.3. Consolidated financial statements – June 30, 2005

See Appendix

1.2.4. Report of Independent Auditors on the limited review of interim financial statements

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Mazars & Guérard
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Report of Independent Auditors on the limited review of interim financial statements

To the shareholders of Société AXA SA
25 avenue Matignon
75008 Paris

This is a free translation into English of the report of independent auditors on the limited review of interim financial statements issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with French law and professional standards applicable in France.

To the shareholders,

In our capacity as independent auditors and pursuant to Article L. 232-7 of the French Commercial Code (the *Code de Commerce*), we have:

- performed a limited review of the activity and results table, presented in the form of consolidated half-year financial statements for AXA SA, for the period beginning on January 1, 2005 and ending on June 30, 2005, as appended to this report;
- verified the disclosures made in the half-year report.

These interim financial statements have been prepared under the responsibility of the Management Board. Based on our limited review, our role is to report on the conclusions we have reached on that review.

In connection with IFRS standards adopted for use in the European Union for the preparation of the consolidated financial statements for the year ended December 31, 2005, the interim financial statements have been drawn up for the first time in compliance with IFRS. These standards should be applicable within the European Union and used by the Company to prepare its consolidated financial statements for the year ended December 31, 2005, as described in Notes 1 and 4 to the financial statements. For the purpose of comparison, they include information related to the year ended December 31, 2004 and the 6 months ended June 30, 2004, restated to reflect the impact of IFRS.

We conducted our limited review in accordance with the professional standards applicable in France. These standards require that we perform limited procedures to obtain reasonable assurance, below the level that would result from a full audit, that the half-year consolidated financial statements are free from material misstatements. A limited review of interim financial statements does not include all of the procedures and verifications of a full audit, but rather consists principally of applying analytical procedures and making inquiries of selected members of management and staff capable of providing the information we deem necessary to meet the standards of a limited review.

Based on our limited review, we are not aware of any material modification that should be made to the accompanying interim financial statements for them to be in conformity with IFRS, which should be applicable within the European Union and used by the Company to prepare the consolidated financial statements for the year ended December 31, 2005, as described in Notes 1 and 4 hereinafter.

Without qualifying the conclusion expressed hereinabove, we would like to draw your attention to Note 1.1.1 appended hereto, which

- describes IASB standards, which have not yet been adopted within the European Union and which are being applied early by the Company for the 2005 interim financial statements in order to be consistent with the accounting standards on which the annual consolidated financial statements for the year ended December 31, 2005 will be based;
- explains the reasons for which the comparative information that will be included in the full-year consolidated financial statements for the year ended December 31, 2005 and in the interim financial statements for the six months ended June 30, 2006 may differ from the financial statements appended to this report.

In accordance with the professional standards applicable in France, we have also reviewed the information provided in the half-year report that accompanies and comments on the half-year consolidated financial statements that were the subject of our limited review.

We have no observation to make with respect to their fairness and concordance with the half-year consolidated financial statements.

Paris, September 22, 2005

The independent auditors

PricewaterhouseCoopers Audit

Yves Nicolas Eric Dupont

Mazars & Guérard

Patrick de Cambourg Jean-Pierre Lassus

1.3. Recent events

1.3.1. Important events related to business development

Creation of AXA « Northern Europe » region

On April 19, 2005, AXA announced the creation of a new regional organization with the AXA "Northern Europe" region, aimed at duplicating the proven success of similar organizations in South-East Asia and Southern Europe.

The objective is to accelerate organic growth and improve the efficiency of the operations in the region. The creation of regional platforms to carry out their activities across markets relatively comparable enables the AXA Group to accelerate its organic growth through sharing best practice and the development of operational excellence.

This region[28], which brings together AXA's subsidiaries in Belgium, Luxembourg, the Netherlands, Germany and Switzerland, represents 14% of AXA's 2004 consolidated life and savings revenues and 26% of consolidated P&C revenues. The new region has the following goals :

- Accelerate profitable growth in these countries which are relatively similar in terms of maturity, customer expectations and competition,
- Facilitate synergies to reach operational excellence in the areas of :
  - banking and insurance product innovation,
  - development of distribution,
  - investment and technical management,
  - productivity.

Such regional platforms already exist within the AXA Group, such as the Mediterranean Region, under the responsibility of Jean-Raymond Abat, which brings together AXA's operations in Italy, Spain, Portugal, Morocco, Turkey and the Middle East, and the Asia Pacific region, under the responsibility of Les Owen, which brings together AXA's life & savings and P&C activities in the South East Asia, in Australia and New Zealand.

The AXA Management Board has nominated Alfred Bouckaert as Group CEO for the "Northern Europe" region effective from 19th April 2005. He retains his current responsibilities as CEO of AXA Belgium.

Alfred Bouckaert has confirmed the CEOs of AXA entities for the Netherlands, Luxemburg, Switzerland and AXA Art in their current position and proposed Eugène Teysen as new chairman of the management board (Vorstand) of AXA Konzern in Germany. AXA Konzern supervisory board (Aufsichtsrat), chaired by Claas Kleyboldt, has appointed Eugène Teysen on Monday August 15, 2005, to the position of chairman of the management board of AXA Konzern.

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[28] This region does not include the « transversal » activities of the AXA group such as International Insurance, reinsurance and asset management.

First steps of the new organization at the regional level

Serge Wibaut, member of the executive committees of AXA Bank Belgium and AXA Belgium, chief investment officer and member of the management board of AXA Konzern since July 14, 2005, is appointed regional chief investment officer in charge of asset allocation and asset liability management.

Christophe Dupont Madinier, currently chief financial officer of AXA Belgium and member of the executive committee of AXA Belgium, is appointed regional chief financial officer.

Norbert Rohrig, currently member of the AXA Konzern management board in charge of information systems, will coordinate back office and IT synergies among AXA units in the region.

Launch of synergy groups

In order to swiftly extract the benefits of the newly created region, Alfred Bouckaert has asked the AXA Northern Europe executives to head four synergy groups for corporate lines, retail P&C lines, retail life lines and banking activities.

Merger of FINAXA into AXA Project

The Management Board of AXA (following a meeting of the Supervisory Board) and the Board of Directors of FINAXA met on June 29, 2005 and approved the terms and conditions of the merger of FINAXA into AXA.

For AXA and its shareholders, this merger simplifies the shareholder structure, improves the standing of the stock and increases the proportion of publicly traded shares. In addition, AXA will obtain ownership of the "AXA" brand which is currently the property of FINAXA. For FINAXA shareholders, this transaction improves the liquidity of their securities and eliminates the discount which affects the value of their securities.

Following the studies conducted by the committees of independent directors appointed within the Supervisory Board of AXA and the Board of Directors of FINAXA, the Management Board of AXA and the Board of Directors of FINAXA have set an exchange ratio of 3.75 AXA shares for one FINAXA share, corresponding to 15 AXA shares for 4 FINAXA shares.

Independent banks respectively appointed by the Supervisory Board of AXA and the Board of Directors of FINAXA have each given a fairness opinion confirming that the exchange ratio is fair to the shareholders of each company.

The terms and conditions of the merger, including the exchange ratio, have been submitted to Court Appointed Merger Auditors ("*Commissaires aux Apports et à la Fusion*") who have delivered on November 9, 2005 their reports which will be provided to AXA and FINAXA's shareholders.

Linked transactions

In connection with the AXA-FINAXA merger, it is anticipated that the outstanding FINAXA exchangeable bonds will be replaced by AXA convertible bonds as provided for in the initial terms and conditions, subject to the approval of AXA shareholders[29].

The following transactions will also be presented for approval to FINAXA shareholders :
the merger of CFGA, FDR Participations, Oudinot Finance and Colisée Vendôme into their holding company, FINAXA[30].

Timetable of the merger

➢ October 1, 2005	Suspension of subscription, conversion and exchange rights relating to FINAXA's convertible bonds, exchangeable bonds and stock options ;
➢ October 17 (and 18), 2005	Meeting of the Management Board of AXA (and Board of Directors of FINAXA) to propose the draft merger-related resolutions, reports and prospectus (Document E) to the Extraordinary General Assemblies ;
➢ November 16, 2005 (at the latest)	Filing of the Document E with the AMF. All legally required documents (including the reports of the Court Appointed Merger Auditors) to be made available to AXA and FINAXA shareholders ;
➢ November 24, 2005	FINAXA Bondholders' Assemblies to approve the merger of FINAXA into AXA ;
➢ December 16, 2005	Visa from the AMF on the prospectus relating to the issue of the new AXA convertible bond expected ; AXA-FINAXA merger and related transactions submitted for approval to AXA and FINAXA shareholders' General Assemblies. The exchange of FINAXA's exchangeable bond for an AXA convertible bond and the cancellation of AXA shares received from the merger of FINAXA will also be presented to the AXA General Assembly for approval.

[29] On the basis of one AXA convertible bond for one FINAXA exchangeable bond into AXA shares. The terms and conditions of the AXA convertible bond will replicate the terms and conditions of the FINAXA exchangeable bond set out in the FINAXA prospectus (*Note d'Information*) which received the visa from the AMF (n° 98-505) on June 16, 1998 (notably exchange rate of 4.06 AXA shares for 1 bond and redemption value of Euro 99.09, equivalent to a theoretical exchange price of Euro 24.41 per AXA share)

[30] These mergers aim at simplifying the completion of the capital reduction of AXA that will take place after the AXA-FINAXA merger.

Potential impacts of the merger

AXA should undertake a capital increase of 299,012,355 shares, to be alloted to FINAXA shareholders as follows: 15 AXA shares for 4 FINAXA shares, on the day the merger is completed, i.e. on December 16, 2005. As a result, AXA's capital stock would be raised from €4,375,603,269.94 to €5,060,341,562.89.

Following this capital increase, all AXA shares tendered by FINAXA and its subsidiaries in connection with the merger, as well as 1,152,720 AXA shares resulting from FINAXA shares ceded by AXA Participations 2 to AXA (a total of 337,490,816 AXA shares), will be cancelled via a capital reduction.

Consequently, after the merger, AXA's consolidated shareholders' equity would be reduced by an amount comprised between 0.8 and 0.9 billion euros[31].

Under IFRS principles, this merger would be +1.2% accretive to AXA non-diluted EPS as soon as 2005 and -0.7% dilutive to fully diluted EPS[32].

Mutuelles AXA[33] and FINAXA currently own, directly and indirectly, a total of 20.35% of AXA outstanding shares and 32.20% of AXA voting rights. Following the merger, and on the basis of September 30, 2005 data, the Mutuelles AXA which currently own 2.72% of AXA outstanding shares representing 4.38% of AXA voting rights and 71.69% of FINAXA outstanding shares representing 80.53% of FINAXA voting rights, would become the principle AXA shareholder, holding 14.30% of AXA shares representing 22.67% of voting rights.

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[31] Including the cancellation of Euro 205 million dividend paid by AXA to Finaxa and its subsidiaries in 2005.
[32] Before impact of (i) the November 3, 2005 acquisition of a block of bonds redeemable into AXA shares and (ii) the market's abandonment of the claim subsequent to this transaction
[33] AXA Assurances IARD Mutuelle, AXA Assurance Vie Mutuelle et AXA Courtage Assurance Mutuelle

1.3.2. Investments and disposals

On August 24, 2005, AXA Asia Pacific Holdings Limited (AXA APH) signed a binding agreement with Bharti Enterprises Private Limited (Bharti) to establish a life insurance joint venture company. Under the agreement, AXA will have a 26% equity interest in the joint venture, the maximum currently permitted under Indian regulations, while Bharti will hold the balance of the equity in the joint venture. AXA will be responsible for day-to-day management of the joint venture and bring with it access to AXA's global life insurance and asset management expertise. Bharti, India's leading business conglomerate, will bring its strong local market knowledge and reputation, and presence. Bharti and AXA have entered into a distribution agreement with Bharti Tele-ventures Limited (BTVL), a part of the Bharti group, to offer products to its over 14 million customers and to its employees across the country. The joint venture is expected to start writing business in the first half of 2006, subject to regulatory approvals by local authorities of both AXA's investment in the joint venture and the joint venture's application for a life insurance license. The joint venture is expected to invest AUD 70 to 130 millions over the first three to four years of operations.

On July 29, 2005, AXA announced its intention to acquire from the group Caixa Geral de Depósitos the insurance company "Seguro Directo Gere – Companhia de Seguros, S.A.". Usually known as Seguro Directo, the company operates in the direct insurance market in Portugal (by telephone and Internet), where it has a market share of almost 50% and gross revenues of approximately Euro 23 million. This acquisition is consistent with the growth strategy of AXA Portugal and will allow the company to diversify its distribution channels and further improve the service to its 700.000 clients. AXA has the objective of growing the direct distribution channel and re-establishing the leadership position Seguro Directo once held in Portugal. All the necessary regulatory approvals have been obtained and Seguro Directo's acquisition was finalized on October 18, 2005.

On July 28, 2005, AXA Investment Managers (AXA IM) and Framlington Group Limited announced that AXA IM entered into an agreement to buy Framlington Group Limited from HSBC Holdings plc and Comerica Incorporated. Completion of the transaction is subject to certain conditions, including FSA approval. Framlington is an investment management boutique with an emphasis on specialist, high-performance and high-value-added equity investments, and has a significant market position within the UK retail market segment, capturing 10.7% of overall UK retail net sales during 2004. Assets under management, as at the end of June 2005, were £4.5 billion. Under this agreement, AXA IM will buy 100% of Framlington Group Limited shares for a total consideration of £174 million over consolidated Net Asset Value at completion. This acquisition will be financed internally within the AXA Group.

On September 14, 2005, AXA Financial, Inc., a Delaware corporation, and Merrill Lynch, Pierce, Fenner & Smith Incorporated, a Delaware corporation too, entered into a definitive stock purchase agreement, dated as of September 14, 2005. Pursuant to the stock purchase agreement, Merrill Lynch will purchase from AXA Financial all of the issued and outstanding shares of capital stock of The Advest Group, Inc., a Delaware corporation and a wholly owned subsidiary of AXA Financial, for $400 million in cash, subject to adjustments in certain circumstances. AXA Financial's estimated post-tax proceeds from the sale will be approximately $297 million. AXA Financial preliminarily estimates that the purchase price will result in a pre-tax gain of approximately $6 million and a post-tax loss of approximately $96 million. This transaction reduces AXA Financial's goodwill by approximately $190 million. The sale of Advest is expected to close in the fourth quarter of 2005 and is subject to certain regulatory approvals.

1.3.3. Other events subsequent to March 31, 2005

"The Benefits of Being Global" Presentation

On October 27, 2005, AXA hosted a presentation on the theme of "the Benefits of Being Global" which covered recent achievements in building a solid and efficient platform and detailed some of the levers available to enhance the Group's future growth.

In addition, AXA discussed the internal company-wide project called "Ambition 2012", which is aiming at mobilizing all employees on organic growth and on the objective of becoming the preferred company in the Industry. As a result AXA has set aspirational 2012 targets to double revenues and triple underlying earnings compared to 2004. Plans will be progressively developed to substantiate these targets.

In the course of the presentation, AXA's senior management highlighted topics which will support the growth strategy.:

<u>Combined ratio: new target set at 96%-101%</u>

Taking into account levers available to improve claims management and notably a work in progress on claims leakage reduction, fraud detection and prevention as well as insurance procurement, AXA has rebased its combined ratio target to a new range of 96% to 101% throughout the cycle versus 98%-102% previously announced.

<u>Economic Capital and diversification benefit</u>

AXA believes it is one of the most diversified Financial Protection Groups: in terms of geography, business lines, risks, activities and distribution networks[34].

Diversification of risks implies that AXA should need less capital at the Group level to support its businesses than the pure addition of local capital needs. The benefits of this risk diversification can be measured through economic capital tools that the Group has built since 2000.

Using those internal models which have not been audited, the total Group diversification benefit is estimated to be approximately -46% or Euro -16 billion[35]. 2004 total Group Economic Capital[36] after diversification benefits is estimated to be Euro 19 billion, to be compared with Euro 35 billion of available assets. The Industry and AXA's priorities over the coming years will be to have financial markets, rating agencies and regulators to acknowledge the benefits of diversification.

[34] Source: AXA

[35] Excluding diversification benefits within each local operation which are not measured

[36] For a risk of default equivalent to a AA rating

Flexibility given by Economic Capital calculation, associated with a very prudently managed financial structure, should continue to enable the Group to weather extreme scenarios, to support its stated dividend policy and to control, through open market share purchases[37], the dilution resulting from 2005 share based compensation grants as well as shares issued under the 2005 "Employee Shareplan" program.

Other topics discussed in the course of the presentation

To support its ambition and help AXA achieve its aspirational targets, AXA's management highlighted other key achievements and opportunities in various areas of the organization. Most notably: technology improvements and rationalization, reinsurance optimization, risk management practices dissemination, operational efficiency enhancement, business process outsourcing (AXA Business Services), Brand and Human Resources management and objectives.

Launching of the first securitization of a motor insurance portfolio

On November 3, 2005, AXA announced the launch of a securitization transaction of part of its French individual motor insurance portfolio.
This transaction, truly innovative by the nature of the securitized portfolio, aims at transferring to the financial markets the deviation of the cost of claims above a certain level, in relation to AXA France IARD's motor insurance portfolio, which is characterized by high claims frequency and low claims severity.

Since the creation in 1988 of the French securitization vehicle, the Fonds Commun de Créances (FCC) -- a debt mutual fund - securitization has been used by French banks as an alternative source of financing, risk transfer and capital management.

AXA's transaction is similar in principle to existing bank securitization transactions.
It will allow AXA to:

- benefit from a new risk transfer tool, outside the traditional reinsurance market, while eliminating counterparty risk,
- have access to the risk management tools used by banks,
- optimize its balance sheet,
- anticipate the expected evolution of solvency rules.

With this transaction, AXA creates a flexible structure enabling it to transfer P&C insurance companies' liability risk while offering investors the possibility to invest in a new class of assets.

Purchase of a block of bonds exchangeable into AXA shares and offers of the same price to other holders of exchangeable bonds for a 7 trading day period

On November 3, 2005, after the closing of the Euronext Paris market, and through a block trade, AXA has acquired 5,268,465 bonds exchangeable into AXA shares with a maturity date as of January 1st, 2007, issued by FINAXA on June 10th, 1998. (referred to as « OE »), for an aggregate nominal amount of Euro 441,760,790.25. Through this transaction, AXA has acquired 42.19% of the OE initially

[37] Under the existing program and on the Eurolist market of Euronext Paris SA

issued or 42.33% of the currently outstanding OE, for a total consideration of Euro 622,205,716.50, *i.e.* Euro 118.10 per OE (including accrued interest).

For AXA's shareholders, this transaction enables the Group to neutralize the potential dilution that may result from the issuance of new AXA convertible bonds to holders of the OE upon consummation of the merger between AXA and Finaxa as set out under the terms and conditions of the OE[38].

In order to ensure equal treatment of all OE holders, AXA has offered to buy the OE on the French market from November 7th 2005 to November 15th (inclusive) at a price of Euro 118.10 per OE (including accrued interest). This price per OE is identical to that paid on November 3, 2005 for the block trade. Following the closing of this period, AXA will disclose the amount of additional OE purchased pursuant to this offer.

Strong activity levels in the first nine months of 2005

On November 8, 2005 AXA published its performance indicators[39] for the first 9 months of 2005.

- Life & Savings new business (APE[40]) increased by 8% to Euro 3,770 million driven by most of our major operations. New business growth accelerated in the third quarter of 2005 (approximately +10%), notably in Japan, the United Kingdom, Belgium, Hong-Kong, the United States and Australia. Unit-linked new business increased by 17%.

- Life & Savings New Business Value (NBV)[41] was up 18% to Euro 652 million, driven by most of our major operations, notably France, the US, Belgium, Southern Europe, Australia and Japan. As a result, NBV margin[42] increased to 17.3% (or 17.9% on a comparable basis) from 16.3% in the first nine months of 2004.

- Property & Casualty revenues increased by 3% to Euro 14,677 million, as Personal lines were up 3%, benefiting from a resilient pricing environment and moderate portfolio growth, and Commercial lines were up 1%.

- International Insurance revenues increased by 10% to Euro 3,183 million. The 13% increase at AXA RE was due to the non-recurrence of some 2004 negative premium adjustments, increased reinstatement premiums linked to 2005 major events and selected development in lines with favorable pricing conditions. AXA Corporate Solutions Assurance was up 5%, driven by Marine and Aviation.

- Asset Management revenues increased by 10% to Euro 2,404 million driven by higher average Assets Under Management (AUM) (+16% compared to 9M04). Both AXA IM and Alliance Capital contributed to very strong net inflows of Euro 42 billion, excluding the impact of the

[38] As set out in the offering circular relating to the OE which received the visa of the COB on June 16, 1998 – visa n°98-505

[39] Source: AXA. This financial data is not extracted from the issuer's audited financial statements. Numbers herein have not been adjusted for scope and currency changes. Growth rates are on a comparable basis and, accordingly, have been adjusted for changes in scope, accounting methods and currency. APE, NBC and NBV are non-GAAP measures. Management uses these measures as key indicators of performance in assessing AXA's Life & Savings business.

[40] Annual Premium Equivalent (APE) represents 100% of new business regular premiums +10% of new business single premiums. APE is group share.

[41] The New Business Value (NBV) is defined as the New Business Contribution (NBC) after the cost of capital. NBV is expressed as group share.

[42] After cost of capital.

sale of Alliance Capital Cash Management Services. Over the third quarter of 2005 alone, revenue growth accelerated to approximately +13%.

Nine months ended *(Euro million, except when otherwise noted)*	September 30 2005	September 30 2004	Change	Change on a comparable basis
Life & Savings, group share				
APE	3,770	3,411	+10.5%	+7.8%
NBC	776	678	+14.6%	+14.9%
NBV	652	556	+17.2%	+18.1%
Property & Casualty revenues	14,677	13,987	+4.9%	+2.6%
International Insurance revenues	3,183	2,930	+8.6%	+9.6%
Asset Management:				
Revenues	2,404	2,275	+5.7%	+10.1%
Net inflows (Euro billion)				
- excluding AC cash management[43]	42	21		
- including AC cash management	19	20		

[43] Alliance Capital' cash management services have been sold to Federated Investors.

Life & Savings

Life & Savings new business increased by 8% to Euro 3,770 million driven by all of our major operations with the only exception of Germany.
Unit-linked new business increased by 17% to represent 45% of total Life & Savings APE, compared to 43% in the first nine months of 2004.

The US continued to benefit from the MONY acquisition, with new business up 15% on a reported basis. On a comparable basis[44], the US growth in Life and Variable Annuity businesses was partly offset by our cautious stance on Fixed Annuity. France new business growth reflected the continued focus on unit-linked products.

New business growth was particularly strong during the third quarter (approximately +10%), notably in Japan, the United Kingdom, Belgium, Hong-Kong, the United States and Australia.

New Business Value (NBV) was up 18% to Euro 652 million, driven by most of our major operations, notably France, the US, Belgium, Southern Europe, Australia and Japan as a result of higher volume and product mix improvement.

As a result, NBV margin increased to 17.3% (or 17.9% on a comparable basis) from 16.3% in the first nine months of 2004.

Annual Premium Equivalent, Group Share (Euro million) Nine months ended	September 30, 2005	September 30, 2004	Change	Change on a comparable basis
Life & Savings	**3,770**	**3,411**	**+10.5%**	**+7.8%**
France	809	762	+6.3%	+6.3%
United States	1,245	1,080	+15.3%	+4.3%
United Kingdom	599	514	+16.5%	+18.7%
Japan	432	387	+11.7%	+15.5%
Germany	181	233	-22.5%	-22.5%
Benelux	200	163	+22.8%	+22.9%
Southern Europe	99	82	+20.0%	+20.0%
Australia/New-Zealand	155	145	+6.8%	+4.5%
Hong-Kong	50	45	+11.8%	+15.1%

France new business increased by 6% with continued focus on profitability, as demonstrated by the increased share of unit-linked products. Investment & Savings APE was up 11%, reflecting strong growth in individual unit-linked premiums (up 39% to represent 27% of total Investment & Savings new business), driven by the focus on these products in proprietary channels with an acceleration in September following the launch, in the salaried employee network, of "Odyssiel", a new unit-linked product.

Group protection business was impacted by the non-recurrence of some large premiums in 2004.

The **United States** new business increased by 4% primarily driven by Life APE (up 11%) and Variable Annuity APE (up 8% compared to +5% in 1H05), partly offset by a 60% decline in Fixed Annuity APE, as, in the current interest rate environment, this product does not correspond to Group profitability targets. Excluding fixed annuities, new business was up 8% with a strong acceleration in the third quarter (+11%).

[44] As MONY was acquired in July 8, 2004, the constant scope in the US includes the contribution of MONY only for the discrete third quarters of both 2004 and 2005.

Japan new business increased by 16%. Individual business APE grew by 11%, driven by Term Life products and riders (following the launch of new products in October 2004 and March 2005), and Group Life APE was up 313%, primarily due to the New Mutual Aid product, a Group Term Life product featuring new cancer and disability riders.
Japan new business growth accelerated strongly in 3Q05 to +28% as a result of strong momentum of new products and continued improved productivity in the AXA Advisors channel.

In the **United Kingdom,** new business was up 19% driven by strong sales of unit-linked investment bonds (+38%) and Group Pension products (+31%). Sales within the IFA channel were up 26%. In September, AXA announced it had gained a position on the Bankhall multi-tie panel, following a similar agreement with Sesame in July.

Germany new business was down 23%[45], following the strong Life new business boom in 2004 in connection with the reduction of tax privileges, partly offset by the growth in Investment & Savings unit-linked products (+17%). The Health market continued to be negatively impacted by higher social contribution limits introduced at the beginning of 2004 and the continued uncertainty over the potential changes in the Health regulatory environment.

Benelux new business growth accelerated to −23% driven by Belgium up 30%, mainly due to the continuing strong growth momentum of structured unit-linked products, such as the open-architecture product Millesimo, and Crest 30 and 40 (non unit-linked products with no guaranteed rate).

Southern Europe new business increased by 20%, mainly driven by traditional savings' new business in the agent network in Italy and strong activity in individual Life products (including the launch of new products), partly offset by lower unit-linked business as 3Q04 was particularly strong, benefiting from the launch of some significant bancassurance agreements.

Australia/New-Zealand new business was up 5%, with third quarter APE up 8%, driven by continuing strong sales into "Generations" and "Summit" dedicated platforms and increased sales of global equity growth and value funds.

Hong-Kong new business increased by 15% reflecting further improvements in productivity in both agency and adviser channels and significant increase in single premiums driven by strong inflows into investment and retirement products, in particular in the new multi-manager investment platform, as well as higher sales of "Mandatory Provident Fund", a pension product, through broker and direct channels.

Life & Savings New Business Value (NBV) was up 18% to Euro 652 million due to increased volume and favorable shift in product mix. As a result, NBV margin increased to 17.3% (or 17.9% on a comparable basis) compared do 16.3% in the first nine months of 2004.

[45] Or down 43% excluding year-end 2004-related backlog

Property & Casualty

Property & Casualty revenues increased by 3% to Euro 14,677 million, as Personal lines were up 3%, benefiting from a resilient pricing environment and moderate portfolio growth, and Commercial lines were up 1%.

IFRS Revenues *Nine months ended* *(Euro million)*	September 30, 2005	September 30, 2004	Change	Change on a comparable basis
Property & Casualty	**14,677**	**13,987**	**+4.9%**	**+2.6%**
. France	3,998	3,860	+3.6%	+3.6%
. Germany	2,326	2,346	-0.9%	-1.2%
. United Kingdom & Ireland [(a)]	3,381	3,504	-3.5%	+0.8%
. Belgium	1,124	1,108	+1.4%	+1.4%
. Southern Europe	2,198	2,106	+4.4%	+4.4%
. Other countries [(b)]	1,650	1,063	+55.2%	+8.0%

(a The right to renew our UK Personal Direct business was sold to RAC in October 2004. In the first nine months of 2004, revenues from this activity amounted to Euro 95 million.
(b) As of January 2005, Turkey, Hong-Kong and Singapore are now fully consolidated instead of being accounted for under the equity method. If full consolidation had been applied in 2004, other countries 9M04 P&C revenues would have been Euro 365 million higher. In addition, the Netherlands disability activity has been transferred from Life & Savings to Property & Casualty. Other countries 9M04 P&C revenues would have been Euro 70 million higher if disability had been included..

Personal lines (58% of P&C premiums) showed overall growth of 3%.

Motor revenues grew 3%, mainly driven by Southern Europe and France, up 5% and 2%, respectively, benefiting from positive net inflows of +119,400 and +40,000 policies, respectively.

Non-motor revenues increased by 4%, mainly driven by household in France, the UK which also benefited from the growth in the creditor business, Belgium and Southern Europe, as a result of portfolio evolution and increased tariffs.

Commercial lines (35% of P&C premiums) recorded a 1% growth.

Motor revenues were flat, mainly as positive evolution in France (+4%), Belgium (+3%) and Southern Europe (+3%) was offset by the decrease of UK & Ireland revenues (-7%), in a context of intense competition in Ireland.

Non-motor revenues were up 1% mainly driven by France (+5%) as a result of tariff increases in most business lines, while maintaining a strict underwriting policy.

Other Lines (7% of P&C premiums) revenues increased by 1% as the planned reduction of assumed business in Germany was more than offset by UK Health growth.

International Insurance

International Insurance revenues increased by 10% to Euro 3,183 million. The 13% increase at AXA RE was due to the non-recurrence of some 2004 negative premium adjustments, increased reinstatement premiums linked to 2005 major events and selected development in lines with favorable pricing conditions. AXA Corporate Solutions Assurance up 5%, driven by Marine and Aviation.

IFRS Revenues *Nine months ended* *(Euro million)*	September 30, 2005	September 30, 2004	Change	Change on a comparable basis
International Insurance	**3,183**	**2,930**	**+8.6%**	**+9.6%**
. AXA RE	1,314	1,087	+20.9%	+13.1%
. AXA Corporate Solutions Assurance	1,310	1,245	+5.2%	+5.4%
. Others [(a)]	559	598	- 6.6%	+12.1%

(a) Following the full consolidation of Turkey, Hong-Kong and Singapore, AXA Cessions revenues derived from business with these entities are now eliminated as inter-company transaction. In the first nine months of 2004, this represented Euro 37 million of AXA Cessions revenues.

Reinsurance: Revenues increased by 13%, due to the non-recurrence of some 2004 negative premium adjustments, the increase in reinstatement premiums linked to major events in 2005 and higher premiums in selected non proportional General Liability business, taking advantage of favorable pricing conditions, as well as in Credit business.

Insurance: AXA Corporate Solutions Assurance revenues increased by 5% reflecting a selective growth in the marine and aviation lines of business. Development remained cautious on commercial property and liability lines.

Asset Management

Asset Management revenues increased by 10% to Euro 2,404 million driven by higher average Assets Under Management (AUM) (+16% compared to 9M04). Both AXA IM and Alliance Capital contributed to very strong net inflows of Euro 42 billion, excluding the impact of the sale of Alliance Capital Cash Management Services. Over the discrete third quarter of 2005, revenue growth accelerated to approximately +13% and net inflows amounted to Euro 26 billion excluding Alliance Cash Management Services.

IFRS Revenues[46] *Nine months ended (Euro million)*	September 30, 2005	September 30, 2004	Change	Change on a comparable basis
Asset Management	**2,404**	**2,275**	**+5.7%**	**+10.1%**
. Alliance Capital	1,737	1,714	+1.3%	+6.8%
. AXA Investment Managers[(a)]	668	561	+19.0%	+20.1%

(a) Excluding management and front-end fees collected by AXA Investment Managers on behalf of external distributors, gross revenues increased 24% on a comparable basis.

Alliance Capital: Revenues were up 7% as higher investment advisory fees, driven by 11% higher average AUM, and higher performance fees more than offset lower distribution revenues and lower shareholder servicing fees in the retail channel as well as lower transaction charges following Alliance's restructuring of its Private Client fee structure which effectively eliminates transaction charges while raising base fees.

AUM increased by Euro 66 billion from year-end 2004 to Euro 461 billion at the end of September 2005 as a positive exchange rate impact (Euro 53 billion), a favorable market impact (Euro 23 billion) and strong net positive long-term inflows (Euro 13 billion) more than offset the Euro 23 billion decrease in AUM related to the sale of the Cash Management Services to Federated Investors.

In the discrete third quarter, all channels experienced positive net inflows: Institutional (+Euro 6 billion), Private Clients (+Euro 2 billion) and Retail (+Euro 2 billion).

AXA Investment Managers: Revenues increased by 20%, while gross revenues, excluding management and front-end fees collected on behalf of external distributors, increased by 24%, driven by higher average AUM (+21%), mostly on segments with higher average fee levels, and by higher performance fees, especially on AXA Rosenberg's portfolios.

AUM increased by Euro 67 billion from year-end 2004 to Euro 412 billion at the end of September 2005 primarily driven by (i) Euro 29 billion of net inflows mainly from institutional and retail third party clients (Euro +22 billion) especially on AXA Rosenberg's products as well as real estate, fixed income and structured finance products, (ii) a Euro 30 billion favorable market impact, and (iii) a Euro 6 billion positive foreign exchange rate impact.

[46] Net of inter-company transactions.

LIFE & SAVINGS

Annual Premium Equivalent (APE) and New Business Value (NBV)
9 main countries/regions and modeled business – First Nine Months of 2005 – Group share

Euro million	APE 9M 05	APE 9M 04	Change	Change on comparable basis
France	809	762	+ 6%	+ 6%
United States	1 245	1 080	+ 15%	+ 4%
United Kingdom	599	514	+ 17%	+ 19%
Japan	432	387	+ 12%	+ 16%
Germany (incl. Health)	181	233	- 23%	- 23%
Benelux	200	163	+ 23%	+ 23%
Southern Europe	99	82	+ 20%	+ 20%
Australia / New Zealand	155	145	+ 7%	+ 5%
Hong Kong	50	45	+ 12%	+ 15%
TOTAL APE (9 main countries/regions)	**3 770**	**3 411**	**+ 11%**	**+ 8%**
New Business Value (NBV)	**652**	**556**	**+ 17%**	**+ 18%**
NBV to APE margin	**17.3%**	**16.3%**	**+1.0 pt**	**+1.6 pt**

LIFE & SAVINGS

Breakdown of APE between unit-linked, non unit-linked and mutual funds
9 main countries/regions and modeled business - First Nine Months of 2005 – Group share

Euro million	9M 05 APE			% UL in APE (excl. mutual funds)		UL change on comparable basis
	UL	Non-UL	Mutual Funds	9M 05	9M 04	
France	161	649		20%	16%	+ 32%
United States	660	277	308	70%	73%	+ 9%
United Kingdom	516	83		86%	82%	+ 25%
Japan	12	420		3%	2%	+ 37%
Germany	55	125		31%	27%	- 13%
Benelux	56	144		28%	23%	+ 52%
Southern Europe	16	82	1	16%	23%	- 14%
Australia/New-Zealand	17	21	116	44%	43%	- 11%
Hong-Kong	20	30		40%	28%	+ 60%
TOTAL	**1,513**	**1,831**	**425**	**45%**	**43%**	**+ 17%**

PROPERTY & CASUALTY

Split by business lines – First Nine months of 2005

	Personal Motor		Personal Non-Motor		Commercial Motor		Commercial Non-Motor		Other Lines	
	% Gross Revenues	Change on comp. basis	% Gross Revenues	Change on comp. basis	% Gross Revenues	Change on comp. basis	% Gross Revenues	Change on comp. basis	% Gross Revenues	Change on comp. basis
France	33%	+ 2%	28%	+ 3%	9%	+ 4%	30%	+ 5%		
Germany	31%	- 1%	29%	- 0%	7%	+ 0%	26%	- 1%	7%	- 9%
Belgium	36%	+ 0%	27%	+ 3%	6%	+ 3%	31%	+ 2%		
United Kingdom[a]	12%	- 7%	23%	+ 7%	7%	- 7%	30%	- 4%	27%	+ 7%
Southern Europe	57%	+ 5%	19%	+ 5%	6%	+ 3%	17%	+ 3%		
Canada	39%	+ 6%	16%	+ 8%	8%	- 3%	36%	+ 5%		
The Netherlands	11%	- 5%	35%	+ 9%	25%	- 5%	30%	- 1%		
Others	59%	+ 17%	26%	+ 5%	2%	NS	15%	+ 8%		
TOTAL	**33%**	**+ 3%**	**25%**	**+4%**	**7%**	**+ 0%**	**27%**	**+ 1%**	**7%**	**+ 1%**

(a) including Ireland

AXA GROUP Revenues

9M 04 French GAAP/IFRS Reconciliation – Comparison 9M 04 vs. 9M 05

Euro million	9M 04			9M 05	IFRS revenue change	
	French GAAP	Reconciliation	IFRS	IFRS	Reported	Comp. basis
TOTAL	**54 400**	- 3 697	**50 703**	**53 066**	**4.7%**	**3.8%**
Life & Savings	**34 616**	- 3 381	**31 235**	**32 468**	**3.9%**	**3.1%**
France	8 815	- 239	8 576	9 409	9.7%	9.7%
United States	9 502		9 502	10 107	6.4%	0.2%
United Kingdom	4 617	- 2 825	1 792	1 739	-2.9%	-1.1%
Japan	4 154		4 154	3 488	-16.0%	-13.2%
Germany	2 500		2 500	2 562	2.5%	2.5%
Belgium	1 490	- 12	1 479	1 912	29.3%	29.3%
Southern Europe	918	- 23	895	1 008	12.6%	12.6%
Other countries (1) (2)	2 620	- 282	2 338	2 243	-4.1%	3.9%
of which Australia/New-Zealand	*1 162*	*- 268*	*893*	*912*	*2.1%*	*-0.1%*
of which Hong-Kong	*569*	*- 13*	*556*	*575*	*3.5%*	*6.6%*
Property & Casualty	**13 987**	..	**13 987**	**14 677**	**4.9%**	**2.6%**
France	3 860		3 860	3 998	3.6%	3.6%
Germany	2 346		2 346	2 326	-0.9%	-1.2%
United Kingdom + Ireland (3)	3 504		3 504	3 381	-3.5%	0.8%
Belgium	1 108		1 108	1 124	1.4%	1.4%
Southern Europe	2 106		2 106	2 198	4.4%	4.4%
Other countries (1) (2)	1 063		1 063	1 650	55.2%	8.0%
International Insurance	**2 938**	- 8	**2 930**	**3 183**	**8.6%**	**9.6%**
AXA RE	1 087		1 087	1 314	20.9%	13.1%
AXA Corporate Solutions Assurance	1 245		1 245	1 310	5.2%	5.4%
Others	606	- 8	598	559	-6.6%	+12.1%
Asset Management	**2 260**	15	**2 275**	**2 404**	**5.7%**	**10.1%**
Alliance Capital	1 699	15	1 714	1 737	1.3%	6.8%
AXA Investment Managers	561		561	668	19.0%	20.1%
Other Financial Services	**600**	- 323	**277**	**333**	**20.5%**	**23.1%**

(1) In the Netherlands, following the sale of the Health portfolio as of December 1, 2004 (IFRS revenues of Euro 164 million in 9M04), the disability activity was transferred from Life & Savings to Property & Casualty (IFRS revenues of Euro 70 million in 9M04).

(2) As of January 2005, Turkey (Life + P&C), HK (P&C) and Singapore (P&C) are consolidated. If they had been consolidated in the first nine months of 2004, Life & Savings IFRS revenues would have been Euro 49 million higher and P&C IFRS revenues would have been Euro 365 million higher.

(3) The right to renew our UK Personal Direct business was sold to RAC in October 2004. In the first nine months of 2004, revenues from this activity amounted to Euro 95 million

II- UPDATE RELATED TO THE ADOPTION OF EUROPEAN COMMISSION REGULATION N° 809/2004 OF APRIL 29, 2004

2.1. Management bodies

2.1.1. Composition of the Supervisory Board on September 30, 2005

Name (and age)	Office presently held	Principal occupation or employment (as of December 31, 2004)	Principal business address	First appointment / term of office
Claude Bébéar (70)	Chairman of the Supervisory Board	**Chairman and CEO of FINAXA** ; Director or member of the Supervisory Board of AXA Financial (US), BNP Paribas, Vivendi Universal and Mutuelles AXA ; Non-voting member of the Board of Schneider Electric	AXA 25, avenue Matignon 75008 Paris	June 1988/ May 2008
Jean-René Fourtou (66)	Vice-Chairman of the Supervisory Board	**Chairman and CEO of Vivendi Universal** ; Chairman of the Supervisory Board of Groupe Canal+ Director of Sanofi-Aventis and Cap Gemini.	Vivendi Universal 42, avenue de Friedland 75008 Paris	April 1990/ April 2007
Léo Apotheker (52) (1) (3)	Member of the Supervisory Board	**Chairman, Global Field Operations of SAP AG** ; Member of the Executive Board of SAP AG ; Director of SAP America, Inc. (US); SAP Global Marketing Inc. (US) ; SAP Asia Pte. Ltd.(Singapor) ; SAP JAPAN Co., Ltd.(Japan) ;SAP FRANCE S.A. ; S.A.P. ITALIA Sistemi, applicazioni, prodotti in data processing s.p.a., (Italy) ;SAP Hellas Systems Application and Data Processing S.A. (Greece) ; SAP (Beijing) Software System Co., Ltd., (China) ;Enigma Inc. (US)	SAP 141, bd Haussmann 75008 Paris	February 2005 / April 2007
David Dautresme (71) (1)	Member of the Supervisory Board	**Senior Advisor Lazard Frères** ; Managing partner of DD Finance , Chairman of the Supervisory Board of Club Méditerranée; Director or member of the Supervisory Board of Casino and Fimalac; Non-voting member of the Board of Groupe Go Sport, Lazard Frère Banque and Eurazeo	Lazard Frères 121, bd Haussmann 75008 Paris	April 1990/ April 2007
Jacques de Chateauvieux (54) (1) (4)	Member of the Supervisory Board	**Chairman and CEO of BOURBON**, Sapmer, S.A. JACCAR, SAS, Vindemia SAS, Happy World Foods, Ltd	BOURBON 33, rue du Louvre 75002 Paris	April 2005 / April 2009
Anthony Hamilton (63) (1) (2)	Member of the Supervisory Board	**Chairman of AXA UK Plc (United Kingdom) and AXA Equity and Law (United Kingdom)** ; Director or member of the Supervisory Board of AXA Financial (US) ; Pinault-Printemps-Redoute, Swiss Re Capital Markets Limited (United Kingdom), Binley Limited (United Kingdom) and Tawa UK Limited (United Kingdom)	AXA UK 107 Cheapside London EC2V 6DU	January 1996 / April 2009
Henri Hottinguer (70) (1)	Member of the Supervisory Board	**Chairman and CEO of Sofibus** ; Chairman of the Supervisory Board of Emba NV (The Netherlands) ; Vice-Chairman of Gaspee (Switzerland) ; Senior Chief Officer and Director of Financière Hottinguer, Intercom and Profinor; Chief Officer of the Board of Directors of Hottinguer Finanz & Treuhand (Switzerland) ,Director of FINAXA, AXA France IARD and AXA France Vie ; Non-voting member of the Board of Didot Bottin	Financière Hottinguer 43, rue Taitbout 75009	June 1988/ April 2007

Name (and age)	Office presently held	Principal occupation or employment (as of December 31, 2004)	Principal business address	First appointment / term of office
Henri Lachmann (67) (1) (2)	Member of the Supervisory Board	**Chairman and CEO of Schneider Electric**, Vice-Chairman of the Board of Directors of Mutuelles AXA , Director or member of the Supervisory Board of FINAXA, Vivendi Universal and Groupe Norbert Dentressangle , Non-voting member of the Board of Fimalac	Schneider Electric 43-45, bd Franklin Roosevelt 92500 Rueil Malmaison	May 1996/ April 2009
Gérard Mestrallet (56) (1)	Member of the Supervisory Board	**Chairman and CEO of Suez**, Chairman of Suez Environnement, Suez-Tractebel (Belgium) and Electrabel (Belgium) ; Vice-Chairman of Sociedad General de Aguas de Barcelona (Spain) and Hisusa (Spain) , Director or member of the Supervisory Board of Crédit Agricole S.A , Compagnie de Saint-Gobain, Taittinger and Pargesa Holding S.A (Switzerland)	Suez 16, rue de la Ville l'Evêque 75008 Paris	January 1997 / April 2007
Michel Pébereau (63) (2)	Member of the Supervisory Board	**Chairman of the Board of Directors of BNP Paribas** , Director or member of the Supervisory Board of Saint Gobain, Total, Lafarge, BNP Paribas UK (United Kingdom) and Banque Marocaine pour le Commerce et l'Industrie (BMCI) , Non-voting member of the Board of Galeries Lafayette	BNP Paribas 3, rue d'Antin 75002 Paris	January 1997 / April 2009
Mme Dominique Reiniche (49) (1) (4)	Member of the Supervisory Board	**Chairman, Coca-Cola Enterprises – Groupe Europe** ; First Vice-President, Union of European Soft Drinks Associations (UNESDA) ; Member of the Executive Committee of MEDEF , Chairman, Union des Annonceurs (UDA) , Member of the Board, ECR Europe ; Member of the Advosory Board, ING Direct	Coca-Cola Entreprises, Groupe Europe 27, rue Camille Desmoulins 92784 Issy les Moulineaux Cedex 9	April 2005 / April 2009
Ezra Suleiman (63) (1)	Member of the Supervisory Board	**Professor of Politics and Chair of the Committee for European Studies, Princeton University** (United States) ; Associate Professor, Institut d'Etudes Politiques (Paris) ; Member of the Management Committee of Institut Montaigne, Centre Américain, Institut d'Etudes Politiques (Paris) ; Member of the Editorial Committee of Comparative Politics, La Revue des Deux Mondes and Politique International	EPS/PIIRS 228 Bendheim Hall Princeton University Princeton, N.J. 08544 USA	April 2003 / April 2007
Jacques Tabourot (60)	Member of the Supervisory Board, representing the employee-shareholders	**Lecturer** in accounting and financial analysis, Bank and Finance program, Université Panthéon-Assas Paris II	AXA 25, avenue Matignon 75008 Paris	April 2004 / April 2008

(1) Independent
(2) Reappointed by the shareholders on April 20, 2005
(3) Co-opted by the AXA Supervisory Board on February 23, 2005 , ratified by the shareholders on April 20, 2005
(4) Appointed by the shareholders on April 20, 2005

2.1.2. Expertise and experience of the management bodies' members

Supervisory Board

Claude Bébéar

1958	Joined Anciennes Mutuelles, an insurance company in Rouen where he remained until 1975 working his way through various divisions of the company
1964 – 1966	Was sent on assignment to Canada where he created the life insurance division Provinces Unies, a Canadian subsidiary of the Anciennes Mutuelles group.
1975	Was appointed Chief Executive Officer of Anciennes Mutuelles (which was renamed Mutuelles Unies in 1978).
	Created l'Ancienne Mutuelle de Réassurance – l'AMré – which later became AXA RE
1982	Chairman of Mutuelles Unies and Chairman of Groupe Drouot
1988	Was appointed director, then Vice-Chairman and Chairman (in 1989) of Compagnie du Midi which became AXA in 1990
1990 – 2000	Chairman and Chief Executive Officer and Chairman of the Management Board of AXA (1997/2000)
Since May 2000	Chairman of the AXA Supervisory Board

Jean-René Fourtou

1963	Management Consultant of Organization Bossard & Michel
1972	Chief Executive Officer of Bossard Consultants
1977	Chairman and Chief Executive Officer of Groupe Bossard
1986 – 1999	Chairman and Chief Executive Officer of Rhône-Poulenc Group which became Aventis
12/1999 – 05/2002	Vice-Chairman and Chief Executive Officer of Aventis
	Honory Chairman of Aventis and member of the Supervisory Board of Aventis, and director of Sanofi-Aventis
07/2002-04/2005	Chairman and Chief Executive Officer of Vivendi Universal
Since April 2005	Chairman of the Vivendi Universal Supervisory Board

Léo Apotheker

1978 – 1980	Senior Controller, Finance Department – Hebrew University
1980 – 1981	Operations Director – Altex GmbH
1981 – 1984	Finance Manager – S.W..F.T. s.c.
1984 – 1987	European Operations Director – Mc Cormack & Dodge
1988 – 1991	Chairman and Chief Executive Officer of SAP France & Belgium
1991 – 1995	Co-Founder President & CEO de ECSoft BV
Since 1995	SAP AG
1995 – 1997	Chairman, France
1997 – 1998	Chief Executive Officer– South West Europe
1999 – 2000	Chairman EMEA (except Germany)
2000	Chairman EMEA (Europe, Middle East and Africa)
	Member of the Extended Management Board of SAP AG
April 2002	Chairman, Global Field Operations of SAP AG
Since July 2002	Member of the Executive Committee of SAP AG
	Chairman, Global Field Operations of SAP AG

David Dautresme

1982 – 1986	Chairman and Chief Executive Officer of Crédit du Nord
1986 – 1999	General Partner of Lazard Frères
Since 1999	Senior Advisor of Lazard Frères

Jacques de Chateauvieux

1975 – 1977	Management auditor – Union des Transports Aériens
1977 - 1979	Consultant – Boston Consulting Group
Since 1979	Chairman and Chief Executive Officer of Groupe Bourbon

Anthony Hamilton

1968 to 1978	Worked in London and New York for the investment bankers Schroders, Morgan Grenfell, and Wainright.
1978	Joined Fox-Pitt, Kelton – CEO 1994 – 2003.
1993	Non-executive Director of AXA Equity and Law, (Chairman, 1995)
1997	Non-executive Director of AXA UK
1999 - 2003	Product Unit Head of Swiss Re
End of 2004	Resignation as a Director of Fox-Pitt, Kelton Group Ltd (UK) and of Fox-Pitt, Kelton Limited (UK)
Since September 2000	Chairman of AXA UK

Henri Hottinguer

1962	Joined the Banque Hottinguer
1965	Was appointed *Associé-Gérant* of the bank then was appointed Chairman or director of various companies
1982 – 1987	Chairman and Chief Executive Officer of Compagnie Financière Drouot
March 1990	Chairman and Chief Executive Officer of Banque Hottinguer
End of 1997 – December 2004	Chairman of the Supervisory Board of Crédit Suisse Hottinguer
Since 1969	Chairman and Chief Executive Officer of Sofibus (Société Financière pour le Financement de Bureaux et d'Usines)

Henri Lachmann

1963	Began his carreer with the international consulting firm Arthur Andersen
1970	Joined the Compagnie Industrielle et Financière de Pompey a
1976	Chief Executive Officer of the Compagnie Industrielle et Financière of Pompey
1981 – 1998	Chairman and Chief Executive Officer of Financière Strafor, which later became Strafor Facom
Since 1996	Director of Schneider Electric SA
Since February 1999	Chairman and Chief Executive Officer of Schneider Electric SA

Gérard Mestrallet

1984	Joined Compagnie de Suez as Vice-President, Special Projects
1986	Executive Vice-President Industry
February 1991	Executive Director and Chairman of the Management Committee of Société Générale de Belgique
1995	Chairman and Chief Executive Officer of Compagnie de Suez
June 1997	Chairman of the Management Board of Suez Lyonnaise des Eaux
Since May 4, 2001	Chairman and Chief Executive Officer of Suez

Michel Pébereau

1967	Auditor at the Treasury
1970 – 1974	Project leader and then Adviser to the Cabinet of the Finance Minister (Valéry Giscard d'Estaing)
1971 – 1982	Project leader, and then, sub-Manager, Assistant Manager and Head of the public revenue Department of the Finance Ministry
1978 – 1981	Head of the Finance Minister's Cabinet (René Monory)
1982 – 1987	Chief Executive Officer of Crédit Commercial de France
1987 – 1993	Chairman and Chief Executive Officer of Crédit Commercial de France
1993 – 2000	Chairman and Chief Executive Officer of Banque National de Paris
2000 - 2003	Chairman and Chief Executive Officer of BNP Paribas
Since 2004	Chairman of the Board of Directors of de BNP Paribas

Mme Dominique Reiniche

1978 – 1981	Assistant Product Manager - Procter & Gamble
1981 – 1983	Product Manager - Procter & Gamble
1983 – 1986	Associate Advertising Manager - Procter & Gamble
1986 – 1992	Marketing & Strategy Manager – Kraft Jacobs Suchard
1992 – 1994	Marketing & Responsable "Compte-clé" Manager – Coca-Cola Entreprise
1994 – 1997	Commercial & Operational Marketing Manager – Coca-Cola Entreprise
1997 – 1998	Assistant Chief Executive Officer – Coca-Cola Entreprise
1998 – 2002	Chairman and Chief Executive Officer – Coca-Cola Entreprise
2002 – 2003	Vice-Chairman of Coca Cola Enterprises – Europe Group
Since January 2003	Chairman of Coca-Cola Enterprises – Groupe Europe

Ezra Suleiman

1973 – 1979	Professor at the University of California, Los Angeles
1985 – 1998	Chairman of the Commission "Europe", Fullbright Commission
1990 – 1999	Chairman of the Programm Jury - L'Union Européenne, Institut d'Etudes Politiques (Paris)
1981 – 2000	Manager, Programm "Young Leaders" (fondation franco-américaine)
Since September 1979	Professor of Political Sciences at the University of Princeton

Jacques Tabourot

1972 - 1978	Auditor to Deloitte, then Frinault Fiducaire
1978 - 1986	Assistant to the accounting Manager then Accountant Manager of Secours
1986 - 2003	Responsible of the AXA consolidation then Manager of the Accounting Department of AXA Group
Since April 1[er], 2003	*Cadre de réserve* of AXA
Since 1990	Lecturer for masters in banking and finance at Université Panthéon-Assas Paris II
Since April 2004	Member of the AXA Supervisory Board, representing the employee-shareholders

Management Board

Henri de Castries

1980 – 1984	French Finance Ministry Inspection Office where he audited government agencies from 1980 to 1984
1984 - 1989	French Treasury Department where he played an active role in several privatizations
1989	Joined AXA's corporate finance division
1991	AXA's Corporate Secretary, responsible for dealing with the legal aspects of the reorganization and merger of Compagnie du Midi with and into the AXA Group
1993 - 1997	Senior Executive Vice President for the Group's asset management, financial and real-estate businesses. In 1994, he assumed the additional role of overseeing North American and UK operations. In 1996, he played an active role in preparing for the UAP Merger. In 1997, he was appointed Chairman of the Equitable Companies (wich later became AXA Financial).
Since May 2000	Chairman of the AXA Management Board

Claude Brunet

1988 – 2001	Ford
1991 - 1992	Corporate Sales Division of Ford Switzerland
1992 - 1993	Corporate Sales Division of Ford France
1993 - 1996	Chairman and Chief Executive Officer of Ford Belgium
1996 - 2001	Chairman and Chief Executive Officer of Ford France
April 2001	Joined the AXA Group as a Member of the Executive Committee
Since February 2002	Member of the AXA Management Board, in charge of Transversal Operations, Communications & Human Resources

Christopher Condron

1989	Head of the Private Client Group of The Boston Company, now Mellon Private Asset Management.
1993	Executive Vice President of Mellon
1994	Vice-Chairman of Mellon
1995	Assumed responsibility for The Dreyfus Corporation as Chairman & Chief Executive Officer
1998	President and Chief Operating Officer of Mellon Bank N.A.
1999 - 2001	President & Chief Operating Officer of Mellon Financial Corporation
Since May 2001	President and CEO of AXA Financial Inc.
	Chairman of the Board, President (since May 2002) and Chief Executive Officer of AXA Equitable Life Insurance Company
Since July 2001	Member of the AXA Management Board

Denis Duverne

1984 – 1986	Commercial counselor for the French Embassy in New-York
1986 – 1988	Director fo the Corporate Taxes Department for the French Ministry of Finance
1988 – 1991	Deputy Assistant Secretary for Tax Policy for the French Ministry of Finance
1991 – 1992	Secretary General of Compagnie Financière IBI
1992 – 1995	Member of the Executive Committee of Banque Colbert, in charge of operations
1995	Joined the AXA Group. Took part in the supervision of AXA's companies in the US and the UK. Has been closely involved in the reorganization process of AXA Companies in Belgium and the United Kingdom
Since February 2003 :	Member of the AXA Management Board, in charge of Finance, Control and Strategy

François Pierson

1974	Joined AGP and become Sales Director
1990	General Manager of the South-East Region of AXA Assurances and Director of Distribution in that company
1995	Deputy Chief Executive of AXA Assurances
1997	Chief Executive Officer of UAP Vie and of Alpha Assurances
1998	Chief Executive Officer of AXA Conseil
1999	Chief Executive Officer of AXA Assurances
Since November 2001	Member of the AXA Management Board
	Chief Executive Officer of AXA France, responsible of the large risks activities, of the Assistance and of AXA Canada

2.1.3. Positions held by members of the Supervisory Board aver the last 5 years

Name Present principal occupation or employment	First appointment	Term of office	2004	2003	2002	2001	2000
Claude Bébéar Chairman of the Supervisory Board of AXA	June 1988	2008 AGM	**Chairman of the Supervisory Board** of AXA **Chairman and CEO** of FINAXA **Director** of AXA Assurances IARD Mutuelle, AXA Assurances Vie Mutuelle, AXA Courtage Assurance Mutuelle, BNP Paribas and Vivendi Universal **Non-voting member of the Board** of Schneider Electric	**Chairman of the Supervisory Board** of AXA **Chairman and CEO** of FINAXA **Director** of AXA Assurances IARD Mutuelle, AXA Assurances Vie Mutuelle, AXA Courtage Assurance Mutuelle, BNP Paribas and Vivendi Universal	**Chairman of the Supervisory Board** of AXA **Chairman and CEO** of FINAXA **Director** of AXA Assurances IARD Mutuelle, AXA Assurances Vie Mutuelle, AXA Courtage Assurance Mutuelle, Schneider Electric, BNP Paribas and Vivendi Universal	**Chairman of the Supervisory Board** of AXA **Chairman and CEO** of FINAXA **Director** of AXA Conseil Vie Assurance Mutuelle, AXA Assurances IARD Mutuelle, AXA Assurances Vie Mutuelle, AXA Courtage Assurance Mutuelle, BNP Paribas, and Schneider Electric	**Chairman of the Supervisory Board** of AXA **Chairman** of FINAXA, AXA Conseil Vie Assurance Mutuelle, AXA Assurances IARD Mutuelle, AXA Assurances Vie Mutuelle, AXA Courtage Assurance Mutuelle, **Director** of BNP Paribas, Schneider Electric
Jean-René Fourtou Vice-Chairman of the Supervisory Board of AXA Chairman of the Supervisory Board of Vivendi Universal	April 1990	2007 AGM	Vice Chairman of the Supervisory Board of AXA **Chairman and CEO** of Vivendi Universal **Chairman of the Supervisory Board** of Groupe Canal+ **Director** of Sanofi-Aventis and Cap Gemini	Vice-Chairman of the Supervisory Board of AXA **Chairman and CEO** of Vivendi Universal **Chairman of the Supervisory Board** of Groupe Canal+ **Director** of Aventis and Cap Gemini	Vice-Chairman of the Supervisory Board of AXA **Chairman and CEO** of Vivendi Universal **Chairman of the Supervisory Board** of Vivendi Environnement, Groupe Canal+ **Vice-Chairman of the Management Board** of AXA Assurances IARD Mutuelle, AXA Assurances Vie Mutuelle, AXA Courtage Assurance Mutuelle **CEO** of USI Entertainment Inc (USA) **Director** of Aventis, Cap Gemini, EADS (The Netherlands), USA Interactive (USA)	Vice-Chairman of the Supervisory Board of AXA **Vice-Chairman of the Management Board** of Aventis **Vice-Chairman of the Management Board** of AXA Assurances Conseil Vie Mutuelle, AXA Assurances IARD Mutuelle, AXA Assurances Vie Mutuelle, AXA Courtage Assurance Mutuelle **Director** of Rhône-Poulenc Pharma, Rhône Poulenc AGCO Ltd, Schneider Electric, Pernod-Ricard, La Poste, Rhodia, EADS (The Netherlands) **Permanent representative** of AXA Assurances IARD Mutuelle on the FINAXA Board of Directors	Vice-Chairman of the Supervisory Board of AXA **Vice-Chairman and CEO** of Aventis **Director** of AXA Assurances Conseil Vie Mutuelle, AXA Assurances IARD Mutuelle, AXA Assurances Vie Mutuelle, AXA Courtage Assurance Mutuelle, Schneider Electric, Pernod-Ricard, La Poste, EADS **Permanent representative** of AXA Assurances IARD Mutuelle on the FINAXA Board of Directors
Leo Apotheker Chairman, Global Field Operations of SAP	February 2005	2007 AGM	**Chairman, Global Field Operations** of SAP **Director** of SAP America, Inc (US), SAP Global Marketing Inc (US), SAP Asia Pte Ltd (Singapore), SAP JAPAN Co., Ltd (Japan), SAP FRANCE S.A., S.A.P. ITALIA Sistemi, applicazioni, prodotti in data processing s.p.a., (Italy), SAP Hellas Systems Application and Data Processing S.A. (Greece), SAP (Beijing) Software System Co., Ltd., (China), Enigma Inc (US)	**Chairman, Global Field Operations** of SAP **Director** of SAP FRANCE S.A., S.A.P. ITALIA Sistemi, applicazioni, prodotti in data processing s.p.a., (Italy), SAP Hellas Systems Application and Data Processing S.A. (Greece), SAP America, Inc (US), SAP JAPAN Co., Ltd (Japan), SAP Manage Ltd (Israel), SAP Global Marketing Inc (US)	**Chairman, Global Field Operations** of SAP **Director** of SAP Systems Integration AG (Germany), SAP FRANCE S.A., SAP Finland Oy (Finland), SAP Svenska Aktiebolag (Sweden), S.A.P. ITALIA Sistemi, applicazioni, prodotti in data processing s.p.a., (Italy), SAP Hellas Systems Application and Data Processing S.A. (Greece), SAP America, Inc (US), SAP JAPAN Co., Ltd (Japan), SAP Danmark A/S (Denmark), SAP Manage Ltd (Israel)		
David Dautresme Senior Advisor Lazard Freres	April 1990	2007 AGM	**Senior Advisor** Lazard Frères **Managing partner** of DD Finance **Chairman of the Supervisory Board** of Club Mediterranée **Director** of Casino, Fimalac **Non-voting member of the Board** of Groupe Go Sport, Lazard Frère Banque, EURAZEO	**Senior Advisor** Lazard Freres **Managing partner** of DD Finance **Chairman** of Montech Expansion (US) **Director** of Club Méditerranée, Casino, Rue Impériale, Fimalac **Non-voting member of the Board** of Groupe Go Sport, Lazard Frere Banque	**Senior Advisor** Lazard Frères **Chairman** of Parande Développement (Groupe Euris) **Director** of Lazard Freres Banque, Club Mediterrannée, Casino, Rue Impériale **Non-voting member of the Board** of Groupe Go Sport	**Senior Advisor** Lazard Frères **Chairman** of Parande Développement (Groupe Euris) **Director** of Société Immobilière Marseillaise, Lazard Frères Banque, Club Méditerrannée, Casino	**Senior Advisor** Lazard Frères **Chairman** of Parande Développement (Groupe Euris) **Director** of Société Immobilière Marseillaise, Lazard Frères Banque, Club Méditerrannée, Casino

Name Present principal occupation or employment	First appointment	Term of office	2004	2003	2002	2001	2000
Jacques de Chateauvieux Chairman and CEO of BOURBON	April 2005	2009 AGM	**Chairman and CEO** of Groupe BOURBON **Chairman** of Sapmer, S.A., JACCAR, SAS, Vindemia SAS **Director** of Happy World Foods, Ltd	**Chairman and CEO** of Groupe BOURBON **Chairman** of Vindemia SAS **Director** of Sapmer, Happy World Foods, Ltd	**Chairman and CEO** of Groupe BOURBON **Chairman** of Vindemia SAS, Antenne Réunion Télévision **Director** of Sapmer, Happy World Foods, Ltd	**Chairman and CEO** of Groupe BOURBON **Chairman** of Vindemia SAS, Antenne Réunion Télévision Director of Sapmer, Happy World Foods, Ltd	**Chairman and CEO** of Groupe BOURBON **Chairman** of Vindemia SAS, Antenne Réunion Télévision **Director** of Sapmer, Happy World Foods, Ltd
Anthony Hamilton Chairman of AXA UK Plc (United Kingdom)	January 1996	April 2009	**Chairman** of AXA UK Plc (United Kingdom) **Director or member of the Supervisory Board**, Pinault-Printemps-Redoute, Swiss Re Capital Markets Limited (United Kingdom), Binley Limited (United Kingdom), Tawa UK Limited (United Kingdom)	**Chairman** of AXA UK Plc (United Kingdom) **Chairman** of Fox-Pitt, Kelton Group Limited (United Kingdom) **Director or member of the Supervisory Board**, Pinault-Printemps-Redoute, Swiss Re Capital Markets Limited (United Kingdom), Binley Limited (United Kingdom), CX Reinsurance (United Kingdom)	**Chairman** of AXA UK Plc (United Kingdom) **Chairman** of Fox-Pitt, Kelton Group Limited (United Kingdom), Fox-Pitt, Kelton Nominees Limited (United Kingdom) **Director or member of the Supervisory Board**, Pinault-Printemps-Redoute, Fox-Pitt,Kelton Limited (UK) Swiss Re Capital Markets Limited (United Kingdom), Binley Limited (United Kingdom)	**Chairman** of AXA UK Plc (United Kingdom) **Chairman** of Fox-Pitt, Kelton Group Ltd (United Kingdom), Fox-Pitt, Kelton Nominees Ltd (United Kingdom), Eldon Capital Management Ltd (UK), Eldon Capital Holdings Ltd (UK), Byas, Mosley Group Ltd (UK), Byas, Mosley & Co Ltd (UK) **Director or member of the Supervisory Board**, Fox-Pitt,Kelton Ltd (UK), Binley Limited (UK)	**Chairman** of AXA UK Plc (United Kingdom) **Chairman** of Fox-Pitt, Kelton Group Ltd (UK), Fox-Pitt, Kelton Nominees Ltd (UK), Eldon Capital Management Ltd (UK), Eldon Capital Holdings Ltd (UK), Byas, Mosley Group Ltd (UK) **Director or member of the Supervisory Board**, Fox-Pitt,Kelton Ltd (UK), Binley Limited (UK)
Henri Hottinguer Chairman and CEO of Sofibus	June 1988	April 2007	**Chairman and CEO** of Sofibus **Senior Chief Officer and Director** of Financière Hottinguer, Intercom, Profinor **Chairman of the Supervisory Board** of Emba N V (The Netherlands) **Vice-Chairman** of Gaspee (Switzerland) **Chief Officer of the Board of directors** of Hottinger Finanz & Treuhand (Switzerland) **Director or member of the Supervisory Board**, FINAXA, Hottinguer International Fund (Luxembourg), Hottinguer International Asset Management (Luxembourg) **Non-voting member of the Board** of Didot Bottin	**Chairman and CEO** of Sofibus **Chairman of the Supervisory Board** of Crédit Suisse Hottinguer, Emba N V (The Netherlands) **Chairman** of Hottinguer Capital Corp. (US) **Vice-Chairman** of Gaspee (Switzerland) **Managing Partner** of Hottinguer & Cie (Zurich) **Senior Chief Officer and director** of Financière Hottinguer, Intercom, **Director or member of the Supervisory Board**, FINAXA, Hottinguer International Fund (Luxembourg), Hottinguer International Asset Management (Luxembourg), Swiss Helvetia Fund Inc., Hottinguer US, Inc **Non-voting member of the Board** of Didot Bottin	**Chairman and CEO** of Sofibus **Chairman of the Supervisory Board** of Crédit Suisse Hottinguer, Emba N V (The Netherlands) **Chairman** of Hottinguer Capital Corp. (US) **Vice-Chairman** of Gaspee (Switzerland) **Managing Partner** of Hottinguer & Cie (Zurich) **Senior Chief Officer and director** of Intercom, **Director or member of the Supervisory Board**, FINAXA, Investissement Provence SA, Hottinguer International Fund (Luxembourg), Hottinguer International Asset Management (Luxembourg), Swiss Helvetia Fund Inc., Hottinguer US, Inc **Non-voting member of the Board** of Didot Bottin	**Chairman and CEO** of Sofibus **Chairman of the Supervisory Board** of Crédit Suisse Hottinguer, Emba N V (The Netherlands) **Chairman** of Hottinguer Capital Corp (US) **Vice-Chairman and director** of Financière Hottinguer **Vice-Chairman** of Gaspee (Switzerland) **Managing Partner** of Hottinguer & Cie (Zurich) **Senior Chief Officer and director** of Intercom, **Director or member of the Supervisory Board**, FINAXA, Investissement Provence SA, Hottinguer International Fund (Luxembourg), Hottinguer International Asset Management (Luxembourg), Swiss Helvetia Fund Inc., Hottinguer US, Inc. **Non-voting member of the Board** of Didot Bottin	**Chairman and CEO** of Sofibus **Chairman of the Supervisory Board** of, Crédit Suisse Hottinguer, Emba N V (The Netherlands) **Chairman** of Hottinguer Capital Corp. (US) **Vice-Chairman and director** of Financière Hottinguer **Vice-Chairman** of Gaspee (Switzerland) **Managing Partner** of Hottinguer & Cie (Zurich) **Director or member of the Supervisory Board**, FINAXA, Intercom, Investissement Provence SA, Hottinguer International Fund (Luxembourg), Hottinguer International Asset Management (Luxembourg), Swiss Helvetia Fund Inc., Hottinguer US, Inc. **CEO** of Sofides **Non-voting member of the Board** of Didot Bottin
Henri Lachmann Chairman and CEO of Schneider Electric	May 1996	April 2009	**Chairman and CEO** of Schneider Electric **Director or member of the Supervisory Board**, AXA Assurances Vie Mutuelle, AXA Assurances IARD Mutuelle, AXA Courtage Assurance Mutuelle, FINAXA, Vivendi Universal, Groupe Norbert Dentressangle **Non-voting member of the Board** of Fimalac	**Chairman and CEO** of Schneider Electric **Vice-Chairman** of AXA Assurances Vie Mutuelle, AXA Assurances IARD Mutuelle, AXA Courtage Assurance Mutuelle **Director or member of the Supervisory Board**, FINAXA, Vivendi Universal, Groupe Norbert Dentressangle **Non-voting member of the Board** of Fimalac	**Chairman and CEO** of Schneider Electric **Director or member of the Supervisory Board**, AXA Assurances Vie Mutuelle, AXA Assurances IARD Mutuelle, AXA Courtage Assurance Mutuelle, de FINAXA, Vivendi Universal, Groupe Norbert Dentressangle	**Chairman and CEO** of Schneider Electric **Director or member of the Supervisory Board**, AXA Assurances Vie Mutuelle, AXA Assurances IARD Mutuelle, AXA Courtage Assurance Mutuelle, AXA Conseil Vie Assurance Mutuelle, FINAXA, Vivendi Universal, Groupe Norbert Dentressangle, ANSA, CNRS	**Chairman and CEO** of Schneider Electric **Director or member of the Supervisory Board**, AXA Assurances Vie Mutuelle, AXA Assurances IARD Mutuelle, AXA Courtage Assurance Mutuelle, AXA Conseil Vie Assurance Mutuelle, FINAXA, Vivendi, Groupe Norbert Dentressangle, ANSA, CNRS

Name Present principal occupation or employment	First appointment	Term of office	2004	2003	2002	2001	2000
Gérard Mestrallet Chairman and CEO of Suez	January 1997	April 2007	**Chairman and CEO** of Suez **Chairman** of Suez Environnement, Suez-Tractebel (Belgium), Electrabel (Belgium) **Vice-Chairman** of Hisusa (Spain), Sociedad General de Aguas de Barcelona (Spain) **Director or member of the Supervisory Board**, Credit Agricole S.A., Compagnie de Saint Gobain, Taittinger Pargesa Holding S.A. (Switzerland)	**Chairman and CEO** of Suez **Chairman** of Suez-Tractebel (Belgium), Hisusa (Spain) **Vice-Chairman** of Sociedad General de Aguas de Barcelona (Spain) **Director or member of the Supervisory Board**, Crédit Agricole S.A., Compagnie de Saint-Gobain, Taittinger Pargesa Holding S.A. (Switzerland), Electrabel (Belgium)	**Chairman and CEO** of Suez **Chairman** of Société Générale de Belgique (Belgium), Tractebel (Belgium) **Vice-Chairman** of Hisusa (Spain), Sociedad General de Aguas de Barcelona (Spain) **Director or member of the Supervisory Board**, Crédit Agricole S.A., Compagnie de Saint-Gobain, Taittinger, Pargesa Holding S.A. (Switzerland).	**Chairman and CEO** of Suez **Chairman** of Société Générale de Belgique (Belgium), Tractebel (Belgium) **Vice-Chairman** of Hisusa (Spain), Sociedad General de Aguas de Barcelona (Spain) **Director or member of the Supervisory Board**, Crédit Agricole S.A., Compagnie de Saint-Gobain, Pargesa Holding S.A. (Switzerland), Casino, Metropole Television M6, Sagem, Société du Louvre **Permanent representative** of Fided at the Le Monde Entreprise's board, of Sperans at the Fimalac's board	**Chairman of the Management Board** of Suez **Chairman** of Tractebel (Belgium) **Director or member of the Supervisory Board**, Compagnie de Saint-Gobain, Sagem, Crédit Agricole Indosuez, Société du Louvre, Casino
Michel Pébereau Chairman of the Board of directors of BNP Paribas	January 1997	April 2009	**Chairman of the board** of BNP Paribas **Director or member of the Supervisory Board**, Saint Gobain, Total Lafarge, BNP Paribas UK, Banque Marocaine pour le Commerce et l'Industrie (BMCI) **Non-voting member of the Board** of Galeries Lafayettes	**Chairman of the board** of BNP Paribas **Director or member of the Supervisory Board**, Saint Gobain, Total, Lafarge, Dresdner Bank AG Francfort (Germany), BNP Paribas UK **Non-voting member of the Board** of Galeries Lafayettes	**Chairman and CEO** of BNP Paribas **Director or member of the Supervisory Board**, Saint Gobain, Total Fina Elf, Lafarge, Dresdner Bank AG (Germany), BNP Paribas UK **Non-voting member of the Board** of Galeries Lafayettes	**Chairman and CEO** of BNP Paribas **Director or member of the Supervisory Board**, Galeries Lafayettes, Compagnie Saint Gobain, Total Fina Elf, Lafarge **Permanent representative** of BNP Paribas at Renault and Dresdner Bank AG's boards (Germany)	**Chairman and CEO** of BNP Paribas **Director or member of the Supervisory Board**, Galeries Lafayettes, Compagnie Saint Gobain, Total Fina Elf, Lafarge, Dresdner Bank AG Francfort **Permanent representative** of BNP Paribas at Renault and Dresdner Bank AG's boards (Germany)
Mme Dominique Reiniche Chairman of Coca-Cola Enterprises – Groupe Europe	April 2005	April 2009	**Chairman** of Coca-Cola Enterprises – Groupe Europe **Member** of the Advisory Board of ING Direct	**Chairman** of Coca-Cola Enterprises Groupe Europe	**Chairman and CEO** of Coca-Cola Entreprise **Vice-Chairman** of Coca Cola Enterprises-Groupe Europe	**Chairman and CEO** of Coca-Cola Entreprise	**Chairman and CEO** of Coca Cola Entreprise
Ezra Suleiman Professor of Politics and Chair of the Committee for European Studies, Princeton University (US)	April 2003	April 2007	n/a	n/a	n/a	n/a	n/a
Jacques Tabourot Member of the Supervisory Board of AXA, representing the employee-shareholders	April 2004	April 2008	n/a	n/a	n/a	n/a	n/a

2.1.4. Conflicts of interests

AXA's management organs are the Supervisory and Management Boards. The members of the Management Board do not currently hold any mandates outside the AXA group. Certain members of the Supervisory Board, however, are executive officers and/or directors of companies that may have dealings from time to time with the AXA group which dealings may include extensions of credit, purchases of securities (for their own account or for third parties), underwriting of securities and/or furnishing of other types of services or goods. These dealings are generally fully negotiated and effected on arm-length terms and conditions, and consequently AXA does not believe they give rise to any potential conflicts of interests between the duties to AXA of the Supervisory and Management Boards' members and their private interests and/or other duties.

Aside from regulated agreements, no arrangement or understanding have been entered into with major shareholders, customers, suppliers or others pursuant to which a member of the Management Board or Supervisory Board was selected.

2.1.5. Total amounts set aside or accrued to provide pension, retirement or similar benefits

Like all AXA Group executives, the French members of AXA SA's Management Board (Henri de Castries, François Pierson, Denis Duverne and Claude Brunet), the Chairman of the Supervisory Board (Claude Bébéar) and the member of the Supervisory Board representing the employee shareholders (Jacques Tabourot) are entitled to a supplementary retirement plan pursuant to Article 39 of the French Tax Code (the *Code Général des Impôts*).

Christopher Condron, also a member of the AXA SA's Management Board and an employee of Equitable in the United States (a subsidiary of AXA SA), is also entitled to a supplementary retirement plan.

The total amount set aside or accrued by AXA SA and its subsidiaries to provide pension or retirement to the aforementioned executives is, as at June 30, 2005, 28.7 million euros[47].

[47] Source: AXA. This financial data is not extracted from the issuer's audited financial statements.

2.1.6. Service Contracts between the AXA Group and members of management bodies

Supervisory Board

To date, no service contracts have been entered into between a member of the AXA Supervisory Board and AXA or one of its subsidiaries whose terms call for the payment of a benefit or entitlement of any kind.

Management Board

The French members of the AXA Management Board (Henri de Castries, Claude Brunet, Denis Duverne, François Pierson), corporate officers, are employed by AXA under contract.

Christopher Condron, also a member of the Management Board, corporate officer, is employed by Equitable in the United States under contract.

2.2. Capital ownership

2.2.1. Major shareholders as of September 30, 2005

To the best of the Company's knowledge, the table below summarizes its capital ownership and voting power on September 30, 2005

		Number of shares	Capital ownership	Voting power
Mutuelles AXA[(a)]		388,297,657	20.32%	32.26%
of which :	Mutuelles AXA	51,959,561	2.72%	4.39%
	Finaxa[(a)]	336,338,096	17.60%	27.87%
Treasury shares		21,966,089	1.15%	-
Self holding shares		600,000	0.03%	-
Employees and agents		90,485,414	4.74%	5.69%
General public		1,409,394,626	73.76%	62.05%
Total		**1,910,743,786**	**100%**	**100%**

(a) Directly and indirectly

To the best of the Management Board's knowledge, no other shareholder owns more than 5% of the share capital. The Company has agreed to disclose any ownership in excess of 2% of its outstanding share capital known to it. To the best of the Management Board's knowledge, this threshold was not exceeded in the first half of 2005.

Of the 1,910,743,786 shares composing the capital as at September 30, 2005, 410,182,448 shares entitled their holders to double voting rights.

2.2.2. Dividend policy

AXA determines its dividend policy on the basis of its adjusted earnings[48], and currently intends to distribute 40 to 50% of that sum on a recurrent basis. The dividend presented to the approval of the shareholders of AXA is proposed by the Management Board and Supervisory Board, which have the discretion to adjust this dividend at each year-end closing.

[48] Special indicator – see method of calculation on p. 79

2.3. Share capital

2.3.1. Share capital as of September 30, 2005

On September 30, 2005, AXA's fully paid up share capital totaled €4,375,603,269.94, evidenced in 1,910,743,786 shares with a par value of €2.29 and earning dividends as of January 1, 2005.

2.3.2. Changes since fiscal year-end 2004

Date	Operations	Number of shares issued	Issue premium *(Euros)*	Number of shares after the operation	Amount of share capital after the operation *(Euros)*
Sept. 30, 05	Exercise of stock options	2,271,633	17,814,879	1,910,715,803	4,375,539,189
	Exercise of stock subscription warrants	27,983	308,505	1,910,743,786	4,375,603,270

2.3.3. Self holding shares and Treasury shares as of June 30, 2005

	Number of shares	Par value *(Euros)*	Accounting value *(Euros)*
Self holding shares	150,000	343,500	3,084,700
Treasury shares	23,811,642	54,528,660	395,477,000

2.3.4. Fully diluted capital as of September 30, 2005

	Number of outstanding shares (or units for bonds)	Maximum number of shares created
Ordinary shares issued as of September 30, 2005	1,910,743,786	1,910,743,786
Subordinated convertible bonds 1999-2014	9,199,353	37,349,373
Subordinated convertible bonds 2000-2017	6,639,463	26,956,220
Stock options		69,098,575
Freely allotted shares		1,110,532
Maximum total number of shares		**2,045,258,486**

2.4. General information

2.4.1. Anticipated sources of funds needed to finance the principal investments in progress or future

Investments under way or to come will be financed by the Group's usual and recurrent means of funding.

2.4.2. Financial data not extracted from audited financial statements

Where financial information in this update of the Annual report and/or in the 2004 Annual Report is not extracted from the Company's audited accounts, information (other than information which is expressed to have been derived from a source external to the Company) is derived from unaudited Group accounts and data.

2.4.3. Legal and arbitration proceedings

Except as disclosed in this update of the Annual report and/or in the 2004 Annual Report, neither the Company nor any of its consolidated subsidiaries is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) in the 12 months preceding the date of this document which may have, or in such period have had, a significant effect on the financial position or profitability of the Company and/or the Group.

2.4.4. Significant changes in the Group's financial or trading positions

Except as disclosed in this update of the Annual report and/or in the 2004 Annual Report, there has been no significant change in the financial or trading position of the Group since December 31, 2004 and there has been no material adverse change in the prospects of the Group since December 31, 2004.

2.4.5. Material contracts

To date, AXA has not entered into any material contract, other than contracts entered into in the ordinary course of business, that contain any provision under which the group has any material obligation or entitlement.

III- PERSONS RESPONSIBLE FOR THE UPDATE OF THE ANNUAL REPORT AND INDEPENDENT AUDITORS

3.1. Person responsible for the update of the Annual Report and person responsible for investor information

3.1.1. Person responsible for the Annual Report (*Document de référence*) and update thereof

Mr. Henri de Castries, Chairman of the Management Board of AXA SA

3.1.2. Statement of person responsible

To the best of our knowledge, having taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts ; it comprises all information required to enable investors to reach an informed opinion of the assets, activities, financial position, earnings and prospects of the Company ; it contains no misleading omissions.

We have requested and obtained from the statutory auditors of the Company a letter attesting to the completion of their assignment, in which they mention their report on the limited review of half-year consolidated financial statements as of June 30, 2005, as well as their reports on the annual consolidated financial statements for the years ended December 31, 2004, December 31, 2003 and December 31, 2002. In this same letter, the statutory auditors indicate that they have performed their limited review in accordance with the professional standards applicable in France and that they have verified the information pertaining to the Company's financial situation and the financial statements contained in this update as well as having read substantially all of this update.

The financial information contained in this update is discussed in a report issued by the statutory auditors and reprinted on page 86.

Paris, November 14, 2005

Chairman of the Management Board
Henri de Castries

3.1.3. Person responsible for investor information

Mr. Denis Duverne
AXA
25, avenue Matignon, 75008 Paris
Phone: 01 40 75 57 00

3.2. Independent auditors

The independent auditors are:

Incumbent auditors

PRICEWATERHOUSECOOPERS AUDIT:

63, rue de Villiers – 92208 Neuilly-sur-Seine, represented by Yves Nicolas and Eric Dupont, first appointed on February 28, 1989. The current appointment is for a term of 6 years, until the annual general meeting of the shareholders called to approve the financial statements for the fiscal year 2005.

Membership in a professional body : PricewaterhouseCoopers Audit is registred as an independent auditor with the *Compagnie Régionale des Commissaires aux Comptes de Versailles.*

MAZARS & GUÉRARD:

39, rue de Wattignies – 75012 Paris, represented by Patrick de Cambourg and Jean-Claude Pauly, first appointed on June 8, 1994. The current appointment is for a term of 6 years, until the annual general meeting of the shareholders called to approve the financial statements for the fiscal year 2009.

Membership in a professional body : Mazars & Guérard is registred as an independent auditor with the *Compagnie Régionale des Commissaires aux Comptes de Paris.*

Alternate auditors

Patrick Frotiée : 63, rue de Villiers – 92208 Neuilly-sur-Seine, first appointed on May 17, 1995. The current appointment is for a period of 6 years, until the annual general meeting of the shareholders called to approve the financial statements for the fiscal year 2005.

Jean Louis Simon : 39, rue de Wattignies – 75012 Paris, first appointed on April 21, 2004. The current appointment is for a period of 6 years, until the annual general meeting of the shareholders called to approve the financial statements for the fiscal year 2009.

IV- CORRESPONDENCE TABLE

Information Items - Annex 1 of the Commission Regulation n° 809/2004	Annual Report (*Document de référence*) filed with the AMF on March 31, 2005 under n° D05-0313	Update filed with the AMF on November 14, 2005
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5. Information about the issuer		
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10.3 Borrowing requirements and funding structure	p. 115 , p. 125 , p 238 ; p 250-251	p. 15 , Appendix p. 63-64, 123-124
10.4 Restrictions on the use of capital resources	N/A	N/A
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11. R&D, patents and licenses	N/A	N/A
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Information Items - Annex 1 of the Commission Regulation n° 809/2004	Annual Report (*Document de référence*) filed with the AMF on March 31, 2005 under n° D05-0313	Update filed with the AMF on November 14, 2005
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Information Items - Annex 1 of the Commission Regulation n° 809/2004	Annual Report (*Document de référence*) filed with the AMF on March 31, 2005 under n° D05-0313	Update filed with the AMF on November 14, 2005
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* Pursuant to Article 28 of Commission Regulation (EC) n° 809/2004 of April 29, 2004, the following items are incorporated by reference :

- AXA's consolidated financial statements for the year ended December 31, 2004 and the independent auditors' report on them, respectively presented on pages 196-275 and on pages 276-277 of the Annual Report (*Document de Référence*) n°D05-0313 filed with the AMF (*Autorité des Marchés Financiers*) on March 31, 2005 ;
- AXA's consolidated financial statements for the year ended December 31, 2003 and the independent auditors' report on them, respectively presented on pages 220-299 and on pages 300-301 of the Annual Report (*Document de Référence*) n°D04-0433 filed with the AMF (*Autorité des Marchés Financiers*) on April 7, 2004 ;
- AXA's consolidated financial statements for the year ended December 31, 2002 and the independent auditors' report on them, respectively presented on pages 178-248 and on page 249 of the Annual Report (*Document de Référence*) n°D03-0418 filed with the AMF (*Autorité des Marchés Financiers*) on April 9, 2003.

APPENDIX

Consolidated Financial Statements
June 30, 2005

CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2005

AXA

SUMMARY OF CONTENT

CONSOLIDATED BALANCE SHEET

CONSOLIDATED BALANCE SHEET

ASSETS

Disclosures reference	(million euros)	IFRS		French GAAP (*)	
		June 30, 2005	December 31, 2004	December 31, 2004	December 31, 2003
1.2.3	Goodwill	12 848	11 906	12 423	12 874
1.2.4	Value of purchased business in force (1)	2 805	3 123	2 993	2 814
1.2.5	Deferred acquisition costs and equivalent (2)	14 785	13 008	11 954	10 993
	Other intangible assets	622	597	629	556
	Intangible assets	***31 060***	***28 634***	***27 998***	***27 237***
	Investments in real estate properties	12 351	12 233	11 702	11 727
	Invested financial assets (3)	275 800	251 516	229 258	212 431
	Loans (4)	17 977	18 114	18 156	17 009
	Assets backing contracts where the financial risk is borne by policyholders (5)	127 355	112 387	113 786	101 002
1.2.6 & 7	***Investments from insurance activities (6)***	***433 482***	***394 250***	***372 902***	***342 169***
1.2.6 & 7	***Investments from banking and other activities (6)***	***10 233***	***11 336***	***8 962***	***8 100***
1.2.7	***Investments in associates - Equity method***	***175***	***330***	***871***	***1 254***
1.2.11	***Reinsurer's share in insurance and investment contracts liabilities***	***8 716***	***7 898***	***7 897***	***8 489***
	Tangible assets	1 343	1 290	1 139	1 243
	Other long term assets (7)	1 502	2 260	3 495	3 209
	Deferred policyholder's participation asset	0	0	0	0
1.2.15	Deferred tax asset	3 561	3 731	2 515	2 053
	Other assets	***6 406***	***7 281***	***7 148***	***6 504***
	Receivables arising from direct insurance and inward reinsurance operations	9 872	8 167	10 318	11 372
	Receivables arising from outward reinsurance operations	2 284	2 134	0	0
	Receivables arising from banking activities	11 651	11 481	11 417	10 956
	Receivables - current tax position	1 037	412	409	255
	Other receivables (8)	13 896	9 590	11 687	13 575
1.2.8	***Receivables***	***38 741***	***31 784***	***33 831***	***36 158***
	Assets held for sale and relating to discontinued operations	***193***	***62***	***0***	***0***
1.2.9	***Cash and cash equivalents***	***22 735***	***22 494***	***21 352***	***19 322***
	TOTAL ASSETS	551 742	504 069	480 961	449 233

(*) French GAAP information is presented under the IFRS presentation format

(1) Balance shown gross of tax

(2) Balance gross of unearned revenue reserve and unearned fee reserve

(3) Financial assets excluding loans and assets backing contracts where the financial risk is borne by policyholders
Includes fixed maturities, equities, controlled and non controlled investment funds

(4) Includes policy loans

(5) Also includes assets backing contracts with Guaranteed Minimum features

(6) Also includes trading financial assets, includes accured interest
All financial assets balances are shown net of derivatives impact (please refer to notes 1.2.16 and 10)

(7) Includes long term assets, i.e. when maturity is above 1 year

(8) Includes short term assets, i.e. when maturity is below 1 year

LIABILITIES

Disclosure reference	(million euros)	IFRS		French GAAP (*)	
		June 30, 2005	December 31, 2004	December 31, 2004	December 31, 2003
	Share capital and capital in excess of nominal value	19 397	19 385	19 719	18 056
	Reserves and translation reserve	11 009	5 400	3 919	4 340
	Net income for the period	2 274	3 738	2 519	1 005
	Shareholders' equity - Group share	**32 680**	**28 523**	**26 157**	**23 401**
	Minority interests	2 831	2 507	2 206	2 469
1 2 10 & 8	**TOTAL MINORITY INTERESTS AND SHAREHOLDERS' EQUITY**	**35 511**	**31 030**	**28 363**	**25 870**
	Liabilities arising from insurance contracts	241 730	227 843	257 358	246 560
	Liabilities arising from insurance contracts where the financial risk is borne by policyholders (1) (7)	83 632	73 578	113 929	101 004
	Total liabilities arising from insurance contracts (2)	***325 361***	***301 421***	***371 287***	***347 564***
	Liabilities arising from investment contracts with discretionary participating feature	32 431	31 662	-	-
	Liabilities arising from investment contracts with no discretionary participating feature	968	869	-	-
	Liabilities arising from investment contracts where the financial risk is borne by policyholders (3)	44 007	39 127	-	-
	Total liabilities arising from investment contracts (2)	***77 406***	***71 659***	-	-
	Unearned revenues and unearned fees reserves	1 784	1 675	-	-
	Liabilities arising from policyholder's participation (4)	24 632	19 798	14 871	13 037
	Derivatives relating to insurance and investment contracts	229	(32)	-	-
1 2 11	**LIABILITIES ARISING FROM INSURANCE AND INVESTMENT CONTRACTS**	**429 413**	**394 520**	**386 158**	**360 600**
1 2 12	***Provisions for risks and charges***	***7 911***	***7 729***	***4 392***	***4 964***
	Subordinated debt	8 010	8 089	9 235	8 453
	Financing debt instruments issued	2 956	2 903	2 964	4 459
	Financing debt owed to credit institutions	17	17	17	29
1 2 13 & 9	***Financing debt (5)***	***10 983***	***11 009***	***12 216***	***12 941***
1 2 15	***Deferred tax liability***	7 331	6 895	2 805	1 954
	Controlled investment funds minority interests liability	4 051	3 223	-	-
	Other debt instruments issued and bank overdrafts (6)	8 215	7 784	5 830	4 518
	Payables arising from direct insurance and inward reinsurance operations	4 090	3 863	6 062	6 714
	Payables arising from outward reinsurance operations	4 304	3 588	1 376	1 598
	Payables arising from banking activities	11 783	12 285	12 220	11 563
	Payables - current tax position	1 372	954	975	388
	Derivatives relating to other financial liabilities	(9)	1	-	-
	Other payables	26 787	21 187	20 565	18 122
1 2 14	***Payables***	***60 592***	***52 886***	***47 027***	***42 903***
	Liabilities held for sale or relating to discontinued operations	-	-	-	-
	TOTAL LIABILITIES	**551 742**	**504 069**	**480 961**	**449 233**

(*) French GAAP information is presented under the IFRS presentation format

(1) Also includes liabilities arising from contracts with Guaranteed Minimum features

(2) Balances shown gross of reinsurer's share in liabilities arising from contracts

(3) Liabilities arising from investment contracts with discretionary participating feature and investment contracts with no discretionary participating feature with financial risk is borne by the policyholder

(4) Also includes liabilities arising from deferred policyholder's participation

(5) Financing debts balances are shown net of effect of derivatives instruments (please refer to notes 1 2 16 and 10)

(6) Includes effect of derivatives instruments (please refer to notes 1 2 16 and 10)

(7) Under French GAAP, liabilities arising from contacts with financial risk borne by the policyholders are shown within insurance contracts

	IFRS		French GAAP (*)	
	June 30, 2005	June 30, 2004	June 30, 2004	June 30, 2003
Liabilities arising from insurance contracts with financial risk borne by the policyholders	83 632	73 578	113 929	101 004
Liabilities arising from investment contracts with financial risk borne by the policyholders	44 007	39 127	0	0
Total Liabilities arising from contracts with financial risk borne by the plicyholders	**127 639**	**112 705**	**113 929**	**101 004**
Liabilities arising from insurance contracts	241 730	227 843	257 358	246 560
Liabilities arising from investment contracts with discretionary participating feature	32 431	31 662	0	0
Liabilities arising from investment contracts with no discretionary participating feature	968	869	0	0
Total Liabilities arising from insurance and investment contracts	**275 129**	**260 374**	**257 358**	**246 560**

CONSOLIDATED STATEMENT OF INCOME

CONSOLIDATED STATEMENT OF INCOME

Disclosure reference	(million euros, except EPS which is in euros)	IFRS		French GAAP (*)	
		June 30, 2005	June 30, 2004	June 30, 2004	June 30, 2003
	Gross written premiums	33 844	32 571	35 072	35 390
	Fees and charges relating to investment contracts with no participating feature	237	216	-	-
	Revenues from insurance activities	*34 082*	*32 786*	*35 072*	*35 390*
	Net revenues from banking activities	*225*	*196*	*180*	*159*
	Revenues from other ativities (1)	*2 192*	*1 900*	*1 848*	*1 647*
11	TOTAL REVENUES	36 499	34 883	37 100	37 196
	Change in unearned premiums net of unearned revenues and fees	*(1 943)*	*(1 723)*	*(1 608)*	*(1 559)*
	Net investment income (2)	7 259	6 605	6 530	6 130
	Net realized investment gains and losses (3)	2 091	2 755	1 462	1 244
	Change in fair value of financial instrument at fair value through P&L	4 354	1 873	2 743	6 637
	Change in financial instruments impairment (4)	(104)	(168)	(218)	(2 217)
1,2,19	*Net investment result excluding financing expenses*	*13 600*	*11 065*	*10 518*	*11 794*
	Technical charges relating to insurance activities (5)	(36 951)	(33 683)	(35 585)	(39 387)
1 2 20	Net result from outward reinsurance	(302)	(585)	(586)	(461)
	Bank operating expenses	(26)	(58)	(75)	(49)
	Acquisition costs (6)	(3 153)	(2 757)	(2 807)	(2 645)
	Amortization of the value of purchased business in force and of other intangible assets	(364)	(238)	(137)	(112)
	Administrative expenses	(3 932)	(3 627)	(3 644)	(3 579)
	Change in tangible assets impairment	25	(18)	(18)	(1)
	Other income and expenses (7)	(51)	(131)	(117)	(49)
	Other operating income and expenses	*(44 754)*	*(41 097)*	*(42 978)*	*(46 282)*
	Income from operating activities before tax	3 402	3 128	3 032	1 148
	Income arising from investments in associates - Equity method	9	40	33	54
	Financing debts expenses (8)	(305)	(291)	(99)	(134)
	Operating income before tax	3 106	2 877	2 966	1 068
	Income tax	*(627)*	*(864)*	*(823)*	*(285)*
	Net operating result	2 479	2 013	2 143	783
	Change in goodwill impairment (9)	*(0)*	*(37)*	*(526)*	*(443)*
	Result from discontinued operations net of tax	-	-	-	-
	Net consolidated income	2 479	1 976	1 617	340
	Minority interests share in net consolidated result	*205*	*243*	*173*	*131*
	Net income Group share	2 274	1 733	1 444	209

(*) French Gaap information is presented under the IFRS presentation format

12	Earnings per share	1,21	0,99	0,81	0,12
	Fully diluted earnings per share	1,19	0,94	0,78	0,12

	Underlying earnings (10)	1 761	1 398	1 436	1 085
	Underlying earnings per share	0,93	0,80	0,81	0,62
	Fully diluted underlying earnings per share	0,93	0,77	0,77	0,61
	Adjusted earnings (11)	2 132	1 661	1 590	363
	Adjusted earnings per share	1,13	0,95	0,89	0,21
	Fully diluted adjusted earnings per share	1,12	0,90	0,85	0,21

Notes P&L

(*) More details on the IFRS first time application impacts are available in note 1

(1) Excludes insurance and banking activities

(2) Net of investment management costs

(3) Includes impairment write back on invested assets after sale

(4) Excludes impairment write back on invested assets after sale

(5) Includes changes in liabilities arising from insurance contracts and investment contracts (with or with no participating feature) where the financial risk is borne by policyholders

(6) Includes acquisition costs and change in deferred acquisition costs relating to insurance contracts and investment contracts with discretionary participating feature as well as change in rights to future management fees relating to investment contracts with no participating feature

(7) Notably includes financial charges in relation to other debt instruments issued and bank overdraft

(8) Net balance of income and expenses related to derivatives on financing debt (however excludes change in fair value of these derivatives)

(9) Includes change in impairment and amortization of intangible assets as well as negative goodwill

(10) Underlying earnings correspond to adjusted earnings excluding net realized capital gains attributable to shareholders.
Net realized gains or losses attributable to shareholders include :
- i) realized gains and losses (on assets not designated under fair value option or trading assets) ii)change in impairment valuation allowance, iii) foreign exchange rates impacts (including derivatives and except the ones mentioned above) net of tax.
- related impact on policyholder participation net of tax, (life business)
- DAC and VBI amortization or other reactivity to those elements if any. (life business)

(11) Adjusted earnings represent the net income (group share) before .
(i) The impact of exceptional operations (primarily change in scope, including restructuring costs related to a newly acquired company during the considered accounting period)
(ii) Goodwill and other related intangible impacts, and
(iii) Profit and loss on financial assets accounted for under fair value option (excluding assets backing contract liabilities for which the financial risk is borne by the policyholder) and derivatives related to invested assets (excluding (i) all impacts of foreign exchange except the ones related to currency options in earnings hedging strategies and (ii) those related to insurance contracts valuated according to the "selective unlocking "accounting policy)

CONSOLIDATED STATEMENT OF CASH-FLOWS

	(million euros)	June 30, 2005	June 30, 2004
	Income from operating activities, gross of tax expenses	**3 402**	**3 128**
(+/-)	Net capital gains / (losses) from investing activities	(2 046)	(2 346)
(+)	Net amortization expense	380	182
(+)	Net change in valuation allowances	83	186
(+)	Change in deferred acquisition costs	(636)	(755)
(+)	Change in insurance liabilities and financial liabilities related to investment contracts	13 906	10 336
(+)	Net allowance to other provisions	(112)	(141)
(-)	Dividends recorded in P&L during the period	(1 028)	(956)
(-)	Interests recorded in P&L during the period	(5 732)	(5 116)
(+)	Change in fair value of financial instruments as at fair fair value trough P&L (excluding cash and cash equivalent)	(4 354)	(1 851)
(+)	Other non-cash items included in income from operating activities	(226)	83
	Adjustments linked to non monetary items and to investing and divesting activities included in the income from operating activities	***235***	***(378)***
(+)	Deposit accounting (Net cash)	719	464
(+)	Dividends and interim dividends collected	1 067	1 084
(+)	Interests collected	5 650	5 058
(+/-)	Change in operating receivables and payables	(1 147)	(581)
(+/-)	Change in valuation of instruments given or received as guarantees	0	0
(+)	Net cash provided by other assets and liabilities	466	1 229
(-)	Tax expenses paid	(301)	(100)
	Net cash provided by operating activities	**10 090**	**9 905**
(-)	Purchase of subsidiaries and affiliated companies, net of cash acquired	(381)	(1 478)
(+)	Disposal of subsidiaries and affiliated companies, net of cash ceded	166	256
(-)	Purchase of shares of affiliated companies	(18)	(45)
(+)	Disposal of shares of affiliated companies	-	261
	Net cash related to changes in scope of consolidation	***(234)***	***(1 006)***
(+)	Sales of fixed maturities	39 753	41 792
(+)	Sales of equity securities	9 083	12 331
(+)	Sales of investment property	606	589
(+)	Sales and/or repayment of loans and other assets	5 358	2 332
	Net cash related to sales and repayments of financial assets	***54 800***	***57 045***
(-)	Purchases of fixed maturities	(45 170)	(45 232)
(-)	Purchases of equity securities	(8 317)	(13 458)
(-)	Purchases of investment property	(628)	(337)
(-)	Purchases and/or issues of loans and other assets (including those allocated to unit-linked contracts)	(8 348)	(4 182)
	Net cash related to purchases and issuance of financial assets	***(62 464)***	***(63 208)***
(+)	Sales of tangible and intangible assets	89	97
(-)	Purchases of tangible and intangible assets	(166)	(137)
	Net cash related to sales and purchases of tangible and intangible assets	***(77)***	***(41)***
	Net cash provided by investing activities	**(7 974)**	**(7 211)**
(+)	Issuance of equity instruments	312	31
(-)	Repayments of equity instruments	-	-
(+/-)	Transactions on treasury shares	-	-
(-)	Dividends payout	(1 288)	(809)
	Net cash related to transactions with shareholders	***(976)***	***(778)***
(+)	Cash provided by financial debts issuance	35	413
(-)	Cash used for financial debts repayments	(1 064)	(496)
(-)	Interest on financing debt paid in year (excluding accrued interest)	(396)	(362)
	Net interest margin of hedging derivatives on financing debt	-	-
	Net cash related to Group financing	***(1 425)***	***(445)***
	Net cash provided by financing activities	**(2 401)**	**(1 223)**
	Cash and cash equivalent as of 1st January	**21 830**	**18 858**
	Net cash provided by operating activities	10 090	9 905
	Net cash provided by investing activities	(7 974)	(7 211)
	Net cash provided by financing activities	(2 401)	(1 223)
	Net impact of foreign exchange fluctuations on cash and cash equivalents	243	312
	Impact of changes in scope on cash and cash equivalents	194	176
	Impact of reclassification on cash and cash equivalents	(16)	(14)
	Net cash provided by assets and liabilities held for sale discontinued operations	-	-
	Cash and cash equivalent at 30 June	**21 965**	**20 803**

CONSOLIDATED STATEMENT OF SHAREHOLDER'S EQUITY

CHANGES IN SHAREHOLDERS' EQUITY (million euros, except for number of shares and nominal value)	Attributable to shareholders												
	Share capital					Other reserves				Translation reserve			
	Number of shares	Nominal value (euros)	Share Capital	Capital in excess of nominal value	Treasury shares	Reserves relating to the change in FV of financial instruments available for sale	Reserves relating to the change in FV of hedge accounting derivatives (cash flow hedge)	Reserves relating to revaluation of tangible assets	Others (1)	Translation reserve	Undistributed profits and other reserves	Shareholders' equity - Group share	Minority interests
Shareholders' equity opening 01/01/2004	1 778 103	2,29	4 077	14 008	(510)	4 213	45	-	183	0	456	22 469	2 709
Share capital	836	2,29	1									1	
Capital in excess of nominal value				5								5	
Including Proceeds from shares issued				-									
Equity - share based compensation				19								19	
Change in scope of consolidation						(3)	-	-	(0)		-	(3)	(125)
Treasury shares					24							24	
Equity component of compound financial instruments									-			-	
Super subordinated debt									-			-	
Accrued interests - Super subordinated debt									-			-	
Dividends paid AXA											(876)	(876)	-
Impact of transactions with shareholders	836	2,29	1	24	24	(3)	-	-	(0)	-	(876)	(828)	(125)
Reserves relating to changes in fair value through shareholders' equity						(285)	(4)	-				(290)	
Other									16		0	16	(129)
Translation reserve	-	-	-	-	-	-	-	-	-	492	-	492	33
Employee benefits actuarial gains and losses trough OCI (2)											-	-	
Income allocation											-	-	3
Net income of the period											1 733	1 733	243
Total recognized income and expense for the period (SORIE)	-	-	-	-	-	-	-	-	-	-	1 733	1 733	247
Shareholders' equity closing 30/06/2004	1 778 739	2,29	4 073	14 033	(486)	3 925	41	-	198	492	1 519	23 795	2 733

NB amounts are presented net of impacts of shadow accounting and of its effects on policyholder's benefit, deferred asquisition costs, and value of business in force
(1) Mainly equity components of compounded financial instruments (i e for example convertible bounds)
(2) Actuarial gains and losses accrued since January 1, 2004

CHANGES IN SHAREHOLDERS' EQUITY (million euros, except for number of shares and nominal value)	Attributable to shareholders – Share capital: Number of shares	Nominal value (euros)	Share Capital	Capital in excess of nominal value	Treasury shares	Other reserves: Reserves relating to the change in FV of financial instruments available for sale	Reserves relating to the change in FV of hedge accounting derivatives (cash flow hedge)	Reserves relating to revaluation of tangible assets	Others (1)	Translation reserve: Translation reserve	Undistributed profits and other reserves	Shareholders' equity - Group share	Minority interests
Shareholders' equity opening 01/01/2005	1 908 444	2,29	4 370	15 401	(385)	5 720	53	-	821	(724)	3 267	28 523	2 507
Share capital	1 687	2,29	4									4	
Capital in excess of nominal value				25								25	
including Proceeds from shares issued													
Equity - share based compensation				(5)								(5)	
Change in scope of consolidation						(2)	-	-	(0)			(2)	86
Treasury shares					(12)							(12)	
Equity component of compound financial instruments													
Super subordinated debt									250			250	
Accrued interests Super subordinated debt									(14)			(14)	
Dividends paid AXA											(1 164)	(1 164)	-
Impact of transactions with shareholders	1 687	2,29	4	20	(12)	(2)	-	-	236	-	(1 164)	(918)	86
Reserves relating to changes in fair value through shareholders' equity						1 674	23	-			-	1 697	
Other									0		(7)	(7)	(183)
Translation reserve	-	-	-	-	-				-	1 127	-	1 127	227
Employee benefits actuarial gains and losses trough OCI (2)											(15)	(15)	
Income allocation											-		(10)
Net income of the period											2 274	2 274	205
Total recognised income and expense for the period (SORIE)	-	-	-	-	-	-	-	-	-	-	2 258	2 258	195
Shareholders' equity closing 30/06/05	1 910 132	2,29	4 374	15 420	(398)	7 393	76	-	1 058	404	4 352	32 680	2 831

NB amounts are presented net of impacts of shadow accounting and of its effects on policyholder's benefit, deferred asquisition costs, and value of business in force
(1) Mainly equity components of compounded financial instruments (i e for example convertible bounds)
(2) Actuarial gains and losses accrued since January 1, 2004

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

Note 1 : First time adoption

1.1. Impact of transition to IFRS

1.1.1. Accounting principles

In its 2004 annual report, the Group stated that it would present consolidated financial statements in accordance with IFRS standards as of 2005 accounting exercise. The conversion project involved the Management Board approving and the Audit Committee reviewing of the accounting options and application principles adopted for the opening balance sheet and comparative figures for 2004 (first-half and full-year periods). The Audit Committee carried out its final review of these accounting options and principles in June 2005.

The restated 2004 financial statements were prepared in accordance with IFRS standards and with IFRIC (International Financial Reporting Interpretations Committee) interpretations that had been published and come into force, or that had been recently adopted at the time the statements were prepared (June 2005) and approved by the European Commission.
AXA anticipated the amendment of IAS 39 relating to the fair value option, published by the IASB (International Accounting Standards Board) on June 16, 2005 and approved by the ARC (Accounting Regulation Committee) in July 2005. This amendment is likely to be approved by the European Commission in the second half of 2005. AXA also applied the amendment to IAS 19 adopted by the IASB in December 2004, and which is also due to be approved by the European Commission in the second half of 2005 following approval by the ARC in May 2005.
The principles set out in this note concerning the opening balance sheet are the same as those applied to comparative data for the first-half and full-year periods in 2004 and those used for the preparation of financial statements to June 30, 2005 set out in note 4.
The IFRS standards and IFRIC interpretations that will be applicable at December 31, 2005, including those optionally applicable, were not known with any certainty at the time the restated financial statements were prepared.

First-time adoption at January 1, 2004

- In accordance with the rules governing the first-time adoption of standards, as set out by IFRS 1, the AXA Group is adopting IFRS as if they had always existed, except in cases where prospective adoption is authorized. AXA has selected the following options regarding its first-time adoption of applicable IFRS standards at January 1, 2004:
- Adoption of IFRS 4, IAS 32, IAS 39 and IFRS 2 as of 2004 (see below for the adoption of the fair value option)
- Recognition in opening shareholders' equity of past actuarial losses on benefit plans granted to employees
- No restatement of business combinations prior to January 1, 2004
- Cumulative translation reserve reset to zero
- Recognition at fair value at January 1, 2004 of investment properties carried at cost and whose fair value at January 1, 2004 was lower than its carrying value. This fair value becomes their presumed cost in accordance with IFRS 1.

1.1.2. *First Time application impacts at January 1st 2004*

a) *Assets*

ASSETS - 1ST JANUARY 2004

(million euros)	French GAAP (*)	IFRS FTA impact	IFRS
Goodwill	12 874	(1 019)	11 855
Value of purchased business in force (1)	2 814	396	3 210
Deferred acquisition costs and equivalent (2)	10 993	1 040	12 033
Other intangible assets	556	(31)	525
Intangible assets	***27 237***	***386***	***27 623***
Investments in real estate properties	11 727	708	12 434
Invested financial assets (3)	212 431	15 853	228 285
Loans (4)	17 009	139	17 148
Assets backing contracts where the financial risk is borne by policyholders (5)	101 002	(1 814)	99 188
Investments from insurance activities (6)	***342 169***	***14 886***	***357 055***
Investments from banking and other activities (6)	***8 100***	***1 430***	***9 530***
Investments in associates - Equity method	***1 254***	***(909)***	***345***
Reinsurer's share in insurance and investment contracts liabilities	***8 489***	***0***	***8 489***
Tangible assets	1 243	80	1 323
Other long term assets (7)	3 209	(1 258)	1 951
Deferred policyholder's participation asset	-	1	1
Deferred tax asset	2 053	988	3 040
Other assets	***6 504***	***(189)***	***6 315***
Receivables arising from direct insurance and inward reinsurance operations	11 372	(1 771)	9 601
Receivables arising from outward reinsurance operations	-	2 049	2 049
Receivables arising from banking activities	10 956	46	11 002
Receivables - current tax position	255	17	272
Other receivables (8)	13 575	(2 017)	11 558
Receivables	***36 158***	***(1 676)***	***34 482***
Assets held for sale and relating to discontinued operations	-	***132***	***132***
Cash and cash equivalents	***19 322***	***565***	***19 887***
TOTAL ASSETS	449 233	14 625	463 858

IFRS

(*) French GAAP information is presented under the IFRS presentation format
(1) Balance shown gross of tax
(2) Balance gross of unearned revenue reserve and unearned fee reserve
(3) Financial assets excluding loans and assets backing contracts where the financial risk is borne by policyholders
Includes fixed maturities, equities, controlled and non controlled investment funds
(4) Includes policy loans
(5) Also includes assets backing contracts with Guaranteed Minimum features
(6) Also includes trading financial assets, includes accured interest
All financial assets balances are shown net of derivatives impact (please refer to notes 1 2 16 and 10)
(7) Includes long term assets, i e when maturity is above 1 year
(8) Includes short term assets, i e when maturity is below 1 year

b) Liabilities

LIABILITIES - 1ST JANUARY 2004

(million euros)	French GAAP (*)	IFRS FTA Impact	IFRS
Share capital and capital in excess of nominal value	18 056	(486)	17 570
Reserves and translation reserve	5 345	(446)	4 899
Shareholders' equity	**23 401**	**(933)**	**22 469**
Minority interests	**2 469**	**240**	**2 709**
TOTAL MINORITY INTERESTS AND SHAREHOLDERS' EQUITY	**25 870**	**(693)**	**25 177**
Liabilities arising from insurance contracts	246 560	(29 706)	216 853
Liabilities arising from insurance contracts where the financial risk is borne by policyholders (1) (7)	101 004	(36 001)	65 003
Total liabilities arising from insurance contracts (2)	***347 564***	***(65 707)***	***281 857***
Liabilities arising from investment contracts with discretionary participating feature	-	31 401	31 401
Liabilities arising from investment contracts with no discretionary participating feature	-	936	936
Liabilities arising from investment contracts where the financial risk is borne by policyholders (3)	-	34 458	34 458
Total liabilities arising from investment contracts (2)	-	***66 795***	***66 795***
Unearned revenues and unearned fees reserves	-	1 646	1 646
Liabilities arising from policyholder's participation (4)	13 037	2 051	15 087
Derivatives relating to insurance and investment contracts	-	(28)	(28)
LIABILITIES ARISING FROM INSURANCE AND INVESTMENT CONTRACTS	**360 600**	**4 756**	**365 357**
Provisions for risks and charges	***4 964***	***2 182***	***7 146***
Subordinated debt	8 453	499	8 952
Financing debt instruments issued	4 459	(873)	3 585
Financing debt owed to credit institutions	29	-	29
Financing debt (5)	***12 941***	***(374)***	***12 567***
Deferred tax liability	***1 954***	***3 271***	***5 225***
Controlled investment funds minority interests liability	-	3 403	3 403
Other debt instruments issued, notes and bank overdrafts (6)	4 518	1 492	6 010
Payables arising from direct insurance and inward reinsurance operations	6 714	(1 662)	5 051
Payables arising from outward reinsurance operations	1 598	1 900	3 498
Payables arising from banking activities	11 563	111	11 674
Payables - current tax position	388	105	493
Derivatives relating to other financial liabilities	-	2	2
Other payables	18 122	134	18 256
Payables	***42 903***	***5 484***	***48 387***
Liabilities held for sale or relating to discontinued operations	-	-	-
TOTAL LIABILITIES	**449 233**	**14 626**	**463 859**

IFRS

(*) French GAAP information is presented under the IFRS presentation format

(1) Also includes liabilities arising from contracts with Guaranteed Minimum features

(2) Balances shown gross of reinsurer's share in liabilities arising from contracts

(3) Liabilities arising from investment contracts with discretionary participating feature and investment contracts with no discretionary participating feature with financial risk is borne by the policyholder

(4) Also includes liabilities arising from deferred policyholder's participation

(5) Financing debts balances are shown net of effect of derivatives instruments (please refer to notes 1.2.16 and 10)

(6) Includes effect of derivatives instruments (please refer to notes 1.2.16 and 10)

(7) Under French GAAP, liabilities arising from contracts with financial risk borne by the policyholders are shown within insurance contacts.

c) *Shareholder's equity*

The reconciliation between shareholders' equity reported at December 31, 2003 from French GAAP to opening shareholders' equity at January 1, 2004 under IFRS is as follows:

(million euros)	French GAAP	IFRS FTA impact	IFRS
Share capital and capital in excess of nominal value	**18 056**	**(486)**	**17 570**
Reserves relating to the change in FV of financial instruments available for sale	-	4 213	4 213
Reserves relating to the change in FV of hedge accounting derivatives (cash flow hedge)	-	45	45
Reserves relating to revaluation of tangible assets	-	-	-
Others	-	183	183
Other reserves	**-**	**4 441**	**4 441**
Translation reserve and Undistributed profits	**5 345**	**(4 887)**	**458**
SHAREHOLDERS' EQUITY - GROUP SHARE	**23 401**	**(933)**	**22 469**
MINORITY INTERESTS	**2 469**	**240**	**2 709**
TOTAL SHAREHOLDERS' EQUITY	**25 870**	**(693)**	**25 177**

The detailed reconciliation by type of adjustments [1] of the opening shareholder's equity from French GAAP to IFRS as of January 1, 2004, is as follows:

Shareholders' equity under French GAAP	**23 401**
Difference in scope of consolidation	(217)
Goodwill and purchase accounting	(1 260)
Investment accounting and valuation	2 670
Derivatives and hedging activities	192
Property and Casualty reserves	260
Deferred acquisition costs and equivalent	(127)
Employee benefit and share based compensation	(1 966)
Treasury shares	(510)
Compounded financial instruments and debt / equity classification differences	120
Other adjustments	(94)
Shareholders' equity under IFRS	**22 469**

[1] Adjustments net of tax and policyholder's participation impacts, when applicable.

d) *Main differences in accounting principles between French and IFRS*

The main differences in accounting principles between French GAAP and IFRS are set out below. Above the impact resulting from changes to valuation principles, which affect various components of opening shareholders' equity, numerous balance sheet items are affected by changes in presentation with no impact on net asset value. They include notably the presentation of unearned fees and revenues as liabilities instead of being deducted from deferred acquisition costs, the gross up of deferred tax impact of values of purchased business in force, etc....

In addition to these gross up effects, the expansion of the scope of consolidation led to an increase in opening asset and liability balances.

(a) *Scope of consolidation*

Investment and real estate companies (principally held in AXA's entities and backing insurance liabilities) are not consolidated under French GAAP, in compliance with the CRC Regulation 2000-05.

According to IFRS, all entities in which AXA has a significant influence should be consolidated with:
- the full consolidation method if AXA exercises an exclusive control;
- the proportionate method if AXA exercises a joint control;
- the equity method if AXA exercises a significant long-term influence;

The IFRS scope of consolidation is presented in section 1.2.1. The impact on the Group's opening shareholders' equity of the increase in the number of consolidated companies was €- 217 million.

For consolidated investment companies, minority interests are recognized at fair value and recorded as a liability under *Controlled Investment Funds minority interest liabilities*. The recognition of these minority interests induced an increase in invested assets and liabilities in the opening balance sheet by €3,403 million.

(b) *Goodwill*

As mentioned in section 1.1.1 above, the Group opted not to restate past business combinations, in accordance with the exemption offered by IFRS 1. As a result, adjustments to opening goodwill are limited to the translation adjustments described below and restatements of any assets and liabilities recognized at the date of acquisitions which do not meet IFRS recognition criteria (see VBI relating to investment contracts without discretionary participation features).

Under IFRS, goodwill resulting from the acquisition of a foreign entity is recorded in the currency of the acquired entity and translated into euros at the end of the accounting period. Under French GAAP, goodwill was translated into the acquirer's currency. As a result, a retroactive adjustment was recorded under IFRS to recognize goodwill in the currency of the acquired entity. This restatement reduced goodwill by €1,284 million in the opening balance sheet, and is the main adjustment contributing to the *goodwill and Purchase Accounting* sub-total adjustment. The total net impact on opening shareholders' equity is €-1,260 million.

Goodwill recognized at the date of business combinations prior to 2004 is no longer amortized but subjected to impairment tests. The impact of this change in accounting principles on 2004 figures is presented in section 1.1.3. There is no difference between French GAAP and IFRS as regards the conclusions of impairment tests.

(c) Financial assets

(million euros)

Net impact from reevaluation at fair value of available for sale assets (with change in fair value in shareholders' equity)	4 091
Net impact of impairment of available for sale assets (with change in fair value in shareholders' equity)	(1 445)
Other impacts (mainly impact of reevaluation of financial assets with change in fair value through P&L (1))	24
Net impact on opening shareholder's equity of reevaluation of financial assets, excluding consolidated investment funds	2 670

[1] This amount represents the valuation difference between French GAAP and IFRS. As a consequence, it does not include the reevaluation of assets backing unit - linked contracts, which were already recognized at fair value under French GAAP. Furtermore, it also excludes the reevaluation of assets recognized using the fair value option in the case of hedging by derivative instruments (see Derivatives and hedging activities sub-total).

(i) Classification

According to IAS 39, the intention to hold the investment is more important than the nature of investment. Applying the principle, invested assets excluding derivative instruments are classified in the following categories:

- held to maturity financial assets, accounted for at amortized cost;
- loans & receivables, accounted for at amortized cost;
- trading assets and assets under fair value option, accounted for at fair value with change in fair value in P&L;
- available for sale assets accounted for at fair value with change in fair value in shareholder's equity.

Pursuant to the IAS 39 amendment published by the IASB on June 16, 2005, companies have the option, at first recognition of financial assets and liabilities, to recognize them at fair value with change in fair value recorded in the statement of income (recognize them at "fair value through profit and loss"). The Group has used this option mainly in the following cases:

- assets backing liabilities resulting from contracts where the financial risk is borne by policyholders
- securities held by consolidated investment entities under a Group risk management policy
- certain assets covered by hedging strategies implemented by the Group and for which hedge accounting in the meaning of IAS 39 is not used
- Debt held by newly-consolidated Collateralised Debt Obligations (CDOs) are also stated at fair value with change in fair value recorded in profit and loss. This has a limited impact, since the corresponding assets are also recognized at fair value through profit and loss. This debt appears under *Other debt instruments issued and bank overdrafts*.

The adoption of these principles induces that most invested assets are recognized at fair value. No investment has been classified in the held-to-maturity securities category, and only loans are recognized at amortized cost. The increase in invested assets resulting from the reevaluation of available-for-sale assets amounted to €11,880 million at January 1, 2004. The impact on reserves relating to the change in fair value of available-for-sale financial assets, - net of tax, policyholder bonuses where applicable, and additional depreciation of VBI and DACs, is €4,213 million including the impact on consolidated funds and €4,091 million excluding the impact on these funds.

Accrued interest

Under IFRS, interest accrued but not yet due are incorporated to invested assets value. As a result, revalued financial assets are presented at fair value including accrued interest. Interest accrued but not yet due were previously presented under *other debtors-creditors* under French GAAP. The reclassification (with no net impact) increased the value of invested assets in the opening balance sheet by €2,969 million.

Real estate

Investment properties (excluding investment properties totally or partially backing contracts with financial risk borne by the policyholder) and owner-occupied properties, remain accounted for at amortized cost in IFRS, but using the component approach which was optional under French GAAP until 2004.

Identification and valuation of embedded derivatives

According to IFRS, embedded derivatives in financial assets should be separated and accounted for at fair value with change in fair value in P&L if the host contract is not accounted for with the same method and derivatives are not clearly and closely related to the host contract. So far, total embedded derivatives in invested assets which are not accounted for at fair value through P&L in accordance with this method is not material at the Group level.

Impairment rules

While there is no difference between impairment rules for debt securities under French GAAP and IFRS principles differ regarding equity securities, under IFRS, AXA considers that equity securities showing unrealized losses for a continuous period of 6 months or more prior to the closing date or equal to more than 20% of the carrying value at the closing date should be impaired.

The impairment is calculated in reference to the market value at the closing date rather than to a recoverable value. Under IFRS, any impairment of equity securities is irreversible. The amount of additional impairment recorded in the opening balance sheet is €2,269 million including consolidated funds and €2,251 million gross excluding consolidated funds, i.e. a net impact on shareholders' equity of €-1,445 million excluding consolidated funds.

Accounting rules for derivatives and hedging

The Group applies as much as possible the hedge accounting rules. When it is not possible, the derivatives are accounted for at fair value with change in fair value in P&L. The impact on revenues is limited when hedged items are recognized at fair value with change in fair value through profit and loss.

The net impact on opening shareholders' equity is €192 million. This includes the revaluation of underlying items when appropriate in cases of hedge accounting in the meaning of IAS 39 or in cases of "natural hedge" (use of the fair value option to value the underlying item, or selective use of current interest rates for insurance contracts - IFRS 4.24). This residual net impact relates mainly to derivative instruments held by the AXA SA holding company, which hedging effects cannot be reflected adequately due to the constraints imposed by IAS 39.

(d) Insurance & investment contracts

(i) Classification and accounting rules of the contracts

According to IFRS 4 (« Phase I ») and IAS 39, contracts should be classified in 2 categories: insurance contracts or investment contract.

The Group continues to apply existing accounting principles for insurance contracts and investment contracts with discretionary participation during Phase I. Consistently with the accounting standards previously used by the Group, an adequacy test is performed to ensure that the existing provisions are sufficient to cover future flows including settlement costs, embedded options and guarantees. The only exception to the previous accounting principles relates to equalization provisions, which are eliminated under IFRS. This adjustment increased opening shareholders' equity by €260 million (net), and reduced gross non-life provisions by €397 million (gross).

A small number of the contracts are classified as investment contracts without discretionary participation and are accounted for differently under IFRS. In accordance with IAS 39, these contracts are accounted for using the "deposit accounting" method (see comments in point 1.1.3 about reconciliations between 2004 French GAAP and IFRS statements of income). For the Group, this category includes mainly unit-linked contracts for which liabilities already represented the fair value of the investment funds / assets linked to those contracts at the balance sheet date under existing accounting standards.

Presentation impact

On the face of the balance sheet, information about deferred acquisition costs and deferred origination costs is presented gross of unearned revenues and unearned fees reserves. This led to a €1,646 million increase in *Deferred acquisition costs and equivalent, with unearned revenues and unearned fees reserves as counterpart.*

In addition, VBI relating to acquired life insurance companies is presented gross of tax. This increased VBI on the asset side of the balance sheet by € 857 million, with deferred tax liabilities as counterpart.

These gross up adjustments have no impact on opening shareholders' equity.

Net impact on shareholders' equity

Overall, the impact of adjustments to existing deferred acquisition costs (DAC) and life value of business in force (VBI) on shareholders' equity was €-127 million.

Investment contracts without discretionary participation

Acquisition costs relating to investment contracts without discretionary participation were recognized under French GAAP, but can no longer be recognized as assets under IFRS. Only costs directly attributable to the acquisition of a financial management service contract may be recognized as an asset (deferred origination costs) to the extent that the company will receive payments covering these costs over the life of the contract. The scope of these deferrable costs is lower under IFRS than under French GAAP. There are also amortization differences, mainly arising from differing ways of valuing profits emerging from the business concerned. €641 million of gross DACs relating to investment contracts without discretionary participation have been reversed out of opening shareholders' equity, while €499 million of deferred origination costs (DOCs) have been included in the opening balance sheet.

At the same time, VBI relating to investment contracts without discretionary participation was reduced by €378 million in the opening balance sheet.

Impact of shadow accounting on deferred acquisition costs and value of business in force

On the balance sheet, amortization of *Deferred acquisition costs and equivalent* and *Value of purchased business in force* is also affected by IFRS restatements ("reactivity" impacts). The recognition of available-for-sale assets at fair value through shareholders' equity, for example, caused accelerated amortization of these two captions through shareholders' equity, with a reduction in corresponding assets (DACs and VBI) and a reduction in the revaluation reserve for available-for-sale securities ("shadow DACs" and "shadow VBI") totalling €634 million for DACs and €380 million for VBI. In addition, DACs and VBI reactivity impacts were also recorded in relation to P&L adjustments (retained earnings in opening balance sheet) : € 38 million for DACs and € 297 million on VBI.

Guaranteed minimum income benefits (GMIBs) offered by certain direct insurance contracts and performance guarantees offered by some reinsurance contracts are covered by a risk management programme. To reduce the asymmetry between the valuation of liabilities and the valuation of the related derivatives, the Group adjusted liabilities to better reflect current interest rates on these contracts, using the "selective unlocking" option under section 24 of IFRS 4, so as to reflect changes in assumptions of the market (interest rate,....).

(ii) Shadow accounting and deferred policyholder bonuses

In compliance with the possibility offered by IFRS 4, the shadow accounting rules are applied, for insurance and investment contracts with discretionary participation, on insurance liabilities, deferred acquisition costs and value of business in force to reflect unrealized losses and gains attributable to policyholders (Cf. see additional amortization impacts mentioned above : DACs and VBI reactivity). This mechanism is identical in principle to the notion of deferred policyholder bonuses under French GAAP, and is also applied to temporary differences generated by differences between the two sets of standards and recognized through profit and loss (retained earnings in the opening balance sheet). The participation rate considered is the local best estimate rate based on constructive obligation.

(iii) Identification and valuation of embedded derivatives

Similarly to embedded derivatives in the financial assets (according to IAS 39), embedded derivatives in insurance and investment contracts should be separated and accounted for at fair value with change in fair value in P&L (according to IFRS 4) if they don't meet the following criteria of exclusion:

- if they are clearly and closely related to the host contracts;
- if they are explicitly excluded by IFRS 4 in Phase I (e.g. surrender option for a fixed amount in a insurance contracts);

- if they are an insurance contract.

So far, total of embedded derivatives in insurance and investment contracts which are not accounted for at fair value do not seem to be material at Group level.

(e) Employee benefits

As mentioned in section 1.1.1 above, in accordance with the exemption offered by IFRS 1, the Group has chosen to recognize in opening shareholders' equity actuarial gains and losses arising from differences with respect to estimates and changes in assumptions, which were not recognized through profit and loss under French GAAP. This net cumulative adjustment arising from changes in assumptions, to align to IFRS, reduced opening shareholders' equity by €2,062 million, mainly in the UK and the United States.

This adjustment affected both employee benefit liabilities accounted for under *Provisions for risks and charges* and *Other long-term operating assets* for plans that had an net asset position. Assets representing pensions commitments but that did not meet the definition under IAS 19 have also been transferred to these asset and liability captions. Such assets are to be decompensated. This presentation adjustment did not affect opening shareholders' equity, but increased total assets and liabilities.

Actuarial gains and losses arising from differences with respect to estimates and from changes in assumptions subsequent to the opening balance sheet are fully recorded shareholders' equity during the period in which they arise (through the "statement of income and expenses recognized during the period"). The impact of this change in accounting principle on 2004 is discussed in section 1.1.3.

(f) Share-based compensation

The plans set up by the Group mainly involve direct remuneration in the form of shares, not cash. The main adjustment related to the release of a reserve established for this purpose under French GAAP, resulting in a limited impact on opening shareholders' equity (+€103 million). Only options granted after 7 November 2002 and not fully vested at January 1, 2004 are recognized under IFRS. Options are stated at fair value on the grant date, and changes in fair value until the vesting date are recognized as expenses over the vesting period.

Favourable conditions granted as part of share plans with capital increases reserved to employees are also recognized in accordance with IFRS 2, and with the application document published by the CNC (Conseil National de la Comptabilité, French accounting standard-setter) relating to French share plans. The resulting impact is recognized in the statement of income for the period: see section 1.1.3. First time application impacts at June 30 and December 31, 2004.

(g) Treasury shares

Under French GAAP, treasury shares are accounted for as an investment in equity securities if they are held to stabilize the Company's share price in the market, to be attributed to employees in connection with share purchase programs, or treated as an investment backing contracts in which financial risk is borne by the policyholder. Under IFRS, these treasury shares are eliminated against shareholders' equity. The net impact on opening shareholders' equity (and invested assets) was €- 510 million.

(h) Compounded financial instruments

Under IFRS, any compounded financial instruments issued by the Group comprising both an equity component (i.e. an option allowing a debt instrument to be converted into an equity instrument of the company) and a debt instrument (comprising a contractual obligation to deliver cash) are classified separately on the liability side of the balance sheet, and the equity component is presented under shareholders' equity. This resulted in a €120 million net increase in opening shareholders' equity.

(i) Other debts

Financial debts intended to finance the solvency margin of an operating entity or to acquire a portfolio of insurance contracts are presented on the face of the balance sheet separately from other debts. Within operating debts, the main changes are the recognition as liabilities of minority interests in most investment funds (see scope of consolidation above) and the recognition of newly-consolidated CDO tranches, which increase the volume of liabilities on the face of the balance sheet.

1.1.3. First-time application impacts at June 30, 2004 and December 31, 2004

a) Reconciliations between statements of income at June 30 and December 31, 2004

- *Statement of income presentation under IFRS*

Reclassifications

The column showing the impact of transition to IFRS also contains reclassifications due to changes in presentation between French GAAP and IFRS. For example:

- The notion of *net banking revenues* is used under IFRS, whereas figures were presented gross under French GAAP.
- On the other hand, financing debt expenses are isolated in a specific sub-total under IFRS, while they were presented net under net investment result under French GAAP. The same presentation change is applied for other debt expenses, which were presented net under net investment result under French GAAP but are now included in the *Other income and expenses* sub-total in the IFRS statement of income.
- Depreciation of VBI resulting from acquisitions is now isolated in a specific caption under IFRS.

Deposit accounting

Investment contracts without discretionary participation meet the definition of financial instruments under IAS 39. These contracts are recognized according to the deposit accounting principle, which means that flows of premiums, benefits and changes in technical reserves on the related contracts are not recorded the statement of income. This adjustment reduced the apparent business volumes of life insurance companies. However, its net impact on earnings is nil. The resulting reduction in premium income was €2,449 million in the first half of 2004 and €5,139 million for full-year 2004 (main adjustment to premium income.) Loadings perceived on these contracts are recognized under "Revenues from investment contracts without discretionary participation", which totalled €216 million in the first half of 2004 and €417 million in full-year 2004. The other main statement of income caption to be impacted is "Technical charges relating to insurance activities", which fell by €-2,268 million in the first half of 2004 and by €-4,793 million in full-year 2004.

The reconciliation between earnings reported under French GAAP in the six months to June 30, 2004 and the earnings for the same period under IFRS is as follows:

(million euros)	French GAAP (*)	IFRS FTA impacts	IFRS
Gross written premiums	35 072	(2 502)	32 571
Fees and charges relating to investment contracts with no participating feature	-	216	216
Revenues from insurance activities	**35 072**	**(2 286)**	**32 786**
Net revenues from banking activities	**180**	**16**	**196**
Revenues from other ativities (1)	**1 848**	**52**	**1 900**
TOTAL REVENUES	**37 100**	**(2 218)**	**34 883**
Change in unearned premiums net of unearned revenues and fees	**(1 608)**	**(115)**	**(1 723)**
Net investment income (2)	6 530	74	6 605
Net realized investment gains and losses (3)	1 462	1 294	2 755
Change in fair value of financial instrument at fair value through P&L	2 743	(870)	1 873
Change in financial instruments impairment (4)	(218)	50	(168)
Net investment result excluding financing expenses	**10 518**	**548**	**11 065**
Technical charges relating to insurance activities (5)	(35 595)	1 912	(33 683)
Net result from outward reinsurance	(586)	1	(585)
Bank operating expenses	(75)	16	(58)
Acquisition costs (6)	(2 807)	50	(2 757)
Amortization of the value of purchased business in force and of other intangible assets	(137)	(101)	(238)
Administrative expenses	(3 644)	17	(3 627)
Change in tangible assets impairment	(18)	(0)	(18)
Other income and expenses (7)	(117)	(14)	(131)
Other operating income and expenses	**(42 978)**	**1 881**	**(41 097)**
Income from operating activities before tax	**3 032**	**96**	**3 128**
Income arising from investments in associates - Equity method	33	8	40
Financing debts expenses (8)	(99)	(192)	(291)
Operating income before tax	**2 966**	**(89)**	**2 877**
Income tax	**(823)**	**(41)**	**(864)**
Net operating result	**2 143**	**(129)**	**2 013**
Change in goodwill impairment (9)	**(526)**	**488**	**(37)**
Result from discontinued operations net of tax	-	-	-
Net consolidated income	**1 617**	**359**	**1 976**
Minority interests share in net consolidated result	**(173)**	**(70)**	**(243)**
Net income - Group share	**1 444**	**289**	**1 733**

IFRS :

(*) More details on the IFRS first time application impacts are available in note 1

(1) Excludes insurance and banking activities

(2) Net of investment management costs

(3) Includes impairment write back on invested assets after sale

(4) Excludes impairment write back on invested assets after sale

(5) Includes changes in liabilities arising from insurance contracts and investment contracts (with or with no participating feature) where the financial risk is borne by policyholders

(6) Includes acquisition costs and change in deferred acquisition costs relating to insurance contracts and investment contracts with discretionary participating feature as well as change in rights to future management fees relating to investment contracts with no participating feature

(7) Notably includes financial charges in relation to other debt instruments issued and bank overdrafts

(8) Net Balance of income and expenses related to derivatives on financing debt (however excludes change in fair value of these derivatives)

(9) Includes change in impairment and amortization of intangible assets as well as negative goodwill

The reconciliation between earnings reported under French GAAP in the twelve months to December 31, 2004 and the earnings for the same period under IFRS is as follows:

(million euros)	French GAAP (*)	IFRS FTA Impacts	IFRS
Gross written premiums	67 407	(5 255)	62 152
Fees and charges relating to investment contracts with no participating feature	-	417	417
Revenues from insurance activities	***67 407***	***(4 838)***	***62 570***
Net revenues from banking activities	***370***	***16***	***386***
Revenues from other ativities (1)	***3 866***	***108***	***4 074***
TOTAL REVENUES	**71 743**	**(4 713)**	**67 030**
Change in unearned premiums net of unearned revenues and fees	***47***	***(152)***	***(104)***
Net investment income (2)	13 000	(59)	12 941
Net realized investment gains and losses (3)	1 978	1 304	3 282
Change in fair value of financial instrument at fair value through P&L	11 449	1 139	12 588
Change in financial instruments impairment (4)	(71)	(373)	(444)
Net investment result excluding financing expenses	***26 356***	***2 010***	***28 367***
Technical charges relating to insurance activities (5)	(77 148)	4 189	(72 959)
Net result from outward reinsurance	(1 064)	1	(1 063)
Bank operating expenses	(122)	21	(101)
Acquisition costs (6)	(5 956)	(1)	(5 957)
Amortization of the value of purchased business in force and of other intangible assets	(283)	(185)	(468)
Administrative expenses	(7 627)	(280)	(7 906)
Change in tangible assets impairment	(11)	1	(10)
Other income and expenses (7)	(195)	(45)	(239)
Other operating income and expenses	***(92 405)***	***3 702***	***(88 703)***
Income from operating activities before tax	**5 742**	**847**	**6 589**
Income arising from investments in associates - Equity method	***76***	***(21)***	***55***
Financing debts expenses (8)	***(575)***	***(7)***	***(583)***
Operating income before tax	**5 243**	**819**	**6 061**
Income tax	***(1 372)***	***(443)***	***(1 814)***
Net operating result	**3 871**	**376**	**4 247**
Change in goodwill impairment (9)	***(1 031)***	***995***	***(36)***
Result from discontinued operations net of tax	-	-	-
Net consolidated income	**2 840**	**1 371**	**4 211**
Minority interests share in net consolidated result	***(321)***	***(152)***	***(473)***
Net income - Group share	**2 519**	**1 219**	**3 738**

IFRS :

(*) More details on the IFRS first time application impacts are available in note 1

(1) Excludes insurance and banking activities

(2) Net of investment management costs

(3) Includes impairment write back on invested assets after sale

(4) Excludes impairment write back on invested assets after sale

(5) Includes changes in liabilities arising from insurance contracts and investment contracts (with or with no participating feature) where the financial risk is borne by policyholders

(6) Includes acquisition costs and change in deferred acquisition costs relating to insurance contracts and investment contracts with discretionary participating feature as well as change in rights to future management fees relating to investment contracts with no participating feature

(7) Notably includes financial charges in relation to other debt instruments issued and bank overdrafts

(8) Net Balance of income and expenses related to derivatives on financing debt (however excludes change in fair value of these derivatives)

(9) Includes change in impairment and amortization of intangible assets as well as negative goodwill

b) Reconciliation of shareholders' equity at June 30 and December 31, 2004

The reconciliation between shareholders' equity reported at June 30, 2004 under French GAAP and shareholders' equity at the same date under IFRS is as follows:

(million euros)	French GAAP	IFRS FTA impact	IFRS
Share capital and capital in excess of nominal value	18 062	(442)	17 620
Reserves relating to the change in FV of financial instruments available for sale	-	3 925	3 925
Reserves relating to the change in FV of hedge accounting derivatives (cash flow hedge)	-	41	41
Reserves relating to revaluation of tangible assets	-	-	-
Others	-	198	198
Other reserves	-	4 164	4 164
Translation reserve and undistributed profits	4 870	(4 592)	278
Net income for the period	1 444	289	1 733
Translation reserves, undistributed profits, and net income of the period	6 314	(4 303)	2 011
SHAREHOLDERS' EQUITY - GROUP SHARE	24 376	(582)	23 795
MINORITY INTERESTS	2 406	326	2 732

The reconciliation between shareholders' equity reported at December 31, 2004 under French GAAP and opening shareholders' equity at the same date under IFRS is as follows:

(million euros)	French GAAP	IFRS FTA impact	IFRS
Share capital and capital in excess of nominal value	19 718	(333)	19 385
Reserves relating to the change in FV of financial instruments available for sale	-	5 720	5 720
Reserves relating to the change in FV of hedge accounting derivatives (cash flow hedge)	-	53	53
Reserves relating to revaluation of tangible assets	-	-	-
Others	-	822	821
Other reserves	-	6 595	6 595
Translation reserve and undistributed profits	3 920	(5 115)	(1 195)
Net income for the period	2 519	1 219	3 738
Translation reserves, undistributed profits, and net income of the period	6 439	(3 896)	2 543
SHAREHOLDERS' EQUITY - GROUP SHARE	26 157	2 366	28 523
MINORITY INTERESTS	2 206	301	2 507

c) *Reconciliations between shareholders' equity by component:*

	June 30, 2004	December 31, 2004	For information January 1, 2004
Shareholders' equity French GAAP	**24,376**	**26,157**	**23,401**
Difference in scope of consolidation	(67)	260	(217)
Goodwill and purchase accounting	(839)	(777)	(1,260)
Investment accounting and valuation	2,581	4,456	2,670
Derivatives and hedging activities	156	463	192
Property &Casualty reserves	277	269	260
Deferred acquisition costs and equivalent	(236)	(249)	(127)
Employee benefit and share based compensation	(2,007)	(2,161)	(1,966)
Treasury shares	(495)	(386)	(510)
Compounded financial instruments And debt / equity classification differences	122	751	120
Other adjustments	(73)	(260)	(94)
Shareholders' equity under IFRS	**23,795**	**28,523**	**22,469**

Notes on income statement reconciliation and impacts on shareholders' equity at June 30, 2004 and December 31, 2004

Main impacts on net income (group share) at June 30, 2004 and December 31, 2004

The main changes to earnings for these two periods are as follows:

- No goodwill amortization (positive impact of €340 million in the first half of 2004 and €607 million in full-year 2004)
- Releases of impairment on financial assets following disposal and lower impairment change during these periods (net positive impact of €168 million in the first half of 2004 and €526 million in full-year 2004)
- Incomplete recognition of derivative hedging effects under IFRS (impact of almost zero in the first half of 2004 but a net positive impact of €254 million in full-year 2004)
- Additional restructuring charges relating to the acquisition of MONY in the second half of 2004 (€- 146 million net impact in full-year 2004), which are not recognized in the subsidiary's opening balance sheet under IFRS, whereas they were under French GAAP
- No exceptional income from the release of reserves relating to the exercise of their puts by the former shareholders of Sanford C. Bernstein (Alliance Capital). This income is cancelled under IFRS (see *Goodwill* below), resulting in impacts of €-65 million in the first half of 2004 and €-112 million in full-year 2004.

Scope of consolidation

Impact of adjustments to the scope of consolidation became positive at the end of the period as a result of higher financial markets, increasing the amount of adjustments on assets held by consolidated funds. These differences affect either income or the revaluation reserve within shareholders' equity, depending on the designation of assets held within the funds.

Goodwill

The absence of goodwill amortization under IFRS significantly increased earnings in the first half of 2004 (€+340 million) and in full-year 2004 (€+607 million). However, goodwill remains lower under IFRS by comparison with French GAAP since currency translation effects in 2004 are greater under IFRS (counterpart in accumulated translation adjustments.

Other significant adjustments affecting "Change in goodwill impairment" relate to the cancellation under IFRS of income resulting from the exercise of puts by the former shareholders of Sanford C. Bernstein:

Million euros	**French GAAP**	**IFRS FTA impacts**	**IFRS**
At June 30, 2004			
On *Change in financial instrument impairment*	213	-213	0
On *Change in goodwill impairment*	-148	148	0
	65	-65	0
At December 31, 2004			
On *Change in financial instrument impairment*	420	-420	0
On *Change in goodwill impairment*	-308	308	0
	112	-112	0

Invested assets and accounting rules for derivatives and hedging

Cumulated impacts on shareholder's equity (millions euros)	**June 30, 2004**	**December 31, 2004**		**For information January 1, 2004**
Net impact of AFS assets with change in fair value in shareholder's equity	3 778	5 513	(1)	4 091
Impairment of AFS assets (with change in fair value in shareholder's equity)	(1 256)	(1 105)	(2)	(1 445)
Other impacts (mainly impact of reevaluation of financial assets including change in fair value through P&L)	59	48	(2)	24
Net impact on shareholder's equity of adjustments on financial assets, excluding consolidated funds	2 581	4 456		2 670
(the impact of this adjustment is included in the subtotal "Difference in scope of consolidation")				
Net impact in shareholder's equity from derivatives and hedging activities	156	463	(3)	192

(1) Impacts are net of tax, bonus policyholders and amortization of DACs and VBI in revaluation reserves
(2) Impacts are net of tax, bonus policyholders and amortization of DACs and VBI in the statement of income
(3) Impacts are net of tax, bonus policyholders and amortization of DACs and VBI in the statement of income or in shareholders' equity (cash flow hedges)

For information In this section, the impact of recognising derivatives and net hedging includes the revaluation of underlying items when appropriate in the cases of hedge accounting in the meaning of IAS 39 or in the cases of "natural hedging" (use of the fair value option to value the underlying item or selective use of current interest rates for insurance contracts).

IFRS transition adjustments reflect the differing movements in equity, fixed-income and foreign-exchange markets between the 2004 opening of the period, June 30, 2004 and December 31, 2004.

The revaluation reserve for available-for-sale securities increased by €1,422 million excluding consolidated funds at December 31, 2004 (€-313 million excluding consolidated funds at June 30, 2004.).

Net investment result now includes:

- The effects of revaluing derivative instruments, with the exception of derivatives used as cash flow hedges or to hedge net foreign investments
- The change in fair value of non-derivative trading assets or assets recorded using the fair value option Part of these change in value reduce the impact of derivative instruments,
- Translation impact on monetary items of the balance sheet. Fixed-income instruments are monetary assets and changes in their amortized cost due to exchange rates are recorded in the statement of income. Equities

are non-monetary assets, and changes in fair value of available-for-sale equity securities are recorded in the revaluation reserve within shareholders' equity.

Adjustments to French-GAAP net investment result increased significantly between June 30, 2004 (€548 million) and December 31, 2004 (€ 2.010 million). These adjustments mainly related to:

- The impact of additional impairment on available-for-sale securities recorded in the opening balance sheet, which boosted realized capital gains and reduced the impairment reserves to be booked during the period[2] by comparison with French GAAP.
- The recognition under IFRS of the appreciation in value during the period of derivative instruments at AXA SA that are not used for hedging purposes in the meaning of IAS 39 (€-6 million in the first half of 2004 and +€307 million in full-year 2004, gross of tax effects). These derivative instruments were not revalued under French GAAP.
- The increased impact during the period of revaluing assets recognised at fair value through profit and loss.
- The net impact of "natural hedging" on Japanese bonds against currency risk was not significant for both 2004 periods. However, not only did variations reversed during the period, but they affected both *Net realized investments gains and loss* (arising from rollover of derivative instruments) and *Change in fair value of financial instruments recognized at fair value through profit and loss* (due to the revaluation of derivatives not yet exercised and especially the change in fair value of bonds hedged for currency risk).

million euros	Derivatives	Underlying items	Total
At June 30, 2004			
On *Net realized investment gains and losses* [1]	605	33	638
On *Change in fair value of financial instrument at fair value through P&L* [1]	-193	-418	-611
Net			27
At December 31, 2004			
On *net realized investment gains and losses* [1]	-357	112	-245
On *Change in fair value of financial instrument at fair value trough P&L* [1]	-264	497	233
Net			-12

[1] including derivative instruments

Insurance & investment contracts

Acquisition costs relating to investment contracts without discretionary participation are partly replaced by "rights to future management fees". This reduction is offset by lower DAC and VBI amortization charge following the write off in the opening balance sheet of balances related to investment contracts without discretionary participation. As a result, the cumulative impact is shareholder's equity of adjustments on DAC and VBI was €-249 million at December 31, 2004 (€-236 million at June 30, 2004).

Shadow accounting and deferred policyholder participation

Changes in unrealized capital gains and losses in 2004 on available-for-sale securities are presented net of policyholder bonuses in the previous section. This principle also concerns temporary differences generated by differences between French GAAP and IFRS. The corresponding additional policyholder bonus charge was €447 million at June 30, 2004 and €779 million at December 31, 2004. These adjustments appear on the *Technical charges relating to insurance activities* caption in the statement of income.

Employee benefits

Actuarial gains and losses recorded against opening shareholders' equity are no longer amortized through the statement of income (*Administrative expenses*). New actuarial gains and losses generated since January 1, 2004 are recognized in a specific component of shareholders' equity. This new reserve totalled €-301 million net at the end of 2004.

[2]The reduction in impairment reserves recorded during the period under IFRS does not appear separately under the *Change in financial instruments impairment* caption, which includes the cancellation of the reserve release arising from the exercise of put options from the former Sanford C. Bernstein (Alliance Capital) shareholders, explained in *Goodwill section above*

Share-based compensation

The additional gross charge corresponding to share-based compensation is recognized under *Administrative expenses*. It totalled €65 million net at December 31, 2004.

Treasury shares

Buyback of shares in 2004 and changes in value of derivatives hedging part of these shares resulted in a net €-124 million decrease in the treasury share-related adjustment.

Deeply subordinated notes

Deeply subordinated notes are classified under shareholders' equity ("other reserves") when, like ordinary shares, they do not involve the contractual obligation to deliver cash or another financial asset. This difference with respect to French GAAP amounted to €625 million at December 31, 2004, following an issue of such bonds in the second half of 2004. The related interest expense is no longer recorded through the statement of income but through shareholders' equity.

1.2. Full year 2004 IFRS information

1.2.1. Scope of consolidation

a) Consolidated companies

(a) Main fully consolidated companies

December 31st, 2004

Parent and Holding Companies	Change in scope	Voting rights	Ownership interest
France			
AXA		Parent company	
AXA China		100,00	76,28
AXA France Assurance		100,00	100,00
Colisée Excellence		100,00	100,00
AXA Participations II		100,00	100,00
Mofipar		100,00	100,00
Oudinot Participation	Scope entry	100,00	100,00
Société Beaujon		99,99	99,99
AXA Technology Services		100,00	99,99
United States			
AXA Financial, Inc		100,00	100,00
AXA America Holding Inc	Scope entry	100,00	100,00
United kingdom			
Guardian Royal Exchange Plc		100,00	99,99
AXA UK Holdings Limited		100,00	100,00
AXA UK Plc		100,00	99,99
AXA Equity & Law Plc		99,96	99,96
Asia/Pacific (excluding Japan)			
National Mutual International Pty Ltd		100,00	51,59
AXA Life Singapore Holding	Scope entry	100,00	51,59
AXA Asia Pacific Holdings Ltd		51,59	51,59
Japan			
AXA Japan Holding		97,59	97,59
Germany			
GRE Continental Europe Holding Gmbh	Merger with AXA Konzern AG	-	-
Kölnische Verwaltungs A G für Versicherungswerte		99,56	97,74
AXA Konzern AG		92,67	92,09
Belgium			
AXA Holdings Belgium		100,00	99,92
Royale Belge Investissement		100,00	99,92
Luxembourg			
AXA Luxembourg SA		100,00	99,92
The Netherlands			
AXA Verzekeringen		100,00	99,92
AXA Nederland BV		100,00	99,92
Vinci BV		100,00	100,00
Spain			
AXA Aurora S A		100,00	100,00
Italy			
AXA Italia SpA		100,00	100,00
Morocco			
AXA Ona		51,00	51,00

December 31st, 2004

Life & Savings and Property & Casualty	Change in scope	Voting rights	Ownership interest
France			
AXA France Iard		99,92	99,92
Avanssur (formerly Direct Assurances Iard)		100,00	100,00
AXA France Vie		99,77	99,77
Juridica		98,51	98,51
United States			
AXA Financial (sub-group)		100,00	100,00
Canada			
AXA Canada Inc (sub-group)		100,00	100,00
United kingdom			
AXA Insurance Plc		100,00	99,99
AXA Sun Life Plc		100,00	99,99
GREA Insurance		100,00	99,99
PPP Group Plc		100,00	99,99
PPP Healthcare Ltd		100,00	99,99
Ireland			
AXA Insurance Limited		100,00	99,99
Asia/Pacific (excluding Japan)			
AXA Life Insurance Singapore		100,00	51,59
AXA Australia New Zealand		100,00	51,59
AXA China Region Limited		100,00	51,59
Japan			
AXA Group Life Insurance		100,00	97,59
AXA Life Insurance		100,00	97,59
AXA Non Life Insurance Co Ltd		100,00	97,59
Germany			
AXA Versicherung AG		100,00	92,09
AXA Art		100,00	92,09
AXA Leben Versicherung AG		100,00	92,09
Pro Bav Pensionskasse		100,00	92,09
Deutsche Aerzteversicherung		97,87	90,14
AXA Kranken Versicherung AG		99,69	91,81

December 31st, 2004

Life & Savings and Property & Casualty	Change in scope*	Voting rights	Ownership interest
Belgium			
Ardenne Prévoyante		100,00	99.92
AXA Belgium SA		100,00	99.92
UAB	Merger with AXA Belgium SA	-	-
Servis (Formerly Assurance de La Poste)	Buy-out of minority interests	100,00	99.92
Assurances de la Poste Vie	Buy-out of minority interests	100.00	99.92
Luxembourg			
AXA Assurances Luxembourg		100.00	99.92
AXA Assurances Vie Luxembourg		100,00	99,92
The Netherlands			
AXA Leven N V		100,00	99.92
AXA Schade N V		100,00	99.92
AXA Zorg N V		100.00	99,92
Unirobe Groep B V	Sold	-	-
Spain			
Ayuda Legal SA de Seguros y Reaseguros	Merger with AXA Aurora SA Iberica de Seguros y Reaseguros	-	-
Hilo Direct SA de Seguros y Reaseguros	Buy-out of minority interests	100,00	100,00
AXA Aurora SA Iberica de Seguros y Reaseguros		99,70	99,70
AXA Aurora SA Vida de Seguros y Reaseguros		99,70	99,70
AXA Aurora SA Vida		99,96	99,67
Italy			
AXA Interlife		100,00	100,00
UAP Vita		100,00	100,00
AXA Assicurazioni		100,00	99,99
Switzerland			
AXA Compagnie d'Assurances sur la Vie		100,00	100,00
AXA Compagnie d'Assurances		100,00	100,00
Portugal			
AXA Portugal Companhia de Seguros SA		99,61	99,37
AXA Portugal Companhia de Seguros de Vida SA		95,09	94,89
Morocco			
AXA Assurance Maroc		100,00	51,00
Epargne Croissance		99,59	50,79

December 31st, 2004

International Insurance (Entities having Worldwide Activities)	Change in scope*	Voting rights	Ownership interest
AXA RE (sub-group)		100,00	100,00
AXA Corporate Solutions Assurances (sub-group)		98,75	98,75
AXA Cessions		100,00	100.00
AXA Assistance SA (sub-group)		100,00	100 00
English & Scottish		100,00	100 00
Créalux	Sold	-	-
Futur Ré	Deconsolidation	-	-
Saint-Georges Ré		100.00	100.00

December 31st, 2004

Asset Management (Entities having Worldwide Activities)	Change in scope*	Voting rights	Ownership interest
AXA Investment Managers (sub-group)		95,44	94,90
Alliance Capital (sub-group)		61.33	61,33
National Mutual Funds Management (sub-group)		100,00	51,59

December 31st, 2004

Other Financial Services	Change in scope*	Voting rights	Ownership interest
France			
AXA Banque		100,00	99,92
AXA Banque Financement		65,00	64,95
Compagnie Financière de Paris		100,00	100,00
Holding Soffim	Merger with Compagnie Financière de Paris	-	-
Sofapi	Merger with Compagnie Financière de Paris	-	-
Sofinad		100,00	100,00
Germany			
AXA Vorsorgebank		100,00	92,09
AXA Bausparkasse AG	Sold	-	-
Belgium			
AXA Bank Belgium		100.00	99 92
IPPA Vastgoed	Sold	-	-

*: changes reported are by comparison with the IFRS scope of consolidation at January 1, 2004.

The main changes in the scope of consolidation in 2004 were the entries of **Oudinot Participation** in France and **AXA America Holding Inc.** in the United States, as part of the restructuring of the US reinsurance business.
The main removals from the scope of consolidation arose from the **disposal of Unirobe's** brokerage business in the Netherlands, the disposal of building society **AXA Bausparkasse** in Germany and the disposal of AXA Belgium's Luxembourg subsidiary **Créalux**.

In Belgium **UAB's** activities were merged with AXA Belgium SA. Following the buy-out of minority interests in **Servis** (formely **Assurance de la Poste**), in **Assurance de la Poste Vie** and in **Hilo Direct SA de Seguros y Reaseguros** in Spain, these entities are now fully consolidated.

(b) Investment funds and other investments

Funds and other investments consolidated by AXA are as follows:

Consolidated mutual funds represent total investments of €55,434 million. Of these, 99% are accounted for by 215 funds, mainly in France, the UK, Belgium, Australia and New Zealand. The number of consolidated funds in these four countries is 178.

43 real estate consolidated companies represent total investments of €6,110 million at December 31, 2004, mainly in France, the UK and Germany.

4 consolidated CDOs represent total investments of €1,871 million.

Minority interests in most investment funds do not meet the definition of shareholders' equity (particularly in the case of open-ended mutual funds), and are therefore reported as debt on the balance sheet for an amount of €3,223 million at December 31, 2004.

b) Proportionally consolidated companies

Life & Savings and Property & Casualty	Change in scope*	Voting rights	Ownership interest
France			
Natio Assurances		50,00	49,96
NSM Vie		39,98	39,98
Fonds Immobiliers Paris Office Funds		50,00	49,91

*: changes reported are by comparison with the IFRS scope of consolidation at January 1, 2004.

c) *Investments in equity-accounted companies*

(a) *Equity-accounted companies excluding mutual funds and real estate entities*

		December 31st, 2004	
Life & Savings and Property & Casualty	Change in scope*	Voting rights	Ownership interest
France			
Compagnie Financière de Paris Crédit		100,00	100,00
Argovie		94,47	94,25
Banque de Marchés et d'Arbitrages		27,71	27,70
Asia/Pacific			
AXA General Insurance Hong Kong Ltd		100,00	100,00
AXA Insurance Investment Holding		100,00	100,00
AXA Insurance Hong Kong Ltd		100,00	100,00
AXA Insurance Singapore		100,00	100,00
National Mutual Home Loans Origination Fund No 1		100,00	51,59
Ticor		28,62	17,47
Turkey			
AXA Oyak Holding AS		50,00	50,00
AXA Oyak Hayat Sigorta AS		100,00	50,00
AXA Oyak Sigorta AS		70,91	35,45

*: changes reported are by comparison with the IFRS scope of consolidation at January 1, 2004.

(b) *Equity-accounted mutual funds and real estate entities*

Equity-accounted real estate companies and mutual funds represent total assets of €243 million and €1,862 million respectively, mainly in France and the USA.

d) *Other comments on the scope of consolidation*

AXA's consolidated financial statements are prepared at December 31 on the basis of individual accounts prepared at the same date, with the exception of three Japanese life insurance companies, which have a September 30 financial year-end.

1.2.2. Segment information (statement of income and balance sheet)

AXA has five operating business segments: Life & Savings, Property & Casualty, International Insurance, Asset Management and Other Financial Services. In addition, non-operating activities are conducted by the holding companies. The financial information for AXA's business segments, and the holding company activities, is presented on a French GAAP basis and is consistent with the presentation provided in the consolidated financial statements presented herein.

No segment is dependent upon a single customer, or a few customers, the loss of which would have a significant effect on the earnings of the segment. AXA is not dependent on any one, or a few, independent brokers or independent agents or other insurance companies for which a loss of business would have a material adverse effect on the earnings of any one of the segments or AXA. No customer accounted for 10% or more of AXA's consolidated revenues in 2004.

Life & Savings Segment products and services. AXA offers a broad range of Life & Savings products including individual and group savings retirement products, Life and Health products. They comprise traditional term and whole life insurance, immediate annuities and investment products (including endowments, savings-related products, such as variable life and variable annuity products). Health products offered include critical illness and permanent health insurance products.

Property & Casualty Segment products and services. Includes a broad range of products including principally automobile and household property and general liability insurance for both personal and commercial customers (the latter to using mainly on small to medium sized companies) and permanent health insurance.

International Insurance Segment products and services. Operations in this segment are principally focused on Reinsurance, large risks, and assistance. The reinsurance operations (AXA Re) principally focus on property damage, third party liability and marine and aviation property and third party liability reinsurance. The insurance products offered, which specifically relate to AXA Corporate Solutions Assurance, include coverage to large national and international corporations principally property damage, third party liability, marine, aviation and transport, construction risk, financial risk, and directors and officers liability.

Asset Management Segment products and services. Includes diversified asset management (including mutual funds management) and related services to a variety of institutional clients and individuals, including AXA's insurance companies.

Other Financial Services Segment products and services. This segment includes principally other financial services, such as banking activities conducted primarily in France and Belgium.

Information described as "Insurance" below includes the three insurance segments: Life & Savings, Property & Casualty and International Insurance. Information described below as "Financial Services" includes both the Asset Management Segment and the Other Financial Services Segment.

a) Segmental balance sheet

(a) Asset

Segmental Assets (million euros)	December 31st, 2004							
	Life & Savings	Property & Casualty	International Insurance	Asset Management	Other financial services	Holdings companies	Inter-segments eliminations	TOTAL
Intangible assets	21 527	3 318	162	3 533	73	21	0	28 634
Investments	357 834	35 594	7 701	223	9 983	5 351	(10 570)	405 916
Reinsurer's share in insurance and investment contracts liabilities	4 025	1 835	2 474	-	-	-	(436)	7 898
Other assets (1)	2 302	(484)	880	(353)	(384)	30 120	(2 337)	29 775
Receivables	9 662	5 162	2 822	2 994	11 929	914	(1 730)	31 784
Assets held for sales and from discontinued operations	62	0	-	-	-	-	-	62
TOTAL	395 212	45 428	14 038	6 397	21 601	35 408	(15 013)	504 069
Of which	-	-	-	-	-	-	-	-
France	112 296	13 846	-	-	-	-	-	126 142
United States	100 793	-	-	-	-	-	-	100 793
United Kingdom	71 339	8 390	-	-	-	-	-	79 729
Japan	29 036	-	-	-	-	-	-	29 036
Germany	32 068	8 029	-	-	-	-	-	40 097
Belgium	16 286	7 109	-	-	-	-	-	23 395
Other countries and other transnational activities	33 393	8 053	14 038	6 397	21 601	35 406	(15 013)	104 877
Total	395 212	45 426	14 038	6 397	21 601	35 406	(15 013)	504 069

(1) including cash and cash equivalents

(b) Liabilities

Segmental liabilities excluding shareholder's equity (million euros)	December 31st, 2004							
	Life & Savings	Property & Casualty	International Insurance	Asset Management	Other financial services	Holdings companies	Inter-segments eliminations	TOTAL
Liabilities arising from insurance contracts	257 574	33 668	10 626	-	-	-	(446)	301 421
Liabilities arising from investment contracts	71 659	-	-	-	-	-	-	71 659
Unearned revenues and unearned fees reserves	1 675	-	-	-	-	-	-	1 675
Liabilities arising from policyholder's participation	19 773	26	-	-	-	-	(2)	19 798
Derivatives relating to insurance and investment contracts	(22)	-	(10)	-	-	-	-	(32)
Provisions for risks and charges	4 663	2 305	99	78	270	313	-	7 729
Financing debt	3 001	217	566	426	435	15 510	(9 147)	11 009
Deferred tax liability	5 383	1 085	197	(45)	45	229	-	6 895
Payables	21 981	5 369	2 303	3 749	20 598	4 303	(5 418)	52 886
Liabilities from hold for sale or discontinued operations	-	-	-	-	-	-	-	-
Total Liabilities excluding consolidated shareholder's equity	385 667	42 671	13 781	4 209	21 348	20 355	(15 013)	473 039

b) Consolidated statement of income by activity

(million euros)	December 31st, 2004							
	Life & Savings	Property & Casualty	International Insurance	Asset Management	Other financial services	Holdings companies	Inter-segments eliminations	TOTAL
Gross written premiums	41 111	17 903	3 314	-	-	-	(176)	62 152
Fees and charges relating to investment contracts with no participating feature	417	-	-	-	-	-	-	417
Revenues from insurance activities	41 529	17 903	3 314	-	-	-	(176)	62 570
Net revenues from banking activities	-	-	-	-	404	(1)	(17)	386
Revenues from other activities	824	42	159	3 378	-	0	(329)	4 074
Total revenues	42 353	17 945	3 473	3 378	404	(1)	(522)	67 030
Change in unearned premiums net of unearned revenues and fees	(131)	(250)	318	-	-	-	(41)	(104)
Net investment income	11 186	1 320	347	15	98	337	(361)	12 941
Net realized investment gains and losses	2 492	487	175	4	6	119	(0)	3 282
Change in fair value of financial instruments at fair value through profit and loss	12 080	113	2	3	44	346	-	12 588
Change in financial instruments impairment	(264)	(124)	(22)	(0)	(10)	(23)	-	(444)
Net investment result excluding financing expenses	25 494	1 795	500	22	138	779	(361)	28 367
Technical charges relating to insurance activities	(58 376)	(11 959)	(2 832)	-	-	-	208	(72 959)
Net result from outward reinsurance	17	(663)	(401)	-	-	-	(15)	(1 063)
Bank operating expenses	-	-	-	-	(104)	-	2	(102)
Acquisition costs	(2 602)	(3 089)	(284)	-	-	-	17	(5 957)
Amortization of the value of purchased business in force and other intangible assets	(468)	-	-	-	-	-	-	(468)
Administrative expenses	(3 002)	(1 717)	(344)	(2 623)	(189)	(269)	237	(7 906)
Change in tangible assets impairment	(3)	(7)	0	(0)	-	(0)	-	(10)
Other income and expenses	(266)	3	(8)	4	(112)	(16)	153	(239)
Other operating income and expenses	(64 700)	(17 432)	(3 868)	(2 618)	(405)	(284)	693	(88 703)
Income from operating activities before tax	3 018	2 059	425	781	137	493	(322)	6 589
Income arising from investments associates - Equity method	10	34	1	-	10	0	-	55
Financing debt expenses	(100)	(22)	(53)	(22)	(18)	(689)	322	(583)
Operating income before tax	2 928	2 071	373	760	129	(196)	-	6 061
Income tax	(971)	(563)	(120)	(178)	(95)	112	-	(1 814)
Net operating result	1 954	1 508	253	582	34	(84)	-	4 247
Change in goodwill impairment	(0)	(29)	(7)	-	-	-	-	(36)
Result from discontinued operations net of tax	-	-	-	-	-	-	-	-
Net consolidated income	1 954	1 478	246	582	34	(84)	-	4 211
Minority interests share in net consolidated income	129	39	2	277	21	4	-	473
Net income - Group share	1 826	1 439	244	304	13	(88)	-	3 738

1.2.3. Goodwill

a) Main goodwill

The main goodwill are as follows:

(million euros)	Net value January 1st, 2004	Gross value December 31st, 2004 (1)	Accumulated Impairment December 31st, 2004	Net value December 31st, 2004
MONY	-	351	-	351
AXA Equity & Law	367	366	-	366
Sterling Grace	129	130	-	130
AXA Financial, Inc.	3 010	2 790	-	2 790
Sanford C. Bernstein	2 256	2 372	-	2 372
Alliance Capital	351	325	-	325
SLPH (AXA UK Holdings)	1 482	1 474	-	1 474
Nippon Dantai (AXA Japan)	1 409	1 323	-	1 323
AXA China Region	256	236	-	236
AXA Investment Managers (including AXA Rosenberg)	106	102	-	102
Guardian Royal Exchange (except Albingia)	339	338	-	338
Guardian Royal Exchange (Albingia)	346	346	-	346
Royale Belge	565	547	33	514
UAP	525	522	-	522
AXA Aurora	91	120	-	120
IPAC	101	100	-	100
Others (3)	523	503	7	496
TOTAL	**11 855**	**11 946**	**40**	**11 906**
Of which :	-	-	-	-
Life and Savings	6 308	6 354	-	6 354
Property and Casualty	2 012	2 021	35	1 986
International Insurance	15	20	5	15
Asset management	3 450	3 483	-	3 483
Others	70	68	-	68

(1): cumulative amortization booked under French GAAP at December 31, 2003 is deducted from the gross value.

b) Other information relating to goodwill

The main goodwill are attributable to the following operations and entities:

ACQUISITION OF MONY (2004)
On July 8, 2004, AXA Financial acquired MONY for US$1.48 billion (€1.3 billion). The total cost of the transaction was US$1.63 billion, including:

- US$1.55 billion of cash payments for MONY shares,
- US$80 million of transaction costs borne by AXA Financial.

This transaction gave rise to a goodwill of US$672 million (€541 million).

At December 31, 2004, this goodwill had a net value of €351 million.

FINANCIAL REORGANISATION OF AXA EQUITY & LAW – AXA UK (2001)
As a result of AXA Equity & Law's financial reorganization, AXA acquired a portion of the surplus assets held in the participating ("With-Profit") fund and related future benefits based on the percentage of policyholders who elected in favor of the plan.

This acquisition was carried out via the payment of an incentive bonus of approximately £260 million plus £18 million of direct expenses associated with the transaction (a total of approximately €451 million based on the average £/€ exchange rate for the period).

At December 31, 2004, this goodwill had a net value of €366 million.

BUY-OUT OF MINORITY INTERESTS - AXA FINANCIAL (2000)
The aggregate purchase consideration was €11,213 million and included the following items:

- €3,868 million financed by capital increase, representing the value of the 25.8 million ordinary shares issued by AXA at a price of €149.90 per share based on the December 22, 2000 quotation, the closing date of the initial offer period and before the 4-for-1 stock split,
- €7,316 million in cash relating to the cost of settling or exchanging outstanding employee share options of AXA Financial, fees, and direct transaction costs.

Based on the carrying value of the net assets acquired of €3,913 million, the goodwill amounted to €7,301 million. In accordance with article D248-3 of the decree dated January 17, 1986 and with recommendations issued by the "Commission des Opérations de Bourse" (French stockmarket regulator) in its bulletin 210 of January 1998, the excess purchase price was charged directly to consolidated retained earnings and reserves in an amount of €2,518 million; i.e. the entire excess purchase price in proportion to the ratio of the value of ordinary shares issued by AXA to total purchase price. The remaining €4,782 million goodwill was recorded as an asset.

At December 31, 2004, this goodwill had a net book value of €2,790 million.

SANFORD C. BERNSTEIN TRANSACTION (2000)
The total purchase price was $3.5 billion (€4.0 billion) and consisted of $1.5 billion of cash and 40.8 million newly issued private units in Alliance Capital. The cash was funded by AXA Financial through a financing agreement whereby in June 2000, AXA Financial purchased units in limited partnership Alliance Capital Management L.P. for an aggregate purchase price of US$1.6 billion, and as a result recorded goodwill of €583 million. Added to the €3,689 million recorded at the time of acquisition, the total goodwill linked to the acquisition of Sanford Bernstein amounted to €4,272 million.
In connection with this acquisition, AXA Financial agreed in 2000 to provide liquidity to the former shareholders of Sanford Bernstein over an eight-year period following a two-year lockout period. Not more than 20% of the original units issued to former Sanford Bernstein shareholders may be put to AXA Financial in any one annual period.
At December 31, 2004, this goodwill had a net book value of €2,372 million.

BUY-OUT OF MINORITY INTERESTS - SUN LIFE & PROVINCIAL HOLDINGS (SUBSEQUENTLY RENAMED AXA UK HOLDINGS) (2000)

Total cost of the acquisition cost of 44% minority interests in Sun Life & Provincial Holdings (SLPH) amounted to £2.3 billion (approximately €3.7 billion). The goodwill recorded was €1,971 million .
At December 31, 2004, this goodwill had a net book value of €1,474 million.

AXA NICHIDAN (NOW KNOWN AS AXA LIFE JAPAN) (2000)

The valuation of the assets transferred by AXA and the shareholders of Nippon Dantai to the new joint entity, AXA Nichidan Holding, together with the two cash contributions made by AXA to increase AXA Nichidan's capital generated a goodwill of €1,856 million. Following the 2001 revaluation of an intangible asset that decreased the opening shareholders' equity by €130 million (group share), goodwill was subsequently increased.
At December 31, 2004, this goodwill had a net book value of €1,323 million.

BUY-OUT OF MINORITY INTERESTS - AXA CHINA REGION (2000)

The total of the transaction cost amounted to €519 million and resulted in a goodwill of €300 million.
At December 31, 2004, this goodwill had a net book value of €236 million.

GUARDIAN ROYAL EXCHANGE (1999)

The acquisition of GRE (Guardian Royale Exchange), in 1999, resulted in a goodwill of €1.138 million.

The goodwill relating to the English, Irish and Portuguese Property & Casualty subsidiaries was mainly due to a significant deficiency in insurance claims reserves, and had been impaired in 1999 for €446 million (€259 million net group share), representing the deficiency observed in the opening reserves.
Following a review of the risks insured and the resulting additional technical reserves booked in 2000, the opening shareholders' equity of british entities of the former GRE group was revised and, therefore, goodwill modified (at December 31, 2000, gross goodwill was €1,261 million and net goodwill €770 million).
At December 31, 2004, this goodwill had a net book value of €684 million.

ROYALE BELGE (1998)

At December 31, 1999, gross goodwill from the buy-out of the minority interests of Royale Belge amounted to €1,007 million, of which €337 million was charged directly to retained earnings and reserves.
At December 31, 2004, this goodwill had a net book value of €514 million.

UAP (1997)

In 1997, AXA acquired UAP, resulting in goodwill of €1,863 being booked, of which €1,641 million was charged directly to retained earnings and reserves. As a result of purchase accounting adjustments made in 1998 and in 1999, the total goodwill increased to €1,866 million at December 31, 1999, of which €1,584 million represented the amount charged directly to retained earnings and reserves.

In 2003, following the release of a provision booked when the Group acquired German activities in 1997 and which took place after the Group sold its stake in Colonia Re JV to General Re, an exceptional amortization of €57 million was recognized.

At December 31, 2004, this goodwill had a net book value of €522 million.

c) *Goodwill – roll forward*

(a) *Goodwill - gross value roll forward*

(million euros)	Gross value 01/01/04 (1)	Acquisitions during the period	Disposals during the period	Goodwill adjustments (2)	Currency translation adjustment	Other change	Gross value December 31st, 2004 (1)
MONY	-	384	-	-	(33)	-	351
AXA Equity & Law	367	-	-	-	(0)	-	366
Sterling Grace	129	-	-	-	-	-	130
AXA Financial, Inc	3 010	-	-	-	(220)	-	2 790
Sanford C. Bernstein	2 256	308	-	-	(192)	-	2 372
Alliance Capital	351	-	-	-	(26)	-	325
SLPH (AXA UK Holdings)	1 482	-	-	-	(8)	-	1 474
Nippon Dantai (AXA Nichidan)	1 409	11	-	-	(85)	-	1 334
AXA China Region	256	-	-	-	(20)	-	236
AXA Investment Managers (including AXA Rosenberg)	106	3	-	-	(8)	-	102
Guardian Royal Exchange (except Albingia)	339		-	-	(0)	-	338
Guardian Royal Exchange (Albingia)	346		-	-	-	-	346
Royale Belge	565	-	(18)	-		-	547
UAP	525	-	-	-	(0)	(2)	522
AXA Aurora	91	28	-	-	-		120
IPAC	101	-	-	3	(4)	-	100
Autres	523	5	(4)	3	(17)	(18)	483
TOTAL	**11 855**	**740**	**(21)**	**6**	**(612)**	**(20)**	**11 948**
Of which							
Life and Savings	6 308	395	-	6	(334)	(21)	6 354
Property and Casualty	2 012	30	(21)	1	(1)	-	2 021
International Insurance	15	4	-	(1)	-	3	20
Asset management	3 449	311	-	-	(277)	-	3 483
Others	70	-	-	-	-	(2)	68

(1) Gross value of goodwill is presented net of accumulated amortization under French GAAP as at December 31, 2003

(2) Goodwill adjustments in relation to
- Value adjustment of assets and liabilities acquired
- Recognition of a deferred tax asset after combination date
- Adjustment of the acquisition price
- Correction of errors

N.B.: gross value is net of cumulative amortization booked under French GAAP at December 31, 2003.

(b) Goodwill - impairment roll forward

(million euros)	Accumulated impairment losses January 1st, 2004	Additional impairment	Additional impairment relating to goodwill created on acquisitions of the period	W/B impairment on goodwill sold during the period	Currency translation adjustment on impairment	Other change	Accumulated impairment losses December 31st, 2004
MONY	-	-	-	-	-	-	-
AXA Equity & Law	-	-	-	-	-	-	-
Sterling Grace	-	-	-	-	-	-	-
AXA Financial, Inc	-	-	-	-	-	-	-
Sanford C. Bernstein	-	-	-	-	-	-	-
Alliance Capital	-	-	-	-	-	-	-
SLPH (AXA UK Holdings)	-	-	-	-	-	-	-
Nippon Dantai (AXA Japan)	-	-	-	-	-	-	-
AXA China Region	-	-	-	-	-	-	-
AXA Investment Managers (including AXA Rosenberg)	-	-	-	-	-	-	-
Guardian Royal Exchange (except Albingia)	-	-	-	-	-	-	-
Guardian Royal Exchange (Albingia)	-	-	-	-	-	-	-
Royale Belge	-	33	-	-	-	-	33
UAP	-	-	-	-	-	-	-
AXA Aurora	-	-	-	-	-	-	-
IPAC	-	-	-	-	-	-	-
Autres	-	-	6	-	-	1	7
TOTAL	-	33	6	-	-	1	40
Of which :	-	-	-	-	-	-	-
Life and Savings	-	-	-	-	-	-	-
Property and Casualty	-	33	1	-	-	1	35
International Insurance	-	-	5	-	-	-	5
Asset management	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-

1.2.4. *Value of purchased life business in force*

a) Roll forward of net carrying value

The change in value of life Value of Business in force was as follows:

(million euros)	**2004**
Gross carrying value as at 1st january	5 005
Accumulated amortization and impairment	(1 414)
Shadow accounting on VBI	(380)
Net carrying value as at 1st january	**3 210**
Increase following Life portfolio acquisitions	-
Decrease following Life portfolio disposals	-
Increase following new subsidiaries acquisitions	694
Decrease following subsidiaries disposals	-
Decrease following the transfer of portfolios as " held for sale "	-
Impact on VBI of changes in scope and portfolios transfers	***694***
Changes in amortization and capitalized interests	(469)
Increase in impairment for the period	1
Write-back in impairment for the period following a disposal or a transfer	-
Changes in VBI amortization, capitalization and impairment	***(468)***
Change in shadow accounting on VBI	(163)
Currency translation	(149)
Other changes	(0)
Net carrying value as at 31 december	3 123
Gross carrying value as at 31 december	5 474
Accumulated amortization and impairment	(1 821)
Shadow accounting on VBI	(530)

The €694 million increase in value in 2004 corresponded to the acquisition of MONY in the United States.

1.2.5. *Deferred acquisition costs and equivalent*

a) *Breakdown of deferred acquisition costs*

(million euro)	December 31st, 2004
Net deferred acquisition costs relating to Life and Savings (1)	11 729
Net rights to future managements fees (2)	692
Shadow accounting on DAC	(767)
Deferred acquisition costs and equivalent relating to Life and Savings	**11 654**
Deferred acquisition costs and equivalent relating to Property and Casualty and International Insurance	**1 354**
Net deferred acquisition costs and equivalent	**13 008**

DAC = Deferred Acquisition Costs

(1) Applicable to Life & Savings insurance contracts and investment contracts with Discretionnary participation feature according to IFRS 4

(2) Applicable to investment contracts with no Discretionnary participation feature

NB : All balances are net of amortization and impairment.

b) *Life Roll forward of deferred acquisition costs*

Changes in contract acquisition costs and similar were as follows:

(million euro)	Deferred Acquisition Costs Life (1)	Rights to future management fees (2)
Life deferred acquisition costs and equivalent net carrying value as at 1st january, 2004	**10 260**	**499**
Of which shadow accounting on DAC	635	
Increase following Life portfolio acquisitions	-	-
Decrease following Life portfolio disposals	-	-
Increase following new subsidiaries acquisitions	-	-
Decrease following subsidiaries disposals	-	-
Decrease following the transfer of portfolios as " held for sale "	-	-
Impact of changes in scope and portfolios transfers	-	-
Changes in amortization and capitalized interests	(902)	(47)
DAC and equivalent capitalization for the period	2 207	250
Increase in impairment for the period	38	-
Write-back in impairment for the period following a sale or a transfer	-	-
Changes in amortization, capitalization and impairment	1 342	203
Shadow accounting on DAC	(157)	
Currency translation	(485)	(9)
Other changes	1	(1)
Life deferred acquisition costs and equivalent net carrying value as at 31 december, 2004	10 962	692
Of which shadow accounting on DAC	767	
TOTAL	11 654	

DAC = Deferred Acquisition Costs

(1) Applicable to Life & Savings insurance contracts and investment contracts with Discretionnary participation feature according to IFRS 4

(2) Applicable to investment contracts with no Discretionnary participation feature

NB : All balances are net of amortization and impairment.

c) Deferred acquisition costs and equivalent, net of unearned revenue reserve and unearned fees reserves

The value of life DACs and equivalent, net of amortization and reserves for unearned revenues and fees, was as follows:

	December 31, 2004	
(million euros)	Deferred Acquisition Costs Life (1)	Rights to future management fees (2)
DAC net of amortization	10 962	692
Of which shadow DAC	*(767)*	
Unearned revenue reserves	1 582	0
Of which shadow URR	*(298)*	
DAC net of amortization and URR	*9 380*	*692*
Total for all types of contracts	10 072	

DAC = Deferred Acquisition Costs

URR = Unearned Revenue Reserves

(1) Applicable to Life & Savings insurance contracts and investment contracts with Discretionnary participation feature according to IFRS

(2) Applicable to investment contracts with no Discretionnary participation feature

NB All balances are net of amortization and impairment

a) *Breakdown of financial assets*

(million euros)	December 31st, 2004								
	Insurance			Other activities			Total		
	Fair value	Net book value	% (val. Balance sheet)	Fair value	Net book value	% (val. Balance sheet)	Fair value	Net book value	% (val. Balance sheet)
Investment property at amortized cost	10 293	7 683	1,95%	82	61	0,54%	10 375	7 744	2%
Investment property at fair value through Profit & Loss	4 550	4 550	1,15%	0	0	0,00%	4 550	4 550	1,1%
Macro hedge and speculative derivatives	0	0	0,00%	0	0	0,00%	0	0	0,0%
Investment property (1)	14 843	12 233	3,10%	82	61	0,54%	14 925	12 294	3,0%
Fixed maturities held to maturity	0	0	0,00%	0	0	0,00%	0	0	0,0%
Fixed maturities available for sale	164 650	164 650	41,78%	6 577	6 577	58,02%	171 227	171 227	42,2%
Fixed maturities at fair value through profit and loss	41 886	41 888	10,62%	1 197	1 197	10,58%	43 083	43 083	10,6%
Fixed maturities held for trading	4	4	0,00%	1 620	1 620	14,29%	1 624	1 624	0,4%
Non quoted fixed maturities (amortized cost)	26	23	0,01%	2	2	0,02%	29	26	0,0%
Fixed maturities	206 366	206 365	52,39%	9 396	9 396	82,89%	215 982	215 959	53,2%
Equity securities available for sale	22 249	22 249	5,64%	642	642	5,66%	22 891	22 891	5,6%
Equity securities at fair value through profit and loss	16 847	16 847	4,27%	39	39	0,34%	16 886	16 886	4,2%
Equity securities held for trading	258	258	0,07%	96	96	0,85%	354	354	0,1%
Equity securities	39 354	39 354	9,98%	777	777	6,85%	40 131	40 131	9,9%
Non controlled investment funds available for sale	2 920	2 920	0,74%	65	65	0,58%	2 985	2 985	0,7%
Non controlled investment funds at fair value through profit and loss	2 093	2 093	0,53%	45	45	0,40%	2 138	2 138	0,5%
Non controlled investment funds held for trading	232	232	0,06%	0	0	0,00%	232	232	0,1%
Non controlled investment funds	5 245	5 245	1,33%	110	110	0,97%	5 355	5 355	1,3%
Other assets held by consolidated investment funds designated as at fair value through P&L	596	596	0,15%	0	0	0,00%	596	596	0,1%
Macro hedge and other derivatives	(242)	(242)	-0,06%	536	536	4,73%	294	294	0,1%
Financial investments	251 519	251 516	63,89%	10 820	10 820	95,44%	262 339	262 336	64,7%
Loans held to maturity	2	2	0,00%	0	0	0,00%	2	2	0,0%
Loans available for sale	0	0	0,00%	23	23	0,20%	23	23	0,0%
Loans designated as at fair value through P&L	377	377	0,10%	0	0	0,00%	377	377	0,1%
Loans trading	0	0	0,00%	258	258	2,28%	258	258	0,1%
Mortgage loans	7 457	7 044	1,79%	21	21	0,18%	7 472	7 065	1,7%
Other loans (1)	10 798	10 690	2,71%	84	76	0,69%	10 882	10 766	2,7%
Macro hedge and other derivatives	0	0	0,00%	76	76	0,67%	76	76	0,0%
Loans	18 629	18 114	4,60%	462	454	4,02%	19 091	18 569	4,58%
Assets backing contracts where the financial risk is borne by policyholders	112 387	112 387	28,51%				112 387	112 387	27,7%
FINANCIAL ASSETS	397 379	394 250	100,00%	11 384	11 336	100,00%	408 743	405 646	100,00%
Financial investments and loans (2)	270 148	269 636	68,39%	11 283	11 276	99,46%	281 430	280 905	69,3%
- of which quoted	216 715	216 710	54,97%	10 436	10 436	92,05%	227 151	227 146	56,00%
- of which unquoted	53 432	52 919	13,42%	848	840	7,41%	54 278	53 759	13,25%
Financial assets (excl. those backing contracts with financial risk borne by policyholders)	284 992	281 863	71,49%						
Life and Savings	243 464	248 741	61,84%						
Property and Casualty	34 231	33 625	8,58%						
International Insurance	7 287	7 287	1,85%						

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(1) Mainly includes Policy loans
(2) Excluding investments backing contracts where the financial risk is borned by policyholders
NB: Each investment caption is presented net of hedge derivatives (IAS 39) and economic hedge derivatives which are recognize as hedge in the meaning of IAS 39 (excluding macro hedge derivatives and other derivatives). Detail effect derivatives is presented in the note 23 "Derivative instruments"

1.2.6. Investments

The method for determining the fair value of investments stated at cost or amortized cost is as follows:

- For real estate investments, fair value determination is usually based on studies conducted by qualified external appraisers. They are based on a multi-criteria approach, the frequency and terms of which are based on local requirements.
- Fair values of mortgages, policy loans and other loans are estimated by discounting future contractual cash-flows using interest rates at which loans with similar characteristics and credit quality would be originated. Fair values of doubtful loans are limited to the estimated fair value of the underlying collateral, if lower than the estimated discounted cash-flows.
- In other cases, fair value is estimated based on financial and other information available in the market, or estimated discounted cash flows, including a risk premium.

Estimated fair values do not take into account supplemental charges or reductions due to selling costs that may be incurred, nor the tax impact of realizing unrealized capital gains and losses.

The difference between the net carrying value and the estimated fair value represents the unrealized gains or losses. Upon disposal of the investment, the realized investment gains and losses may be impacted by the allocation to participating Life insurance contracts (as a change in future policy benefits), minority interests and tax.

b) *Investment property*

(million euros)	Insurance				
	Gross value (gross of impairment and amortization) (1)	Impairment (1)	Accumulated impairment (1)	Carrying value (2)	Fair value (2)
Investment property at amortized cost	9 243	(1 325)	(236)	7 683	10 293
Investment property at fair value				4 550	4 550
Macro hedge and speculative derivatives				0	0
TOTAL as at Dec 31, 2004	9 243	(1 325)	(236)	12 233	14 843

(million euros)	Other activities				
	Gross value (gross of impairment and amortization) (1)	Impairment (1)	Accumulated impairment (1)	Carrying value (2)	Fair value (2)
Investment property at amortized cost	78	0	(17)	61	82
Investment property at fair value				0	0
Macro hedge and speculative derivatives				0	0
TOTAL as at Dec 31, 2004	78	0	(17)	61	82

(million euros)	TOTAL				
	Gross value (gross of impairment and amortization) (1)	Impairment (1)	Accumulated impairment (1)	Carrying value (2)	Fair value (2)
Investment property at amortized cost	9 321	(1 324)	(253)	7 744	10 375
Investment property at fair value				4 550	4 550
Macro hedge and speculative derivatives				0	0
TOTAL as at Dec 31, 2004	9 321	(1 324)	(253)	12 284	14 925

(1) excludes potential effect of hedging derivatives, other derivatives, macro hedge and speculative
(2) includes potential effect of hedging derivatives and other derivatives (excluding macro hedge and speculatives)

Roll forward on impairment and amortization of investment properties (all activities):

(million euros)	January 1st, 2004	Increase for the period	Write back following sale or reimbursement	Write back following recovery in value	Other (1)	December 31st, 2004
Impairment - investment properties	325	121	(54)	(138)	(1)	253
Amortization - investment properties	1 274	123	(78)		5	1 324
TOTAL	1 599	244	(132)	(138)	4	1 577

(1) incl mainly change in scope of conso and change in exchange rate

c) *Unrealized gains and losses on financial investments*

Unrealized capital gains and losses on financial investments, including the value of corresponding derivative instruments, are broken down as follows:

Breakdown of financial assets (million euros)	December 31st, 2004				
	Insurance				
	Cost or amortized cost (1)	Fair value	Carrying value (2)	Unrealized gains	Unrealized losses
Fixed maturities held to maturity	-	-	-	-	-
Fixed maturities avilables for sale	152 552	164 650	164 650	13 025	928
Fixed maturities at fair value through profit and loss		41 886	41 886		
Fixed maturities held for trading		4	4		
Non quoted fixed maturities (amortized cost)	23	26	23	3	-
Fixed maturities		206 566	206 563		
Equity securities available for sale	17 913	22 249	22 249	4 583	247
Equity securities at fair value through profit and loss		16 847	16 847		
Equity securities held for trading		258	258		
Equity securities		39 354	39 354		
Non consolidated investment funds available for sale	2 640	2 920	2 920	288	8
Non consolidated investment funds at fair value through profit and loss		2 093	2 093		
Non consolidated investment funds held for trading		232	232		
Non consolidated investment funds		5 245	5 245		
Other assets held by consolidated investment funds designated as at fair value through Profit & Loss		596	596		
Macro hedge and other derivatives		(242)	(242)		
Total financial investments of insurance activities		251 519	251 516		

(1) Gross of impairment - including amortization, premium and accumulated amortization
(2) Net of impairment

Breakdown of financial assets (million euros)	December 31st, 2004				
	Other activities				
	Cost or amortized cost (1)	Fair value	Carrying value (2)	Unrealized gains	Unrealized losses
Fixed maturities held to maturity	-	-	-	-	-
Fixed maturities avilables for sale	6 525	6 577	6 577	52	1
Fixed maturities at fair value through profit and loss		1 197	1 197		
Fixed maturities held for trading		1 620	1 620		
Non quoted fixed maturities (amortized cost)	2	2	2	-	-
Fixed maturities		9 396	9 396		
Equity securities available for sale	553	642	642	90	1
Equity securities at fair value through profit and loss		39	39		
Equity securities held for trading		96	96		
Equity securities		777	777		1
Non consolidated investment funds available for sale	62	65	65	3	0
Non consolidated investment funds at fair value through profit and loss		45	45		
Non consolidated investment funds held for trading		-	-		
Non consolidated investment funds		110	110		
Other assets held by consolidated investment funds designated as at fair value through Profit & Loss		-	-		
Macro hedge and other derivatives		536	536		
Total financial investments of insurance activities		10 820	10 820		

(1) Gross of impairment - including amortization, premium and accumulated amortization
(2) Net of impairment

Breakdown of financial assets (million euros)	December 31st, 2004				
	Total				
	Cost or amortized cost (1)	Fair value	Carrying value (2)	Unrealized gains	Unrealized losses
Fixed maturities held to maturity	-	-	-	-	-
Fixed maturities avilables for sale	159 077	171 227	171 227	13 078	928
Fixed maturities at fair value through profit and loss		43 083	43 083		
Fixed maturities held for trading		1 624	1 624		
Non quoted fixed maturities (amortized cost)	26	29	26	3	-
Fixed maturities		215 962	215 959		
Equity securities available for sale	18 466	22 891	22 891	4 673	248
Equity securities at fair value through profit and loss		16 886	16 886		
Equity securities held for trading		354	354		
Equity securities		40 131	40 131		
Non consolidated investment funds available for sale	2 703	2 985	2 985	291	8
Non consolidated investment funds at fair value through profit and loss		2 138	2 138		
Non consolidated investment funds held for trading		232	232		
Non consolidated investment funds		5 355	5 355		
Other assets held by consolidated investment funds designated as at fair value through Profit & Loss		596	596		
Macro hedge and other derivatives		294	294		
Total financial investments of insurance activities		262 339	262 336		

(1) Gross of impairment - including amortization, premium and accumulated amortization
(2) Net of impairment

d) *Fixed maturities by type of issuer*

(million euros)	December 31st, 2004	
	Fair value	Carrying value
Fixed maturities of the French State	31 897	31 897
Fixed maturities of Foreign States	60 857	60 857
Fixed maturities of French or Foreign local administration	7 337	7 337
Fixed maturities of the public and semi-public sectors	9 743	9 743
Fixed maturities of the private sector	68 101	68 098
Fixed maturities guaranteed by a mortgage	10 805	10 805
Fixed maturities from other issuers (1)	26 854	26 854
Hedging derivatives and other derivatives	367	367
FIXED MATURITIES	**215 962**	**215 959**

(1) This caption includes non quoted fixed maturities and fixed maturities held through consolidated investments funds

e) *Non controlled investments funds*

Excluding equity-accounted mutual funds (which have a total value of €1,437 million), mutual funds not controlled by AXA were broken down as follows:

Non controlled investment funds (million euros)	December 31st, 2004					
	Insurance		Other		Total	
	Fair value	Amortized cost	Fair value	Amortized cost	Fair value	Amortized cost
Non controlled investment funds available for sale mainly holding equity securities	780	704	4	3	784	707
Non controlled investment funds at fair value through P&L mainly holding equity securities	539		-		539	
Non controlled investment funds trading mainly holding equity securities	-		-		-	
Non controlled investment funds mainly holding Equity securities	**1 319**		**4**		**1 323**	
Non controlled investment funds available for sale mainly holding Fixed Maturities	1 442	1 351	39	38	1 481	1 389
Non controlled investment funds mainly as at fair value through P&L mainly holding Fixed Maturi	90		-		90	
Non controlled investment funds trading mainly holding Fixed Maturities	199		-		199	
Non controlled investment funds mainly holding Fixed Maturities	**1 731**		**39**		**1 770**	
Other non controlled investment funds available for sale	699	586	22	21	721	607
Other non controlled investment funds at fair value through profit and loss	27		45		72	
Other non controlled investment funds held for trading	-		-		-	
Other non controlled investment funds	**726**		**67**		**793**	
Derivatives (hedge accounting) and other derivatives	**32**	-	-	-	**32**	-
TOTAL	3 808		110		3 918	

f) *Investment backing contracts where the financial risk is borne by policyholders*

(million euros)	December 31, 2004
	Fair value (1)
Investment properties	2 011
Equity securities and controlled investment funds	90 146
Fixed maturities	14 945
Other (2)	5 285
TOTAL	**112 387**

(1) fair value equals net carrying value
(2) including derivative instruments related to investments backing contracts where non controlled investment funds, and derivatives included in consolidated investment funds

g) Financial assets subject to impairment

(a) Breakdown of financial assets subject to impairment

(million euros)	December 31, 2004				
	Cost before impairment and revaluation to fair value (1)	Impairment	Cost after impairment but before revaluation to fair value (2)	Reevaluation to fair value	Net book value (Carrying value)
Fixed maturities held to maturity	0	0	0	0	0
Fixed maturities available for sale	159 440	(362)	159 077	12 149	171 227
Non quoted fixed maturities (amortized cost)	26	(0)	26	0	26
Fixed maturities	159 466	(363)	159 103	12 149	171 252
Equity securities	22 405	(3 939)	18 466	4 425	22 891
Non controlled investment funds AFS	2 869	(166)	2 703	283	2 985
Loans held to maturity	2	0	2	0	2
Loans available for sale	23	0	23	0	23
Mortgage loans	7 093	(28)	7 065	0	7 065
Others loans (3)	11 071	(304)	10 768	0	10 768
Loans	18 190	(332)	17 858	0	17 858
TOTAL	202 929	(4 800)	198 129	16 858	214 986

NB Each investment caption is presented net of hedge derivatives (IAS 39) and economic hedge derivatives which are recognized as hedge in the meaning of IAS 39 (excluding macro hedge derivatives and other derivatives). Detail effect of derivatives is presented in the note 23 "Derivatives instruments"

(1) asset value incl. amort./premium and accrued interests but before impairment and reevaluation to fair value of assets AFS

(2) asset value incl. Impairment, amort./premium, accrued interests but before reevaluation to fair value of assets AFS

(3) incl. policy loans

(b) Roll forward of impairment on invested assets (excluding investment property)

(million euros)	January 1, 2004	Increase for the period	Write back following sale or reimbursement	Write back following recovery in value	Other (1)	December 31, 2004
Impairment - fixed maturities	531	46	(203)	(14)	3	363
Impairment - equity securities	5 493	286	(1 878)	0	37	3 938
Impairement - non controlled investment funds	283	13	(122)	0	(4)	166
Impairment - loans	136	36	(66)	(5)	230	332
TOTAL	6 442	381	(2 268)	(19)	265	4 800

(1) Change in scope of conso and variation of exchange rate

h) Financial assets accounted for as at fair value

(a) Breakdown of financial assets recognized at fair value by calculation methodology.

Excluding the impact of derivative instruments and excluding equity-accounted mutual funds (which represent assets of €1,437 million), the presentation of financial assets stated at fair value was as follows:

(million euros)	Fair value determined directly by reference to an active market	Fair value estimated using valuation technique	TOTAL
		December 31, 2004	
Fixed maturities	147 720	23 041	170 761
Equity securities	20 852	2 010	22 862
Non controlled investment funds	2 754	233	2 986
Loans	0	23	23
Financial assets available for sale	**171 325**	**25 308**	**196 620**
Investment property	3 465	1 085	4 550
Fixed maturities	41 051	2 180	43 231
Equity securities	14 459	2 398	16 857
Non controlled investment funds	807	490	1 297
Loans	374	0	374
Assets backing contracts where the financial risk is borne by policyholders	111 452	928	112 380
Financial assets at fair value through Profit & Loss	**171 609**	**7 081**	**178 690**
Fixed maturities	1 571	4	1 575
Equity securities	354	0	354
Non controlled investment funds	199	0	199
Loans	258	0	258
Assets held for trading	**2 382**	**4**	**2 386**
Total financial assets accounted for as at fair value	**345 316**	**32 393**	**377 709**

(b) Investments in participating interests

"Strategic" participating interests are included on the asset side of the Balance sheet under available-for-sale equities. At December 31, 2004, AXA's participating interests notably included BNP Paribas. The fair value of BNP Paribas shares held by AXA was €2,344 million, equal to their carrying value. Investments in other companies in this category had a value of less than €70 million each.

1.2.7. *Investments in associates (equity method)*

a) *Change in investments in associates*

	Carrying value at January 1, 2004	Acquisitions & Disposals	Contribution to 2004 income	Impact of currency translation	Other changes *	Carrying value at December 31, 2004
AXA INSURANCE HONG-KONG	14	0	0	(0)	(1)	13
AXA INSURANCE SINGAPORE	37	0	6	(1)	0	42
ARGOVIE	29	(1)	2	0	(3)	26
BANQUE DE MARCHES ET D'ARBITRAGE	9	0	0	0	(0)	9
CFP - Crédit	32	0	1	0	0	33
AXA GENERAL INSURANCE HK	58	0	9	(5)	(7)	55
AXA INSURANCE INVESTMENT HOLDING	5	0	0	(2)	2	5
HILO DIRECT SA DE SEGUROS Y REASEGUROS	21	0	0	0	(21)	0
AXA OYAK (3 Turkish entities)	59	(4)	21	0	(5)	71
AXA Asia Pacific Holdings associates	52	0	3	2	(37)	20
Other	29	14	12	0	(1)	55
TOTAL	345	9	55	(6)	(73)	330

* : includes dividend distribution

"Other changes" notably include the sale of two Australian entities, Krungthai and Global Equity Trust for €26 million.

b) *Comments*

Dividends received by AXA from equity-accounted companies totalled €27 million in 2004.
This excludes equity-accounted investment funds and real estate companies, which are presented under financial investments.

1.2.8. *Receivables*

a) *Breakdown of receivables*

(million euros)	December 31, 2004			
	Gross value	Impairment	Carrying value	Fair value
Deposits and Guarantees	869	0	869	870
Current accounts receivable from other companies	1 134	(77)	1 056	1 056
Receivable from policyholders, brokers and general agent	3 860	(193)	3 667	3 716
Premiums earned but not written	1 526	-	1 526	1 526
Other receivables	1 072	(24)	1 048	1 046
Receivables arising from direct insurance and inward reinsurance operations	**8 460**	**(294)**	**8 167**	**8 215**

(million euros)	December 31, 2004			
	Gross value	Impairment	Carrying value	Fair value
Deposits and Guarantees	1	0	1	1
Current accounts receivable from other companies	2 202	(75)	2 128	2 131
Other receivables	5	0	5	5
Receivables arising from outward reinsurance operations	**2 208**	**(75)**	**2 134**	**2 137**

(million euros)	December 31, 2004			
	Gross value	Impairment	Carrying value	Fair value
Receivables arising from banking activities	11 786	(305)	11 481	11 804
Receivables - current tax position	412	-	412	409
Other receivables	9 630	(41)	9 590	9 554
Total other receivables	**21 828**	**(346)**	**21 483**	**21 766**

TOTAL RECEIVABLES	**32 497**	**(714)**	**31 784**	**32 118**

1.2.9. *Cash and cash equivalents*

(million euros)	December 31, 2004	
	Carrying value	Fair Value
Arising from insurance activities	19 761	19 761
Arising from banking activities	199	199
Arising from other activities	2 534	2 534
Cash and cash equivalents	**22 494**	**22 494**

At December 31, 2004, there was no significant restriction on the cash position, other than that described in section 1.2.27 c) "Restriction on dividends payment to shareholders".

1.2.10. *Shareholders' equity, minority interests and other equity*

a) *Change in shareholders' equity (group share)*

Changes in shareholder's equity for the period 1st jan – 31st dec 2004 were as follows:

CHANGES IN SHAREHOLDERS' EQUITY (million euros, except for number of shares and nominal value)	Attributable to shareholders: Share capital: Number of shares	Nominal value (euros)	Share Capital	Capital in excess of nominal value	Treasury shares	Other reserves: Reserves relating to the change in FV of financial instruments available for sale	Reserves relating to the change in FV of hedge accounting derivatives (cash flow hedge)	Reserves relating to revaluation of tangible assets	Others (1)	Translation reserve	Undistributed profits and other reserves	Shareholders equity - Group share	Minority interests
Shareholders' equity opening 01/01/2004	1 778 103	2.29	4 072	14 004	(516)	4 212	45		185	(0)	458	22 468	2 709
Share capital	130 341	2.29	298									298	
Capital in excess of nominal value				1 364								1 364	
including Proceeds from shares issued													
Equity - share based compensation				28								28	
Change in scope of consolidation						0			3			3	(203)
Treasury shares					124							124	
Equity component of compound financial instruments													
Super subordinated debt									625			625	
Accrued interests Super subordinated debt									(2)			(2)	
Dividends paid AXA											(676)	(676)	
Impact of transactions with shareholders	130 341	2.29	298	1 392	124	0			626		(676)	1 768	(203)
Reserves relating to changes in fair value through shareholders' equity						1 509	8					1 514	
Other						1			14		67	81	(309)
Translation reserve										(724)		(724)	(158)
Employee benefits actuarial gains and losses through OCI (2)											(319)	(319)	
Income allocation													(47)
Net income of the period											3 738	3 738	473
Total recognised income and expense for the period (SORIE)											3 418	3 419	408
Shareholders' equity closing 31/12/2004	1 908 444	2.29	4 370	15 401	(389)	5 720	53		871	(724)	3 267	26 523	2 507

NB amounts are presented net of impacts of shadow accounting and of its effects on policyholder's benefit, deferred acquisition costs, and value of business in force

(1) Mainly equity components of compounded financial instruments (i e for example convertible bounds)

(2) Actuarial gains and losses accrued since January 1, 2004

In 2004, three types of capital increase were carried out:

- Capital increases reserved to employees (€3.8 million in July 2004 and €39.4 million in December 2004), totalling €43.1 million.
- Capital increases arising from the conversion of ORAN bonds (bonds redeemable in cash or shares) totalling €252 million.
- Other capital increases arising from exercises of stock options, totalling €3 million.

The change in other reserves is mainly due to a €625 million issue of deeply subordinated perpetual notes through the Euro Medium Term Notes (EMTN) program.

Dividends paid by AXA totalled €676 million in 2004 with respect to the 2003 financial year.

The impact of exchange rate movements was mainly attributable to the United States (€-826 million), Japan (€-126 million) and Morocco (€-39 million). However, it was partly offset by the change in value of currency hedges set up to hedge net foreign investments (€+341 million).

The main contributors to the change in actuarial gains and losses on pension liabilities were the UK (€-185 million) and the USA (€-83 million).

b) Change in minority interests

The €-203 million change in minority interests was mainly due to:
- the buyout of minority interest in AXA Re Finance from BNP Paribas (€-43 million)
- €-168 million attributable to the 5.8-point increase in the Group's ownership interest in Alliance Capital (from 55.5% to 61.3%) following the exercise of options to buy 16.32 million units from former Sanford Bernstein shareholders.

Minority interests in Alliance Capital totalled €1,107 million at December 31, 2004.

The €-309 million "other changes" in minority interests mainly included €265 million of dividends paid to minority interest.

c) Unrealized gains and losses included in shareholders' equity

CHANGE IN NET UNREALIZED GAINS AND LOSSES INCLUDED IN SHAREHOLDERS' EQUITY	December 31, 2004
Gross Unrealized gains and losses	**16 614**
Less unrealized gains and losses attributable to :	-
Shadow accounting on policyholder's participation (1)	(7 528)
Shadow accounting on DAC (2)	(467)
Shadow accounting on VBI	(530)
Unallocated unrealized gains and losses (before tax)	**8 088**
Deferred tax	(2 257)
Unrealized gains and losses (net of tax) - 100%	**5 832**
Minority interests share in unrealized gains and losses (3)	**(205)**
Currency Impact (4)	94
Unrealized gains and losses (Net group Share)	**5 720**

(1) including impact of shadow accounting on premium deficiency liabilities, after reevaluation of AFS Securities

(2) Net of Shadow accounting on unearned revenues and fees reserves

(3) including currency impact attributable to minority interests

(4) Group share

1.2.11. *Liabilities arising from insurance and investment contracts*

a) *Liabilities arising from insurance contracts*

Liabilities relating to insurance contracts, including those in which the financial risk is borne by the policyholder, were as follows by segment:

(million euros)	Life & Savings	Property & Casualty	International insurance	TOTAL
	December 31, 2004			
Future policy benefits reserve	176 234		419	176 653
Unearned premium reserve	65	5 924	745	6 735
Claims reserve (a) (1)	5 344	24 599	9 147	39 090
Liability adequacy test reserve	0	0	0	0
Other reserves (2)	2 320	3 001	44	5 365
Liabilities arising from insurance contracts	***183 962***	***33 525***	***10 356***	***227 843***
Of which measured at current market assumptions (3)	*0*	*0*	*237*	*237*
Future policy benefits reserve	73 496			73 496
Claims reserve (1)	65			65
Other reserves	17			17
Liabilities arising from insurance contracts where the financial risk is borne by the policyholders	***73 578***			***73 578***
Of which measured at current market assumptions	*(98)*			*(98)*
Reinsurers' share in future policy benefits reserve	3 377		6	3 383
Reinsurers' share in unearned premium reserve	1	111	120	233
Reinsurers' share in claims/reserve (b) (1)	412	1 628	2 051	4 092
Reinsurers' share in other reserves	93	20	0	113
Reinsurers' share in liabilities arising from insurance contracts	***3 882***	***1 760***	***2 178***	***7 820***
Of which measured at current market assumptions (3)	*0*	*0*	*0*	*0*
Reinsurers' share in future policy benefits reserve	12			12
Reinsurers' share in unearned premium reserve (1)	2			2
Reinsurers' share in other reserves	0			0
Reinsurers share in liabilities arising from insurance contracts where the financial risk is borne by the policyholders	***14***			***14***
Of which measured at current market assumptions	*0*			*0*
TOTAL LIABILITIES ARISING FROM INSURANCE CONTRACTS, NET OF REINSURANCE CEDED	**253 644**	**31 765**	**8 178**	**293 587**
(a) of which IBNR =	215	5 587	2 728	8 530
(b) of which IBNR =	1	0	689	690

(1) includes reserve for claim handling costs
(2) notably includes annuities mathematical reserves
(3) see note 4-11-2 - option opened by IFRS 4 24 for selective re-measurement of reserves at current market assumptions
NB Excludes derivatives in relation to insurance and investment contracts

Note: reinsurers' share of the policyholder bonus reserve, totalling €63 million, is not included in the table above.

Technical reserves relating to with-profit insurance contracts amounted to €18,207 million at December 31, 2004.

b) Liabilities arising from investment contracts

Liabilities relating to investment contracts, including those in which the financial risk is borne by the policyholder, were as follows:

(million euros)	Life & Savings	Property & Casualty	International Insurance	TOTAL
	December 31, 2004			
Future policy benefits reserve	31 548	0	0	31 548
Unearned premium reserve	0	0	0	0
Claims reserve (a) (1)	114	0	0	114
Liability adequacy test reserve	0	0	0	0
Other reserves	0	0	0	0
Liabilities arising from investment contracts with discretionary participating feature	*31 662*	*0*	*0*	*31 662*
Of which measured at current market assumptions (2)	*0*	*0*	*0*	*0*
Future policy benefits reserve	869	0	0	869
Claims reserve (1)	0	0	0	0
Other reserves	0	0	0	0
Liabilities arising from investment contracts with no discretionary participating feature	*869*	*0*	*0*	*869*
Future policy benefits reserve	38 926	0	0	38 926
Claims reserve (1)	2	0	0	2
Other reserves	200	0	0	200
Liabilities arising from investment contracts where the financial risk is borne by the policyholders	*39 127*	*0*	*0*	*39 127*
Reinsurers' share in future policy benefits reserve	0	0	0	0
Reinsurers' share in unearned premium reserve	0	0	0	0
Reinsurers' share in claims reserve (b) (1)	0	0	0	0
Reinsurers' share in other reserves	0	0	0	0
Reinsurers' share in liabilities arising from investment contracts with discretionary participating feature	*0*	*0*	*0*	*0*
Of which measured at current market assumptions (2)	*0*	*0*	*0*	*0*
Reinsurers' share in future policy benefits reserve	0	0	0	0
Reinsurers' share claims reserves (1)	0	0	0	0
Reinsurers' share in other reserves	0	0	0	0
Reinsurers share in liabilities arising from investment contracts with no discretionary participating feature	*0*	*0*	*0*	*0*
Reinsurers' share in future policy benefits reserve	0	0	0	0
Reinsurers' share claims reserves (1)	0	0	0	0
Reinsurers' share in other reserves	0	0	0	0
Reinsurers share in liabilities arising from investment contracts where the financial risk is borne by the policyholders	*0*	*0*	*0*	*0*
TOTAL LIABILITIES ARISING FROM INVESTMENT CONTRACTS - NET OF REINSURANCE CEDED	71 659	0	0	71 659

(1) includes reserve for claim handling costs

(2) see note 4-11-2 - option opened by IFRS 4.24 for selective re-measurement of reserves at current market assumptions

Note: Insurance and financial liabilities relating to with-profit insurance contracts amounted to €12,722 million at December 31, 2004.

c) Change in claims reserve in P&C and international insurance (insurance contracts)

(a) Gross Values

(million euros)	Property & Casualty	International insurance	Total
	December 31, 2004		
Claims reserve as at January 1st	23 082	9 719	32 801
Claims handling cost reserve as at January 1st	841	227	1 068
Gross claims reserve as at January 1st 2004	23 923	9 946	33 869
Current year change	11 541	2 259	13 801
Loss reserve development (prior years)	(562)	(101)	(663)
Total claims expense (1)	10 979	2 159	13 138
Claims payment (current year)	(4 749)	(1 278)	(6 027)
Claims payment (prior years)	(5 347)	(1 266)	(6 613)
Claims payments (1)	(10 095)	(2 545)	(12 640)
Change in scope of consolidation, portfolio transfers and change in accounting principles	(38)	2	(36)
Impact of foreign currency fluctuation	(169)	(415)	(584)
Claims reserve as at December 31st	23 708	8 890	32 599
Claims handling cost reserve as at December 31st	891	257	1 148
Gross claims reserve as at December 31st 2004	24 599	9 147	33 747

(1) excluding claims handling costs

(b) Reinsurers' share

(million euros)	Property & Casualty	International insurance	Total
	December 31, 2004		
Reinsurers' share in claims reserve as at January 1st 2004	2 180	2 362	4 542
Reinsurers' share in total claims expense	216	476	692
Reinsurers' share in claims payments	(667)	(595)	(1 262)
Change in scope of consolidation, portfolio transfers and change in accounting principles	(72)	(35)	(107)
Impact of foreign currency fluctuation	(28)	(157)	(185)
Reinsurers' share in claims reserve as at December 31st 2004	1 628	2 051	3 680

d) *Change in future policy benefits reserve (Life & Savings)*

(a) *Gross Values*

(million euros)	Insurance contracts	Investment contracts	Total
	December 31, 2004		
Future policy benefits reserve as at January 1st 2004	230 502	66 528	297 030
Net pure premiums	31 501	8 206	39 707
Claims paid	(27 379)	(7 072)	(34 452)
Change in future policy benefits reserve	12 177	2 250	14 427
Technical income and other	(292)	1 276	984
Transfers (1)	1 165	(1 165)	(0)
Change in scope of conso, portfolio transfers and change in accounting principles	11 212	1 833	13 045
Impact of foreign currency fluctuation	(9 155)	(513)	(9 668)
Future policy benefits reserve as at December 31st 2004	249 730	71 343	321 073

(1) Internal transfers

N.B.: this table summarizes mathematical reserves on insurance and investment contracts for the Life & Savings segment, whether or not the risk is borne by the policyholder.

Changes in scope of consolidation relate mainly to the integration of MONY (€+13,300 million in the United States).

(b) *Reinsurers' share*

(million euros)	Assurance	Investissement	Total
Reinsurers' share in future policy benefits reserve as at January 1st	3 095	0	3 095
Ceded net pure premiums	421	0	421
Ceded claims paid	(406)	0	(406)
Reinsurers' share of change in future policy benefits reserve (1)	35	0	35
Ceded technical income and others	49	0	49
Transfers (2)	0	0	0
Change in scope of conso, portfolio transfers and change in accounting principles	393	0	393
Impact of foreign currency fluctuation	(198)	0	(198)
Reinsurers' share in future policy benefits reserve as at December 31st	3 389	0	3 389

(1) Interests credited, policyholders' bonus, adjustements on contracts where the financial risk is borne by the policyholders.

(2) Internal transfers

e) Liabilities arising from investment contracts by accounting method

(million euros)	Carrying value December 31, 2004
(Non UL) - Liabilities arising from :	
Investment contracts with DPF measured according to existing accounting policies (1)	31 662
Investment contracts with DPF - measured at current value (2)	0
Investment contract with no DPF measured at cost	140
Investment contract with no DPF measured at fair value	730
(UL) - Liabilities arising from contracts where financial risk is borne by policyholders :	
Investment contract with DPF measured according to existing accounting policies (3)	8 436
Features in investment contracts with DPF measured at current value (2)	0
Investment contract with no DPF measured at current unit value (4)	30 691
TOTAL LIABILITIES ARISING FROM INVESTMENT CONTRACTS	**71 659**

(1) In use before IFRS standards implementation : in accordance with IFRS4 standards which allow, under certain conditions, to continue to use previous system of reference to liabilities arising from contracts with discretionary participating feature.

(2) : Cf section 4 11.2 - Reserves mesured according to IFRS 4.24 option which allows to evaluate portfolios with current assumptions.

(3) et (4) : as unit linked contracts share the same reserves measurement determined on the basis of asstes units fair value ("current unit value").

The valuation of related assets only is different .

- for UL contracts with discretionary participating feature (3), an asset representing the deferred acquisition costs is recognized in continuity with french GAAP,
- for UL contracts with no discretionary participating feature (4), an asset representing the rights to future management fees is recognized in accordance with IAS 18 ("DOC") - Cf. section 1.2.5.

f) Policyholder bonuses

(million euros)	December 31, 2004
Policyholders' participation reserve	6 717
Fund for future appropriation (FFA) - UK with profits contracts (FFA)	5 015
Policyholders' deferred participation liabilities	8 066
TOTAL	19 798

g) Environmental pollution, and asbestos

In prior years, AXA issued insurance policies and assumed reinsurance for cover related to environmental pollution and asbestos exposure. Its insurance companies have been and continue to be involved in disputes regarding policy coverage and judicial interpretation of legal liability for potential environmental and asbestos claims. AXA has received and continues to receive notices of potential claims asserting environmental and asbestos losses under insurance policies issued or reinsured by AXA. Such claim notices are frequently merely precautionary in nature. There are significant uncertainties that affect the insurance companies' ability to estimate future losses for these types of claims. However, AXA still carries out regular actuarial reviews to ensure that loss provisions relating to these risks are adequate.

Under insurance and reinsurance contracts related to environmental pollution and asbestos, AXA paid claims and legal costs of €51 million related to environmental pollution in 2004 of which €35 million related to asbestos and €16 million related to environmental pollution (2003: €53 million and 2002: €45 million). At December 31, 2004, AXA had made cumulative payments relating to such contracts of €571 million of which €422 million related to asbestos and €149 million related to environmental pollution (2003: €536 million).

At December 31, 2004, AXA had insurance claim reserves (gross of reinsurance) of €1,021 million (of which €875 million related to asbestos and €146 million related to environmental pollution) or €914 million net of reinsurance of which €793 million related to asbestos and €121 million related to environmental pollution (2003: €944 million gross of reinsurance or €858 million net of reinsurance), including (i) €380 million for reported claims of which €298 million related to asbestos and €82 million related to environmental pollution (2003: €365 million) and (ii) €641 million for IBNR (incurred but not reported) claims of which €576 million related to asbestos and €64 million related to environmental pollution (2003: €579 million). The IBNR liabilities are estimated and evaluated regularly based on information received by management.

h) Loss reserve development table

The loss reserve development table presents the claims reserve development for calendar years 1994 through 2004. The top line entitled "gross reserves for unpaid claims and claims expenses" represents the original gross claims reserve liability reported at the balance sheet date for the year indicated. The upper portion of the table entitled "paid (cumulative)" represents the cumulative amount paid as of the end of each succeeding year with respect to the original gross claims reserve liability reported. The lower portion of the table entitled "Reserve re-estimated" represents the previously recorded liability as adjusted (that is, re-estimated) based on claims experience as of the end of each succeeding year. The estimate is increased or decreased, as more information becomes known in future periods relating to unsettled claims. For example, the gross claims reserve as at December 31, 1996 was originally €5,847 million and increased by €12,943 million in 1997 to €18,790 million primarily due to the UAP acquisition in 1997. By the end of 2004, cumulative amounts paid were €12,143 million and the original gross claims reserve had been re-estimated to be €16,272 million at December 31, 2004. The "cumulative redundancy (deficiency)" for each year represents the aggregate amount by which the original gross claims reserve liability as of that year-end has changed in subsequent periods.

Loss reserve development table Property & Casualty including international insurance operations (excluding AXA RE)

(million euros except percentages)	1994	1995	1996	1997 (b)	1998	1999 (c)	2000	2001	2002	2003	2004 (d)
Gross reserves for unpaid claims and claims expenses developed initially at the booking date (d)	5 595	5 712	5 847	20 371	20 941	26 656	26 916	28 838	28 465	27 825	29 128
Gross reserves for unpaid claims and claims expenses developed in 2004 (d)	14 995	14 682	18 790	21 769	22 481	24 892	25 765	27 225	27 872	28 237	29 128
Paid (cumulative) at											
One year later	1 419	1 305	1 388	4 737	4 745	7 727	6 807	6 715	6 371	6 075	
Two years later	2 044	1 684	5 759	6 632	6 818	11 184	10 302	9 900	9 554		
Three years later	2 368	6 898	7 327	8 087	9 361	13 474	12 378	12 440			
Four years later	7 082	8 123	8 351	10 338	10 632	14 798	14 220				
Five years later	8 069	8 917	10 619	11 218	11 384	16 239					
Six years later	8 591	9 075	11 187	11 512	12 435						
Seven years later	8 799	9 615	11 387	12 508							
Eight years later	9 079	9 660	12 143								
Nine years later	9 079	10 114									
Ten years later	9 446										
Reserve re-estimated at:											
One year later	5 303	5 607	5 537	19 425	19 040	23 041	27 069	27 425	26 856	27 527	
Two years later	5 177	5 477	13 881	17 510	19 407	26 294	25 919	25 718	26 219		
Three years later	5 278	13 376	13 864	17 971	22 048	25 542	24 864	25 610			
Four years later	12 353	13 303	14 214	20 162	21 485	24 409	24 665				
Five years later	12 160	13 730	16 742	19 873	20 604	24 304					
Six years later	12 490	13 472	16 439	19 052	20 820						
Seven years later	12 323	13 273	16 024	19 293							
Eight years later	12 166	12 905	16 272								
Nine years later	11 835	13 028									
Ten years later	11 969										
Cumulative redundancy (deficiency) from the initial gross reserves											
Amount (a)	3 026	1 654	2 518	2 476	1 861	588	1 101	1 616	1 653	710	na
Percentages (a)	20.2%	11.3%	13.4%	11.4%	7.4%	2.4%	4.3%	5.9%	5.9%	2.5%	na

(a) It is not appropriate to extrapolate future redundancies or future deficiencies based on the loss reserve development presented in the table as conditions and trends that have affected the development of the liability in prior periods may not necessarily occur in the future periods

(b) AXA acquired Compagnie UAP ("UAP") on January 1, 1997 The operations of AXA and UAP were integrated in 1998 At the date of acquisition, UAP had net reserves of €13.7 billion The outstanding claims reserves and claim expenses of UAP's Property & Casualty operations are included in the year end reserves as at December, 31, 1997 and thereafter Cumulative payments and reserve development for the 1998 year and thereafter include the development of the integrated Property & Casualty liabilities of AXA, including UAP, as loss development data specific to UAP is not available and there is no reasonable basis of allocating cumulative payments and reserves re-estimated between AXA and UAP post-acquisition

(c) AXA acquired GRE in May 1999 The operations of GRE have been integrated within AXA At time of acquisition the gross reserves totalled €5.6 billion)

(d) In 2004, the companies AXA Corporate Solution Insurance US, AXA RE P&C Insurance company and AXA RE P&C Reinsurance company were transferred from AXA RE to the Other transnational activities
The reserves of AXA Corporate Solution Insurance US were presented on an occurring year basis and included in Property & Casualty loss reserve developement table
The reserves of AXA RE P&C Insurance company and AXA RE Reinsurance company were presented on an underwriting year basis and included in AXA RE loss reserve development table

The majority of the business of the Property & Casualty insurance operations is short tail and, therefore, losses develop and are paid relatively quickly. In 2004, approximately 40% of the claims charges were paid in the year that the claim event occurred (2003: 39%).

In respect of the direct insurance business in 2004, there were no reportable changes in the claims payment patterns. In addition, (i) there have been no significant changes in assumptions during the current year, and (ii), in 2004, the company AXA Corporate Solution Insurance US was transferred from the reinsurance business to other Transnational Activities.

Loss Reserve Development Table: AXA RE (million euros except percentages)	1994	1995 (c)	1996	1997	1998	1999	2000	2001 (d)	2002	2003	2004 (e)
Gross reserves for unpaid claims and claims expenses developed initially at the booking date (d)	1 498	2 451	2 648	2 880	3 060	3 396	3 455	5 866	4 776	4 200	3 314
Gross reserves for unpaid claims and claims expenses developed in 2004 (d)	1 486	2 451	2 646	2 880	3 060	3 396	3 453	5 868	4 776	3 742	3 314
Initial retroceded reserves	(201)	(262)	(196)	(285)	(416)	(430)	(393)	(1 652)	(1 020)	(853)	
Retroceded reserves in 2004 (e)	(201)	(262)	(196)	(285)	(416)	(430)	(393)	(1 652)	(1 020)	(490)	(410)
Initial net claims reserves in excess of (less than) re-estimat	1 295	2 189	2 450	2 595	2 644	2 966	3 060	4 216	3 756	3 252	2 904
Paid (cumulative) at											
One year later	374	602	615	583	956	1 165	1 218	1 987	1441	950	
Two years later	566	1 008	965	1 094	1 594	1 893	1 860	3 198	2 113		
Three years later	737	1 221	1 230	1 430	2 000	2 265	2 449	3 603			
Four years later	849	1 410	1 427	1 665	2 232	2 779	2 549				
Five years later	935	1 548	1 588	1 815	2 677	2 726					
Six years later	1 037	1 677	1 889	2 101	2 566						
Seven years later	1 106	1 759	1 953	1 971							
Eight years later	1 156	2 000	1 813								
Nine years later	1 288	1 856									
Ten years later	1 203										
Reserve re-estimated at:											
One year later	1 558	2 811	2 970	2 845	3 743	3 969	4 199	5 922	5 012	3 438	
Two years later	1 549	2 917	2 829	3 159	3 817	4 105	4 061	6 183	4 163		
Three years later	1 675	2 774	2 891	3 188	3 772	3 955	4 034	5 314			
Four years later	1 643	2 818	2 844	3 045	3 643	4 027	3 817				
Five years later	1 653	2 755	2 754	2 941	3 722	3 765					
Six years later	1 681	2 678	2 612	2 964	3 444						
Seven years later	1 622	2 558	2 692	2 724							
Eight years later	1 552	2 653	2 468								
Nine years later	1 688	2 452									
Ten years later	1 503										
Cumulative redundancy (deficiency) from the initial gross claims reserves in excess of (less than) re-estimated gross claims reserves	(7)	(1)	178	156	(384)	(359)	(364)	554	615	304	
Re-estimated retroceded reserves	128	229	229	335	488	412	367	1 095	703	295	
Premium adjustment (b)	268	525	569	534	719	1 023	1 266	1 367	1 260	536	
Re-estimated net claims reserves	1 109	1 698	1 670	1 755	2 237	2 320	2 184	2 852	2 200	2 607	
Initial net claims reserves in excess of (less than) re-estimated net claims reserves:											
Amount (a)	186	491	780	840	407	646	876	1 364	1 558	645	na
Percent of original net reserve (a)	14,4%	22,4%	31,8%	32,4%	15,4%	21,8%	28,6%	32,4%	41,5%	19,8%	na

(a) The loss reserve development table is presented on an underwriting year basis for AXA RE business. Accordingly reserves re-estimated and the excess of re-estimated reserves in excess of the original reserves include reserves for losses occurring up to twelve months subsequent to the original year-end. It is not appropriate to extrapolate future redundancies or future deficiencies based on the loss reserve development presented in the table as conditions and trends that have affected the development of the liability in prior periods may not necessarily occur in the future periods.

(b) Represents premium earned subsequent to the accounting year end and premium reinstatements / experience-rated premiums received and accrued from the ceding insurers as assumed losses were incurred.

(c) Includes the claims reserves of Abeille Re acquired in 1995.

(d) In 2001, the claims reserve of AXA RE were adversely affected by the September 11th attacks

(e) In 2004, the companies AXA Corporate Solution Insurance US, AXA RE P&C Insurance company and AXA RE P&C Reinsurance company were transferred from AXA RE to the Other transnational activities
The reserves of AXA Corporate Solution Insurance US were presented on an occuring year basis and included in Property & Casualty loss reserve development table (excluding AXA RE)
The reserves of AXA RE P&C Insurance company and AXA RE Reinsurance company were presented on an underwriting year basis and included in AXA RE loss reserve development table.

The reconciliation with the breakdown of insurance liabilities by segment set out in note a) was as follows:

Total gross claims (million euros, as at December 31)	2004
Gross claims and other reserves developed	
Property & Casualty and International Insurance (excluding AXA RE) (a)	29.128
AXA RE (a)	3.314
Total gross claims and other reserves developed	**32.442**
Other reserves (b)	4.350
Total gross claims and other reserves excluding Life & Savings Segment	**36.792**

(a) Total gross claims and other reserves developed are presented on the loss reserve development basis: The reserves of AXA Corporate Solution Insurance US were included in Property & Casualty and International Insurance loss reserve. The reserves of AXA RE P&C Insurance company and AXA RE Reinsurance company (€460 million) were included in AXA RE loss reserve development table.

(b) Of which Future policy benefits or annuity claims (€1,950 million), construction reserves (€1,056 million) and reserves on acceptations (€975 million).

1.2.12. *Provisions for risks and charges*

a) Breakdown of the provisions for risks and charges

(million euros)	December 31, 2004
Employee Benefits	6 621
Share-based compensation	59
Restructuring provisions	231
Litigation	155
Liability warranty provisions	18
Contingent liabilities relating to business combinations	-
Other provisions for risks and charges	644
TOTAL PROVISIONS FOR RISKS AND CHARGES	**7 728**

b) Roll forward of provisions for risks and charges (excluding employee benefits and share-based compensation)

Changes in provisions for risks and charges were as follows:

(million euros)	Restructuring provisions	Lawsuits contingency provisions	Liability warranty provisions	Contingent liabilities relating to business combinations	Other provisions for risks and charges
Carrying value - January,1 2004	130	168	8	-	872
Financial cost related to dezactualisation (1)	-	-	-	-	-
Impact of change in scope of consolidation, portfolio transfers and changes in accounting principles	138	(0)	-	-	(46)
Increase in provisions (2)	10	10	10	-	174
Write back after use	(30)	(18)	(0)	-	(201)
Write back after final cost review	(4)	(5)	-	-	(145)
Impact of foreign exchance fluctuations	(14)	(0)	(0)	-	(11)
Carrying value - December, 31 2004	231	155	18	-	644

(1) If provisions are discounted

(2) Relates to existing and new provisions

c) Comments

Comments on provisions relating to employee benefits are presented in note 1.2.23 "Staff expenses".

At December 31, 2004, restructuring provisions totalled €231 million, including €151 million in the United States - booked mainly at the time of the MONY acquisition - €49 million in Germany relating to AXA Versicherung and €11 million at AXA RE, relating to the job protection plan set up in 2003.

Litigation provisions mainly included €59 million in France, €18 million in the UK and €15 million in Belgium banks.

Other provisions for risks and charges included €120 million in France, €119 million in the United Kingdom, €101 million at Compagnie Financière de Paris and €95 million in the United States.

1.2.13. Financing debt

a) Financing debt by issuance

(million euros)	December 31, 2004 Carrying value
AXA	
Subordinated perpetual notes, variable (U S $ and euro)	2 120
Perpetual notes, 3 29% / variable (Yen)	193
Subordinated convertible notes, 2 5% due 2014 (euro)	1 558
Subordinated perpetual debt (euro)	234
Subordinated perpetual notes, 7 25% (euro)	500
Subordinated convertible notes, 3 75% due 2017 (euro) - debt component	1 089
Subordinated convertible notes, variable due 2020 (euro)	215
U S registered subordinated debt, 8 60% 2030 (euro)	952
U S registered subordinated debt, 7 125% 2020 (euro)	461
U S registered subordinated debt, 6 75% 2020 (euro)	1 070
Others	50
Derivatives on subordinated debt (1)	(1 205)
AXA Financial	
Surplus Notes, 6 95 %, due 2005	294
Surplus Notes, 7 70 %, due 2015	147
MONY Life 11.25% Surplus Notes	1
AXA Bank Belgium	
Subordinated notes, 3 14% to 6 90%, due 2008	339
Other subordinated debt (under euro 100 million each)	71
SUBORDINATED DEBT	***8 089***
AXA	
Euro Medium Term Notes, 6 0% due through 2013, and BMTN	1 183
Other	5
Derivatives on financing debt instruments issued	(289)
AXA Financial	
Senior notes, 7 75%, due 2010	351
Obligations "Senior", 7%, due 2028	255
Senior notes, 6 5%, due 2008	183
Senior notes MONY, 8 35%, due 2010	253
MONY Group Inc notes, due 2005	210
Derivatives on financing debt instruments issued	4
AXA UK Holdings	
GRE . Loan Notes, 6 625%, due 2023	219
Equitable Life	
Mortage notes, 4 92% / 12%, due 2017	257
Closed-Block Mony, 6 44%, due 2017	220
Derivatives on financing debt instruments issued	21
Other financial debt instrument issued (less than €100 million)	32
Derivatives on other debt instruments issued (1)	(1)
FINANCING DEBT INSTRUMENTS ISSUED	***2 903***
Netherlands Holdings	17
Derivatives on financing debt owed to credit institutions	0
FINANCING DEBT OWNED TO CREDIT INSTITUTIONS	***17***
TOTAL FINANCING DEBT	**11 009**

(1) Hedging instruments according to IAS 39 and economic hedge derivatives which are not acting as hedge under IAS 39

The fair value of financing debt at December 31, 2004, excluding interest accrued but not yet due, was €12,177 million, including related derivatives hedging instruments.

b) Financing debt by accounting method

(million euros)	December 31, 2004	
	Carrying value	Fair value
Subordinated debt at cost	9 294	10 340
Subordinated debt held as trading	0	0
Subordinated debt designated as at fair value through P&L	0	0
Derivatives on subordinated debt (1)	(1 205)	(1 205)
Subdordinated debt	**8 089**	**9 136**
Financing debt instruments issued at cost	3 168	3 290
Financing debt instruments issued held as trading	0	0
Financing debt instruments issued designated as at fair value through P&L	0	0
Derivatives on financing debt instruments issued (1)	(265)	(265)
Financing debt instruments issued	**2 903**	**3 024**
Financing debts owed to credit institutions at cost	17	17
Financing debts owed to credit institutions held as trading	0	0
Financing debts owed to credit institutions designated as at fair value through P&L	0	0
Derivatives on financing debt owed to credit institutions (1)	0	0
Financing debt owed to credit institutions	**17**	**17**
FINANCING DEBT	11 009	12 177

(1) Hedging instruments according to IAS 39 and economic hedge derivatives which are not acting as hedge under IAS 39.

c) Fair value measurement methodology – financing debt

Information on the fair value figures presented in this note should be treated with caution, (i) as these estimates are based on snapshots parameters- taken at accounts closing dates - such as interest rates and spreads, which fluctuate over time, resulting in instantaneous values, and (i) as there are many possible approaches to get these estimates.

Data used for calculating the fair value of financing debt (debt instruments or owed to credit institutions) are period-end market data that take into account (i) market interest rates by currency, (ii) AXA's average spread by maturity and currency, distinguishing subordinated and senior debt and (iii) options included in issuance contracts, such as issuer early redemption options.
For subordinated convertible bonds, fair value is equal to the quoted price of these instruments at the end of the period.

1.2.14. Other debts (excluding financing debts)

a) Other Payables

(million euros)	December 31, 2004	
	Carrying value	Fair value
Controlled investment funds minority interests liability	3 223	3 223
Other debt instrument issued and bank overdrafts	7 784	7 792
Payables arising from direct insurance and inward reinsurance operations	3 863	3 863
Payables arising from outward reinsurance operations	3 586	3 588
Payables arising from banking activities	12 285	12 285
Payables - current tax position	954	955
Derivatives relating to other financial liabilities (1)	1	1
Other payables	21 187	21 175
Other payables	**52 886**	**52 882**

(1) Also includes speculative derivatives relating to other financial liabilities

b) Fair value measurement of other debts

Financial services operating debt included in financing non-subordinated debt instruments or amounts owed to credit institutions mainly consists of repo transactions or short-term interbank debt contracted by the Group's banks. The fair value of this debt is then very close to par value.

c) Non-subordinated debt instruments issued and bank overdrafts (other than financing debt)

(a) Other debt instruments issued, notes and bank overdrafts, by issuance

(million euros)	31-déc -04 Valeur au bilan
Alliance Capital	
Fixed maturities "Senior", 5,625%, expiration date 2008	293
French Bank	
AXA Banque	8
AXA SA debts subcribed for french, english and german subsidiaries	215
CDO (Collateralized Debt Obligations)	
Aria A-1E5	195
Aria B-1E5	55
Aria C-1E5	55
Aria P-2G7	289
Concerto 2	464
Jazz 1	269
Ecureuil	95
Other financial services in France	
Fonds Immobilier Paris Office Funds (FIPOF)	60
Rheinhyp Rheinische Hypotheken Bank, Aktiengesellschaft (London Branch)	131
Other	66
OTHER FINANCIAL DEBT INSTRUMENT ISSUED (EXCLUDING FINANCING DEBT)	**2 196**
CDO (Collateralized Debt Obligations)	
Jazz 1	403
Other financial services in France	
AXA Banque	91
Other financial services in Germany	
AXA Vorsorgebank	301
Other financial services in Belgium	
AXA Bank Belgium	4 128
other	1
OTHER FINANCIAL DEBT BY ISSUE (EXCLUDING FINANCING DEBT)	**4 924**
BANK OVERDRAFTS	**664**
OTHER DEBT INSTRUMENTS ISSUED, NOTES AND BANK OVERDRAFTS	**7 784**

The fair value of non-subordinated debt instruments and bank overdrafts was €7,792 million at December 31, 2004. The difference between total fair value and carrying value results mainly from Alliance Capital's fixed-rate bond debt.

(b) Other debt instruments issued, notes and bank overdrafts, by accounting method

DEBT INSTRUMENT ISSUED AND BANK OVERDRAFTS (OTHER THAN FINANCING DEBT)	December 31, 2004	
	Carrying value	Fair Value
Debt instrument issued at cost	596	600
Debt instrument issued held as trading	-	-
Debt instrument issued designated as at fair value through P&L	1 600	1 600
Debt instrument issued	2 196	2 201
Debt instrument owed to credit institutions at cost	4 924	4 928
Debt instrument owed to credit institutions held as trading	-	-
Debt instrument owed to credit institutions designated as at fair value through P&L	-	-
Debt instrument owed to credit institutions	4 924	4 928
Bank overdrafts	664	664
DEBT INSTRUMENT ISSUED AND BANK OVERDRAFTS (OTHER THAN FINANCING DEBT)	7 784	7 792
Including debt at fair value through Profit & Loss	1 600	1 600

d) Payables arising from direct insurance, inward reinsurance operations and direct outward reinsurance operations

(million euros)	December 31, 2004	
	Carrying value	Fair value
Deposits and guarantees	25	25
Current account payable to other companies	564	564
Payable to policyholders, brokers and general agent	3 119	3 119
Other payables	155	155
Payables arising from direct insurance and inward reinsurance operations	3 863	3 863

(million euros)	December 31, 2004	
	Carrying value	Fair value
Deposits and guarantees	1 376	1 376
Current account payable to othe companies	2 213	2 213
Other payables	-	-
Payables arising from direct outward reinsurance operations	3 588	3 588

1.2.15. Tax

a) Income tax expense

(a) Breakdown between current and deferred tax:

(million euros)	December 31, 2004
Income tax - France	**609**
Current	519
Deferred	90
Income tax - Foreign countries	**1 206**
Current	761
Deferred	445
TOTAL INCOME TAX FROM CONTINUED OPERATIONS	**1 814**
Income tax on discontinued activities - Current	0
Income tax on discontinued activities - Deferred	0
TOTAL INCOME TAX FROM DISCONTINUED OPERATIONS	**0**
TOTAL INCOME TAX EXPENSE	**1 814**

(b) Tax Proof

The reconciliation between the theoretical tax charge (pre-tax profit multiplied by the applicable tax rate in France for the period concerned) and the effective tax charge was as follows:

(million euros)	**December 31, 2004**
Net income, gross of tax expense and before equity in income from affiliated companies	5 971
Notional tax rate	35,43%
Notional tax charge	**2 115**
Impact of rates differences on notional tax charge	(149)
Impact of the change in tax rates	(17)
Income taxable to different tax rates	34
Impact of change in tax rates	***(132)***
Impact of tax losses used but not recorded in the previous year	(12)
Deffered tax assets booked on tax losses not previously recognized	(24)
Tax losses generated in the year but not recongnized	35
Tax losses impact	***(1)***
Permanent difference on financial income and expenses	(288)
Permanent difference on other income and expenses	94
Impact of permanent differences	***(194)***
Correction of payable tax on the previous year	(60)
Impairment of deferred tax assets	52
Other	34
Impact of correction, decrease in value and other elements	***26***
Effective tax charge	**1 814**
Effective tax rate (%)	**30,57%**

The tax rates broken down by country could be detailed as follows:

(million euros)	**December 31, 2004**	
	Net income, gross of tax expense and before equity in income from affiliated companies	**Notional tax rate**
France	1 568	35,43%
United States	1 317	35,00%
United Kingdom	493	30,00%
Japan	475	36,21%
Germany	247	40,00%
Belgium	505	33,99%
Other countries	1 366	
TOTAL	5 971	
APPLICABLE TAX RATE		35,43%

1.2.16. *Derivative instruments*

a) *Derivatives instruments: maturity & notional amount*

December 31, 2004 *(million euros)*	Maturity of notional amount*						Notional amount	Positive fair value	Negative fair value	Net fair value
	< 1 yr	1 to 2 yr	2 to 3 yr	3 to 4 yr	4 to 5 yr	> 5 yr				
Interest rate swaps	41 092	6 878	5 846	3 095	1 730	18 254	76 894	1 810	627	1 183
Currency swaps	6 946	4 842	4 976	1 154	423	4 866	23 207	1 717	586	1 130
Basic Swaps	-	-	-	-	-	609	609	4	33	(29)
Equity Swaps	367	283	427	-	-	-	1 077	55	0	54
Total return swaps	-	-	-	-	249	2 201	2 451	240	9	231
SWAPS	48 406	12 003	11 249	4 249	2 403	25 929	104 238	3 825	1 255	2 570
Caps	3 502	15 993	1 927	6 977	81	15 010	43 490	39	276	(236)
Floors	-	3 156	5 872	-	20	-	9 048	4	0	4
Collars	47	-	-	-	-	-	47	-	-	-
Swaptions	295	345	68	663	203	665	2 240	62	-	62
Call bought	1 514	62	10	12	3	-	1 602	106	-	106
Call sold	-	-	272	-	-	-	272	-	-	-
Put bought	3	21	298	-	-	-	323	8	0	8
Put sold	0	-	-	-	-	-	0	-	0	(0)
OPTIONS	5 361	19 577	8 449	7 653	307	15 675	57 021	220	276	(56)
Forward / Futures bought	4 127	-	-	-	-	-	4 127	8	4	4
Forward / Futures sold	22 354	12	399	12	12	195	22 985	190	451	(260)
FORWARD / FUTURES	26 481	12	399	12	12	195	27 113	198	455	(256)
CREDIT DERIVATIVES	67	168	80	76	1 892	89	2 393	37	-	37
Other derivatives	67	-	-	-	9	3	80	5	1	5
TOTAL	80 402	31 761	20 176	11 990	4 624	41 892	190 844	4 286	1 986	2 299

NB This table includes all derivatives (assets and liabilities), i.e hedge, macrohedge and other, inactive and passive position

(1) By convention, notional amounts are displayed in absolute value, and exclude potential netting out

b) *Derivatives instruments subject to hedge accounting and other derivatives*

Hedging derivatives instruments can be summarised as follows:

(million euros)	Derivatives instruments used in fair value hedging relationship		Derivatives instruments used in a cash flow hedging relationship		Derivatives instruments used in hedge in net investment in a foreign operation		Derivatives instruments not used in a hedging relationship under IAS 39 (freestanding derivatives)		Derivatives instruments used in macro hedging relationship on interest rate risk	
	Notional amount	Fair value	Notional amount	Fair value	Notional amount	Fair value	Notional amount	Fair value	Notional amount	Fair value
	December 31, 2004									
Interest rate swaps	-		2 221	289	-	-	35 471	837	35 202	57
Currency swaps	2 642	(147)	-		5 464	584	13 592	220	1 509	68
Basic Swaps	-	(22)	-		-		609	(7)	-	
Equity Swaps	357	7	-				720	47	-	
Total return swaps	-		-				2 451	231	-	
SWAPS	3 000	(161)	2 221	289	5 464	584	52 843	1 328	36 711	125
Caps	-		-		-	-	2 886	(6)	40 607	(278)
Floors	-					-	9 048	4		-
Collars	-					-	47	-		
Swaptions	-					-	1 677	61	563	-
Call bought	19	1				-	1 582	105		
Call sold	272							-		
Put bought	320	6				-	3	2		-
Put sold	-						0	(0)		
OPTIONS	612	7					15 244	164	41 170	(227)
Forward / Futures bought	24	(0)			-		7 920	9	1 183	(0)
Forward / Futures sold	300	(43)			1 887	-	15 568	(223)	5 230	(2)
FORWARD / FUTURES	324	(43)			1 887	-	23 488	(214)	6 414	(2)
CREDIT DERIVATIVES	-				-		2 393	37		-
Other derivatives	-				-		80	5		-
TOTAL	3 935	(190)	2 221	289	7 351	584	93 048	1 320	84 289	(105)

c) *Value of financial investments, with effect of potential hedging*

(million euros)	December 31, 200[illegible]											
	Insurance				Other				Total			
	Net value excluding effect of hedging value (1)	Impact of derivatives instruments subject to hedge accounting (2)	Impact of other derivatives instruments (3)	Net Value including effect of derivatives (4)	Net value excluding effect of hedging value (1)	Impact of derivatives instruments subject to hedge accounting (2)	Impact of other derivatives instruments (3)	Net Value including effect of derivatives (4)	Net value excluding effect of hedging value (1)	Impact of derivatives instruments subject to hedge accounting (2)	Impact of other derivatives instruments (3)	Net Value including effect of derivatives (4)
Investment property at amortized cost	7 683		-	7 683	81		-	81	7 764	-		7 764
Investment property at fair value through profit and loss	4 550		-	4 550	-		-	-	4 550		-	4 550
Macro hedge and speculative derivatives			-	-			-	-	-		-	-
Investment property	12 233	-	-	12 233	61	-	-	61	12 294	-		12 294
Fixed maturities held to maturity				-			-				-	
Fixed maturities available for sale	164 184	(153)	619	164 650	6 577	-	-	6 577	170 761	(153)	619	171 227
Fixed maturities at fair value through profit and loss	41 607	-	(21)	41 586	1 324	-	(177)	1 147	43 231	-	(148)	43 083
Fixed maturities held for trading	4	-		4	1 571	-	49	1 620	1 575	-	49	1 624
Non quoted fixed maturities (amortized cost)	23	-		23	2	-	-	2	26	-	-	26
Fixed maturities	206 118	(153)	664	206 663	9 474	-	(78)	9 396	215 593	(153)	520	215 959
Equity securities available for sale	22 221	7	21	22 249	642	-	-	642	22 863	7	21	22 891
Equity securities at fair value through profit and loss	16 647	-	(1)	16 647	10	-	20	30	16 657	-	20	16 680
Equity securities held for trading	258	-		258	96	-	-	96	354	-		354
Equity securities	39 327	7	20	39 354	743	-	20	777	40 074	7	40	40 131
Non-controlled investment funds available for sale	2 821		(1)	2 820	63	-	-	65	2 886	-	(1)	2 885
Non-controlled investment funds at fair value through profit and loss	2 093	-	(0)	2 093	43	-		43	2 136	-	(0)	2 136
Non-controlled investment funds held for trading	199		33	232	-	-			199	-	33	232
Non controlled investment funds	5 213	-	32	5 245	110	-	-	110	5 323	-	32	5 355
Other investments (6)	886		-	886	-	-		-	886	-	-	886
Macro hedge and speculative derivatives	-	-	(242)	(242)	-	-	536	536	-	-	294	294
TOTAL FINANCIAL INVESTMENTS	251 285	(146)	406	251 616	10 372	-	444	10 826	261 681	(146)	850	262 536
Loans held to maturity	2	-	-	2				-	2			2
Loans available for sale	0	-	-	0	23	-		23	23			23
Loans at fair value through profit and loss	374	-	3	377	-	-		-	374		3	377
Loans held for trading		-	-		258	-		258	258			258
Mortgage loans	7 044		-	7 044	21	-		21	7 065		-	7 065
Others (5)	10 662		28	10 690	78	-		78	10 740	-	28	10 768
Macro hedge and speculative derivatives			-			-	76	76	-		76	76
Loans	18 083	-	31	18 114	380	-	76	456	18 463	-	107	18 569
Financial investments backing contracts when financial risks is borne by policyholders	112 380	-	8	112 387					112 380	-	8	112 387
TOTAL FINANCIAL ASSETS	381 850	(146)	448	384 230	10 772	-	864	11 336	404 721	(146)	1 870	405 866

(1) Net book value, i.e net of impairment, accrued premiums and related amortization, including accrued interests but excluding derivatives impact
(2) excluding macrohedge and other derivatives
(3) Macrohedge and other derivatives
(4) Net book value but including effect of hedging instruments (IAS 39), economic hedging instruments not acting as hedging in the meaning of IAS 39 macrohedge and other derivatives
(5) Notably includes policy loans, lease receivables and other loans
(6) Other investments held through consolidated investment funds at fair value through Profit and Loss

d) *Value of financial liabilities, with effect of potential hedging*

(a) *Liabilities arising from insurance and investment contracts*

(million euros)	December 31, 2004			
	Net book value	Impact of derivatives instruments subject to hedge accounting	Impact of other derivatives instruments	Value including effect of derivatives
Liabilities arising from insurance contracts	227 843	22	(40)	227 825
Liabilities arising from insurance contracts where the financial risk is borne by policyholders	73 578	-	-	73 578
Total liabilities arising from insurance contracts	**301 421**	**22**	**(40)**	**301 403**
Liabilites arising from investment contracts with discretionary participating feature	31 662	(10)	(4)	31 648
Liabilites arising from investment contracts with no discretionary participating feature	869	-	-	869
Liabilites arising from investment contracts where the financial risk is borne by policyholders	39 127	-	-	39 127
Total liabilites arising from investment contracts	**71 659**	**(10)**	**(4)**	**71 644**
Macro hedge derivatives instruments on insurance and investment contracts (liabilities)			-	

(b) *Other financial liabilities*

(million euros)	December 31, 2004			
	Value before effect of derivatives instruments	Impact of derivatives instruments subject to hedge accounting	Impact of other derivatives instruments	Value including effect of derivatives
Subordinated debt	9 294	(654)	(551)	8 089
Financing debt instruments issued	3 168	(255)	(15)	2 898
Financing debt owed to credit institutions	17	-	4	22
Financing debt (1)	**12 479**	**(909)**	**(561)**	**11 009**
Controlled investment funds minority interests liability	3 223	-	-	3 223
Other debt instruments issued, notes and bank overdrafts	7 784	-	1	7 785
Payables arising from direct insurance and inward reinsurance operations	3 863	-	-	3 863
Payables arising from outward reinsurance operations	3 588	-	-	3 588
Payables arising from banking activities (1)	12 220	-	65	12 285
Payables - current tax position	954	-	-	954
Other payables	21 187	-	-	21 187
Derivatives relating to other financial liabilities			-	
Other debts (2)	**52 820**	**-**	**67**	**52 886**

(1) Financing debt and Payables arising from banking activities issued are disclosed in the balance sheet net of the impact of derivatives As a result, the amount shown in the column "value including effect of derivatives" is their net book value

(2) Other debts are presented excluding effect of derivatives on the face of the balance sheet

e) Derivative instruments not subject to hedge accounting

AXA Japan uses derivative instruments to cover currency risk on its investments in US and European bonds. In accordance with IAS 21 and IAS 39, some or all of the translation difference relating to these bonds is recorded in income and offsets most of the change in market value of associated derivative instruments, also recorded in income. The economic effect of this hedging is therefore reflected without the need to use hedge accounting in the meaning of IAS 39.

The notional amount of these instruments at December 31, 2004 was €10,028 million.

f) Derivative instruments measured at fair value

(million euros)	Fair value determined directly by reference to an active market	Fair value estimated using valuation technique	TOTAL
	December 31, 2004		
Derivatives instruments on financial assets subject to hedge accounting	32	(178)	(146)
Other derivatives instruments on financial assets (1)	209	431	640
Macro hedge and speculative derivatives on financial assets	481	(111)	370
Total - derivatives instruments relating to financial assets	722	142	864
Derivatives instruments on insurance and investment contracts subject to hedge accounting	12	-	12
Other derivatives instruments on insurance and investment contracts (1)	(47)	3	(44)
Macro hedge derivatives on insurance and investment contracts	-	-	-
Total - derivatives instruments relating to insurance and investment contracts	(35)	3	(32)
Derivatives instruments relating to financing debt, and other financial liabilities subject to hedge accounting	(919)	10	(909)
Other derivative instruments relating to financing debt, and other financial liabilities (2)	(569)	10	(560)
Total - derivatives instruments relating to financing debt, operating debt and other financial liabilities	(1 488)	20	(1 469)
Macro hedge banking activities (liabilities) and other derivatives (including speculative derivatives)	(5)	70	65

(1) Hedge accounting not acting as hedge in the meaning of IAS 39

(2) Notably includes speculative derivative instruments on financing debt and other financial liabilities

1.2.17. Revenues by segment and net revenues from banking activities

a) Total revenues

(million euros)	December 31, 2004
LIFE & SAVINGS	**42 344**
of which direct premiums	*39 461*
of which reinsurance assumed	*1 642*
of which fees and charges on investment contracts with no participation feature	*417*
of which revenues from other activities	*824*
France	11 538
United States	12 847
United Kingdom	2 420
Japan	5 526
Germany	3 499
Belgium	2 188
Other countries	4 326
PROPERTY & CASUALTY	**17 852**
of which direct premiums	*17 521*
of which reinsurance assumed	*288*
of which revenues from other activities	*42*
France	4 895
Germany	2 796
United Kingdom (and Ireland since January 1st, 2004)	4 469
Belgium	1 430
Other countries	4 262
INTERNATIONAL INSURANCE	**3 363**
of which direct premiums	*920*
of which reinsurance assumed	*2 320*
of which revenues from other activities	*123*
AXA RE	1 056
AXA Corporate Solution Assurance	1 506
AXA Cessions	94
AXA Assistance	467
Others	240
ASSET MANAGEMENT	**3 084**
Alliance Capital	2 325
AXA Investment Managers	759
OTHER FINANCIAL SERVICES	**387**
French banks	101
German banks	24
AXA Bank Belgium	258
Other	4
TOTAL	**67 030**

b) Net revenues from banking activities

(million euros)	December 31, 2004
Interests received and equivalent	500
Interests paid and equivalent	(328)
Net interests and equivalent	**172**
Commissions received	42
Commissions paid	(21)
Net commissions	**20**
Investment income	230
Realized investment gains and losses	49
Change in fair value of financial instruments at fair value through P&L	(17)
Change in financial instruments impairment	(2)
Net investment results	**264**
Other bank operating income	15
Other bank operating expenses	(82)
Net other bank operating income	**(67)**
Net revenues from banking activities	**386**

1.2.18. *Technical results by segment*

Life & Savings			
(million euros)	December 31, 2004		
	Gross	Cessions and retrocessions	Net
Gross written premiums	41 111	(820)	40 291
Fees and charges relating to investment contracts with no participating feature	417	-	417
Change in unearned premiums net of unearned revenues and fees	23	(0)	23
Net change in assets backing contracts where the financial risk is borne by policyholders (unit-linked)	10 543	-	10 543
Claims paid	(35 181)	628	(34 553)
Change in claims reserve	(224)	58	(166)
Change in future policy benefits	(5 096)	43	(5 053)
Change in liabilities arising from contracts where the financial risk is borne by policyholders (unit-linked)	(9 717)	(7)	(9 723)
Change in other technical reserves	(165)	(7)	(172)
Policyholders participation	(8 148)	31	(8 116)
Acquisition costs	(2 602)	-	(2 602)
Amortization of VBI and other intangibles	(478)	-	(478)
Administrative expenses	(3 094)	-	(3 094)
Commissions received from reinsurers	-	91	91
Technical result	**(12 609)**	**17**	**(12 593)**
Net investment result excluding financing expenses and investment result included in technical result			14 951
Other revenues, net of benefits, claims and other deductions			658
INCOME FROM OPERATING ACTIVITIES GROSS OF TAX			**3 016**

Property & Casualty			
(million euros)	December 31, 2004		
	Gross	Cessions and retrocessions	Net
Gross written premiums	17 903	(991)	16 912
Fees and charges relating to investment contracts with no participating feature	-	-	-
Change in unearned premiums net of unearned revenues and fees	(250)	(6)	(256)
Claims paid	(11 140)	690	(10 450)
Change in claims reserve	(846)	(468)	(1 314)
Change in future policy benefits	-	-	-
Change in liabilities arising from contracts where the financial risk is borne by policyholders (unit-linked)	-	-	-
Change in other technical reserves	27	(19)	8
Acquisition costs	(3 089)	-	(3 089)
Amotization of VBI and other intangibles	-	-	-
Administrative expenses	(1 704)	-	(1 704)
Commissions received from reinsurers	-	131	131
Technical result	**902**	**(663)**	**238**
Net investment result excluding financing expenses and investment result included in technical result			1 795
Other revenues, net of benefits, claims and other deductions			25
INCOME FROM OPERATING ACTIVITIES GROSS OF TAX			**2 059**

International insurance			
(million euros)	December 31, 2004		
	Gross	Cessions and retrocessions	Net
Gross written premiums	3 314	(1 035)	2 279
Fees and charges relating to investment contracts with no participating feature	-	-	-
Change in unearned premiums net of unearned revenues and fees	318	(137)	181
Claims paid	(3 127)	742	(2 385)
Change in claims reserve	487	(75)	411
Change in future policy benefits	(195)	0	(195)
Change in liabilities arising from contracts where the financial risk is borne by policyholders (unit-linked)	-	-	-
Change in other technical reserves	3	-	3
Acquisition costs	(284)	-	(284)
Amotization of VBI and other intangibles	(0)	-	(0)
Administrative expenses	(329)	-	(329)
Commissions received from reinsurers	-	105	105
Technical result	**187**	**(401)**	**(213)**
Net investment result excluding financing expenses and investment result included in technical result			500
Other revenues, net of benefits, claims and other deductions			138
INCOME FROM OPERATING ACTIVITIES GROSS OF TAX			**425**

1.2.19. *Net investment result excluding financing expenses*

Investment result from financial assets of insurance and other activities (excluding investment result from financial assets of banks included in net banking revenues) was as follows:

(million euros)	Net investment income	Net realized investment gains and losses	Change in fair value of financial instruments at fair value through P&L	Change in financial instruments impairment	Net investment result
	December 31, 2004				
Investment property at amortized cost	521	345		(90)	776
Investment property at fair value through P&L	259	106	403		764
Investment property	**776**	**451**	**403**	**(90)**	**1 540**
Fixed maturities held to maturity	1				1
Fixed maturities available for sale	8 289	8 726	207	(32)	17 190
Fixed maturities designated as at fair value through P&L (1)	1 138	(8 206)	524		(6 546)
Fixed maturities trading	86	(1)	17		102
Fixed maturities at amortized cost	4	0			4
Fixed maturities	**9 518**	**517**	**748**	**(32)**	**10 752**
Equity securities available for sale	989	6 782	63	(285)	7 550
Equity securities designated as at fair value through P&L (2)	152	(4 455)	223		(4 080)
Equity securities trading		96	140		237
Equity securities	**1 141**	**2 423**	**426**	**(285)**	**3 706**
Non controlled investment funds available for sale	63	189		(13)	239
Non controlled investment funds designated as at fair value through P&L	164	(12)	(15)		137
Non controlled investment funds trading		3	2		5
Non controlled investment funds	**227**	**179**	**(13)**	**(13)**	**380**
Other assets held by consolidated investment funds designated as at fair value through P&L		**0**	**1**		**1**
Loans held to maturity					
Loans available for sale	1	0			1
Loans designated as at fair value through P&L			(49)		(49)
Loans trading		0	2		2
Mortgage loans	480	5		(14)	470
Other loans	545	(4)		(17)	524
Loans	**1 025**	**1**	**(47)**	**(31)**	**946**
Assets backing contracts where the financial risk is borne by policyholders	**234**		**10 543**		**10 778**
Hedge accounting derivatives			**268**		**268**
Other derivatives		**(39)**	**(373)**		**(412)**
Investment management expenses	**(588)**				**(588)**
Other	**606**	**(249)**	**631**	**6**	**994**
NET INVESTMENT RESULT	**12 941**	**3 282**	**12 588**	**(444)**	**28 367**

(1) including fixed maturities held by consolidated investment funds designated as at fair value through P&L

(2) including equity securities maturities held by consolidated investment funds designated as at fair value through P&L

Changes in fair value of financial instruments at fair value through profit and loss on available-for-sale equities and bonds, relate to the changes in fair value of underlying items of fair-value hedges in Japan (in the meaning of IAS 39).

1.2.20. *Net result of reinsurance ceded*

(million euros)	Life & Savings	P&C	International Insurance	Intersegments eliminations	TOTAL
	December 31, 2004				
Premiums ceded	(820)	(991)	(1 035)	169	(2 678)
Reinsurer's share in claims paid (1)	659	690	742	(192)	1 900
Reinsurers' share in liabilities arising from insurance and investment contracts - January, 1	3 690	2 366	2 992	(560)	8 489
Changes in scope of consolidation, portfolios transfers and changes in accounting methods	379	12	181	203	775
Changes in currency translation	(207)	(28)	(167)	-	(402)
Reinsurers' share in liabilities arising from insurance and investment contracts - December, 31	4 025	1 835	2 474	(436)	7 898
Change in reinsurers' share in liabilities arising from insurance and investment contracts	87	(493)	(213)	21	(598)
Commissions received from reinsurers	91	131	105	(13)	314
Net result of reinsurance ceded	**17**	**(663)**	**(401)**	**(15)**	**(1 063)**

1.2.21. Financing debt expenses

Expenses related to the financing of changes in the Group's scope of consolidation were as follows:

	December 31, 2004
Gross interest expenses on financing debt	(583)
Income / Expense linked to hedging derivatives on financing debt	-
Net financing debt expenses	**(583)**

1.2.22. Expenses by type

a) Acquisition costs

(million euros)	December 31, 2004								
	Life & Savings	P&C	International insurance	Total insurance	Asset management	Other financial services	Holdings	Inter-segments elimination	TOTAL
Acquisition costs - gross (1)	(4 147)	(3 227)	(287)	(7 661)	-	-	-	17	(7 643)
Change in deferred acquisition costs and equivalents (2)	1 545	138	3	1 687	-	-	-	-	1 687
Net acquisition costs	(2 602)	(3 089)	(284)	(5 974)	-	-	-	17	(5 957)

(1) Includes all acquisition expenses relating to insurance and investment contracts before capitalization/amortization of deferred acquisition costs and equivalents
(2) Change (capitalization and amortization) in deferred acquisition costs relating to insurance and investment contracts with discretionary participation feature and changes in net rights to future management fees relating to investment contracts with no discretionary participation feature

b) Expenses by type

(million euros)	December 31, 2004								
	Life & Savings	P&C	International insurance	Total insurance	Asset management	Other financial services	Holdings	Inter-segments elimination	TOTAL
Acquisition costs (1) - gross	4 147	3 227	287	7 661	-	-	-	(17)	7 643
Claims handling expenses (2)	341	860	232	1 433	-	-	-	-	1 433
Investment management expenses (3)	668	103	35	806	4	110	17	(246)	691
Administrative expenses	3 002	1 717	344	5 062	2 623	189	269	(237)	7 906
TOTAL EXPENSES BY DESTINATION	8 158	5 906	898	14 961	2 628	299	286	(500)	17 673
Breakdown of expenses by type :	8 158	5 906	898	14 961	2 628	299	286	(500)	17 673
Staff expenses	2 132	1 889	271	4 292	1 194	129	142	(20)	5 736
Tangible assets amortization charge	48	65	15	128	55	4	2	0	190
Commissions paid	3 157	3 003	294	6 453	290	21	-	(190)	6 574
Other expenses	2 820	948	318	4 088	1 087	144	142	(290)	5 171

(1) Includes all acquisition expenses relating to insurance and investment contracts before capitalization/amortization of deferred acquisition costs and equivalents
(2) Claims handling expenses are included in the "Technical charges relating to insurance activities" P&L caption
(3) Investment management expenses are included in the "Net investment income" P&L caption

1.2.23. Staff expenses

a) Employee benefits

Defined Contributions plans

The cost of the contributions paid is an expense in the statement of income, and amounted to € 81 million for the year ended December 31, 2004.

Defined benefit plans

The assumptions for each plan are consistent with the economic features of the countries in which the liabilities lie. The weighted-average assumptions used by AXA for pension plans in the principal regions in which AXA operates are as follows:

	Europe	***North America***	***Japan***	***Others***
Discount rate	*5 1 %*	*5 8 %*	*1 9 %*	*6 1 %*
Salary increase for future years	*3 4 %*	*5.6 %*	*0%*	*3.6 %*
Expected rate of return on plan assets (used in pension expense)	*6 0%*	*8 4 %*	*1 3 %*	*7 4 %*

Annual change in pension plan liabilities

A yearly evolution of the PBO (Projected Benefit Obligation) is made based on the following items:
- service cost (representing the increase in the PBO attributable to one year of additional service),
- interest cost (cost of one year less discount),
- benefits paid,
- actuarial gain or losses (change in long term assumptions, change in staff, ...),
- change in plans.

Balance sheet information

The balance sheet information for employee benefits captures the difference between the Projected Benefit Obligation ("PBO") and the market value of the corresponding invested plan assets. When this difference is positive a contingency and loss reserve is booked within the balance sheet liability. When it is negative, an asset is recorded in the balance sheet.

In addition, in accordance with IAS 19 a category of assets referred to as "separate assets" are also recorded in the balance sheet. IFRS created the concept of separate assets which are assets that are not allowed to offset the PBO. Separate assets are insurance contracts issued by AXA which support the defined benefit pension plans. The accounting consequence of these separate assets is a potential increase in the accrued liability or decrease in the prepaid asset, offset by this new "separate asset". These assets are shown separately in the following table. The most significant amount of separate assets relates to our US pensions plans whose funds are largely invested in separate account (unit-linked) insurance contracts issued by AXA Equitable. These funds are dedicated to the specific insurance contracts and are not available to general creditors, so their economic nature is no different from plan assets. Because the separate account assets are available to the pension plan through an insurance contract IFRS requires their categorization as separate assets despite their economic nature.

AXA Group has decided to use the SORIE option that was introduced by the last amendment to IAS19. Under the SORIE option, actuarial gains and losses are recognised in full in the period in which they occurred outside profit or loss and are presented on a separate line of the Statement Of Recognised Income and Expense in equity.

Actuarial gains and losses are defined as experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. They include differences between the expected and actual return on plan assets.

In addition, as permitted by IFRS 1 in connection with the first time adoption of IFRS on January 1, 2004, AXA has recorded the unrecognized cumulative actuarial gains and losses at such date of € 2 986 million (€ 2 882 millions for pension benefits and € 104 millions for other benefits) against shareholders' equity.

The tables presented below present the change in benefit obligation and change in plan assets associated with pension plans and post-retirement benefits sponsored by AXA along with an analysis of separate assets as at December 31, 2004.

	Pension benefits	Other benefits
(in euro millions)	2004	2004
Change in benefit obligation:		
Benefit obligation, beginning of year	8 602	508
Service cost	180	5
Interest cost	461	30
Amendments (including acquisitions)	385	83
Actuarial (gains) and losses	612	23
Benefits paid	-362	-4
Benefits directly paid by the employer	-104	-26
Effect of foreign currency fluctuation	-199	-39
Benefit obligation, end of year (A)	**9 573**	**581**
Change in plan assets:		
Fair value of plan assets, beginning of year	3 619	8
Actual return on plan assets	346	0
Employer contributions	115	3
Employee contributions	10	2
Net transfer (including acquisitions)	0	0
Benefits paid	-207	-4
Effect of foreign currency fluctuation	-14	0
Fair value of plan assets, end of year (B)	**3 869**	**9**
Change in separate assets:		
Fair value of separate assets, beginning of year	2 195	0
Actual return on separate assets	208	0
Employer contributions	147	0
Employee contributions	4	0
Net transfer (including acquisitions)	3	0
Benefits paid	-155	0
Effect of foreign currency fluctuation	-137	0
Fair value of separate assets, end of year	**2 573**	**0**
Unfunded Status	-5 707	-572
Overfunded Status	3	0
Funded Status (B) - (A)	-5 704	-572
Unrecognised Net (Gains) and Losses	38	0
Net position (excluding separate assets)	**-5 666**	**-572**
Recorded in the balance sheet for plans :		
Witha positive net position (Asset)	3	0
With a negative net position (Liability)	-5 669	-572

For pension plans where the fair value of plan assets exceeds the benefit obligation, the aggregate fair value of plan assets and aggregate benefit obligation were €28 million and €26 million respectively as at December 31, 2004. For pension plans where benefit obligation is in excess of the fair value of the plan assets, the aggregate fair value of plan assets and aggregate benefit obligation were € 3 841 million and € 9 548 million respectively as at December 31, 2004.

For MONY employee benefit plans, the fair value at acquisition date became new cost basis for post-acquisition accounting. This was accomplished by revaluation of the liabilities using the AXA US operation current assumptions as of the acquisition date, including recognition of any previously deferred actuarial gains and losses. Any prepaid pension asset was eliminated in connection with these revaluations.

Net periodic benefit cost

The net periodic benefit cost, that is, the annual expense for employee benefits recorded in the income statement, for the year ended December 31, 2004 is presented below:

	Pension benefits	Other benefits
(in euro millions)	**2004**	**2004**
Service cost	180	5
Interest cost	461	30
Expected return on plan assets	-363	0
Expected return on separate assets	-18	0
Amortization of unrecognised amounts	5	0
Settlement/Curtailment and Employee contribution	1	-2
Net periodic benefit cost	265	33

Near-term cash flows (Benefit Paid and Employer Contributions)

	Pension benefits	Other benefits
(million euros)	**2004**	**2004**
Estimated Future Benefits Paid (calculated on a PBO basis)		
2005	489	40
2006	504	40
2007	523	39
2008	550	39
2009	569	39
5 years thereafter	3 078	194

The estimated amount of 2005 employer contributions for pension benefits and other benefits is respectively € 283 million and € 32 million. These amounts also include benefits directly paid by the employer. These amounts are subject to uncertainty as they will be driven by 2005 economics.

Plan asset mix at the end of year 2004

TOTAL PLAN ASSETS MIX

	TOTAL GROUP	EUROPE	NORTH-AMERICA	OTHERS
Equities	58%	57%	69%	58%
Bonds	36%	37%	23%	25%
Real Estate	4%	4%	7%	7%
Other	2%	2%	1%	9%
Total	100%	100%	100%	100%
Total in meuros	3 878	3 536	134	208

As pension liabilities are of a long-term nature, a mixture of bond, equity, and real estate investments are used in the plan assets. It should be noticed that the percentage of equity is higher in the Anglo-Saxon countries where the investment strategy is often determined by Plan trustees. This mixture has some degree of volatility of returns, but over the long-term is expected to provide a higher return than pure bond investments. Our expectation of higher return is consistent with experience in the past, but may not be true in the future.

The asset mixture is maintained close to the target level, with minor fluctuations over time due to the shifting market values of assets. The asset mix at the end of year 2005 should be very similar to the one presented above at the end of year 2004.

There are diverse methods to determine the expected long term rate of return across the Group given each areas specificities. Globally it is based on the historic returns adjusted for future expectations on each asset class and for the shift of asset mix. In addition, external consultants review or compute these assumptions for reasonableness in most countries.

Other employment benefits

AXA provides certain medical and life insurance benefits ("post-retirement benefits") to qualifying employees, managers and agents who retire after having met certain age and service requirements. The life insurance benefits are related to age and salary at retirement. The expected costs of providing post-retirement benefit are accrued during the period that the employees earn such benefits. AXA funds post-retirement benefits costs as the benefits are utilized, and made post-retirement benefits payments of €30 million for the year ended December 31, 2004.

Balance sheet reconciliation

(in euro millions)	2004
Net position (excluding separate assets)	
Employee benefit liabilities	-6 238
Other liabilities	-383
TOTAL	**-6 621**

b) Share-based compensation

Share-based Compensation

The total employee share-based compensation cost recorded in earnings for the year ended December 31, 2004 is € 86.6 million. In accordance with IFRS 2, the cost above includes equity-settled share-based payment instruments for their portion that were granted after November 7, 2002 and had not yet vested at 31/12/2003. This total employee share-based compensation cost includes the expenses from share-based compensation instrument issued by the Group as well as the expenses from share-based compensation instrument issued by AXA local operations.

A. Share-based Compensation instruments issued by the Group

AXA SA SHARE OPTIONS

Executive officers and other key employees may be granted options to purchase ordinary shares of AXA (the Company) pursuant to stock option plans maintained by the Company. While the precise terms and conditions of each option grant may vary, current options are (1) granted at a price not less than the average closing price of the ordinary share on the Paris Bourse during the 20 trading days preceding the date of grant (2) are valid for maximum term of ten years, and (3) become exercisable in instalments of 33% per year on each of the second through fourth anniversaries of the grant date which is generally end of March.

The following table presents the headcount of all exercisable share options, including all the generations of stocks and not only the post-November 7, 2002 grants.

	2004	
	Shares (in millions)	Price (in euro) [a]
Outstanding January 1,	52,3	22,69
Granted	10,3	17,68
Capital increase		
Subscribed	(1,2)	9,44
Expired	(1,5)	23,94
Outstanding December 31,	**59,8**	**22,06**
Options exercisable at year end	30,9	26,61

(a) Price refers to weighted average exercisable price in euro.

In respect of share option plans issued by AXA for AXA ordinary shares, the number of share options outstanding and the number of share options exercisable at December 31, 2004 are set out below.

Exercisable until	Number Outstanding (in millions)	Number Exercisable (in millions)
March 28, 2005	0,8	0,8
July 09, 2006	1,2	1,2
January 21, 2007	3	3
September 09, 2007	0,2	0,2
September 29, 2007	0,1	0,1
August 19, 2008	6,3	6,3
June 08, 2009	5,2	5,2
November 17, 2009	0,2	0,2
July 11, 2010	0,1	0,1
July 04, 2010	5,4	5,4
November 12, 2010	0,2	0,2
May 08, 2011	7,7	5,2
February 26, 2012	8,7	2,9
March 13, 2013	10,4	0
March 26, 2014	10,1	0
TOTAL	**59,8**	**30,9**

Outstanding AXA SA			Outstanding at December 31 (in millions)	Weighted average exercice (in euros)	Exercisable at December 31 (in millions)	Weighted average exercice (in euros)
€ 6,48	-	€ 12,96	15,6	10,95 €	5,2	10,93 €
€ 12,96	-	€ 19,44	10,2	17,65 €	0,1	14,74 €
€ 19,44	-	€ 25,92	15,1	21,99 €	9,3	22,70 €
€ 25,92	-	€ 32,40	13,2	30,56 €	10,6	30,17 €
€ 32,40	-	€ 38,87	0,2	38,54 €	0,2	38,54 €
€ 38,87	-	€ 45,35	5,5	40,76 €	5,5	40,76 €
€ 6,48	**-**	**€ 45,35**	**59,8**	**22,06 €**	**30,9**	**26,61 €**

The information related to options granted after November 7, 2002 is as follows:

	2004	
	Shares (in millions)	Price (in euro) (a)
Outstanding January 1, 2004	10,7	10,96
Granted	10,3	17,68
Subscribed	(0,0)	10,96
Expired	(0,4)	13,91
Outstanding December 31, 2004	**20,5**	**14,26**

(a) Price refers to weighted average exercisable price in euro.

In respect of share option plans issued by AXA for AXA ordinary shares, and granted after 7 November 2002, the number of share options outstanding and the number of share options exercisable at December 31, 2004 are set out in the two tables below:

Exercisable until	**Number Outstanding (in millions)**	**Number Exercisable (in millions)**
March 13, 2012	10,4	0,0
March 26, 2014	10,1	0,0
TOTAL	**20,5**	**0,0**

			Outstanding at December 31, (in millions)	Weighted average exercice (in euros)	**Exercisable at December 31, (in millions)**	Weighted average exercice (in euros)
6,48 €	-	12,96 €	10,4	10,95 €	0,0	0,00 €
12,96 €	-	19,44 €	10,1	17,65 €	0,0	0,00 €
TOTAL			**20,5**	**14,26 €**	**0,0**	**0,00 €**

The Black-Scholes option pricing model was used in determining the fair values of the AXA SA Share Options. The effect of expected early exercise is taken into account through the use of an expected life assumption based on historic data. The AXA SA volatility assumption is estimated using the implied volatility which is checked against an analysis of the historical volatility to ensure a reasonable assumption for the option term is used. The expected AXA SA dividend yield assumption is based on the average market consensus. Risk-free interest rate is based on the Euro government benchmark curve for appropriate term. The option pricing assumptions and fair values for 2004 and 2003 are as follows:

	2004	2003
Dividend yield	3,10%	4,30%
Volatility	28,00%	38,00%
Risk-free interest rate	3,20%	3,40%
Expected life (years)	6	6
Weighted average fair value per option at grant date (in euros)	3,96	2,88

Amortizing this equity-settled plan expense against the vesting period and applying a 5% pre-vesting yearly estimation of forfeiture rate, the total cost for the AXA SA Share Options recorded in earnings for the year ended December 31, 2004 is € 19,3 million (€ 9,7 million for the 2003 grant and € 9,6 million for the 2004 grant).

AXA ADR SHARE OPTIONS

The US Holding Company can grant options to purchase AXA ADRs. The options are issued at the fair market value of the AXA ADRs on the date of grant. Options granted prior to 2004 vested over a 3 year period with one third vesting on each anniversary date, however, beginning with new grants in 2004, new stock option awards generally vest over 4 year period with one third vesting on each of the second, third and fourth anniversaries of the grant. Options currently issued and outstanding have a 10-year contractual term from their date of grant.

A summary of the activity in the option shares of the Holding Company's option plans follows, including information about options outstanding and exercisable at December 31, 2004.

In respect of share option plans issued by the US Holding Company for AXA ADR shares, the number of share options outstanding and the number of share options exercisable at December 31, 2004 are set out below.

The 2 templates below include all the generations of stocks and not only the post-November 7, 2002 grants.

AXA ADR's Options 2004	Number Outstanding (in millions)	Weighted Average Exercise Price (in U.S. Dollars)
Balance as at January 1,	**40,9**	**23,04**
Granted	7,2	20,66
Suscribed	(2,5)	14,82
Expired	(1,6)	23,74
Balance as at December 1,	**44,0**	**23,03**

AXA ADR's Options			Outstanding at December 31, 2004 (in millions)	Weighted average exercise price (in U.S.dollars)	Exercisable at December 31, 2004 (in millions)	Weighted average exercise price (in U.S. dollars)
€ 6,33	-	€ 8,97	0,2	7,65	0,2	7,65
€ 10,13	-	€ 15,12	10,1	12,66	4,4	12,81
€ 15,91	-	€ 22,84	15,5	19,42	7,1	18,51
€ 25,96	-	€ 32,87	13,1	30,65	12,3	30,64
€ 35,85	-		5,1	35,85	5,1	35,85
€ 6,33	**-**	**€ 35,85**	**44,0**	**23,02**	**29,1**	**25,71**

For option granted after 7 November 2002, figures are as follows:

AXA ADR's Options 2004	Number Outstanding (in millions)	Weighted Average Exercise Price (in U.S. Dollars)
Balance as at January 1,	**8,9**	**12,60**
Granted	7,1	20,66
Suscribed	(0,9)	12,56
Expired	(0,6)	15,49
Balance as at December 1,	**14,5**	**16,36**

The number of post 7 November 2002 exercisable shares is set out below:

AXA ADR's Options			Outstanding at December 31, 2004 (in millions)	Weighted average exercise price (in U.S.dollars)	Exercisable at December 31, 2004 (in millions)	Weighted average exercise price (in U.S. dollars)
€ 12,51	-	€ 15,12	7,7	12,53	2,3	12,53
€ 19,50	-	€ 22,45	6,8	20,66	0,0	20,66
€ 12,51	**-**	**€ 22,45**	**14,5**	**16,36**	**2,3**	**16,36**

The Black-Scholes option pricing model was used in determining the fair values of the AXA ADR Share Options. The effect of expected early exercise is taken into account through the use of an expected life assumption based on historic data. The AXA ADR volatility assumption is the AXA SA volatility assumption adjusted with the exchange rate US$/€ volatility and correlation to ensures that consistency is maintained between the volatility assumptions for the share prices denominated in the two different currencies.
The AXA ADR expected dividend yield is similar to the AXA SA expected dividend yield. Risk-free interest rate is based on the US Treasury bonds of an appropriate term.
The option pricing assumptions and fair values for 2004 and 2003 are as follows:

	2004	2003
Dividend paid	3,10%	4,30%
Volatility	29,00%	38,00%
Risk-free interest rate	2,90%	2,50%
Expected life (years)	5	5
Weighted average fair value per option at grant date (in US dollars)	4,44	3,04

Amortizing this equity-settled plan expense against the vesting period and applying a 5% pre-vesting yearly estimation of forfeiture rate, the total cost for the AXA ADR Share Options recorded in earnings for the year ended December 31, 2004 is € 11,5 million (€ 6,3 million for the 2003 grant and € 5,2 million for the 2004 grant).

AXA GROUP SHAREPLAN

AXA offers its employees the opportunity to become shareholders through a special equity issue reserved for them. In the countries that meet the legal and tax requirements, two investments options are proposed: the traditional plan and the leverage plan.
In the traditional plan, the employee invests funds in AXA shares, at a discount to the market price for unrestricted shares. These shares are normally only available after a 5 year period of restriction. In the leverage plan, an independent bank completes the employee investment so that the total investment is a multiple of the cash paid by

the employee. This total sum invests in AXA shares at a discount to market price. After a period of 5 years, the employee will get a percentage of any gains on the total investment, with a floor of the initial investment.

Most of the 2004 subscriptions for the AXA Group Shareplan occur in December. Total subscriptions amount to € 257 million for the year 2004.

The cost of this a plan is valued by taking into account the restriction over 5 years for the employee using the CNC recommendations (Conseil National de la Comptabilité). The CNC approach values the restricted share through a replication strategy where the employee would sell forward the restricted share at a five year term, borrow enough money to buy an unrestricted share, and use the eventual proceeds from the forward sale, and the accumulated dividends received during the period of restriction, to pay off the loan. In the case of the leverage plan, the opportunity gain implicitly provided by AXA by enabling its employees to benefit from an insitutional derivatives' pricing versus a retail pricing in the leverage plan, is added to this cost.

Assumptions used in order to value the Group Shareplan 2004 are as follows:

- 5 years borrowing rate: 7,37 %
- AXA volatility spread between retail and institutional market: 7,00 %

The total cost for the AXA Group Shareplan recorded in earnings for the year ended December 31, 2004 is € 19,1 million (€ 1,5 million for the classic plan and € 17,6 million for the leverage plan). The shares are considered to vest immediately, so the full cost is reflected in the current period.

PERFORMANCE UNITS PLAN

In a less significant extent, AXA issued in 2004 a Performance Units plan. During the vesting period the performance units initially granted are subject to non-market performance criteria. The value of each performance unit corresponds to an average price of the AXA share before the settlement which is cash-settled in most cases.
The total cost for 2004 performance units recorded in earnings for the year ended December 31, 2004 is € 5.1 million.

B. Share-based Compensation instruments issued by local operations

Only significant plans at Group level are listed below.

AXA FRANCE SHARE OPTION PLAN

In December 2004, AXA France granted a one-off stock option plans for its *agents generaux*. Options are 4 year life and vest immediately. The exercise price is €17.77 and the amount of options granted is 3 million. This plan was valued using the AXA Group plan methodology. The total cost for this AXA France share option plan recorded in earnings for the year ended December 31, 2004 is € 6.9 million; because of the immediate vesting this is the full cost over its life.

AXA ASIA PACIFIC HOLDING SHARE OPTION PLAN

In a less significant extent, AXA APH grants share options on APH share with both market and non-market performance conditions which are valued according to the Australian local IFRS.
The total cost for this AXA APH share option plan recorded in earnings for the year ended December 31, 2004 is € 1.1 million.

AXA FINANCIAL SHARE-BASED COMPENSATION INSTRUMENTS

The total employee share-based compensation cost recorded in earnings for the year ended December 31, 2004 includes U.S.$16.2 million in connection with the AXA Financial Stock Appreciation Rights liability, as they are subject to variable accounting based on the change in market value of AXA ADRs and U.S.$ 13.0 million in connection with the AXA ADR Restricted Shares and Performance Accelerated Restricted Shares granted to senior executives and non-employee directors.

The global overview of plans and their cost is as follows:

Plan	(millions of euros)
AXA Share Options	19.3
2003 grants	*9.7*
2004 grants	*9.6*
AXA ADR Share Options	11.5
2003 grants	*6.3*
2004 grants	*5.2*
AXA Group Shareplan	19.1
Classic Plan	*1.7*
Leveraged Plan	*17.6*
AXA Group Share Options plan	6.9
AXA 2004 Performance Units plan	5.1
AXA APH Share Options Plans	1,1
AXA Financial Share-Based Compensation Instruments	23.5*
AXA Financial Stock Appreciation Rights (SAR)	*13.0**
AXA Financial Restricted Shares and Performance Accelerated RS (PARS)	*10.4**
TOTAL	**86.6**

** 1 USD = 0.804 EUR*

1.2.24. Consolidated statement of cash flows

The statement of cash flows for the 12-month period ended December 31, 2004 is as follows:

STATEMENT OF CASH FLOWS

(million euros)	December 31, 2004
Income from operating activities, gross of tax expenses	**6 589**
Net capital gains / (losses) from investing activities	(3 668)
Net amortization expense	649
Net change in valuation allowances	455
Change in deferred acquisition costs	(1 548)
Change in insurance liabilities and financial liabilities related to investment contracts	24 689
Net allowance to other provisions	(37)
Dividends recorded in P&L during the period	(1 344)
Interests recorded in P&L during the period	(10 786)
Change in fair value of financial instruments as at fair fair value trough P&L (excluding cash and cash equivalent)	(12 301)
Other non-cash items included in income from operating activities	(85)
Adjustments linked to non monetary items and to investing and divesting activities included in the income from operating activities	***(3 976)***
Deposit accounting (Net cash)	924
Dividends and interim dividends collected	1 386
Interests collected	10 697
Change in operating receivables and payables	1 326
Change in valuation of instruments given or received as guarantees	0
Net cash provided by other assets and liabilities	4 820
Tax expenses paid	(882)
Net cash provided by operating activities	**20 884**
Purchase of subsidiaries and affiliated companies, net of cash acquired	(4 788)
Disposal of subsidiaries and affiliated companies, net of cash ceded	856
Purchase of shares of affiliated companies	(72)
Disposal of shares of affiliated companies	352
Net cash related to changes in scope of consolidation	***(3 651)***
Sales of fixed maturities	84 965
Sales of equity securities	22 072
Sales of investment property	1 620
Sales and/or repayment of loans and other assets	4 222
Net cash related to sales and repayments of financial assets	***112 878***
Purchases of fixed maturities	(82 678)
Purchases of equity securities	(34 416)
Purchases of investment property	(1 043)
Purchases and/or issues of loans and other assets (including those allocated to unit-linked contracts)	(8 284)
Net cash related to purchases and issuance of financial assets	***(126 421)***
Sales of tangible and intangible assets	33
Purchases of tangible and intangible assets	(221)
Net cash related to sales and purchases of tangible and intangible assets	***(187)***
Net cash provided by investing activities	**(17 381)**
Issuance of equity instruments	2 298
Repayments of equity instruments	-
Transactions on treasury shares	
Dividends payout	(924)
Net cash related to transactions with shareholders	***1 374***
Cash provided by financial debts issuance	791
Cash used for financial debts repayments	(2 048)
Interest on financing debt paid in year (excluding acurred interest)	(775)
Net interest margin of hedging derivatives on financing debt	-
Net cash related to Group financing	***(2 032)***
Net cash provided by financing activities	**(659)**
Cash and cash equivalent as of 1st January	**18 858**
Net cash provided by operating activities	20 884
Net cash provided by investing activities	(17 381)
Net cash provided by financing activities	(659)
Net impact of foreign exchange fluctuations on cash and cash equivalents	(252)
Impact of changes in scope on cash and cash equivalents	292
Impact of reclassification on cash and cash equivalents	86
Net cash provided by discontinued operations	-
Cash and cash equivalent at 31 December	**21 830**

1.2.25. *Net income per ordinary share*

The Company calculates a basic net income per ordinary share and a diluted net income per ordinary share:

- The calculation of the basic net income per ordinary share assumes no dilution and is based on the weighted average number of ordinary shares outstanding for the period.
- The calculation of diluted net income per ordinary share takes into account shares that may be issued as a result of stock option plans and convertible bonds. The effect of stock option plans on the number of fully diluted shares is taken into account only if options are considered to be exercisable on the basis of the average price of AXA share over the period. The effect of convertible bonds (number of shares and income) is integrated in the calculation if it actually generates a dilution of the net income per share.

In 2004, taking into account AXA's average stock price, 44 million shares relating to stock options were not included in the calculation of the weighted average number of shares on a fully diluted basis. This difference is mainly due to a new stock option plan (March 2004, relating to 10 million shares).

In addition, to finance the MONY acquisition, ORAN bonds were redeemed on July 22, 2004 through the issuance of one new ordinary AXA share (at a price of €12.75 versus the market price of €17.08) for each ORAN, i.e. a total issuance of 110,245,309 new AXA shares.

As a result of these factors, along with the anti-dilutive effect of convertible bond plans, the fully diluted number of shares is 1,935 million at December 31, 2004.

The detailed calculation of net income per ordinary share (basic and diluted) is provided below:

(in euro million except for ordinary shares in million units)		December 31, 2004
NET INCOME	**A**	**3738**
Weighted average number of ordinary shares (net of treasury shares) - opening		1748
Increase in capital (excluding stock option exercised) (1)		52
Stock option exercised (1)		1
Treasury shares (1)		4
Cancellations (1)		
Weighted average number of ordinary shares	**B**	**1805**
Net income per ordinary share	**C = A / B**	**2,07**
Potentially dilutive instruments		
- Stock options		6
- Subord Conv. Notes - 8 feb 2000		27
- Subord Conv Notes - 8 feb. 1999		37
- ORAN		60
Fully diluted - weighted average number of shares	**D**	**1935**
NET INCOME (2)	**E**	**3844**
Fully diluted net income per ordinay shares	**F = E / D**	**1,99**

(1) Weighted average

(2) Fully diluted

1.2.26. Related party transactions

According to IAS 24, parties are considered as related parties if one of them can control or is deemed to have a significant influence on the other during financial and operating decisions making process.

In 2004, the Company or one of its subsidiaries has been party to the following transactions with related parties, which may be deemed to have been either material to AXA or the related party in question or unusual in their nature or conditions.

Groupement d'intérêt économique (GIE) or "Mutuelles". From time to time AXA and some of its affiliates enter into partnerships that perform various common services for their members and allocate associated costs and expenses among its members. These partnerships are governed by the French law applicable to "Groupement d'Intérêt Economique" (GIE). The expenses invoiced to entities through the GIE may be calculated using allocation keys. In 2004, expenses invoiced by GIEs to the Company, its subsidiaries and affiliates amounted to €558 million.

A GIE also assumes cash management for the Company, its subsidiaries and affiliates. At December 31, 2004 the cash managed by the GIEs amounted to €11.5 billion. Members of the GIE (related parties) are the Company and affiliated entities.

Relationships with the Mutuelles AXA. The Mutuelles AXA are three mutual insurance companies engaged in the life & savings insurance business and property & casualty insurance business in France: AXA Assurances IARD Mutuelle, AXA Assurances Vie Mutuelle and AXA Courtage Assurance Mutuelle. These insurance businesses, which are the Mutuelles AXA's only significant operating business activities, generated gross premiums of €1,578 million in 2004. The insurance businesses of the Mutuelles AXA and the insurance businesses of the Company's French insurance subsidiaries use similar distribution channels and are managed as single businesses, subject to legal and management arrangements established to maintain the legal distinctions between their respective businesses.

The Mutuelles AXA do not have shares outstanding and the business of each Mutuelle AXA is supervised by a board of directors elected by delegates representing policyholders. As of February 28, 2005, the Mutuelles AXA, acting as a group, owned, directly and indirectly through intermediate holding companies (including FINAXA), approximately 20.34% of the Company's outstanding ordinary shares representing approximately 32.35% of the total voting power.

While the Company and each of the Mutuelles AXA has its own board of directors (or similar corporate governance structure), they have in common certain members of management and certain members of the Company's management and/or Supervisory Board also hold directorships and/or management positions in the Mutuelles AXA. The Mutuelles AXA, which have no employees, also use employees of the Company's French insurance subsidiaries pursuant to management agreements between the Mutuelles AXA and those subsidiaries. There are no agreements between the Mutuelles AXA and the Company's insurance subsidiaries that restrict in any way their ability to compete with one another.

Certain of the costs and expenses of operating the Life & Savings business and the Property & Casualty business in the Company's French insurance subsidiaries (other than commissions) are shared by these subsidiaries and the Mutuelles AXA and allocated among them through a GIE.

The Property & Casualty insurance business generated in France by insurance brokers is underwritten through a coinsurance arrangement between AXA France IARD, a Property & Casualty insurance subsidiary of the Company and AXA Courtage Assurance Mutuelle, one of the Mutuelles AXA engaged in the Property & Casualty business. Technical results are shared between entities in proportion with their written premiums. Aggregate written premiums (AXA Courtage Assurance Mutuelle and AXA France IARD) recorded in the agreement amounted to €1,407 million in 2004 (of which €1,252 million attributed to AXA France IARD).

In 2004, a corporation controlled by an investor group including certain members of the Supervisory Board and the Management Board of the Company engaged AXA Millesimes, a wholly-owned subsidiary of the Company, to manage a nineyard owned by the corporation and provide services related to the vineyard's wine production. The agreement was entered into on an arms-length basis and reflects prevailing terms and conditions for similar transactions.

AXA/FINAXA Trademark License. The name "AXA" and the AXA trademark are owned by FINAXA. On May 21, 1996, the Company and FINAXA entered into a licensing agreement subsequently amended pursuant to which FINAXA (1) granted the Company a non-exclusive license to use the AXA trademark in the jurisdictions in which AXA currently has operations and in any additional jurisdictions in which the AXA trademark is registered, and (2) agreed not to grant licenses to use the AXA trademark to any other company or partnership unless (i) that company or partnership holds an ownership interest in FINAXA or (ii) FINAXA and/or the Company hold, directly or indirectly, an interest in that company or partnership. The non-exclusive license grants the Company the right, subject to the prior written approval of FINAXA, to grant sub-licenses to companies controlled, directly or indirectly, by the Company. FINAXA has no obligation to grant any such approval. Over the past several years, a number of the Company's principal subsidiaries around the world have begun to use the AXA name pursuant to sublicenses granted by the Company. Pursuant to a supplemental agreement entered into on May 3, 2005 with a retroactive effect as of January 1, 2005, the Company is obligated to pay FINAXA an annual fee of €762,245 as well as 80% of any net royalties received from sub-licensees. AXA's non-exclusive license may be terminated at any time by either party, three months after delivery to the other party of a written notice of termination. FINAXA has, however, agreed not to exercise its right to terminate the license so long as FINAXA is the Company's largest shareholder. Upon termination, the Company and the companies to which it has granted sublicenses are required to cease utilization of the AXA trademark and any sublicenses will immediately terminate. On April 20, 2005, FINAXA and AXA announced their intention to merge FINAXA into AXA. It consummated AXA will become the owner of its trademark.

Loans/Guarantees/Capital Contributions. The Company from time to time makes capital contributions and/or loans to its subsidiaries and affiliates to finance their business operations. As at December 31, 2004, the aggregate amount outstanding in respect of loans made by the Company to its subsidiaries or affiliates was approximately €3.1 billion. This amount represents approximately forty separate loans originated at different times and bearing interest at varying rates that generally reflected prevailing market rates at the respective dates such loans were originated. In order to facilitate certain intra-group financing arrangements, support credit ratings of its subsidiaries, and/or to promote efficient use of the Group's capital resources generally, the Company from time to time guarantees repayment of loans extended from one of its subsidiaries to another and/or guarantees other obligations of its subsidiaries. As of December 31, 2004, the principal amount of such intra-group loans guaranteed by the Company was €2,217 million and the aggregate liabilities covered by the other guarantees extended to its subsidiaries was approximately €5,683 million. The beneficiaries of these guarantees are generally required to compensate the Company at a negotiated rate based on prevailing market rates and conditions for guaranties of a similar nature. In addition, from time to time the Company provides comfort or similar letters to rating agencies and/or regulators for the benefit of its subsidiaries for various business purposes, including for purposes of facilitating specific transactions, achieving target ratings levels and, more generally, helping develop the business of these subsidiaries. At December 31, 2004 and 2003, there were no loans outstanding from the Company to any member of AXA's Management Board or Supervisory Board. For additional information concerning commitments and guarantees given by the Company, see note 1-2-27 "Contingent assets and liabilities and unrecognized contractual commitments".

Agreement with BNP Paribas. On September 12, 2001, the AXA and BNP Paribas Groups entered into an agreement (the "BNP Agreement") which provides for maintaining a certain level of cross-shareholding between the parties and facilitating the potential disposition of BNP Paribas' investment in FINAXA. Specifically, the BNP Agreement provides that the AXA Group will hold a minimum number of 43.412.598 shares in BNP Paribas which, on July 31, 2004, represented an approximate 4.91% ownership interest in BNP Paribas; and that BNP Paribas will hold a minimum number of 15,795,357 shares in Finaxa (following adjustment linked to Finaxa's share capital increase of July 20, 2004) which, on July 31, 2004, represented an approximate 20.90% ownership interest in Finaxa. Additionally, the BNP Agreement grants both BNP Paribas and the Company a right of first refusal to acquire the other party's equity investment (not including any shares held in excess of the minimum amount) during a one-year period following any termination of the agreement. Further, each party has an option to repurchase the ownership interests of the other party if there is a change in control of the other party. Initially entered into for a three-year period commencing from the execution date of the agreement, a supplemental agreement was entered into by the parties on October 26, 2004 which provides that the agreement is renewed for a two-year period commencing on September 12, 2004 and is automatically renewed thereafter for additional one-year periods. However, either party may terminate the agreement early if it gives the other party notice at least three months prior to the expiration of the current two-year period or the subsequent one-year periods. This agreement and the supplemental agreement were filed with and made public by respectively the Conseil des Marchés Financiers on September 28, 2001 and the Autorité des Marchés Financiers on October 28, 2004.

In addition to the foregoing transactions to which the Company is party, there are various on-going business relationships and transactions between various subsidiaries of the Company which include the following:

Investment Management. The AXA Group has two principal asset management subsidiaries, Alliance Capital Management and AXA Investment Managers (the "Asset Managers"). In addition to managing assets for unaffiliated third parties, the Asset Managers manage the "general account" investment assets of AXA's various insurance subsidiaries. At December 31, 2004, the general account assets managed on behalf of the Company's insurance subsidiaries by the Asset Managers totalled approximately €229 billion and generated approximately €277 million in fees for year ended December 31, 2004. In addition, the Asset Managers manage most of the assets backing contracts with financial risk borne by policyholders (unit-linked) of the Company's insurance subsidiaries, which totalled approximately €66 billion at December 31, 2004.

AXA Technology Services. As one of many initiatives designed to better leverage the AXA Group's global scale, the AXA Group has established a technology services company, AXA Technology Services ("AXA Tech"), which provides technology services to various AXA Group companies. AXA Tech also negotiates and administers relationships with various IT providers on a Group-wide basis. Services provided by AXA Tech to Group companies are generally provided pursuant to contracts with fully negotiated terms and conditions (including service level standards, and fees) which are based on market standards and conditions. Total fees paid by AXA Group companies to AXA Tech in 2004 were approximately €634 million. AXA also from time to time provides guaranties to AXA Tech in order to facilitate certain contractual arrangements that AXA Tech has entered into with various third party service providers for technology and/or telecommunications equipment and/or services, including a guaranty provided by AXA SA in connection with an agreement between AXA Tech and France Telecom, dated December 15, 2003, pursuant to which AXA SA provided a performance guaranty to France Telecom on behalf of AXA Tech which is capped at €50 million during the term of the agreement.

Reinsurance. In order to achieve optimal pricing in the market and cost efficiencies on a Group level, various insurance subsidiaries of the Company cede reinsurance through AXA Cessions. AXA Cessions acts on behalf of the ceding AXA insurers to arrange reinsurance cover with suitable third-party reinsurers. Total premiums ceded by AXA Group insurers through AXA Cessions were approximately €631 million for the year ended December 31, 2004 and total claims reserves with respect to this ceded reinsurance were approximately €1,470 million at December 31, 2004.

1.2.27. *Contingent assets and liabilities and unrecognized contractual commitments*

a) Breakdown of commitments

(million euros)	Received	Given				
		2004				
	December 31, 2004	Due in one year or less	Due after one year through three years	Due after three year through five years	Due after five years	TOTAL
Commitments to finance						
Financial institutions	7 821	5	8	52	16	81
Customers		2 390			88	2 478
Guarantees						-
Financial institutions	234	33	483	297	917	1 730
Customers	2 573	69	171	3 471	758	4 468
Other						-
Pledged assets and Collaterized commitments	10 191	4 202	5	5	844	5 055
Letters of credit	627	56		17	597	670
Commitments related to construction		43	98	5	6	152
Other commitments	2 931	359	343	154	3 461	4 316
TOTAL	24 377	7 157	1 108	4 001	6 687	18 950

b) Comments

Off-balance sheet commitments received by AXA totalled €24,377 million at December 31, 2004, an increase of €3,274 million compared to 2003. This increase was mainly due to pledged assets and collateralized commitments (up €926 million), other commitments received (up €1,408 million) and commitments to finance (up €697 million), broken down as follows:

Financing commitments received totalled €7,821 million at December 31, 2004, and consisted mainly of:

- AXA SA credit lines (€6,058 million),
- commitments relating to the €312 million of commercial paper issued by Alliance Capital in 1998, with an extension of €73 million in 1999 and a cash facility of around €422 million,
- bank credit facilities granted to AXA Life Japan as part of its Life & Savings operations (€430 million),
- the US holding company's share in a Group cash facility since July 9, 2004 (€367 million),
- credit facilities received by AXA RE from cedants as part of its reinsurance operations (€95 million).

The €701 million increase in commitments to finance compared to 2003 was mainly due to the €638 million increase in AXA SA credit facilities.

Guarantee commitments totalled €2,807 million and consisted mainly of guarantees received from customers of Life & Savings entities (€1,437 million) and Belgian banking entities (€1,139 million) in the form of third-party pledges and mortgages on buildings relating to customer loans.

The fall of €189 million was mainly due to a reduction in letters of credit representing AXA Corporate Solutions Assurance's reinsurance commitments.

Pledged assets and collaterized commitments totalled €10,191 million at December 31, 2004.

Pledged assets represent technical commitments made by reinsurers, mainly to French Life & Savings companies (€259 million) and AXA Corporate Solutions Assurance (€217 million). The €826 million fall in these commitments reflected the reclassification of commitments consisting of life insurance contracts used to back loans granted by French banks into the "other commitments received" category.

Collaterized commitments totalled €9,585 million at December 31, 2004 and were mainly mortgage collateral given by customers of AXA Bank Belgium on home loans and other professional loans (€9,576 million). They increased by €1,752 million mainly due to higher production of home loans.

Other commitments totalled €2,931 million at December 31, 2004. This amount broke down as follows:

- €863 million of securities managed by AXA France Vie on behalf of provident societies (third-party management), a rise of €86 million compared to 2003.
- €347 million of loans of securities to third parties by French life insurance companies. The increase of €217 million reflected the growth observed in this business.
- Commitments received by AXA RE mainly: €146 million of guarantees relating to forward currency transactions, €54 million transfer commitment on a real estate fund managed by AXA Reim, FDV Venture, and €298 million of notional commitments received on ABR products. For these products, commitments were also given for an equivalent amount.
- €91 million of collateral received by AXA Bank Belgium as part of its cash management activities, (€-280 million compared to 2003).
- €816 million of commitments backing life insurance contracts used as collateral for loans granted by French banks, classified as pledged assets in 2003.

Letters of credit totalled €627 million at December 31, 2004, mainly consisting of €477 million of new letters of credit relating to the US reinsurance business.

Off-balance sheet commitments given by AXA totalled €18,953 million at December 31, 2004. This increase mainly resulted from higher collaterized commitments (up €1,387 million), partly offset by a decrease in letters of credit (down €427 million) and a lower level of guarantee (down €220 million).

Commitments to finance given totalled €2,559 million at December 31, 2004 consisting mainly of:

- €2,478 million of commitments to customers, comprising €1,175 million of commitments relating to home loans made by AXA Bank Belgium (up €276 million due to higher production of home loans), €592 million of credit facilities and overdraft authorizations granted by French banks to their customers (up €66 million due to growth in this business) and around €711 million of new commitments representing the commitment for MONY subsidiary Advest relating to transactions carried out with or on behalf of institutional customers. These increases were offset by AXA Versicherung's withdrawal from unlisted companies in 2004, which cancelled the related financial commitments (€313 million in 2003).
- €81 million of commitments to credit institutions (2003: €69 million) consisting mainly of €43 million of guarantees given on loans granted to French general agents and €27 million of real estate commitments received by AXA France IARD. These guarantees were stable compared to 2003.

Guarantee commitments totalled €6,199 million at December 31, 2004:

- Guarantee commitments given to financial institutions amounted to €1,730 million at December 31, 2004 and are mainly consisted of €914 million of collateral and pledges given by AXA SA to credit institutions, €307 million of capital financing commitments given by AXA Financial to Limited Partnership, €250 million of investment guarantees given by the German holding company as part of the marketing of its real estate funds and €92 million of collateral given by Alliance Capital to a commercial bank in 2002 to guarantee some of Sanford Bernstein's commitments.
  At December 31, 2003, these commitments totalled €1,991 million, or a €247 million decrease mainly due to the reduction in guarantee commitments given by AXA Germany concerning the WTC claim (down €103 million).
- Guarantee commitments given to customers totalled €4,468 million at December 31, 2004 and mainly consisted of (i) €3,618 million of mutual fund performance guarantees provided by AXA Banque to funds managed by AXA IM, the fair value of this commitment being nil at December 31, 2004 and (ii) guarantees given by AXA Australia as part of its marketing of mutual funds, guaranteeing that customers will recoup their initial investment. These guarantee commitments were stable compared to December 31, 2003 (€4,489 million).

Pledged assets and collaterized commitments totalled €5,056 million at December 31, 2004.
Pledged assets consisted mainly of €296 million of collateral on derivatives given as part of the Japanese life insurance operations, €126 million of assets ankpledged by AXA Germany to WestLB to hedge a dollar-

denominated reinsurance liability and €142 million of pledges given to cedants as part of AXA Re's reinsurance operations.
Collaterized commitments totalled €4,389 million at December 31, 2004 and mainly consisted of €3,382 million of securities pledged by AXA Bank Belgium to financial institutions in respect of repo operations (cash management), along with €689 million of collaterized commitements given to the National Bank of Belgium as security for clearing-house activities. They also included €318 million relating to a transfer by AXA Financial of a real estate asset as collateral for a short-term debt.
Overall, pledged assets and collaterized commitments given increased by €1,387 million due to the €1,332 million increase in securities pledged by AXA Bank Belgium, and the €115 million increase in pledged assets relating to Japanese entities' derivative transactions, in line with increasing derivative volumes.

Letters of credit given totalled €670 million at December 31, 2004 and mainly related to international insurance operations, notably those of AXA RE Paris (€455 million) and AXA RE Finance (€93 million). Such commitments were given in 2001 in connection with future claims settlements arising from the US terrorist attacks of September 11, 2001. The fall in letters of credit was in line with the lower revenues of AXA RE.

Other commitments given totalled €4,316 million at December 31, 2004 and consisted mainly of:

- €503 million of commitments given on forward foreign exchange transactions (€152 million), €54 million transfer commitment on a real estate fund managed by AXA Reim, FDV Venture, and €296 million on derivative products hedging ABR contracts. Commitments have been received for an equal amount on these contracts.
- €366 million of commitments on forward financial instruments in the French life insurance business
- €72 million of compensation commitments granted by AXA France Assurances to a real estate promoter in the event of non motivated refusal to confirm the completion of work of a real estate operation.
- Commitments given by AXA France Vie to the Acacia special-purpose vehicle (€230 million in 2003) are now recognized through the consolidation of this vehicle in the 2004 consolidated financial statements.
- €107 million of commitments given by AXA Bank Belgium as part of its Money Market activity; the fall in these commitments reflecting the fall in cash management activity.

AXA has issued the following subordinated convertible debt instruments (i) €1,524 million 2.5% issued in February 1999 and due in 2014, and (ii) €1,099 million 3.75% issued in February 2000 and due in 2017. At maturity, if such debt instruments are not converted into ordinary shares of AXA, they will be redeemed by AXA at a price in excess of the original issue price per note. This difference totalled €1,049 million at December 31, 2004 after the allocation of a €245 million provision since December 31, 2002.

The scheme governing the financial reorganization of AXA Sun Life in 2001 (the "Scheme") details arrangements under which assets from the inherited estate, attributed to AXA through the reorganization, may be transferred on a temporary or permanent basis to the "With-Profit" funds as required to support the capital requirements of these funds, as determined under the Scheme. In the case of a temporary transfer, assets and related investment income remain attributable to AXA since they will be returned when they are no longer required to support the capital requirements of the "With-Profit" funds, under the stringent tests set out in the Scheme. If all or part of the assets transferred are unlikely to be returned in the foreseeable future (taking into consideration the duration of in-force "With-Profit" policies), then the relevant part of the transfer would be designated permanent. Only a permanent transfer to the "With-Profit" funds would result in a charge against the profit and loss account. The maximum amount that could be transferred under the Scheme is capped at the market value of surplus assets in the non-profit funds, which was £1.5 billion (€2.1 billion) at December 31, 2004, before taking into account the transfer described below.

At December 31, 2004, this transfer amounted to £754 million (€1,069 million), corresponding to the total amount transferred on January 1, 2004 plus the corresponding financial revenues. According to the rules of the plan, an annual test must be carried out at least once every 12-month period, possibly resulting in an additional transfer. The test on January 1, 2005 is unlikely to result in an additional transfer. Current projections, consistent with management's strategic plans, indicate that these cumulative transfers can reasonably be expected to be returned by the "With-Profit" funds over time and are therefore not permanent.

On September 12, 2001 an agreement was established between AXA and BNP Paribas for a period of three years, under which AXA guaranteed the liquidity of BNP Paribas' holdings in ordinary shares of Finaxa. Finally, in connection with Alliance Capital's acquisition of Sanford Bernstein in October 2000, former shareholders of Sanford Bernstein received 40.8 million unlisted private units in Alliance Capital, the liquidity of which has been guaranteed by AXA Financial Holding since October 2002. At the end of 2002, former shareholders of Sanford Bernstein sold 8.16 million of these units to AXA Financial. In March and December 2004, they sold a total of 16.32 units to AXA Financial. The remaining 16.32 million Alliance Capital units can be sold at market price to AXA Financial over the next five years, until 2009, but not more than 20% of the original total of 40.8 units may be sold to AXA Financial in any one annual period.

In addition to other employment-related obligations, various AXA subsidiaries are required to indemnify their employees against certain liabilities and costs that they may incur from time to time in performing activities within the scope of their employment duties. These activities may include, for example, service as a director, officer, agent, general partner, or in a similar capacity for (i) an AXA Group company other than the employee's principal employer or (ii) a company outside the AXA Group where service is at the request of (or for the benefit of) the Group (e.g. joint ventures, partnerships, or special-purpose investment companies or funds). The potential amount of compensation relating to commitments covered by these obligations cannot be evaluated with any certainty.

c) Other items : Restriction on dividends payment to shareholders

Some AXA subsidiaries, principally insurance companies, are subject to restrictions on the amount of funds they may transfer in the form of cash dividends or otherwise to their shareholders.

In most cases, the amounts available for dividends from AXA's insurance subsidiaries are limited to the accumulated earnings calculated using the subsidiaries' historical statutory basis of accounting. These amounts can be further limited based on the discretion of the insurance regulators in each country in which AXA operates. In some cases, amounts available for dividends are also subject to regulatory capital adequacy tests or the approval of an independent actuary, or subject to individual terms contained in company by-laws.

In accordance with European Union directives, insurance companies organized in European Union member countries are required to maintain minimum solvency margins which must be supported by capital, retained earnings and reserves and, in France or in certain other countries (as approved by local regulators), unrealized capital gains on marketable securities and real estate as reported in regulatory filings. AXA's insurance operations in countries outside of the European Union are also subject to capital adequacy and solvency margin regulations. At December 31, 2004, management believes AXA's subsidiaries are in compliance with all applicable solvency and capital adequacy margin requirements.

Note 2 : Operating highlights of the period

a) Capital and financing operations

(a) Capital operations

On June 29, 2005, the Management Board of AXA (following a meeting of the Supervisory Board) and the Board of Directors of FINAXA approved the terms and conditions of the merger of FINAXA into AXA which had been announced on April 19,2005.

For AXA and its shareholders, this merger simplifies the shareholder structure, improves the standing of the stock and increases the proportion of publicly traded shares. In addition, AXA will obtain ownership of the "AXA" brand which is currently the property of FINAXA. For FINAXA shareholders, this transaction improves the liquidity of their securities and eliminates the discount which affects the value of their securities.

Following the studies conducted by the committees of independent directors appointed within the Supervisory Board of AXA and the Board of Directors of FINAXA, the Management Board of AXA and the Board of Directors of FINAXA have set an exchange ratio of 3.75 AXA shares for one FINAXA share, corresponding to 15 AXA shares for 4 FINAXA shares. Independent banks respectively appointed by the Supervisory Board of AXA and the Board of Directors of FINAXA have each given a fairness opinion confirming that the exchange ratio is fair to the shareholders of each company.

AXA will undertake a capital increase of a minimum of 288 million shares. This number could go up to 299 million shares depending on the proportion of Finaxa's dividend paid in newly issued FINAXA shares. This number could also be adjusted for Finaxa stock-options and convertible bonds exercised up to the suspension date of these operations.

Following this capital increase, AXA shares currently held by Finaxa and its subsidiaries, which amount to 336 million shares, would be cancelled. As a consequence, AXA's shareholders equity would be reduced by Euro 0.8 to 0.9 billion, following the merger.

Under IFRS principles, this merger would be +1.2% accretive to AXA non-diluted EPS as soon as 2005 and -0.7% dilutive to fully diluted EPS.

Mutuelles AXA and FINAXA currently own 20.35% of AXA outstanding shares and 32.20% of AXA voting rights. Following the merger, the Mutuelles AXA, which currently own 2.72% of AXA outstanding shares representing 4.38% of AXA voting rights and 71.69% of FINAXA outstanding shares representing 80.53% of FINAXA voting rights, would become the principal AXA shareholder, holding approximately 14% of AXA shares representing 23% of voting rights.

The terms and conditions of the merger, including the exchange ratio, will be submitted to Court Appointed Merger Auditors ("Commissaires aux Apports et à la Fusion") who will deliver their reports before December 16, 2005, the date of the Extraordinary General Assemblies of FINAXA and AXA at which the merger will be presented for approval to the shareholders of each company.
AXA will undertake FINAXA rights and obligations at January 1, 2005.

(b) Financing operations

On January 25, 2005, AXA issued, under its €5 billion Euro Medium Term Notes program, €250 million of undated deeply subordinated notes ("Titres Super Subordonnés"), allowing the Group to improve debt quality and to strengthen hybrid capital, whilst anticipating the refinancing of debts maturing in 2005 and after.

(c) . Others

In order to further protect the Group balance sheet exposure to the USD, an additional $1.950 billion economic hedges have been implemented in the first half year 2005, through Cross Currency Swaps.

Note 3 : Events subsequent to June 30, 2005

On July 28, 2005, AXA Investment Managers (AXA IM) and Framlington Group Limited announced that AXA IM entered into an agreement to buy Framlington Group Limited from HSBC Holdings plc and Comerica Incorporated. Completion of the transaction is subject to certain conditions, including FSA approval. Framlington is an investment management boutique with an emphasis on specialist, high-performance and high-value-added equity investments, and has a significant market position within the UK retail market segment, capturing 10.7% of overall UK retail net sales during 2004. Assets under management, as at the end of June 2005, were £4.5 billion.
Under this agreement, AXA IM will buy 100% of Framlington Group Limited shares for a total consideration of £174 million over consolidated Net Asset Value at completion. This acquisition will be financed internally within the AXA Group.

On July 29, 2005, AXA announced its intention to acquire from the group Caixa Geral de Depósitos the insurance company "Seguro Directo Gere – Companhia de Seguros, S.A.". Usually known as Seguro Directo, the company operates in the direct insurance market in Portugal (by telephone and Internet), where it has a market share of almost 50% and gross revenues of approximately Euro 23 million.
This acquisition is consistent with the growth strategy of AXA Portugal and will allow the company to diversify its distribution channels and further improve the service to its 700.000 clients. AXA has the objective of growing the direct distribution channel and re-establishing the leadership position Seguro Directo once held in Portugal.
The transaction is subject to regulatory approvals, including the Portuguese Insurance Institute and Antitrust Authority.

On August 29, 2005, Hurricane Katrina made landfall on the U.S. Gulf Coast causing severe damages and floods. AXA has exposures to this event mainly through its reinsurance activities in AXA RE, and marginally through its large risks (AXA Corporate Solutions Assurance) and Art (AXA Art) businesses. As at the date of publication of this Management Report, AXA RE only received limited information from its cedants in relation with this event. The corresponding cost to AXA, of which a significant part will be reinsured or retroceded outside of the AXA Group, will be included in the Full Year 2005 financial statements. Based on our current knowledge, including an insurance market loss in the range of $40 billion to $60 billion, the costs related to Hurricane Katrina are estimated to be approximately $200 million before tax and net of retrocession in AXA RE.

On September 14, 2005, AXA Financial, Inc., and Merrill Lynch, Pierce, Fenner & Smith Incorporated, Delaware corporations, entered into a definitive Stock Purchase Agreement, dated as of September 14, 2005.
Pursuant to the Stock Purchase Agreement, Merrill Lynch will purchase from the Company all of the issued and outstanding shares of capital stock of The Advest Group, Inc. ("Advest"), a Delaware corporation and a wholly owned subsidiary of AXA Financial, for $400 million in cash, subject to adjustments in certain circumstances. AXA Financial's estimated post-tax proceeds from the sale will be approximately $297 million. AXA Financial also preliminarily estimates that the purchase price will result in a pre-tax gain of approximately $6 million and a post-tax loss of approximately $96 million. This transaction reduces the Company's goodwill by approximately $190 million.
The sale of Advest is expected to close in the fourth quarter of 2005 and is subject to certain regulatory approvals.

Note 4 : Accounting policies and consolidation method

4.1. General information

AXA, a French "société anonyme" (the "Company" and, together with its consolidated subsidiaries, "AXA" or the "Group"), is the holding (parent) company for an international financial services group focused on financial protection, insurance and asset management. AXA operates principally in Western Europe, North America and Asia-Pacific. The list of entities included in the scope of the AXA's consolidated financial statements is provided in the note 1.2.1 of the notes to consolidated financial statements.

AXA operates in the following primary business segments:

- Life & Savings,
- Property & Casualty,
- International Insurance, including reinsurance, and
- Asset Management and Other Financial services.

AXA has its primary listing on the Eurolist Paris stock exchange and is also listed since August 1996 on the New York Stock Exchange ("NYSE").

These consolidated interim financial statements have been approved for issue by the Management Board on 19 September 2005.

4.2. General accounting principles

4.2.1. Basis for preparation

AXA's interim consolidated financial statements are prepared as at June 30. However certain entities within AXA have a reporting half year end that does not coincide with June 30, in particular AXA Life Japan and its insurance subsidiaries, which have a March 31 financial half year end.

The interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards endorsed by the European Commission. AXA has anticipated the amendment to IAS 39 regarding the Fair value option issued by the IASB in June 2005 and expected to be formally endorsed by the European Commission in the second half-year 2005. AXA has also applied the amendment to IAS 19 adopted by IASB in December 2004, and to be endorsed in the second half-year 2005 by the European Commission following the approval by ARC (Accounting Regulation Committee or Comité de réglementation comptable) in May 2005.

These interim financial statements are compliant with IAS 34, Interim Financial Reporting, and are covered by IFRS 1, First Time Adoption of IFRS, as part of the period covered by the first IFRS financial statements for the year ended 31 December 2005 and with those IFRS standards and IFRIC interpretations issued and effective or issued and early adopted as at the time of preparing these interim financial statements (July 2005).

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the AXA's accounting policies set out below.

As recommended by IAS 1, the assets and liabilities are presented in the Balance sheet in increasing order of liquidity which is more relevant than the current/ non current classification for financial institutions. The expenses are presented in the income statement by function which is the classification generally used by insurance industry.

All amounts of the Balance Sheet, Income Statement and in the notes are shown in millions of euros, rounded to the nearest million, unless otherwise stated.

4.2.2. *First-time adoption of IFRS*

AXA Group transition date is 1 January 2004. The Group prepared its opening IFRS balance sheet at that date (the reporting date of these interim consolidated financial statements is 30 June 2005). The Group's IFRS adoption date is 1 January 2005.

The AXA's accounting policies have been consistently applied to all the periods presented including those relating to the classification and measurement of insurance contracts, investment contracts and other financial assets and liabilities including derivatives.

AXA's consolidated financial statements were prepared in accordance with generally accepted accounting principles in France (referred to as "French GAAP") until 31 December 2004. The comparative figures in respect of 2004 including IAS 32 IAS 39 and IFRS 4 impacts were restated to reflect these adjustments. First-time adoption of IFRS is described in Note 1 where are provided reconciliations and descriptions of the effect of the transition from French GAAP to IFRSs on the Group's equity and its net income and cash flows.

4.3. Consolidation

4.3.1. *Basis of consolidation*

Companies in which AXA exercises control are known as subsidiaries. Subsidiaries are **fully consolidated** from the date on which control is transferred to AXA. Control is presumed to exist when AXA directly or indirectly (including related parties) holds at least 50% of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible have also been considered when assessing whether AXA controls another entity.
Entities that are controlled in substance even without any ownership interest are also consolidated. In particular that relates to special purpose entities including securitization vehicles and other entities, resulting from sales of receivables and with the purpose of issuing securities whose redemption is backed by acquired receivables proceeds - known as Collateralized Debt Obligations or CDOs.

Companies in which AXA directly or indirectly holds 20% or more of the voting rights and for which AXA and other shareholders have contractually agreed to exercise joint controlling influence are known as joint ventures. Joint ventures are **proportionately consolidated.**
Companies, in which AXA exercises significant long-term influence, that is, associated companies, are accounted for as an investment using the **equity method** of accounting. Significant influence is presumed when AXA directly or indirectly holds 20% or more of the voting rights or when significant influence is exercised through an agreement with other shareholders. The AXA's share of the associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves through Other Comprehensive Income (OCI).

Investments funds and real estate companies are either fully or proportionately consolidated, or accounted for using equity method if they meet the above criteria. Minority interests in the fully consolidated mutual funds are accounted for at fair value and recorded as debts.
Investment funds accounted for using equity method are included in the balance sheet caption "Financial assets ".

4.3.2. *Business combinations: purchase accounting and goodwill including acquisitions of minority interests*

As described above and in note 1 on first time application of IFRS, the past business combinations have not been restated except for the goodwill related to entities in foreign currency. The principles described below apply to the operations business combinations occurring after 1 January 2004.

Valuation of assets acquired, liabilities assumed and contingent liabilities

Upon the first consolidation, the identifiable assets, liabilities and contingent liabilities of the acquired company are recorded at their estimated fair value. However as permitted by IFRS 4, the liabilities related to the life insurance contracts or investment contracts with discretionary participating features are maintained at the predecessor's carrying value at the date of the acquisition if the measurement basis is consistent with AXA's accounting principles.

In conjunction with acquisition accounting relating to acquired life insurance operations or investment contracts with discretionary participating features portfolios, an asset is recorded corresponding to the present value of estimated future profits emerging on purchased business in-force at the date of acquisition (also referred to as value of purchased business in-force or VBI). The present value of future profits takes into consideration the cost of capital and is estimated using actuarial assumptions based on anticipated experience. This experience is determined as of the purchase date using a discount rate that includes a risk premium. Other intangible assets such as trademarks or customer relationships are recognized if they can be valued reliably and it is probable that future economic benefits attributable to the assets will flow to the entity.

In connection with a business combination, only restructuring costs that can be measured reliably and which correspond to an existing liability of the acquired company prior to the acquisition date are included in a restructuring provision recognized in the balance sheet of the acquired company as of the acquisition date.

The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus external fees directly attributable to the acquisition.

External fees related to the business combination include the costs of settling or exchanging the target company's outstanding employee share options (applicable to all acquisitions including acquisitions of minority interests). If the transaction is based in a foreign currency, the impact of the foreign currency is included in the purchase price at the date of the transaction or the initial date of the transaction (if it occurs over a period of time).

Goodwill

The excess of the cost of acquisition over the net fair value of the assets, liabilities and contingent liabilities acquired represents goodwill and is recorded as an asset. Goodwill arising on the acquisition of a foreign entity is recorded in local currency of the acquired entity and translated into euros at the closing date.

If the cost of acquisition is less than the net fair value of the assets, liabilities and contingent liabilities acquired, the difference is recognised directly in the income statement.

Revisions can be made to goodwill within the twelve months of the acquisition date, if new information becomes available.

Goodwill is allocated across segments ("Life & Savings", "Property & Casualty", "International Insurance" including reinsurance and "Other Financial Services") to cash generating units corresponding (i) to the companies or portfolios of business acquired in respect of their market image and share and their expected profitability, and (ii) to the entities within the AXA Group that will benefit from the synergies of the combination with the activities acquired. This allocation of goodwill is used both for segment reporting and for impairment testing purposes.

Step by step acquisitions (with change in control):

When an acquisition is achieved in stages (successive acquisitions), each significant transaction is treated separately for purpose of determining the cost of acquisition, the fair values of the identifiable assets acquired and liabilities assumed, and the goodwill. Any adjustment to the fair values previously recognized is a revaluation and is accounted for as such through equity (other comprehensive income).

Acquisitions of minority interests (without change in control):

Acquisitions of minority interests are accounted for as equity transactions. The difference between the cost of acquisition and the corresponding interests acquired is directly recognized in equity.

In certain transactions, when acquiring the control of an entity, a put option may be granted to the minority shareholders on the shares they keep. The recognition of this option as a liability however depends on clauses of the contract.

Intra group transactions:

Intra group transactions, including internal dividends, balances and gains or losses on intra group transactions are eliminated:

- in full for a wholly owned subsidiaries and
- to the extent of AXA's interest for associates and joint ventures proportionally consolidated.

The effect on intercompany transactions on net income is always eliminated upon consolidation, unless there are other than temporary losses, which are usually recorded immediately.

When an asset is disposed of internally and not intended for long term holding within AXA's asset portfolios:

- The tax corresponding to the eliminated capital gain or loss is eliminated upon consolidation through a deferred tax adjustment recorded in the balance sheet
- The same applies to the potential policyholder benefit in respect of the eliminated gain or loss (a deferred policyholder benefit asset of liability is then posted to the balance sheet),

In addition, the total or partial transfer of securities in a company included in the scope of consolidation, between two subsidiaries that are fully consolidated but held with different ownership percentages, will not affect the consolidated operating results (with the exception of any related tax and allocation to policyholders' participating benefits recorded as consequence of the transaction, which are maintained in consolidated accounts as the related securities are held for long-term holding).

These transfers also have an impact on the Group shareholders' equity (its counterpart being recorded in minority interests) which is identified in the "Internal restructuring" line of the shareholder's equity reconciliation.

4.4. Foreign currency translation and transactions

The consolidated financial statements are presented in millions of euros, euro being the Company's functional and presentation currency.

The results and financial position of all group entities that have a functional currency (i.e. the currency of the primary economic environment in which the entity operates) different from the presentation currency of the Group are translated into the presentation currency as follows:

(i) assets and liabilities of subsidiaries denominated in non-euro currencies, being the functional currency of the local subsidiary, for each balance sheet presented, are translated into euro using spot foreign exchange rates at the date of that balance sheet;

(ii) income and expenses for each income statement are translated at average exchange rates for each period presented , and

(iii) all resulting exchange differences are recognised as a separate component of equity (cumulative translation adjustment).

Foreign currency transactions are translated into euro using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at closing date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except where hedge accounting is applied as explained in section 9.

Goodwill arising on the acquisition of a foreign entity is recorded in local currency of the acquired entity and is translated into euros at the reporting date.

Exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are recorded in shareholders' equity and are recognised in the income statement as part of the gain or loss on disposal of the net investment.

Exchange differences arising from monetary financial assets classified as available for sale and corresponding to the amortized cost are recognized as income or expense for the period; the remaining changes relating to fair value changes are recorded in equity.

4.5. Segment reporting

The segmental analysis provided in AXA's annual report and financial statements reflects both lines of business (primary segment) and geography; it is based on five types of activities: "Life & Savings", "Property & Casualty", "International Insurance" (including reinsurance) and "Other Financial Services"(including Asset Management). An additional "Holdings" segment includes all non-operational activities.

4.6. *Intangible assets*

4.6.1. *Goodwill and impairment of goodwill*

Goodwill is considered to have indefinite useful life and is therefore not amortized. It is subject to impairment test which should be performed at least annually. Impairment of goodwill is not reversible.
AXA performs an annual one-step impairment test of goodwill based on the cash generating units (see above part 3) using a multi-criterion analysis (parameters include value of assets, future operating profits, market share) in order to determine if there are significant adverse changes. That analysis includes the long-term nature of the holding, and excludes factors affected by short-term market volatility. The analysis also considers the interdependence of transactions within sub-groups. Within each cash generating unit, a comparison is made between net book value and the recoverable value, which is equal to the highest of the market value and value in use. The value in use is the net assets and expected earnings from existing and new business, taking into account the cash generating unit's future prospects. The value of future expected earnings is estimated on the basis of life insurance and savings embedded value figures published by AXA or similar calculations for other activities. Market value is based, for example, on various valuation multiples.

4.6.2. *Value of purchased life insurance business in force ("VBI")*

The VBI, in respect of acquired insurance companies, is determined on the basis of profits emerging over the contract period and is amortized over the life of the relevant contracts. In conjunction with the liability adequacy test (see part section 4-11-2) VBI is subject to annual recoverability testing based on actual experience and expected trends with respect to the principal assumptions.

4.6.3. *Other intangible assets*

Other intangible assets include software developed for internal use. The associated direct costs are capitalized and amortized on a straight-line basis over their estimated useful life.

Other intangible assets also include trademarks or customer relationships recognized as a result of business combinations, subject to the fact that their fair value can be measured reliably and it is probable that future economic benefits attributable to the assets will flow to the Company. They are carried at cost. If these assets have a finite useful life, they are amortized over their estimated life using the straight-line method. In all cases, they undergo an impairment test at each accounts closing. In the event of a significant decline in value, a valuation allowance is booked for the difference between the value on the balance sheet and the higher of value in use and market value.

4.6.4. *Deferred acquisition costs ("DAC") in respect of life insurance operations and investment contracts with discretionary participating features. Deferred origination costs ("DOC") in respect of Investment contracts without discretionary participating features*

The variable costs of acquiring new and renewal insurance and investment contracts with discretionary participating features, primarily related to the production of new business are specifically identified and deferred by establishing an asset (DAC). This asset is amortized based on the estimated gross profits emerging over the contract term. In conjunction with the liability adequacy test (see section 4-11) this asset is tested for recoverability: estimates of gross profits are reviewed at the end of each accounting period and any amount not deemed recoverable from future estimated gross profits is recorded as a charge against income.

For investment contracts without discretionary features, a similar asset is created (DOC) but limited to incremental costs directly attributable to the right to provide asset management services. This asset is amortized in proportion of all estimated level fees collected over the life of the contracts The amortization of the DOC is reviewed at each closing date to reflect changes in assumptions and experience. and tested for recoverability .
DAC and DOC are reported gross of unearned revenues and fees reserves. These unearned revenues and fees reserves are separately recognized as liabilities and are amortized over the contract term using the same amortization basis used respectively for DAC and DOC.

4.7. *Investments from insurance, banking, and other activities*

Investments include investment real estate properties and financial instruments including equity securities, fixed term securities, and loans.

4.7.1. *Investment properties*

Investment properties (excluding investment properties backing totally or partially contracts liabilities where the financial risk is borne by policyholders) are accounted for at depreciated cost, the components being depreciated over their estimated useful life, taken into consideration their residual value at the end of the useful life if the residual value may be reliably estimated.

Valuation allowances are recorded for a decline in the value of a property that is deemed to be other-than-temporary. When the appraised value is 15% lower than the net carrying value, the present value of the asset's future estimated cash flows is calculated. If the calculated amount is lower than the net carrying value, a valuation allowance is recorded, equal to the difference between (a) the net carrying value and (b) the higher of the appraised value or the discounted cash flow value.

If, in subsequent periods, the difference between the appraised value and the net carrying value reaches 15% or more, previously recorded valuation allowances are reversed to the extent of the difference between a) the net carrying value and b) the lower of the appraised value or the depreciated cost (before impairment).

Investment properties backing totally or partially contracts liabilities where the financial risk is borne by policyholders, are accounted for at fair value with changes in fair value recorded in profit or loss.

4.7.2. *Financial instruments*

Classification:

Depending on the intention and ability to hold the invested assets, they are classified in the following categories:

- assets held to maturity, accounted for at amortized cost;
- loans & receivables (including unquoted debt instruments) accounted for at amortized cost;
- trading assets and assets designated (option) at fair value with change in fair value through profit or loss;
- available for sale assets accounted for at fair value with changes in fair value in shareholder's equity.

The option for designation of financial assets and liabilities at fair value with change in fair value through profit or loss, as defined by the IAS 39 amendment "The Fair Value Option" issued June 16, 2005 by IASB, has been mainly used by the Group in the following cases:

- financial assets for which electing fair value option is appropriate to reduce accounting mismatch, particularly in the following cases:
  - assets backing liabilities arising from contracts for which the financial risk is borne by the policyholders;
  - assets included in hedging strategies set out by the Group for economical reasons but not eligible to hedge accounting as defined by IAS 39;
- groups of financial assets managed and their performance evaluated on a fair value basis: mainly, securities held by some mutual funds included in the scope of consolidation on the basis of Group risk management policy ("Satellite Investment Portfolio" *see definition below*)
- in addition, the debts held by consolidated CDOs have also been designated under this option, at fair value through profit or loss, electing this option being appropriate to reduce the accounting mismatch.

In practice, assets held through mutual funds are classified either:

- as assets of the "Core Investment Portfolios" which includes assets held for backing insurance and investment contracts liabilities, based on AXA asset allocation which is driven by ALM strategy or
- as assets of the "Satellite Investment Portfolios" reflecting tactical asset allocation based on active management with total return objective.

Securities within "Core Investment Portfolios" are classified as "available for sale" unless involved in a qualifying hedge relationship or more broadly in the case when electing fair value option is appropriate to reduce accounting mismatch. The securities held in the "Satellite Investment Portfolios" are accounted for at fair value through profit or loss.

Loans are stated at outstanding principal balances, net of unamortized discounts and valuation allowances.

Impairment of financial assets
AXA assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

For fixed maturity securities, a valuation allowance is recorded through income statement for a decline in value of a security if the amount may not be fully recoverable due to a credit event relating to the security issuer. If this risk is eliminated or improves, the valuation allowance may be reversed. The amount of the reversal is recognized in the income statement.

For equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. That is the case for equity securities with unrealized losses for a continuous period of 6 months or more prior to the closing date or higher than 20% of the carrying value at the closing date. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the income statement – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement until the asset is sold or derecognised.

Impairment measurement of loans is based on the present value of expected future cash flows, discounted at the loan's effective interest rate, on the loan's observable market price or the fair value of the collateral if the loan is collateral-dependent.

For assets accounted for at amortized cost, including loans and assets classified as "held to maturity", impairment test is first performed at individual level. If there is no evidence of impairment at this level, then a collective assessment is made for groups of assets with similar risks.

Due to numerous purchases and depending on the consolidated entities data systems, average cost or first-in first-out method (FIFO) or other method of assigning costs to investment at the time of sale are used on a permanent and consistent manner at the level of each entity.

4.8. Assets backing contracts liabilities for which the financial risk is borne by the policyholders

Insurance or investment contracts liabilities where the financial risk is borne by the policyholders are presented in a separate caption of the balance sheet. The assets backing those liabilities are symmetrically presented in a specific caption on the asset side of the balance sheet. This presentation is relevant for the users and consistent with the order of liquidity recommended by IAS 1 for financial institutions since the risks are borne by policyholders, whatever the nature of assets backing the liabilities, properties, fixed maturity securities or equity securities. A breakdown by nature of assets is disclosed in the notes to the financial statements.

4.9. Derivatives financial instruments

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value. The unrealized gains and losses are recognised in the profit and loss account unless they are in a qualifying hedge relationship further described below. The Group designates certain derivatives as either: (i) hedges of the fair value of recognised assets or liabilities or of a firm commitment (fair value hedge); (ii) hedges of highly probable forecast transactions (cash flow hedges); or (iii) hedges of net investments in foreign operations.
The Group documents at inception of the application of the hedge accounting the hedge relationship, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment of hedge effectiveness, both at hedge inception and on an ongoing basis, indicating whether the derivatives that are used in hedging transactions are expected to be and have been highly effective in offsetting changes in fair values or cash flows of hedged items.

Fair value hedge
Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

Cash flow hedge
The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity. The gain or loss relating to any ineffective portion is recognised immediately in the income statement. Amounts accumulated in equity are recycled to the income statement in the periods in which the hedged item affects profit or loss (for instance when the hedged forecast transaction takes place).When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity until the forecast transaction ultimately affects the income statement.

Net investment hedge
The accounting of hedges of net investments in foreign operations is similar to accounting of cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in equity; the gain or loss relating to the ineffective portion is recognised immediately in the income statement. Gains and losses accumulated in equity are included in the income statement on disposal of the foreign operation.

Derivatives that do not qualify for hedge accounting
Changes in the fair value of all other derivative instruments that do not qualify for hedge accounting are recognised immediately in the income statement.

The Group enters into financial asset contracts that include embedded derivatives. Such embedded derivatives are separately recorded and valued at fair value through profit or loss when appropriate and significant.

For balance sheet presentation, derivatives are netted against the assets or liabilities for which they are used, regardless those derivatives meet the criteria for hedge accounting. Detailed amounts are disclosed in the notes to financial statements.

4.10. Share capital and reserves

4.10.1. Share capital

Ordinary shares are classified as equity when there is no obligation to transfer cash or other assets.
Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax.

4.10.2. Deeply subordinated debts

Deeply subordinated debts are classified as equity ("other reserves") since like for ordinary shares, they do not result in an obligation to transfer cash or other assets.

4.10.3. Compound financial instruments

Any financial instrument issued by the Group with an equity component (e.g. option granted to convert the debt instrument into an equity instrument of the company) and a liability component (e.g. contractual obligation to deliver cash) are classified separately on the liability side of the balance sheet with the equity component reported in the shareholders' equity ("other reserves"). Gains and losses associated with redemptions or refinancing of the equity component are recognised as changes in equity.

4.10.4. Treasury shares

Treasury shares and any directly incremental costs are recorded as a reduction of consolidated shareholders' equity. Where such shares are subsequently sold, or reissued, any consideration received is included in consolidated shareholders' equity, net of any directly attributable incremental transaction costs and the related income tax effects.

4.11. Insurance and investment contracts liabilities

4.11.1. Contracts classification

The Group issues contracts that transfer insurance risk or financial risk or both.
Insurance contracts, including assumed reinsurance treaties, are those contracts that contain significant insurance risk. Such contracts may also transfer financial risk from the policyholders to the insurer. Investment contracts are those contracts that have financial risk with no significant insurance risk.

A number of insurance and investment contracts contain a **discretionary participating feature (DPF)**. This feature entitles the holder to receive, as a supplement to guaranteed benefits, additional benefits or bonuses:
– that are likely to be a significant portion of the total contractual benefits;
– whose amount or timing is contractually at the discretion of the Group; and
– contractually based on performance of contracts, or return on assets, or profit or loss of the company, fund or other entity that issues the contract.

In some insurance or investment contracts, **the financial risk is borne by policyholders**. Such kind of contracts usually comprises unit-linked and separate accounts contracts.

The Group classifies its insurance and investments contracts into six categories:
- liabilities arising from insurance contracts,
- liabilities arising form insurance contracts where the financial risk is borne by policyholders,
- liabilities arising from investment contracts with discretionary participating feature,
- liabilities arising from investment contracts with no discretionary participating feature,
- Liabilities arising from investment contracts where the financial risk is borne by policyholders and with discretionary participating feature, corresponding to unit linked funds of multi funds contracts containing a non unit linked fund with a discretionary participating feature,
- Liabilities arising from investment contracts where the financial risk is borne by policyholders and without participating.

The two last categories are presented on a single line on the face of the balance sheet: "Liabilities arising from investment contracts where the financial risk is borne by policyholders".

4.11.2. Insurance contracts and Investment contracts with discretionary participating feature (DPF)

According to IFRS4, recognition and derecognition are based on the existing AXA accounting policies as follows except for the elimination of the equalization provisions and the selective changes as permitted by IFRS 4 *(see below § on reserves for additional guarantees)*.

Unearned premium reserves

Unearned premium reserves represent the portion of gross premiums written which has not yet been earned in the period. A portion is included in income over the periods benefited, as the portion of the unearned premium reserve earned in the period is calculated on a pro rata basis in proportion to the insurance still in force at period-end.

Liabilities

For traditional life insurance contracts (that is, those contracts with significant mortality risk), the liability for future policy benefits is calculated in accordance with the applicable regulatory principles of each country on the basis of actuarial assumptions as to investment yields, mortality, morbidity and expenses, using a prospective approach.

An additional provision is fully recorded in the event of an adverse impact on the benefits due to a change in mortality tables.

The liability for **investment contracts with discretionary participation feature** (previously named "savings contracts" under AXA accounting policies), in which there is minimal mortality or morbidity risk, is determined using the prospective method with locked-in discount rates which leads to similar results as the retrospective or account balance approach.

The discount rates used by AXA do not exceed the conservatively estimated future yield of the investments backing those liabilities.

In respect of participating life insurance contracts, the future policy benefit liability includes a value attributable to anticipated participation rights arising from the operating results or net investment return for the period.

The future policy benefit on UK "With-Profit" contracts include 100% of the "Fund for Future Appropriation" (FFA), which principally covers the future terminal bonuses according to the terms of these contracts. The FFA and, therefore, the future policy benefits vary with the change in market value of the assets supporting the participating "With-Profit" funds.

Both traditional life insurance contracts and investment contracts with discretionary participation feature, if the contracts include a minimum guaranteed rate of return, the insurance liability will also include a provision necessary to cover the guarantee in the event that the future returns are insufficient.

Reserves for additional guarantees in respect of contracts where the financial risk is borne by policyholders and classified as insurance contracts because of these features are determined using a prospective approach except when those guarantees are subject to a risk management program based on futures (see below). The current value on future benefit obligations to be paid to the policyholder in the event that the guarantee is triggered is estimated on the basis of reasonable scenarios. The assumptions include an investment return and related volatility, surrender rates and mortality. This current value of future benefit obligations is set up as a provision such that the total average cost of the guarantees is recognized over the contract life.

Certain additional guarantees such as Guaranteed Minimum Death or Income Benefit ("GMDB" or "GMIB") or some performance guarantees offered by reinsurance treaties are subject to a risk management program based on futures: in order to reduce the accounting mismatch between the valuation of liabilities and the valuation of the related derivatives, AXA has elected the option opened by IFRS 4.24 for selective re-measurement of the reserves at current market assumptions. This change in accounting policy has been applied for the first time adoption of IFRS as of January 1, 2004 IFRS transition date for the blocks of contracts that were part of the risk management program at that date. Each block of contracts that are covered by this program at a later date is remeasured on market conditions basis as from the date of the extension of the program.

Insurance claims and claims expenses (Non life insurance)

The claims reserves are determined on a basis to cover the total cost of settling an insurance claim. With the exception of disability annuities, for which the payments are fixed and determinable, the claims reserves are not discounted.

The claims reserves include the claims incurred and reported in the accounting period, claims incurred but not reported ("IBNR") in the accounting period and costs associated with the claims settlement management. The claims reserve is based upon estimates of the expected losses and unexpired risks for all lines of business taking into consideration management's judgment on the anticipated level of inflation, regulatory risks and the trends in cost and frequency of claims, actual against estimated claims experience, other known trends and development, and local regulatory requirements.

Unearned revenues reserves

Revenues and fees representing up-front charges for future services are recognised as a liability and amortised into income using the same assumptions to amortise deferred acquisition costs (DAC).

Shadow accounting and Deferred Participating Liability (DPL) or Deferred Participating Asset (DPA)

In compliance with the option offered by the IFRS 4, the shadow accounting is applied for insurance and investment contracts with a discretionary participating feature. This shadow accounting affects technical provisions, deferred acquisition costs and value of business in force to reflect the direct impacts of unrealized gains or losses on the measurement of these insurance liabilities or assets in the same way that a realized gain or loss does.

When unrealized capital gains of the assets are recognised, a deferred participating liability (DPL) is recorded. The DPL corresponds to the discretionary participating features available for the policyholders and is fully classified as liabilities arising from policyholders' participation, with no allocation to any equity component. Consequently, AXA does not need to check that the liability recognised for the whole contract is not less than the amount that would result from applying IAS39 to the guaranteed element.
The DPL is calculated by applying a participation rate to the unrealized gains or losses. The participation rate considered is the best estimate based on constructive obligations.

In case of unrealized losses, a deferred participating asset (DPA) should be recognised only to the extent that its recoverability is highly probable. That could be the case if the DPA would be offset against future participating either directly through deduction of the DPA from future capital gains or indirectly through deduction of future loads on premiums or margins.

Unrealized gains & losses on assets
- classified as trading or fair value through profit or loss are accounted for in Income Statement with shadow accounting adjustment through income statement and
- classified as available for sale accounted for at fair value with change in fair value in shareholders' equity are booked through equity with shadow accounting adjustment through equity.

Liability adequacy test
At balance sheet date, liability adequacy tests are performed at each consolidated entity level to ensure the adequacy of the contract liabilities net of related DAC and VBI assets. In performing these tests, entities group contracts together considering the manner in which they are acquired, serviced and have their profitability measured; besides, entities use current best estimates of all future contractual cash flows and claims handling and administration expenses, as well as those resulting from embedded options and guarantees and investment income from the assets backing such liabilities. Risks (insurance risk, asset return risk, inflation risk, persistency, adverse selection...) directly related to the contracts that might mean the net liabilities are inadequate, are considered.

Any deficiency is immediately charged to profit or loss initially by writing off DAC or VBI and by subsequently establishing a provision for losses arising from liability adequacy test. In the specific case of non life insurance contracts, an **unexpired risk provision** is established for contracts on which the premiums are expected to be insufficient to cover expected future claims and claims expenses.

Embedded derivatives in insurance and investment contracts with DPF
Embedded derivatives that meet the definition of an insurance contract or options to surrender insurance contracts for a fixed amount (or an amount based on a fixed amount and an interest rate) are not separately measured All other embedded derivatives are separated and carried at fair value if they are not closely related to the host insurance contract and meet the definition of an insurance contract.

4.11.3. Investment contracts without discretionary participating feature (DPF)

In accordance with IAS 39, these contracts are accounted for using the "deposit accounting" method, which mainly results in not recognizing in our P&L the corresponding premiums and benefits and claims (see below Revenue recognition).
This category includes mainly **unit-linked contracts** that don't meet the definition of insurance or investment contract with discretionary participation feature. For unit-linked contracts, the liabilities recognised according to the existing accounting policies are valued in reference to the fair value of the investment funds / assets linked to those contracts at the balance sheet date.

Unearned fees reserves
Origination fees representing up-front charges for future services are recognised as a liability and amortised into income using the same assumptions to amortise deferred origination costs (DOC). Unearned fees reserves are also named deferred origination fees.

4.12. Reinsurance: Ceded Reinsurance

The Group enters into contracts with reinsurers, under which the Group is compensated for losses on one or more contracts issued by the Group. These contracts that meet the classification requirements for insurance contracts are accounted for in a manner consistent with the accounting for the underlying direct insurance contract and takes into account contractual clauses.

4.13. Other liabilities

4.13.1. Financing debts

The financing debts which relate to funds used to finance the solvency margin of an operational entity or to acquire the shares of an entity or a portfolio of contracts are presented on the balance sheet separately from the other debts, liabilities and payables.

4.13.2. Income taxes

Current income tax expense (benefit) is recorded in earnings on the basis of amounts estimated to be payable or recoverable as a result of taxable operations for the current year based on the relevant local tax regulation.

Deferred income tax assets and liabilities are recorded on the basis of temporary differences between financial statement carrying amounts and income tax balances of assets and liabilities, and for net operating loss carry forwards, if any. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Therefore, the valuation allowances are recorded for deferred tax assets that are not expected to be recovered.

4.13.3. Pensions and other post-retirement benefits

Pension and other post-retirement benefits include the benefits payable to AXA Group employees when they retire (departure compensation, additional pension, medical cover). In addition, a provision for long-service benefits is recorded. In order to meet pension liabilities, some regulations have allowed or imposed the establishment of dedicated funds (plan assets).

- Defined contribution plans are characterized by payments made by the employer to institutions (e.g. pension trusts). These payments free the employer of any further commitment; the institutions are responsible for paying acquired benefits to the employee. The contributions paid by the employer are recorded as an expense in the income statement and no liability needs to be recorded.
- Defined benefit plans are characterized by an actuarial assessment of the commitments based on each plan's internal rules. The present value of the future benefits paid by the employer, known as the PBO (Projected Benefit Obligation), is calculated annually using the projected unit credit method. It is valued on the basis of long-term projections (salary increase rate, inflation rate, mortality, turnover, pension indexation and remaining service lifetime). The amount recorded in the balance sheet for employee benefits is the difference between the Projected Benefit Obligation and the market value at balance sheet date of the corresponding invested plan assets after adjustment for any unrecognized losses or gains and past service costs. If the net result is negative, a provision is recorded in the balance sheet under the provision for risks and charges. If the net result is positive, a prepaid asset is recorded in the balance sheet **Actuarial gains and losses** arising from experience adjustments and changes in actuarial assumptions are recognised in equity in full on the period in which they occurred. Similarly, any adjustment arising from the asset ceiling is recognised in equity. **Past-service costs** are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

4.13.4. Share-based compensation

Group's compensation plans are predominantly equity-settled plans.
All equity-settled stock-option plans granted after November 7, 2002 and not fully vested as at January 1, 2004 are accounted for at fair value at the grant date and the fair value is accrued over the vesting period.

Cash settled-plans are valued at fair value re-measured at each balance sheet date with any change in fair value recognised in the Income Statement.
The AXA Shareplan issued under specific French compensation scheme includes two options: a classic option and a leverage plan.
The cost of the classic plan is valued according to the specific guidance issued by the CNC ("Conseil National de la Comptabilité"). The cost of the leverage plan is valued by taking into account the restriction over five years for the employee, as in the classic plan, but adding to this cost the opportunity gain implicitly provided by AXA by enabling its employees to benefit from an institutional derivatives' pricing vs. a retail pricing.

4.14. Other provisions and liabilities

4.14.1. Restructuring costs

Restructuring provisions not related to a business combination are recorded when the Group has a present obligation evidenced by a binding sale agreement or a detailed formal plan whose main features are announced to those affected.

4.14.2. Other provisions and contingencies

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount of the provision has been reliably estimated.

Provisions are not recognised for future operating losses or associated with the on-going of activities of the company.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the obligation at the balance sheet date, discounted at the market risk-free rate of return for long term provisions.

4.15. Revenue recognition

4.15.1. Gross written premiums

Gross written premiums correspond to the amount of **premiums written** on business incepted in the year with respect to both **insurance contracts and investment contracts with discretionary participating feature** by insurance and reinsurance companies, net of policy cancellations and gross of reinsurance ceded. In the reinsurance sector, the premiums are recorded on the basis of declarations made by the ceding company and may include estimates of gross premiums written but not yet reported in the period, which are adjusted in future periods to reflect actual gross premiums written and ceded to the reinsurer.

4.15.2. Fees and revenues from investment contracts with no participating feature

Amounts collected as premiums from **investment contracts with no participating feature** are reported as deposits net of any loadings and policy fees. Revenues from these contracts consist of loadings and policy fees for the cost of issuance, investment management, administration and surrender of the contract during the period. Front end fees collected corresponding to fees for future services, are recognized over the estimated life of the contract (see section 4-11-3 - Unearned fees reserves).

4.15.3. Change in unearned premiums reserves net of unearned revenues and fees

Change in unearned premiums reserves net of unearned revenues and fees include the change in the unearned premium reserve reported as a liability (see "Unearned Premium Reserve" above) along with the change in unearned revenues and fees. Unearned revenues and fees correspond to up front charges for future services recognized over the estimated life of insurance and investment contracts with discretionary participating feature (see Unearned revenues reserves in section 4-11-2) and investment contracts with no discretionary participating feature (see section 4-11-3 Unearned fees reserves).

4.15.4. Net revenues from banking activities

Net revenues from banking activities include all revenues and expenses from banking activities, including interests and banking fees.
They exclude bank operating expenses and change in provisions for bad debts, doubtful receivables or loans which are recorded in the item "Bank operating expenses".

4.15.5. Revenues from other activities

Revenues from other activities mainly include investment management fees recognized as earned as the service is provided. They mainly comprise:

- Revenues from other activities of insurance companies, notably commissions received on sales or distribution of financial products,
- Commissions received and fees for services rendered in respect of asset management activities,
- Rental income received by real estate management companies, and
- Sales proceeds received on buildings constructed or renovated and subsequently sold by real estate businesses.

4.15.6. Net investment result excluding financing expenses

The net investment result in respect of insurance activities includes:

- Investment income from the insurance-related invested assets, net of depreciation expense on real estate investments (depreciation expense on real estate not held for investment is included in administrative expenses); this item includes the interests calculated using the effective interest method for the assets with fixed maturity and dividends received on equity instruments,
- Financial charges and expenses,
- Realized investment gains and losses net of valuation allowances for investment impairment, and
- Unrealized investment gains and losses on invested assets valued at fair value with change in fair value recognized through Profit or Loss.

In respect of banking activities, interest income and financial charges including interest expenses are included in net revenues from banking activities and bank operating expenses, respectively.
From time to time subsidiaries that are not wholly owned by AXA may issue additional capital. As a result, AXA's ownership interest in that subsidiary decreases and a dilution gain or loss arises. This gain or loss is recorded in the net investment result. This gain or loss corresponds to the variation of the equity portion of the subsidiary before and after the operation.

4.16. Discontinuing operations/ assets held for sale

These comprise assets held for sale and discontinued operations intended to be sold within twelve months. They are accounted for at the lower of carrying amount and fair value less selling costs to sell. They are presented separately on the face of balance sheet and in the Income Statement, net of tax for discontinued operations only.

Note 5 : Main changes in the scope of consolidation

The main changes in the scope of consolidation during the period are stated in the table below.

Parent and Holding Companies	Change in scope	June 30, 2005		December 31, 2004	
		Voting rights	Ownership interest	Voting rights	Ownership interest
Turkey					
AXA Oyak Holding	(a)	100,00%	50,00%	50,00%	50,00%
Asia					
AXA Insurance Investment Holding	(a)	100,00%	100,00%	100,00%	100,00%

Life & Savings and Property & Casuality	Change in scope	June 30, 2005		December 31, 2004	
		Voting rights	Ownership interest	Voting rights	Ownership interest
France					
Fonds Immobilier FDV		30,58%	30,49%	45,43%	29,55%
Germany					
AXA Euro Dividend L	Entry	100,00%	92,19%	-	-
AXA Euro Dividend S	Entry	100,00%	92,19%	-	-
Turkey					
AXA Oyak Hayat Sigorta (Life)	(a)	100,00%	50,00%	100,00%	50,00%
AXA Oyak Sigorta (Non Life)	(a)	100,00%	35,48%	70,91%	35,45%
Asia					
AXA Insurance Singapore (Life)	(a)	100,00%	100,00%	100,00%	100,00%
AXA General Insurance Hong Kong (Non Life)	(a)	100,00%	100,00%	100,00%	100,00%

(a) Equity-accounted companies as at december 31, 2004, fully consolidated from January 1, 2005

Note 6 : Segmental statement of income

(million euros)	June 30, 2005							
	Life & Savings	Property & Casualty	International Insurance	Asset Management	Other financial services	Holdings companies	Inter-segments eliminations	TOTAL
Gross written premiums	21 131	10 369	2 461	-	-	-	(117)	33 844
Fees and charges relating to investment contracts with no participating	237	-	-	-	-	-	-	237
Revenues from insurance activities	*21 368*	*10 369*	*2 461*	-	-	-	*(117)*	*34 082*
Net revenues from banking activities	-	-	-	-	*232*	-	*(7)*	*225*
Revenues from other activities (1)	*543*	*21*	*91*	*1 709*	-	*0*	*(173)*	*2 192*
Total revenues	**21 911**	**10 391**	**2 552**	**1 709**	**232**	**0**	**(297)**	**36 499**
Change in unearned premiums net of unearned revenues and fees	*(119)*	*(1 217)*	*(643)*	-	-	-	*38*	*(1 943)*
Net investment income (2)	6 163	628	196	8	40	195	(192)	7 259
Net realized investment gains and losses (3)	1 815	237	58	15	(5)	(27)	(0)	2 091
Change in fair value of financial instruments at fair value through profit and loss	4 376	16	(11)	(3)	(38)	10	1	4 354
Change in financial instruments impairment	(79)	(25)	(3)	(0)	5	(2)	-	(104)
Net investment result excluding financing expenses	*12 295*	*1 056*	*238*	*21*	*3*	*177*	*(191)*	*13 600*
Technical charges relating to insurance activities (5)	(29 334)	(6 137)	(1 482)	-	-	-	2	(36 951)
Net result from outward reinsurance	53	(304)	(130)	-	-	-	60	(302)
Bank operating expenses	-	-	-	-	(26)	-	-	(26)
Acquisition costs (6)	(1 410)	(1 584)	(161)	-	-	-	2	(3 153)
Amortization of the value of purchased business in force and other intal	(364)	-	-	-	-	-	-	(364)
Administrative expenses	(1 391)	(931)	(149)	(1 314)	(141)	(140)	134	(3 932)
Change in tangible assets impairment	2	22	0	(0)	0	-	-	25
Other income and expenses (7)	(57)	(15)	13	(8)	(27)	(30)	73	(51)
Other operating income and expenses	*(32 501)*	*(8 948)*	*(1 910)*	*(1 322)*	*(194)*	*(171)*	*291*	*(44 754)*
Net income from operating activities, gross of tax	**1 586**	**1 282**	**237**	**409**	**42**	**7**	**(160)**	**3 402**
Income arising from investments associates - Equity method	*4*	*1*	*1*	-	*2*	*0*	-	*9*
Financing debt expenses (8)	*(51)*	*(9)*	*(13)*	*(10)*	*(10)*	*(372)*	*160*	*(305)*
Operating income before tax	**1 539**	**1 274**	**225**	**398**	**34**	**(365)**	-	**3 106**
Income tax	*(238)*	*(359)*	*(68)*	*(109)*	*(7)*	*155*	-	*(627)*
Net operating result	**1 301**	**915**	**156**	**289**	**27**	**(210)**	-	**2 479**
Change in goodwill impairment (9)	*(0)*	-	-	-	-	-	-	*(0)*
Result from discontinued operations net of tax	-	-	-	-	-	-	-	-
Net consolidated income	**1 301**	**915**	**156**	**289**	**27**	**(210)**	-	**2 479**
Minority interests share in net consolidated result	*78*	*33*	*1*	*120*	*(31)*	*(6)*	-	*205*
Net income Group share	**1 223**	**882**	**155**	**169**	**58**	**(204)**	-	**2 274**

(million euros)	June 30, 2004							
	Life & Savings	Property & Casualty	International Insurance	Asset Management	Other financial services	Holdings companies	Inter-segments eliminations	TOTAL
Gross written premiums	20 574	8 821	2 274	-	-	-	(89)	32 571
Fees and charges relating to investment contracts with no participating	216	-	-	-	-	-	-	216
Revenues from insurance activities	*20 790*	*8 821*	*2 274*	-	-	-	*(99)*	*32 786*
Net revenues from banking activities	-	*0*	-	-	*199*	*3*	*(6)*	*196*
Revenues from other activities (1)	*300*	*21*	*79*	*1 660*	*5*	-	*(163)*	*1 900*
Total revenues	**21 090**	**9 841**	**2 353**	**1 660**	**203**	**3**	**(268)**	**34 883**
Change in unearned premiums net of unearned revenues and fees	*(196)*	*(1 141)*	*(406)*	-	-	-	*21*	*(1 723)*
Net investment income (2)	5 734	723	178	8	34	132	(205)	6 605
Net realized investment gains and losses (3)	2 473	218	32	(1)	3	31	(0)	2 755
Change in fair value of financial instruments at fair value through profit and loss	1 927	3	4	3	10	(73)	-	1 873
Change in financial instruments impairment	(97)	(40)	(7)	(0)	(5)	(18)	-	(168)
Net investment result excluding financing expenses	*10 037*	*904*	*207*	*10*	*41*	*71*	*(205)*	*11 065*
Technical charges relating to insurance activities (5)	(26 524)	(5 896)	(1 305)	-	-	-	42	(33 683)
Net result from outward reinsurance	(4)	(342)	(296)	-	-	-	56	(585)
Bank operating expenses	-	-	-	-	(60)	-	1	(58)
Acquisition costs (6)	(1 170)	(1 457)	(147)	-	-	-	17	(2 757)
Amortization of the value of purchased business in force and other inta	(238)	-	-	-	-	-	-	(238)
Administrative expenses	(1 268)	(868)	(157)	(1 297)	(101)	(64)	124	(3 627)
Change in tangible assets impairment	(5)	(14)	0	-	-	-	-	(18)
Other income and expenses (7)	(131)	(1)	(0)	(11)	(66)	(11)	89	(131)
Other operating income and expenses	*(29 338)*	*(8 575)*	*(1 904)*	*(1 308)*	*(226)*	*(75)*	*329*	*(41 097)*
Net income from operating activities, gross of tax	**1 593**	**1 028**	**249**	**362**	**18**	**(0)**	**(122)**	**3 128**
Income arising from investments associates - Equity method	*16*	*19*	*1*	-	*5*	*(0)*	-	*40*
Financing debt expenses (8)	*(39)*	*(8)*	*(24)*	*(11)*	*(8)*	*(324)*	*122*	*(291)*
Operating income before tax	**1 570**	**1 039**	**226**	**351**	**18**	**(324)**	-	**2 877**
Income tax	*(501)*	*(294)*	*(64)*	*(91)*	*(11)*	*97*	-	*(864)*
Net operating result	**1 069**	**745**	**162**	**260**	**5**	**(227)**	-	**2 013**
Change in goodwill impairment (9)	-	*(32)*	*(5)*	-	-	-	-	*(37)*
Result from discontinued operations net of tax	-	-	-	-	-	-	-	-
Net consolidated income	**1 069**	**712**	**157**	**260**	**5**	**(227)**	-	**1 976**
Minority interests share in net consolidated result	*94*	*36*	*0*	*134*	*4*	*(25)*	-	*243*
Net income Group share	**975**	**677**	**156**	**127**	**1**	**(202)**	-	**1 733**

(1) Excludes insurance and banking activities
(2) Net of investment management costs
(3) Includes impairment write back on invested assets after sale
(4) Excludes impairment write back on invested assets after sale
(5) Includes changes in liabilities arising from insurance contracts and investment contracts (with or with no participating feature) where the financial risk is borne by policyholders
(6) Includes acquisition costs and change in deferred acquisition costs relating to insurance contracts and investment contracts with discretionary participating feature
as well as change in rights to future management fees relating to investment contracts with no participating feature
(7) Notably includes financial charges in relation to other debt instruments issued and bank overdraft
(8) Net balance of income and expenses related to derivatives on financing debt (however excludes change in fair value of these derivatives)
(9) Includes change in impairment and amortization of intangible assets as well as negative goodwill

Note 7 : Investments

The method for determining the fair value of investments stated at cost or amortized cost is described in note 1.2.6.

7.1. Breakdown of financial assets

(million euros)	June 30 th, 2005								
	Insurance			Other activities			Total		
	Fair value	Net book value	% (val Balance sheet)	Fair value	Net book value	% (val Balance sheet)	Fair value	Net book value	% (val Balance sheet)
Investment property at amortized cost	10 146	7 523	1,74%	84	62	0,61%	10 230	7 586	1 71%
Investment property at fair value through Profit & Loss	4 827	4 827	1,11%	-		0,00%	4 827	4 827	1 09%
Macro hedge and speculative derivatives	-	-	0,03%	-	-	0,00%		-	0 00%
Investment property (1)	**14 973**	**12 351**	**2,85%**	**84**	**62**	**0,61%**	**15 057**	**12 413**	**2,80%**
Fixed maturities held to maturity	-	-	0 03%	-	-	0,00%	-	-	0 00%
Fixed maturities available for sale	182 891	182 891	42 19%	5 925	5 925	57,91%	188 816	188 816	42,55%
Fixed maturities at fair value through profit and loss	42 623	42 623	9 83%	1 137	1 137	11,11%	43 760	43 760	9,86%
Fixed maturities held for trading	4	4	0 00%	1 551	1 551	15,15%	1 555	1 555	0,35%
Non quoted fixed maturities (amortized cost)	22	22	0 01%	2	2	0.02%	24	24	0 01%
Fixed maturities	**225 539**	**225 539**	**52,03%**	**8 616**	**8 616**	**84,20%**	**234 155**	**234 155**	**52,77%**
Equity securities available for sale	24 644	24 644	5,69%	781	781	7 63%	25 425	25 425	5,73%
Equity securities at fair value through Profit and Loss	18 238	18 238	4,21%	8	8	0 08%	18 246	18 246	4,11%
Equity securities held for trading	226	226	0 05%	265	265	2 59%	491	491	0 11%
Equity securities	**43 107**	**43 107**	**9,94%**	**1 055**	**1 055**	**10,31%**	**44 162**	**44 162**	**9,95%**
Non controlled investment funds available for sale	2 923	2 923	0,67%	159	159	1,55%	3 081	3 081	0,69%
Non controlled investment funds at fair value through Profit and Loss	2 186	2 186	0,50%	27	27	0,27%	2 213	2 213	0,50%
Non controlled investment funds held for trading	251	251	0,06%	-	-	0 00%	251	251	0,06%
Non controlled investment funds	5 359	5 359	1,24%	186	186	1,82%	5 545	5 545	1,25%
Other assets held by consolidated investment funds designated as at fair value through P&L	1 792	1 792	0,41%	-	-	0,00%	1 792	1 792	0,40%
Macro hedge and speculative derivatives	1	1	0,00%	(79)	(79)	-0,77%	(77)	(77)	-0,02%
Financial investments	275 800	275 800	63,62%	9 778	9 778	95,56%	285 577	285 577	64,36%
Loans held to maturity	-	-	0,00%	-	(0)	0,00%	-	(0)	0 00%
Loans available for sale	0	0	0,00%	25	25	0,25%	25	25	0 01%
Loans designated as at fair value through P&L	148	148	0,03%	-	-	0,00%	148	148	0 03%
Loans trading	-	-	0 00%	275	275	2,69%	275	275	0 06%
Mortgage loans	7 768	7 236	1 67%	(50)	(50)	-0,49%	7 718	7 185	1,62%
Other loans (1)	10 775	10 593	2 44%	48	43	0,42%	10 823	10 636	2,40%
Macro hedge and speculative derivatives	-	-	0 00%	99	99	0,97%	99	99	0,02%
Loans	**18 691**	**17 977**	**4,15%**	**398**	**392**	**3,83%**	**19 089**	**18 369**	**4,14%**
Assets backing contracts where the financial risk is borne by policyholders	127 355	127 355	29,38%	-	-	0,00%	127 355	127 355	28,70%
FINANCIAL ASSETS	**435 819**	**433 482**	**100,00%**	**10 259**	**10 233**	**100,00%**	**447 078**	**443 714**	**100,00%**
Financial investments and loans (2)	**294 491**	**293 776**	**67,77%**	**10 175**	**10 170**	**99,39%**	**304 666**	**303 946**	**68,50%**
- *of which quoted*	**238 305**	**238 306**	**54,97%**	**9 437**	**9 437**	**92,23%**	**247 742**	**247 743**	**55,83%**
- *of which unquoted*	**56 185**	**55 469**	**12,80%**	**737**	**734**	**7,17%**	**56 922**	**56 203**	**12,67%**
Financial assets (excl those backing contracts with financial risk borne by policyholders)	309 463	306 126	70,62%						
Life and Savings	262 611	259 705	59,91%						
Property and Casualty	38 452	38 020	8,77%						
International Insurance	8 400	8 400	1,94%						

NB Each investment caption is presented net of hedge derivatives (IAS 39) and economic hedge derivatives which are recognized as hedge in the meaning of IAS 39 (excluding macro hedge derivatives and other derivatives)

Detail effect of derivatives is presented in the note 23 "Derivative instruments"

(1) Mainly includes Policy loans

(2) Excluding investments backing contracts where the financial risk is borne by policyholders

Breakdown of financial assets	December 31st, 2004								
	Insurance			Other activities			Total		
	Fair value	Net book value	% (val Balance sheet)	Fair value	Net book value	% (val Balance sheet)	Fair value	Net book value	% (val Balance sheet)
Investment property at amortized cost	10 293	7 683	1,85%	82	61	0,54%	10 375	7 744	1,91%
Investment property at fair value through Profit & Loss	4 550	4 550	1,15%	-	-	0,00%	4 550	4 550	1,12%
Macro hedge and speculative derivatives	-	-	0 00%	-	-	0,00%	-	-	0,00%
Investment property (1)	**14 843**	**12 233**	**3,10%**	**82**	**61**	**0,54%**	**14 926**	**12 294**	**3,03%**
Fixed maturities held to maturity	-	-	0.00%	-	-	0,00%	-	-	0,00%
Fixed maturities avilables for sale	164 650	164 650	41,76%	6 577	6 577	58,02%	171 227	171 227	42,22%
Fixed maturities at fair value through profit and loss	41 886	41 886	10,62%	1 197	1 197	10,56%	43 083	43 083	10,62%
Fixed maturities held for trading	4	4	0,00%	1 620	1 620	14,29%	1 624	1 624	0,40%
Non quoted fixed maturities (amortized cost)	26	23	0,01%	2	2	0,02%	29	26	0,01%
Fixed maturities	**206 566**	**206 563**	**52,38%**	**9 396**	**9 396**	**82,89%**	**215 962**	**215 959**	**53,25%**
Equity securities available for sale	22 249	22 249	5,64%	642	642	5,66%	22 891	22 891	5,64%
Equity securities at fair value through Profit and Loss	16 847	16 847	4,27%	39	39	0,34%	16 886	16 886	4,16%
Equity securities held for trading	258	258	0,07%	96	96	0,85%	354	354	0,09%
Equity securities	**39 354**	**39 354**	**9,98%**	**777**	**777**	**6,85%**	**40 131**	**40 131**	**9,89%**
Non controlled investment funds available for sale	2 920	2 920	0,74%	65	65	0,58%	2 985	2 985	0.74%
Non controlled investment funds at fair value through Profit and Loss	2 093	2 093	0,53%	45	45	0,40%	2 138	2 138	0,53%
Non controlled investment funds held for trading	232	232	0,06%	-	-	0,00%	232	232	0,06%
Non controlled investment funds	**5 245**	**5 245**	**1,33%**	**110**	**110**	**0,97%**	**5 355**	**5 355**	**1,32%**
Other assets held by consolidated investment funds designated as at fair value through P&L	596	596	0,15%	-	-	0,00%	596	596	0,15%
Macro hedge and speculative derivatives	(242)	(242)	-0,06%	536	536	4,73%	294	294	0,07%
Financial investments	**251 519**	**251 516**	**63,80%**	**10 820**	**10 820**	**95,44%**	**262 339**	**262 336**	**64,68%**
Loans held to maturity	2	2	0,00%	(0)	-	0,00%	2	2	0,00%
Loans available for sale	0	0	0,00%	23	23	0,20%	23	23	0,01%
Loans designated as at fair value through P&L	377	377	0,10%	-	-	0,00%	377	377	0,09%
Loans trading	-	-	0,00%	258	258	2,28%	258	258	0,06%
Mortgage loans	7 452	7 044	1,79%	21	21	0,18%	7 472	7 065	1,74%
Other loans (1)	10 798	10 690	2,71%	84	78	0,69%	10 882	10 768	2,65%
Macro hedge and speculative derivatives	-	-	0,00%	76	76	0 67%	76	76	0,02%
Loans	**18 629**	**18 114**	**4,59%**	**462**	**456**	**4,02%**	**19 091**	**18 569**	**4,58%**
Assets backing contracts where the financial risk is borne by policyholders	**112 387**	**112 387**	**28,51%**				**112 387**	**112 387**	**27,71%**
FINANCIAL ASSETS	**397 379**	**394 250**	**100,00%**	**11 384**	**11 336**	**100,00%**	**408 743**	**405 586**	**100,00%**
Financial investments and loans (2)	**270 148**	**269 630**	**68,39%**	**11 282**	**11 275**	**99,46%**	**281 430**	**280 905**	**69,26%**
- of which quoted	216 715	216 710	54,97%	10 436	10 436	92,06%	227 151	227 146	56,00%
- of which unquoted	53 432	52 919	13,42%	846	840	7,41%	54 278	53 759	13,25%
Financial assets (excl those backing contrats with financial risk borne by policyholders)	**284 992**	**281 863**	**71,49%**						
Life and Savings	243 464	240 741	61,06%						
Property and Casualty	34 231	33 826	8,58%						
International insurance	7 297	7 297	1,85%						

NB Each investment caption is presented net of hedge derivatives (IAS 39) and economic hedge derivatives which are recognized as hedge in the meaning of IAS 39 (excluding macro hedge derivatives and other derivatives)

Detail effect of derivatives is presented in the note 23 "Derivative Instruments"

(1) Mainly includes Policy loans

(2) Excluding investments backing contracts where the financial risk is borne by policyholders

7.2. *Investment properties and roll-forward of impairment and amortization of investment properties*

(million euros)	Insurance				
	Gross value (gross of impairment and amortization) (1)	Impairment (1)	Accumulated impairment (1)	Carrying value (2)	Fair value (2)
Investment property at amortized cost	9 275	(1 354)	(397)	7 523	10 146
Investment property at fair value				4 827	4 827
Macro hedge and speculative derivatives				-	-
TOTAL as at June 30, 2005	**9 275**	**(1 354)**	**(397)**	**12 351**	**14 973**
Investment property at amortized cost	9 243	(1 325)	(236)	7 683	10 293
Investment property at fair value				4 550	4 550
Macro hedge and speculative derivatives					
TOTAL as at Dec 31, 2004	**9 243**	**(1 325)**	**(236)**	**12 233**	**14 843**

(1) excludes potential effect of hedging derivatives, other derivatives, macrohedge and speculative

(2) includes potential effect of hedging derivatives and other derivatives (excluding macrohedge and speculative).

(million euros)	Other activities				
	Gross value (gross of impairment and amortization) (1)	Impairment (1)	Accumulated impairment (1)	Carrying value (2)	Fair value (2)
Investment property at amortized cost	66	(4)	(0)	62	84
Investment property at fair value				-	-
Macro hedge and speculative derivatives				-	-
TOTAL as at June 30, 2005	**66**	**(4)**	**(0)**	**62**	**84**
Investment property at amortized cost	78	0	(17)	61	82
Investment property at fair value				-	-
Macro hedge and speculative derivatives					
TOTAL as at Dec 31, 2004	**78**	**0**	**(17)**	**61**	**82**

(1) excludes potential effect of hedging derivatives, other derivatives, macrohedge and speculative

(2) includes potential effect of hedging derivatives and other derivatives (excluding macrohedge and speculative)

(million euros)	TOTAL				
	Gross value (gross of impairment and amortization) (1)	Impairment (1)	Accumulated impairment (1)	Carrying value (2)	Fair value (2)
Investment property at amortized cost	9 341	(1 358)	(397)	7 586	10 230
Investment property at fax value				4 827	4 827
Macro hedge and speculative derivatives				-	-
TOTAL as at June 30, 2005	**9 341**	**(1 358)**	**(397)**	**12 413**	**15 057**
Investment property at amortized cost	9 321	(1 324)	(253)	7 744	10 375
Investment property at fair value				4 550	4 550
Macro hedge and speculative derivatives					
TOTAL as at Dec 31, 2004	**9 321**	**(1 324)**	**(253)**	**12 294**	**14 925**

(1) excludes potential effect of hedging derivatives, other derivatives, macrohedge and speculative

(2) includes potential effect of hedging derivatives and other derivatives (excluding macrohedge and speculative)

Changes in reserves for impairment and amortization of real estate properties were as follows:

(million euros)	January 1st, 2005	Increase for the period	Write back following sale or reimbursement	Write back following recovery in value	Other (2)	June 30 th, 2005
Impairment - investment properties	253	32	(11)	(23)	146	397
Amortization - Investment properties	1 324	95	(71)		11	1 358
TOTAL (1)	**1 577**	**126**	**(82)**	**(23)**	**157**	**1 755**

(million euros)	January 1st, 2004	Increase for the period	Write back following sale or reimbursement	Write back following recovery in value	Other (2)	June 30 th, 2004
Impairment - Investment properties	325	36	(25)	(9)	96	423
Amortization - Investment properties	1 274	92	(5)		(121)	1 239
TOTAL (1)	**1 599**	**128**	**(31)**	**(9)**	**(25)**	**1 662**

(1) Including banking assets

(2) incl. mainly change in scope of conso and change in exchange rate

7.3. *Unrealized gains and losses on financial investments*

Breakdown of financial assets	June 30th, [illegible]														
	Insurance					Other activities					Total				
	Amortized cost (1)	Fair value	Net book value (2)	Unrealized gains	Unrealized losses	Amortized cost (1)	Fair value	Net book value (2)	Unrealized gains	Unrealized losses	Amortized cost (1)	Fair value	Net book value (2)	Unrealized gains	Unrealized losses
Fixed maturities held to maturity															
Fixed maturities available for sale	168 480	182 891	182 891	17 785	1 384	5 857	5 975	5 975	70	1	172 843	188 818	188 818	17 855	1 384
Fixed maturities designated as at fair value through P&L		42 623	42 623				1 137	1 137				43 760	43 760		
Fixed maturities held for trading		4	4				1 551	1 551				1 555	1 555		
Non quoted fixed maturities (amortized cost)	22	22	22		2	2	2	2	0		24	24	24	0	
Fixed maturities		225 538	225 538				8 618	8 618				234 156	234 156		
Equity securities available for sale	18 037	24 644	24 644	5 871	138	615	781	781	167	0	18 652	25 425	25 425	6 000	138
Equity securities at fair value through P&L		18 238	18 238				8	8				18 246	18 246		
Equity securities held for trading		226	226				265	265				491	491		
Equity securities		43 107	43 107				1 055	1 055				44 162	44 162		
Non consolidated investment funds available for sale	2 567	2 823	2 823	380	4	158	158	158	1	0	2 725	[illegible]	[illegible]	381	4
Non consolidated investment funds at fair value through P&L		2 186	2 186				27	27				2 213	2 213		
Non consolidated investment funds held for trading		751	751									751	751		
Non consolidated investment funds		[illegible]	[illegible]				186	186				[illegible]	[illegible]		
Other assets held by consolidated investment funds designated as at fair value through P&L		1 782	1 782									1 782	1 782		
Macro hedge and other derivatives		1	1				(78)	(78)				(77)	(77)		
Total financial investments of insurance activities		275 405	275 386				9 773	9 773				285 177	285 177		

(1) Gross of impairment - including amortization premium and accumulated amortization

(2) net of impairment

Breakdown of financial assets	December 31st, 2004														
	Insurance					Other activities					Total				
	Amortized cost (1)	Fair value	Net book value (2)	Unrealized gains	Unrealized losses	Amortized cost (1)	Fair value	Net book value (2)	Unrealized gains	Unrealized losses	Amortized cost (1)	Fair value	Net book value (2)	Unrealized gains	Unrealized losses
Fixed maturities held to maturity															
Fixed maturities available for sale	162 442	[illegible]	[illegible]	15 078	[illegible]	6 626	6 637	6 577	12	1	169 077	[illegible]	171 227	15 098	[illegible]
Fixed maturities designated as at fair value through P&L		41 886	41 886				1 197	1 197				43 083	43 083		
Fixed maturities held for trading		4	4				1 620	1 620				1 624	1 624		
Non quoted fixed maturities (amortized cost)	22	[illegible]	[illegible]	5		3	2	2			25	[illegible]	[illegible]	3	
Fixed maturities		[illegible]	[illegible]				[illegible]	[illegible]				[illegible]	[illegible]		
Equity securities available for sale	17 615	22 248	22 248	4 843	247	[illegible]	642	642	[illegible]	1	18 440	22 881	22 881	4 872	248
Equity securities at fair value through P&L		16 847	16 847				38	38				[illegible]	[illegible]		
Equity securities held for trading		250	250				[illegible]	[illegible]				[illegible]	[illegible]		
Equity securities		[illegible]	[illegible]				777	777				[illegible]	[illegible]		
Non consolidated investment funds available for sale	2 640	2 820	2 820	264	4	62	65	63	1	0	2 702	[illegible]	[illegible]	[illegible]	[illegible]
Non consolidated investment funds at fair value through P&L		2 090	2 090				43	43				[illegible]	[illegible]		
Non consolidated investment funds held for trading		733	733									733	733		
Non consolidated investment funds		5 343	5 346				[illegible]	[illegible]				[illegible]	[illegible]		
Other assets held by consolidated investment funds designated as at fair value through P&L		[illegible]	[illegible]									[illegible]	[illegible]		
Macro hedge and other derivatives		(847)	(847)				[illegible]	[illegible]				[illegible]	[illegible]		
Total financial investments of insurance activities		[illegible]	[illegible]				[illegible]	[illegible]				[illegible]	[illegible]		

(1) Gross of impairment - including amortization premium and accumulated amortization

(2) net of impairment

7.4. *Roll-forward of impairment on invested assets (excluding investment properties)*

7.4.1. *Breakdown of financial assets subject to impairment*

Breakdown of financial assets subject to impairment	June 30th, 2005					December 31st, 2004				
	Cost before impairment and revaluation to fair value (1)	Impairment	Cost after impairment but before revaluation to fair value (2)	Revaluation to fair value	Net book value (Carrying value)	Cost before impairment and revaluation to fair value (1)	Impairment	Cost after impairment but before revaluation to fair value (2)	Revaluation to fair value	Net book value (Carrying value)
Fixed maturities held to maturity										
Fixed maturities available for sale	172 690	(158)	172 532	16 284	188 816	159 440	(382)	159 077	12 149	171 227
Non quoted fixed maturities (amortized cost)	25	(0)	24	-	24	26	(0)	26		26
Fixed maturities	172 714	(158)	172 556	16 284	188 840	159 466	(383)	159 103	12 149	171 252
Equity securities	23 225	(3 570)	19 662	5 773	25 425	22 405	(3 939)	18 466	4 475	22 991
Non funds AFS	2 844	(119)	2 725	356	3 081	2 889	(186)	2 703	283	2 985
Loans held to maturity						2		2		2
Loans available for sale	25		25	0	25	23		23	0	23
Mortgage loans	7 211	(26)	7 185	-	7 183	7 090	(28)	7 065		7 065
Others loans (3)	10 921	(285)	10 636		10 636	11 071	(304)	10 768		10 768
Loans	18 156	(311)	17 847	0	17 847	18 180	(332)	17 858	0	17 854
TOTAL	216 939	(4 158)	212 780	22 414	235 194	202 829	(4 880)	198 129	16 858	214 986

(1) asset value incl. amort. (premium) and accrued interests but before impairment and revaluation to fair value of assets AFS
(2) asset value incl. impairment, amort. (premium) accrued interests but before revaluation to fair value of assets AFS
(3) incl. policy loans

7.4.2. *Impairment on invested assets*

ROLL FORWARD OF IMPAIRMENT ON INVESTED ASSETS (EXCLUDING INVESTMENT PROPERTIES) (1)	January 1, 2005	Increase for the period	Write back following sale or reimbursement	Write back following recovery in value	Other (2)	June 30, 2005
Impairment - fixed maturities	363	20	(102)	(3)	(120)	158
Impairment - equity securities	3 939	66	(467)	-	33	3 570
Impairement - non controlled investment funds	166	2	(34)	-	(16)	119
Impairment - loans	332	16	(16)	(2)	(19)	311
TOTAL	4 800	103	(618)	(5)	(122)	4 159

(1) Including banking assets
(2) Change in scope of consolidation and variation of exchange rate

ROLL FORWARD OF IMPAIRMENT ON INVESTED ASSETS (EXCLUDING INVESTMENT PROPERTIES) (1)	January 1, 2004	Increase for the period	Write back following sale or reimbursement	Write back following recovery in value	Other (2)	June 30, 2004
Impairment - fixed maturities	531	35	(176)	(13)	5	383
Impairment - equity securities	5 493	103	(1 076)	-	165	4 685
Impairement - non controlled investment funds	280	2	(33)	-	(4)	245
Impairment - loans	138	16	(53)	(4)	(0)	96
TOTAL	6 442	156	(1 338)	(17)	167	5 410

(1) Including banking assets
(2) Change in scope of consolidation and variation of exchange rate

Note 8 : Shareholders' equity and minority interests

8.1. Change in shareholders' equity (group share)

The main changes in the first half of 2005 were as follows:

- In their April 20, 2005 meeting, shareholders approved a dividend distribution of €1,164 million with respect to 2004.
- Capital increases arising from exercises of stock options amounted to €4 million.
- The change in other reserves is mainly due to a €250 million issue of deeply subordinated perpetual notes through the Euro Medium Term Notes (EMTN) program.
- The impact of exchange rate movements mainly concerned the United States (€+1,293 million) and the UK (€+156 million). However, it was partly offset by the change in value of currency hedges set up to hedge net foreign investments (€-519 million).
- Changes in the fair value of assets mainly related to France (€+509 million), Belgium (€+415 million), Japan (€+175 million) and Germany (€+146 million).

8.2. Minority interests

Minority interests in Alliance Capital totalled €1,275 million at June 30, 2005.

8.3. Change in net unrealized gains and losses included in shareholders' equity

Excluding the impact of derivative instruments, net gains and losses on invested assets included in shareholders' equity were as follows:

(million euros)	June 30, 2005	December 31, 2004	Variance
Gross Unrealized gains and losses	22 299	16 614	5 685
Less unrealized gains and losses attributable to :			
Shadow accounting on policyholder's participation (1)	(10 586)	(7 528)	(3 058)
Shadow accounting on DAC (2)	(502)	(467)	(35)
Shadow accounting on VBI	(645)	(530)	(115)
Unallocated unrealized gains and losses (before tax)	10 565	8 088	2 477
Deferred tax	(2 914)	(2 257)	(657)
Unrealized gains and losses (net of tax) - 100%	7 652	5 832	1 820
Minority interests share in unrealized gains and losses (3)	(239)	(205)	(34)
Currency impact (4)	(20)	94	(114)
Unrealized gains and losses (net group share)	7 393	5 720	1 672

(1) including impact of shadow accounting on premium deficiency liabilities, after re-valuation of AFS securities
(2) Net of shadow accounting on unearned revenues and fees reserves
(3) including currency impact attributable to minority interests
(4) group share

Note 9 : Financing debts

9.1. Financing debt by issuance

(million euros)	June 30, 2005	December 31, 2004
	Carrying value	
AXA		
Subordinated perpetual notes, variable (U.S. $ and euro)	2 239	2 120
Perpetual notes, 3.29% / variable (Yen)	201	193
Subordinated convertible notes, 2.5% due 2014 (euro)	1 583	1 558
Subordinated perpetual debt (euro)	219	234
Subordinated perpetual notes, 7.25% (euro)		500
Subordinated convertible notes, 3.75% due 2017 (euro) - debt component	1 108	1 089
Subordinated convertible notes, variable due 2020 (euro)	180	215
U.S. registered subordinated debt, 8.60% 2030 (euro)	1 163	952
U.S. registered subordinated debt, 7.125% 2020 (euro)	482	461
U.S. registered subordinated debt, 6.75% 2020 (euro)	1 070	1 070
Other	10	50
Derivatives on subordinated debt (1)	(1 181)	(1 205)
AXA Financial		
Surplus Notes, 6,95 %, due 2005	331	294
Surplus Notes, 7,70 %, due 2015	165	147
MONY Life 11.25% Surplus Notes	2	1
AXA Bank Belgium		
Subordinated notes, 3.14% to 6.90% due 2008	362	339
Other subordinated debt (under euro 100 million each)	77	71
SUBORDINATED DEBT	***8 010***	***8 089***
AXA		
Euro Medium Term Notes, 6.0% due through 2013, and BMTN	918	1 183
Other	5	5
Derivatives on financing debt instruments issued	(206)	(289)
AXA Financial		
Senior notes, 7.75%, due 2010	395	351
Obligations "Senior", 7%, due 2028	288	255
Senior notes, 6.5%, due 2008	207	183
Senior notes MONY, 8.35% due 2010	282	253
MONY Group Inc notes due 2005	232	210
Derivatives on financing debt instruments issued	3	4
AXA UK Holdings		
GRE Loan Notes, 6.625%, due 2023	229	219
Equitable Life		
Mortage notes, 4.92% / 12%, due 2017	289	257
Closed-Block Mony 6.44%, due 2017	248	220
Derivatives on financing debt instruments issued	25	21
Other financial debt instruments issued (less than €100 million)	18	32
Derivatives on other debt instruments issued (1)	24	(1)
FINANCING DEBT INSTRUMENTS ISSUED	***2 956***	***2 903***
Netherlands Holdings	17	17
Derivatives on financing debt owed to credit institutions	-	-
FINANCING DEBT OWNED TO CREDIT INSTITUTIONS	17	17
TOTAL FINANCING DEBT	10 983	11 009

(1) Hedging instruments according to IAS 39 and economic hedge derivatives which are not acting as hedge under IAS 39

Fair value of financing debt excluding accrued interest (but including related accounting hedges) as of June 30, 2005, December 31, 2004 respectively totalled €12,178 million and €12,177 million.

9.2. *Financing debt by accounting method*

Financing debt	June 30, 2005		December 31, 2004	
	Carrying value	Fair value	Carrying value	Fair value
Subordinated debt at cost	9 191	10 338	9 294	10 340
Subordinated debt held as trading	-	-	0	0
Subordinated debt designated as at fair value through P&L	-	-	-	-
Derivatives on subordinated debt (1)	(1 181)	(1 181)	(1 205)	(1 205)
Subordinated debt	**8 010**	**9 157**	**8 089**	**9 136**
Financing debt instruments issued at cost	3 111	3 158	3 168	3 290
Financing debt instruments issued held as trading	-	-	-	-
Financing debt instruments issued designated as at fair value through P&L	-	-	-	-
Derivatives on financing debt instruments issued (1)	(154)	(154)	(265)	(265)
Financing debt instruments issued	**2 956**	**3 004**	**2 903**	**3 024**
Financing debts owed to credit institutions at cost	17	17	17	17
Financing debts owed to credit institutions held as trading	-	-		-
Financing debts owed to credit institutions designated as at fair value through P&L	-	-		
Derivatives on financing debt owed to credit institutions (1)	-	-		
Financing debt owed to credit institutions	17	17	17	17
FINANCING DEBT	10 983	12 178	11 009	12 177

(1) Hedging instruments according to IAS 39 and economic hedge derivatives which are not acting as hedge under IAS 39

9.3. *Fair value measurement methodology*

Information on the fair value figures presented in this note should be treated with caution, (i) as these estimates are based on snapshots parameters- taken at accounts closing dates - such as interest rates and spreads, which fluctuate over time, resulting in instantaneous values, and (i) as there are many possible approaches to get these estimates.

Data used for calculating the fair value of financing debt (debt instruments or owed to credit institutions) are period-end market data that take into account (i) market interest rates by currency, (ii) AXA's average spread by maturity and currency, distinguishing subordinated and senior debt and (iii) options included in issuance contracts, such as issuer early redemption options.
For subordinated convertible bonds, fair value is equal to the quoted price of these instruments at the end of the period.

Note 10 : Derivative instruments

10.1. Derivatives instruments: maturity, notional amounts, and fair value

Nature of the instruments (million euros)	Maturity of notional amount as at June 30, 2005 (1)						Notional amount		Positive fair value		Negative fair value		Net fair value		Fair value changes
	< 1 yr	1 to 2 yr	2 to 3 yr	3 to 4 yr	4 to 5 yr	> 5 yr	June 30, 2005	December 31, 2004	June 30, 2005	December 31, 2004	June 30, 2005	December 31, 2004	June 30, 2005	December 31, 2004	
Interest rate swaps	30 687	6 866	5 735	3 639	6 719	18 858	72 744	76 894	2 208	1 810	780	627	1 428	1 183	245
Currency swaps	6 306	5 092	4 210	1 230	1 257	6 304	24 399	23 207	928	1 717	718	586	209	1 130	(921)
Basic Swaps	-	-	-	-	-	850	950	609	13	4	91	33	(78)	(29)	(49)
Equity swaps	137	698	12	9	87	137	1 079	1 077	79	55	2	0	77	54	23
Total return swaps	7	-	-	-	304	2 088	2 399	2 451	268	240	15	9	254	231	23
SWAPS	37 138	12 596	9 957	5 078	8 367	28 438	101 572	104 238	3 496	3 825	1 605	1 255	1 891	2 570	(679)
Caps	3 462	16 627	2 007	7 189	61	16 162	45 527	43 490	50	39	280	276	(230)	(236)	6
Floors	-	3 558	6 616	4 962	20	-	15 154	9 048	12	4	0	0	11	4	7
Collars	-	-	-	-	-	-	-	47	-			-		-	-
Swaptions	366	171	720	336	218	660	2 471	2 740	99	62	-	-	99	62	36
Call bought	3 001	36	25	1	5	-	3 067	1 602	22	106	8	-	13	106	(93)
Call sold	-	-	272	-	-	-	272	272	-	-	-	-	-	-	-
Put bought	22	-	298	-	-	-	320	323	3	8	0	0	3	8	(5)
Put sold	0	-	-	-	-	-	0	0	-	-	-	0	-	(0)	0
OPTIONS	6 851	20 390	9 939	12 488	323	16 822	66 812	57 021	165	220	289	276	(104)	(56)	(48)
Forward / Futures bought	2 692	-	-	-	-	-	2 692	4 127	31	8	2	4	29	4	25
Forward / Futures sold	17 377	524	401	13	204	-	18 520	22 985	12	100	653	451	(642)	(260)	(381)
FUTURES & FORWARD	20 069	524	401	13	204	-	21 211	27 112	43	108	655	455	(613)	(256)	(356)
CREDIT DERIVATIVES	1 631	118	43	141	5 222	80	7 234	2 393	24	37	6	-	18	37	(19)
Other derivatives	70	-	59	9	294	21	452	80	2	5	5	1	(3)	5	(7)
TOTAL	65 757	33 628	20 399	17 729	14 410	45 360	197 281	190 844	3 750	4 288	2 560	1 986	1 190	2 298	(1 109)

NB: This table includes all derivatives (assets and liabilities) i.e hedge, macrohedge and other, inactive and passive position

10.2. Derivatives instruments subject to hedge accounting and other derivatives instruments

Hedging derivative instruments may be summarized as follows:

Nature of the instruments (million euros)	Derivatives instruments used in fair value hedging relationship				Derivatives instruments used in a cash flow hedging relationship				Derivatives instruments used in hedge of net investment in a foreign operation				Derivatives instruments not used in a hedging relationship under IAS 39 (free-standing derivatives)				Derivatives instruments used in macro hedging relationship on interest rate risk			
	Notional amount		Fair value		Notional amount		Fair value		Notional amount		Fair value		Notional amount		Fair value		Notional amount		Fair value	
	June 30, 2005	December 31, 2004	June 30, 2005	December 31, 2004	June 30, 2005	December 31, 2004	June 30, 2005	December 31, 2004	June 30, 2005	December 31, 2004	June 30, 2005	December 31, 2004	June 30, 2005	December 31, 2004	June 30, 2005	December 31, 2004	June 30, 2005	December 31, 2004	June 30, 2005	December 31, 2004
Interest rate swaps	137		(71)		6 218	2 221	455	289	[illegible]		(12)		42 750	39 471	566	837	35 630	35 202	112	57
Currency swaps	2 625	2 642	(144)	(147)		-			6 413	5 464	370	984	13 362	13 582	(29)	220		509	(0)	68
Basic Swaps			(67)	(22)						-			950	609	9	7				
Equity swaps	273	357	(7)	1		-							806	730	84	67				
Total return swaps													2 399	2 451	254	231				
SWAPS	3 433	3 000	(306)	(157)	6 218	2 221	455	289	6 413	5 464	358	984	60 277	56 641	1 274	1 328	35 630	34 755	112	125
Caps				-									2 957	2 866	4	8	42 570	40 607	(235)	(278)
Floors				-									15 154	9 048	11	4				
Collars				-										47						
Swaptions													1 803	1 677	58	61	528	563	0	1
Call bought	19	10	1	-									3 048	1 582	13	105				
Call sold	272	272																		
Put bought	320	320	3	8		-							0	3	0	2				
Put sold													0	0		(0)				
OPTIONS	612	612	4	7	-	-	-	-		-	-	-	23 042	15 244	127	114	43 154	41 185	(234)	(227)
Forward / Futures bought	24	24	1	0			-						2 416	2 920	22	9	250	1 183	0	30
Forward / Futures sold	805	300	(54)	(40)						1 687			15 707	15 568	(588)	(225)	1 918	5 230	0	(2)
FUTURES & FORWARD	829	324	(53)	(40)		-		-		1 687	-	-	18 215	18 488	(565)	(216)	2 168	6 414	0	(2)
CREDIT DERIVATIVES			-			-		-		-			7 234	2 393	11	37	-			
Other derivatives									6		6		445	80	(3)	5				
TOTAL	5 075	3 935	(356)	(150)	6 218	2 221	455	289	6 417	7 151	364	984	109 713	93 048	850	1 520	70 357	64 288	(121)	(105)

NB: This table includes all derivatives (assets and liabilities) i.e hedge, macrohedge and other, inactive and passive position

10.3. *Value of financial investments, with effect of potential hedging*

VALUE OF FINANCIAL INVESTMENTS WITH EFFECT OF POTENTIAL HEDGING	June 30, 2005											
	Insurance				Other activities				Total			
	Net value excluding effect of hedging (1)	Impact of derivatives instruments subject to hedge accounting (2)	Impact of other derivatives instruments (3)	Net value including effect of derivatives (4)	Net value excluding effect of hedging (1)	Impact of derivatives instruments subject to hedge accounting (2)	Impact of other derivatives instruments (3)	Net value including effect of derivatives (4)	Net value excluding effect of hedging (1)	Impact of derivatives instruments subject to hedge accounting (2)	Impact of other derivatives instruments (3)	Net value including effect of derivatives (4)
Investment property at amortized cost	7 523	0	0	7 523	62	0	0	62	7 586	0	0	7 586
Investment property at fair value through profit and loss	4 827	0	0	4 827	0		0	0	4 827	0	0	4 827
Macro hedge and speculative derivatives	0	0	0	0	0	0	0	0	0	0	0	0
Investment property	12 351	0	0	12 351	62	0	0	62	12 413	0	0	12 413
Fixed maturities held to maturity	0	0	0	0	0	0	0	0	0	0	0	0
Fixed maturities available for sale	182 669	(129)	350	182 891	5 925	0	0	5 925	188 595	(129)	350	188 818
Fixed maturities at fair value through profit and loss	42 914	0	9	42 923	1 251	0	(114)	1 137	43 865	0	(105)	43 780
Fixed maturities held for trading	4	0	0	4	1 535	0	16	1 551	1 539	0	16	1 555
Non quoted fixed maturities (amortized cost)	22	0	0	22	2	0	0	2	24	0	0	24
Fixed maturities	225 309	(129)	359	225 539	8 714	0	(93)	8 616	234 022	(129)	261	234 155
Equity securities available for sale	24 424	(7)	(78)	24 341	194	0	37	231	24 618	(7)	(39)	24 572
Equity securities at fair value through profit and loss	18 237	0	0	18 234	8	0	0	8	18 248	0	0	18 246
Equity securities held for trading	226	0	0	226	265	0	0	265	491	0	0	491
Participating interests available for sale	301	0	1	302	351	0	0	351	652	0	1	653
Equity securities	43 188	(7)	(74)	43 107	1 018	0	37	1 055	44 206	(7)	(37)	44 162
Non controlled investment funds available for sale	2 862	0	60	2 923	159	0	0	159	3 021	0	60	3 081
Non controlled investment funds at fair value through profit and loss	2 159	0	26	2 186	27	0	0	27	2 187	0	26	2 213
Non controlled investment funds held for trading	251	0	0	251	0	0	0	0	251	0	0	251
Non controlled investment funds	5 272	0	87	5 359	186	0	0	186	5 458	0	87	5 545
Other investments (6)	1 792	0	0	1 792	0	0	0	0	1 792	0	0	1 792
Macro hedge and speculative derivatives	0	0	1	1	0	0	(78)	(78)	0	0	(77)	(77)
TOTAL FINANCIAL INVESTMENTS	275 861	(136)	373	275 799	9 812	0	(140)	9 775	285 673	(136)	233	285 478
Loans held to maturity	0	0	0	0	0	0	0	0	0	0	0	0
Loans available for sale	0	0	0	0	25	0	0	25	25	0	0	25
Loans at fair value through profit and loss	143	0	5	148	0	0	0	0	143	0	5	148
Loans held for trading	0	0	0	0	275	0	0	275	275	0	0	275
Mortgage loans	7 256	0	0	7 256	71	(71)	0	(50)	7 256	(71)	0	7 185
Others (5)	10 601	0	(7)	10 593	43	0	0	43	10 643	0	(7)	10 636
Macro hedge and speculative derivatives	0	0	0	0	0	0	90	90	0	0	86	86
Loans	17 878	0	(2)	17 877	384	(71)	90	383	18 243	(71)	87	18 268
Financial investments backing contracts	127 327	0	28	127 355	[illegible]	[illegible]	[illegible]	[illegible]	127 327	0	28	127 355
TOTAL FINANCIAL ASSETS	433 218	(136)	398	433 481	10 244	(71)	(41)	10 233	443 462	(207)	357	443 713

(1) Net book value, i.e net of impairment, accrued premiums and related amortization, including accrued interests, but excluding derivatives impact
(2) excluding macrohedge and other derivatives
(3) Macrohedge and other derivatives
(4) Net book value, but including effect of hedging instruments (IAS 39), economic hedging instruments not acting as hedging in the meaning of IAS 39, macrohedge and other derivatives
(5) Mostly includes policy loans, lease receivables and other loans.
(6) Other investments held through consolidated instrument funds at fair value through Profit and Loss

(million euros)	December 31, 2004											
	Insurance				Other activities				Total			
	Net value excluding effect of hedging (1)	Impact of derivatives instruments subject to hedge accounting (2)	Impact of other derivatives instruments (3)	Net value including effect of derivatives (4)	Net value excluding effect of hedging (1)	Impact of derivatives instruments subject to hedge accounting (2)	Impact of other derivatives instruments (3)	Net value including effect of derivatives (4)	Net value excluding effect of hedging (1)	Impact of derivatives instruments subject to hedge accounting (2)	Impact of other derivatives instruments (3)	Net value including effect of derivatives (4)
Investment property at amortized cost	7 683	0	0	7 683	61	0	0	61	7 744	0	0	7 744
Investment property at fair value through profit and loss	4 550	0	0	4 550	0	0	0	0	4 550	0	0	4 550
Macro hedge and speculative derivatives	0	0	0	0	0	0	0	0	0	0	0	0
Investment property	12 233	0	0	12 233	61	0	0	61	12 294	0	0	12 294
Fixed maturities held to maturity	0	0	0	0	0	0	0	0	0	0	0	0
Fixed maturities available for sale	164 184	(153)	619	164 650	6 577	0	0	6 577	170 761	(153)	619	171 227
Fixed maturities at fair value through profit and loss	41 907	0	(21)	41 886	1 324	0	(127)	1 197	43 231	0	(148)	43 083
Fixed maturities held for trading	4	0	0	4	1 571	0	49	1 620	1 575	0	49	1 624
Non quoted fixed maturities (amortized cost)	23	0	0	23	2	0	0	2	26	0	0	26
Fixed maturities	206 118	(153)	598	206 563	9 474	0	(78)	9 396	215 592	(153)	520	215 958
Equity securities available for sale	22 221	7	21	22 249	842	0	0	842	23 063	7	21	23 091
Equity securities at fair value through profit and loss	16 847	0	(1)	16 847	10	0	28	38	16 857	0	28	16 886
Equity securities held for trading	258	0	0	258	96	0	0	96	354	0	0	354
Equity securities	39 327	7	20	39 354	748	0	28	777	40 074	7	48	40 131
Non controlled investment funds available for sale	2 821	0	(1)	2 820	85	0	0	85	2 906	0	(1)	2 905
Non controlled investment funds at fair value through profit and loss	2 093	0	0	2 093	45	0	0	45	2 138	0	0	2 138
Non controlled investment funds held for trading	199	0	33	232	0	0	0	0	199	0	33	232
Non controlled investment funds	5 213	0	32	5 245	110	0	0	110	5 323	0	32	5 355
Other investments (6)	884	0	0	884	0	0	0	0	884	0	0	884
Macro hedge and speculative derivatives	0	0	(242)	(242)	0	0	536	536	0	0	294	294
TOTAL FINANCIAL INVESTMENTS	261 253	(146)	408	261 515	10 331	0	486	10 820	271 584	(146)	895	272 336
Loans held to maturity	7	0	0	7	0	0	0	0	7	0	0	7
Loans available for sale	0	0	0	0	23	0	0	23	23	0	0	23
Loans at fair value through profit and loss	374	0	3	377	0	0	0	0	374	0	3	377
Loans held for trading	0	0	0	0	258	0	0	258	258	0	0	258
Mortgage loans	7 064	0	0	7 064	21	0	0	21	7 085	0	0	7 085
Others (5)	10 662	0	28	10 690	78	0	0	78	10 740	0	28	10 768
Macro hedge and speculative derivatives	0	0	0	0	0	0	78	78	0	0	78	78
Loans	18 083	0	31	18 114	380	0	78	458	18 463	0	107	18 569
Financial investments backing contracts	112 380	0	6	112 387	[illegible]	[illegible]	[illegible]	[illegible]	112 380	0	8	112 387
TOTAL FINANCIAL ASSETS	393 850	(146)	446	394 150	10 772	0	564	11 338	404 723	(146)	1 010	405 586

(1) Net book value, i.e net of impairment, accrued premiums and related amortization, including accrued interests, but excluding derivatives impact.
(2) excluding macrohedge and other derivatives
(3) Macrohedge and other derivatives
(4) Net book value, but including effect of hedging instruments (IAS 39), economic hedging instruments not acting as hedging in the meaning of IAS 39, macrohedge and other derivatives
(5) Mostly includes policy loans, lease receivables and other loans
(6) Other investments held through consolidated instrument funds at fair value through Profit and Loss

10.4. *Value of financial liabilities, with effect of potential hedging*

10.4.1. *Liabilities arising from insurance and investment contracts*

Nature of financial liabilities (million euros)	June 30, 2005				December 31, 2004			
	Net book value	Impact of derivatives instruments subject to hedge accounting	Impact of other derivatives instruments	Value including effect of derivatives	Net book value	Impact of derivatives instruments subject to hedge accounting	Impact of other derivatives instruments	Value including effect of derivatives
Liabilities arising from insurance contracts	241 730	81	(85)	241 726	227 843	22	(40)	227 825
Liabilities arising from insurance contracts where the financial risk is borne by policyholders	83 632	0	0	83 632	73 578	0	0	73 578
Total liabilities arising from insurance contracts	**325 361**	**81**	**(85)**	**325 357**	**301 421**	**22**	**(40)**	**301 403**
Liabilities arising from investment contracts with discretionary participating feature	32 431	1	233	32 665	31 662	(10)	(4)	31 648
Liabilities arising from investment contracts with no discretionary participating feature	968	0	0	968	869	0	0	869
Liabilities arising from investment contracts where the financial risk is borne by policyholders	44 007	0	0	44 007	39 127	0	0	39 127
Total liabilities arising from investment contracts	**77 406**	**1**	**233**	**77 640**	**71 659**	**(10)**	**(4)**	**71 644**
Macro hedge derivatives instruments on insurance and investments contracts (liabilities)	[illegible]	[illegible]	0	[illegible]	[illegible]	[illegible]	0	[illegible]

10.4.2. *Other financial liabilities*

Nature of financial liabilities (million euros)	June 30, 2005				December 31, 2004			
	Value before effect of derivatives instruments	Impact of derivatives instruments subject to hedge accounting	Impact of other derivatives instruments	Value including effect of derivatives	Value before effect of derivatives instruments	Impact of derivatives instruments subject to hedge accounting	Impact of other derivatives instruments	Value including effect of derivatives
Subordinated debt	9 191	(701)	(480)	8 010	9 294	(654)	(551)	8 089
Financing debt instruments issued	3 111	(195)	40	2 956	3 166	(255)	(15)	2 896
Financing debt owed to credit institutions	17	-	-	17	17	-	4	22
Financing debt	**12 319**	**(896)**	**(440)**	**10 983**	**12 479**	**(909)**	**(561)**	**11 009**
Controlled investment funds minority interests liability	4 051	-	-	4 051	3 223	-	-	3 223
Other debt instruments issued, notes and bank overdrafts	8 215	(13)	-	8 202	7 784	-	1	7 785
Payables arising from direct insurance and inward reinsurance operations	4 090	-	-	4 090	3 863	-	-	3 863
Payables arising from outward reinsurance operations	4 304	-	-	4 304	3 588	-	-	3 588
Payables arising from banking activities (1)	11 707	-	76	11 783	12 220	-	65	12 285
Payables - current tax position	1 372		-	1 372	954	-	-	954
Other payables	26 784	-	3	26 787	21 187	-	-	21 187
Derivatives relating to other financial liabilities	[illegible]	[illegible]	-	[illegible]	[illegible]	[illegible]	-	[illegible]
Other debts (2)	**60 522**	**(13)**	**80**	**60 589**	**52 820**	**-**	**67**	**52 886**

(1) Financing debt and Payables arising from banking activities issued are disclosed in the balance sheet net of the impact of derivatives. As a result, the amount shown in the column "value including effect of derivatives" is their net book value

(2) Other debts are presented excluding effect of derivatives on the face of the balance sheet

10.5. *Derivatives instruments not subject to hedge accounting*

AXA Japan uses derivative instruments to cover currency risk on its investments in US and European bonds. In accordance with IAS 21 and IAS 39, some or all of the translation difference relating to these bonds is recorded in income and offsets most of the change in market value of associated derivative instruments, also recorded in income. The economic effect of this hedging is therefore reflected without the need to use hedge accounting in the meaning of IAS 39.

The notional amount of these instruments at June 30, 2005 was €11,915 million.

10.6. Derivatives instruments measured at fair value

(million euros)	Fair value determined directly by reference to an active market		Fair value estimated using valuation technique		TOTAL	
	June 30, 2005	December 31, 2004	June 30, 2005	December 31, 2004	June 30, 2005	December 31, 2004
Derivatives instruments on financial assets subject to hedge accounting	63	32	(270)	(178)	(207)	(146)
Other derivatives instruments on financial assets (1)	148	209	187	431	335	640
Macro hedge and speculative derivatives on financial assets	(143)	481	165	(111)	22	370
Total - derivatives instruments relating to financial assets	**68**	**722**	**83**	**142**	**151**	**864**
Derivatives instruments on insurance and investment contracts subject to hedge accounting	82	12	-	-	82	12
Other derivatives instruments on insurance and investment contracts (1)	(76)	(47)	224	3	147	(44)
Macro hedge derivatives on insurance and investment contracts	-	-	-	-	-	-
Total - derivatives instruments relating to insurance and investment contracts	**6**	**(35)**	**224**	**3**	**229**	**(32)**
Derivatives instruments relating to financing debt, and other financial liabilities subject to hedge accounting	(907)	(919)	(2)	10	(909)	(909)
Other derivative instruments relating to financing debt, and other financial liabilities (2)	(475)	(569)	38	10	(437)	(560)
Total - derivatives instruments relating to financing debt, operating debt and other financial liabilities	**(1 382)**	**(1 488)**	**36**	**20**	**(1 345)**	**(1 469)**
Macro hedge banking activities (liabilities) and other derivatives (including speculative derivatives)	**(1)**	**(5)**	**77**	**70**	**76**	**65**

(1) Hedge accounting not acting as hedge in the meaning of IAS 39
(2) Notably includes speculative derivative instruments on financing debt and other financial liabilities

Note 11 : Revenues by segment and net revenue from banking activities

11.1. Total revenues

(million euros)	June 30, 2005
LIFE & SAVINGS	21 907
of which direct premiums	20 151
of which reinsurance assumed	976
of which fees and changes on investment contracts with no participation feature	237
of which revenues from other activities	543
France	6 583
United States	6 623
United Kingdom	1 130
Japan	2 322
Germany	1 718
Belgium	1 353
Other countries	2 177
PROPERTY & CASUALTY	10 314
of which direct premiums	10 133
of which reinsurance assumed	161
of which revenues from other activities	21
France	2 770
Germany	1 789
United Kingdom (and Ireland since January 1st, 2004)	2 290
Belgium	775
Other countries	2 690
INTERNATIONAL INSURANCE	2 501
of which direct premiums	531
of which reinsurance assumed	1 893
of which revenues from other activities	77
AXA RE	1 056
AXA Corporate Solution Assurance	1 059
AXA Cessions	29
AXA Assistance	272
Others	85
ASSET MANAGEMENT	1 550
Alliance Capital	1 117
AXA Investment Managers	433
OTHER FINANCIAL SERVICES	225
French banks	50
German banks	12
AXA Bank Belgium	161
Other	2
TOTAL	36 499

11.2. Net revenue from banking activities

(million euros)	June 30, 2005
Interests received and equivalent	267
Interests paid and equivalent	-176
Net interests and equivalent	91
Commissions received	20
Commissions paid	-10
Net commissions	10
Investment income	92
Realized investment gains and losses	36
Change in fair value of financial instruments at fair value through P&L	17
Change in financial instruments impairment	-1
Net investment results	146
Other bank operating income	9
Other bank operating expenses	-29
Net other bank operating income	-20
Net revenues from banking activities	225

Note 12 : Net income per ordinary share

The Company calculates a basic net income per ordinary share and a diluted net income per ordinary share:

- The calculation of the basic net income per ordinary share assumes no dilution and is based on the weighted average number of ordinary shares outstanding for the period.
- The calculation of diluted net income per ordinary share takes into account shares that may be issued as a result of stock option plans and convertible bonds. The effect of stock option plans on the number of fully diluted shares is taken into account only if options are considered to be exercisable on the basis of the average price of AXA share over the period. The effect of convertible bonds (number of shares and income) is integrated in the calculation if it actually generates a dilution of the net income per share.

The detailed calculation of net income per ordinary share (basic and diluted) is provided below:

(in euro million except for ordinary shares in million units)		June 30, 2005	June 30, 2004
NET INCOME	**A**	**2 274**	**1 733**
Weighted average number of ordinary shares (net of treasury shares) - opening		1 884	1 748
Increase in capital (excluding stock option exercised) (1)			
Stock option exercised (1)		1	0
Treasury shares (1)		0	1
Cancellations (1)			
Weighted average number of ordinary shares	**B**	**1 885**	**1 750**
Net income per ordinary share	**C = A / B**	**1,21**	**0,99**
Potentially dilutive instruments			
- Stock options		7	6
- Subord Conv Notes - 8 feb. 2000		27	27
- Subord Conv Notes - 8 feb. 1999		37	37
- Performed shares		1	
- ORAN		-	110
Weighted average number of shares	**D**	**1 958**	**1 931**
NET INCOME (2)	**E**	**2 328**	**1 812**
Fully diluted net income per ordinay shares	**F = E / D**	**1,19**	**0,94**

(1) Weighted average

(2) Fully diluted

Note 13 : Related-party transactions

The nature of related-party transactions in the first half of 2005 was similar to that of the 2004 transactions described in note 1.2.27.

Note 14 : Contingent assets and liabilities and unrecognized contractual commitments

(million euros)	Received		Given					
			June 30, 2005					December 31, 2004
	June 30, 2005	December 31, 2004	Due in one year or less	Due after one year through three years	Due after three year through five years	Due after five years	TOTAL	TOTAL
Commitments to finance	7 882	7 821	3 943	195	-	236	4 374	2 559
* Financial institutions	7 882	7 821	850	-	-	108	958	81
* Customers	-	-	3 093	195	-	128	3 416	2 478
Guarantees	2 863	2 807	162	660	3 895	1 146	5 863	6 198
* Financial institutions	208	234	33	488	431	1 031	1 984	1 730
* Customers	2 655	2 573	129	172	3 464	114	3 879	4 468
Other	15 631	13 749	4 832	365	58	4 333	9 588	10 193
* Pledged assets and Collatorized commitments	11 206	10 191	4 499	5	9	467	4 979	5 055
* Letters of credit	920	827	46	-	2	627	675	870
* Other engagements	3 491	2 931	246	313	46	3 238	3 843	4 316
* Commitments related to construction	-	-	42	47	1	0	90	- 152
* Commitments on sales currently processed	15	-	-	-	-	-	-	-
Value Rights Certificates	-	-	-	-	-	-	-	6
TOTAL	26 377	24 377	8 938	1 220	3 954	5 714	19 826	18 950