

OFFICE OF THRIFT SUPERVISION

APPROVAL OF APPLICATIONS FOR PERMISSION TO ORGANIZE A FEDERAL SAVINGS BANK, TRUST POWERS, TRANSFER OF ASSETS AND HOLDING COMPANY ACQUISITION

Order No.: 2000-19

Date: February 15, 2000

AXA Financial, Inc., New York, New York, AXA, FINAXA, Paris, France, *et al*, (see attached List of Applicants) (collectively, the "Applicants"), have applied to the Office of Thrift Supervision ("OTS"), pursuant to 12 U.S.C. §§ 1464(e) and 1467a(e), and 12 C.F.R. §§ 552.2-1, 563.22(c), and 574.3, to organize and acquire Frontier Trust Company, FSB, Fargo, North Dakota ("Savings Bank"), and to transfer the assets and liabilities of Frontier Trust Company, Fargo, North Dakota ("Trust Company"), to the Savings Bank. In addition, the Savings Bank has applied, pursuant to 12 U.S.C. § 1464(n) and 12 C.F.R. Part 550, to exercise trust powers as described in the application. (The foregoing are collectively referred to herein as the "Applications.") The Savings Bank will be a member of the Savings Association Insurance Fund.

The OTS has considered the Applications under the standards set forth in 12 U.S.C. §§ 1464(e), 1464(n) and 1467a(e), and 12 C.F.R. §§ 543.3, 552.2-1(b), 563.22(d), and 574.7 and Part 550, and under the Community Reinvestment Act, 12 U.S.C. §§ 2901, *et seq.*, and the OTS regulations thereunder, 12 C.F.R. Part 563e. In addition, the OTS has considered the digest by the OTS Midwest Regional Office ("Regional Office"), a legal opinion by the Business Transactions Division, an analysis by the Compliance Policy and Specialty Examinations Division and an analysis by the Office of Examination and Supervision (collectively the "Staff Memoranda"). For the reasons set forth in the Staff Memoranda, the OTS finds that the Applications satisfy the applicable approval standards, provided that the following conditions are complied with in a manner satisfactory to the Midwest Regional Director, or his designee ("Regional Director"). Accordingly, the Applications are hereby approved, subject to the following conditions:

1. The Applicants, the Trust Company, and the Savings Bank must receive all required regulatory approvals prior to consummation of the proposed transaction with copies of all such approvals provided to the Regional Director;
2. The proposed transaction must be consummated within one hundred and twenty (120) calendar days from the date of this Order;
3. On the business day prior to the date of consummation of the proposed transaction, the chief financial officers of the Applicants, the Trust Company, and the Savings Bank must certify in writing to the Regional Director that no material adverse changes have occurred with respect

to the financial condition or operation of the Applicants, the Trust Company, and the Savings Bank, respectively, as disclosed in the Applications, including but not limited to directors, shareholders, or the business plan. In addition, should additional information having an adverse bearing on any feature of the Applications be brought to the attention of the Applicants, the Trust Company, the Savings Bank, or the OTS since the date of the financial statements submitted with the Applications, the transaction shall not be consummated unless the information is presented to the Regional Director, and the Regional Director provides written non-objection to consummation of the transaction;

4. The Applicants and the Savings Bank must advise the Regional Director in writing within 5 calendar days after the effective date of the proposed transaction: (a) of the effective date of the proposed transaction and of the Savings Bank's insurance of accounts; and (b) that the transaction was consummated in accordance with all applicable laws and regulations, the Applications and this Order;
5. The Savings Bank must submit independent audit reports to the Regional Director for its first three fiscal years. These reports must be in compliance with the audit rules set forth at 12 C.F.R. § 562.4;
6. The Savings Bank must operate within the parameters of its business plan. The Applicants and the Savings Bank must submit any proposed major deviations or material changes from the plan (including changes resulting from decisions made by the Applicants), and in particular, those pertaining to cross-marketing of products of the Savings Bank and its affiliates, for the prior written non-objection of the Regional Director. The request for change must be submitted a minimum of 30 calendar days before the proposed change is implemented;
7. Prior to engaging in any business activity other than that authorized pursuant to section 5(n) of the HOLA, the Savings Bank must apply to the OTS and receive approval of its application to engage in such business activity. The OTS will consider any such application under the standards required of a new federal thrift charter which are set forth at section 5(e) of the HOLA and OTS regulations thereunder, and under the Community Reinvestment Act and OTS regulations thereunder at 12 C.F.R. § 563e.29. Any such application may be subject to the public notice and comment procedures set forth at 12 C.F.R. Part 516, Subparts B and C;
8. At least 40 percent of the Savings Bank's board of directors must be individuals who are not officers or employees of the Applicants or affiliates thereof or have not otherwise been determined by the Regional Director to lack sufficient independence, and at least one member of the Savings Bank's board of directors must be an individual who is not an officer, director or employee of the Applicants or any affiliate and who is not an officer or employee of the Savings Bank or has not otherwise been determined by the Regional Director to lack sufficient independence. At least 50 percent of any audit, investment, and trust committee established by the Savings Bank must be directors who are not officers or employees of the Savings Bank, the Applicants or any affiliates or have not otherwise been determined by the Regional Director to lack sufficient independence. If compliance with this condition involves the

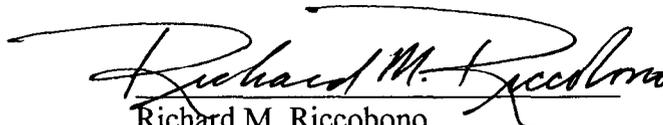
selection of additional director(s), each director must receive the prior written approval of the Regional Director;

9. Within 30 days after each calendar quarter, the Savings Bank must submit to the Regional Office quarterly activity reports on the number and type of trust accounts serviced, the total asset values of these accounts, and the minutes of the meetings of the Savings Bank's Trust Committee;
10. The Savings Bank must submit documentation to support compliance with the Qualified Thrift Lender test to the Regional Director within 60 days of opening for business;
11. The Savings Bank must submit interest rate risk policies and procedures for the review and non-objection of the Regional Director, and demonstrate adequate capacity to manage interest rate risk, at least 30 days prior to consummation of the proposed transaction;
12. The Savings Bank must submit policies for compliance with the Bank Secrecy Act and the Bank Protection Act for review and non-objection of the Regional Director within 120 days of opening for business;
13. Prior to organization of the Savings Bank, Mr. David Rasmussen must submit the required background information for review and non-objection of the Regional Director;
14. The Applicants, their affiliates, and the Savings Bank must comply with the anti-tying restrictions of 12 U.S.C. §§ 1464(q) and 1467a(n) and must develop written procedures to effect such compliance. The procedures must disclose any proposed bundling arrangements and must be submitted for the review and non-objection of the Regional Director prior to the opening of the Savings Bank for business;
15. Any contracts or agreements pertaining to transactions with affiliates, not yet submitted to the OTS for review, must be provided to the Regional Director at least 30 days prior to execution and must receive his written non-objection prior to implementation;
16. Any affiliate of the Applicants that engages in broker, dealer, investment company, or investment advisor activities ("Securities Affiliate(s)") must be operated as a separate legal entity from the Savings Bank so that: (a) their respective accounts and records are not intermingled; (b) each observes the procedural formalities of separate legal titles; (c) each is held out to the public as a separate enterprise; and (d) none dominates another to the extent that one is treated as a mere department of the other;
17. A majority of the Savings Bank's board of directors must not be individuals who are directors or employees of any Securities Affiliate;

18. The Savings Bank and any Securities Affiliate are prohibited from sharing common officers unless prior approval is obtained from the Regional Director, which shall be based on criteria such as regulatory compliance, experience, character, integrity and the ability to perform both duties;
19. The Savings Bank and the Securities Affiliates must take measures necessary to ensure that their officers and directors adhere to the principles set forth in OTS regulations on conflicts of interest, 12 C.F.R. § 563.200; corporate opportunity, 12 C.F.R. § 563.201; trust fiduciary duties, 12 C.F.R. § 550.140; and any other additional or successor statements of policy or regulations addressing these subjects. The officers and directors of the Savings Bank and the Securities Affiliates are prohibited from using their influence to: (a) take advantage of a business opportunity for the Securities Affiliates' benefit when the opportunity is of present or potential advantage to the Savings Bank; or (b) place the Securities Affiliates in a position that leads to, or could create the appearance of a potential conflict of interest;
20. The Savings Bank, the Applicants and the Securities Affiliates are subject to the provisions of 12 C.F.R. § 563.76, *Offers and Sales of Securities at an Office of Savings Association*, and related policy established in OTS Thrift Bulletins 23-2, *InterAgency Statement on Retail Sales of Nondeposit Investment Products*, and 23a, *Limited Exceptions to Prohibitions on Sales of Savings Institution's Securities*, and any additional or successor statements of policy or regulations addressing these subjects. The Savings Bank must submit, prior to opening for business, procedures acceptable to the Regional Director, setting forth how the Savings Bank will avoid confusion regarding the status of deposit insurance with respect to trust accounts; and
21. At least 30 days prior to opening for business, the Savings Bank must submit written evidence, acceptable to the Regional Director, that its data systems, programs, software and business applications operate properly.

Any time period set forth herein may be extended for up to 120 calendar days, for good cause, by the Regional Director.

By order of the Director of the Office of Thrift Supervision, or her designee, effective
FEBRUARY 15, 2000.


Richard M. Riccobono
Deputy Director

LIST OF APPLICANTS

AXA Financial Inc., New York, NY
Voting Trust
AXA, Paris France
FINAXA, Paris, France
AXA Assurances Vie Mutuelle, Paris, France
AXA Courtage Assurance Mutuelle, Paris, France
AXA Assurances I.A.R.D. Mutuelle, Paris, France
Alpha Assurances Vie Mutuelle, Paris, France
Lor Finance, Paris, France
Financiere 45, Paris, France
Societe Beaujon, Paris, France
AXA Equity & Law PLC, Bucks, England
Sun Life & Provincial Holdings PLC, London, England
AXA Sun Life Holdings, PLC, London, England
AXA Equity & Law Life Assurance Society PLC, Bucks, England
ANF, Paris, France
Colisee Vendome, Paris, France
AXA France Assurance, Paris, France
UAP Incendie Accidents, Paris, France
AXA Assurances IARD, Paris, France
AXA Global Risks, Paris, France
AXA Reassurance, Paris, France