

OFFERING CIRCULAR



**AXA**

*(incorporated as a société anonyme à directoire et conseil de surveillance in France)*

**€5,000,000,000**

**Euro Medium Term Note Programme**

This Offering Circular supersedes all previous offering circulars prepared in connection with the Euro Medium Term Note Programme of AXA (the "Issuer"). Any Notes (as defined below) issued under the Programme (defined below) on or after the date of this Offering Circular are issued subject to the provisions described herein.

Under this €5,000,000,000 Euro Medium Term Note Programme (the "Programme"), AXA may from time to time issue notes (the "Notes") denominated in any currency agreed between the Issuer and the relevant Purchaser (as defined below).

Notes may be issued in bearer or registered form (respectively "Bearer Notes" and "Registered Notes"). The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed €5,000,000,000 (or its equivalent in other currencies calculated as described herein), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "Summary of the Programme" and any additional Dealer appointed under the Programme from time to time by the Issuer (each a "Dealer" and together the "Dealers"), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the "relevant Dealer" shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to purchase such Notes. Notes may also be issued to third parties other than Dealers. Any Dealer or third party to whom Notes are issued shall be referred to herein as a "Purchaser".

Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme during the period of 12 months from the date of this Offering Circular to be listed on the Luxembourg Stock Exchange. Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under "Terms and Conditions of the Notes") of Notes will be set out in a pricing supplement (the "Pricing Supplement") which, with respect to Notes to be listed on the Luxembourg Stock Exchange, will be delivered to the Luxembourg Stock Exchange on or before the date of issue of the Notes of such Tranche.

The Programme provides that Notes may be listed on such other or further stock exchange(s) as may be agreed between the Issuer and the relevant Purchaser. The Issuer may also issue unlisted Notes. Application may also be made to have certain Series of Notes accepted for trading in the Private Offerings, Resales and Trading through Automated Linkages System ("PORTAL") of the National Association of Securities Dealers, Inc.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended, (the "Securities Act") and may not be offered or sold in the United States or to, or for the benefit of, U.S. persons unless the Notes are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available. See "Form of the Notes" for a description of the manner in which Notes will be issued. Registered Notes are subject to certain restrictions on transfer, see "Subscription and Sale and Transfer and Selling Restrictions".

The Programme will not be rated but issues of Notes under the Programme may be rated by Moody's Investors Service Limited ("Moody's"), Standard & Poor's Ratings Services, a Division of the McGraw Hill Companies Inc. ("Standard & Poor's") or Fitch Ratings Ltd ("Fitch") on a case-by-case basis.

The Issuer may agree with any Purchaser that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event (in the case of Notes intended to be listed on the Luxembourg Stock Exchange) a supplementary Offering Circular, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes. This Offering Circular may only be used for the purposes for which it has been published.

*Arranger*

**Deutsche Bank**

*Dealers*

**Banco Bilbao Vizcaya Argentaria, S.A.**

**Deutsche Bank**

**Merrill Lynch International**

**BNP PARIBAS**

**Goldman Sachs International**

**UBS Investment Bank**

*The Issuer, having made all reasonable enquiries, confirms that this Offering Circular contains or incorporates all information with respect to the Issuer, the Issuer and its subsidiaries taken as a whole and the Notes that is material in the context of the issuance and offering of Notes, that the information contained or incorporated in this Offering Circular is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed in this Offering Circular are honestly held and that there are no other facts the omission of which would, in the context of the issuance and offering of its Notes, make this Offering Circular or any of such information or the expression of any such opinions or intentions misleading in any material respect. The Issuer accepts responsibility accordingly.*

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*" below). This Offering Circular shall be read and construed on the basis that such documents are incorporated and form part of this Offering Circular.

The Dealers have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers as to the accuracy or completeness of the information contained or incorporated in this Offering Circular or any other information provided by the Issuer in connection with the Programme. No Dealer accepts any liability in relation to the information contained or incorporated by reference in this Offering Circular or any other information provided by the Issuer in connection with the Programme.

No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers.

Neither this Offering Circular nor any other information supplied in connection with the Programme or any Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer or any of the Dealers that any recipient of this Offering Circular or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Offering Circular nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer or any of the Dealers to any person to subscribe for or to purchase any Notes.

Persons into whose possession offering material comes must inform themselves about and observe any such restrictions. This Offering Circular does not constitute, and may not be used for or in connection with, an offer to any person to whom it is unlawful to make such offer or a solicitation by anyone not authorised so to act.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in the Notes of any information coming to their attention. Investors should review, *inter alia*, the most recently published documents incorporated by reference into this Offering Circular when deciding whether or not to purchase any Notes.

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Dealers do not represent that this Offering Circular may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Dealers which would permit a public offering of any Notes or distribution of this document in any jurisdiction where action for that purpose is

required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, the United Kingdom, Japan, France, The Netherlands and Germany, see "*Subscription and Sale and Transfer and Selling Restrictions*".

The Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to United States persons, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and the regulations promulgated thereunder.

In making an investment decision, investors must rely on their own examination of the Issuer and the terms of the Notes being offered, including the merits and risks involved. The Notes have not been approved or disapproved by the United States Securities and Exchange Commission or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities approved this Offering Circular or confirmed the accuracy or determined the adequacy of the information contained in this Offering Circular. Any representation to the contrary is unlawful.

Neither the Issuer, nor any of the Dealers makes any representation to any investor in the Notes regarding the legality of its investment under any applicable laws. Any investor in the Notes should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

## **U.S. INFORMATION**

This Offering Circular is being submitted on a confidential basis in the United States to a limited number of QIBs (as defined under "*Form of the Notes*") for informational use solely in connection with the consideration of the purchase of the Notes being offered hereby. Its use for any other purpose in the United States is not authorised. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.

Registered Notes issued by the Issuer may be offered or sold within the United States only to QIBs in transactions exempt from registration under the Securities Act. Each U.S. purchaser of Registered Notes is hereby notified that the offer and sale of any Registered Notes to it may be being made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A under the Securities Act ("*Rule 144A*").

Each purchaser or holder of Notes represented by a Rule 144A Global Note or any Notes issued in registered form in exchange or substitution therefor (together "*Legended Notes*") will be deemed, by its acceptance or purchase of any such Legended Notes, to have made certain representations and agreements intended to restrict the resale or other transfer of such Notes as set out in "*Subscription and Sale and Transfer and Selling Restrictions*". Unless otherwise stated, terms used in this paragraph have the meanings given to them in "*Form of the Notes*".

## **NOTICE TO NEW HAMPSHIRE RESIDENTS**

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER CHAPTER 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

## **AVAILABLE INFORMATION**

To permit compliance with Rule 144A in connection with any resales or other transfers of Notes that are "restricted securities" within the meaning of the Securities Act, the Issuer has undertaken in a deed poll dated 10th October, 2003 (the "*Deed Poll*") to furnish, upon the request of a holder of such Notes or any beneficial interest therein, to such holder or to a prospective purchaser designated by him, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of the request, the Issuer is neither a reporting company under Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "*Exchange Act*"), nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

## **SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES**

The Issuer is a corporation organised under the laws of France. The majority of the officers and directors named herein reside outside the United States and all or a substantial portion of the assets of the Issuer and of such officers and directors are located outside the United States. As a result, it may not be possible for investors to effect service of process outside France upon the Issuer or such persons, or to enforce judgments against them obtained in courts outside France predicated upon civil liabilities of the Issuer or such directors and officers under laws other than French law, including any judgment predicated upon United States federal securities laws. The Issuer has been advised that if an original action is brought in France based solely upon U.S. Federal Securities laws, French courts may not have the requisite jurisdiction to grant the remedies sought and that actions for enforcement of judgments of United States courts rendered against the French persons referred to above would require such French persons to waive their rights under Article 15 of the French Civil Code to be sued only in France. The Issuer believes that no such French persons have waived this right with respect to actions predicated solely on U.S. Federal securities laws.

## PRESENTATION OF FINANCIAL AND OTHER INFORMATION

The Issuer previously maintained its financial books and records and prepared its financial statements in French francs and since the beginning of the 1999 financial year, maintains such financial books and records and prepares such financial statements in euro, both in accordance with generally accepted accounting principles in France ("French GAAP") which differ in certain important respects from generally accepted accounting principles in the United States ("U.S. GAAP"). For a discussion of the principal differences between French GAAP and U.S. GAAP as they relate to the Issuer, see "*Summary of material differences between French GAAP and U.S. GAAP*" as set out in the Annual Report included in the *Document de Référence* of the Issuer incorporated herein by reference.

All references in this document to "U.S. dollars", "U.S.\$" and "\$" refer to the currency of the United States of America, to "Sterling" and "£" refer to the currency of the United Kingdom, to "Swiss francs" refers to the currency of Switzerland, to "Japanese yen" refers to the currency of Japan, to "Australian dollars" refers to the currency of Australia, to "New Zealand dollars" refers to the currency of New Zealand and to "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.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents published or issued from time to time after the date hereof shall be deemed to be incorporated in, and to form part of, this Offering Circular:

1. the most recently published audited consolidated and non-consolidated (*comptes sociaux*) annual financial statements and, if published later, the most recently published interim consolidated financial statements of the Issuer and other published unaudited interim financial information, see "*General Information*" for a description of the financial statements currently published by the Issuer;
2. all supplements or amendments to this Offering Circular circulated by the Issuer from time to time; and
3. the 2003 Annual Report, (being an English translation of the *Document de Référence* of the Issuer filed with the *Autorité des marchés financières* (the "AMF") on 7th April, 2004 under number D.04-0433),

save that any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offering Circular.

The Issuer will provide, without charge, to each person to whom a copy of this Offering Circular has been delivered, upon the request of such person, a copy of any or all of the documents deemed to be incorporated herein by reference unless such documents have been modified or superseded as specified above. Requests for such documents should be directed to the Issuer at its office set out at the end of this Offering Circular. In addition, such documents will be available free of charge from the principal office in Luxembourg of BNP Paribas (the "Luxembourg Listing Agent") for Notes listed on the Luxembourg Stock Exchange.

The 2003 Annual Report (in English and in French) of the Issuer is available on the Issuer's web site and that report only and no other contents of such site is incorporated by reference herein: [www.axa.com](http://www.axa.com).

The Issuer will, in connection with the listing of the Notes on the Luxembourg Stock Exchange, so long as any Note remains outstanding and listed on such exchange, in the event of there being any significant new factor capable of affecting the assessment of the Notes which is not reflected in this Offering Circular, prepare a supplement to this Offering Circular or publish a new Offering Circular for use in connection with any subsequent issue of the Notes to be listed on the Luxembourg Stock Exchange.

If the terms of the Programme are modified or amended in a manner which would make this Offering Circular, as so modified or amended, inaccurate or misleading, a new offering circular will be prepared.

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In connection with the issue and distribution of any Tranche of Notes, the Dealer (if any) disclosed as the stabilising manager in the applicable Pricing Supplement or any person acting for him may over-allot or effect transactions with a view to supporting the market price of the Notes of the Series (as defined under "*Terms and Conditions of the Notes*") of which such Tranche forms part 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 manager or any agent of his to do so. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited period.

## GENERAL DESCRIPTION OF THE PROGRAMME

Under the Programme, the Issuer may from time to time issue Notes denominated in any currency, subject as set out herein. A summary of the terms and conditions of the Programme and the Notes appears below. The applicable terms of any Notes will be agreed between the Issuer and the relevant Purchaser prior to the issue of the Notes and will be set out in the Terms and Conditions of the Notes endorsed on, attached to, or incorporated by reference into, the Notes, as modified and supplemented by the applicable Pricing Supplement attached to, or endorsed on, such Notes, as more fully described under "*Form of the Notes*" below.

This Offering Circular and any supplement will only be valid for listing Notes on the Luxembourg Stock Exchange during the period of 12 months from the date of this Offering Circular in an aggregate nominal amount which, when added to the aggregate nominal amount then outstanding of all Notes previously or simultaneously issued under the Programme, does not exceed €5,000,000,000 or its equivalent in other currencies. For the purpose of calculating the euro equivalent of the aggregate nominal amount of Notes issued under the Programme from time to time:

1. the euro equivalent of Notes denominated in another Specified Currency (as specified in the applicable Pricing Supplement in relation to the relevant Notes) shall be determined, at the discretion of the Issuer, either as of the date on which agreement is reached for the issue of Notes or on the preceding day on which commercial banks and foreign exchange markets are open for business in Luxembourg and London, in each case on the basis of the spot rate for the sale of the euro against the purchase of such Specified Currency in a foreign exchange market in the Euro-zone (as defined below) quoted by any leading international bank selected by the Issuer on the relevant day of calculation;
2. the euro equivalent of Dual Currency Notes, Index Linked Notes and Partly Paid Notes (each as specified in the applicable Pricing Supplement in relation to the relevant Notes) shall be calculated in the manner specified above by reference to the original nominal amount on issue of such Notes (in the case of Partly Paid Notes regardless of the subscription price paid); and
3. the euro equivalent of Zero Coupon Notes (as specified in the applicable Pricing Supplement in relation to the relevant Notes) and other Notes issued at a discount or a premium shall be calculated in the manner specified above by reference to the net proceeds received by the Issuer for the relevant issue.

In these Conditions, "Euro-zone" means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

## SUMMARY OF THE PROGRAMME

*The following summary does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Pricing Supplement. Words and expressions defined in "Form of the Notes" and "Terms and Conditions of the Notes" below shall have the same meanings in this summary.*

<b>Issuer:</b>	AXA
<b>Description:</b>	Euro Medium Term Note Programme
<b>Arranger:</b>	Deutsche Bank AG London
<b>Initial Dealers:</b>	Banco Bilbao Vizcaya Argentaria S.A. BNP Paribas Deutsche Bank AG London Goldman Sachs International Merrill Lynch International UBS Limited and any other Dealers appointed in accordance with the Programme Agreement.
<b>Certain Restrictions:</b>	<p>Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "<i>Subscription and Sale and Transfer and Selling Restrictions</i>") including the following restrictions applicable at the date of this Offering Circular.</p> <p><b><i>Notes having a maturity of less than one year</i></b></p> <p>Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in Section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent (see "<i>Subscription and Sale</i>").</p>
<b>Issuing and Principal Paying Agent:</b>	BNP Paribas Securities Services, Luxembourg Branch
<b>Registrar:</b>	BNP Paribas Securities Services, Luxembourg Branch
<b>Programme Size:</b>	Up to €5,000,000,000 (or its equivalent in other currencies) calculated as described under " <i>General Description of the Programme</i> " outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
<b>Distribution:</b>	Notes may be distributed by way of private or public placement (outside France) and in each case on a syndicated or non-syndicated basis.
<b>Currencies:</b>	Subject to any applicable legal or regulatory restrictions, any currency agreed between the Issuer and the relevant Purchaser.
<b>Redenomination:</b>	The applicable Pricing Supplement may provide that certain Notes may be redenominated in euro. The relevant provisions applicable to any such redenomination are contained in Condition 4.
<b>Maturities:</b>	Such maturities as may be agreed between the Issuer and the relevant Purchaser(s), subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.



<b>Issue Price:</b>	Notes may be issued on a fully-paid or a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par. Special tax rules may apply to Notes which are issued at a discount to par, see <i>"Taxation"</i> .
<b>Form of Notes:</b>	The Notes will be issued in bearer or registered form as described in <i>"Form of the Notes"</i> . Registered Notes will not be exchangeable for Bearer Notes and vice versa.
<b>Fixed Rate Notes:</b>	Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Purchaser and on redemption, and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.
<b>Floating Rate Notes:</b>	<p>Floating Rate Notes will bear interest at a rate determined:</p> <ol style="list-style-type: none"> <li>1. on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or</li> <li>2. on such other basis as may be agreed between the Issuer and the relevant Purchaser.</li> </ol> <p>The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Purchaser for each Series of Floating Rate Notes.</p>
<b>Index Linked Notes:</b>	Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as the Issuer and the relevant Purchaser may agree.
<b>Other provisions in relation to Floating Rate Notes and Index Linked Interest Notes:</b>	<p>Floating Rate Notes and Index Linked Interest Notes may also have a maximum interest rate, a minimum interest rate or both.</p> <p>Interest on Floating Rate Notes and Index Linked Interest Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Purchaser, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Purchaser.</p>
<b>Dual Currency Notes:</b>	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the Issuer and the relevant Purchaser may agree.
<b>Zero Coupon Notes:</b>	Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.
<b>Redemption:</b>	<p>The applicable Pricing Supplement will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Purchaser.</p> <p>The applicable Pricing Supplement may provide that Notes may be redeemable in two or more instalments of such amounts and on such dates as are indicated in the applicable Pricing Supplement.</p> <p>Notes having a maturity of less than one year from the date of issue may be subject to restrictions on their denomination and distribution, see <i>"Certain Restrictions—Notes having a maturity of less than one year"</i> above.</p>

<b>Redemption for taxation reasons:</b>	The Notes may, and in certain circumstances shall, be redeemed for taxation reasons, all as more fully described in Condition 7(b).
<b>Optional Redemption of Notes for non-deductibility of interest:</b>	The applicable Pricing Supplement may provide that Notes may be redeemed at the option of the Issuer if interest payable under the Notes is no longer tax-deductible by the Issuer in France, all as more fully described in Condition 7(b).
<b>Optional Redemption of Subordinated Notes due to a Regulatory Event:</b>	The applicable Pricing Supplement may provide that Notes may be redeemed at the option of the Issuer following the occurrence of a Regulatory Event, all as more fully described in Condition 7(e).
<b>Denomination of Notes:</b>	Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see " <i>Certain Restrictions—Notes having a maturity of less than one year</i> " above.
<b>Taxation:</b>	The Notes being issued outside France, interest and other revenues in respect of the Notes benefit from the exemption provided for in Article 131 <i>quater</i> of the <i>Code Général des Impôts</i> (French General Tax Code) from deduction of tax at source as provided in Condition 8. Accordingly, such payments do not give the right to any tax credit from any French source. In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 8 and to the fullest extent then permitted by law, be required to pay additional amounts to cover the amounts so deducted.
<b>Cross Default:</b>	The terms of the Senior Notes will contain a cross default provision as further described in Condition 10.
<b>Negative Pledge:</b>	None
<b>Status of the Senior Notes</b>	The Senior Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer, all as more fully described in Condition 3.
<b>Status of the Subordinated Notes:</b>	The Subordinated Notes will constitute direct, unconditional, unsecured subordinated obligations of the Issuer, all as more fully described in Condition 3.
<b>Enforcement Events:</b>	The terms of the Subordinated Notes will contain enforcement event provisions as further described in Condition 10.
<b>Interest Deferral/Suspension:</b>	There will be provisions for the deferral or suspension of accrual of interest in respect of all issues of Subordinated Notes, as more fully described or referred to in Condition 3(a)(ii), Condition 5(f) and/or the applicable Pricing Supplement.
<b>Rating:</b>	The Programme will not be rated but issues of Notes under the Programme may be rated by Moody's, Standard & Poor's or Fitch on a case by case basis as set out in the applicable Pricing Supplement.
<b>Listing:</b>	Application has been made to list the Notes issued under the Programme on the Luxembourg Stock Exchange. The Notes may also be listed on such other or further stock exchange(s) as may be agreed between the Issuer and the relevant Purchaser in relation to each Series.  Unlisted Notes may also be issued.  The applicable Pricing Supplement will state whether or not the relevant Notes are to be listed and, if so, on which stock exchange(s).
<b>Governing Law:</b>	The Notes will be governed by, and construed in accordance with, English law, except for the provisions of Condition 3(b) which shall be governed by French law.

**Selling Restrictions:**

There are restrictions on the offer, sale and transfer of the Notes in the United States, the United Kingdom, Japan, France, The Netherlands and Germany and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see *"Subscription and Sale and Transfer and Selling Restrictions"*.

**Regulation S/TEFRA:**

The Issuer is a Category 2 issuer for the purposes of Regulation S under the Securities Act.

Issues of Bearer Notes with an original maturity of more than 1 year may be issued under TEFRA C or TEFRA D for the purposes of U.S. Treasury Regulations.

Notes in registered form may be issued to QIBs (as defined under *"Form of the Notes—Registered Notes"* herein) under Rule 144A under the Securities Act in certain circumstances, as more fully described in *"Form of the Notes"* herein.

## FORM OF THE NOTES

The Notes of each Series will be in either bearer form, with or without interest coupons ("Coupons") attached, or registered form, without Coupons attached. Bearer Notes will be issued outside the United States in reliance on Regulation S under the Securities Act ("Regulation S") and Registered Notes will be issued both outside the United States in reliance on the exemption from registration provided by Regulation S and within the United States in reliance on Rule 144A.

### **Bearer Notes**

Each Tranche of Bearer Notes will be initially issued in the form of either a temporary bearer global note (a "Temporary Bearer Global Note") or a permanent bearer global note (a "Permanent Bearer Global Note") as indicated in the applicable Pricing Supplement, which, in either case, will be delivered on or prior to the original issue date of the Tranche to a common depository (the "Common Depository") for Euroclear Bank S.A./N.V., as operator of the Euroclear System ("Euroclear") and Clearstream Banking, *société anonyme* ("Clearstream, Luxembourg"). Whilst any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made against presentation of the Temporary Bearer Global Note only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Bearer Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

On and after the date (the "Exchange Date") which, in respect of each Tranche in respect of which a Temporary Bearer Global Note is issued, is 40 days after the Temporary Bearer Global Note is issued, interests in such Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein either for (i) interests in a Permanent Bearer Global Note of the same Series or (ii) for definitive Bearer Notes of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Pricing Supplement and subject, in the case of definitive Bearer Notes, to such notice period as is specified in the applicable Pricing Supplement), in each case against certification of beneficial ownership as described above unless such certification has already been given, provided that purchasers in the United States and certain U.S. persons will not be able to receive definitive Bearer Notes. The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Note for an interest in a Permanent Bearer Global Note or for definitive Bearer Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Bearer Global Note will be made through Euroclear and/or Clearstream, Luxembourg against presentation or surrender (as the case may be) of the Permanent Bearer Global Note without any requirement for certification.

The applicable Pricing Supplement will specify that a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Notes with, where applicable, receipts, interest coupons and talons attached, only upon the occurrence of an Exchange Event. For these purposes, "Exchange Event" means that (i) an Event of Default (as defined in Condition 10) has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Bearer Global Note in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) may give notice to the Principal Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

The following legend will appear on all Bearer Notes which have an original maturity of more than 365 days and on all receipts and interest coupons relating to such Notes:

“ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.”

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes, receipts or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes, receipts or interest coupons.

Notes which are represented by a Bearer Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

### **Registered Notes**

The Registered Notes of each Tranche offered and sold in reliance on Regulation S, which will be sold to non-U.S. persons outside the United States, will initially be represented by a global note in registered form, without Receipts or Coupons, (a “Regulation S Global Note”) which will be deposited with a common depository for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg. Prior to expiry of the distribution compliance period (as defined in Regulation S) applicable to each Tranche of Notes, beneficial interests in a Regulation S Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person save as otherwise provided in Condition 2, and may not be held otherwise than through Euroclear or Clearstream, Luxembourg and such Regulation S Global Note will bear a legend regarding such restrictions on transfer.

The Registered Notes of each Tranche may only be offered and sold in the United States or to U.S. persons in private transactions to “qualified institutional buyers” within the meaning of Rule 144A under the Securities Act (“QIBs”). The Registered Notes of each Tranche sold to QIBs will be represented by a global note in registered form, without Receipts or Coupons, (a “Rule 144A Global Note” and, together with a Regulation S Global Note, the “Registered Global Notes”) which will be deposited with a custodian for, and registered in the name of a nominee of, DTC.

Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form.

The Rule 144A Global Note will be subject to certain restrictions on transfer set forth therein and will bear a legend regarding such restrictions.

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 6) as the registered holder of the Registered Global Notes. None of the Issuer, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 6) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without receipts, interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, “Exchange Event” means that (i) an Event of Default has occurred and is continuing, (ii) in the case of Notes represented by a Rule 144A Global Note only, DTC has notified the Issuer that it is unwilling or unable to continue to act as depository for the Notes and no alternative clearing system is available, (iii) in the case of Notes represented by a Rule 144A Global Note only, DTC has ceased to constitute a clearing agency registered under the Exchange Act or, in the case of Notes represented by a Regulation S Global Note only, the Issuer has

been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system is available or (iv) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Registered Global Note in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, DTC, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Registered Global Note) may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iv) above, the Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

### **Transfer of Interests**

Interests in a Registered Global Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered Global Note. No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of DTC, Euroclear and Clearstream, Luxembourg, in each case to the extent applicable. Registered Notes are also subject to the restrictions on transfer set forth therein and will bear a legend regarding such restrictions, see *"Subscription and Sale and Transfer and Selling Restrictions"*.

### **General**

Pursuant to the Agency Agreement (as defined under *"Terms and Conditions of the Notes"*), the Principal Paying Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall be assigned a Common Code and ISIN and, where applicable, a CUSIP and CINS number which are different from the Common Code, ISIN, CUSIP and CINS assigned to Notes of any other Tranche of the same Series until at least the expiry of the distribution compliance period applicable to the Notes of such Tranche.

For so long as any of the Notes is represented by a Bearer Global Note or a Regulation S Global Note held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and its agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Regulation S Global Note shall be treated by the Issuer and its agents as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions "Noteholder" and "holder of Notes" and related expressions shall be construed accordingly.

So long as DTC or its nominee is the registered owner or holder of a Registered Global Note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Registered Global Note for all purposes under the Agency Agreement and such Notes except to the extent that in accordance with DTC's published rules and procedures any ownership rights may be exercised by its participants or beneficial owners through participants.

Any reference herein to Euroclear and/or Clearstream, Luxembourg and/or DTC shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement.

A Senior Note may be accelerated by the holder thereof in certain circumstances described in Condition 10. In such circumstances, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note then, unless within the period of seven days commencing on

the relevant due date payment in full of the amount due in respect of the Global Note is received by the bearer or the registered holder, as the case may be, in accordance with the provisions of the Global Note, holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear, Clearstream, Luxembourg and DTC on and subject to the terms of a deed of covenant (the "Deed of Covenant") dated 10th October, 2003 and executed by the Issuer. In addition, holders of interests in such Global Note credited to their accounts with DTC may require DTC to deliver Definitive Notes in registered form in exchange for their interest in such Global Note in accordance with DTC's standard operating procedures.

If the applicable Pricing Supplement specifies any modification to the Terms and Conditions of the Notes as described herein, it is envisaged that, to the extent that such modification relates only to Conditions 1, 3 (except Condition 3(a)), 5, 6, 7 (except Condition 7(b)), 8, 11, 12, 13, 14 (insofar as such Notes are not listed on any stock exchange) or 16, they will not necessitate the preparation of a supplement to this Offering Circular. If the Terms and Conditions of the Notes of any Series are to be modified in any other respect, a supplement to this Offering Circular will be prepared, if appropriate.

## APPLICABLE PRICING SUPPLEMENT

Set out below is the form of Pricing Supplement which will be completed for each Tranche of Notes issued under the Programme.

[Date]

### AXA

#### Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] under the 5,000,000,000 Euro Medium Term Note Programme

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the “**Conditions**”) set forth in the Offering Circular dated 1st October, 2004. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular.

*[The following alternative language applies if the first Tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.]*

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the “**Conditions**”) set forth in the Offering Circular dated [original date]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular dated 1st October, 2004, save in respect of the Conditions which are extracted from the Offering Circular dated [original date] and are attached hereto.]

*[Include whichever of the following apply or specify as “Not Applicable”. Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Pricing Supplement.]*

*If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency.*

1. Issuer: [ ]
2. (i) Series Number: [ ]  
(ii) Tranche Number: [ ]  
*(if fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)*
3. Specified Currency or Currencies: [ ]
4. Aggregate Nominal Amount:  
(i) Tranche: [ ]  
(ii) Series: [ ]
5. [(i) Issue Price: [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)]  
[(ii) Net proceeds: [ ] (Required only for listed issues)]
6. Specified Denominations: [ ]  
*(in the case of Registered Notes, this means the minimum integral amount in which transfers can be made)* [ ]
7. (i) Issue Date: [ ]  
(ii) Interest Commencement Date: [ ]



8. Maturity Date: *[Fixed rate—specify date/Floating rate— Interest Payment Date falling in or nearest to [specify month]]*
9. Interest Basis: *[[ ] per cent. Fixed Rate]*  
*[[LIBOR/EURIBOR] +/- [ ] per cent. Floating Rate]*  
*[Zero Coupon]*  
*[Index Linked Interest]*  
*[specify other]*  
*[(further particulars specified below)]*
10. Redemption/Payment Basis: *[Redemption at par]*  
*[Index Linked Redemption]*  
*[Dual Currency Redemption]*  
*[Partly Paid]*  
*[Instalment]*  
*[specify other]*
11. Change of Interest Basis or Redemption/ Payment Basis: *[Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis]*
12. Put/Call Options: *[Investor Put]*  
*[Issuer Call]*  
*[(further particulars specified below)]*
13. Status of the Notes: *[Senior Notes/Senior Dated Subordinated Notes/Undated Subordinated Notes/Dated Deeply Subordinated Notes/Undated Deeply Subordinated Notes]*  
*[specify details of the Subordinated Notes in full]*  
*[if applicable specify use of proceeds in relation to Subordinated Notes and, if known, specify the Relevant Supervisory Authority for the purposes of Condition 5(f)]*
14. Listing: *[Luxembourg/specify other/None]*
15. Method of distribution: *[Syndicated/ Non-syndicated]*

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

16. Fixed Rate Note Provisions *[Applicable/Not Applicable]*  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Rate[(s)] of Interest: *[ ] per cent. per annum [payable [annually/ semi-annually/quarterly] in arrear]*  
*(If payable other than annually, consider amending Condition 5.)*

- (ii) Interest Payment Date(s): [ ] in each year up to and including the Maturity Date/[specify other](NB: This will need to be amended in the case of long or short coupons)
- (iii) Fixed Coupon Amount(s): [ ] per [ ] in nominal amount
- (iv) Broken Amount(s): [Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount]
- (v) Day Count Fraction: [30/360 or Actual/Actual (ISMA) or specify other]
- (vi) Determination Date(s): [ ] in each year  
 [Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon]  
 (NB: This will need to be amended in the case of regular interest payment dates which are not of equal duration)  
 (NB: Only relevant where Day Count Fraction is Actual/Actual (ISMA))
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/Give details]
17. Floating Rate Note Provisions [Applicable/Not Applicable]  
 (If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Specified Period(s)/Specified Interest Payment Dates: [ ]
- (ii) Business Day Convention: [Floating Rate Convention/Following Business Day  
 Convention/Modified Following Business Day  
 Convention/Preceding Business Day  
 Convention/[specify other]]
- (iii) Additional Business Centre(s): [ ]
- (iv) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/specify other]
- (v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): [ ]
- (vi) Screen Rate Determination:  
 (A) Reference Rate: [ ]  
 (Either LIBOR, EURIBOR or other, although additional information is required if other — including fallback provisions in the Agency Agreement)

- (B) Interest Determination Date(s): [ ]  
*(i) Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), (ii) first day of each Interest Period if Sterling LIBOR and (iii) the second day on which the TARGET System is operating prior to the start of each Interest Period if EURIBOR or euro LIBOR)*
- (C) Relevant Screen Page: [ ]  
*(In the case of EURIBOR, if not Telerate Page 248 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*
- (vii) Margin(s): [+/-] [ ] per cent. per annum
- (viii) Minimum Rate of Interest: [ ] per cent. per annum
- (ix) Maximum Rate of Interest: [ ] per cent. per annum
- (x) Day Count Fraction: [Actual/365  
 Actual/365 (Fixed)  
 Actual/365 (Sterling)  
 Actual/360  
 30/360  
 30E/360  
 Other]  
*(See Condition 5 for alternatives)*
- (xi) Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [ ]
18. Zero Coupon Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Accrual Yield: [ ] per cent. per annum
- (ii) Reference Price: [ ]
- (iii) Any other formula/basis of determining amount payable: [ ]
- (iv) Day Count Fraction in relation to Early Redemption Amounts and late payment: [Conditions 7(f)(iii) and 7(k) apply/specify other]*(Consider applicable day count fraction if not U.S. dollar denominated)*
19. Index Linked Interest Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Index/Formula: [give or annex details]
- (ii) Calculation Agent responsible for calculating the interest due: [ ]

- (iii) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable: [ ]
- (iv) Specified Period(s)/Specified Interest Payment Dates: [ ]
- (v) Business Day Convention: [Floating Rate Convention/Following Business Day  
Convention/Modified Following Business Day  
Convention/Preceding Business Day  
Convention/*specify other*]
- (vi) Additional Business Centre(s): [ ]
- (vii) Minimum Rate of Interest: [ ] per cent. per annum
- (viii) Maximum Rate of Interest: [ ] per cent. per annum
- (ix) Day Count Fraction: [ ]
20. Dual Currency Interest Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Rate of Exchange/method of calculating Rate of Exchange: [*give details*]
- (ii) Calculation Agent, if any, responsible for calculating the interest payable: [ ]
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [ ]
- (iv) Person at whose option Specified Currency(ies) is/are payable: [ ]

#### **PROVISIONS RELATING TO REDEMPTION**

21. Issuer Call [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Optional Redemption Date(s): [ ]
- (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [ ] per Note of [ ] Specified Denomination
- (iii) If redeemable in part:
- (1) Minimum Redemption Amount: [ ]
- (2) Higher Redemption Amount: [ ]
- (iv) Notice period (if other than asset out in the Conditions): [ ]

*(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)*

22. Investor Put [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [ ]
- (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [ ] per Note of [ ] Specified Denomination
- (iii) Notice period (if other than as set out in the Conditions): [ ] *(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)*
23. Final Redemption Amount: [ ] per Note of [ ] Specified Denomination/*specify other/see Appendix*
24. Early Redemption Amount(s) payable on redemption for taxation reasons or on Event of Default or a Regulatory Event and/or the method of calculating the same (if required or if different from that set out in Condition 7): [ ]

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

25. Form of Notes: [Bearer Notes:  
Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/ only upon an Exchange Event]  
[Temporary Bearer Global Note exchangeable for Definitive Notes on and after the Exchange Date]  
[Permanent Bearer Global Note exchangeable for Definitive Notes only upon an Exchange Event]  
[Registered Notes:  
[Regulation S Global Note [ ] nominal amount/Rule 144A Global Note [ ] nominal amount (*specify nominal amounts*)]

26. Additional Financial Centre(s) or other special provisions relating to Payment Dates: [Not Applicable/*give details*]
- (Note that this item relates to the place of payment and not Interest Period end dates to which items 17(iii) and 19(vi) relate)*
27. Talons for future Coupons or Receipts to be attached to Definitive Bearer Notes (and dates on which such Talons mature): [Yes/No. If yes, *give details*]
28. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/*give details. NB: new forms of Global Note may be required for Partly Paid issues*]
29. Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: [Not Applicable/*give details*]
30. Redenomination applicable: Redenomination [not] applicable  
[*if Redenomination is applicable, specify the applicable Day Count Fraction and any provisions necessary to deal with floating rate interest calculation (including alternative reference rates) and the terms of Redenomination in an Annex to the Pricing Supplement*]
31. Rating applicable to Notes: [Not Applicable/*give details*]
32. Other terms or special conditions (e.g. loss absorption/suspension of interest accrual for Deeply Subordinated Notes): [Not Applicable/*give details*]

#### **DISTRIBUTION**

33. If syndicated, names of Managers: [Not Applicable/*give names*]  
—Stabilising Manager (if any): [Not Applicable/*give name*]
34. If non-syndicated, name of relevant Dealer: [Not Applicable/*give name*]
35. TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: [TEFRA D/TEFRA C/TEFRA not applicable]
36. Additional selling restrictions: [Not Applicable/*give details*]

#### **OPERATIONAL INFORMATION**

37. Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/*give name(s) and number(s)*]
38. Delivery: Delivery [against/free of] payment
39. Additional Paying Agent(s) (if any): [ ]
- ISIN: [ ]
- Common Code: [ ]

*(Insert here any other relevant codes such as CUSIP and CINS codes)*

**[LISTING APPLICATION**

This Pricing Supplement comprises the final terms required to list the issue of Notes described herein pursuant to the €5,000,000,000 Euro Medium Term Note Programme of AXA.]

**RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of AXA:

By: \_\_\_\_\_

*Duly authorised*



## TERMS AND CONDITIONS OF THE NOTES

*The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange (if any) and agreed by the Issuer and the relevant Purchaser at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Pricing Supplement in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Pricing Supplement (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "Form of the Notes" for a description of the content of Pricing Supplements which will specify which of such terms are to apply in relation to the relevant Notes.*

This Note is one of a Series (as defined below) of Notes issued by AXA (the "Issuer") pursuant to the Agency Agreement (as defined below).

References herein to the "Notes" shall be references to the Notes of this Series and shall mean:

1. In relation to any Notes represented by a global Note (a "Global Note"), units of the lowest Specified Denomination in the Specified Currency;
2. any Global Note;
3. any definitive Notes in bearer form ("Bearer Notes") issued in exchange for a Global Note in bearer form; and
4. definitive Notes in registered form ("Registered Notes") (whether or not issued in exchange for a Global Note in registered form).

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an amended and restated agency agreement dated 10th October, 2003 and a supplement thereto dated 1st October, 2004 (together, the "Agency Agreement" as the same may be amended, restated and/or supplemented from time to time), in each case between the Issuer, BNP Paribas Securities Services, Luxembourg Branch, as issuing and principal paying agent and agent bank (the "Principal Paying Agent", which expression shall include any successor principal paying agent) and the other paying agents named therein (together with the Principal Paying Agent, the "Paying Agents", which expression shall include any additional or successor paying agents), BNP Paribas Securities Services, Luxembourg Branch, as exchange agent (the "Exchange Agent" which expression shall include any successor exchange agent), as registrar (the "Registrar", which expression shall include any successor registrar) and as transfer agent and the other transfer agents named therein (together with the Registrar, the "Transfer Agents", which expression shall include any additional or successor transfer agents).

Interest bearing definitive Bearer Notes (unless otherwise indicated in the applicable Pricing Supplement) have interest coupons ("Coupons") and, if indicated in the applicable Pricing Supplement, talons for further Coupons ("Talons") attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Bearer Notes repayable in instalments have receipts ("Receipts") for the payment of the instalments of principal (other than the final instalment) attached on issue, Registered Notes and Global Notes do not have Receipts, Coupons or Talons attached on issue.

The Pricing Supplement for this Note (or the relevant provisions thereof) is attached to or endorsed on this Note and supplements these Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace or modify these Terms and Conditions for the purposes of this Note. References to the "applicable Pricing Supplement" are to the Pricing Supplement (or the relevant provisions thereof) attached to or endorsed on this Note.

Any reference to "Noteholders" or "holders" in relation to any Notes shall mean (in the case of Bearer Notes) the holders of the Notes and (in the case of Registered Notes) the persons in whose name the Notes are registered and shall, in relation to any Notes represented by a Global Note, be construed as provided below. Any reference herein to "Receipholders" shall mean the holders of the

Receipts and any reference herein to “Couponholders” shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

As used herein, “Tranche” means Notes which are identical in all respects (including as to listing) and “Series” means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

The Noteholders, the Receiptholders and the Couponholders are entitled to the benefit of the Deed of Covenant (the “Deed of Covenant”) dated 10th October, 2003 and made by the Issuer. The original of the Deed of Covenant is held by the common depository for Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

Copies of the Agency Agreement, a deed poll (the “Deed Poll”) dated 10th October, 2003 and made by the Issuer and the Deed of Covenant are available for inspection during normal business hours at the specified office of each of the Principal Paying Agent, the Registrar and the other Paying Agents and Transfer Agents (such Agents and the Registrar being together referred to as the “Agents”). Copies of the applicable Pricing Supplement are obtainable during normal business hours at the specified office of each of the Agents save that, if this Note is an unlisted Note of any Series, the applicable Pricing Supplement will only be obtainable by a Noteholder holding one or more unlisted Notes of that Series and such Noteholder must produce evidence satisfactory to the Issuer and the relevant Agent as to its holding of such Notes and identity. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Deed Poll, the Deed of Covenant and the applicable Pricing Supplement which are applicable to them. The statements in these Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Words and expressions defined in the Agency Agreement or used in the applicable Pricing Supplement shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

## **1. FORM, DENOMINATION AND TITLE**

The Notes are in bearer form or in registered form as specified in the applicable Pricing Supplement and, in the case of definitive Notes, serially numbered, in the Specified Currency and the Specified Denomination(s). Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes and vice versa.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, a Dual Currency Interest Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Pricing Supplement.

This Note may be an Index Linked Redemption Note, an Instalment Note, a Dual Currency Redemption Note, a Partly Paid Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Pricing Supplement.

Definitive Bearer Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Terms and Conditions are not applicable.

Subject as set out below, title to the Bearer Notes, Receipts and Coupons will pass by delivery and title to the Registered Notes will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. The Issuer and any Agent will (except as otherwise required by law) deem and treat the bearer of any Bearer Note, Receipt or Coupon and the registered holder of any Registered Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Bearer Global Note or a Regulation S Global Note held on behalf of Euroclear Bank S.A./N.V., as operator of the Euroclear System ("Euroclear") and/or Clearstream Banking, société anonyme ("Clearstream, Luxembourg"), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest or proven error) shall be treated by the Issuer and the Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Regulation S Global Note shall be treated by the Issuer and any Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions "Noteholder" and "holder of Notes" and related expressions shall be construed accordingly.

For so long as the Depository Trust Company ("DTC") or its nominee is the registered owner or holder of a Registered Global Note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Registered Global Note for all purposes under the Agency Agreement and the Notes except to the extent that in accordance with DTC's published rules and procedures any ownership rights may be exercised by its participants or beneficial owners through participants.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of DTC, Euroclear and Clearstream, Luxembourg, as the case may be. References to DTC, Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system.

## **2. TRANSFERS OF REGISTERED NOTES**

### **(a) Transfers of beneficial interests in Registered Global Notes**

Transfers of beneficial interests in Registered Global Notes will be effected by DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Notes in definitive form or for a beneficial interest in another Registered Global Note only in the authorised denominations set out in the applicable Pricing Supplement and only in accordance with the rules and operating procedures for the time being of DTC, Euroclear or Clearstream, Luxembourg, as the case may be and in accordance with the terms and conditions specified in the Agency Agreement. Transfers of a Registered Global Note shall be limited to transfers of such Registered Global Note, in whole but not in part, to a nominee of DTC or to a successor of DTC or such successor's nominee.

### **(b) Transfers of Registered Notes in definitive form**

Subject as provided in paragraphs (e), (f) and (g) below, upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part (in the authorised denominations set out in the applicable Pricing Supplement). In order to effect any such transfer (i) the holder or holders must (a) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (b) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Transfer Agent and (ii) the Registrar or, as the case may be, the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 9 to the Agency Agreement). Subject as provided above, the Registrar or, as the case may be, the relevant Transfer Agent will, within

three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations) authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

(c) Registration of transfer upon partial redemption

In the event of a partial redemption of Notes under Condition 7, the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

(d) Costs of registration

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

(e) Transfers of beneficial interests in Regulation S Global Notes

Prior to expiry of the Distribution Compliance Period, transfers by the holder of, or of a beneficial interest in, a Regulation S Global Note to a transferee in the United States or who is a U.S. person will only be made:

- (i) upon receipt by the Registrar of a written certification substantially in the form set out in the Agency Agreement, amended as appropriate (a "Transfer Certificate"), copies of which are available from the specified office of the Registrar or any Transfer Agent, from the transferor of the Note or beneficial interest therein to the effect that such transfer is being made to a person for whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A;
- (ii) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States,

and in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

In the case of (i) above, such transferee may take delivery through a Legended Note in a global or definitive form. After expiry of the Distribution Compliance Period (i) beneficial interests in Regulation S Global Notes may be held through DTC directly, by a participant in DTC, or indirectly through a participant in DTC and (ii) such certification requirements will not longer apply to such transfers.

(f) Transfers of beneficial interests in Legended Notes

Transfers of Legended Notes or beneficial interests therein may be made:

- (i) to a transferee who takes delivery of such interest through a Regulation S Global Note, upon receipt by the Registrar of a duly completed Transfer Certificate from the transferor to the effect that such transfer is being made in accordance with Regulation S and that, if such transfer is being made prior to expiry of the Distribution Compliance Period, the interests in the Notes being transferred will be held immediately thereafter through Euroclear and/or Clearstream, Luxembourg; or

- (ii) to a transferee who takes delivery of such interest through a Legended Note where the transferee is a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, without certification;
- (iii) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States,

and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

Upon the transfer, exchange or replacement of Legended Notes, or upon specific request for removal of the Legend, the Registrar shall deliver only Legended Notes or refuse to remove such Legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of U.S. counsel, that neither the Legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

(g) Exchanges and transfers of Registered Notes generally

Holders of Registered Notes in definitive form may exchange such Notes for interests in a Registered Global Note of the same type at any time.

(h) Definitions

In this Condition, the following expressions shall have the following meanings:

“Distribution Compliance Period” means the period that ends 40 days after the completion of the distribution of each Tranche of Notes, as certified by the relevant Dealer (in the case of a non syndicated issue) or the relevant Lead Manager (in the case of a syndicated issue);

“Legended Note” means Registered Notes (whether in definitive form or represented by a Registered Global Note) sold in private transactions to QIBs in accordance with the requirements of Rule 144A;

“QIB” means a “qualified institutional buyer” within the meaning of Rule 144A;

“Regulation S” means Regulation S under the Securities Act;

“Regulation S Global Note” means a Registered Global Note representing Notes sold outside the United States in reliance on Regulation S;

“Rule 144A” means Rule 144A under the Securities Act;

“Rule 144A Global Note” means a Registered Global Note representing Notes sold in the United States or to QIBs; and

“Securities Act” means the United States Securities Act of 1933, as amended.

### 3. STATUS OF THE NOTES AND SUBORDINATION

(a) Senior Notes

If the Notes are expressed to be “Senior Notes”, the Notes and any relative Receipts and Coupons are direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other present and future unsecured and unsubordinated obligations of the Issuer, from time to time outstanding.

(b) Subordinated Notes

“Subordinated Notes” comprise Dated Subordinated Notes and Undated Subordinated Notes (each as defined below) (together, the “Ordinary Subordinated Notes”), and Dated Deeply Subordinated Notes and Undated Deeply Subordinated Notes (each as defined below) (together, the “Deeply Subordinated Notes”).

(i) Dated Subordinated Notes

If the Notes have a specified maturity date and are expressed to be “Dated Subordinated Notes”, such Notes and any relative Receipts and Coupons are direct, unconditional, unsecured and subordinated obligations of the Issuer and rank *pari passu* without any preference among themselves and *pari passu* with any other existing or future direct, unconditional, unsecured and subordinated obligations of the Issuer with a specified maturity date (including, without limitation, those which are expressed to be senior subordinated obligations of the Issuer with a specified maturity date and any outstanding Senior Dated Subordinated Notes (as defined and issued under the Programme as constituted prior to 1st October, 2004, the “Old Programme”)), but shall rank in priority to any outstanding Junior Dated Subordinated Notes (as defined and issued under the Old Programme), any Undated Subordinated Notes, any Undated Subordinated Obligations, any *prêts participatifs* granted to the Issuer, any *titres participatifs* issued by the Issuer and any Deeply Subordinated Notes.

(ii) Undated Subordinated Notes

If the Notes have no specified maturity date and are expressed to be “Undated Subordinated Notes”, such Notes and any relative Receipts and Coupons are direct, unconditional, unsecured and subordinated obligations of the Issuer and rank *pari passu* without any preference among themselves and *pari passu* with any other existing or future direct, unconditional, unsecured and subordinated obligations of the Issuer with no specified maturity date (excluding Undated Deeply Subordinated Notes) (any such obligations, “Undated Subordinated Obligations”) and shall be subordinated to:

- (A) all direct, unconditional, unsecured and unsubordinated obligations of the Issuer (including any Senior Notes); and
- (B) all direct, unconditional, unsecured and subordinated obligations of the Issuer with a specified maturity date (including, without limitation, any Dated Subordinated Notes and any outstanding Senior Dated Subordinated Notes (as defined and issued under the Old Programme)) except for such direct, unconditional, unsecured and subordinated obligations of the Issuer with a specified maturity date which are expressed to rank *pari passu* with Undated Subordinated Notes and Undated Subordinated Obligations (including, without limitation, any outstanding Junior Dated Subordinated Notes (as defined and issued under the Old Programme)),

in each case outstanding from time to time, but shall rank in priority to any *prêts participatifs* granted to the Issuer, any *titres participatifs* issued by the Issuer and any Deeply Subordinated Notes.

If any judgment is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) of the Issuer or if the Issuer is liquidated for any other reason, the rights of payment of the holders of any Ordinary Subordinated Notes and any relative Receipts and Coupons and the holders of any outstanding Senior Dated Subordinated Notes and any outstanding Junior Dated Subordinated Notes (each as defined and issued under the Old Programme) and any relative Receipts and Coupons shall be subordinated to the payment in full of unsubordinated creditors of the Issuer (including, without limitation, holders of any Senior Notes, depositors and creditors whose claims arise under contracts entered into for the purposes of any liquidation) and, subject to such payment in full, such holders shall be paid in priority to holders of any *prêts participatifs* granted to the Issuer, any *titres participatifs* issued by the Issuer and any Deeply Subordinated Notes. In such circumstances, in the event of incomplete payment of unsubordinated creditors, the obligations of the Issuer in connection with any Ordinary Subordinated Notes and any relative Receipts and Coupons, any outstanding Senior Dated Subordinated Notes and any outstanding Junior Dated Subordinated Notes (each as defined and issued under the Old Programme) and any relative Receipts and Coupons will be terminated. The holders of Ordinary Subordinated Notes and any relative Receipts and Coupons shall take all steps necessary for the orderly accomplishment of any collective proceedings or voluntary liquidation.

(iii) Deeply Subordinated Notes

If the Notes have:

- (A) a specified maturity date and are expressed to be “Dated Deeply Subordinated Notes”;
- (B) no specified maturity date and are expressed to be “Undated Deeply Subordinated Notes”,

such Notes and any relative Receipts and Coupons are direct, unconditional, unsecured and subordinated obligations of the Issuer and rank *pari passu* without any preference among themselves and *pari passu* with any other existing or future direct, unconditional, unsecured and deeply subordinated obligations of the Issuer.

If any judgment is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) of the Issuer or if the Issuer is liquidated for any other reason, the rights of payment of the holders of Deeply Subordinated Notes and any relative Receipts and Coupons will be subordinated to the full payment of unsubordinated creditors of the Issuer (including, without limitation, holders of any Senior Notes, depositors and creditors whose claims arise under contracts entered into for the purposes of any liquidation), holders of any Ordinary Subordinated Notes, holders of any outstanding Senior Dated Subordinated Notes and any outstanding Junior Dated Subordinated Notes (each as defined and issued under the Old Programme) and holders of any *prêts participatifs* granted to the Issuer and any *titres participatifs* issued by the Issuer. In the event of incomplete payment of creditors ranking senior to holders of Deeply Subordinated Notes and relative Receipts and Coupons (in the context of voluntary or judicial liquidation of the Issuer, bankruptcy proceedings or any other similar proceedings affecting the Issuer) the obligations of the Issuer in connection with the Deeply Subordinated Notes and relative Receipts and Coupons will be terminated. The holders of Deeply Subordinated Notes and any relative Receipts and Coupons shall take all steps necessary for the orderly accomplishment of any collective proceedings or voluntary liquidation.

(c) Deferral of payment of interest and suspension of accrual of interest in the case of Subordinated Notes

- (i) In the case of Subordinated Notes, the payment of interest may be deferred in accordance with the provisions of Condition 5(f) or as otherwise specified in the applicable Pricing Supplement.
- (ii) In the case of Deeply Subordinated Notes only, the payment of interest may be suspended in certain circumstances as more fully set out in the applicable Pricing Supplement.

(d) Loss absorption provisions

In the case of Deeply Subordinated Notes, the Notes may contain provisions permitting the Issuer to implement, in certain circumstances following the occurrence of certain events, a reduction in the nominal amount of each Specific Denomination (a “Loss Absorption”) in order to offset its losses and to enable it thereafter to continue its business. The precise terms of the Loss Absorption and the procedures whereby it shall be implemented shall be set out in full in the applicable Pricing Supplement.

The provisions of this Condition 3 (and in particular paragraph (b) above) are subject to supplement, modification or replacement as set out in the applicable Pricing Supplement.

#### 4. REDENOMINATION

(a) Redenomination

Where redenomination is specified in the applicable Pricing Supplement as being applicable, the Issuer may, without the consent of the Noteholders, the Receiptholders and the Couponholders, on giving prior notice to the Principal Paying Agent, Euroclear and Clearstream, Luxembourg and at least 30 days’ prior notice to the Noteholders in accordance with Condition 14, elect that, with effect from the Redenomination Date specified in the notice, the Notes shall be redenominated in euro.

The election will have effect as follows:

- (i) the Notes and the Receipts shall be deemed to be redenominated into euro in the denomination of €0.01 with a principal amount for each Note and Receipt equal to the principal amount of that Note or Receipt in the Specified Currency, converted into euro at the Established Rate, provided that, if the Issuer determines, with the agreement of the Principal Paying Agent, that the then market practice in respect of the redenomination into euro of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, the stock exchange (if any) on which the Notes may be listed and the Agents of such deemed amendments;
  - (ii) save to the extent that an Exchange Notice has been given in accordance with paragraph (iv) below, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate principal amount of Notes presented (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest €0.01;
  - (iii) if definitive Notes are required to be issued after the Redenomination Date, they shall be issued at the expense of the Issuer in the denominations of €1,000, €10,000, €100,000 and (but only to the extent of any remaining amounts less than €1,000 or such smaller denominations as the Principal Paying Agent may approve) €0.01 and such other denominations as the Principal Paying Agent shall determine and notify to the Noteholders;
  - (iv) if issued prior to the Redenomination Date, all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Notes) will become void with effect from the date on which the Issuer gives notice (the "Exchange Notice") that replacement euro-denominated Notes, Receipts and Coupons are available for exchange (provided that such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Notes and Receipts so issued will also become void on that date although those Notes and Receipts will continue to constitute valid exchange obligations of the Issuer. New euro-denominated Notes, Receipts and Coupons will be issued in exchange for Notes, Receipts and Coupons denominated in the Specified Currency in such manner as the Principal Paying Agent may specify and as shall be notified to the Noteholders in the Exchange Notice. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the Notes;
  - (v) after the Redenomination Date, all payments in respect of the Notes, the Receipts and the Coupons, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in euro as though references in the Notes to the Specified Currency were to euro. Payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque;
  - (vi) if the Notes are Fixed Rate Notes and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on an Interest Payment Date, it will be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention; and
  - (vii) if the Notes are Floating Rate Notes, the applicable Pricing Supplement will specify any relevant changes to the provisions relating to interest.
- (b) Definitions

In these Terms and Conditions, the following expressions have the following meanings:

"Established Rate" means the rate for the conversion of the Specified Currency (including compliance with rules relating to roundings in accordance with applicable European



Community regulations) into euro established by the Council of the European Union pursuant to Article 123 of the Treaty;

“euro” means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty;

“Redenomination Date” means (in the case of interest bearing Notes) any date for payment of interest under the Notes or (in the case of Zero Coupon Notes) any date, in each case specified by the Issuer in the notice given to the Noteholders pursuant to paragraph (a) above and which falls on or after the date on which the country of the Specified Currency first participates in the third stage of European economic and monetary union; and

“Treaty” means the Treaty establishing the European Community, as amended.

## 5. INTEREST

### (a) Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up) from and including the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date, unless otherwise specified in the applicable Pricing Supplement.

Except as provided in the applicable Pricing Supplement, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Pricing Supplement, amount to the Broken Amount so specified.

As used in these Terms and Conditions, “Fixed Interest Period” means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If interest is required to be calculated for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

“Day Count Fraction” means, in respect of the calculation of an amount of interest in accordance with this Condition 5(a):

(i) if “Actual/Actual (ISMA)” is specified in the applicable Pricing Supplement:

(a) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the “Accrual Period”) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Pricing Supplement) that would occur in one calendar year; or

(b) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Pricing Supplement) that would occur in one calendar year; and

(2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination

Period and (y) the number of Determination Dates that would occur in one calendar year; and

- (ii) if “30/360” is specified in the applicable Pricing Supplement, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In these Terms and Conditions:

“Determination Period” means each period from (and including) a Determination Date to but excluding the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

“sub-unit” means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.

(b) Interest on Floating Rate Notes and Index Linked Interest Notes

(i) *Interest Payment Dates*

Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

1. the Specified Interest Payment Date(s) (each an “Interest Payment Date”) in each year specified in the applicable Pricing Supplement; or
2. if no express Specified Interest Payment Date(s) is/are specified in the applicable Pricing Supplement, each date (each an “Interest Payment Date”) which falls the number of months or other period specified as the Specified Period in the applicable Pricing Supplement after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Pricing Supplement and (x) if there is no numerically corresponding day on the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

1. in any case where Specified Periods are specified in accordance with Condition 5(b)(i)(2) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
2. the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
3. the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

4. the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Terms and Conditions, "Business Day" means a day which is both:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London, Luxembourg and any Additional Business Centre specified in the applicable Pricing Supplement; and
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London and any Additional Business Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System (the "TARGET System") is open.

(ii) *Rate of Interest*

The Rate of Interest payable from time to time in respect of Floating Rate Notes and Index Linked Interest Notes will be determined in the manner specified in the applicable Pricing Supplement.

*Screen Rate Determination for Floating Rate Notes*

Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

1. the offered quotation; or
2. the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of the London inter-bank offered rate ("LIBOR"), or Brussels time, in the case of the Euro-zone inter-bank offered rate ("EURIBOR")) on the Interest Determination Date in question plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any), all as determined by the Principal Paying Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Principal Paying Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

In these Terms and Conditions, "Euro-zone" means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (1) above, no such offered quotation appears or, in the case of (2) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Pricing Supplement as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Pricing Supplement.

(iii) *Minimum and/or maximum Rate of Interest*

If the applicable Pricing Supplement specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Pricing Supplement specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(iv) *Determination of Rate of Interest and calculation of Interest Amounts*

The Principal Paying Agent, in the case of Floating Rate Notes, and the Calculation Agent, in the case of Index Linked Interest Notes, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. In the case of Index Linked Interest Notes, the Calculation Agent will notify the Principal Paying Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Principal Paying Agent will calculate the amount of interest (the "Interest Amount") payable on the Floating Rate Notes or Index Linked Interest Notes in respect of each Specified Denomination for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

"Day Count Fraction" means, in respect of the calculation of an amount of interest for any Interest Period:

1. if "Actual/365" or "Actual/Actual" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
2. if "Actual/365 (Fixed)" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365;
3. if "Actual/365 (Sterling)" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
4. if "Actual/360" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 360;
5. if "30/360", "360/360" or "Bond Basis" is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 months of 30 days each (unless (a) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and
6. if "30E/360" or "Eurobond Basis" is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 months of 30 days each, without regard to the date of the first day or last day of the Interest Period unless, in

the case of an Interest Period ending on the Maturity Date, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

(v) *Notification of Rate of Interest and Interest Amounts*

The Principal Paying Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and notice thereof to be published in accordance with Condition 14 as soon as possible after their determination but in no event later than the fourth Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and to the Noteholders in accordance with Condition 14. For the purposes of this paragraph, the expression "Business Day" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London and Luxembourg.

(vi) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5(b), whether by the Principal Paying Agent or, if applicable, the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Principal Paying Agent, the Calculation Agent (if applicable), the other Agents and all Noteholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Principal Paying Agent or the Calculation Agent (if applicable) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) Interest on Dual Currency Interest Notes

In the case of Dual Currency Interest Notes, if the rate or amount of interest falls to be determined by reference to an exchange rate, the rate or amount of interest payable shall be determined in the manner specified in the applicable Pricing Supplement.

(d) Interest on Partly Paid Notes

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Pricing Supplement.

(e) Accrual of interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

1. the date on which all amounts due in respect of such Note have been paid; and
2. five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Principal Paying Agent or the Registrar, as the case may be, and notice to that effect has been given to the Noteholders in accordance with Condition 14.

(f) Interest Deferral—Subordinated Notes

This paragraph (f) is applicable to all Subordinated Notes. This paragraph (f) is applicable to all Subordinated Notes other than Deeply Subordinated Notes containing provisions suspending the accrual of interest as referred to in Condition 3(c)(ii).

Interest on Subordinated Notes shall be payable on each Interest Payment Date in accordance with these Terms and Conditions unless such date is declared an Optional Interest Payment Date (as defined below) by the Issuer.

(1) Optional Interest Payment Dates

An "Optional Interest Payment Date" means each Interest Payment Date to which either of the following circumstances applies:

- (i) at the annual general meeting (*assemblée générale annuelle*) of the Issuer immediately prior to such Interest Payment Date no dividend was declared on any ordinary shares of the Issuer; or
- (ii) the Principal Paying Agent has received written notice from the Issuer confirming (A) that a Regulatory Intervention (as defined below) has occurred and such Regulatory Intervention is continuing on such Interest Payment Date and (B) no dividend has been declared on any ordinary shares of the Issuer since the date on which such Regulatory Intervention occurred.

On any Optional Interest Payment Date, the Issuer may elect, by giving notice to the Noteholders pursuant to sub-paragraph (4) below to defer payment of all (but not some only) of the interest accrued to that date in respect of the Subordinated Notes, but the Issuer shall not have any obligation to make such payment and any such failure to pay shall not constitute a default by the Issuer for any purpose.

Any interest in respect of the Subordinated Notes not paid on an Optional Interest Payment Date and deferred in accordance with this Condition shall, so long as the same remains outstanding, constitute "Arrears of Interest" and shall be payable as outlined below.

(2) Arrears of Interest

Arrears of Interest (together with the corresponding Additional Interest Amount (as defined below)) may at the option of the Issuer be paid in whole or in part at any time but all Arrears of Interest (together with the corresponding Additional Interest Amount) in respect of all Notes for the time being outstanding shall become due in full on whichever is the earliest of:

- (i) the Interest Payment Date immediately following the date of the annual general meeting (*assemblée générale annuelle*) of the Issuer at which a dividend is declared on any ordinary shares of the Issuer;
- (ii) the Interest Payment Date immediately following the date upon which the Principal Paying Agent receives written notice from the Issuer stating that no Regulatory Intervention is or will be continuing on such Interest Payment Date provided that a dividend was declared on any ordinary shares of the Issuer at the annual general meeting preceding the occurrence of such Regulatory Intervention;
- (iii) the date fixed for any optional or mandatory redemption of the Notes; or
- (iv) the date upon which a judgment is made for the judicial liquidation of the Issuer (*liquidation judiciaire* or *liquidation amiable*) or for the sale of the whole of the business (*cession totale de l'entreprise*) following an order of judicial reorganisation (*redressement judiciaire*) in respect of the Issuer.

Each amount of Arrears of Interest shall bear interest (to the extent permitted by applicable law) as if it constituted the principal of the Notes at a rate which corresponds to the Rate of Interest from time to time applicable to the Notes and the amount of such interest (the "Additional Interest Amount") with respect to Arrears of Interest shall be due and payable pursuant to this Condition and shall be calculated by applying the Rate of Interest to the amount of the Arrears of Interest and otherwise *mutatis mutandis* as provided in the foregoing provisions of this Condition 5. The Additional Interest Amount accrued up to any Interest Payment Date shall be added, for the purpose only of calculating the Additional Interest Amount accruing thereafter, to the amount of Arrears

of Interest remaining unpaid on such Interest Payment Date as if such amount constituted Arrears of Interest.

(3) Definitions

For the purposes of this paragraph (f):

“Regulatory Intervention” means (i) in respect of the Issuer, a request to the Issuer from the Relevant Supervisory Authority (as defined below) to restore any applicable minimum solvency margins or capital adequacy levels, or (ii) a request in respect of a Principal Subsidiary (as defined below) of the Issuer by its relevant supervisory authority to restore any applicable minimum solvency margins or capital adequacy levels;

“Principal Subsidiary” means any consolidated subsidiary of the Issuer engaged in insurance business and regulated as such whose contribution to the consolidated gross premiums or consolidated gross technical reserves of the Issuer represents 5 per cent. or more of the consolidated gross written premiums or consolidated gross technical reserves, respectively, for the immediately preceding financial year as shown in the most recent audited consolidated financial statements of the Issuer prior to the relevant Interest Payment Date; and

“Relevant Supervisory Authority” means any relevant regulator having jurisdiction over the Issuer, in the event that the Issuer’s insurance activities are regulated on a consolidated basis and the Issuer is required to comply with certain applicable minimum solvency margins or capital adequacy levels in accordance with the applicable laws and regulations.

(4) Notice of Deferral and Payment of Arrears of Interest

The Issuer shall give at least five Business Days’ prior notice to the Noteholders in accordance with Condition 14:

- (1) of any Optional Interest Payment Date on which, pursuant to the provisions of sub-paragraph (f)(1) above, interest will not be paid; and
- (2) of any date upon which amounts in respect of Arrears of Interest and/or Additional Interest Amounts shall become due and payable.

(5) Partial Payment of Arrears of Interest

If amounts in respect of Arrears of Interest and Additional Interest Amounts are paid in part:

- (1) all unpaid amounts of Arrears of Interest shall be payable before any Additional Interest Amounts;
- (2) Arrears of Interest accrued for any period shall not be payable until full payment has been made of all Arrears of Interest that have accrued during any earlier period and the order of payment of Additional Interest Amounts shall follow that of the Arrears of Interest to which they relate; and
- (3) the amount of Arrears of Interest or Additional Interest Amounts payable in respect of any Note in respect of any period, will be calculated *pro rata* to the total amount of all unpaid Arrears of Interest or, as the case may be, Additional Interest Amounts accrued in respect of that period to the date of payment.

## 6. PAYMENTS

(a) Method of payment

Subject as provided below:

- (i) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency (which, in the case of a payment in Japanese Yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified

Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively); and

- (ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8.

(b) Presentation of definitive Bearer Notes, Receipts and Coupons

Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Payments of instalments of principal (if any) in respect of definitive Bearer Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in paragraph (a) above against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Bearer Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the definitive Bearer Note to which it appertains. Receipts presented without the definitive Bearer Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Bearer Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive bearer form (other than Dual Currency Notes, Index Linked Notes or Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 8) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Dual Currency Note, Index Linked Note or Long Maturity Note in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A "Long Maturity Note" is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.



If the due date for redemption of any definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Bearer Note.

(c) Payments in respect of Bearer Global Notes

Payments of principal and interest (if any) in respect of Notes represented by any Global Note in bearer form will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Notes and otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made against presentation or surrender of any Global Note in bearer form, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by the Paying Agent to which it was presented and such record shall be *prima facie* evidence that the payment in question has been made.

(d) Payments in respect of Registered Notes

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the "Register") at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date (the "Record Date"). Notwithstanding the previous sentence, if (i) a holder does not have a Designated Account or (ii) the principal amount of the Notes held by a holder is less than U.S.\$250,000 (or its approximate equivalent in any other Specified Currency), payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, "Designated Account" means the account (which, in the case of a payment in Japanese Yen to a non-resident of Japan, shall be a non-resident account) maintained by a holder with a Designated Bank and identified as such in the Register and "Designated Bank" means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Note (whether or not in global form) will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Note appearing in the Register at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the "Record Date") at his address shown in the Register on the Record Date and at his risk. Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Registered Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) and instalments of principal (other than the final instalment) in respect of the Registered Notes which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Registered Note on redemption and the final instalment of principal will be made in the same manner as payment of the principal amount of such Registered Note.

Holders of Registered Notes will not be entitled to any Interest or other payment for any delay in receiving any amount due in respect of any Registered Note as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Registered Notes.

All amounts payable to DTC or its nominee as registered holder of a Global Note in registered form in respect of Notes denominated in a Specified Currency other than U.S. dollars shall be paid by transfer by the Registrar to an account in the relevant Specified Currency of the Exchange Agent on behalf of DTC or its nominee for payment in such Specified Currency for conversion into U.S. dollars in accordance with the provisions of the Agency Agreement.

None of the Issuer or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

(e) General provisions applicable to payments

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or DTC as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear, Clearstream, Luxembourg or DTC, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

- (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Notes in the manner provided above when due;
- (ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

(f) Payment Day

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, "Payment Day" means any day which (subject to Condition 9) is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
  1. the relevant place of presentation;
  2. Luxembourg;
  3. any Additional Financial Centre specified in the applicable Pricing Supplement;

- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation, London and any Additional Financial Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET System is open; and
  - (iii) in the case of any payment in respect of a Registered Global Note denominated in a Specified Currency other than U.S. dollars and registered in the name of DTC or its nominee and in respect of which an accountholder of DTC (with an interest in such Registered Global Note) has elected to receive any part of such payment in U.S. dollars, a day on which commercial banks are not authorised or required by law or regulation to be closed in New York City.
- (g) Interpretation of principal and interest

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable with respect to principal under Condition 8;
- (ii) the Final Redemption Amount of the Notes;
- (iii) the Early Redemption Amount of the Notes;
- (iv) the Optional Redemption Amount(s) (if any) of the Notes;
- (v) in relation to Notes redeemable in instalments, the Instalment Amounts;
- (vi) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 7(f)); and
- (vii) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8.

## **7. REDEMPTION AND PURCHASE**

### **(a) Redemption at maturity**

Unless previously redeemed or purchased and cancelled as specified below, each Note will (except for Undated Subordinated Notes) be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement in the relevant Specified Currency on the Maturity Date.

### **(b) Redemption for tax reasons**

- (i) The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 45 days' notice to the Principal Paying Agent and, in accordance with Condition 14, the Noteholders (which notice shall be irrevocable), if on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of France or any political subdivision of, or any authority in, or of, France having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make such payment without withholding for French taxes. Prior to the publication of any notice of redemption

pursuant to this paragraph, the Issuer shall deliver to the Principal Paying Agent (i) a certificate signed by a director of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

If the Issuer would on the occasion of the next payment due under the Notes 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 8, then the Issuer shall forthwith give notice of such fact to the Principal Paying Agent and the Issuer shall (subject as provided below) forthwith redeem all, but not some only, of the Notes then outstanding, upon giving not less than seven nor more than thirty days' irrevocable notice to the Noteholders, provided that the due date for redemption of which notice hereunder shall be given, shall be the latest practicable date on which the Issuer could make payment without withholding for French taxes, or if such date is past, as soon as is practicable thereafter.

Notes redeemed pursuant to this Condition 7(b) will be redeemed at their Early Redemption Amount referred to in paragraph (f) below together (if appropriate) with interest accrued to (but excluding) the date of redemption including any Arrears of Interest.

In the case of Subordinated Notes, any such redemption may be subject to the prior approval of the Relevant Supervisory Authority.

- (ii) If specified in the applicable Pricing Supplement the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 45 days' notice to the Principal Paying Agent, and in accordance with Condition 14, the Noteholders (which notice shall be irrevocable), if on the occasion of the next payment due under the Notes, interest payable thereunder is no longer tax-deductible by the Issuer in France or any political subdivision of, or any authority in, or of, France having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make such payment with interest payable being tax deductible in France. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Principal Paying Agent (i) a certificate signed by a director of the Issuer stating that the Issuer is entitled to effect such redemption and that payments of interest under the Notes will no longer be tax-deductible as aforesaid and (ii) an opinion of independent legal advisers of recognised standing to such effect.

(c) Redemption at the option of the Issuer (Issuer Call)

If Issuer Call is specified in the applicable Pricing Supplement, the Issuer may, having given:

- (i) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 14; and
- (ii) not less than 15 days before the giving of the notice referred to in (i), notice to the Principal Paying Agent and, in the case of a redemption of Registered Notes, the Registrar;

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Pricing Supplement together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount equal to the Minimum Redemption Amount or a Higher Redemption Amount. In the case of a partial redemption of Notes, the Notes to be redeemed

("Redeemed Notes") will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg and/or DTC, in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "Selection Date"). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 14 not less than 15 days prior to the date fixed for redemption. The aggregate nominal amount of Redeemed Notes represented by definitive Notes or represented by a Global Note shall in each case bear the same proportion to the aggregate nominal amount of all Redeemed Notes as the aggregate nominal amount of definitive Notes outstanding and Notes outstanding represented by such Global Note, respectively, bears to the aggregate nominal amount of the Notes outstanding, in each case on the Selection Date, provided that, if necessary, appropriate adjustments shall be made to such nominal amounts to ensure that each represents an integral multiple of the Specified Denomination. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this paragraph (c) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 14 at least five days prior to the Selection Date.

In the event of early redemption as aforesaid of any issue of Subordinated Notes, such early redemption may be subject to the prior approval of the Relevant Supervisory Authority. Subject to limited exceptions, Subordinated Notes will not be subject to early redemption before the expiration of a five year period starting on their Issue Date.

(d) Redemption at the option of the Noteholders (Investor Put)

If Investor Put is specified in the applicable Pricing Supplement, upon the holder of any Note giving to the Issuer in accordance with Condition 14 not less than 15 nor more than 30 days' notice the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Pricing Supplement, in whole, such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. Registered Notes may be redeemed under this Condition 7(d) in any multiple of their lowest Specified Denomination.

If this Note is in definitive form, to exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver such Note at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar falling within the notice period, accompanied by a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (a "Put Notice") and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2(b). If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary for them to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time and, if this Note is represented by a Global Note, at the same time present or procure the presentation of the relevant Global Note to the Agent for notation accordingly.

Any Put Notice given by a holder of any Note pursuant to this paragraph shall be irrevocable except where prior to the due date of redemption an Event of Default shall have occurred

and be continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph and instead to declare such Note forthwith due and payable pursuant to Condition 10.

In the case of Subordinated Notes, there will be no redemption at the option of the Noteholders.

(e) Optional Redemption of Subordinated Notes due to a Regulatory Event

If at any time the Issuer determines that a Regulatory Event (as defined below) has occurred with respect to any Subordinated Notes, such Subordinated Notes will be redeemable in whole or in part at the option of the Issuer having given not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 14 on any Interest Payment Date (or as otherwise specified in the applicable Pricing Supplement) at their Early Redemption Amount as specified in the applicable Pricing Supplement together with accrued interest (including Arrears of Interest) up to but excluding the date of redemption.

For the purpose of this Condition 7(e):

"Regulatory Event" means that the Issuer is (i) subject to consolidated regulatory supervision by the Relevant Supervisory Authority (as defined above), and (ii) the Issuer is not permitted under the applicable rules and regulations adopted by the Relevant Supervisory Authority or an official application or interpretation of those rules and regulations including a decision of any court or tribunal at any time whilst any of the Notes are outstanding to treat the aggregate principal amount of such Subordinated Notes as own funds for the purposes of the determination of its solvency margin or capital adequacy ratios.

(f) Early Redemption Amounts

For the purpose of paragraph (b) above and Condition 10, each Note will be redeemed at its Early Redemption Amount calculated as follows:

- (i) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;
- (ii) in the case of a Note (other than a Zero Coupon Note but including an Instalment Note and Partly Paid Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, at the amount specified in, or determined in the manner specified in, the applicable Pricing Supplement or, if no such amount or manner is so specified in the applicable Pricing Supplement, at its nominal amount; or
- (iii) in the case of a Zero Coupon Note, at an amount (the "Amortised Face Amount") calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = RP \times (1 + AY)^y$$

"RP" means the Reference Price

"AY" means the Accrual Yield expressed as a decimal; and

"y" is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360,

or on such other calculation basis as may be specified in the applicable Pricing Supplement.

(g) Instalments

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to paragraph (f) above.

(h) Partly Paid Notes

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the applicable Pricing Supplement.

(i) Purchases

The Issuer or any subsidiary of the Issuer may at any time purchase Notes (provided that, in the case of definitive Bearer Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. If purchases are made by tender, tenders must be available to all Noteholders alike.

(j) Cancellation

All Notes which are redeemed or purchased by the Issuer will forthwith be forwarded to the Principal Paying Agent to be cancelled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption) and cannot be reissued or resold.

(k) Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph (a), (b), (c) or (d) above or upon its becoming due and repayable as provided in Condition 10 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (f)(iii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Principal Paying Agent or the Registrar and notice to that effect has been given to the Noteholders in accordance with Condition 14.

## 8. TAXATION

(a) *Tax Exemption*

The Notes being issued outside France, interest and other revenues in respect of the Notes, Receipts and Coupons benefit from the exemption provided for in Article 131 *quater* of the *Code Général des Impôts* (the French General Tax Code) from deduction of tax at source. Accordingly, such payments do not give the right to any tax credit from any French source.

(b) *Additional Amounts*

If French law should require that any payments in respect of the Notes, Receipts or Coupons be subject to deduction or withholding with respect to any present or future taxes, duties, assessments or other governmental charges whatsoever imposed or levied by or on behalf of France or any political subdivision of, or any authority therein or thereof having power to tax, 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 received by the holders of the Notes, Receipts or Coupons after such deduction or withholding shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon presented for payment:

- (i) by or on behalf of a Noteholder, Receiptholder or Couponholder (including a beneficial owner (*ayant droit*)) who is liable for such taxes, duties, assessments or other governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with France other than the mere holding of (or beneficial ownership with respect to) such Note, Receipt or Coupon; or

- (ii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26th-27th November, 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (iii) presented for payment by or on behalf of a Noteholder, Receiptholder or Couponholder, as the case may be, who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union; or
- (iv) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 6(f)).

As used herein, the "Relevant Date" in relation to any Note means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal Paying Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 14.

Any reference in these Terms and Conditions to principal or Interest or both in respect of the Notes shall be deemed to include (i) a reference to any additional amounts which may be payable under this Condition, (ii) in relation to Zero Coupon Notes, the Amortised Face Amount, (iii) in relation to Index Linked Notes, the Redemption or Early Redemption Amounts (iv) in relation to Dual Currency Notes, the principal or interest in the relevant Specified Currency, (v) in relation to Instalment Notes, the Instalment Amount, (vi) in relation to Notes subject to an Issuer Call or an Investor Put, the Optional Redemption Amounts and (vii) any premium and any other amounts which may be payable in respect of the Notes.

## 9. PRESCRIPTION

The Notes (whether in bearer or registered form), Receipts and Coupons will become void unless presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 8) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 6(b) or any Talon which would be void pursuant to Condition 6(b).

## 10. EVENTS OF DEFAULT AND ENFORCEMENT EVENTS

### (a) *Events of Default relating to Senior Notes*

If any one or more of the following events (each an "Event of Default") shall occur with respect to any Senior Note:

- (i) if default is made in the payment of any principal, premium (if any) or interest due in respect of the Notes or any of them and the default continues for a period of 15 days in the case of principal or premium (if any) and 15 days in the case of interest; or
- (ii) if the Issuer fails to perform or observe any of its other obligations under these Terms and Conditions and (except in any case where the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days next following the service by a Noteholder on the Issuer of notice requiring the same to be remedied; or
- (iii) any other present or future indebtedness of the Issuer for borrowed monies in excess of €150,000,000 (or its equivalent in any other currency), whether individually or in the aggregate, becomes due and payable prior to its stated maturity as a result of a default thereunder, or if any such indebtedness shall not be paid when due or, as the case may be, within any applicable grace period therefor or any steps shall be taken to enforce any security in respect of any such indebtedness or any guarantee given by the Issuer



for, or in respect of, any such indebtedness of others shall not be honoured when due and called upon; or

- (iv) if the Issuer makes any proposal for a general moratorium in relation to its debt or applies for the appointment of a conciliator (*conciliateur*) or enters into an amicable settlement (*accord amiable*) with its creditors or a judgment is issued for the judicial liquidation (*liquidation judiciaire*) or for a judicial transfer of the whole of the business (*cession totale de l'entreprise*) of the Issuer or, to the extent permitted by applicable law, if the Issuer makes any conveyance, assignment or other arrangement for the benefit of its creditors generally or if the Issuer is subject to any other insolvency or bankruptcy proceedings, or if the Issuer is wound up or dissolved except in connection with a merger where the entity resulting from such merger assumes all the obligations of the Issuer under the Senior Notes;

then any holder of a Note may, by written notice to the Issuer at the specified office of the Principal Paying Agent, effective upon the date of receipt thereof by the Principal Paying Agent, declare any Notes held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount (as described in Condition 8(e)), together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

(b) *Enforcement Events relating to Subordinated Notes*

In the case of Subordinated Notes and in accordance with paragraphs 3(b) and 3(c), if any judgment shall be issued for the judicial liquidation (*liquidation judiciaire*) of the Issuer or if the Issuer is liquidated for any other reason, then the Subordinated Notes shall become immediately due and payable in accordance with paragraphs 3(b) and 3(c), at their principal amount together with any accrued interest (including Arrears of Interest) to the date of payment.

## **11. REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS**

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent (in the case of Bearer Notes, Receipts or Coupons) or the Registrar (in the case of Registered Notes) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

## **12. AGENTS**

The names of the initial Agents and their initial specified offices are set out below.

The Issuer is entitled to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, provided that:

- (a) there will at all times be a Principal Paying Agent and a Registrar;
- (b) so long as the Notes are listed on any stock exchange, there will at all times be a Paying Agent and a Transfer Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange;
- (c) so long as any of the Registered Global Notes payable in a Specified Currency other than U.S. dollars are held through DTC or its nominee, there will at all times be an Exchange Agent with a specified office in New York City; and
- (d) the Issuer undertakes that it will ensure that it maintains a Paying Agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing or complying with, or introduced in order to conform to, such Directive.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 6(e). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate

effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 14.

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Noteholders, Receiptholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

### **13. EXCHANGE OF TALONS**

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 9.

### **14. NOTICES**

All notices regarding the Bearer Notes will be deemed to be validly given if published (i) in a leading English language daily newspaper of general circulation in London (ii) if and for so long as the Bearer Notes are listed on the Luxembourg Stock Exchange, a daily newspaper of general circulation in Luxembourg, which is expected to be the *Luxemburger Wort*. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange on which the Bearer Notes are for the time being listed. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

All notices regarding the Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Notes are listed on a stock exchange and the rules of that stock exchange so require, such notice will be published in a daily newspaper of general circulation in the place or places required by the rules and regulations of that stock exchange.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg and/or DTC, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or DTC for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange and the rules of that stock exchange so require, such notice will be published in a daily newspaper of general circulation in the place or places required by the rules and regulations of that stock exchange. Any such notice shall be deemed to have been given to the holders of the Notes on the seventh day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg and/or DTC.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes). Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Principal Paying Agent or the Registrar through Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, in such manner as the Principal Paying Agent, the Registrar and Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, may approve for this purpose.

### **15. MEETINGS OF NOTEHOLDERS, MODIFICATION AND WAIVER**

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or any of the provisions of the Agency

Agreement. Such a meeting may be convened by the Issuer or Noteholders holding not less than ten per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, the Receipts or the Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, the Receipts or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

The Principal Paying Agent and the Issuer may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to:

- (a) any modification (except as mentioned above) of the Notes, the Receipts, the Coupons or the Agency Agreement which is not prejudicial to the interests of the Noteholders; or
- (b) any modification of the Notes, the Receipts, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of the law.

If the Notes are Subordinated Notes, in the event that the Issuer is regulated and supervised on a consolidated basis in France, any modifications of any of these Terms and Conditions shall be subject to the approval of the Relevant Supervisory Authority.

Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 14 as soon as practicable thereafter.

## **16. FURTHER ISSUES**

- (a) The Issuer shall be at liberty from time to time without the consent of the Noteholders, the Receiptholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes (*assimilables*) or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes.
- (b) The Issuer may also from time to time, without the consent of the Noteholders, on giving not less than 30 days' prior notice to the Noteholders, consolidate Notes denominated or redenominated in euro with one or more issues of other notes ("Other Notes") issued by it and denominated in the currency of any of the member States of the European Union provided that such Other Notes are denominated in, or have been redenominated into euro and otherwise have, in respect of all periods subsequent to such consolidation, the same terms and conditions as the Notes.

In the event of any such consolidation, the Issuer may, without the consent of the Noteholders, provide for additional, and/or substitute denominations of such Notes.

Notice of any such consolidation and/or provision of additional or substitute denominations will be given to the Noteholders in accordance with Condition 14.

## **17. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

## 18. GOVERNING LAW AND SUBMISSION TO JURISDICTION

### (a) *Governing law and submission to jurisdiction*

The Agency Agreement, the Deed of Covenant, the Notes, the Receipts and the Coupons are governed by, and shall be construed in accordance with, English law, other than the provisions of Condition 3(b) which (if applicable) are governed by, and shall be construed in accordance with, French law.

The Issuer agrees, for the exclusive benefit of the Noteholders, the Receiptholders and the Couponholders, that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Notes, the Receipts and/or the Coupons and that accordingly any suit, action or proceedings (together referred to as "Proceedings") arising out of or in connection with the Notes, the Receipts and the Coupons may be brought in such courts.

The Issuer hereby irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any such Proceedings in any such court and any claim that any such Proceedings have been brought in an inconvenient forum and hereby further irrevocably agrees that a judgment in any such Proceedings brought in the English courts shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction.

Nothing contained in this Condition shall limit any right to take Proceedings against the Issuer in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

### (b) *Appointment of Process Agent*

The Issuer appoints AXA UK plc at its principal office at 107 Cheapside, London EC2V 6DU as its agent for service of process, and undertakes that, in the event of AXA UK plc ceasing so to act or ceasing to be registered in England, it will appoint another person as its agent for service of process in England in respect of any Proceedings. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

### (c) *Other documents*

The Issuer has in the Agency Agreement, and the Deed of Covenant submitted to the jurisdiction of the English courts and appointed an agent for service of process in terms substantially similar to those set out above.

## USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes.

## CAPITALISATION OF THE ISSUER

The capitalisation table presented below includes actual audited information at December 31, 2002 and 2003, as well as unaudited information at June 30, 2004.

AXA prepares its consolidated financial statements in accordance with French GAAP and, therefore, the consolidated capitalisation table presented below is based on French GAAP.

The information presented below should be read in conjunction with AXA's audited consolidated financial statements and related notes for the years ended December 31, 2002 and 2003 which are available at the principal office of BNP Paribas Securities Services, Luxembourg branch.

Except as set out below, there has been no material change in the capitalisation of AXA on a consolidated basis since June 30, 2004.

	As at June 30, 2004 €m (unaudited)	As at December 31, 2002 €m (audited)	As at December 31, 2003 €m (audited)
Cash and equivalent . . . . .	20,232	17,592	19,428
Shareholders' equity:			
Ordinary shares . . . . .	4,073(a)	4,035	4,072(b)
Share premium . . . . .	13,989	13,824	13,984
Retained earnings and reserves . . . . .	6,314	5,851	5,345
Sub-total . . . . .	<u>24,376</u>	<u>23,711</u>	<u>23,401</u>
Minority interests . . . . .	<u>2,406</u>	<u>2,812</u>	<u>2,469</u>
Mandatory convertible bonds and notes . . . . .	—	—	—
Subordinated debt . . . . .	<u>9,035</u>	<u>8,300</u>	<u>8,453</u>
Short term and long term debt:			
Debt instruments issued . . . . .	4,786	4,682	5,156
Amount owed to credit institutions . . . . .	<u>4,322</u>	<u>5,018</u>	<u>3,851</u>
Sub-total . . . . .	<u>9,108</u>	<u>9,700</u>	<u>9,007</u>
Total capitalisation . . . . .	<u><u>44,925</u></u>	<u><u>44,523</u></u>	<u><u>43,330</u></u>

(a) €4,073,312,617 divided into 1,778,739,134 fully paid-up shares of €2.29 each.

(b) As at August 8, 2004, this was €4,329,582,338 divided into 1,890,647,309 fully paid-up shares of €2.29 each.

## SELECTED CONSOLIDATED FINANCIAL INFORMATION

*The selected historical consolidated financial data presented below have been derived from AXA's audited consolidated financial statements and related notes for the years ended 31st December, 2003, which have been audited by PricewaterhouseCoopers Audit and Mazars & Guérard, independent accountants. The historical data set out below is only a summary. It should be read in conjunction with the financial statements and related notes for the years ended 31st December, 2003, 2002 and 2001 and as of 31st December, 2003, 2002 and 2001 included in the Annual Report which is an English translation of the Document de Référence of the Issuer filed with the AMF on 7th April, 2004, and which is incorporated by reference in this Offering Circular and which is available free of charge at BNP Paribas Securities Services, Luxembourg Branch.*

*AXA's consolidated financial statements have been prepared in accordance with generally accepted accounting principles in France, which is referred to in this prospectus as "French GAAP". French GAAP is based on requirements set forth in French law and European regulations. French GAAP differs significantly from generally accepted accounting principles in the United States, which is referred to in this prospectus as "U.S. GAAP". For a description of the significant differences between French GAAP and U.S. GAAP relevant to AXA, see notes to the consolidated financial statements included in the Annual Report incorporated by reference in this Offering Circular.*

Various amounts set out in this prospectus have been rounded to millions, and accordingly may not total. Rounding differences also exist for percentages.

**AXA Consolidated Balance Sheets** *(In Euro millions)*

	At December 31,		
	2003	2002	2001
<b>Assets</b>			
<b>Goodwill</b> . . . . .	12,874	14,407	15,879
Value of purchased life business in force . . . . .	2,814	3,224	3,739
Other intangible assets . . . . .	556	701	396
<b>Total other intangible assets</b> . . . . .	<u>3,370</u>	<u>3,925</u>	<u>4,135</u>
Real estate . . . . .	11,727	12,714	13,409
Investments in participating interests . . . . .	2,797	3,784	3,828
Fixed maturities . . . . .	147,811	147,750	143,527
Equity investments . . . . .	61,823	57,303	64,537
Mortgage, policy and other loans . . . . .	17,009	18,265	22,907
<b>Total investments from insurance activities</b> . . . . .	<u>241,167</u>	<u>239,816</u>	<u>248,208</u>
<b>Separate account (unit-linked) assets</b> . . . . .	<u>101,002</u>	<u>90,458</u>	<u>115,723</u>
<b>Total investments from non-insurance activities</b> . . . . .	<u>8,100</u>	<u>9,024</u>	<u>10,355</u>
<b>Investment in affiliated companies (equity method)</b> . . . . .	<u>1,254</u>	<u>2,093</u>	<u>1,570</u>
Reinsurers' share of insurance liabilities . . . . .	8,470	9,910	11,591
Reinsurers' share of separate accounts (unit-linked) liabilities . . . . .	19	20	28
<b>Reinsurers' share of insurance liabilities</b> . . . . .	<u>8,489</u>	<u>9,930</u>	<u>11,619</u>
<b>Receivables from insurance and reinsurance activities</b> . . . . .	<u>11,680</u>	<u>14,003</u>	<u>15,571</u>
Receivables (bank customers) . . . . .	8,817	7,889	7,130
Receivables (other) . . . . .	3,973	3,477	4,303
<b>Receivables from non-insurance activities</b> . . . . .	<u>12,790</u>	<u>11,367</u>	<u>11,433</u>
<b>Cash and cash equivalents</b> . . . . .	<u>19,428</u>	<u>17,592</u>	<u>17,646</u>
Tangible assets . . . . .	1,243	1,239	1,944
Other tangible assets . . . . .	7,680	7,241	7,493
<b>Other assets</b> . . . . .	<u>8,922</u>	<u>8,480</u>	<u>9,437</u>
Deferred acquisition costs . . . . .	10,993	10,965	10,917
Other prepayments and deferred charges . . . . .	9,163	12,599	13,106
<b>Prepayments and accrued income</b> . . . . .	<u>20,156</u>	<u>23,563</u>	<u>24,023</u>
<b>TOTAL ASSETS</b> . . . . .	<u><u>449,233</u></u>	<u><u>444,657</u></u>	<u><u>485,599</u></u>

	At December 31,		
	2003	2002	2001
<b>Liabilities</b>			
Ordinary shares at nominal value . . . . .	4,072	4,035	3,971
Capital in excess of nominal value . . . . .	13,984	13,824	13,627
Retained earnings brought forward . . . . .	4,340	4,902	6,662
Net income for the financial year . . . . .	1,005	949	520
<b>Shareholders' equity</b> . . . . .	<u>23,401</u>	<u>23,711</u>	<u>24,780</u>
Minority interests' share in retained earnings brought forward . .	2,226	2,444	3,024
Minority interests' share in net income for the financial year . . .	243	368	385
<b>Minority interests</b> . . . . .	<u>2,469</u>	<u>2,812</u>	<u>3,409</u>
<b>Total minority interests and shareholders' equity</b> . . . . .	<u>25,870</u>	<u>26,523</u>	<u>28,189</u>
<b>Mandatorily convertible bonds and notes</b> . . . . .	—	—	—
<b>Subordinated debt</b> . . . . .	8,453	8,300	8,867
<b>Insurance liabilities, gross of reinsurance</b> . . . . .	259,532	263,172	272,125
<b>Separate account (unit-linked) liabilities, gross of reinsurance</b> . . .	101,069	90,011	115,305
<b>Provisions for risks and charges</b> . . . . .	6,918	9,775	10,533
<b>Payables arising from insurance and reinsurance activities</b> . . . . .	8,312	8,299	8,806
Payables (bank customers) . . . . .	11,563	10,656	9,985
Payables (other) . . . . .	15,727	15,656	16,556
<b>Payables arising from non-insurance activities</b> . . . . .	<u>27,290</u>	<u>26,313</u>	<u>26,541</u>
<b>Non-subordinated debt instruments issued</b> . . . . .	5,156	4,682	6,140
<b>Amounts owed to credit institutions</b> . . . . .	3,851	5,018	6,609
<b>Accrued expenses</b> . . . . .	2,784	2,564	2,464
<b>TOTAL LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY</b> . . . . .	<u>449,233</u>	<u>444,657</u>	<u>485,599</u>

**AXA Off Balance Sheet Commitments** *(In Euro millions)*

	At December 31,		
	2003	2002	2001
<b>Other commitments received</b>			
Insurance activities . . . . .	4,684	4,773	3,450
Banking activities . . . . .	10,121	7,873	7,176
Other activities . . . . .	6,298	5,693	4,640
<b>Total</b> . . . . .	<u>21,103</u>	<u>18,338</u>	<u>15,267</u>
<b>Other commitments given</b>			
Insurance activities . . . . .	6,563	4,643	3,471
Banking activities . . . . .	8,419	9,848	9,837
Other activities . . . . .	2,741	1,635	2,269
<b>Total</b> . . . . .	<u>17,723</u>	<u>16,126</u>	<u>15,577</u>



**AXA Consolidated Statements of Income** (In Euro millions except per ordinary share amount)

	Years ended December 31,		
	2003	2002	2001
Gross written premiums . . . . .	67,306	69,723	69,471
Revenues from banking activities . . . . .	820	1,012	1,127
Other revenues . . . . .	3,503	3,992	4,234
<b>Gross Premiums and Financial Services Revenues</b> . . . . .	<b>71,628</b>	<b>74,727</b>	<b>74,832</b>
Change in unearned premium reserves . . . . .	320	(382)	(355)
Net Investment result(a) . . . . .	26,935	(8,713)	(1,244)
<b>Total Revenues</b> . . . . .	<b>98,883</b>	<b>65,632</b>	<b>73,233</b>
Insurance benefits and claims(a) . . . . .	(81,317)	(47,922)	(56,668)
Reinsurance ceded, net . . . . .	(1,113)	(523)	1,163
Insurance acquisition expenses . . . . .	(5,798)	(5,891)	(6,394)
Bank operating expenses . . . . .	(502)	(600)	(838)
Administrative expenses . . . . .	(7,567)	(8,098)	(8,775)
<b>Income before income tax expense</b> . . . . .	<b>2,587</b>	<b>2,597</b>	<b>1,721</b>
Income tax expense . . . . .	(536)	(426)	(45)
<b>Net income</b> . . . . .	<b>2,051</b>	<b>2,171</b>	<b>1,676</b>
Equity in income from affiliated entities . . . . .	41	23	17
Goodwill amortization, net . . . . .	(844)	(877)	(788)
Minority interests . . . . .	(243)	(368)	(385)
<b>NET INCOME GROUP SHARE</b> . . . . .	<b>1,005</b>	<b>949</b>	<b>520</b>
Net income per ordinary share (basic)(b) . . . . .	0.57	0.55	0.30
Net income per ordinary share (diluted)(b) . . . . .	0.56	0.55	0.32
Impact of exceptional operations(d) . . . . .	(148)	(235)	—
Goodwill amortization (group share) . . . . .	593	643	681
<b>ADJUSTED EARNINGS GROUP SHARE(c)</b> . . . . .	<b>1,450</b>	<b>1,357</b>	<b>1,201</b>
Adjusted earnings per ordinary share (basic)(b) . . . . .	0.82	0.78	0.70
Adjusted earnings per ordinary share (diluted)(b) . . . . .	0.81	0.78	0.70

(a) For the periods ended December 31, 2003, 2002, and 2001, the change in fair value of separate accounts had impacted the net investment result for respectively Euro +14,949 million, Euro – 17,576 million, and Euro – 11,613 million and benefits and claims respectively.

(b) Per ordinary share data restated for the effect of the 4-for-1 stock split approved by the shareholders at the annual general meeting held on May 9, 2001.

(c) Adjusted earnings represents AXA's consolidated net income before goodwill amortization and exceptional operations. Adjusted earnings is a non-GAAP measure, which management believes provides a meaningful understanding of the results. It should be noted that "Adjusted earnings" as defined may not be comparable with similarly-titled measures reported by other companies as it is not defined under French GAAP or US GAAP.

(d) The exceptional operations included:

In 2003:

- Capital gains on disposals of group subsidiaries in Austria and Hungary (€37 million), the sale of Auxifina by AXA Bank Belgium (€15 million) and the sale of Members Equity in Australia (€12 million).
- A non-recurrent gain of €66 million in the USA (after adjustment for goodwill amortization) following the review of deferred tax liabilities relating to periods prior to AXA's acquisition of The Equitable Inc. The review led to an exceptional €106 million write-off of goodwill recognized at the time of the buyout of minorities in AXA Financial in 2000.

- A non-recurrent gain of €19 million at the German holding company (after adjustment for goodwill amortization) following the release of a provision booked when the Group acquired German activities in 1997, which had become unnecessary.

In 2002:

- the realized capital gain on the sale of AXA Australia Health activities (National Mutual Health Insurance; €87 million Group share);
- an exceptional profit of €148 million in Alliance Capital due to the partial release (€277 million) of the provision set up in 2000 to offset the dilution gain recorded when acquiring Sanford C, Bernstein, Inc. This release was due to the buy-back of 8.16 million private units in Alliance Capital to the former shareholders of Sanford Bernstein, after these shareholders exercised their liquidity put options. This operation generated an additional goodwill for €122 million that was entirely amortized during the year (€129 million).

## DESCRIPTION OF THE ISSUER

The registered office of AXA is situated at 25, avenue Matignon, 75008 Paris, France. AXA is a *société anonyme à directoire et conseil de surveillance* governed by French law, in particular by law No. 66-537 of 24th July, 1966 as codified in the French Commercial Code. AXA was founded on 5th November, 1852 and AXA's legal term will expire on 31st December, 2059, in the absence of prior discussion or of extension of such term. AXA is registered with the *Registre du Commerce et des Sociétés de Paris* under number 572 093 920.

The Company is the holding company for AXA, a worldwide leader in financial protection and wealth management. Based on available information at 31st December, 2003, AXA was one of the world's largest insurance groups, with consolidated gross revenues of €71.6 billion for the year ended 31st December, 2003. AXA is also one of the world's largest asset managers, with total assets under management as at 31st December, 2003 of €775 billion, including assets managed on behalf of third party clients of €392 billion. Based on available information at December 31, 2002, AXA was the world's 8th largest asset manager<sup>(1)</sup> (including banking companies) with total assets under management of €741.6 billion.

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

### ***Life & Savings Segment***

AXA's Life & Savings segment offers a broad range of Life insurance products including retirement and life products as well as health insurance products for both individuals and groups (that is corporate clients), with an emphasis on savings related products including separate account (unit-linked) products. The Life & Savings segment accounted for €46.8 billion or 65% of AXA's consolidated gross premiums and financial services revenues for the year ended 31st December, 2003 (2002: €48.6 billion or 65%).

### ***Property & Casualty Segment***

AXA's Property & Casualty segment offers a range of personal and commercial insurance products. The Property & Casualty segment accounted for €17.1 billion, or 24% of AXA's consolidated gross premiums and financial services revenues for the year ended 31st December, 2003 (2002: €15 billion or 21% respectively).

### ***International Insurance Segment***

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

The business operations of these two activities are described below.

- AXA RE focuses on its reinsurance business, principally Property and catastrophe business as well as some other profitable niches. Such business is underwritten in Paris, Canada, Miami (for South American business) and Singapore.

In January 2003,

- AXA announced that it would (i) cease underwriting and renewing contracts on Life and Non-life reinsurance businesses through its U.S. subsidiaries, and (ii) cease U.S. financial guarantee reinsurance activities carried by AXA RE Finance, and
- **AXA Liabilities Managers** manage the internal Property and Casualty run off portfolios either located in AXA RE, AXA Belgium and AXA UK or corresponding to stand-alone run-off companies of the "other transnational activities" segment.

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(1) Based on 2002 assets under management.

- AXA Corporate Solutions Assurance focuses its activities on large risk Property & Casualty insurance business for large corporate clients in Europe, as well as in the marine and Aviation lines for all clients on a worldwide basis.

The International Insurance segment accounted for €4.0 billion, or 6% of AXA's consolidated gross premiums and financial services revenues for the year ended 31st December, 2003 (2002: €5.8 billion or 8%, respectively).

### ***Asset Management Segment***

Asset Management is important to AXA, from both a strategic and profitability perspective. The development of Asset Management activities is a key part of AXA's financial services strategy, which seeks to capitalize on existing strengths and to expand the client base. This strategy is founded on the belief that its Asset Management expertise will enable AXA to benefit in the future from the expected growth in savings-related products in the markets in which it operates. The Asset Management segment accounted for €2.9 billion of AXA's gross premiums and financial services revenues for the year-ended 31st December, 2003 (2002: €3.4 billion).

### ***Other Financial Services Segment***

The operations in the Other Financial Services segment are conducted primarily in Belgium and in France. For the year ended 31st December, 2003, the Other Financial Services segment accounted for €0.8 billion, or 1% of AXA's consolidated gross premiums and financial services revenues (2002: €1.0 billion or 1%, respectively).

## RECENT DEVELOPMENTS

### A. ACQUISITION OF MONY GROUP

On 8th July, 2004, AXA announced that, following the receipt of all required regulatory approvals, it completed the acquisition of the MONY Group, for a total consideration of \$1.48 billion. As a result of the acquisition, MONY is now a wholly owned subsidiary of AXA Financial and will be consolidated in the AXA Group's consolidated financial statements in the second half of 2004.

The integration process is moving ahead in line with plans, and expected expense savings and underlying earnings forecasts are in line with assumptions made at the time of the acquisition. The incremental 2005 after-tax underlying earnings, resulting from the implementation of the MONY acquisition, are expected to be in a \$170 to \$195 million range at the Group level and on a French GAAP basis.

### B. INTERIM FINANCIAL STATEMENTS

On 6th August, 2004 AXA published its unaudited consolidated financial statements for the half year period to June 30, 2004.

	1H 2004	1H 2003	Change	Change at constant exchange rates
	(Euro million, except per share amounts)			
<b>Underlying Earnings</b> . . . . .	<b>1,436</b>	<b>1,085</b>	<b>+32%</b>	<b>+37%</b>
Net capital gains . . . . .	154	(722)		
<b>Adjusted Earnings</b> . . . . .	<b>1,590</b>	<b>363</b>	<b>+338%</b>	<b>+355%</b>
Goodwill amortization . . . . .	(337)	(290)		
Exceptional operations . . . . .	191	137		
<b>Net income, Group share</b> . . . . .	<b>1,444</b>	<b>209</b>	<b>+590%</b>	<b>+621%</b>
<b>Net income per fully diluted share</b> . . . . .	<b>0.78</b>	<b>0.12</b>	<b>+553%</b>	

#### Underlying Earnings

Underlying earnings improved by 32% to €1,436 million, or a 37% growth at constant exchange rates, fueled by continued technical discipline across the board as well as continued expense control. Economic expenses for the first half 2004 declined by €49 million over first half 2003.

	1H 2004	1H 2003	Change	Change at constant exchange rates
	(Euro million)			
Life & Savings . . . . .	848	680	+25%	+31%
Property & Casualty . . . . .	562	402	+40%	+40%
International Insurance . . . . .	141	50	+180%	+184%
Asset Management . . . . .	136	107	+28%	+38%
Other Financial Services . . . . .	4	99	-96%	-96%
Holdings . . . . .	(256)	(254)	—	—
<b>Total Underlying Earnings</b> . . . . .	<b>1,436</b>	<b>1,085</b>	<b>+32%</b>	<b>+37%</b>

Note: For underlying earnings segmental analysis below, changes between 2004 and 2003 are presented at constant exchange rates.

#### Life & Savings

Underlying earnings increased by 31% to €848 million, with margin improvements in all principal countries.

*Investment margin*, excluding pre-tax capital gains/losses attributable to shareholders, was €1,172 million, up 15%, owing to higher investment income, generated by a combination of higher reserve levels with stable yields and controlled policyholder interest credited.

*Fees and Revenues* were €2,194 million up 14%, driven by higher separate account balances, resulting from both strong net inflows (Unit Linked sales up 19%) and market appreciation.

*Technical margin* was €386 million, up 11%, reflecting offsetting reserve actions in first half 2003 (UK, Japan) and first half 2004 (Japan), and the continued high guaranteed rate products conversion & surrender program in Japan.

*Expenses* were €2,459 million, increasing 5% while gross margin (investment margin + fees & revenues + technical margin) grew by 14%.

## Property & Casualty

Underlying earnings increased 40% to €562 million, owing principally to a 2.3 point improvement in the *combined ratio* to 99.4%, and a higher net investment income.

2004 business conditions remained positive for the Group in the first half:

Disciplined pricing in a more competitive environment, lower claims frequency in individual motor, improvement in claims handling costs, improved business mix (primarily in the UK), slightly offset by increased large claims (primarily in Germany and Belgium), resulted in a *current year accident loss ratio* improving 1.9 point to 75.5%. *All accident year loss ratio* improved 2.6 points to 72.4%, benefiting primarily from current year trends and, to a lesser extent, from claims process improvements resulting in better positive prior year loss developments (UK, Southern Europe, Belgium and Germany).

Confirming these positive trends, the *net claims reserves to net earned premiums ratio* increased from 198% at the end of June 2003 to 199% at the end of June 2004, despite strong positive net inflows. The *net claims reserves to net claims paid ratio* also increased during the same period from 244% to 258%, as reserves increased faster than claims paid.

The *expense ratio* rose 0.3 point to 27.0% impacted by a 1.1 point increase to 16.7% in the *acquisition cost ratio* as a result of a shift towards lower loss/higher commission ratio business (UK) and by incentive actions towards distribution networks to favor low claims business. This was mitigated by an improving *administration expense ratio* (-0.9 point to 10.3%) benefiting primarily from ongoing cost control.

Net investment income was up €46 million to €762 million, driven by strong positive cash flows.

## International Insurance

Underlying earnings were €141 million, up 184%.

AXA RE's<sup>(4)</sup> underlying earnings grew by €70 million to €86 million. 2004 current year business conditions remained good for both claims and pricing. In addition, AXA RE benefited from cost of covers optimization, in line with the underwriting policy in place since 2003. Loss reserve developments improved significantly, due to the non-recurrence of 2003 prior year reserve strengthening, particularly on life activities. This resulted in a *combined ratio* improvement of 10.2 points to 95%.

AXA Corporate Solutions Assurance's<sup>(5)</sup> underlying earnings increased 86% to €32 million benefiting from more disciplined pricing and underwriting, improved policy terms and conditions, cost control and low level of large losses. As a result, the *combined ratio* improved by 1.2 point to 99.8%.

## Asset Management

Underlying earnings were €136 million, up 38%, benefiting from higher average Assets Under Management (AUM) and cost-control. Total AUM for Asset Management at the end of June 2004, were €712 billion, up 7% at current exchange rates from end 2003.

This increase was primarily driven by AXA Investment Managers, which leveraged their multi-specialist structure strategy. Underlying earnings at AXA IM were up 68% to €51 million, boosted by stronger average AUM (+15%) benefiting from record net inflows (€9.6 billion), increased proportion

<sup>(4)</sup> Proforma for the transfer of AXA Corporate Solutions Insurance US from AXA CS Assurance to AXA RE.

<sup>(5)</sup> Proforma for the transfer of run-off entities from AXA CS Assurance to other transnational activities.

of third party AUM and a more favorable product mix, which evolved towards higher fee products, such as AXA Rosenberg's products.

Alliance Capital underlying earnings grew 25% to €85 million driven by average AUM up 20% and higher business volumes on Institutional Research Services activity.

Both Alliance Capital and AXA Investment Managers improved their *cost income ratio* respectively by 1.7 point and 0.9 point, as AUM growth helped decrease their breakeven point.

### **Other Financial Services**

Underlying earnings declined by 96% to €4 million. This decrease was mainly attributable to lower non-recurring gains at AXA Bank Belgium and the non-recurrence of a 2003 positive development in the run-off of the Compagnie Financière de Paris sub-Group.

### **Holdings**

Underlying earnings were stable at €–256 million.

### **Adjusted earnings**

2004 Adjusted Earnings were €1,590 million compared to €363 million in 2003. This more than 300% increase is mainly driven by a substantial recovery in net capital gains and losses attributable to shareholders, as well as the solid performance in underlying earnings.

### **Net Capital Gains/losses Attributable to Shareholders:**

- 2003 accounts were impacted by a net €–1,106 million of impairments on equity (€–1,941 million gross) whereas 2004 accounts included €–118 million of net impairments (€–393 million gross).
- Excluding these net valuation allowances on equity and a 2003 valuation allowance of €110 million on the Japanese deferred tax asset, realized net capital gains were €272 million in 2004 versus €493 million in 2003, i.e. a €221 million decrease, 2003 benefiting from a large net capital gain of €442 million on the sale of Credit Lyonnais shares.

### **Net income, Group share**

Net income for first half 2004 was €1,444 million, nearly seven times higher than 2003, benefiting from very strong underlying and adjusted earnings.

- 2004 net income included €191 million (€137 million for first half 2003) related to exceptional operations:
  - €82 million net realized gains on the disposal of Unirobe (our former Dutch brokerage subsidiary) and AXA Bausparkasse (a building society in Germany).
  - €65 million due to the partial release of the provision set up in 2000 to offset the dilution gain when acquiring Sanford Bernstein, this release resulting from the buyback of 8.16 million shares of Alliance Capital under the liquidity put agreement given to certain Bernstein shareholders at the time of the acquisition.
  - A €43 million release of an excess tax provision booked in 2000 on the realized gain on the disposal of DLJ.
- Goodwill amortization increased €47 million to €337 million, mainly driven by accelerated amortization following some limited corporate restructuring.

## Revenues

*Note: Revenue changes between 2004 and 2003 are presented on a comparable basis (scope<sup>(6)</sup> and exchange rates)*

AXA consolidated revenues were €37,306 million, up 2.4%.

- Life & Savings revenues increased by 1.6% to €23,317 million mainly driven by Unit-Linked sales (France, Germany and the US) and local successful strategies (the UK and Southern Europe). The US, Japan and Belgium sales' evolutions were negatively impacted by strong 2003 bases due to either non-recurring premiums (Japan and Belgium) or very strong 2003 new business (the US with the launch of the Accumulator Product). The US, however, benefited from a better product mix, as demonstrated by improved margins.
  - **Life New business contribution ("NBC")** increased strongly by 21%, to €368 million from €320 million for the first half of 2003. This increase was experienced in nearly all our main businesses, mainly driven by France, Benelux, Southern Europe and Hong-Kong (all double digit increases). In spite of lower variable annuity sales in the first half of 2004, the US new business contribution increased 7% helped by improved pricing as well as business mix.
  - **Life New Business margin**, before cost of capital, increased to 16.4% from 14.3%, owing to strong Unit-Linked sales in countries like France, the UK and Benelux. In the US, improved risk management as well as improved pricing on Accumulator'04 products contributed to a 1.1 point margin enhancement.
- P&C revenues were up 4.2% to €9,794 million mainly driven by net inflows in individual motor in our main Continental Europe countries and successful targeted strategies in commercial lines (the UK, Southern Europe and Canada).
- International Insurance revenues decreased by 6.1% to €2,287 million. AXA RE maintained its selective underwriting policy, reducing the portfolio risk and exiting non-strategic business lines. During the period, AXA Corporate Solutions Assurance grew its revenues due to selective rate increases and new business underwriting.
- In Asset Management, revenues were up 19.1% to €1,512 million helped by stronger average AUM, increasing brokerage activity and positive strong net inflows of €9.6 billion for AXA Investment Managers. A shift towards higher fee products also helped AXA Investment Managers strengthen its revenues.
- Total AUM for the AXA Group were €827 billion, up 7% from 31st December, 2003.

## Others

As of 30th June, 2004, *gross unrealized capital gains* on investments, excluding Alliance Capital, were €11.7 billion (€11.4 billion as of 31st December, 2003) including:

- Gross unrealized capital gains on fixed income securities<sup>(7)</sup>: €7.8 billion (€9.2 billion as of 31st December, 2003)

<sup>(6)</sup> Consolidated revenues—main restatements are the following:

- On January 23, 2004, AXA concluded with BBVA Group an agreement under which AXA has acquired the 50% stake of BBVA in its subsidiary Hilo Direct Seguros y Reaseguros S.A. ("Direct Seguros"). After this transaction, AXA holds 100% of Direct Seguros. Direct Seguros, previously consolidated under the equity method, has been fully consolidated in 2004 accounts (impact of the restatement on First Half 2003 revenues of the Southern Europe segment: €+66 million).
- On January 23, 2004, AXA Holdings Belgium concluded with La Poste an agreement under which AXA Holdings Belgium acquired the 50% stake of La Poste in Assurances de la Poste Vie and in Assurances de la Poste Non Vie. After this transaction, AXA Holdings Belgium holds 100% of Assurances de la Poste Vie and of Assurances de la Poste Non Vie (impact of the restatement on First Half 2003 revenues of AXA Belgium: Life segment €+34 million, Non Life segment €+1 million).
- On January 2, 2004, AXA concluded the disposal of its insurance brokerage activities in the Netherlands, Unirobe.
- On April 20, 2004, AXA Germany sold its building society AXA Bausparkasse (impact of the restatement on First Half 2003 revenues of the Other Financial Services segment: €–33 million).
- Restatement of AXA RE Program Business and AXA RE USA Non Life activities in run-off since 2003 (impact of the restatement on First Half 2003 revenues of AXA RE: €–149 million; and on first half 2004 revenues: €–48 million).

<sup>(7)</sup> Including fixed income mutual funds, and mortgage, policy and other loans.



- Gross unrealized capital gains on equity investments and real estate: €3.9 billion (€2.2 billion as of 31st December, 2003)

Excluding Alliance Capital, net unrealized capital gains attributable to shareholders were €3.7 billion as of 30th June, 2004, stable compared to 31st December, 2003.

AXA's *Net Asset Value per share* (NAV) was €16.2, up 4% over 31st December, 2003 NAV of €15.6.

AXA's European *consolidated solvency margin*<sup>(8)</sup>, based on Solvency 1 rules, was 213% based on 30th June, 2004 estimates, compared to 205% based on 31st December, 2003.

### *C. CONDITIONAL PROPOSAL TO BUY OUT THE MINORITY INTERESTS IN AXA ASIA PACIFIC HOLDINGS*

On 6th August, 2004 AXA announced that it had made a conditional proposal to the Board of Directors of AXA Asia Pacific Holdings ("AXA APH") to acquire the minority interests in AXA APH. AXA currently holds, directly and indirectly, a 51.66% interest in AXA APH.

In this proposal, AXA has indicated that it is prepared to offer AUS\$ 3.75 for each outstanding AXA APH share not owned by it, representing a premium of 14.3% based on AXA APH's 5th August, 2004 closing price. This consideration would be adjusted by any dividends and distributions that AXA APH might pay (including the interim dividend to be announced on August 6). The form of consideration would be a combination of cash (representing 50%) and AXA ordinary shares (representing 50%). On this basis, the total value of the consideration payable by AXA in this transaction would be approximately €1.8 billion.

AXA's proposal is still at a preliminary stage and a transaction may not eventuate. It will be evaluated by a committee of independent directors of AXA APH and is subject to a number of conditions including negotiation of definitive terms and conditions for this proposed transaction, receipt of all necessary regulatory approvals and various other conditions. AXA has proposed that the transaction be structured as a "scheme of arrangement" which will be subject to approval of AXA APH's minority shareholders and to Australian court approval.

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<sup>(8)</sup> Includes a limited fraction of future profits.

## BOOK-ENTRY CLEARANCE SYSTEMS

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream, Luxembourg together, the "Clearing Systems") currently in effect.* The information in this section concerning the Clearing Systems has been obtained from sources that the Issuer believes to be reliable, but none of the Issuer nor any Dealer takes any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer nor any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

### Book-entry Systems

#### DTC

DTC has advised the Issuer that it is a limited purpose trust company organised under the New York Banking Law, a "banking organisation" within the meaning of the New York Banking Law, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to Section 17A of the Exchange Act. DTC holds securities that its participants ("*Participants*") deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerised book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Access to the DTC System is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("*Indirect Participants*").

Under the rules, regulations and procedures creating and affecting DTC and its operations (the "*Rules*"), DTC makes book-entry transfers of Registered Notes among Direct Participants on whose behalf it acts with respect to Notes accepted into DTC's book-entry settlement system ("*DTC Notes*") as described below and receives and transmits distributions of principal and interest on DTC Notes. The Rules are on file with the Securities and Exchange Commission. Direct Participants and Indirect Participants with which beneficial owners of DTC Notes ("*Owners*") have accounts with respect to the DTC Notes similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Owners. Accordingly, although Owners who hold DTC Notes through Direct Participants or Indirect Participants will not possess Registered Notes, the Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants will receive payments and will be able to transfer their interest with respect of the DTC Notes.

Purchases of DTC Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Notes on DTC's records. The ownership interest of each actual purchaser of each DTC Note ("*Beneficial Owner*") is in turn to be recorded on the Direct and Indirect Participant's records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Notes are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Notes, except in the event that use of the book-entry system for the DTC Notes is discontinued.

To facilitate subsequent transfers, all DTC Notes deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of DTC Notes with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such DTC Notes are credited, which may or may not be the

Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to Cede & Co. If less than all of the DTC Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to DTC Notes. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the DTC Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the DTC Notes will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the due date for payment in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the due date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Issuer, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

Under certain circumstances, including if there is an Event of Default under the Notes, DTC will exchange the DTC Notes for definitive Registered Notes, which it will distribute to its Participants in accordance with their proportionate entitlements and which, if representing interests in a Rule 144A Global Note, will be legended as set forth under "*Subscription and Sale and Transfer and Selling Restrictions*".

Since DTC may only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, any Owner desiring to pledge DTC Notes to persons or entities that do not participate in DTC, or otherwise take actions with respect to such DTC Notes, will be required to withdraw its Registered Notes from DTC as described below.

#### *Euroclear and Clearstream, Luxembourg*

Euroclear and Clearstream, Luxembourg each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

#### **Book-entry Ownership of and Payments in respect of DTC Notes**

The Issuer will apply to DTC in order to have each Tranche of Notes represented by Registered Global Notes accepted in its book-entry settlement system. Upon the issue of any Registered Global

Notes, DTC or its custodian will credit, on its internal book-entry system, the respective nominal amounts of the individual beneficial interests represented by such Registered Global Notes to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the relevant Dealer. Ownership of beneficial interests in a Registered Global Note will be limited to Direct Participants or Indirect Participants, including the respective depositaries of Euroclear and Clearstream, Luxembourg. Ownership of beneficial interests in a Registered Global Note will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

Payments in U.S. dollars of principal and interest in respect of a Registered Global Note registered in the name of DTC's nominee will be made to the order of such nominee as the registered holder of such Note. In the case of any payment in a currency other than U.S. dollars, payment will be made to the Exchange Agent on behalf of DTC's nominee and the Exchange Agent will (in accordance with instructions received by it) remit all or a portion of such payment for credit directly to the beneficial holders of interests in the Registered Global Notes in the currency in which such payment was made and/or cause all or a portion of such payment to be converted into U.S. dollars and credited to the applicable Participants' account.

The Issuer expects DTC to credit accounts of Direct Participants on the applicable payment date in accordance with their respective holdings as shown in the records of DTC unless DTC has reason to believe that it will not receive payment on such payment date. The Issuer also expects that payments by Participants to beneficial owners of Notes will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not the responsibility of DTC, the Principal Paying Agent, the Registrar or the Issuer. Payments of principal, premium, if any, and interest, if any, on Notes to DTC is the responsibility of the Issuer.

#### **Transfers of Notes Represented by Registered Global Notes**

Transfers of any interests in Notes represented by a Registered Global Note within DTC, Euroclear and Clearstream, Luxembourg will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The laws in some States within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Notes represented by a Registered Global Note to such persons may depend upon the ability to exchange such Notes for Notes in definitive form. Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Notes represented by a Registered Global Note to pledge such Notes to persons or entities that do not participate in the DTC system or to otherwise take action in respect of such Notes may depend upon the ability to exchange such Notes for Notes in definitive form. The ability of any holder of Notes represented by a Registered Global Note to resell, pledge or otherwise transfer such Notes may be impaired if the proposed transferee of such Notes is not eligible to hold such Notes through a direct or indirect participant in the DTC system.

Subject to compliance with the transfer restrictions applicable to the Registered Notes described under "*Subscription and Sale and Transfer and Selling Restrictions*", cross-market transfers between DTC, on the one hand, and directly or indirectly through Clearstream, Luxembourg or Euroclear accountholders, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the Registrar, the Principal Paying Agent and any custodian ("*Custodian*") with whom the relevant Registered Global Notes have been deposited.

On or after the Issue Date for any Series, transfers of Notes of such Series between accountholders in Clearstream, Luxembourg and Euroclear and transfers of Notes of such Series between participants in DTC will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Clearstream, Luxembourg or Euroclear and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Clearstream, Luxembourg and Euroclear, on the other, transfers of interests in the relevant Registered Global Notes will be effected through the Registrar, the Principal Paying Agent and the Custodian receiving instructions (and where

appropriate certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. In the case of cross-market transfers, settlement between Euroclear or Clearstream, Luxembourg accountholders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

DTC, Clearstream, Luxembourg and Euroclear have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Registered Global Notes among participants and accountholders of DTC, Clearstream, Luxembourg and Euroclear. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Issuer, the Agents or any Dealer will be responsible for any performance by DTC, Clearstream, Luxembourg or Euroclear or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Notes represented by Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial interests.

## TAXATION

### France

Payments in respect of Notes issued by the Issuer will be made without withholding or deduction for, or on account of, taxes imposed by or on behalf of France as provided by article 131 quater of the French General Tax Code (*code général des impôts*) if the Notes are issued outside France. Notes constituting "obligations" under French law will be issued (or deemed to be issued) outside France:

- (i) in the case of syndicated or non-syndicated issues of Notes, if they are denominated in euro, as provided in the Circular of the Direction Générale des Impôts dated 30th September, 1998;
- (ii) in the case of internationally syndicated issues of Notes denominated in currencies other than euro, if, inter alia, the Issuer and the relevant Dealers agree, in connection with their initial distribution, not to offer the Notes to the public France. Such securities may be offered in France only to "qualified investors" (*investisseurs qualifiés*) as described in Article L 411-2 of the French *Code Monétaire et Financier*; or
- (iii) in the case of non-syndicated issues of Notes denominated in currencies other than euro, if each of the subscribers is domiciled or resident for tax purposes outside France.

**The French tax regime applicable to Notes which do not constitute "obligations" will be set out in the relevant Pricing Supplement.**

### U.K. Taxation

**The following applies only to persons who are the beneficial owners of Notes and is a summary of the Issuer's understanding of current law and practice in the United Kingdom relating only to United Kingdom withholding tax treatment of payments of principal and interest in respect of Notes. It does not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of Notes. Prospective Noteholders who may be subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their tax position should seek their own professional advice.**

Payments of interest on the Notes may be made without withholding on account of United Kingdom income tax.

However, Noteholders who are individuals may wish to note that the Inland Revenue has power to obtain information (including the name and address of the beneficial owner of the interest) from any person in the United Kingdom who either pays interest to or receives interest for the benefit of an individual. The Inland Revenue also has power to obtain information from any person in the United Kingdom who pays amounts payable on the redemption of Notes which are relevant discounted securities for the purposes of the Finance Act 1996 to or receives such amounts for the benefit of an individual. Such information may include the name and address of the beneficial owner of the amount payable on redemption. Any information obtained may, in certain circumstances, be exchanged by the Inland Revenue with the tax authorities of the jurisdiction in which the Noteholder is resident for tax purposes.

### EU Savings Directive

On 3rd June, 2003, the European Council of Economics and Finance Ministers adopted a Directive on the taxation of savings income. Under the Directive, Member States will (if equivalent measures have been introduced by certain non-EU countries) be required, from 1st July 2005, to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria will instead be required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). This Directive has been implemented in French law under Article 242 *ter* of the French *Code général des impôts* by a law dated 30th December, 2003 amending the 2003 budget (*Loi de finances rectificative pour 2003*) and the reporting requirements of the Directive as implemented therein are currently scheduled to take effect in France on 1st January, 2005.

## SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

The Dealers have in an amended and restated programme agreement (the "Programme Agreement") dated 10th October, 2003 agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. The Issuer may also agree directly with any third party (other than a Dealer) to issue to such Purchaser under the Programme. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the Notes*". In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

### Transfer Restrictions

As a result of the following restrictions, purchasers of Notes in the United States are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Notes.

Each purchaser of Registered Notes or person wishing to transfer an interest from one Registered Global Note to another or from global to definitive form or vice versa, will be required to acknowledge, represent and agree as follows (terms used in this paragraph that are defined in Rule 144A or in Regulation S are used herein as defined therein):

1. that either: (a) it is a QIB, purchasing (or holding) the Notes for its own account or for the account of one or more QIBs and it is aware that any sale to it is being made in reliance on Rule 144A or (b) it is located outside the United States and is not a U.S. person;
2. that the Notes are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act, and that the Notes have not been and will not be registered under the Securities Act or any other applicable U.S. State securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;
3. that, unless it holds an interest in a Regulation S Global Note and either is a person located outside the United States or is not a U.S. person, if in the future it decides to resell, pledge or otherwise transfer the Notes or any beneficial interests in the Notes, it will do so, prior to the date which is two years after the later of the last Issue Date for the Series and the last date on which the Issuer or an affiliate of the Issuer was the owner of such Notes, only (a) to the Issuer or any affiliate thereof, (b) inside the United States to a person whom the seller reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, (c) outside the United States in compliance with Rule 903 or Rule 904 under the Securities Act, (d) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available) or (e) pursuant to an effective registration statement under the Securities Act, in each case in accordance with all applicable U.S. State securities laws;
4. it will, and will require each subsequent holder to, notify any purchaser of the Notes from it of the resale restrictions referred to in paragraph (iii) above, if then applicable;
5. that Notes initially offered in the United States to QIBs will be represented by one or more Rule 144A Global Notes and that Notes offered outside the United States in reliance on Regulation S will be represented by one or more Regulation S Global Notes;
6. that the Notes, other than the Regulation S Global Notes, will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING THE SECURITIES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS; (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE

TRANSFER THE SECURITIES EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND, PRIOR TO THE DATE WHICH IS TWO YEARS AFTER THE LATER OF THE LAST ISSUE DATE FOR THE SERIES AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE OF THE ISSUER WAS THE OWNER OF SUCH SECURITIES OTHER THAN (1) TO THE ISSUER OR ANY AFFILIATE THEREOF, (2) INSIDE THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (3) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT, (4) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; AND (C) IT AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

THIS SECURITY AND RELATED DOCUMENTATION (INCLUDING, WITHOUT LIMITATION, THE AGENCY AGREEMENT REFERRED TO HEREIN) MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE HOLDERS OF SUCH SECURITIES SENT TO THEIR REGISTERED ADDRESSES, TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR REALES AND OTHER TRANSFERS OF THIS SECURITY TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO REALES OR OTHER TRANSFERS OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS SECURITY SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS SECURITY AND ANY SECURITIES ISSUED IN EXCHANGE OR SUBSTITUTION THEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON).”;

7. if it is outside the United States and is not a U.S. person, that if it should resell or otherwise transfer the Notes prior to the expiration of the distribution compliance period (defined as 40 days after the later of the commencement of the offering and the closing date with respect to the original issuance of the Notes), it will do so only (a)(i) outside the United States in compliance with Rule 903 or 904 under the Securities Act or (ii) to a QIB in compliance with Rule 144A and (b) in accordance with all applicable U.S. State securities laws; and it acknowledges that the Regulation S Global Notes will bear a legend to the following effect unless otherwise agreed to by the Issuer:

“THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT. THIS LEGEND SHALL CEASE TO APPLY UPON THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE NOTES OF THE TRANCHE OF WHICH THIS NOTE FORMS PART.”; and

8. that the Issuer and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the Issuer; and if it is acquiring any Notes as a fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.



No sale of Legended Notes in the United States to any one purchaser will be for less than U.S.\$100,000 (or its foreign currency equivalent) principal amount and no Legended Note will be issued in connection with such a sale in a smaller principal amount. If the purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least U.S.\$100,000 (or its foreign currency equivalent) of Registered Notes.

## **Selling Restrictions**

### ***United States***

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act.

The Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

In connection with any Notes which are offered or sold outside the United States in reliance on an exemption from the registration requirements of the Securities Act provided under Regulation S ("Regulation S Notes"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver such Regulation S Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Regulation S Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Regulation S Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Regulation S Notes within the United States or to, or for the account or benefit of, U.S. persons.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Dealers may arrange for the resale of Notes to QIBs pursuant to Rule 144A and each such purchaser of Notes is hereby notified that the Dealers may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A. The minimum aggregate principal amount of Notes which may be purchased by a QIB pursuant to Rule 144A is U.S.\$100,000 (or the approximate equivalent thereof in any other currency). To the extent that the Issuer is not subject to or does not comply with the reporting requirements of Section 13 or 15(d) of the Exchange Act or the information furnishing requirements of Rule 12g3-2(b) thereunder, the Issuer has agreed to furnish to holders of Notes and to prospective purchasers designated by such holders, upon request, such information as may be required by Rule 144A(d)(4).

Each issuance of Index Linked Notes or Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Pricing Supplement.

### ***United Kingdom***

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (i) in relation to Notes which have a maturity of one year or more, it has not offered or sold and, prior to the expiry of the period of six months from the issue date of such Notes, will not offer or sell any such Notes 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);

- (ii) in relation to any Notes having a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the "FSMA") by the Issuer;
- (iii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (iv) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

### **Japan**

The Notes have not been and will not be registered under the Securities and Exchange Law. Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for reoffering or resale, directly or indirectly, in Japan or to a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

### **France**

*The Programme Agreement contains a full description of the selling restriction that may apply in France with respect to a particular issue of Notes and the paragraphs set out below apply only to issues of Notes ("obligations") in euro (whether on a syndicated or non-syndicated basis).*

Each of the Dealers and the Issuer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Offering Circular or any other offering material relating to the Notes, and that such offers, sales and distributions have been and shall only be made in France to qualified investors (*investisseurs qualifiés*) acting for their own account, as defined in and in accordance with Articles L.411-1 and L.411-2 of the *Code Monétaire et Financier* and décret No. 98-880 dated 1st October, 1998.

Investors in France may only participate in the issue of Notes for their own account in accordance with the conditions set out in décret No. 98-880 dated 1st October, 1998. Notes may only be issued, directly or indirectly, to the public in France in accordance with Articles L.411-1 and L.411-2 of the *Code Monétaire et Financier*.

### **Germany**

Each Dealer represents and agrees that it shall only offer Notes in the Federal Republic of Germany in compliance with the German Securities Sales Prospectus Act (*Wertpapier-Verkaufsprospektgesetz*) or any other laws applicable in the Federal Republic of Germany.

### ***The Netherlands***

Each Dealer represents and agrees, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell in the Netherlands any Notes other than (i) Notes with a minimum denomination of €50,000 (or the equivalent thereof in another currency) which Notes are fully paid up at their issuance, (ii) to persons who trade or invest in securities in the conduct of a profession or business (which include banks, stockbrokers, insurance companies, investment undertakings, pension funds, other institutional investors and finance companies and treasury departments of large enterprises) or (iii) in circumstances where one of the exceptions to or exemptions from the prohibition contained in article 3(1) of the Securities Transactions Supervision Act 1995 (*Wet toezicht effectenverkeer 1995*) applies.

### ***General***

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Pricing Supplement.

## GENERAL INFORMATION

### Authorisation

No authorisation procedures are required of the Issuer under French law for the establishment of the Programme. However, to the extent that Notes issued under the Programme may constitute *obligations* under French law, issues of such Notes have been authorised by a resolution of the Management Board (*Directoire*) of the Issuer dated 27th September, 2004.

### Listing of Notes on the Luxembourg Stock Exchange

Application has been made to list Notes issued under the Programme on the Luxembourg Stock Exchange. A legal notice relating to the Programme and the constitutional documents of the Issuer are being lodged with the Luxembourg trade and companies register (*Registre de commerce et des sociétés, Luxembourg*) where such documents may be examined and copies obtained.

The Luxembourg Stock Exchange has allocated the number 12283 to the Programme for listing purposes.

### Documents Available

So long as Notes are capable of being issued under the Programme, copies of the following documents will, when published, be available (in the case of those listed at (ii), (iii), (iv), (vi), (vii) and (viii) below, free of charge) from the registered office of the Issuer and from the specified office of the Paying Agent for the time being in Luxembourg:

- (i) the *statuts* (with an English translation thereof) of the Issuer;
- (ii) the consolidated audited financial statements of the Issuer in respect of the financial years ended 2001, 2002 and 2003 (with an English translation thereof);
- (iii) the most recently published audited annual financial statements of the Issuer with an English translation thereof;
- (iv) the interim unaudited consolidated financial statements of the Issuer for the six month period ended 30th June, 2004;
- (v) the *Document de Référence* of the Issuer filed with the AMF on 7th April, 2004 under number D.04-0433 (English translation available);
- (vi) the Programme Agreement, the Agency Agreement, the Deed of Covenant, the Deed Poll and the forms of the Global Notes, the Notes in definitive form, the Receipts, the Coupons and the Talons;
- (vii) a copy of this Offering Circular;
- (viii) any future offering circulars, prospectuses, information memoranda and supplements including Pricing Supplements (save that a Pricing Supplement relating to an unlisted Note will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Paying Agent as to its holding of Notes and identity) to this Offering Circular and any other documents incorporated herein or therein by reference (including, without limitation, any published annual or interim reports of the Issuer); and
- (ix) In the case of each issue of listed Notes subscribed pursuant to a subscription agreement, the subscription agreement (or equivalent document).

### Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate Common Code and ISIN for each Tranche of Bearer Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Pricing Supplement. In addition, the Issuer may make an application for any Notes in registered form to be accepted for trading in book-entry form by DTC. The CUSIP and/or CINS numbers for each Tranche of Registered Notes, together with the relevant ISIN and common code, will be specified in the applicable Pricing

Supplement. If the Notes are to clear through an additional or alternative clearing system (including Euroclear France) the appropriate information will be specified in the applicable Pricing Supplement.

### **Significant or Material Change and Litigation**

Except as disclosed in this Offering Circular including the documents incorporated by reference therein, neither the Issuer nor any of its consolidated subsidiaries, is involved in any litigation or arbitration proceedings relating to claims or amounts which are material in the context of the Programme and the issuance and offering of the Notes nor, so far as the Issuer is aware, is any such litigation or arbitration pending or threatened. Except as disclosed in this Offering Circular, including the documents incorporated by reference therein, there has been no material adverse change in the Issuer's financial position or prospects since 31st December, 2003.

### **Auditors**

The auditors of the Issuer are Pricewaterhouse Coopers Audit and Mazars & Guérard, statutory auditors who have audited the Issuer's financial statements, without qualification, in accordance with generally accepted auditing standards in France for each of the three financial years ended on 31st December, 2001, 2002 and 2003.

**THE ISSUER**

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*To the Dealers as to English, French and United States law*

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