



AXA Bank Europe SCF Transformation

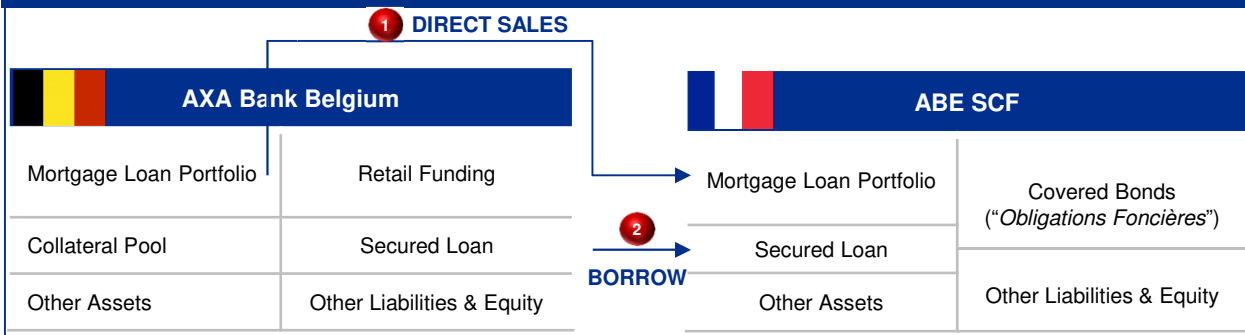
Highlights

- As from January 1st, 2018, the French Covered Bonds law only allows SCF to subscribe own issued RMBS up to 10% of the nominal amount of the Covered Bonds and other liabilities benefiting from the "privilege".
- AXA Bank Belgium (ABB) has therefore transformed its Covered Bond programme (AXA Bank Europe SCF – ABE SCF) to align to those new rules.
- The effective change occurred on December 15, 2017.
- The Transformation of the structure means that securities will no longer be transferred via RMBS, but RMBS will be replaced by (1) Direct Sales of Belgian mortgage loans from ABB to ABE SCF and (2) Secured Loans between ABB and ABE SCF. French assets will remain to be transferred via Promissory Notes.
- This combination allows ABB to optimize its balance sheet and to have more flexibility to issue in the market.

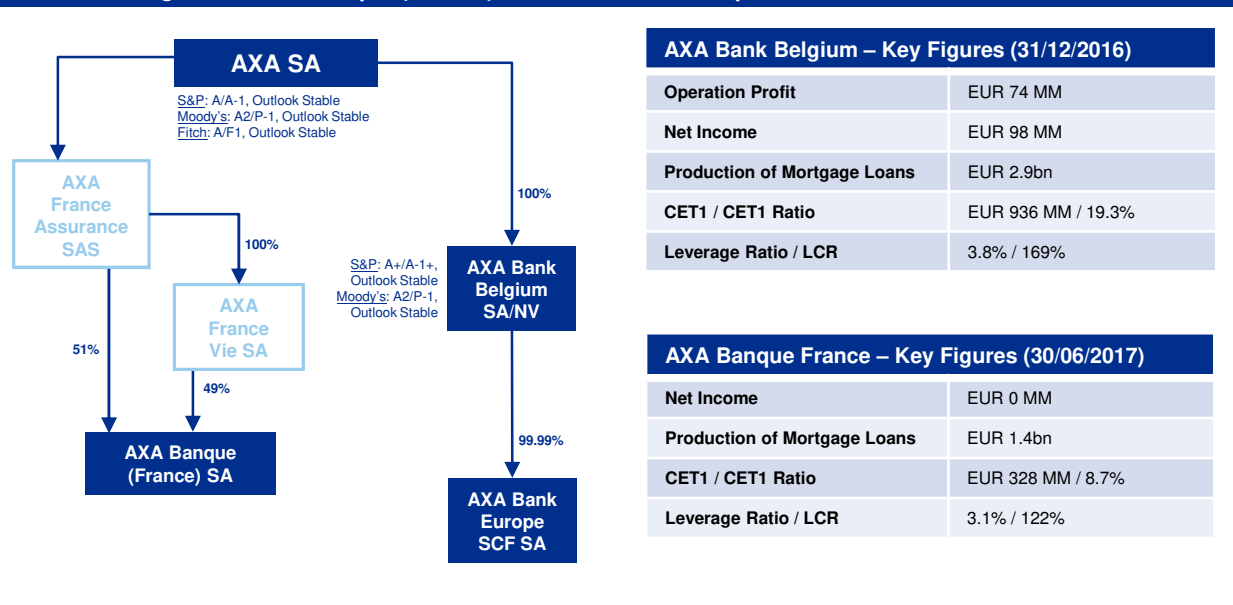
Transformation Rationale

- The assets of ABE SCF were mainly made up of internal AAA-rated RMBS Notes (Royal Street 2 AAA: EUR 2.9bn / Royal Street 3 AAA: EUR 2.7bn).
- The vote of the "Loi Sapin II" in December 2016 allows ABE SCF to substitute the RMBS by Secured Loans. This is the solution used by French SFH.
- Therefore, ABB has now 2 solutions to transfer the securities to ABE SCF: (1) Direct Sales of Belgian mortgage loans by ABB to ABE SCF and (2) Secured Loans between ABB and ABE SCF.
- On December 15, 2017, ABB sold a EUR 5.6bn portfolio of prime Belgian residential mortgage loans directly to ABE SCF.
- For existing outstanding Covered Bonds Series, interest rate hedging is still in place and asset pool swaps have been added to transform the WAC on Belgian mortgage loans into floating rate payable on IR swaps for OFs.

Transaction Illustration



AXA Bank Belgium & AXA Banque (France) within the AXA Group





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Covered Bonds programme characteristics

Issuer	AXA Bank Europe SCF
Programme Size	EUR 9bn (Current outstanding: EUR 5.65bn)
External Ratings	Aaa/AAA (Moody's/Fitch)
Collateral	EUR 5.6bn prime Belgian residential mortgage loans originated and serviced by AXA Bank Belgium; and EUR 970 MM French Mortgage Promissory Note backed by prime French guaranteed home loans originated by AXA Banque (France), serviced by CFF and guaranteed by Crédit Logement
OC	18.5% Currently (5% min. committed)
European Legislation	UCITS & CRD Compliant / ECB Eligible
ECBC Label	Yes
Listing	Luxembourg Stock Exchange

- The EUR 9bn AXA Bank Europe SCF (ABE SCF) program was initially set-up in 2010 as the funding platform for AXA Bank Belgium (ABB)
- AXA Bank Europe SCF is licensed as a specialized credit institution with the status of a *Société de Crédit Foncier* under French law to issue *Obligations Foncières*
- AXA Bank Europe SCF is fully supported by AXA Bank Belgium via a separate comfort letter required by ACPR as part of the licensing process and a cash advance mechanism
- AXA Bank Europe SCF is legally bankruptcy remote from AXA Bank Belgium
- Since November 2014, AXA Bank Europe SCF is also used as a funding platform for AXA Banque (France)

Cover Pool

- EUR 5.6bn of prime Belgian residential mortgage loans originated and serviced by ABB; and
- EUR 970 MM of Mortgage Promissory Note backed by guaranteed French residential home loans originated by AXA Banque (France) and serviced by Crédit Foncier de France (CFF). The underlying residential loans are benefiting from a guarantee mechanism ("*mécanisme de caution*") granted by Crédit Logement (rated Aa3/AAL by Moody's/DBRS).

	AXA Bank Belgium	AXA Banque (France)
	As of 11/30/2017	As of 11/30/2017
Outstanding Loan Balance	EUR 5.6bn	EUR 1.3bn
WA Loan Size	EUR 91k	EUR 137k
WA Initial LTV	68.9%	71.4%
WA Current LTV	59.9%	71.0%
WA Interest Rate	2.3%	2.0%
WA Seasoning	36 Months	23 Months
WA Remaining Term	195 Months	201 Months



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