

**FIRST SUPPLEMENT  
DATED 23 April 2019  
TO**



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

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

**Issuer**

**AXA BANK BELGIUM SA**

(Incorporated with limited liability under the laws of Belgium)

**Issuer and Guarantor**

**NOTES ISSUANCE PROGRAMME**

EUR 2,000,000,000

This supplement (the “**First Supplement**”) dated 23 April 2019 is supplemental to, and should be read in conjunction with, the Base Prospectus dated 25 September 2018 (the “**Base Prospectus**”) prepared in relation to the Notes Issuance Programme of AXA BANK BELGIUM S.A. (also named AXA BANK S.A./AXA BANK N.V., or “AXA BANK”) and AXA BELGIUM FINANCE (NL) B.V. (“ABF(NL)”, together with AXA BANK the “Issuers” and each, individually, an “Issuer”), and in the case of Notes issued by ABF(NL) guaranteed by AXA BANK (the “**Guarantor**”) on a senior basis. This First Supplement was approved by the Financial Services and Markets Authority on 23 April 2019, and the Base Prospectus was approved on 25 September 2018 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 (the “Law”).

The Issuers accept responsibility for the information contained in this First Supplement. The Issuers declare that, having taken all reasonable care to ensure that such is the case, the information contained in this First Supplement is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information.

Unless the context otherwise requires, terms defined in the Base Prospectus shall have the same meaning when used in this First Supplement. The Base Prospectus and the First Supplement are available on the internet site [www.axabank.be](http://www.axabank.be) and a copy can be obtained free of charge in the offices of AXA BANK.

The Base Prospectus dated 25 September 2018 will be amended and updated as set out herein.

## **1. Recent Developments**

The information described under 8.2.4. *Recent Developments* of the Base Prospectus will be completed with the following press communication published by AXA BANK on February 21 2019 regarding the 2018 annual results of AXA BANK, and with the recent change in the rating outlook by Moody’s rating agency:

## 1) Solid commercial results in 2018 for AXA Bank Belgium

- AXA BANK posted solid operating income before taxes in 2018 (+21% or €81 million compared to €67 million in 2017) and total net income of €66 million, up 68% compared to 2017 (€39 million).
- The result is strongly influenced by a record year in the production of housing loans (€3.3 billion), a record year in the production of professional loans (+11% to €537 million) and stable volumes for investments (around €500 million of new flows into investment products).
- Margins are falling in a difficult interest rate environment, but the impact of refinancing home loans in recent years has, on the other hand, been lower than in previous years, thus contributing to this positive result.

### *Credits*

For the first time in its history, AXA BANK reached the €3 billion mark in new home loans in 2018. This record amount amounts to €3.3 billion. In total, more than 20,000 Belgian families were able to realize their dream of buying their own home with the help of AXA BANK. The total outstanding amount of the bank's loan portfolio to Belgian households amounted for the first time to more than €20 billion, mainly financed by the €18 billion in savings deposits from AXA BANK's Belgian clients. AXA BANK is thus becoming more and more established in Belgian society every year.

In terms of professional loans, 6,000 entrepreneurs were once again able to count on AXA BANK's support for their investment in their own company. Total production amounted to €537 million (compared with €484 million in 2017). AXA BANK's ambition is to continue to focus on the professional client segment (self-employed and small businesses).

The difficult interest rate environment remains a focus of attention. Continued low interest rates and increased competition are leading to lower margins on credit production. A positive factor this year again is the low default rate.

### *Invest & savings*

The stock market turmoil of 2018 had a negative impact on the inflow into AXA investment funds. Nevertheless, AXA BANK once again recorded more than €500 million in new investments in funds (€547 million compared to €570 million last year). In the sale of open-ended funds, AXA BANK's market share increased for the first time in the first half of 2018 to 6%, an important step in the bank's growth.

In general, interest in investments continues to grow. In one year, the number of recurring investment plans increased by 66%. With such a product, clients can diversify their investments, invest regularly and gradually build up capital according to their savings. With the increase in the number of investment plans, the number of active clients of AXA BANK is also on the rise.

In 2018, the volume of AXA BANK's savings accounts also increased: at the end of 2018, the total volume of savings accounts amounted to 13.4 billion, up 3.85% compared to the end of 2017. Given the volume of term accounts, more than 17 billion savings deposits are entrusted to AXA BANK.

### *Further digitisation*

In 2018, AXA BANK continued to develop new technological applications to make banking even easier and faster for its clients. The number of active digital users (homebanking and/or mobile banking) has increased from 335,000 to 398,000.

At the end of 2018, AXA BANK launched an online application for granting instalment loans. From now on, customers can take out a loan entirely digitally via the mobile application or homebanking. In 2019, AXA BANK will continue to focus on digitalization, particularly with the use of "itsme®" for the identification and signature and integration of the Payconiq by Bancontact application.

### *Financial situation*

The balance sheet remains strong, thanks to high liquidity ratios and significant equity capital. With a core capital ratio (CET1) of 15.2%, AXA BANK largely complies with the capital requirements imposed by the European Central Bank (ECB), making it one of the most solvent banks in Belgium. Standard & Poor's maintained the A+ long-term rating: the highest rating for a Belgian bank.

At the same time, AXA BANK has succeeded in reducing its costs by 7% thanks to a strict cost control culture and a constant quest for efficiency. Bank taxes are slightly lower than in 2017, but still significant: 19% of operating expenses.

*The focus is on the customer*

2018 was also the year in which AXA BANK's internal organization was fully customer-oriented. By working on customer paths (investor clients, professional clients, credit to individual clients and day-to-day banking clients), we are more than ever managing the development of each service and process from the client's point of view. This orientation is in line with the bank's strategy, which aims to guide and support its clients at key moments in their lives.

AXA BANK is positioned in the market through a personalized advisory model based on high-performance digital tools. A model based on the bank's strengths, as evidenced by the two awards AXA BANK received in 2018 for the second consecutive year after a survey by Guide-épargne.be: the award for the best branch network and the award for the best online platform.

The combination of a strong branch network and good online tools can be considered a success factor for high customer satisfaction. AXA BANK achieved a Net Promotor Score (NPS) of 24, a solid score in the financial sector.

## 2) Rating outlook:

In April, the rating agency Moody's changed its rating-outlook from 'Negative' to 'Stable'. The change of outlook to stable from negative on AXA BANK's long-term deposit rating follows the change of the outlook to stable on AXA. AXA BANK is fully integrated in the commercial strategy of AXA Group's main insurance companies and, therefore, benefits from a very high probability of support from its parent. The stable outlook on AXA BANK's long-term deposit rating reflects Moody's expectations that AXA BANK's fundamentals are likely to remain broadly unchanged in the medium term, and its view that a change of AXA's senior unsecured debt rating would likely result in a similar change of AXA BANK's rating.

## 2. Rating

Following Moody's recent announcements on April 5<sup>th</sup> and April 11<sup>th</sup> 2019, Moody's Investor Services has changed the outlook of several companies in the AXA Group.

For AXA BANK, this means that the ratings mentioned under :

- i) 4. SUMMARY – B.17 Credit ratings assigned to the [Issuer] or [Guarantor] are modified and/or completed as follows:

- *Moody's rating: 'A2/P-1 with 'Negative' outlook (3 April 2018)*

will be replaced by:

- *Moody's rating: 'A2/P-1 with 'Stable' outlook (11 April 2019)*

- ii) 8.1 'General Information' ('*Key financial information*') and 8.6 'Rating' of the Base Prospectus

- *Moody's rating: 'A2/P-1' with 'Negative' outlook (3 April 2018).*

will be replaced by the ratings below:

- *Moody's rating: 'A2/P-1' with 'Stable' outlook (11 April 2019).*

These ratings are valid on the date of this Supplement (23 April 2019).

Ratings may be subject to suspension, change or withdrawal at any time by the relevant assigning rating agency that may also change its methodology or/and definitions from time to time. Any changes in these ratings or outlooks after 23 April 2019 can be followed on the AXA BANK website [www.axabank.be](http://www.axabank.be).

### 3. Summary

The Base Prospectus dated 25 September 2018 prepared in relation to the Notes Issuance Programme of AXA BANK BELGIUM S.A. (also named AXA BANK S.A./AXA BANK N.V., or "**AXA BANK**") and AXA BELGIUM FINANCE (NL) B.V. ("**ABF(NL)**"), together with AXA BANK the "Issuers" and each, individually, an "Issuer"), and in the case of Notes issued by ABF(NL) guaranteed by AXA BANK (the "**Guarantor**") on a senior or basis, has been supplemented by a First Supplement dated 23 April 2019.

Such supplement has mainly been prepared for the purpose of giving information with regard to :

- update of the credit ratings-outlook of AXA BANK by Moody's,
- Additional recent developments : comments on 2018 results of AXA BANK and ratings-outlook update.

Copies of this Supplement, the Base Prospectus and the First Supplement are available free of charge at the offices of AXA BANK. In addition, such supplement will be available in electronic form on the website: [www.axabank.be](http://www.axabank.be).