

**LA MONDIALE**

(a French *société d'assurance mutuelle sur la vie et de capitalisation*  
Registered office: 32 avenue Emile Zola, 59370 Mons-en-Baroeul, France  
Registered with the *Registre du Commerce et des Sociétés* of Lille under number D 775 625 635)

**€100,000,000**  
**undated subordinated fixed/floating rate notes**  
**(the Notes)**

**Issue Price: 101.3752 per cent.**  
**(plus 128 days' accrued interest)**

The Notes will be issued on 4 August 2004 and will be fungible (*assimilées*) for trading purposes 40 days following their issue date with the €300 million (€75 million issued on 14 October 2003, €25 million issued on 21 November 2003 and €100 million issued on 9 July 2004) undated subordinated fixed/floating rate notes, issued by La Mondiale (ISIN: FR0010021287).

The Notes will constitute direct, unsecured and subordinated obligations of the Issuer and, subject to certain exceptions, will rank *pari passu* and without any preference among themselves and equally and rateably with all other present or future direct, unsecured, dated and undated subordinated obligations of the Issuer, as further described in "Terms and Conditions of the Notes – Status".

The Notes will bear interest at the rate of 5.875 per cent. per annum up to but excluding 14 October 2013 and thereafter, at a rate of 2.70 per cent. above the European inter-bank offered rate for three month euro deposits ("*Euribor*"). Interest from the period from and including 4 August 2004 to but excluding 14 October 2013 will be payable annually in arrear on 14 October of each year, commencing on 14 October 2004 and, for the period thereafter, quarterly in arrear on the Interest Payment Dates (as defined herein) falling on, or nearest to, 14 January, 14 April, 14 July and 14 October, all as set out in "Terms and Conditions of the Notes – Interest".

Payment of interest may, in certain circumstances, be deferred at the option of the Issuer, as set out in "Terms and Conditions of the Notes – Interest – Interest Deferral".

Application has been made to list the Notes on the Luxembourg Stock Exchange.

The Issuer may at its option, with the prior written consent of the *Commission de Contrôle des Assurances, des Mutuelles et des Institutions de Prévoyance*, redeem all, but not some only, of the Notes at their principal amount (together with accrued interest) on the Interest Payment Date falling on or nearest to 14 October 2013 or on any subsequent Interest Payment Date, as set out in "Terms and Conditions of the Notes – Redemption and Purchase – Redemption at the option of the Issuer". In addition, the Issuer may, with the prior written consent of the *Commission de Contrôle des Assurances, des Mutuelles et des Institutions de Prévoyance* redeem all, but not some only, of the Notes at their principal amount (together with accrued interest) in the event that certain French taxes are imposed (see "Terms and Conditions of the Notes – Redemption and Purchase – Redemption for taxation reasons").

The Notes will be issued in dematerialised bearer form (*au porteur*) in the denomination of €10,000 each. Title to the Notes will at all times be represented in book entry form (*dématérialisé*) in the books of the Account Holders in compliance with article L. 211-4 of the French *Code monétaire et financier*. No physical document of title (including *certificats représentatives* pursuant to Article 7 of Decree no. 83-359 of 2 May 1983) will be issued in respect of the Notes.

The Notes have been accepted for clearance through Euroclear France, Euroclear Bank S.A./N.V., as operator of the Euroclear System ("*Euroclear*") and the depositary bank for Clearstream Banking, société anonyme ("*Clearstream, Luxembourg*"). The Notes will, upon issue, be inscribed (*inscription en compte*) in the books of Euroclear France which shall credit the accounts of the Account Holders (as defined in "Terms and Conditions of the Notes – Form, denomination and title") including Euroclear and Clearstream, Luxembourg.

The Notes have received a rating A- from Standard & Poor's Ratings Services and A- from Fitch France S.A. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by an assigning rating agency and any rating should be evaluated independently of any other.

*Dealer Manager and Structuring Agent*  
**BNP PARIBAS**

*La Mondiale (La Mondiale, the Issuer or the Company) having made all necessary enquiries, confirms that this Prospectus contains all information with respect to the Issuer and its consolidated subsidiaries taken as a whole (the Group) and the Notes that is material in the context of the issue and offering of the Notes; that the statements contained in it relating to the Issuer, the Group and the Notes are complete, true and accurate in every material respect and not misleading in the light of the circumstances in which they were made; that there are no other material facts in relation to the Issuer, the Group or the Notes the omission of which would, in the context of the issue and offering of the Notes, make any statement in this Prospectus misleading in the light of the circumstances in which it was made and that all reasonable enquiries have been made to ascertain and verify the foregoing.. The Issuer accepts responsibility accordingly.*

*In making an investment decision regarding the Notes, prospective investors should rely on their own independent investigation and appraisal of the Issuer, its business and the terms of the Notes, including the merits and risks involved. The contents of this Prospectus are not to be construed as legal, business or tax advice. Each prospective investor should consult its own advisers as to legal, tax, financial, credit and related aspects of an investment in the Notes.*

*This Prospectus does not constitute an invitation to participate in the distribution of the Notes in any jurisdiction in which, or to or from any person to or from whom, it is unlawful to make such invitation under applicable securities laws. The distribution of this Prospectus in certain jurisdictions, including the United States, United Kingdom and France, may be restricted by law. Persons into whose possession this Prospectus comes are required by each of La Mondiale and the Dealer Manager and Structuring Agent to inform themselves about and to observe any such restrictions.*

*The offer and sale of the Notes is not being made within, and the Prospectus is not for distribution into, the United States of America or to U.S. persons as defined in the United States Securities Act of 1933, as amended (the Securities Act), see "Subscription and Sale" below.*

*No person is authorised to give any information or to make any representation not contained in this Prospectus and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer. The delivery of this Prospectus at any time does not imply that the information contained in it is correct as at any time subsequent to its date.*

*All references in the Prospectus to "EUR", "euro" and "€" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended by the Treaty on European Union and as amended by the Treaty of Amsterdam.*

*In connection with the issue of the Notes, BNP Paribas (the **Stabilising Agent**) or any person acting for it may over-allot or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail for a limited period after the issue date. However, there may be no obligation on the Stabilising Agent or any agent of his to do this. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited period. Any such transaction will be carried out in compliance with all applicable laws and regulations.*

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### INCORPORATION BY REFERENCE

The Issuer's annual report which contains the audited non-consolidated and consolidated accounts of the Issuer for the year ending on 31 December 2002 and 31 December 2003 are incorporated by reference herein.

Copies of these annual reports are available without charge at the principal office of the Issuer or at the specified office of each of the paying agents (Kredietbank S.A. Luxembourgeoise and Euro Emetteurs Finance).

## TERMS AND CONDITIONS OF THE NOTES

The terms and conditions of the Notes (the **Terms and Conditions**) will be as follows:

The undated subordinated fixed/floating rate notes (the **Notes**) of La Mondiale (the **Issuer**) in an aggregate principal of €100,000,000, will be issued on 4 August 2004 (the **Issue Date**) outside the French Republic and have been authorised by a resolution of the *Assemblée Générale* of the Issuer (beforehand approved by the *Commission de Contrôle des Assurances, des Mutuelles et des Institutions de Prévoyance* on 2 April 2004 in accordance with Article R. 322-79 of the French *Code des Assurances*) adopted on 30 April 2004 and resolutions of the *Conseil d'Administration* of the Issuer adopted on 30 April 2004 and 23 June 2004.

The Notes are issued with the benefit of an agency agreement dated 30 July 2004 (the **Agency Agreement**) between the Issuer, Kredietbank S.A. Luxembourgeoise as fiscal agent and principal paying agent (the **Fiscal Agent**) and the other paying agents named therein (together with any additional paying agents, the **Paying Agents**, which expressions shall, where the context so admits, include any successor Fiscal Agent or Paying Agents). Holders of the Notes (the **Noteholders**) are deemed to have notice of the provisions of the Fiscal Agency Agreement. Certain statements in these Terms and Conditions of the Notes are summaries of the detailed provisions of the Fiscal Agency Agreement, copies of which are available for inspection at the specified offices of the Paying Agents.

The Notes will be fungible (*assimilées*) for trading purposes immediately following their issue date with the €100,000,000 undated subordinated fixed/floating rate notes issued on 9 July 2004 (Temporary ISIN: FR0010096966) and 40 days following their issue date with the €200,000,000 (€175,000,000 issued on 14 October 2003 and €25,000,000 issued on 21 November 2003) undated subordinated fixed/floating rate notes (the **Old Notes**), issued by La Mondiale (ISIN: FR0010021287).

References below to **Conditions** are, unless the context otherwise requires, to the numbered paragraphs below.

### 1. Form, denomination and title

The Notes will be issued in dematerialised bearer form (*au porteur*) in the denomination of €10,000 each. No physical document of title (including *certificats représentatifs* pursuant to Article 7 of Decree no. 83-359 of 2 May 1983) will be issued in respect of the Notes.

The Notes will, upon issue, be inscribed in the books of Euroclear France which shall credit the accounts of the Account Holders. For the purpose of these Conditions, “**Account Holders**” shall mean any authorised financial intermediary institution entitled to hold directly or indirectly accounts on behalf of its customers with Euroclear France, and includes Euroclear Bank S.A./N.V., as operator of the Euroclear System (**Euroclear**), and the depositary bank for Clearstream Banking, société anonyme (**Clearstream, Luxembourg**).

Title to the Notes will be evidenced in accordance with article L. 211-4 of the French *Code monétaire et financier* by entries in the books of Account Holders and will pass upon, and transfer of Notes may only be effected through, registration of the transfer in such books.

## 2. Status

The obligations of the Issuer under the Notes in respect of principal, interest and other amounts, constitute direct, unsecured and, to the extent referred to in the following paragraph, subordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves and equally and rateably with all other present or future direct, unsecured, dated and undated subordinated obligations of the Issuer with the exception of any *prêts participatifs* granted to, and any *titres participatifs* issued by, the Issuer.

If any judgement is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) or, following an order of *redressement judiciaire*, the sale of the whole business (*cession totale de l'entreprise*) of the Issuer, or if the Issuer is liquidated for any reason, the rights of payment of the Noteholders in respect of principal, interest and other amounts shall be subordinated to the payment in full of all other creditors of the Issuer (including, for the avoidance of doubt, insurance companies and entities referred to in article R. 322-132 of the French *Code des Assurances* reinsured by the Issuer and holders of insurance policies issued by such entities) whose claims are not for any reason subordinated in any manner and to the payment in full of the holders of any dated subordinated notes of the Issuer provided that, subject to such payment in full, the Noteholders will be paid in priority to lenders of any *prêts participatifs* granted to, and holders of *titres participatifs* issued by, the Issuer.

At the request of the *Commission de Contrôle des Assurances, des Mutuelles et des Institutions de Prévoyance*, the proceeds of the Notes may be used for off-setting losses of the Issuer and thereafter, to allow it to continue its activities.

***Pursuant to article L. 327-2 of the French Code des Assurances, a lien over the assets of the Issuer is granted for the benefit of the Issuer's policyholders. Noteholders, even if they are policyholders of the Issuer, do not have the benefit of such lien in relation to amounts due under the Notes.***

## 3. Interest

### (a) Interest Payment Dates

The Notes bear interest from, and including, 14 October 2003 to, but excluding, 14 October 2013 (the **Fixed Rate Period**) at the rate of 5.875 per cent. per annum payable annually in arrear on 14 October of each year, commencing on 14 October 2004 (each a **Fixed Interest Payment Date**). The period from and including 14 October 2003 to, but excluding, the first Fixed Interest Payment Date and each successive period from, and including, a Fixed Interest Payment Date to, but excluding, the next successive Fixed Interest Payment Date is called a **Fixed Interest Period**. If interest is required to be calculated for a period within the Fixed Rate Period of less than one year, it will be calculated on the basis of the actual number of days in the relevant period, from and including the date from which interest begins to accrue to but excluding the date on which it falls due, divided by the actual number of days in the Fixed Interest Period in which the relevant period falls (including the first such day but excluding the last) and rounding the resultant figure to the nearest €0.01 (0.005 being rounded upwards).

Thereafter (the **Floating Rate Period**), the Notes will bear interest at the Rate of Interest (as defined in Condition 3(d)) payable quarterly in arrear on 14 January, 14 April, 14 July and 14 October in each year, (each a **Floating Interest Payment Date** and together with the Fixed

Interest Payment Dates, an **Interest Payment Date**) commencing on 14 January 2014. If any Floating Interest Payment Date would otherwise fall on a day which is not a Business Day (as defined in Condition 3(d)(iv)), it shall be postponed to the next day which is a Business Day. The period from, and including, 14 October 2013 to, but excluding, the first Floating Interest Payment Date and each successive period from, and including, a Floating Interest Payment Date to, but excluding, the next succeeding Floating Interest Payment Date is called a **Floating Interest Period** and, together with the Fixed Interest Periods, an **Interest Period**. Interest shall accrue on the Notes in respect of all Floating Interest Periods on the basis of the actual number of days elapsed in the relevant period divided by 360.

(b) *Interest Payments*

Interest payments will be made subject to, and in accordance with, the provisions of this Condition 3 and Condition 5. Each Note will cease to bear interest from the date on which it is due to be redeemed, unless payment of principal is improperly withheld or refused on such date. In such event, it shall continue to bear interest in accordance with this Condition (both before and, to the extent permitted by law, after judgement) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder, and (ii) the day seven days after the Fiscal Agent has notified Noteholders of receipt of all sums due in respect of all the Notes up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant Noteholders under these Conditions).

(c) *Interest Deferral*

(1) *Optional and Compulsory Interest Payment Dates*

An **Optional Interest Payment Date** means any Interest Payment Date which is not a Compulsory Interest Payment Date or on which the Issuer does not make any payment due on other junior or *pari passu* ranking securities.

A **Compulsory Interest Payment Date** means each Interest Payment Date on which the Issuer is deemed to satisfy the Solvency Ratio (as defined below).

The Issuer is deemed to satisfy the solvency ratio (the **Solvency Ratio**) on a particular Interest Payment Date if the Issuer has, under the provisions of articles L 334-1, R 334-1 *et seq.* and A 334-1 *et seq.* of the French *Code des Assurances* and on the basis of its annual audited consolidated accounts for the financial year immediately preceding such Interest Payment Date for which such accounts have been approved by the *Conseil d'Administration* of the Issuer, a solvency margin (*marge de solvabilité*) (as determined by the Issuer's auditors (*commissaires aux comptes*) and notified to the Agent Bank not earlier than 45 days and not later than 30 days prior to such Interest Payment Date) equal to or greater than 150 per cent of the minimum prescribed solvency margin, and would continue to do so assuming that the interest due on such Interest Payment Date, together with any Arrears of Interest (as defined below) then outstanding, is paid on such Interest Payment Date.

On any Optional Interest Payment Date, the Issuer may, at its option, pay all (but not part only) of the interest in respect of the Notes accrued to that date in respect of the Interest Period ending on such Optional Interest Payment Date, but the Issuer shall have no obligation to make such payment and any such failure to pay shall not constitute a default by the Issuer under the Notes or for any other purpose. Any

interest in respect of the Notes not paid on an Optional Interest Payment Date in accordance with this Condition shall, so long as it remains outstanding, constitute "**Arrears of Interest**" and shall be due and payable as set out below.

(2) *Arrears of Interest*

Arrears of Interest may, at the option of the Issuer, be paid in whole or in part (but if in part, in an amount equal to the whole of the interest attributable to a particular Interest Period and so that Arrears of Interest attributable to any Interest Period shall not be paid prior to Arrears of Interest attributable to any earlier Interest Period) on any Optional Interest Payment Date, provided that the Issuer has elected to pay the interest due on such Optional Interest Payment Date in respect of the Interest Period ending on such Optional Interest Payment Date. All Arrears of Interest in respect of all Notes for the time being outstanding shall become due in full on whichever is the earlier of:

- (i) the next Interest Payment Date if such Interest Payment Date is a Compulsory Interest Payment Date or,
- (ii) the date on which the Notes are due to be redeemed pursuant to, and in accordance with, Condition 4, or,
- (iii) the date on which the Issuer makes any payment due on any other junior or pari passu ranking securities.

Arrears of Interest shall not themselves bear interest.

(3) *Notice of Deferral and Payment of Arrears of Interest*

The Issuer shall give not more than 45 days' and not less than 25 days' prior notice to the Noteholders in accordance with Condition 9 of its election in respect of any Optional Interest Payment Date (i) pursuant to Condition 3(c)(1), not to make the relevant payment of interest which would otherwise have been due on such date and (ii) pursuant to Condition 3(c)(2), to pay on such date all or part of any Arrears of Interest.

(d) *Rate of Interest*

The rate of interest (the **Rate of Interest**) for the Notes for each Floating Interest Period will be determined by the Agent Bank on the following basis:

- (i) On the second Business Day before the beginning of each Floating Interest Period (each an **Interest Determination Date**) the Agent Bank will determine the European interbank offered rate, expressed as a rate per annum, for three-month euro deposits commencing on the first day of the relevant Floating Interest Period (**Euribor**), which appears at or about 11.00 a.m. (Brussels time) on the display designated as page 248 on the Bridge/Telerate Monitor (or such other page or service as may replace it for the purpose of displaying Euribor). The Rate of Interest for such Floating Interest Period shall be the sum of the Margin and the rate which is so calculated and displayed, as determined by the Agent Bank.

In these Conditions, "**Margin**" means 2.70 per cent. per annum.

- (ii) If for any reason on any Interest Determination Date such offered rate does not so appear, or if the relevant page or service is unavailable, the Agent Bank shall, on such date, request the principal euro-zone office of each of four major banks in the euro-zone inter-bank market, selected by the Agent Bank (the **Reference Banks**) to provide the Agent Bank with its offered quotation, for three-month euro deposits commencing on the first day of the relevant Floating Interest Period to leading banks in the euro-zone inter-bank market, at or about 11.00 a.m. (Brussels time) on the Interest Determination Date in question. The Rate of Interest for such Floating Interest Period shall be the sum of the Margin and the arithmetic mean (rounded, if necessary, up to the nearest fifth decimal place) of such quotations (or of such of them, being at least two, as are so provided), as determined by the Agent Bank.
- (iii) If on any Interest Determination Date one only or none of the Reference Banks provides the Agent Bank with such quotation, the Rate of Interest for the next Floating Interest Period shall be the rate per annum which the Agent Bank determines to be the sum of the Margin and the arithmetic mean (rounded, if necessary, up to the nearest fifth decimal place) of the euro lending rates quoted by major banks in the euro-zone (selected by the Agent Bank and being at least two in number) at approximately 11.00 a.m. (Brussels time) on such Interest Determination Date for loans in euro to leading European banks for a period of three months commencing on the first day of the relevant Floating Interest Period, except that, if the banks so selected by the Agent Bank are not quoting on such Interest Determination Date as mentioned above, the Rate of Interest shall be the Rate of Interest in effect for the last preceding Floating Interest Period to which one of the preceding paragraphs of this Condition 3(d) shall have applied.
- (iv) In these Conditions (other than in Condition 5), "**Business Day**" means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer System (**TARGET**) is operating.

(e) *Determination of Rate of Interest and calculation of Interest Amount*

The Agent Bank will, as soon as practicable after 11.00 a.m. (Brussels time) on each Interest Determination Date, determine the Rate of Interest and calculate the amount of interest payable on each Note (the **Interest Amount**) for the relevant Floating Interest Period.

The Interest Amount shall be calculated by applying the Rate of Interest to the principal amount of each Note, multiplying such product by the actual number of days in the Floating Interest Period concerned divided by 360 and rounding the resulting figure to the nearest € 0.01 (0.005 being rounded upwards).

(f) *Publication of Rate of Interest, Interest Amount and Interest Payment Date*

The Agent Bank will cause (i) the Rate of Interest, the Interest Amount for each Floating Interest Period and the relevant Interest Payment Date and (ii) if interest has been previously deferred pursuant to Condition 3(c)(1), also the aggregate amount of the Arrears of Interest which would be payable on such Interest Payment Date if Arrears of Interest were to become due on such Interest Payment Date pursuant to Condition 3(c)(2) to be notified (a) to the Issuer, the Fiscal Agent (if different from the Agent Bank) and each other Paying Agent (if any) not later than 3.00 p.m. (Brussels time) on the Interest Determination Date and (b) to the Noteholders in accordance with Condition 9 as soon as possible after their determination but in no event later than the second Business Day thereafter. The Interest Amount, Interest



Payment Date and, if applicable, Arrears of Interest so published may subsequently be amended by the Agent Bank (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 4(b)(1) or (2) or under Condition 4(d) other than on a Floating Interest Payment Date, the Rate of Interest and the Interest Amount shall nevertheless continue to be calculated as previously by the Agent Bank in accordance with this Condition 3 but no publication of the Rate of Interest, the Interest Amount or the Arrears of Interest so calculated need be made.

(g) *Agent Bank*

The Issuer reserves the right at any time to vary the appointment of the Agent Bank and to appoint a substitute Agent Bank provided that the Issuer will procure that, so long as any Note is outstanding, there shall at all times be an Agent Bank in respect of the Notes having a specified office in a major European city. If the Agent Bank is unable or unwilling to continue to act as the Agent Bank, or if the Agent Bank fails duly to establish the Rate of Interest for any Interest Period or to calculate the Interest Amount the Issuer shall appoint some other leading bank engaged in the euro-zone inter-bank market (having a specified office in a major European city) to act as such in its place in respect of the Notes. The Agent Bank may not resign its duties until a successor has been appointed.

The Agent Bank shall act as an independent expert and not as agent for the Issuer or the Noteholders.

(h) *Certificates etc. to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purpose of the Conditions whether by the Reference Banks (or any of them) or the Agent Bank shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, any stock exchange on which the Notes are for the time being listed, the Reference Banks, the Agent Bank, the Paying Agents, the Fiscal Agent and all the Noteholders. No Noteholder shall (in the absence as aforesaid) be entitled to proceed against the Reference Banks or the Agent Bank or any of them in connection with the exercise or non-exercise by them of their powers, duties and discretions.

#### **4. Redemption and Purchase**

The Issuer shall not be at liberty to redeem the Notes except in accordance with the provisions of this Condition 4 and the Noteholders shall have only those rights as regards redemption that are set out in this Condition 4.

(a) *Redemption for taxation reasons*

(i) If at any time, by reason of a change in any French law or regulation, or any change in the official application or interpretation of such law or regulation, becoming effective after 14 October 2003, the Issuer would, on the occasion of the next payment of principal or interest due in respect of the Notes, not be able to make such payment without having to pay additional amounts as specified in Condition 6, the Issuer may, at any time during the Fixed Rate Period and on any Interest Payment Date during the Floating Rate Period, subject to the prior written consent of the *Commission de Contrôle des Assurances, des Mutuelles et des Institutions de Prévoyance* (in accordance with Article A. 334-3 of the French *Code des Assurances*)

or its successor or any other relevant regulator (whose consent the Issuer is required to obtain in accordance with applicable legislation), subject to having given not more than 45 nor less than 30 days' prior notice to the Noteholders in accordance with Condition 9 (which notice shall be irrevocable), redeem all, but not some only, of the Notes at their principal amount, together with all interest accrued to the date fixed for redemption, provided that the due date for redemption shall be no earlier than the latest practicable Interest Payment Date on which the Issuer could make payment of principal or interest without withholding for French taxes.

- (ii) If the Issuer would on the next payment of principal or interest in respect of the Notes be obliged to pay additional amounts as specified under Condition 6 and the Issuer would be prevented by French law from making payment to the Noteholders of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 6, then the Issuer may forthwith give notice of such fact to the Fiscal Agent and the Issuer may, subject to the prior written consent of the *Commission de Contrôle des Assurances, des Mutuelles et des Institutions de Prévoyance* (in accordance with Article A.334-3 of the French Code des Assurances) or its successor or any other relevant regulator (whose consent the Issuer is required to obtain in accordance with applicable legislation), and upon giving not less than seven days' prior notice to the Noteholders in accordance with Condition 9 (which notice shall be irrevocable), redeem all, but not some only, of the Notes at their principal amount, together with all interest accrued to the date fixed for redemption on the latest practicable date on which the Issuer could make payment of the full amount of principal or interest payable in respect of the Notes or, if such date is past, as soon as practicable thereafter.

(b) *Redemption at the option of the Issuer*

- (i) On each Optional Redemption Date (as defined below), the Issuer may, subject to the prior written consent of the *Commission de Contrôle des Assurances, des Mutuelles et des Institutions de Prévoyance* (in accordance with Article A.334-3 of the French Code des Assurances) or its successor or any other relevant regulator (whose consent the Issuer is required to obtain in accordance with applicable legislation), and subject to having given not more than 45 nor less than 30 days' prior notice to the Noteholders in accordance with Condition 9 (which notice shall be irrevocable), redeem all, but not some only, of the Notes at their principal amount, together with all interest (including any Arrears of Interest) accrued to such Optional Redemption Date. For this purpose, "Optional Redemption Date" shall mean the Interest Payment Date falling on, or nearest to, 14 October 2013 and each subsequent Interest Payment Date. The exercise of this option by the Issuer will be notified to the Luxembourg Stock Exchange.
- (ii) If the Notes cease to be treated by the *Commission de Contrôle des Assurances, des Mutuelles et des Institutions de Prévoyance* or its successor or any other relevant regulator (to the extent that such consent is required in accordance with applicable legislation) as supplementary capital for the purposes of calculating the solvency margin (*marge de solvabilité*) for any reason whatsoever (other than in accordance with the provisions of Articles R. 334-11 and A. 334-3 of the French Code des Assurances), the Issuer may, subject to the prior written consent of the *Commission de Contrôle des Assurances, des Mutuelles et des Institutions de Prévoyance* (in accordance with Article A. 334-3 of the French Code des Assurances) or its successor

or any other relevant regulator (whose consent the Issuer is required to obtain in accordance with applicable legislation), and subject to having given not more than 45 nor less than 30 days' prior notice to the Noteholders (which notice shall be irrevocable), redeem on any Interest Payment Date all, but not some only, of the Notes at their principal amount, together with all interest (including any Arrears of Interest) accrued to the date fixed for redemption. The exercise of this option by the Issuer will be notified to the Luxembourg Stock Exchange.

(c) *Redemption on liquidation or other similar events*

Each Note shall become immediately due and payable at its principal amount together with all interest accrued to the date of payment (including any Arrears of Interest) if any judgement is rendered by any competent court for the judicial liquidation (*liquidation judiciaire*) or, following an order of *redressement judiciaire*, the sale of the whole business (*cession totale de l'entreprise*) of the Issuer, or the Issuer is liquidated for any reason provided that notice in writing declaring the Notes to be due and payable and identifying the relevant event is given to the Fiscal Agent by the representative of the *masse des obligataires* as referred to in Condition 8 and, in either such case, each Note shall become immediately due and payable together with the amounts referred to above upon receipt of such notice by the Fiscal Agent.

(d) *Notice of redemption*

All Notes in respect of which any notice of redemption is given by the Issuer under this Condition 4 shall be redeemed on the date specified in such notice in accordance with this Condition. Each notice of redemption will be given to the Noteholders in accordance with Condition 9 and the Issuer shall also immediately notify the Luxembourg Stock Exchange.

(e) *Purchase*

The Issuer or any of its affiliated entities may at any time, subject to the prior consent of the *Commission de Contrôle des Assurances, des Mutuelles et des Institutions de Prévoyance* (in accordance with Article A. 334-3 of the French *Code des Assurances*) or its successor, purchase Notes in the open market or otherwise at any price agreed between the Issuer or such entity and the relevant Noteholder. Such purchase of Notes by the Issuer shall be effected only with a prior information of the *Commission de Contrôle des Assurances, des Mutuelles et des Institutions de Prévoyance* or its successor if it relates, individually or when aggregated with previous purchases, to less than 5 per cent. of the Notes.

(f) *Cancellation*

All Notes redeemed or purchased by the Issuer will be cancelled and accordingly may not be re-issued or resold.

## **5. Payments**

(a) *Method of Payment*

Payments of principal, interest (including, for the avoidance of doubt, Arrears of Interest) and other amounts in respect of the Notes will be made in euro, by credit or transfer to an account denominated in euro (or any other account to which euro may be credited or transferred). Such payments shall be made for the benefit of the Noteholders to the Account Holders (including Euroclear and the depositary bank for Clearstream, Luxembourg) and all payments

made to such Account Holders in favour of Noteholders will be an effective discharge of the Issuer and the Fiscal Agent, as the case may be, in respect of such payment.

Payments of principal, interest (including Arrears of Interest) and other amounts in respect of the Notes will be subject to any fiscal or other laws and regulations applicable thereto, but without prejudice to the provisions described in Condition 6. No commission or expenses shall be charged to the Noteholders in respect of such payments.

(b) *Payments on Business Days*

If any due date for payment of principal, interest or other amounts in respect of any Note is not a Business Day, then the holder of such Note shall not be entitled to payment of the amount due until the next following Business Day and will not be entitled to any interest or other sums with respect to such postponed payment.

In this Condition, "Business Day" means a day on which Euroclear France is open for business and which is also a day on which the TARGET system is operating.

(c) *Fiscal Agent and Paying Agents*

The initial specified offices of the initial Fiscal Agent, Agent Bank and Paying Agents are as follows:

**FISCAL AGENT, PRINCIPAL PAYING AGENT AND AGENT BANK**

**Kredietbank S.A. Luxembourgeoise**

43, boulevard Royal  
L-2955 Luxembourg  
Luxembourg

**PAYING AGENT**

**Euro Emetteurs Finance**

48, boulevard des Batignolles  
75850 Paris Cedex 17  
France

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent or any Paying Agent and/or appoint another Fiscal Agent and additional or other Paying Agents or approve any change in the office through which the Fiscal Agent or any Paying Agent acts, provided that, so long as any Note is outstanding, there will at all times, be (i) a Fiscal Agent having a specified office in a European city and (ii) so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of such stock exchange so require, at least one Paying Agent having a specified office in Luxembourg (which may be the Fiscal Agent).

**6. Taxation**

- (a) The Notes being denominated in euro will be deemed to be issued outside the Republic of France. Accordingly, interest and other revenues in respect of the Notes benefit from the exemption from deduction of tax at source on account of French taxes provided by Article 131 *quater* of the French *Code Général des Impôts*.

- (b) If French law should require that any payment of principal or interest in respect of the Notes be subject to withholding with respect to any present or future taxes, duties, assessments or other governmental charges of whatever nature imposed or levied by or on behalf of the Republic of France or any authority therein or thereof having power to tax (together, "*taxes*"), the Issuer will, to the fullest extent then permitted by law, pay such additional amounts as may be necessary in order that the net amounts receivable by Noteholders after such deduction or withholding, equal the amounts which would have been receivable in respect of the Notes in the absence of such withholding or deduction; provided, however, that the Issuer shall not be liable to pay any such additional amounts in respect of any Note to a holder (or beneficial owner (*ayant droit*)):
- (i) who is subject to such taxes, in respect of such Note by reason of his having some connection with the Republic of France other than the mere holding of such Note; or
  - (ii) where such deduction or withholding is imposed on a payment to an individual and is required to be made pursuant to any European Union Directive on the taxation of savings implementing the conclusion of the ECOFIN Council meeting of 26 - 27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive.

Any reference in these Conditions to principal and/or interest shall be deemed to include any additional amounts which may be payable under this Condition 6.

## **7. Prescription**

Claims against the Issuer for the payment of principal and interest in respect of the Notes shall become prescribed ten (10) years (in the case of principal) and five (5) years (in the case of interest) from the due date for payment.

## **8. Representation of the Noteholders**

In accordance with article L. 228-46 of the French *Code de Commerce*, the Noteholders will be grouped together for the defence of their respective common interests in a collective group (the *masse des obligataires*), which shall have legal personality. Holders of the Notes and holders of the Old Notes will be grouped in a single *Masse*. The Representative appointed in respect of the Notes will be the Representative of the single *Masse* of all such series.

Pursuant to article L. 228-47 of the French *Code de Commerce*, the acting representative of the *masse des obligataires* will be:

Odile Albasser, Les Cavaliers, Quartier Cartlet, 84400 Saignon, France

The *masse des obligataires* will be governed by the provisions of the French *Code de Commerce* (with the exception of the provisions of article L. 228-47, L. 228-48 and L. 228-59 thereof), of French decree no. 67-236 of 23 March 1967 (with the exception of the provisions of articles 218, 222, 224 and 226 thereof) and the conditions set out below.

The acting representative will have the power, without restriction or reservation and acting together or individually, to take, on behalf of the *masse des obligataires*, all actions of management necessary in order to defend the common interests of the Noteholders.

The representative will exercise his duties until his death, resignation or termination of his duties by a general meeting of the Noteholders or until he becomes incapable of acting or unable to act. The appointment of the representative shall automatically cease on the date of final or total redemption, prior to maturity or otherwise, of the Notes. This appointment will be automatically extended until the final resolution of any proceedings in which the representative is involved and the enforcement of any judgements rendered or settlements made.

The substitute representative of the *masse des obligataires* will be:

Christian Auffret, 8 rue d'Aldeguier, 31500 Toulouse, France

The substitute representative will, if necessary, replace the acting representative if he is unable to act.

The date on which the appointment of the substitute representative takes effect shall be the date of receipt of the registered letter by which the Issuer or any other interested party, shall have notified such substitute representative of the inability to act (whether temporary or permanent) of the acting representative; such notification will also be made, if applicable, in the same way to the Issuer.

In the event of temporary or permanent replacement of the acting representative, the substitute representative shall have the same powers as the acting representative.

The Issuer will bear the costs of calling general meetings of the Noteholders, publishing their decisions and fees linked to the possible designation of the representative of the *masse des obligataires* according to article L. 228-50 of the French *Code de Commerce*, all the costs of administration and of management of the *masse des obligataires* of Noteholders and of general meetings.

Meetings of the Noteholders shall be held at the registered office of the Issuer or such other place as is specified in the notice of the meeting.

Each Noteholder shall have the right, during the period of 15 days prior to any meeting of the *masse des obligataires*, to examine and take copies of or to cause an agent to do so on its behalf, at the registered office or administrative headquarters of the Issuer or at such other place as is specified in the notice for such meeting, the text of the resolutions to be proposed and any reports to be presented to such general meeting.

In the event of the consolidation of the Notes with further issues of Notes giving identical rights to Noteholders and if the terms and conditions of such Notes so permit, the Noteholders of all such issues shall be grouped together in a single *masse des obligataires*.

Any amendment to the Condition shall be subject to the prior written of the *Commission de Contrôle des Assurances, des Mutuelles et des Institutions de Prévoyance* (in accordance with article A. 334-3 of the French *Code des Assurances*) or its successor or any other relevant regulator (whose consent the Issuer is required to obtain in accordance with applicable legislation).

## **9. Notices**

Any notice to the Noteholders shall be validly given by delivery of the relevant notice to Euroclear France, Euroclear and Clearstream, Luxembourg, except that, so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of that Exchange so require, the relevant notice shall also be published in a leading daily newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, if such publication is not practicable, in a leading daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which such publication is made.

## **10. Merger, partial transfer**

In case of merger, or partial transfer of the assets (*apport partiel d'actif*) of the Issuer resulting in the universal succession in favour of a distinct legal entity, the rights and obligations attached to the Notes will be automatically transferred to, and will henceforth be obligations of, that entity.

## **11. Further Issues**

The Issuer may from time to time without the consent of the Noteholders issue further notes to be assimilated (*assimilables*) with the Notes as regards their financial service, provided that such further notes and the Notes shall carry rights identical in all respects (or in all respects save for the amount and date of the first payment of interest thereon) and that the terms of such further notes shall provide for such assimilation. In the event of such assimilation, the Noteholders and the holders of any assimilated notes will be grouped together, for the defence of their common interests, in a single *masse des obligataires* having legal personality.

## **12. Modification of the Agency Agreement**

The Agency Agreement may be amended by the parties to it, without the consent of the Noteholders, for the purpose of curing any ambiguity, or correcting or supplementing any defective provision contained in it, or in any manner which the parties to the Agency Agreement mutually deem necessary or desirable provided that, in either case, such amendment does not, in the opinion of the Agent Bank, adversely affect the interests of the Noteholders.

## **13. Governing Law and Jurisdiction**

The Notes and the Agency Agreement are governed by the laws of the Republic of France.

Any action against the Issuer in connection with the Notes will be submitted to the non-exclusive jurisdiction of the competent courts in Paris.

## DESCRIPTION OF LA MONDIALE

### BUSINESS DESCRIPTION

#### LEGAL ENVIRONMENT OF LA MONDIALE

##### Title

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##### **La Mondiale**

Mutual Life Insurance Company

Headquarters: 32 avenue Emile Zola, 59370 Mons-en-Baroeul, France

Registered: Registre de Commerce des Sociétés de Lille  
Number D 775 625 635

##### Legal form

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Mutual Life and Pension Insurance Company administrated by a board of directors under the French Insurance Code.

##### Creation and length

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La Mondiale was founded in 1905 in Lille by local industrial partners. Its statutes were registered on 16 October 1905 and approved by the first General Assembly on 18 December 1905.

Registered first as an “insurance company with a mutual form” approved by a public decree published on 13 March 1907, La Mondiale has become a *société d'assurance mutuelle sur la vie et de capitalisation* (Mutual Life and Pension Insurance Company) with the 1989 reform of the French Insurance Code enacted by the insurance law of 31 December 1989. La Mondiale is regulated by the French *Commission de Contrôle des Assurances*.

The term of La Mondiale, initially 99 years, has been extended until 31 December 2082.

Its fiscal year ends on 31 December.

##### Activities permitted by the statutes

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La Mondiale is allowed to engage in all life insurance and reinsurance operations including savings plans, capitalisation, annuities, pension plans, single or regular premium. Major life insurance products in France are split between savings-type products and pension-type products. Savings-type products benefit from a tax advantage and give a guarantee, for a certain period or for the whole life of the product, of capital denominated either in currency or in units (unit-linked contracts). Most savings-type products are single premium although additional premiums can also be made. Pension-type products also benefit from a tax advantage but the guarantee is given on a minimum annuity. These products are generally sold for the whole life of the insured. Premiums are paid regularly by the insured until retirement after which a pension or an annuity is paid to the insured until death.

La Mondiale is also allowed to engage in health and disability coverage.



## **Board Members and Advisory and Executive Committee Members**

### **Board of Directors**

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Mr Patrick PEUGEOT, Chairman of the Executive Board  
Mr Jean-François DUTILLEUL, Vice-Chairman  
Mr Philippe CHALMIN  
Mr Emmanuel d'ANDRE  
Mr Jean-Louis de MOURGUES  
Mr Pierre GEIRNAERT  
Mr Alex HOW CHOONG  
Mr Thierry JEANTET  
Mr Raymond LEFEBVRE  
Mr Robert MYARD  
Mr Serge FAUTRE

### **Advisory committee**

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Mr Robert MYARD, Chairman  
Mr Emmanuel d'ANDRE  
Mr Raymond LEFEBVRE  
Mr Serge FAUTRE

### **Executive committee**

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Mr Patrick PEUGEOT, Chairman and Chief Executive Officer (Chairman and Chief Executive Officer of La Mondiale Partenaire)  
Mr André CAHAGNE, Managing Director - Insurance Operations  
Mr Alain GAJAN, Managing Director - Financial Operations (Chairman of La Mondiale Europartner)  
Mr Patrice BONIN, Deputy Managing Director - International Operations (Chairman of the Management Board of Arial Assurance)  
Mr Jean-Marc CRESTANI, Deputy Managing Director (Managing Director of La Mondiale Partenaire)  
Mr Antoine HENNEQUIN, Deputy Managing Director (Director of Investment Securities, Chairman of the Management Board of La Mondiale Gestion d'Actifs)  
Mr Philippe DABAT, Deputy Managing Director - La Mondiale Experts  
Mr Pascal MANIEZ, Deputy Managing Director (Managing Director - Accounting and Tax)  
Mr Didier SERRAT, Corporate General Secretary (Managing Director of La Mondiale Participations)  
Mrs Carole CATRY, (Chairman of the Management Board of the LM-IT Information Technology EIG Economic Interest Group)  
Mr Daniel BASSAN, Group Director of Human Resources

### **Auditors**

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Deloitte Touche Tohmatsu  
185, avenue Charles de Gaulle  
92200 Neuilly-sur-Seine  
France

KPMG Audit  
1, Cours Valmy  
92923 Paris La Défense  
France

## DESCRIPTION OF LA MONDIALE

### General Description of La Mondiale

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In 2003, La Mondiale was the 8<sup>th</sup> largest insurance company in France with a 3.8% market share. Premiums paid have increased by 31% to €3.8 billion in 2003 and total assets have reached €25.5 billion up 15%. At 31 December 2003, La Mondiale had surplus (equivalent to shareholders' equity) of €714 million (excluding minority interests), consolidated net profit of €101 million and solvency capital (admitted surplus + unrealised capital gains + subordinated debt) of €1.5 billion, representing 2.04 times the minimum required solvency ratio. La Mondiale had 2,476 employees at the end of 2003.

La Mondiale specialises in three market segments:

- **Wealth insurance product management** (through La Mondiale Partenaire SA): savings products for high net worth individuals ("HNWI") mostly sold through private banking divisions of large European banks. This segment represented 53.8% of La Mondiale's 2003 premiums.
- **Individual pension and life insurance** (through La Mondiale Experts): life insurance products oriented towards retirement, life and disability, health and savings for individuals and independent entrepreneurs sold through a sales force of 1,100 professionals. This segment represented 33.1% of La Mondiale's 2003 premiums.
- **Group pension and insurance** (through Arial Assurance SA, previously La Mondiale Entreprises): group retirement plans and accident and health plans for large corporations sold directly and through insurance brokers. This segment represented 11.4% of La Mondiale's 2003 premiums.

La Mondiale is one of the leading operators in each segment of the insurance industry in which it operates. In wealth insurance product management, La Mondiale is competing head to head with Generali and is the leader in the market for dedicated insurance contracts for private banking clients. In the individual pension market for independent entrepreneurs La Mondiale is competing with AXA and Generali and has an estimated 15% market share. In the group insurance market, La Mondiale is the leader with a 15% market share, ahead of AXA.

La Mondiale mainly conducts its business in France, with small operations in Spain and Luxembourg representing only 2% of premiums.

Historically sales have been generated through a network of salaried agents, but in the last decade, the La Mondiale developed and expanded its sales strategy. La Mondiale now focuses on targeting specific products and sales teams to clearly defined market segments.

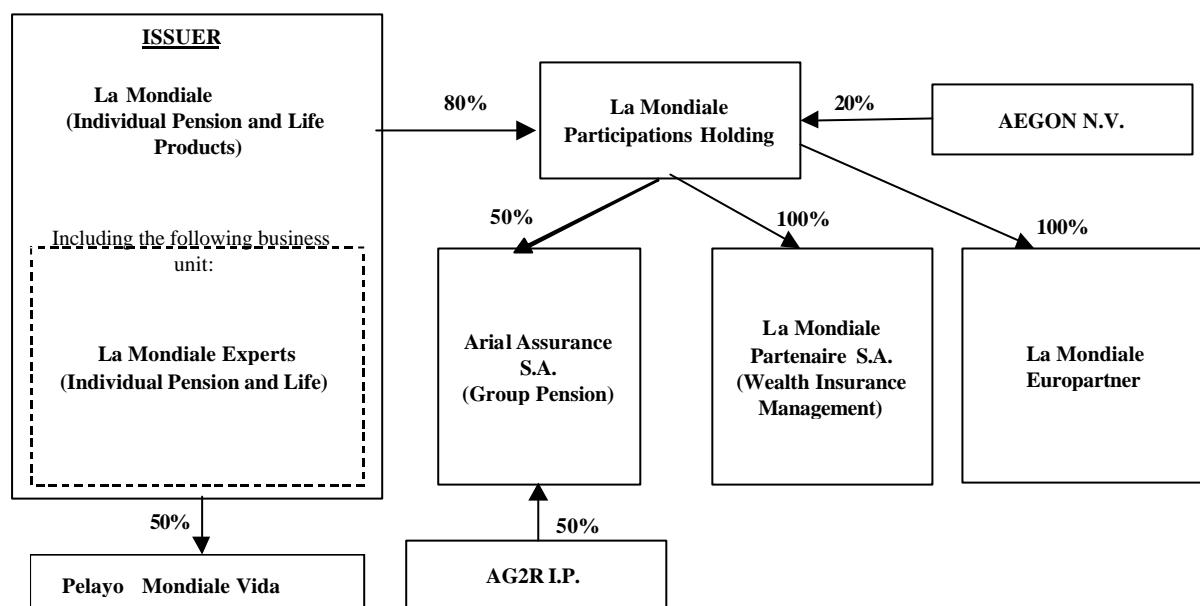
In July 1999, La Mondiale acquired a majority stake (68.3%) in La Hénin-Vie ("LHV") from the Suez Group. LHV was specialised in the unit-linked business, distributed through financial partners (banks and stock brokers) and targeted at HNWI. LHV has used this expertise to compete successfully against the "bancassurance" institutions (i.e. insurance companies which are subsidiaries of banks) that have carved out a strong position in the French life insurance market. LHV's portfolio complements La Mondiale's traditional product range, and overall the LHV acquisition has substantially enhanced La Mondiale's competitive position in the French market.

In 2002, La Mondiale signed a partnership agreement with Aegon, one of the world's leading providers of pension and life insurance products. Aegon and La Mondiale have created the first European network in the field of corporate pension products, which will offer the whole range of pension products to international groups in most European markets. Aegon acquired 20% of the holding company La Mondiale Participations.

Also in 2002, La Mondiale signed a partnership agreement with AG2R Prévoyance, the largest *institution de prévoyance* in France in charge of managing complementary pay-as-you-go pension systems. AG2R is also one of the leaders in group health and disability insurance. La Mondiale and AG2R have decided to join their expertise in group retirement plans and accident and health plans for large corporations. Therefore La Mondiale has transferred its large group pension activity to a 50/50 partnership, Ariel Assurance, held by AG2RP and La Mondiale Participations.

In July 2003, the Issuer's financial strength rating was confirmed A+ (stable outlook) by Fitch and Standard & Poor's. La Mondiale was the first French insurance mutual to be rated, in 1995.

### Group Structure (as of 31 December 2003)



La Mondiale's business is organised in three business units, each targeting a distinct market segment: La Mondiale Partenaire (including La Mondiale Europartner), La Mondiale Experts, and Ariel Assurance.

### La Mondiale Partenaire (LMP) – 53.8% of 2003 Premiums

LMP is the market leader in sales of unit-linked products to HNWI through "partners" (non-affiliated intermediaries and institutions), such as private banking arms of large European banks, stockbrokers and a network of independent advisors. LMP controls La Mondiale's Luxembourg operations, La Mondiale Europartner. La Mondiale Europartner's life products are distributed to HNWI through LMP's "partners". Premiums in Luxembourg in 2003 totalled €4 million.

After two years of turmoil on financial markets, LMP has benefited from the better financial environment in 2003. Premiums have increased by 38% but unit-linked contracts accounted for only

18% of premium reflecting the still high level of risk aversion of the 262 partners and of the 136,000 customers. Mathematical provisions amounted to €10.9 billion.

### **La Mondiale Experts – 33.1% of 2003 Premiums**

This business unit, which comprises the original sales team of La Mondiale, has a highly skilled sales force of 1,100 professionals serving 523,000 subscribers mostly in France. It focuses on self-employed workers, such as freelancers, traders or managers of small and midsize firms, and offers a range of life insurance products oriented towards retirement, life and disability, health and savings.

The pension business in 2003 has been good with a 25% increase in new contacts and a 12% increase in regular premiums. Average regular premiums range from €1,900 to €3,800 depending on the customer segment. Around 30% of the new business is achieved with the help of the customers' institutional relationship such as trade association and certified accountants. Savings premiums have also increased substantially (+23%), with most of this increase in guaranteed products invested in La Mondiale General Funds. Mathematical provisions reached €9.1 billion.

As far as La Mondiale's foreign operations are concerned, La Mondiale Mutuelle also controls a 50% participation in La Mondiale Vida which has recently been turned into a 50/50 joint-venture with Pelayo, a Spanish mutual specialised in the motor insurance sector. It is now called Pelayo Mondiale Vida. It is a small operation with life premiums of €25 million in 2003.

### **Arial Assurance – 11.4% of 2003 Premiums**

Arial Assurance operates in group retirement, disability and health insurance, and corporate group life benefits schemes. Arial is currently 50% owned by La Mondiale Participations Holding and 50% by AG2R Prévoyance. In 2003 La Mondiale transferred its large group pension portfolio, with the agreement of the *Commission de Contrôle des Assurances*, to Arial. As part of the agreement La Mondiale/AG2R, La Mondiale also accepted that its group accident and health renewals will be directly dealt by Arial, i.e. La Mondiale will no longer be a carrier of group accident and health insurance. Arial has now become the vehicle for AG2R's life insurance business. The unit sells mainly through brokers, consultancy firms and direct marketing/sales channels, and sells to firms with more than 200 employees, smaller companies being the target of La Mondiale Experts.

Arial's growth in 2003 has been impressive with an 89% increase in premiums. With a recovery in profits, French corporations have accelerated the externalisation of their off balance sheet pension liabilities. At the same time, the reform of the pension system in France has also accelerated the establishment by French companies of pre-retirement schemes. In the health and disability segment, the partnership with AG2R has also shown promising with an increasing awareness of the partnership by leading French corporate groups.

Arial's mathematical provisions reached €3.2 billion with over 77,000 employees under group insurance coverage at the end of 2003.

### **Ownership**

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As of 31 December 2003, La Mondiale had around 500,000 *sociétaires* (policyholders-owners).

## Strategic Objectives

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La Mondiale has three main strategic objectives: clear market segmentation and product distribution, efficient operational management and distribution partnerships.

- **Segmentation / Distribution:** La Mondiale's first objective is to develop innovative products different from the traditional standard saving products of the "bancassurance" network (i.e. insurance companies which are subsidiaries of banks). La Mondiale owes part of its results to its ability to identify market segments with high growth potential and to develop these segments through the sale of innovative and quality products and services. La Mondiale's distribution strategy consists of focusing on three sectors through three distribution channels. This has proven to be successful, as demonstrated by the performance over the past few years in terms of growth and penetration of these markets.
- **Efficient operational management:** La Mondiale has built an efficient value-added distribution network for the individual pension and life operations, which has succeeded in steadily increasing the average regular premium value to €3,000 in 2003 vs. €1,650 six years ago.

La Mondiale has implemented a CRM ("Customer Relationship Management") programme called Ulysse. Ulysse is an in-house system intended to improve the synergies between call centres and the sales team. By organising a more structured training for its sales network, La Mondiale aims to produce expert financial advisers. La Mondiale has also rebuilt its unit-linked information system called Pegase, which allows partners to have real-time access to their customers' insurance portfolio.

La Mondiale is also improving its financial and operational controls, with strict cost control policies, stringent accounting principles and the implementation of a sophisticated in-house asset/liability management methodology.

- **Partnerships:** In 2003, La Mondiale further developed its partnership strategy and signed agreements with AG2R and Aegon to broaden its distribution network in France and other European markets. These distribution partnerships have given La Mondiale access to complementary expertise and know-how.

## Partnerships

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La Mondiale has signed agreements with AG2RP (a French *institution de prévoyance*, leader in its market with over 5 million clients) and the Dutch insurer Aegon (one of the world's leading insurance groups).

- **AG2RP:** The pension system in France is split between three schemes: 1) the compulsory pay as you go social security system; 2) additional pay as you go schemes, also compulsory, managed by "Institutions de Prévoyance", such as AG2R, which are a 50/50 partnership between trade associations and employee unions; and 3) private capitalisation schemes sold primarily by insurance companies such as La Mondiale. The first two schemes account for over 90% of pensions paid.

AG2R, over time, has entered additional business lines such as health and disability coverage through the creation of specialised entities such as AG2RP (Prévoyance), which signed the partnership agreement with La Mondiale.

With over 5 million policyholders, the AG2RP Group is a leading diversified financial services firm specialising in group life insurance (life & disability) and pension benefits. AG2RP has developed a broad range of products and services in areas such as pensions, provident schemes, complementary health coverage and services for companies and individuals.

The agreement with AG2RP covers group accident and health products and employee's savings and pension plans, and has been implemented through the creation of two companies, Arial Assurance and Arial Epargne, each jointly owned by La Mondiale and AG2RP.

- Arial Assurance specialises in group insurance, with La Mondiale contributing pension products and AG2RP health and accident products. Arial Assurance uses brokers and consultants as distribution channels. This partnership allows La Mondiale to extend its client base to small and midsize companies and boosts La Mondiale Experts' presence in the accident and health segment for very small firms.
- Arial Epargne distributes savings products to employees through the agent network of the two parent companies. This agreement allows La Mondiale to market individual savings products to the employees of AG2RP's client base.

- **Aegon:**

Aegon is one of the world's ten largest life insurance groups, ranked by market capitalisation and assets. Life insurance, pensions and related investment products are Aegon's core businesses.

Aegon has chosen La Mondiale to jointly build the first European corporate pension network, a market perceived by both partners as having major growth potential. The two companies will exploit the successful distribution model adopted by La Mondiale to provide retirement products for multinational companies. For countries in which neither La Mondiale nor Aegon is present, the two companies intend to establish their presence either with a green field operation or through acquisitions and joint ventures. Under the cooperation agreement, La Mondiale sold 20% of La Mondiale Participations' capital, the holding company of the Group, to Aegon.

These alliances will enable La Mondiale to broaden its distribution network in France and other European markets, and give access to complementary expertise and know-how, which should help enhance revenues in the next few years.

## **Financial Results**

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At 31 December 2003, La Mondiale had consolidated assets of €25.5 billion of which 27% are unit-linked products. The 73% remaining are guaranteed products invested in General Funds split between bonds (80%), equities (12%) and real estate (8%).

Consolidated equity capital at 31 December 2003, increased €105 million to €714 million (or €782 million including minority interests). La Mondiale Mutuelle has 3.62 times the regulatory minimum in equity capital, subordinated debt and unrealised capital gains. Solvency was strengthened in 2003 by

the issue of a perpetual subordinated bond in the amount of €200 million, but was then reduced as a matter of course by the new, more stringent method of calculation required by the European Directive on solvency requirements. Consolidation accounting, which eliminates dividends and intra-group borrowings, facilitates the measurement of the Group's solvency level. The margins required by the various entities of the Group (after the elimination of intra-group reinsurance transactions) amount to €725 million, which is covered 2.04 times by the Group's equity capital, net of intangible items, deferred acquisition costs, subordinated debt and unrealised capital gains.

The components of the Group margin are lower than those of the parent company inasmuch as the regulatory texts place a ceiling on the amount of unrealised capital gains allowed in the margin requirements for each company in the Group. Moreover, the Group's equity capital is adjusted for deferred acquisition costs net of deferred tax.

La Mondiale's reported 2003 operating income of €103 million compared to €89 million the prior year. La Mondiale generated consolidated net income of €101 million in 2003, up 10.0% compared to 2002.

## RECENT DEVELOPMENTS

- **Financial results:** The first quarter 2004 (unaudited figures) registered a growth of 18% in premiums (€ billion) but this growth was uneven amongst the different activities:
  - La Mondiale Experts (Individual Life and Pension): €255 million, +7.2%; this division has been waiting for the official decrees on pension reform; these decrees have been issued in April 2004 and the official association of pension members has been created which will allow the network to start the marketing of the new pension products for employees.
  - Ariel Assurance (Group Pension): €149 million, stable; Ariel experienced a stagnation of its turnover since it is still waiting for the official decrees on group pension. Most of first quarter business was done with pre-retirement products and several new big accounts were opened: Alcatel, Ariane Espace and Saint Gobain.
  - La Mondiale Partenaire (Wealth Insurance Management): €572 million, +26%; LMP continued to benefit from the recovery in financials markets with the production of unit-linked products growing quicker than guaranteed products.
- **Litigation:** On June 2003, La Mondiale was ordered by a French court (*Tribunal de Grande Instance de Paris*) to pay €89,000 to one of its clients for a claim in relation to a unit-linked life insurance contract. The grounds for the ruling was that the client had not received enough information from La Mondiale in relation to the terms and conditions of the product at the time that it entered into the contract. La Mondiale has lodged an appeal against the court's ruling. La Mondiale, based on legal advice received, believes that it will win the appeal. While waiting for the appeal judgement, La Mondiale has taken in the 2003 accounts a 100% provision for the difference between the market value on 31 December 2003 of the contract and the subscription value. La Mondiale is currently being sued by 32 customers on the same grounds.
- **Partnership:** In January 2004, La Mondiale and Aegon launched Work Site Marketing (WSM) in France. WSM, which was developed in the Netherlands, consists of direct sales of individual insurance products to employees of large corporations with the co-operation of the human resources division of those corporations.



**CONSOLIDATED CAPITALISATION TABLE AS AT 30 JUNE 2004**

<b>LA MONDIALE GROUP 31 december 2003</b>	<b>Change in Equity</b>				
EURO in 000'					
	As of 31/12/2003	Allocation of 2003 net earnings	Changes	As of 30/06/2004 (unaudited)	As Adjusted* (unaudited)
Capital social	0				
Subscription fees and Statutory Capital	23 217		0	23 217	23 217
Reevaluation Reserve	656			656	656
Long Term Capital Gain Reserve	173 414			173 414	173 414
Retained Earnings	428 273	101 484	0	529 757	529 757
Reserve for Impairment Provision	-13 130		0	-13 130	-13 130
Earnings	101 484	-101 484	0		0
<b>Group Equity Capital</b>	<b>713 914</b>	<b>0</b>	<b>0</b>	<b>713 914</b>	<b>713 914</b>
Minorities Interest	67 987		0	67 987	67 987
<b>Total Equity Capital</b>	<b>781 901</b>	<b>0</b>	<b>0</b>	<b>781 901</b>	<b>781 901</b>
Subordinated Debt	473 867		0	473 867	488 867

There has been no material change in the consolidated capitalisation of La Mondiale since 30 June 2004.

\* adjusted to show the effect of the issue of the €100 million undated subordinated fixed/floating rate Notes to be issued on 4 August 2004 following redemption, on the same day, of the €85 million Subordinated Floating Rate Notes due 2020

## CONSOLIDATED FINANCIAL STATEMENTS OF LA MONDIALE AS AT 31 DECEMBER 2003 AND 31 DECEMBER 2002

### Financial report

The consolidated financial statements of La Mondiale Group were drawn up pursuant to current legal and regulatory provisions and the Accounting Standards Committee's regulation 2000-05 of 7 December 2000 and its Implementation Decree No. 2001-51 of 17 January 2001.

#### ■ Activity

La Mondiale Group generated €3.836 billion in gross written premiums, principally through life insurance products in France (99%). Health care activities represented €40 million.

The accounts as of 31 December 2003 show a strong increase in revenues (€3.836 billion as compared with €2.912 billion in 2002).

Breakdown by business segment:

- The Professional segment (independents and small and medium-sized companies) grew by 14% with total written premiums of €985 million.
- The Partnership segment (investment savings), with revenues of €2.116 billion, was up by 35%.
- The Corporate segment (pensions and social liabilities for large corporations) saw a sharp increase in revenues to €872 million (up by 88%).

Total assets under management increased by 14% to €23.8 billion.

Unit-linked assets under management (€6.9 billion) represent 29% of the Group's total commitments.

The Luxembourg activities, represented by La Mondiale Europartner, generated €54 million in written premiums. Almost all of these revenues were generated through unit-linked products.

#### ■ Investments

La Mondiale Group's investment strategy is to seek an optimal match in duration between investments and commitments, either through the acquisition of long-term securities or by hedging through financial instruments.

*The Group's consolidated investments reached €24 billion in book value, a year-over-year increase of 15%. 29% of these assets, or €6.9 billion, represent unit-linked*

contracts. Assets in euros reached €17.2 billion; the General Funds of La Mondiale Mutuelle alone represent €13.5 billion, 74% of which is invested in fixed income securities, 15% in equities and 11% in real estate.

As of 31 December 2003, the Group's total unrealized capital gains amounted to €1.077 billion as compared with €797 million on 31 December 2002. These capital gains consist of:

- € 745 million in fixed income capital gains
- € - 92 million in capital losses on securities
- € 424 million in real estate capital gains.

#### ■ Profitability

Consolidated net profit amounted to €114.1 million including Group Share of €101.5 million. Group Share of consolidated net profit grew by 9.7% year-over-year.

Current operating income amounted to €103 million compared with €89 million in 2002. After taking into account non-technical and extraordinary items and corporate taxes, the net income of consolidated companies reached €115 million, up 22.9%.

Goodwill amortization of €0.9 million had little impact on performance.

Consolidated equity capital as of 31 December 2003 amounted to €782 million, including Group Share of €714 million, an increase of €125 million year-over-year.

The Group's solvency margin, or adjusted solvency margin, calculated on the basis of the consolidated financial statements, pursuant to applicable regulations (Decree 2002-360) was €725 million.

Total Group equity capital and subordinated debt, adjusted for goodwill amortization, intangible assets and unrecognized deferred acquisition costs, amounted to €771 million, or 1.06 times the minimum solvency margin amount required. If unrealized capital gains are included, the components of the solvency margin amount to €1.481 billion, or more than two times the regulatory minimum.

In summary, the main elements of Group Profit and Loss account and Balance Sheet over the last five years are illustrated below

## Key financial information

### ■ Profit and loss account

(In millions of Euro)	1999 Proforma (1)	2000	2000 Proforma(2)	2001	2002	2003
Gross premiums	2,645	3,308	3,308	2,917	2,912	3,836
Investment income net of expenses	703	766	743	739	728	803
Claims and benefits paid	3,772	2,706	2,696	1,764	1,459	4,229
Life policy holder benefits	515	576	555	589	576	595
Unit linked asset adjustment ("Acav")	1,248	(428)	(428)	(941)	(1,272)	548
Acquisition and management expenses And other net income	238	263	225	226	235	254
<b>Consolidated net profit (Group share)</b>	<b>37</b>	<b>47</b>	<b>73</b>	<b>83</b>	<b>92</b>	<b>101</b>

### ■ Balance sheet

(In millions of Euro)	1999 Proforma (1)	2000	2000 Proforma (2)	2001	2002	2003
Share capital after result (including minority interests)	527	575	440	549	657	782
Technical reserves	16,605	18,762	19,197	20,324	20,937	23,778
Assets under management and cash	16,884	19,199	19,198	20,342	21,049	24,134

(1) Including La Mondiale Partenaire Group (formerly La Hénin Vie) as from 1 January to 31 December 1999

(2) 2000 accounts established according to the new consolidation rules (Nouvelles Normes de Consolidation)

*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, and this is presented below the opinion on the consolidated 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 on information taken outside of the consolidated financial statements.*

*This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

## **La Mondiale**

Registered office: 32, avenue Emile Zola – 59370 Mons-en-Baroeul

### **Statutory auditors' report on the consolidated financial statements**

For the year ended 31 December 2003

In accordance with our appointment as statutory auditors by your Annual General Meeting, we have audited the accompanying consolidated financial statements of La Mondiale, Mutual Life Insurance and Capitalization Company, for the year ended 31 December 2003.

The consolidated financial statements are the responsibility of the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

#### **I - Opinion on the consolidated financial statements**

We conducted our audit in accordance with 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 financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the financial position and the assets and liabilities of the Group as at 31 December 2003 and the results of its operations for the year then ended in accordance with the accounting principles generally accepted in France.

#### **II - Justification of our assessments**

In accordance with the requirements of article L.225-235 of the French Company Law (Code de Commerce) Commercial Code relating to the justification of our assessments, introduced by the Financial Security Act of 1<sup>st</sup> August 2003 and which came into effect for the first time this year, we bring to your attention the following matters:

- Certain technical accounts specific to the insurance and reinsurance activities and recorded as assets and liabilities in the consolidated financial statements of your Group, in particular the technical reserves, are evaluated on actuarial and statistical basis. The methods used to estimate these technical reserves are described in note 2-3 to the consolidated financial statements. In accordance with professional standards related to accounting estimates, we reviewed the methods used as well as the data and assumptions, examining in particular the regulatory environment of your Group and its experience.
- Reserves for long-term depreciation of investments are estimated according to the methods described in note 2-3 to the consolidated financial statements. We assessed the consistency of the valuation of those reserves for long-term depreciation with the Group's intentions for holding these investments and examined, when considered necessary, the data and assumptions used as well as the supporting documentation prepared by the Group within this context.

Based on the above, we assessed the reasonableness of these estimates.

The assessments on these matters were performed in the context of our audit approach for the consolidated financial statements taken as a whole, and therefore contributed to enable us to express an unqualified opinion in the first part of this report.

### **III - Specific procedures and disclosures**

In accordance with professional standards applicable in France, we have also verified the information given in the group management's report. We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Paris La Défense and Neuilly-sur-Seine, 13 April 2004

The Statutory Auditors

KPMG Audit

Deloitte Touche Tohmatsu

A division of KPMG S.A.

Régis TRIBOUT

José-Luis GARCIA

## Consolidated profit and loss account

(In thousands of euro)	Notes	Life	Non Life	Total 31/12/2003	31/12/2002
		SEGMENT	segment		
Earned Premiums	5-1	3,796,615	39,642	3,836,257	2,912,087
Other operating income	5-2	30,391	0	30,391	24,629
Net financial income	5-3	799,208	3,746	802,954	728,158
Unit linked asset adjustment (Acav)	5-3	547,627	0	547,627	(1,272,127)
<b>Operating income</b>		<b>5,173,841</b>	<b>43,388</b>	<b>5,217,229</b>	<b>2,392,747</b>
Cost of insurance provisions and services	5-4	4,792,075	31,659	4,823,734	2,035,272
Reinsurance cessions income (expense)	5-5	5,847	(51)	5,796	9,383
Management expenses	5-6; 5-7	279,532	5,279	284,811	259,259
<b>Operating costs</b>		<b>5,077,454</b>	<b>36,887</b>	<b>5,114,341</b>	<b>2,303,914</b>
<b>Total operating income</b>		<b>96,387</b>	<b>6,501</b>	<b>102,888</b>	<b>88,833</b>
Other net income	5-8			235	(569)
Extraordinary result	5-9			45,998	27,965
Corporate tax	5-10			(34,103)	(22,690)
<b>Consolidated net profit</b>				<b>115,018</b>	<b>93,539</b>
Share in associate income (expenses)	5-11			0	0
Goodwill amortization				(884)	(1,079)
<b>TOTAL CONSOLIDATED NET PROFIT</b>				<b>114,134</b>	<b>92,460</b>
Minority interests				12,650	8
<b>NET PROFIT (Group share)</b>				<b>101,484</b>	<b>92,452</b>

## Consolidated Balance Sheet

### ■ Assets

(In thousands of euro)		31/12/2003	31/12/2002
	NOTES		
<b>Goodwill</b>	3-1	<b>8,959</b>	<b>9,800</b>
<b>Intangible assets</b>		<b>3,260</b>	<b>1,897</b>
<b>Investments "General assets"</b>	3-2	<b>17,217,570</b>	<b>14,520,487</b>
Land and buildings		1,332,934	1,260,232
Investments in associated companies and companies in which a participating interest is held	3-3	7,698	8,844
Other investments		15,876,252	13,251,411
Claims on cash deposits with ceding companies		686	
<b>Investments representing technical reserves for unit-linked assets</b>	3-4	<b>6,885,402</b>	<b>6,467,187</b>
	3-5	<b>0</b>	<b>0</b>
<b>Securities accounted for under the equity method</b>			
<b>Total Investments</b>		<b>24,072,972</b>	<b>20,987,674</b>
<b>Ceding companies and retrocessionaire's share of technical reserves</b>	3-6	<b>63,080</b>	<b>54,864</b>
<b>Receivables from direct insurance or reinsurance operations</b>	3-7	<b>242,545</b>	<b>178,230</b>
<b>Accounts receivables from banking institutions</b>	3-8	<b>61,352</b>	<b>61,197</b>
<b>Other receivables</b>	3-9; 3-10	<b>101,694</b>	<b>123,378</b>
<b>Other assets</b>	3-11	<b>42,078</b>	<b>38,397</b>
<b>Accruals and deferrals</b>	3-12	<b>931,982</b>	<b>821,103</b>
Interest and rents accrued but not due		380,258	329,584
Deferred acquisition costs		524,705	473,901
Other accruals and deferrals		27,019	17,618
<b>Foreign exchange differences</b>	3-23	<b>4,829</b>	<b>0</b>
<b>TOTAL ASSETS</b>		<b>25,532,751</b>	<b>22,276,540</b>

## ■ Liabilities

(In thousands of euro)	Notes	31/12/2003	31/12/2002
<b>Equity capital</b>	3-13		
Statutory capital		21,526	16,447
Other reserves		604,033	513,726
Difference from accounting change		(13,130)	(13,930)
Net profit for the year		101,484	92,452
<b>Total Equity capital</b>		<b>713,913</b>	<b>608,695</b>
<b>Minority interests</b>	3-14	<b>67,987</b>	<b>48,784</b>
<b>Subordinated debts</b>	3-15	<b>473,867</b>	<b>348,567</b>
<b>Total Invested capital</b>		<b>1,255,767</b>	<b>1,006,046</b>
<b>Gross technical reserves</b>	3-16; 3-17	<b>16,913,317</b>	<b>14,469,478</b>
<b>Technical reserves for unit-linked contracts</b>		<b>6,864,541</b>	<b>6,467,585</b>
<b>Provisions for risks and expenses</b>	3-18	<b>34,018</b>	<b>25,514</b>
<b>Payables in respect of direct insurance and reinsurance operations</b>	3-19	<b>179,915</b>	<b>116,387</b>
<b>Payable to banking institutions</b>	3-20	<b>2,751</b>	<b>22,429</b>
<b>Others debts</b>	3-21	<b>260,744</b>	<b>136,186</b>
<b>Accruals and deferrals accounts</b>	3-22	<b>21,698</b>	<b>32,470</b>
<b>Foreign exchange differences</b>	3-23	<b>0</b>	<b>445</b>
<b>TOTAL LIABILITIES</b>		<b>25,532,751</b>	<b>22,276,540</b>



# Notes to the consolidated financial statements

## 1. Scope of consolidation

### 1.1. Scope of consolidation as of December 31, 2003

Consolidated company	2003		Method of consolidation	2002		Method of Consolidation
	% control	% interest		% control	% interest	
<b>INSURANCE ACTIVITIES</b>						
LA MONDIALE	100.00	100.00	FC	100.00	100.00	FC
LA MONDIALE ACCIDENTS	99.99	99.99	FC	99.99	99.99	FC
ARIAL ASSURANCE	50.00	40.00	PC	50.00	50.00	PC
LA MONDIALE EUROPARTNER	100.00	80.00	FC	100.00	80.00	FC
LA MONDIALE PARTENAIRE	100.00	79.99	FC	100.00	81.64	FC
PELAYO MONDIALE VIDA	50.00	50.00	PC	50.00	50.00	PC
PASI PHAE	100.00	0.00	FC	100.00	0.00	FC
<b>FINANCIAL ACTIVITIES</b>						
GIE LA MONDIALE CASH	64.00	60.60	FC	70.00	66.83	FC
SA LA MONDIALE GESTION D'ACTIFS	100.00	99.99	FC	100.00	99.99	FC
<b>REAL ESTATE ACTIVITIES</b>						
<b>Commercial companies</b>						
S.A. LA MONDIALE FONCIÈRE	100.00	100.00	FC	100.00	100.00	FC
<b>Investment companies</b>						
MONDIALE PIERRE	100.00	100.00	FC	100.00	100.00	FC
<b>OTHER ACTIVITIES</b>						
LA MONDIALE PARTICIPATIONS	80.00	80.00	FC	80.00	80.00	FC
GIE LA MONDIALE IT	100.00	100.00	FC	100.00	100.00	FC
SOLUTIONS ASSURANCES VIE (SAV)	100.00	100.00	FC	99.99	89.85	FC
	(up to 28/04/2003)					

Method of consolidation: FC : Fully consolidation  
PC : Proportional consolidation

## 1.2. Rules used to determine the scope of consolidation

> The following may be consolidated:

Investments in which La Mondiale holds, directly or indirectly, at least 20% of the voting rights and for which a representative of the Group sits on the board of directors or supervisory board.

In addition, companies must respect one of the Group's two thresholds for a material interest: either 0.10% of total consolidated assets or 0.10% of total Group revenues.

> The applicable methods are the following:

- Full consolidation, if the subsidiary is held at more than 40%, and no other single shareholder holds more than 40%;
- Proportionate consolidation, if there is a community of interests;
- Equity method, if the interest is equal to at least 20%, and if the other methods are not applicable..

> Exemptions:

PASI PHAE, a "bubble company", is fully consolidated pursuant to Article R 345-1-1 of the Insurance Code.

## 1.3. Application to the 2003 financial year

Changes in the scope of consolidation are as follows:

> Included:

No new organization was included in the scope of consolidation in 2003.

> Removed:

SAV (Solutions Assurance Vie) was divested on 28 April 2003.

## 2. Accounting principles and valuation methods

### 2.1. Principles and methods of consolidation

The consolidated financial statements of La Mondiale Group were drawn up as of 31 December 2003 pursuant to current legal and regulatory provisions, and to the Accounting Standards Committee's Regulation 2000-05 of 7 December 2000 and its Implementation Decree No. 2001-51 of 17 January 2001.

All companies are consolidated on the basis of their financial statements closed at 31 December 2003.

Consolidated accounts are reported in euros.

### 2.2. Significant events

At the beginning of the year, La Mondiale transferred its interest (8.2%) in La Mondiale Partenaire to La Mondiale Participations, the Group's holding company. As a result, La Mondiale Partenaire is fully held by La Mondiale Participations.

At the end of April 2003, SAV (Solutions Assurance Vie) was disposed of outside of the Group.

The major event of this financial year concerns the capital contribution of La Mondiale's corporate business segment (i.e. the "Entreprises" segment) to Arial assurance, a company held 50% by La Mondiale Participations (the Group holding company) and 50% by AG2R, an external company. The group insurance segment has thus been combined into a single organizational structure.

In view of the percentages held, Arial assurance is consolidated proportionally.

The commitments in euros of this "Entreprises" portfolio are 100% reinsured through La Mondiale's General Funds. An impact is generated, which is related to the initial contribution, in connection with this 100% reinsurance combined with the 50% proportionate consolidation of Arial assurance; this impact of revenues and change in technical reserve is neutralized in consolidation, so as to give a true economic picture of the Group and to ensure that the accounts are comparable from one year to the next.

### 2.3 Accounting principles and methods of valuation

> Synthesis statement

Real estate activities managed by subsidiaries are included under the Life segment in the Profit and Loss account. These subsidiaries are held essentially by the life insurance companies and should be assimilated with the management of assets representing insurance commitments.

> Harmonization of financial statements

Financial statements of the various insurance companies included in the consolidation were prepared in accordance with the rules of the Insurance Code and local rules for foreign subsidiaries, notably with regard to the valuation of mathematical reserves, provision for premiums and claims, the recording of regulated reserves, the valuation of investments and the calculation of amortization and depreciation.

The income and expenses of consolidated subsidiaries are reclassified by activity based on the activity exercised within the Group.

> Foreign currency conversion

The balance sheet and profit and loss account of foreign subsidiaries that are not drawn up in euros are converted at the official exchange rate prevailing on the closing date of the accounts.

> Transactions between consolidated companies

Reciprocal accounts of assets and liabilities, income and expense and commitments between fully consolidated companies are eliminated, as is the case for dividends.

> Valuation of investments

Assets for which fluctuations in value have the effect of creating or directly influencing the entitlements of policyholders are marked to their market value. This concerns unit-linked contracts and "bubble" systems.

Other investments are booked at their historical cost.

Investment securities held by French insurance companies or their successors are valued according to the rules of the French Insurance Code. Securities held by other companies are valued according to applicable local regulations.

Land, real estate and equity interests in non-listed real estate companies are recorded at their acquisition value, excluding purchase expenses and taxes and increased for construction work and improvements. Revaluations reported in individual company balance sheets have not been maintained.

Fixed income securities are recorded at acquisition cost excluding accrued interest. Differences between acquisition and reimbursement values (i.e. discounts or premiums) are written off over the remaining life of the securities; in accordance with the new rules, the balancing item is reported in the corresponding investment account.

Other securities are reported in the balance sheet at their acquisition cost

Investments representing technical reserves for unit-linked contracts are valued at their market value at the end of the financial period as determined under the terms of their respective contracts; resulting variations are posted in the profit and loss account and do not impact the technical result or the net profit for the financial year.

Securities on loan or pawned are posted in the balance sheet by reducing the Other Investments item.

> Reserves for depreciation of investments  
Fixed income securities:

Pursuant to the provisions of Article R 332-19 of the Insurance Code, inasmuch as the company has the intention and ability to hold fixed income securities until their maturity date, any capital losses resulting from the comparison of their net book value, decreased or increased by the amortization of their premium or discount, with their market value do not require a reserve for depreciation.

However, a reserve for depreciation is established when it is considered that the debtor will not be in a position to respect its commitments, either for interest payments, or for the repayment of principal.

Real estate investments, variable income securities and other investments, other than those representing technical reserves related to unit-linked contracts:

Pursuant to the accounting provisions defined in Articles R 331-3 and R 332-20 of the Insurance Code, a reserve for depreciation determined line by line must be established for these same assets when the reference value (going concern value or capitalized income value) shows a significant discount of a lasting nature.

- Determination of the reference value:

The reference value is determined on the basis of a valuation which depends on the nature of the assets and the holding strategy.

The latter, which concerns investment objectives, holding periods and arbitrage policy, is established by the Group with a view to creating continuity, without however precluding the option of taking advantage of market opportunities.

Real estate assets are classified in two categories:

- Operational real estate, intended to be held by the Group for the long-term, and for which the reference value used for valuation purposes is the going concern value.

- Income property (or investment property), also intended to be held by the Group, and for which the reference value reflects the capitalized income value in light of future income flows..

Exceptionally, if the real estate is intended to be sold in the short-term, the value taken into account instead and in place of the going concern and capitalized income values is the probable market value, i.e. the negotiation value or failing that, the appraised value appearing in the itemized investment report.

Equities are classified in two categories:

- Equity holdings, whose reference value is the utility value, which depends on the utility that the interest holds for the company.

For those equity holdings that are to be disposed of in the near future, it is the market value appearing in the itemized investment report or the last value known during the settlement of accounts, that is selected as the reference,

- Investment securities, which are valued at their probable negotiation value.

- Determination of the reserve for long-term depreciation:

A reserve for depreciation is established line by line if the reference values are less than the acquisition values, insofar as the depreciation is significant and lasting.

Since 2002, equities, which show significant depreciation and which the Group undertakes to hold for the long-term, are valued on the basis of the present value of expected dividends. A reserve is established in the amount of the difference existing between this estimated value and the book value when depreciation exceeds 50%. It is limited to 2/3 of difference when depreciation is between 30% and 50%.

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> Goodwill

Positive and negative goodwill is generally amortized over a 15-year period, and over 40 years when the goodwill concerns real estate or similar assets.

It is however amortized in full during the acquisition year when the amount is insignificant.

> Financial futures instruments

The Group uses these financial instruments mainly as hedges, to manage the rate of return of the General Funds. The following two types of operations are used:

Hedges against falling or rising rates:

These hedges are composed of negotiated instruments.

The notional amount is booked as an off-balance sheet commitment.

The premiums paid are recorded in an equalization account and amortized over the duration of the strategy, the options period and the hedging period of the swap.

. Interest rate swaps:

This hedge is composed of negotiated instruments, including both long-term and short-term swaps.

For long-term swaps, the net income generated by the swap operation is included in the revenues of the underlying bonds; a swap concluded outside of the regulated market gives rise to an adjustment in an equalization account and is amortized over the duration of the swap.

For short-term swaps, adjustments are recorded in losses or profits depending on the interest rate trend.

Maintenance of interest rates:

In this regard, the Group, or La Mondiale company in this case, has acquired Bund futures contracts.

A Bund contract is a futures contract allowing the holder to acquire government bonds. La Mondiale stands as a buyer of contracts to hedge interest rate risks between the issue of subordinated debt and its rollover.

This hedge is composed of instruments negotiated on a regulated market.

The profit or loss from the sale of contracts is recorded in an equalization account, then allocated as a supplement to the acquisition price for the bonds acquired in rollover.

With regard to positions closed during the financial year, the financial instruments maturing in 2003 generated no additional income or expense related to their unwinding.

The Group did not experience any strategy failures or breakdowns during the financial year.

> Deferred acquisition costs

Costs attributable to the acquisition of contracts are credited to assets in the consolidated accounts. These costs essentially consist of commissions and policy subscription and issuance costs.

Acquisition costs are no longer limited to the Zillmer adjustment but are deferred up to the amount of the future net margins (including the financial margin) of eligible contracts; the financial margin takes into account a conservative forecast of expected rates of return for the assets.

Only acquisition costs offset by future income are deferred and activated. Acquisition costs covered by existing income or in excess of future income are not deferred.

The amortization method is applied by homogeneous product groups. Costs are amortized over the estimated life of the contracts in correlation with the realization of future margins, which are revalued at the end of each financial year.

As a result of the activation of acquisition costs, the mathematical reserves appearing in the balance sheet are not zillmerised.

With regard to the restatement of historicals, deferred acquisition costs for contracts concluded on or before 1995 are deemed equal to the Zillmer adjustment, considering that costs have only been allocated by activity since 1996.

> Underwriting reserves

The reserves for life insurance activities include the mathematical provisions, which represent the difference between present values of commitments made by the insurer and those made by the insured.

Pursuant to the preferred methodologies, stipulated by the New Standards, technical provision computations are based on the discount rate nearest to the forecast rate of return on assets.

In France, they are calculated using approved tables based on data published by INSEE (French Statistics and Economic Studies Institute); the effect of these prospective tables on reserves for annuities have been subject to an even spread over 15 years since the 1993 fiscal period. Pensions in service are provisioned on the basis of prospective tables.

In compliance with the new regulations, the impact of estimate changes is no longer spread out over time when drawing up the consolidated financial statements

Provisions for claims include matured endowments and claims incurred but not yet settled as of 31 December.

Reserves for profit sharing refer to policyholders' share of the technical and financial profits realized by the companies. They are intended for payment to policyholders and to increase their guarantees after incorporation into the mathematical reserves.

The underwriting reserves for unit-linked contracts include the technical reserves of contracts denominated in units; the technical reserves for contracts represented by general assets or guaranteed rate contracts are reclassified under the life insurance reserves item.

> Application of preferential methods

La Mondiale Group applies all of the preferential methods adopted by Regulation 2000-05 with the exception of the method concerning the transfer to profit and loss of positive and negative conversion rate adjustments. The application of the latter method would have an impact on the 2003 net profit of +€5.3 million.

> Activity accounting method

The Decree of 20/06/1994 concerning the new insurance chart of accounts requires activity-based costing. The objective of this approach is to break down operating expenses, previously recorded as natural expenses by object classification, between the various operating units of the companies

The approach adopted by La Mondiale Group for the transition from object or natural classification to activity-based costing is the successive allocation in stages of complete costs for each department. At the end of this allocation process, the costs of departments are allocated between the main operating units of the company: acquisition and administration of contracts, payment of benefits, investment management and other technical departments.

> Capital gains and losses on intra-group disposals

Pursuant to the new provisions, capital gains and losses realized by the Group's insurance companies on intra-group disposals are eliminated. Moreover, the income (loss) generated by intra-group disposals concerning equity holdings of consolidated companies are still restated.

> Deferred profit sharing

Deferred profit sharing can be unconditional – linked to consolidation adjustments – or conditional – dependant on a management or an event-related decision.

During 2003, profit sharing was only deferred for financial income, such as intra-group capital gains (there is no deferred profit sharing on restatements of intra-group transactions related to equity holdings).

> Deferred tax

Deferred taxes are recorded using the variable deferral method and in accordance with an enlarged balance sheet concept.

No deferred taxes were recorded on restatements of intra-group transactions related to equity holdings.

Regarding deferred tax assets and liabilities:

- deferred tax liabilities continue to be accounted for (except the case mentioned above),
- deferred tax assets are only reported as balance sheet assets when their recovery is probable.

## 2.4 Restatements for consolidation

> Harmonization of corporate financial statements

The accounts of fully consolidated subsidiaries that do not apply the insurance chart of accounts are transposed. Activity-based reporting of income and expenses is implemented on the basis of the activity of the subsidiary in the Group considered as a life insurance group; non-life activity is exercised by non-life companies.

> Valuation of real estate

The revaluation of the SCI Mondiale Pierre real estate portfolio at the end of 1997 was eliminated in the consolidated financial statements.

> Reserves for long-term depreciation

The reserves established by La Mondiale for its consolidated long-term equity interests were neutralized.

> Provisions for redemption risk of technical commitments

Any provisions for redemption risk established by consolidated companies when the total value of equities, real estate and securities recorded on the balance sheet is greater than the market value of these assets, are maintained

Provisions for redemption risk established by French insurance companies are therefore brought forward as is to the consolidated financial statements ; for foreign companies, a calculation is performed in the same way for harmonisation purposes. As of 31/12/2003, no company in La Mondiale Group had established such a provision.

> Equalization reserves

Equalization reserves are eliminated in consolidation, pursuant to current regulations. For information, they are defined in accordance with Articles R 331-3 and 331-6 of the Insurance Code and are intended to protect against fluctuations in claims for group insurance operations against the risks of death and bodily injury; they are thus applicable only to group insurance contracts.

> Minority interests

The total result of the "bubble company" PasiPhae is reported in this item.

> Capitalisation reserve

By virtue of the principles established in 2001, the capitalisation reserve as of 31 December 1999 is maintained in equity capital; movements during the financial year, allocating this reserve to individual accounts, are cancelled and stated as profit or loss.

This restatement does not give rise to the recognition of profit sharing or deferred tax unless there is a high probability that securities will be disposed of in the near future, resulting in a write-back of this reserve.

Foreign regulatory principles are not grounds for restatement.

> Deferred tax

As from the year ending 1997, new deferred tax is no longer recognized in corporate financial statements; it is recorded in the consolidated financial statements pursuant to the principles of consolidation.

Deferred taxes are accounted for at the tax rate applicable when realizable. In the event that such a rate is known it shall be used, otherwise, the applicable rate is the rate for the financial year during which they were recognized. Tax rates known to date are of 35.43% for 2003 and also 35.43% thereafter.

> Retirement commitments

The retirement commitments of the La Mondiale Group are estimated on the basis of actuarial data: the benefits of employees are calculated on the basis of the Collective Labour Agreement and the average retirement age is established by category of personnel, a mortality table (TV 88/90), using a discount rate of 3%.

At La Mondiale and La Mondiale Partenaire, they are stated as off-balance sheet commitments, and are recorded in the provisions for risks and charges of the consolidated financial statements, after deferred tax is taken into account.

> Intra-group reinsurance

Variations resulting from intra-group reinsurance treaties are eliminated; the accounts established by the ceding company are recorded without time gaps in the accepting company's accounts.

## **2.5 Presentation of accounts**

The presentation of the balance sheet, the profit and loss account and the explanatory notes has been adapted to the regulatory provisions in force since 31 December 2001.

> Presentation of segmental breakdown

Segmental Profit and Loss accounts for Life and Non-Life activities are presented in section 4; most tables are presented with such a life/non-life breakdown.

The "other activities" sector is marginal within the group; it has consequently been reported under the "other net income" item.

Elimination of inter-sectoral operations are included within each item of the profit and loss account.

### 3. Information on Balance Sheet items

All of the figures in this section are presented in thousands of euro.

#### 3.1. Goodwill

(In thousands of euro)	Gross	Amortization at 01.01.2003	Amortization expense or write back for fiscal year	Net
<b>GOODWILL</b>				
Goodwill at 1 January , 2003	14,464	4,664	884	8,916
Goodwill arising from acquisitions during the year	0			0
Goodwill arising from sale of shareholdings during the year	43	0	0	43
<b>Total goodwill as of 31 December, 2003 : ASSETS</b>	<b>14,507</b>	<b>4,664</b>	<b>884</b>	<b>8,959</b>

No negative goodwill reported  
They break down as follows:

(In thousands of euro)	31.12.2003	31.12.2002
La Mondiale Partenaire	8,800	9,592
Pelayo Mondiale Vida	159	208
	<b>8,959</b>	<b>9,800</b>

#### 3.2 Insurance company investments

(In thousands of euro)	Value at 31.12. 2003		Market Value at 31.12.2003	Unrealized Capital Gains (losses) at	
	Gross value	Net value		31.12.2003	31.12.2002
Real estate investments	1,555,849	1,332,934	1,756,918	423,984	383,157
Shares and variable income securities	1,777,479	1,663,186	1,553,343	(109,843)	(254,086)
Unconsolidated equity interests	7,879	7,698	12,204	4,506	5,601
Shares in Equity unit trusts	413,454	413,454	426,717	13,263	(22,523)
Bonds and other fixed income securities	13,847,470	13,909,712	14,652,737	743,025	681,465
Shares in bond unit trusts	80,809	80,809	83,301	2,492	3,039
Other investments	211,355	211,265	211,265	0	0
To be deducted : Equities loaned or pawned, other repositioning of securities	(401,488)	(401,488)	(401,488)	0	0
<b>Total investments</b>	<b>17,492,807</b>	<b>17,217,570</b>	<b>18,294,997</b>	<b>1,077,427</b>	<b>796,653</b>
Total listed investments	14,501,337	14,465,483	15,088,901		
Total unlisted investments	2,991,470	2,752,087	3,206,096		
Non-life insurance investments	25,119	25,060	26,512		
Life insurance investments	17,467,688	17,192,510	18,268,485		

Pursuant to the law of 31 December 1989, the insurance companies undertook appraisals of their real estate holdings as follows: a five-year appraisal with annual updates by the company Foncier Expertise, for La Mondiale and La Mondiale Partenaire.

The realization of unrealized capital gains would give rise to rights in favour of policyholders and minority shareholders as well as to taxation.

### 3.3. Non consolidated equity interests

NAME		Equity before allocating the result	% control	Last year profit	Net book value at 31.12.2003	Market value
<b>(In thousands of euro)</b>						
Acofi	Paris	N.C.	10.00		991	1,222
Grands Crus Investissements	Paris	N.C.	12.52		3,049	4,600
LM Opportunités	Paris	399	100.00	124	357	359
Tradial	Mons-en-Baroeul	4,181	100.00	179	2,287	4,000
Other equity holdings					1,014	
<b>Book value of non consolidated participating interests</b>					<b>7,698</b>	

### 3.4 Investments representing unit-linked contracts

<b>(In thousands of euro)</b>	<b>31/12/2003</b>	<b>31/12/2002</b>
Real estate investments	36,745	37,415
Variable Income securities and similar instruments	678,793	519,771
Share in Equity unit trusts	5,396,091	4,978,092
Amortisable securities	326,926	436,122
Share in bond unit trusts	416,847	495,787
<b>Total Investments representing policies in unit link accounts</b>	<b>6,855,402</b>	<b>6,467,187</b>

Investments representing unit-linked contracts do not include investments relative to contracts backed by general assets or guaranteed rate contracts, which are included under their respective investment items. (Table 3.2).

### 3.5. Securities consolidated according to the Equity method

None

### 3.6 Ceding companies's and retrocessionaire's share of technical reserves

<b>(In thousands euro)</b>	<b>31.12.2003</b>	<b>31.12.2002</b>
<b>LIFE RESERVES</b>	<b>54,677</b>	<b>35,411</b>
Premiums	41,061	23,372
Claims	12,917	11,279
Profit-sharing	0	0
Other technical reserves	699	760
<b>RESERVES FOR UNITS-LINKED CONTRACTS</b>	<b>4,884</b>	<b>16,819</b>
<b>NON LIFE RESERVES</b>	<b>3,519</b>	<b>2,634</b>
Unearned premiums	0	0
Claims	3,519	2,634
Other technical reserves	0	0
<b>Total</b>	<b>63,080</b>	<b>54,864</b>



### 3.7 Accounts receivables in respect of direct insurance or reinsurance

(In thousands of euro)	31.12.2003	31.12.2002
Life premiums earned and not issued	96,520	83,426
Non-life premiums earned and not issued	0	3,092
Other receivables from direct insurance operations	14,554	15,566
Receivables from reinsurance operations	7,161	6,350
Active deferred profit-sharing	124,310	69,796
<b>Total</b>	<b>242,545</b>	<b>178,230</b>

With the exception of deferred profit sharing, receivables generally have a maturity of less than a year. Active deferred profit sharing is the result of the reclassification of capital gains on intra-group transfers of real property and is therefore of a conditional nature.

### 3.8 Receivables from banking institutions

They are short term cash and cash equivalents.  
Receivables in foreign currency other than euros are itemized in note n°3-23

### 3.9 Other receivables

(In thousands of euro)	31.12.2003	31.12.2002
Government, Social Security Organizations, Official bodies	24,060	30,568
Staff	3,065	1,993
Other receivables	78,501	94,505
Provision for depreciation	(3,932)	(3,688)
<b>Total</b>	<b>101,694</b>	<b>123,678</b>

These are essentially receivables with maturities of less than a year

### 3.10 Deferred tax

Impact on the Balance Sheet item as follows:

(In thousands of euro)	31.12.2003	31.12.2002
Deferred tax assets	193,435	180,280
Deferred tax liabilities	228,752	184,549
<b>Net value impact</b>	<b>(35,317)</b>	<b>(4,269)</b>
Reported under assets	14,391	1,539
Reported under liabilities	49,708	5,808

All deferred taxes have been accounted for and principally relate to the La Mondiale fiscal group; in the Balance sheet, tax assets are net of deferred tax liabilities from the same entity.

Deferred taxes for consolidation adjustments amounted respectively to €157,426,000 for assets and €137,455,000 for liabilities.

### 3.11 Other assets

<i>(In thousands of euro)</i>	<b>31.12.2003</b>	<b>31.12.2002</b>
Gross value	97,727	85,436
Depreciation	55,649	47,039
<b>Net value</b>	<b>42,078</b>	<b>38,397</b>

This item includes operating equipment and software.

### 3.12 Accruals and deferrals (assets)

<i>(In thousands of euro)</i>	<b>31.12.2003</b>	<b>31.12.2002</b>
<b>Deferred acquisition costs for life products</b>	<b>524,705</b>	<b>473,901</b>
<b>Other accruals and deferrals</b>	<b>407,277</b>	<b>347,202</b>
Interest and rents accrued but not due	380,258	329,584
Acquisition costs for real property to be spread over several financial years	2,225	2,524
Differences on redemption prices collectable	0	0
Other accruals and deferrals	24,794	15,094
<b>Total prepayment and deferred income</b>	<b>931,982</b>	<b>821,103</b>

**Deferred acquisition costs for life products:** In accordance with the principles stated in paragraph 2.3, they are not limited to the Zillmer adjustment. The main assumptions have been made in accordance with the general rules of prudence and assume a contractual life limited to 15 years, and a discount rate of 3%, or about 60% of the TME ("Taux mensuel des emprunts d'Etat" or average yield to maturity).

**Premium / discount reclassification:** Differences on redemption prices collectable are realigned to the corresponding investments.

### 3.13 Change in the Group's equity capital

<i>(In thousands of euro)</i>	<b>Statutory Capital</b>	<b>Other Reserves</b>	<b>Impact of accounting change</b>	<b>Group share of result</b>	<b>Total Equity Capital</b>
<b>As of December 31, 2001</b>	<b>11,688</b>	<b>431,532</b>	<b>(16,562)</b>	<b>83,288</b>	<b>509,946</b>
Appropriation of 2001 result		83,288		(83,288)	
Subscription fees	4,759				
Change in scope of consolidation and other movements		(1,094)	2,632		
2002 result				92,452	
<b>As of December 31, 2002</b>	<b>16,447</b>	<b>513,726</b>	<b>(13,930)</b>	<b>92,452</b>	<b>608,695</b>
Appropriation of 2002 result		92,452		(92,452)	
Subscription fees	5,079				
Change in scope of consolidation and other movements		(2,145)	800		
2003 result				101,484	
<b>As of December 31, 2003</b>	<b>21,526</b>	<b>604,033</b>	<b>(13,130)</b>	<b>101,484</b>	<b>713,913</b>

Within equity capital, the capitalization reserve represents €343,995,000.

### 3.14 Minority interests

(In thousands of euro)	31.12.2003	31.12.2002
Consolidated reserves	55,337	48,776
Result	12,650	8
<b>Total</b>	<b>67,987</b>	<b>48,784</b>

### 3.15 Subordinated liabilities

(In thousands of euro)	MATURITY	31.12.2003	31.12.2002
La Mondiale redeemable subordinated securities		200,000	30,490
La Mondiale redeemable subordinated securities	2006 with option 2002 or 2004 option		15,245
	2007 with option 2003 or 2005 option	7,622	15,245
	3 maturities 2002 to 2004		15,244
	2008	15,245	15,245
La Mondiale subordinated debt	5 maturities 1999 to 2003		6,098
	Maturities 2009 and 2019	66,000	66,000
	2010	69,848	69,848
	2010	15,152	15,152
	Swapped 2022	100,000	100,000
La Mondiale Partenaire perpetual subordinated securities		0	0
<b>Total Subordinated Liabilities</b>		<b>473,867</b>	<b>348,567</b>

La Mondiale Partenaire perpetual subordinated securities are held by La Mondiale for € 98,833,000 and have been eliminated. The same applies for equity interests in Pasiphae fully held by La Mondiale Partenaire.

### 3.16 Gross Technical Reserves

(In thousands of euro)	31.12.2003	31.12.2002
<b>LIFE INSURANCE RESERVES</b>	<b>16,890,823</b>	<b>14,447,385</b>
Premiums	16,512,139	13,941,956
Claims	223,311	235,564
Profit sharing	141,657	251,191
Other technical reserves	13,716	18,674
<b>NON LIFE RESERVES</b>	<b>22,494</b>	<b>22,093</b>
Unearned premiums	0	0
Claims	13,854	11,131
Other technical reserves	8,640	10,962
<b>Total</b>	<b>16,913,317</b>	<b>14,469,478</b>

The elimination of phasing of the impact of changes to the extension of life expectancy tables is realized in the consolidated accounts. A deferred tax is applicable to the restated figure.

### 3.17 Provision for policyholders' profit share

(In thousands of euro)	31.12.2003	31.12.2002
Current provision	141,657	251,191
Conditional deferred provision	0	0
Unconditional deferred provision	0	0
<b>Total</b>	<b>141,657</b>	<b>251,191</b>

### 3.18 Reserves for risks and expenses

(In thousand of euro)	01.01.2003	Amortizing	Recoveries	31.12.2003
Regulated provisions	0			0
Provision for risks	19,529	7,352	4,282	22,599
Provision for exchange losses	0	4,829		4,829
Provision for pension and provident commitments	5,985	607	2	6,590
Other provisions for charges	0			0
<b>Total provisions for risks and charges</b>	<b>25,514</b>	<b>12,788</b>	<b>4,284</b>	<b>34,018</b>

The provision for deferred tax on intra-group capital gains recorded in the accounts of La Mondiale in the provision account was reclassified in the consolidated accounts under the "deferred tax" item.

### 3.19 Payables in respect of direct insurance and reinsurance operations

(In thousands of euro)	31.12.2003	31.12.2002
Debts from direct life insurance operations	139,334	112,014
Debts from direct non-life insurance operations	246	282
Debts from direct reinsurane operations	40,335	4,091
<b>Total</b>	<b>179,915</b>	<b>116,387</b>

These are generally debts of less than a year.

### 3.20 Payables to banking institutions

These are short term credit accounts.

Non Euro-denominated borrowings are detailed in note 3-23

### 3.21 Other debts

(In thousands of euro)	31.12.2003	31.12.2002
Deposits and guarantees received	8,551	16,486
Debts for cash deposits received from ceding companies	59,477	19,170
Government, Social Security Organizations, Official bodies	83,450	28,200
Staff	26,423	25,441
Other debts	82,843	46,889
<b>Total</b>	<b>260,744</b>	<b>136,186</b>

With the exception of deposits received from tenants, these debts are essentially under one year in duration.

### 3.22 Accruals and deferrals (liabilities)

(In thousands of euro)	31.12.2003	31.12.2002
Income to be spread over several financial years	0	975
Amortization of differences on redemption prices collectable	0	0
Other accruals and deferrals	21,698	31,495
<b>Total</b>	<b>21,698</b>	<b>32,470</b>

**Premium / discount reclassification:** As was done for assets, the amortization of differences on redemption prices is realigned to the corresponding investments.

### 3.23 Assets and liabilities in foreign currency

Euro Exchange Value assets and liabilities in foreign currency held by French consolidated companies (In thousands of euro)	General assets		Unit-linked Assets held	Other	Total	Liabilities
	Bonds	Equities				
Dollar	9,929	383,185	85,730	308	479,152	
Swiss Franc	259	137,340	13,271		150,870	
Pound Sterling	443	184,727	8,162	1	193,333	
Yen		60,701	630,315		691,016	
Swedish Krona		20,001	26,042		46,043	
Other		370	55,610		55,980	
	<b>10,631</b>	<b>786,324</b>	<b>819,130</b>	<b>309</b>	<b>1,616,394</b>	<b>0</b>

Exchange conversion gap	Assets	Liabilities
Dollar	4,829	0
Yen	0	0
	<b>4,829</b>	<b>0</b>

### 3.24 Off-balance sheet commitments

	Total	31.12.2003 Subsidiaries and unconsolidated equity interests	Financial instruments	Others	31.12.2002
<i>(In thousands of euro)</i>					
<b>Commitments received</b>	<b>864,763</b>		<b>804,865</b>	<b>59,898</b>	<b>2,852,283</b>
<b>Commitments given</b>	<b>19,433</b>	<b>4</b>	<b>0</b>	<b>19,429</b>	<b>582,489</b>
Endorsements, sureties and credit guarantees	19,433	4		19,429	13,970
Securities and assets with re-sale commitment	0				0
Other commitments on securities, assets or income	0		0		568,519
Other commitments given	0			0	0
<b>Securities received as collateral from ceding companies and retrocessionaires</b>	<b>12,539</b>		<b>0</b>	<b>12,539</b>	<b>20,754</b>
<b>Securities deposited by ceding companies as joint or substitution collateral</b>	<b>0</b>			<b>0</b>	<b>0</b>
<b>Securities owned by provident institutions</b>	<b>0</b>			<b>0</b>	<b>0</b>
<b>Other securities held by third parties</b>	<b>0</b>			<b>0</b>	<b>0</b>

The item "Guarantees and other commitments received" breaks down as follows:

Short term swap	
Long term swap	
Interest rate hedging options	304,898
Foreign currency hedging	499,967
Real estate commitments	
Guarantees received	59,898
	<b>864,763</b>

Guarantees between fully consolidated companies within the Group are eliminated.

## 4. Profit and loss accounts per business segment

### Life insurance technical account

(In thousands of euro)	Gross business	31.12.2003 Cessions and retrocession	Net business	2002 Net business
<b>Premiums</b>	<b>3,796,615</b>	<b>69,118</b>	<b>3,727,497</b>	<b>2,826,417</b>
<b>Share of investment income allocated to technical account</b>	<b>753,369</b>		<b>753,369</b>	<b>688,305</b>
<b>Unit-linked asset adjustment (ACAV) (capital gains)</b>	<b>749,773</b>		<b>749,773</b>	<b>140,307</b>
<b>Other technical income</b>	<b>30,391</b>		<b>30,391</b>	<b>24,629</b>
<b>Claims expenses</b>				
Benefit and expenses paid	(1,547,165)	(34,979)	(1,512,186)	(1,344,692)
Provision for claims outstanding	1,951	(2,447)	4,398	(8,351)
<b>Expense for life Insurance provisions and other technical provisions</b>				
Life insurance provisions	(1,593,564)	(26,486)	(1,567,078)	(819,720)
Unit-linked provisions	(1,063,382)	16,347	(1,079,729)	770,623
Other technical provisions	4,968		4,968	(1,733)
<b>Profit sharing</b>	<b>(594,884)</b>		<b>(594,884)</b>	<b>(576,172)</b>
<b>Acquisition and administrative expenses</b>				
Acquisition expense	(142,901)		(142,901)	(136,743)
Administrative expense	(102,155)		(102,155)	(87,626)
Commissions received from reinsurers		(15,708)	15,708	14,648
<b>Unit-linked asset adjustment (ACAV) (capital losses)</b>	<b>(202,146)</b>		<b>(202,146)</b>	<b>(1,412,434)</b>
<b>Other technical expense</b>	<b>(30,123)</b>		<b>(30,123)</b>	<b>(27,206)</b>
<b>Life technical result</b>	<b>60,747</b>	<b>5,845</b>	<b>54,902</b>	<b>50,252</b>
Employee profit-share			(4,355)	(3,995)
Net investment income excluding share allocated to technical account			45,839	36,896
<b>Operating profit</b>			<b>96,386</b>	<b>83,153</b>

Elimination of operations between business segments is recorded in each item of the profit and loss account

## Non life insurance technical accounts

(In thousands of euro)	Gross transaction	31.12.2003 transfer and retrocession	Net transaction	2002 Net transaction
<b>Earned premiums</b>				
Premiums	37,320	2,192	35,128	29,836
Variation in unearned premiums	2,322		2,322	517
<b>Share of investment income allocated to technical account</b>	<b>2,506</b>		<b>2,506</b>	<b>2,299</b>
<b>Other technical income</b>	<b>0</b>		<b>0</b>	<b>0</b>
<b>Claims expense</b>				
Benefits and expenses paid	(28,937)	(794)	(28,143)	(23,986)
Provision for claims outstanding	(2,722)	(885)	<b>(1,837)</b>	(327)
<b>Expenses of other technical provisions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Profit sharing</b>	<b>0</b>		<b>0</b>	<b>0</b>
<b>Acquisition and Administrative expenses</b>				
Acquisition expense	(571)		(571)	(111)
Administrative expense	(34)		(34)	0
Commissions received from reinsurers		(564)	564	371
<b>Other technical expense</b>	<b>(4,673)</b>		<b>(4,673)</b>	<b>(3,578)</b>
<b>Variation in equalization provision</b>			<b>0</b>	
<b>Non-life technical result</b>	<b>5,211</b>	<b>(51)</b>	<b>5,262</b>	<b>5,021</b>
Employee profit-sharing			0	0
Net investment income excluding share allocated to technical account			1,240	659
<b>Operating profit</b>			<b>6,502</b>	<b>5,680</b>

Elimination of operations between business segments is recorded in each item of the profit and loss account.

## 5. Information on the profit and loss account

### 5.1 Gross premiums

(In thousands of euro)	France	2003 UE. (outside France)	Total	2002
<b>LIFE INSURANCE</b>				
Gross written premiums	3,730,046	66,569	3,796,615	2,880,058
<b>NON-LIFE INSURANCE</b>				
Written premiums	37,320		37,320	31,512
Variation in provision for unearned premiums	2,322		2,322	517
<b>Total gross premiums</b>	<b>3,769,688</b>	<b>66,569</b>	<b>3,836,257</b>	<b>2,912,087</b>



## 5.2 Other operating income

(In thousands of euro)	Life	2003		2002
		Non-life	Total	
Grant for legal increase in pensions	15,628		15,628	15,573
Other income	14,763		14,763	9,056
<b>Total other operating income</b>	<b>30,391</b>	<b>0</b>	<b>30,391</b>	<b>24,629</b>

## 5.3 Net financial income

(In thousands of euro)	Life	2003		2002
		Non-life	Total	
<b>Net income from real estate investments</b>	<b>75,059</b>	<b>694</b>	<b>75,753</b>	<b>97,927</b>
Revenues from real property	100,727	51	100,778	96,967
Net capital gains from disposal of real property	13,462	728	14,190	22,707
Management expenses for real estate investments	(15,428)	(73)	(15,501)	(12,720)
Net depreciation expense and provisions	(23,702)	(12)	(23,714)	(9,027)
<b>Net income from investment securities and loans</b>	<b>738,555</b>	<b>2,956</b>	<b>741,511</b>	<b>647,828</b>
Investment income	724,178	1,394	725,572	643,935
Interest and other financial income	14,352	(58)	14,294	17,263
Net capital gains from disposal of investment securities and net depreciation reserve expense	18,465	1,625	20,090	22,556
Investment management costs	(33,435)	(8)	(33,443)	(33,216)
Net write-back of the capitalization reserve				0
Amortization of redemption premiums	14,995	3	14,998	(2,710)
<b>Interest on loans</b>	<b>(14,945)</b>	<b>0</b>	<b>(14,945)</b>	<b>(17,860)</b>
Elimination of intra-group financial result	539	96	635	263
<b>Net financial income</b>	<b>799,208</b>	<b>3,746</b>	<b>802,954</b>	<b>728,158</b>
Unit linked asset adjustment (ACAV) (capital gain)	749,772		749,772	140,307
Unit linked asset adjustment (ACAV) (capital loss)	(202,146)		(202,146)	(1,412,434)
<b>Net financial income</b>	<b>1,346,834</b>	<b>3,746</b>	<b>1,350,580</b>	<b>(543,969)</b>

Breakdown as follows:

(In thousands of euro)	Life	2003		2002
		Non-life	Total	
Share of investment income allocated to technical account	753,369	2,506	755,875	690,604
Net income excluding share allocated to technical account	45,839	1,240	47,079	37,554
Net unit-linked asset adjustment (ACAV)	547,626		547,626	(1,272,127)

Capital gains and losses on intra-group disposals (including real estate) are now restated to include deferred profit sharing and deferred tax.

## 5.4 Insurance services cost

(In thousands of euro)	Life	2003		2002
		Non-life	Total	
Claim costs	1,545,214	31,659	1,576,873	1,394,926
Insurance provision cost	2,651,977		2,651,977	64,175
Policyholder profit-sharing	594,884		594,884	576,171
<b>Total insurance services cost</b>	<b>4,792,075</b>	<b>31,659</b>	<b>4,823,734</b>	<b>2,035,272</b>

## 5.5 Costs or income net of reinsurance disposals

(In thousands of euro)	Life	2003		2002
		Non-life	Total	
Premium ceded	(69,118)	(2,192)	(71,310)	(55,317)
Claims expense ceded	37,425	1,679	39,104	17,571
Technical reserves ceded	10,139		10,139	13,345
Reinsurance commissions received	15,707	564	16,271	15,018
<b>Reinsurance technical result</b>	<b>(5,847)</b>	<b>51</b>	<b>(5,796)</b>	<b>(9,386)</b>

## 5.6 Management costs

(In thousands of euro)	Life	2003		2002
		Non-life	Total	
Acquisition costs	142,901	571	143,472	136,854
Administration costs	102,154	34	102,188	87,626
Other technical costs	30,122	4,674	34,796	30,784
Employees profit share	4,355		4,355	3,995
<b>Total management fees</b>	<b>279,532</b>	<b>5,279</b>	<b>284,811</b>	<b>259,259</b>

## 5.7 Expenditure breakdown

(In thousands of euro)	2003	2002
BREAKDOWN OF PERSONNEL EXPENSE		
Salaries	104,642	103,553
Social security contributions and other personnel expense	43,449	39,895
Profit sharing	4,355	3,995
<b>Total personnel expense</b>	<b>152,446</b>	<b>147,443</b>
COMMISSIONS RELATED TO DIRECT INSURANCE BOOKED DURING THE YEAR	109,545	94,378
OTHER MANAGEMENT COSTS	22,820	17,438

Commissions related to direct insurance are commissions paid to non-employees and to acquisition agents; there was a reclassification in 2002 to adopt this new definition.

## 5.8 Others net income

(In thousands of euro)	2003	2002
Revenues from non-insurance activities	2,901	7,447
Operating expenses from non-insurance activities	(2,947)	(8,293)
<b>Net income from non-insurance activities</b>	<b>(46)</b>	<b>(846)</b>
Other net income :		
Other non-technical income	335	353
Other non-technical expense	(54)	(76)
<b>Total other net income</b>	<b>235</b>	<b>(569)</b>

Non-insurance activities consist of the activities of the subsidiary, Solutions Assurance Vie. Inasmuch as they are not significant, they are included with "other net income".

## 5.9 Extraordinary income

<b>(In thousands of euro)</b>	<b>2003</b>	<b>2002</b>
Extraordinary income	56,513	34,116
Use and write-back of provisions for extraordinary expense	2,253	3,450
Extraordinary expense	(9,982)	(8,040)
Allocation to reserve for extraordinary expense	(2,786)	(1,561)
<b>Extraordinary income</b>	<b>45,998</b>	<b>27,965</b>

This year, the Group recorded extraordinary income of €47,919 thousands related to the capital contribution of La Mondiale's corporate branch (i.e. the "Entreprises" branch) to the Arial company.

## 5.10 Tax expense

<b>(In thousand of euros)</b>	<b>2003</b>	<b>2002</b>
La Mondiale and integrated company tax expenses	3,395	(752)
Deferred tax provision	30,708	23,442
<b>Net tax expenses</b>	<b>34,103</b>	<b>22,690</b>

A tax group has been set up between La Mondiale and its main subsidiaries held at more than 95%. The tax Incorporation agreement enables the parent company to keep the benefit of any tax savings.

## 5.11 Shares in the net income of companies accounted under the equity method

<b>(In thousands of euro)</b>	<b>2003</b>	<b>2002</b>
	0	0
<b>Result</b>	<b>0</b>	<b>0</b>

There are no longer any associate companies.

## 5.12 Staff

The permanent staff of the consolidated companies of La Mondiale Group as of 31 December 2003 includes 2,476 persons. The Group's overall commitments for consolidated companies relating to pensions and retirement indemnities are recorded in the provisions for risks and charges account; they amounted to €6,590 thousands at year-end 2003.

## DATA ON SUBSIDIARIES AND AFFILIATES (ART. L 233-1 AND

(In thousands of euro)	Address		Share capital
<b>SHAREHOLDING IN AFFILIATED COMPANIES</b>			
<b>INSURANCE ACTIVITIES</b>			
Arial Assurance	32, avenue Emile Zola	59370 MONS EN BAROEUL	1,926
La Mondiale Accidents	32, avenue Emile Zola	59370 MONS EN BAROEUL	1,200
La Mondiale Europartner	22, rue Goethe	1637 LUXEMBOURG (G. Duché)	14,362
La Mondiale Partenaire	14, rue Roquépine	75008 PARIS	60,064
Pasi Phae	14, rue Roquépine	75008 PARIS	0
Pelayo Mondiale Vida	Calle Rodriguez San Pedro	28015 MADRID (Spain)	13,530
<b>SHAREHOLDINGS IN COMPANIES IN WHICH A PARTICIPATING INTEREST IS HELD (in the meaning of the chart accounts)</b>			
GIE La Mondiale Cash	32, avenue Emile Zola	59370 MONS EN BAROEUL	38
La Mondiale Gestion d'Actifs SA	32, avenue Emile Zola	59370 MONS EN BAROEUL	900
La Mondiale Participations	32, avenue Emile Zola	59370 MONS EN BAROEUL	10,878
<b>Other equity interests</b>			
Acofi	9, rue Vignon	75008 PARIS	NC
AG2R Gestion d'Actifs	35, boulevard Brune	75014 PARIS	1,530
Grands Crus Investissements	91-93, boulevard Pasteur	75015 PARIS	NC
La Mondiale Développement	32, avenue Emile Zola	59370 MONS EN BAROEUL	38
LM Opportunités	22, boulevard Malesherbes	75008 PARIS	389
Malesherbes Synergies	32, avenue Emile Zola	59370 MONS EN BAROEUL	40
Roquepine Courtage	32, avenue Emile Zola	59370 MONS EN BAROEUL	40
Tradial	32, avenue Emile Zola	59370 MONS EN BAROEUL	2,100
Ventadour Stratégie	22, boulevard Malesherbes	75008 PARIS	40
Versmée & Cie	44, avenue de Saint-Amand	59300 VALENCIENNES	40
<b>OTHER SUBSIDIARIES AND EQUITY INTEREST</b>			
<b>REAL ESTATE ACTIVITIES</b>			
SA La Mondiale Foncière	22, boulevard Malesherbes	75008 PARIS	248,109
SCI Mondiale Pierre	32, avenue Emile Zola	59370 MONS EN BAROEUL	198,329
SCE du Château Larmande		33330 SAINT EMILION	15,900

## L 233-2 OF THE COMMERCIAL CODE

Reserves and retained earnings before Allocation	% ownership	Net book value of shares held by the Group	Outstanding loans and advances not reimbursed	Guarantees and sureties provided by the company	Revenues net of vat	Profit or loss of last fiscal year	Dividend income during the financial year	Remarks
83,517	50.00	2,100			872,177	3,200		
4,316	99.99	2,647			38,912	4,385	7,999	
1,466	100.00	13,384			53,844	316		
137,631	100.00	128,983		2,796,035	2,062,686	8,739	3,899	
185	100.00	0			187	30		
1,678	50.00	7,908			25,096	67		
0	64.00	27	664,027		16,918	0		
689	100.00	900			7,667	3,009		
205,495	80.00	122,225			4,618	4,373	550	
	10.00	991			NC	NC		
	50.00	765			NC	NC		
	12.52	3,049			NC	NC		
(3)	100.00	38			0	(8)		
(115)	99.98	358			0	124		
102	99.84	38			0	(4)		
(8)	100.00	40			0	(5)		
1,902	100.00	2,287			768	179		
735	99.84	51			4,203	481		
NC	43.24	598			NC	NC		
23,982	100.00	309,266			20,941	9,155	15,052	
82,568	100.00	276,616			11,474	4,322	10,961	
452	100.00	19,590			790	3		

FY 1/11/2002-31/10/2003

## NON CONSOLIDATED FINANCIAL STATEMENTS OF LA MONDIALE

AS AT 31 DECEMBER 2003 AND 31 DECEMBER 2002

### COMPTES SOCIAUX

#### BILAN

#### ACTIF

<i>(en milliers d'euros)</i>	Notes	2003	2002
<b>ACTIFS INCORPORELS</b>	4. 1	<b>8</b>	<b>8</b>
<b>PLACEMENTS</b>		<b>13 587 172</b>	<b>11 196 231</b>
Terrains et constructions	4. 1	1 495 250	1 359 144
Placements dans les entreprises liées et dans les entreprises avec lesquelles existe un lien de participation	4. 1	231 132	228 227
Autres placements	4. 1	11 860 789	9 608 859
Créances sur dépôts espèces auprès des cédantes			
<b>PLACEMENTS REPRESENTANT LES PROVISIONS TECHNIQUES AFFERENTES AUX CONTRATS EN UNITES DE COMPTE</b>	3. 1-1	<b>442 001</b>	<b>1 123 026</b>
<b>TOTAL DES PLACEMENTS</b>		<b>14 029 172</b>	<b>12 319 257</b>
<b>PARTS DES CESSIONNAIRES ET RETROCESSIONNAIRES DANS LES PROVISIONS TECHNIQUES</b>		<b>43 867</b>	<b>25 327</b>
Provisions d'assurance-vie		32 094	14 744
Provisions sinistres (vie)		11 772	10 582
<b>CREANCES</b>	4. 3	<b>229 247</b>	<b>246 836</b>
<b>Créances nées d'opérations d'assurance directe</b>		<b>112 722</b>	<b>121 245</b>
Primes acquises non émises		70 530	83 426
Autres créances nées d'opérations d'assurance directe		42 192	37 819
<b>Créances nées d'opérations de réassurance</b>		<b>4 208</b>	<b>3 868</b>
<b>Autres créances</b>		<b>112 317</b>	<b>121 724</b>
Personnel		3 041	1 523
Etat, organismes de Sécurité sociale, collectivités publiques		7 295	8 533
Débiteurs divers		101 982	111 667
<b>AUTRES ACTIFS</b>		<b>457 029</b>	<b>413 035</b>
Actifs corporels d'exploitation		26 296	24 398
Comptes courants et caisse		430 733	388 637
<b>COMPTES DE REGULARISATION</b>		<b>506 896</b>	<b>437 990</b>
Intérêts et loyers acquis non échus		285 709	238 644
Frais d'acquisition reportés	3. 1-4	134 254	146 389
Autres comptes de régularisation		86 932	52 957
<b>DIFFERENCE DE CONVERSION</b>	3. 1-5	<b>3 886</b>	
<b>TOTAL DE L'ACTIF</b>		<b>15 270 104</b>	<b>13 442 451</b>

**COMPTES SOCIAUX****PASSIF**

<i>(en milliers d'euros)</i>	Notes	2003	2002
<b>CAPITAUX PROPRES</b>			
Fonds d'établissement	4. 4	21 526	16 447
Primes de fusion		1 690	1 690
Réserves de réévaluation		656	656
Réserve de capitalisation		289 415	291 712
Autres réserves		336 983	304 348
Résultat de l'exercice		32 747	32 635
Ecart résultant de changement de méthodes	3. 1-6	-13 130	-13 930
<b>TOTAUX DES CAPITAUX PROPRES</b>	4. 5	<b>669 888</b>	<b>633 560</b>
<b>PASSIFS SUBORDONNES</b>	4. 6	<b>473 867</b>	<b>348 567</b>
<b>PROVISIONS TECHNIQUES BRUTES</b>		<b>13 326 520</b>	<b>11 066 603</b>
Provisions d'assurance-vie	5. 6	13 015 523	10 681 061
Provisions pour sinistres (vie)		206 169	227 698
Provisions pour participation aux bénéficiaires (vie)		104 828	157 843
Provision pour égalisation			
Autres provisions techniques (vie)			
<b>PROVISIONS TECHNIQUES DES CONTRATS EN UNITES DE COMPTE</b>	3. 1-7	<b>442 291</b>	<b>1 127 705</b>
<b>PROVISIONS POUR RISQUES ET CHARGES</b>	4. 7	<b>26 471</b>	<b>20 383</b>
<b>DETTES POUR DEPOTS EN ESPECES RECUS DES CESSIONNAIRES</b>		<b>48 191</b>	<b>6 494</b>
<b>AUTRES DETTES</b>	4. 3	<b>207 258</b>	<b>182 670</b>
Dettes nées d'opérations d'assurance directe		56 040	58 954
Dettes nées d'opérations de réassurance		84 057	4 757
Dettes envers les établissements de crédit		1 033	19 567
Autres emprunts, dépôts et cautionnements reçus		2 766	12 885
Personnel		20 345	20 117
Etat, organismes de Sécurité sociale et collectivités publiques		21 998	25 980
Créanciers divers		21 019	40 411
<b>COMPTES DE REGULARISATION PASSIF</b>	4. 7	<b>75 617</b>	<b>56 024</b>
<b>DIFFERENCE DE CONVERSION</b>	3. 1-5		<b>445</b>
<b>TOTAL DU PASSIF</b>		<b>15 270 104</b>	<b>13 442 451</b>

**COMPTES SOCIAUX****COMPTE DE RESULTAT  
COMPTE TECHNIQUE DE L'ASSURANCE-VIE**

<i>(en milliers d'euros)</i>	Notes	Opérations brutes	2003 Cessions et retro- cessions	Opérations nettes	2002 Opérations nettes
<b>PRIMES BRUTES</b>	5. 6	<b>3 078 534</b>	<b>46 260</b>	<b>3 032 274</b>	<b>2 098 258</b>
<b>PRODUITS DES PLACEMENTS</b>	5. 1	<b>804 925</b>	<b>0</b>	<b>804 925</b>	<b>780 980</b>
Revenus des placements		639 881	0	639 881	580 470
Autres produits de placements		32 901		32 901	33 040
Profits provenant de la réalisation de placements		123 499		123 499	159 125
Reprise sur la réserve de capitalisation		8 644		8 644	8 345
<b>AJUSTEMENT A.C.A.V (PLUS-VALUES)</b>		<b>42 529</b>	<b>0</b>	<b>42 529</b>	<b>6 131</b>
<b>AUTRES PRODUITS TECHNIQUES</b>		<b>16 759</b>		<b>16 759</b>	<b>16 004</b>
<b>CHARGES DES SINISTRES</b>		<b>989 114</b>	<b>13 283</b>	<b>975 832</b>	<b>777 985</b>
Prestations et frais payés		983 987	10 476	973 511	762 074
Frais de règlement prestations		4 915		4 915	3 185
Charges des provisions pour sinistres		213	2 807	-2 594	12 726
<b>CHARGES DES PROVISIONS D'ASSURANCE-VIE ET AUTRES PROVISIONS TECHNIQUES</b>		<b>2 085 480</b>	<b>26 230</b>	<b>2 059 249</b>	<b>1 104 623</b>
Provisions d'assurance-vie	5. 6	3 238 140	26 194	3 211 946	1 026 053
Provisions transférées au 01/01/2003					
portef Entreprise		-1 527 192	0	-1 527 192	0
Provisions sur contrats en unités de compte		374 531	36	374 495	78 570
Autres provisions techniques		0		0	0
<b>PARTICIPATION AUX RESULTATS</b>	5. 6	<b>506 809</b>		<b>506 809</b>	<b>446 846</b>
<b>FRAIS D'ACQUISITION ET D'ADMINISTRATION</b>		<b>168 815</b>	<b>4 374</b>	<b>164 441</b>	<b>167 709</b>
Frais d'acquisition		140 330		140 330	144 187
Frais d'administration		28 486		28 486	26 678
Commissions reçues des réassureurs			4 374	-4 374	-3 155
<b>CHARGES DES PLACEMENTS</b>	5. 1	<b>137 855</b>		<b>137 855</b>	<b>193 007</b>
Frais internes et externes de gestion des placements et intérêts		49 374		49 374	45 504
Frais internes de gestion des placements		314		314	4 813
Autres charges de placements		63 984		63 984	111 915
Pertes provenant de la réalisation de placements		17 837		17 837	22 437
Dotation à la réserve de capitalisation		6 347		6 347	8 337
<b>AJUSTEMENT A.C.A.V (MOINS-VALUES)</b>		<b>853</b>	<b>0</b>	<b>853</b>	<b>163 706</b>
<b>AUTRES CHARGES TECHNIQUES</b>		<b>17 559</b>		<b>17 559</b>	<b>18 514</b>
<b>PRODUITS DES PLACEMENTS TRANSFERES</b>	3. 2-2	<b>33 353</b>		<b>33 353</b>	<b>28 823</b>
<b>RESULTAT TECHNIQUE DE L' ASSURANCE-VIE</b>		<b>2 909</b>	<b>2 373</b>	<b>535</b>	<b>158</b>



**COMPTES SOCIAUX****COMPTE DE RESULTAT  
COMPTE NON TECHNIQUE**

<i>(en milliers d'euros)</i>	Notes	2003	2002
<b>RESULTAT TECHNIQUE DE L'ASSURANCE-VIE</b>		535	158
<b>PRODUITS DES PLACEMENTS ALLOUES</b>		33 353	28 823
<b>AUTRES PRODUITS NON TECHNIQUES</b>		142	278
<b>AUTRES CHARGES NON TECHNIQUES</b>		0	8
<b>RESULTAT EXCEPTIONNEL</b>		-8 971	-5 106
Produits exceptionnels		210	2 125
Charges exceptionnelles		9 182	7 232
<b>INTERESSEMENT DES SALARIES</b>		3 300	3 050
<b>IMPOTS SUR LES BENEFICES</b>	3. 2-4 - 5. 5	-10 987	-11 540
<b>RESULTAT DE L'EXERCICE</b>		32 747	32 635

**TABLEAU DES ENGAGEMENTS RECUS ET DONNES**

<i>(en milliers d'euros)</i>	Notes	2003	2002
<b>ENGAGEMENTS RECUS</b>	3.3 - 4.8	58 834	57 860
<b>ENGAGEMENTS DONNES</b>			
Avals, cautions et garanties de crédit donnés		15 950	13 970
Titres et actifs acquis avec engagement de revente		0	0
Autres engagements sur titres, actifs ou revenus		2 796 035	568 519
Autres engagements donnés		0	0
<b>VALEURS RECUES EN NANTISSEMENT DES CESSIONNAIRES ET RETROCESSIONNAIRES</b>		11 134	19 561
<b>VALEURS REMISES PAR DES ORGANISMES REASSURES AVEC CAUTION SOLIDAIRE OU AVEC SUBSTITUTION</b>			
<b>VALEURS APPARTENANT A DES INSTITUTIONS DE PREVOYANCE</b>			
<b>AUTRES VALEURS DETENUES POUR COMPTE DE TIERS</b>			
<b>INSTRUMENTS FINANCIERS A TERME</b>	3.3 - 4.8		
Engagements reçus		2 066 424	1 925 866
Engagements donnés		471 138	0

## **ANNEXE AU BILAN, COMPTE DE RESULTAT**

### **ET HORS BILAN AU 31 DECEMBRE 2003**

#### **1. DOMAINE D'ACTIVITE DE LA SOCIETE**

La Mondiale est une société d'assurance sur la vie et de capitalisation régie par le Code des assurances.

Elle est agréée auprès du Ministère de l' Economie et des Finances pour les branches :

- 20 - Assurance vie et décès
- 24 - Capitalisation.

#### **2. FAITS MARQUANTS DE L'EXERCICE**

L'exercice 2003 a été caractérisé par les évènements suivants :

1. En vertu des pouvoirs qui lui ont été conférés par l'assemblée générale ordinaire du 25/04/2003, le Conseil d'Administration de La Mondiale a procédé à l'émission de titres subordonnés à durée indéterminée pour un montant de 200 millions d'euros.
2. Par traité d'apport en date du 19/03/2003, La Mondiale a apporté à Arial Assurance sa branche d'activité Entreprises à effet du 01/01/2003 (agrément fiscal pour l'apport de branche daté du 07/08/2003 suivi de l'arrêté de transfert du 28/10/2003 publié au Journal Officiel du 06/11/2003).  
Le traité d'apport prévoit un transfert de l'ensemble des passifs (contrats adossés à l'actif général et contrats en unités de compte). Pour l'actif, seuls les titres représentatifs des contrats en unités de compte ont été transférés, les engagements adossés à l'actif général faisant l'objet d'un traité de réassurance avec La Mondiale.  
Cette opération, réalisée à la valeur comptable, s'est traduite chez Arial Assurance par une augmentation de capital de 962 K€ (avec émission de 4.814.358 actions au nominal de 0,20 € attribuées à notre société) et une prime d'apport de 1.137 K€  
Cette opération traduit la concrétisation du processus de partenariat avec AG2R, Arial Assurance regroupant désormais les contrats collectifs de retraite et de prévoyance vendus à la clientèle des PME et des Grandes Entreprises.  
Par le traité de réassurance, La Mondiale réassure 100% des engagements Euros d'Arial Assurance relevant du portefeuille apporté, y compris le montant de provisions apportées au 01/01/2003. Pour donner aux comptes 2003 leur véritable présentation économique et pour faciliter leur comparaison tant dans le passé que dans le futur, la Société a préféré inscrire la réassurance de la provision apportée au 01/01/2003 sous la rubrique 6abis «Charges de provisions transférées au 01/01/2003 portefeuille Entreprises» du chapitre 6 «Charges des provisions d'assurance vie» du compte de résultat plutôt que sous le chapitre 1 «Primes brutes ».
3. Ces actions Arial Assurance ont fait l'objet d'un apport à leur valeur comptable à notre filiale La Mondiale Participations qui a émis 1.876.738 actions nouvelles attribuées à notre société.

### **3. PRINCIPES ET METHODES COMPTABLES**

Les comptes annuels sont établis et présentés conformément aux dispositions du Code des assurances, du décret du 08/06/1994 et de l'arrêté du 20/06/1994 en vue de la transposition de la directive n° 91-674 CEE du 19/12/1991 concernant les comptes sociaux des entreprises d'assurance.

Les comptes annuels sont exprimés en milliers d'euros.

#### **3.1 POSTES DE BILAN**

##### **3.1.1 PLACEMENTS**

###### **3.1.1.1 COUTS D'ENTREE ET REGLES D'EVALUATION DES VALEURS DE REALISATION EN FIN D'EXERCICE**

###### **PLACEMENTS IMMOBILIERS**

Les terrains, immeubles et parts de sociétés immobilières non cotées sont inscrits à leur valeur d'acquisition nette de frais d'achat et d'impôts et augmentée des travaux de construction et d'amélioration.

Les frais d'acquisition (droits de mutation, honoraires, frais d'acte ...) sont portés au compte de régularisation actif et amortis sur 3 ans selon le mode linéaire sans prorata temporis sur l'année d'acquisition.

Les immeubles de placement (bureaux et bureaux d'exploitation) sont amortis linéairement sur une durée de 40 ans et les immeubles de placements (habitation) sur une durée de 50 ans.

Depuis le 01/01/2003, les frais d'entretien et de réparation, correspondant à des programmes pluriannuels de grosses réparations, sont immobilisés en tant que composants conformément à l'article 5.2 du règlement CRC n° 2002-10 du 12/12/2002

La valeur de réalisation des immeubles, qui figure dans l'état des placements, est déterminée à partir d'expertises quinquennales par un expert agréé par la Commission de Contrôle des Assurances. Ces expertises sont actualisées annuellement.

###### **PLACEMENTS DANS DES ENTREPRISES LIEES ET DANS DES ENTREPRISES AVEC LESQUELLES EXISTE UN LIEN DE PARTICIPATION**

Ils sont enregistrés à leur coût d'acquisition.

###### **AUTRES PLACEMENTS**

Les titres à revenus fixes sont inscrits à leur coût d'achat hors intérêt couru.

La différence entre la valeur d'achat et la valeur de remboursement, calculée ligne à ligne selon la méthode actuarielle, est rapportée au résultat sur la durée de vie résiduelle des titres. La contrepartie est enregistrée dans les comptes de régularisation actif ou passif.

La valeur estimée de réalisation des valeurs mobilières à revenus fixes correspond à leur valeur cotée du dernier jour de cotation de l'exercice ou à leur valeur vénale.

Les autres valeurs mobilières sont inscrites au bilan au prix d'achat.

Leur valeur de réalisation est déterminée comme suit :

- les actions : la valeur de réalisation est déterminée conformément à l'article R 332-20 du Code des assurances
- les titres cotés : le dernier cours coté au jour de l'inventaire
- les titres non cotés : la valeur vénale, qui correspond au prix qui en serait obtenu dans des conditions normales de marché et en fonction de leur utilité pour l'entreprise.
- les actions de SICAV et les FCP : le dernier prix de rachat publié au jour d'inventaire.

Les plus ou moins values sur cessions de valeurs mobilières sont enregistrées au compte de résultat de l'année de la cession. Elles sont déterminées selon la méthode FIFO (premier entré – premier sorti)

#### **PLACEMENTS REPRESENTATIFS DES CONTRATS EN UNITES DE COMPTE.**

Les placements représentant les provisions techniques afférentes aux contrats en unités de compte sont évalués en fin d'exercice à leur valeur de réalisation, déterminée conformément aux contrats auxquels ils se rapportent. Les variations en résultant sont inscrites séparément au compte de résultat et sont sans effet sur le résultat technique et le résultat net de l'exercice.

#### **TITRES PRETES OU MIS EN PENSION.**

Les titres prêtés ou mis en pension sont enregistrés au bilan en diminution du poste "autres placements".

### **3.1.1.2 PROVISIONS**

#### **VALEURS MOBILIERES A REVENUS FIXES**

Conformément aux dispositions de l'article R 332-19 du Code des assurances, dans la mesure où la compagnie a l'intention et la capacité de détenir jusqu'à leur date de remboursement les valeurs mobilières à revenus fixes, les moins values éventuelles résultant de la comparaison de leur valeur nette comptable, diminuée ou majorée de l'amortissement des surcotes/décotes, avec leur valeur de réalisation ne font pas l'objet de provision pour dépréciation.

Toutefois une provision pour dépréciation est constituée lorsqu'il est considéré que le débiteur ne sera pas en mesure de respecter ses engagements, soit pour le paiement des intérêts, soit pour le remboursement du principal.

#### **PLACEMENTS IMMOBILIERS, VALEURS MOBILIERES A REVENUS VARIABLES ET AUTRES PLACEMENTS, AUTRES QUE CEUX REPRESENTANT LES PROVISIONS TECHNIQUES AFFERENTES AUX CONTRATS EN UNITES DE COMPTE.**

Conformément aux dispositions comptables définies aux articles R 331-3 et R 332-20 du Code des assurances doivent être constituées :

- une provision pour risque d'exigibilité des engagements techniques lorsque l'ensemble de ces actifs est globalement en moins-value latente.

La Mondiale n'a pas eu à constituer cette provision au 31/12/2003.

- une provision pour dépréciation déterminée ligne à ligne pour ces mêmes actifs dans la mesure où la valeur de référence (valeur d'utilité ou valeur de rendement) fait apparaître une décote significative et présentant un caractère durable.

## **1 - DÉTERMINATION DE LA VALEUR DE REFERENCE**

La valeur de référence est déterminée sur la base d'une évaluation qui est fonction de la nature des actifs et de la stratégie de détention.

Cette dernière, qui porte sur les objectifs de placement, les durées de détention et la politique d'arbitrage, est fixée par l'entreprise dans une optique de continuité, sans toutefois faire obstacle à la saisie d'opportunités de marchés.

**Les actifs immobiliers** sont classés en deux catégories :

- les immeubles d'exploitation, destinés à être conservés par l'entreprise et dont la valeur de référence retenue pour l'évaluation est la valeur d'utilité
- les immeubles locatifs (ou de placement), également destinés à être conservés par l'entreprise et dont la valeur de référence est fonction de la valeur de rendement tenant compte des flux futurs.

Par exception, dans le cas où les immeubles sont destinés à être vendus dans un bref délai, la valeur prise en considération au lieu et place des valeurs d'utilité ou de rendement est la valeur de réalisation probable, c'est-à-dire la valeur de négociation ou, par défaut, la valeur d'expertise figurant à l'état détaillé des placements.

**Les actions** sont classées en deux catégories :

- les titres de participation, dont la valeur de référence est la valeur d'usage, laquelle est fonction de l'utilité que la participation présente pour l'entreprise.  
Pour ceux des titres de participation devant être cédés rapidement, c'est la valeur de réalisation figurant à l'état détaillé des placements ou la dernière valeur connue lors de l'arrêt des comptes, qui est retenue comme référence,
- les titres de placement, qui sont évalués à leur valeur probable de négociation.

## **2 - DÉTERMINATION DE LA PROVISION POUR DEPRECIATION DURABLE**

Une provision pour dépréciation est constatée ligne à ligne dans le cas où les valeurs de référence sont inférieures aux valeurs d'acquisition, pour autant qu'elle présente un caractère significatif et durable.

Lors de la première application de cette méthode, les provisions pour dépréciation au 01/01/1995 ont été imputées par les capitaux propres conformément à l'avis n° 95/07 du Conseil National de la Comptabilité. Depuis cette date, les dotations sont enregistrées par le compte de résultat.

Depuis 2002, les actions, qui présentent une dépréciation significative et pour lesquelles la Société s'engage à les détenir durablement, sont évaluées sur la base de la valeur actualisée des dividendes escomptés. Une provision est constatée à hauteur de l'écart existant entre cette valeur d'estimation et la valeur comptable lorsque la dépréciation dépasse 50%. Elle est limitée aux 2/3 de l'écart lorsque la dépréciation est comprise entre 30 % et 50%

### **3.1.2 AUTRES ACTIFS**

Les actifs incorporels comprennent notamment les logiciels qui sont amortis sur une durée de trois ans.

Les actifs corporels d'exploitation font l'objet d'amortissement annuel selon les modes et les durées suivantes dans la généralité des cas :

- agencements : 10 ans en linéaire
- matériel de transport : 4 ans en linéaire
- mobilier et matériel : 10 ans en linéaire
- matériel informatique : 4 ans en dégressif

Les coûts internes et externes de développements informatiques relevant de projets nommément désignés sont immobilisés à l'actif du bilan et font l'objet d'un amortissement sur la durée de vie prévisible du projet qui est généralement de 3 à 5 ans.

### **3.1.3 CREANCES**

Les créances sont enregistrées à leur valeur nominale.

Une provision pour dépréciation est constituée lorsque la valeur d'inventaire est inférieure à la valeur comptable.

### **3.1.4 COMPTES DE REGULARISATION**

#### **FRAIS D'ACQUISITION REPORTEES**

Les frais d'acquisition relatifs aux contrats produits dans l'exercice ont été inscrits à l'actif et donnent lieu à un amortissement linéaire calculé sur la durée de vie résiduelle de ces contrats. Ces frais comprennent les commissions et les frais internes affectés (charges directes et indirectes).

Conformément à l'article R 332-35 du Code des assurances, La Mondiale a limité le montant des "frais d'acquisition reportés" à l'écart de zillmérisation. Il est évalué à :

146.389 K€ au 31/12/2002 et à 134.254 K€ au 31/12/2003.

Une provision pour frais d'acquisition reportés est incluse dans les provisions techniques pour le même montant.

#### **CHARGES A ETALER**

Les coûts externes d'études d'organisation relevant de projets nommément désignés et dont les effets bénéfiques se traduiront sur les exercices futurs sont comptabilisés en "Charges à étaler sur plusieurs exercices" à l'actif du bilan et font l'objet d'un étalement sur la durée de vie prévisible du projet et au maximum sur 5 ans.

Les frais d'acquisition de La Mondiale Partenaire font également l'objet d'un étalement sur 5 ans.

### **3.1.5 DIFFERENCE DE CONVERSION**

Les opérations en devises out sont converties en euros d'après les cours de change du jour d'inventaire.

Les écarts résultant de la conversion en euros à l'inventaire des opérations en devises out sont portés au passif (en cas de différences positives) et à l'actif (en cas de différences négatives). Une provision pour perte de change est constituée à hauteur du net des différences de conversion lorsque, toutes devises confondues, la différence de conversion est négative.

Ne sont pas considérées comme opérations en devises les opérations concernant les titres des participations étrangères, ainsi que les mouvements relatifs à la réserve de capitalisation.

### **3.1.6 FONDS PROPRES**

Au 31/12/1995 La Mondiale avait procédé à un prélèvement sur les fonds propres de 119.894 K€ au titre des provisions pour dépréciation durable sur ses actifs de placement existant au 01/01/1995. Ces provisions font l'objet de reprises en fonction des cessions de placements ou de corrections éventuelles des valeurs de référence qui ont eu lieu au cours de l'exercice. Ces reprises sont affectées sur les autres postes de réserves. Au 31/12/2003 des provisions, prélevées sur fonds propres, subsistent pour un montant total de 13.130 K€

Conformément à la loi sur l'Épargne et la Sécurité Financière du 25/06/1999 et son décret d'application n°99-688 du 03/08/1999, l'assemblée générale ordinaire du 25/04/2003 a décidé une dotation à la réserve pour fonds de garantie pour 337 K€ portant cette réserve à un total de 2.710 K€

### **3.1.7. PROVISIONS TECHNIQUES**

Ces provisions sont déterminées en brut de réassurance, la part à la charge des réassureurs figurant à l'actif.

#### **PROVISIONS D'ASSURANCE VIE**

Elles comprennent les provisions mathématiques qui représentent la différence entre les valeurs actuelles des engagements pris par l'assureur et ceux pris par l'assuré :

- pour l'assureur, il s'agit de la valeur actuelle du capital garanti compte tenu de la probabilité de versement de ce capital.
- pour l'assuré, il s'agit de l'engagement à la valeur actuelle des cotisations restant à payer.

Les provisions mathématiques sont calculées par référence aux tables homologuées établies sur la base de données publiées par l'Institut National de la Statistique et des Etudes Economiques (INSEE).

La prise en compte des effets des tables prospectives sur les provisions de rentes en cours de constitution faisait l'objet jusqu'alors d'un étalement régulier sur 15 ans depuis l'exercice 1993. Dans la mesure où la totalité de l'engagement non encore provisionné est constatée dans les comptes consolidés, la société a décidé de limiter la charge liée à la dérive des tables de mortalité à l'insuffisance constatée lors de l'option de la rente, au terme de la période de constitution. Les rentes en service sont provisionnées sur la base des tables prospectives.

### **PROVISIONS POUR SINISTRES (VIE)**

Elles correspondent aux capitaux échus et aux sinistres survenus non encore réglés au 31 décembre.

### **PROVISIONS POUR PARTICIPATION AUX BENEFICES :**

Elles correspondent aux participations des assurés aux bénéfices techniques et financiers réalisés par la compagnie. Ces participations sont destinées à être versées aux assurés et à accroître leurs garanties (par incorporation aux provisions mathématiques).

Conformément à la décision du Conseil d'Administration du 30/12/2003, la provision a été dotée pour un montant de 48.000 K€ au 31/12/2003. En application de l'article A 331-9 du Code des assurances, cette provision sera inscrite aux provisions mathématiques ou versée aux souscripteurs, dans un délai de 8 ans.

### **PROVISION POUR ALEAS FINANCIERS**

Cette provision est définie par l'article A 331-2 du Code des assurances.  
La Mondiale n'a pas eu à doter cette provision au 31/12/2003.

### **PROVISION GLOBALE DE GESTION**

Cette provision est définie par l'article A 331-1-1 du Code des assurances.  
La Mondiale n'a pas eu à doter cette provision au 31/12/2003.

### **PROVISION POUR GARANTIE PLANCHER**

Cette provision est destinée à couvrir la garantie minimum accordée aux clients en cas de décès lorsque de par l'évolution des marchés boursiers la valeur de l'engagement des contrats en unités de compte est inférieure à la garantie minimale.

La provision est calculée sur la base d'une vie entière au tarif TD 88-90 et au taux de 2,50% pour les produits d'épargne et de retraite hors PEP et sur la base de la méthode des Puts pour les produits de retraite PEP.

### **PROVISIONS TECHNIQUES DES CONTRATS EN UNITES DE COMPTE.**

Les "provisions techniques des contrats en UC" n'intègrent à compter de 2001 que la part UC pures des contrats libellés en unités de compte et représentés par des OPCVM pour un montant de 442.001 K€. Au 31/12/2002 ce montant s'élevait à 1.123.026 K€. La part adossée à l'actif général en Euros des contrats en UC est intégrée dans l'actif général de La Mondiale à compter de 2001.

Il s'agit de provisions mathématiques ; les provisions des contrats représentés par des OPCVM sont réévaluées en fin d'exercice en fonction de la valeur de réalisation de ces titres à la clôture de l'exercice.



### **3.1.8. DETTES**

Les dettes sont enregistrées à leur valeur nominale.

## **3.2 POSTES DU COMPTE DE RESULTAT**

### **3.2.1 PRIMES**

Les primes correspondent aux primes émises, nettes d'annulation et aux primes à émettre pour la part acquise de l'exercice.

### **3.2.2 PRODUITS FINANCIERS**

Conformément à l'annexe à l'article A 343-1 (3ème alinéa), les produits financiers ont été enregistrés pour leur totalité en "résultat technique vie".

La part de ces produits générés par le placement de fonds provenant des capitaux propres a été transférée au "résultat non technique" pour un montant de 33.353 K€, conformément à la décision du Conseil d'Administration du 30/12/2003.

### **3.2.3 REPARTITION DES CHARGES PAR DESTINATION**

L'arrêté du 20/06/1994 relatif au nouveau plan comptable assurance impose la répartition des charges par destination.

Cette démarche a pour objectif de répartir les charges d'exploitation, préalablement comptabilisées par nature, entre les différentes grandes fonctions de la société d'assurance.

La démarche retenue par La Mondiale pour passer des comptes par nature à la répartition par destination se fait par répartitions successives en cascade des coûts complets de chaque service.

A l'issue de cette répartition, les coûts de services sont répartis entre les grandes fonctions de l'entreprise : acquisition et administration des contrats, règlement des prestations, gestion des placements et autres services techniques.

### **3.2.4 IMPOTS SUR LES BENEFICES**

Il a été constitué un groupe fiscal entre La Mondiale et ses principales filiales.

La convention d'intégration fiscale permet à la Société mère de conserver les éventuelles économies d'impôt ; chaque société intégrée supporte sa charge d'impôt comme en absence d'intégration fiscale.

## **3.3 ENGAGEMENTS HORSBILAN**

Les engagements donnés et reçus sont enregistrés à leur valeur nominale.

La Mondiale a réalisé les opérations suivantes sur les instruments financiers à terme :

Achat en 1998, 1999 et 2000 d'options sur swaps de taux d'intérêt en vue de couvrir les risques liés à la baisse des taux. Une partie de ces contrats a fait l'objet d'avenants en 2002 allongeant la période de couverture. Les montants nominaux des options sont constatés en engagements hors bilan. Les primes

correspondantes ont été constatées dans un compte de bilan et font l'objet d'un amortissement linéaire sur la durée de vie de la stratégie, période optionnelle et période de couverture du swap.

Achat en 2003 d'options sur swaps de taux d'intérêt en vue de couvrir les risques liés à la hausse des taux qui engendrerait une inversion des flux de trésorerie en période de baisse des cours des obligations à rendement faible.

Achat de swaps long terme et court terme afin de vendre du taux fixe contre du taux variable et permettre la couverture de sous jacents adossant les emprunts subordonnés.

Achat en 2003 de contrats Bund afin de couvrir le risque de baisse de taux d'intérêt d'obligations à acquérir.

Toutes les opérations s'inscrivent dans le cadre d'une stratégie de rendement sauf pour les contrats Bund qui répondent à une stratégie d'investissement, et sont comptabilisées et suivies conformément au règlement du CRC n° 2002-09 du 12/12/2002.

Les engagements de retraite ne sont pas provisionnés et font l'objet d'une information (cf §6 - autres informations)

## 4. NOTES SUR LES POSTES DE BILAN

### 4. 1. EVOLUTION DES ACTIFS

#### a) Actifs incorporels et placements

VALEUR BRUTE ( en milliers d'euros )	AU 01/ 01/ 2003	AUGMENTATIONS	DIMINUTIONS	TRANSFERTS	AU 31/ 12/ 2003
Actifs incorporels ( 1 )	8	0	0	0	8
Terrains et constructions	1 552 536	390 970	278 530	0	1 664 976
Titres de propriété sur entreprises liées et participations	229 657	29 461	26 637	0	232 482
Bons, obligations et créances sur ces entreprises	0	0	0	0	0
<b>TOTAL</b>	<b>1 782 201</b>	<b>420 431</b>	<b>305 166</b>	<b>0</b>	<b>1 897 466</b>

( 1 ) Ce poste enregistre la marque d'un produit d'assurance

Les titres de participation dans les entreprises d'assurance représentent 9.884 K€.

La Mondiale s'est engagée, par une convention du 11/07/2003, à conserver pendant 3 ans les titres La Mondiale Participations reçus en rémunération de l'apport des titres Arial Assurance.

<b>AMORTISSEMENTS ET PROVISIONS</b> <i>( en milliers d'euros )</i>	<b>AU 01/ 01/ 2003</b> <b>( 1 )</b>	<b>AUGMENTATIONS</b>	<b>DIMINUTIONS</b>	<b>TRANSFERTS</b>	<b>AU 31/ 12/ 2003</b> <b>( 1 )</b>
Actifs incorporels	0	0	0		0
Terrains et constructions	134 033	16 916	36 082	0	114 867
Titres de propriété sur entreprises liées et participations	0	0	0		0
Bons, obligations et créances sur ces entreprises	0	0	0		0
<b>Sous-total Amortissements</b>	<b>134 033</b>	<b>16 916</b>	<b>36 082</b>	<b>0</b>	<b>114 867</b>
Actifs incorporels	0	0	0		0
Terrains et constructions	59 359	0	4 500	0	54 859
Titres de propriété sur entreprises liées et participations	1 430	0	80		1 350
Bons, obligations et créances sur ces entreprises	0	0	0		0
<b>Sous-total Provisions</b>	<b>60 789</b>	<b>0</b>	<b>4 580</b>	<b>0</b>	<b>56 209</b>
<b>TOTAL</b>	<b>194 822</b>	<b>16 916</b>	<b>40 662</b>	<b>0</b>	<b>171 076</b>
<b>VALEUR NETTE</b>	<b>1 587 379</b>	<b>403 515</b>	<b>264 505</b>	<b>0</b>	<b>1 726 390</b>

( 1 ) Y compris les provisions pour dépréciation à caractère durable dotées par prélèvement sur les fonds propres en 1995 soit 12.664 K€au 01/01/2003 et 11.864 K€au 31/12/2003.

Les méthodes d'amortissement, les durées de vie estimées des biens et les méthodes de calcul des provisions sont décrites dans le chapitre "Principes et méthodes comptables".

**b) Autres placements et placements représentant les provisions des contrats en unités de compte**

<b>VALEUR BRUTE</b> <i>( en milliers d'euros )</i>	<b>AU 01/ 01/ 2003</b>	<b>AUGMENTATIONS</b> <b>(1)</b>	<b>DIMINUTIONS</b> <b>(1)</b>	<b>TRANSFERTS</b>	<b>AU 31/ 12/ 2003</b>
Actions et autres titres à revenus variables autres que les parts d'O.P.C.V.M	1 460 738	4 630 795	4 341 469	0	1 750 064
Parts d'O.P.C.V.M. (autres que celles visées ci dessous)	198 417	150 738	100 884	0	248 270
Parts d'O.P.C.V.M. détenant exclusivement des titres à revenus fixes	76 245	1 126 385	1 152 542	0	50 088
Obligations et autres titres à revenus fixes	8 327 006	8 274 924	6 319 820	0	10 282 110
Autres placements	37 571	41 932	42 232	0	37 271
Placements représentatifs des contrats en unités de compte	1 123 026	650 402	545 648	-785 779	442 001
A déduire : titres prêtés ou mis en pension	-399 977	9 947 533	9 947 627	0	-400 071
<b>TOTAL</b>	<b>10 823 024</b>	<b>24 822 711</b>	<b>22 450 222</b>	<b>-785 779</b>	<b>12 409 734</b>

<b>AMORTISSEMENTS ET PROVISIONS</b> <i>( en milliers d'euros )</i>	<b>AU 01/ 01/ 2003</b>	<b>AUGMENTATIONS</b>	<b>DIMINUTIONS</b>	<b>TRANSFERTS</b>	<b>AU 31/ 12/ 2003</b> <b>(2)</b>
Actions et autres titres à revenus variables autres que les parts d'O.P.C.V.M	86 053	20 066	4 266	0	101 854
Parts d'O.P.C.V.M. (autres que celles visées ci dessous)	0	0	0	0	0
Parts d'O.P.C.V.M. détenant exclusivement des titres à revenus fixes	0	0	0	0	0
Obligations et autres titres à revenus fixes	4 973	217	190	0	5 000
Autres placements	113	0	23	0	90
Placements représentatifs des contrats en unités de compte	0	0	0	0	0
A déduire : titres prêtés ou mis en pension	0	0	0	0	0
<b>TOTAL</b>	<b>91 140</b>	<b>20 283</b>	<b>4 479</b>	<b>0</b>	<b>106 944</b>
<b>VALEUR NETTE</b>	<b>10 731 885</b>	<b>24 802 427</b>	<b>22 445 743</b>	<b>-785 779</b>	<b>12 302 790</b>

*( 1 ) Y compris les virements de compte à compte entre les lignes de titres et la ligne « titres prêtés ou mis en pension » (sorties et rentrées des titres en portefeuille).*

*( 2 ) Y compris les provisions pour dépréciation à caractère durable dotées par prélèvement sur les fonds propres en 1995 soit 1.265 K€.*

*La Mondiale a constitué auprès de la BNP Paribas Securities Services un gage sur un compte d'instruments financiers permettant le nantissement au profit de La Mondiale Partenaire de titres à hauteur d'un montant de 2.796.035 K€*

La provision pour dépréciation durable sur actions cotées a été augmentée en 2003 de 16.524 K€

	AU 01/01 03	AUGMENTATIONS	DIMINUTIONS	TRANSFERTS	AU 31/12/03
<b>CUMUL DES PLACEMENTS</b>	<b>12 319 264</b>	<b>25 205 943</b>	<b>22 710 248</b>	<b>-785 779</b>	<b>14 029 180</b>

Au 31 décembre 2003 les plus values latentes ressortent à 967.931 K€ contre 706.886 K€ au 31 décembre 2002.

Les actifs en devises représentent un montant de 786.100 K€ L'écart de conversion actif a été provisionné pour 3.886 K€

#### **4. 2. OPÉRATIONS AVEC LES ENTREPRISES LIÉES ET CELLES AVEC LESQUELLES EXISTE UN LIEN DE PARTICIPATION**

##### **a) Opérations avec les entreprises liées**

Les créances et les dettes s'élèvent respectivement à 1.009 K€ et 32.189 K€

##### **b) Opérations avec les entreprises ayant un lien de participation**

Les créances et les dettes s'élèvent respectivement à 32.090 K€ et 3.977 K€

Ces créances et dettes correspondent à des opérations courantes et sont exigibles à court terme.

#### **4. 3. CREANCES ET DETTES SELON LEUR DURÉE**

La totalité des créances et des dettes représentant respectivement un montant net de 229.247 K€ et 207.258 K€ est à moins d'un an d'échéance.

#### **4. 4. FONDS D'ETABLISSEMENT**

La Mondiale est une société d'assurance mutuelle sur la vie et de capitalisation.

Le fonds d'établissement constitué s'élève à 21.526 K€.

## 4. 5. FONDS PROPRES

FONDS PROPRES ( en milliers d'euros )	AU 01/ 01/ 2003	VARIATION	AU 31/ 12/ 2003
<b>FONDS D'ETABLISSEMENT</b>	762	0	762
<b>FONDS D'ETABLISSEMENT DROITS D'ADHESION</b>	15 685	5 079	20 764
<b>PRIMES DE FUSION</b>	1 690	0	1 690
<b>RESERVE DE REEVALUATION</b>	656	0	656
<b>RESERVES STATUTAIREES</b>			
Réserve de plus-values nettes à long terme	173 414	0	173 414
Réserve facultative	128 487	32 289	160 776
<b>RESERVES REGLEMENTEES</b>			
Réserve de capitalisation	291 712	-2 297	289 415
Autres réserves réglementées	74	9	83
Réserve pour fonds de garantie	2 373	337	2 710
<b>ECART RESULTANT DE CHANGEMENT DE METHODES</b>	-13 930	800	-13 130
<b>RESULTAT</b>			
Résultat de l'exercice 2002	32 635	-32 635	
Résultat de l'exercice 2003		32 747	32 747
<b>TOTAL</b>	<b>633 560</b>	<b>36 328</b>	<b>669 888</b>

En application de l'article 42 de la loi de finances pour 1999, et sur décision du Conseil d'Administration du 17 juin 1999, un droit d'adhésion a été prélevé sur la première cotisation versée par les nouveaux sociétaires. Le montant porté en fonds d'établissement en 2003 est de 5.079 K€.

## 4. 6. PASSIFS SUBORDONNES

### TITRES SUBORDONNES A DUREE INDETERMINEE

Après approbation de la commission de contrôle des assurances du 11 février 2003, l'AGO du 25 avril 2003 a donné pouvoir au conseil d'administration de procéder à l'émission :

- Le 14 octobre 2003 de la première tranche de 175.000 K€ et le 21 novembre 2003 de la deuxième tranche de 25.000 K€ de titres subordonnés à durée indéterminée. Le taux d'intérêt applicable est fixé à 5,875% jusqu'en 2013 puis est calculé sur l'EURIBOR 3 mois majoré de 2,70% au delà.

### TITRES SUBORDONNES REMBOURSABLES

Après l'approbation de la Commission de Contrôle des Assurances, l'AGO du 30 mai 1997 a donné pouvoir au conseil d'administration de procéder à l'émission :

- Le 23 décembre 1997 d'un emprunt de 22.867 K€(150 000 KF) sous forme de 150 titres subordonnés de 152 K€ (1 000 KF) remboursable en 3 échéances égales de 2002 à 2004 avec possibilité de remboursement par anticipation.  
Le taux d'intérêt applicable est calculé sur le PIBOR 3 mois majoré de 0,35%.

Depuis 1997 deux échéances de 7.622 K€(50.000 KF) ont été remboursées.

- *Le 10 Septembre 1998 d'un emprunt de 15.245 K€ (100 000 KF) sous forme de 100 titres subordonnés de 152 K€ (1 000 KF) remboursable en 2008*  
Le taux d'intérêt applicable est calculé sur le PIBOR 3 mois majoré de 0,55%.
- *Le 17 Mai 1999 d'un emprunt subordonné de 66 000 K€ remboursable le 17 Mai 2019 avec possibilité de remboursement par anticipation le 17 mai 2009. Le taux d'intérêt applicable est calculé sur l'EURIBOR 6 mois majoré de 1% jusqu'au 17 Mai 2009 et 2% jusqu'au 17 Mai 2019.*

Après approbation de la commission de contrôle des assurances, l'AGO du 30 avril 1999 a donné pouvoir au conseil d'administration de procéder à l'émission :

- *Le 27 mars 2000 d'un emprunt subordonné de 70 000 K€ remboursable le 27 mars 2020 avec possibilité de remboursement par anticipation le 27 mars 2010. Le taux d'intérêt applicable est calculé sur l'EURIBOR 6 mois majoré de 1,35% jusqu'au 27 Mars 2010 et 2,35% jusqu'au 27 Mars 2020. Une tranche complémentaire de 15.000 K€ a été tirée le 26 février 2001.*

Après approbation de la commission de contrôle des assurances, l'AGO du 27 avril 2001 a donné pouvoir au conseil d'administration de procéder à l'émission :

- *Le 20 mars 2002 d'un emprunt subordonné de 100.000 K€ remboursable en 2022, avec possibilité de remboursement par anticipation chaque 20 mars à compter de 2012.*  
Le taux d'intérêt est fixé à 6,50% swapé sur l'EURIBOR 6 mois majoré de 1,43%.

En synthèse, les émissions de titres se résument comme suit :

PASSIFS SUBORDONNES ( en milliers d'euros )	DUREE	NOMINAL	ECHEANCES		
			- 1 AN	DE 1 A 5 ANS	PLUS DE 5 ANS
TSR 1997	7 ans	22 867	7 622	0	0
TSR 1998	10 ans	15 245	0	15 245	0
Emprunt subordonné 1999	20 ans	66 000	0	0	66 000
Emprunt subordonné 2000	20 ans	85 000	0	0	85 000
Emprunt subordonné 2002	20 ans	100 000	0	0	100 000
TSDI 2003	indéterminée	200 000	0	0	200 000
<b>TOTAL</b>		<b>489 112</b>	<b>7 622</b>	<b>15 245</b>	<b>451 000</b>

#### 4. 7. AUTRES INFORMATIONS SUR LE BILAN

##### a) Provisions pour risques et charges

PROVISIONS POUR RISQUES ET CHARGES ( en milliers d'euros )	AU 01/ 01/ 2003	DOTATION	REPRISE ET VIREMENT	AU 31/ 12/ 2003
PROVISIONS A CARACTERE :				
Gestion courante	7 582	4 223	1 538	10 267
Financier	677	3 888	294	4 271
Exceptionnel	12 123	0	191	11 933
Pensions et obligations similaires	0	0	0	0
<b>TOTAL</b>	<b>20 383</b>	<b>8 111</b>	<b>2 022</b>	<b>26 471</b>

Les provisions de gestion courante enregistrent les risques liés à l'exercice de l'activité courante de l'entreprise. Les provisions à caractère financier enregistrent les risques liés à la gestion des actifs de l'entreprise : litiges immobiliers ou pertes de change.

Les provisions exceptionnelles concernent essentiellement la provision pour impôts différés et les provisions pour risques liés au contrôle fiscal.

La provision pour impôts différés de 5.831 K€ a été constituée avant le 01 janvier 1997. A compter de cette date, les impôts différés nouveaux sont enregistrés dans les comptes consolidés et non dans les comptes sociaux.

## b) Comptes de régularisation

Le poste "compte de régularisation passif" correspond essentiellement à l'amortissement de la différence entre le prix d'achat et le prix de remboursement d'obligations pour 71.651 K€

## 4. 8. HORS BILAN

Parmi les engagements hors bilan, les engagements passés avec les entreprises ayant un lien de participation (au sens du NPCA) sont :

engagements reçus	Néant
engagements donnés	2.800.772 K€
dont	2.796.035 K€ correspondant à l'engagement donné à LM Partenaire en garantie de sa créance de réassurance des contrats adossés à des supports euros.

Les principaux autres engagements reçus, en dehors de ceux avec des entreprises ayant un lien de participation avec La Mondiale, correspondent à :

- Options de couverture de taux	1.557.347 K€
- Contrats Futures reçus	37.940 K€
- Swaps de taux d'intérêt	471.138 K€
- Autres engagements	58.834 K€

Les engagements donnés incluent 10.938 K€ d'achats de titres et 5.012 K€ de cautions sur emprunts et instruments financiers.

Les instruments financiers utilisés par La Mondiale servent principalement à couvrir le taux de rendement du Fonds Général.

Les contrats Bund ont été acquis pour couvrir les risques de variation de taux entre l'émission des emprunts subordonnés et leurs réemplois.

### 4.8.1. COUVERTURE A LA BAISSSE DES TAUX

Dans le but de maintenir le taux des nouveaux placements, réinvestissements des obligations échues, et de conserver une adéquation avec les besoins de rendements de contrats à taux minimum garantis, La Mondiale se couvre contre la baisse de taux d'intérêts.

Cette couverture est composée d'instruments négociés sur un marché de gré à gré.

#### 4.8.1.1. Les swaptions

*4.8.1.1.1. Leur position au 31 décembre 2003 est la suivante :*

Année de souscription ( en milliers d'euros )	Nominal	Taux protégé	Date d'option	Durée du swap	Primes payées
Décembre 1998	152 449	4,50%	dec 2011	10	1 768
Décembre 1998	152 449	4,50%	dec 2008	10	1 479
Mars 1998	152 449	4,50%	juin 2012	10	1 845
Février 1999	150 000	4,50%	fev 2010	10	2 468
Mars 1999	150 000	4,50%	mars 2008	10	1 395
Janvier 1999	150 000	4,50%	jan 2009	10	1 800
Mars 1999	150 000	4,50%	avr 2012	10	1 185
Mars 1999	150 000	4,50%	mars 2013	10	1 125
Mars 2000	150 000	4,50%	mars 2013	10	264
<b>TOTAL</b>	<b>1 357 347</b>				<b>13 328</b>



#### ***4.8.1.1.2. Principes et méthodes comptables***

Le montant du notionnel est comptabilisé en engagement hors bilan.

Les primes payées sont comptabilisées dans un compte de régularisation et amorties sur la durée de la stratégie, période optionnelle et période de couverture du swap.

Le solde du compte de régularisation est de 10.217 K€

Il s'amortit sur une période couvrant les années 2004 à 2023.

#### **4.8.2. COUVERTURE A LA HAUSSE DES TAUX**

La Mondiale serait exposée au risque de taux si les flux de trésorerie liés aux contrats en euros venaient à s'inverser, dans le cas notamment d'une remontée boursière significative et durable. La couverture à la hausse des taux vient couvrir une partie de ce risque.

Cette couverture est composée d'instruments négociés sur un marché de gré à gré.

##### **4.8.2.1. Les swaptions**

*4.8.2.1.1. Leur position au 31 décembre 2003 est la suivante :*

<b>Année de souscription ( en milliers d'euros )</b>	<b>Nominal</b>	<b>Taux protégé</b>	<b>Date d'option</b>	<b>Durée du swap</b>	<b>Primes payées</b>
Juillet 2003	100 000	6,50%	juil 2006	7	460
Juillet 2003	100 000	6,00%	juil 2005	8	500
<b>TOTAL</b>	<b>200 000</b>				<b>960</b>

#### ***4.8.2.1.2. Principes et méthodes comptables***

Le montant du notionnel est comptabilisé en engagement hors bilan.

Les primes payées sont comptabilisées dans un compte de régularisation et amorties sur la durée de la stratégie, période optionnelle et période de couverture du swap.

Le solde du compte de régularisation est de 912 K€

Il s'amortit sur une période couvrant les années 2004 à 2013.

#### **4.8.3. ECHANGES DE TAUX D'INTERETS**

Ces instruments permettent de permuter la nature des taux d'intérêt perçus sur les actifs, taux fixe ou variable, afin de réduire le risque de taux existant dans l'engagement pris par La Mondiale dans le versement d'intérêts sur ses passifs.

Cette couverture est composée d'instruments négociés sur un marché de gré à gré.

##### **4.8.3.1. Les swaps Long terme**

La Mondiale détient des swaps adossés à des investissements obligataires permettant d'obtenir des actifs synthétiques cohérents par rapport aux passifs, notamment aux titres subordonnés émis.

Une parfaite adéquation annule en grande partie le risque de taux.

*4.8.3.1.1. Leur position au 31 décembre 2003 est la suivante :*

<b>Échéances</b> <i>( en milliers d'euros )</i>	<b>Nominal</b>	<b>Titres ou dettes couverts</b>
<b>Mars 2003</b>	<b>4 573</b>	<b>Denib</b>
<b>Février 2012</b>	<b>5 000</b>	<b>Lloyd TSB</b>
<b>Décembre 2010</b>	<b>5 000</b>	<b>AXA</b>
<b>Décembre 2010</b>	<b>5 000</b>	<b>AXA</b>
<b>Mars 2009</b>	<b>5 000</b>	<b>RBOS</b>
<b>Décembre 2011</b>	<b>5 000</b>	<b>Prudential</b>
<b>Octobre 2005</b>	<b>5 336</b>	<b>Indosuez</b>
<b>Octobre 2009</b>	<b>6 900</b>	<b>BNP TMO TEC</b>
<b>Avril 2011</b>	<b>7 000</b>	<b>CNP</b>
<b>Février 2012</b>	<b>7 000</b>	<b>SG</b>
<b>Novembre 2011</b>	<b>7 000</b>	<b>CGNU</b>
<b>Décembre 2010</b>	<b>10 000</b>	<b>AXA</b>
<b>Mars 2009</b>	<b>10 000</b>	<b>Monumental</b>
<b>Décembre 2022</b>	<b>10 000</b>	<b>Standard Life</b>
<b>Septembre 2008</b>	<b>10 500</b>	<b>Meridian Funding</b>
<b>Septembre 2009</b>	<b>10 500</b>	<b>Citicorp</b>
<b>Avril 2011</b>	<b>12 000</b>	<b>GIC Principal</b>
<b>Octobre 2013</b>	<b>25 700</b>	<b>CAI</b>
<b>Février 2012</b>	<b>100 000</b>	<b>Emprunt LM TSR 2012/2022 CCF</b>
<b>TOTAL</b>	<b>251 509</b>	

*4.8.3.1.2. Principes et méthodes comptables*

Le résultat net dégagé par l'opération de swap est inclus dans les revenus des obligations sous-jacentes. Le swap conclu en dehors du marché donne lieu à la comptabilisation d'une soulte dans un compte de régularisation et amortie sur la durée du swap.

Le montant du compte de régularisation est de 1.070 K€  
L'amortissement annuel est de 134 K€ pendant encore 8 ans.

**4.8.3.2. Les swaps Court terme**

La Mondiale reçoit des dépôts en espèces en échange de titres prêtés à des contreparties. Ces sommes sont productives d'intérêts à taux variable en faveur des contreparties. La Mondiale place ces ressources sur le marché dont une partie produit du taux fixe. Afin de couvrir ce risque de taux elle met donc en place des swaps court terme vendeur de taux fixe et acheteur de taux variable.

*4.8.3.2.1. Leur position au 31 décembre 2003 est la suivante :*

<b>Identification</b> <i>( en milliers d'euros )</i>	<b>Nominal</b>
SWEURSD4630	19 927
SWEURSD4822	32 342
SWEURSD5981	29 903
SWEURSD5983	19 805
SWEURSD5986	10 581
SWEURSD5989	19 701
SWEURSD5992	17 660
SWEURSD5993	24 868
SWEURSD6412	14 986
SWEURSD6788	29 855
<b>TOTAL</b>	<b>219 628</b>

*4.8.3.2.2. Principes et méthodes comptables*

Les soultes sont comptabilisées en pertes ou profits selon l'évolution des taux d'intérêts.

Les durées étant courtes, le risque inhérent à l'effet temps est donc réduit et par conséquent, les soultes non significatives.

**4.8.4. MAINTIEN DES TAUX D'INTERETS**

**4.8.4.1. Les contrats Bund**

Un contrat Bund est un contrat permettant d'acquérir à terme des obligations d'Etat.

La Mondiale se place comme acheteur de contrats pour couvrir les risques de variation de taux entre l'émission des emprunts subordonnés et leurs réemplois.

Cette couverture est composée d'instruments négociés sur un marché organisé.

*4.8.4.1.1. Leur position au 31 décembre 2003 est la suivante :*

<b>Échéances</b> <i>( en milliers d'euros )</i>	<b>Quantité / Nominal</b>	<b>Engagements</b>
Janvier 2004	126 / 100	14 019
Janvier 2004	95 / 100	10 570
Janvier 2004	107 / 100	11 905
Janvier 2004	13 / 100	1 446
<b>TOTAL</b>		<b>37 940</b>

*4.8.4.1.2. Principes et méthodes comptables*

Les résultats de cessions des contrats sont comptabilisés dans un compte de régularisation puis affectés en complément de prix d'acquisition des obligations acquises en réemploi.

Les cessions de l'exercice 2003 ont dégagé un résultat de 1.274 K€ affectés en correction de valeur des obligations et 1.193 K€ sont encore en attente en compte de régularisation.

**4.8.5. OPERATIONS DENOUEES AU COURS DE L'EXERCICE**

Les instruments financiers arrivés à terme en 2003 n'ont généré aucun produit ou charge supplémentaire liés à leur dénouement.

#### **4.8.6. RUPTURES DE STRATEGIE**

NEANT

#### **4.8.7. DEQUALIFICATIONS DE STRATEGIES**

NEANT

### **5. NOTES SUR LES POSTES DU COMPTE DE RESULTAT**

#### **5. 1. VENTILATION DES PRODUITS ET CHARGES DE PLACEMENTS**

		PLACEMENTS	PLACEMENTS	PLACEMENTS	PLACEMENTS
		DANS LES	DANS LES	AUTRES	TOTAL
		ENTREPRISES	PARTICI		
		LIEES	PATIONS		
( en milliers d'euros )					
REVENUS DES PARTICIPATIONS	(1)	7 999	26 054		34 054
REVENUS DES PLACEMENTS IMMOBILIERS				68 305	68 305
REVENUS DES AUTRES PLACEMENTS				537 522	537 522
AUTRES REVENUS FINANCIERS				32 901	32 901
PROFITS PROVENANT DE LA REALISATION DES PLACEMENTS	(2)		0	132 143	132 143
CHARGES DES PARTICIPATIONS		0	-156		-156
CHARGES DES PLACEMENTS IMMOBILIERS				-9 929	-9 929
CHARGES DES AUTRES PLACEMENTS				-24 658	-24 658
AUTRES FRAIS FINANCIERS	(3)			-63 984	-63 984
PERTES PROVENANT DE LA REALISATION DES PLACEMENTS	(4)	0	0	-24 183	-24 183
<b>TOTAL DES PRODUITS NETS</b>		<b>7 999</b>	<b>25 899</b>	<b>648 117</b>	<b>682 015</b>
INTERETS SUR EMPRUNTS SUBORDONNES				14 945	14 945
<b>TOTAL DES PRODUITS DES PLACEMENTS NETS DE CHARGES</b>		<b>7 999</b>	<b>25 899</b>	<b>633 172</b>	<b>667 070</b>

( 1 ) Les participations renseignées ici sont les participations au sens de l'article 20 du décret du 29 Novembre 1983, y compris les participations immobilières.

( 2 ) Dont la reprise à la réserve de capitalisation pour 8.644 K€

( 3 ) Les "Autres frais financiers" intègrent notamment :  
dotation aux amortissements pour différence de remboursement 19.927 K€  
dotation aux amortissements immeubles 16.916 K€  
dotation aux amortissements sur frais d'acquisition des immeubles 1.308 K€  
dotation aux provisions pour titres 20.283 K€

( 4 ) Dont la dotation à la réserve de capitalisation pour 6.347 K€

## 5. 2. VENTILATION DES PRODUITS ET CHARGES DES OPERATIONS TECHNIQUES

L'état est joint en annexe du présent document.

## 5. 3. CHARGES DE PERSONNEL, COMMISSIONS ET AUTRES FRAIS GENERAUX

<b>a) Charges de personnel</b>	<b>125 121 K€</b>
Salaires	89 318 K€
Pensions de retraite	0 K€
Charges sociales	33 452 K€
Autres frais de personnel	2 351 K€
<b>b) Commissions afférentes aux opérations d'assurance directe</b>	<b>1 730 K€</b>
<b>c) Frais généraux</b>	<b>179 098 K€</b>

Les charges par nature se ventilent de la façon suivante :

achats et charges externes	203 392 K€
impôts et taxes	18 803 K€
frais de personnel	125 121 K€
autres charges de gestion courante	-183 845 K€
dotations aux amortissements	7 653 K€
dotations et reprises de provisions de gestion courante	2 639 K€
commissions de réassurance	4 496 K€
divers	839 K€

Conformément à la méthode décrite dans le chapitre "Principes et méthodes comptables" les charges réparties par destination s'élèvent à 191.233 K€ après imputation, sur le poste "Frais d'acquisition", des frais d'acquisition reportés sur les exercices futurs nets de la charge de l'exercice au titre des frais d'acquisition antérieurement reportés pour un montant de -12.135 K€.

## 5. 4. DEROGATIONS AUX PRINCIPES GENERAUX D'EVALUATION EN APPLICATION DE LA REGLEMENTATION COMPTABLE

Néant

## 5. 5. IMPOTS SUR LES SOCIETES

En 2003, la charge d'impôts sur les sociétés pour le groupe fiscal est nulle. La Mondiale enregistre un produit d'impôt sur les sociétés égal au cumul des charges d'impôts sur les sociétés des filiales intégrées soit -11.267 K€.

## 5. 6. PRIMES PAR TERRITOIRE, ENTREES ET SORTIES DE PORTEFEUILLE, PROVISIONS TECHNIQUES VIE ET PARTICIPATION BENEFICIAIRE

### a) Ventilation des primes brutes émises

Primes d'assurance directe en France :	3 078 534 K€
Primes d'assurance directe dans l' Union Européenne ( hors France ) :	0 K€
Primes d'assurance directe hors Union Européenne :	0 K€

Le chiffre d'affaires intègre les primes d'acceptation générées par les traités de réassurance signés avec La Mondiale Partenaire et Arial Assurance aux termes desquels La Mondiale réassure à 100% les risques Euros des contrats mono ou multi supports.

*Le transfert du portefeuille Entreprises à Arial Assurance à effet du 01/01/2003 étant réassuré pour sa partie Euros, les primes intègrent la quote part de primes 2003 acceptées au titre de ce traité ; par contre, le montant apporté au 01/01/2003, soit 1.527.192 K€, a été présenté dans la rubrique « Charges de provisions d'assurance vie », ceci afin de faciliter la comparaison des exercices tant passés que futurs*

### b) Entrées et sorties de portefeuille

Entrées : néant

Sorties : la branche d'activité Entreprises a fait l'objet d'un apport à la société Arial Assurance avec effet au 01/01/2003 aux termes d'un traité signé le 19/03/2003. L'ensemble des passifs a été apporté (contrats adossés à l'actif général et contrats en unités de compte). Pour l'actif, seuls les titres représentatifs des contrats en unités de compte ont été transférés. Les engagements adossés à l'actif général font l'objet d'un traité de réassurance avec Arial Assurance qui vient compenser la créance d'Arial Assurance née du transfert des engagements adossés à l'actif général.

### c) Variation des provisions d'assurance vie adossées à l'actif général

*Détail de la variation entre le bilan d'ouverture et le bilan de clôture :*

	A l'ouverture :	10 681 061 K€
Charges de provisions d'assurance vie (1):		3 511 944 K€
Intérêts techniques :		257 575 K€
Prélèvement sur le fonds de participation pour incorporation aux provisions :		101 015 K€
Transfert du portefeuille Entreprises (2)		-1 536 072 K€
	A la clôture :	13 015 523 K€

(1) ce montant intègre les provisions mathématiques de la partie euros des contrats multi-supports

(2) ce montant s'entend brut de réassurance externe. Il correspond à la provision apportée au 01/01/2003.

#### d) Participation des assurés aux résultats techniques et financiers

	EXERCICE				
( en milliers d'euros )	N-4	N-3	N-2	N-1	N
<b>A - PARTICIPATION AUX RESULTATS TOTAUX</b>	345 804	402 133	452 321	446 846	506 809
Participation attribuée à des contrats (y compris intérêts techniques)	315 126	362 502	409 897	463 116	559 825
Variation de la provision pour participation aux bénéfices	30 678	39 631	42 425	-16 270	-53 015
<b>B - PARTICIPATION AUX RESULTATS DES CONTRATS RELEVANT DES CATEGORIES VISEES A L'ARTICLE A 132-2</b>					
Provisions mathématiques moyennes (1)	6 285 066	6 792 871	7 496 363	8 154 219	7 965 853
Montant minimal de la participation aux résultats	289 270	266 799	250 033	216 582	186 001
Montant effectif de la participation aux résultats (2)	342 555	365 902	466 273	382 822	298 525
Participation attribuée à des contrats (y compris intérêts techniques) (3)	314 955	340 412	384 731	404 194	358 590
Variation de la provision pour participation aux bénéfices	27 600	25 491	81 542	-21 372	-60 065

( 1 ) L'exercice N est l'exercice sous revue.

( 2 ) Demi-somme des provisions mathématiques à l'ouverture et à la clôture de l'exercice correspondant aux contrats des catégories visées à l'article A 132-2.

( 3 ) Participation effective ( charge de l'exercice, y compris intérêts techniques ) correspondant aux contrats des catégories visées à l'article A 132-2.

#### 5. 7. RESULTAT EXCEPTIONNEL

Les charges exceptionnelles comprennent des frais de migration du système informatique central pour environ 9 millions d'euros.

#### 6. AUTRES INFORMATIONS

##### a) Consolidation

La Mondiale est société mère du groupe La Mondiale ; elle établit des comptes consolidés conformément aux principes comptables préconisés par le Conseil National de la Comptabilité et les règles généralement admises en la matière.

## **b) Informations sur le personnel**

### **Effectif moyen du personnel en activité au cours de l'exercice**

<b>ADMINISTRATIFS</b>	
Collaborateurs non cadres	666
Collaborateurs cadres	298
<b>COMMERCIAUX</b>	
Echelon de base	868
Echelon intermédiaire	95
Inspecteurs	139
<b>TOTAL</b>	<b>2 066</b>

Le montant des engagements de La Mondiale en matière de pensions et indemnités de départ à la retraite au 31 décembre 2003 est de l'ordre de 6.313 K€. Ceux-ci sont estimés sur la base de données moyennes actuarielles par catégorie professionnelle selon les conventions collectives applicables. Aucune provision n'est comptabilisée dans les comptes sociaux de La Mondiale.

Le montant de l'intéressement des salariés au titre de l'exercice s'élève à 3.300 K€

Le montant global des jetons de présence alloués aux membres du Conseil d'Administration de La Mondiale a représenté 112 K€ en 2003.



**VENTILATION DES PRODUITS ET CHARGES DES OPERATIONS TE**

	VENTILATION DES PRODUITS ET CHARGES DES OPERATIONS TE										
	Contrats de Capitalisation	Contrats Individuels en euros ou devises			Contrats Collectifs en euros ou devises		Contrats en Unités de Compte en euros ou devises		Total des affaires directes en France	Acceptations par un établissement en France	TOTAL VIE CAPI
		à primes uniques ou versements libres	d'assurance temporaire décès	d'assurance vie à primes uniques ou versements libres	d'assurance vie à primes périodiques	d'assurance en cas de décès	d'assurance en cas de vie	à primes uniques ou versements libres			
(en milliers d'euros)											
Primes et accessoires émis	0	16 442	80 450	226 785	12 095	175 660	186 693	207 662	905 788	2 117 281	3 023 074
Annulations	0	-155	-1 918	-5 617	0	0	0	0	-7 689	0	-7 689
Primes à émettre nette de primes à annuler, à la clôture de l'exercice	0	0	0	0	6 448	46 345	0	1 346	54 139	15 105	69 244
Primes à émettre nette de primes à annuler, à l'ouverture de l'exercice	0	0	0	0	-6 333	-46 800	0	-452	-53 585	-163	-53 748
<b>Sous total : primes nettes</b>	<b>0</b>	<b>16 287</b>	<b>78 532</b>	<b>221 168</b>	<b>12 210</b>	<b>175 205</b>	<b>186 693</b>	<b>208 556</b>	<b>898 652</b>	<b>2 132 222</b>	<b>3 030 326</b>
Sinistres et capitaux payés	-26	-9 924	-9 723	-78 420	-8 123	-24 845	-5 912	-89	-136 062	-122 397	-258 459
Versements périodiques de rentes	0	-581	-1 378	-11 798	-94	-99 696	0	-87	-113 634	0	-113 728
Rachats payés	-635	0	-42 706	-54 993	0	-13 868	-60 422	-1 707	-174 331	-399 033	-573 361
Frais de gestion des sinistres	0	-354	-192	-773	-260	-2 262	-44	-11	-3 896	0	-3 907
Provisions pour sinistres à payer à la clôture de l'exercice	0	-12 092	-2 588	-3 980	-6 798	-6 207	-8 630	-1 427	-41 722	0	-41 722
Provisions pour sinistres à payer à l'ouverture de l'exercice	0	8 450	828	3 308	6 237	7 552	5 518	599	32 493	0	32 493
Participations aux bénéfices incorporées dans l'exercice dans les prestations payées ou provisionnées	0	0	0	0	0	0	0	0	0	0	0
<b>Sous total : charges de prestations</b>	<b>-660</b>	<b>-14 501</b>	<b>-54 760</b>	<b>-146 657</b>	<b>-9 038</b>	<b>-139 325</b>	<b>-69 489</b>	<b>-2 721</b>	<b>-437 152</b>	<b>-521 430</b>	<b>-958 582</b>
Provisions d'assurance Vie à la clôture de l'exercice	-10 028	-1 037	-895 528	-2 267 661	0	-4 270 149	-925 900	-421 182	-8 791 484	-4 649 878	-13 441 362
Provisions d'assurance Vie à l'ouverture de l'exercice	10 199	1 050	841 921	2 121 493	0	4 021 693	758 025	204 869	7 959 249	3 039 085	10 998 334
Intérêts techniques incorporés dans l'exercice aux provisions d'assurance vie	447	18	14 408	81 007	0	159 160	0	2 535	257 575	0	257 575
Ajustement sur opérations à capital variable	0	0	0	0	0	0	24 580	17 117	41 677	0	41 677
Participations aux bénéfices incorporés dans l'exercice aux prov. d'assur.-vie	0	0	26 817	19 485	0	20 670	29 903	4 141	101 015	0	101 015
Autres provisions techniques à la clôture de l'exercice	0	0	0	0	0	0	0	0	0	0	0
Autres provisions techniques à l'ouverture de l'exercice	0	0	0	0	0	0	0	0	0	0	0
<b>Sous total : charge de provisions</b>	<b>618</b>	<b>31</b>	<b>-12 382</b>	<b>-45 677</b>	<b>0</b>	<b>-68 626</b>	<b>-113 411</b>	<b>-192 520</b>	<b>-431 968</b>	<b>-1 610 793</b>	<b>-2 042 761</b>
Participations aux bénéfices											-48
Frais d'acquisition	0	-4 556	-2 139	-13 995	-2 867	-24 275	-10 881	-70 106	-128 820	-2 853	-131 673
Frais d'administration et autres charges techniques nettes	-109	-1 605	-2 717	-11 183	-755	-9 792	-4 315	-5 127	-35 603	-4 866	-40 469
Subventions d'exploitation reçues	0	0	1	2 218	0	13 409	0	0	15 628	0	15 628
Produits des placements nets de charges	536	493	45 770	115 860	277	219 724	32 602	7 779	423 041	201 234	624 275
Intérêts techniques nets de cessions	-447	-18	-14 408	-81 007	0	-159 160	0	-2 535	-257 575	-201 234	-458 809
<b>Sous total : produits financiers nets</b>	<b>89</b>	<b>475</b>	<b>31 362</b>	<b>34 853</b>	<b>277</b>	<b>60 564</b>	<b>32 602</b>	<b>5 244</b>	<b>165 466</b>	<b>0</b>	<b>165 466</b>
Primes cédées aux réassureurs	0	-4 507	-11 034	-15 901	-398	-5 735	0	-37	-37 613	0	-37 650
Part des réassureurs dans les prestations payées	0	1 224	1 821	2 187	531	0	0	0	5 763	0	5 763
Part des réassureurs dans les provisions techniques autres que les provisions pour PB à la clôture de l'exercice	0	2 720	10 862	16 192	1 390	5 487	0	46	36 697	0	36 743
Part des réassureurs dans les provisions techniques autres que les provisions pour PB à l'ouverture de l'exercice	0	-1 292	-1 226	-4 153	-1 187	-960	0	-10	-8 827	0	-8 837
Commissions reçues des réassureurs	0	1 473	98	209	50	166	0	2	1 998	0	1 998
<b>Sous total : charge de la réassurance</b>	<b>0</b>	<b>-382</b>	<b>522</b>	<b>-1 466</b>	<b>386</b>	<b>-1 043</b>	<b>0</b>	<b>1</b>	<b>-1 982</b>	<b>0</b>	<b>-1 596</b>
<b>RESULTAT TECHNIQUE</b>											
Provisions pour participation aux bénéfices à la clôture de l'exercice											104
Provisions pour participation aux bénéfices à l'ouverture de l'exercice											157

<b>TABLEAU DES FILIALES ET PARTICIPATIONS (ART. L233-1 ET L233-2 DU CODE DU COMMERCE)</b>									
	Adresse		Capital	Réserves et report à nouveau avant affectation	Quote-part de capital détenu (en %)	Valeur nette des titres détenus	Prêts et avances consentis par la société et non remboursés	Cautions et avais donnés par la société	Chiffre d'affaires
<i>(en milliers d'euros)</i>					par La Mondiale	par La Mondiale			
<b>PARTS DETENUES DANS DES ENTREPRISES LIEES</b>									
<b>ACTIVITES D'ASSURANCES</b>									
Arial Assurance	32, avenue Emile Zola	59370 MONS EN BAROEUL	1 926	83 517	0,01	0			
La Mondiale Accidents	32, avenue Emile Zola	59370 MONS EN BAROEUL	1 200	4 316	99,99	2 647			
La Mondiale Partenaire	14, rue Roquépine	75008 PARIS	60 064	137 631	0,01	0		2 796 035	2 000 000
Pelayo Mondiale Vida	Calle Rodriguez San Pedro,10	28015 MADRID (Espagne)	13 530	1 678	50,00	6 016			
<b>PARTS DETENUES DANS DES ENTREPRISES AYANT UN LIEN DE PARTICIPATION (au sens du Plan Comptable)</b>									
GIE La Mondiale Cash	32, avenue Emile Zola	59370 MONS EN BAROEUL	38	0	42,00	16	419 925		
La Mondiale Gestion d'Actifs SA	32, avenue Emile Zola	59370 MONS EN BAROEUL	900	689	99,99	1 559			
La Mondiale Participations	32, avenue Emile Zola	59370 MONS EN BAROEUL	10 878	205 495	80,00	122 226			
<b>Autres participations</b>									
Acofi	9, rue Vignon	75008 PARIS	nc		100,00	991			
AG2R Gestion d'Actifs	35, boulevard Brune	75014 PARIS	1 530		50,00	765			
Grands Crus Investissements	91-93, boulevard Pasteur	75015 PARIS	nc		12,52	3 049			
La Mondiale Développement	32, avenue Emile Zola	59370 MONS EN BAROEUL	38	-3	100,00	38			
LM Opportunités	22, boulevard Malesherbes	75008 PARIS	389	-115	99,98	358			
Malesherbes Synergies	32, avenue Emile Zola	59370 MONS EN BAROEUL	40	102	99,76	38			
Roquépine Courtage	32, avenue Emile Zola	59370 MONS EN BAROEUL	40	-8	100,00	40			
Tradial	32, avenue Emile Zola	59370 MONS EN BAROEUL	2 100	1 902	100,00	2 287			
Ventadour Stratégie	22, boulevard Malesherbes	75008 PARIS	40	735	99,76	51			
Versmée et Cie	44, avenue de Saint-Amand	59300 VALENCIENNES	40	nc	43,24	598			
<b>AUTRES FILIALES ET PARTICIPATIONS</b>									
<b>ACTIVITES IMMOBILIERES</b>									
SA La Mondiale Foncière	22, boulevard Malesherbes	75008 PARIS	248 109	23 982	99,94	309 114			
SCI Mondiale Pierre	32, avenue Emile Zola	59370 MONS EN BAROEUL	198 329	82 568	99,92	276 463			
SCE du Château Larmande		33330 SAINT EMILION	15 900	452	100,00	19 590			

## **USE OF PROCEEDS**

The net proceeds from the issue of the Notes, which will be €100,625,200, will be used to strengthen La Mondiale's solvency margin.

## OFFER AND SALE

Pursuant to a subscription agreement dated 30 July 2004 (the **Subscription Agreement**) entered into between the Issuer and BNP Paribas (the **Dealer Manager and Structuring Agent**), the Dealer Manager and Structuring Agent has agreed with the Issuer, subject to satisfaction of certain conditions, to subscribe and pay for the Notes at their subscription price less a combined management, underwriting and selling commission of 0.75 per cent. of their principal amount. In addition, the Issuer has agreed to reimburse the Dealer Manager and Structuring Agent in respect of certain of their legal and other expenses incurred in connection with the issue of the Notes. The Subscription Agreement entitles the Dealer Manager and Structuring Agent to terminate it in certain circumstances prior to payment being made to the Issuer.

### **General Restrictions**

No action has been, or will be, taken in any country or jurisdiction that would permit a public offering of the Notes, or the possession or distribution of this Prospectus or any other offering material relating to the Notes, in any country or jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Prospectus nor any circular, prospectus, form of application, advertisement or other offering material relating to the Notes may be distributed in or from, or published in, any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations.

This Prospectus does not constitute an invitation to subscribe or purchase any of the Notes in any jurisdiction in which, or to or from any person to or from whom, it is unlawful to make such invitation under applicable securities laws. The distribution of this Prospectus in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by each of La Mondiale and the Dealer Manager and Structuring Agent to inform themselves about and to observe any such restrictions.

### **United States - Restrictions**

The offer and sale of the Notes is not being made and will not be made directly or indirectly in, or by use of the mails of, or by any means or instrumentality of interstate or foreign commerce of, or any facilities of a national securities exchange of, the United States of America. This includes, but is not limited to, facsimile transmission, electronic mail, telex, telephone and the Internet. Any purported subscription or purchase of the Notes resulting directly or indirectly from a violation of these restrictions will be invalid. The Dealer Manager and Structuring Agent will not accept any offer to subscribe for or purchase any Notes from or within the United States of America or on behalf of any U.S. persons.

This Prospectus is not an offer of securities for sale in the United States of America. Securities may not be offered or sold in the United States of America absent registration or an exemption from registration. The Notes to be offered or sold pursuant to this Prospectus have not been, and will not be, registered under the Securities Act of 1933, as amended (the "*Securities Act*"), or the securities laws of any state or jurisdiction of the United States, and may not be offered, sold or delivered, directly or indirectly, in the United States of America. The purpose of this Prospectus is limited to the issue of the Notes and the listing of the Notes on the Luxembourg Stock Exchange. Each investor in the Notes will represent that it is not located in the United States of America and is not a U.S. person (within the meaning of Regulation S of the Securities Act) and is not giving an order to subscribe or purchase Notes from the United States of America or on behalf, or for the account or benefit of a U.S. person. For the purposes of this paragraph, United

States means United States of America, its territories and possessions, any state of the United States of America and the District of Columbia.

Each Dealer Manager and Structuring Agent has agreed that it will not offer, sell or deliver the Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the date of issue of the Notes or (iii) otherwise after the expiration of such 40-day period, within the United States or to, or for the account or benefit of, U.S. persons and it will have sent to each dealer to which it sells Notes during the restricted period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

The Notes are being offered and sold only outside of the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

### **United Kingdom - Restrictions**

The offer and issue of the Notes is not made to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 as amended.

The Dealer Manager and Structuring Agent has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the **FSMA**)), received by it in connection with the offer in circumstances in which section 21(1) of the FSMA does not apply to the Company.

The Dealer Manager and Structuring Agent has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

### **France - Restrictions**

The offer and issue of the Notes is not being made, directly or indirectly, to the public in the Republic of France. The Prospectus or any other offering material relating to the offer and issue of the Notes has not been and shall not be distributed to the public in the Republic of France. Only qualified investors (*investisseurs qualifiés*), as defined in Article L.411-2 of the French *Code monétaire et financier* and Decree No. 98-880 dated 1 October 1998 are eligible to subscribe or purchase the Notes. This Prospectus has not been submitted for clearance to the *Autorité des Marchés Financiers*.

### **Belgium - Restrictions**

This Prospectus and related documents are not intended to constitute a public offer in Belgium within the meaning of the Law of 22 April 2003 on the Public Offering of Securities and may not be distributed to the Belgian public. The Belgian Commission for Banking and Finance has not reviewed nor approved this document or commented on its accuracy or adequacy or recommended or endorsed the offer and issue of the Notes. Only qualifying professional investors within the meaning of Article 3.2 of the Belgian Royal Decree of 7 July 1999 (qualifying professional investors) on the public nature of financial transactions who act for their own account are eligible to subscribe or purchase the Notes.

### **Spain - Offer Restrictions**

The offer and issue of the Notes is not available to any resident of Spain. Accordingly, residents of Spain may not submit subscribe or purchase the Notes nor may the Notes be offered, sold or delivered in Spain and neither may this Prospectus nor any other offering material relating to the offer and issue of the Notes be distributed or made available in Spain.

### **Italy - Restrictions**

The offer and issue of the Notes is not being made in the Republic of Italy and has not been submitted to the clearance procedure of *Commissione Nazionale per le Società e la Borsa (CONSOB)* or the Bank of Italy pursuant to Italian laws and regulations. Accordingly, Italian residents or persons located in the Republic of Italy may not subscribe or purchase the Notes nor may the Notes be offered, sold or delivered in the Republic of Italy and neither this Prospectus nor any other offering material relating to the offer and issue of the Notes be distributed or made available in the Republic of Italy.

### **General**

The Dealer Manager and Structuring Agent or its directors, employees or affiliates make no representations or recommendations whatsoever regarding this document or the offer and issue of the Notes.

None of the Issuer or the Dealer Manager and Structuring Agent makes any recommendation as to whether or not persons should subscribe or purchase the Notes.

The offer and issue of the Notes does not constitute an offer to buy or the solicitation of an offer to sell the Notes in any circumstances in which such offer or solicitation is unlawful. In those jurisdictions where the securities, blue sky or other laws require the offer and issue of the Notes to be made by a licensed broker or dealer, the offer and issue of the Notes shall be deemed to be made on behalf of the Dealer Manager and Structuring Agent or one or more registered brokers or dealers licensed under the laws of such jurisdiction.

Neither the delivery of this document nor the offer and issue of the Notes shall, under any circumstances, create any implication that the information contained herein is current as of any time subsequent to the date of such information or that there has been no change in the information set out in it or in the affairs of the Issuer since the date of this Prospectus.

## GENERAL INFORMATION

1. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg with the temporary Common Code 019558967 and Euroclear France with the temporary International Securities Identification Number (ISIN) FR0010096966. The Notes will be fungible (*assimilées*) for trading purposes immediately following their issue date with the €100,000,000 undated subordinated fixed/floating rate notes issued on 9 July 2004, and will also be fungible (*assimilées*) for trading purposes 40 days following their issue date and have the same ISIN and Common Code with the €200,000,000 (€175,000,000 issued on 14 October 2003 and €25,000,000 issued on 21 November 2003) undated subordinated fixed/floating rate notes, issued by La Mondiale (ISIN: FR0010021287 – Common Code: 017813765). The Notes will be created in book-entry form in the systems of Euroclear France on 4 August 2004.
2. Application has been made to list the Notes on the Luxembourg Stock Exchange. In connection with the application for the listing of the Notes on the Luxembourg Stock Exchange, the legal notice (“*notice légale*”) relating to the issue of the Notes and copies of the constitutional documents of the Issuer will be lodged with the Trade and Companies Registry of Luxembourg (*Registre du Commerce et des Sociétés de Luxembourg*) prior to the listing thereof, where such documents are available for inspection and where copies thereof can be obtained.
3. The Issuer, to the extent applicable, has obtained all necessary consents, approvals and authorisations in the French Republic in connection with the issue and performance of its obligations under the Notes. The issue of the Notes has been authorised pursuant to a resolution of the *Assemblée Générale* of the Issuer (beforehand approved by the *Commission de Contrôle des Assurances, des Mutuelles et des Institutions de Prévoyance (CCAMIP)* on 2 April 2004 in accordance with Article R. 322-79 of the French *Code des Assurances*) adopted on 30 April 2004, letters of the CCAMIP dated 19 May 2004 and 2 July 2004, and resolutions of the *Conseil d'administration* of the Issuer adopted on 30 April 2004 and 23 June 2004.
4. Save as disclosed in this Prospectus, there has been no adverse change in the financial or commercial condition of the Issuer which is material in the context of the issue of the Notes since 31 December 2003.
5. Save as disclosed in this Prospectus, there are no pending actions, suits or proceedings against or affecting the Issuer or any of its assets which are material in the context of the issue of the Notes and, to the best of the Issuer's knowledge, no such actions, suits or proceedings are threatened or contemplated.
6. For so long as any of the Notes are outstanding, copies of the following documents may be obtained free of charge during normal business hours at the specified office of each Paying Agent (both in Paris and Luxembourg):
  - (i) the Agency Agreement;
  - (ii) the most recently published annual, audited, consolidated and non-consolidated financial statements of the Issuer; and
  - (iii) the most recently published unaudited semi-annual consolidated financial statements of the Issuer.

7. The Issuer has obtained all necessary consents, approvals and authorisations in the Republic of France in connection with the issue and performance of its obligations under the Notes.
8. Deloitte Touche Tohmatsu and KPMG Audit have audited and rendered unqualified audit reports on the non-consolidated and consolidated financial statements of the Issuer for each of the financial years ended 31 December 2002 and 2003.
9. The Notes will be rated A- by Fitch and Standard & Poor's.



**ISSUER**

**LA MONDIALE**  
32 avenue Emile Zola  
59370 Mons-en-Baroeul  
France

**DEALER MANAGER AND STRUCTURING AGENT**

**BNP Paribas**  
10 Harewood Avenue  
London NW1 6AA  
United Kingdom  
Contact: Fixed Income Syndicate  
Tel: + 44 (0) 20 7595 8222

**LUXEMBOURG LISTING AGENT**

**Kredietbank S.A. Luxembourgeoise**  
43, boulevard Royal  
L-2955 Luxembourg  
Luxembourg

**FISCAL AGENT AND  
PAYING AGENT IN LUXEMBOURG**

**Kredietbank S.A. Luxembourgeoise**  
43, boulevard Royal  
L-2955 Luxembourg  
Luxembourg

**PAYING AGENT  
IN FRANCE**

**Euro Emetteurs Finance**  
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75850 Paris Cedex 17  
France

**LEGAL ADVISERS**

*To the Dealer Manager and Structuring Agent as to French law*

**Allen & Overy LLP**  
26, boulevard des Capucines  
75009 Paris  
France

**AUDITORS TO THE COMPANY**

**KPMG Audit**  
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92923 Paris La Défense  
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92203 Neuilly-sur-Seine Cedex  
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