

OFFERING CIRCULAR



AXA

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

€12,000,000,000

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 (as defined below) on or after the date of this Offering Circular are issued subject to the provisions described herein.

Under this €12,000,000,000 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 €12,000,000,000 (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 "*Overview 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**.

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see "*Risk Factors*".

Application has been made to the *Commission de Surveillance du Secteur Financier* (the **CSSF**) in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 on prospectuses for securities to approve this document as a base prospectus. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of 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 final terms document (the **Final Terms**) which, with respect to Notes to be listed on the Luxembourg Stock Exchange, will be filed with the *Commission de Surveillance du Secteur Financier* (the **CSSF**).

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Purchaser. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market. 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 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 a supplemental Offering Circular, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

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 account or benefit of, U.S. persons except to qualified institutional buyers (**QIBs**) in reliance on Rule 144A under the Securities Act (**Rule 144A**) and to certain persons in offshore transactions in reliance on Regulation S under the Securities Act (**Regulation S**) unless the Notes are registered under the Securities Act or another 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*".

Arranger

Deutsche Bank

Dealers

ABN AMRO

Barclays Capital

CALYON Crédit Agricole CIB

Credit Suisse

HSBC

Lehman Brothers

Morgan Stanley

Societe Generale Corporate & Investment

Banc of America Securities Limited

BNP PARIBAS

Citi

Deutsche Bank

JPMorgan

Merrill Lynch International

The Royal Bank of Scotland

UBS Investment Bank

Banking

The date of this Offering Circular is 14 June 2007.

This Offering Circular comprises a "base prospectus" for the purposes of Article 5.4 of Directive 2003/71/EC (the **Prospectus Directive**). Notes may also be issued under the Programme pursuant to an offering document (other than this Offering Circular) that constitutes a "prospectus" for the purposes of Article 5.3 of the Prospectus Directive.

The Issuer (the **Responsible Person**) accepts responsibility for the information contained in this Offering Circular. The Responsible Person declares that, having taken all reasonable care to ensure that such is the case, the information contained in the registration document is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

Copies of Final Terms, if appropriate, will be available from the registered office of the Issuer and the specified office of the Principal Paying Agent (as defined below).

This Offering Circular is to be read in conjunction with all documents which are 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.

Subject as provided in the applicable Final Terms, the only persons authorised to use this Offering Circular in connection with an offer of Notes are the persons named in the applicable Final Terms as the relevant Dealer, the Managers or the Financial Intermediaries, as the case may be.

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.

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.

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, unless specifically indicated to the contrary in the applicable Final Terms, no

action has been taken by the Issuer or the Dealers which is intended to permit a public offering of any Notes or distribution of this Offering Circular 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 European Economic Area (including the United Kingdom and France) and Japan, 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 of 1986, as amended (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.

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes (provided that, in the case of any Tranche of Notes to be admitted to trading on a regulated market in the European Economic Area, the aggregate principal amount of Notes allotted does not exceed 105 per cent. of the aggregate principal amount of the relevant Tranche) or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

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. 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.

The Securities and Exchange Commission has not approved or disapproved these securities or determined if this Offering Circular is truthful or complete. Any representation to the contrary is a criminal offence.

Registered Notes issued by the Issuer may be offered or sold within the United States or to United States persons 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.

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 14 June 2007 (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 *Code civil* (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's consolidated financial statements are prepared at 31 December. Certain entities within AXA have a reporting year end that does not coincide with 31 December, in particular AXA Life Japan, which has a 30 September year end. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards and the International Financial Reporting Interpretations Committee's interpretations that were definitive and effective as at 31 December 2006, as adopted by the European Union before the balance sheet date. However, the Group does not use the "carve out" option not to apply all hedge accounting principles as defined by IAS 39.

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.

FORWARD LOOKING STATEMENTS

This Offering Circular and other publicly available documents concerning AXA may include, and AXA's officers and representatives may from time to time make, statements which may constitute forward looking statements. These statements are not historical facts but instead represent AXA's belief regarding future events many of which, by their nature, are inherently uncertain and outside AXA's control.

These statements may address, among other things, AXA's financial condition, results of operations and business, including its strategy for growth, product development, regulatory approvals, market position, embedded value and reserves. All statements other than statements of historical facts are, or may be deemed to be, forward-looking statements.

Forward-looking statements are statements of future expectations that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements, including those discussed elsewhere in this Offering Circular and in AXA's other public filings, press releases, oral presentations and discussions. Forward-looking statements include, among other things, discussions concerning the potential exposure of AXA to market risks, as well as statements expressing management's expectations, beliefs, estimates, forecasts, projections and assumptions. Forward-looking statements in this Offering Circular are identified by use of the following words and other similar expressions, among others:

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

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

- the intensity of competition from other financial institutions;
- AXA's experience with regard to mortality and morbidity trends, lapse rates and policy renewal levels relating to its life & savings operations, which also include health products;
- the frequency, severity and development of property & casualty claims, including catastrophic events which are uncertain in nature, and policy renewal rates relating to AXA's property & casualty business;
- re-estimates of AXA's reserves for future policy benefits and claims;

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

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

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SUMMARY OF THE PROGRAMME

This Summary must be read as an introduction to this Offering Circular and any decision to invest in any Notes should be based on a consideration of this Offering Circular as a whole, including the documents incorporated by reference. Following the implementation of the relevant provisions of the Prospectus Directive in each Member State of the European Economic Area, no civil liability will attach to the Responsible Person in any such Member State in respect of this Summary, including any translation hereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Offering Circular. Where a claim relating to information contained in this Offering Circular is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Offering Circular before the legal proceedings are initiated. 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.

Issuer:

AXA

Risk Factors:

There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. These are set out under "*Risk Factors*" below. In relation to the Issuer, these include market, insurance-related, credit and general operational risks. Certain risks relating to Notes depend on their features and may include (i) limited and/or volatile market value of the Notes, (ii) redemption when reinvestment circumstances are not advantageous for a Noteholder, (iii) reduced or no payment of interest, (iv) payment of principal or interest at a different time or in a different currency than expected and/or (v) loss of all or part of a Noteholder's investment, which may be due to the Notes (or any return of capital or interest thereon) being (i) subject to optional redemption by the Issuer, (ii) determined by reference to an index, formula, asset or other reference factor (such as securities, commodities, exchange rates, etc.), (iii) payable in various currencies, (iv) payable, as to their issue price, in instalments, (v) subject to caps, floors, leverage or other factors or any combination thereof, (vi) subject to an inverse floating rate of interest, (vii) subject to a fixed-to-floating (or floating-to-fixed) rate of interest, (viii) issued at a discount or premium from their principal amount and/or (ix) subordinated. Other risks relating to the Notes include (i) binding decisions of meetings of Noteholders, (ii) no payment of additional amounts (in certain circumstances) in relation to taxes withheld from payments under the Notes, (iii) changes in law, (iv) lack of a liquid secondary trading market for the Notes, (v) Noteholders receiving payments in currency other than that of their financial activities, (vi) changes in interest rates, (vii) credit ratings not reflecting all risks relating to the Notes and/or (viii) certain investors being subject to laws and regulations or review or regulation by certain authorities.

Programme Size:

Up to €12,000,000,000 (or its equivalent in other currencies) calculated as provided in the Programme Agreement

outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.

Distribution:

Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.

Form of Notes:

The Notes will be issued in bearer or registered form as set out in "*Form of the Notes*". Registered Notes will not be exchangeable for Bearer Notes and *vice versa*.

Terms of Notes:

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.

Notes may be denominated in any agreed currency and with any agreed maturity, subject to any applicable legal or regulatory restrictions and any requirements of the relevant central bank (or equivalent body).

The terms of the Notes will be specified in the applicable Final Terms. The following types of Note may be issued: (i) Notes which bear interest at a fixed rate or a floating rate; (ii) Notes which do not bear interest; and (iii) Notes which bear interest, and/or the redemption amount of which is, calculated by reference to a specified factor such as movements in an index or a currency exchange rate, changes in share or commodity prices or changes in the credit of an underlying entity. In addition, Notes which have any combination of the foregoing features may also be issued.

Interest periods, rates of interest and the terms of and/or amounts payable on redemption may differ depending on the Notes being issued and such terms will be specified in the applicable Final Terms.

The applicable Final Terms 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. The terms of any such redemption, including notice periods, any relevant conditions to be satisfied and the relevant redemption dates and prices will be indicated in the applicable Final Terms.

The applicable Final Terms 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 Final Terms.

The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Purchaser save that the minimum denomination of each Note will be such amount 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, and save that the minimum denomination of each Note admitted to trading on a

regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive will be €1,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

Taxation:

The Notes being issued outside France, interest and other revenues in respect of the Notes benefit from the exemption provided for in Article 131 *quater* of the French *Code général des impôts* (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.

Negative Pledge:

None

Events of Default:

The terms of the Senior Notes will contain events of default along the following lines:

- (a) default in payment of any principal, premium or interest due in respect of the Notes, continuing for a specified period of time;
- (b) non-performance or non-observance by the Issuer of any of its other obligations under the Terms and Conditions continuing for a specified period of time;
- (c) default under any evidence of indebtedness for borrowed money in excess of €150,000,000, which has resulted in such indebtedness becoming or being declared due and payable prior to the date on which it would otherwise have become due and payable, or any such indebtedness is not paid at the stated maturity thereof and such failure to pay continues beyond the grace period, if any, applicable thereto, or steps are taken to enforce any security in respect thereof or any guarantee given by the Issuer in respect of the indebtedness of others is not honoured; and
- (d) if the Issuer makes any proposal for a general moratorium or enters into an amicable procedure (*procédure de conciliation*) 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,

all as further described in Condition 10.

Enforcement Events:

The terms of the Subordinated Notes will contain enforcement event provisions, which provide that 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, at their nominal amount together with any accrued interest (including Arrears of Interest (as defined in the Terms and Conditions)) to the date of payment, all as further described in the Conditions.

Status of the Senior Notes:

The Senior Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer, as provided in Condition 3 and will rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

Status of the Subordinated Notes:

The Subordinated Notes will constitute direct, unconditional, unsecured subordinated obligations of the Issuer and payments in respect of the Subordinated Notes will be subordinated as described in Condition 3.

Status of the Deeply Subordinated Notes:

The Deeply Subordinated Notes will constitute direct, unconditional, unsecured and deeply subordinated obligations of the Issuer, as provided in Condition 3.

Use of Proceeds:

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes, which include making a profit. If, in respect of any particular issue there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

Rating:

The Programme will not be rated, but certain Series of Notes to be issued under the Programme may be rated by Moody's Investor Service, Inc. (**Moody's**), Standard & Poor's, a division of The McGraw-Hill Companies, Inc. (**Standard & Poor's**), Fitch Ratings (**Fitch**) or any other rating agency on a case by case basis as set out in the applicable Final Terms.

Approval, Listing and Admission to Trading:

Application has been made to the CSSF to approve this document as a base prospectus. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Luxembourg Stock Exchange.

Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Purchaser in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued.

The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.

Governing Law:

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 European Economic Area (including the United Kingdom and France) and Japan 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 set out in "*Form of the Notes*" herein.

OVERVIEW OF THE PROGRAMME

The following Overview does not purport to be complete and is taken from, and is qualified in its entirety by, the Summary and the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. The Issuer and any relevant Purchaser may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, in the case of listed Notes only, and if appropriate, a supplemental Offering Circular will be published.

This Overview constitutes a general description of the Programme for the purposes of Article 22.5(3) of Commission Regulation (EC) No 809/2004 implementing the Prospectus Directive.

Words and expressions defined in "*Form of the Notes*" and "*Terms and Conditions of the Notes*" shall have the same meanings in this Overview.

Issuer: AXA

Risk Factors: There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. These are set out under "*Risk Factors*" below. In relation to the Issuer, these include market, insurance-related, credit and general operational risks. Certain risks relating to Notes depend on their features and may include (i) limited and/or volatile market value of the Notes, (ii) redemption when reinvestment circumstances are not advantageous for a Noteholder, (iii) reduced or no payment of interest, (iv) payment of principal or interest at a different time or in a different currency than expected and/or (v) loss of all or part of a Noteholder's investment, which may be due to the Notes (or any return of capital or interest thereon) being (i) subject to optional redemption by the Issuer, (ii) determined by reference to an index, formula, asset or other reference factor (such as securities, commodities, exchange rates, etc.), (iii) payable in various currencies, (iv) payable, as to their issue price, in instalments, (v) subject to caps, floors, leverage or other factors or any combination thereof, (vi) subject to an inverse floating rate of interest, (vii) subject to a fixed-to-floating (or floating-to-fixed) rate of interest, (viii) issued at a discount or premium from their principal amount and/or (ix) subordinated. Other risks relating to the Notes include (i) binding decisions of meetings of Noteholders, (ii) no payment of additional amounts (in certain circumstances) in relation to taxes withheld from payments under the Notes, (iii) changes in law, (iv) lack of a liquid secondary trading market for the Notes, (v) Noteholders receiving payments in currency other than that of their financial activities, (vi) changes in interest rates, (vii) credit ratings not reflecting all risks relating to the Notes and/or (viii) certain investors being subject to laws and regulations or review or regulation by certain authorities.

Description: Euro Medium Term Note Programme

Arranger: Deutsche Bank AG, London Branch

Initial Dealers: ABN AMRO Bank N.V.

Banc of America Securities Limited

Barclays Bank PLC

BNP Paribas

CALYON

Citigroup Global Markets Limited

Credit Suisse Securities (Europe) Limited

Deutsche Bank AG, London Branch

HSBC Bank Plc

J.P. Morgan Securities Ltd.

Lehman Brothers International (Europe)

Merrill Lynch International

Morgan Stanley & Co. International Plc

The Royal Bank of Scotland plc

Société Générale

UBS Limited

and any other Dealers appointed in accordance with the Programme Agreement

Certain Restrictions:

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 "*Subscription and Sale and Transfer and Selling Restrictions*") including the following restrictions applicable at the date of this Offering Circular.

Notes having a maturity of less than one year

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 "*Subscription and Sale*"). Under the Luxembourg Law on Prospectuses for Securities which implements the Prospectus Directive, prospectuses for the listing of money market instruments having a maturity at issue of less than 12 months and complying also with the definition of securities are not subject to the approval provisions of such law and do not need to be approved by the CSSF.

**Issuing and Principal
Paying Agent:**

BNP Paribas Securities Services, Luxembourg Branch

Registrar:

BNP Paribas Securities Services, Luxembourg Branch

Programme Size:

Up to €12,000,000,000 (or its equivalent in other currencies) calculated as

provided in the Programme Agreement outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.

- Distribution:** Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
- Currencies:** Subject to any applicable legal or regulatory restrictions, any currency agreed between the Issuer and the relevant Purchaser.
- Redenomination:** The applicable Final Terms may provide that certain Notes may be redenominated in euro. The relevant provisions applicable to any such redenomination are contained in Condition 4.
- Maturities:** 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.
- Issue Price:** 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.
- Form of Notes:** The Notes will be issued in bearer or registered form as set out in "*Form of the Notes*". Registered Notes will not be exchangeable for Bearer Notes and *vice versa*.
- Fixed Rate Notes:** 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 Purchaser.
- Floating Rate Notes:** Floating Rate Notes will bear interest at a rate determined:
- (a) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or
 - (b) on such other basis as may be agreed between the Issuer and the relevant Purchaser.
- 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.
- Index Linked Notes:** 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.

Other provisions in relation to Floating Rate Notes and Index Linked Interest Notes:	<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>
Dual Currency Notes:	<p>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.</p>
Zero Coupon Notes:	<p>Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.</p>
Redemption:	<p>The applicable Final Terms 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 Final Terms 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 Final Terms.</p> <p>Notes having a maturity of less than one year 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>
Redemption for taxation reasons:	<p>The Notes may, and in certain circumstances shall, be redeemed for taxation reasons, as provided in Condition 7(b).</p>
Optional Redemption of Notes for non-deductibility of interest:	<p>The applicable Final Terms 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, as provided in Condition 7(b).</p>
Optional Redemption of Subordinated Notes due to a Regulatory Event:	<p>The applicable Final Terms may provide that Notes may be redeemed at the option of the Issuer following the occurrence of a Regulatory Event, as provided in the Condition 7(e) and/or the applicable Final Terms.</p>
Denomination of Notes:	<p>The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Purchaser; provided, however, that the minimum denomination of each Note will be: (i) such amount 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); and (ii) €1,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency) in the case of any Notes admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the</p>

Prospectus Directive.

Taxation:	The Notes being issued outside France, interest and other revenues in respect of the Notes benefit from the exemption provided for in Article 131 quater of the French <i>Code général des impôts</i> (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.
Cross Default:	The terms of the Senior Notes will contain a cross default provision as provided in Condition 10.
Negative Pledge:	None
Status of the Senior Notes:	The Senior Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer, as provided in Condition 3.
Status of the Subordinated Notes:	The Subordinated Notes will constitute direct, unconditional, unsecured subordinated obligations of the Issuer, as provided in Condition 3.
Enforcement Events:	The terms of the Subordinated Notes will contain enforcement event provisions, as provided in Condition 10.
Interest Deferral/Suspension:	There may be provisions for the deferral of payment of interest in respect of some issues of Subordinated Notes, as provided in the Conditions and/or the applicable Final Terms.
Reduction in Specified Denomination:	There may be provisions for the reduction in the Specified Denomination and/or the suspension of payment of interest in respect of some issues of Deeply Subordinated Notes, as provided in the Conditions and/or the applicable Final Terms.
Rating:	The Programme will not be rated, but certain Series of Notes to be issued under the Programme may be rated by Moody's, Standard & Poor's, Fitch or any other rating agency on a case by case basis as set out in the applicable Final Terms.
Approval, Listing and Admission to Trading:	<p>Application has been made to the CSSF to approve this document as a base prospectus. Application has also been made Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange.</p> <p>Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Purchaser in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued.</p> <p>The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.</p>
Governing Law:	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 European Economic Area (including the United Kingdom and France) and Japan 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 one 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 set out in "*Form of the Notes*" herein.

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. Many of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may be caused by events the occurrence of which, in the view of the Issuer, is so unlikely that they should not be considered significant risks based on information currently available to the Issuer or which it may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Offering Circular and reach their own views prior to making any investment decision.

WARNING: INVESTORS IN NOTES CONSTITUTING DERIVATIVE SECURITIES UNDER REGULATION EC/809/2004 MAY LOSE THE VALUE OF THEIR ENTIRE INVESTMENT OR PART OF IT.

Factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme

Factors that may affect the Issuer's ability to fulfil its obligations under the Notes include market risks, insurance related risks, credit risks and general operational risks.

Risks relating to the financial markets

A decline or increased volatility in the securities markets may adversely affect the Issuer's business and profitability

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

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

In addition, the growth of the Issuer's asset management business depends to a significant extent on factors such as investment returns and risk management.

Poor performance in the financial markets, in general, may adversely affect the value of the assets the Issuer manages, as well as its ability to accumulate and retain those assets since clients may choose to withdraw assets under management in these circumstances. These trends may, in turn, adversely impact the revenues and profits that the Issuer earns from management of those assets.

Losses due to defaults by third parties, impairment of the Issuer's investment assets and unrealized losses could negatively affect the value of the Issuer's investments and reduce its profitability

Third parties that owe the Issuer money, securities or other assets may not perform under their obligations. These parties include issuers whose securities the Issuer holds in its investment portfolios, borrowers under mortgages and other loans that the Issuer extends, customers, trading counterparties, counterparties under swap and other derivative contracts, clearing agents, exchanges, clearing houses and other financial intermediaries. These parties may default on their obligations to the Issuer due to bankruptcy, lack of liquidity, downturns in the economy or real estate market, operational failure or other reasons. Negative trends and investment climates in the Issuer's major markets may result in an increase in investment impairments on the Issuer's investment assets due to defaults, unrealized losses, credit downgrades or overall declines in securities markets.

The default of a major market participant could disrupt the securities markets or clearance and settlement systems in the Issuer's major markets, which could in turn cause market declines or volatility. A failure of a major market participant could also cause some clearance and settlement systems to assess members of that system or could lead to a chain of defaults that could adversely affect the Issuer.

Interest rate volatility may adversely affect the Issuer's profitability

During periods of declining interest rates, life insurance and annuity products may be relatively more attractive to consumers, resulting in increased premium payments on products with flexible premium features, and a higher percentage of insurance policies remaining in force from year-to-year. During a low interest rate period, the Issuer's investment earnings may be lower because the interest earnings on the Issuer's fixed income investments will likely have declined in parallel with market interest rates which would also cause unrealized losses on the Issuer's assets recorded at fair value under IFRS. In addition, mortgages and fixed maturity securities in the Issuer's investment portfolios will be more likely to be prepaid or redeemed as borrowers seek to borrow at lower interest rates. Consequently, the Issuer may be required to reinvest the proceeds in securities bearing lower interest rates. Accordingly, during periods of declining interest rates, the Issuer's profitability may suffer as the result of a decrease in the spread between interest rates charged to policyholders and returns on the Issuer's investment portfolio.

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

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

While the Issuer monitors and manages risks of this nature carefully, it cannot guarantee that it will successfully manage its interest rate spreads or the potential negative impact of those risks.

Market conditions and other factors could adversely affect the Issuer's goodwill

Business and market conditions may impact the amount of goodwill the Issuer carries in its consolidated balance sheet. As the value of certain parts of the Issuer's businesses, including in particular the Issuer's asset management businesses, is significantly impacted by such factors as the state of financial markets and ongoing operating performance, significant declines in the financial markets or operating performance could also result in impairment of other goodwill carried by the Issuer and result in significant write-downs, which could be material.

Fluctuations in currency exchange rates may affect the Issuer's reported earnings

The Issuer publishes its consolidated financial statements in Euro. For the year ended 31 December 2006, a significant portion of the Issuer's insurance gross premiums and financial services revenues as well as the Issuer's benefits, claims and other deductions were denominated in currencies other than the Euro, primarily U.S. dollars, pounds sterling, Japanese yen and Australian dollars. The Issuer's obligations are denominated either in Euro or other currencies, the value of which is subject to foreign currency exchange rate fluctuations.

While the Issuer seeks to manage its exposure to foreign currency fluctuations through hedging, fluctuations in the exchange rates may have a significant impact on the Issuer's results of operations and cash flows.

Risks relating to the nature of the Issuer's business and the environment in which it operates

The Issuer has announced a multi-year "Ambition 2012" program with aspiration earnings, revenue growth and other targets. The Issuer's ability to realize its Ambition 2012 objectives is subject to multiple risks and uncertainties and there is no guarantee that these objectives will be achieved.

In 2004, management publicly disclosed its "Ambition 2012" program pursuant to which the Issuer announced its intention to become the "preferred company" for its customers, shareholders and employees by 2012. Performance indicators relating to this program include objectives such as doubling revenues and trebling earnings per share over the period 2004-2012. While the Issuer is actively pursuing its announced objectives and has implemented multiple initiatives designed to help achieve them, there can be no assurance that these goals will be reached. Failure to meet the targets set forth in its "Ambition 2012" program may have a significant impact on the Issuer's stock price, its image, investors' and employees' confidence in the Issuer's management as well as its results of operations and cash flows.

The Issuer may not be able to sustain the growth of its Life & Savings business

The strong growth of the Issuer's Life & Savings operations may not be sustainable in future years. The Issuer's inability to sustain such growth may be caused by a change in the tax laws applicable to the Issuer's Life & Savings products and operations. The Group has implemented global product "reuse" initiatives designed to drive product innovation and reuse of successful products across major markets where it operates around the world. These products often involve complex features and guarantees that are not easily translated and transposed into the legal, regulatory and tax regimes across multiple jurisdictions. The Issuer's inability to successfully execute these product reuse initiatives in a timely manner could adversely affect the growth of its Life & Savings business.

If the Issuer's established loss reserves for its Property & Casualty and International Insurance businesses are insufficient, its earnings will be adversely affected

In accordance with industry practice and accounting and regulatory requirements, the Issuer establishes reserves for claims and claims expenses related to its Property & Casualty and International Insurance businesses. With the exception of disability annuities and workers compensation liabilities that are deemed structured settlements, the claims reserves are not discounted. Reserves do not represent an exact calculation of liability, but instead represent estimates, generally using actuarial projection techniques at a given accounting date. These reserve estimates are expectations of what the ultimate settlement and administration of claims will cost based on the Issuer's assessment of facts and circumstances then known, review of historical settlement patterns, estimates of trends in claims severity, frequency, legal theories of liability and other factors. The process of estimating the insurance claims reserves is based on the most current information available at the time the reserves are originally established. However, claims reserves are subject to change due to the number of variables which affect the ultimate cost of claims, such as:

- development in claims (frequency, severity and pattern of claims) between the amount estimated and actual experience;
- changes arising due to the time lag between the occurrence of the insured event, notification of the claim (from the insured party, a third party or a ceding company) and the final settlement (payment) of the claim,

primarily attributable to long tail casualty claims that may take several years to settle due to the size and nature of the claim, and the occurrence of large natural catastrophes late in the financial year for which limited information may be available at year end;

- judicial trends;
- expenses incurred in resolving claims;
- regulatory and legislative changes;
- changes in economic conditions, including inflation and foreign currency fluctuations; and
- changes in costs of repairs and medical costs.

Many of these items are not directly quantifiable, particularly on a prospective basis. As a result, actual losses may significantly differ from the original gross reserves established. Consequently, the reserves may need to be re-estimated reflecting those changes resulting in loss reserve redundancies (in cases where the original gross claims reserve was overstated) or deficiencies (in cases where the original gross claims reserve was understated). Adjustments to reserves are reflected in current results of operations.

The Issuer continually reviews the adequacy of the established claims reserves, including emerging claims development, and actual claims compared to the original assumptions used to estimate gross claims reserves. Based on current information available, the Issuer believes that the Issuer's claims reserves are sufficient. However, because the establishment of claims reserves is an inherently uncertain process involving estimates, the Issuer cannot assure you that ultimate losses will not materially exceed the Issuer's claims reserves and have a material adverse effect on the Issuer's earnings. For example, there is a high degree of uncertainty with respect to future exposure from asbestos claims because of significant issues surrounding the liabilities of insurers, diverging legal interpretations and judgments in different jurisdictions and aggressive asbestos related litigation, particularly in the U.S. These uncertainties include the extent of coverage under insurance policies, whether or not particular claims are subject to an aggregate limit, the number of occurrences involved in particular claims and new theories of insured and insurer liability. The Issuer has established reserves for insurance and reinsurance contracts related to environmental pollution and asbestos at 31 December 2006, which represent the Issuer's best estimate of ultimate claims exposure at 31 December 2006 based on the Issuer's current knowledge of facts and law. However, given uncertainties surrounding asbestos related claims, the Issuer cannot assure investors that ultimate losses will not materially exceed the Issuer's claims reserves and have a material adverse effect on the Issuer's earnings potential.

The claims experience in the Issuer's Life & Savings businesses could be inconsistent with the assumptions the Issuer uses to price the Issuer's products and establish the Issuer's reserves and adversely affect the Issuer's earnings

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

require write-offs due to unrecoverability. These factors could have a material adverse effect on the Issuer's business, results of operations and financial condition.

The Issuer's operating results may be materially adversely affected by the occurrence of natural disasters and pandemic diseases

Natural disasters, such as hurricanes, windstorms, earthquakes, riots, fires and explosions, have the potential to adversely affect the Issuer's operating results. Over the past several years, changing weather patterns and climatic conditions, such as global warming, have added to the unpredictability and frequency of natural disasters in certain parts of the world and created additional uncertainty as to future trends and exposures. The Issuer generally seeks to reduce the Issuer's exposure to these events through individual risk selection, monitoring risk accumulation and purchase of reinsurance. The Issuer have experienced in the past, and could experience in the future, material losses from such disasters and catastrophic events, which could have a material adverse effect on the Issuer's financial position and results of operations.

Other risks, such as an outbreak of a pandemic disease, such as the Avian Influenza A Virus (H5N1), could also adversely affect the Issuer's business and operating results. While outbreaks of the Avian Flu have occurred among poultry or wild birds in a number of countries in Asia, parts of Europe, and in Africa, transmission to humans has been rare. If the virus mutates to a form that can be transmitted from human to human, it has the potential to spread rapidly worldwide and result in mortality and morbidity rates that far exceed the assumptions that the Issuer have used in pricing certain of the Issuer's products. Both the contagion and mortality rates regarding any mutated H5N1 virus that can be transmitted from human to human are highly speculative at this point in time and the Issuer continue to monitor the developing facts. A significant global outbreak could have a material adverse effect on the Issuer's life insurance business, operating results and liquidity due to increased mortality and morbidity rates.

A downgrade in the claims paying ability and credit strength ratings of the Issuer could adversely impact the Issuer's business and results of operations

Claims paying and credit strength ratings have become an increasingly important factor in establishing the competitive position of insurance companies. Rating agencies review their ratings, and their rating methodologies, periodically and the Issuer's current ratings may not be maintained in the future. A downgrade or the potential for a downgrade in these ratings could adversely affect the Issuer's business and results of operations, including through a reduction in the number of new insurance policies that the Issuer underwrite and/or an increase in surrender or termination rates of the Issuer's policies already in-force. A downgrade in the Issuer's ratings may also adversely affect the Issuer's cost of raising debt.

The Issuer faces increased competition in all of its business segments, including the global financial services industry, as a result of continuing consolidation

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

Reinsurance may not be adequate to protect it against losses and the Issuer may incur losses due to the inability of the Issuer's reinsurers to meet their obligations

In the normal course of business, AXA seeks to reduce losses that may arise from catastrophes or other events that cause unfavourable underwriting results through reinsurance. Under the reinsurance arrangements, other

insurers assume a portion of the losses and related expenses; however, the Issuer remains liable as the direct insurer on all risks reinsured. Consequently, ceded reinsurance arrangements do not eliminate the Issuer's obligation to pay claims and the Issuer is subject to the Issuer's reinsurers' credit risk with respect to the Issuer's ability to recover amounts due from them. Although the Issuer evaluates periodically the financial condition of the Issuer's reinsurers to minimize the Issuer's exposure to significant losses from reinsurer insolvencies, the Issuer's reinsurers may become financially unsound by the time their financial obligation becomes due. The reinsurance market has become increasingly concentrated following recent mergers and acquisitions, which has reduced the number of major reinsurance providers. The inability of any reinsurer to meet its financial obligations to it could negatively impact the Issuer's results of operations. In addition, the availability, amount and cost of reinsurance depend on general market conditions and may fluctuate significantly. Reinsurance may not be available to it in the future at commercially reasonable rates and any decrease in the amount of the Issuer's reinsurance will increase the Issuer's risk of loss.

Changes in tax laws and regulations, including elimination of tax benefits for the Issuer's products, may adversely affect sales of the Issuer's insurance and investment advisory products, and also impact the Issuer's deferred tax assets

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

In addition, changes in tax laws or regulations or an operating performance below currently anticipated levels may lead to a significant impairment of deferred tax assets, in which case the Issuer could be obligated to write-off certain tax assets. Tax assets may also need to be written-down if certain assumptions of profitability prove to be incorrect, as losses incurred for longer than expected will make it more unlikely that the Issuer would be able to use the Issuer's tax assets. Any such development may have a material adverse impact on the Issuer's results of operations.

The Property & Casualty insurance business is cyclical, which may impact the Issuer's results

The Property & Casualty insurance business is cyclical. Although no two cycles are the same, these cycles have typically lasted for periods ranging from two to six years. Periods of intense price competition due to excessive underwriting capacity, periods of shortages of underwriting capacity permitting more favourable rates, consequent fluctuations in underwriting results and the occurrence of other losses characterize the conditions in these cycles. Historically, Property & Casualty insurers have experienced significant fluctuations in operating results due to volatile and sometimes unpredictable developments, many of which are beyond the direct control of the insurer, including competition, frequency or severity of catastrophic events, levels of capacity, general economic conditions and other factors. This may cause a decline in revenues during certain cycles if the Issuer chooses not to reduce the Issuer's Property & Casualty product prices in order to maintain the Issuer's market position and profitability. The Issuer may therefore experience the effects of such cyclicity, changes in customer expectations of appropriate premium levels, the frequency or severity of claims or other loss events, or other factors affecting the Property & Casualty insurance business, which could have an adverse effect on the Issuer's results of operations and financial condition.

The Issuer's business is subject to extensive regulation in the various countries where the Issuer operate and changes in existing or new government regulations in these countries may have an adverse effect on the Issuer's business, financial condition or results of operations

The Issuer is subject to detailed and comprehensive regulation and supervision in all the jurisdictions in which the Issuer operate. The Issuer's insurance operations are subject to insurance laws and regulations, which are generally intended to protect policyholders, not the Issuer's shareholders or creditors. Changes in existing insurance laws and regulations may materially affect the way in which the Issuer conduct the Issuer's business and the products the Issuer offer. In addition, changes in pension and employee benefit regulation, social security regulation, financial services regulation, taxation and the regulation of securities products and transactions may also adversely affect the Issuer's ability to sell new policies or the Issuer's claims exposure on existing policies. The Issuer's asset management operations are also subject to extensive regulation in their respective jurisdictions. These regulations are primarily intended to protect investors in the securities markets or investment advisory clients and generally grant supervisory authorities broad regulatory powers. Changes to these laws and regulations may adversely affect the Issuer's asset management operations. The Issuer are also subject to increasing regulation under various laws and regulations governing the solvency of insurers and other financial institutions including with respect to such matters as capital adequacy, intra-group transactions, "double-gearing" of capital at multiple levels within a consolidated group (e.g. at the consolidated Group, holding company and operating company levels).

The Issuer is faced with significant compliance challenges due to the fact that its regulatory environment is evolving rapidly and supervisory authorities around the world are assuming an increasingly active and aggressive role in interpreting and enforcing regulations in the jurisdictions where the Issuer does business. The Issuer has been and may become in the future subject to regulatory investigations which, together with the civil actions often following these investigations, may affect the Issuer's image, brand, relations with regulators and/or results of operations.

The Issuer cannot predict with any certainty the potential effects that any change in applicable laws or regulations, their interpretation or enforcement, or that any enactment of new regulation or legislation in the future may have on the business, financial condition or results of operations of the Issuer's various businesses.

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

The Issuer has been named as defendants in lawsuits (both class actions and individual lawsuits). The Issuer has been subject to regulatory investigations or examinations in the various jurisdictions where the Issuer does business. These actions arise in various contexts including in connection with the Issuer's activities as an insurer, securities issuer, employer, investment advisor, investor and taxpayer. For example, in 2005, the Issuer received requests for information from various U.S. regulators and law enforcement authorities relating to the purchase and/or sale of non-traditional reinsurance products (including finite reinsurance) by certain of the Issuer's affiliates.

Certain of these lawsuits and investigations seek significant or unspecified amounts of damages, including punitive damages, and certain of the regulatory authorities involved in these proceedings have substantial powers over the conduct and operations of the Issuer's business.

Due to the nature of certain of these lawsuits and investigations, the Issuer cannot make an estimate of loss or predict with any certainty the potential impact of these suits or investigations on the Issuer's business, financial condition or results of operations.

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

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

The terrorist attacks and responsive actions in recent years have significantly adversely affected general economic, financial and political conditions, increasing many of the risks in the Issuer's businesses. Such attacks and actions may have a continuing negative effect on the Issuer's businesses and results of operations over time. The Issuer's general account investment portfolios include investments in industries that the Issuer believe may be adversely affected by the terrorist attacks and responsive actions, including airlines, lodging and entertainment companies and non-life insurance companies. The effect of these events on the valuation of these investments is uncertain and could lead to impairments due to lasting declines in the value of investments. The cost, and possibly, the availability, in the future, of reinsurance coverage against terrorist attacks for the Issuer's various insurance operations is uncertain. In addition, the rating agencies could re-examine the ratings affecting the insurance industry generally, including the Issuer's companies.

As a global business, the Issuer is exposed to various local political, regulatory and economic conditions, business risks and challenges which may affect the demand for the Issuer's products and services, the value of the Issuer's investments portfolio and the credit quality of local counterparties

The Issuer offers its products and services in Europe, North America, the Asia/Pacific region, the Middle East and Africa through wholly-owned and majority-owned subsidiaries, joint ventures, companies in which the Issuer hold non-controlling equity stakes, agents and independent contractors. The Issuer's international operations exposes it to different local political, regulatory, business and financial risks and challenges which may affect the demand for the Issuer's products and services, the value of the Issuer's investment portfolio, the required levels of capital and surplus, and the credit quality of local counterparties. These risks include, for example, political, social or economic instability in countries in which the Issuer operate, fluctuations in foreign currency exchange rates, credit risks of the Issuer's local borrowers and counterparties, lack of local business experience in certain markets, risks associated with exposure to insurance industry insolvencies through policyholder guarantee funds or similar mechanisms set up in foreign markets and, in certain cases, risks associated with the potential incompatibility with foreign partners, especially in countries in which the Issuer is conducting business through entities the Issuer does not control. The Issuer's expansion in emerging markets requires it to respond to rapid changes in market conditions in these countries. The Issuer's overall success as a global business depends, in part, upon the Issuer's ability to succeed in different economic, social and political conditions. The Issuer may not continue to succeed in developing and implementing policies and strategies that are effective in certain locations where the Issuer does business.

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

Inadequate or failed processes or systems, human factors or external events may adversely affect the Issuer's profitability, reputation or operational effectiveness

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

Other risks relating to the Issuer's operations

As a holding company, the Issuer is dependent on the Issuer's subsidiaries to cover the Issuer's operating expenses and dividend payments

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

The Issuer expects that dividends received from subsidiaries will continue to cover the Issuer's operating expenses, including (i) interest payments on the Issuer's outstanding financing arrangements and (ii) dividend payments with respect to the Issuer's outstanding ordinary shares. The Issuer expects that future acquisitions and strategic investments will be funded from available cash flow remaining after the payment of dividends and operating expenses (including interest expense), cash on hand from previous securities offerings, proceeds of future offerings of securities, and proceeds from the sale of non-core assets. Certain of the Issuer's significant subsidiaries, including AXA France Assurance, AXA Financial, AXA UK Holdings, AXA Japan, AXA Asia Pacific Holdings, and AXA Germany, are also holding companies and are dependent on dividends from their respective subsidiaries for funds to meet their obligations. In addition, certain of the Issuer's principal insurance subsidiaries are subject to restrictions on the amount of dividends and debt repayments that can be paid to it and the Issuer's affiliates. While the Issuer do not believe that these restrictions currently constitute a material limitation on the Issuer's ability to meet the Issuer's obligations or pay dividends on the Issuer's shares, these restrictions may lead to a material limitation in the future.

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

The U.S. Sarbanes-Oxley Act of 2002 (the **Sarbanes-Oxley Act**) and the related regulations subsequently implemented by the SEC and the NYSE required changes to some of the Issuer's accounting and corporate governance practices, including the requirement to issue, for the year ending 31 December 2006 and future years, a report on the Issuer's internal controls over financial reporting as required by Section 404 of the Sarbanes-Oxley Act. The Issuer expects that compliance with the new rules and regulations will continue to require significant management attention and will result in increased accounting, legal and other costs. In addition, because Section 404 of the Sarbanes-Oxley Act requires the Issuer's auditors to audit and issue an attestation report on the Issuer's internal controls over financial reporting each year, undertaking significant internal restructurings (such as information technology restructurings), corporate development activities or other initiatives that may affect the Issuer's internal control environment, may become more difficult and costly. This may have an adverse effect on the Issuer's business and/or the Issuer's ability to compete with the Issuer's competitors that are not subject to the Sarbanes-Oxley Act. The Issuer's inability to achieve or maintain compliance with Section 404 and other provisions of the Sarbanes-Oxley Act and related rules and regulations may have a material adverse effect on it including on the Issuer's reputation and image in the global marketplace.

The Issuer's acquisitions may divert management attention and other resources and involve risks of additional liabilities

In recent years, the Issuer has completed a number of acquisitions around the world, such as the acquisition of Winterthur Group from Credit Suisse completed on 22 December 2006. The Issuer may make further acquisitions in the future. Growth by acquisition involves risks that could adversely affect the Issuer's operating results, including the substantial amount of management time that may be diverted from operations to pursue and complete acquisitions. The Issuer's acquisitions could also result in the incurrence of additional indebtedness, costs, contingent liabilities, and Impairment and amortization expenses related to goodwill and other intangible assets, all of which could materially adversely affect the Issuer's businesses, financial condition and results of operations. Future acquisitions may have a dilutive effect on the ownership and voting percentages of existing shareholders. The Issuer may also finance future acquisitions with debt issuances or by entering into credit facilities, each of which could adversely affect the Issuer's businesses, financial condition and results of operations. The businesses the Issuer has recently acquired include Life & Savings, Property & Casualty, Asset Management, distribution businesses and retail banking operations. There could be unforeseen liabilities that arise out of the businesses the Issuer has acquired and may acquire in the future which may not be covered by, or exceed the amounts of any indemnities provided to it by the sellers.

The Issuer's acquisitions may cause integration issues and the Issuer may not achieve the level of synergies anticipated

The Issuer may face difficulties in managing and integrating the operations and personnel it acquires. Significant delays in completing the integration of acquired companies may cause it to lose key employees and/or customers of these companies. The Issuer may also experience difficulties in rationalizing and integrating the

information technology (IT) systems of acquired companies, including accounting information systems, with the Issuer's existing IT systems. Delays and unforeseen costs in the integration process would require extensive management attention and resources and could jeopardize the timely production of the financial information required for inclusion in the consolidated financial statements and the timely reporting to relevant regulatory authorities. These integration issues may prevent the Issuer from achieving the level of synergies forecast.

For example, the Issuer's ability to achieve the synergies announced in connection with the Winterthur acquisition depends on AXA's ability to execute the market-by-market integration of Winterthur in an efficient and timely manner and on a number of other factors, including the ability to achieve projected synergies in IT, reinsurance, human resources and various other areas.

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

The Issuer may, from time to time retain insurance or reinsurance obligations and other contingent liabilities in connection with the Issuer's divestiture, liquidation or run-off of various businesses. For example, on 21 December 2006, the Issuer completed the disposition of AXA RE's business, the Issuer's reinsurance subsidiary, but retained the risk related to the book of business in-force for all periods prior to 1 January 2006.

The Issuer's reserves for these types of obligations and liabilities may be inadequate which could cause it to take additional charges that could be material to the Issuer's results of operations. The Issuer may also, from time to time and in the course of its business provide guarantees and enter into derivative and other types of off-balance sheet transactions that could result in income statement charges.

The failure to maintain and modernize the Issuer's information systems could adversely affect the Issuer's business

The Issuer's business depends significantly on effective information systems, and the Issuer has many different information systems for its various businesses. The Issuer must commit significant resources to maintain and enhance its existing information systems, and develop new ones in order to keep pace with the evolving information technology, industry and regulatory standards and customer preferences. If the Issuer does not maintain adequate information systems, the Issuer may not be able to gather and rely on adequate information to base the Issuer's pricing, underwriting and reserving decisions. The Issuer may also have difficulties in attracting new customers and preserving the Issuer's existing customer base. In addition, underperforming information systems could cause it to become subject to a higher number of customer, provider and agent disputes, may increase the Issuer's litigation and regulatory exposure and make it incur higher administrative expenses, including remediation costs.

Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme

The Notes may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

- (d) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally purchase complex financial instruments as part of a wider financial structure rather than as stand alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Risks related to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

Notes subject to optional redemption by the Issuer

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Index Linked Notes and Dual Currency Notes

The Issuer may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a **Relevant Factor**). In addition, the Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- (a) the market price of such Notes may be volatile;
- (b) they may receive no interest;
- (c) payment of principal or interest may occur at a different time or in a different currency than expected;
- (d) they may lose all or a substantial portion of their principal;
- (e) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (f) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and

- (g) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

The historical experience of an index should not be viewed as an indication of the future performance of such index during the term of any Index Linked Notes. Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in any Index Linked Notes and the suitability of such Notes in light of its particular circumstances.

Partly-paid Notes

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of his investment.

Variable rate Notes with a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Inverse Floating Rate Notes

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Notes.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest bearing securities with comparable maturities.

The Issuer's obligations under Subordinated Notes are subordinated

The Issuer's obligations under Subordinated Notes will be unsecured and subordinated and will rank junior in priority of payment to all unsubordinated obligations of the Issuer. Further, (i) the Issuer's obligations under Undated Subordinated Notes will rank junior in priority of payment to certain subordinated obligations of the Issuer with a specified maturity date and (ii) the Issuer's obligations under Deeply Subordinated Notes will rank junior in priority of payment to certain subordinated obligations of the Issuer with or without a specified maturity date - all as further detailed in the Conditions. Although Subordinated Notes may pay a higher rate of interest than comparable Notes which are not subordinated, there is a real risk that an investor in Subordinated Notes will lose all or some of his investment should the Issuer become insolvent.

Under certain conditions, payments of interest under Subordinated Notes (and certain Deeply Subordinated Notes) may be deferred

In certain cases where (i) no dividends are declared, (ii) a regulator requires applicable minimum solvency margins or capital adequacy levels of the Issuer or a Principal Subsidiary of the Issuer to be restored or (iii) such other conditions set out in the applicable Final Terms are satisfied, then the Issuer may elect to defer the payment of interest on the Subordinated Notes, in which case such interest shall constitute Arrears of Interest. Arrears of Interest shall bear interest and be payable at the Issuer's option and shall become due in full upon the occurrence of certain events, all as further detailed in Conditions 3(c) and 5(f) or as specified in the Final Terms. Holders of Subordinated Notes will not be able to accelerate the maturity of their Subordinated Notes.

In circumstances where the Issuer's financial condition has deteriorated (i.e. a Mandatory Deferral Event has occurred), the Issuer may be required to defer payment of interest on Deeply Subordinated Notes (subject to the right of the Issuer to settle such interest by way of an alternative settlement method), until such time as the Issuer's financial condition has improved and such Mandatory Deferral Event has been cured. Any interest so deferred shall constitute Deferred Interest. Deferred Interest shall not bear interest and shall be payable, at the Issuer's option or on a mandatory basis in certain circumstances, only by way of an alternative coupon settlement mechanism and may be subject to cancellation if the Issuer is unable, despite its best efforts, to so satisfy such deferred interest within a prescribed period of time.

Deeply Subordinated Notes are deeply subordinated obligations of the Issuer

The Issuer's obligations under Deeply Subordinated Notes are deeply subordinated obligations of the Issuer which are the most junior debt instruments of the Issuer, subordinated to and ranking behind the claims of all other unsubordinated and ordinary subordinated creditors of the Issuer, lenders in relation to *prêts participatifs* granted to the Issuer and holders of *titres participatifs* issued by the Issuer. The Issuer's obligations under Deeply Subordinated Notes rank in priority only to any classes of shares of the Issuer.

Deeply Subordinated Notes are undated securities, with no specified maturity date. The Issuer is under no obligation to redeem Deeply Subordinated Notes at any time (except as provided in the Conditions). The relevant Noteholders have no right to require redemption of Deeply Subordinated Notes, except if a judgment is issued for the judicial liquidation (*liquidation judiciaire*) of the Issuer or if the Issuer is liquidated for any other reason.

Under certain circumstances, interest payments under Deeply Subordinated Notes may be suspended or cancelled and/or the Nominal Amount thereof may be reduced

For so long as the compulsory interest payment provisions do not apply, the Issuer may elect not to pay interest falling due on Deeply Subordinated Notes, with a view to allowing the Issuer to ensure the continuity of its activities without weakening its financial structure. Any interest not so paid shall be forfeited and shall therefore no longer be due and payable by the Issuer.

If the consolidated solvency margin level of the Issuer and/or the Group falls below the level required by applicable regulations, interest payments under Deeply Subordinated Notes will be automatically suspended during a prescribed period and the Issuer shall have no obligation to pay interest in respect of such period. In certain circumstances following the occurrence of certain events (as set out in the Final Terms), the Nominal Amount of each Specified Denomination of Deeply Subordinated Notes may also be reduced (possibly reducing the amount at which they will be redeemed), as required, to off-set losses of the Issuer and to enable it to continue its business.

Upon a liquidation or dissolution of the Issuer, any outstanding Deferred Interest shall become payable and shall rank *pari passu* with the obligations of the Issuer in respect of the principal amount of the Notes in an amount not exceeding a specified threshold. To the extent that the payment of such Deferred Interest would cause such threshold to be exceeded, the Issuer's obligation to satisfy such Deferred Interest shall be cancelled.

Any deferral, suspension or cancellation of interest payments or reduction in Specified Denomination will be likely to have an adverse effect on the market price of the Subordinated Notes. In addition, as a result of the above provisions of the Subordinated Notes, the market price of the Subordinated Notes may be more volatile than the market prices of other debt securities on which original issue discount or interest accrues that

are not subject to the above provisions and may be more sensitive generally to adverse changes in the Issuer's financial condition.

No limitation on issuing debt

Apart from the Programme Size limit referred to in the section of this Offering Circular headed "*Summary of the Programme*", there is no restriction under the Programme on the amount of unsecured debt which the Issuer may issue or guarantee. The Issuer and its subsidiaries and affiliates may incur additional indebtedness or grant guarantees in respect of indebtedness of third parties, including indebtedness or guarantees that rank senior in priority of payment to Deeply Subordinated Notes. If the Issuer's financial condition were to deteriorate, the relevant Noteholders could suffer direct and materially adverse consequences, including reduction of the Nominal Amount of Deeply Subordinated Notes, suspension, deferral or cancellation of interest and, if the Issuer were liquidated (whether voluntarily or involuntarily), loss by the relevant Noteholders of their entire investment.

Perpetual Securities

Undated Deeply Subordinated Notes are undated securities with no specified maturity date. Nevertheless, Deeply Subordinated Notes may, if applicable, be redeemed in whole (but not in part), at the option of the Issuer, (i) on the date specified in the applicable Final Terms and on any Interest Payment Date thereafter or (ii) at any time for certain tax, accounting or regulatory reasons. There can be no assurance that, at the relevant time, the relevant Noteholders will be able to reinvest the amounts received upon redemption at a rate that will provide the same return as their investment in the Notes.

Risks related to Notes generally

Set out below is a brief description of certain risks relating to the Notes generally:

Modification

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

EU Savings Directive

Under EC Council Directive 2003/48/EC Under EC on the taxation of savings income, Member States are required, from 1 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 are instead 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). A number of non-EU countries and territories including Switzerland have agreed to adopt similar measures (a withholding system in the case of Switzerland) with effect from the same date.

If a payment were to be made or collected through a Member State which has opted for a withholding system under this Directive and an amount of, or in respect of tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. If a withholding tax is imposed on payment made by a Paying Agent following implementation of this Directive, the Issuer will be required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Directive.

Change of law

The conditions of the Notes are based on English law in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Offering Circular.

Notes where denominations involve integral multiples: Definitive Bearer Notes

In relation to any issue of Bearer Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency equivalent yield on the Notes, (ii) the Investor's Currency equivalent value of the principal payable on the Notes and (iii) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Offering Circular are incorporated in, and to form part of, this Offering Circular: the Issuer's 2005 and 2006 Annual Reports (being English translations of the Issuer's *Documents de référence* filed with the French *Autorité des marchés financiers* (the AMF)), including the Issuer's annual audited financial statements for the financial years ended 31 December 2005 and 2006, save that the second paragraph of the statements by M. Henri de Castries, Chairman of the Management Board of the Issuer on page 422 of the Annual Report 2005 and page 466 of the Annual Report 2006 shall not be deemed incorporated herein.

Following the publication of this Offering Circular a supplement may be prepared by the Issuer and approved by the CSSF in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Offering Circular or in a document which is incorporated by reference in this Offering Circular. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offering Circular.

Where information in the Issuer's 2005 and 2006 Annual Reports has been sourced from a third party, the Issuer confirms that such information has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, the issuer has identified the source(s) of such information in the relevant sections of the 2005 and 2006 Annual Reports.

Copies of documents incorporated by reference in this Offering Circular are available on the website of the Luxembourg Stock Exchange (www.bourse.lu) and from the registered office of the Issuer and the specified office of the Principal Paying Agent. The Issuer's 2005 and 2006 Annual Reports are available on the Issuer's website and those reports only and no other contents of such site are incorporated by reference herein: www.axa.com.

The Issuer will, in the event of there being any significant new factor, material mistake or inaccuracy relating to information included in this Offering Circular which is capable of affecting the assessment of the Notes, prepare if appropriate a supplement to this Offering Circular or publish a new Offering Circular for use in connection with any subsequent issue of Notes.

Cross-reference list⁽¹⁾

Principal activities	Annual Report 2006, pp. 103-132
Review of 2005	Annual Report 2006, pp. 171-175
Trend information.....	Annual Report 2005, pp. 176, 243
Organisational structure.....	Annual Report 2006, pp. 6-7 and 282-288
Memorandum and Articles of Association	Annual Report 2006, pp. 76-78
Members of administrative, management and supervisory bodies	Annual Report 2006, pp. 21-31 and 35-37
Audit committee of the Issuer	Annual Report 2006, pp. 32-33
Compliance with the corporate governance regime	Annual Report 2006, pp. 20-22
Share capital.....	Annual Report 2006, pp. 79-89
Litigation.....	Annual Report 2006, pp. 166-167

Historical financial information:

Consolidated financial statements for the year ended	
31 December 2006.....	Annual Report 2006, pp. 250-438
Consolidated balance sheet for the years ended.....	
31 December 2005 and 31 December 2006	Annual Report 2006, pp. 250-252
Consolidated statement of income for the years ended 31 December	
2005 and 31 December 2006.....	Annual Report 2006, pp. 253
Consolidated statement of cash-flows for the years ended 31	
December 2005 and 31 December 2006.....	Annual Report 2006, pp. 254-255
Notes to the Consolidated financial statements for the year ended 31	
	Annual Report 2006, pp. 262-438

December 2006	
Consolidated financial statements for the year ended 31 December 2005	Annual Report 2005, pp. 231-396
Notes to the Consolidated financial statements for the year ended 31 December 2005	Annual Report 2005, pp. 242-396
Auditing of historical financial information:	
Report of independent accountants on the Consolidated financial statements for the year ended 31 December 2006	Annual Report 2006, pp. 54-55
Report of independent accountants on the Consolidated financial statements for the year ended 31 December 2005	Annual Report 2005, pp. 53-54

(1) Any information appearing in the documents incorporated by reference, but not referred to in the cross-reference list is given for information purposes only.

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 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, if so specified in the applicable Final Terms, a permanent bearer global note (a **Permanent Bearer Global Note**), as indicated in the applicable Final Terms, which, in either case, will:

- (a) if the Bearer Global Notes are intended to be issued in new global note (**NGN**) form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the **Common Safekeeper**) for Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg**); and
- (b) if the Bearer Global Notes are not intended to be issued in NGN Form, be delivered on or prior to the original issue date of the Tranche to a common depositary (the **Common Depositary**) for Euroclear and 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 if the Temporary Bearer Global Note is not intended to be issued in NGN form) 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 Final Terms and subject, in the case of Definitive Bearer Notes, to such notice period as is specified in the applicable Final Terms), 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 if the Permanent Bearer Global Note is not intended to be issued in NGN form) without any requirement for certification.

The applicable Final Terms 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 upon either (i) not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) to the Principal Paying Agent as described therein or (ii) 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 QIBs within the meaning of Rule 144A under the Securities Act. 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 date 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 Final Terms.

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, then the Global Note will become void at 8.00 p.m. (London time) on the last day of such period. At the same time, 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/or DTC on and subject to the terms of a deed of covenant (the **Deed of Covenant**) dated 14 June 2007 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.

FORM OF FINAL TERMS

Set out below is the form of Final Terms 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 €12,000,000,000
Euro Medium Term Note Programme
PART A - CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated [*current date*] [(as supplemented by [a] Supplemental Offering Circular[s] dated [*date(s)*])] [which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**)]. This document constitutes the Final Terms of the Notes described herein [for the purposes of Article 5.4 of the Prospectus Directive] and must be read in conjunction with the Offering Circular. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular. The Offering Circular is available on the website of the Luxembourg Stock Exchange (www.bourse.lu) and from the registered office of the Issuer and the specified office of the Principal Paying Agent.

[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 Conditions (the **Conditions**) set forth in the Offering Circular dated [*original date*] [(as supplemented by [a] Supplemental Offering Circular[s] dated [*date(s)*])] (the **Original OC**). This document constitutes the Final Terms of the Notes described herein [for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**)] and must be read in conjunction with the Offering Circular dated [*current date*] [(as supplemented by [a] Supplemental Offering Circular[s] dated [*date(s)*])] (the **Current OC**) [which constitutes a base prospectus for the purposes of the Prospectus Directive], save in respect of the Conditions which are extracted from the Original OC and are attached hereto. Full information on the Issuer and the offer of the Notes is only available on the basis of the [above] combination of these Final Terms, the Original OC and the Current OC. Copies of the Original OC and the Current OC are available on the website of the Luxembourg Stock Exchange (www.bourse.lu) and from the registered office of the Issuer and the specified office of the Principal Paying Agent.]

[RISK WARNING: INVESTORS IN NOTES CONSTITUTING DERIVATIVE SECURITIES UNDER REGULATION EC/809/2004 MAY LOSE THE VALUE OF THEIR ENTIRE INVESTMENT OR PART OF IT. [Insert description of circumstances and likely financial effect]]

[The following warning should be included in case of an issue of Deeply Subordinated Notes.]

[It is the Issuer's intention to fund any early redemption of the Notes in accordance with Condition 7(b), 7(c), 7(e) or 7(e)(1) of the Notes, in whole (but not in part) only to the extent that the Issuer has raised funds in the period of six months preceding such redemption by the issuance of Share Capital Securities or securities with terms and conditions similar to the Conditions (in particular in relation to the provisions on maturity, deferral of remuneration, payments of deferred remuneration and on replacement) or mandatory convertible bonds or notes having a maximum maturity of 3 years, in an aggregate amount at least equal to the aggregate principal amount of the Notes.]

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Final Terms.]

[When adding any other final terms or information consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.]

[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: AXA

2. (a) Series Number: []

(b) 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:

(a) Series: []

(b) Tranche: []

5. Issue Price: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date]* (if applicable)]

6. [(a)] Specified Denominations: []

[Where multiple denominations above €50,000 or its equivalent in another currency are being used, the following sample wording should be followed:

"[€50,000] and integral multiples of [€1,000] in excess thereof up to and including [€99,000]. No Notes in definitive form will be issued with a denomination exceeding [€99,000]. "¹

[In respect of Registered Notes, the Specified Denomination means the minimum integral amount in which transfers can be made and in the case of any transaction in reliance on Rule 144A, shall be at least USD100,000 (or its equivalent in any other currency)]

[N.B. If an issue of Notes is (i) NOT admitted to trading on an European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive the €1,000 minimum denomination is not required.]

[(b)] Calculation Amount:] *[If there is only one Specified Denomination, insert the Specified Denomination.*

If there is more than one Specified Denomination, insert the highest common factor. NB: there must be a common factor in the case of two or more Specified Denominations.]

[N.B Calculation Amounts applicable to Definitive Bearer

¹ Not Applicable in the case of Registered Notes.

Notes or Definitive Registered Notes only.]

7. (a) Issue Date: []
- (b) 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]
[Dual Currency 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]
[If the Final Redemption Amount is other than 100% of the nominal value, the Notes may be derivative securities to which Annex XII to the Prospectus Directive Regulation applies]
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. (a) Status of the Notes: *[Senior Notes/Dated Subordinated Notes/Undated Subordinated Notes/Dated Deeply Subordinated Notes/Undated Deeply Subordinated Notes]*

[Consider specifying details of the Subordinated Notes in full]

[The Relevant Supervisory Authority for the purposes of Condition 5(f) is [] (if known)]
- (b) Date required board (or similar) approval for issuance of Notes obtained: *[]*
[Where relevant for the particular tranche of Notes]
14. Method of Distribution: *[Syndicated/Non-syndicated]*

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate Note Provisions [Applicable/Not Applicable]
- [If not applicable, delete the remaining subparagraphs of this paragraph]*
- (a) Rate(s) of Interest: [] per cent. per annum [payable [annually/semi-annually/quarterly] in arrear]
- [If payable other than annually, consider amending Condition 5]*
- (b) Interest Payment Date(s): [[] in each year up to and including the Maturity Date]/[specify other]]
- [This will need to be amended in the case of long or short coupons]*
- (c) Fixed Coupon Amount(s): [] per Note of [] Specified Denomination/Calculation Amount
- [NB: Calculation Amount is applicable to Definitive Bearer Notes or Definitive Registered Notes only.]*
- (d) Broken Amount(s): [] per Specified Denomination / Calculation Amount, payable on the Interest Payment Date falling on []
- [NB: Calculation Amount is applicable to Definitive Bearer Notes or Definitive Registered Notes only.]*
- (e) Day Count Fraction: [[30/360]/[Actual/Actual (ICMA)]/[specify other]]
- (f) 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] (This will need to be amended in the case of regular interest payment dates which are not of equal duration) (Only relevant where Day Count Fraction is Actual/Actual (ICMA))*
- (g) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/[Give details]]
16. Floating Rate Note Provisions [Applicable/Not Applicable]
- [If not applicable, delete the remaining subparagraphs of this paragraph]*
- (a) Specified Period(s)/Specified Interest Payment Dates: []
- (b) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/ Modified Following Business Day Convention/Preceding Business Day Convention/[specify other]]

- (c) Additional Business Centre(s): []
- (d) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination]/[specify other]]
- (e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent): []
- (f) Screen Rate Determination:
- Reference Rate: []
[Either LIBOR, EURIBOR or other, although additional information is required if "other" - including fallback provisions in the Agency Agreement]
 - Interest Determination Date(s): []
[Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR]
 - Relevant Screen Page: []
[In the case of EURIBOR, if not Reuters EURIBOR01, ensure it is a page which shows a composite rate or amend the fallback provisions appropriately]
- (g) Margin(s): [+/-] [] per cent. per annum
- (h) Minimum Rate of Interest: [] per cent. per annum
- (i) Maximum Rate of Interest: [] per cent. per annum
- (j) Day Count Fraction: [Actual/365
 Actual/365 (Fixed)
 Actual/365 (Sterling)
 Actual/360
 30/360
 30E/360
 [Specify other]]
[See Condition 5 for alternatives]
- (k) Fallback 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: []

17. Zero Coupon Note Provisions: [Applicable/Not Applicable]
- [If not applicable, delete the remaining subparagraphs of this paragraph]*
- (a) Accrual Yield: [] per cent. per annum
- (b) Reference Price: []
- (c) Any other formula/basis of determining amount payable: []
- (d) 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]
18. Index Linked Interest Note Provisions: [Applicable/Not Applicable]
- [If not applicable, delete the remaining subparagraphs of this paragraph]*
- (a) Index/Formula: *[give or annex details]*
- (b) Calculation Agent responsible for calculating the interest due: []
- (c) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable: *[Include a description of market disruption or settlement disruption events and adjustment provisions]*
- (d) Specified Period(s)/Specified Interest Payment Dates: []
- (e) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/ Modified Following Business Day Convention/Preceding Business Day Convention/*[specify other]*]
- (f) Additional Business Centre(s): []
- (g) Minimum Rate of Interest: [] per cent. per annum
- (h) Maximum Rate of Interest: [] per cent. per annum
- (i) Day Count Fraction: []
19. Dual Currency Interest Note Provisions [Applicable/Not Applicable]
- [If not applicable, delete the remaining subparagraphs of this paragraph]*
- (a) Rate of Exchange/method of calculating Rate of Exchange: *[give or annex details]*

- (b) Calculation Agent, if any, responsible for calculating the interest payable: []
- (c) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: *[Include a description of market disruption or settlement disruption events and adjustment provisions]*
- (d) Person at whose option Specified Currency(ies) is/are payable []

PROVISIONS RELATING TO REDEMPTION

20. Issuer Call: [Applicable/Not Applicable]
- [If not applicable, delete the remaining subparagraphs of this paragraph]*
- (a) Optional Redemption Date(s): []
- (b) Optional Redemption Amount and method, if any, of calculation of such amount(s): *[[] per Note of [] Specified Denomination/Calculation Amount/Market Value/ specify other/see Schedule]*
- [NB: Calculation Amount is applicable to Definitive Bearer Notes or Definitive Registered Notes only.]*
- (c) If redeemable in part:
- (i) Minimum Redemption Amount: []
- (ii) Maximum Redemption Amount: []
- (d) Notice period (if other than as set out in the Conditions): []
- [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 Principal Paying Agent]*
21. Investor Put: [Applicable/Not Applicable]
- [If not applicable, delete the remaining subparagraphs of this paragraph]*
- (a) Optional Redemption Date(s): []
- (b) Optional Redemption Amount and method, if any, of calculation of such amount(s): *[[] per Note of [] Specified Denomination/Calculation Amount/Market Value/ specify other/see Schedule]*

calculation of such amount(s): *other/see Schedule]*

[NB: Calculation Amount is applicable to Definitive Bearer Notes or Definitive Registered Notes only]

(c) Notice period (if other than as set out in the Conditions): []

[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 Principal Paying Agent]

22. Final Redemption Amount: [[] per Note of [] Specified Denomination/Calculation Amount/specify *other/see Schedule]*

[NB: Calculation Amount is applicable to Definitive Bearer Notes or Definitive Registered Notes only]

[If the Final Redemption Amount is other than 100% of the nominal value, the Notes may be derivative securities to which Annex XII to the Prospectus Directive Regulation applies]

23. Early Redemption Amount payable on redemption for taxation reasons or on Event of Default or Regulatory Event and/or the method of calculating the same (if required or if different from that set out in Condition 7(f)): [[] per Note of [] Specified Denomination/Calculation Amount/Market Value/specify *other/see Schedule]*

[NB: Calculation Amount is applicable to Definitive Bearer Notes or Definitive Registered Notes only]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. Form of Notes:

(a) Form: [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 [on 60 days' notice given at any time/only upon an Exchange Event]] [*For Bearer Notes]*

[Regulation S Global Note [] nominal amount/Rule 144A Global Note [] nominal amount] [*For Registered Notes]*

[Ensure that this is consistent with the wording in the "Form of the Notes" section in the Debt Issuance Programme Prospectus and the Notes themselves. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination

of the Notes in paragraph 6 includes language substantially to the following effect: "[€50,000] and integral multiples of [€1,000] in excess thereof up to and including [€99,000]."

- (b) New Global Note: [Yes][No] / [[Not Applicable] in the case of Registered Notes]
25. Additional Financial Centre(s) or other special provisions relating to Payment Days: [Not Applicable/give details]
[Note that this item relates to the place of payment and not Interest Period end dates to which items 16(c) and 18(f) relate]
26. 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]
27. 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]]
[New forms of Global Note(s) may be required for Partly Paid issues]
28. Details relating to Instalment Notes:
- (a) Instalment Amount(s): [Not Applicable/[give details]]
- (b) Instalment Date(s): [Not Applicable/[give details]]
29. Redenomination: 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)]
30. Other final terms: [Not Applicable/[give details]]
[e.g. loss absorption/suspension of interest accrual for Deeply Subordinated Notes]
[When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive]

DISTRIBUTION

31. (a) if syndicated, names[, addresses and underwriting commitments**] of Managers: [Not Applicable/[names][addresses and underwriting commitments**]]
[Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers]**
- (b) [Date of Subscription Agreement:**] [Not Applicable/[date**]]
- (c) Stabilising Manager (if any): [Not Applicable/[name]]
32. If non-syndicated, name [and address**] of relevant Dealer: [Name][address**]
33. [Total commission and concession:**] [] per cent. of the Aggregate Nominal Amount**]
34. Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: [TEFRA D/TEFRA C/TEFRA not applicable]
35. Additional selling restrictions: [Not Applicable/[give details]]

[LISTING AND ADMISSION TO TRADING APPLICATION]

These Final Terms comprise the final terms required to list [and have admitted to trading] the issue of Notes described herein pursuant to the €12,000,000,000 [Euro/Global] Medium Term Note Programme of AXA.]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [[] has been extracted from []. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By:

Duly authorised

PART B - OTHER INFORMATION

1. Listing and Admission to Trading

- (i) Listing: [Bourse de Luxembourg /*[specify other]*/None]
- (ii) Admission to trading: [Application has been made for the Notes to be admitted to trading on [] with effect from []/Not Applicable]
- [Where documenting a fungible issue need to indicate that original securities are already admitted to trading]***
- [(iii) Estimate of total expenses related to admission to trading: []*]

[2. RATINGS

- Ratings: The Notes to be issued have been rated:
[S & P: []]
[Moody's: []]
[[*Other*]: []]
- [Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider]***
- [The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating]]*

[3. NOTIFICATION [AND AUTHORISATION]**

The *Commission de Surveillance du Secteur Financier* [has been requested to provide/has provided] the [names of competent *authorities of relevant host Member States*] with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Directive.]

[The Issuer has authorised the use of these Final Terms and the [Offering Circular] dated 14 June 2007 by the Managers and [*include names [and addresses]*] of other financial intermediaries involved in the offer] (the **Distributors** and, together with the Managers, the **Financial Intermediaries**) in connection with offers of the Notes to the public in [[Luxembourg]] *and/or jurisdictions into which it has been passported*] for the period set out in paragraph 11 below.])**

[4.] INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.] [*Amend as appropriate if there are other interests*]

[5. [REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES]

- (i) Reasons for the offer []

*[See "Use of Proceeds" wording in Offering Circular - if reasons for offer different from making profit and/or hedging certain risks then will need to include those reasons here]***

[(ii) Estimated net proceeds: []

[If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding]

[(iii) Estimated total expenses: []**

*[Expenses are required to be broken down into each principal intended "use" and presented in order of priority of such "uses"].***

[If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, (i) above is required (regardless of the minimum denomination of the securities) where the reasons for the offer are different from making profit and/or hedging certain risks and where this is the case disclosure of net proceeds and total expenses at (ii) and (iii) above are also required.]

[6. **YIELD** (Fixed Rate Notes only)

Indication of yield: []

*[Calculated as [include details of method of calculation in summary form] on the Issue Date.]***

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

[7. **HISTORIC INTEREST RATES** (Floating Rate Notes only)

Details of historic [LIBOR/EURIBOR/[other]] rates can be obtained from [Reuters].**

[8. **PERFORMANCE OF INDEX/FORMULA, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING** (*Index Linked Notes only*)

[Include details of where past and future performance and volatility of the index/formula can be obtained]

*[Include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident]***

[Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information, including, without limitation, information required by Article 4.2 of Annex XII of the Prospectus Directive Regulation]]

Post-issuance information: The Issuer does not intend to provide any post-issuance information in relation to *[specify details of underlying]*, unless otherwise required by applicable laws or regulations.

9. **PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT** (*Dual Currency Notes only*)

[Need to include details of where past and future performance and volatility of the relevant rates can be obtained]

*[Need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident]**]*

Post-issuance information: The Issuer does not intend to provide any post-issuance information in relation to *[specify details of underlying]*, unless otherwise required by applicable laws or regulations.

10. **OPERATIONAL INFORMATION**

- (i) ISIN Code: []
- (ii) Common Code: []
- (iii) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): [Not Applicable/[give name(s) and number(s)]]
- (iv) Delivery: Delivery [against/free of] payment
- (v) Names and addresses of additional Paying Agent(s) (if any): []
- (vi) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes] [No]

[Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.] [include this text if "yes" selected in which case the Notes must be issued in NGN form]

11. ****[PUBLIC OFFERS**

- Offer Period: [] to [].

[Should be from the date of publication of the Final Terms to a specified date or a formula such as "the Issue Date" or "the date which falls [] Business

- Days thereafter".]*
- Offer Price: [The Issuer has offered the Notes to the Managers at the initial issue price of [] less a total commission of []. OR (*where the price is not determined at the date of the Final Terms*) The issue price of the Notes will be determined by the Issuer and the [Managers] on or about [] in accordance with market conditions then prevailing, including [supply and demand for the Notes and other similar securities] [and] [the then current market price of [*insert relevant benchmark security*, if any].]
- Conditions to which the offer is subject: [Offers of the Notes are conditional on their issue [and on any additional conditions set out in the standard terms of business of the Financial Intermediaries, notified to investors by such relevant Financial Intermediaries]
- [- Description of the application process: *N/A unless full application process is being followed in relation to the issue*]
- [- Details of the minimum and/or maximum amount of application: *N/A unless full application process is being followed in relation to the issue*]
- [- Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: *N/A unless full application process is being followed in relation to the issue*]
- Details of the method and time limits for paying up and delivering the Notes: [The Notes will be issued on the Issue Date against payment to the Issuer of the net subscription moneys. Investors will be notified by the relevant Financial Intermediary of their allocations of Notes and the settlement arrangements in respect thereof.]
- [- Manner and date in which results of the offer are to be made public: *N/A unless the issue is an "up to" issue when disclosure must be included*]
- [- Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: *N/A unless full application process is being followed in relation to the issue*]
- Categories of potential investors to which the Notes are offered: [Offers may be made by the Financial Intermediaries in [*insert jurisdiction where the Prospectus has been approved and published and jurisdictions into which it has been passported*] to any person [*insert suitability criteria, if any are deemed appropriate pursuant to any applicable conduct of business rules*]. In other EEA countries, offers will only be made by the Financial Intermediaries pursuant to an exemption from the obligation under the Prospectus Directive as implemented in such countries to publish a prospectus.]

[- Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:

[Process for notification – N/A unless full application process is being followed in relation to the issue.]

No dealings in the Notes on a regulated market for the purposes of the Investment Services Directive 93/22/EC may take place prior to the Issue Date.]

[- Amount of any expenses and taxes specifically charged to the subscriber or purchaser:

[]]

Notes:

* Delete if the minimum denomination is less than €50,000

** Delete if the minimum denomination is €50,000

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 or other relevant authority (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 Final Terms 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 Final Terms (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 Final Terms 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:

- (a) in relation to any Notes in bearer form (**Bearer Notes**) or in registered form (**Registered Notes**) which are represented by a global note (a **Global Note**), units of each Specified Denomination in the Specified Currency;
- (b) any Global Note;
- (c) any definitive note in bearer form (a **Definitive Bearer Note**) issued in exchange for a Global Note; and
- (d) any definitive note in registered form (a **Definitive Registered Note**) (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 14 June 2007 (the **Agency Agreement** as the same may be amended, restated and/or supplemented from time to time) 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 Final Terms) have interest coupons (**Coupons**) and, if indicated in the applicable Final Terms, 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 final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which supplement these Terms and Conditions (the **Conditions**) and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Note. References to the **applicable Final Terms** are to Part A of the Final Terms (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 **Receiptholders** 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 admission to trading) 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 and admission to trading) 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 14 June 2007 and made by the Issuer. The original of the Deed of Covenant is held by the common depositary for Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

Copies of the Agency Agreement, a deed poll (the **Deed Poll**) dated 14 June 2007 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 Final Terms are available from the registered office of the Issuer and the specified office of the Principal Paying Agent save that, if a series of Notes is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under Directive 2003/71/EC, the applicable Final Terms will only be obtainable by a Noteholder holding one or more Notes of that Series and such Noteholder must produce evidence satisfactory to the Issuer or, as the case may be, the Principal Paying 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 Final Terms which are applicable to them. The statements in the 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 Final Terms shall have the same meanings where used in the 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 Final Terms, the applicable Final Terms will prevail.

1. FORM, DENOMINATION AND TITLE

The Notes are in bearer form or in registered form as specified in the applicable Final Terms 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 Final Terms. In the case of any Notes admitted to trading on a European Economic Area exchange or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Directive 2003/71/EC, the minimum Specified Denomination shall be €1,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

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 Final Terms.

This Note may also be a Senior Note, a Dated Subordinated Note, an Undated Subordinated Note, a Dated Deeply Subordinated Note or an Undated Deeply Subordinated Note, as indicated in the applicable Final Terms.

Definitive Bearer Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in the 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. (**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 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 specified in the applicable Final Terms or as may otherwise be approved by the Issuer and the Principal Paying Agent.

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 Final Terms 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 Final Terms). 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;

Registered Global Note means any Rule 144A Global Note or Regulation S Global Note (and any reference to “Registered Global Notes” shall be construed as a reference to Rule 144A Global Notes and/or Regulation S Global Notes, as the context requires);

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, or for the account of U.S. persons 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 1 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 and suspension of payment 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 Final Terms.
- (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 Final Terms.

(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 Specified 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 Final Terms.

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 Final Terms.

4. REDENOMINATION

(a) *Redenomination*

Where redenomination is specified in the applicable Final Terms 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 in euro in the denomination of €0.01 with a nominal amount for each Note and Receipt equal to the nominal 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 in 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 nominal 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 (i) in the case of Relevant Notes in the denomination of €50,000 and/or such higher amounts as the Agent may determine and notify to the Noteholders and any remaining amounts less than €50,000 shall be redeemed by the Issuer and paid to the Noteholders in euro in accordance with Condition 6; and (ii) in the case of Notes which are not Relevant Notes, 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:
 - (A) in the case of Notes represented by a Global Note, by applying the Rate of Interest to the aggregate outstanding nominal amount of the Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); and
 - (B) in the case of Definitive Bearer Notes or Definitive Registered Notes, by applying the Rate of Interest to the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit (defined below) of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise as specified in the applicable Final Terms. Where the Specified Denomination of a Fixed Rate Note which is a Definitive Bearer Note or a Definitive Registered Note comprises more than one Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding; and

- (vii) if the Notes are Floating Rate Notes, the applicable Final Terms will specify any relevant changes to the provisions relating to interest.

(b) **Definitions**

In the 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;

Relevant Notes means all Notes where the applicable Final Terms provide for a minimum Specified Denomination in the Specified Currency which is equivalent to at least euro 50,000 and which are admitted to trading on a regulated market in the European Economic Area; 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 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 Final Terms.

Unless otherwise specified in the applicable Final Terms, if the Notes are Definitive Bearer Notes, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in the 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.

Except in the case of Notes which are Definitive Bearer Notes where a Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (i) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (ii) in the case of Fixed Rate Notes which are Definitive Bearer Notes or Definitive Registered Notes, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit (defined below) of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note which is a Definitive Bearer Note or a Definitive Registered Note comprises more than one Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

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 (ICMA)" is specified in the applicable Final Terms:
 - (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 Final Terms) 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 Final Terms) 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 Final Terms, 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 the 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 from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (A) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (B) if no express Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms 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 the 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 Final Terms and (x) if there is no numerically corresponding day in 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:

- (C) in any case where Specified Periods are specified in accordance with Condition 5(b)(i)(B) 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

- (D) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (E) 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
- (F) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In the Conditions, **Business Day** means a day which is both:

- (1) (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 each Additional Business Centre specified in the applicable Final Terms; and
- (2) 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 and 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 Final Terms.

Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the applicable Final Terms 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:

- (A) the offered quotation; or
- (B) 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 Final Terms) 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 the 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 Final Terms as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Final Terms.

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

If the applicable Final Terms 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 (iii) 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 Final Terms 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 (iii) 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 for the relevant Interest Period by applying the Rate of Interest to:

- (A) in the case of Floating Rate Notes or Index Linked Interest Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (B) in the case of Floating Rate Notes or Index Linked Interest Notes which are Definitive Bearer Notes or Definitive Registered Notes, the Calculation Amount;

and, in each case, 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. Where the Specified Denomination of a Floating Rate Note or Index Linked Interest Note which is a Definitive Bearer Note or a Definitive Registered Note comprises more than one Calculation Amount, the Interest Amount payable in respect of such Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

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

- (1) if "Actual/365" or "Actual/Actual" is specified in the applicable Final Terms, 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 Final Terms, the actual number of days in the Interest Period divided by 365;
- (3) if "Actual/365 (Sterling)" is specified in the applicable Final Terms, 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 Final Terms, 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 Final Terms, 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 Final Terms, 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 (by no later than the first day of each Interest Period) 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, manifest error or proven 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 of wilful default or bad faith) 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**

The rate or amount of interest payable in respect of Dual Currency Interest Notes shall be determined in the manner specified in the applicable Final Terms.

(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 Final Terms.

(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:

- (i) the date on which all amounts due in respect of such Note have been paid; and
- (ii) 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 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 the Conditions unless such date is declared an Optional Interest Payment Date (as defined below) by the Issuer.

(i) *Optional Interest Payment Dates*

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

- (A) 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
- (B) 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 (iv) below to defer payment of all (but not some only) of the interest accrued to that date in respect of the Subordinated Notes, and 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.

(ii) *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:

- (A) 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;
- (B) 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;
- (C) the date fixed for any optional or mandatory redemption of the Notes; or
- (D) 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.

(iii) *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.

(iv) *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:

- (A) of any Optional Interest Payment Date on which, pursuant to the provisions of subparagraph (f)(i) above, interest will not be paid; and
 - (B) of any date upon which amounts in respect of Arrears of Interest and/or Additional Interest Amounts shall become due and payable.
- (v) ***Partial Payment of Arrears of Interest***

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

- (A) all unpaid amounts of Arrears of Interest shall be payable before any Additional Interest Amounts;
- (B) 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
- (C) 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 and 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 only 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. Notwithstanding the previous sentence, if (i) a holder does not have a Designated Account or (ii) the nominal 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 at his address shown in the Register on such fifteenth day 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 nominal 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 (except, in the case of any Note, to the extent specified by the relevant beneficial holder in accordance with DTC procedures, as more fully described in 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:
 - (A) the relevant place of presentation;
 - (B) Luxembourg;
 - (C) each Additional Financial Centre specified in the applicable Final Terms;
- (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 the 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 the 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 Final Terms 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 Final Terms 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 Final Terms, 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 Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms. 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 (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) 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 selection date, 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. 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 Final Terms, 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 Final Terms, 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. It may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Final Terms.

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, or evidence satisfactory to the Agent concerned that this Note will following delivery of the Put Notice be held to its order or under its control, 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 Principal Paying 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 depository 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 or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg given by a holder of any Note pursuant to this paragraph (d) 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 Final Terms) at their Early Redemption Amount as specified in the applicable Final Terms 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 nominal 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 a 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 Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, 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:

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

where:

^{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 Final Terms.

(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 Final Terms.

(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 French *Code général des impôts* (the

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:

- (i) presented for payment by or on behalf of, a holder who would not be liable or subject to such withholding or deduction by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or
- (ii) presented for payment 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
- (iii) 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 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (iv) 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
- (v) 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.

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 the 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) if 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 enters into an amicable procedure (*procédure de conciliation*) 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 nominal 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 or admitted to trading by any other relevant authority, 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 or other relevant authority;
- (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) there will at all times be a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law 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 and (ii) if and for so long as the Bearer Notes are admitted to trading on, and listed on the Official List of the Luxembourg Stock Exchange, a daily newspaper of general circulation in Luxembourg and/or the Luxembourg Stock Exchange's website, www.bourse.lu. It is expected that any such publication in a newspaper will be made in the Financial Times in London and the *d'Wort* or the *Tageblatt* in Luxembourg. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Bearer Notes are for the time being listed or by which they have been admitted to trading. 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 or are admitted to trading by another relevant authority and the rules and regulations of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules and regulations.

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 publication as described in the first paragraph of this Condition, 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 or are admitted to trading by another relevant authority and the rules and regulations of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules and regulations or as otherwise permitted by those rules and regulations. 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 in the aggregate not less than 50 per cent. 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 the 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 irrevocably agrees, for the benefit of the Noteholders, the Receiptholders and the Couponholders, that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes, the Receipts and/or the Coupons and accordingly submits to the exclusive jurisdiction of the English courts.

The Issuer waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Noteholders, the Receiptholders and the Couponholders may take any suit, action or proceedings (together referred to as **Proceedings**) arising out of or in connection with the Notes, the Receipts and the Coupons against the Issuer in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

(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, the Deed Poll 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.

POSSIBLE FURTHER TERMS

Set out below are possible further terms that may apply to specific issues of Notes as specified and (if applicable) modified in the applicable Final Terms.

"CMS' floating rate interest

- Item 16(f) of the applicable Final Terms (*Screen Rate Determination*) may provide that:
 - (i) the Reference Rate is « EUR CMS[*insert relevant maturity*] (*insert relevant maturity*) year mid swap rate in EUR (annual 30/360) versus EURIBOR 6 month (semi-annual, Act/360) »; and
 - (ii) the Relevant Screen Page is « Reuters Page "ISDAFIX2" under the heading "EURIBOR Basis" ».
- Item 16(j) of the applicable Final Terms (*Fallback provisions, etc.*) may provide:

« Notwithstanding anything to the contrary in Condition 5(b)(iii), in the event that the Reference Rate does not appear on the Relevant Screen Page, the Calculation Agent shall determine on the relevant Interest Determination Date the applicable rate based on quotations of five Reference Banks (to be selected by the Calculation Agent and the Issuer) for [EUR CMS[*insert relevant maturity*]] (in each case the relevant mid-market annual swap rate commencing 2 TARGET Business Days following the relevant Interest Determination Date). The highest and lowest (or, in the event of equality, one of the highest and/or lowest) quotations so determined shall be disregarded by the Calculation Agent for the purpose of determining the Reference Rate which will be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of such provided quotations.

If, for any reason, the Reference Rate is no longer published or if fewer than three quotations are provided to the Calculation Agent in accordance with the above paragraph, the Reference Rate will be determined by the Calculation Agent in its sole discretion, acting in good faith and in a commercial and reasonable manner. »

"TEC' floating rate interest

- Item 16(f) of the applicable Final Terms (*Screen Rate Determination*) may provide that:
 - (i) the Reference Rate is « **EUR-TEC10-CNO** means the rate calculated by *Comité de Normalisation Obligataire* which appears on the Reuters Screen CNOTEC10 Page as of 10:00 a.m., Paris time, on the Interest Determination Date. If such rate does not appear on the Reuters Screen CNOTEC10 Page, the rate for the Interest Determination Date will be determined on the basis of the fall-back provisions set out in paragraph (j) below.

For information purposes only, the EUR-TEC10-CNO, established in April 1996, is the percentage yield (rounded to the nearest second decimal point, 0.005 per cent. being rounded upwards) of a notional 10 year French Treasury Bond (*Obligation Assimilable du Trésor*, **OAT**) corresponding to the linear interpolation between the yield to maturity of the two actual OATs (the **Reference OATs**) whose periods to maturity are closest in duration to the notional 10 year OAT, one Reference OAT's duration being of less than 10 years and the other Reference OAT's duration being greater than 10 years. »; and

- (ii) the Relevant Screen Page is « Reuters Screen CNOTEC10 Page ».

- Item 16(j) of the applicable Final Terms (*Fallback provisions, etc.*) may provide:

« If, on any Interest Determination Date, such rate does not appear on Reuters Screen CNOTEC10 Page, EUR-TEC 10-CNO shall be determined by the Calculation Agent on the basis of the mid-market prices for each of the two reference *Obligations Assimilables du Trésor*, which would have been used by the *Comité de Normalisation Obligataire* for the calculation of EUR-TEC10-CNO, quoted by five

Spécialistes en Valeurs du Trésor at approximately 10:00 a.m. Paris time on the Interest Determination Date in question.

The Calculation Agent will request each *Spécialiste en Valeurs du Trésor* to provide a quotation of its price.

EUR-TEC10-CNO will be the redemption yield of the arithmetic mean of such quotations as determined by the Calculation Agent after discarding the highest and lowest such quotations. The above mentioned redemption yield shall be determined by the Calculation Agent in accordance with the formula that would have been used by the *Comité de Normalisation Obligataire* for the determination of EUR-TEC10-CNO. »

Undated Deeply Subordinated Notes

- Item 8 of the applicable Final Terms (*Maturity Date*) may provide:

« Undated subject to the Issuer's Call Option described below.

The Notes are Undated Deeply Subordinated Notes and have no fixed maturity. The Issuer shall have the right (subject to the prior approval of the Relevant Supervisory Authority) to redeem the Notes, in whole but not in part:

- (i) for taxation reasons in accordance with Condition 7(b) as further specified in Annex 1 hereto and paragraph 5 below;
- (ii) for regulatory reasons in accordance with Condition 7(e) as amended in Annex 1 hereto and further specified in paragraph 5 below;
- (iii) for accounting reasons in accordance with Condition 7(e)(1) as amended in Annex 1 hereto and further specified in paragraph 5 below; or
- (iv) in accordance with Condition 7(c) on any Interest Payment Date from and including [*specify date*] as further specified in paragraphs [*specify*] below. »

- Item 13(a) of the applicable Final Terms (*Status of the Notes*) may provide:

« The Notes are Undated Deeply Subordinated Notes issued in accordance with Condition 3(b)(iii) as amended in Annex 1 hereto. The subordination provisions of the Notes are governed by Article L. 228-97 of the French *Code de commerce*, as amended by law no. 2003-706 on financial security dated 1 August 2003. »

- An annex to the applicable Final Terms may provide:

The following terms supplement or amend the Conditions, as specified below:

1. Status of the Notes and Subordination of Payment

Condition 3(b)(iii) shall be deleted and replaced in its entirety by the following:

"The Notes, having no specified maturity, are Undated Deeply Subordinated Notes, whose subordination provisions are governed by French law and, more specifically the provisions of Article L. 228-97 of the French *Code de commerce*, as amended by law no. 2003-706 on financial security dated 1 August 2003.

The Notes and any related Coupons constitute direct, unconditional, unsecured and undated Deeply Subordinated Obligations of the Issuer and rank and will rank *pari passu* among themselves and *pari passu* with all other present and future Deeply Subordinated Obligations of the Issuer, but shall be subordinated to all present and future *titres participatifs* issued by, and *prêts participatifs* granted to, the Issuer, Ordinary Subordinated Obligations of the Issuer and Unsubordinated Obligations of the Issuer.

The Notes shall rank in priority to any class of share capital, whether represented by ordinary shares or preference shares (*actions de préférence*) issued by the Issuer.

The rights of the Noteholders in the event of the judicial liquidation (*liquidation judiciaire*) of the Issuer will be calculated on the basis of the then Nominal Amount of the Notes together with accrued interest (if any) and any other outstanding payments under the Notes. If the Original Nominal Amount has been reduced in the context of one or more Loss Absorption(s), the rights of the Noteholders are calculated on the basis of the Original Nominal Amount plus any increase due to the settlement of Deferred Interest using the Payment in Kind Settlement Method, to the extent that all other creditors of the Issuer (including Unsubordinated Creditors of the Issuer, Ordinary Subordinated Creditors of the Issuer, lenders in relation to *prêts participatifs* granted to the Issuer and holders of *titres participatifs* issued by the Issuer) have been or will be fully reimbursed, as ascertained by the liquidator. The rights of the Noteholders in the event of the liquidation of the Issuer for any other reason than judicial liquidation (*liquidation judiciaire*) will be calculated on the basis of the Original Nominal Amount of the Notes plus any increase due to the settlement of Deferred Interest using the Payment in Kind Settlement Method, together with accrued interest and any other outstanding payments under the Notes.

No payment will be made to holders of shares of any class whatsoever of the share capital of the Issuer before all amounts due, but unpaid, to all Noteholders under the Notes have been paid by the Issuer.

In the event of incomplete payment of creditors ranking senior to holders of Deeply Subordinated Notes and related 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.

For the purposes of these Conditions:

Deeply Subordinated Obligations means any Deeply Subordinated Notes (including the Notes) or other Obligations of the Issuer which rank, or are expressed to rank, *pari passu* with the Notes.

Deeply Subordinated Notes means all and any bonds or notes of the Issuer which constitute direct, unconditional, unsecured and lowest ranking subordinated obligations (*titres subordonnés de dernier rang*) of the Issuer, including bonds or notes whose subordination provisions are governed by the provisions of Article L. 228-97 of the French *Code de commerce*, as amended by law no. 2003-706 on financial security dated 1 August 2003 and which rank and will rank *pari passu* among themselves and *pari passu* with all other present and future Deeply Subordinated Obligations of the Issuer, but behind all present and future *prêts participatifs* granted to the Issuer and *titres participatifs* issued by the Issuer and behind Ordinary Subordinated Obligations of the Issuer and Unsubordinated Obligations of the Issuer.

IFRS means the International Financial Reporting Standards, as amended from time to time.

Market Disruption Event means the existence or occurrence of any of the following events or circumstances:

- (i) a temporary suspension or limitation imposed on trading or on settlement procedures for transactions in the ordinary shares of the Issuer on the Euronext Paris exchange if such suspension or limitation is, in the determination of the Issuer, material in the context of the sale of such ordinary shares;
- (ii) a material adverse change in general domestic or international economic, political or financial conditions, including without limitation as a result of terrorist activities or acts of war, or an effect of international conditions on the financial markets or currency exchange rates or controls such as to make it, in the opinion of the Issuer, impracticable or inadvisable to proceed with the issue or delivery of Payment Shares or Payment Securities.

Nominal Amount means the nominal value of each Note at any time taking into account any reduction or increase in accordance with the Loss Absorption or Reinstatement provisions of Condition 3(d), and any increase due to the settlement of Deferred Interest using the Payment in Kind Settlement Method.

Obligations means any payment obligation expressed to be assumed by, or imposed on, the Issuer under or arising as a result of any contract, agreement, document, instrument or conduct or relationship or by operation of law.

Ordinary Subordinated Creditors means any Person to whom the Issuer owes an Ordinary Subordinated Obligation.

Ordinary Subordinated Obligations means any Obligations of the Issuer which constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and which rank and will rank in priority to all present and future *titres participatifs* issued by the Issuer, *prêts participatifs* granted to the Issuer and Deeply Subordinated Obligations of the Issuer.

Original Nominal Amount means the nominal value of each Note on the Issue Date, without taking into account any Loss Absorption or Reinstatement pursuant to Condition 3(d) or any increase due to the settlement of Deferred Interest using the Payment in Kind Settlement Method.

Parity Securities means hybrid securities with terms and conditions (in particular in relation to the provisions on the deferral of remuneration, payments of deferred remuneration and on replacement) similar to these Conditions and that provide equity credit from the rating agencies at least equivalent to that of the Notes and preference shares (*actions de préférence*) designated by the Issuer at or before the time of issuance and/or sale as available to pay distributions on the Notes.

Payment Shares means ordinary shares designated by the Issuer at or before the time of issuance and/or sale as available to pay distributions on the Notes.

Person includes any person, company, corporation, firm, government, state or agency of a state or any grouping (whether or not having separate legal personality) or two or more of the foregoing.

Share Capital Securities means any ordinary shares (*actions ordinaires*), or preference shares (*actions de préférence*) issued by the Issuer.

Unsubordinated Creditors means any Person(s) to whom the Issuer owes Unsubordinated Obligations.

Unsubordinated Obligations means any Obligations of the Issuer which are unsubordinated (including, without limitation, holders of Senior Notes, depositors and creditors whose claims arise under contracts entered into for the purposes of any liquidation).

2. Interest Payment Dates

New Conditions 5(g), (h), (i), (j), (k), (l), (m), (n) and (o) set out as follows are inserted immediately after Condition 5(f):

"(g) Mandatory/Optional Cancellation of Interest Payments

- (i) Payment of interest in cash will be compulsory on any Compulsory Interest Payment Date.
- (ii) On any other Interest Payment Date (an **Optional Interest Payment Date**), the Issuer may, at its option, elect not to pay interest in respect of the Interest Period ending immediately prior to such Optional Interest Payment Date, with a view to allowing the Issuer to ensure the continuity of its activities without weakening its financial structure, in which case the Issuer shall have no obligation to make such payment and any such non-payment shall not constitute a default by the Issuer under the Notes for any other purpose.

- (iii) On any Optional Interest Payment Date, following the occurrence of a Solvency Event, interest shall be suspended and shall not accrue during the period commencing on the occurrence of the Solvency Event and ending on the date of the End of Solvency Event and for the avoidance of doubt, the Issuer shall have no obligation to pay interest in respect of such period and such non-payment shall not constitute a default by the Issuer under the Notes for any other purpose.
- (iv) Any interest not paid on an Optional Interest Payment Date as provided by Conditions 5(g)(ii) and 5(g)(iii) above will be forfeited and accordingly will no longer be due and payable by the Issuer.
- (v) The suspension of payment and accrual of interest in accordance with this Condition 5(g) shall be notified to the Noteholders in accordance with the Condition 14 not later than 7 Business Days prior to the relevant Interest Payment Date.

For the purposes of these Conditions:

Compulsory Interest Payment Date means each Interest Payment Date on which no Mandatory Deferral Event has occurred and is continuing and prior to which:

- (a) in the absence of a Solvency Event, at any time during a period of one year prior to such Interest Payment Date, or
- (b) upon the occurrence of a Solvency Event and for so long as a Solvency Event is continuing, at any time between the date of the first occurrence of that Solvency Event and the relevant Interest Payment Date,

any of the following events has occurred:

- (i) the Issuer has declared or paid a dividend in any form, or made a payment of any nature, on any Share Capital Securities;
- (ii) the Issuer has made a payment on any other Deeply Subordinated Obligations unless such payment was a compulsory interest payment under the terms of any such other Deeply Subordinated Obligations issued by the Issuer;
- (iii) the Issuer has redeemed, repurchased or otherwise acquired any Share Capital Securities, by any means (except shares repurchased by the Issuer in the context of its own buy-back programme (*programme de rachat d'actions*), under any equity derivative hedge structure or transaction or, under any hedging of stock options programme or any other compensation benefit programme);
- (iv) the Issuer has redeemed, repurchased or otherwise acquired any Deeply Subordinated Obligations in accordance with their terms.

Solvency Event means the first date on which either the following events occur: (a) the consolidated solvency margin level applicable to the Issuer and/or the Group falling below 100 per cent. of the minimum consolidated solvency margin level required by the Applicable Regulations; or (b) the Issuer is notified by the Relevant Supervisory Authority that it has determined, in its sole discretion, in view of the deteriorating financial condition of the Issuer, that the circumstances described in the foregoing paragraph (a) would apply in the near future.

Group means the Issuer and its consolidated subsidiaries taken as a whole.

(h) Mandatory Deferral of Interest Payments

- (i) A **Mandatory Deferral Event** shall have occurred on an Interest Payment Date if on the Determination Date:

- (A) a Solvency Event has not occurred and the Issuer has not otherwise elected not to pay interest in accordance with Condition 5(g)(ii); and
- (B) the Accumulated Net Earnings of the Issuer for the two 6-month periods ending on the Lagged Reporting Date is less than or equal to zero; and
- (C) the Adjusted Shareholders' Equity Amount as at the Lagged Reporting Date has declined by 10% or more as compared to the Adjusted Shareholders' Equity Amount as at the end of the Benchmark Half-Year Period; and
- (D) the Adjusted Capital Amount as at the Current Reporting Date has declined by 10% or more as compared to the Adjusted Shareholders' Equity Amount as at the end of the Benchmark Half-Year Period.

Where:

Adjusted Shareholders' Equity Amount means the shareholders' equity before minority interests as reflected in the consolidated balance sheet of the Issuer as at the end of any 6-month period, as determined in accordance with Applicable Accounting Standards, minus foreign currency translation adjustments, treasury shares and fair value in shareholders' equity, as reflected on such consolidated balance sheet.

Applicable Accounting Standards means IFRS (International Financial Reporting Standards) as applicable at the relevant dates and for the relevant periods, or other accounting principles generally accepted in France and applied by the Issuer which subsequently supersede them.

Accumulated Net Earnings means, as at the end of any 6-month period of the Issuer, the sum of the consolidated net earnings of the Issuer, as determined in accordance with Applicable Accounting Standards, for the two 6-month periods ending on the last day of such period.

Adjusted Capital Amount means the shareholders' equity (including any mandatory convertible bonds or notes having a maturity of 3 years or less) before minority interests as reflected in the consolidated balance sheet of the Issuer as at the end of any 6-month period, as determined in accordance with Applicable Accounting Standards, minus foreign currency translation adjustments, treasury shares and fair value in shareholders' equity and minus any preference shares and Deeply Subordinated Obligations issued during the period beginning on the relevant Lagged Reporting Date and ending on the Current Reporting Date, as reflected in such consolidated balance sheet.

Benchmark Half-Year Period means the 6-month period that ends five 6-month periods prior to the Current Reporting Date.

Current Reporting Date means the date of the most recently completed and published annual or semi-annual financial statements of the Issuer.

Lagged Reporting Date means the date of the annual or semi-annual financial statements of the Issuer immediately prior to the Current Reporting Date.

- (ii) If on any Interest Payment Date a Mandatory Deferral Event has occurred, the Issuer shall defer payment of interest otherwise accruing during the Interest Period ending immediately prior to such Interest Payment Date. However the Issuer may choose, in its discretion, to satisfy such interest on such Interest Payment Date by way of one or more Alternative Coupon Settlement Mechanisms (as defined below). In such event, the Issuer will be required to defer any Excess Amount.

Where:

Excess Amount means, in relation to the amount of interest on the Nominal Amount that would otherwise have been due (the **Current Interest Amount**), the amount by which the Current Interest Amount exceeds the New Capital Amount; and

New Capital Amount means the net proceeds received by the Issuer from new issuance and/or sales during the period of 180 days prior to the relevant Interest Payment Date of (i) Payment Shares or (ii) Parity Securities.

- (iii) Following the occurrence of a Mandatory Deferral Event, the Issuer shall be required to defer the interest that would otherwise be due on each subsequent Interest Payment Date, (subject to the right of the Issuer to settle such interest at any time by way of an Alternative Coupon Settlement Mechanism (as defined below)), until the Mandatory Deferral Event has been cured as of any subsequent Determination Date. In such event, the Issuer may only begin to make payments of interest on the Notes (other than pursuant to the exercise of an Alternative Coupon Settlement Mechanism), on any Interest Payment Date if on the Determination Date for that Interest Payment Date (x) no new Mandatory Deferral Event has occurred and (y) any previous Mandatory Deferral Events have been cured.
- (iv) A Mandatory Deferral Event that has occurred on a previous Determination Date shall be treated as having been cured on any Determination Date if the Adjusted Capital Amount as at the Issuer's most recently completed and published semi-annual report before that Determination Date has increased to more than 90% of the Adjusted Shareholders' Equity Amount at the end of the Benchmark Half-Year Period for the Determination Date on which the Mandatory Deferral Event has occurred.
- (v) Any interest deferred in accordance with this provision will constitute (**Deferred Interest**) and may only be satisfied by using one or a combination of the Alternative Coupon Settlement Mechanisms (as defined below).

(i) Optional Payment of Deferred Interest

The Issuer may, at its option, upon giving prior notice in accordance with Condition 14, satisfy outstanding Deferred Interest in full or in part on any date notified to the Noteholders as the date on which such Deferred Interest shall be paid (the **Optional Settlement Date**), as adjusted for any delay caused by a Market Disruption Event in accordance with Condition 5(1), by way of one or a combination of the following alternative coupon settlement mechanisms (each an **Alternative Coupon Settlement Mechanism** or **ACSM**):

- (A) the Issuer may raise the funds required for the satisfaction of the relevant Deferred Interest through the issue or sale of existing or newly issued Payment Shares (the **Payment Share Settlement Method**), provided that: (I) there is no legal or *de facto* impediment to the issue or sale of such Payment Shares by the Issuer; (II) the aggregate amount of Payment Shares issued and/or sold by the Issuer in any 12-month period for purposes of satisfying Deferred Interest shall not exceed 2 per cent. of the aggregate amount of Share Capital Securities of the Issuer in issue at the date of such issue or sale (the **Payment Share Threshold**); (III) the Issuer may not use treasury shares purchased in the market for cash during the 6 months prior to the date on which such Deferred Interest shall be paid for purposes of fulfilling the Payment Share Settlement Method; and provided further that (IV) the *Directoire* of the Issuer has obtained the authority to issue any new shares pursuant to an authorisation by the *Assemblée Générale* and is not subject to any restriction with respect to using or issuing such shares for the purposes of such Payment Share Settlement Method; and/or
- (B) the Issuer may raise the funds required for the satisfaction of the relevant Deferred Interest by issuing, directly or indirectly, Parity Securities (the **Parity Securities Settlement**

Method), provided that: (I) there is no legal or *de facto* impediment to the issue or sale of such Parity Securities by the Issuer; (II) the aggregate principal amount of all Parity Securities issued (the **PSSM Amount**) and any PIK Amount (as defined below), together with any previous PSSM Amounts and any previous PIK Amounts, must not at any time exceed 15 per cent. of the Original Nominal Amount (the **PSSM/PIK Threshold**) or 25 per cent. of such Original Nominal Amount, if at least 10 per cent of the Parity Securities consists of preference shares (*actions de preference*) the dividends in relation to which are forfeited if not paid; and provided further that (III) the *Directoire* is not subject to any restriction with respect to issuing such securities for the purposes of such Parity Security Settlement Method; and/or

- (C) the Issuer may satisfy the relevant Deferred Interest by increasing the then current Nominal Amount of the Notes by an amount equal to some or all of such Deferred Interest (the principal amount of each outstanding Note being increased accordingly) (the **Payment in Kind Settlement Method**), such that thereafter the amount of such Deferred Interest shall form part of the principal of the Notes and shall bear interest at the rate of interest applicable to the Notes, provided that: (I) the aggregate amount of Deferred Interest satisfied by way of the Payment in Kind Settlement Method (the **PIK Amount**), together with any PSSM Amount and any previous PIK Amounts and PSSM Amounts, must not at any time exceed the PSSM/PIK Threshold; and provided further that (II) the Payment in Kind Settlement Method may only apply on an Interest Payment Date.

Deferred Interest shall not be satisfied at any time by way of the Payment in Kind Settlement Method if, following a Loss Absorption, there has not yet been a full Reinstatement in respect of such Loss Absorption.

Any Deferred Interest not satisfied by way of one or more of the foregoing Alternative Coupon Settlement Mechanisms shall remain outstanding.

The Issuer shall use its best efforts to satisfy any Deferred Interest by way of any one or a combination of the foregoing Alternative Coupon Settlement Mechanisms during the period of 5 years (the **5 Year ACSM Period**) following the relevant Optional Settlement Date and the Issuer shall use reasonable efforts to obtain and maintain delegated authority to issue or sell sufficient Payment Shares to enable it to pay one year of interest and any outstanding deferred amount of interest payable by the Issuer.

If at the end of any 5 Year ACSM period in respect of any Deferred Interest the Issuer has been unable to make full payment of such Deferred Interest in accordance with the ACSM, the obligations of the Issuer to satisfy the amount of interest that was deferred at the beginning of such 5 Year ACSM period shall, to the extent not already settled under the ACSM, be cancelled.

(j) Mandatory Payment of Deferred Interest

- (i) The Issuer shall be required to satisfy any outstanding Deferred Interest on any date described in (A), (B) or (C) below (the **Deferred Settlement Date**), as adjusted for any delay caused by a Market Disruption Event in accordance with Condition 5(l):
- (A) the due date for redemption of the Notes;
 - (B) the date on which a reason for the liquidation or dissolution with respect to the Issuer exists, except in connection with a merger where the entity resulting from such merger assumes all of the obligations of the Issuer under the Notes;
 - (C) the next subsequent Interest Payment Date prior to which:
 - (I) the Issuer has declared or paid a dividend in any form, or made a payment of any nature, on any Share Capital Securities;

- (II) the Issuer has made a payment on any other Deeply Subordinated Obligations, unless such payment was a compulsory interest payment under the terms of such other Deeply Subordinated Obligations issued by the Issuer;
 - (III) the Issuer has redeemed, repurchased or otherwise acquired any class of its share capital (whether such shares are represented by ordinary shares or preference shares), by any means (except shares repurchased by the Issuer in the context of its own buy-back programme (*programme de rachat d'actions*), under any equity derivative hedge structure or transaction or, under any hedging of stock options programme or any other compensation benefit programme); or
 - (IV) the Issuer has redeemed, repurchased or otherwise acquired any Deeply Subordinated Obligations in accordance with their terms.
- (ii) If the Issuer makes any partial payment of interest or of a deferred payment on any other Deeply Subordinated Obligations (other than a payment which is a compulsory interest payment under the terms of such other Deeply Subordinated Obligations), the Issuer shall satisfy any outstanding Deferred Interest in the same proportion on the Interest Payment Date immediately following the date on which such payment was made. In such case the proportion shall be equal to the product of the amount of the deferred payment actually paid divided by the outstanding amount of the deferred payment.
 - (iii) Subject to sub-paragraph (iv) below, if the Issuer is required to satisfy any Deferred Interest, it may do so by way of any one or a combination of the Alternative Coupon Settlement Mechanisms. To the extent that the Issuer is not able to satisfy any such Deferred Interest in accordance with any Alternative Coupon Settlement Mechanisms on the Deferred Settlement Date, such Deferred Interest shall remain outstanding and the Issuer shall remain entitled to settle such Deferred Interest at any time using any one or a combination of the Alternative Coupon Settlement Mechanisms available to it.
 - (iv) The Issuer shall use its best efforts to satisfy any Deferred Interest by way of any one or a combination of the Alternative Coupon Settlement Mechanisms during the period of 1 year (the **1 Year ACSM Period**) following the relevant Deferred Settlement Date and the Issuer shall use reasonable efforts to obtain and maintain delegated authority to issue or sell sufficient Payment Shares to enable it to pay one year of interest and any outstanding deferred amount of interest payable by the Issuer.
 - (v) If at the end of any 1 Year ACSM Period in respect of any Deferred Interest the Issuer has been unable to make full payment of such Deferred Interest in accordance with the ACSM, the obligations of the Issuer to satisfy the amount of interest that was deferred at the beginning of such 1 Year ACSM Period shall, to the extent not already settled under the ACSM, be cancelled.
 - (vi) In the case where Deferred Interest becomes repayable as a result of the liquidation or dissolution of the Issuer pursuant to Condition 5(j)(i)(B), the obligations of the Issuer in respect of such Deferred Interest shall be due in cash and shall rank *pari passu* with the obligations of the Issuer in respect of the principal amount of the Notes in an amount up to the PSSM/PIK Threshold pursuant to Condition 5(i)(B); to the extent the PSSM/PIK Threshold would be exceeded, the obligation of the Issuer to satisfy such Deferred Interest shall be cancelled.
- (k) Interest payable on any Compulsory Interest Payment Date or Optional Interest Payment Date will always be calculated on the basis of the then current Nominal Amount.

- (l) Any Optional Settlement Date or Deferred Settlement Date shall be postponed by a period equal to the time during which any Market Disruption Event exists plus 60 days.
- (m) Subject to the provisions of the last paragraph of Condition 5(i) and 5(j)(iv), any Deferred Interest which has not yet been satisfied by the Issuer using any one or a combination of the Alternative Coupon Settlement Mechanisms shall remain outstanding. For the avoidance of doubt, outstanding Deferred Interest shall not bear interest.
- (n) Under no circumstances shall there be an obligation on the part of the Issuer to sell or issue Payment Shares or issue Parity Securities. Noteholders are advised that compulsory provisions of French company or stock exchange law may prevent the Issuer from selling existing or issuing new Share Capital Securities.
- (o) The net proceeds received by the Issuer from new issuance and/or sale of (i) Payment Shares and (ii) Parity Securities during the period of 180 days prior to the relevant Optional Settlement Date (with respect to optional Payment of Deferred Interest) or, as the case may be, the Deferred Settlement Date (with respect to Mandatory Payment of Deferred Interest) shall be taken into account for the purposes of calculating any Payment Share Threshold or PSSM/PIK Threshold.

3. Loss Absorption - Reinstatement

Condition 3(d) shall be deleted and replaced in its entirety by the following:

"(i) Loss Absorption

In the event that, at any time a Solvency Event has occurred, the management board (*Directoire*) of the Issuer undertakes to convene an extraordinary shareholders' meeting during the 3 months immediately following the occurrence of the Solvency Event to propose to its shareholders a share capital increase or any other measure to remedy such Solvency Event.

If then,

the share capital increase or any other proposed measures are not accepted by the extraordinary shareholders' meeting of the Issuer, or if the share capital increase adopted by such extraordinary shareholders' meeting is insufficiently subscribed to remedy the Solvency Event, or, in any event, if the Solvency Event subsists at the end of the Quarter (as defined below) following the Quarter during which the Solvency Event has occurred.

the management board (*Directoire*) of the Issuer will implement, within 10 days, a reduction of the then Nominal Amount of the Notes (**Loss Absorption**).

Quarter means one quarter of a calendar year, i.e.: 1 January to 31 March, 1 April to 30 June, 1 July to 30 September and 1 October to 31 December.

Any such reduction shall be applied in respect of each Note equally and, in the event the Issuer has outstanding other Deeply Subordinated Notes, such reduction will be applied on a pro-rata basis among them.

The amount by which the Nominal Amount of the Notes is reduced to enable the Issuer to absorb losses in order to ensure the continuity of its activities in accordance with the Applicable Regulations (as defined below), will be (in the case that a Solvency Event has occurred pursuant to clause (a) of the definition thereof) the lower of (i) the amount of the excess of (a) the total consolidated capital required by the Applicable Regulations over (b) the total consolidated capital of the Issuer after the share capital increase or any other measures adopted by the shareholders' meeting of the Issuer to remedy the Solvency Event (or the total consolidated capital of the Issuer in the absence of such measures) and (iii) the Nominal Amount of the Notes before such reduction. In the case that a Solvency Event has occurred pursuant to clause (b) of the definition thereof, the

amounts by which Nominal Amount of the Notes are reduced will be determined by the Issuer with the consent of the Relevant Supervisory Authority.

The Aggregate Nominal Amount shall be adjusted accordingly.

The Aggregate Nominal Amount pursuant to the above provision may be reduced on one or more occasions, as required.

Notwithstanding any other provision of these Conditions, the Nominal Amount of each Specified Denomination shall never be reduced to an amount lower than one euro cent (or equivalent).

(ii) Reinstatement

If following a Loss Absorption, a positive Consolidated Net Income is recorded by the Issuer for at least two consecutive financial years following the End of Solvency Event (a **Return to Financial Health**), the Issuer shall increase the then Nominal Amount of the Notes to such maximum amount (either to the Original Nominal Amount plus any current or previous increase due to the settlement of Deferred Interest using the Payment in Kind Settlement Method or to any other amount lower than the Original Nominal Amount plus any current or previous increase due to the settlement of Deferred Interest using the Payment in Kind Settlement Method) (a **Reinstatement**) to the extent that any such Reinstatement does not give rise to a Solvency Event.

A Reinstatement shall be made on one or more occasions in the circumstances described above until the then Nominal Amount of the Notes has been reinstated to the Original Nominal Amount as from the Return to Financial Health (save in the event of occurrence of another Solvency Event).

The amount of the Reinstatement will not exceed the amount of the latest Consolidated Net Income of the Issuer.

(iii) Notifications

The occurrence of a Solvency Event, End of Solvency Event or Return to Financial Health shall be notified to the Noteholders in accordance with Condition 14 not later than 7 Business Days following its occurrence.

Any reduction or increase of the Nominal Amount of the Notes shall be notified to the Noteholders in accordance with Condition 14 not later than 7 Business Days prior to its occurrence.

For the purposes of these Conditions:

Consolidated Net Income means the consolidated net income (excluding minority interests) of the Issuer as calculated in the consolidated accounts approved by the Issuer's shareholders' general meeting.

End of Solvency Event means, following a Solvency Event, the first date on which either of the following events occur: (a) if the Solvency Event occurred pursuant to paragraph (a) of the definition thereof, the consolidated solvency margin level of the Issuer, calculated in accordance with the Applicable Regulations, is equal to 100 per cent. of the minimum consolidated solvency margin level required by the Applicable Regulations; or (b) if the Solvency Event occurred pursuant to paragraph (b) of the definition thereof, the notification by the Relevant Supervisory Authority to the Issuer that it has determined, in its sole discretion, in view of the financial condition of the Issuer, that the circumstances which resulted in such Solvency Event have ended.

4. Redemption for tax reasons

Conditions 7(b)(i) and 7(b)(ii) apply. The Notes may be redeemed at the option of the Issuer, in whole but not in part, for certain tax reasons (subject to the prior approval of the Relevant Supervisory Authority).

5. Exchange, Variation or Redemption following a Regulatory Event

Condition 7(e) shall be deleted and replaced in its entirety by the following:

"If at any time the Issuer determines that a Regulatory Event (as defined below) has occurred with respect to the Notes, as certified to the Principal Paying Agent by a member of the *Directoire* of the Issuer, the Issuer may, subject to the prior consent of the Relevant Supervisory Authority and the Issuer having given notice to the Noteholders in accordance with Condition 14 (which notice shall be irrevocable), but without any requirement for the consent or approval of the Noteholders, Receiptholders or Couponholders, exchange the Notes for, or vary the terms of the Notes so that they become, securities whose net proceeds constitute Tier 1 capital or core capital (whatever the terminology employed by Future Tier One Regulations to describe such capital) on terms which are not prejudicial to the interests of the Noteholders, as certified by a Director of the Issuer and by a representative of each of two independent investment banks of international standing. The Principal Paying Agent shall accept the certificates of the Issuer and independent investment banks as sufficient evidence of the occurrence of a Regulatory Event and that such exchange or amendments to the terms of the Notes are not prejudicial to the interests of the Noteholders. Any such modification or exchange shall be binding on the Noteholders, the Receiptholders and the Couponholders and shall be notified to the Noteholders in accordance with Condition 14 as soon as practicable thereafter.

If the consent of the Relevant Supervisory Authority is not given or the proceeds of the Notes, as so exchanged for or varied into, securities whose proceeds constitute Tier 1 Capital or core capital, do not (or would not, if so exchanged or varied) qualify as Tier 1 Capital or core capital, the Issuer may, provided that a Solvency Event has not occurred within the previous six months, having given not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 14, redeem, in accordance with these Terms and Conditions, all, but not some only, of the Notes at their Early Redemption Amount together with accrued interest (if any) and any other outstanding payments on any Interest Payment Date.

For the purposes of these Conditions:

Regulatory Event means that:

- (i) under Applicable Regulations or an official application or interpretation of those regulations including a decision of a court or tribunal the proceeds of the Notes are not eligible for the purposes of calculating the consolidated solvency margin of the Issuer and/or the Group; or
- (ii) the proceeds of the Notes are not eligible for inclusion in the Tier 1 Capital or core capital for the purpose of the determination of the consolidated solvency margin or capital adequacy ratio of the Issuer and/or the Group under Future Tier One Regulations or an official application or interpretation of those regulations including a decision of a court or tribunal.

Applicable Regulations means at any time the solvency margin or capital adequacy regulations applicable to the Issuer and/or the Group then in effect in France and applicable to the Issuer and/or the Group.

Future Tier One Regulations means the solvency margin or capital adequacy regulations which may in the future be introduced into France (or if the Issuer and/or the Group becomes domiciled in a jurisdiction other than France, such other jurisdiction) and applicable to the Issuer and/or the Group, which would lay down the requirements to be fulfilled by financial instruments for inclusion in Tier 1 capital or core capital as opposed to Tier 2 capital or secondary capital (whatever the terminology that may be retained).

Relevant Supervisory Authority means any relevant regulator having jurisdiction over the Issuer and/or the Group, in the event that the Issuer and/or the Group is required by Applicable Regulations to comply on a consolidated basis with certain applicable minimum solvency margins or capital adequacy levels. The current Relevant Supervisory Authority is the *Autorité de Contrôle des Assurances et des Mutuelles (ACAM)*."

Redemption following an Accounting Event

The following condition shall be added as Condition 7(e)(1):

"If an Accounting Event shall occur, the Issuer may, at its option, at any time, subject to having given not more than 45 nor less than 30 days' notice to the Noteholders (which notice shall be irrevocable) in accordance with Condition 14, redeem all, but not some only, of the Notes at their Early Redemption Amount.

Before the publication of any notice of redemption pursuant to this Condition 7(e)(1), the Issuer shall deliver to the Principal Paying Agent 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 the facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred.

For the purposes of this Condition 7(e)(1):

Accounting Event means that an opinion of a recognised accountancy firm of international standing has been delivered to the Issuer and the Principal Paying Agent, stating that the funds raised through the issuance of the Notes must not or must no longer be recorded as "equity" pursuant to IFRS or any other accounting standards that may replace IFRS for the purposes of the annual consolidated financial statements of the Issuer."

The following shall be added as Condition 7(l):

"It is the Issuer's intention to fund any early redemption of the Notes in accordance with Condition 7 (b), (c), (e) or (e)(1) of the Notes, in whole (but not in part) only to the extent that the Issuer has raised funds in the period of six months preceding such redemption by the issuance of Share Capital Securities or securities with terms and conditions similar to these Conditions (in particular in relation to the provisions on maturity, deferral of remuneration, payments of deferred remuneration and on replacement) or mandatory convertible bonds or notes having a maximum maturity of 3 years, in an aggregate amount at least equal to the aggregate principal amount of the Notes."

USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes, which include making a profit. If, in respect of any particular issue there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

DESCRIPTION OF THE ISSUER

The registered office of the Issuer is situated at 25, avenue Matignon, 75008 Paris, France (telephone +33 (0)1 4075 5700). The Issuer is a *société anonyme à directoire et conseil de surveillance* governed by French law, in particular by law No. 66-537 of 24 July 1966 as codified in the French Commercial Code. The Issuer was founded on 5 November 1852 and the Issuer's legal term will expire on 31 December 2059, in the absence of prior discussion or of extension of such term. The Issuer is registered with the *Registre du Commerce et des Sociétés de Paris* under number 572 093 920.

Business overview

The Company is the holding company for AXA, a worldwide leader in financial protection. Based on available information at 31 December 2006, AXA was one of the world's largest insurance groups, with consolidated gross revenues of €78.8 billion for the year ended 31 December 2006. AXA is also one of the world's largest asset managers, with total assets under management as at 31 December 2006 of €1,315 billion, including assets managed on behalf of third party clients in an aggregate amount of €689 billion. Based on available information at 31 December 2005 and taking into account banking companies engaged in the asset management business, AXA was the world's 5th largest asset manager. AXA operates primarily in Western Europe, North America, the Asia Pacific region and, to a lesser extent, in other regions including in particular the Middle East and Africa. AXA has five operating business segments: Life & Savings, Property & Casualty, International Insurance (including reinsurance), Asset Management, and Other Financial Services (including banks). 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 individual and group investment and savings products, as well as life and health products for both individuals and commercial clients. The Life & Savings segment accounted for €50.5 billion or 64% of AXA's consolidated gross revenues for the year ended 31 December 2006 (2005: €45.1 billion or 63% respectively).

Property & Casualty Segment

AXA's Property & Casualty segment offers a broad range of products including motor, household property and general liability insurance for both personal and commercial customers, targeting mainly small to medium sized companies, and in certain countries health products. The Property & Casualty segment accounted for €19.8 billion, or 25% of AXA's consolidated gross revenues for the year ended 31 December 2006 (2005: €18.9 billion or 26% respectively).

International Insurance Segment

Operations in this segment are principally focused on reinsurance, large risks and assistance. The businesses of these International Insurance activities are described below.

- **AXA Corporate Solutions Assurance** is the AXA Group subsidiary dedicated to large Property & Casualty risk insurance for large European companies, and to aviation and marine insurance companies worldwide.
- **AXA Cessions** is an intra group reinsurance company. Most of the companies within the AXA Group cede internally some of their major claims and catastrophic exposure to AXA Cessions which analyses, structures and places reinsurance programs for such risk with third party reinsurers. It also provides advice in risk management and purchases of reinsurance cover to AXA group subsidiaries.
- **AXA Assistance** provides assistance services including medical aid for travellers, automobile related road assistance, home assistance and health related services mainly to banking and insurance companies, tour operators, telecommunication operators, gas, water and electricity utilities and automobile manufacturers. AXA Assistance has also developed its expertise in the market of home services and in France, distributes “Chèque Emploi Service Universel” 5CESU) to businesses, local authorities and unions.

- **AXA Liabilities Managers** is the specialized unit in charge of managing AXA Group's Property & Casualty run off portfolios of AXA Germany, AXA Belgium, and AXA UK or corresponding to stand alone run-off companies of the "Other International Activities". In connection with the disposal of AXA's reinsurance activities, AXA Liabilities Managers also started managing the run-off of AXA RE at the end of 2006.

The International Insurance segment accounted for €3.7 billion, or 5% of AXA's consolidated gross revenues for the year ended 31 December 2006 (2005: €3.8 billion or 5%, 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 capitalise on existing strengths and expand its client base. This strategy is based on the belief that its assets management expertise will enable AXA to benefit in the future from expected growth in savings related products in the markets in which it operates. The Asset Management segment accounted for €4.4 billion of AXA's consolidated gross revenues for the year ended 31 December 2006 (2005: €3.4 billion).

AXA's Asset management companies are AllianceBernstein and AXA Investment Managers. The Asset Management companies manage assets on behalf of retail investors, private clients and institutional clients as well as on behalf of companies affiliated with AXA.

Other Financial Services

The operations in the Other Financial Services segment are conducted primarily in Belgium, France and Germany. For the years ended 31 December 2006 and 2005, the Other Financial Services segment accounted for € 0.4 billion, or 1% of AXA's consolidated gross revenues.

Organisational structure

The Issuer's insurance and financial services operations are generally conducted through direct and indirect subsidiaries. As a holding company, the Issuer's principal sources of funds are dividends from subsidiaries and funds that may be raised from time to time through the issuance of debt or equity securities or through bank or other borrowings. As a holding company, the Issuer is dependent upon its subsidiaries to cover its operating expenses and dividend payments. See 2006 Annual Report, pages 6-7, 282-288, for a description of the Group and the Issuer's position within the Group.

Management

See 2006 Annual Report, pages 21-37 for the names, functions and relevant external activities of members of the Issuer's Supervisory and Management Boards (and for information on the Issuer's Audit Committee). Their business address is at the registered office of the Issuer. See 2006 Annual Report, pages 20-21 for details of the Issuer's rules of corporate governance.

Administrative, Management and Supervisory bodies' conflict of interest

The Issuer's management organs are the Supervisory and Management Boards. The members of the Management Board do not currently hold any mandates outside the AXA Group. Certain members of the Supervisory Board, however, are executive officer and/or directors of companies that may have dealings from time to time with the Group which dealings may include extensions of credit, purchases of securities (for their own account or for third parties), underwriting of securities and/or furnishing other types or services or goods. These dealings are generally fully negotiated and effected on arms-length terms and conditions and, consequently, the Issuer does not believe they give rise to conflicts of interest.

Share capital

See 2006 Annual Report, page 79-89 for information on the share capital of the Issuer.

The Mutuelles AXA, three French mutual insurance companies, acting as a group, owned at 28 February 2007, directly and indirectly approximately 14.26% of the issued ordinary shares of the Issuer representing approximately 20.66% of its voting power.

Historical Financial information

See 2006 Annual Report, pages 250-438 for the Group's consolidated financial statements for the year ended 31 December 2006 (including balance sheet, income and cash flow statements, and notes) and the auditors' report thereon. See 2005 Annual Report, pages 232-394 for the Group's consolidated financial statements for the year ended 31 December 2005 (including balance sheet, income and cash flow statements, and notes) and the auditors' report thereon.

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 year ended 31 December 2006, 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 31 December 2006, 2005, and 2004 and as of 31 December 2006, 2005 and 2004 included in the Annual Report which is an English translation of the *Document de Référence* of the Issuer filed with the AMF on 20 April 2007, and which is incorporated by reference in this Offering Circular and which is available free of charge at BNP Paribas Securities Services, Luxembourg Branch.

The consolidated financial statements are prepared in accordance with IFRS and IFRIC interpretations that were definitive and effective at 31 December 2006 as adopted by the European Union before the balance sheet date. However, the group does not use the “carve out” option not to apply all hedge accounting principles as defined by IAS 39.

Information relating to previous periods and presented for comparison purposes has been prepared in accordance with IFRS 1.

Standards published and effective at 1 January 2006

The Group elected for early adoption in 2004 and 2005 of the amendment to *IAS 39 - Financial instruments: recognition and measurement* relating to the fair value option, and the amendment to *IAS 19 - Employee benefits* relating to actuarial gains and losses, group plans and disclosures. Early adoption was encouraged for these standards, which became effective for accounting periods starting on or after 1 January 2006. The impact on the Group's consolidated financial statements is set out in sections 1.15.2 Pensions and other post-retirement benefits and 1.7.2 Financial instruments.

However, the following standards, amendments and interpretations adopted by the Group at 1 January 2006 had no impact or no material impact on the consolidated financial statements:

- *Amendment to IAS 21 - Net Investment in a Foreign Operations*
- *Amendment to IAS 39 - Cash flow hedge Accounting of Intercompany Transactions*
- *Amendment to IAS 39 and IFRS 4 - Financial Guarantee Contracts*
- *IFRIC 4 - Determining whether an arrangement contains a lease.*

Changes in accounting policies that did not result from the application of new standards published and effective in the period are set out in the notes relating to the topics concerned (1.11.2 and 1.12.2).

Standards published but not yet effective

IFRS 7 - Financial instruments: Disclosures, published in August 2005 and applicable from 1 January 2007 requires information on the following subjects to be disclosed in the notes:

- the importance of financial instruments with respect to the entity's financial position and performance; this includes a number of requirements previously contained in IAS 32.
- qualitative and quantitative information on exposure to Market risks, including specified minimum disclosures on credit risk, liquidity risk and market risk. Qualitative information shall describe management objectives, policies and procedures in managing these risks. Quantitative information relates to the extent of the entity's exposure to risk, based on information reported internally to the entity's key managers. These notes provide an overview of the entity's use of financial instruments and insurance contracts and the resulting risk exposures.

Amendment to *IAS 1 - Capital disclosures*, also published in August 2005 and applicable from 1 January 2007, requires disclosure of the entity's objectives, procedures and processes for managing capital and complying with external regulatory constraints.

These two standards require additional disclosures in the notes to the consolidated financial statements relating to the Group's financial instruments, insurance contracts and capital. They will have no impact on the Group's results or financial position.

IFRS 8 - Operating segments, published in November 2006 and applicable from 1 January 2009, replaces *IAS 14 - Segment reporting*. The new standard requires operating segments used in the disclosures to be based on the segmentation used in the entity's internal reporting, i.e. on the basis of which operational heads allocate capital and resources to the various segments and assess the segments' performance. The standard requires the entity to explain the basis on which segments are determined, and provide a reconciliation between consolidated balance sheet and income statement amounts. The analysis of the potential impact on Group segment reporting is currently underway.

IFRIC 9 - Reassessment of Embedded Derivatives, published in March 2006 and applicable to accounting periods starting on or after 1 June 2006, states that the identification and measurement of an embedded derivative may only take place after the implementation of the contract provided if the contract undergoes an alteration that leads to material changes in the cash flows of the contract, the embedded derivative or the whole. Since this interpretation is in line with the Group's existing accounting principles, it is unlikely to have any impact on its consolidated financial statements.

IFRIC 10 - Interim Financial Reporting and Impairment, published in July 2006 and applicable to accounting periods starting on or after 1 November 2006, states that impairment cannot be released when a company, in its interim financial statements, has recognized a loss of value on goodwill, an unlisted equity instrument or a financial asset accounted at cost. Since this interpretation is in line with the Group's existing accounting principles, it is unlikely to have any impact on its consolidated financial statements.

The Group has not opted for early application of the following interpretations, whose impact on the consolidated financial statements is not expected to be material:

- *IFRIC 7 - Restatement under Hyperinflation IAS 29*
- *IFRIC 8 - Scope of IFRS 2*
- *IFRIC 11 - IFRS 2: Group and Treasury Share Transactions*

Preparation of financial statements

The preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions. It requires a degree of judgment in the application of Group accounting principles described below.

The main balance sheet captions concerned are goodwill (in particular impairment tests described in section 1.6.1), the value of acquired business in force, deferred acquisition costs and equivalent, certain assets accounted at fair value, liabilities relating to the insurance business, pension benefit obligations and balances related to share-based compensation. The principles set out below specify the measurement methods used for these items. These methods, along with key assumptions where required, are discussed in greater depth in the notes relating to the asset and liability items concerned where meaningful and useful.

As recommended by IAS 1, assets and liabilities are generally classified globally on the balance sheet in increasing order of liquidity, which is more relevant for financial institutions than a classification between current and non-current items. As for most insurance companies, expenses are classified by destination in the income statement.

All amounts on the consolidated balance sheet, consolidated statement of income, statement of consolidated cash flows, consolidated statement of shareholders' equity and in the notes are expressed in million of Euros, and rounded up to the nearest whole unit, unless otherwise stated.

First-time adoption of IFRS

The AXA Group's transition date is 1 January 2004. The Group prepared its opening IFRS balance sheet at that date. The Group's IFRS adoption date is 1 January 2005.

The AXA's accounting policies have been consistently applied to all the periods presented in its financial statements, including policies relating to the classification and measurement of insurance contracts, investment contracts and other financial assets and liabilities including derivatives.

SELECTED FINANCIAL INFORMATION FOR 2005 AND 2006

CONSOLIDATED BALANCE SHEET

ASSETS

Notes	(in Euro million)	December 31, 2006	December 31, 2005 Restated	December 31, 2004 Restated
5	Goodwill	16 070	13 559	12 204
6	Value of purchased business in force (1)	5 050	2 623	3 123
7	Deferred acquisition costs and equivalent (2) (9)	15 896	14 767	12 319
8	Other intangible assets	2 350	1 074	597
	Intangible assets	39 365	32 023	28 243
	Investments in real estate property	18 608	12 810	12 233
	Invested financial assets (3)	358 718	286 647	251 516
	Loans (4)	28 856	18 332	18 114
	Assets backing contracts where the financial risk is borne by policyholders (5)	176 562	141 410	112 387
9	Investments from insurance activities (6)	582 744	459 200	394 250
9	Investments from banking and other activities (6)	16 295	10 084	11 336
10	Investments in associates - Equity method	144	208	330
14	Reinsurer's share in insurance and investment contracts liabilities	12 038	9 087	7 898
	Tangible assets	1 733	1 247	1 290
	Other long term assets (7)	456	281	2 260
	Deferred policyholder's participation asset	460	0	0
	Deferred tax asset	3 118	3 757	3 731
	Other assets	5 767	5 285	7 281
	Receivables arising from direct insurance and inward reinsurance operations	11 873	9 713	8 167
	Receivables arising from outward reinsurance operations	805	888	2 134
	Receivables arising from banking activities	14 063	12 818	11 481
	Receivables - current tax	989	806	412
	Other receivables (8)	18 967	14 358	9 590
11	Receivables	46 696	38 585	31 784
	Assets held for sale and relating to discontinued operations (10)	3 337	102	62
12	Cash and cash equivalents	21 169	21 402	22 494
	TOTAL ASSETS	727 555	575 974	503 678

(1) Amounts shown gross of tax.

(2) Amounts gross of unearned revenue reserves and unearned fee reserves.

(3) Financial assets excluding loans and assets backing contracts where the financial risk is borne by policyholders. Includes fixed maturities, equities, controlled and non controlled investment funds.

(4) Includes policy loans.

(5) Includes assets backing contracts with Guaranteed Minimum features.

(6) Also includes trading financial assets and accrued interests.

All financial amounts are shown net of derivatives impact (please refer to note 19).

(7) Includes long term assets, i.e. when maturity is above 1 year.

(8) Includes short term assets, i.e. when maturity is below 1 year.

(9) As described in note 1.12.2, the adoption of FRS 27 in the United Kingdom has led to adjustments on all periods presented. The effect of these adjustments is set out in note 14.

(10) Including W interthur, please refer to note 5.

LIABILITIES

Notes	(in Euro million)	December 31, 2006	December 31, 2005 Restated	December 31, 2004 Restated
	Share capital and capital in excess of nominal value	22 670	18 120	19 385
	Reserves and translation reserve (10)	19 471	14 087	8 393
	Net income for the period (10)	5 085	4 318	3 793
	Shareholders' equity - Group share	47 226	36 525	31 571
	Minority interests	2 943	2 763	2 311
13	TOTAL MINORITY INTERESTS AND SHAREHOLDERS' EQUITY	50 168	39 288	33 882
	Liabilities arising from insurance contracts (8)	323 232	247 717	229 452
	Liabilities arising from insurance contracts where the financial risk is borne by policyholders (1)	108 984	92 888	73 578
	Total liabilities arising from insurance contracts (2)	432 216	340 605	303 030
	Liabilities arising from investment contracts with discretionary participating features (8)	32 599	33 267	31 832
	Liabilities arising from investment contracts with no discretionary participating features	1 121	926	869
	Liabilities arising from investment contracts where the financial risk is borne by policyholders (3)	67 673	48 549	39 127
	Total liabilities arising from investment contracts (2)	101 393	82 742	71 828
	Unearned revenues and unearned fees reserves (8)	2 080	1 726	1 570
	Liabilities arising from policyholder's participation (4) (8)	24 918	23 284	17 544
	Derivatives relating to insurance and investment contracts	(163)	(148)	(32)
14	LIABILITIES ARISING FROM INSURANCE AND INVESTMENT CONTRACTS	560 443	448 208	393 940
15	Provisions for risks and charges	8 984	8 761	7 729
	Subordinated debt (10)	5 563	5 073	5 041
	Financing debt instruments issued	3 688	2 817	2 903
	Financing debt owed to credit institutions	95	17	17
16	Financing debt (5)	9 347	7 906	7 961
	Deferred tax liability (8)	6 823	7 338	6 786
	Minority interests of controlled investment funds and puttable instruments held by minority interests holders(6)	7 224	5 115	3 717
	Other debt instruments issued and bank overdrafts (7) (9)	8 711	8 411	7 784
	Payables arising from direct insurance and inward reinsurance operations	7 947	4 680	3 863
	Payables arising from outward reinsurance operations	5 849	3 507	3 588
	Payables arising from banking activities (7) (9)	16 992	12 083	12 285
	Payables - current tax	2 059	1 382	954
	Derivatives relating to other financial liabilities	124	303	1
	Other payables	41 071	28 993	21 187
17	Payables	89 978	64 473	53 380
	Liabilities held for sale or relating to discontinued operations (11)	1 812	0	0
	TOTAL LIABILITIES	727 555	575 974	503 678

- (1) Also includes liabilities arising from contracts with Guaranteed Minimum features.
- (2) Amounts shown gross of reinsurer's share in liabilities arising from contracts.
- (3) Liabilities arising from investment contracts with discretionary participating features and investment contracts with no discretionary participating features where the financial risk is borne by policyholders.
- (4) Also includes liabilities arising from deferred policyholder's participation.
- (5) Financing debt amounts are shown net of effect of derivative instruments (please refer to note 19).
- (6) Mainly comprises minority interests of controlled mutual funds puttable at fair value - also includes put options granted to minority shareholders.
- (7) Includes effect of derivative instruments (please refer to note 19).
- (8) As described in note 1.12.2, the adoption of FRS 27 in the United Kingdom has led to adjustments on all periods presented. The effect of these adjustments is set out in note 14.
- (9) As at January 1, 2006, liabilities relating to securities sold under repository agreements in the Belgian banking business have been presented as payables resulting from banking operations instead of debt instruments in issue (other than financing debts) and bank overdrafts. The amount concerned at December 31, 2006 was €3,885 million.
- (10) As described in note 1.11.2, perpetual subordinated notes have been reclassified under shareholders' equity for all periods presented. Details are provided in note 13.
- (11) Including Winterthur, please refer to note 5.

	December 31, 2006	December 31, 2005	December 31, 2004
Liabilities arising from insurance contracts with financial risk borne by the policyholders	108 984	92 888	73 578
Liabilities arising from investment contracts with financial risk borne by the policyholders	67 673	48 549	39 127
Total Liabilities arising from contracts with financial risk borne by the policyholders	176 657	141 437	112 705
Liabilities arising from insurance contracts	323 232	247 717	229 452
Liabilities arising from investment contracts with discretionary participating features	32 599	33 267	31 832
Liabilities arising from investment contracts with no discretionary participating features	1 121	926	869
Total Liabilities arising from insurance and investment contracts	356 952	281 910	262 153

CONSOLIDATED STATEMENT OF INCOME

Notes	(in Euro million, except EPS in Euro)	December 31, 2006	December 31, 2005 Restated	December 31, 2004 Restated
	Gross written premiums	72 099	65 995	62 152
	Fees and charges relating to investment contracts with no participating features	608	509	417
	Revenues from insurance activities	72 707	66 504	62 570
	Net revenues from banking activities	376	428	386
	Revenues from other activities (1)	5 693	4 739	4 074
20	TOTAL REVENUES	78 775	71 671	67 030
	Change in unearned premiums net of unearned revenues and fees (11)	(476)	(483)	(104)
	Net investment income (2)	14 461	13 951	12 941
	Net realized investment gains and losses (3)	4 260	3 557	3 282
	Change in fair value of financial instruments at fair value through profit and loss (10)	14 550	16 110	12 530
	Change in financial instruments impairment (4)	(194)	(210)	(444)
21	Net investment result excluding financing expenses	33 077	33 408	28 309
	Technical charges relating to insurance activities (5) (11)	(84 836)	(81 791)	(72 959)
22	Net result from outward reinsurance	(1 455)	(141)	(1 063)
	Bank operating expenses	(78)	(61)	(101)
7 / 24	Acquisition costs (6) (11)	(7 191)	(6 536)	(5 957)
	Amortization of the value of purchased business in force and of other intangible assets	(282)	(558)	(468)
24	Administrative expenses	(8 788)	(8 596)	(7 906)
	Change in tangible assets impairment	18	(3)	(10)
	Change in goodwill impairment (9)	(12)	(70)	(36)
	Other income and expenses (7)	(511)	(81)	(239)
	Other operating income and expenses	(103 135)	(97 839)	(88 739)
	Income from operating activities before tax	8 241	6 757	6 495
10	Income arising from investments in associates - Equity method	34	21	55
23	Financing debts expenses (8) (10)	(474)	(481)	(439)
	Operating income before tax	7 801	6 296	6 111
18	Income tax (10) (11)	(2 043)	(1 490)	(1 844)
	Net operating result	5 758	4 806	4 266
	Result from discontinued operations net of tax	-	-	-
	Net consolidated income	5 758	4 806	4 266
	<i>Split between:</i>			
	<i>Net income Group share</i>	<i>5 085</i>	<i>4 318</i>	<i>3 793</i>
	<i>Minority interests share in net consolidated result</i>	<i>673</i>	<i>488</i>	<i>473</i>
26	Earnings per share	2,61	2,25	2,06
	Fully diluted earnings per share	2,56	2,22	1,98

(1) Excludes insurance and banking activities.

(2) Net of investment management costs.

(3) Includes impairment releases on sold invested assets.

(4) Excludes impairment releases on sold invested assets.

(5) Includes changes in liabilities arising from insurance contracts and investment contracts (with or without participating features) where the financial risk is borne by policyholders for an amount of €15,370 million as a balancing entry to the change in fair value of financial instruments at fair value through profit and loss (€13,978 million in 2005 and €10,543 million in 2004).

(6) Includes acquisition costs and change in deferred acquisition costs relating to insurance contracts and investment contracts with discretionary participating features as well as change in net rights to future management fees relating to investment contracts with no discretionary participating features.

(7) Notably includes financial charges in relation to other debt instruments issued and bank overdrafts.

(8) Includes net balance of income and expenses related to derivatives on financing debt (however excludes change in fair value of these derivatives).

(9) Includes change in goodwill impairment as well as negative goodwill.

(10) As described in note 1.11.2, perpetual subordinated notes have been reclassified under shareholders' equity for all periods presented. Details are provided in note 13.

(11) As described in note 1.12.2, the adoption of FRS 27 in the United Kingdom has led to adjustments on all periods presented. The effect of these adjustments is set out in note 14.

Selected Financial Information for 2005 and 2006

(in Euro million) (1)	December 31, 2006	December 31, 2005	December 31, 2004
Operating income before tax (2) (3)	7 801	6 236	6 111
Net amortization expense (4)	527	831	649
Change in goodwill impairment	12	76	36
Net change in deferred acquisition costs and equivalent	-1 413	-1 536	-1 548
Net increase / (write back) in impairment on investments, tangible and other intangible assets	175	214	455
Change in fair value of investments and financial instruments accounted for at fair value through profit & loss	-14 298	-15 962	-12 301
Net change in liabilities arising from insurance and investment contracts (5)	28 604	31 312	24 426
Net increase / (write back) in other provisions (6)	60	-23	-37
Income arising from investments in associates - Equity method	-34	-21	-55
Adjustment of non cash balances included in the operating income before tax	13 633	14 883	11 625
Net realized investment gains and losses	-4 776	-3 921	-3 668
Financing debt expenses	474	481	439
Adjustment of balances included in operating income before tax for reclassification to investing or financing activities	-4 304	-3 440	-3 229
Dividends recorded in profit & loss during the period	-2 030	-1 781	-1 344
Interests paid & received recorded in profit & loss during the period	-13 481	-12 975	-10 786
Adjustment of transactions from accrued to cash basis	-15 512	-14 755	-12 131
Net cash impact of deposit accounting	199	1 201	924
Dividends and interim dividends collected	1 994	1 801	1 386
Interests collected	14 432	13 184	10 697
Change in operating receivables and payables (7)	2 832	-965	1 326
Net cash provided by other assets and liabilities (8)	-1 718	-808	-2 285
Tax expenses paid	-1 660	-1 132	-882
Other operating cash impact and non cash adjustment (2)	1 239	188	-191
Net cash impact of transactions with cash impact not included in the operating income before tax	17 320	13 470	10 975
Net cash provided by operating activities	18 838	16 453	13 351
Purchase of subsidiaries and affiliated companies, net of cash acquired	-5 718	-1 583	-3 938
Disposal of subsidiaries and affiliated companies, net of cash ceded	117	891	856
Purchase of shares of affiliated companies	0	0	-72
Disposal of shares of affiliated companies	0	0	352
Net cash related to changes in scope of consolidation	-5 600	-691	-2 801
Sales of fixed maturities (8)	67 720	70 722	84 965
Sales of equities and non controlled investment funds (8) (9)	20 110	19 604	22 072
Sales of investment properties held directly or not (8)	2 104	962	1 820
Sales and/or repayment of loans and other assets (8) (10)	20 106	11 974	4 222
Net cash related to sales and repayments of financial assets (8) (9) (10)	110 040	103 262	112 878
Purchases of fixed maturities (8)	-84 728	-79 833	-82 677
Purchases of equity securities and non controlled investment funds (8) (9)	-20 978	-19 685	-34 416
Purchases of investment properties held directly or not (8)	-1 575	-991	-1 043
Purchases and/or issues of loans and other assets (8) (10)	-27 786	-20 878	-8 284
Net cash related to purchases and issuance of financial assets (8) (9) (10)	-135 067	-121 387	-126 421
Sales of tangible and intangible assets	140	225	33
Purchases of tangible and intangible assets	-206	-214	-221
Net cash related to sales and purchases of tangible and intangible assets	-155	11	-187
Increase in collateral payable / Decrease in collateral receivable	9 714	7 720	7 051
Decrease in collateral payable / Increase in collateral receivable	-3 355	-1 666	0
Net cash impact of assets lending / borrowing collateral receivables and payables	6 359	6 054	7 051
Other investing cash impact and non cash adjustment	-34	-401	-413
Net cash provided by investing activities	-24 457	-13 153	-9 894
Issuance of equity instruments (2) (11)	8 600	652	2 704
Repayments of equity instruments (2) (11)	-34	-517	58
Transactions on treasury shares	-305	-512	0
Dividends payout	-2 124	-1 308	-924
Interests on perpetual debts paid (2)	-166	-157	-132
Net cash related to transactions with shareholders	5 971	-1 842	1 706
Cash provided by financial debts issuance	1 406	301	366
Cash used for financial debts repayments	-359	-2 557	-2 048
Interests on financing debt paid (12) (2)	-539	-568	-643
Net cash related to Group financing	509	-2 824	-2 326
Other financing cash impact and non cash adjustment	8	-32	182
Net cash provided by financing activities	6 487	-4 699	-439
Cash and cash equivalent as at January 1	20 640	21 830	18 858
Net cash provided by operating activities	18 938	16 453	13 351
Net cash provided by investing activities	-24 457	-13 153	-9 894
Net cash provided by financing activities	6 487	-4 699	-439
Impact of change in scope on cash and cash equivalent	-7	138	117
Net impact of foreign exchange fluctuations and reclassification on cash and cash equivalents	6 190	71	-166
Cash and cash equivalent as at December 31	27 799	20 640	21 830

(1) The "Cash and cash equivalents" balances shown in the statement of consolidated cash flows do not include cash balances of consolidated investment funds from the Satellite Investment Portfolio (see note 1.7.2). However, from December 31, 2006, cash backing contracts where the financial risk is borne by policyholders (unit-linked contracts) is regarded as an item of "Cash and cash equivalents" instead of a financial asset. The reclassification of this cash under "Cash and cash equivalents" is presented in "Effects of exchange rate variations and reclassifications on cash and cash equivalents" in an amount of 6.7 billion (corresponding to the reclassification of opening cash and in "Purchase of shares in subsidiaries and affiliated companies net of cash acquired" in an amount of €1 billion (corresponding to the integration of Winterthur).

(2) As described in note 1.11.2, perpetual subordinated notes have been transferred from the "subordinated debt" item to the "shareholders' equity" item, and so are treated similarly to deeply subordinated notes. The effect on the cash flow statement of this reclassification is as follows:

- a €58 million decrease in operating income before tax at December 31, 2004 and a €102 million increase at December 31, 2005;

- a €426 million increase in "issuance of equity instruments" in 2004 and a €515 million increase in "Repayments of equity instruments" in 2005;

- a €132 million decrease in interest paid on perpetual debts at December 31, 2004 and a €157 million decrease at December 31, 2005.

(3) As described in note 1.18, the statement of consolidated cash flows now starts from "Operating income before tax", whereas it used to start from "Income from operating activities, gross of tax expenses".

(4) Includes the capitalization of premiums/discounts and related amortization and amortization of investment and owner occupied properties (held directly).

(5) Includes the impact of reinsurance. This item also includes the change in liabilities arising from contracts where the financial risk is borne by policyholders.

(6) Mainly includes changes in provisions for risks and charges, provisions for bad debts/doubtful receivables and change in impairment of assets held for sale.

(7) Also includes changes relating to repository transactions and equivalent for banking activities.

(8) Includes corresponding derivatives.

(9) Includes equities held directly or by consolidated and non controlled investment funds.

(10) Also includes purchases and sales of assets backing contracts where financial risk is borne by policyholders.

(11) Also includes issues and repayments of perpetual debts.

(12) Includes the net cash impact of interest margins relating to hedging derivatives on financing debts.

(in Euro million)	December 31, 2006	December 31, 2005	December 31, 2004
Cash and cash equivalent	21 169	21 402	22 494
Bank overdrafts (1)	(1 338)	(762)	(664)
Cash backing contracts where the financial risk is borne by policyholders (2)	7 959		
Cash and cash equivalent as at December 31	27 790	20 640	21 830

(1) Included in "Other debt instruments issued and bank overdrafts".

(2) From December 31, 2006, the "Cash and cash equivalents" item in the statement of consolidated cash flows includes cash backing contracts where financial risk is borne by policyholders (unit-linked contracts), which was previously considered as a financial asset.

Consolidated Statement of Shareholders' Equity

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

CHANGES IN SHAREHOLDERS' EQUITY (in Euro million, except for number of shares and nominal value)	Attributable to shareholders												Shareholders' Equity group share	Minority interests
	Share Capital					Other reserves								
	Number of shares (in thousands)	Nominal value (euros)	Share Capital	Capital in excess of nominal value	Treasury shares	Reserves relating to the change in FV of financial instruments available for sale	Reserves relating to the change in FV of hedge accounting derivatives (cash flow hedge)	Reserves relating to revaluation of tangible assets	Others (1)	Translation reserve	Undistributed profits and other reserves			
Shareholders' equity opening January 1, 2006 (2)	1 871 605	2,29	4 286	14 492	-658	8 111	75	3	3 550	681	5 985	36 525	2 763	
Capital	221 283	2,29	507									507		
Capital in excess of nominal value				3 800								3 800		
Equity - share based compensation				106								106		
Change in scope of consolidation						7	0	0	0			7	13	
Treasury shares					137							137		
Equity component of compound financial instruments									0			0		
Super subordinated debt									3 699			3 699		
Accrued interests - Super subordinated debt									-160			-160		
Dividends paid AXA											-1 647	-1 647	0	
Impact of transactions with shareholders	221 283	2,29	507	3 906	137	7	0	0	3 539	0	-1 647	6 449	13	
Reserves relating to changes in fair value through shareholders' equity						-355	-20	0				-375		
Others						0			0	-2	55	53	-302	
Translation reserves				0	0	0	0	0	0	-764	0	-764	-205	
Employee benefits actuarial gains and losses through OCI (2)											252	252		
Income allocation											0	0	0	
Net income of the period											5 085	5 085	673	
Total recognised income and expense for the period (SORIE)				0	0	-355	-20	0	0	-767	5 393	4 251	166	
Shareholders' equity closing December 31, 2006	2 092 888	2,29	4 793	18 398	-521	7 763	55	4	7 090	-86	9 730	47 226	2 943	

NB : amounts are presented net of impacts of shadow accounting and of its effects on policyholders' benefit, deferred acquisition costs, and value of business in force.

(1) Mainly equity components of compound financial instruments (e.g convertible bonds)

(2) The 2006 opening balance was adjusted by €2,679 million following a change in presentation of perpetual deeply subordinated notes as described in note 1.11.2 (accounting principles) and explained in note 13.

(3) Actuarial gains and losses accrued since opening January 1, 2006

CHANGES IN SHAREHOLDERS' EQUITY (in Euro million, except for number of shares and nominal value)	Attributable to shareholders												Shareholders' Equity group share	Minority interests
	Share Capital					Other reserves								
	Number of shares (in thousands)	Nominal value (euros)	Share Capital	Capital in excess of nominal value	Treasury shares	Reserves relating to the change in FV of financial instruments available for sale	Reserves relating to the change in FV of hedge accounting derivatives (cash flow hedge)	Reserves relating to revaluation of tangible assets	Others (1)	Translation reserve	Undistributed profits and other reserves			
Shareholders' equity opening January 1, 2005	1 908 444	2,29	4 370	15 401	(386)	5 720	53	-	3 782	(686)	3 316	31 571	2 311	
Capital	(36 839)	2,29	(84)									(84)		
Capital in excess of nominal value				(966)								(966)		
Equity - share based compensation				57								57		
Change in scope of consolidation						(2)			(0)			(2)	23	
Treasury shares					(272)							(272)		
Equity component of compound financial instruments														
Super subordinated debt									(119)			(119)		
Accrued interests - Super subordinated debt									(112)			(112)		
Dividends paid AXA											(1 164)	(1 164)		
Impact of transactions with shareholders	(36 839)	2,29	(84)	(909)	(272)	(2)	-	-	(231)	-	(1 164)	(2 663)	23	
Reserves relating to changes in fair value through shareholders' equity						2 393	22	3				2 418		
Others									(1)	5		(65)	(280)	
Translation reserves										1 361		1 361	230	
Employee benefits actuarial gains and losses through OCI (2)											(415)	(415)		
Income allocation													(9)	
Net income of the period											4 318	4 318	498	
Total recognised income and expense for the period (SORIE)				-	-	2 393	22	3	(1)	1 367	3 834	7 617	429	
Shareholders' equity closing December 31, 2005	1 871 605	2,29	4 286	14 492	(658)	8 111	75	3	3 550	681	5 985	36 525	2 763	

Consolidated Statement of Shareholders' Equity

CHANGES IN SHAREHOLDERS' EQUITY (in Euro million, except for number of shares and nominal value)	Attributable to shareholders											Shareholders' Equity group share	Minority interests
	Share Capital					Other reserves							
	Number of shares (in thousands)	Nominal value (euros)	Share Capital	Capital in excess of nominal value	Treasury shares	Reserves relating to the change in FV of financial instruments available for sale	Reserves relating to the change in FV of hedge accounting derivatives (cash flow hedge)	Reserves relating to revaluation of tangible assets	Others (1)	Translation reserve	Undistributed profits and other reserves		
Shareholders' equity opening January 1, 2004	1 778 103	2,24	4 072	14 008	(510)	4 213	45		2 888	(0)	458	25 174	2 322
Capital	130 341	2,24	298									238	
Capital in excess of nominal value				1 364								1 364	
Equity - share based compensation				28								28	
Change in scope of consolidation						0			3			3	(35)
Treasury shares					124							124	
Equity component of compound financial instruments													
Super subordinated debt									987			987	
Accrued interests - Super subordinated debt									(95)			(95)	
Dividends paid AXA												(676)	
Impact of transactions with shareholders	130 341	2,24	298	1 392	124	0			875	-		(676)	2 016
Reserves relating to changes in fair value through shareholders' equity						1 505	9						1 514
Others									15			61	81
Translation reserves										(686)			(686)
Employee benefits actuarial gains and losses through OCI (2)												(319)	(319)
Income allocation													17
Net income of the period												3 793	3 793
Total recognised income and expense for the period (SORIE)						1 505	9		15	(686)		3 535	4 382
Shareholders' equity closing December 31, 2004	1 908 444	2,24	4 370	15 401	(386)	5 720	53		3 782	(686)	3 316	31 571	2 311

NB: The 2004 opening balance was adjusted by €2,706 million and the 2004 closing balance by €3,048 million following a change in presentation of perpetual deeply subordinated notes as described in note 1.11.2 (accounting principles) and explained in note 13.

NB : amounts are presented net of impacts of shadow accounting and of its effects on policyholders' benefit, deferred acquisition costs, and value of business in force.

(1) Mainly equity components of compound financial instruments (e.g convertible bonds)

(2) Actuarial gains and losses accrued since opening January 1, 2004

RECENT DEVELOPMENTS

Set out below are press releases issued by the Issuer concerning certain recent developments.

10 May 2007 - First quarter 2007 activity indicators:

- **Life and Savings** new business volume (APE)² was up 13%³, or 33%⁴ on a reported basis, to Euro 2,099 million demonstrating AXA's capacity to maintain its organic growth momentum while integrating Winterthur.

This growth was supported by the solid performance in the US, France and the UK, more than offsetting Japan's volume decrease. New growth drivers emerged with Central and Eastern Europe (up 24%) and the progressive international roll-out of Accumulator-type products, notably in Germany.

Unit-linked new business APE increased by 24% on a comparable basis to represent 48.9% of total Life & Savings APE in 1Q07.

New business value (NBV)⁵ was up 13%² to Euro 467 million, or 33% on a reported basis, with a margin of 22.3%, up 0.1 point² compared to 1Q06 as a result of margin improvement in Germany, Japan and in the UK.

- **Property & Casualty** revenues increased by 3%², or 42%³ on a reported basis, to Euro 8,786 million. Personal lines were up 5% with strong contributions from the UK & Ireland and Southern Europe. Commercial lines were up 1%, mainly driven by France and Switzerland. Growth also stemmed from fast growing markets, with Turkey up 22%, Morocco up 21% and Asia up 14%.
- **Asset Management** revenues increased by 22%², or 15%³ on a reported basis, to Euro 1,150 million driven by higher average assets under management (+19% compared to 1Q06) as well as a favorable mix evolution. In 1Q07, Asset Management net inflows amounted to Euro 19 billion. Both AllianceBernstein and AXA Investment Managers contributed actively to this strong performance.

<i>Three months ended (Euro million, except when otherwise noted)</i>	31 March 2006	31 March 2007	Change (a)	Change on a comparable basis (a)
Life & Savings new business, group share				
APE	1 573	2 099	+ 33.4%	+12.5%
NBV	352	467	+ 32.9%	+12.9%
NBV to APE margin	22.3%	22.3%	-0.1 pt	+0.1 pt
Property & Casualty revenues	6 181	8 786	+42.1%	+3.0%
Asset Management				
Revenues	1 004	1 150	+14.6%	+21.8%
Net inflows (Euro billion):	19	19		
International Insurance revenues	1 793	1 718	-4.2%	+4.8%
<i>of which ACSA</i>	833	859	+3.1%	+3.8%

(a) 1Q07 figures include Winterthur contributions while 1Q06 did not include Winterthur. Changes on a comparable basis were calculated at constant FX and scope (including Winterthur contributions both in 2007 and 2006).

² Annual Premium Equivalent (APE) represents 100% of new business regular premiums + 10% of new business single premiums. APE is group share.

³ On a comparable basis: changes on a comparable basis were calculated at constant FX and scope (Winterthur contributions are included both in 2007 and 2006).

⁴ 1Q07 include Winterthur contributions while 1Q06 did not include Winterthur. Change on a reported basis is the difference in percentage.

⁵ New Business Value (NBV) is Group share. NBV for both 1Q06 and 1Q07 were computed using profitability factors by products from year-end 2006. Economic and actuarial assumptions remained unchanged.

*"AXA revenues increased by 34% in the first quarter of the year, demonstrating the efficiency of the Issuer's business model, a combination of strong organic growth and complementary acquisitions focused on distribution", said **Henri de Castries, Chairman of the AXA Management Board.***

The Issuer's Life & Savings activities delivered once more double digit growth, and the progressive international roll-out plan of the Issuer's variable annuity product, Accumulator, is on track.

The Property & Casualty revenues demonstrated good resilience in a competitive pricing environment, especially in retail lines. The Issuer's recent acquisition in Korea will reinforce the contribution of the Issuer's Asian platform in the future.

The Issuer's Asset Management business continued to record strong net inflows with both AllianceBernstein and AXA Investment Managers revenues growing at a strong double digit.

Numbers herein have not been audited or adjusted for scope and currency changes. Changes on a comparable basis have been adjusted for changes in scope (notably the impact of Winterthur), accounting methods and currency. APE and NBV are both in line with the Group's EEV disclosure. They are non-GAAP measures, which Management uses as key indicators of performance in assessing AXA's Life & Savings business and believes to provide useful and important information to shareholders and investors. IFRS revenues are available in Appendix 3 of this release.

AXA made the following press release on 1 June 2007

AXA announced, on 1 June 2007, that it has successfully completed the sale of Winterthur's US property and casualty insurance business to QBE Insurance Group for US\$1,156 million⁶ (Euro 920 million⁷).

This transaction was first announced 4 January 2007 and followed AXA's decision to put Winterthur's US operations under strategic review. The sale was completed on 31 May 2007.

AXA made the following press release on 4 June 2007

AXA announced, on 4 June 2007, that it has entered into a memorandum of understanding with SNS Reaal with a view to finalising discussions on the sale of its principal Dutch insurance operations, comprising 100% of AXA Netherlands, Winterthur Netherlands and DBV Netherlands, for a total cash consideration of Euro 1,750 million, after consultation with trade unions and workers' councils.

AXA contemplates exiting the Dutch insurance market given the limited possibilities to reach a leading position through organic growth in the foreseeable future as this market is highly competitive and dominated by large local players (AXA's operations currently rank #7 in Life & Savings and #11 in P&C).

AXA's management believes that the proposed sale to a larger market participant is the most efficient way to maximise value creation in the context of AXA's active capital management discipline and its Ambition 2012 program, and that the proposed transaction should also create new and exciting opportunities for employees of its Dutch operations.

Full year 2006 normalized earnings⁸ of AXA's Dutch operations were Euro 143 million, and their contribution to AXA's Group EV was Euro 1,529 million, of which Euro 1,349 million for Life & Savings EEV. First quarter 2007 NBV was Euro 1 million.

⁶ In addition, Winterthur US has repaid US\$ 636 million (Euro 506 million) of inter-company loans to AXA

⁷ Taking into account hedges put in place by AXA for this transaction at 1 Euro = 1.26 US\$).

⁸ Non gaap measure, unaudited estimate. Normalized earnings are the sum of AXA Netherlands, Winterthur Netherlands and DBV Netherlands 2006 statutory net income, adjusted for non-recurring items. Winterthur (including Winterthur Netherlands and DBV Netherlands) FY2006 earnings were not included in AXA's 2006 consolidated earnings due to the closing of the acquisition of Winterthur on 22 December 2006.

AXA's Dutch operations concerned by this proposed transaction will be treated as discontinued operations (held for sale) in AXA's 2007 consolidated financial statements. As a consequence, their earnings until closing date will be accounted for in net income. Their sale should generate an exceptional capital gain of approximately Euro 400 million, which will also be accounted for in 2007 net income.

A further announcement will be made upon execution of definitive transaction documents following completion of required consultations with trade unions and workers' councils. The parties contemplate that the definitive transaction documents will include customary closing conditions for a transaction of this type including receipt of customary regulatory approvals and expect the transaction to close before year end 2007.

AXA made the following press release on 8 June 2007

AXA and BNP Paribas announced on 8 June 2007 they had reached an agreement for the establishment of a partnership on the Ukrainian property & casualty insurance market. AXA will acquire from BNP Paribas' subsidiary UkrSibbank a 50% stake in its insurance subsidiary: Ukrainian Insurance Alliance (UIA). AXA will take the management control of the joint company, which will benefit from an exclusive bancassurance distribution agreement with UkrSibbank for an initial period of 10 years.

UIA sells mostly individual motor and property insurance through UkrSibbank's 1000 branches. In 2006, it more than doubled its revenues compared to the previous year to \$35 million. Following this operation, UIA will be well positioned to seize the growth prospects of the Ukrainian market, by combining the strength of UkrSibbank's network and AXA's expertise in insurance product development, client service and claims management.

The Ukrainian insurance industry is still very fragmented with top 10 players, including UIA, controlling just above 40% of the market. It enjoys very strong growth potential, with 47 million inhabitants and a very low penetration rate.

Completion of the transaction is subject to customary regulatory approvals and is expected to take place before year-end 2007.

This new partnership will allow AXA and BNP Paribas to grow faster in the promising Ukrainian property & casualty market. This deal mirrors AXA and BNP Paribas' profitable partnership on the French property & casualty market.

LIFE & SAVINGS:

AXA maintained its organic growth momentum, while integrating Winterthur. APE increased by 13%, or 33% on a reported basis, to Euro 2,099 million supported by the very solid performance in the US, France and the UK, more than offsetting Japan's volume decrease. New growth drivers emerged with Central and Eastern Europe (up 24%) and the progressive international roll-out of Accumulator-type products, notably in Germany.

Unit-linked new business APE increased by 24% on a comparable basis to represent 48.9% of total Life & Savings APE in 1Q07.

New business value (NBV) was up 13% to Euro 467 million, or 33% on a reported basis, with a margin of 22.3%⁹, up 0.1 point versus 1Q06 on a comparable basis. NBV margins improved overall notably in Germany, driven by TwinStar, in Japan following a strategy of improved business mix to offset the impact of volume decrease and in the UK.

<i>Annual Premium Equivalent, Group share (Euro million) Three months ended</i>	31 March 2006	31 March 2007	Change	Change on a comparable basis
Life & Savings	1 573	2 099	33.4%	12.5%
United States	502	555	10.6%	20.6%
France*	324	354	9.1%	11.7%
Japan	182	164	-9.9%	-16.0%
United Kingdom	230	433	88.3%	38.5%
Germany	72	123	70.5%	4.3%
Switzerland	-	128	-	0.5%
Benelux	119	143	20.2%	0.5%
Southern Europe	25	37	50.0%	13.6%
Central & Eastern Europe	-	21	-	24.1%
Australia/New Zealand	101	100	-0.6%	2.3%
Hong Kong	19	41	110.9%	14.0%

* The change between reported and comparable basis is explained by a refinement in the modeling related to flexible premiums.

<i>New Business Value, Group share (Euro million) Three months ended</i>	31 March 2006	31 March 2007	Change	Change on a comparable basis
Life & Savings	352	467	32.9%	12.9%
United States	107	113	5.9%	15.5%
France	49	56	13.6%	13.6%
Japan	94	98	4.0%	-0.5%
United Kingdom	19	43	120.5%	79.6%
Germany	14	35	156.8%	55.9%
Switzerland	-	39	-	2.3%
Benelux	43	42	-3.2 %	-8.8%
Southern Europe	5	4	-23.2%	-25.9%
Central & Eastern Europe	-	8	-	43.5%
Australia/New Zealand	7	10	33.5%	37.5%
Hong Kong	12	20	58.5%	6.5%

⁹ Lower NBV margin compared to December 06 AXA standalone reported figure is attributable to the slight dilution caused by Winterthur acquisition and a smaller contribution of AXA Japan.

The United States new business **APE** increased by 21%, primarily driven by the continued expansion of the wholesale distribution networks. Overall, variable annuity sales were up 13%, primarily driven by a 26% growth in sales through the wholesale financial planner channel and product enhancements.

The United States **NBV** was up 15% to Euro 113 million, with a margin of 20.4%, down 0.9 point. Margin was down from 1Q06 due to a slight change in business mix reflecting an increase in fixed life insurance sales.

France new business **APE** increased by 12% to Euro 354 million driven by Group retirement. Individual Investment & Savings decreased in the wake of French market slowdown in 1Q07 following buoyant activity in 1Q06.

France **NBV** increased 14% to Euro 56 million, driven by the increase in APE. NBV margin was up 0.3 point to 15.8% thanks to improvement in Group retirement margin.

Japan new business **APE** decreased by 16% due to (i) lower LTPA sales as this product benefited from a favorable tax environment up until April 2006, (ii) increased competition in the Increasing Term market leading to a significant drop in AXA Agents' (non tied agency channel) sales of this product, (iii) a strong shift in AXA Partner's (large corporate clients including large independent financial advisors) business mix away from term to more profitable Medical products, (iv) lower SPA (index-linked annuity product) sales, partly offset by (v) strong growth in Winterthur Japan sales coming predominantly from Medical products (notably cancer product),.

Japan **NBV** remained stable at Euro 98 million as the improved business mix (NBV margin up 9.3 points to 60.0% due to higher share of medical products) compensated for lower volumes.

In the **United Kingdom**, new business **APE** was up 39% to Euro 433 million with a 69% Investments & Savings growth notably explained by a particularly strong performance in respect of low margin wholesale offshore bond deals in 1Q07 (although volumes from these deals are expected to be lower for the remainder of 2007) and a 25% pension growth reflecting the strength of the combined AXA and Winterthur Individual pension offering.

The United Kingdom **NBV** increased 80% to Euro 43 million as a result of improved volumes and the NBV margin increase. Margin increased by 2.3 points to 9.8% as the additional volumes have been achieved whilst continuing effective cost control in the business.

Germany new business **APE** was up 4% to Euro 123 million due to strong growth in Investment & Savings unit-linked products, especially with TwinStar which represented Euro 13 million, as well as an increase in Health insurance. Non unit-linked (excluding Health) decreased by 22% following the abolition of tax privilege for conventional life and general move of clients to higher margin unit-linked business.

Germany **NBV** recorded a sharp 56% growth to Euro 35 million driven by TwinStar. NBV margin was up 9.5 points to 28.7%.

Switzerland new business **APE** was up 1% to Euro 128 million, with non unit-linked Group business up 2% to Euro 116 million. Individual business remained weak despite the strong increase in unit-linked contracts.

Swiss **NBV** increased by 2% to Euro 39 million stemming from Group Life sales increase. The 30.6% NBV margin resulted from the combination of the 33.5% Group business margin and the 4.0% individual business margin.

Benelux new business **APE** was up 1% to Euro 143 million due to Belgium up 3% to Euro 110 million following an increase in non unit-linked products (Crest). The Netherlands APE were down 21% as a result of a depressed market environment.

Benelux **NBV** was down 9% to Euro 42 million due to the Netherlands following both a volume decrease and a higher portion of low margin pension business. Overall, NBV margin remained high at 29.1% supported by Belgium recording a strong 38.3% NBV margin.

Southern Europe new business **APE** increased by 14% to Euro 37 million following an increase of 9% in Individual segments and 32% in Group. The growth in Group segment is mainly attributable to a new agreement with a Spanish credit card issuer. In Spain, the Accumulator product was launched as planned in March 2007.

Southern Europe **NBV** decreased by 26% to Euro 4 million, with a margin of 11.0% down 5.8 points as a result of less favorable business mix.

Central & Eastern Europe new business **APE** was up 24% to Euro 21 million mainly driven by Czech Republic (+41% to Euro 8 million) and Hungary (+69% to Euro 5 million), benefiting from strong Life unit-linked sales (+54% to Euro 7 million) and Pension Fund transfers from competitors (+15% to Euro 14 million). Overall, growth of new business APE was mainly driven by the brokers network (+35%).

Central & Eastern Europe **NBV** was up 44% to Euro 8 million following APE growth and benefiting from higher margins. NBV margin was very strong at 35.8%, up 4.8 points.

Australia/New-Zealand new business **APE** was up 2% to Euro 100 million mainly due to continued strong inflows into the mezzanine Global Equity Value fund and strong personal superannuation flows into the Summit and Generations platforms. This was offset by lower wholesale flows into the AllianceBernstein joint venture as 1Q06 included two large mandates.

Australia/New Zealand **NBV** was up 38% to Euro 10 million. The NBV margin increased from 7.2% to 9.6% due to scale benefits from the increasing funds under management in wealth management.

Hong Kong new business **APE** was up 14% to Euro 41 million driven by strong sales from the agency channel and AXA Advisors. Group retirement and investment products were up as a result of the buoyant economic environment and strong sales through the broker channel.

Hong Kong **NBV** was up 7% to Euro 20 million. The increase in sales was partly offset by a drop in NBV margin further to a higher proportion of Mandatory Provident Fund products with a lower profitability than traditional products. NBV margin remained very strong at 48.0%, down 3.2 points.

PROPERTY & CASUALTY :

Property & Casualty revenues increased by 3% to Euro 8,786 million.

Personal lines were up 5% with strong contributions from the UK & Ireland and Southern Europe, as well as a favorable evolution in Benelux Household lines.

Commercial lines were up 1%, mainly driven by France and Switzerland.

Growth also stemmed from fast growing markets, with Turkey up 22%, Morocco up 21% and Asia up 14%.

Personal Motor and Household net new inflows were significantly up compared to 1Q06, reaching 352,000 contracts and 94,000 contracts, respectively.

IFRS Revenues Three months ended (Euro million)	31 March 2006	31 March 2007	Change	Change on a comparable basis
Property & Casualty	6 181	8 786	+42.1%	+3.0%
. France	1 709	1 744	+2.1%	+2.1%
. Germany	1 348	1 620	+20.2%	+1.0%
. Switzerland	47	1 657	ns	+0.6%
. United Kingdom & Ireland	1 172	1 287	+9.8%	+7.6%
. Southern Europe	799	1 131	+41.6%	+2.9%
. Belgium	444	641	+44.5%	+1.5%
. Other countries	665	707	+6.4%	+9.1%
<i>of which Canada</i>	241	217	-9.9%	+0.6%
<i>of which Turkey</i>	138	146	+5.8%	+22.1%
<i>of which Morocco</i>	55	65	+19.4%	+21.2%
<i>of which Asia (a)</i>	80	84	+5.3%	+13.9%

(a) Singapore, Hong Kong and Japan

Personal lines (57% of P&C premiums) were up 5%.

Motor revenues grew by 4% mainly driven by (i) the UK & Ireland, largely as a result of the new business written through the newly acquired Internet player Swiftcover, (ii) Southern Europe up 7%, boosted by strong net inflows of 117,000 policies due to the success of the new products launched in 2006 and 2007, (iii) Asia (up 21%), Turkey (up 19%) and Morocco (up 8%) which confirmed their strong momentum.

Germany increased revenues by 1% despite a softening market due to positive net inflows (97,153 new contracts). Positive net inflows of 23,500 new contracts were also recorded in France.

Non-motor revenues increased by 6% mainly driven by (i) new business growth in UK Property and Health lines, (ii) as well as Accident and Health products in Southern Europe, (iii) along with higher average premiums across the board including the implementation of natural catastrophe guarantees in Belgium Household activity.

Commercial lines (43% of P&C premiums) were up 1%.

Motor revenues were flat, as steady growth in Germany (+8%), Switzerland (+7%) and France (+3%) was offset by the decrease in revenues in Ireland (-18%) as a result of decreasing average premiums in a context of intense competition and in Southern Europe (-11%) due to a shift in product mix towards third-party liability and an increase in cancellations.

Non-motor revenues were up 2%, with France up 4% driven by Construction and Liability, Switzerland up 2% mainly driven by Property and Liability, and Germany up 1%. The UK was flat, growth in Property and Health being offset by the decline in Casualty business, while Southern Europe was down 3% due to the non renewals of some less profitable contracts.

ASSET MANAGEMENT:

Asset Management revenues increased by 22% to Euro 1,150 million driven by higher average assets under management (+19% compared to 1Q06), as a result of strong net inflows (Euro 19 billion) and favorable market conditions, as well as a favorable mix evolution. Both AllianceBernstein and AXA Investment Managers grew at a strong double digit pace.

<i>IFRS revenues¹⁰ Three months ended (Euro million)</i>	31 March 2006	31 March 2007	Change	Change on a comparable basis
Asset Management	1 004	1 150	+14.6%	+21.8%
. AllianceBernstein ^(a)	690	753	+9.2%	+19.1%
. AXA Investment Managers ^(b)	314	397	+26.4%	+27.8%

(a) Lower reported change than comparable basis is due to Euro appreciation versus Dollar.

(b) Excluding management and front-end fees collected by AXA Investment Managers on behalf of external distributors, gross revenues increased by 21% on a comparable basis.

AllianceBernstein: Revenues increased by 19% compared to 1Q06, due primarily to higher investment advisory fees driven by 21% higher average AUM. Institutional fees were up 27%, Retail up 18%, and Private Client up 24%.

AUM increased by Euro 13 billion from year-end 2006 to Euro 557 billion at the end of March 2007 driven by strong global net inflows of Euro 10 billion across all client categories (Euro 5 billion from institutional clients, Euro 2 billion from retail and Euro 3 billion from private clients). The Euro 9 billion market appreciation was largely offset by a negative Euro 6 billion exchange rate impact.

AXA Investment Managers: Revenues increased by 28%, while gross revenues, excluding management and front-end fees collected on behalf of external distributors, increased by 21%, driven by higher average AUM (+16%) and higher average fees as a result of a favorable client and product mix evolution.

AUM increased by Euro 65 billion from year-end 2006 to Euro 550 billion at the end of March 2007 driven by Euro 8 billion of net inflows mainly from institutional clients and third party retail clients, a Euro 5 billion increase due to market appreciation as well as a Euro 54 billion positive scope impact linked to the transfer of assets from Winterthur, partly offset by a Euro 2 billion negative foreign exchange rate impact.

¹⁰ Net of inter-company transactions.

INTERNATIONAL INSURANCE:

International Insurance revenues were up 5% to Euro 1,718 million, with AXA Corporate Solutions Assurance up 4%, driven by selective portfolio development. Other transnational activities were mainly driven by AXA Assistance which was up 12%.

<i>IFRS Revenues Three months ended (Euro million)</i>	31 March 2006	31 March 2007	Change	Change on a comparable basis
International Insurance	1 793	1 718	-4.2%	+4.8%
. AXA Corporate Solutions Assurance	833	859	+3.1%	+3.8%
. Others including AXA RE ^(a)	959	859	-10.5%	+8.4%

(a) The sale of AXA RE's business to Paris Re Holdings was completed on December 21, 2006. AXA RE's revenues, reported under "Other Transnational Activities" amounted to Euro 579 million in 1Q07 versus Euro 723 million in 1Q06 and are excluded from comparison between 1Q07 and 1Q06 on a comparable basis. 100% of the business fronted on behalf of Paris Re was retroceded in 1Q07 to Paris Re Holdings or its affiliates.

APPENDIX 1

LIFE & SAVINGS – Breakdown of APE between unit-linked, non unit-linked and mutual funds

11 main countries/regions and modelled business

First Quarter 2007 – Group Share

Euro million	1Q07 APE			% UL in APE (excl. mutual funds)		UL change on comparable basis
	UL	Non-UL	Mutual Funds	1Q06	1Q07	
France	94	260		27%	27%	0%
United States	294	130	131	69%	69%	+ 25%
Japan	24	140		8%	14%	- 5%
United Kingdom	399	35		89%	92%	+ 39%
Germany	33	90		27%	27%	+ 58%
Switzerland	3	125		--	3%	NS
Benelux	23	119	1	24%	16%	- 35%
Southern Europe*	3	32	2	6%	9%	+ 76%
Central&Eastern Europe	14	7		--	65%	NS
Australia/New- Zealand*	3	7	91	28%	31%	- 4%
Hong-Kong	26	15		31%	63%	+ 31%
TOTAL	915	958	226	46%	49%	+ 24%

* Classification of APE between unit-linked and non unit-linked products was refined in Southern Europe and Australia with an impact on 2006 figures.

APPENDIX 2

PROPERTY & CASUALTY – Split by business lines – First Quarter 2007

	Personal Motor		Personal Non-Motor		Commercial Motor		Commercial Non-Motor	
	% Gross Revenues	Change on comp. basis	% Gross Revenues	Change on comp. Basis	% Gross Revenues	Change on comp. Basis	% Gross Revenues	Change on comp. basis
France	27%	+ 0%	25%	+ 1%	10%	+ 3%	38%	+ 4%
Germany	40%	+ 1%	25%	+ 2%	7%	+ 8%	26%	+ 1%
Switzerland	41%	- 1%	8%	+ 3%	4%	+ 7%	46%	+ 2%
United Kingdom ^(a)	15%	+ 27%	38%	+ 15%	7%	- 3%	41%	- 0%
Southern Europe	50%	+ 7%	22%	+ 8%	7%	- 11%	21%	- 3%
Belgium	30%	+ 4%	24%	+ 7%	8%	- 1%	38%	- 3%
Canada	33%	+ 3%	15%	- 0%	8%	- 1%	45%	- 3%
The Netherlands	13%	- 5%	47%	+ 9%	18%	- 12%	23%	- 0%
Others	52%	+ 18%	4%	+ 12%	5%	+ 10%	41%	+ 26%
TOTAL	35%	+ 4%	23%	+ 6%	7%	+ 0%	36%	+ 2%

(a) Including Ireland

APPENDIX 3

AXA GROUP IFRS Revenues – Comparison 1Q07 vs. 1Q06

<i>Euro million</i>	1Q 06 IFRS	1Q 07 IFRS	IFRS revenue change	
			Reported	Comp. basis
TOTAL	21 993	29 367	33.5%	5.6%
Life & Savings	12 929	17 633	36.4%	6.0%
United States	3 998	4 012	0.3%	9.4%
France	3 809	4 313	13.2%	13.3%
Japan	1 262	1 321	4.6%	-0.4%
United Kingdom	1 077	1 140	5.9%	-1.5%
Germany	856	1 518	77.3%	2.5%
Switzerland	56	2 745	ns	-2.1%
Belgium	761	957	25.7%	17.6%
Southern Europe	280	356	27.3%	-4.1%
Other countries (1)	829	1 272	53.4%	5.9%
<i>of which Australia/New-Zealand</i>	293	309	5.3%	5.9%
<i>of which Hong-Kong (2)</i>	227	362	59.2%	26.8%
<i>of which Central & Eastern Europe</i>	--	103	ns	12.1%
Property & Casualty	6 181	8 786	42.1%	3.0%
France	1 709	1 744	2.1%	2.1%
Germany	1 348	1 620	20.2%	1.0%
Switzerland	47	1 657	ns	0.6%
United Kingdom + Ireland	1 172	1 287	9.8%	7.6%
Southern Europe	799	1 131	41.6%	2.9%
Belgium	444	641	44.5%	1.5%
Other countries	665	707	6.4%	9.1%
International Insurance (3)	1 793	1 718	-4.2%	4.8%
AXA Corporate Solutions Assurance	833	859	3.1%	3.8%
Others, including AXA RE	959	859	-10.5%	8.4%
Asset Management	1 004	1 150	14.6%	21.8%
AllianceBernstein	690	753	9.2%	19.1%
AXA Investment Managers	314	397	26.4%	27.8%
Other Financial Services	87	80	-7.3%	0.1%

Note: Winterthur was acquired on December 22, 2006. AXA's 1Q07 revenues include the contribution from Winterthur while 1Q06 revenues did not. Winterthur's 1Q06 revenues amounted to Euro 6 716 million of which Euro 4 229 million in Life & savings and Euro 2 472 million in Property & Casualty.

(1) Newly consolidated South Eastern Asia entities contributed Euro 12 million to "other countries" Life & Savings revenues.

(2) MLC which was acquired on May 8, 2006 contributed Euro 28 million to Hong Kong Life & Savings revenues.

(3) AXA RE's revenues amounted to Euro 579 million in 1Q07 versus Euro 723 million in 1Q06 and are excluded from comparison between 1Q07 and 1Q06 on a comparable basis.

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 organization" 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 depositories 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 account holders,

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

The Following is only a summary of certain of the implications of an investment in Notes based on current French law and does not purport to constitute legal advice. Prospective purchasers are urged to consult with their own tax advisers prior to purchasing the Notes to determine the tax implications of investing in the Notes in light of each purchaser's circumstances. This summary is based upon the law as in effect on the date of this Offering Circular and is subject to any change in law that may effect after such date.

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 *Code général des impôts* (General tax code) 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 30 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 *investisseurs qualifiés* (qualified investors) acting for their own account as described in Articles L. 411-1 and 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 and can show that it is so domiciled or resident in accordance with French law.

The French tax regime applicable to Notes which do not constitute obligations will be set out for each such issue of Notes.

U.K.

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 HM Revenue and Customs 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. HM Revenue and Customs also has power to obtain information from any person in the United Kingdom who pays amounts payable on the redemption of Notes which are deeply discounted securities for the purposes of the Income Tax (Trading and Other Income) Act 2005 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

HM Revenue and Customs with the tax authorities of the jurisdiction in which the Noteholder is resident for tax purposes.

Luxembourg

The following summary is of a general nature and is included herein solely for information purposes. It is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. Prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Withholding Tax

(i) Non-resident holders of Notes

Under Luxembourg general tax laws currently in force and subject to the laws of 21 June 2005 (the **Laws**) mentioned below, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident holders of Notes.

Under the Laws implementing the EC Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the **Territories**), payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner or a residual entity, as defined by the Laws, which is a resident of, or established in, an EU Member State (other than Luxembourg) or one of the Territories will be subject to a withholding tax unless the relevant recipient has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the fiscal authorities of his/her/its country of residence or establishment, or, in the case of an individual beneficial owner, has provided a tax certificate issued by the fiscal authorities of his/her country of residence in the required format to the relevant paying agent. Where withholding tax is applied, it will be levied at a rate of 15 per cent. during the first three-year period starting 1 July 2005, at a rate of 20 per cent. for the subsequent three-year period and at a rate of 35 per cent. thereafter. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Laws would at present be subject to withholding tax of 15 per cent.

(ii) ***Resident holders of Notes***

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005 (the **Law**) mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of Notes.

Under the Law payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner who is a resident of Luxembourg will be subject to a withholding tax of 10 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Law would be subject to withholding tax of 10 per cent.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required, from 1 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 are instead 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). A number of non-EU countries and territories including Switzerland have agreed to adopt similar measures (a withholding system in the case of Switzerland) with effect from the same date.

For French tax purposes, this Directive has been implemented in French law under Article 242 ter of the French *Code général des impôts* (General tax code) by a 30 December 2003 Law amending the 2003 budget (*Loi de finances rectificative pour 2003*) and by a 30 December 2004 Law amending the 2004 budget (*Loi de finances rectificative pour 2004*).

SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

The Dealers have in an amended and restated programme agreement (the **Programme Agreement**) dated 14 June 2007 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 Purchaser (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 any future 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 deemed or required, as the case may be, 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 or, in the case of Partly Paid Notes, the date on which the Notes are paid in full, 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 (3) 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 OR, IN THE CASE OF PARTLY PAID NOTES, THE DATE ON WHICH THE SECURITIES ARE PAID IN FULL, 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 completion of the distribution of the Notes, as determined and certified by the Dealer or the Lead Manager, as the case may be), 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 TO A QIB IN COMPLIANCE WITH RULE 144A OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT. BENEFICIAL INTERESTS IN THE SECURITY MAY NOT BE HELD OTHERWISE THAN THROUGH EUROCLEAR OR CLEARSTREAM, LUXEMBOURG. 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. Terms used in this paragraph have the meanings given to them by Regulation S under 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 of the Notes, 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. Terms used in this paragraph have the meanings given to them by Regulation S.

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 Final Terms.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a **Non-exempt Offer**), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable;
- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000; and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- (d) at any time to fewer than 100 natural or legal persons (other than qualified investors as defined in the

Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

- (e) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (b) to (e) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an **offer of Notes to the public** in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression **Prospectus Directive** means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

United Kingdom

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

- (a) 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;
- (b) 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
- (c) 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 of Japan (the **Securities and Exchange Law**) and 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

(i) Notes denominated in euro:

In respect of Notes constituting "obligations" under French law and issued in euro whether on a syndicated or non-syndicated basis, each of the Dealers and the Issuer has represented and agreed that:

(A) Offer to the public in France:

it has only made and will only make an offer of Notes to the public (*appel public à l'épargne*) in France in the period beginning (i) when a prospectus in relation to those Notes has been approved by the *Autorité des marchés financiers* (AMF), on the date of its publication or, (ii) when a prospectus has been approved by the competent authority of another Member State of the European Economic Area which has implemented the EU Prospectus Directive 2003/71/EC, on the date of notification of such approval to the AMF, and ending at the latest on the date which is 12 months after the date of approval of the Offering Circular, all in accordance with articles L. 412-1 and L. 621-8 of the French Code *monétaire et financier* and the *Règlement général* of the AMF; or

(B) Private placement in France:

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, the Offering Circular, the relevant Final Terms or any other offering material relating to the Notes, and that such offers, sales and distributions have been and will be made in France only to (i) providers of investment services relating to portfolio management for the account of third parties, and/or (ii) qualified investors (*investisseurs qualifiés*) other than individuals, all as defined in, and in accordance with, articles L. 411-1, L. 411-2, D.411-1 of the French Code *monétaire et financier*.

(ii) Syndicated issues of Notes denominated in currencies other than euro:

In respect of Notes constituting "obligations" under French law and issued in currencies other than euro on a syndicated basis, each of the Dealers and the Issuer has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France (*appel public à l'épargne*), and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Offering Circular, the relevant Final Terms or any other offering material relating to the Notes, and that such offers, sales and distributions have been and will only be made in France through an international syndicate to qualified investors (*investisseurs qualifiés*) other than individuals, as defined in, and in accordance with, articles L. 411-1, L. 411-2 and D.411-1 of the French Code *monétaire et financier*.

(iii) Non-syndicated issues of Notes denominated in currencies other than euro:

In respect of Notes constituting "obligations" under French law and issued in currencies other than euro on a non-syndicated basis each of the Dealers and the Issuer has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, Notes in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed in France, the Offering Circular, the relevant Final Terms or any other offering material relating to the Notes, and each subscriber will be domiciled or resident for tax purposes outside France.

To the extent that the Notes do not constitute "obligations" under French law, these selling restrictions will be amended in the relevant Final Terms.

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 Final Terms.

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 *Directoire* (management board) of the Issuer dated 4 June 2007.

This Offering Circular prepared in connection with the Notes has not been submitted to the clearance procedures of the *Autorité des marchés financiers*.

Approval, Listing and Admission to Trading of Notes

Application has been made to the CSSF to approve this document as a base prospectus. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Investment Services Directive (Directive 93/22/EEC).

Documents available

For the period of 12 months following the date of publication of this Offering Circular, copies of the following documents will, when published, be available for inspection from the registered office of the Issuer and the specified office of the Principal Paying Agent:

- (i) the Issuer's *statuts* (with an English translation thereof);
- (ii) the Issuer's 2005 and 2006 Annual Reports in English, including its annual audited financial statements for the financial years ended 31 December 2005 and 2006;
- (iii) the Issuer's *Documents de Référence* filed with the AMF on 13 April 2006 and 20 April 2007;
- (iv) the Issuer's most recently published annual audited and interim (semi-annual) audited and unaudited consolidated financial statements, Annual Report and *Document de Référence* (with an English translation thereof if applicable) - the Issuer's interim (semi-annual) financial statements for the first half of 2007 have not been published as of the date of this Offering Circular;
- (v) 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;
- (vi) this Offering Circular;
- (vii) any future offering circulars, prospectuses, information memoranda and supplements to this Offering Circular including Final Terms (save that Final Terms relating to a Note which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive 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) and any other documents incorporated herein or therein by reference (including, without limitation, any published annual or interim semi-annual reports of the Issuer); and

- (viii) in the case of each issue of Notes admitted to trading on the Luxembourg Stock Exchange's regulated market subscribed pursuant to a subscription agreement, the subscription agreement (or equivalent document).

In addition, copies of this Offering Circular, each Final Terms relating to Notes which are admitted to trading on the Luxembourg Stock Exchange's regulated market and each document incorporated by reference are available on the Luxembourg Stock Exchange's website (www.bourse.lu).

Clearing systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Bearer Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. 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 Final Terms. 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 Final Terms.

The address of Euroclear is Euroclear Bank S.A./N.V., 1 *Boulevard du Roi Albert II*, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Purchaser(s) at the time of issue in accordance with prevailing market conditions.

Significant or material change

Except as disclosed in this Offering Circular, there has been no significant change in the financial or trading position of the Group since 31 December 2006 and there has been no material adverse change in the prospects of the Issuer since 31 December 2006.

Litigation

Except as disclosed in this Offering Circular, neither the Issuer nor any of its consolidated subsidiaries, is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have, or in such period have had, a significant effect on the financial position or profitability of the Issuer and/or the Group.

Auditors

The auditors of the Issuer are Pricewaterhouse Coopers Audit and Mazars & Guérard, statutory auditors (members of the French *Compagnie nationale des commissaires aux comptes*) who have audited the Issuer's financial statements, without qualification, in accordance with generally accepted auditing standards in France for each of the two financial years ended on 31 December 2005 and 2006. The auditors of the Issuer have no interest (material or otherwise) in the Issuer.

Dealers transacting with the Issuer

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer and its affiliates in the ordinary course of business.

THE ISSUER

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