

OFFICE OF THRIFT SUPERVISION

Approval of Application for Holding Company Acquisition and Release from Registration as Savings and Loan Holding Companies

Order No.: 2004-32
Date: June 4, 2004
Docket Nos.: 14938 and H-4066, 4053, 4054,
4055, 4061, 4062, 4063, 4064, and
4065; and H-2990, 3647, 3649,
3650, 3642, 3643, 3644 and 3645

Matipar S.A., CFGA, Oudinot Finance, and FDR Participations, all of Paris, France; AXA America Corporate Solutions, Inc., and AXA Corporate Solutions Reinsurance Company, both of New York, New York; Vinci B.V., Rotterdam, Holland; and AXA Holdings Belgium, and AXA Belgium S.A., both of Brussels, Belgium (collectively, the Applicants) have applied to the Office of Thrift Supervision (OTS), pursuant to 12 U.S.C. § 1467a(e) and 12 C.F.R. § 574.3, for permission to acquire Frontier Trust Company, FSB, Fargo, North Dakota (Savings Bank) (the Application).

Lor Finance, Financière 45, Soci t  Beaujon, and Alpha Assurances Vie Mutuelle, all of Paris, France; AXA Equity & Law PLC, Sun Life & Provincial Holdings PLC, AXA Sun Life Holdings, PLC, and AXA Equity & Law Life Assurance Society PLC, all of London, England, (collectively, the Deregistration Applicants) have applied to deregister as savings and loan holding companies pursuant to 12 C.F.R. § 584.1(d).

The Application

The Savings Bank is a direct, wholly owned subsidiary of AXA Financial, Inc. (Parent Company). The Parent Company is a holding company within a complex, multi-tiered international group of insurance and related financial services companies. The worldwide operations of the companies include life insurance, property and casualty insurance, and reinsurance and investment banking, securities trading, brokerage, real estate, and other financial service activities. The Savings Bank converted to a federal savings bank, and its holding companies were approved as savings and loan holding companies in 2000.

After the Savings Bank's conversion to a federal savings bank, the Savings Bank's holding companies have engaged in various corporate reorganizations that have resulted in the Applicants acquiring indirect control of the Savings Bank as a result of concerted action presumptions with the Savings Bank's other holding companies.

Similarly, in other reorganizations, the Deregistration Applicants have disposed of direct and indirect interests in the Savings Bank and any of its holding companies. The reorganization transactions were undertaken for various financial, tax, administrative, capital efficiency, and investment purposes.

The Applicants seek OTS approval as savings and loan holding companies. The Deregistration Applicants seek to deregister as savings and loan holding companies. The foreign Applicants have submitted the appropriate form of the Foreign Holding Company Agreement that OTS requires from foreign companies.

Holding Company Application

In the transactions, the Applicants acquired indirect control of the Savings Bank. Accordingly, the transactions required OTS approval under Section 10(e) of the Home Owners' Loan Act (HOLA) and under 12 C.F.R. Part 574 (Control Regulations).

Section 10(e)(1)(B) of the HOLA and the Control Regulations provide that OTS must approve a holding company application seeking permission to acquire one savings association by a company other than a savings and loan holding company unless OTS finds the financial and managerial resources and future prospects of the company and association involved to be such that the acquisition would be detrimental to the savings association or to the insurance risk of the Savings Association Insurance Fund. Also, OTS must consider the impact of any acquisition on competition.¹ Further, 12 C.F.R. § 563e.29(a) requires that OTS take into account assessments under the Community Reinvestment Act (CRA) when approving savings and loan holding company acquisitions.

With respect to managerial resources, OTS, in its role as the Savings Bank's regulator, is familiar with the Savings Bank's managerial resources, and concludes that the Savings Bank's managerial resources are consistent with approval. Each of the Applicants is wholly owned by existing holding companies of the Savings Bank, and each Applicant owns an insubstantial amount of stock in another company in the Savings Bank's controlling group. Seven of the nine Applicants are shell companies. OTS, as the Savings Bank's holding company regulator, is familiar with the managerial resources of the Savings Bank's holding company structure. Based on this experience, and the materials submitted with the Application, OTS concludes that the Applicants' managerial resources are consistent with approval. Accordingly, OTS concludes that the managerial resources of the Savings Bank and the Applicants are consistent with approval.

With respect to financial resources, OTS has considered the Applicants' financial positions, and the Savings Bank's capitalization. The Savings Bank meets all of its capital requirements and is "well-capitalized" under the OTS Prompt Corrective Action regulation. OTS concludes that the Applicants will have no impact on the Savings

¹ 12 U.S.C. § 1467a(e)(2) and 12 C.F.R. § 574.7(c)(2) (2002).

Bank's financial resources and capitalization and the Applicants' and the Savings Bank's financial resources are consistent with approval.

With respect to future prospects, OTS has considered the financial and managerial resources of the Savings Bank and the Applicants, and concludes that the future prospects of the Savings Bank and the Applicants are consistent with approval.

The transactions in question have been internal corporate restructurings, and the transactions did not cause the Savings Bank to become affiliated with any other operating depository institution. Accordingly, OTS concludes that the transaction is not objectionable on anti-competitive grounds.

As for the CRA, the Savings Bank conducts only trust business, and does not engage in any retail deposit, lending, or other traditional retail banking activities. As such, it is not subject to the CRA. Accordingly, OTS concludes that there is no basis for objection to the transaction on CRA grounds.

Deregistration as Savings and Loan Holding Companies

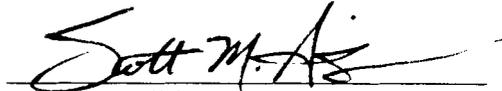
Section 584.1(d) of OTS regulations permits OTS to release a savings and loan holding company from registration based on an application from the holding company or upon OTS' initiation. OTS must determine that the holding company no longer has control of any savings association. The Deregistration Applicants have represented that they no longer have any interest in the Savings Bank, and OTS has no reason to believe that this representation is inaccurate. Therefore, OTS concludes that it is appropriate to release the Deregistration Applicants from registration as savings and loan holding companies.

Conclusions

Based on the foregoing analysis, OTS concludes that the Application meets the applicable approval criteria, and concludes that the Deregistration Applicants no longer

control any savings associations. Accordingly, the Application is hereby approved, and the Deregistration Applicants are deregistered as savings and loan holding companies.

By order of the Director of the Office of Thrift Supervision, or his designee,
effective June 4, 2004.

A handwritten signature in black ink, appearing to read "Scott M. Albinson", written over a horizontal line.

Scott M. Albinson
Managing Director,
Office of Examinations, Supervision,
and Consumer Protection