AXA BELGIUM FINANCE (NL) B.V.

(Incorporated with limited liability under the laws of the Netherlands)
Issuer

AXA BANK EUROPE SA

(Incorporated with limited liability under the laws of Belgium)
Issuer and Guarantor

NOTES ISSUANCE PROGRAMME

EUR 2,000,000,000

Under the Notes Issuance Programme (the "Programme") described in this Base Prospectus, AXA BANK EUROPE SA (also named AXA BANK SA/AXA BANK NV, or "AXA BANK") and AXA BELGIUM FINANCE (NL) B.V. ("ABF(NL)"), together with AXA BANK the "Issuers" and each, individually, an "Issuer") may from time to time issue notes (in the case of notes issued by AXA BANK referred to as the "AXA BANK Notes", in the case of notes issued by ABF(NL) as the "ABF(NL) Notes", together referred to as the "Notes" and individually as a "Note"), which may be linked to various underlyings (the "Underlying"), that rank as senior obligations of the Issuer (the "Senior Notes") or that rank as senior subordinated obligations to the Issuer (the "Senior Subordinated Notes"). Senior Notes issued by ABF(NL) will be guaranteed by AXA BANK (the "Guarantor") pursuant to a senior guarantee (the "Senior Guarantee"). Senior Subordinated Notes issued by ABF(NL) will be guaranteed by AXA BANK pursuant to a senior subordinated guarantee (the "Senior Subordinated Guarantee").

Each Tranche of Notes will be documented by final terms (the "Final Terms").

The Base Prospectus should be read and construed in conjunction with each relevant Final Terms. The relevant Final Terms and this Base Prospectus together constitute the Prospectus for each Tranche.

Prior to making an investment decision, prospective investors should consider carefully all of the information set out in the Base Prospectus, including in particular the risk factors as described below in *Section 5. Risk Factors.*

This Base Prospectus is dated 10 September 2012 and is valid for one year from that date, provided that the Base Prospectus may be updated by any supplements in accordance with articles 34 and 35 of the Belgian Law of 16 June 2006 on the public offer of investment instruments and the admission to trading of investment instruments on a regulated market. This Base Prospectus replaces and supersedes the Base Prospectus of ABF(NL) and AXA BANK dated 6 September 2011.
The Base Prospectus, including the summary, and the Final Terms of each Tranche are available on the internet site www.axa.be (under the heading *Epargne et Placements*) and a copy can be obtained free of charge in the offices of AXA BANK.

The Programme provides that Notes may be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange (the "Market"). If Issuer decides to seek such listing, this will be specified in the relevant Final Terms and the relevant Issuer will then make an application to the Luxembourg Stock Exchange for such listing. References in this Prospectus to Notes being "listed" (and all related references) shall mean that such Notes have been listed and admitted to trading on the Market. The Market is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instalments.

This Base Prospectus was approved by the Financial Services and Markets Authority (FSMA) on 10 September 2012 in accordance with article 23 of the Belgian Law of 16 June 2006 on the public offer of investment instruments and the admission to trading of investment instruments on a regulated market. This approval does not entail any appraisal of the appropriateness or the merits of any issue under the programme nor of the situation of the Issuers or the Guarantor.

The Issuers may elect to offer the Notes to the public in Belgium as well as in any other jurisdiction, provided they have fulfilled all relevant formalities in that respect. To date, the Issuers have requested the FSMA to notify this Base Prospectus to the relevant competent authorities of the Grand Duchy of Luxembourg, France, Spain, Portugal, Greece and Germany where the Notes may be offered to the public if the Issuers elect so in respect of a specific Tranche.

BANQUE INTERNATIONALE à LUXEMBOURG SA
Fiscal Agent and Principal Paying Agent

AXA BANK EUROPE SA
Paying Agent and Calculation Agent

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2. CHOICES MADE BY THE ISSUER

The Issuers have chosen according to article 5(4) of Directive 2003/71/EC to issue notes under a base prospectus. The specific terms of each Tranche will be set forth in the applicable Final Terms. In addition, the Issuers choose as their home Member State the Kingdom of Belgium.

The Issuers have freely defined the order in the presentation of the required items included in the schedules and building blocks of the Commission Regulation (EC) n°809/2004 of 29 April 2004 implementing Directive 2003/71/EC and Delegated Regulation (EC) n° 486/2012 amending Regulation (EC) 809/2004 as regards the format and the content of the prospectus, the base prospectus, the summary and the final terms and as regards the disclosure requirements (herein referred to as "Regulation (EC) 809/2004 as amended by Delegated Regulation (EC) 486/2012") according to which this Base Prospectus is drawn up. The chosen presentation is a consequence of the combination of Annex IV, Annex V, Annex VI, Annex XI and Annex XII of Regulation (EC) 809/2004. and Annex XX, Annex XXI and Annex XXII of Regulation (EC) 486/2012 In order to enable the Noteholders to identify in the presentation below the corresponding provisions of Regulation (EC) 809/2004, cross-references will be made to the relevant annexes of Regulation (EC) 809/2004 and their subsections. Finally, any items which do not require, in their absence, an appropriate negative statement according to Regulation (EC) 809/2004, are not included in the presentation when the Issuers so determine.

3. RESPONSIBILITY STATEMENT

(Annex IV.1, V.1, and XI.1 of Regulation (EC) 809/2004)

ABF(NL) as Issuer and AXA BANK as Issuer and Guarantor accept responsibility for the information given in the Base Prospectus. Having taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

4. SUMMARY

Introduction and warnings

A.1 **Warning: This Summary should be read as introduction to the Prospectus. Any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to the information contained in the Prospectus is brought before a Court in an EEA State, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the Summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.**

Issuers and guarantor

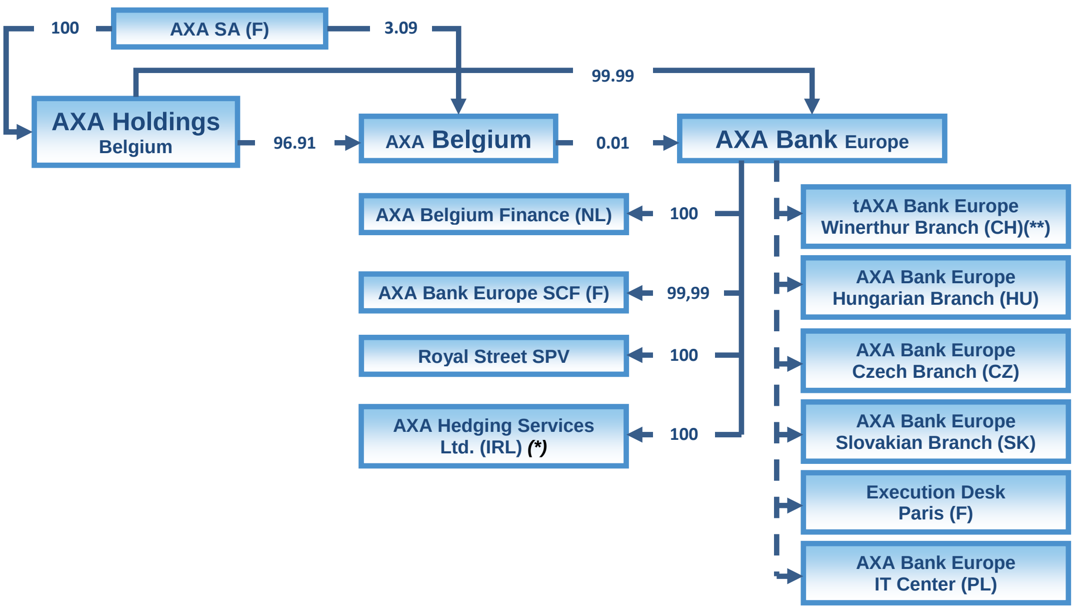
[Issuer: AXA BELGIUM FINANCE (NL) B.V.]
Applicable if the Notes are issued by AXA BELGIUM FINANCE (NL) B.V.

B.1 **Legal and commercial name of the Issuer**
Legal name: AXA BELGIUM FINANCE (NL) B.V.
Commercial name: AXA BELGIUM FINANCE (NL) B.V. ("ABF(NL)")

B.2 **Domicile, legal form, legislation and country of incorporation**
ABF(NL) was incorporated as a *"besloten vennootschap"* for an unlimited duration under the laws of the Netherlands on 30 October 1990 under the name of Ippa Finance Company B.V. On 21 March 2000 the name was changed to AXA Belgium Finance (NL) B.V. Its registered office is in Amsterdam and its business address is at 4835 NA Breda, Ginnekenweg 213. (The Netherlands).

B.4b **Trends affecting the Issuer and its industry**
See B.4b for AXA BANK EUROPE NV

B.5 **Position of the Issuer in its group**



(*) Till March 22nd, 2012
(**) Activities transferred to bank Zweiplus

ABF(NL) is a wholly owned subsidiary of AXA BANK and is part of the international group AXA ("AXA"). There is no arrangement that may result in a change of control of ABF(NL).

ABF(NL) acts as a finance company. ABF(NL) issues notes in the market, whereby proceeds of the issued notes are fully lent on to AXA BANK or other entitities of the AXA Group.

There have been no material contracts that are not entered into in the ordinary course of ABF(NL)'s business which could result in any member of the AXA group being under an entitlement that is material to ABF(NL)'s ability to meet its obligations to Noteholders.

B.9 Profit forecast or estimate

AXA BELGIUM FINANCE does not disclose forecasts or estimations of its future results.

B.10 Qualifications in the audit report on the historical financial information

The relevant auditor's report with respect to the audited annual accounts of ABF(NL) for the years ended 31 December 2010 and 31 December 2011 were delivered without any reservations.

B.12 Selected historical key financial information

	Balance Total	Profit&Loss
2009	105,994,750	51,223
2010	75,217,788	-12,744
2011	389,391,247	88,727

Material adverse change in the prospects

There has been no material adverse change in the prospects of ABF(NL) since 31 December 2011.

Significant changes in the financial or trading position

There has been no material adverse change in the financial or trading position of ABF(NL) since 31 December 2011.

B.13 Recent events relevant to the evaluation of the Issuer's solvency

ABF(NL) has made no investments since the date of the last published financial statements, and no principal future investments are planned. In addition, there has been no material adverse change in the prospects of ABF (NL) since 31 December 2011.

There have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which ABF (NL) is aware, during the last 12 months, which may have, or have had in the recent past, significant effects on ABF (NL)'s financial position or profitability.

B.14 Dependence upon other entities within the group

See B.5

B.15 Principal activities

ABF(NL) acts as a finance company. ABF(NL) issues notes in the market, whereby the proceeds of the issued notes are fully on-lent to AXA BANK or other entities of the AXA Group.

B.16 Direct or indirect control over the Issuer

ABF(NL) is fully owned and controlled by AXA BANK EUROPE

B.17 Credit ratings assigned to the Issuer or its debt securities

Not applicable

B.18 Nature and scope of the guarantees

Notes issued by ABF(NL) are guaranteed by AXA BANK.

The guarantee can be 'Senior' (for 'Senior Notes') or can be 'Senior Subordinated' (for 'Senior Subordinated Notes'):

Under the Senior Guarantee, the obligations of the AXA BANK will have the same priority as the other obligations of AXA BANK belonging to the same category (i.e. direct, unsecured, unconditional and unsubordinated obligations). This category (the 'ordinary creditors') has however a lower priority than the 'priviliged creditors' (such as ONSS, State, Employees, etc.)

Under the Subordinated Guarantee, the obligations of the AXA BANK will have the same priority as the other obligations belonging to the same category (i.e. direct, unsecured, unconditional and senior subordinated obligations). This category has a lower priority than the 'priviliged creditors' and 'oridinary creditors', but a higher priority than junior subordinated creditors or stakeholders.

B.19 Information about the guarantor

See below information about AXA BANK EUROPE SA

[Issuer] ***Applicable if the Notes are issued by AXA BANK EUROPE SA***
or [Guarantor] ***Applicable if the Notes are issued by AXA BELGIUM FINANCE (NL) B.V.*****:**
AXA BANK EUROPE SA

B.1 Legal and commercial name of the [Issuer] or [Guarantor]

Legal name: AXA BANK EUROPE SA
Commercial name: AXA BANK or AXA BANQUE

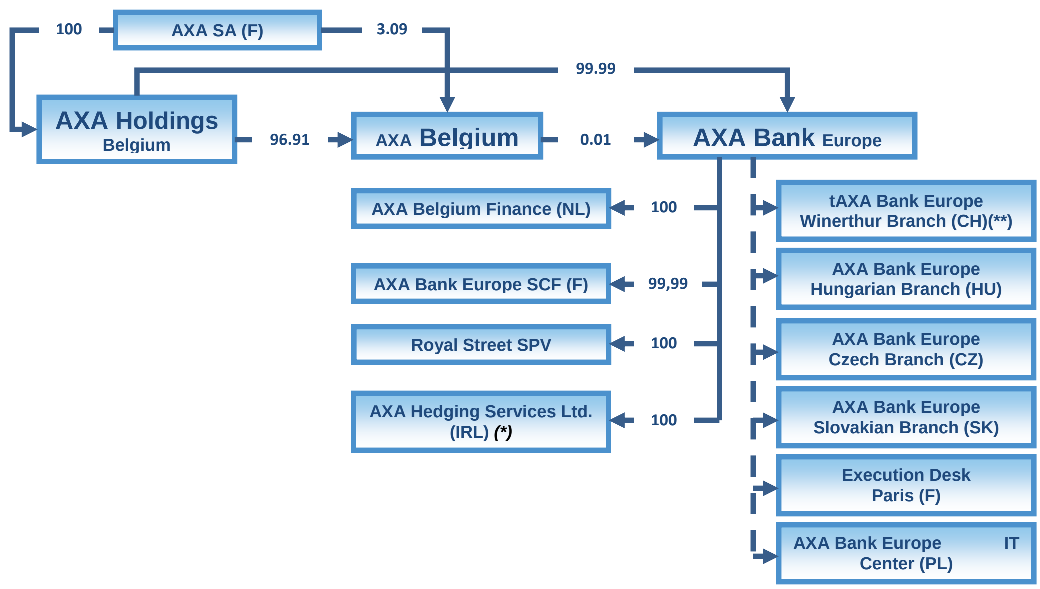
B.2 Domicile, legal form, legislation and country of incorporation

AXA BANK EUROPE SA ("AXA BANK") is a "*naamloze vennootschap/société anonyme*" of unlimited duration incorporated under Belgian law and registered with the Crossroads Bank for Enterprises under business identification number 0404.476.835. Its registered office is at 1170 Brussels, boulevard du Souverain 25, Belgium

B.4b Trends affecting the [Issuer] or [Guarantor] and its industry

Although the turbulent macro-economic context increased the volatility of financial markets during the first semester of 2012, AXA BANK resisted the strain and has been able to de-risk sensibly its balance sheet, to manage positively the liquidity and to maintain the capital position. AXA BANK is liquid with high level of retail deposits, has a safer balance sheet and is compliant to risk regulation (Basle II, see section B.12 Selected historical key financial information - Solvency position).

B.5 Position of the [Issuer] or [Guarantor] in its group



(*) Till March 22nd, 2012
(**) Activities transferred to bank Zweiplus

AXA BANK EUROPE SA is a member of the AXA Group. AXA Group is an important global player whose ambition is to attain leadership in its core Financial Protection business. Financial Protection involves offering its customers - individuals as well as small, mid-size and large businesses - a wide range of products and services that meet their insurance, protection, savings, retirement and financial planning needs throughout their lives.

AXA has a retail banking activity as part of the AXA Bank Europe structure. This activity is fully integrated within the group as it is a key element for the life & savings business.

B.9 Profit forecast or estimate

AXA BANK EUROPE does not disclose forecasts on its future results.

B.10 Qualifications in the audit report on the historical financial information

The relevant auditor's report with respect to the audited annual accounts of AXA BANK for the years ended 31 December 2010 and 31 December 2011 were delivered without any reservations.

B.12 Selected historical key financial information

- Solvency Position Tier 1 Ratio (to be compared to a minimum of 4%):
  - 31/12/2009: 19.79%
  - 31/12/2010: 21.8%
  - 31/12/2011: 18.84%

- Rating:
  - 2010: S&P: A+/A-1/Stable outlook
  - 2011: S&P: A+/A-1/Negative outlook
Moody's: A2/P-1/Stable outlook
  - 2012: S&P: A+/A-1/Negative outlook
Moody's: A2/P-1/Negative outlook

- Annual Accounts (in'000EUR):
  -

	Balance Total	Shareholders' Equity
2009	26,296,211	854,461
2010	31,377,395	850,618
2011	41,837,374	651,476

  - Profit&Loss

2009	-9,775
2010	12,342
2011	-147,757 (*)

(*) Mainly due to the results of the Hungarian branch: €103m provisions for the impact of legislation passed by the Hungarian government and €54m provisions to cover the loan losses on the existing credit portfolio.

Material adverse change in the prospects

There has been no material adverse change in the prospects of AXA BANK since 31 December 2011.

Significant changes in the financial or trading position

There has been no material adverse change in the financial or trading position of AXA BANK since 31 December 2011.

B.13 Recent events relevant to the evaluation of the [Issuer's][Guarantor's] solvency

See B.4b

B.14 Dependence upon other entities within the group

See B.5

B.15 Principal activities

AXA BANK's object is to carry out the business of a credit institution. It is a member of the AXA Group, an important global player in the financial protection offering a wide range of products and services that meet the client's insurance, protection, savings, retirement and financial planning needs.

B.16 Direct or indirect control over the [Issuer] or [Guarantor]

AXA BANK is fully owned by other entities of the AXA Group. The organizational structure of AXA BANK is based on a clear split between Supervisory and effective management accountabilities. The auditor of the bank is PricewaterhouseCoopers Bedrijfsrevisoren CVBA.

B.17 Credit ratings assigned to the [Issuer] or [Guarantor] or its debt securities

The current ratings of AXA BANK are A+/A-1, with outlook 'Negative' (Standard & Poors) and A2/P-1 with negative outlook (Moody's).

B.18 Nature and scope of the guarantee

Not applicable (AXA BANK as Issuer)

B.19 Information about the Guarantor

Not applicable (AXA BANK as Issuer)

Securities

C.1 Type, class and identification number
[●]

C.2 Currency
[●]

C.5 Restrictions on the free transferability
[●]

C.8 Rights attached to the securities including ranking and limitations to those rights
If Senior Notes: The Notes are direct, unconditional and unsecured obligations of the Issuer and rank without any preference among themselves, with all other outstanding obligations of the Issuer of the same category only to the extent permitted by laws relating to creditor's rights. This category (the 'ordinary creditors') has however a lower priority than the 'priviliged creditors' (such as ONSS, State, Employees, etc.)

If Senior Subordinated Notes: The Notes are direct, unsecured and senior subordinated obligations of the Issuer and rank without any preference among themselves with all other obligations of the Issuer of the same category. This category has a lower priority than the 'priviliged creditors' and 'oridinary creditors', but a higher priority than junior subordinated creditors or stakeholders.

C.9 Nominal interest rate

[●] *Applicable for debt securities*

Date from which interest becomes payable and due dates for interest

[●] *Applicable for debt securities*

Where the rate is not fixed : underlying on which the rate is based

[●] *Applicable for debt securities*

Maturity date and arrangements for the amortization of the loan, including the repayment procedures

[●] *Applicable for debt securities*

Yield

[●] *Applicable for debt securities*

Name of representative of debt security holders

[●] *Applicable for debt securities*

C.10 How is the value of the securities affected by the value of the underlying instrument(s)?
[●] *Applicable for debt securities with a derivative component*

C.11 Admission to trading
[●] *Applicable for derivative securities*

C.15 How is the value of the securities affected by the value of the underlying instrument(s)?
[●] *Applicable for derivative securities*

C.16 Maturity date, exercise date, final reference date
[●] *Applicable for derivative securities*

C.17 Settlement procedure
[●] *Applicable for derivative securities*

C.18 How does the return take place?
[●] *Applicable for derivative securities*

C.19 Exercise price/final reference price of the underlying
[●] *Applicable for derivative securities*

C.20 Type of the underlying and where information on the underlying can be found
[●] *Applicable for derivative securities*

Risk factors

D.2 Key risk specific to the issuer and to the guarantor

Like other banks, AXA BANK faces financial risk in the conduct of its business, such as credit risk, operational risk and market risk (including liquidity risk). Furthermore, AXA BANK faces regulatory risk, the uncertain economic conditions and the competition across all the markets.
Considering the close relationship with, and the guarantee of the obligations of ABF(NL) by, AXA BANK, the risk factors as set out above in respect of AXA BANK may also apply, directly and/or indirectly, to ABF(NL).

General credit risks are inherent in a wide range of AXA BANK's businesses. These include risks arising from changes in the credit quality of its borrowers and counterparties and the inability to recover loans and any amounts due.

Market risks are all the risks linked to the fluctuations of market prices, including, principally, exposure to loss arising from adverse movements in interest rates, and, to a lesser extent, foreign exchange rates and equity prices, stemming from AXA BANK's activities.

Operational risk is the risk of financial or non-financial impact resulting from inadequate or failed internal processes, people and systems, or from external events. The definition includes legal and reputation risk but excludes strategic risk and expenses from commercial decisions. Although AXA BANK has implemented risk controls and loss mitigation actions, and has resources devoted to developing efficient procedures and staff awareness, full protection against operational risks can never be attained, due to the very nature of these risks.

Liquidity risk management at AXA Bank is guided by internal and prudential liquidity ratios. Strict limits also apply with regard to the part that can be funded in the short term and the part that can be raised on the interbank market.

D.3 Key risk specific to the debt securities

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.

[Notes are subject to optional redemption by the Issuer][1]

[The Maturity Date of the Notes may be automatically extended][1]

[The Notes bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate][1]

[The Notes bear interest at a rate that the Issuer may elect to convert from a floating rate to a fixed rate][1]

[The Notes are exposing investors to foreign exchange risk][1]

[ZeroCoupon Notes and Notes issued at a substantial discount or premium are subject to higher price fluctuations than non-discounted notes][1]

[The Issuer's obligations under the Dated Subordinated Notes are unsecured and subordinated and rank junior to the claims of creditors in respect of unsubordinated obligations][1]

[Investment in Fixed Rate Notes, Floating Rate Notes, and Zero Coupon Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of Fixed Rate Notes, Floating Rate Notes, and Zero Coupon Notes][1].

[Investors will not be able to calculate in advance their rate of return on Floating Rate Notes.][1]

D.6 Key risk specific to the derivative securities

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.

[Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of Fixed Rate Notes][1]

[Investors will not be able to calculate in advance their rate of return on Floating Rate Notes.][1]

[Notes are subject to optional redemption by the Issuer][1]

[The Maturity Date of the Notes may be automatically extended][1]

[The Notes are exposing investors to foreign exchange risk][1]

[The market price of Variable Linked Rate Notes with a multiplier or other coverage factor may be volatile, and the value of such Notes on the secondary market is subject to greater levels of risk than is the value of other Notes.][1]

[The formula used to determine the amount of principal, premium and/or interest payable with respect to the Variable Linked Notes contains a multiplier or leverage factor, the effect of any change in the applicable currency, stock, interest rate or other index will therefore be increased.][1]

Warnings:
The holder of non capital guaranteed derivative securities could lose all or a substantial portion of the value of his investment in such securities.

A Noteholder's actual yield on the Notes may be reduced from the stated yield by transaction costs.

A Noteholder's effective yield on the Notes may be diminished by the tax impact on that Noteholder of its investment in the Notes.

Offer

E.2b Reasons for the offer and use of proceeds

[●]

E.3 Terms and conditions of the offer

[●]

E.4 Interest material to the offer including conflicting interests

[●]

E.7 Estimated expenses charged to the investor

[●]

[1] Only applicable to the relevant type of Note as specified

5. RISK FACTORS

(Annex V.2, IV.' And XI.3 of Regulation (EC) 809/2004)

The following sets out certain aspects of the offering of the Notes of which prospective investors should be aware. Prior to making an investment decision, prospective investors should consider carefully all of the information set out in the Base Prospectus, including in particular the following risk factors detailed below. All of these factors are contingencies which may or may not occur and neither AXA BANK nor ABF(NL) is in a position to express a view on the likelihood of all or any of such contingencies occurring.
Prospective investors should also read the detailed information set out elsewhere in the Base Prospectus and reach their own views prior to making any investment decision.

In case of doubt in respect of the risks associated with the Notes and in order to assess their adequacy with the personal risk profile, investors should consult their own financial, legal, accounting and tax experts about the risks associated with an investment in these Notes, the appropriate tools to analyse that investment, and the suitability of that investment in each investor's particular circumstances. No investor should purchase the Notes described in the Base Prospectus unless that investor understands and has sufficient financial resources to bear the price, market, liquidity, structure redemption and other risks associated with an investment in these Notes. The market value can be expected to fluctuate significantly and investors should be prepared to assume the market risks associated with these Notes.

Factors that may affect AXA BANK's ability to fulfil its obligations under the Notes

Like other banks, AXA BANK faces financial risk in the conduct of its business, such as credit risk, operational risk and market risk (including liquidity risk). Furthermore, AXA BANK faces regulatory risk, the uncertain economic conditions and the competition across all the markets.

Credit risk

As a credit institution, AXA BANK is exposed to the creditworthiness of its customers and counterparties. AXA BANK may suffer losses related to the inability of its customers or other counterparties to meet their financial obligations. AXA BANK cannot assume that its level of provisions will be adequate or that it will not have to make significant additional provisions for possible bad and doubtful debts in future periods. AXA BANK's Risk Management oversees its risk policy and is responsible for, *inter alia*, setting and managing the risk surveillance function and decision processes and implementing bank-wide risk assessment methods for each of the bank's activities and operational entities.

Market risk

Market risks are all the risks linked to the fluctuations of market prices, including, principally, exposure to loss arising from adverse movements in interest rates, and, to a lesser extent, foreign exchange rates and equity prices, stemming from AXA BANK's activities. Market risks generated by the capital markets activities stems mainly from short-term cash management and a portfolio of derivative products with customers that is managed on a market value basis. Market risks generated by the commercial businesses are generally hedged and residual risks are handled by the Asset and Liability Management function.

Operational risk

Within AXA BANK, operational risk comprises the exposure to loss from inadequate or failed internal processes, people and systems or from external events (such as, but not limited to natural disasters and fires), risk relating to the security of information systems, litigation risk and reputation risk. Operational risks are inherent in all activities within the organisation, in outsourced activities and in all interaction with external parties. AXA BANK's operational risk management framework, is responsible for, *inter alia*, coordinating the collection of risk event data and risk and control self-assessment within its different entities and activities, defining methodological principles, selecting adequate tools and ensuring global consistency. Unforeseen events like severe natural catastrophes, terrorist attacks or other states of emergency can lead to an abrupt interruption of AXA BANK's operations, which can cause substantial losses. Such losses can relate to property, financial assets, trading positions and to key employees. Such unforeseen events can also lead to additional costs (such as relocation of employees affected) and increase AXA BANK's costs (such as insurance premiums). Such events may also make insurance coverage for certain risks unavailable and thus increase AXA BANK's risk.

As with most other banks, AXA BANK relies heavily on communications and information systems to conduct its business. Any failure or interruption or breach in security of these systems could result in failures or interruptions in the Issuer's customer relationship management, general ledger, deposit, servicing and/or loan organisation systems. AXA BANK cannot provide assurances that such failures or interruptions will not occur or, if they do occur, that they will be adequately addressed. The occurrence of any failures or interruptions could have a material adverse effect on AXA BANK's financial condition and results of operations.

Liquidity risk

The objective of liquidity management is to ensure that, at all times, AXA BANK holds sufficient funds to meet its contracted and contingent commitments to customers and counterparties, at an economic price. All the main issues regarding liquidity risk are managed by AXA BANK's Asset and Liability Management teams, which carefully manage resources of the different entities and their use, in particular, the adequacy of expected new lending production with the available resources and AXA BANK's liquidity needs.

Regulatory risk

AXA BANK's business activities are subject to substantial regulation and regulatory oversight in the jurisdictions in which it operates. Current and future regulatory developments, including changes to accounting standards and the amount of regulatory capital required to support the risk, could have an adverse effect on AXA BANK conducting business and on the results of its operations. In particular, governmental and regulatory authorities in France, the UK, the United States, Belgium, Luxembourg and elsewhere have provided additional capital and funding and already or may in the future be introducing a significantly more restrictive regulatory environment including new accounting and capital adequacy rules, restriction on termination payments for key personnel in addition to new regulation of derivative instruments. AXA BANK's business and earnings are also affected by fiscal and other policies that are adopted by the various regulatory authorities of the European Union, foreign governments and international agencies. The nature and impact of future changes in such policies are not predictable and are beyond AXA BANK's control.

Uncertain economic conditions

AXA BANK's business activities are dependent on the level of banking, finance and financial services required by its customers. In particular, levels of borrowing are heavily dependent on customer confidence, market interest rates and other factors that affect the economy. The profitability of AXA BANK's businesses could, therefore, be adversely affected by a worsening of general economic conditions in its markets, as well as by foreign and domestic trading market conditions and/or related factors, including governmental policies and initiatives. An economic downturn or significantly higher interest rates could increase the risk that a greater number of AXA BANK's customers would default on their loans or other obligations to AXA BANK, or would refrain from seeking additional borrowing. A sovereign debt crisis - as experienced in recent months - could have similar consequences and, hence, affect AXA BANK.

Competition

AXA BANK faces strong competition across all its markets from local and international financial institutions including banks, life insurance companies and mutual insurance organisations. While AXA BANK believes it is positioned to compete effectively with these competitors, there can be no assurance that increased competition will not adversely affect AXA BANK in one or more of the markets in which it operates.

Risk Management

Monitoring of the risks relating to AXA BANK and its operations and the banking industry is performed jointly by the appropriate committees and the Risk Management department, with the help of tools that it develops, in compliance with the guidelines established by AXA BANK and all legal constraints and rules of prudence.

Factors that may affect ABF(NL)'s ability to fulfil its obligations under the Notes

Considering the close relationship with, and the guarantee of the obligations of ABF(NL) by, AXA BANK, the risk factors as set out above in respect of AXA BANK may also apply, directly and/or indirectly, to ABF(NL).

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

Business Conditions and the General Economy

The Issuer's profitability could be adversely affected by a worsening of general economic conditions domestically, globally or in certain individual markets. Factors such as interest rates, inflation, investor sentiment, the availability and cost of credit, the liquidity of the global financial markets and the level and volatility of equity prices could significantly affect the activity level of customers. For example:

- An economic downturn or significantly higher interest rates could adversely affect the credit quality of the Issuer's on-balance sheet and off-balance sheet assets by increasing the risk that a greater number of the Issuer's customers would be unable to meet their obligations;
- A continued market downturn or further worsening of the economy could cause the Issuer to incur mark-to-market losses in its investment portfolios; and
- A continued market downturn would be likely to lead to a decline in the volume of transactions that the Issuer executes for its customers and, therefore, lead to a decline in the income it receives from fees and commissions and interest.

All of the above could in turn affect the Issuer's ability to meet its payments under the Notes.

Current Market Volatility and Recent Market Developments

The capital and credit markets have been experiencing unprecedented levels of volatility and disruption in recent months

The resulting lack of credit availability, lack of confidence in the financial sector, increased volatility in the financial markets and reduced business activity could materially and adversely affect AXA BANK's, financial condition and results of operations, which could in turn affect AXA BANK's ability to meet its payments under the Notes.

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 certain such features:

The Maturity Date of Notes may be automatically extended

Unless a Noteholder exercises its Non-Extension Option within the relevant Exercise Period in accordance with the Conditions (in which case the Maturity Date of such Notes shall not be extended on any Automatic Extension Date as provided in the relevant Final Terms), on each Automatic Extension Date during the Automatic Extension Period as provided in the relevant Final Terms, the Maturity Date of each Note shall be extended automatically for the Automatic Extension Duration as provided in the relevant Final Terms. Any Notes in respect of which the Maturity Date has not been so extended will be attributed a separate ISIN number and common code and, in the case of Notes in definitive form, such Notes (together with, in the case of Bearer Notes, any related Receipts, Coupons and Talons) are required to be delivered to the Fiscal Agent or, in the case of Registered Notes, the Registrar or such other agent so specified for such purpose for appropriate annotation and (in the case of Bearer Notes) cancellation of all unmatured Receipts and Coupons falling due after the Maturity Date for such Notes and unexchanged Talons. If the Notes are still held in global form, the relevant Global Note or Global Certificate will be annotated in order to reduce the aggregate nominal amount of such Notes and a new Global Note or new Global Certificate representing such Notes will be issued in respect thereof and the Noteholder will, unless otherwise specified in the applicable Final Terms, be required to arrange for such Notes to be "blocked" in the relevant participant's account with such clearing system through which such Notes are held until the relevant Automatic Extension Date.

Notes subject to optional redemption by the Issuer

An optional redemption feature is likely to limit the market value of Notes. During any period when the relevant 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 may also be true prior to any redemption period.

The relevant Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. Investors that choose to reinvest monies they receive through an early redemption may be able to do so only in securities with a lower yield than the redeemed Notes. Potential investors should consider reinvestment risk in light of other investments available at that time.

Variable Linked Notes

The relevant 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"). An investment in Variable Linked Rate Notes entails significant risks that are not associated with similar investments in a conventional fixed or floating rate debt security. The Issuers believe that Variable Linked Rate Notes should only be purchased by investors who are in a position to understand the special risks that an investment in these instruments involves. Potential investors should be aware that:

(i) the market price of such Notes may be volatile;

(ii) an index or indices may be subject to significant changes, whether due to the composition of the index itself, or because of fluctuations in value of the indexed assets;

(iii) the resulting interest rate may be less (or may be more) than that payable on a conventional debt security issued by each Issuer at the same time;

(iv) payment of principal or interest may occur at a different time or in a different currency than expected;

(v) the holder of a non capital guaranteed Variable Linked Rate Note could lose all or a substantial portion of the principal of such Note (whether payable at maturity or upon redemption or repayment), and, if the principal is lost, interest may cease to be payable on the Variable Linked Rate Note;

(vi) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;

(vii) 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 will likely be magnified;

(viii) 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;

(ix) the risks of investing in an Variable Linked Rate Note encompass both risks relating to the underlying indexed securities and risks that are unique to the Note itself;

(x) any Variable Linked Rate Note that is indexed to more than one type of underlying asset, or on formulas that encompass the risks associated with more than one type of asset, may carry levels of risk that are greater than Notes that are indexed to one type of asset only;

(xi) it may not be possible for investors to hedge their exposure to these various risks relating to Variable Linked Rate Notes;

(xii) a significant market disruption could mean that a Relevant Factor on which the Variable Linked Rate Notes are based ceases to exist and that the Notes are redeemed at a value below par; and

(xiii) and index may cease to be published, in which case it may be replaced by an index which does not reflect the exact Relevant Factor, or, in the case where no replacement index exists, the cessation of publication of the index may lead to the early redemption of the Notes.

In addition, the value of Variable Linked Rate Notes on the secondary market is subject to greater levels of risk than is the value of other Notes. The secondary market, if any, for Variable Linked Rate Notes will be affected by a number of factors, independent of the creditworthiness of each Issuer and the value of the applicable currency, stock, interest rate, commodity or other variable, including the volatility of the applicable currency, stock, interest rate, commodity or other variable, the time remaining to the maturity of such Notes, the amount outstanding of such Notes and market interest rates. The value of the applicable currency, stock, interest rate, commodity or other variable depends on a number of interrelated factors, including economic, financial and political events, over which the relevant Issuer has no control. Additionally, if the formula used to determine the amount of principal, premium and/or interest payable with respect to Variable Linked Rate Notes contains a multiplier or leverage factor, the effect of any change in the applicable currency, stock, interest rate, commodity or other variable will be increased.

The historical experience of the relevant currencies, stocks, interest rates, commodities or other variables should not be taken as an indication of future performance of such currencies, stocks, interest rates, commodities or other variables during the term of any Variable Linked Rate Note. Additionally, there may be regulatory and other ramifications associated with the ownership by certain investors of certain Variable Linked Rate Notes.

Various transactions by the Issuers could impact the performance of any Variable Linked Rate Notes, which could lead to conflicts of interest between each of the Issuers and holders of Variable Linked Rate Notes.

The Issuers or affiliates thereof are currently active or may be active in the future in the international securities and currency markets on a daily basis. They may thus, for their own account or for the account of customers, engage in transactions directly or indirectly involving assets that are "reference assets" under Variable Linked Rate Notes and may make decisions regarding these transactions in the same manner as it would if the Variable Linked Rate Notes had not been issued. The Issuers and their affiliates may on the issue date of the Variable Linked Rate Notes or at any time thereafter be in possession of information in relation to any reference assets that may be material to holders of any Variable Linked Rate Notes and that may not be publicly available or known to the Noteholders. There is no obligation on the part of the Issuers to disclose any such business or information to the Noteholders.

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 such features.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that the relevant Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The relevant Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Notes, since such Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the relevant Issuer converts from a fixed rate to a floating rate, 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 relevant Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

Investors will not be able to calculate in advance their rate of return on Floating Rate Notes

A key difference between Floating Rate Notes and Fixed Rate Notes is that interest income on Floating Rate Notes cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield of Floating Rate Notes at the time they purchase them, so that their return on investment cannot be compared with that of investments having longer fixed interest periods. If the terms and conditions of the Notes provide for frequent interest payment dates, investors are exposed to the reinvestment risk if market interest rates decline. That is, investors may reinvest the interest income paid to them only at the relevant lower interest rates then prevailing.

Zero Coupon Notes are subject to higher price fluctuations than non-discounted notes

Changes in market interest rates have a substantially stronger impact on the prices of Zero Coupon Notes than on the prices of ordinary notes because the discounted issue prices are substantially below par. If market interest rates increase, Zero Coupon Notes can suffer higher price losses than other notes having the same maturity and credit rating. Due to their leverage effect, Zero Coupon Notes are a type of investment associated with a particularly high price risk.

Notes issued at a substantial discount or premium

The market values of Notes issued at a substantial discount or premium to their nominal 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.

Foreign currency Notes expose investors to foreign-exchange risk as well as to Issuer risk

As purchasers of foreign currency Notes, investors are exposed to the risk of changing foreign exchange rates. This risk is in addition to any performance risk that relates to each Issuer or the type of Note being issued.

Issuer's obligations under Senior Subordinated Notes

The Issuer's obligations under Senior Subordinated Notes will be unsecured and senior subordinated and will rank junior to the claims of creditors in respect of unsubordinated obligations (as described in "Terms and Conditions of the Notes").

Specified Denomination of €100,000 plus integral multiples of a smaller amount

In relation to any issue of Notes which have a denomination consisting of the minimum Specified Denomination of €100,000 plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of €100,000 (or its equivalent) that are not integral multiples of €100,000 (or its equivalent). In such a case a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Specified Denomination will 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 it holds an amount equal to one or more Specified Denominations.

Risks related to Notes generally

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

Modification, waivers and substitution

The Terms and 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.

Market conditions

The trading market for debt securities may be volatile and may be adversely impacted by many events.

The market for debt securities issued by banks is influenced by economic and market conditions and, to varying degrees, market conditions, interest rates, currency exchange rates and inflation rates in other European and other industrialised countries. There can be no assurance that events in Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of Notes or that economic and market conditions will not have any other adverse effect.

European Monetary Union

If a EU Member State joins the European Monetary Union prior to the maturity of the Notes, there is no assurance that this would not adversely affect investors in the Notes. It is possible that prior to the maturity of the Notes that State may become a participating Member State and that the Euro may become the lawful currency of that State. In that event (i) all amounts payable in respect of any Notes denominated in local currency may become payable in Euro (ii) the law may allow or require such Notes to be re-denominated into Euro and additional measures to be taken in respect of such Notes; and (iii) there may no longer be available published or displayed rates for deposits in local currency used to determine the rates of interest on such Notes or changes in the way those rates are calculated, quoted and published or displayed. The introduction of the Euro could also be accompanied by a volatile interest rate environment, which could adversely affect investors in the Notes.

Change of law

The Terms and Conditions of the Notes are based on Belgian law in effect as at the date of issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or change to Belgian law or administrative practice after the date of issue of the relevant Notes.

Risks related to the market generally

Set out below is a brief description of certain 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 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. In case of sale of the Notes before maturity, the proceeds can be lower than the redemption amount.

Exchange rate risks and exchange controls

The relevant 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 (1) the equivalent yield on the Notes in the Investor's Currency, (2) the equivalent value of the principal payable on the Notes in the Investor's Currency and (3) the equivalent market value of the Notes in the Investor's Currency.

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 Fixed Rate Notes.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to an issue of 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.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). Certain information with respect to the credit rating agencies and ratings will be disclosed in the applicable Final Terms.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to 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 Notes are legal investments for it.

Warnings

Notes may not be a suitable investment for all investors

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

- have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained in this Base Prospectus or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and

- 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 and such instruments may be purchased 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 the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

A Noteholder's actual yield on the Notes may be reduced from the stated yield by transaction costs

When Notes are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the current price of the security. These incidental costs may significantly reduce or even exclude the profit potential of the Notes. For instance, credit institutions as a rule charge their clients for own commissions which are either fixed minimum commissions or pro-rata commissions depending on the order value. To the extent that additional – domestic or foreign – parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, Noteholders must take into account that they may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs).

In addition to such costs directly related to the purchase of securities (direct costs), Noteholders must also take into account any follow-up costs (such as custody fees). Investors should inform themselves about any additional costs incurred in connection with the purchase, custody or sale of the Notes before investing in the Notes.

A Noteholder's effective yield on the Notes may be diminished by the tax impact on that Noteholder of its investment in the Notes

Payments of interest on the Notes, or profits realised by the Noteholder upon the sale or repayment of the Notes, may be subject to taxation in its home jurisdiction or in other jurisdictions in which it is required to pay taxes. The tax impact on Noteholders generally is described below; however, the tax impact on an individual Noteholder may differ from the situation described for Noteholders generally. The Issuers advise all investors to contact their own tax advisors for advice on the tax impact of an investment in the Notes.

Non capital guaranteed derivative securities

The holder of non capital guaranteed derivative securities could lose all or a substantial portion of such securities.

Warnings and considerations regarding Tax

EU Savings Directive

Under EC Council Directive 2003/48/EC on taxation of savings income (the "Savings Directive"), Member States are required, from 1st July 2005, to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are required (unless during that period they elect otherwise) to operate instead 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 adopted 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 and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer, the 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.

Effective 1st January 2010, a Belgian paying agent within the meaning of the Savings Directive will no longer apply the Source Tax but will exchange information with the country of tax residence of the beneficial owner regarding interest payments as defined by the Directive. It concerns payments made to an individual, beneficial owner of the interest payments and resident in another EU Member State or resident in one of the associated and dependant territories. Residual entities are subject to a specific regime.

The communicated information will include the identity and residence of the beneficial owner, the name and address of the paying agent, the account number of the beneficial owner and information concerning the interest payment.

The exchange of information cannot be avoided by the submission of a certificate.

A proposal for a Council Directive amending the Savings Directive has been published and will, once agreed upon and implemented, amend the currently applicable rules.

U.S. Foreign Account Tax Compliance Withholding

The Issuers and other non-U.S. financial institutions through which payments on the Notes are made may be required to withhold U.S. tax at a rate of 30 per cent. on all, or a portion of, payments made after 31 December 2013 in respect of Notes pursuant to the foreign account provisions ("FATCA") of the Hiring Incentives to Restore Employment Act of 2010. The application of FATCA to interest, principal or other amounts paid with respect to the Notes is not clear. If an amount in respect of U.S. withholding tax were to be deducted or withheld from interest, principal or other payments on the Notes as a result of FATCA, none of the relevant Issuers, the Guarantor (as applicable), any paying agent or any other person would, pursuant to the Terms and Conditions of the Notes be required to pay additional amounts as a result of the deduction or withholding of such tax. As a result, investors may, if FATCA is implemented as currently proposed by the IRS, receive less interest or principal than expected. Holders of the Notes should consult their own tax advisers on how these rules may apply to payments they receive under the Notes.

Payment on the Notes may be treated as dividend equivalent payments and subject to U.S. withholding tax

Due to the recently enacted U.S. Hiring Incentives to Restore Employment Act, payments on any Notes that are, in whole or in part, directly or indirectly contingent upon, or determined by reference to, the payment of a dividend from a U.S. entity (a "Dividend Equivalent Payment") may become subject to a 30 per cent. U.S. withholding tax when made to a non-U.S. Noteholder. The imposition of this U.S. withholding tax will reduce the amounts received by non-U.S. Noteholders. Neither the Issuer, the Guarantor, any paying agent nor any other person shall pay any additional amounts to the non-U.S. Noteholders in respect of such U.S. withholding. If a non-U.S. Noteholder becomes subject to this withholding tax, the non-U.S. Noteholder may be able to claim any exemptions under its applicable double tax treaty. The application and interpretation of the rules governing U.S. withholding tax on Dividend Equivalent Payments is subject to change.

6. DOCUMENTS REGARDING ANNUAL ACCOUNTS IN ANNEX

This Base Prospectus should be read and construed in conjunction with the audited annual accounts of ABF(NL) for the years ended 31 December 2010 and 31 December 2011, and the consolidated audited accounts of AXA BANK for the years ended 31 December 2010 and 31 December 2011, including the reports of the statutory auditors in respect thereof, which are in annex to this Base Prospectus. Copies of all documents regarding the annual accounts in annex will be available free of charge at the offices of AXA BANK. Additionally, the annual reports of AXA BANK are available on the internet site of AXA BANK (www.axabank.eu)

The balance sheet, income statements, accounting policies, notes and auditors' reports of ABF(NL) and AXA BANK are set out on the following pages of the annual reports of these companies respectively:

	AXA BELGIUM FINANCE (NL) B.V.	
	Annual Report 2010	***Annual Report 2011***
Non-consolidated Balance Sheet..	5	6
Non-consolidated Profit and Loss Account..	7	8
Audit Report..	17	20
Notes to the Accounts	12	14

	AXA BANK EUROPE SA	
	Annual Report 2010	***Annual Report 2011***
Consolidated Balance Sheet..	5	5
Consolidated Statement of Income	2	2
Audit Report..	136	134
Notes to the Consolidated Financial Statements	12	12

Information contained in the annual accounts in annex other than information listed in the table above is for information purposes only.

7. AXA BELGIUM FINANCE (NL) B.V.

(Annex IV of Regulation (EC) 809/2004)

7.1 GENERAL INFORMATION

AXA BELGIUM FINANCE (NL) B.V. was incorporated as a "*besloten vennootschap*" for an unlimited duration under the laws of the Netherlands on 30 October 1990 and under the name of Ippa Finance Company B.V.On 21 March 2000, the name was changed to AXA Belgium Finance (NL) B.V. Its registered office is in Amsterdam and its business address is at 4835 NA Breda, Ginnekenweg 213.

According to Article 2 of its Articles of Association, its objects are:

- to finance other enterprises and companies;
- to found, to participate in any way in, to manage and to supervise enterprises and companies;
- to provide guarantees and to engage the company or its assets for the benefit of connected enterprises and companies;
- to grant services to enterprises and companies;
- to lend, loan and raise funds, including the issue of bonds, IOU's (debt acknowledgements) or other securities, and conclude the connected agreements;
- obtaining, alienating, managing and exploiting of real estate and value properties in general;
- carrying out all sorts of industrial, financial and commercial activities.

ABF(NL) is registered in the Commercial Register of the Chamber of Commerce in Amsterdam under file number 33.224.298.

The issued share capital of ABF(NL) amounts to EUR 1,768,458.60 divided into 3,897 ordinary shares of EUR 453.80 each.

ABF(NL) is a wholly owned subsidiary of AXA BANK and is part of the international group AXA ("AXA"). There is no arrangement that may result in a change of control of ABF(NL).

ABF(NL) acts as a finance company. ABF(NL) issues notes in the market, whereby proceeds of the issued notes are fully lent on to AXA BANK.

There have been no material contracts that are not entered into in the ordinary course of ABF(NL)'s business which could result in any member of the AXA group being under an entitlement that is material to ABF(NL)'s ability to meet its obligations to Noteholders.

ABF(NL) has made no investments since the date of the last published financial statements, and no principal future investments are planned. In addition, there has been no material adverse change in the prospects of ABF (NL) since 31 December 2011.

There have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which ABF (NL) is aware, during the last 12 months, which may have, or have had in the recent past, significant effects on ABF (NL)'s and/or the group's financial position or profitability.

The auditors of ABF(NL) are PricewaterhouseCoopers Accountants N.V. , Thomas R. Malthusstraat 5, 1066 JR Amsterdam, The Netherlands.

The relevant auditor's report with respect to the audited annual accounts of ABF(NL) for the years ended 31 December 2010 and 31 December 2011, as in annex to this Base Prospectus (See *Section 6. Documents regarding annual accounts in annex*), were delivered without any reservations.

7.2 MANAGEMENT AND SUPERVISION

ABF (NL) is managed by a Management Board consisting of two managing directors. It has no staff and its Management Board members work on a part-time basis for ABF (NL). There are no potential conflicts of interests between any duties to the Company of any of the Management Board members and their private interests and/or other duties.

The managing directors of ABF (NL) are Mr. Cees de Jong, Chairman, and Mr. Geert Van de Walle, Deputy Head of AXA BANK EUROPE Financial Services. The main external positions of Mr. Cees de Jong are : Director VINCI B.V., Breda; President Stichting Provisierekening TINK, Maassluis; Legal representative AXA Belgium SA; Vice-president raad commissarissen Parel Leven N.V., Amsterdam; Vice-president raad commissarissen Kölnische Verwaltungs-AG Versicherungswerte, Köln; Board member Stichting Pensioenfonds AXA Verzekeringen, Utrecht

To ABF (NL)'s knowledge, there are no conflicts of interests between the duties of the managing directors to ABF (NL) and their private interests and/or other duties.

The tasks of the Audit Committee of ABF(NL) have been delegated to the AXA Group's Audit Committee (including AXA Holdings Belgium, AXA Belgium and AXA BANK).

7.3 FINANCIAL INFORMATION

7.3.1 ANNUAL AUDITED FINANCIAL STATEMENTS OF AXA BELGIUM FINANCE (NL) B.V.

This financial information has been extracted without material adjustment from the annual audited financial statements of ABF(NL) for the years ended 31 December 2010 and 31 December 2011 and is prepared according to Dutch accounting standards. ABF(NL) is not required to apply international financial reporting standards ("IFRS") when drawing up its financial statements. The most recent year's historical financial information is prepared in a form consistent with that which will be adopted in ABF(NL)'s next published annual financial statements having regard to accounting standards and policies and legislation applicable to such annual financial statements.

The notes to the annual audited financial statements, including a description of the accounting policies, are set out on pages 10 to 19 of ABF(NL)'s 2011 annual report, which is in annex to this Base Prospectus.

Audited Balance Sheet of ABF(NL) as at 31 December 2011 and 31 December 2010

	2011		2010	
	EUR	EUR	EUR	EUR
Fixed assets				
Financial fixed assets				
Amounts receivable from group companies		380,765,643		49,266,000
Current assets				
Receivables				
Amounts receivable from group companies	5,999,250		23,027,000	
Taxes and social security charges	-		6,217	
Other amounts receivable, prepayments and accrued income	36,679		245,685	
		6,035,929		23,278,902
Cash at bank and in hand		2,589,675		2,672,886
Total assets		389,391,247		75,217,788
Shareholder's equity				
Issued share capital	1,768,459		1,768,459	
Other reserves	961,004		872,277	
		2,729,463		2,640,736
Long-term liabilities		380,719,015		49,309,639
Current liabilities				
Other bond loans and private loans	2,426,627		23,027,000	
Taxes and social security charges	9,483		1,610	
Other liabilities, accruals and deferred income	3,506,659		238,803	
		5,942,769		23,267,413
Total liabilities		389,391,247		75,217,788

Audited Profit and Loss Account of ABF(NL) as of 31 December 2011 and 31 December 2010

	2011		2010	
	EUR	EUR	EUR	EUR
Other operating expenses		(189,206)		(178,622)
Operating loss		(189,206)		(178,622)
Income from amounts receivable forming part of the fixed assets	4,833,178		2,139,288	
Interest income and similar income	34,636		12,711	
Interest expense and similar charges	(4,567,698)		(1,989,293)	
Financial income and expense		300,116		162,706
Profit/(loss) before taxation		110,910		(15,916)
Income taxes		(22,183)		3,172
Profit/(loss) after taxation		88,727		(12,744)

7.3.2 AUDITED CASH FLOW STATEMENT OF AXA BELGIUM FINANCE (NL) B.V.

Audited Cash Flow Statement of ABF(NL) as at 31 December 2011 and 31 December 2010

The cash flow statement has been drawn up using the indirect method.

	2011		2010	
	EUR	EUR	EUR	EUR
Cash flow from operating activities				
Operating loss		(189,206)		(178,622)
Changes in working capital:				
- Movements in amounts receivable	(3,357,092)		11,785	
- Movements in current liabilities (excluding amounts payable to credit institutions)	3,275,728		(42,375)	
		(81,364)		(30,590)
Other changes:				
- Changes in amounts receivable forming part of the fixed assets	(488,714)		-	
- Changes in long term accrual liabilities	401,211		-	
		(87,503)		-
		(358,073)		(209,212)
Income from amounts receivable forming part of the fixed assets	4,540,292		2,100,486	
Interest income	34,636		12,711	
Interest expense	(4,280,461)		(1,862,990)	
Income taxes	(22,183)		3,172	
		272,284		253,379
Cash flow from operating activities		(85,789)		44,167
Cash flow from financing activities				
Loans granted to group companies	(363,577,000)		-	
Repayments on loans to group companies	52,119,558		30,495,505	
Proceeds from issued medium term notes	363,577,000		-	
Repayments on issued medium term notes	(52,116,980)		(30,495,505)	
Cash flow from financing activities		2,578		-
Movements in cash at bank and in hand		(83,211)		44,167
Cash at bank and in hand January 1		2,672,886		2,628,719
Movement		(83,211)		44,167
Cash at bank and in hand December 31		2,589,675		2,672,886

8. AXA BANK EUROPE SA

(Annex XI of Regulation (EC) 809/2004)

8.1 GENERAL INFORMATION

8.1.1. AXA GROUP

AXA BANK EUROPE SA is a member of the AXA Group. AXA Group is an important global player whose ambition is to attain leadership in its core Financial Protection business. Financial Protection involves offering our customers - individuals as well as small, mid-size and large businesses - a wide range of products and services that meet their insurance, protection, savings, retirement and financial planning needs throughout their lives. AXA's strategy is to combine organic and external growth to meet the challenge of operational excellence in all of the following areas:

- Product innovation
- Core business expertise
- Distribution
- Quality of service
- Productivity

Leveraging the resources of AXA Group, and in accordance with AXA's values and commitments, about 163,000 people are working daily to execute this strategy and to serve more than 100 million clients.

In order to fully meet all the financial protection customer needs of European clients, AXA has a retail banking activity as part of the AXA Bank Europe structure. This activity is fully integrated within the group as it is a key element for the life & savings business.

8.1.2. AXA BANK EUROPE

AXA BANK EUROPE SA ("AXA BANK") is a *"naamloze vennootschap/société anonyme"* of unlimited duration incorporated under Belgian law and registered with the Crossroads Bank for Enterprises under business identification number 0404.476.835. Its registered office is at 1170 Brussels, boulevard du Souverain 25, Belgium, telephone +32 2 678 61 11.

AXA BANK was established on August 27th 1881 under the name of Antwerpsche Hypotheekkas (ANHYP).

Following the closing of a voluntary public offer on January 22nd 1999, Royale Belge, currently AXA Holdings Belgium, owns all shares in AXA BANK.

According to its Articles of Association AXA BANK's object is to carry out all transactions that are consistent and in accordance with the laws and regulations applicable to credit institutions. It can carry out all financial transactions, inter alia the collection of capital, in whichever way these are repayable, granting credits and credit loans backed by a mortgage or the deposit of values, for its own account and for the account of third parties. It can finance transactions on account, grant loans and credits, inter alia backed by a floating charge, and carry out transactions at discount and re-discount. It can exercise all activities; carry out or incorporated all businesses and execute all transactions that are, directly or indirectly connected with its object and nature of which is to promote its realisation, as all businesses or transactions that can be carried out or organized by way of service to its clients, inter alia in the area of insurance. It can carry out all investments in view of the best use of its funds or those that have been entrusted to it. It can, subject to approval by the general meeting of shareholders, merge with other companies with a similar object, according to such terms considered to be most suitable.

The share capital of AXA BANK amounts to EUR 546,318,241.47 divided into 395,911,750 shares.

In June 2007, AXA's Management Board has defined a common European banking strategy. AXA's objective is to progressively complement its Financial Protection offering with a range of simple and attractive banking products, mainly offered through the existing insurance networks and over the internet, in the European countries where the association of banking and insurance services is highly valued by the customers. The ultimate aim is that local AXA Management in each relevant country has a range of insurance as well as retail banking services at their disposal to better serve their customers.

AXA Group's current banking activities cover five countries: Belgium, France, Germany, Hungary, Czech Republik and Slovakia.

The European retail banking activities are coordinated by AXA BANK, formerly known as AXA Bank Belgium, in Brussels. Banking expertise has been pooled there to provide existing and future banks with the necessary support. Other European AXA banks operate or will operate as branches or subsidiaries of AXA Bank Europe.

A little history of AXA Bank Europe

- 2012 Closing of proper activities in Switzerland
- 2011 Launch of commercial activities in Slovakia
- 2010 Launch of commercial activity of AXA Bank in Czech Republic
- 2009 Launch of commercial activity of AXA Bank in Switzerland
- 2009 Ella Bank in Hungary, acquired in 2007, becomes a branch of AXA Bank Europe
- 2008 AXA Life Europe Hedging Services joined AXA Bank Europe to provide financial engineering competencies to insurance companies of the Group and AXA Bank Europe
- 2007 Creation of the European bank platform AXA Bank Europe on December 3rd.
- 2002 AXA Royale Belge becomes AXA Belgium on 1March. The bank side remains AXA Bank Belgium, abbreviated AXA Bank.
- 2000 Creation of AXA Bank Belgium (resulting from the merger between Ippa and Anhyp) on 1 January.
- 1999 AXA takes over Anhyp.
- 1999 Merger between Royale Belge and AXA Belgium.
- 1990 AXA Belgium is created.
- 1986 Royale Belge takes over Ippa.
- 1903 Foundation of "Société hypothécaire belge et Caisse d'épargne" (later renamed « Ippa »).
- 1881 Foundation of "Caisse Hypothécaire Anversoise" (becoming "Anhyp" later on).

Key financial information

- Solvency position : Tier 1 ratio of 18.84 % (December 31st 2011)
- S&P rating : 'A+/A-1' with 'Negative' outlook (27 January 2012)
- Moody's rating: 'A2/P-1 with 'Negative' outlook (16 February 2012)

General Risk Profile

AXA Bank Europe's core business is retail banking based on simple product offers.

Governance and control

AXA Bank Europe has a governance structure consisting of a Board of Directors, with mainly a supervisory function and defining the company's strategy, and an Management Board with exclusive responsibility of effective management. This structure illustrates and clearly organizes the split between supervisory and management accountabilities.

The auditor of AXA BANK is PricewaterhouseCoopers Bedrijfsrevisoren CVBA, Woluwedal 18, 1932 Sint-Stevens-Woluwe (Belgium).

The relevant auditor's report with respect to the audited accounts of AXA BANK for the years ended 31 December 2010 and 31 December 2011, as in annex to this Base Prospectus (See Condition 6. Documents regarding annual accounts in annex), were issued without any reservations.

8.2 BUSINESS OVERVIEW

8.2.1 KEY EVENTS IN 2011

Many challenges in Hungary

In an attempt to reduce household debt, the Hungarian government has published legislation in September 2011 allowing customers to pay back foreign currency denominated mortgages at non-market rates for a limited time period. This legislation forced banks to provide for the likely cost related to these measures.

Closing of Swiss activities

As announced on November 15, 2011, the customer portfolio has been transferred to bank zweiplus as part of a cooperation agreement between AXA Winterthur and bank zweiplus. The agreement will allow AXA Winterthur to continue to offer and distribute short and midterm savings and investment products through its own distribution channel at low cost. Following this transfer, the Swiss branch will be closed early 2012. Due to the relatively small contribution of the Swiss branch to AXA Bank Europe's net banking product, the impact of the closing of the Swiss activities will remain marginal over time.

Launch of commercial activities in Slovakia

AXA Bank Europe launched commercial activities in Slovakia in April. This new activity was launched by means of a high-yield savings account distributed both by internal and external distribution networks. Net collections reached €11 million at year end. Over 9 months, some 3.750 customers chose to trust AXA Bank with their savings. As the launch of the Slovakian branch was based on a copy of the "Bank in a box" model developed for Czech Republic, it constitutes an important step in the development of AXA Bank Europe's retail business model.

Adoption of adequate liquidity measures in order to strengthen and diversify the balance sheet and the liquidity position of AXA Bank Europe

In the context of strengthened regulatory liquidity requirements, AXA Bank Europe has decided to issue various instruments in order to ensure immediate liquidity in case of stress and keep funding risk under control.

In order to meet liquidity needs, diversified long to mid-term funding sources have been developed: EMTN (Euro Medium Term Note) products, a new tranche of covered bonds (series 3 and 4) and new investments in Basel III friendly assets.

Poland IT center

AXA Bank Europe IT Center in Poland became an official branch of AXA Bank Europe in 2011. This center, set-up in 2009, is meant to become a center of internal expertise to support Flexcube, our core banking system for greenfield banks.

Comments on results

- **Production volumes**

– *Net collections (Increase in savings and investment products for retail clients)*

In million EUR	2010	2011	Variation (comparable FX)
Belgium	194	1,297[2]	+568%
Hungary	76	60	-21%
Switzerland	141	-200	-226%
Czech Republic	436	87	-81%
Slovakia	-	11	-
TOTAL	**848**	**1255**	**50%**

Total AXA Bank Europe net collections were EUR 1,255 million, or an increase of EUR 407 million compared to 2010. In 2011, one of AXA Bank Europe's priorities was to strengthen its retail funding through on-balance sheet retail products. To reach this objective AXA Bank Europe has launched the Optinote program, an EMTN (Euro Medium Term Note), in which four successful issues were placed for a total of EUR 225 million complementing the 5 year retail product offer with the Certirente (Term deposits accounts).

In Belgium the bank has reached a good level of net collections with a strong focus on on-balance sheet products where net collections were EUR 989 million3 compared to EUR 110 million in 2010. Deposits accounts (EUR 214 million net collections), Term-deposits accounts Certirente (EUR 565 million net collections) and the new EMTN program Optinote (EUR 225 million net collections) have positively contributed to this increase.

AXA Winterthur started cooperation with bank zweiplus for the distribution of banking products. AXA Bank has transferred its portfolio of clients to bank zweiplus on January 3rd, 2012 and will cease all operational activity in the course of the first semester 2012.

The markets have been very competitive in the Czech Republic and Slovakia. The Czech branch has managed to attract EUR 87 million net new money thanks to its diversified distribution network combining the online approach with proximity advisors. The Slovak branch was launched since April 2011 and has collected EUR 11 million over the year.

– *Gross credit production (new granted loans)*

In million EUR	2010	2011	Variation (comparable FX)
Belgium	2,749	2,957	+8%
Hungary	285	50	-82%
TOTAL	**3,034**	**3,007**	**-1%**

Gross Credit Production for AXA Bank Europe reached EUR 3,007 million compared to EUR 3,034 million in 2010, mainly as a result of higher volumes in Belgium offsetting lower production in Hungary.

In Belgium AXA Bank Europe primarily focuses on retail lending. The leading credit products for AXA Bank Europe are the mortgage loans where the bank has faced a strong competition in 2011 in order to maintain its market share stable at 7.09%, it has increased its production in mortgage loans in line with the bank's strict risk policy focusing on the prime clients and simple products. In 2011, the Belgian bank has successfully developed its consumer loans offer with green loans and has increased its market share from 6.09% to 7.42%.

Our business in Hungary has been impacted by the volatile market and many governmental and legal changes. AXA Bank Europe has acted proactively early in the year tightening underwriting in order to limit the exposure of the bank.

[2] On balance and Off balance products

[3] On balance retail products

- ***Comments***

- *Consolidated accounts (IFRS)*

AXA Bank Europe consolidated accounts as of 31 December 2011 were drawn up in accordance with IFRS standards (International Financial Reporting Standards).

As of 31 December 2011, the consolidation scope of AXA Bank Europe included the following companies: AXA Bank Europe S.A., including the branches, AXA Hedging Services, Royal Street S.A., AXA Belgium Finance BV and Société de Crédit Foncier (SCF) created in 2010.

AXA Bank Europe's net consolidated result was EUR -147.8 million, compared to EUR 12.3 million the previous year. This decrease was primarily due to higher provisions for loan losses in Hungary and the Forced Conversion Plan, partially offset by exceptional growth in Belgium that remain the largest retail activity of AXA Bank Europe. Belgium is contributing to 79% of net banking revenues and the majority of the consolidated results before exceptional provisions. It continues to demonstrate exceptional growth, with an increase of 205% in total deposit account net new money.

Branches results, restated in accordance with IFRS standards and converted into euros when the currency is different, are as follows:

- The Swiss branch: EUR -16.9 million compared to EUR -14.5 million the previous year. AXA Bank Europe decided to close its Swiss banking branch, following the entry of a cooperation agreement between AXA Winterthur and bank zweiplus to continue the realization of the Life and Savings strategy. As a partner, bank zweiplus will offer white labelled savings products to be distributed via the AXA Winterthur distribution channel. AXA Bank Switzerland has transferred its customer portfolio to bank zweiplus. The one-off costs associated with the closure of the Swiss branch amount to EUR 4.3 million.
- The Hungarian branch: EUR -149.4 million compared to EUR -29.5 million the previous year. In an attempt to reduce household debt, the Hungarian government has published legislation in September 2011 allowing customers to redeem foreign currency denominated mortgages at non-market rates for a limited time period. As a result, AXA Bank Europe has provided for a total of EUR 103 million in order to cover the likely costs related to this legislation based on the number of submitted files by December 31, 2011. In addition, following the financial and economical situation in Hungary, AXA Bank Hungary provisioned EUR 54 million for the remaining mortgage portfolio. As one of the measures for the de-risking of the Hungarian banking activity, all Hungarian credit production has been stopped. Future focus of the bank remains on retail savings going forward.
- The Czech branch: EUR -8.1 million compared to EUR -14 million the previous year as a mainly driven by higher commercial margin compared to the margin applied for the commercial launch of the banking activity in 2010.
- The Slovak branch: EUR -4.4 million compared to EUR -2.3 million the previous year as a result of the commercial launch of the banking activity in 2011.

In the final analysis, AXA Bank Europe's consolidated net result amounted to a loss of EUR 147.8 million and the consolidated balance sheet totalled EUR 41,837 million. These figures are to be compared with a profit of EUR 12.3 million in 2010 and a consolidated balance sheet total of EUR 31,377 million.

Considering the limited scope of consolidation, readers are referred to the other sections of this report for comments on developments, risks and uncertainties. For comments and details on the application of IFRS standards, please see the annual consolidated accounts and the explanatory notes they contain.

For segment information, see also the table published on page 121 of the AXA BANK EUROPE's consolidated IFRS accounts (Annex 5).

- *Statutory accounts*

AXA Bank Europe's statutory accounts are drawn up in accordance with Belgian accounting standards and take into consideration the specific provisions for credit institutions.
The accounts include the branch accounts. As of 31 December 2011, the balance sheet total stood at EUR 40,273 million and we recorded a net loss of EUR 127 million.

This result consists of the following (Belgian accounting standards):

- Belgian banking activity: EUR 12.59 million in profit
- Correction of the result of internal sales between headquarters and the branches: EUR 7.9 million
- Hungarian banking activity: EUR - 117.21 million.
- Swiss banking activity: EUR - 17.35 million.
- Czech banking activity: EUR - 7.94 million.
- Slovak banking activity: EUR - 4.44 million.
- Execution Desk Paris: EUR - 0.71 million
- Polish IT Center: EUR 0.18 million.

– *Appropriation of profit*

The loss for the period was 127,008,439.88 EUR.
Retained earnings from 2010 are up to 112,066,619.75 EUR

Therefore, the loss for appropriation amounts to -14,941,820.13 EUR.

The Board of Directors has proposed carrying the loss forward again.

In view of Article 96,6 of the Companies Act, and in spite of the fact that the income statement shows an annual loss for two successive business years, the Board confirms that the company's business is continuing and justifies the application of the continuity accounting convention by the fact that the losses originate on one hand from the cost of opening branches and on the other from the macro-economic position in Hungary. This can also be seen from the fiscal years, which show a return to profits for the coming years.

▪ *Governance*

– *Management Bodies: changes implemented in 2011 and since 1 January 2012.*

Board of Directors :

- Appointment of Dominique Bellec, effective January 10, 2012 ;
- Appointment of Frédéric Clément, effective August 30, 2011 ;
- Appointment of Jef Van In, effective February 14, 2011 ;
- Appointment of Sabine De Rycker, effective February 1, 2012;
- Appointment of SPRL M.B.I.S., represented by Marc Bellis, effective August 23, 2011 ;
- Appointment of Emmanuel Vercoustre, effective December 6, 2011 ;
- Dismissal of Philippe Eyben, effective December 6, 2011.

Executive Committee:

- Appointment of Dominique Bellec, effective January 10, 2012 ;
- Appointment of Frédéric Clément, effective August 30, 2011 ;
- Appointment of Sabine De Rycker, effective February 1, 2012 ;
- Appointment of Emmanuel Vercoustre, effective December 6 2011 ;
- Dismissal of Philippe Eyben, effective December 6, 2011.

Audit committee:

- Appointment of SPRL M.B.I.S., represented by Marc Bellis, effective August 23, 2011.

Remuneration Committee:

- Appointment of SPRL M.B.I.S., represented by Marc Bellis, effective August 23, 2011.

- *Competence and independence of the Audit Committee*

The AXA Bank Europe audit committee consists of Jacques Espinasse, Chairman, Patrick Lemoine and SPRL M.B.I.S., represented by Marc Bellis since August 23, 2011

Jacques Espinasse was appointed an independent Director of AXA Bank Europe on 17 April 2008. He has a degree from the University of Michigan and a Master's in Business Administration. He has been a Finance Executive of major companies in the automotive, media and communication sectors. He has served as a deputy chief executive for Havas Group and Chief Financial Officer and Management Board member of Vivendi.

Patrick Lemoine was appointed a Director of AXA Belgium on 01/01/2010. He is a graduate of the *Ecole des Mines* (EMSE). He received an *Etude Comptable Supérieur* (Higher Accounting Studies) diploma and an MBA from INSEAD. He is also an actuary. He began his career in 1981 with Credit Lyonnais and has since acquired significant experience as a technical director in property-casualty insurance and as a financial director in the insurance industry in France and Canada.

Marc-Antoine Bellis is representing SPRL M.B.I.S., which is appointed an independent Director of AXA Bank Europe effective August 23, 2011. He has a PhD in Law and has a bachelor's degree in Economic Law from ULB and has been research assistant in fiscal law for 8 years. He has been a lawyer at the "Barreau de Bruxelles". He has since then acquired an extensive experience in credits, ALM and Risk Management and in banking, including on an international level. Between 1994 and 2002, he was CEO of Fortis UK and until 2007 he was CEO of Corporate, Institutional & Public Banking for Fortis Group.

The Board of Directors is consequently in a position to demonstrate the individual and collective competence of the members of the audit committee, as required by the law of 17 December 2008 which requires an audit committee in financial institutions.

AXA Group entities in Belgium meet the independence criteria described in Article 526ter of the Company Code.

In addition, the Board pays special attention to the representative character of independent Directors.

- *Competence and independence of the Remuneration Committee*

The AXA Bank Europe Remuneration Committee is made up of Jacques de Vaucleroy, Chairman, Patrick Lemoine, and SPRL M.B.I.S, represented by Marc Bellis since 23rd August 2011, all non-executive directors. **Marc Bellis** therefore contributes his independent status and his wealth of experience as described above. **Patrick Lemoine's** lengthy financial experience is also described above.

Jacques de Vaucleroy is a qualified lawyer from the UCL and has a master's degree in corporate law from the VUB. Most of his career has been spent in the ING group where, in particular, he was a member of the executive committee. He has 25 years' experience in insurance, assets management and banking in both Europe and the United States. He was appointed as AXA's Managing Director for Northern, Central and Eastern Europe (NORCEE) in 2010 and is a member of the Management Board and the Executive Committee of AXA (FR).

As a result, this means that the Board of Directors can substantiate the individual and joint competence of the members of the Remunerations Committee.

- *Remuneration of Directors*

General

The remuneration policy for senior executives used by AXA Bank Europe is based on AXA Group's remuneration policy while being consistent with local market practice.
The primary goal is to reconcile its principles and structure with healthy and effective management of company risk.

Remuneration policy structure

AXA Bank Europe Executives' remuneration consists of a fixed component and a variable component. The balance between the two depends on the level of responsibility. In any case, the fixed component is determined in coherence with market practices and at a level which is sufficient to allow for a flexible remuneration policy on the variable component.
The variable component consists of two parts:

- A non-deferred variable component defined by an annual cash target
- A deferred variable component

Performance measurement for non-deferred variable remuneration

The non-deferred variable component is determined based on:

- Individual performance measured by the achievement of short and longer-term objectives
- The performance of the individual's home entity
- The performance of AXA Group as a whole.

Performance measurement for deferred variable remuneration

AXA has a long-term remuneration plan (AXA Equity plan). Its principles may be adjusted on a regular basis, notably based on changes in the international legal framework.

The approach is based on long-term motivation of employees, which enables deferral of a significant portion of variable remuneration and concurrent compliance with the requirements of national and international regulators. On average, this remuneration amounts to 40 to 60% of total variable remuneration.

The goal is to reward employees and gain their loyalty by binding them both to the intrinsic performance of AXA Group, to that of their home entity and to the performance of AXA share over the medium/long term. Beneficiary selection criteria are: the importance of the position held (role), how critical the holder is to the position (retention), how critical the person is to the future (potential) and the quality of their individual contribution (performance).

The deferred variable component consists of two main vehicles:

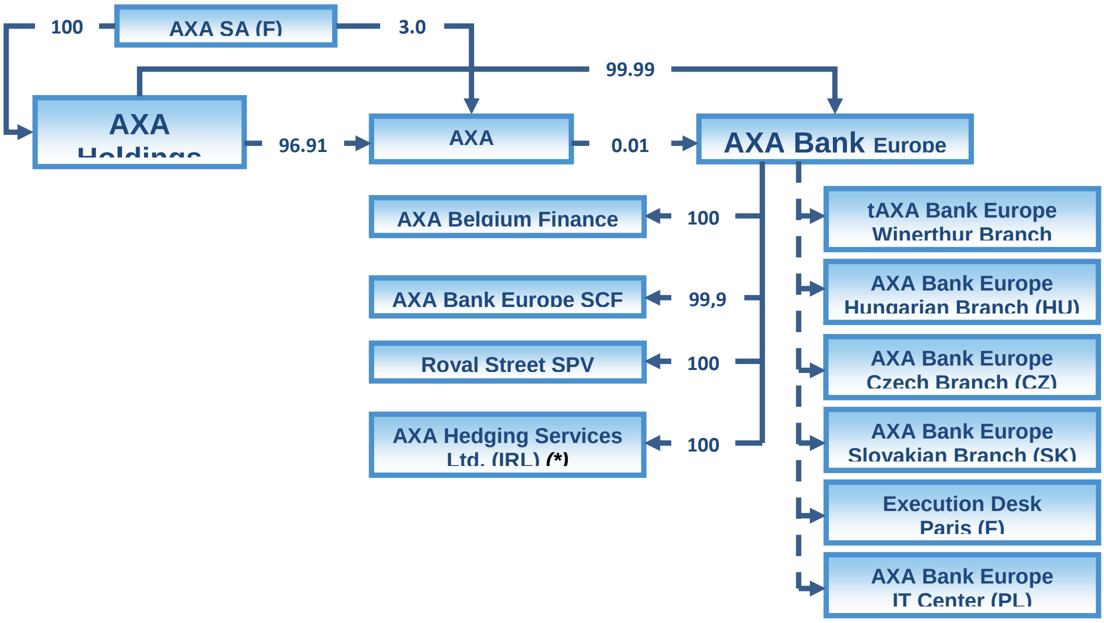
- Stock options based on performance criteria with a total vesting period of four years and exercise within 10 years
- Performance Units based on performance criteria and paid in cash after a vesting period of three years.

- *Governance*

The remuneration policy is reviewed by a Remuneration Committee consisting of non-Executive Directors, at least one of which is independent as meant in the Company Code.

The committee prepares the decisions to be taken by the Board of Directors taking into account the repercussions on risk and the company's risk management, on one hand, and the long-term interests of the organization's stakeholders, on the other.

– *Simplified AXA Bank Europe shareholding structure*



(*) Till March 22nd, 2012
(**) Activities transferred to bank Zweiplus

AXA Belgium = insurance company
AXA Belgium Finance (NL) = Dutch finance company
AXA Bank Europe SCF = French Société de Crédit Foncier
Royal Street = Special Purpose Vehicle for securitization

8.2.2 RETAIL ACTIVITY INDICATORS BY ENTITY

AXA Bank in Belgium

- ***Market conditions***

The strengthened growth of the Belgian economy in 2010 continued into the first semester of 2011 (+1% and +0.7% over the first two quarters) before decreasing slightly in the second semester, bringing the growth of the Belgian GDP for 2011 to 1.9% against 2.2% in 2010.

The substantial recovery of exports in 2010 continued in the first semester 2011 but decreased in the second semester as a result of a decline in export markets, which is no longer enough to compensate the high level of petrol prices. Consequently, the surplus on the balance of trade, which stood at 1% of the GDP in 2010, disappeared in 2011.

The burgeoning economic recovery that got underway in 2010 and continued into the first semester of 2011 has enabled to reduce the unemployment rate. The 2011 average number of unemployed people in Belgium was 421,823 meaning -3.8% less than in 2010 with an average of 438,425.

In anticipation of the slowdown of the economy, the Belgian household saving rate remains high (16.5%), even if it has dropped to just under the 2010 level (16.8%).

Add to these various elements the 3.5% rise in inflation in 2011, which was even more pronounced than the rate of inflation in 2010 (2.19%). This rise in inflation is largely driven by the sharp rise of energy prices.

Concerns chiefly focus on sovereign debt in the same way as for the rest of the Eurozone, unlike last year when Belgium still ranked as one of the best pupils. The situation saw public debt rise to 97%, and was further compounded by the lack of a central government to put in place the appropriate austerity measures. In November, this prompted the loss of the AA+ rating, which in turn saw public borrowing interest rates soar to just under 6% by the end of November.

In 2010 the real estate market recovered from the economic crisis of 2008, boosted by a low interest environment with average prizes +5.8% up. As already foreseen end of 2010, the recovery slowed down in 2011, as in the first semester of 2011, prizes remained flat compared to 2010, but in real terms, inflation taken into account, prizes went slightly down. The second semester of 2011 was more dynamic but prize rises couldn't catch up the inflation. As long-term interest rates are foreseen to rise again, the perspectives for the real estate market in 2012 will be affected by the purchasing power of the households and a house price stagnation should be expected.

- ***Savings activities***

Given the increasing short term market rates, margin on savings went up significantly in 2011 compared to 2010. Numerous commercial actions were successfully launched beginning of 2011 on savings accounts (+EUR 812 million), on 'Certirente' term deposits (+EUR 565 million) and 'Optinote' EMTN's (+EUR 225 million).

- ***Credit activities***

− *Mortgage loans*

Mortgage loans were successfully piloted to the stated objective of EUR 2 021 million production, in spite of difficult market conditions. Indeed, whereas the market shrunk by almost 1%, AXA Bank managed to maintain growth. Our market share remains stable at 7.09%.

− *Personal lending*

Personal lending was boosted in 2011, with production reaching EUR 532 million. Coming from a production of EUR 398 million, this represents a +33% growth. Thanks to its well-chosen focus on renovation loans, as well as some relevant product innovations, AXA Bank was well-positioned to grow faster than the overall market, which grew by 7%. Our market share has increased from 6.09% to 7.42%.

− *Business lending*

Business lending targets SME's and independent professionals. The production grew to EUR 401 million, after a slight decrease in 2010 (358 million). This growth is particularly evident in the long-term investment credit sector.

Quality of the credit portfolio
Despite macroeconomic conditions that continue to be less favorable and the persistent international phenomenon of higher credit risk, the global loan portfolio, consisting primarily of retail loans, remained fundamentally sound. In 2011, AXA Bank recorded a net loss ratio of +0.11%, that is an increase of 0.04% compared to 2010.

− *Exposures Retail credit*

The following two tables provide quantitative information concerning the nature and performance of ABE's retail credit exposures in Belgium.

The first table provides information concerning those exposures measured through ABE (Belgium Branch)'s Internal Rating Based approach. Within this approach, it should be noted that ABE categorizes its exposures through 10 buckets. Exposures in buckets 1 to 9 are considered performing while exposures in buckets 10 are considered non-performing.

Loan Types	Buckets	EAD		RWA		Provisions	
		31/12/2011	31/12/2010	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Mortgage	1-9	11.778.630	10.836.691	846.356	815.381	1.035	1.112
	10	116.988	96.237	16.942	22.483	16.196	13.157
Consumer	1-9	1.013.121	842.956	342.300	315.746	2.574	2.710
	10	29.866	27.229	0	0	11.833	9.768
Commercial	1-9	1.437.666	1.357.586	235.972	234.258	1.230	1.188
	10	44.788	40.866	9.452	13.898	14.126	10.011

The second table provides details on those retail credit exposures in Belgium that remain measured by Basel II Standardized Approach.

Loan Types	EAD (in '000€)		RWA (in '000€)		Provisions (in '000€)	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Mortgage	14.615	55.431	5.155	20.777	0	0
Commercial	112.407	103.417	99.693	94.173	5.180	5.257
Current Accounts	61.236	61.457	41.455	43.862	7.556	7.025
Consumer[4]	10	2.871	8	2.153	-	-

ABE retail credit exposures in Belgium are principally composed of mortgage financing, with a share of approximately 82% in terms of outstanding balance.

Given the good cover and low chances of default of this type of financing, the risk profile of AXA Bank's retail credit portfolio in Belgium is very low.

- ***Daily Banking***

In 2011, AXA focused on the profitable growth of the traditional and the Internet current account, which demonstrated a net growth of 10,317 active accounts leading to a total 311,064 accounts. The total number of current accounts stood at 495,259. The sum total deposited into the current accounts as per end of 2011 amounted to 1.31 billion euros, a 15% rise compared to 2010.

In early 2011, AXA also positioned the Click Bonus Internet account as part of the AXA Corporate Responsibility strategy by introducing PVC organic material for the card and the further expansion of the bonus banking concept with electronic transactions generating an extra 5 eurocents for a charitable cause.

The existing debit card portfolio grew by 2.2 %, reaching a total of 420,966 cards. The number of transactions rose by 6.5 %, reaching a total of 35 million transactions.

The credit card portfolio (Visa, MasterCard) went up by 7.5 %. Our portfolio reached 82,333 cards. Our market share remained stable at 2.47 %.

[4] Difference in comparison to 2010, as in 2011 part of the EAD measured with the Standardized apprroach in 2010 were included the Internal Rating based approach.

AXA Bank in Hungary

- ***Market conditions***

GDP: After growing at a 2.5% in the first quarter of 2011, Hungary's economic rebound started to lose momentum resulting in a 1.4% GDP-growth in Q3. Following the pattern of the post-crisis era, net exports remained the main engine of growth as private consumption basically stagnated and investments dropped throughout the first 9 months of the year.

Unemployment: The recovery of the Hungarian labor market is still out of sight. The structural unemployment rate has been stagnating for almost 1.5 year at 11%.

Public debt and political risk: In 2011, the government introduced a series of political measures in order to reduce the debt to GDP ratio and fill the budget gap. These steps included the effective nationalization of private pension-fund assets and the introduction of extraordinary industry taxes.
In parallel, in an attempt to reduce household debt, the Hungarian government has enacted a legislation in September 2011 allowing customers to redeem foreign currency denominated mortgages at non-market rates for a limited time period. The manifesting political-regulatory risks and the deteriorating global environment resulted in the massive repricing of Hungarian CDS-rates. The 1-year HU CDS rate broke out from the 100-200bps range it had been oscillating within Feb-Sept 2011 and reached an all-time high of 639bps by December.

Monetary policy: In the second half of the year consumer prices started to rise, mostly due to increase in excise tax raises and high oil prices. On the top of these impacts, higher risk associated with the outlook of the Hungarian economy and its knock-on effect of the forint led to a year-end base rate increase of 100bps.

FX. While the forint stayed within the 260-280 range against the euro in the first 8 months of the year, it skyrocketed from September to December to 314.6. The CHF/HUF also went to a new high of 266.6 as the EUR/CHF approached parity in August and only moderately corrected by year-end to 258.6.

- ***Saving activities***

AXA's emphasis in relation to its savings activity for 2011 was a constant drive for stable margins while continuing with previous efforts of developing its overall retail deposit base in order to rebalance the loans to deposits ratio. Despite the war for deposit towards years end, AXA globally met its NNM target with EUR 60 million.

- ***Credit activities***

The Hungarian loan market contracted further in 2011. AXA strengthen considerably the lending criteria in the first quarter. Parallel to this the underwriting process was centralized from the branches in order to increase control over the activity. New production was limited to HUF, a major shift from previous practices of lending in foreign currencies. Combined loans, having been limited to endowment policies of AXA previously, have been fully stopped. AXA became the first major bank to halt providing floating interest loans and shifted to fixed interest (re-pricing 5 years) as its unique offer. Consequently, new production figures fell sharply.

In an attempt to reduce household debt, the Hungarian government has published legislation in September 2011 allowing customers to pay back foreign currency denominated mortgages at non-market rates for a limited time period. This legislation forced banks to provide for the likely cost related to these measures.

As a consequence of these measures, AXA Bank Europe has booked an amount of €103m relating to provisioning for the impact of legislation passed by the Hungarian government on top of the €54m provisions to cover the loan losses on the existing portfolio.

AXA Bank in Switzerland

- ***Market conditions***

After a short improvement and increase of the interest rates across the different durations, Switzerland saw interest rates decreasing to historic lows. In December the 10 year Swiss Government bond offered an interest of 0.74% and the corresponding 4year bond fell to 0.07%. Many market players adjusted their interest rates to this low interest environment by implementing one to two rate decreases. AXA Bank maintained during 2011 its interest rate of 1.1 % for its flagship product, the "Sparkonto Plus".

- ***Saving activities***

Till the announcement of the transfer of its customers and customer deposits to bank zweiplus on November 15th 2011 AXA Bank's customer base attained 31,464 customers. At the same time the customer deposits came up to CHF 608 million. With its flagship product, the "Sparkonto Plus", an inflow of CHF 62 million resulted for time up to November 15.

- ***Transfer of customers and customer deposits to bank zweiplus and cease of operations***

As announced on 15 November 2011, the customer portfolio has been transferred to bank zweiplus as part of a cooperation agreement between AXA Winterthur and bank zweiplus. The agreement will allow AXA Winterthur to continue to offer and distribute short and midterm savings and investment products through its own distribution channel at low cost. As a result of this transfer, the Swiss branch was closed leading to **one-off costs** amounting to **EUR 4.3million**.

AXA Bank in the Czech Republic

- ***Market conditions***

Net GDP growth (year on year) for the 3rd quarter of 2011 was only 1.2%, which was 0.1% less than originally predicted earlier this year. As per expectations, continuous reduction in household consumption and also reduction in government spendings is only slowly compensated by growing labor market. Major contributor to GDP growth was net export.

As for the evolution of prices in the economy, the average rate of inflation reached 1.9% in 2011. Impact of further administrative measures was the primary reason for price increases.

Banking sector is quite stable, traditionally led by three main banks (Komerční banka – Société Générale group, CSOB – KBC group and Ceska Sporitelna – Erste group). In the second half of 2011 new on-line banks market entered the market namely: Zuno Bank (Raiffeisen Bank International) in July, Equa Bank (ex Banco Popolare) in September, and Air Bank (PPF) in November.

- ***Savings activities***

AXA Bank Czech Republic continued to grow during its second year of history by acquiring almost 17,000 new customers and currently service 52,000 customers. With nearly EUR 86 million Net New Money collected in 2011, the total deposit amount is almost 529 million EUR Assets Under Management. The major acquisition channel in 2011 was the AXA Agents' network that represents 55%, followed by 33% for the online channel and 12% for the Brokers' network.

AXA Bank in Slovakia

- ***Market conditions***

GDP growth in Slovakia in Q3 was 3% (including seasonal changes), which was better than expected. Year on year dynamic was positive. However, compared to Q2, it was slightly slower. The main factor of positive economic growth was foreign demand. On the other hand, household and government consumption reduction negatively influenced GDP in Slovakia.

Inflation rose to 4.8%, heavily influenced by price increase in transportation and also energy.

- ***Savings activities***

Although the AXA Bank Europe, Slovak branch, was legally established in December 2009, commercial activities were ultimately launched in April 2011.

The Slovak branch started its operations with a simple product, a high yield savings account with loyalty bonus, e-banking system, and chip debit VISA card. The major acquisition channel was internal network representing 39.8%, followed by online channel 32.6% and 27.7% for Broker network.

Over 9 months, some 3.750 customers chose to trust AXA Bank with their savings.

8.2.3 AXA BANK EUROPE SHARED SERVICES

Treasury & Portfolio Management

The 2011 economic environment was characterized by the absence of sustained economic growth and a continued liquidity crisis on a global level. In Europe, slowing inflation figures and continued stress on the spread to be paid by European governments to finance sovereign debt resulted in a volatile interest rate environment, a change of ECB policy in June 2011 and more stress on the Euro currency relative to for instance USD and CHF. On top of all this, the Belgian budget management vacuum created by the absence of a government with full governing powers up to December 2011 additionally increased the price to pay for the financing of the Belgian debt.

Within this economic environment AXA Bank Europe left its important capital base untouched, reduced the interest rate sensitivity of its balance sheet and allocated even more management attention to the liquidity management of the bank and its sensitivity to the fluctuation of the spread on the Belgian debt.

A scenario based liquidity management was further extended with the inclusion of stress events on for instance interest rate downgrade of European countries. These stress tests proved AXA Bank's liquidity buffer to be sufficiently big.

On top of this comfortable liquidity buffer, AXA Bank Europe continued the reduction of the liquidity gap on the commercial balance sheet through the issuance of both retail Euro Medium Term Notes (EMTN) and covered bonds. The first 2011 AAA covered bond issuance in April 2011 was of a size of EUR 500 mio and had a maturity of five years. The second 2011 covered bond issuance in December was a 10 year maturity 1.5 billion Euro size and has been retained on the AXA Bank Europe balance sheet as markets were closed.

On the retail issues, AXA Bank Europe issued for more than EUR 350 mio of EMTN (corresponding of 10 issues) toward retail and corporate clients in Belgium, France and Portugal, increasing the liquidity buffer and expanding AXA client coverage. All AXA Bank Europe bond issuances in 2011 have been done at prices that have gradually increased over the whole of 2011, following the increased financing costs of most European countries. This translates the way investors feel about crisis management and budget deficit management in Europe. The lack of confidence in European economies caused interest rate to be very volatile over the whole of

2011. The remaining interest rate sensitivity on the AXA Bank Europe balance sheet being concentrated under the one year, the bank was positively impacted by the reduction of the ECB main refinancing rate in November and December 2011 by 0.25% each time to the present level of 1%.

In the current financial crisis, AXA Bank Europe also developed the new activities with very limited financial market exposures to spare its capital while expanding the business. This strategy was built in order to create simple, clear and transparent payoffs to be leveraged into the group and re-used (from tranches products to continuous solutions) By this, AXA Bank Europe participated in the global AXA life insurance and banking offer expansion by providing tailor made simple and transparent structures to the group clients, fulfilling a need that was left empty before this offer range. In this scope of the global aim toward diversifying AXA Bank Europe revenues, the EMTN issued have been entirely manufactured in-house, retaining more fees for the bank, reinforcing AXA Bank Europe expertise, and with zero financial market risk. This way of working protected the bank fee business revenues from the financial market volatility in 2011 and optimized the capital consumption.

Execution Desk

AXA Bank Europe continued to offer its activities as the market entry point for both transactions for the insurance business in variable annuities and transactions performed for EMTN's.

This creates a vision of AXA Bank Europe as a market access hub, a partner for financial expertise for the group and a business oriented entity committed at expanding AXA offer range and client coverage.

AXA Hedging Services

AXA Hedging Services provides trade recommendations with regards to the hedging of specific life insurance products (variable annuities) for 16 Insurance companies within AXA Group. Hedging of AXA Life Europe UK business (freedom of services) has started. Operational set up is ready for hedging new products available in China and in Japan, China GMAB and ALJ GMAB product.

Despite the economic situation not favoring increase of long term investment in risky assets, by year end, the current sales volume reached EUR 2 billion.

In order to optimize the board and monitoring of strategies for hedging the other entities of AXA, AXA Hedging Services Ltd was sold to another group entity. This transfer of AHS to AXA Global Distributor Ltd. is completed at this point.

8.2.4 COMMENTS ON RISK MANAGEMENT POLICIES

In the current financial turmoil, risk management policies are subject to daily "live tests". In 2011, risk policies were again scrutinized, in order to insure AXA Bank Europe a safe sailing across the world's financial turbulences: models were back-tested, limits were reviewed, indicators were challenged, reporting was improved… and changes were made whenever necessary. The main developments are described in the different paragraphs of this section. They will highlight the key risk events of 2011 and will also provide an overview of the strategies and mitigation methods used by the bank to maintain these risks at desired levels.

The first paragraph gives an overview of the risk allocation for 2011. The next sections will focus on AXA Bank Europe's mains risk categories for 2011, namely: strategic, credit, interest rate, liquidity, market and operational risks. All of them impact potentially the Bank's solvency, liquidity and profitability objectives.

Risks allocation

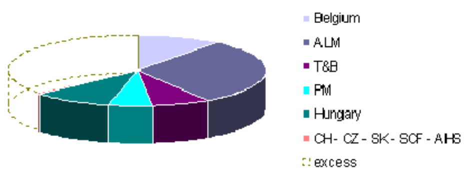
The continuous identification and quantification of the bank's material risks are at the core of AXA Bank Europe's risk policies. These risks are measured, allocated, mitigated and continuously monitored through a well implemented internal risk appetite framework. Within this framework, the Bank's risk appetite is translated into functional limits and hedging procedures.

13 risks are considered as material for the bank. Each of them is the object of an Economic Capital model, which is forecasted on several horizons. Capital is then allocated for each activity of the Bank on a forward-looking way, based on AXA Bank Europe risk objectives.

In order to assess capital requirements on a forward looking basis, ABE's risk appetite capital allocation process is in line with the Strategic plan. Capital requirements are forecasted for every business line/activity for a period of 3 years by using the assumptions embedded in the Strategic plan figures. The final figures are allocated to the business lines for the coming year.

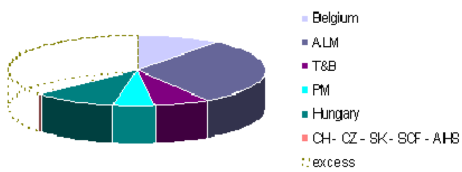
Within its risk appetite framework, the capital allocation per business line for the year 2011 was very much in line with the 2010 allocation, showing a stability in the bank's risk objectives (see graph below).

Economic Capital per business line – 2010 allocation



Per business line (M€)	Allocated 2010	
	Before diversification	After diversification
Belgium	253.8	127.0
ALM	499.8	364.4
T&B	54.6	86.7
PM	66.4	64.2
Hungary	216.0	122.9
ALEHS	0.3	0.3
CH	5.1	5.5
CZ	0.2	0.8
SK	0	1.2
SCF	0.2	0.2
Total	1.098.5	850.7

Economic Capital per business line – 2011 allocation



Per business line (M€)	Allocated 2011	
	Before diversification	After diversification
Belgium	257.8	125.6
ALM	447.2	366.0
T&B	102.6	84.0
PM	77.5	63. 4
Hungary	224.2	122.9
ALEHS	0.3	0.3
CH	5.1	5.1
CZ	0.8	0.8
SK	1.2	1.2
SCF	0.2	0.2
Total	1.117.0	846.5

See also footnote[5]

During 2011, AXA Bank Europe developed the computation of forward looking RARORAC ('Risk-Adjusted Return On Risk-Adjusted Capital') measures, enabling to forecast the bank's risk adjusted value creation.

Regarding the regulatory capital requirements, the methods used by ABE to measure its regulatory capital requirements are summarized in the table below:

Risks:	Method:
Retail Credit – Belgium	Internal rating based approach
Retail Credit – Hungary	Standardized approach
Securitization (Residential Mortgage Backed Securities)	Internal rating based foundation approach
Securitization (Not Residential Mortgage Backed Securities)	Standardized approach
Non Retail Credit (Sovereigns, Financial Institutions, Corporates)	Standardized approach
Counterparty	Standardized approach
Market	Standardized approach
Operational	Basic Indicator Approach

5 ALM means Assets and Liabilities Management; T&B means Treasury and Brokerage; PM means Product Management; ALEHS means AXA Life Europe Hedging Services and SCF means Société de Crédit Foncier

At the end of the year 2011, ABE reports that its Basel (Pillar 1) ratio was 25.57% and its CRD ratio incl. Basel I floor 11,24%, above legal requirements. ABE further reports that during the year 2011, the available own funds always exceeded regulatory compliance requirements. In the future, ABE aims to maintain a solvency ratio over the minimum requirements, as it is at this moment. ABE is already anticipating the new Basel III solvency and liquidity ratios. Measures are already taken in order to comply with the new regulatory ratios in the coming years.

Basel II Pillar 1 on 31/12/2011 (in '000 €)		
Minimum Regulatory Capital Requirement		356 818
Basel I Floor *		454 535
	Total requirements	811 353
Basel II Pillar 1 Own Funds		1 140 417
	Surplus	329 063

* The Basel II Accord laid down that a minimum solvency requirement ('floor') had to be imposed (on a transitional basis) on institutions like ABE using an internal model for credit risk for their measurement of minimum regulatory capital requirement. This floor was based on the old Basel I framework and was therefore referred to as the ' Basel I floor'. It aimed to prevent institutions from releasing significant amounts of regulatory capital by switching to internal models. The transitional Basel I floor was introduced in 2006 and initially scheduled to be released on the 31.12.2009. However, with the ongoing revision of the Basel II Accords and EU Capital Requirements Directive, it was maintained in 2010 and 2011 and will likely be maintained until 2015.

Strategic risk

Strategic risk is the risk that the bank's main objectives (in terms of solvency, of liquidity, of profitability and of value creation) may not be attained due to strategic decisions required from its Board of Directors or from its Management Board. It refers to decisions required to adapt to the external business environment, to improve the internal organization or to seize new strategic opportunities.

Strategic threats were monitored all along 2011 through strategic reviews, annual strategic planning exercises, financial planning processes, product approval processes and the management of strategic projects.
Main strategic threats came from AXA Bank Europe's external environment: unilateral decisions taken by the Hungarian Government (forcing banks to accept prepayment of mortgage loans at non in line with market conform), new bank levies in Belgium, strategic impact of the upcoming Basel III regulation…
The developments were the object of detailed analyses, decisions, and when necessary: provisions.
The Banks itself did not enter upon strategic developments having a potential major impact on the Bank's risk profile.

Credit risk

Credit risk is the risk of loss associated with the default or the deterioration in the credit quality of counterparty exposures.

Retail credit risk

The bank is mainly exposed to retail credit risk through its portfolio of retail loans (consumer loans, mortgage loans and small enterprises' loans) in Belgium and to mortgage loans in Hungary.

Retail credit risk in Belgium

The following mitigation measures were put in place in 2010:

- Mortgage loans: a new acquisition scoring model was put in production at the beginning of 2011; a new cure rate model was developed and put in production.
- Professional loans: a new cure rate model was developed and put in production.
- The development of a new economic capital model was also launched during the last quarter of 2011. Validation and implementation will take place early 2012.

Retail credit risk in Hungary

The credit portfolio of the Hungarian branch of AXA Bank Europe was kept under a very close watch in 2011 due to its vulnerability resulting from exchange rate fluctuations.
A number of new mitigation measures were put in place in 2011:

- Severe tightening of the credit policy at the beginning of 2011, bringing the production close to a standstill, followed by a total stop of new credit production as from December 2011.
- Provisions were increased as a precautionary measure to reflect the weakening of the HUF, the deteriorated economic environment in Hungary and the unilateral government decisions regarding early repayment at not market conform rates;
- Retail credit governance was strengthened, through the creation of 2 credit committees.
- The full set of internal credit risk models (acquisition and behavioral PD, cure rate and LGD) was developed and implemented for provisions computation and risk management.
- Unilateral government measures aiming at protecting FX mortgage debtors were implemented.

Non-retail counterparty credit risk

The bank's exposure to non retail credit risk is limited to selected high quality investments (well rated sovereigns, corporate, financial institutions and asset backed securities) and to high quality counterparties to hedge the derivatives done with AXA insurance companies.
AXA Bank Europe's entire bond portfolio is subject to limits on concentration risk and credit risk. Monitoring and compliance with the limits are ensured by AXA Bank Europe's non retail credit committee. Credit ratings and market price evolutions of our positions are carefully monitored and these are supplemented by regular stress test exercises to check the vulnerability of our credit portfolio to a number of adverse developments. Over the past year, particular attention has been paid to our exposures in peripheral European countries.

Positions that would fall below minimum rating and market price levels and that would fail the stress-tests are impaired.

During 2011, AXA Bank Europe continued to act for AXA Group as a centralized platform to access financial markets[6], which has led to an increase of the bank's exposures resulting from derivatives hedging transactions.

The bank's exposures to derivatives and money market transactions continue to be mitigated through an extremely strict collateral requirement policy. Exposures on such transactions are monitored on a daily basis to ensure that our credit exposures are adequately mitigated. The bank implemented a number of further measures during the year to limit our exposures on financial institutions resulting from derivatives hedging transactions and interbank deposits. The risk appetite for transactions with financial institutions as counterparties was halved during the year and the list of eligible counterparties was reduced significantly in light of the downward trend in credit quality of the financial services sector as a whole. Moreover, the maximum maturity on unsecured interbank transactions was limited to overnight transactions only, while transactions of a longer maturity are only permitted on a secured basis with selected, highly rated institutions. We responded to any credit exposures bans as imposed by AXA Group Global Risk Management by forthwith implementing these in our limit and exposure management system.

During the year, we continued to monitor the impact of the upcoming Basel III requirements on our investment portfolio in terms of its likely impact on the future calculation of risk weighted assets and the eligibility of our investment securities for use in secured funding transactions and in the calculation of the liquidity coverage ratio (see below chapter liquidity risk). This led to a review of AXA Bank Europe's investment policy, restricted to level 1 and level 2 assets categories (as per the Basel III definition). This means that certain asset classes (such as lower rated corporate bonds and asset back securities) were put in run-off.

[6] Back-to-back hedging services for AXA Group's variable annuities products.

Interest rate risk

Interest rate risk is defined as the risk of potential adverse changes to the fair value of interest sensitive positions after movements in interest rates.

AXA Bank Europe's business focus on retail banking means that the bank concentrates its credit exposures on lower risk prime mortgage loans. The corollary of this business strategy is that the Bank is exposed to higher interest rate risk due to the long duration of a part of its mortgage portfolio. This position requires an active monitoring and mitigation through hedging techniques.
AXA Bank Europe's ALM department reports to the ALCO on the bank's structural interest rate risk exposures. It proposes scenarios for interest rate risk management decisions.
AXA Bank Europe's Risk Management department independently monitors risk exposures and compliance with agreed risk appetite limits.

Major developments during 2011:

- Interest rate risks indicators were split among their sub-components:
  - Pure interest rate risk7
  - Option risk8
  - Basis risk9
- The general limit on interest rate risk was replaced by triggers on its above-mentioned components.
- The Economic Capital model for interest rate risk has been reworked. Among others:
  - Positions in non Euro currencies were included
  - Stability, accuracy and robustness of the model were significantly improved.

Liquidity risk

AXA Bank Europe also maintains (at all times) a buffer of liquid assets that allow it to resist stress scenarios consisting of assumptions of reduced liquidity on financial markets and significant withdrawals by customers.
As stated previously, it also initiated a review of its investment policy to ensure its ongoing compliance with upcoming liquidity regulatory requirements.
The liquidity management policies were considerably enhanced during 2011:

- Development of forecasting capacities on liquidity indicators
- Extension of the liquidity stress-tests to a wide range of new stresses
- Tightening of the liquidity limit
- Monitoring of Basel III LCR and NSFR ratio

Several actions were also implemented in order to improve AXA Bank Europe's liquidity:

- Issuance of a 1.5 Bn covered bonds
- Part of the non ECB eligible assets was sold.

These efforts will be continued during 2012, with the further automation of the liquidity reporting and the implementation of new structural liquidity indicators and triggers.

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[7] Risk of loss arising from potential adverse changes in the fair value of interest sensitive position after movements in interest rates.
[8] Risk linked to options embedded in credit retail products.
[9] Risk of losing money from market price movements of debt instruments and credit retail products that are caused by unexpected changes in credit spread.

Market risk

Market risk is usually composed of the following risks:

Risk	Definition
Interest Rate Risk (non structural, short term)	Risk of loss arising from potential adverse changes in the fair value of interest sensitive position after movements in interest rates.
Exchange Rate Risk	Risk of loss arising from potentially negative changes in fair position values (measured in home currency) due to exchange rate fluctuations.
Credit Spread Risk	Risk of losing money from market price movements of debt instruments that are caused by unexpected changes in credit spread.
Price Risk (Equity)	Adverse movements of exposures in stocks and other types of direct/indirect investments in enterprises that the bank is holding for trading activities.
Market Liquidity Risk	Risk that the firm cannot easily offset or eliminate a position without significantly affecting the market price because of inadequate market depth or market disruption.

AXA Bank Europe's has a very conservative approach to market risk and does not engage in equity or commodities trading. As such, only the three first risks in the above list were considered material to AXA Bank Europe's activities in 2011.
AXA Bank Europe's ALCO is responsible to ensure that market risk management strategies are applied. It reviews market risk reports produced by the bank's Risk Management department and it monitors compliance with agreed risk appetite limits.
In 2011, AXA Bank Europe's market risk increased firstly because of the raise in volatilities and changes in correlations. Secondly, a new more conservative methodology to calculate market risk was introduced this year. Finally, short term interest rate risk sensitivity increased after internal transfers to trading portfolios without increasing the bank total exposure to this source of risk.

Operational risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, or from personnel or systems.
The failure or inadequacy may result from both internal and external causes.
In 2011, AXA Bank Europe updated the Operational Risk Management Charter in order to enhance the governance of this risk. AXA Bank Europe continued the adoption of the AXA group risk management framework and the implementation of this advanced framework has been reviewed by an external validator in Q4 of 2011. All branches where in scope in the cycle of 2011 and all of them participated in the process of the Operational Risk self assessments.

8.2.5 RECENT DEVELOPMENTS

Although the turbulent macro-economic context (slowing/stagnating economic cycles, eurozone crisis, sovereign debt crisis) increased the volatility of financial markets during the first semester of 2012, AXA Bank Europe has resisted the strain and has been able to de-risk sensibly its balance sheet, to manage positively its liquidity and to maintain its capital position.
In Belgium, the performance over the first half of this year has been solid:

- Strong increase in attracting Net New Money,
- Increase of market share in mortgage lending (cumulated market share grew from 5.88% YTD 2011 to 7.78% YTD 2012), despite a market shrinkage of -13%;
- Increased Underlying Earnings, mainly supported by one-off capital gains on Belgian OLOs.

AXA Bank Belgium's capacity to attract deposits and win market shares demonstrates the strength of its banking business in Belgium and the confidence placed in the bank by the customers in an uncertain economic and financial climate. Keeping up the momentum in developing attractive solutions for the customers will be the focus for the coming months.

In view of the economic evolution in Hungary, it was decided in January 2012 to stop all new credit activities in the country. AXA Bank Hungary is now working to de-risk the current portfolio as much as possible while maintaining a deposit business and securing liquidity to the best of its abilities. However, the discontinuation of the lending activities together with new measures from the Hungarian government is expected to still negatively impact the Hungarian revenues and earnings in the coming months.
AXA Bank in Czech Republic & Slovakia now offers a range of savings products and has launched its loan offers in Czech Republic in July. Even if the potential for banking activities in Central Europe is robust, the current financial climate and weakness in terms of interest rate differential makes it difficult to achieve significant processing margins in the short term.

In **Czech Republic**, the Net New Money inflow was encouraging during the first half year; additional commercial campaigns are planned in the second semester in order to reach the budget;
In **Slovakia**, the Net New Money inflow was favourable as well during the first half year; mainly supported by the new partnership we started with dedicated brokers.
In conclusion, the strong efforts to reduce balance sheet risks in the first semester of 2012 have had a positive and significant impact on liquidity and solvency.

At this time of the year, AXA Bank Europe is liquid with high level of retail deposits, has a safer balance sheet with limited exposure and is compliant to risk regulation. In the coming months of 2012, the bank will firmly pursue its efforts to stabilize balance sheet risks and capital optimization (especially in Hungary), enhance the development of the e-banking business (especially in Belgium); accelerate business development to break even in 2014 (in Czech Republic & Slovakia) and strengthen the effectiveness of the capital market businesses (Financial Services).
AXA Bank Europe's holding in the Irish company AXA Hedging Services Ltd was transferred to the Irish company AXA Global Distributors Ltd on 1st January 2012.

The majority of the investments held by AXA BANK are issued by the most solid states and AXA BANK has continued to reduce the risk profile with an exposure to debt issued by peripheral Eurozone countries. AXA BANK has no more Greek and Irish exposure in portfolio.
The exposure to selected Eurozone countries (PIIGS counties) is summarized in the table below:

Country	**Book value in '000 EUR**
Spain	283,702
Italy	260,998
Portugal	90,315
Greece	0
Ireland	0
Total PIIGS	**635,015**

PIIGS Sovereign Exposure (31/08/2012) (in '000 EUR)

At the end of June 2010 AXA BANK's liquidity ratios are as follows:
- NBB Liquidity Indicator (consolidated): 3,626,477.87EUR or 48.28%
- Liquidity Coverage Ratio (Basle III) 1,717,680,968EUR or 150%

There have been no material contracts that are not entered into in the ordinary course of AXA BANK's business which could result in any member of the AXA GROUP being under an entitlement that is material to AXA BANK's ability to meet its obligations to Noteholders.

AXA BANK has made no investments since the date of the last published financial statements, and no principal future investments are planned.

8.3 MANAGEMENT AND SUPERVISION

8.3.1 ADMINISTRATION, MANAGEMENT AND AUDIT

Board of Directors	***Executive Committee***	***Audit Committee***
		Jacques Espinasse, Chairman
Jacques de Vaucleroy, Chairman	Jef Van In, Chairman (since 14 February 2011)	Patrick Lemoine
Emmanuel de Talhouët (Vice-Chairman)	Patrick Vaneeckhout	M.B.I.S. SPRL, represented by Marc Bellis (since August 23, 2011)
Jef Van In (since 14 February 2011)	Emmanuel Vercoustre (since December 6, 2011)	
Dominique Bellec (since January 10, 2012)	Dominique Bellec (since January 10, 2012)	
Irina Buchmann	Irina Buchmann	
Frédéric Clément (since August 30, 2011)	Frédéric Clément (since August 30, 2011)	
Sabine De Rycker (since February 1, 2012)	Sabine De Rycker (since February 1, 2012)	
Patrick Vaneeckhout		
Emmanuel Vercoustre (since December 6, 2011)		
Jacques Espinasse		
M.B.I.S. SPRL, represented by Marc Bellis (since August 23, 2011)		
François Robinet		***Remuneration Committee***
Thomas Gerber		Jacques de Vaucleroy, Chairman
Patrick Lemoine		M.B.I.S. SPRL, represented by Marc Bellis (since August 23, 2011)
		Patrick Lemoine

Audit Committee

AXA Bank Europe's Audit Committee is made up of Jacques Espinasse and Patrick Lemoine.

Jacques Espinasse was appointed an independent Director of AXA Bank Europe on 17 April 2008. He has a degree from the University of Michigan and a Master's in Business Administration. He has considerable experience as an analyst and financial officer, including in major enterprises. Mr Espinasse has served as a director for several companies.

Patrick Lemoine was appointed director of AXA Bank Europe on 15 December 2009. He is also director and member of the Audit and Remuneration committee of AXA Belgium SA and is the president and member of the Audit Committee of AXA Holdings Belgium SA. M. Lemoine is appointed Chief Financial Officer of AXA's NORCEE region.

The Board of Directors is consequently in a position to demonstrate the individual and collective competence of members of the Audit Committee, as required by the Belgian law of 17 December 2008 on the establishment of an audit committee in financial institutions.

Since 2007 and prior to the entry into force of this law on 8 January 2009, the member companies of AXA Group Belgium used the independence criteria laid down in the AXA Group Corporate Governance Standards.

According to this text, to be considered independent, a director:

- may not be, or have been in the course of the last five years, an employee of the company or of a company with ties to the company;
- may not be a partner or employee of the company's external auditor;
- may have no family ties with any of the company's directors;
- may not have any direct or indirect significant business relations with the company or its affiliates.

Directors appointed prior to the entry into force of the law of 17 December 2008, who met these criteria, were entitled to sit as independent directors until 1 July 2011. All new appointments of independent directors shall meet the nine independence criteria set by the law of 17 December 2008.

Conflicts of interests

To AXA BANK's knowledge, there are no conflicts of interests between any duties to AXA BANK of the members of the Board and of the committees and their private interests and/or other duties.

Remuneration policy for directors

Generalities

The remuneration policy for directors defined by AXA Bank Europe is based on AXA Group's remuneration policy while conforming to practices on the local market. External studies are conducted annually to ensure such conformity.

Structure of the remuneration policy

The remuneration policy for directors of AXA Bank Europe includes a fixed component and a variable component. The balance between the two can vary depending on the level of responsibilities (directors or members of the executive committee), it being understood that the fixed component is always adequate in order to allow for a flexible remuneration policy on the variable component.

The variable component is made up of two parts:

- A non-deferred variable component which is defined by an annual cash target.
- A deferred variable component which is composed of a share option plan, with a vesting period of at least three years.

Performance measurement

Performances are determined on the basis of different criteria that take account of the rate of achievement of individual objectives which are quantitative and qualitative in nature, the performance of AXA Bank Europe and the performance of AXA Group as a whole.

Governance

The remuneration policy and the individual remuneration of directors and members of the executive committee are set annually by the Board of Directors on the basis of proposals from the Remuneration Committee. This committee is made up of the Chairman of the Board of Directors and of non-executive directors. Different experts from AXA Bank Europe and AXA Group are invited to advise the Remuneration Committee. Non-executive directors are only paid fixed emoluments and do not receive any variable remuneration.

8.3.2 EXTERNAL DUTIES OF THE DIRECTORS

Under the Financial Services and Markets Authority (previously CBFA) Regulation, approved by the Royal Decree dated 19th July 2002 and concerning the performance of external duties by executive managers of credit institutions, AXA BANK is required to disclose the principal external duties performed by its directors and executive managers.

Name	External position
de VAUCLEROY Jacques	Directeur Général AXA Région NORCEE
	Président AXA Belgium
	Administrateur délégué at AXA Holdings Belgium
de TALHOUET Emmanuel	Administrateur-Directeur at AXA Holdings Belgium
	Administrateur délégué at AXA Belgium
ESPINASSE Jacques	Administrateur at AXA Holdings Belgium
	Administrateur - Président du Comité d'Audit at AXA Belgium
GERBER Thomas	Mitglied des Vorstands at AXA Konzerns AG
	Vorstand at AXA Lebensversicherung AG
BUCHMANN Irina	
VAN IN Jef	
LEMOINE Patrick	Administrateur - Membre du comité d'Audit et de Rémunération at AXA Belgium
	CFO AXA Région NORCEE
	Président et Membre du comité d'Audit at AXA Holdings Belgium
CLEMENT Frédéric	
ROBINET François	Membre du Conseil de Surveillance AXA Banque
VANEECKHOUT Patrick	Administrateur at AXA Private Management

8.3.3 SUPERVISION

AXA BANK Europe is under the supervision of the National Bank of Belgium (BNB/NBB).

8.4 FINANCIAL INFORMATION

8.4.1 CONSOLIDATED ANNUAL AUDITED FINANCIAL STATEMENTS OF AXA BANK EUROPE SA

Under the Belgian Royal Decree of 5 December 2004, Belgian credit institutions and investment firms are required to apply IFRS when drawing up their financial statements for financial years commencing on or after 1 January 2006. AXA BANK has therefore produced and published financial statements in accordance with IFRS from 1 January 2006 onwards.

The notes to the consolidated annual audited financial statements, including a description of the accounting policies, are set out on pages 12 to 24 of AXA BANK's 2011 annual report, which is in annex to this Base Prospectus.

The consolidated financial information below has been extracted without material adjustment from the consolidated audited financial statements of AXA BANK for the years ended 31 December 2011 and 31 December 2010 which were prepared in accordance with IFRS.

Audited Consolidated Balance Sheet of AXA BANK as of 31 December 2010 and 31 December 2011

Consolidated Balance Sheet Statement - Assets in '000 EUR	***31/12/2011***	***31/12/2010***
Cash and cash balances with central banks	636.423	623.347
Financial assets held for trading	6.065.191	2.862.765
Financial assets designated at fair value through profit or loss	43.183	71.663
Available-for-sale financial assets	7.337.581	4.993.190
Loans and receivables (including finance leases)	26.810.930	22.354.881
Held-to-maturity investments	0	0
Derivatives - hedge accounting	114.666	48.521
Fair value changes of the hedged items in portfolio hedge of interest rate risk	312.410	135.225
Tangible assets	47.389	49.554
Property, Plant and Equipment	47.389	49.554
Investment property	0	0
Intangible assets	18.505	18.896
Goodwill	0	0
Other intangible assets	18.505	18.896
Investments in associates, [subsidiaries] and joint ventures (accounted for using the equity method- including goodwill)	0	0
Tax assets	146.392	122.459
Current tax assets	218	955
Deferred tax assets	146.174	121.504
Other assets	115.643	96.894
Non-current assets and disposal groups classified as held for sale	189.061	0
TOTAL ASSETS	**41.837.374**	**31.377.395**

Consolidated Balance Sheet Statement - Liabilities in '000 EUR	31/12/2011	31/12/2010
Deposits from central banks	0	0
Financial liabilities held for trading	6.048.855	2.810.610
Financial liabilities designated at fair value through profit or loss	378.148	67.534
Financial liabilities measured at amortised cost	23.012.689	19.842.991
Deposits from Credit institutions	964.100	361.374
Deposits from Other than credit institutions	16.875.207	15.749.338
Debt certificates including bonds	2.064.467	1.829.785
Subordinated liabilities	372.270	374.809
Other financial liabilities	2.736.645	1.527.685
Financial liabilities associated with transferred assets	10.622.823	7.179.356
Derivatives - hedge accounting	577.228	386.297
Fair value changes of the hedged items in a portfolio hedge of interest rate risk	57.739	-30.604
Provisions	203.426	178.984
Tax liabilities	30.282	30.227
Current tax liabilities	27.715	27.655
Deferred tax liabilities	2.567	2.572
Other liabilities	65.647	61.382
Liabilities included in disposal groups classified as held for sale	189.061	0
Share capital repayable on demand (e.g. cooperative shares)	0	0
TOTAL LIABILITIES	**41.185.898**	**30.526.777**

Consolidated Balance Sheet Statement - Equity in '000 EUR	31/12/2011	31/12/2010
Issued capital	546.318	546.318
Paid in capital	546.318	546.318
Unpaid capital which has been called up	0	0
Share premium	0	0
Other Equity	0	0
Equity component of compound financial instruments	0	0
Other	0	0
Revaluation reserves and other valuation differences	-222.334	-172.581
Tangible assets	0	0
Intangible assets	0	0
Hedge of net investments in foreign operations (effective portion)	0	0
Foreign currency translation	16.907	-1.362
Cash flow hedges (effective portion)	-29.105	-16.096
Available for sale financial assets	-202.095	-149.337
Non-current assets and disposal groups held for sale	0	0
Other items	-8.041	-5.786
Reserves (including retained earnings)	475.250	464.539
<Treasury shares>	0	0
Income from current year	-147.758	12.342
<Interim dividends>	0	0
Minority interest	0	0
Revaluation reserves and other valuation differences	0	0
Other items	0	0
TOTAL EQUITY	**651.476**	**850.618**
TOTAL LIABILITIES AND EQUITY	**41.837.374**	**31.377.395**

Audited Consolidated Statement of Income of AXA BANK as of 31 December 2011 and 31 December 2010

Consolidated profit or loss in '000 EUR	***31/12/2011***	***31/12/2010***
CONTINUING OPERATIONS		
Financial & operating income and expenses	350.845	349.012
Interest income	2.337.597	1.712.409
Cash & cash balances with central banks	1.419	0
Financial assets held for trading (if accounted for separately)	1.385.398	962.568
Financial assets designated at fair value through profit or loss (if accounted for separately)	2.462	3.598
Available-for-sale financial assets	127.064	92.911
Loans and receivables (including finance leases)	689.088	613.465
Held-to-maturity investments	0	0
Derivatives - Hedge accounting, interest rate risk	132.051	39.827
Other assets	115	40
(Interest expenses)	2.089.393	1.477.688
Deposits from central banks	0	0
Financial liabilities held for trading (if accounted for separately)	1.410.824	964.174
Financial liabilities designated at fair value through profit or loss (if accounted for separately)	4.280	565
Financial liabilities measured at amortised cost	468.499	360.992
Deposits from credit institutions	60.026	21.811
Deposits from non credit institutions	291.247	254.757
Debt certificates	60.627	30.939
Subordinated liabilities	16.874	18.616
Other financial liabilities	39.725	34.869
Derivatives - Hedge accounting, interest rate risk	205.790	151.957
Other liabilities	0	0
Expenses on share capital repayable on demand	0	0
Dividend income	774	2.792
Financial assets held for trading (if accounted for separately)	0	0
Financial assets designated at fair value through profit or loss (if accounted for separately)	348	492
Available-for-sale financial assets	426	2.300
Fee and commission income	42.540	40.499
(Fee and commission expenses)	48.447	42.226
Realised gains (losses) on financial assets & liabilities not measured at fair value through profit or loss, net	55.419	17.882
Available-for-sale financial assets	49.264	12.029
Loans and receivables (including finance leases)	6.378	6.736
Held-to-maturity investments	0	0
Financial liabilities measured at amortised cost	-223	-883
Other	0	0
Gains (losses) on financial assets and liabilities held for trading (net)	-10.505	11.955
Equity instruments and related derivatives	637	-2.455
Interest rate instruments and related derivatives	-35.614	39.773

Foreign exchange trading	24.472	-24.429
Credit risk instruments and related derivatives	0	-934
Commodities and related derivatives	0	0
Other (including hybrid derivatives)	0	0
Gains (losses) on financial assets and liabilities designated at fair value through profit or loss (net)	1.688	3.766
Gains (losses) from hedge accounting	31.768	8.985
Exchange differences , net	-16.511	30.442
Gains (losses) on derecognition of assets other than held for sale, net	-33	28
Other operating net income	45.948	40.168
Administration costs	286.117	294.820
Staff expenses	136.793	128.107
General and administrative expenses	149.324	166.713
Depreciation	9.512	6.557
Property, Plant and Equipment	2.799	2.396
Investment Properties	0	0
Intangible assets (other than goodwill)	6.713	4.161
Provisions	11.691	-5.317
Impairment	186.175	66.667
Impairment losses on financial assets not measured at fair value through profit or loss	186.175	66.667
Financial assets measured at cost (unquoted equity)	0	0
Available for sale financial assets	5.738	3.882
Loans and receivables (including finance leases)	180.437	62.785
Held to maturity investments	0	0
Impairment on	0	0
Property, plant and equipment	0	0
Investment properties	0	0
Goodwill	0	0
Intangible assets (other than goodwill)	0	0
Investments in associates and joint ventures accounted for using the equity method	0	0
Other	0	0
Negative goodwill immediately recognised in profit or loss	0	0
Share of the profit or loss of associates, [subsidiaries] and joint ventures accounted for using the equity method	0	0
Profit or loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	0	0
TOTAL PROFIT OR LOSS BEFORE TAX FROM CONTINUING OPERATIONS	-142.650	-13.715
Tax expense (income) related to profit or loss from continuing operations	5.107	-26.057
TOTAL PROFIT OR LOSS AFTER TAX FROM CONTINUING OPERATIONS	-147.757	12.342
Total profit or loss after tax from discontinued operations	0	0
TOTAL PROFIT OR LOSS AFTER TAX AND DISCONTINUED OPERATIONS AND BEFORE MINORITY INTEREST	-147.757	12.342
Profit or loss attributable to minority interest	0	0
NET PROFIT OR LOSS	**-147.757**	**12.342**

8.4.2 AUDITED CASH FLOW STATEMENTS OF AXA BANK EUROPE SA

Audited Consolidated Cash Flow Statement of AXA BANK as at 31 December 2011 and 31 December 2010

OPERATING ACTIVITIES	31/12/2011 in '000 EUR	31/12/2010 in '000 EUR
Net profit (loss)	-147.758	12.342
Adjustments to reconcile net profit or loss to net cash provided by operating activities:	190.819	-23.190
(Current and deferred tax income, recognised in income statement)		
Current and deferred tax expenses, recognised in income statement	5.107	-26.057
Minority interests included in group profit or loss		
Unrealised foreign currency gains and losses	16.511	-30.442
INVESTING AND FINANCING		
Depreciation	9.512	6.557
Impairment		
Provisions net	24.317	-5.316
Unrealised fair value (gains) losses through Profit or loss, i.e. for investment property, PPE, intangible assets,...		
Net gains (losses) on investments, net (i.e. HTM, associates, subsidiaries, tangible assets,...)		
OPERATING		
Net unrealised gains (losses) from cash flow hedges	-13.009	-3.979
Net unrealised gains (losses) from available-for-sale investments	180.196	-4.914
Other adjustments	-31.815	40.961
Cash flows from operating profits before changes in operating assets and liabilities	43.061	-10.848
Increase (Decrease) in working capital (excl. cash & cash equivalents):	795.105	521.512
Increase (decrease) in operating assets (excl. cash & cash equivalents):	9.665.843	4.578.451
Increase (decrease) in balances with central banks	265	11.416
Increase (decrease) in loans and receivables	4.526.397	2.009.672
Increase (decrease) in available-for-sale assets	1.881.396	1.328.263
Increase (decrease) in financial assets held for trading	3.193.909	1.176.820
Increase (decrease) in financial assets designated at fair value through profit or loss	-24.449	5.755
Increase (decrease) in asset-derivatives, hedge accounting	64.848	38.997
Increase (decrease) in non-current assets held for sale		
Increase (decrease) in other assets (definition balance sheet)	23.477	7.528
Increase (decrease) in operating liabilities (excl. cash & cash equivalents):	10.460.948	5.099.963
Increase (decrease) in deposits from central banks		
Increase (decrease) in deposits from credit institutions	603.748	-1.038.455
Increase (decrease) in deposits (other than credit institutions)	1.125.870	283.763
Increase (decrease) in debt certificates (including bonds)	234.682	858.052
Increase (decrease) in financial liabilities held for trading	3.238.191	1.149.112
Increase (decrease) in financial liabilities designated at fair value through profit or loss	310.614	-6.317
Increase (decrease) in liability-derivatives, hedge accounting	102.089	89.755

Increase (decrease) in other financial liabilities	4.652.427	3.757.295
Increase (decrease) in other liabilities (definition balance sheet)	193.327	6.758
Cash flows from operating activities	838.166	510.664
Income taxes (paid) refunded	700	-3
Net cash flow from operating activities	838.865	510.661

INVESTING ACTIVITIES		
(Cash payments to acquire tangible assets)	-1.307	10.658
Cash receipts from the sale of tangible assets	-6.738	187
(Cash payments to acquire intangible assets)	673	2.325
Cash receipts from the sale of intangible assets	-728	
(Cash payments for the investment in associates, subsidiaries, joint ventures net of cash acquired)		
Cash receipts from the disposal of associates, subsidiaries, joint ventures net of cash disposed		
(Cash outflow to non-current assets or liabilities held for sale)		
Cash inflow from the non-current assets or liabilities held for sale		
(Cash payments to acquire held-to-maturity investments)		
Cash receipts from the sale of held-to-maturity investments		
(Other cash payments related to investing activities)		
Other cash receipts related to investing activities		
Net cash flow from investing activities	-6.832	-12.796

FINANCING ACTIVITIES		
(Dividends paid)		
Cash proceeds from the issuance of subordinated liabilities	9.461	22.048
(Cash repayments of subordinated liabilities)	12.000	48.417
(Cash payments to redeem shares or other equity instruments		
Cash proceeds from issuing shares or other equity instruments		
(Cash payments to acquire treasury shares)		
Cash proceeds from the sale of treasury shares		
Other cash proceeds related to financing activities		
(Other cash payments related to financing activities)		
Net cash flow from financing activities	-2.539	-26.369
Effect of exchange rate changes on cash and cash equivalents		

NET INCREASE IN CASH AND CASH EQUIVALENTS	829.495	471.496
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	623.347	151.851
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	1.452.842	623.347
Components of cash and cash equivalents:		
On hand (cash)	77.159	590.212
Cash and balances with central banks	558.999	33.135
Loans and receivables	128.548	
Held-to-maturity investments		
Available-for-sale assets	498.298	
Financial assets held for trading		
Financial assets designated at fair value through profit or loss		

Other short term, highly liquid investments (Bank overdrafts which are repayable on demand, if integral part of cash management)	189.838	
Total cash and cash equivalents at end of the period	1.452.842	623.347
Of which: amount of cash and cash equivalents held by the enterprise, but not available for use by the group		
Undrawn borrowing facilities (with breakdown if material)		
Supplemental disclosures of operating cash flow information:		
Interest income received	2.517.734	1.760.787
Dividend income received	773	2.300
Interest expense paid	-2.351.144	-1.433.078
Supplemental disclosures of acquisitions/disposals of subsidiaries		
Total purchase or disposal consideration		
Portion of purchase or disposal consideration discharged by means of cash or cash equivalents		
Amount of cash and cash equivalents in the subsidiaries acquired or disposed		
Amount of assets and liabilities other than cash or cash equivalents in the subsidiaries acquired or disposed of		
Non-cash financing and investing activities		
Acquisition of assets by assuming directly related liabilities or by means of a finance lease		
Acquisition of an enterprise by means of an equity issue		
Conversion of debt to equity		

8.5 LEGAL AND ARBITRATION PROCEEDINGS

There have been no governmental, legal and arbitration proceedings (during a period covering the last 12 months) which may have, or have had in the recent past, significant effects on AXA BANK's financial position or profitability.

8.6 RATING

Unless specified otherwise in the relevant Final Terms, the Notes are not rated.

AXA BANK has the following ratings:

- S&P rating: 'A+/A-1' with 'Negative' outlook (27January 2012)
- Moody's: A2/P-1 with 'Negative' outlook (16 February 2012).

9. TERMS AND CONDITIONS OF THE NOTES

(Annex V.4 of Regulation (EC) 809/2004)

The following is the text of the terms and conditions (the "Terms and Conditions", each chapter or subchapter individually referred to as "Condition") of the Notes, subject to completion and amendment and as supplemented or varied in accordance with the relevant provisions of the Final Terms. In the event of any inconsistency between the provisions of the Final Terms and the other provisions of this Programme, the Final Terms will prevail. All capitalised terms that are not defined in these Terms and Conditions will have the meanings given to them in the relevant Final Terms.

References in the Terms and Conditions to the Notes are to the Notes of one Tranche only, not to all Notes that may be issued under the Programme.

The Notes are issued under an agency agreement dated 21 september 2010 (as amended or supplemented as at the date of issue of the Notes (the "Issue Date"), referred to as the "Agency Agreement"), between ABF(NL) as Issuer, AXA BANK as Guarantor, the Fiscal Agent, the Principal Paying Agent, the Domiciliary Agent, the Paying Agent (together with the Principal Paying Agent the "Paying Agents") and the Calculation Agent.

The Notes will be issued in tranches (each a "Tranche"). A "Series" means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (a) expressed to be consolidated and form a single series and (b) identical in all respects (from the date on which such consolidation is expressed to take effect), except for their respective Issue Date, Interest Commencement Dates, first payment of interest, principal amount of the Series, and/or Issue Prices

9.1. FORM, DENOMINATION AND TITLE

The Notes issued by ABF (NL) are issued in bearer form ("Bearer Notes") in the Denominations specified in the relevant Final Terms. The Denomination of ABF (NL) Notes will be at least EUR 1,000. They will be represented by a permanent global note, deposited with BIL as common depositary for Euroclear and Clearstream Luxembourg and will not be exchangeable for definitive notes, unless specified otherwise in the relevant Final Terms .

The ABF (NL) Notes will not be physically delivered. They will be held in a securities account.

The Notes issued by AXA BANK are issued in dematerialised form ("Dematerialised Notes") in Denomination(s) specified in the relevant Final Terms.

Dematerialised Notes are issued in dematerialised form via a book-entry system maintained in the records of the National Bank of Belgium ("BNB") as operator of the BNB System in accordance with Article 468 and following of the Belgian Companies Code and will be credited to the accounts held with the BNB System by AXA BANK, Euroclear Bank S.A./N.V. ("Euroclear"), Clearstream Banking S.A. ("Clearstream, Luxembourg") or other BNB System participants for credit by AXA BANK, Euroclear, Clearstream, Luxembourg or other BNB System participants to the securities accounts of their subscribers.
Transfer of Dematerialised Notes will be effected only through records maintained by the BNB System, AXA BANK, Euroclear and Clearstream, Luxembourg or other BNB System participants and in accordance with the applicable procedures of the BNB System, Euroclear and Clearstream, Luxembourg or other BNB System participants.

The Notes will not be physically delivered. They will be held in a securities account.

AXA BANK will not charge any fees for Notes held in a AXA BANK securities account, or for the opening of such account.

Title to the ABF (NL) Notes shall pass by transfer to or from the securities account. In these Terms and Conditions, the "Noteholder" means the person who has the Notes on his or her securities account.

9.2. INTEREST ON THE NOTES

The interest to be paid on the Notes (the "Interest") can be based on a fixed rate ("Fixed Rate", such Notes to be referred to as "Fixed Rate Notes"), a floating rate ("Floating Rate", such Notes referred to as "Floating Rate Notes") or linked to any other variable, formula and/or underlying ("Variable Linked Rate", such Notes to be referred to as "Variable Linked Rate Notes") (Fixed Rate, Floating Rate and Variable Linked Rate are together referred to as "Interest Rate"). The Interest Rate is expressed as a percentage per annum and the Interest is calculated per Note for each Interest Period as the product of the Calculation Amount, the Interest Rate and the Day Count Fraction, unless an Interest Amount is specified in the relevant Final Terms, in which case the Interest payable in respect of such Note for such Interest Period shall equal such Interest Amount.

The Notes can also be Zero Coupon Notes, in which case no Interest is paid periodically.

Interest shall cease to accrue on each Note from the due date for redemption thereof unless payment of the principal thereof or delivery of the Redemption Amount (as defined below) to be delivered in respect thereof is improperly withheld or refused or unless default is otherwise made in respect of such payment. In such event, interest shall only cease to accrue from the date on which payment of such Redemption Amount in respect thereof is made or, if earlier and if applicable, from the seventh day after notice is given to the Noteholders in accordance with these Terms and Conditions that payment of the Redemption Amount will be made, provided that, upon such presentation, payment is in fact made.

9.2.1 FIXED RATE NOTES

Fixed Rate Notes bear Interest at the Fixed Rate specified in the relevant Final Terms, payable in arrears.

9.2.2 FLOATING RATE NOTES

Floating Rate Notes bear Interest at the Floating Rate specified in the relevant Final Terms, as fixed on the Interest Determination Date applicable to the relevant Interest Payment Date and payable in arrears. The Floating Rate will be determined by the Calculation Agent as the rate published on the Publication Source for the specified Designated Maturity plus the Spread, all as specified in the relevant Final Terms.

9.2.3 VARIABLE LINKED RATE NOTES

Variable Linked Rate Notes bear Interest at the Variable Linked Rate specified in the relevant Final Terms, as fixed in the way specified in the Final Terms, and payable in arrears. The Variable Linked Provisions below will apply.

9.2.4 ZERO COUPON NOTES

Zero Coupon Notes may be issued at their principal amount or at a discount to it, applying an Amortisation Yield, and will not bear Interest. Zero Coupon Notes that are also Bearer Notes may be subject to certain formalities on transfer under the laws of the Netherlands.

9.2.5 PAYMENT OF THE INTEREST

Unless otherwise stated in the relevant Final Terms, Interest on the Notes will be payable in arrears at the end of the relevant Interest Period on the applicable Interest Payment Date. The first payment of Interest will be on the first Interest Payment Date following the Issue Date. The last payment will be on the Maturity Date.

9.3. DEFINITIONS

"Averaging Dates": Means the dates specified as such in the relevant Final Terms.

If an Averaging Date in respect of the Underlying is not a Scheduled Trading Day, then, the Averaging Date for such Underlying shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date that, but for the occurrence of another Initial Averaging Date or Disrupted Day, would have been the final Averaging Date in relation to the relevant Scheduled Valuation Date, then (1) that eighth Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) in respect of such Underlying and, (2) the Calculation Agent shall determine its good faith estimate of the value for the Underlying as of the Valuation Time on that Averaging Date

If an Averaging Date for the Underlying is affected by the occurrence of a Disrupted Day, then, the Averaging Date for such Underlying shall be the first succeeding Valid Date. If the first succeeding Valid Date in respect of such Underlying has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in relation to the relevant Scheduled Valuation Date, then (1) that eighth Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) in respect of such Underlying and, (2) the Calculation Agent shall determine its good faith estimate of the value for the Underlying as of the Valuation Time on that Averaging Date.

"**Business Day**": means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the place(s) and on the days specified for that purpose in the related Final Terms, a TARGET Settlement Day, if "TARGET", "TARGET2" or "TARGET Settlement Day" is specified for that purpose in the related Final Terms or if place(s) and days, or such terms, are not so specified in the related Final Terms.

"**Business Day Convention**": means the convention for adjusting any relevant date if it would otherwise fall on a day that is not a Business Day. The following terms, when used in conjunction with the term "Business Day Convention" and a date, shall mean that an adjustment will be made if that date would otherwise fall on a day that is not a Business Day so that:

(i) if "**Following**" is specified, that date will be the first following day that is a Business Day;
(ii) if "**Modified Following**" or "**Modified**" is specified, that date will be the first following day that is a Business Day unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day; and
(iii) if "**Preceding**" is specified, that date will be the first preceding day that is a Business Day.

"**Calculation Agent**": means AXA BANK, unless specified otherwise in the relevant Final Terms. Whenever the Calculation Agent is required to act or to exercise judgment in any way, it will do so in good faith and in a commercially reasonable manner. The Calculation Agent shall have no responsibility to Noteholders for good faith errors or omissions in its calculations (without limitation, errors or omissions due to events which are not under the direct control of the Calculation Agent) and determinations as provided in the Terms and

Conditions, except for those resulting from the gross negligence or intentional misconduct of the Calculation Agent. (see 9.12 "Responsibility of the Calculation Agent" in the Base Prospectus).

"Calculation Amount": means the Denomination.

"**Day Count Fraction**": means, in respect of the Notes and the calculation of the Interest:

(i) if "**1/1**" is specified or nothing is specified, 1,

(ii) if "**Actual/Actual**" or "**Act/Act**" is specified, the actual number of days in the Interest Period in respect of which payment is being made 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);

(iii) if "**Actual/365 (Fixed)**", "**Act/365 (Fixed)**", "**A/365 (Fixed)**" or "**A/365F**" is specified, the actual number of days in the Interest Period in respect of which payment is being made divided by 365;

(iv) if "**Actual/360**", "**Act/360**" or "**A/360**" is specified, the actual number of days in the Interest Period in respect of which payment is being made divided by 360;

(v) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified, the number of days in the Interest Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

Where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30; and

(vi) if "**30E/360**" or "**Eurobond Basis**" is specified, the number of days in the Interest Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

Where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;
"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;
"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;
"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D_1 will be 30; and
"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D_2 will be 30.

"**EURIBOR**" means that the rate for the relevant Interest Determination Date will be the rate for deposits in euros for a period of the Designated Maturity as of 11:00 a.m., Brussels time on the day that is two TARGET Settlement Days preceding that Interest Determination Date, as determined by the Calculation Agent.

"**Hedge Positions**" means any purchase, sale, entry into or maintenance of one or more (i) positions or contracts in securities, options, futures, derivatives or foreign exchange, (ii) stock loan transactions or (iii) other instruments or arrangements (howsoever described) by the Issuer or, in the case of ABF(NL) Notes, Guarantor in order to hedge, individually or on a portfolio basis, the Notes.

"**Interest Commencement Date**": means the Issue Date or such other date specified in the relevant Final Terms.

"**Interest Determination Date**": means each date specified as such in the relevant Final Terms.

"**Interest Payment Date**": means each date, as specified in the relevant Final Terms, on which the Interest as determined by the Calculation Agent for the applicable Interest Period is payable in accordance with Condition *9.2.5 Payment of the Interest*.
If such day is not a Business Day it will be adjusted by the Business Day Convention, unless otherwise specified in the relevant Final Terms.

"**Interest Period**": means each period from, and including, one Interest Period End Date to, but excluding, the next following applicable Interest Period End Date, except that the initial Interest Period will commence on, and include, the Interest Commencement Date.

"**Interest Period End Date**": If "Adjusted" is specified in the relevant Final Terms, Interest Period End Date means the relevant Interest Payment Date.
If "No Adjustment" is specified in the relevant Final Terms, Interest Period End Date means the relevant Interest Payment Date, without however applying any adjustment in accordance with the Business Day Convention specified to be applicable to the Interest Payment Dates.
If "Adjusted" or "No Adjustment" is not specified in the relevant Final Terms, the Interest Period End Date(s) shall be as specified in those Final Terms.

"**Issue Date**": means the date on which the Notes are issued as specified in the relevant Final Terms.

"**Maturity Date**": means the date on which the Notes come to maturity as specified in the relevant Final Terms, unless such day is not a Business Day in which case it

	will be adjusted by the Following Business Day Convention, unless otherwise specified in the relevant Final Terms.
"**Specified Currency**":	means the currency of the Notes as specified in the relevant Final Terms.
"**TARGET Settlement Day**":	means any day on which TARGET 2 (the Trans-European Automated Real-time Gross settlement Express Transfer system) is open.
"**Valid Date**":	Means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date, or Initial Averaging Date as applicable, in respect of the relevant Valuation Date, or Initial Valuation Date as applicable, does not or is not deemed to occur.

9.4. REDEMPTION AND PURCHASE

9.2.1 FINAL REDEMPTION

Unless previously redeemed, purchased and cancelled or unless its maturity is extended pursuant to an Issuer's or Noteholder's Option (see Section 5. Risk Factors – Risks related to the structure of a particular issue of Notes) the Notes shall be redeemed on the Maturity Date. The Notes may not be redeemed prior to that date, without prejudice to the provisions 9.4.2 and 9.4.3 of these Terms and Conditions.

The Redemption of the Notes can be Variable Linked ("Variable Linked Redemption Amount"), in which case the Variable Linked Provisions below will apply.

9.2.2 REDEMPTION AT THE OPTION OF THE ISSUER

If a Call Option is provided to be applicable in the relevant Final Terms, the Issuer may, on giving irrevocable notice to the Noteholders falling within the Issuer's Optional Redemption Period redeem all or, if so provided, some of the Notes in the principal amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Notes shall be at their Redemption Amount together with interest accrued to the date fixed for redemption, unless otherwise specified in the relevant Final Terms. Any such redemption or exercise must relate to the Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed, as specified in the relevant Final Terms, and no greater than the Maximum Redemption Amount to be redeemed, as specified in the relevant Final Terms.

All Notes in respect of which any such notice is given shall be redeemed, or the Issuer's option shall be exercised, on the date specified in such notice.

Early Redemption for any Senior Subordinated Notes can only occur at the option of the Issuer. In case of early redemption of AXA BANK Senior Subordinated Notes by the Issuer, an approval must be obtained from the National Bank of Belgium.

9.2.3 MANDATORY EARLY REDEMPTION

If Mandatory Early Redemption is provided to be applicable in the relevant Final Terms and one or more Trigger Events are described in those Final Terms, the Issuer shall without giving notice to the Noteholders automatically redeem all or, if so provided, some of the Notes in the principal amount or integral multiples thereof on the Mandatory Early Redemption Date(s) so provided in the relevant Final Terms once the Calculation Agent determines that a Trigger Event has occurred. Any such redemption of Notes shall be at the Mandatory Early Redemption Amount specified in the relevant Final Terms.

The Trigger Events mentioned above can relate to the following (without however being exhaustive, these are merely examples):

- in case a Variable Linked Redemption Amount depends on the evolution of one or more Underlyings, a Trigger Event applies, for example, if the level of the relevant Underlying exceeds on a specified date a certain pre-defined value as specified in the relevant Final Terms;
- in case the relevant Notes bear interest, a Trigger Event applies, for example, if the sum of the Interest Amounts paid together with the Interest Amount payable on the next following Interest Payment Date exceeds an amount specified in the relevant Final Terms. As a consequence, the Interest Amount payable in respect of such Note for the relevant Interest Period may be capped in order not to exceed the amount specified in the relevant Final Terms.

9.2.4 REPURCHASE

The Issuer or, in the case of ABF(NL) Notes, the Guarantor and any of their subsidiaries may at any time purchase Notes in the open market or otherwise at any price.

9.2.5 CANCELLATION

All Notes purchased by or on behalf of the Issuer, the Guarantor or any of their subsidiaries may thereafter be cancelled by, in the case of ABF(NL) Notes, the Fiscal Agent by a reduction of the principal amount of such notes. Any Notes so redeemed or purchased and cancelled may not be reissued or resold and the obligations of the Issuer and, in the case of ABF(NL) Notes, the Guarantor in respect of any such Notes shall be discharged.

9.5. PAYMENT

Investors shall pay the Denominations on the subscribed Notes in cash at the time of subscription or by debit of the cash account linked to the securities account, in which Notes are to be held, on the Issue Date.

If the Issue Date is a day, which is not a Business Day in the place of payment of the Denominations, payment will be due on that day as adjusted by the Following Business Day Convention, unless otherwise specified in the relevant Final Terms.

Any amounts payable by the Issuer in respect of the Notes, be they Interests, Redemption Amounts or other, shall be made by transfer to the cash account linked to the securities account in which the Notes are held subject to all applicable laws and regulations.

If the date for payment of Interest, Redemption Amount or any other amount due to the Noteholders is a day, which is not a Business Day in the place of payment, the Noteholders shall not be entitled to payment until the day as adjusted by the Following Business Day Convention, unless specified otherwise in the relevant Final Terms.

9.6. VARIABLE LINKED PROVISIONS

A Variable Linked Rate or a Variable Linked (Redemption) Amount can depend on the evolution of one or more Underlyings.

The Final Terms will specify the Underlying which can be either (i) one or more Market Rates; (ii) a Share or a Basket of Shares, (iii) a Share Index or a Basket of Share Indices, (iv) a Fund or a Basket of Funds, (v) a Commodity or a Basket of Commodities, (vi) a Commodity Index or a Basket of Commodity Indices, or (vii) an Inflation Index or a Basket of Inflation Indices.

9.6.1 TYPES OF PAY-OFF STRUCTURES

The relevant Final Terms include one or more calculation formula(e) to determine a Variable Linked Rate or a Variable Linked (Redemption) Amount, applicable to the following pay-off structures:

(Each pay-off mechanism below is completed by a fictitious example for illustration only, being understood that for each pay-off structure other types of Underlyings and variations of the other variables (such as Interest Rates, Observation Periods, …) are possible.)

Fixed Interest and Conditional Redemption – TYPE 1 (recurring interest payments)

Interest:

Denomination * [X%] p.a. at Interest Payment Date(s)

Redemption:

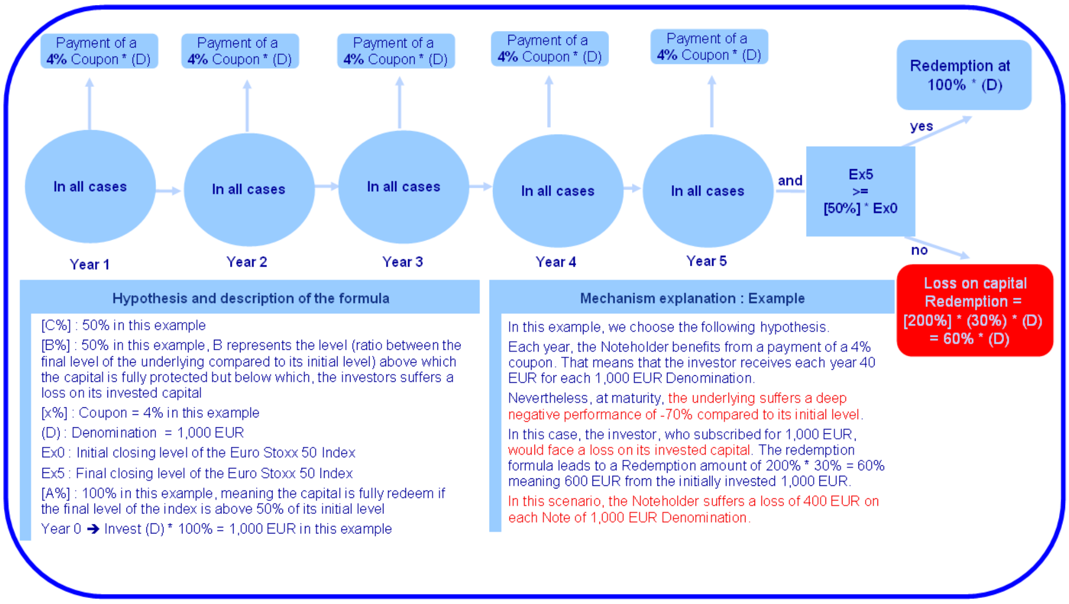
If at the Observation Date(s)[t] (or as an average during the Observation Period(s)[t-1;t]), the [Underlying] value is (i) higher than [B%], (ii) higher than or equal to [B%], (iii) equal to [B%], (iv) lower than or equal to [B%], (v) lower than [B%] of its reference value (observed at the Reference Date(s)[i] or as an average during the Reference Period(s)[i;i+1])

Denomination * [A%]

Otherwise

Denomination * [1/C%] * (Value of [Underlying] at Observation Date(s)[t] or during Observation Period(s)[t-1;t] / Value of [Underlying] at Reference Date(s)[i] or during Reference Period(s)[i;i+1])

Fictitious example for illustration only:



Fixed Interest and Conditional Redemption – TYPE 2 (single interest payment)

Interest:

Denomination * [X%] at Interest Payment Date

Redemption:

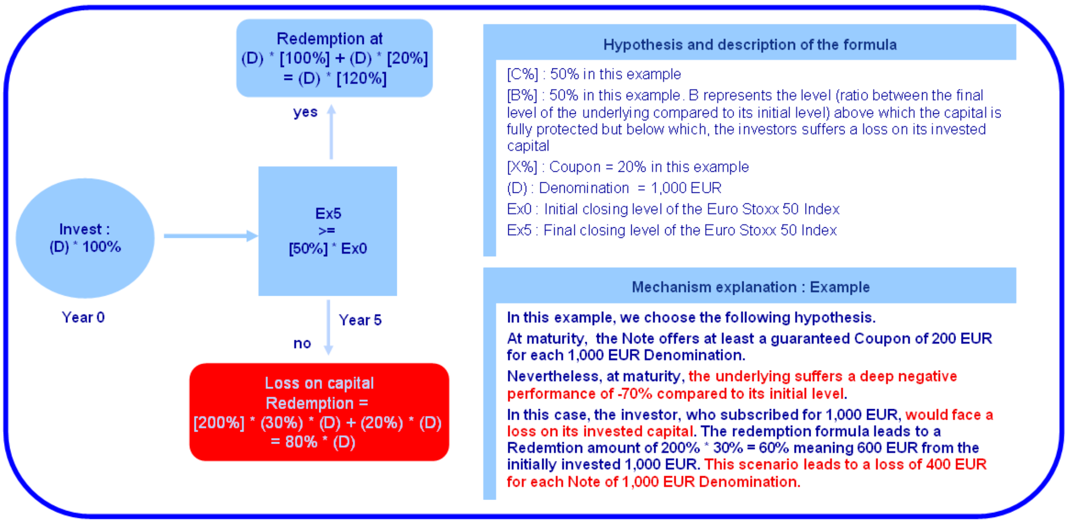
If at the Observation Date(s)[t] (or as an average during the Observation Period(s)[t-1;t]), the [Underlying] value is (i) higher than [B%], (ii) higher than or equal to [B%], (iii) equal to [B%], (iv) lower than or equal to [B%], (v) lower than [B%] of its reference value (observed at the Reference Date(s)[i] or as an average during the Reference Period(s)[i;i+1])

Denomination * [A%]

Otherwise

Denomination * [1/C%] * (Value of [Underlying] at Observation Date(s)[t] or during Observation Period(s)[t-1;t] / Value of [Underlying] at Reference Date(s)[i] or during Reference Period(s)[i;i+1])

Fictitious example for illustration only:



Conditional Interest and Conditional Redemption

Interest:

If at the Observation Date(s)[t] (or as an average during the Observation Period(s)[t-1;t]), the [Underlying] value is (i) higher than [K%], (ii) higher than or equal to [K%], (iii) equal to [K%], (iv) lower than or equal to [K%], (v) lower than [K%] of its reference value (observed at the Reference Date(s)[i] or as an average during the Reference Period(s)[i;i+1])

Denomination * [C%] at Interest Payment Date(s)

Otherwise

Denomination * [D%] at Interest Payment Date(s)

Redemption:

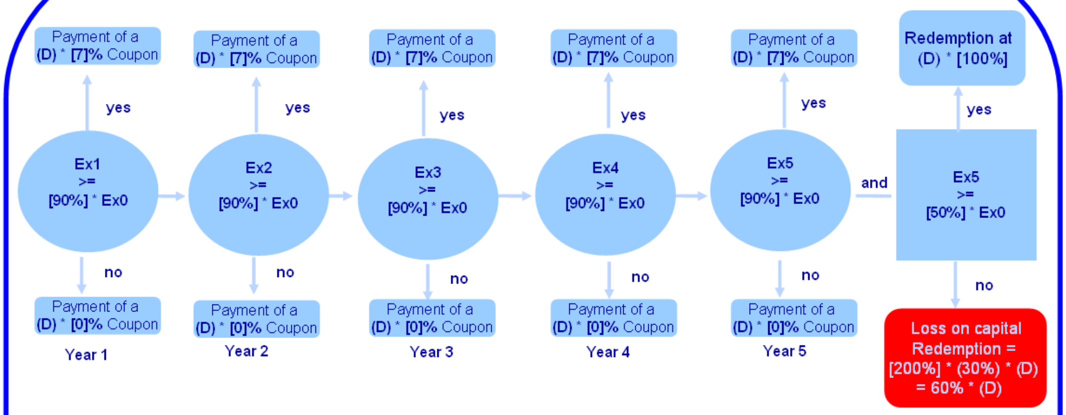
If at the Observation Date(s)[t] (or as an average during the Observation Period(s)[t-1;t]), the [Underlying] value is (i) higher than [B%], (ii) higher than or equal to [B%], (iii) equal to [B%], (iv) lower than or equal to [B%], (v) lower than [B%] of its reference value (observed at the Reference Date(s)[i] or as an average during the Reference Period(s)[i;i+1])

Denomination * [A%]

Otherwise

Denomination * [1/C%] * (Value of [Underlying] at Observation Date(s)[t] or during Observation Period(s)[t-1;t] / Value of [Underlying] at Reference Date(s)[i] or during Reference Period(s)[I;i+1])

Fictitious example for illustration only



Hypothesis and description of the formula

[C%] : Coupon = 7% in this example. This means that a coupon of 7% of the Denomination is paid annually in case of a closing level of the index at the observation date above 90% of its initial level

[D%] : Coupon = 0% in this example. This means that, no coupon is paid for that year in case of a closing level of the index at the observation date below 90% of its initial level

Year 0 ➔ Invest (D) * 100% = 1,000 EUR in this example

Ex0 : Initial closing level of the Euro Stoxx 50 Index

Ex5 : Final closing level of the Euro Stoxx 50 Index

[B%] : 50% in this example, B represents the level (ratio between the final level of the underlying compared to its initial level) above which the capital is fully protected but below which the investor suffers a loss on its invested capital

[A%] : 100% in this example, meaning that the capital is fully repaid if the final level of the index is above 50% of its initial level

[K%] : 90% in this example. This means that we compare the level of the index on different annual observation dates to 90% of its initial level which triggers or not the payment of a Coupon for that year.

Mechanism explanation : Example

In this example, we choose the following hypothesis.

Each year, the Noteholder benefits from a potential coupon of 7% (or more specifically 70 EUR per 1,000 EUR) at the sole condition that the index level, closed for that current year above 90% of its initial level. For example, supposing an initial level of the index at 2,500 points; if on an annual observation date 1, the level of the index is 2,300 points, then a Coupon of 70 EUR is paid per Denomination of 1,000 EUR for this year (because 2,300 > 90% * 2,500 = 2,250). If this condition is not fulfilled, then no coupon is paid for that year.

Nevertheless, at maturity, the underlying suffers a deep negative performance of -70% compared to its initial level.

In this case, the investor, who subscribed for 1,000 EUR, would face a loss on its invested capital. The redemption formula leads to a Redemption amount of 200% * 30% = 60% meaning 600 EUR from the initially invested 1,000 EUR. In this scenario, the Noteholder suffers a loss of 400 EUR on each Note of 1,00 EUR Denomination.

The payment of a potential coupon can possibly mitigate the loss on capital.

Zero Coupon and Conditional Redemption – TYPE 1 (pay-off based on a performance)

Redemption:

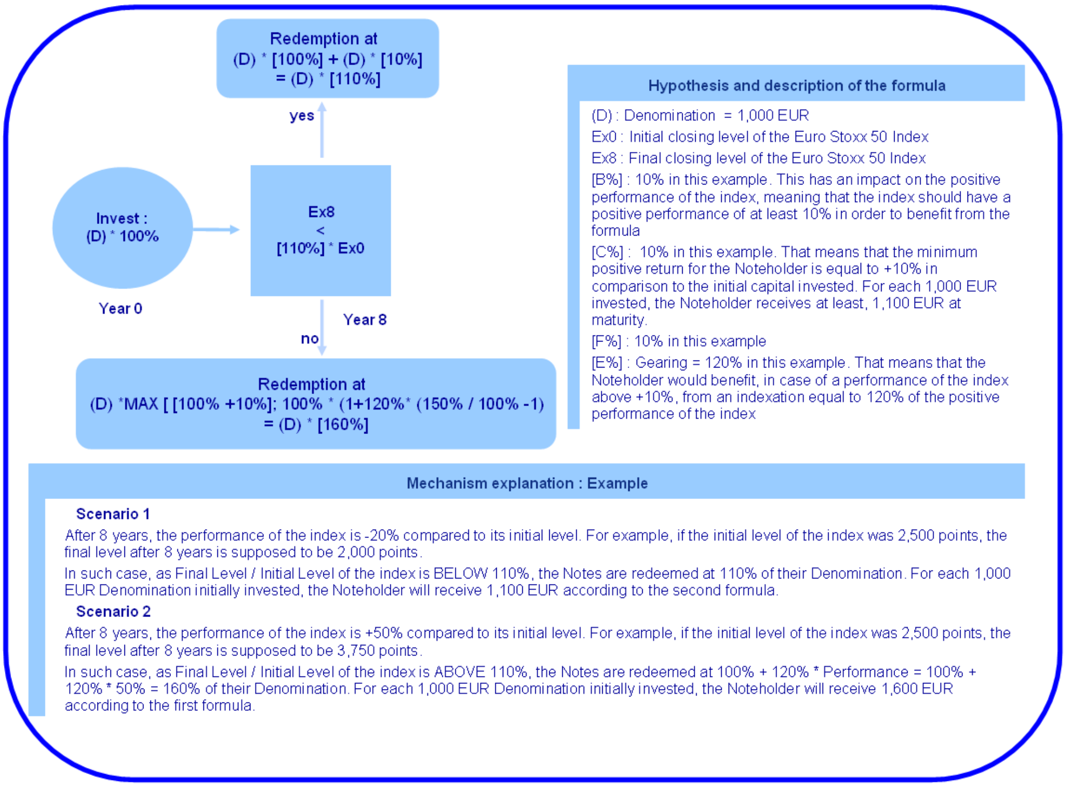
If at the Observation Date(s)[t] (or as an average during the Observation Period(s)[t-1;t]), the [Underlying] value is (i) higher than [100%+B], (ii) higher than or equal to [100%+B], (iii) equal to [100%+B], (iv) lower than or equal to [100%+B], (v) lower than [100%+B] of its reference value (observed at the Reference Date(s)[i] or as an average during the Reference Period(s)[i;i+1])

Denomination * [100%+C]

Otherwise

Denomination * MAX [(100%+F);100% * (1 + E * ((Value of [Underlying] at Observation Date(s)[t] or during Observation Period(s)[t-1;t] / Value of [Underlying] at Reference Date(s)[i] or during Reference Period(s)[i,i+1])-1))]

Fictitious example for illustration only:



Zero Coupon and Conditional Redemption – TYPE 2 (pay-off based on sum of locked performances)

Redemption:

$$\text{Denomination} * MAX\left[1; \sum_{1}^{n} Li(t_1..t_n)\right]$$

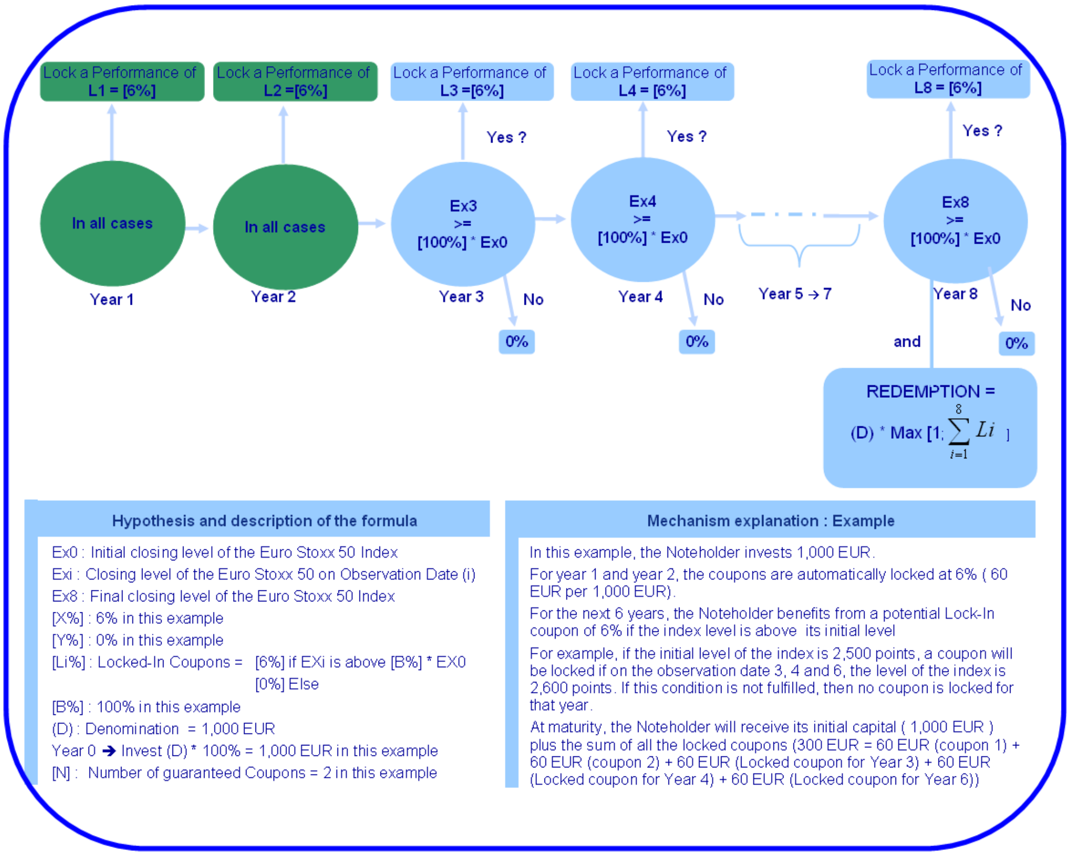
Where

Li(t) = [X%] if at the Observation Date(s)[t] (or as an average during the Observation Period(s)[t-1;t]), the [Underlying] value is (i) higher than [B%], (ii) higher than or equal to [B%], (iii) equal to [B%], (iv) lower than or equal to [B%], (v) lower than [B%] of its reference value (observed at the Reference Date(s)[i] or as an average during the Reference Period(s)[i;i+1])

Otherwise

Li(t) = [Y%]

Fictitious example for illustration only



Conditional Interest and Redemption at par

Interest:

If at the Observation Date(s)[t] (or as an average during the Observation Period(s)[t-1;t]), the [Underlying] value is (i) higher than [K%], (ii) higher than or equal to [K%], (iii) equal to [K%], (iv) lower than or equal to [K%], (v) lower than [K%] of its reference value (observed at the Reference Date(s)[i] or as an average during the Reference Period(s)[i;i+1])

Denomination * [X%]

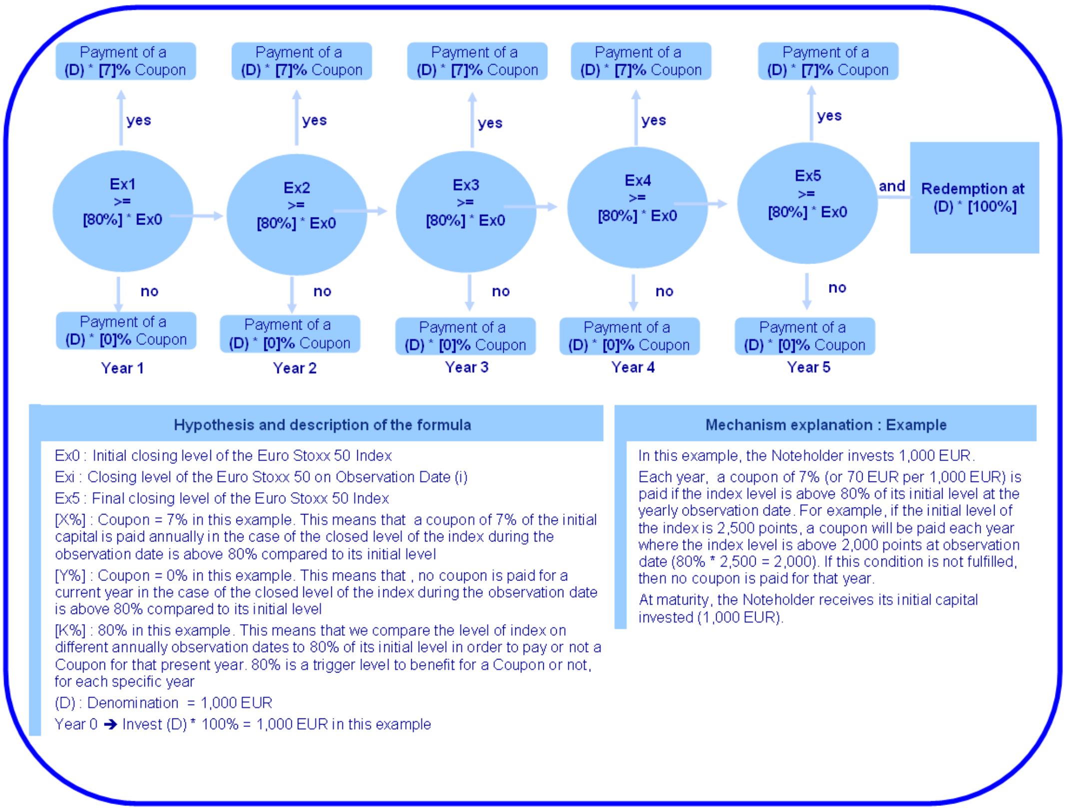
Otherwise

Denomination * [Y%]

Redemption:

Unconditionally at par

Fictitious example for illustration only



Variable Interest and Redemption at par – TYPE 1 (pay off based on a level of the underlying)

In this case, the underlying is always a rate.

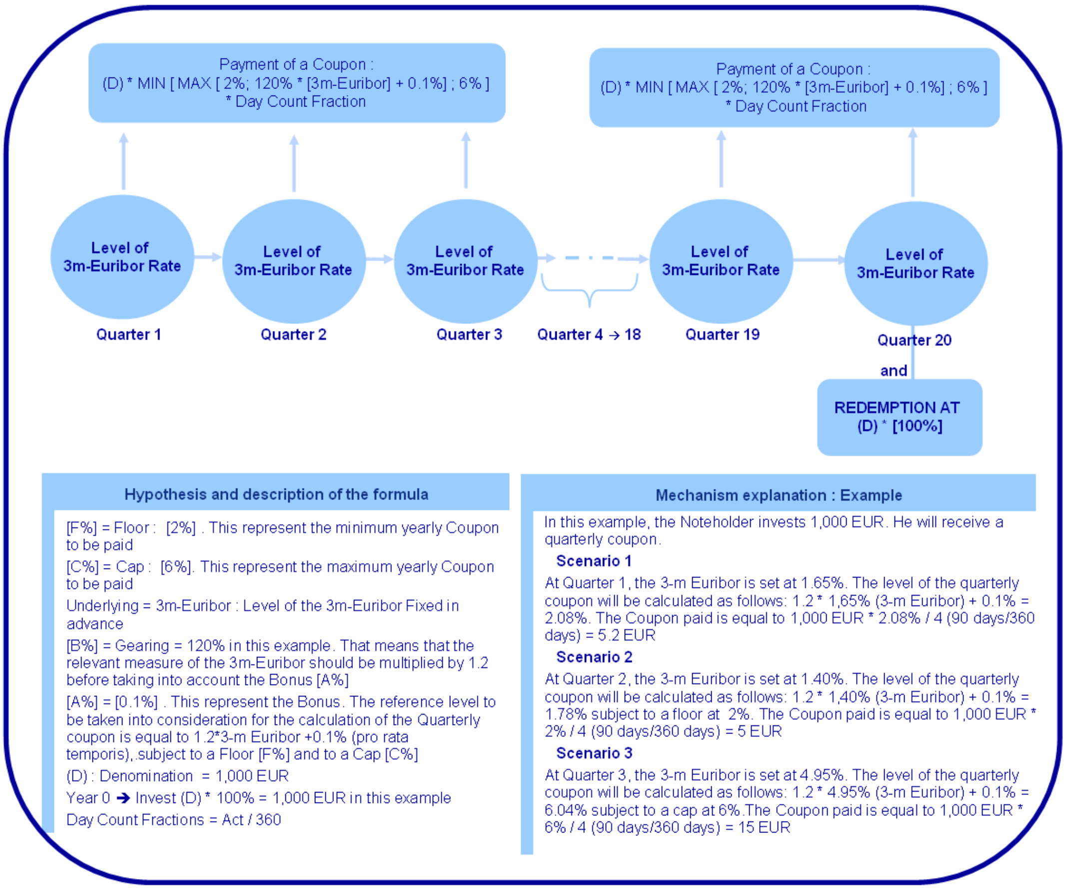
Interest:

Denomination * Max [F% , Min (C% , A% + B% x [Underlying at Observation date(s)[t]])]

Redemption:

Unconditionally at par

Fictitious example for illustration only



Variable Interest and Redemption at par – TYPE2 (pay off based on the performance of the underlying)

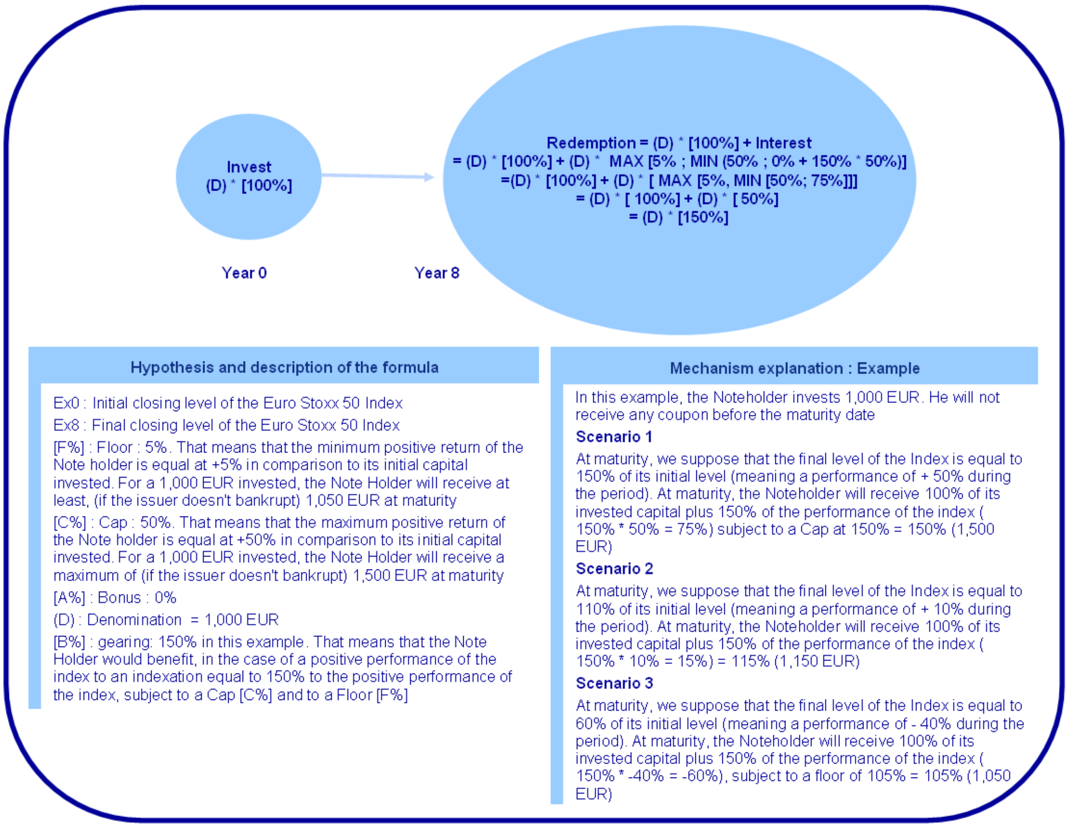
Interest:

Denomination * Max [F% , Min (C% , A% + B% x ([Underlying at Observation date(s)[t]]/[Underlying at Reference Date(s) [i]] - 1))]

Redemption:

Unconditionally at par

Fictitious example for illustration only



Variable Interest and Redemption at par – TYPE 3 (pay off based on the number of observations on which a condition is met within an observation period).

Interest:

Denomination * [C%] * n / N

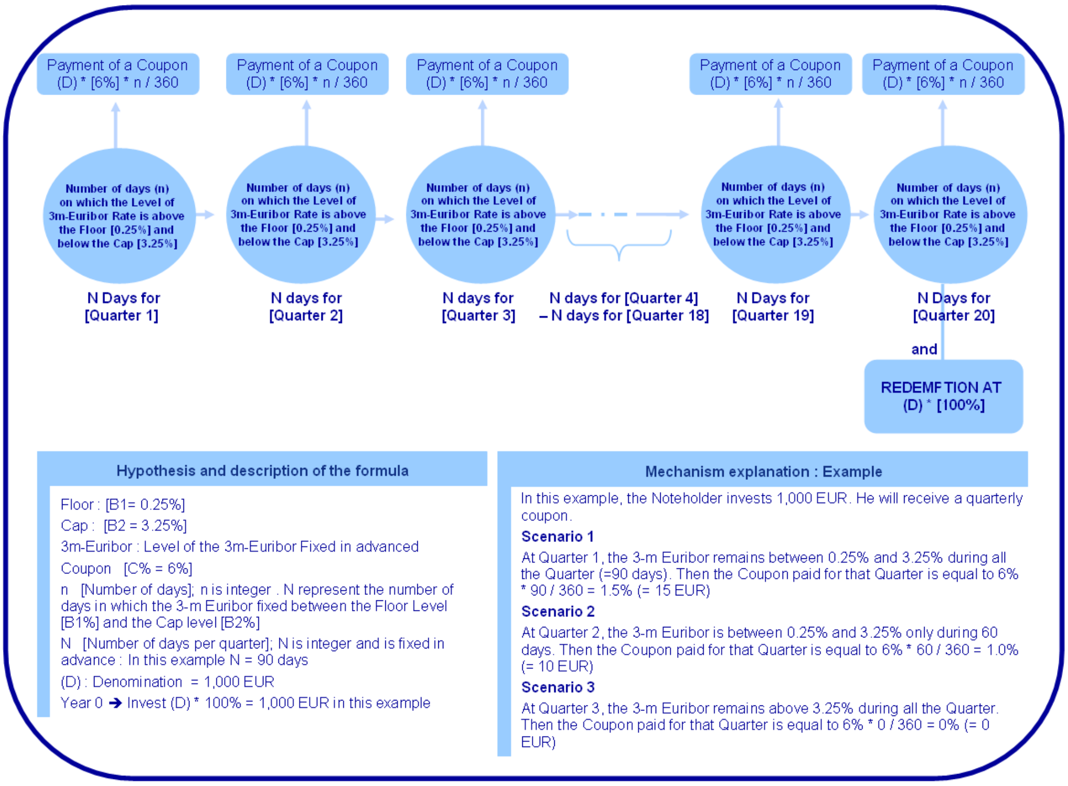
where n = number of days in the Observation Period where the [Underlying] fixes (i) lower than, (ii) lower than or equal to, (iii) higher than or equal to, (iv) higher than (v) equal to [B1%] and/or [Underlying] fixes (i) lower than, (ii) lower than or equal to, (iii) higher than or equal to, (iv) higher than (v) equal to [B2%]

where N = number of days in the Observation Period

Redemption:

Unconditionally at par

Fictitious example for illustration only



Whereby for each of the above described structures:

- it is important to notice that there is no requirement for a mandatory direct link of observation dates / periods and payment dates:
- all of these structures could be made callable (a right for the issuer to redeem the notes before final maturity at a value lower than, equal to or higher than par);
- results of intermediate calculations calculated according the formula(e) above and the principles of Fixed Rate Notes and Floating Rate Notes can be combined to determine a Variable Linked Rate and/or Variable Linked (Redemption) Amount;
- the applicable provisions below relating to the respective Underlying will apply.

9.6.2 UNDERLYINGS

9.6.2.1 Market Rate

The Underlying can be a Market Rate, such as the EUR CMS Rate, as defined below, or any other Market Rate, as defined in the relevant Final Terms.

EUR CMS Rate:	Means that the rate for the relevant Interest Determination Date will be the annual swap rate for euro swap transactions with a maturity of the Designated Maturity, expressed as a percentage, as of 11:00 a.m., Frankfurt time, on the day that is two TARGET Settlement Days preceding that Interest Determination Date, as determined by the Calculation Agent.

9.6.2.2 Share or Basket of Shares

9.6.2.2.1 <u>Definitions</u>

Share:	Means the share specified as such in the relevant Final Terms.
Share Basket:	Means a basket of shares as specified in the relevant Final Terms.
i:	The addition of the letter i in subscript to any term indicates that this term is meant to apply to each Share in the Share Basket separately.
w:	Means the weight of a certain Share in the Share Basket.
Exchange:	Means each exchange or quotation system specified as such for such Share in the relevant Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Share on such temporary substitute exchange or quotation system as on the original Exchange).
Related Exchange:	Means, each exchange or quotation system specified as such for the relevant Share in the relevant Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Share on such temporary substitute exchange or quotation system as on the original Related Exchange), provided, however, that where “All Exchanges” is specified as the Related Exchange in the relevant Final Terms, “Related Exchange” shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Share.
Initial Price:	Means the price specified as such or otherwise determined in the relevant Final Terms or, if no means for determining the Initial Price are so provided: in respect of the Initial Valuation Date, the Relevant Price of the relevant Share at the Valuation Time on the Initial Valuation Date, as determined by the Calculation Agent, and in respect of the each subsequent Valuation Date, the Final Price for the Valuation Date immediately preceding such Valuation Date, or, if Initial Averaging is specified as applicable under the relevant Final Terms, means the arithmetic mean, as determined by the Calculation Agent on the Initial Valuation Date, of the prices of the relevant Share or Share Basket as of the Valuation Time on each Initial Averaging Date.
Final Price:	Means the Relevant Price of the relevant Share on the relevant Valuation Date, as determined by the Calculation Agent, or, if Averaging is specified as

	applicable under the relevant Final Terms, means the arithmetic mean, as determined by the Calculation Agent on the Valuation Date, of the prices of the relevant Share or Share Basket as of the Valuation Time on each Averaging Date.
Initial Valuation Date:	Means the Issue Date or such other date as specified in the relevant Final Terms, and if such date is not a Scheduled Trading Day in respect of the relevant Share, the Initial Price of such Share shall be determined on the basis of the Relevant Price of such Share as calculated on the immediately following Scheduled Trading Day, subject to Market Disruption, or, if Initial Averaging is specified as applicable, means the final Initial Averaging Date.
Valuation Date:	Means any date specified as such in the relevant Final Terms, and if such date is not a Scheduled Trading Day in respect of the relevant Share, the Final Price of such Share shall be determined on the basis of the Relevant Price of such Share as calculated on the immediately following Scheduled Trading Day, subject to Market Disruption, or, if Averaging is specified as applicable, means the final Averaging Date.
Relevant Price:	Means the price of the relevant Share determined by the Calculation Agent at the Valuation Time on the Exchange.
Valuation Time:	Means the time on the relevant Valuation Date, specified as such in the related Final terms or, if no such time is specified, the Scheduled Closing Time on the relevant Exchange on the relevant Valuation Date, in relation to each Share to be valued. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.
Scheduled Closing Time:	Means in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.
Scheduled Trading Day:	Means any day on which the Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions.
Exchange Business Day:	Means any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

9.6.2.2.2 Market Disruption

"**Market Disruption Event**" means in respect of a Share, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time or (iii) an Early Closure.

In that respect, "**Trading Disruption**" means any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (i) relating to the Share on the Exchange, or (ii) in futures or options contracts relating to the Share on any relevant Related Exchange.

In that respect, "**Exchange Disruption**" means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for, (i) the Shares on the Exchange, or (ii) in futures or options contracts relating to the Share on any relevant Related Exchange.

In that respect, "**Early Closure**" means the closure on any Exchange Business Day of the relevant Exchange or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

In addition, in that respect "**Disrupted Day**" means any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.

If any Valuation Date is a Disrupted Day, then:

a) if the Underlying is a Share, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the scheduled Valuation Date is a Disrupted Day. In that case, (i) that eighth Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall determine its good faith estimate of the value of the Share as of the Valuation Time on that eighth Scheduled Trading Day; and
b) if the Underlying is a Basket of Shares, the Valuation Date for each Share not affected by the occurrence of a Disrupted Day shall be the scheduled Valuation Date, and the Valuation Date for each Share affected by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to that Share, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day relating to that Share. In that case, (i) that eighth Scheduled Trading Day shall be deemed to be the Valuation Date for the relevant Share, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine its good faith estimate of the value for that Share as of the Valuation Time on that eighth Scheduled Trading Day.

9.6.2.2.3 Potential Adjustment Events

Upon the occurrence on or after the Issue Date up to and including the last Valuation Date of a Potential Adjustment Event (as defined below), the Calculation Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Shares and if so will:

i) make the corresponding adjustment(s), if any, to any relevant variable in the Variable Linked formulae of the Notes, which may include the Initial Price or the Final Price, used to calculate any Variable Linked Rate or Variable Linked Redemption Amount as the Calculation Agent determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Share) and
ii) (ii) determine the effective date(s) of the adjustment(s).

The Calculation Agent may (but need not) determine the appropriate adjustment(s) by reference to the adjustment(s) in respect of such Potential Adjustment Event made by an options exchange to options on the relevant Shares traded on such options exchange.

For the purpose hereof, "**Potential Adjustment Event**" shall mean any of the following:

- a subdivision, consolidation or reclassification of relevant Shares (unless resulting in a Merger Event), or, a free distribution or dividend of any such Shares to existing holders by way of bonus, capitalisation or similar issue;
- a distribution, issue or dividend to existing holders of the relevant Shares of (a) such Shares, or (b) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the issuer of such Shares equally or proportionately with such payments to holders of such Shares, or (c) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the issuer of the Shares as a result of a spin-off or other similar transaction or (d) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- an extraordinary dividend as determined by the Calculation Agent;
- a call by the issuer of the relevant Shares in respect of such Shares that are not fully paid;
- a repurchase by the issuer of the relevant Shares or any of its subsidiaries of such Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or
- in respect of the issuer of the relevant Shares, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of the issuer of the Shares pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value, as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or
- any other event that may have a diluting or concentrative effect on the theoretical value of the relevant Shares.

If the Calculation Agent determines that no adjustment that it could make would produce a commercially reasonable result, the Calculation Agent may notify the Noteholders, in accordance with the paragraph "Notices", that the relevant consequence of the Potential Adjustment Event shall be the early redemption of the Notes. In case of such early redemption, the Calculation Agent shall give its good faith estimate of the value of such Notes.

9.6.2.2.4 Extraordinary Events

"**Extraordinary Event**" means any of Merger Event, Tender Offer, Nationalisation, Insolvency, Delisting, De-merger Event, Change in Law or Insolvency Filing, as the case may be.

"Merger Event" means in respect of any relevant Shares:

- any reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person; or
- any consolidation, amalgamation, merger or binding share exchange of the issuer of the relevant Shares with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such issuer is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding);
- any takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100% of the outstanding Shares of the issuer of the relevant Shares that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person); or
- any consolidation, amalgamation, merger or binding share exchange of the issuer of the relevant Shares or its subsidiaries with or into another entity in which the issuer of the relevant Shares is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50% of the outstanding Shares immediately following such

event (a "Reverse Merger") in each case if the effective date of the Merger Event is on or before the final Valuation Date.

"Tender Offer" means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10% and less than 100% of the outstanding voting shares of the issuer of the relevant Shares, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

"Nationalisation" means that all the Shares or all the assets or substantially all the assets of the issuer of the relevant Shares are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

"Insolvency" means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting the issuer of the relevant Shares, (A) all the Shares of that issuer are required to be transferred to a trustee, liquidator or other similar official or (B) holders of the Shares of that issuer become legally prohibited from transferring them (each time as determined in good faith by the Calculation Agent).

"Delisting" means that the Exchange announces that pursuant to the rules of such Exchange, the Shares cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or where the Exchange is within the European Union, in any member state of the European Union).

"De-merger Event" means that the issuer of the relevant Shares is affected by a de-merger (such as, but not limited to, spin off, scission or any operation of a similar nature) leading to the attribution of a basket comprising New Shares and/ or Other Consideration and/ or the relevant Share affected by the de-merger (as the case may be), such basket resulting from such de-merger.

In that respect, "**New Shares**" means ordinary or common shares, whether of the entity or person involved or a third party, that are promptly scheduled to be (i) publicly quoted, traded or listed on an exchange or quotation system located in the same country as the Exchange (or where the Exchange is within the European Union, in any member state of the European Union) and (ii) not subject to any currency exchange controls, trading restrictions or other trading limitations. Other Consideration means cash and/or any securities (other than New Shares) or assets whether of the entity or person involved or a third party.

"Change in Law" means that on or after the Issue Date of the Notes (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in good faith that it has become illegal to hold, acquire or dispose of Hedge Positions relating to the Notes.

"Insolvency Filing" means that the issuer of the relevant Shares institutes or has instituted against it by a regulator, supervisor, or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organization or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the issuer of the relevant Shares shall not be deemed an Insolvency Filing.

Upon the occurrence on or after the Issue Date up to and including the last Valuation Date, in the determination of the Calculation Agent, of an Extraordinary Event in respect of any Share, the Calculation Agent, on or after the effective date of such Extraordinary Event, may make such adjustments as it, acting in good faith, deems appropriate (including substitution of any affected Share). Such adjustments to be effective as of the date determined by the Calculation Agent, to account for the effect of the relevant Extraordinary Event to protect the theoretical value of the Notes to the Noteholders immediately prior to such Extraordinary Event.

For the avoidance of doubt, if the Calculation Agent determines that no adjustment that it could make would produce a commercially reasonable result, the Calculation Agent will notify the Noteholders, in accordance with the paragraph "Notices", that the relevant consequence of the Extraordinary Event shall be the early redemption of the Notes. In case of such early redemption, the Calculation Agent shall give its good faith estimate of the value of such Notes.

9.6.2.3 Share Index or Basket of Share Indices

The terms applicable to an Index will differ, depending on whether the Index is specified in the relevant Final Terms to be Multiple Exchange or not. The applicable provisions below will apply.

9.6.2.3.1 Terms applicable irrespective of whether an Index is Multiple Exchange or not

Definitions

Index:	Means the index specified as such in the relevant Final Terms.
Index Basket:	Means a basket of indices as specified in the relevant Final Terms.
i:	The addition of the letter i in subscript to any term indicates that this term is meant to apply to each Index in the Index Basket separately.
w:	Means the weight of a certain Index in the Index Basket.
Index Sponsor:	Means the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the relevant Index and (b) announces (directly or through an agent) the level for the relevant Index on a regular basis during each Scheduled Trading Day.
Initial Price:	Means the price specified as such or otherwise determined in the relevant Final Terms or, if no means for determining the Initial Price are so provided: in respect of the Initial Valuation Date, the level of the relevant Index at the Valuation Time on the Initial Valuation Date, as determined by the Calculation Agent, and in respect of the each subsequent Valuation Date, the Final Price for the Valuation Date immediately preceding such Valuation Date, or, if Initial Averaging is specified as applicable under the relevant Final Terms, means the arithmetic mean, as determined by the Calculation Agent on the Initial Valuation Date, of the levels of the relevant Index as of the Valuation Time on each Initial Averaging Date.
Final Price:	Means the level of the relevant Index at the Valuation Time on the relevant Valuation Date, as determined by the Calculation Agent or, if Averaging is specified as applicable under the relevant Final Terms, means the arithmetic mean, as determined by the Calculation Agent on the Valuation Date, of the levels of the relevant Index as of the Valuation Time on each Averaging Date.
Initial Valuation Date:	Means the Issue Date or such other date as specified in the relevant Final Terms, and if such date is not a Scheduled Trading Day in respect of the relevant Index, the Initial Price of such Index shall be determined on the basis of the level of such Index as calculated on the immediately following Scheduled Trading Day, subject to Market Disruption, or, if Initial Averaging is specified as applicable, means the final Initial Averaging Date.
Valuation Date:	Means any date specified as such in the relevant Final Terms, and if such date is not a Scheduled Trading Day in respect of the relevant Index, the Final Price of such Index shall be determined on the basis of the level of

	such Index as calculated on the immediately following Scheduled Trading Day, subject to Market Disruption, or, if Averaging is specified as applicable, means the final Averaging Date.
Relevant Price	Means the level of the relevant Index determined by the Calculation Agent at the Valuation Time on the relevant Valuation Date.
Scheduled Closing Time:	Means in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

Consequences of Disrupted Days

If any Valuation Date is a Disrupted Day, then:

(a) if the Underlying is an Index, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the scheduled Valuation Date is a Disrupted Day. In that case, (i) that eighth Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall determine the level of the Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on that eighth Scheduled Trading Day of each security comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on that eighth Scheduled Trading Day); and

(b) if the Underlying is a Basket of Indices, the Valuation Date for each Index not affected by the occurrence of a Disrupted Day shall be the scheduled Valuation Date, and the Valuation Date for each Index affected by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to that Index, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day relating to that Index. In that case, (i) that eighth Scheduled Trading Day shall be deemed to be the Valuation Date for the relevant Index, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the level of that Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on that eighth Scheduled Trading Day of each security comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on that eighth Scheduled Trading Day).

Adjustment to Indices

(A) If a relevant Index is (i) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Calculation Agent, or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then that index (the "**Successor Index**") will be deemed to be the Index.

(B) If (i) on or prior to any Valuation Date in respect of an Index, the relevant Index Sponsor announces that it will make a material change in the formula for or the method of calculating that Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalization and other routine events) (an "**Index Modification**") or permanently cancels the Index and no Successor Index exists (an "**Index Cancellation**") or (ii) on any Valuation Date, the Index Sponsor fails to calculate and announce a relevant Index (an "**Index Disruption**" and together with an Index Modification and an Index Cancellation, each an "**Index Adjustment Event**"), the Calculation Agent shall determine if such Index Adjustment Event has a material effect on the Notes and if so, shall calculate the level of the Index, using, in lieu of a published level for that Index, the level for that Index as at that Valuation Date as determined by the Calculation Agent in accordance with the formula for and the method of calculating that Index last in effect prior to the change, failure or cancellation, but using only those securities that comprised that Index immediately prior to that Index Adjustment Event.

For the purpose hereof "**Index Sponsor**" means the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the Index and (b) announces (directly or through an agent) the level of the Index on a regular basis during each Scheduled Trading Day.

Change in Law

Upon the occurrence on or after the Issue Date up to and including the last Valuation Date, in the determination of the Calculation Agent, of a Change in Law in respect of any Index, the Calculation Agent, on or after the effective date of such Change in Law, may make such adjustments as it, acting in good faith, deems appropriate. Such adjustments to be effective as of the date determined by the Calculation Agent, to account for the effect of the Change in Law to protect the theoretical value of the Notes to the Noteholders immediately prior to such Change in Law.

In that respect, "**Change in Law**" means that, on or after the Issue Date (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in good faith that it has become illegal to hold, acquire or dispose of Hedge Positions relating to the Notes.

For the avoidance of doubt, if the Calculation Agent determines that no adjustment that it could make would produce a commercially reasonable result, the Calculation Agent will notify the Noteholders, in accordance with the paragraph "Notices", that the relevant consequence of the Index Adjustment Event or Change in Law shall be the early redemption of the Notes. In case of such early redemption, the Calculation Agent shall give its good faith estimate of the value of such Notes.

9.6.2.3.2 Terms applicable to an Index that is not Multiple Exchange

Exchange:	Means each exchange or quotation system specified as such for such Index in the relevant Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Shares underlying such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Share on such temporary substitute exchange or quotation system as on the original Exchange).
Related Exchange:	Means, each exchange or quotation system specified as such for the relevant Index in the relevant Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index on such temporary substitute exchange or quotation system as on the original Related Exchange), provided, however, that where "All Exchanges" is specified as the Related Exchange in the relevant Final Terms, "Related Exchange" shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Index.
Valuation Time:	Means the time on the relevant Valuation Date, specified as such in the related Final terms or, if no such time is specified, the Scheduled Closing Time on the relevant Exchange on the relevant Valuation Date, in relation to each Index to be valued. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

Scheduled Trading Day:	Means any day on which the Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions.
Exchange Business Day:	Means any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

Market Disruption

"**Market Disruption Event**" means in respect of an Index, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time or (iii) an Early Closure. For the purposes of determining whether a Market Disruption Event exists at any time, if a Market Disruption Event occurs in respect of a security included in the relevant Index at any time, then the relevant percentage contribution of that security to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that security and (y) the overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event.

In that respect, "**Trading Disruption**" means any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (i) relating to securities that comprise 20 percent or more of the level of the relevant Index, or (ii) in futures or options contracts relating to the relevant Index on any relevant Related Exchange.

In that respect, "**Exchange Disruption**" means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for, (i) securities that comprise 20 percent or more of the level of the relevant Index, or (ii) in futures or options contracts relating to the relevant Index on any relevant Related Exchange.

In that respect, "**Early Closure**" means the closure on any Exchange Business Day of any relevant Exchange(s) relating to securities that comprise 20 percent or more of the level of the relevant Index or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

In addition, in that respect "**Disrupted Day**" means any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.

9.6.2.3.3 Terms applicable to an Index that is Multiple Exchange

Exchange:	Means in respect of each component security of the Index (each, a "Component Security"), the principal stock exchange on which such Component Security is principally traded, as determined by the Calculation Agent.
Related Exchange:	Means, each exchange or quotation system specified as such for the relevant Index in the relevant Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index on such temporary substitute exchange or quotation system as on the original Related Exchange), provided, however, that where "All Exchanges" is specified as the Related Exchange in the relevant

	Final Terms, "Related Exchange" shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Index.
Valuation Time:	Means: (i) for the purposes of determining whether a Market Disruption Event has occurred: (a) in respect of any Component Security, the Scheduled Closing Time on the Exchange in respect of such Component Security, and (b) in respect of any options contracts or future contracts on the Index, the close of trading on the Related Exchange; and (ii) in all other circumstances, the time at which the official level of the Index is calculated and published by the Index Sponsor.
Scheduled Trading Day:	Means any day on which: (i) the Index Sponsor is scheduled to publish the level of the Index and (ii) the Related Exchange is scheduled to be open for trading for its regular trading session.
Exchange Business Day:	Means any Scheduled Trading Day on which (i) the Index Sponsor publishes the level of the Index; and (ii) the Related Exchange is open for trading during its respective regular trading session, notwithstanding any Exchange or the Related Exchange closing prior to its Scheduled Closing Time.

Market Disruption

"**Market Disruption Event**" means either

i)

(a) the occurrence or existence, in respect of any Component Security of:

(1) a Trading Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded;

(2) an Exchange Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded; OR

(3) an Early Closure in respect of such Component Security; AND

(b) the aggregate of all Component Security in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists comprises 20 per cent. or more of the level of the Index; OR

ii) the occurrence or existence, in respect of futures or options contracts relating to the Index, of: (a) a Trading Disruption; (b) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Related Exchange; or (c) an Early Closure, in each case in respect of such futures or options contracts.

For the purposes of determining whether a Market Disruption Event in respect of any Index exists at any time, if a Market Disruption Event occurs in respect of a Component Security at any time, then the relevant percentage contribution of that Component Security to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that Component Security and (y) the overall level of the Index, in each case using the official opening weightings as published by the Index Sponsor as part of the market "opening data".

In that respect, "**Trading Disruption**" means any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (i) relating to any Component Security on the Exchange in respect of such Component Security; or (ii) in futures or options contracts relating to the Index on the Related Exchange.

In that respect, "**Exchange Disruption**" means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for: (i) any Component Security on the Exchange, in respect of such Component Security; or (ii) in futures or options contracts relating to the Index on the Related Exchange.

In that respect, "**Early Closure**" means the closure on any Exchange Business Day of the Exchange in respect of any Component Security or the Related Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange or Related Exchange (as the case may be) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange or Related Exchange (as the case may be) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day.

In addition, in that respect "**Disrupted Day**" means any Scheduled Trading Day on which: (i) the Index Sponsor fails to publish the level of the Index; (ii) the Related Exchange fails to open for trading during its regular trading session; or (iii) a Market Disruption Event has occurred.

9.6.2.4 Fund or Basket of Funds

9.6.2.4.1 Definitions

Reference Fund:	Means the Reference Fund specified as such in the relevant Final Terms.
Fund Basket:	Means a basket of Reference Funds as specified in the relevant Final Terms.
i:	The addition of the letter i in subscript to any term indicates that this term is meant to apply to each Reference Fund in the Fund Basket separately.
w:	Means the weight of a certain Reference Fund in the Fund Basket.
Fund Interest Unit:	Means a notional unit of account of ownership in a Reference Fund, whether a share or another type of unit.
Initial Price:	Means the price specified as such or otherwise determined in the relevant Final Terms or, if no means for determining the Initial Price are so provided: in respect of the Initial Valuation Date, the Relevant Price of a Fund Interest Unit in the relevant Reference Fund for the Initial Valuation Date, as determined by the Calculation Agent, and in respect of the each subsequent Valuation Date, the Final Price for the Valuation Date immediately preceding such Valuation Date, or, if Initial Averaging is specified as applicable under the relevant Final Terms, means the arithmetic mean, as determined by the Calculation Agent on the Initial Valuation Date, of the prices of the relevant Fund Interest Unit in the relevant Reference Fund as of the Valuation Time on each Initial Averaging Date.
Final Price:	Means the Relevant Price of a Fund Interest Unit in the relevant Reference Fund for the relevant Valuation Date, as determined by the Calculation Agent or, if Averaging is specified as applicable under the relevant Final Terms, means the arithmetic mean, as determined by the Calculation Agent on the Valuation Date, of the prices of the relevant Fund Interest Unit in the relevant Reference Fund as of the Valuation Time on each Averaging Date.
Initial Valuation Date:	Means the Issue Date or such other date as specified in the relevant Final Terms, and if such date is not a Scheduled Fund Valuation Date in respect of the relevant Reference Fund, the Initial Price of a Fund Interest Unit in such Reference Fund shall be determined on the basis of the Relevant Price of such Fund Interest Unit as calculated on the immediately following Scheduled Fund Valuation Date, or, if Initial Averaging is specified as

	applicable, means the final Initial Averaging Date.
Valuation Date:	Means any date specified as such in the relevant Final Terms, and if such date is not a Scheduled Fund Valuation Date in respect of the relevant Reference Fund, the Final Price of a Fund Interest Unit in such Reference Fund shall be determined on the basis of the Relevant Price of such Fund Interest Unit as calculated on the immediately following Scheduled Fund Valuation Date, or, if Averaging is specified as applicable, means the final Averaging Date.
Relevant Price:	Means the price of the relevant Fund Interest Unit as published by the Fund Administrator. In case a price in respect of any Valuation Date is not published by the fourth Scheduled Fund Valuation Date, the Calculation Agent may determine such price taking into account prevailing market conditions.
Scheduled Fund Valuation Date:	Means any date in respect of which the relevant Reference Fund (or its service provider that generally determines such value) is scheduled, according to its Fund Documents (without giving effect to any gating, deferral, suspension or other provisions permitting the Reference Fund to delay or refuse redemption of Fund Interest Units); to determine the value of such Fund Interest Unit or, if the relevant Reference Fund only reports its aggregate net asset value, the date in respect of which such Reference Fund is scheduled to determine its aggregate net asset value.
Fund Documents:	Means, with respect to any Fund Interest Unit, the constitutive and governing documents, subscription agreements and other agreements of the related Reference Fund specifying the terms and conditions relating to such Fund Interest Unit, as amended from time to time.

9.6.2.4.2 Potential Adjustment Events

Upon the occurrence on or after the Issue Date up to and including the last Valuation Date of a Potential Adjustment Event (as defined below), the Calculation Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Fund Interest Units and if so will:

(i) make the corresponding adjustment(s), if any, to any relevant variable in the Variable Linked formulae of the Notes, which may include the Initial Price or the Final Price, used to calculate any Variable Linked Rate or Variable Linked Redemption Amount as the Calculation Agent determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends or liquidity relative to the relevant Fund Interest Unit) and

(ii) determine the effective date(s) of the adjustment(s).

For the purpose hereof, "**Potential Adjustment Event**" shall mean any of the following:

- a subdivision, consolidation or reclassification of relevant Fund Interest Units or a free distribution or dividend of any such Fund Interest Units to existing holders by way of bonus, capitalisation or similar issue;
- a distribution, issue or dividend to existing holders of the relevant Fund Interest Units of (a) an additional amount of such Fund Interest Units, or (b) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Reference Fund equally or proportionately with such payments to holders of such Fund Interest Units, or (c) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Reference Fund as a result of a spin-off or other similar transaction or (d) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- an extraordinary dividend as determined by the Calculation Agent;
- a repurchase by the Reference Fund of relevant Fund Interest Units whether the consideration for such repurchase is cash, securities or otherwise, other than in respect of a redemption of Fund Interest Units

initiated by an investor in such Fund Interest Units initiated by an investor in such Fund Interest Units that is consistent with the Fund Documents; or

- any other event that may have a diluting or concentrative effect on the theoretical value of the relevant Fund Interest Units.

If the Calculation Agent determines that no adjustment that it could make would produce a commercially reasonable result, the Calculation Agent may notify the Noteholders, in accordance with the paragraph "Notices", that the relevant consequence of the Potential Adjustment Event shall be the early redemption of the Notes. In case of such early redemption, the Calculation Agent shall give its good faith estimate of the value of such Notes.

9.6.2.4.3 Extraordinary Events

Means any of Nationalisation, Insolvency, Fund Insolvency Event, Fund Modification, Strategy Breach, Fund Hedging Disruption, Regulatory Action, Reporting Disruption, Change in Law and Increased Cost of Hedging.

"**Nationalisation**" means that all the Fund Interest Units or all or substantially all the assets of a Reference Fund are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

"**Insolvency**" means that by reason of voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Reference Fund, (i) all the fund Interests of that Reference Fund are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Fund Interest Units of that Reference Fund become legally prohibited from transferring or redeeming them.

"**Fund Insolvency Event**" means, in respect of any Fund Interest Unit, that the related Reference Fund (i) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger); (ii) makes a general assignment or arrangement with or for the benefit of its creditors; (iii) (A) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organization or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (B) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in clause (A) above and either (x) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (y) is not dismissed, discharged, stayed or restrained in each case within fifteen days of the institution or presentation thereof; (iv) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (v) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all of its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within fifteen days thereafter; or (vi) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (v) through (vi) above.

"**Fund Modification**" means (i) any change or modification of the related Fund Documents that could reasonably be expected to affect the value of such Fund Interest or the rights or remedies of any holders thereof, in each case, as determined by the Calculation Agent, or (ii) the Reference Fund Investment Manager imposes fees or dealing rules that increase the effective dealing costs relating to any Reference Fund.

"**Strategy Breach**" means any breach or violation of any strategy or investment guidelines stated in the related Fund Documents that is reasonably likely to affect the value of such Fund Interest or the rights or remedies of any holders thereof, in each case, as determined by the Calculation Agent.

"**Fund Hedging Disruption**" means that the Issuer [or the Guarantor] is unable, or it is impractical for the Issuer [or Guarantor], after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction or asset it deems necessary or appropriate to hedge the price risk relating to such Fund Interest Unit of entering into and performing its obligations under the Notes, or (ii) realize, recover or remit the proceeds of any such transaction or asset, including, without limitation, where such inability or impracticability has arisen by reason of (A) any restrictions or increase in charges or fees imposed by the relevant Reference Fund on any investor's ability to redeem such Fund Interest Unit, in whole or in part, or any existing or new investor's ability to make new or additional investments in such Fund Interest Unit, or (B) any mandatory redemption, in whole or in part, of such Fund Interest Unit imposed by the relevant Reference Fund.

"**Regulatory Action**" means, with respect to any Fund Interest Unit, (i) cancellation, suspension or revocation of the registration or approval of such Fund Interest Unit or the related Reference Fund by any governmental, legal or regulatory entity with authority over such Fund Interest Unit or Reference Fund, (ii) any change in the legal, tax, accounting, or regulatory treatments of the relevant Reference Fund that is reasonably likely to have an adverse impact on the value of such Fund Interest Unit or on any investor therein (as determined by the Calculation Agent), or (iii) the related Reference Fund or its Fund Investment Manager becoming subject to any investigation, proceeding or litigation by any relevant governmental, legal or regulatory authority involving the alleged violation of applicable law for any activities relating to or resulting from the operation of such Reference Fund or Fund Investment Manager.

"**Reporting Disruption**" means, in respect of any Fund Interest Unit, the occurrence of any event affecting such Fund Interest Unit that, in the determination of the Calculation Agent, would make it impossible or impracticable for the Calculation Agent to determine the value of such Fund Interest Unit, and such event is expected to continue for the foreseeable future.

"**Change in Law**" means that on or after the Issue Date (i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in good faith that it has become illegal to hold, acquire or dispose of Hedge Positions in the Notes.

"**Increased Cost of Hedging**" means that the Issuer [or the Guarantor] would incur a materially increased amount of tax, duty, expense or fee (other than brokerage commissions) to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transactions(s) or asset(s) it deems necessary to hedge the price risk relating to any Fund Interest Unit under the Notes, or (ii) realize, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer [or Guarantor] shall not be deemed an Increased Cost of Hedging.

Upon the occurrence on or after the Issue Date up to and including the last Valuation Date, in the determination of the Calculation Agent, of an Extraordinary Event in respect of any Reference Fund, the Calculation Agent, on or after the effective date of such Extraordinary Event, may make such adjustments as it, acting in good faith, deems appropriate (including substitution of any affected Share). Such adjustments to be effective as of the date determined by the Calculation Agent, to account for the effect of the relevant Extraordinary Event to protect the theoretical value of the Notes to the Noteholders immediately prior to such Extraordinary Event.

For the avoidance of doubt, if the Calculation Agent determines that no adjustment that it could make would produce a commercially reasonable result, the Calculation Agent will notify the Noteholders, in accordance with the paragraph "Notices", that the relevant consequence of the Extraordinary Event shall be the early redemption of such Notes. For Nationalisation and Insolvency, the relevant consequence will always be the early redemption of the Notes. In case of such early redemption, the Calculation Agent shall give its good faith estimate of the value of such Notes.

9.6.2.5 Commodity or Basket of Commodities

9.6.2.5.1 **Definitions**

Commodity:	Means the Commodity specified as such in the relevant Final Terms.
Commodity Basket:	Means a basket of Commodities as specified in the relevant Final Terms.
i:	The addition of the letter i in subscript to any term indicates that this term is meant to apply to each Commodity in the Commodity Basket separately.
w:	Means the weight of a certain Commodity in the Commodity Basket.
Initial Price:	Means the price specified as such or otherwise determined in the relevant Final Terms or, if no means for determining the Initial Price are so provided: in respect of the Initial Valuation Date, the price of the relevant Commodity on the Initial Valuation Date, as determined by the Calculation Agent, and in respect of the each subsequent Valuation Date, the Final Price for the Valuation Date immediately preceding such Valuation Date or, if Initial Averaging is specified as applicable under the relevant Final Terms, means the arithmetic mean, as determined by the Calculation Agent on the Initial Valuation Date, of the prices of the relevant Commodity or Commodity Basket as of the Valuation Time on each Initial Averaging Date.
Final Price:	Means the price of the relevant Commodity at the Valuation Time on the relevant Valuation Date, as determined by the Calculation Agent or, if Averaging is specified as applicable under the relevant Final Terms, means the arithmetic mean, as determined by the Calculation Agent on the Valuation Date, of the prices of the relevant ommodity or Commodity Basket as of the Valuation Time on each Averaging Date.
Initial Valuation Date:	Means the Issue Date or such other date as specified in the relevant Final Terms, and if such date is not a Commodity Business Day in respect of the relevant Commodity, the Initial Price of such Commodity shall be determined on the basis of the price of such Commodity as calculated on the immediately following Commodity Business Day, subject to Market Disruption, or, if Initial Averaging is specified as applicable, means the final Initial Averaging Date.
Valuation Date:	Means any date specified as such in the relevant Final Terms, and if such date is not a Commodity Business Day in respect of the relevant Commodity, the Final Price of such Commodity shall be determined on the basis of the Relevant Price of such Commodity as calculated on the immediately following Commodity Business Day, subject to Market Disruption, or, if Averaging is specified as applicable, means the final Averaging Date.
Relevant Price	Means the price of the relevant Commodity determined by the Calculation Agent at the Valuation Time on the relevant Valuation Date.
Commodity Business Day:	Means for the relevant Commodity a day that is (or, but for the occurrence of a Market Disruption Event, would have been) a day on which the relevant Exchange is open for trading during its regular trading session, notwithstanding any such Exchange closing prior to its scheduled closing time.
Exchange:	Means the exchange or principal trading market specified in the relevant Final Terms.

9.6.2.5.2 Market Disruption

"**Market Disruption Event**" means any of (i) Price Source Disruption, (ii) Trading Disruption, (iii) Disappearance of Commodity, (iv) Material Change in Formula, (v) Material Change in Content or (vi) Tax Disruption, as defined below, except that for a Commodity that is Bullion, (iv) Material Change in Formula and (v) Material Change in Content will not apply.

(i) "Price Source Disruption" means (A) the failure of the Price Source to announce or publish the price (or the information necessary for determining the price) for the relevant Commodity; or (B) the temporary or permanent discontinuance or unavailability of the Price Source.

(ii) "Trading Disruption" means the material suspension of, or the material limitation imposed on, trading in the futures contract on the Commodity or the Commodity on the Exchange. For these purposes:

(A) a suspension of the trading in the futures contract on the Commodity or the Commodity on any Commodity Business Day shall be deemed to be material only if:

(1) all trading in the futures contract on the Commodity or the Commodity is suspended for the entire day; or

(2) all trading in the futures contract on the Commodity or the Commodity is suspended subsequent to the opening of trading on that day, trading does not recommence prior to the regularly scheduled close of trading in such futures contract on the Commodity or Commodity on such day and such suspension is announced less than one hour preceding its commencement; and

(B) a limitation of trading in the futures contract on the Commodity or the Commodity on any Commodity Business Day shall be deemed to be material only if the relevant Exchange establishes limits on the range within which the price of the futures contract on the Commodity or the Commodity may fluctuate and the closing or settlement price of the futures contract on the Commodity or the Commodity on such day is at the upper or lower limit of that range.

(iii) "**Disappearance of Commodity**" means:

(A) the permanent discontinuation of trading, in the relevant futures contract on the Commodity; or

(B) the disappearance of, or of trading in, the relevant Commodity; or

(C) the disappearance or permanent discontinuance or unavailability of a price for the Commodity, notwithstanding the availability of the related Price Source or the status of trading in the relevant futures contract on the Commodity or the relevant Commodity.

(iv) "**Material Change in Formula**" means the occurrence of a material change in the formula for or the method of calculating the relevant price of the Commodity.

(v) "**Material Change in Content**" means the occurrence of a material change in the content, composition or constitution of the Commodity or relevant futures contract on the Commodity.

(vi) "**Tax Disruption**" means the imposition of, change in or removal of an excise, severance, sales, use, value-added, transfer, stamp, documentary, recording or similar tax on, or measured by reference to, the relevant Commodity (other than a tax on, or measured by reference to overall gross or net income) by any government or taxation authority, if the direct effect of such imposition, change or removal is to raise or lower the Relevant Price on the day that would otherwise be a Pricing Date from what it would have been without that imposition, change or removal.

"**Bullion**" means Gold, Silver, Platinum or Palladium, as the case may be.

In case a Market Disruption Event occurs the Calculation Agent will determine in good faith and in a commercially reasonable manner the Final Price of the relevant Commodity (or a method for determining the Final Price of the relevant Commodity).

If the Calculation Agent determines that no adjustment that it could make would produce a commercially reasonable result, the Calculation Agent may notify the Noteholders, in accordance with the paragraph "Notices", that the relevant consequence of the Market Disruption Event shall be the early redemption of the Notes. In case of such early redemption, the Calculation Agent shall give its good faith estimate of the value of such Notes.

9.6.2.6 Commodity Index or Basket of Commodity Indices

9.6.2.6.1 Definitions

Commodity Index:	Means the Commodity Index specified as such in the relevant Final Terms.
Commodity Index Basket:	Means a basket of Commodities Indices as specified in the relevant Final Terms.
i:	The addition of the letter i in subscript to any term indicates that this term is meant to apply to each Commodity Index in the Commodity Index Basket separately.
w:	Means the weight of a certain Commodity Index in the Commodity Index Basket.
Initial Price:	Means the price specified as such or otherwise determined in the relevant Final Terms or, if no means for determining the Initial Price are so provided: in respect of the Initial Valuation Date, the level of the relevant Commodity Index or Basket on the Initial Valuation Date, as determined by the Calculation Agent, and in respect of the each subsequent Valuation Date, the Final Price for the Valuation Date immediately preceding such Valuation Date or, if Initial Averaging is specified as applicable under the relevant Final Terms, means the arithmetic mean, as determined by the Calculation Agent on the Initial Valuation Date, of the levels of the relevant Commodity Index or Commodity Index Basket as of the Valuation Time on each Initial Averaging Date.
Final Price:	Means the level of the relevant Commodity Index at the Valuation Time on the relevant Valuation Date, as determined by the Calculation Agent or, if Averaging is specified as applicable under the relevant Final Terms, means the arithmetic mean, as determined by the Calculation Agent on the Valuation Date, of the levels of the relevant Commodity Index or Commodity Index Basket as of the Valuation Time on each Averaging Date.
Initial Valuation Date:	Means the Issue Date or such other date as specified in the relevant Final Terms, and if such date is not a Scheduled Publication Day in respect of the relevant Commodity Index, the Initial Price of such Commodity Index shall be determined on the basis of the price of such Commodity Index as calculated on the immediately following Scheduled Publication Day, subject to the occurrence of any Commodity Index Event, or, if Initial Averaging is specified as applicable, means the final Initial Averaging Date.
Valuation Date:	Means any date specified as such in the relevant Final Terms, and if such date is not a Scheduled Publication Day in respect of the relevant Commodity Index, the Final Price of such Commodity Index shall be determined on the basis of the Relevant Price of such Commodity Index as calculated on the immediately following Scheduled Publication Day, subject to the occurrence of any Commodity Index Event, or, if Averaging is specified as applicable, means the final Averaging Date.
Relevant Price	Means the level of the relevant Index or Basket determined by the Calculation Agent at the Valuation Time on the relevant Valuation Date.
Scheduled Publication Day:	Means any day on which the Commodity Index Sponsor is scheduled to publish the level of the relevant Commodity Index.

Commodity Index Sponsor:	Means the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the relevant Commodity Index and (b) announces (directly or through an agent) the level of the Commodity Index on a regular basis.

9.6.2.6.2 Commodity Index Event

If, in the opinion of the Calculation Agent, any Commodity Index is modified by the Commodity Index Sponsor, cancelled by the Commodity Index Sponsor, replaced by a successor commodity index or remains unpublished by the Commodity Index Sponsor, or if, in the opinion of the Calculation Agent, a Commodity Index Market Disruption Event occurs (any of the above events, a "Commodity Index Event"), the Calculation Agent shall determine in its sole discretion, but in good faith and in a commercially reasonable manner, how such Commodity Index Event affects the Notes and what it consequences should be.

If the Calculation Agent determines that no adjustment that it could make would produce a commercially reasonable result, the Calculation Agent may notify the Noteholders, in accordance with the paragraph "Notices", that the relevant consequence of the Commodity Index Event shall be the early redemption of the Notes. In case of such early redemption, the Calculation Agent shall give its good faith estimate of the value of such Notes.

A "**Commodity Index Market Disruption Event**" means any of (a) the termination or suspension of, or material limitation or disruption in, the trading of any exchange-traded futures contract included in a relevant Commodity Index, and (b) the settlement price of any such contract has increased or decreased by an amount equal to the maximum permitted price change from the previous day's settlement price, or (c) the exchange fails to publish official settlement prices for any such contract.

9.6.2.7 Inflation Index or Basket of Inflation Indices

9.6.2.7.1 Definitions

For the purpose of the Inflation Linked Securities, the following terms shall have the meanings set out below:

"Cut-Off Date" means , in respect of any Determination Date, five Business Days prior to such Determination Date, unless otherwise stated in the applicable Final Terms.

"Delayed Index Level Event" means, in respect of any Determination Date and an Index, that the relevant Index Sponsor fails to publish or announce the level of such Index (the "**Relevant Level**") in respect of any Reference Month which is to be utilised in any calculation or determination to be made by the Issuer in respect of such Determination Date, at any time prior to the Cut-Off Date.

"Determination Date" means each date specified as such in the applicable Final Terms.

"Fallback Bond" means a bond selected by the Calculation Agent and issued by the government of the country to whose level of inflation the Index relates and which pays a coupon or redemption amount which is calculated by reference to the Index, with a maturity date which falls on (a) the same day as the Termination Date, (b) the next longest maturity after the Termination Date if there is no such bond maturing on the Termination Date, or (c) the next shortest maturity before the Termination Date if no bond defined in (a) or (b) is selected by the Calculation Agent. If the Index relates to the level of inflation across the European Monetary Union, the Calculation Agent will select an inflation-linked bond that is a debt obligation of one of the governments (but not any government agency) of France, Italy, Germany or Spain and which pays a coupon or redemption amount which is calculated by reference to the level of inflation in the European Monetary Union. In each case, the Calculation Agent will select the Fallback Bond from those inflation-linked bonds issued on or before the Issue Date and, if there is more than one inflation-linked bond maturing on the same date, the Fallback Bond shall be selected by the Calculation Agent from those bonds. If the Fallback Bond redeems the Calculation Agent will select a new Fallback Bond on the same basis, but selected from all eligible bonds in issue at the time the original Fallback Bond redeems (including any bond for which the redeemed bond is exchanged).

"Index" means each index specified as such in the related Final Terms, or any Successor Index.

"Index Sponsor" means the entity that publishes or announces (directly or through an agent) the level of the relevant Index.

"Reference Month" means the calendar month for which the level of the Index was reported, regardless of when this information is published or announced. If the period for which the Index level was reported is a period other than a month, the Reference Month is the period for which the Index level was reported.

"Related Bond" means the bond specified as such in the related Final Terms, or if no bond is so specified, the Fallback Bond. If the Related Bond specified in the applicable Final Terms is "Fallback Bond", then for any Related Bond determination, the Calculation Agent shall use the Fallback Bond. If no bond is specified as the Related Bond and "Fallback Bond: Not Applicable" is specified in the related Final Terms there will be no Related Bond. If a bond is selected as the Related Bond in the related Final Terms, and that bond redeems or matures before the Maturity Date specified in the Related Final Terms, unless "Fallback Bond: Not applicable" is specified in the related Final Terms, the Calculation Agent shall use the Fallback Bond for any Related Bond determination under these Definitions.

9.6.2.7.2 Index Delay and Disruption Event Provisions

Delay of Publication

If the Calculation Agent determines that a Delayed Index Level Event in respect of an Index has occurred with respect to any Determination Date, then the Relevant Level for such Index the subject of such Delayed Index Event (the '**Substitute Index Level**") shall be determined by the Calculation Agent by using the following methodology:

(i) If Related Bond is specified as applicable for such Index in the relevant Final Terms, the Calculation Agent shall determine the Substitute Index Level by reference to the corresponding index level determined under the terms and conditions of the Related Bond; or

(ii) If (a) Related Bond is not specified as applicable for such Index in the relevant Final Terms, or (b) the Calculation Agent is not able to determine a Substitute Index Level under (i) for any reason, then the Calculation Agent shall determine the Substitute Index Level as follows:

Substitute Index Level = Base Level x (Latest Level / Reference Level)

Where:

"Base Level" means the level of the Index (excluding any "flash" estimates) published or announced by the Index Sponsor in respect of the month which is 12 calendar months prior to the month for which the Substitute Index Level is being determined.

"Latest Level" means the latest level of the Index (excluding any "flash" estimates) published or announced by the Index Sponsor prior to the month in respect of which the Substitute Index Level is being calculated.

"Reference Level" means the level of the Index (excluding any "flash" estimates) published or announced by the Index Sponsor in respect of the month that is 12 calendar months prior to the month referred to in "Latest Level" above.

Cessation of Publication.

If a level for the Index has not been published or announced for two consecutive months or the Index Sponsor announces that it will no longer continue to publish or announce the Index then the Calculation Agent shall determine a Successor Index (the "**Successor Index**") (in lieu of any previously applicable Index) by using the following methodology:

(a) If at any time a successor index has been designated by the Calculation Agent pursuant to the terms and conditions of the Related Bond, such successor index shall be designated a "Successor Index" notwithstanding that any other Successor Index may previously have been determined under paragraphs (b), (c) or (d) below; or

(b) If a Successor Index has not been determined under (a) above and a notice has been given or an announcement has been made by an Index Sponsor, specifying that the Index will be superseded by a replacement Index specified by the Index Sponsor, and the Calculation Agent determines that such replacement index is calculated using the same or substantially similar formula or method of calculation as used in the calculation of the previously applicable Index, such replacement index shall be the Index for purposes of the Notes from the date that such replacement Index comes into effect; or

(c) If a Successor Index has not been determined under (a) or (b) above the Calculation Agent shall ask five leading independent dealers to state what the replacement index for the Index should be. If between four and five responses are received, and of those four or five responses, three or more leading independent dealers state the same index, this index will be deemed the Successor Index. If three responses are received, and two or more leading independent dealers state the same index, this index will be deemed the Successor Index. If fewer than three responses are received, the Calculation Agent will proceed to subsection (d) hereof; or

(d) If no Successor Index has been deemed under (a), (b) or (c) above by the next occurring Cut-Of Date the Calculation Agent will determine an appropriate alternative index from such Cut-Off Date, and such index will be deemed a Successor Index.

(e) If the Calculation Agent determines that there is no appropriate alternative index, the Calculation Agent may make any adjustments acting in good faith with an aim to preserve the economic equivalent of the obligations of the Issuer. The Issuer shall give notice to the holders of the Notes of any such adjustment in accordance with article 9.16 of this prospectus.

Rebasing of the Index.

If the Calculation Agent determines that the Index has been or will be rebased at any time, the Index as so rebased (the "**Rebased Index**") will be used for purposes of determining the level of an Index from the date of such rebasing; provided, however, that the Calculation Agent shall make such adjustments as are made by the calculation agent pursuant to the terms and conditions of the Related Bond, if Related Bond is specified as applicable in the applicable Final Terms,, to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Index before it was rebased. If Related Bond, is not specified as applicable in the applicable Final Terms, the Calculation Agent shall make adjustments to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Index before it was rebased.

Material Modification Prior to last occurring Cut-Off.

If, on or prior to the last occurring Cut-Off Date, an Index Sponsor announces that it will make a material change to an Index then the Calculation Agent shall make any such adjustments to the Index, if Related Bond is specified as applicable in the applicable Final Terms, consistent with adjustments made to the Related Bond, or, if Related Bond, is not specified as applicable in the applicable Final Terms, only those adjustments necessary for the modified Index to continue as the Index.

Manifest Error in Publication.

(I) The first publication or announcement of the Index Level (disregarding estimates) by the Index Sponsor for any Reference Month shall be final and conclusive and, subject to Condition 9.6.7.4.(iii)(II), later revisions to the level for such Reference Month will not be used in any calculations,.

(II) If, within thirty days of publication or at any time prior to a Determination Date in respect of which an Index Level will be used in any calculation or determination in respect of such Determination Date, the Calculation Agent determines that the Index Sponsor has corrected the Index Level to correct an error which the Calculation Agent determines is material, the Calculation Agent, acting in good faith and in accordance with reasonable market practice, may make any adjustment to the Redemption Amount, interest payable under the Notes (if any) and/or any other relevant term of the Notes as the Calculation Agent, acting in good faith with an aim to preserve the the economic equivalent of the obligations of the Issuer. The Issuer shall give notice to the holders of the Notes of any such adjustment and/or amount in accordance with article 9.16. of this Base Prospectus.

9.7. ROUNDING

For the purposes of any calculations required pursuant to these Terms and Conditions (unless otherwise specified in the relevant Final Terms), (i) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), and (ii) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up). For these purposes "unit" means, the lowest amount of such currency that is available as legal tender in the country of such currency.

9.8. STATUS

9.8.1 STATUS OF SENIOR NOTES

The Notes that are specified in the Final Terms to be Senior Notes and the payments of principal and interest relating to them are direct, unconditional and unsecured obligations of the relevant Issuer and rank at all times pari passu, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the relevant Issuer, from time to time outstanding (save for certain obligations required to be preferred by law).

9.8.2 STATUS OF SENIOR SUBORDINATED NOTES

The Notes that are specified in the Final Terms to be Senior Subordinated Notes and the payments of principal and interest relating to them are direct, unsecured and senior subordinated obligations of the relevant Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligation of the Issuer under the Senior Subordinated Notes and the payments of principal and interest relating to them shall at all times rank equally with all other Senior Subordinated Obligations (as defined below).

Senior Subordinated Notes that constitute Lower Tier II Capital will have a minimum maturity of five years.

Early Redemption for any Senior Subordinated Note can only occur at the option of the relevant Issuer. In case of early redemption of AXA BANK Senior Subordinated Notes by the Issuer, an approval must be obtained from the Belgian Financial Services and Markets Authority.

In the event of a moratorium (in the case of AXA BANK *"reorganisation judiciaire/gerechtelijke reorganisatie"* and in the case of ABF(NL) "*surséance van betaling*"[10]), bankruptcy ("*faillite/faillissement*") or liquidation of the Issuer (other than a voluntary liquidation in connection with a reconstruction, merger or amalgamation where the continuing corporation assumes all the liabilities of the Issuer), the rights of the holders of Senior Subordinated Notes shall rank ahead of:

(i) those persons whose claims are in respect of any class of equity (including preference shares) of the Issuer; and

(ii) creditors whose claims are in respect of any obligations of the Issuer that rank or are expressed to rank (whether only in the winding up of the Issuer or otherwise) junior to Senior Subordinated Obligations, but shall be subordinated to the claims of:

(iii) all Senior Creditors of the relevant Issuer.

"**Senior Creditors**" means all creditors who are depositors or other general, unsubordinated creditors; and
"**Senior Subordinated Obligations**" means all indebtedness and monetary obligations of the relevant Issuer present and future, including any guarantee by the relevant Issuer, that rank or are expressed to rank junior in right of payment (whether only in the event of the winding up of the relevant Issuer or otherwise) to the claims of Senior Creditors but that are not subordinated so as to rank in point of subordination to any other obligations of the relevant Issuer.

[10] This concept under Dutch law means "suspension of payment".

9.9. CLEARING SYSTEMS

The clearing systems operated by Euroclear Bank SA/N.V. ("Euroclear"), Clearstream Banking, société anonyme ("Clearstream, Luxembourg"), the BNB system, and such other clearing system as may be agreed between the Issuer and the Fiscal Agent and as specified in the relevant Final Terms.

9.10. EVENTS OF DEFAULT

In any of the following events ("Events of Default") any Noteholder may by written notice to the Issuer and, in the case of ABF(NL) Notes, the Guarantor at its or their specified office declare his Note or Notes immediately due and payable, and thereupon an early redemption shall occur, unless, prior to the giving of such notice, all Events of Default shall have been cured:

(a) if default is made by the Issuer for a period of 30 calendar days or more in the payment of the final Redemption Amount, or interest on the Notes when and as the same shall become due and payable; or
in the event of default by the Issuer or, in the case of ABF(NL) Notes, the Guarantor, as the case may be, in the due performance of any other obligation under the terms and conditions of the Notes, unless remedied within 45 days after receipt of a written notice thereof given by any Noteholder to the Issuer; or

(b) in the event of a merger, consolidation or other reorganisation of the Issuer or, in the case of ABF(NL) Notes, the Guarantor with, or a sale or other transfer by the Issuer or, in the case of ABF(NL) Notes, the Guarantor of all or a substantial part of its assets to, any other incorporated or unincorporated person or legal entity, unless, in each case not involving or arising out of insolvency, the person or entity surviving such merger, consolidation or other reorganisation or to which such assets shall have been sold or transferred shall have assumed expressly and effectively or by law all obligations of the Issuer or, in the case of ABF(NL) Notes, the Guarantor, as the case may be, with respect to the Notes and, the interests of the holders of Notes are not materially prejudiced thereby; or

(c) in the event that the Issuer or, in the case of ABF(NL) Notes, the Guarantor is adjudicated bankrupt or insolvent, or admits in writing its inability to pay its debts as they mature, or makes an assignment for the benefit of its creditors, or enters into a composition with its creditors, or applies for a moratorium, or institutes or has instituted any proceedings under any applicable bankruptcy law, insolvency law, composition law or any law governing the appointment of a receiver, administrator, trustee or other similar official for the whole or any substantial part of its assets or property or any other similar law, or in the event that any such proceedings are instituted against the Issuer or, in the case of ABF(NL) Notes, the Guarantor and remain undismissed for a period of 30 days, or

(d) if, for any reason, the Guarantee ceases to be in full force and effect.

The early redemption amount of the Notes shall be determined by the Calculation Agent, in accordance with market practice and acting in good faith.
Notice of any Event of Default shall be given to the Noteholders in accordance with the Condition *9.16 Notices*.

9.11. MODIFICATIONS OF THE AGENCY AGREEMENT

The Issuer and, in the case of ABF(NL) Notes, the Guarantor shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Agency Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the Noteholders.

9.12. RESPONSIBILITY OF THE CALCULATION AGENT

All calculations shall be made in a commercially reasonable manner. The Calculation Agent shall have no responsibility to Noteholders for good faith errors or omissions in its calculations (without limitation, errors or omissions due to events which are not under the direct control of the Calculation Agent) and determinations as provided in the Terms and Conditions, except for those resulting from the gross negligence or intentional misconduct of the Calculation Agent. The calculations and determinations of the Calculation Agent shall be made in accordance with the Terms and Conditions (having regard in each case to the criteria stipulated herein and where relevant on the basis of information provided to or obtained by employees or officers of the

Calculation Agent responsible for making the relevant calculation or determination) and shall, in the absence of manifest error, be final, conclusive and binding on the Issuer and the Noteholders. The Calculation Agent acts solely as agent of the Issuer and does not assume any obligations or duty to, or any relationship of agency or trust for or with, the Noteholders.

9.13. PRESCRIPTION

Claims against the Issuer or, in the case of ABF(NL) Notes, the Guarantor for payment in respect of any Note shall be prescribed and become void unless made within a period of five years after the date on which such payment first becomes due.

9.14. CURRENCY INDEMNITY

Any amount received or recovered in a currency other than the currency in which payment under the relevant Note is due (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer or, in the case of ABF(NL) Notes, the Guarantor or otherwise) by any Noteholder in respect of any sum expressed to be due to it from the Issuer or, in the case of ABF(NL) Notes, the Guarantor shall only constitute a discharge to the Issuer or, in the case of ABF(NL) Notes, the Guarantor, as the case may be, to the extent of the amount in the currency of payment under the relevant Note that the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If the amount received or recovered is less than the amount expressed to be due to the recipient under any Note, the Issuer, failing whom , in the case of ABF(NL) Notes, the Guarantor, shall indemnify it against any loss sustained by it as a result. In any event, the Issuer, failing whom, in the case of ABF(NL) Notes, the Guarantor, shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition, it shall be sufficient for the Noteholder, as the case may be, to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer's and, in the case of ABF(NL) Notes, the Guarantor's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note or any other judgment or order.

9.15. SUBSTITUTION

(i) The Issuer and, in the case of ABF(NL) Notes, the Guarantor may, without any further consent or co-operation from the Noteholders, at any time, procure that any affiliated or associated corporation of the Issuer or, in the case of ABF(NL) Notes, the Guarantor is substituted for the Issuer as the debtor under the Terms and Conditions to be offered by assigning all its rights and obligations to such other corporation (the "Substituted Issuer"), provided that the Substituted Issuer has a long-term debt rating of at least the same level as the one of the Issuer, if any, and provided that:

   (a) no payment of any Redemption Amount or of interest on any Note is overdue and no other circumstances exist capable of causing the acceleration of maturity of the Notes;

   (b) the Substituted Issuer shall agree to indemnify the holders of each Note against: all tax, duty, fee or governmental charge which is imposed on such holder by the jurisdiction of the country of the Substituted Issuer's residence for tax purposes and, if different, of its incorporation or any political subdivision or taxing authority thereof or therein with respect to such Note and which would not have been so imposed had such substitution not been made; and any costs or expenses incurred in connection with any such substitution; and

(c) in the case of ABF(NL) Notes, the Guarantor agrees on the provisions of such substitution as described herein, undertakes that the provisions in the Guarantee with respect to the Issuer will apply to the New Issuer in the event of such substitution and shall be bound by all the obligations to be fulfilled by it under the Guarantee and the Terms and Conditions of the Notes as a result of such substitution and such obligations shall be legal, valid and enforceable; if the Issuer is substituted by the Guarantor, there is no requirement for an additional and separate guarantee of the obligations under the Notes.

(ii) The Issuer hereby irrevocably and unconditionally guarantees that the Substituted Issuer shall pay all amounts of Redemption Amount of and interest on the Notes when due. In the event of substitution, this guarantee ceasing to be the valid and binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms, shall constitute an Event of Default.

(iii) In the event of substitution all references in these Terms and Conditions to the Issuer shall from then on be deemed to refer to the Substituted Issuer and the references in Condition 10 *Taxation* to the Netherlands shall be deemed to be to the country where the Substituted Debtor has its domicile or tax residence.

Notice of any substitution shall be given to the Noteholders in accordance with Condition 9.16 *Notices*.

9.16. NOTICES

A notification to the Noteholders shall be made either by AXA BANK directly (for Notes held on securities accounts with AXA BANK) or by delivery of the relevant notice to Euroclear and Clearstream, Luxembourg and BNB for communication by them to the holders of the Notes. Any such notice shall be deemed to have been given to the holders of the Notes on the second day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg and BNB.

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 of that stock exchange or relevant authority so require, such notice will also be published in a daily newspaper of general circulation in the place or places required by those rules. Where the relevant Issuer is AXA BANK and to the extent required by Belgian company law, the notice will also be published in the *Moniteur Belge-Belgisch Staatsblad* and in a leading Belgian daily newspaper of general circulation in Brussels. It is expected that any such publication in a newspaper will be made in *De Tijd* and/or *L'Echo* in Brussels.

If definitive ABF (NL) Notes are delivered to Noteholders instead of being represented by a Global Note, all notices regarding the ABF (NL) Notes will be made by way of publication in a leading daily newspaper of general circulation in the places where the ABF (NL) Notes were offered to the public without prejudice to requirements of Dutch company law (as may be applicable) and applicable listing requirements for so long as any Notes are listed.

Any such notice shall be deemed to have been given to the holders of the Notes on the second day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg and BNB.

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 Agent. In respect of AXA Notes and whilst any of the ABF (NL) Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Agent through Euroclear and/or Clearstream, Luxembourg and BNB, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg and BNB, as the case may be, may approve for this purpose.

9.17. MEETING OF NOTEHOLDERS

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.

A meeting of the Noteholders may be convened by the relevant Issuer or the Guarantor and shall be convened by the relevant Issuer if required in writing by Noteholders holding not less than 10 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 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 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.

In respect of Notes issued by AXA BANK, all Resolutions of Noteholders which in the opinion of AXA BANK relate to a matter contained in article 568 of the Belgian Companies Code will only be effective if taken at a meeting convened and decided in accordance with the Belgian Companies Code. The quorum at any such meeting convened to consider a Resolution will be one or more persons holding or representing not less than 50 per cent in nominal amount of the Notes for the time being outstanding or, at any adjourned meeting after publication of a new convening notice, one or more persons being or representing Noteholders whatever the aggregate nominal amount of the Notes so held or represented. A Resolution (as defined below) requires the approval of the Noteholders holding or representing at least 75 per cent of the aggregate nominal amount outstanding of the Notes present or represented at the meeting and taking part in the vote. If however a Resolution is adopted by Noteholders holding or representing less than one-third of the aggregate nominal amount outstanding of the Notes (whether present or represented at the meeting or not), such Resolution is not binding unless approved by the competent Court of Appeal of Brussels. The above quorum and special majority requirements do not apply to Resolutions relating to interim measurers or to the appointment of a representative of the Noteholders. In such a case, the Resolutions shall be adopted if approved by Noteholders holding or representing al least a majority of the aggregate nominal amount of the Notes outstanding present or represented at the meeting. A Resolution duly passed in accordance with the provisions of the Belgian Companies Code at any such meeting of Noteholders and, to the extent required by law, approved by the relevant Court of Appeal, will be binding on all Noteholders, whether or not they are present at the meeting and whether or not they vote in favour thereof.

The matters listed in article 568 of the Belgian Companies Code in respect of which a resolution may be adopted include modifying or suspending the date of maturity of Notes, postponing any day for payment of interest thereon, reducing the rate of interest applicable in respect of such Notes, deciding urgent interim actions in the common interest of Noteholders, accepting a security in favour of the Noteholders, accepting a transformation of Notes into shares on condition, proposed by AXA Bank, and appointing a special agent of the Noteholders to implement the resolutions of the meeting of Noteholders.

For the purpose of this Condition, a “Resolution” means a resolution of Noteholders duly passed at a meeting called and held in accordance with the Belgian Companies code.

9.18. <u>GOVERNING LAW AND JURISDICTION</u>

The Notes and the Guarantee are governed by, and shall be construed in accordance with, Belgian law. The Agency Agreement is governed by Luxembourg law.

All disputes arising out of or in connection with the Notes or the Guarantee shall be submitted to the jurisdiction of the competent courts in Belgium.

9.19. <u>FINANCIAL SERVICE</u>

The financial service will be performed by AXA BANK (Belgium) and BIL (Luxembourg).

9.20. <u>REPRESENTATION OF DEBT SECURITY HOLDERS</u>

There is no representation of debt security holders in relation to any offer of Notes.

9.21. <u>GUARANTEE</u>

Sections 9.21.1 and 9.21.2 below only apply to ABF(NL) Notes.

9.21.1 SENIOR GUARANTEE

The Guarantor has, by a Senior guarantee, unconditionally and irrevocably guaranteed on an unsubordinated basis the due and punctual payment of the principal of and interest on the Senior Notes as well as of any additional amounts which may be required to be paid by ABF(NL) (as described under 10. *Taxation*) (the "Senior Guarantee" and a "Guarantee", see Annex 2).

The obligations of the Guarantor under the Senior Guarantee are direct, unconditional and unsecured obligations of the Guarantor and (save for certain obligations required to be preferred by law) rank *pari passu* with all other outstanding unsecured and unsubordinated obligations of the Guarantor, present and future, but, in the event of insolvency, only to the extent permitted by laws relating to creditors' rights.

9.21.2 SENIOR SUBORDINATED GUARANTEE

The Guarantor has, by a senior subordinated guarantee, unconditionally and irrevocably guaranteed on a senior subordinated basis, the due and punctual payment of the principal of and interest on the Senior Subordinated Notes as well as of any additional amounts which may be required to be paid by ABF(NL) (as described under 10. *Taxation*) , (the "Senior Subordinated Guarantee" and a "Guarantee", see Annex 3).

In the event of a dissolution or liquidation of the Guarantor (including the following events creating a "*concours de créanciers/samenloop van schuldeisers*": bankruptcy ("*faillite/faillissement*"); judicial reorganisation *("reorganisation juridique/gerechtelijke reorganisatie")* and judicial or voluntary liquidation ("*liquidation volontaire ou force/vrijwillige of gedwongen liquidatie*") (other than a voluntary liquidation in connection with a reconstruction, merger or amalgamation where the continuing corporation assumes all the liabilities of the Guarantor)), the Holders of Senior Subordinated Notes irrevocably waive their rights to equal treatment with other unsecured creditors ("*créanciers chirographaires/chirografaire schuldeisers*"). Consequently, the Holders of Senior Subordinated Notes agree that upon the occurrence of any of the events described in the preceding sentence, the Guarantor will have no obligation to pay any principal or interest due to them until all Senior Creditors (as defined above) of the Guarantor have been paid, or the funds necessary to satisfy the Senior Creditors have been put in escrow (*"en consignation/in consignatie").*

On demand, the Noteholders can have access to a copy of the Guarantee by contacting one of the Paying Agents during normal business hours.

10. TAXATION

TRANSACTIONS INVOLVING THE NOTES MAY HAVE TAX CONSEQUENCES FOR PROSPECTIVE INVESTORS WHICH MAY DEPEND, AMONGST OTHER THINGS, UPON THE STATUS OF THE PROSPECTIVE INVESTOR AND LAWS RELATING TO TRANSFER AND REGISTRATION TAXES, PROSPECTIVE INVESTORS WHO ARE IN ANY DOUBT ABOUT THE TAX POSITION OF ANY ASPECT OF TRANSACTIONS INVOLVING NOTES SHOULD CONSULT THEIR OWN TAX ADVISERS.

The following is a general description of certain Belgian, Luxembourg, Netherlands, French, German, Greek, Spanish and Portuguese tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes. Prospective purchasers of Notes should consult their tax advisers as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of Belgium, Luxembourg, France, Spain, Portugal, Greece, Germany and/or The Netherlands of acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date. The information contained within this section is limited to taxation issues, and prospective investors should not apply any information set out below to other areas, including but not limited to, the legality of transactions involving the Notes.

Except for Belgium and the Netherlands (as jurisdictions of the Issuers of the Notes), the following section only covers certain withholding tax considerations for the relevant jurisdictions and does not refer to the related overall income tax position of Noteholders.

10.1. BELGIAN TAXATION ON THE NOTES

The following is a general description of the principal Belgian tax consequences for investors receiving interest in respect of or disposing of, the Notes issued by AXA BANK and the Notes issued by ABF(NL) and is of a general nature based on the issuers' understanding of current law and practice. This general description is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date (for example the rate of the withholding tax). Investors should appreciate that, as a result of changing law or practice, the tax consequences may be otherwise than as stated below. Investors should consult their professional advisers on the possible tax consequences of subscribing for, purchasing, holding, selling or converting the Notes issued by AXA BANK and/or ABF(NL) under the laws of their countries of citizenship, residence, ordinary residence or domicile.

10.1.1 NOTES ISSUED BY AXA BANK

10.1.1.1 Belgian Withholding Tax

All payments by or on behalf of the Issuer of interest on the Notes are in principle subject to the 21 per cent. Belgian withholding tax on the gross amount of the interest. A possible additional tax on investment income is described below.

In this regard, "interest" means the periodic interest income and any amount paid by the Issuer in excess of the issue price (whether or not on the maturity date).

However, payments of interest and principal under the Notes by or on behalf of the Issuer may be made without deduction of withholding tax in respect of the Notes if and as long as at the moment of payment or attribution of interest they are held by certain eligible investors (the "Eligible Investors", see hereinafter) in an exempt securities account (an "X Account") that has been opened with a financial institution that is a direct or indirect participant (a "Participant") in the X/N Clearing System operated by the National Bank of Belgium (the "NBB" and the “X/N System”). Euroclear and Clearstream, Luxembourg are directly or indirectly Participants for this purpose.

Holding the Notes through the X/N System enables Eligible Investors to receive the gross interest income on their Notes and to transfer the Notes on a gross basis.

Participants to the X/N system must enter the Notes which they hold on behalf of Eligible Investors in an X Account.

Eligible Investors are those entities referred to in article 4 of the Arrêté Royal du 26 mai 1994 relatif à la perception et à la bonification du précompte mobilier (Belgian Royal Decree of 26 May 1994 on the deduction of withholding tax) which include, inter alia:

(i) Belgian corporations subject to Belgian corporate income tax;

  (a) institutions, associations or companies specified in article 2, §3 of the law of 9 July 1975 on the control of insurance companies other than those referred to in 1° and 3° subject to the application of article 262, 1° and 5° of the Income Tax Code of 1992;

  (b) state regulated institutions (“institutions parastatales”, “parastatalen”) for social security, or institutions which are assimilated therewith, provided for in article 105, 2º of the Royal Decree implementing the Income Tax Code 1992;

(ii) non-resident investors provided for in article 105, 5º of the same decree;

  (c) investment funds, recognised in the framework of pension savings, provided for in article 115 of the same decree;

  (d) tax payers provided for in article 227, 2º of the Income Tax Code 1992 which have used the income generating capital for the exercise of their professional activities in Belgium and which are subject to non-resident income tax pursuant to article 233 of the same code;

  (e) the Belgian State in respect of investments which are exempt from withholding tax in accordance with a article 265 of the Income Tax Code 1992;

  (f) investment funds governed by foreign law which are an indivisible estate managed by a management company for the account of the participants, provided the fund units are not offered publicly in Belgium or traded in Belgium; and,

  (g) Belgian resident corporations, not provided for under (i), when their activities exclusively or principally consist of the granting of credits and loans.

Eligible Investors do not include, inter alia, Belgian resident investors who are individuals or non-profit making organisations, other than those mentioned under (a) and (b) above.

Participants to the X/N System must keep the Notes which they hold on behalf of the non-Eligible Investors in a non-exempt securities account (an “N Account”). In such instance all payments of interest are subject to the 21 per cent. withholding tax. This withholding tax is withheld by the NBB and paid to the Belgian Treasury.

Transfers of Notes between an X Account and an N Account give rise to certain adjustment payments on account of withholding tax:

- A transfer from an N Account (to an X Account or N Account) gives rise to the payment by the transferor non-Eligible Investor to the NBB of withholding tax on the accrued fraction of interest calculated from the last interest payment date up to the transfer date.
- A transfer (from an X Account or N Account) to an N Account gives rise to the refund by the NBB to the transferee non-Eligible Investor of withholding tax on the accrued fraction of interest calculated from the last interest payment date up to the transfer date.
- Transfers of Notes between two X Accounts do not give rise to any adjustment on account of withholding tax.

Upon opening of an X Account for the holding of Notes, the Eligible Investor is required to provide the Participant with a statement of its eligible status on a form approved by the Minister of Finance. There is no on going declaration requirement to the X/N System as to the eligible status.

An Exempt Account may be opened with a Participant by an intermediary (an “Intermediary”) in respect of Notes that the Intermediary holds for the account of its clients (the “Beneficial Owners”), provided that each

Beneficial Owner is an Eligible Investor. In such a case, the Intermediary must deliver to the Participant a statement on a form approved by the Minister of Finance confirming that (i) the Intermediary is itself an Eligible Investor, and (ii) the Beneficial Owners holding their Notes through it are also Eligible Investors. A Beneficial Owner is also required to deliver a statement of its eligible status to the intermediary.

These identification requirements do not apply to Notes held in Euroclear or Clearstream, Luxembourg as Participants to the X/N Clearing System, provided that Euroclear or Clearstream only hold X Accounts and that they are able to identify the holders for whom they hold Notes in such account.

In accordance with the X/N System, a Noteholder who is withdrawing Notes from an Exempt Account will, following the payment of interest on those Notes, be entitled to claim an indemnity from the Belgian tax authorities of an amount equal to the withholding on the interest payable on the Notes from the last preceding Interest Payment Date until the date of withdrawal of the Notes from the X/N System. As a condition of acceptance of the Notes into the X/N System, the Noteholders waive the right to claim such indemnity.

10.1.1.2 Belgian income tax and capital gains

Belgian resident individuals

Natural persons who are Belgian residents for tax purposes, i.e., who are subject to the Belgian personal income tax ("*Personenbelasting/"Impôt des personnes physiques*") and who hold the Notes as a private investment, are subject to the following tax treatment with respect to the Notes. Other tax rules apply to Belgian resident individuals who do not hold the Notes as a private investment.

In accordance with Belgian tax law, the following amounts are qualified and taxable as "interest": (i) periodic interest income (ii) amounts paid by the Issuer in excess of the issue price (whether or not on the maturity date) (iii) if the Notes qualify as "fixed income securities" (in the meaning of article 2, §1, 8° Belgian Income Tax Code), in case of a transfer of the Notes between two interest payment dates, the pro rata of accrued interest corresponding to the detention period. "Fixed income securities" are defined as bonds, specific debt certificates issued by banks ('*kasbon'/'bon de caisse'*) and other similar securities, including securities where income is capitalised or securities which do not generate a periodic payment of income but are issued with a discount corresponding to the capitalised interest up to the maturity date of the security.

Payments of interest on the Notes as defined under 1.1, 2nd § (i) and (ii) will in principle be subject to a 21 per cent. withholding tax in Belgium. Belgian natural persons do not have to declare the interest on the Notes in their personal income tax return, provided that they have elected for a withholding of the 4 per cent. additional tax on investment income (see below) in addition to the 21 per cent. Belgian withholding tax and provided that this additional tax has effectively been borne by the beneficiary of the interest income.

If the 4 per cent. additional tax on investment income has not been withheld in addition to the Belgian withholding tax, the Noteholder will be required to declare the interest income in his/her personal income tax return. Moreover, in such case, certain information (including the amount of interest income and the identity of the Noteholder) will be communicated to a central contact point operated by the Belgian ministry of Finance (separated from the tax administrations) which in turn will communicate the relevant information to the tax administration on an annual basis (if the total amount of investment income communicated with respect to that holder in the relevant year exceeds the threshold of EUR 20,020 mentioned below) as well as on demand.

Interest income which is declared in the annual personal income tax return will in principle be taxed at a flat rate of 21 per cent. increased with local surcharges (however, the Belgian federal government has approved a draft bill which, if adopted by the legislator, would abolish such local surcharges) and increased, as the case may be, with the 4 per cent. additional tax on investment income (see below). The Belgian withholding tax levied may be credited. In addition, if the interest is declared and the 4 per cent. additional tax on investment income exceeds the amount of 4 per cent. additional tax on investment income due, the excess may be credited against the personal income tax liability and any excess may be refunded.

Interest amounts as defined under 1.1, 2nd § (iii) on Notes issued outside X/N, are not subject to Belgian withholding tax at the level of the Issuer. The transferor will be required to declare this (accrued) interest amount in his/her personal income tax return. The transferor is in principle entitled to claim a credit in his tax return for the financial withholding taxi i.e. the discount on the sales price demanded by the transferee in relation to the cost of 21% Belgian withholding tax on the accrued interest which will be borne by the transferee at a later date ("financial withholding tax").

Interest amounts as defined under 1.1, 2nd § (iii) on Notes issued within X/N, will be subject to Belgian withholding tax levied by NBB (cfr supra) on behalf of the transferor. The transferor will be required to declare this (accrued) interest amount in his/her personal income tax return, but is entitled to claim a tax credit in his tax return for the 21% withholding tax levied at source.

Belgian resident individuals who receive qualifying investment income (qualifying interest and qualifying dividends) in an amount exceeding EUR 20,020 (amount for income year 2012) on a yearly basis will be subject to an additional tax on investment income of 4 per cent. on the income exceeding EUR 20,020. Certain investment income is not subject to the additional tax on investment income, i.e. dividend income taxed at 25 per cent., liquidation bonuses, the part of interest on regulated savings accounts taxed at 15 per cent., the income from government bonds issued and subscribed between 24 November and 2 December 2011 and income not considered as taxable moveable income (including the exempt part of interest on regulated savings accounts); however, this investment income is in principle first taken into account to determine whether the EUR 20,020 threshold is exceeded, except for liquidation bonuses, the income from the above mentioned government bonds and income not considered as taxable moveable income (including the exempt part of interest on regulated savings accounts). Interest on the Notes will be taken into account to calculate the EUR 20,020 threshold and will be subject to the 4 per cent. additional tax on investment income if and to the extent that this interest constitutes part of the investment income exceeding the EUR 20,020 threshold.

Capital gains realised on the sale of the Notes are in principle tax exempt, unless the capital gains are realised outside the scope of the management of one's private estate or unless the capital gains qualify as interest (as defined in section 1.1 entitled "Belgian Withholding Tax"). Capital losses are in principle not tax deductible.

Other tax rules apply to Belgian resident individuals who do not hold the Notes as a private investment.

Belgian resident companies

Interest attributed or paid to corporations Noteholders who are Belgian residents for tax purposes, i.e. who are subject to the Belgian Corporate Income Tax ("vennootschapsbelasting"/"impôt des sociétés"), as well as capital gains realized upon the sale of the Notes are taxable at the ordinary corporate income tax rate of in principle 33.99 per cent. Capital losses realised upon the sale of the Notes are in principle tax deductible.

Belgian legal entities

Belgian legal entities subject to the Belgian legal entities tax ("rechtspersonenbelasting","impôts des personnes morales") which do not qualify as Eligible Investors are subject to a withholding tax of 21 per cent. on interest payments as defined under 1.1, 2nd § (i) and (ii). The withholding tax constitutes the final taxation.

Belgian legal entities which qualify as Eligible Investors (see Section 1.1 above entitled "Belgian Withholding Tax") and which consequently have received gross interest income are required to declare and pay the 21 per cent. withholding tax to the Belgian tax authorities.

Capital gains realised on the sale of the Notes are in principle tax exempt, unless the capital gains qualify as interest (as defined as defined under 1.1, 2nd § (iii)). Capital losses are in principle not tax deductible.

Organization for Financing Pensions

Interest and capital gains derived by Organizations for Financing Pensions in the meaning of the Law of 27 October 2006 on the activities and supervision of institutions for occupational retirement provision, are in principle exempt from Belgian Corporate Income Tax. Capital losses are in principle not tax deductible. Subject to certain conditions, the Belgian withholding tax that has been levied can be credited against any corporate income tax due and any excess amount is in principle refundable.

Belgian non-residents

Noteholders who are not residents of Belgium for Belgian tax purposes and who are not holding the Notes through their permanent establishment in Belgium, will not become liable for any Belgian tax on income or capital gains by reason only of the acquisition or disposal of the Notes provided that they qualify as Eligible Investors and that they hold their Notes in an X Account.

10.1.1.3 Tax on stock exchange transactions

A *taxe sur les opérations de bourse* (tax on stock exchange transactions) will be levied on the purchase and sale in Belgium of the Notes on a secondary market through a professional intermediary. The rate applicable for secondary sales and purchases in Belgium through a professional intermediary is 0.09 per cent. with a maximum amount of Euro 650 per transaction and per party. The tax is due separately from each party to any such transaction, i.e. the seller (transferor) and the purchaser (transferee), both collected by the professional intermediary.

A *taxe sur les reports* (tax on repurchase transactions) at the rate of 0.085 per cent. will be due from each party to any such transaction entered into or settled in Belgium in which a stockbroker acts for either party (with a maximum amount of Euro 650 per transaction and per party).

However none of the taxes referred to above will be payable by exempt persons acting for their own account including investors who are not Belgian residents provided they deliver an affidavit to the financial intermediary in Belgium confirming their non-resident status and certain Belgian institutional investors as defined in Article 126.1 2° of the *Code des droits et taxes divers* (Code of various duties and taxes) for the taxe sur les opérations de bourse and Article 139, second paragraph, of the same code for the *taxe sur les reports*.

10.1.1.4 European Directive on taxation of savings income in the form of interest payments

The EU has adopted a directive (European Council Directive 2003/48/EC) regarding the taxation of savings income (hereinafter “Savings Directive”). The Savings Directive requires Member States to provide to the tax authorities of other Member States details of payments of interest and other similar income paid by a person to an individual or to certain other persons resident in another Member State (hereinafter “Disclosure of Information Method”), except that Austria and Luxembourg may instead impose a withholding system (hereinafter “Source Tax”) for a transitional period (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld), unless during such period they elect otherwise. A number of third countries and territories have adopted similar measures to the Savings Directive.

Individuals not resident in Belgium

Interest paid or collected through Belgium on the Notes and falling under the scope of application of the Savings Directive will be subject to the Disclosure of Information Method.

Individuals resident in Belgium

An individual resident in Belgium will be subject to the provisions of the Savings Directive, if he receives interest payments from a paying agent (within the meaning of the Savings Directive) established in another EU Member State, Switzerland, Liechtenstein, Andorra, Monaco, San Marino, Curaçao, Bonaire, Saba, Sint Maarten, Sint Eustatius (formerly the Netherlands Antilles), Aruba, Guernsey, Jersey, the Isle of Man, Montserrat, the British Virgin Islands, Anguilla, the Cayman Islands or the Turks and Caicos Islands.

If the interest received by an individual resident in Belgium has been subject to a Source Tax, such Source Tax does not liberate the Belgian individual from declaring the interest income in the personal income tax declaration. The Source Tax will be credited against the personal income tax. If the Source Tax withheld exceeds the personal income tax due, the excessive amount will be reimbursed, provided it reaches a minimum of Euro 2.5.

10.1.2 NOTES ISSUED BY ABF(NL)

10.1.2.1 Withholding Tax and Income Tax

Tax rules applicable to natural persons resident in Belgium

Natural persons who are Belgian residents for tax purposes, i.e., who are subject to the Belgian personal income tax ("*Personenbelasting"/"Impôt des personnes physiques*") and who hold the Notes as a private investment, are in Belgium subject to the following tax treatment with respect to the Notes. Other tax rules apply to Belgian resident individuals who do not hold the Notes as a private investment.

In accordance with Belgian tax law, the following amounts are qualified and taxable as "interest": (i) periodic interest income (ii) amounts paid by the Issuer in excess of the issue price (whether or not on the maturity date) (iii) if the Notes qualify as "fixed income securities" (in the meaning of article 2, §1, 8° Belgian Income Tax Code), in case of a transfer of the Notes between two interest payment dates, the pro rata of accrued interest corresponding to the detention period. "Fixed income securities" are defined as bonds, specific debt certificates issued by banks ('*kasbon'/'bon de caisse'*) and other similar securities, including securities where income is capitalised or securities which do not generate a periodic payment of income but are issued with a discount corresponding to the capitalised interest up to the maturity date of the security.

Payments of interest on the Notes as defined under 2.1, 2nd § (i) and (ii) made through a paying agent in Belgium will in principle be subject to a 21 per cent. withholding tax in Belgium (calculated on the interest received after deduction of any non-Belgian withholding taxes). Belgian natural persons do not have to declare the interest on the Notes in their personal income tax return, provided that they have elected for a withholding of the 4 per cent. additional tax on investment income (see below) in addition to the 21 per cent. Belgian withholding tax and provided that this additional tax has effectively been borne by the beneficiary of the interest income.

If the 4 per cent. additional tax on investment income has not been withheld in addition to the Belgian withholding tax, the Noteholder will be required to declare the interest income in his/her personal income tax return. Moreover, in such case, certain information (including the amount of interest income and the identity of the Noteholder) will be communicated to a central contact point operated by the Belgian ministry of Finance (separated from the tax administrations) which in turn will communicate the relevant information to the tax administration on an annual basis (if the total amount of investment income communicated with respect to that holder in the relevant year exceeds the threshold of EUR 20,020 mentioned below) as well as on demand.

Interest amounts as defined under 2.1, 2nd § (iii) on Notes made through a paying agent in Belgium are not subject to Belgian withholding tax. The transferor will be required to declare this (accrued) interest amount in his/her personal income tax return.

Interest income which is declared in the annual personal income tax return will in principle be taxed at a flat rate of 21 per cent., increased with local surcharges (however, the Belgian federal government has approved a draft bill which, if adopted by the legislator, would abolish such local surcharges) and increased, as the case may be, with the 4 per cent. additional tax on investment income (see below).

Belgian resident individuals who receive qualifying investment income (qualifying interest and qualifying dividends) in an amount exceeding EUR 20,020 (amount for income year 2012) on a yearly basis will be subject to an additional tax on investment income of 4 per cent. on the income exceeding EUR 20,020. Certain investment income is not subject to the additional tax on investment income, i.e. dividend income taxed at 25 per cent., liquidation bonuses, the part of interest on regulated savings accounts taxed at 15 per cent., the income from government bonds issued and subscribed between 24 November and 2 December 2011 and income not considered as taxable moveable income (including the exempt part of interest on regulated savings accounts); however, this investment income is in principle first taken into account to determine whether the EUR 20,020 threshold is exceeded, except for liquidation bonuses, the income from the above mentioned government bonds and income not considered as taxable moveable income (including the exempt part of interest on regulated savings accounts). Interest on the Notes will be taken into account to calculate the EUR 20,020 threshold and will be subject to the 4 per cent. additional tax on investment income if and to the extent that this interest constitutes part of the investment income exceeding the EUR 20,020 threshold.

If the interest is paid outside Belgium without the intervention of a Belgian paying agent, the interest received (after deduction of any non-Belgian withholding tax) must be declared in the personal income tax return and will be taxed at a flat rate of 21 per cent. increased, as the case may be, with the 4 per cent. additional tax on investment income (see above).

Capital gains realised on the sale of the Notes are in principle tax exempt, unless the capital gains are realised outside the scope of the management of one's private estate or unless the capital gains qualify as interest (as defined above). Capital losses are in principle not tax deductible.

Belgian resident companies

Corporations Noteholders who are Belgian residents for tax purposes, i.e. who are subject to Belgian Corporate Income Tax ("Vennootschapsbelasting"/"Impôt des sociétés") are in Belgium subject to the following tax treatment with respect to the Notes.

Interest derived by Belgian corporate investors on the Notes and capital gains realised on the Notes will be subject to Belgian corporate income tax of 33.99 per cent. Capital losses are in principle deductible.

Interest payments on the Notes made through a paying agent in Belgium can under certain circumstances be exempt from withholding tax, provided a special certificate is delivered. The Belgian withholding tax that has been levied is creditable in accordance with the applicable legal provisions.

Belgian legal entities

Legal entities Noteholders who are Belgian residents for tax purposes, i.e. who are subject to Belgian tax on legal entities ("Rechtspersonenbelasting"/"impôt des personnes morales") are in Belgium subject to the following tax treatment with respect to the Notes.

Payments of interest, as defined under 2.1, 2nd § (i) and (ii), on the Notes made through a paying agent in Belgium will in principle be subject to a 21 per cent. withholding tax in Belgium and no further tax on legal entities will be due on the interest.

However, if the interest is paid outside Belgium without the intervention of a Belgian paying agent and without the deduction of Belgian withholding tax, the legal entity itself is required to declare and pay the 21 per cent withholding tax to the Belgian tax authorities.

Capital gains realised on the sale of the Notes are in principle tax exempt, unless the capital gain qualifies as interest (as defined under 2.1 2nd § (iii) above). Capital losses are in principle not tax deductible.

Organization for Financing Pensions

Belgian pension fund entities that have the form of an Organization for Financing Pensions (OFP) are subject to Belgian Corporate Income Tax ("Vennootschapsbelasting"/"Impôt des sociétés"). OFPs are in Belgium subject to the following tax treatment with respect to the Notes.

Interest derived by OFP Noteholders on the Notes and capital gains realised on the Notes will be exempt from Belgian Corporate Income Tax. Capital losses are in principle not tax deductible.

The Belgian withholding tax that has been levied is creditable in accordance with the applicable legal provisions.

Belgian non-residents

The interest income as defined under 2.1, 2nd § (i) and (ii) on the Notes paid through a professional intermediary in Belgium will, in principle, be subject to a 21 per cent. withholding tax, unless the Noteholder is resident in a country with which Belgium has concluded a double taxation agreement and delivers the requested affidavit. If the income is not collected through a financial institution or other intermediary established in Belgium, no Belgian withholding tax is due.

Non-resident investors can also obtain an exemption of Belgian withholding tax on interest from the Notes if they are the owners or usufructors of the Notes and they deliver an affidavit confirming that they have not allocated the Notes to business activities in Belgium and that they are non-residents, provided that (i) the interest is paid through a Belgian credit institution, stock market company or clearing or settlement institution and that (ii) the Notes are not used by the Issuer for carrying on a business in Belgium.

The non-residents who use the Notes to exercise a professional activity in Belgium through a permanent establishment are subject to the same tax rules as the Belgian resident companies (see 2.2 above). Non-resident Noteholders who do not allocate the Notes to a professional activity in Belgium are not subject to Belgian income tax, save, as the case may be, in the form of withholding tax.

10.1.2.2 Tax on stock exchange transactions

A taxe sur les opérations de bourse (tax on stock exchange transactions will be levied on the purchase and sale in Belgium of the Notes on a secondary market through a professional intermediary. The rate applicable for secondary sales and purchases in Belgium through a professional intermediary is 0.09 per cent. with a maximum amount of Euro 650 per transaction and per party. The tax is due separately from each party to any such transaction, i.e. the seller (transferor) and the purchaser (transferee), both collected by the professional intermediary.

A taxe sur les reports (tax on repurchase transactions) at the rate of 0.085 per cent. will be due from each party to any such transaction entered into or settled in Belgium in which a stockbroker acts for either party (with a maximum amount of Euro 650 per transaction and per party).

However none of the taxes referred to above will be payable by exempt persons acting for their own account including investors who are not Belgian residents provided they deliver an affidavit to the financial intermediary in Belgium confirming their non-resident status and certain Belgian institutional investors as defined in Article 126.1 2° of the Code des droits et taxes divers (Code of various duties and taxes) for the taxe sur les opérations de bourse and Article 139, second paragraph, of the same code for the taxe sur les reports.

10.1.2.3 European Directive on taxation of savings income in the form of interest payments

The EU has adopted a directive (European Council Directive 2003/48/EC) regarding the taxation of savings income (hereinafter “Savings Directive”). The Savings Directive requires Member States to provide to the tax authorities of other Member States details of payments of interest and other similar income paid by a person to an individual or to certain other persons resident in another Member State (hereinafter “Disclosure of Information Method”), except that Austria and Luxembourg may instead impose a withholding system (hereinafter “Source Tax”) for a transitional period (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld), unless during such period they elect otherwise. A number of third countries and territories have adopted similar measures to the Savings Directive.

Individuals not resident in Belgium

Interest paid or collected through Belgium on the Notes and falling under the scope of application of the Savings Directive will be subject to the Disclosure of Information Method.

Individuals resident in Belgium

An individual resident in Belgium will be subject to the provisions of the Savings Directive, if he receives interest payments from a paying agent (within the meaning of the Savings Directive) established in another EU Member State, Switzerland, Liechtenstein, Andorra, Monaco, San Marino, Curaçao, Bonaire, Saba, Sint Maarten, Sint Eustatius (formerly the Netherlands Antilles), Aruba, Guernsey, Jersey, the Isle of Man, Montserrat, the British Virgin Islands, Anguilla, the Cayman Islands or the Turks and Caicos Islands.

If the interest received by an individual resident in Belgium has been subject to a Source Tax, such Source Tax does not liberate the Belgian individual from declaring the interest income in the personal income tax declaration. The Source Tax will be credited against the personal income tax. If the Source Tax withheld exceeds the personal income tax due, the excessive amount will be reimbursed, provided it reaches a minimum of Euro 2.50.

10.2. TAXATION IN THE NETHERLANDS

The following is a general summary of certain Netherlands tax consequences of the acquisition, holding and disposal of the Notes. This summary does not purport to describe all possible tax considerations or consequences that may be relevant to a holder or prospective holder of Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as trusts or similar arrangements) may be subject to special rules. In view of its general nature, it should be treated with corresponding caution. Holders or prospective holders should consult with their tax advisors with regard to the tax consequences of investing in the Notes in their particular circumstances. The discussion below is included for general information purposes only.

Except as otherwise indicated, this summary only addresses Netherlands national tax legislation and published regulations, as in effect on the date hereof and as interpreted in published case law until this date, without prejudice to any amendment introduced at a later date and implemented with or without retroactive effect.

10.2.1 NOTES ISSUED BY AXA BANK

10.2.1.1. Taxes on income and capital gains

Please note that the summary in this section does not describe the Netherlands tax consequences for:

(i) holders of AXA BANK Notes if such holders, and in the case of individuals, his/her partner or certain of their relatives by blood or marriage in the direct line (including foster children), have a substantial interest or deemed substantial interest in AXA BANK under The Netherlands Income Tax Act 2001 (in Dutch: "Wet inkomstenbelasting 2001"). Generally speaking, a holder of securities in a company is considered to hold a substantial interest in such company, if such holder alone or, in the case of individuals, together with his/her partner (as defined in The Netherlands Income Tax Act 2001), directly or indirectly, holds (i) an interest of 5% or more of the total issued and outstanding capital of that company or of 5% or more of the issued and outstanding capital of a certain class of shares of that company; or (ii) holds rights to acquire, directly or indirectly, such interest; or (iii) holds certain profit sharing rights in that company that relate to 5% or more of the company’s annual profits and/or to 5% or more of the company’s liquidation proceeds. A deemed substantial interest arises if a substantial interest (or part thereof) in a company has been disposed of, or is deemed to have been disposed of, on a non-recognition basis; and

(ii) pension funds, investment institutions (in Dutch: "fiscale beleggingsinstellingen"), exempt investment institutions (in Dutch: "vrijgestelde beleggingsinstellingen") (as defined in The Netherlands Corporate Income Tax Act 1969; in Dutch: "Wet op de vennootschapsbelasting 1969") and other entities that are exempt from Netherlands corporate income tax.

Residents of the Netherlands

Generally speaking, if the holder of the AXA BANK Notes is an entity that is a resident or deemed to be resident of the Netherlands for Netherlands corporate income tax purposes, any payment under the AXA BANK Notes or any gain or loss realised on the disposal or deemed disposal of the AXA BANK Notes is subject to Netherlands corporate income tax at a rate of 25,0 % (a corporate income tax rate of 20% applies with respect to taxable profits up to €200,000, the bracket for 2012).
If a holder of the AXA BANK Notes is an individual, resident or deemed to be resident of the Netherlands for Netherlands income tax purposes (including the non-resident individual holder who has made an election for the application of the rules of The Netherlands Income Tax Act 2001 as they apply to residents of the Netherlands), any payment under the AXA BANK Notes or any gain or loss realised on the disposal or deemed disposal of the AXA BANK Notes is taxable at the progressive income tax rates (with a maximum of 52%), if:

(i) the AXA BANK Notes are attributable to an enterprise from which the holder of the AXA BANK Notes derives a share of the profit, whether as an entrepreneur or as a person who has a co-entitlement to the net worth of such enterprise without being a shareholder (as defined in The Netherlands Income Tax Act 2001); or

(ii) the holder of the AXA BANK Notes is considered to perform activities with respect to the AXA BANK Notes that go beyond ordinary asset management (in Dutch: "normaal, actief vermogensbeheer") or derives benefits from the AXA BANK Notes that are (otherwise) taxable as benefits from other activities (in Dutch: "resultaat uit overige werkzaamheden").

If the above-mentioned conditions (i) and (ii) do not apply to the individual holder of the AXA BANK Notes, such holder will be taxed annually on a deemed income of 4% of his/her net investment assets for the year at an income tax rate of 30%. The net investment assets for the year is the average of the fair market value of the investment assets less the allowable liabilities on 1st January of the relevant calendar year. The AXA BANK Notes are included as investment assets. A tax free allowance may be available. An actual gain or loss in respect of the AXA BANK Notes is as such not subject to Netherlands income tax.

Non-residents of the Netherlands

A holder of the AXA BANK Notes will not be subject to Netherlands taxes on income or capital gains in respect of any payment under the AXA BANK Notes or in respect of any gain or loss realised on the disposal or deemed disposal of the AXA BANK Notes, provided that:

(i) such holder is neither resident nor deemed to be resident of the Netherlands nor has made an election for the application of the rules of The Netherlands Income Tax Act 2001 as they apply to residents of the Netherlands;

(ii) such holder does not have an interest in an enterprise or deemed enterprise (as defined in The Netherlands Income Tax Act 2001 and The Netherlands Corporate Income Tax Act 1969) which, in whole or in part, is either effectively managed in the Netherlands or carried on through a permanent establishment, a deemed permanent establishment or a permanent representative in the Netherlands and to which enterprise or part of an enterprise the AXA BANK Notes are attributable; and

(iii) in the event the holder is an individual, such holder does not carry out any activities in the Netherlands with respect to the AXA BANK Notes that go beyond ordinary asset management and does not derive benefits from the AXA BANK Notes that are (otherwise) taxable as benefits from other activities in the Netherlands.

10.2.2 NOTES ISSUED BY ABF(NL)

10.2.1.2. Withholding tax

All payments of principal or interest made by ABF(NL) under the ABF(NL) Notes may be made free of withholding or deduction of, for or on account of any taxes of whatever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein, unless the ABF(NL) Notes qualify as equity of ABF(NL) for Netherlands tax purposes.

10.2.1.3. Taxes on income and capital gains

Please note that the summary in this section does not describe the Netherlands tax consequences for:

(i) holders of Notes if such holders, and in the case of individuals, his/her partner or certain of their relatives by blood or marriage in the direct line (including foster children), have a substantial interest or deemed substantial interest in ABF(NL) under The Netherlands Income Tax Act 2001 (in Dutch: "Wet inkomstenbelasting 2001"). Generally speaking, a holder of securities in a company is considered to hold a substantial interest in such company, if such holder alone or, in the case of individuals, together with his/her partner (as defined in The Netherlands Income Tax Act 2001), directly or indirectly, holds (i) an interest of 5% or more of the total issued and outstanding capital of that company or of 5% or more of the issued and outstanding capital of a certain class of shares of that company; or (ii) holds rights to acquire, directly or indirectly, such interest; or (iii) holds certain profit sharing rights in that company that relate to 5% or more of the company's annual profits and/or to 5% or more of the company's liquidation proceeds. A deemed substantial interest arises if a substantial interest (or part thereof) in a company has been disposed of, or is deemed to have been disposed of, on a non-recognition basis; and

(ii) pension funds, investment institutions (in Dutch: "fiscale beleggingsinstellingen"), exempt investment institutions (in Dutch: "vrijgestelde beleggingsinstellingen") (as defined in The Netherlands Corporate Income Tax Act 1969; in Dutch: "Wet op de vennootschapsbelasting 1969") and other entities that are exempt from Netherlands corporate income tax.

Residents of the Netherlands

Generally speaking, if the holder of the ABF(NL) Notes is an entity that is a resident or deemed to be resident of the Netherlands for Netherlands corporate income tax purposes, any payment under the ABF(NL) Notes or any gain or loss realised on the disposal or deemed disposal of the ABF(NL) Notes is subject to Netherlands corporate income tax at a rate of 25.0 % (a corporate income tax rate of 20% applies with respect to taxable profits up to €200,000, the bracket for 2012).

If a holder of the ABF(NL) Notes is an individual, resident or deemed to be resident of the Netherlands for Netherlands income tax purposes (including the non-resident individual holder who has made an election for the application of the rules of The Netherlands Income Tax Act 2001 as they apply to residents of the Netherlands), any payment under the ABF(NL) Notes or any gain or loss realised on the disposal or deemed disposal of the ABF(NL) Notes is taxable at the progressive income tax rates (with a maximum of 52%), if:

(i) the ABF(NL) Notes are attributable to an enterprise from which the holder of the ABF(NL) Notes derives a share of the profit, whether as an entrepreneur or as a person who has a co-entitlement to the net worth of such enterprise without being a shareholder (as defined in The Netherlands Income Tax Act 2001); or

(ii) the holder of the ABF(NL) Notes is considered to perform activities with respect to the ABF(NL) Notes that go beyond ordinary asset management (in Dutch: "normaal, actief vermogensbeheer") or derives benefits from the ABF(NL) Notes that are (otherwise) taxable as benefits from other activities (in Dutch: "resultaat uit overige werkzaamheden").

If the above-mentioned conditions (i) and (ii) do not apply to the individual holder of the ABF(NL) Notes, such holder will be taxed annually on a deemed income of 4% of his/her net investment assets for the year at an income tax rate of 30%. The net investment assets for the year is the average of the fair market value of the investment assets less the allowable liabilities on 1st January of the relevant calendar year. The ABF(NL) Notes are included as investment assets. A tax free allowance may be available. An actual gain or loss in respect of the ABF(NL) Notes is as such not subject to Netherlands income tax.

Non-residents of the Netherlands

A holder of the ABF(NL) Notes will not be subject to Netherlands taxes on income or capital gains in respect of any payment under the ABF(NL) Notes or in respect of any gain or loss realised on the disposal or deemed disposal of the ABF(NL) Notes, provided that:

(i) such holder is neither resident nor deemed to be resident of the Netherlands nor has made an election for the application of the rules of The Netherlands Income Tax Act 2001 as they apply to residents of the Netherlands;

(ii) such holder does not have an interest in an enterprise or deemed enterprise (as defined in The Netherlands Income Tax Act 2001 and The Netherlands Corporate Income Tax Act 1969) which, in whole or in part, is either effectively managed in the Netherlands or carried on through a permanent establishment, a deemed permanent establishment or a permanent representative in the Netherlands and to which enterprise or part of an enterprise the ABF(NL) Notes are attributable; and

(iii) in the event the holder is an individual, such holder does not carry out any activities in the Netherlands with respect to the ABF(NL) Notes that go beyond ordinary asset management and does not derive benefits from the ABF(NL) Notes that are (otherwise) taxable as benefits from other activities in the Netherlands.

10.2.3 Gift and inheritance taxes

Residents of the Netherlands

Gift or inheritance taxes will arise in the Netherlands with respect to a transfer of the Notes by way of a gift by, or on the death of, a holder of such Notes who is resident or deemed resident of the Netherlands at the time of the gift or his/her death.

Non-residents of the Netherlands

No Netherlands gift or inheritance taxes will arise on the transfer of Notes by way of gift by, or on the death of, a holder of Notes who is neither resident nor deemed to be resident in the Netherlands, unless the transfer is otherwise construed as a gift or inheritance made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in the Netherlands.

10.2.4 Value added tax (VAT)

No Netherlands VAT will be payable by the holders of the Notes on any payment in consideration for the issue of the Notes or with respect to the payment of interest or principal by the Issuers under the Notes.

10.2.5 Other taxes and duties

No Netherlands registration tax, customs duty, stamp duty or any other similar documentary tax or duty, other than court fees, will be payable by the holders of the Notes in respect or in connection with the issue of the Notes or with respect to the payment of interest or principal by the Issuers under the Notes.

10.3. Taxation in Luxembourg

The following summary is of a general nature and is included herein solely for information purposes and does not purport to be a comprehensive description of all tax considerations that may be relevant to a decision to dispose of the Notes. It is based on the laws regulations and administration and judicial interpretations presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. This summary also does not take into account the specific circumstances of particular investors. 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.

Any reference in the present section to a tax, duty, levy, impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only Investors may further be subject to net wealth tax (impôt sur la fortune) as well as other duties, levies or taxes. Corporate income tax, municipal business tax as well as the solidarity surcharge invariably apply to most corporate taxpayers resident of Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

10.3.1 Withholding Tax

All payments of interest and principal by the Issuers in the context of the holding, disposal, redemption or repurchase of the Notes can be made free of withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld, or assessed by Luxembourg or any political subdivision or taxing authority thereof or therein in accordance with applicable law, subject however to:

(i) the application of the Luxembourg laws of 21 June 2005 (the “Laws”) implementing the European Union Savings Directive (please refer to the paragraph below entitled “EU Savings Directive”) and several agreements (the "Agreements") concluded with certain dependent or associated territories and providing for the possible application of a withholding tax on interest paid to certain non-Luxembourg resident investors (individuals and certain types of entities called “residual entities”) in the event of the relevant Issuer appoint a paying agent established in Luxembourg within the meaning of the above-mentioned directive (for more information, please refer to the paragraph below entitled “EU Savings Directive”) or Agreements; and

(ii) the application of the Luxembourg law of 23 December 2005 as amended introducing a final tax on certain payments of interest made to certain Luxembourg resident individuals (the "Law").

10.3.1.1. Resident Noteholders

Payment of interest or similar income (within the meaning of the Law) on debt instruments made or deemed made by a paying agent (within the meaning of the Law) established in Luxembourg to or for the benefit of an individual Luxembourg resident for tax purposes who is the beneficial owner of such payment or to certain residual entities (as defined in article 4.2 of the EU Savings Directive, “**Residual Entities**”) may be subject to a final tax at a rate of 10%. Such final tax will be in full discharge of income tax if the individual beneficial owner acts in the course of the management of his/her private wealth. Responsibility for the withholding and payment of the tax lies with the Luxembourg paying agent.

An individual beneficial owner of interest or similar income (within the meaning of the Law) who is a resident of Luxembourg and acts in the course of the management of his private wealth may opt for a final tax of 10% when he receives or is deemed to receive such interest or similar income from a paying agent established in another EU Member State, in a Member State of the EEA which is not an EU Member State, or in a State which has concluded a treaty directly in connection with the EU Savings Directive. Responsibility for the declaration and the payment of the 10% final tax is assumed by the individual resident beneficial owner of interest.

10.3.1.2. Non-resident Noteholders

Under the EU Savings Directive and the Laws, a Luxembourg based paying agent (within the meaning of the EU Savings Directive) may be required to withhold tax on interest and other similar income (within the meaning of the Laws) paid by it to (or under certain circumstances, to the benefit of) an individual resident in another Member State of the European Union or a Residual Entity established in another Member State of the European Union, unless the beneficiary of the interest payments or the Residual Entity (where applicable) elects for an exchange of information or provides the relevant documents to the Luxembourg paying agent. The same regime applies to payments by a Luxembourg based paying agent to individuals or Residual Entities resident in certain dependant or associated territories (including Aruba, the British Virgin Islands, Guernsey, the Isle of Man, Jersey, Montserrat, Curacao, Saba, Sint Eustatius, Bonaire and Sint Maarten).

The current tax rate is 35%. The tax system will only apply during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain other countries (the transitional period may therefore never end).

10.3.2 EU SAVINGS DIRECTIVE

On June 3, 2003, the EU Council of Economic and Finance Ministers adopted the EU Council Directive 2003/48/EC on the taxation of savings income effective from July 1, 2005. Under the directive, each Member State is required to provide to the tax authorities of another Member State details of payments of interest within the meaning of the European Union Savings Directive or other similar income paid by a paying agent within the meaning of the European Union Savings Directive, to an individual resident or certain types of entities called "residual entities", within the meaning of the European Union Savings Directive (the "Residual Entities"), established in that other Member State (or certain dependent or associated territories). For a transitional period, however, Luxembourg is permitted to apply a withholding tax system whereby if a beneficial owner, within the meaning of the European Union Savings Directive, does not opt for exchange of information or does not provide a specific tax certificate reporting, the relevant Member State will levy a withholding tax on payments to such beneficial owner. The tax rate of the withholding is 35%.The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments. As from January 1, 2010, Belgium applies for the regime of exchange of information described above. See "European Union Directive on Taxation of Savings Income in the Form of Interest Payments" (Council Directive 2003/48/EC).

Also with effect from July 1, 2005, a number of non-EU countries (Switzerland, Andorra, Liechtenstein, Monaco and San Marino) and certain dependant or associated territories (including Jersey, Guernsey, Isle of Man, Montserrat, British Virgin Islands, Curaçao, Saba, Saint Eustatius, Bonaire, St. Maarten, Aruba, Cayman Islands, Turks and Caicos Islands and Anguilla) have agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a paying agent (within the meaning of the European Union Savings Directive) within its jurisdiction to, or collected by such a paying agent for, an individual resident or a Residual Entity established in a Member State. In addition, Luxembourg has entered into reciprocal provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a paying agent (within the meaning of the European Union Savings Directive) in Luxembourg to, or collected by such a paying agent for, an individual resident or a Residual Entity established in one of those territories.

The European Commission has announced on November 13, 2008 proposals to amend the European Union Savings Directive. If implemented, the proposed amendments would, inter alia, (i) extend the scope of the European Union Savings Directive to payments made through certain intermediate structures (whether or not established in a EU Member State) for the ultimate benefit of EU resident individuals and (ii) provide for a wider definition of interest subject to the European Union Savings Directive. The European Parliament approved an amended version of this proposal on April 24, 2009. Discussions are still ongoing at Council level, building on unanimous conclusions adopted on December 2, 2008 and on June 9, 2009. Investors who are in any doubt as to their position should consult their professional advisers.

10.4. TAXATION IN FRANCE

10.4.1 REGISTRATION TAXES, STAMP DUTY, ETC.

No stamp, issue, registration or similar taxes or duties will be payable in France by the Noteholder in connection with the Notes.

10.4.2 WITHHOLDING TAX

The interest from the Notes received by French tax resident individuals holding the Notes as part of their private assets may, at the taxpayer's option, and subject to certain conditions and compliance formalities, be subject to a final withholding tax (prélèvement libératoire) at the rate of 18 per cent., the contribution sociale généralisée ("CSG") of 8.2 per cent., the prélèvement social of 2 per cent. and the contributions additionnelles au prélèvement social of 0.3 and 1.1 per cent. and the contribution au remboursement de la dette sociale ("CRDS") of 0.5 per cent., resulting in a global tax rate of 30.1 per cent.

Subject to the above, all payments by the Issuer to the Noteholder in respect of the Notes can be made free of any withholding or deduction for or on account of any taxes in France.

10.4.3 RESIDENTS

Under current French legislation, the following summary describes the tax consequences that may be applicable to Noteholders resident in France for tax purposes. The Noteholders should nevertheless consult their usual tax advisers for details of the tax regime that applies to their particular case.

10.4.3.1 Individuals holding Notes as part of their private assets

Interest

The interest from the Notes received by individuals holding the Notes as part of their private assets is:

(i) either included in the total income, subject to income tax at the progressive rate, the CSG of 8.2 per cent., 5.8 points of which is deductible from the income tax basis, a prélèvement social of 2 per cent. and the contributions additionnelles au prélèvement social of 0.3 and 1.1 per cent. and the CRDS of 0.5 per cent.; or

(ii) at the taxpayer's option, subject to a final withholding tax (prélèvement libératoire) at the rate of 18 per cent., the CSG of 8.2 per cent., the prélèvement social of 2 per cent. and the contributions additionnelles au prélèvement social of 0.3 and 1.1 per cent. and the CRDS of 0.5 per cent., resulting in a global tax rate of 30.1 per cent.

If the Paying Agent levies a withholding tax on the interest from the Notes pursuant to the rules detailed in paragraph "EU Savings Directive" below, individuals resident in France for tax purposes may benefit, in application of Article 199 ter of the French Tax Code (Code général des impôts or "CGI"), from a tax credit equal to the amount of the tax withheld.

Capital gains

Pursuant to Article 150-0 A of the CGI, when the aggregate amount of disposals of securities or shares per tax household exceeds an annual threshold (the "Taxation Threshold"), capital gains realised by individuals are taxable from the first euro. For disposals taking place in 2009, the Taxation Threshold is A25,730; this threshold is revalued annually.

Capital gains are subject to income tax at the rate of 18 per cent., the CSG of 8.2 per cent., the prélèvement social of 2 per cent. and the contributions additionnelles au prélèvement social of 0.3 and 1.1 per cent. and the CRDS of 0.5 per cent.

Capital losses incurred in one year can be set off only against capital gains of the same type realised in the year of the disposal or in the ten following years where, for the year in which capital losses are incurred, disposals were in excess of the Taxation Threshold.

10.4.3.2 Companies subject to corporate tax

Interest

Interest accrued on Notes over the fiscal year is included in the corporate tax basis taxable at the rate of 331/3 per cent.

A social contribution of 3.3 per cent. (Article 235 ter ZC of the CGI) is also applicable on the amount of corporate tax with an allowance of A763,000 for each 12-month period. However, entities that have a turnover of less than A7,630,000 and whose share capital is fully paid-up and of which at least 75 per cent. is held continuously by individuals (or by an entity meeting all of these requirements) are exempt from this contribution. For an entity that meets these requirements, the corporate tax is fixed, for taxable income up to A38,120 within a twelve-month period, at 15 per cent.

Capital gains

The capital gain or loss realised upon disposal of the Notes is included in the corporate tax basis taxable at the rate of 331/3 per cent. (or, where applicable, 15 per cent. up to an amount of A38,120 per period of twelve months for entities that meet the conditions described in paragraph 2(a) above). In addition, the social contribution of 3.3 per cent. mentioned above is levied where applicable.

10.4.4 NON-RESIDENTS

Non-French tax resident Noteholders will normally not be subject to French income or corporate taxation with respect to income or capital gains realised in connection with the Notes, unless there is a specific connection with France, such as an enterprise or part thereof which is carried on through a permanent establishment in France.

A Noteholder will not become resident or deemed to be resident in France by reason only of the holding of a Note.

10.5. TAXATION IN SPAIN

The following summary is a general description of certain Spanish tax considerations relating to the purchase, holding, redemption and disposition of the Notes and does not purport to be a comprehensive description of all tax considerations that may be relevant to a decision to acquire or dispose of the Notes. This section is based upon the laws, regulations and administration and judicial interpretations presently in force in Spain, and is subject to any change that may take effect in the future. This summary does not purport to deal with all aspects of taxation that may be relevant to investors in the light of their individual circumstances, though it is not intended to be, nor should it be construed to be, legal or tax advice. Prospective investors should consult their own tax advisors with respect to the tax consequences of purchasing, holding, redeeming or disposing of the Notes.

Please be aware that the residence concept used under the respective headings below applies for Spanish income tax assessment purposes only. Any reference in the present section to a tax, duty, levy, impost or other charge or withholding of a similar nature refers to Spanish law and/or concepts only. Also, please note that a reference to Spanish income tax encompasses corporate income tax (Impuesto sobre Sociedades) as well as personal income tax (Impuesto sobre la Renta de las Personas Físicas) generally. Investors may further be subject to other duties, levies or taxes.

10.5.1 INDIVIDUALS WITH TAX RESIDENCE IN SPAIN

10.5.1.1. Interest on the Notes and Disposal of the Notes

Both interest received and income derived from the transfer, redemption or reimbursement of the Notes constitute a return on investment obtained from the transfer of a person's own capital to third parties in accordance with the provisions of Section 25 of the Personal Income Tax ("PIT") Law (Law 35/2006, of November 28, 2006), and therefore will form part of the savings income tax base and will be taxed at a flat rate of 21% on the first €6,000 portion of the savings income and at a 25% flat rate on any amount ranging between €6,001 and €18,000 and at a 27% flat rate on any amount exceeding such €18,000 threshold.

In the event that such interest or the income derived from the transfer, redemption or reimbursement of the Notes becomes subject to withholding tax in Belgium or The Netherlands, as Belgian or Dutch source income, individuals with tax residence in Spain would be entitled to a tax credit for the avoidance of double taxation when determining their tax liability, in accordance with the provisions of the PIT Law or the treaty in force signed by Spain with the mentioned countries.

10.5.1.2. Spanish Withholding Tax on the Notes

Even not being the Issuers Spanish tax resident entities, a withholding at a 21% rate is applicable on interest payments made to individual Spanish holders in the event the Notes are deposited before or managed by Spanish-resident entities or persons or by non-resident entities or persons operating in the Spanish territory through a permanent establishment or if the above-mentioned persons or entities have been entrusted with the collection of the income derived from the Notes, provided that such income has not been previously subject to withholding tax in Spain. In addition, income obtained upon transfer or redemption of the Notes may also be subject to PIT withholdings.

In any event, individual Spanish holders may credit the withholding against their final PIT liability for the relevant fiscal year.

10.5.2 CORPORATIONS RESIDENT IN SPAIN FOR TAX PURPOSES OR PERMANENT ESTABLISHMENTS IN SPAIN OF NON-SPANISH TAX RESIDENTS

10.5.2.1 Interest on the Notes

Under Spanish law, interest collected by a Spanish resident holder of the Notes is subject to Corporate Income Tax ("CIT") and if obtained by a permanent establisment in Spain of Non-Spanish Tax residents to Non-Residents' Income Tax ("NRIT") at the relevant tax rates (30% as a general rule).

In the event that such interest becomes subject to withholding tax in Belgium or The Netherlands, as Belgian or Dutch source income, Spanish tax resident corporations would be entitled to a tax credit for the avoidance of double taxation when determining their tax liability, in accordance with the provisions of the CIT Law (approved by Legislative Royal Decree 4/2004, of March 5, 2004) or the Tax Treaty in force with the mentioned countries.

In addition, in accordance with the NRIT Law (approved by Legislative Royal-Decree, of March 5, 2004), permanent establishments in Spain of non-Spanish tax residents would also be entitled to apply a tax credit to avoid double taxation on interest payments.

10.5.2.2 Disposal of the Notes

As a general rule, a disposal, whether in the form of a transfer, redemption or reimbursement, of the Notes by a Spanish holder may give rise to a taxable income or an allowable loss for the purposes of either CIT or NRIT, as the case may be, at the relevant applicable tax rate (30% as a general rule).

If for any reason a Spanish tax resident corporation or permanent establishment in Spain of Non-Spanish Tax residents is subject to tax in Belgium or The Netherlands on the income it obtains upon the disposal of the Notes, it will be entitled to a tax credit for the avoidance of double taxation

10.5.2.3 Spanish Withholding Tax on the Notes

No withholding on account of Spanish CIT or NRIT is levied in Spain on any income arising from Notes held by a Spanish holder that is a corporation or a permanent establishment in Spain of a non-Spanish tax resident if the Notes are traded on an OECD country's official stock market.

However, the financial institution (only if resident in Spain or acting through a permanent establishment in Spain) acting as paying agent or intervening in any transfer, redemption or refund of the Notes will be obliged to calculate the taxable income of the Spanish holder arising from the relevant transaction and to report such income to the Spanish holder and to the Spanish tax authorities. In addition, the financial institution must provide the Spanish tax authorities with information regarding the persons participating in the transaction.

If the Notes are not traded on an OECD country's official stock market and the Notes are deposited with or managed by a financial institution resident in Spain, or acting through a permanent establishment in Spain, in accordance with the Spanish tax laws in force, the financial institution, acting as depositary or manager of such Notes, will be responsible for making the relevant Spanish withholding on account of tax on any payment to a Spanish holder deriving from the Notes. It should be noted that the financial institution acting as custodian or manager of the Notes may become obliged to comply with the formalities contained in the Spanish CIT Regulations when intervening in the repayment and/or transfer of the Notes.

10.5.3 BENEFICIAL OWNERS NOT RESIDENT IN SPAIN WITHOUT A PERMANENT ESTABLISHMENT

If the beneficial owners of the Notes are not resident for tax purposes in Spain and do not obtain the income through a permanent establishment located in Spain, they will normally not be subject to Spanish income or corporte taxation in respect to income realised in connection with the Notes, unless it could be considered as Spanish-source income, such as when interest is deemed remuneration relating to capital used within the Spanish territory.

In such a situation, the Noteholder could also apply (i) the tax rate applicable under a treaty for the avoidance of double taxation with Spain or (ii) any exemption foreseen in the Spanish Non-Resident Income Tax legislation, if applicable, and provided that corresponding formal requirements are met.

10.6. PORTUGUESE TAXATION ON THE NOTES

The following is a summary of current law and practice in Portugal as in effect on this date in relation to certain current relevant aspects to Portuguese Taxation of the Notes and is subject to changes in such laws, including changes that could have a retroactive effect. The statements do not deal with other Portuguese tax aspects regarding the Notes and relate only to the position of persons who are absolute beneficial owners of the Notes. The following is a general guide, does not constitute tax or legal advice and should be treated with appropriate caution. Tax consequences may differ according to the provisions of different tax treaties, as well as according to a prospective investor's particular circumstances. Prospective investors are advised to consult their own tax advisers.

References to "investment income" mean investment income as understood under Portuguese tax law. The statements below do not take into account any different definitions of investment income that may prevail under any other law or any related documentation.

10.6.1 NOTEHOLDERS' INCOME TAX

Income generated by the holding (distributions) and disposal of the Notes is generally subject to the Portuguese tax regime for debt securities (obrigações).

Economic benefits derived from interest, amortisation, reimbursement premiums and other types of remuneration arising from the Notes are designated as investment income for Portuguese tax purposes.

10.6.2. WITHHOLDING TAX ARISING FROM THE NOTES

Payments of principal on the Notes issued by the Issuers to corporate entities or to individuals are not subject to Portuguese withholding tax. For these purposes, principal shall mean all payments carried out without any income component.

10.6.3. CORPORATE ENTITIES

Under current Portuguese law, investment income payments in respect of the Notes issued by the Issuers made to Portuguese tax resident companies are included in their taxable income and are subject to a rate of 25 per cent. A municipal surcharge (*derrama* municipal) of up to 1.5 per cent. over the Noteholders' taxable profits may also be applied. Corporate taxpayers with a taxable income of more than € 1,500,000 are also subject to State surcharge (*derrama estadual*) according to which, a rate of 3 per cent. will be applicable on taxable profits exceeding €1,500,000 but equal or less than €10,000,000 and a rate of 5 per cent. will be due on taxable profits exceeding €10,000,000.

10.6.4. INDIVIDUALS

If the payment of investment income arising from the Notes issued by the Issuers is made available to Portuguese resident individuals through a Portuguese resident entity or a Portuguese branch of a non resident entity, withholding tax is applicable at a rate of 25 per cent., which is the final tax on that income unless the individual elects to include it in his taxable income, subject to tax at the current progressive rates of up to 46.5 per cent.. In this circumstances, an additional income tax rate of 2.5 per cent. will be due on the part of the taxable income that exceeds €153,300 and such additional tax rate is expected to apply only in 2012 and 2013. In such a case, the tax withheld is deemed a payment on account of the final tax due.

Investment income (including interest) arising from the Notes issued by the Issuers paid or made available through a Portuguese resident entity or a Portuguese branch of a non resident entity to accounts opened in the name of one or more accountholders acting on behalf of one or more unidentified third parties is subject to a final withholding tax rate of 30 per cent., unless the relevant beneficial owner(s) of the income is/are identified and as a consequence the tax rates applicable to such beneficial owner(s) will apply.

Investment income payments arising from the Notes due by the Issuers to Portuguese tax resident individuals are subject to an autonomous taxation at a flat rate of 25 per cent. whenever those payments are not subject to Portuguese withholding tax. This flat rate is the final tax on that income unless the individual elects to include it in his taxable income, subject to tax at the current progressive rates of up to 46.5 per cent.. In this circumstances, an additional income tax rate of 2.5 per cent. will be due on the part of the taxable income that exceeds €153,300 and such additional tax rate is expected to apply only in 2012 and 2013. In such a case, the tax withheld is deemed a payment on account of the final tax due.

10.6.5. IMPLEMENTATION OF EU SAVINGS DIRECTIVE IN PORTUGAL

Portugal has implemented the EC Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income into the Portuguese law through Decree-Law no 62/2005, of 11 March, 2005, as amended by Law no 39-A/2005, of 29 July 2005.

10.7. TAXATION IN THE HELLENIC REPUBLIC

The following is a general description of the principal Greek withholding tax consequences for Greek tax resident investors, including foreign entities holding a permanent establishment in Greece, receiving interest in respect of or disposing of, the Notes issued by AXA BANK and the Notes issued by ABF(NL) and is of a general nature based on the issuers' understanding of current law and practice. It is included herein solely for information purposes and does not purport to be a comprehensive description of all tax considerations that may be relevant to a decision to invest in or dispose of the Notes. This general description is based upon the law and its interpretation as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date (for example the rate of the withholding tax). Investors should appreciate that, as a result of changing law or practice, the tax consequences may be otherwise than as stated below. Investors should consult their professional advisers on the possible, withholding or other, tax consequences of subscribing for, purchasing, holding, selling or converting the Notes issued by AXA BANK and/or ABF(NL) under the laws of their countries of citizenship, residence, ordinary residence or domicile, including on their overall income tax position, any reporting obligations related thereto and the effects of application of any bilateral convention for the avoidance of double taxation.

Greek withholding tax at the rate of 10% applies in respect of interest on bond loans issued outside the Hellenic Republic when paid to tax residents of the Hellenic Republic or to permanent establishments maintained by foreign enterprises in the Hellenic Republic for Greek income tax purposes, by credit institutions collecting such interest on behalf of such residents or permanent establishments, provided such credit institutions are seated or established in the Hellenic Republic and qualify as paying agents within the meaning of article 4 paragraph 2 (a) of Greek Law 3312/2005 transposing into Greek law Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments (the "Greek Law"). Said tax is withheld upon payment of the interest or crediting of the account of the beneficiary as well as in respect of accrued interest at the time of transfer of bonds or coupons thereon. In regard to payments of said interest to individuals, the amount over which the withholding tax is calculated is the amount of interest net of any foreign withholding tax.

The payment in relation to the Notes of any other interest not qualifying as interest on bond loans, including payments under the Guarantee representing accrued interest, shall be subject to Greek withholding tax (i) at the rate of 20%, if made in Greece to individuals or to legal entities that are tax residents of the Hellenic Republic or to permanent establishments maintained by foreign enterprises in the Hellenic Republic for Greek income tax purposes, (ii) at the rate of 40%, if made in Greece to enterprises who are not tax residents of the Hellenic Republic and do not maintain a permanent establishment in the Hellenic Republic for Greek income tax purposes. Said tax is withheld at the time of payment of interest by the person effecting the respective payment in Greece.

No Greek withholding tax shall be imposed in respect of payments of principal under the Notes.

Furthermore, according to a recent amendment to the Greek Income Tax Code (enacted by virtue of Law 4051/2012), income arising from the transfer of bonds issued by the Hellenic Republic and corporate bonds, is classified as securities income. Such classification in principle triggers a 20% withholding tax on the relevant income if paid in Greece to individuals or to legal entities that are tax residents of the Hellenic Republic or to permanent establishments maintained by foreign enterprises in the Hellenic Republic for Greek income tax purposes. However, at present, the Greek Ministry of Finance has given no instructions or guidance in relation to the implementation and potential exemptions from such tax.

Note: as the above is a discussion of Greek withholding tax only, it does not refer to the related overall income tax position of Noteholders such as whether withholding tax exhausts the income tax liability, the possibility to deduct foreign tax, any obligation to self-report any tax in case no tax is withheld by a third party etc.

10.8. TAXATION IN GERMANY

10.8.1 GERMAN RESIDENT NOTEHOLDERS

10.8.1.1. Private investors

For German resident private investors (i.e. persons whose residence or habitual abode is located in Germany) holding the Notes as private assets (and not as business assets), interest payments on the Notes and gains from the sale or redemption of the Notes qualify as investment income pursuant to Sec. 20 Income Tax Act and are basically subject to the flat income tax (Abgeltungsteuer) at a rate of 25% (plus 5.5% solidarity surcharge thereon, resulting in a total tax charge of 26.375%, and, if applicable, church tax). If interest claims are disposed of separately (i.e. without the Notes), the proceeds from the disposition are subject to income tax. The same applies to proceeds from the redemption of interest claims if the Note is disposed of separately. The deduction of related expenses for tax purposes is not possible. However, the total investment income of an individual will be decreased by a lump sum deduction (Sparer-Pauschbetrag) of €801 (€1,602 for married couples filing jointly). Losses resulting from the sale or redemption of the Notes can only be off-set against other investment income. In the event that a set-off is not possible in the assessment period in which the losses have been realized, such losses can be carried forward into future assessment periods and can be offset against investment income generated in future assessment periods.

Gains and losses are determined by taking the difference between the sales/redemption price (after the deduction of expenses incurred directly in connection with the sale/redemption) and the acquisition price of the Notes.

10.8.1.2. Withholding Tax

Interest payments on the Notes are subject to German withholding tax provided that the Notes are held in the custodial account with a German branch of a German resident or non-German resident credit institution, financial services institution, securities trading company or securities trading bank (the “Disbursing Agent” — inländische Zahlstelle). The Disbursing Agent withholds tax at a rate of 25% (plus 5.5% solidarity surcharge thereon and, if applicable, church tax) from the gross interest payment to be made by the Disbursing Agent.

In general, no withholding tax will be levied if the Holder is an individual (i) whose Notes do not form part of the property of a trade or business and (ii) who filed a withholding exemption certificate (Freistellungsauftrag) with the Disbursing Agent but only to the extent the interest income derived from the Notes together with other investment income does not exceed the maximum exemption amount shown on the withholding exemption certificate. The maximum exemption amount that may be shown on the exemption certificate is an amount equal to the lump sum deduction mentioned above. Similarly, no withholding tax will be deducted if the Holder has submitted to the Disbursing Agent a certificate of non-assessment (Nichtveranlagungs-Bescheinigung) issued by the relevant local tax office.

For private investors, the withholding tax regime should also apply to any gains from the sale or redemption of the Notes held in custody with the Disbursing Agent. The tax base is the difference between sales/redemption proceeds after the deduction of expenses directly connected to the sale/redemption and the acquisition costs for the Notes, if the Notes were held in custody by such institution since their acquisition. If the custody account has changed since the acquisition of the Notes and the relevant acquisition data (Anschaffungsdaten) has not been evidenced to the satisfaction of the Disbursing Agent, the withholding tax is imposed on a lump sum amount equal to 30% of the proceeds arising from the sale or redemption of the Notes.

The exemption from withholding tax described above (i) in the amount of the lump sum deduction if a withholding exemption certificate, or (ii) if a certificate of non-assessment can be provided, applies also in case of capital gains derived from the Notes.

For private investors the withholding tax is definitive. Private investors having a lower personal income tax rate may, upon application, include the capital investment income in their personal income tax return to achieve a lower tax rate. Income not subject to a definitive withholding tax must be included into the personal income tax return. The flat income tax of 25% plus solidarity surcharge and church tax, if applicable, would be collected by way of assessment.

10.8.1.3. Business Investors

For investors holding the Notes as business assets, interest payments (if any) under the Notes and gains and losses from the investment in the Notes are subject to the corporate income tax or income tax in each case plus solidarity surcharge at the level of the investor with the individual tax rate of the respective investor. Such income has also to be considered for trade tax purposes, if the Notes form part of the property of a German trade or business.

Any withholding tax withheld by the Disbursing Agent is credited against the investor’s personal (corporate) income tax liability (and solidarity surcharge) in the course of the tax assessment or will be refunded. For German resident corporate investors (provided that in the case of corporations of certain legal forms the status of corporation has been evidenced by a certificate of the competent tax authorities) and — after notifying the Disbursing Agent about the allocation of the Notes to a business in Germany — other business investors, no withholding tax should be levied on gains resulting from the sale or redemption of the Notes (that is, for these investors only interest payments are subject to withholding tax).

10.8.2 NON-RESIDENT NOTEHOLDERS

Non-residents of Germany are, in general, exempt from German withholding tax on interest and the solidarity surcharge thereon. However, where the interest is subject to German taxation as set forth in the preceding paragraph and the Notes are held in a custodial account with a Disbursing Agent, withholding tax is levied as explained above in the preceding sub-section "— German resident Noteholders".

10.9. EU SAVINGS DIRECTIVE

Under EC Council Directive 2003/48/EC on the taxation of savings income, each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in that other Member State; however, for a transitional period, Austria, Belgium and Luxembourg are permitted to apply an optional information reporting system whereby if a beneficial owner, within the meaning of the EU Savings Directive, does not comply with one of two procedures for information reporting, the relevant Member State will levy a withholding tax on payments to such beneficial owner. The withholding tax system applies for a transitional period during which the withholding tax rate will raise over time to 35 per cent. The rates have been of 15% until 30 June 2008, are of 20% from 1 July 2008 to 30 June 2011 and of 35% as of 1 July 2011. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments. However, since 1st January 2010, Belgium no longer applies the withholding tax system but exchanges information with the country of tax residence of the beneficial owner.

A number of non-EU countries (including Switzerland, Andorra, Liechtenstein, Monaco and San Marino),and certain dependent or associated territories (including Jersey, Guernsey, Isle of Man, Montserrat, British Virgin Islands, Netherlands Antilles and Aruba) of certain Member States, have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in a Member State.

In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

The European Commission has announced on 13 November 2008 proposals to amend the EU Savings Directive. If implemented, the proposed amendments would, inter alia, (i) extend the scope of the EU Savings Directive to payments made through certain intermediate structures (whether or not established in a Member State) for the ultimate benefit of EU resident individuals, and (ii) provide for a wider definition of interest subject to the EU Savings Directive. Investors who are in any doubt as to their position should consult their professional advisors.

11. TERMS AND CONDITIONS OF THE OFFER

(Annex V.5 of Regulation (EC) 809/2004)

The Notes can be issued as private placements or by means of a public offering to the following categories of investors:

- qualified investors
- professional clients
- non-professional clients

The Notes will be offered for subscription during the Offering Period (specified in the relevant Final Terms) at the relevant Issue Price. Any applicable fees or commissions will be specified in the relevant Final Terms. The Issuer has the right to cancel any issue of Notes under the Programme during their Offering Period until the fifth Business Day before their Issue Date, either (i) when it reasonably believes that investors will not subscribe to the offer for an amount of at least the Minimum Amount specified in the relevant Final Terms or (ii) in case it considers there is a material adverse change in market conditions. Investors that have subscribed to these Notes will be notified pursuant to Condition 9.16 of such cancellation. The Issuer has the right to anticipatively terminate the Offering Period if the Maximum Amount of the relevant Notes issue has been reached or if the market conditions adversely affect the interest or the redemption amounts to be paid by the Issuer.

The cash account of the client will be debited on the Issue Date. At the same date, the Notes will be transferred on the securities accounts of the clients.

If Notes are deposited in a securities account with AXA BANK, AXA BANK will not charge any fees for this service, nor for the opening of such securities account. If a Noteholder chooses to deposit his or her securities with another financial institution, he or she must inquire the fees charged by this institution.

The Notes have not been offered or sold and will not be offered or sold directly or indirectly and the Prospectus has not been distributed and will not be distributed, except in such circumstances that will result in compliance with all applicable laws and regulations.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and are subject to U.S. tax law requirements and, subject to certain exceptions, Notes may not be offered, sold or delivered within the United States of America, including its territories and possessions, or to U.S. persons.

The Notes have not been offered, sold or delivered and will not be offered, sold or delivered, as part of their distribution at any time, or otherwise until 40 days after the commencement of the offering within the United States or to, or for the account or the benefit of, U.S. persons and a dealer to which the Notes are sold during the restricted period, will receive a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the U.S. or to, or for the account or benefit of, U.S. persons.

Until 40 days after the commencement of the offering, an offer or sale of Notes within the U.S. by a dealer that is not participating in the offering may violate the registration requirements imposed by the U.S. Securities Act of 1933, as amended.

Any document connected with the issue of the Notes has only been issued or passed on and will only be issued and passed on in the United Kingdom to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "FSMA") in connection with the issue or sale of any Notes, has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in circumstances in which section 21(1) of the FSMA does not apply to the Issuer and all applicable provisions of the FSMA with respect to anything done in relation to such Notes in, from or otherwise involving the United Kingdom have been complied with and will be complied with.

12. ADMISSION TO TRADING AND DEALING ARRANGEMENTS

(Annex V.6 of Regulation (EC) 809/2004)

The Programme provides that Notes may be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange (the "Market").

If Issuer decides to seek such listing, this will be specified in the relevant Final terms and the relevant Issuer will then make an application to the Luxembourg Stock Exchange for such listing. References in this Prospectus to Notes being "listed" (and all related references) shall mean that such Notes have been listed and admitted to trading on the Market. The Market is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instalments.

If "Secondary Market" is provided to be "Applicable" in the relevant Final Terms for any Notes, the price of the Notes is available on demand on each Business Day during the term of such Notes in every office of AXA BANK until 30 Business Days preceding their Maturity Date, unless in AXA BANK's determination, market conditions preclude it from quoting a price. In such case, AXA BANK can be considered market maker for the Notes and will organise the secondary market, thereby providing liquidity through bid and offer rates. The main terms of the commitment of AXA BANK will be specified in the relevant Final Terms and (i) "Maximum Spread" means on any given moment the maximum spread between the then applicable bid and offer rates; (ii)

“Maximum Commission” means the maximum commission on the bid and offer rates; and (iii) “Maximum Exit Penalty” means the maximum exit penalty applicable to the bid and offer rates. The bid and offer rates of the Notes on any given moment are subject to the market conditions, interest rates, forward rates, credit spreads of the relevant Issuer or, in the case of ABF(NL) Notes, the Guarantor,etc.

The sale proceeds can be lower than the invested amount.

13. USE OF PROCEEDS

The net proceeds of Notes, i.e. the Nominal Amount less any expenses and fees, will be applied for general corporate purposes of AXA BANK or other entities of the AXA Group. In the case of ABF(NL) Notes, ABF(NL) will lend the proceeds to AXA BANK or other entities of the AXA Group.

14. THIRD PARTY INFORMATION, EXPERT STATEMENTS AND DECLARATIONS

(Annex IV.16 and XI.13 of Regulation (EC) 809/2004)

There has not been any statement or report attributed to a person as an expert which is included in this Base Prospectus.

15. DOCUMENTS ON DISPLAY

(Annex IV.17 and XI.14 of Regulation (EC) 809/2004)

Copies of the annual reports dated December 31st, 2011 for AXA BANK and ABF(NL) and of all subsequent annual reports to be published, copies of the articles of association of AXA BANK and ABF(NL) are available free of charge at the office of AXA BANK and will be available during the entire lifetime of the Notes. Additionally, the annual reports of AXA BANK are available on its internet site: www.axabank.eu. Moreover, copies of the semi-annual and annual reports of ABF(NL) and copies of the annual reports of AXA BANK are available on the Luxembourg Stock Exchange-website: www.bourse.lu.

ANNEX 1: TEMPLATE FOR FINAL TERMS

APPLICABLE FINAL TERMS

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

Final Terms dated [●]
[AXA BELGIUM FINANCE (NL) B.V./AXA BANK EUROPE SA]
Issue of [Title of Notes]
[Guaranteed by AXA BANK EUROPE SA]
under the
AXA BELGIUM FINANCE (NL) B.V.
and
AXA BANK EUROPE SA
EUR 2,000,000,000
Notes Issuance Programme
.

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Base Prospectus dated 10 September 2012, 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 such Base Prospectus [and any supplement thereto].** These Final Terms and the Base Prospectus together constitute the Programme for the Tranche. Full information on the Issuer [, the Guarantor] and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for inspection at the office of the [Guarantor and the office of the] Issuer.

[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 sub-paragraphs. Italics denote guidance for completing the Final Terms.]

[When completing any final terms, or 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 Programme under Article 16 of the Prospectus Directive.]

General Description on the Notes

[●]

1	(i)	Issuer:	[AXA BANK EUROPE SA][AXA BELGIUM FINANCE (NL) B.V.]
	(ii)	Guarantor:	[N/A][AXA BANK EUROPE SA]
	(iii)	Calculation Agent:	AXA BANK EUROPE SA
2	(i)	Series Number:	[●]
	[(ii)	Tranche Number:	[●]
			(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).
3	Specified Currency or Currencies:		[●]
4	Maximum Amount:		

	(i)]Series:	[●]
	(ii) Tranche:	[●]
5	Minimum Amount:	
	[(i)] Series:	[●]
	[(ii)] Tranche:	[●]
6	Offering Period:	[●] (except in case of early closing)
7	Issue Price:	[●] per cent. [plus accrued interest from [*insert date*] (*in the case of fungible issues only, if applicable)*]
8	Brokerage Fee:	[●]
9	Denominations:	[●]
10	[(i)] Issue Date:	[●]
	[(ii)] Interest Commencement Date:	[●]
11	[Scheduled] Maturity Date:	[●]
12	Interest Basis:	[[●] per cent. Fixed Rate] [Floating Rate] [Zero Coupon] [Variable Linked Rate] (further particulars specified below)
13	Redemption/Payment Basis:	[Redemption at par] [Variable Linked Redemption] (further particulars specified below)
14	Change of Interest or Redemption/Payment Basis:	[Not Applicable/*(Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis)*]
15	Call Options:	[Call/Not Applicable] [(further particulars specified below)]
16	Status of the Notes:	[Senior Notes/Senior Subordinated Notes]
17	[Date [Board] approval for issuance of Notes obtained:	[●] *(N.B Only relevant where Board (or similar) authorisation is required for the particular Tranche of Notes)]*
18	Form of Notes	[Bearer Notes / Dematerialised Notes]
19	New Global Note	Not Applicable

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

20	**Fixed Rate Note Provisions**	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i) Fixed Rate:	[●] per cent. per annum
	(ii) Interest Payment Date(s):	[annually/semi-annually/quarterly on ●]

	(iii) Business Days:	[●]
	(iv) Business Day Convention:	[●]
	[(v) Fixed Interest Amount:	[●]]
	[(v)/(vi) Day Count Fraction:	[●]]
	[(v)/(vi)/(vii) Interest Period End Date(s):	[●]]
	[Other terms relating to the method of calculating interest for Fixed Rate Notes:	[●](*N.B. Give details*)]
21	**Floating Rate Note Provisions**	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i) Publication Source:	[EUR-EURIBOR-Reuters (ISDA)/Other]
	(ii) Designated Maturity:	[●]
	(iii) Spread:	[●]
	(iv) Interest Payment Date(s):	[annually/semi-annually/quarterly on ●]
	(v) Day Count Fraction:	[●]
	(vi) Interest Determination Date:	[●]
	(vii) Business Days:	[●]
	(viii) Business Day Convention:	[●]
	[(ix) Interest Period End Date(s)	[●]]
22	**Zero Coupon Note Provisions**	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i) Amortisation Yield:	[●] per cent. per annum
	(ii) Business Days:	[●]
	(iii) Business Day Convention:	[●]
	(iv) Any other formula/basis of determining amount payable:	[●]
23	**Variable Linked Rate Note Provisions**	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i) Underlying:	[Market Rate/Share/Basket of Shares/Share Index/Basket of Share Indices/Fund/Basket of Funds/Commodity/Basket of Commodities/Commodity Index/Basket of Commodity Indices/Inflation Index/Basket of Inflation Indices]
	(ii) Variable Linked Rate:	[●] *(Provide the formula or other method of determination)*
	(iii) Interest Payment Date(s):	[●]
	(iv) Business Days:	[●]
	(v) Business Day Convention:	[●]

PROVISIONS RELATING TO REDEMPTION

24	**Call Option**	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(v) Optional Redemption Date(s):	[●]
	(vi) Optional Redemption Period:	[●]
	(vii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[●] per Note of [●] Denomination
	(viii) If redeemable in part:	
	(a) Minimum Redemption Amount:	[●]
	(b) Maximum Redemption Amount:	[●]
	(ix) Notice period:	[●]
25	**Redemption Amount(s) of each Note**	[[●] per Note of [●] Denomination] *(delete in case of Variable Linked Redemption)*

(Include below provisions in case of a Variable Linked Redemption)

Variable Linked Redemption

(i) Underlying:	[●]
(ii) Variable Linked Redemption Amount:	[●] *(Provide the formula or other method of determination)*
(iii) Business Days:	[●]
(iv) Business Day Convention:	[●]
(v) Initial Averaging:	[Not Applicable / Applicable]
(vi) Averaging:	[Not Applicable / Applicable]
[(vi) Initial Averaging Dates:	[●]]
[(vi) Averaging Dates:	[●]]

VARIABLE LINKED PROVISIONS

(Include the relevant provisions below, if the Underlying is one or more ***Market Rates****)*

(i) Publication Source:	[●]
(ii) Designated Maturity:	[●]

(iii) Spread: [●]

(iv) Interest Determination Date: [●]

[(v) Day count Fraction: [●]]

*(Include the relevant provisions below, if the Underlying is a **Share**)*

(i) Share: [●] *(Insert full title of the Share and its ISIN code)*

(ii) Exchange: [●]

(iii) Related Exchange: [[●]/All Exchanges]

(iv) Valuation Date(s): [●]

[(v) Initial Valuation Date: [●]]

[(v) Initial Price: [●]]

*(Include the relevant provisions below, if the Underlying is **Share Basket**)*

(i) Share Basket:

i	***w***	**Share**	**Exchange**	**Related Exchange**	**Securities Code**
1	**[●]%**	**[●]**	**[●]**	**[●]/All Exchanges**	**[●]**
2	**[●]%**	**[●]**	**[●]**	**[●]/All Exchanges**	**[●]**
…	**[●]%**	**[●]**	**[●]**	**[●]/All Exchanges**	**[●]**

(ii) Valuation Date(s): [●]

[(iii) Initial Valuation Date: [●]]

*(Include the relevant provisions below, if the Underlying is an **Share Index**)*

(i) Index: [●]

(ii) Exchange: [[●]/Multiple Exchange]

(iii) Related Exchange: [[●]/All Exchanges]

(iv) Valuation Date(s): [●]

[(v) Initial Valuation Date: [●]]

[(v) Initial Price: [●]]

*(Include the relevant provisions below, if the Underlying is a **Basket of Share Indices**)*

(i) Index Basket:

i	***w***	**Index**	**Exchange**	**Related Exchange**
1	**[●]%**	**[●]**	**[●]/Multiple Exchange**	**[●]/All Exchanges**
2	**[●]%**	**[●]**	**[●]/Multiple Exchange**	**[●]/All Exchanges**
…	**[●]%**	**[●]**	**[●]/Multiple Exchange**	**[●]/All Exchanges**

(ii) Valuation Date(s): [●]

[(iii) Initial Valuation Date: [●]]

(Include the relevant provisions below, if the Underlying is a ***Fund****)*

(i) Reference Fund: [●] *(Insert full title of the Reference Fund, including its sponsor, the ISIN code, class, if applicable, and a short description)*

(ii) Valuation Date(s): [●]

[(iii) Initial Valuation Date: [●]]

[(iii) Initial Price: [●]]

(Include the relevant provisions below, if the Underlying is a ***Basket of Funds****)*

(i) Fund Basket:

i	*w*	Reference Fund	Class	Fund Description	Fund Administrator	ISIN Code
1	**[●]%**	**[●]**	**[●]**	**[●]**	**[●]**	**[●]**
2	**[●]%**	**[●]**	**[●]**	**[●]**	**[●]**	**[●]**
…	**[●]%**	**[●]**	**[●]**	**[●]**	**[●]**	**[●]**

(ii) Valuation Date(s): [●]

[(iii) Initial Valuation Date: [●]]

(Include the relevant provisions below, if the Underlying is a ***Commodity****)*

(i) Commodity: [●]

(ii) Exchange: [●]

(iii) Price Source: [●]

(iv) Valuation Time: [●]

(v) Valuation Date(s): [●]

[(vi) Initial Valuation Date: [●]]

[(vi) Initial Price: [●]]

(Include the relevant provisions below, if the Underlying is a ***Basket of Commodity****)*

(i) Commodity Basket:

i	*w*	Commodity	Exchange	Price Source	Valuation Time
1	**[●]%**	**[●]**	**[●]**	**[●]**	**[●]**
2	**[●]%**	**[●]**	**[●]**	**[●]**	**[●]**
…	**[●]%**	**[●]**	**[●]**	**[●]**	**[●]**

(ii) Valuation Date(s):	[●]
[(iii) Initial Valuation Date:	[●]]

*(Include the relevant provisions below, if the Underlying is a **Commodity Index**)*

(i) Commodity Index:	[●]
(ii) Valuation Time:	[●]
(iii) Valuation Date(s):	[●]
[(iv) Initial Valuation Date:	[●]]
[(iv) Initial Price:	[●]]

*(Include the relevant provisions below, if the Underlying is a **Basket of Commodity Indices**)*

(i) Commodity Index Basket:

i	*w*	Commodity Index	Valuation Time
1	**[●]%**	**[●]**	**[●]**
2	**[●]%**	**[●]**	**[●]**
…	**[●]%**	**[●]**	**[●]**

(ii) Valuation Date(s):	[●]
[(iii) Initial Valuation Date:	[●]]

*(Include the relevant provisions below, if the Underlying is an **Inflation Index** or a **Basket of Inflation Indices**)*

(i) Inflation Index/Basket of Inflation Indices/Inflation Index Sponsor(s):	[●]
(ii) Related Bond:	[Not Applicable / Applicable] The Related Bond is: [ ] [Fallback Bond] The End Date is: [ ]
(iii) Substitute Index Level:	[As determined in accordance with article 9.6.7][●]
(iv) Bussiness Day Convention:	[●]
(v) Determination Date(s)	[●]
(vi) Cut-off Date:	[●]
(vii) Other terms or special conditions	[●]

*(Include the relevant provisions below, if the Underlying is a **Basket of Inflation Indices**)*

(i) Index Basket:

i	*w*	Index	Sponsor
1	[●]%	[●]	[●]
2	[●]%	[●]	[●]
…	[●]%	[●]	[●]

(ii) Valuation Date(s): [●]

[(iii) Initial Valuation Date: [●]]

LISTING AND ADMISSION TO TRADING

(i) Admission to trading: [Application has been made for the Notes to be listed on the official list of the [Luxembourg Stock Exchange] and admitted to trading on the Regulated Market of the [Luxembourg Stock Exchange] with effect from [●]] [Not Applicable.] (Where documenting a fungible issue need to indicate that the original notes are already admitted to trading.)

(ii) Estimate of total expenses related to admission to trading: [●]

DISTRIBUTION

Dealer(s): [AXA BANK EUROPE SA/ [●]]

[Selling fees: [●]]

[Additional selling restrictions: [●]]

Non exempt offer [●]]

OPERATIONAL INFORMATION

ISIN Code: [●]

Common Code: [●]

Clearing System(s): [●]

Principal Paying Agent: *[AXA BANK][BIL]

Paying Agent: *[N/A][AXA BANK]

SECONDARY MARKET *(Include this provision if Secondary Market is provided)*

[Applicable]

Maximum Spread: [●]

Maximum Commission: [●]

Maximum Exit Penalty: [●]

RESPONSIBILITY

The Issuer and the Guarantor accept responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

By:..

Duly authorised

Signed on behalf of the Guarantor:

By:..

Duly authorised

[PART B – SIMULATIONS [AND OTHER INFORMATION]]

[SIMULATIONS]

[●] *(Please insert simulations for the Variable Rate or the Variable Linked Redemption Amount)*
[These simulations are fictitious examples and by no means represent reliable indicators.]

[OTHER INFORMATION]

[●] *(Insert other information such as the historical evolution of the Floating Rate or the Underlying(s))*

[This information has been extracted from [Insert source]. [Each of] the Issuer [and the Guarantor] 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]

[PART C – SUMMARY]

Introduction and warnings

A.1 **Warning: This Summary should be read as introduction to the Prospectus. Any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to the information contained in the Prospectus is brought before a Court in an EEA State, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the Summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.**

Issuers and guarantor

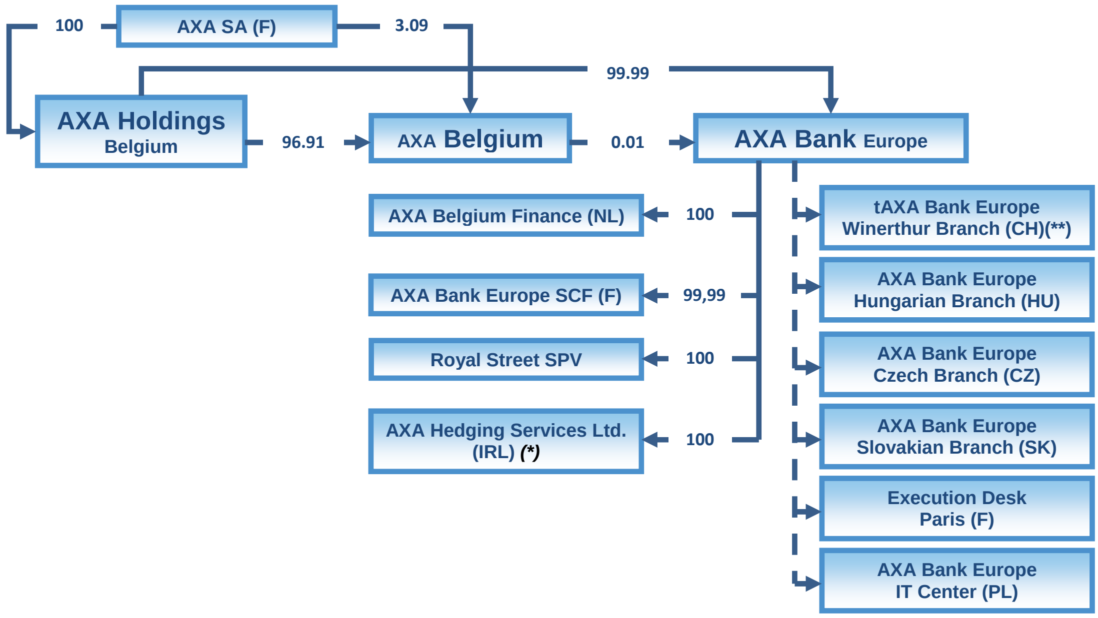
[Issuer: AXA BELGIUM FINANCE (NL) B.V.]
Applicable if the Notes are issued by AXA BELGIUM FINANCE (NL) B.V.

B.1 Legal and commercial name of the issuer
Legal name: AXA BELGIUM FINANCE (NL) B.V.
Commercial name: AXA BELGIUM FINANCE (NL) B.V. ("ABF(NL)")

B.2 Domicile, legal form, legislation and country of incorporation
ABF(NL) was incorporated as a *"besloten vennootschap"* for an unlimited duration under the laws of the Netherlands on 30 October 1990 under the name of Ippa Finance Company B.V. On 21 March 2000 the name was changed to AXA Belgium Finance (NL) B.V. Its registered office is in Amsterdam and its business address is at 4835 NA Breda, Ginnekenweg 213. (The Netherlands).

B.4b Trends affecting the issuer and its industry
See B.4b for AXA BANK EUROPE NV

B.5 Position of the issuer in its group



(*) Till March 22nd, 2012
(**) Activities transferred to bank Zweiplus

ABF(NL) is a wholly owned subsidiary of AXA BANK and is part of the international group AXA ("AXA"). There is no arrangement that may result in a change of control of ABF(NL).

ABF(NL) acts as a finance company. ABF(NL) issues notes in the market, whereby proceeds of the issued notes are fully lent on to AXA BANK.

There have been no material contracts that are not entered into in the ordinary course of ABF(NL)'s business which could result in any member of the AXA group being under an entitlement that is material to ABF(NL)'s ability to meet its obligations to Noteholders.

B.9 Profit forecast or estimate

AXA BELGIUM FINANCE does not disclose forecasts or estimations of its future results

B.10 Qualifications in the audit report on the historical financial information

The relevant auditor's report with respect to the audited annual accounts of ABF(NL) for the years ended 31 December 2010 and 31 December 2011 were delivered without any reservations.

B.12 Selected historical key financial information

[•]

Material adverse change in the prospects

There has been no material adverse change in the prospects of ABF(NL) since 31 December 2011.

Significant changes in the financial or trading position

There has been no material adverse change in the financial or trading position of ABF(NL) since 31 December 2011.

B.13 Recent events relevant to the evaluation of the issuer's solvency

ABF(NL) has made no investments since the date of the last published financial statements, and no principal future investments are planned. In addition, there has been no material adverse change in the prospects of ABF (NL) since 31 December 2011.

There have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which ABF (NL) is aware, during the last 12 months, which may have, or have had in the recent past, significant effects on ABF (NL)'s financial position or profitability.

B.14 Dependence upon other entities within the group

See B.5

B.15 Principal activities

ABF(NL) acts as a finance company. ABF(NL) issues notes in the market, whereby the proceeds of the issued notes are fully on-lent to AXA BANK or other entities of the AXA Group.

B.16 Direct or indirect control over the issuer

ABF(NL) is fully owned and controlled by AXA BANK EUROPE

B.17 Credit ratings assigned to the issuer or its debt securities

Not applicable

B.18 Nature and scope of the guarantees

Notes issued by ABF(NL) are guaranteed by AXA BANK.

The guarantee can be 'Senior' (for 'Senior Notes') or can be 'Senior Subordinated' (for 'Senior Subordinated Notes'):

Under the Senior Guarantee, the obligations of the AXA BANK will have the same priority as the other obligations of AXA BANK belonging to the same category (i.e. direct, unsecured, unconditional and unsubordinated obligations). This category (the 'ordinary creditors') has however a lower priority than the 'priviliged creditors' (such as ONSS, State, Employees, etc.)

Under the Subordinated Guarantee, the obligations of the AXA BANK will have the same priority as the other obligations belonging to the same category (i.e. direct, unsecured, unconditional and senior subordinated obligations). This category has a lower priority than the 'priviliged creditors' and 'oridinary creditors', but a higher priority than junior subordinated creditors or stakeholders.

B.19 Information about the guarantor

See below information about AXA BANK EUROPE SA

[Issuer] ***Applicable if the Notes are issued by AXA BANK EUROPE SA***
or [Guarantor] ***Applicable if the Notes are issued by AXA BELGIUM FINANCE (NL) B.V.*****:**
AXA BANK EUROPE SA

B.1 Legal and commercial name of the [Issuer] or [Guarantor]

Legal name: AXA BANK EUROPE SA
Commercial name: AXA BANK or AXA BANQUE

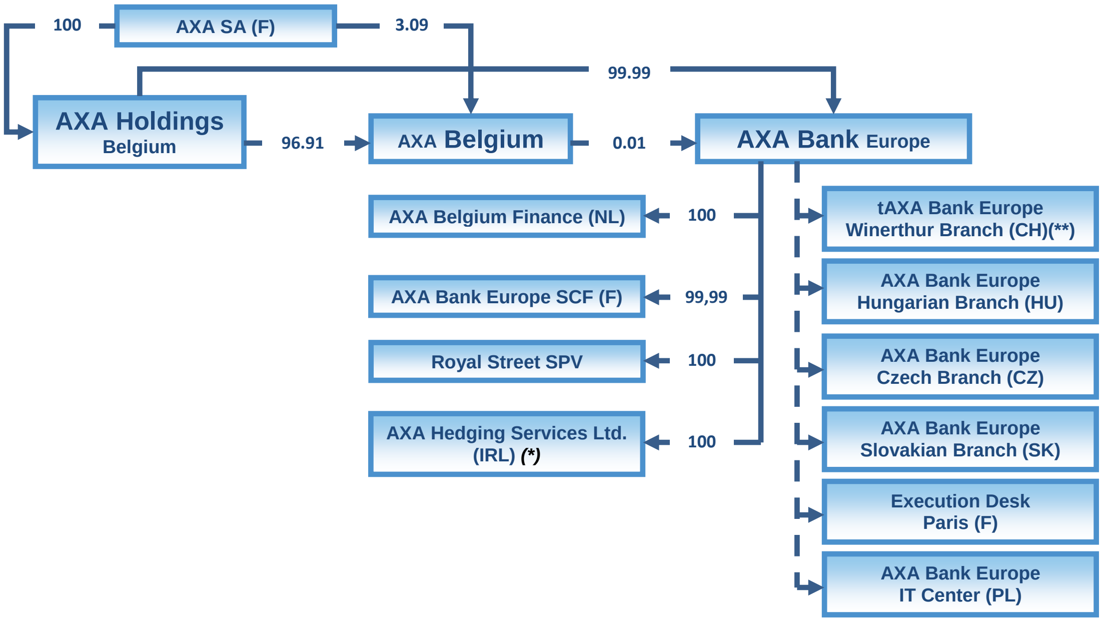
B.2 Domicile, legal form, legislation and country of incorporation

AXA BANK EUROPE SA ("AXA BANK") is a *"naamloze vennootschap/société anonyme"* of unlimited duration incorporated under Belgian law and registered with the Crossroads Bank for Enterprises under business identification number 0404.476.835. Its registered office is at 1170 Brussels, boulevard du Souverain 25, Belgium

B.4b Trends affecting the [Issuer] or [Guarantor] and its industry

Although the turbulent macro-economic context increased the volatility of financial markets during the first semester of 2012, AXA BANK resisted the strain and has been able to de-risk sensibly its balance sheet, to manage positively the liquidity and to maintain the capital position. AXA BANK is liquid with high level of retail deposits, has a safer balance sheet and is compliant to risk regulation (Basle II, see section B.12 Selected historical key financial information - Solvency position).

B.5 Position of the [Issuer] or [Guarantor] in its group



(*) Till March 22nd, 2012
(**) Activities transferred to bank Zweiplus

AXA BANK EUROPE SA is a member of the AXA Group. AXA Group is an important global player whose ambition is to attain leadership in its core Financial Protection business. Financial Protection involves offering its customers - individuals as well as small, mid-size and large businesses - a wide range of products and services that meet their insurance, protection, savings, retirement and financial planning needs throughout their lives.
AXA has a retail banking activity as part of the AXA Bank Europe structure. This activity is fully integrated within the group as it is a key element for the life & savings business.

B.9 Profit forecast or estimate

AXA BANK EUROPE does not discloses forecasts on its future results

B.10 Qualifications in the audit report on the historical financial information

The relevant auditor's report with respect to the audited annual accounts of AXA BANK for the years ended 31 December 2010 and 31 December 2011 were delivered without any reservations.

B.12 Selected historical key financial information

[●]

Material adverse change in the prospects

There has been no material adverse change in the prospects of AXA BANK since 31 December 2011.

Significant changes in the financial or trading position

There has been no material adverse change in the financial or trading position of AXA BANK since 31 December 2011.

B.13 Recent events relevant to the evaluation of the [issuer's][guarantor's] solvency

See B.4b

B.14 Dependence upon other entities within the group

See B.5

B.15 Principal activities

AXA BANK's object is to carry out the business of a credit institution. It is a member of the AXA Group, an important global player in the financial protection offering a wide range of products and services that meet the client's insurance, protection, savings, retirement and financial planning needs.

B.16 Direct or indirect control over the [Issuer] or [Guarantor]

AXA BANK is fully owned and by other entities of the AXA Group. The organizational structure of AXA BANK is based on a clear split between Supervisory and effective management accountabilities. The auditor of the bank is PricewaterhouseCoopers Bedrijfsrevisoren CVBA.

B.17 Credit ratings assigned to the [Issuer] or [Guarantor] or its debt securities

The current ratings of AXA BANK are A+/A-1, with outlook 'Negative' (Standard & Poors) and A2/P-

1 with negative outlook (Moody's)

B.18 Nature and scope of the guarantee

Not applicable (AXA BANK as Issuer)

B.19 Information about the guarantor

Not applicable (AXA BANK as Issuer)

Securities

C.1 Type, class and identification number

[●]

C.2 Currency

[●]

C.5 Restrictions on the free transferability

[●]

C.8 Rights attached to the securities including ranking and limitations to those rights

If Senior Notes: The Notes are direct, unconditional and unsecured obligations of the Issuer and rank without any preference among themselves, with all other outstanding obligations of the Issuer of the same category only to the extent permitted by laws relating to creditor's rights. This category (the 'ordinary creditors') has however a lower priority than the 'priviliged creditors' (such as ONSS, State, Employees, etc.)

If Senior Subordinated Notes: The Notes are direct, unsecured and senior subordinated obligations of the Issuer and rank without any preference among themselves with all other obligations of the Issuer of the same category. This category has a lower priority than the 'priviliged creditors' and 'oridinary creditors', but a higher priority than junior subordinated creditors or stakeholders.

C.9 Nominal interest rate

[●] *Applicable for debt securities*

Date from which interest becomes payable and due dates for interest

[●] *Applicable for debt securities*

Where the rate is not fixed : underlying on which the rate is based

[●] *Applicable for debt securities*

Maturity date and arrangements for the amortization of the loan, including the repayment procedures

[●] *Applicable for debt securities*

Yield

[●] *Applicable for debt securities*

Name of representative of debt security holders

[●] *Applicable for debt securities*

C.10 How is the value of the securities affected by the value of the underlying instrument(s)?

[●] *Applicable for debt securities with a derivative component*

C.11 Admission to trading

[●] *Applicable for derivative securities*

C.15 How is the value of the securities affected by the value of the underlying instrument(s)?

[●] *Applicable for derivative securities*

C.16 Maturity date, exercise date, final reference date

[●] *Applicable for derivative securities*

C.17 Settlement procedure

[●] *Applicable for derivative securities*

C.18 How does the return take place?

[●] *Applicable for derivative securities*

C.19 Exercise price/final reference price of the underlying

[●] *Applicable for derivative securities*

C.20 Type of the underlying and where information on the underlying can be found

[●] *Applicable for derivative securities*

Risk factors

D.2 Key risk specific to the issuer and to the guarantor

Like other banks, AXA BANK faces financial risk in the conduct of its business, such as credit risk, operational risk and market risk (including liquidity risk). Furthermore, AXA BANK faces regulatory risk, the uncertain economic conditions and the competition across all the markets.
Considering the close relationship with, and the guarantee of the obligations of ABF(NL) by, AXA BANK, the risk factors as set out above in respect of AXA BANK may also apply, directly and/or indirectly, to ABF(NL).

General credit risks are inherent in a wide range of AXA BANK's businesses. These include risks arising from changes in the credit quality of its borrowers and counterparties and the inability to recover loans and any amounts due.

Market risks are all the risks linked to the fluctuations of market prices, including, principally, exposure to loss arising from adverse movements in interest rates, and, to a lesser extent, foreign exchange rates and equity prices, stemming from AXA BANK's activities.

Operational risk is the risk of financial or non-financial impact resulting from inadequate or failed internal processes, people and systems, or from external events. The definition includes legal and reputation risk but excludes strategic risk and expenses from commercial decisions. Although AXA BANK has implemented risk controls and loss mitigation actions, and has resources devoted to developing efficient procedures and staff awareness, full protection against operational risks can never be attained, due to the very nature of these risks.

Liquidity risk management at AXA Bank is guided by internal and prudential liquidity ratios. Strict limits also apply with regard to the part that can be funded in the short term and the part that can be raised on the interbank market.

D.3 Key risk specific to the debt securities

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.

[Notes are subject to optional redemption by the Issuer][11]

[The Maturity Date of the Notes may be automatically extended][11]

[The Notes bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate][11]

[The Notes bear interest at a rate that the Issuer may elect to convert from a floating rate to a fixed rate][11]

[The Notes are exposing investors to foreign exchange risk][11]

[ZeroCoupon Notes and Notes issued at a substantial discount or premium are subject to higher price fluctuations than non-discounted notes][11]

[The Issuer's obligations under the Dated Subordinated Notes are unsecured and subordinated and rank junior to the claims of creditors in respect of unsubordinated obligations][11]

[Investment in Fixed Rate Notes, Floating Rate Notes, and Zero Coupon Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of Fixed Rate Notes, Floating Rate Notes, and Zero Coupon Notes][11].

[Investors will not be able to calculate in advance their rate of return on Floating Rate Notes.][11]

D.6 Key risk specific to the derivative securities

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.

[Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of Fixed Rate Notes][11]

[Investors will not be able to calculate in advance their rate of return on Floating Rate Notes.][11]

[Notes are subject to optional redemption by the Issuer][11]

[The Maturity Date of the Notes may be automatically extended][11]

[The Notes are exposing investors to foreign exchange risk][11]

[The market price of Variable Linked Rate Notes with a multiplier or other coverage factor may be volatile, and the value of such Notes on the secondary market is subject to greater levels of risk than is the value of other Notes.][11]

[The formula used to determine the amount of principal, premium and/or interest payable with respect to the Variable Linked Notes contains a multiplier or leverage factor, the effect of any change in the applicable currency, stock, interest rate or other index will therefore be increased.][11]

Warnings:
The holder of non capital guaranteed derivative securities could lose all or a substantial portion of the value of his investment in such securities.

A Noteholder's actual yield on the Notes may be reduced from the stated yield by transaction costs.

A Noteholder's effective yield on the Notes may be diminished by the tax impact on that Noteholder of its investment in the Notes.

Offer

E.2b Reasons for the offer and use of proceeds
[•]

E.3 Terms and conditions of the offer
[•]

E.4 Interest material to the offer including conflicting interests
[•]

E.7 Estimated expenses charged to the investor
[•]

[11] Only applicable to the relevant type of Note as specified

ANNEX 2: SENIOR GUARANTEE

A form of the Senior Guarantee is reproduced here below:

AXA BELGIUM FINANCE (NL) B.V.
and
AXA BANK

Notes Issuance Programme

SENIOR GUARANTEE
by
AXA BANK EUROPE SA

10 September 2012

WHEREAS the Board of Managing Directors of AXA BELGIUM FINANCE (NL) B.V. (the “Issuer” or “ABF(NL)”) has decided on 29 July 2010, to set up a Notes Issuance Programme (the "Programme") under which it may from time to time issue Notes (the “ABF(NL) Notes”), which may be linked to various underlyings (the “Underlying”), that rank as senior obligations of the Issuer (the “Senior ABF(NL) Notes”) or that rank as senior subordinated obligations to the Issuer (the “Senior Subordinated ABF(NL) Notes”). Senior ABF(NL) Notes will be guaranteed by AXA BANK EUROPE SA (also named AXA BANK SA/AXA BANK NV) (the “Guarantor” or “AXA BANK”) on a senior basis pursuant to this Senior Guarantee;

WHEREAS the Board of Directors of AXA BANK has approved to guarantee on a senior basis the issue by ABF(NL) of Senior ABF(NL) Notes under the Programme by decision of 27 July 2010;

The Guarantor hereby unconditionally and irrevocably guarantees as and for its own debt to each holder of each Senior ABF(NL) Note (each a “Noteholder” and together the “Noteholders”) to pay or procure to pay such amounts to the Noteholders who have not obtained due payment from the Issuer if and when such amounts fall due under the Terms and Conditions. The Terms and Conditions are those enumerated in the Base Prospectus and the relevant Final Terms, included by reference in the present Senior Guarantee. This Senior Guarantee is enforceable against the Guarantor upon first demand sent by the holder by registered mail to the registered office of the Guarantor.

The Base Prospectus setting out the terms of the Programme has been approved by the Belgian Financial Services and Markets Authority in its decision of 10 September 2012 (This Base Prospectus replaces and supersedes the Base Prospectus of ABF(NL) and AXA BANK dated 6 September 2011).

It is understood that any payments to be made under this Senior Guarantee shall be made in the currency of the underlying Notes.

This Senior Guarantee is a continuing guarantee and nothing but payment in full of the amounts due by the Issuer in application of the Notes hereby guaranteed shall discharge the Guarantor of its obligations hereunder in respect of such Notes.

This Senior Guarantee shall be governed by, and interpreted in accordance with, the laws of Belgium.

This Senior Guarantee may be executed in any number of counterparts.

All actions arising out of or based upon this Senior Guarantee are to be brought before the competent Courts in Brussels.

In witness whereof, the Guarantor has authorised and caused this Senior Guarantee to be duly executed and delivered as of 10 September 2012.

On behalf of AXA BANK EUROPE SA

Member of the Board of Directors

ANNEX 3: SENIOR SUBORDINATED GUARANTEE

A form of the Senior Subordinated Guarantee is reproduced here below:

AXA BELGIUM FINANCE (NL) B.V.
and
AXA BANK

Notes Issuance Programme

SENIOR SUBORDINATED GUARANTEE
by
AXA BANK EUROPE SA

XX September 2012

WHEREAS the Board of Managing Directors of AXA BELGIUM FINANCE (NL) B.V. (the “Issuer” or “ABF(NL)”) has decided on 29 July 2010, to set up a Notes Issuance Programme (the "Programme"), under which it may from time to time issue Notes (the “ABF(NL) Notes”), which may be linked to various underlyings (the “Underlying”), that rank as senior obligations of the Issuer (the “Senior ABF(NL) Notes”) or that rank as senior subordinated obligations to the Issuer (the “Senior Subordinated ABF(NL) Notes”). Senior Subordinated ABF(NL) Notes will be guaranteed by AXA BANK EUROPE SA (also named AXA BANK SA/AXA BANK NV) (the “Guarantor” or “AXA BANK”) on a senior subordinated basis pursuant to this Senior Subordinated Guarantee;

WHEREAS the Board of Directors of AXA BANK has approved to guarantee on a senior subordinated basis the issue by ABF(NL) of Senior Subordinated Notes under the Programme by decision of 27 July 2010;

The Guarantor hereby unconditionally and irrevocably guarantees as and for its own debt to each holder of each Senior Subordinated ABF(NL) Note (each a “Noteholder” and together the “Noteholders”) to pay or procure to pay such amounts to the Noteholders who have not obtained due payment from the Issuer if and when such amounts fall due under the Terms and Conditions. The Terms and Conditions are those set out in the Base Prospectus and the relevant Final Terms, included by reference in the present Senior Subordinated Guarantee. This Senior Subordinated Guarantee is enforceable against the Guarantor upon first demand sent by the holder by registered mail to the registered office of the Guarantor.

This Senior Subordinated Guarantee is granted by the Guarantor on a senior subordinated basis. This means that in the event of a dissolution or liquidation of the Guarantor (including the following events creating a “concours de créanciers/samenloop van schuldeisers”: bankruptcy (“faillite/faillissement”); judicial reorganisation (“réorganisation judiciare/gerechtelijke reorganisatie”)and judicial or voluntary liquidation (“liquidation volontaire ou force/vrijwillige of gedwongen liquidatie”) (other than a voluntary liquidation in connection with a reconstruction, merger or amalgamation where the continuing corporation assumes all the liabilities of the Guarantor)), the holders of Senior Subordinated ABF(NL) Notes irrevocably waive their rights to equal treatment with other unsecured creditors (“créanciers chirographaires/chirografaire schuldeisers”). Consequently, the holders of Senior Subordinated ABF(NL) Notes agree that upon the occurrence of any of the events described in the preceding sentence, the Guarantor will have no obligation to pay any principal or interest due to them until all Senior Creditors of the Guarantor have been paid, or the funds necessary to satisfy the Senior Creditors have been put in escrow (“en consignation/in consignatie”).

“Senior Creditors” means all creditors who are depositors or other general, unsubordinated creditors.

The Base Prospectus has been approved by the Belgian Financial Services and Markets Authority in its decision of 10 September 2012 (This Base Prospectus replaces and supersedes the Base Prospectus of ABF(NL) and AXA BANK dated 6 September 2011).

It is understood that any payments to be made under this Senior Subordinated Guarantee shall be made in the currency of the underlying ABF(NL) Notes.

This Senior Subordinated Guarantee is a continuing guarantee and nothing but payment in full of the amounts due by the Issuer in application of the Notes hereby guaranteed shall discharge the Guarantor of its obligations hereunder in respect of such ABF(NL) Notes.

This Senior Subordinated Guarantee shall be governed by, and interpreted in accordance with, English law.]

This Senior Subordinated Guarantee may be executed in any number of counterparts.

All actions arising out of or based upon this Senior Subordinated Guarantee are to be brought before the competent courts in Brussels.

In witness whereof, the Guarantor has authorised and caused this Senior Subordinated Guarantee to be duly executed and delivered as of 10 September 2012.

On behalf of AXA BANK EUROPE SA

Member of the Management Board

ANNEX 4: ANNUAL ACCOUNTS AXA BELGIUM FINANCE (NL) BV

http://www.axabank.eu/eng/content/download/9638/75051/version/1/file/AXA+Belgium+Finance+(NL)+BV+audited+financial+report+2011.pdf

ANNEX 5: ANNUAL ACCOUNTS AXA BANK EUROPE SA (CONSOLIDATED)

http://www.axabank.eu/eng/content/download/9533/74469/version/1/file/AXA+Bank+Europe+IFRS+Consolidated+Annual+Accounts+2011.pdf

ISSUER

AXA BELGIUM FINANCE (NL) B.V.
Ginnekenweg 213
4835 NA Breda
The Netherlands

ISSUER AND GUARANTOR

AXA BANK EUROPE SA
Boulevard du Souverain 25
B- 1170 Brussels
Belgium

FISCAL AGENT, PRINCIPAL PAYING AGENT

Banque Internationale à Luxembourg, société anonyme
69 route d'Esch
L-1470 Luxembourg
Grand Duchy of Luxembourg

PAYING AGENT, CALCULATION AGENT

AXA BANK EUROPE SA
Boulevard du Souverain 25
B- 1170 Brussels
Belgium

AUDITORS

To ABF(NL)
PricewaterhouseCoopers Accountants N.V.
P.O. Box 90357
1006 BJ Amsterdam
The Netherlands

To AXA BANK
PricewaterhouseCoopers Bedrijfsrevisoren CVBA
Woluwedal 18
B-1932 Sint-Stevens-Woluwe
Belgium