

**SECOND SUPPLEMENT DATED 13 JANUARY 2017  
TO THE BASE PROSPECTUS DATED 7 MARCH 2016**



**AXA Bank Europe SCF**  
*(duly licensed French specialised credit institution)*  
**€ 5,000,000,000**  
**Euro Medium Term Note Programme**  
**for the issue of *obligations foncières***

This prospectus supplement (the "**Second Supplement**") is supplemental to, and must be read in conjunction with, the base prospectus dated 7 March 2016 (the "**Base Prospectus**") and the first supplement to the Base Prospectus dated 14 November 2016 (the "**First Supplement**"), each prepared in connection with the €5,000,000,000 Euro Medium Term Note Programme (the "**Programme**") established by AXA Bank Europe SCF (the "**Issuer**") and approved by the *Commission de Surveillance du Secteur Financier* in Luxembourg (the "**CSSF**").

The Base Prospectus, the First Supplement and this Second Supplement together constitute a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC as amended (the "**Prospectus Directive**") and Article 8.4 of the *loi relative aux prospectus pour valeurs mobilières* dated 10 July 2005 (as amended by the Luxembourg law of 3 July 2012) (the "**Luxembourg Law**").

Unless the context otherwise requires, terms defined in the Base Prospectus shall have the same meaning when used in this Second Supplement. To the extent that there is any inconsistency between (a) any statement in this Second Supplement and (b) any other statement in or incorporated by reference into the Base Prospectus, the statements in (a) above will prevail.

Application has been made to the CSSF for approval of this Second Supplement in its capacity as competent authority in Luxembourg under the Luxembourg Law as a supplement to the Base Prospectus for the purposes of article 16 of the Prospectus Directive and article 13 of the Luxembourg Law. By approving this Second Supplement, the CSSF does not assume any responsibility as to the economic or financial soundness of any transaction or the quality or solvency of the Issuer.

The Issuer accepts responsibility for the information contained in this Second Supplement and declares that to the best of its knowledge and having taken all reasonable care to ensure that such is the case, the information contained in this Second Supplement is in accordance with the facts and contains no omission likely to affect its import.

Save as disclosed in this Second Supplement, there has been no significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus since the publication of the Base Prospectus.

This Second Supplement has been prepared for the purpose of describing amendments to the French *société de crédit foncier* legal framework and their impacts on the Issuer. As a result, certain modifications to the sections headed "Summary of the Programme", "Résumé du Programme", "Risk Factors" and "Description of the Issuer" have been made.

Copies of the Base Prospectus, the Supplement, the Second Supplement and the documents incorporated by reference may be obtained, without charge upon request, at the principal office of the Issuer and the Paying Agents set out at the end of the Base Prospectus during normal business hours so long as any of the Notes are outstanding. Such document will be published on the websites of (i) the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and (ii) the Issuer (<https://www.axabank.be/fr/a-propos-axa-banque/investor-relations-and-financial-information/covered-bonds>).

## TABLE OF CONTENTS

	<b>Page</b>
Summary of the Programme .....	3
Résumé du Programme .....	8
Risk Factors .....	13
Description of the Issuer .....	17

## SUMMARY OF THE PROGRAMME

The section "SUMMARY OF THE PROGRAMME" appearing on pages 7 to 21 of the Base Prospectus (as supplemented by the First Supplement) is amended as follows:

The Elements B. 2, B.4b and B.5 are deleted entirely and replaced with the following:

<b>B.2</b>	<b>Registered office/ Legal form/ Legislation/ Country of Incorporation of the Issuer</b>	<p>AXA Bank Europe SCF is a limited liability company with a board of directors (<i>société anonyme à conseil d'administration</i>) incorporated under French law, duly licensed in France as a specialised credit institution (<i>établissement de crédit spécialisé</i>) with the status of <i>société de crédit foncier</i> delivered by the <i>Autorité de contrôle prudentiel et de résolution</i>.</p> <p>The Issuer is governed by the laws and regulations applicable to limited liability companies (<i>sociétés anonymes</i>), to specialised credit institutions (<i>établissements de crédit spécialisés</i>) and, in particular, to <i>sociétés de crédit foncier</i>.</p> <p>As a <i>société de crédit foncier</i>, the Issuer's assets must comply with the legal eligibility criteria provided for <i>sociétés de crédit foncier</i>, and, in particular, given the Issuer's business activity, with the legal eligibility criteria set out in Articles L.513-3, L.513-5 and L.513-6 of the French Monetary and Financial Code (<i>Code monétaire et financier</i>), according to which the Issuer may:</p> <ul style="list-style-type: none"> <li>(i) acquire residential mortgage loans if, in accordance with Article L.513-3 of the French Monetary and Financial Code (<i>Code monétaire et financier</i>), such loans are secured by a first ranking mortgage over an eligible real estate or by other real estate security interests providing an equivalent security interest or are guaranteed by a credit institution, a financing company or an insurance company that does not belong to the same group according to Article L. 233-16 of the French Commercial Code (<i>Code de commerce</i>) as the relevant <i>société de crédit foncier</i>; and/or</li> <li>(ii) subscribe for units or notes issued by French <i>organismes de titrisation</i> or any other similar foreign entities governed by the laws of a Member State of the European Union or EEA, if the following provisions of Articles L.513-5 and R.513-3 of the French Monetary and Financial Code (<i>Code monétaire et financier</i>) are complied with: <ul style="list-style-type: none"> <li>- the assets of such securitisation vehicles comprise at least 90 per cent. of mortgage loans complying with the criteria defined in I of Article L.513-3 of the French Monetary and Financial Code (<i>Code monétaire et financier</i>) or other receivables benefiting from equivalent security interests;</li> <li>- such units or notes are not subordinated units or subordinated notes;</li> <li>- such units or notes benefit from the highest level of credit assessment (<i>meilleur échelon de qualité de crédit</i>) assigned by an external rating agency recognised by the <i>Autorité de contrôle prudentiel et de résolution</i> pursuant to Article L.511-44 of the French Monetary and Financial Code (<i>Code monétaire et financier</i>); and</li> <li>- such units or notes are refinanced within a limit of 10 per cent. of the nominal amount of the <i>obligations foncières</i> (<i>i.e.</i> the Notes) and other liabilities benefiting from the <i>Privilège</i> (priority right of payment – see Element C.8 for more information on the <i>Privilège</i>), except that, until 31 December 2017, (i) loans composing the assets of the vehicle which are transferred by an entity belonging</li> </ul> </li> </ul>
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		<p>to the same group or affiliated to the same central body as the Issuer and (ii) subordinated units of the vehicle which are kept by such entity will be deemed to comply with such criteria (the "<b>Exemption</b>");</p> <p>(iii) subscribe mortgage promissory notes (<i>billets à ordre hypothécaires</i>) governed by Article L.313-42 <i>et seq.</i> of the French Monetary and Financial Code (<i>Code monétaire et financier</i>) provided that the loans refinanced by such mortgage promissory notes satisfy the eligibility criteria set out in Article L.513-3 of the French Monetary and Financial Code (<i>Code monétaire et financier</i>); and/or</p> <p>(iv) grant loans guaranteed by the collateralisation (<i>remise</i>), the assignment (<i>cession</i>) or the pledge (<i>nantissement</i>) of receivables pursuant to and in accordance with the provisions of Articles L.211-36 to L.211-40 or Articles L.313-23 to L.313-35 of the French Monetary and Financial Code (<i>Code monétaire et financier</i>), regardless of the nature of such receivables, professional or otherwise, provided that they satisfy the eligibility criteria set out in Article L.513-3 of the French Monetary and Financial Code (<i>Code monétaire et financier</i>).</p> <p>The Issuer's registered office is located at 203/205, rue Carnot, 94138, Fontenay-sous-Bois, France.</p>
<p><b>B.4b</b></p>	<p><i>Description of any known trends affecting the Issuer and the industries in which it operates</i></p>	<p>AXA Bank Europe SCF, as issuer of <i>obligations foncières</i>, operates on the covered bond market.</p> <p>The measures that were recently adopted, or in some cases proposed and still under discussion, that have affected or are likely to affect the Issuer, include <i>inter alia</i>:</p> <ul style="list-style-type: none"> <li>- change in the French <i>société de crédit foncier</i> legal framework: the Decree n° 2014-1315 dated 3 November 2014 relating to various adaptation provisions to the European law in finance and <i>sociétés de financement</i>; the Decree n°2014-526 dated 23 May 2014 and the <i>Arrêté</i> dated 26 May 2014 relating to improvement of prudential framework of <i>sociétés de crédit foncier</i> which in particular (i) reinforce the minimum cover ratio from 102% to 105% and limit exposure on the parent company and (ii) require to demonstrate as to how they will comply with Articles L.513-5 and R.513-3 of the French Monetary and Financial Code (<i>Code monétaire et financier</i>) before the expiry of the Exemption;</li> <li>- Order n° 2015-1024 dated 20 August 2015 introducing various legal provisions to comply with European law in the financial field (<i>portant diverses dispositions d'adaptation de la législation au droit de l'Union européenne en matière financière</i>) which <i>inter alia</i> implements under French law Directive 2014/59/EU of the European Parliament and the Council establishing a framework for the recovery and resolution of credit institutions and investment firms;</li> <li>- EU Directive and Regulation on prudential requirements "<b>CRD IV</b>" dated 26 June 2013, many of which provisions have been applicable since 1 January 2014 and EU Regulation no. 648/2012 on OTC derivatives, central counterparties and trade repositories dated 4 July 2012 ("<b>EMIR</b>") and various proposals of technical regulatory and execution rules relating to the Directive and Regulation CRD IV and EMIR; and</li> <li>- Law n° 2016-1691 dated 9 December 2016 relating to transparency, fight against corruption and modernisation of economic life (<i>relative à la transparence, à la lutte contre la corruption et à la modernisation de la vie économique</i>) (known as the "<b>Sapin II Law</b>") has amended the legal eligibility criteria of <i>sociétés de crédit foncier</i>'s assets as set out in Articles L.513-3, L.513-5 and L.513-6 of the French Monetary and Financial Code</li> </ul>

		<p>(Code monétaire et financier) by introducing (i) the possibility to include, as eligible assets, loans granted by <i>sociétés de crédit foncier</i> guaranteed by the collateralisation (<i>remise</i>), the assignment (<i>cession</i>) or the pledge (<i>nantissement</i>) of receivables pursuant to and in accordance with the provisions of Articles L.211-36 to L.211-40 or Articles L.313-23 to L.313-35 of the French Monetary and Financial Code (<i>Code monétaire et financier</i>), regardless of the nature of such receivables, professional or otherwise, provided that they satisfy the eligibility criteria set out in Article L.513-3 of the French Monetary and Financial Code (<i>Code monétaire et financier</i>) and (ii) the removal of the 10% limit referred to in Article L.513-6 of the French Monetary and Financial Code (<i>Code monétaire et financier</i>) under which <i>sociétés de crédit foncier</i> can only subscribe mortgage promissory notes (<i>billets à ordre hypothécaires</i>) governed by Article L.313-42 <i>et seq.</i> of the French Monetary and Financial Code (<i>Code monétaire et financier</i>) provided that such mortgage promissory notes do not exceed 10 per cent. of <i>sociétés de crédit foncier</i>'s assets.</p>
<p><b>B.5</b></p>	<p><b>Description of the Issuer's group and the Issuer's position within the group</b></p>	<p>The Issuer's prime purpose is the refinancing of residential mortgage loans (either directly by purchasing the receivables arising from such residential mortgage loans or indirectly via the subscription of residential mortgage backed securities (RMBS)). To date, and relying on the Exemption, the Issuer has subscribed RMBS issued by Royal Street NV/SA, a Belgian securitisation vehicle (<i>société d'investissement en créances institutionnelle de droit belge</i>) (SIC), the purpose of which is to acquire residential mortgage loan receivables originated by AXA Bank Europe.</p> <p>The Issuer also has, and may continue to, acquire additional assets (other than RMBS issued by Royal Street) which are eligible assets in accordance with the French legal framework applicable to <i>sociétés de crédit foncier</i>. In particular, the Issuer has subscribed to a mortgage promissory note (<i>billet à ordre hypothécaire</i>) governed by Articles L.313-42 <i>et seq.</i> of the French Monetary and Financial Code (<i>Code monétaire et financier</i>) issued by AXA Banque, the purpose of which is to refinance residential loan receivables originated by AXA Banque. Following the Sapin II Law, the Issuer intends to replace the Royal Street RMBS that it currently holds by loans guaranteed by the collateralisation (<i>remise</i>), the assignment (<i>cession</i>) or the pledge (<i>nantissement</i>) of eligible receivables pursuant to and in accordance with the provisions of Articles L.211-36 to L.211-40 or Articles L.313-23 to L.313-35 of the French Monetary and Financial Code (<i>Code monétaire et financier</i>) (as described in Element B.13).</p> <p>AXA Bank Europe is a limited liability company (<i>naamloze vennootschap/société anonyme</i> of unlimited duration incorporated under Belgian law on 27 August 1881 under the name of "<i>Antwerpsche Hypotheekka</i>" (ANHYP) and is registered with the Register of Legal Entities (judicial district of Brussels) under number 0404.476.835. Its registered office is located at 1170 Brussels, Boulevard du Souverain 25. AXA Bank Europe is licensed as a credit institution by the National Bank of Belgium (NBB) in Belgium.</p> <p>AXA Bank Europe is a member of the AXA group which is an important global player whose ambition is to attain leadership in its core "Financial Protection" business. Financial Protection involves offering customers - individuals as well as small and mid-size businesses - a wide range of products and services that meet their insurance, protection, savings, retirement and financial planning needs throughout their lives.</p> <p>At the date hereof, 99.99 per cent. of the Issuer's share capital is held by AXA Bank Europe and the remainder by AXA Belgium, AXA Holdings Belgium, AXA Banque, Touring Assurances, Architas and L'Ardenne Prévoyante (each of them holding one share).</p>

**The Element B.13 is deleted in its entirety and replaced with the following:**

<p><b>B.13</b></p>	<p><i>Description of any recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency</i></p>	<p>As described in Element B.5 above, the Issuer has benefited from the Exemption (as defined in Element B.2 above). It is anticipated that the Exemption will not be available after 31 December 2017, and therefore, as required by Article 2 of Decree no. 2014-526 dated 23 May 2014 relating to the prudential regime of <i>sociétés de crédit foncier</i> and <i>sociétés de financement de l'habitat (relatif au régime prudentiel des sociétés de crédit foncier et des sociétés de financement de l'habitat)</i> the Issuer submitted its plan as to how it will comply with Article R.513-3, IV of the French Monetary and Financial Code (<i>Code monétaire et financier</i>) before the expiry of the Exemption.</p> <p>The Issuer's plan heavily favors a change to the French legal framework applicable to <i>sociétés de crédit foncier</i> which was achieved by the Sapin II Law under which <i>sociétés de crédit foncier</i> may now <i>inter alia</i> grant loans guaranteed by the collateralisation (<i>remise</i>), the assignment (<i>cession</i>) or the pledge (<i>nantissement</i>) of receivables pursuant to and in accordance with the provisions of Articles L.211-36 to L.211-40 or Articles L.313-23 to L.313-35 of the French Monetary and Financial Code (<i>Code monétaire et financier</i>), regardless of the nature of such receivables, professional or otherwise, provided that they satisfy the eligibility criteria set out in Article L.513-3 of the French Monetary and Financial Code (<i>Code monétaire et financier</i>).</p> <p>The Sapin II Law enables the Issuer to start the implementation of its plan by replacing the Royal Street RMBS that it currently holds by loans granted by the Issuer to AXA group entities or sponsored entities secured by eligible loans which would be collateralised, assigned or pledged for the benefit of the Issuer.</p> <p>Discussions are currently taking place with all relevant parties involved both at the Royal Street and the Issuer's levels to determine the feasibility, scope, the structural changes required and timing of the implementation of the plan.</p> <p>If the Issuer decides to convert into a <i>société de financement de l'habitat</i>, Noteholders will be deemed to have accepted such alternative solution (see Element C.9 below for details).</p>
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**The Element D.2 is deleted in its entirety and replaced with the following:**

<p><b>D.2</b></p>	<p><i>Key information on the key risks that are specific to the Issuer</i></p>	<p>Risks factors linked to the Issuer and its activity include the following:</p> <ul style="list-style-type: none"> <li>- the Issuer has sole liability under the Notes;</li> <li>- the Issuer has entered into agreements with and relies on third parties;</li> <li>- the Issuer's sole business activity is the refinancing of residential mortgage loans (either directly by purchasing the receivables arising from such residential mortgage loans or indirectly via the subscription of residential mortgage backed securities (RMBS) and/or mortgage promissory notes). Therefore, the Issuer is exposed, directly or indirectly, to the credit risk of such residential mortgage loans;</li> <li>- the assets of the Issuer must comply with the legal eligibility criteria provided for <i>sociétés de crédit foncier</i>, and in particular given the Issuer's business activity, with the legal eligibility criteria set out in Articles L.513-3, L.513-5 and L. 513-6 of the French Monetary and Financial Code (<i>Code monétaire et financier</i>);</li> <li>- even if they comply with all the legal eligibility criteria set out by the French legal framework applicable to <i>sociétés de crédit foncier</i>, the RMBS (or residential mortgage loans if direct assignment or mortgage promissory notes) subscribed for by the Issuer may only be financed by the issuance of</li> </ul>
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		<p>French <i>obligations foncières</i> up to a maximum limit determined by the law (<i>quotité de financement</i>). It is anticipated that the Exemption will not be available after 31 December 2017 and the Sapin II Law enables the Issuer to start the implementation of its plan by replacing the Royal Street RMBS that it currently holds by loans granted by the Issuer to AXA group entities or sponsored entities secured by eligible loans which would be collateralised, assigned or pledged for the benefit of the Issuer. Discussions are currently taking place with the relevant parties both at the Royal Street and the Issuer's levels to determine the feasibility, scope, the structural changes required and timing of the implementation of the plan. Whilst the Issuer expects to determine its new structure in the near future and implement its plan in a phased approach during the course of 2017 (and by no later than 31 December 2017), the scope of the structural changes to the Issuer required to implement its plan relating to the end of the Exemption as of 31 December 2017 is still being determined based on financial, tax and legal parameters. The ability of the Issuer to implement its plan will depend on a number of factors, many of which are beyond the control of the Issuer and/or AXA Bank Europe. As a result, the Issuer may fail to achieve the implementation of its plan (or its implementation before 31 December 2017) for a number of reasons, including (but not limited to) the complexity from legal, tax and/or financial perspectives of the structural changes relating to the replacement of the Royal Street RMBS by loans secured on eligible assets or the failure to obtain approval from the relevant authorities. In addition, if the Issuer is obliged to convert into a <i>société de financement de l'habitat</i>, such conversion will require a number of conditions which are difficult and/or complex to meet. In the event of failure by the Issuer to implement its plan, before 31 December 2017, the Issuer will be in breach of its legal obligations with respect to the investment limits applicable to RMBS so that, in such a case, there is a risk that the Issuer will become subject to an administrative or disciplinary procedure by the French <i>Autorité de contrôle prudentiel et de résolution</i>;</p> <ul style="list-style-type: none"> <li>- according to Articles L.513-12 and R.513-8 of the French Monetary and Financial Code (<i>Code monétaire et financier</i>), the Issuer must maintain at all times a cover ratio of its liabilities benefiting from the <i>Privilège</i> to its assets (including the replacement assets) of at least 105 per cent.;</li> <li>- the Issuer is exposed to interest and currency risks and has put in place a hedging strategy;</li> <li>- the Issuer is exposed to a credit risk on bank counterparties;</li> <li>- the Issuer is exposed to liquidity risks;</li> <li>- the Issuer is exposed to operating risks involving information systems;</li> <li>- insolvency laws in France could limit the ability of the Noteholders to enforce their rights under the Notes;</li> <li>- some risks may exist in relation to the implementation in France of the directive 2014/59/EU providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms and the application of the regulation (EU) 806/2014 providing for the establishment of uniform rules and uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a single resolution mechanism and a single resolution fund.</li> </ul>
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## RESUME DU PROGRAMME

The section "RESUME DU PROGRAMME" appearing on pages 22 to 36 of the Base Prospectus (as supplemented by the First Supplement) is amended as follows:

The Elements B. 2, B.4b and B.5 are deleted entirety and replaced with the following:

<b>B.2</b>	<i>Siège social / forme juridique / législation / pays d'origine de l'Émetteur</i>	<p>AXA Bank Europe SCF est une société anonyme à conseil d'administration de droit français, dûment autorisée à exercer en France en tant qu'établissement de crédit spécialisé avec le statut de société de crédit foncier délivré par l'Autorité de contrôle prudentiel et de résolution.</p> <p>L'Émetteur est soumis aux lois et règlements applicables aux sociétés anonymes, aux établissements de crédit spécialisés et plus particulièrement, aux sociétés de crédit foncier.</p> <p>En tant que société de crédit foncier, les actifs de l'Émetteur doivent respecter les critères légaux d'éligibilité fournis aux sociétés de crédit foncier, et en particulier, étant donné les activités de l'Émetteur, les critères légaux d'éligibilité décrits aux Articles L.513-3, L.513-5 et L.513-6 du Code monétaire et financier, conformément auquel l'Émetteur peut :</p> <p>(i) acquérir des prêts immobiliers hypothécaires si, conformément à l'Article L.513-3 du Code monétaire et financier, lesdits prêts sont des prêts assortis d'une hypothèque de premier rang sur un bien immobilier éligible ou autre sûreté immobilière conférant une garantie au moins équivalente ou qui sont garantis par un établissement de crédit, une société de financement ou une entreprise d'assurance qui n'appartient pas au même groupe selon l'Article L.233-16 du Code de commerce que la société de crédit foncier concernée ; et/ou</p> <p>(ii) souscrire des parts ou titres émis par des organismes de titrisation ou par toute autre entité similaire soumise au droit d'un État membre de l'Union Européenne ou de l'Espace économique européen, dès lors que les conditions des Articles L.513-5 et R.513-3 du Code monétaire et financier suivantes sont respectées :</p> <ul style="list-style-type: none"> <li>- l'actif de ces organismes de titrisation est composé à hauteur de 90 % au moins, de prêts immobiliers répondant aux caractéristiques définies au I de l'Article L.513-3 du Code monétaire et financier ou d'autres créances assorties de garanties équivalentes ;</li> <li>- ces parts ou titres ne sont pas des parts subordonnées ou des titres subordonnés ;</li> <li>- ces parts et titres bénéficient du meilleur échelon de qualité de crédit établi par un organisme externe d'évaluation reconnu par l'Autorité de contrôle prudentiel et de résolution conformément à l'Article L.511-44 du Code monétaire et financier ; et</li> <li>- ces parts et titres sont refinancés dans la limite de 10% du montant nominal des obligations foncières (c'est-à-dire les Titres) et autres ressources bénéficiant d'un Privilège (droit de priorité des paiements – voir Élément C.8 pour de plus amples informations sur le Privilège), sauf pour, et ce jusqu'au 31 décembre 2017, (i) les prêts constituant l'actif de l'organisme de titrisation qui sont cédés par une entité appartenant au même groupe, ou par un organisme affilié au même organe central que l'Émetteur et (ii) les parts subordonnées de l'organisme de titrisation qui sont conservées par cette entité, sont réputées être conformes à ce critère ("Exception") ;</li> </ul>
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		<p>(iii) souscrire des billets à ordre hypothécaires régis par l'Article L.313-42 et suivants du Code monétaire et financier sous réserve que les prêts refinancés par ces billets à ordre hypothécaires remplissent le critère d'éligibilité décrit à l'Article L.513-3 du Code monétaire et financier ; et/ou</p> <p>(iv) accorder des prêts garantis par la remise, la cession ou le nantissement de créances conformément à et en bénéficiant des dispositions des articles L. 211-36 à L. 211-40 ou des articles L. 313-23 à L. 313-35 du Code monétaire et financier, que ces créances aient ou non un caractère professionnel, dès lors qu'elles respectent les critères d'éligibilité mentionnées à l'article L. 513-3 du Code monétaire et financier.</p> <p>Le siège social de l'Émetteur est situé au 203/205, rue Carnot, 94138 Fontenay-sous-Bois, France.</p>
<p><b>B.4b</b></p>	<p><i>Description de toute tendance connue ayant des répercussions sur l'Émetteur et ses secteurs d'activité</i></p>	<p>AXA Bank Europe SCF, en qualité d'émetteur d'obligations foncières, opère sur le marché des obligations foncières.</p> <p>Les mesures récemment adoptées, ou qui dans certains cas sont encore sous forme de projets faisant l'objet de discussions, qui ont eu des répercussions sur l'Émetteur, ou qui seraient susceptibles d'en avoir, comprennent notamment :</p> <ul style="list-style-type: none"> <li>- une modification du cadre juridique français des sociétés de crédit foncier : le décret n°2014-1315 du 3 novembre 2014 portant diverses dispositions d'adaptation au droit de l'Union européenne en matière financière et relatif aux sociétés de financement ; le décret n°2014-526 du 23 mai 2014 et l'arrêté du 26 mai 2014 relatifs à l'amélioration du cadre prudentiel des sociétés de crédit foncier, qui prévoient en particulier (i) un renforcement du ratio de couverture de 102 % à 105 % et une limitation de l'exposition à la maison mère et (ii) exige de montrer la manière par laquelle elles se conformeront aux Articles L.513-5 et R.513-3 avant la fin de l'Exception ;</li> <li>- l'Ordonnance n°2015-1024 en date du 20 août 2015 portant sur diverses dispositions d'adaptation de la législation au droit de l'Union européenne en matière financière qui transpose en droit français, notamment, la Directive 2014/59/UE du Parlement Européen et du Conseil établissant un cadre pour le redressement et la résolution des établissements de crédit et des entreprises d'investissement ;</li> <li>- la Directive et le Règlement de l'Union européenne sur les fonds propres réglementaires dits "<b>CRD IV</b>" du 26 juin 2013, dont un nombre important de dispositions sont applicables depuis le 1er janvier 2014 et le Règlement Européen n° 648/2012 sur les produits dérivés de gré à gré, les contreparties centrales et les référentiels centraux du 4 juillet 2012 ("<b>EMIR</b>") et divers projets de normes techniques de réglementation et d'exécution relatives à la Directive et au Règlement CRD IV et EMIR ; et</li> <li>- la loi n°2016-1691 du 9 décembre 2016 relative à la transparence, à la lutte contre la corruption et à la modernisation de la vie économique (dite la "<b>Loi Sapin II</b>") a modifié les critères d'éligibilité des actifs des sociétés de crédit foncier tels que mentionné aux articles L. 513-3, L.513-5 et L. 513-6 du Code monétaire et financier en introduisant (i) la possibilité d'inclure, en tant qu'actifs éligibles, les prêts consentis par les sociétés de crédit foncier et garantis par la remise, la cession ou le nantissement de créances conformément à, et en bénéficiant des dispositions des articles L. 211-36 à L. 211-40 ou des articles L. 313-23 à L. 313-35 du Code monétaire et financier, que ces créances aient ou non un caractère professionnel, dès lors qu'elles respectent les critères d'éligibilité mentionnées à l'article L. 513-3 du Code monétaire et financier et (ii) la suppression de la limite de 10% mentionné à l'article L. 513-6 du Code monétaire et financier aux termes duquel les sociétés de crédit foncier peuvent souscrire des billets à ordre hypothécaires régis par l'Article L.313-42 et suivants du Code monétaire et</li> </ul>

		financier sous réserve que ces billets à ordre hypothécaires n'excèdent pas 10 % de l'actif des sociétés de crédit foncier.
<b>B.5</b>	<b>Description du groupe de l'Émetteur et de la place qu'occupe l'Émetteur dans le groupe</b>	<p>L'objet principal de l'Émetteur est le refinancement de prêts immobiliers hypothécaires (soit en acquérant directement les créances découlant de ces prêts immobiliers hypothécaires, soit indirectement par la souscription de titres adossés à des prêts immobiliers hypothécaires (<i>residential mortgage backed securities</i> ou RMBS). A ce jour, et dans le cadre de l'Exception, l'Émetteur a souscrit, et peut continuer à souscrire (sous réserve de toute exigence réglementaire applicable), des titres adossés à des prêts immobiliers hypothécaires (RMBS) émis par Royal Street NV/SA, une société d'investissement en créances institutionnelle de droit belge (SIC), dont le but est d'acquérir les créances liées à des prêts immobiliers hypothécaires originés par AXA Bank Europe.</p> <p>L'Émetteur a également acquis, et pourra continuer à acquérir, des actifs additionnels (autres que des RMBS émis par Royal Street) qui sont des actifs éligibles conformément au cadre juridique français applicable aux sociétés de crédit foncier. En particulier, l'Émetteur a souscrit des billets à ordre hypothécaire régis par les Articles L.313-42 et suivants du Code monétaire et financier et émis par AXA Banque, dont l'objet est de refinancer des créances de prêts immobiliers ayant pour originateur AXA Banque. Suite à la Loi Sapin II, l'Émetteur envisage de remplacer les RMBS émis par Royal Street qu'il détient actuellement par des prêts garantis par la remise, la cession ou le nantissement de créances éligibles conformément à et en bénéficiant des dispositions des articles L. 211-36 à L. 211-40 ou des articles L. 313-23 à L. 313-35 du Code monétaire et financier (tel que décrit à l'Élément B.13).</p> <p>AXA Bank Europe est une société anonyme de droit belge (<i>naamloze vennootschap/société anonyme</i>) à durée illimitée constituée le 27 août 1881 sous le nom "<i>Antwerpsche Hypotheek</i>" (ANHYP) et immatriculée au Registre des Entités Légales (district judiciaire de Bruxelles) sous le numéro 0404.476.835. Son siège social est situé au 1170 Brussels, Boulevard du Souverain 25. AXA Bank Europe est autorisée à exercer en tant qu'établissement de crédit par la NBB (<i>National Bank of Belgium</i>) en Belgique.</p> <p>AXA Bank Europe est un membre du groupe AXA qui est un acteur mondial important et qui vise à devenir le leader de son secteur principal d'activités : la "Protection Financière". La Protection Financière comprend l'offre à ses clients – particuliers, ainsi que petites et moyennes entreprises – d'une large gamme de produits et de services répondant à leurs besoins en matière d'assurance, de couverture, d'épargne, de retraite et de financement tout au long de leur vie.</p> <p>A la date des présentes, 99,99% du capital social de l'Émetteur est détenu par AXA Bank Europe, et pour le reste, par AXA Belgium, AXA Holdings Belgium, AXA Banque, Touring Assurances, Architas et L'Ardenne Prévoyante (chacune d'entre elles détenant une action).</p>

**The Element B.13 is deleted in its entirety and replaced with the following:**

<b>B.13</b>	<b>Description de tout événement récent propre à l'Émetteur et présentant un intérêt significatif pour l'évaluation de sa solvabilité</b>	<p>Comme indiqué à l'Élément B.5 ci-dessus, l'Émetteur a bénéficié d'une Exception (telle que définie à l'Élément B.2 ci-dessus). Il est prévu que cette Exception cesse d'exister après le 31 décembre 2017 et par conséquent, tel que requis par l'Article 2 du Décret N° 2014-526 du 23 mai 2014 relatif au régime prudentiel des sociétés de crédit foncier et des sociétés de financement de l'habitat, l'Émetteur a soumis un plan décrivant la manière par laquelle il se conformera à l'Article R.513-3, IV du Code monétaire et financier avant la fin de l'Exception.</p> <p>Le plan de l'Émetteur favorise fortement un changement du cadre juridique français actuel applicable aux sociétés de crédit foncier, lequel changement a été accompli par la Loi Sapin II aux termes de laquelle les sociétés de crédit foncier peuvent, désormais, notamment accorder des prêts garantis par la remise, la cession ou le nantissement de créances conformément à, et en bénéficiant des dispositions des</p>
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		<p>articles L. 211-36 à L. 211-40 ou des articles L. 313-23 à L. 313-35 du Code monétaire et financier, que ces créances aient ou non un caractère professionnel, dès lors qu'elles respectent les critères d'éligibilité mentionnées à l'article L. 513-3 du Code monétaire et financier.</p> <p>La Loi Sapin II permet à l'Émetteur de commencer la mise en place de son plan par le remplacement des RMBS émis par Royal Street qu'il détient actuellement par des prêts octroyés par l'Émetteur à des entités du groupe AXA ou d'autres véhicules adossés assortis de prêts garantis éligibles qui pourraient être remis, cédé ou nantit au bénéfice de l'Émetteur.</p> <p>Des discussions se tiennent actuellement avec toutes les parties impliquées aux niveaux de Royal Street et de l'Émetteur afin de déterminer la faisabilité, l'étendue, les changements structurelles requis et les délais de la mise en place des plans.</p> <p>Si l'Émetteur prend la décision de se convertir en une société de financement à l'habitat, les porteurs de Titres seront réputés comme ayant accepté cette solution alternative (voir Elément C.9 pour de plus amples informations).</p>
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**The Element D.2 is deleted in its entirety and replaced with the following:**

<b>D.2</b>	<b><i>Informations clés concernant les principaux risques propres à l'Émetteur</i></b>	<p>Les facteurs de risques liés à l'Émetteur et à son activité incluent notamment le fait que :</p> <ul style="list-style-type: none"> <li>- l'Émetteur assume la responsabilité exclusive des Titres ;</li> <li>- l'Émetteur a conclu des accords et s'appuie sur des tiers ;</li> <li>- l'activité principale de l'Émetteur est le refinancement de prêts immobiliers hypothécaires (soit directement en acquérant les créances découlant de ces prêts immobiliers hypothécaires ou indirectement en souscrivant des titres adossés à des prêts immobiliers hypothécaires (RMBS) et/ou des billets à ordre hypothécaire). Par conséquent, l'Émetteur est exposé, directement ou indirectement, au risque de crédit desdits prêts immobiliers hypothécaires ;</li> <li>- les actifs de l'Émetteur doivent être conformes aux critères légaux d'éligibilité applicables aux sociétés de crédit foncier, et plus particulièrement du fait des activités de l'Émetteur, aux critères légaux d'éligibilité tels que décrits aux Articles L.513-3, L.513-5 et L.513-6 du Code monétaire et financier ;</li> <li>- même si les prêts immobiliers hypothécaires remplissent tous les critères d'éligibilité légaux prévus par le cadre juridique français applicable aux sociétés de crédit foncier, les RMBS (ou prêts immobiliers hypothécaires en cas de cession directe ou billets à ordre hypothécaire) souscrits par l'Émetteur ne peuvent être financés que par le biais d'une émission d'obligations foncières jusqu'à une limite maximum déterminée par la loi (quotité de financement). Il est prévu que l'Exception cesse d'exister après le 31 décembre 2017 et la Loi Sapin II permet à l'Émetteur de commencer la mise en place de son plan par le remplacement des RMBS émis par Royal Street qu'il détient actuellement par des prêts octroyés par l'Émetteur à des entités du groupe AXA ou d'autres véhicules adossés assortis de prêts garantis éligibles qui pourraient être remis, cédés ou nantis au bénéfice de l'Émetteur. Des discussions se tiennent actuellement avec toutes les parties impliquées aux niveaux de Royal Street et de l'Émetteur afin de déterminer la faisabilité, l'étendue, les changements structurelles requis et les délais de la mise en place du plan. Alors que l'Émetteur prévoit de déterminer sa nouvelle structure dans un futur proche et de mettre en place son plan par étapes au cours de l'année 2017 (et au plus tard au 31 décembre 2017), l'étendue des changements structurels relatifs à l'Émetteur requis pour mettre en place son plan relatif à la fin de l'Exception au 31 décembre 2017 n'est</li> </ul>
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		<p>pas encore déterminée d'un point de vue financier, juridique et fiscal. La capacité de l'Émetteur à mettre en œuvre son plan dépendra d'un certain nombre de facteurs, dont beaucoup d'entre eux échappent au contrôle de l'Émetteur et/ou AXA Bank Europe. Par conséquent, l'Émetteur pourrait manquer la réalisation de la mise en place de son plan (ou sa mise en place avant le 31 décembre 2017) pour un certain nombre de raisons, y compris (mais sans caractère limitatif) la complexité du cadre juridique, fiscal et/ou financier des changements structurels accompagnant le remplacement des RMBS émis par Royal Street par des prêts garantis en tant qu'actifs éligibles ou par son incapacité à obtenir l'approbation des autorités concernées. En outre, si l'Émetteur est obligé de se convertir en une société de financement de l'habitat, cette conversion exigera la satisfaction d'un certain nombre de conditions qui sont difficiles et/ou complexes. En cas de manquement par l'Émetteur de la mise en oeuvre de son plan avant le 31 décembre 2017, l'Émetteur sera en contravention avec ses obligations légales relatives aux limites d'investissements applicables aux RMBS de sorte que, dans ce cas, l'Émetteur encourt un risque d'ouverture à son encontre d'une procédure administrative ou disciplinaire par l'Autorité de contrôle prudentiel et de résolution ;</p> <ul style="list-style-type: none"> <li>- En vertu des articles L.513-12 et R.513-8 du Code monétaire et financier, l'Émetteur doit maintenir à tout moment un ratio de couverture au moins égal à 105 % des ressources privilégiées sur ses actifs (y compris ses actifs de remplacement) ;</li> <li>- l'Émetteur peut être exposé à des risques de taux d'intérêt et de change et a mis en place une stratégie de couverture ;</li> <li>- l'Émetteur est exposé à des risques de liquidité ;</li> <li>- l'Émetteur est exposé à des risques de crédit sur les contreparties bancaires ;</li> <li>- l'Émetteur est exposé à des risques opérationnels impliquant les systèmes d'information ;</li> <li>- les lois françaises en matière de solvabilité pourraient restreindre la capacité des Porteurs de Titres à faire valoir leurs droits en vertu des Titres ;</li> <li>- certains risques peuvent exister en relation avec la transposition en France de la Directive 2014/59/UE sur le redressement et la résolution des établissements de crédit et des entreprises d'investissement et de l'application du règlement (UE) n°806/2014 établissant des règles et une procédure uniforme pour la résolution des établissements de crédit et de certaines entreprises d'investissement dans le cadre d'un mécanisme de résolution unique et d'un fonds de résolution bancaire unique.</li> </ul> <p>Les investisseurs potentiels ne devront prendre leur décision d'investissement dans les Titres qu'après une lecture approfondie des informations contenues dans le Prospectus de Base et sont invités à consulter leurs propres conseillers quant aux aspects juridiques, fiscaux ou connexes.</p>
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## RISK FACTORS

The sub-paragraph 1.3 "Credit risk on assets" of the paragraph 1 "RISK FACTORS RELATING TO THE ISSUER AND ITS OPERATIONS" of the section entitled "RISK FACTORS" appearing on pages 37 to 40 of the Base Prospectus (as supplemented by the First Supplement) is deleted in its entirety and replaced with the following:

### 1.3 Credit risk on assets

The Issuer's sole business activity is the refinancing of residential mortgage loans (either directly by purchasing the receivables arising from such residential mortgage loans or indirectly via the subscription of residential mortgage backed securities (RMBS) and/or mortgage promissory notes). Therefore, the Issuer is exposed, directly or indirectly, to the credit risk of such residential mortgage loans.

However, in order to mitigate such credit risk, the assets of the Issuer will be selected so as to comply with certain legal eligibility criteria and legal financing limitations contained in the legal framework relating to French *sociétés de crédit foncier*:

#### A. Legal eligibility criteria

The assets of the Issuer must comply with the legal eligibility criteria provided for *sociétés de crédit foncier*, and in particular given the Issuer's business activity, with the legal eligibility criteria set out in Articles L.513-3, L.513-5 and L.513-6 of the French Monetary and Financial Code (*Code monétaire et financier*), according to which the Issuer may:

- (i) acquire residential mortgage loans if, in accordance with Article L.513-3 of the French Monetary and Financial Code (*Code monétaire et financier*), such loans are secured by a first ranking mortgage over an eligible real estate or by other real estate security interests providing an equivalent security interest or are guaranteed by a credit institution, a financing company or an insurance company that does not belong to the same group as the relevant *société de crédit foncier* (see "Overview of the legislation and regulations relating to *sociétés de crédit foncier* – Eligible receivables"), and/or
- (ii) subscribe for units or notes issued by French *organismes de titrisation* or any other similar foreign entities governed by the laws of a Member State of the European Union or European Economic Area, if the following provisions of Articles L.513-5 and R.513-3 of the French Monetary and Financial Code (*Code monétaire et financier*) are complied with:
  - (a) the assets of such securitisation vehicles comprise at least 90 per cent. of mortgage loans complying with the criteria defined in I of Article L.513-3 of the French Monetary and Financial Code (*Code monétaire et financier*) or other receivables benefiting from equivalent security interests;
  - (b) such units or notes are not subordinated units or subordinated notes;
  - (c) such units or notes benefit from the highest level of credit assessment (*meilleur échelon de qualité de crédit*) assigned by an external rating agency recognised by the *Autorité de contrôle prudentiel et de résolution* pursuant to Article L.511-44 of the French Monetary and Financial Code (*Code monétaire et financier*); and
  - (d) such units or notes are refinanced within a limit of 10 per cent. of the nominal amount of the *obligations foncières* (i.e. the Notes) and other liabilities benefiting from the *Privilège*, except that, until 31 December 2017, (i) loans composing the assets of the vehicle which are transferred by an entity belonging to the same group or affiliated to the same central body as the Issuer and (ii) subordinated units of the vehicle which are kept by such entity will be deemed to comply with such criteria (the "**Exemption**");
- (iii) subscribe mortgage promissory notes (*billets à ordre hypothécaires*) governed by Article L.313-42 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*) provided that the loans refinanced by such mortgage promissory notes satisfy the eligibility criteria set out in Article L.513-3 of the French Monetary and Financial Code (*Code monétaire et financier*); and/or

- (iv) grant loans guaranteed by the collateralisation (*remise*), the assignment (*cession*) or the pledge (*nantissement*) of receivables pursuant to and in accordance with the provisions of Articles L.211-36 to L.211-40 or Articles L.313-23 to L.313-35 of the French Monetary and Financial Code (*Code monétaire et financier*), regardless of the nature of such receivables, professional or otherwise, provided that they satisfy the eligibility criteria set out in Article L.513-3 of the French Monetary and Financial Code (*Code monétaire et financier*).

Compliance with those legal eligibility criteria is controlled by the specific controller of the Issuer who reports to the *Autorité de contrôle prudentiel et de résolution* (See "Overview of the legislation and regulations relating to *sociétés de crédit foncier*").

In addition, according to Articles L.513-7 and R.513-6 of the French Monetary and Financial Code (*Code monétaire et financier*), the Issuer may hold securities, values or deposits which are sufficiently secure and liquid as replacement assets (*valeurs de remplacement*).

Those replacement assets may only comprise exposures on credit institutions or investment firms benefiting from the highest level of credit assessment (*meilleur échelon de qualité de crédit*) or guaranteed by credit institutions or investment firms of the same level of credit assessment or when the remaining maturity of such exposures on credit institutions or investment firms is less than 100 calendar days, the second highest level of credit assessment (*second meilleur échelon de qualité de crédit*) assigned by an external rating agency recognised by the *Autorité de contrôle prudentiel et de résolution* pursuant to Article L.511-44 of the French Monetary and Financial Code (*Code monétaire et financier*), or guaranteed by credit institutions or investment firms benefiting from the same credit assessment.

The total amount of such replacement assets must not exceed 15 per cent. of the nominal amount of the *obligations foncières* issued by the Issuer and other resources benefiting from the *Privilège* as described in the section entitled "Overview of the legislation and regulations relating to *sociétés de crédit foncier – Privilège* and non-privileged debts".

Pursuant to Article 13 of Regulation 99-10 (as amended from time to time) of the Committee of banking and financial regulation (the *Comité de la réglementation bancaire et financière* or "**CRBF**"), the Issuer must send to the *Autorité de contrôle prudentiel et de résolution* no later than on 10 June of each year information relating to the quality of its financed assets. This report is published within 45 calendar days of a general meeting approving the financial statements of the year then ended. In particular, the characteristics, details of the distribution of loans, exposures and guarantees, the total of any unpaid amounts, the distribution of debts by amount and by category of debtors, the proportion of early repayments, and the level and sensitivity of the position of rates are required to be included as part of the latter report. In addition, according to Article L.513-9 of the French Monetary and Financial Code (*Code monétaire et financier*), the Issuer must publish every quarter a report containing the same information relating to the quality of its assets, together with information relating to the duration of the loans, securities and instruments to be financed. Such report is available for viewing on the Issuer's website (<https://www.axabank.be/fr/a-propos-axa-banque/investor-relations-and-financial-information/covered-bonds>). In addition, pursuant to Articles 1 *et seq.* of Regulation 99-10 of the CRBF, the Issuer must publish a report (which must be attached to its annual report) on the valuation and the methods for the periodic review of real properties values financed by loans which are eligible assets of a *société de crédit foncier* or used as collateral on such loans.

#### *B. Financing limitation for privileged debts*

Even if they comply with all the legal eligibility criteria set out by the French legal framework applicable to *sociétés de crédit foncier*, the RMBS (or residential mortgage loans if direct assignment or mortgage promissory notes) subscribed for by the Issuer may only be financed by the issuance of French *obligations foncières* up to a maximum limit determined by the law (*quotité de financement*). Moreover, the RMBS subscribed for by the Issuer may only be refinanced within 10 per cent. of the nominal amount of the *obligations foncières* (i.e. the Notes) and other liabilities benefiting from the *Privilège*, except that such limit does not apply until 31 December 2017 on the basis of the Exemption (See A (ii) (d) above).

As at the date of this Base Prospectus, and in reliance on the Exemption, the Issuer's assets of the Issuer are mainly composed of RMBS in accordance with the Exemption (see "Description of the Issuer – Issuer's exclusive purpose and business overview" for details regarding the assets of the Issuer). The Issuer also has, and may continue to, acquire additional assets (other than RMBS issued by Royal Street) which are eligible assets in accordance with the French legal framework applicable to *sociétés de crédit foncier*. In particular, the Issuer has subscribed to a mortgage promissory note (*billet à ordre hypothécaire*) governed by Articles L.313-42 *et seq.* of

the French Monetary and Financial Code (*Code monétaire et financier*) issued by AXA Banque, the purpose of which is to refinance residential loan receivables originated by AXA Banque.

It is anticipated that the Exemption will not be available after 31 December 2017, and therefore, as required by Article 2 of Decree no. 2014-526 dated 23 May 2014 relating to the prudential regime of *sociétés de crédit foncier* and *sociétés de financement de l'habitat (relatif au régime prudentiel des sociétés de crédit foncier et des sociétés de financement de l'habitat)*, the Issuer submitted its plan as to how it will comply with Article R.513-3, IV of the French Monetary and Financial Code (*Code monétaire et financier*) before the expiry of the Exemption.

The Issuer's plan heavily favors a change to the French legal framework applicable to *sociétés de crédit foncier* which was achieved by Law n° 2016-1691 dated 9 December 2016 relating to transparency, fight against corruption and modernisation of economic life (*relative à la transparence, à la lutte contre la corruption et à la modernisation de la vie économique*) (known as the "**Sapin II Law**") under which *sociétés de crédit foncier* may now *inter alia* grant loans guaranteed by the collateralisation (*remise*), the assignment (*cession*) or the pledge (*nantissement*) of receivables pursuant to and in accordance with the provisions of Articles L.211-36 to L.211-40 or Articles L.313-23 to L.313-35 of the French Monetary and Financial Code (*Code monétaire et financier*), regardless of the nature of such receivables, professional or otherwise, provided that they satisfy the eligibility criteria set out in Article L.513-3 of the French Monetary and Financial Code (*Code monétaire et financier*).

The Sapin II Law enables the Issuer to start the implementation of its plan by replacing the Royal Street RMBS that it currently holds by loans granted by the Issuer to AXA group entities or sponsored entities secured by eligible loans which would be collateralised, assigned or pledged for the benefit of the Issuer.

Discussions are currently taking place with the relevant parties both at the Royal Street and the Issuer's levels to determine the feasibility, scope, the structural changes required and timing of the implementation of the plan.

Whilst the Issuer expects to determine its new structure in the near future and implement its plan in a phased approach during the course of 2017 (and by no later than 31 December 2017), the scope of the structural changes to the Issuer required to implement its plan relating to the end of the Exemption as of 31 December 2017 is still being determined based on financial, tax and legal parameters.

The ability of the Issuer to implement its plan will depend on a number of factors, many of which are beyond the control of the Issuer and/or AXA Bank Europe. As a result, the Issuer may fail to achieve the implementation of its plan (or its implementation before 31 December 2017) for a number of reasons, including (but not limited to) the complexity from legal, tax and/or financial perspectives of the structural changes relating to the replacement of the Royal Street RMBS by loans secured on eligible assets or the failure to obtain approval from the relevant authorities.

In addition, if the Issuer is obliged to convert into a *société de financement de l'habitat*, such conversion will require a number of conditions which are difficult and/or complex to meet such as the formal approval of the Issuer's change of license, the consultation of noteholders of existing series of notes under the Programme (other than Notes issued following the date of this Base Prospectus) and appropriate amendments to all material contracts entered into by the Issuer.

In the event of failure by the Issuer to implement its plan before 31 December 2017, the Issuer will be in breach of its legal obligations with respect to the investment limits applicable to RMBS so that, in such a case, there is a risk that the Issuer will become subject to an administrative or disciplinary procedure by the French *Autorité de contrôle prudentiel et de résolution*. This also could result in the actual level of business activities of the Issuer being lower than anticipated and its financial condition and the value of the Notes could be adversely affected.

See A(ii)(d) above, "Overview of the legislation and regulations relating to *sociétés de crédit foncier* – Cover ratio" and "Description of the Issuer – Issuer's activities and investments" for details.

### C. Cover ratio between assets and privileged debts

According to Articles L.513-12 and R.513-8 of the French Monetary and Financial Code (*Code monétaire et financier*), the Issuer must maintain at all times a cover ratio of its liabilities benefiting from the *Privilège* to its assets (including the replacement assets) of at least 105 per cent. Calculation of this cover ratio is set out in Regulation 99-10 of the CRBF pursuant to which the ratio's denominator (Art. 8) is comprised of *obligations foncières* and other resources benefiting from the *Privilège* and the ratio's numerator (Art. 9) is made up of all the assets weighted at the relevant percentage applicable to their category.

Pursuant to Regulation 99-10 of the CRBF, the Issuer must at all times comply with the conditions of the above cover ratio. The specific controller (as described in the section entitled "Description of the Issuer") has access to information that allows confirmation of each issue's compliance with the cover ratio. This cover ratio is published every quarter and checked by the specific controller in connection with the Issuer's quarterly programme of issues benefiting from the *Privilège* or in relation to issues of notes also benefiting from the *Privilège* that are equal to or exceed Euro 500,000,000. (Please refer to section entitled "Overview of the legislation and regulations relating to *sociétés de crédit foncier* – Cover ratio" for more details).



## DESCRIPTION OF THE ISSUER

The table entitled "ORGANISATIONAL CHART AXA BANK EUROPE SCF" in the paragraph "Management of the Issuer" on pages 109 and 110 of the Base Prospectus (as supplemented by the First Supplement on page 12) is deleted and replaced by the following table:

ORGANISATIONAL CHART AXA BANK EUROPE SCF		
Board of Directors	Responsible managers	Risk and Audit Committee
VERCOUSTRE Emmanuel	VAN DE WALLE Geert	PLESSIX Marie-Cécile
VAN DE WALLE Geert	RAME Emmanuel	VERCOUSTRE Emmanuel
RAME Emmanuel		AXA SA (represented by Nicolas Benhamou-Rondeau)
PLESSIX Marie-Cécile		
GILLES Françoise		
AXA S.A., represented by Nicolas Benhamou-Rondeau		

The paragraphs "Recent Events" in the section "DESCRIPTION OF THE ISSUER" appearing on pages 111 and 112 of the Base Prospectus (as supplemented by the First Supplement) is supplemented by the following:

### *AXA Bank Europe SCF's plan relating to the end of the Exemption as of 31 December 2017*

Law n° 2016-1691 dated 9 December 2016 relating to transparency, fight against corruption and modernisation of economic life (*relative à la transparence, à la lutte contre la corruption et à la modernisation de la vie économique*) (known as the "**Sapin II Law**") has amended the legal eligibility criteria of *sociétés de crédit foncier's* assets as set out in Articles L.513-3, L.513-5 and L.513-6 of the French Monetary and Financial Code (*Code monétaire et financier*) by introducing:

- the possibility to include, as eligible assets, loans granted by *sociétés de crédit foncier* guaranteed by the collateralisation (*remise*), the assignment (*cession*) or the pledge (*nantissement*) of receivables pursuant to and in accordance with the provisions of Articles L.211-36 to L.211-40 or Articles L.313-23 to L.313-35 of the French Monetary and Financial Code (*Code monétaire et financier*), regardless of the nature of such receivables, professional or otherwise, provided that they satisfy the eligibility criteria set out in Article L.513-3 of the French Monetary and Financial Code (*Code monétaire et financier*); and
- the removal of the 10% limit referred to in Article L.513-6 of the French Monetary and Financial Code (*Code monétaire et financier*) under which *sociétés de crédit foncier* can only subscribe mortgage promissory notes (*billets à ordre hypothécaires*) governed by Article L.313-42 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*) provided that such mortgage promissory notes do not exceed 10 per cent. of *sociétés de crédit foncier's* assets.

The Sapin II Law enables the Issuer to start the implementation of its plan by replacing the Royal Street RMBS that it currently holds by loans granted by the Issuer to AXA group entities or sponsored entities secured by eligible loans which would be collateralised, assigned or pledged for the benefit of the Issuer.

Discussions are currently taking place with the relevant parties both at the Royal Street and the Issuer's levels to determine the feasibility, scope, the structural changes required and timing of the implementation of the plan.

Whilst the Issuer expects to determine its new structure in the near future and implement its plan in a phased approach during the course of 2017 (and by no later than 31 December 2017), the scope of the structural changes to the Issuer required to implement its plan relating to the end of the Exemption as of 31 December 2017 is still being determined based on financial, tax and legal parameters.

Once determined, the Issuer will need to take all necessary steps to implement its plan, including *inter alia* enter into the relevant contractual agreements and/or appropriate amendments to all material contracts entered into by the Issuer<sup>1</sup>.

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<sup>1</sup> The material contracts entered into by the Issuer as of the date of the Base Prospectus are described in the section entitled "Relationship between AXA Bank Europe SCF and AXA Group Entities" of the Base Prospectus.