



AXA Bank Europe SCF
€ 5,000,000,000
Euro Medium Term Note Programme
for the issue of obligations foncières due from one month from the date of original issue

Under the Euro Medium Term Note Programme (the "**Programme**") described in this Base Prospectus (the "**Base Prospectus**"), AXA Bank Europe SCF (the "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue *obligations foncières* (the "**Notes**"), benefiting from the statutory *privilège* created by Article L.515-19 of the French Monetary and Financial Code (*Code monétaire et financier*), as more fully described herein (the "**Privilège**").

The aggregate nominal amount of Notes outstanding will not at any time exceed € 5,000,000,000 (or its equivalent in other currencies) at the date of issue.

Application has been made to the *Commission de surveillance du secteur financier* for approval of this Base Prospectus in its capacity as competent authority in Luxembourg under the *loi relative aux prospectus pour valeurs mobilières* dated 10 July 2005 (as amended by the Luxembourg law of 3 July 2012) which implements the Directive 2003/71/EC of 4 November 2003, as amended, in Luxembourg.

Application may be made to the Luxembourg Stock Exchange during a period of twelve (12) months after the date of this Base Prospectus for Notes issued under the Programme 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. The regulated market of the Luxembourg Stock Exchange is a regulated market for the purposes of the Markets in Financial Instrument Directive 2004/39/EC of 21 April 2004, as amended from time to time, (a "**Regulated Market**"). Notes issued under the Programme may also be unlisted or listed and admitted to trading on any other market, including any other Regulated Market in any Member State of the European Economic Area ("EEA"). The relevant final terms (a form of which is contained herein) in respect of the issue of any Notes (the "**Final Terms**") will specify whether or not such Notes will be listed and admitted to trading on any market and, if so, the relevant market. In relation to Notes admitted to trading on the Regulated Market of the Luxembourg Stock Exchange, this Base Prospectus is valid for a period of one year from the date hereof.

Notes may be issued either in dematerialised form ("**Dematerialised Notes**") or in materialised form ("**Materialised Notes**") as more fully described herein.

Dematerialised Notes will at all times be in book-entry form in compliance with Articles L.211-3 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*). No physical documents of title will be issued in respect of the Dematerialised Notes.

Dematerialised Notes may, at the option of the Issuer, be (i) in bearer form (*au porteur*) inscribed as from the issue date in the books of Euroclear France (acting as central depository) which shall credit the accounts of the Account Holders (as defined in "Terms and Conditions of the Notes - Form, Denomination, Title and Redenomination") including Euroclear Bank S.A./N.V. ("**Euroclear**") and the depository bank for Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**"), or (ii) in registered form (*au nominatif*) and, in such latter case, at the option of the relevant Noteholder (as defined in "Terms and Conditions of the Notes - Form, Denomination, Title and Redenomination"), in either fully registered form (*au nominatif pur*), in which case they will be inscribed in an account maintained by the Issuer or by a registration agent (appointed in the relevant Final Terms) for the Issuer, or in administered registered form (*au nominatif administré*) in which case they will be inscribed in the accounts of the Account Holders designated by the relevant Noteholder.

Materialised Notes will be in bearer materialised form only and may only be issued outside France. A temporary global certificate in bearer form without interest coupons attached (a "**Temporary Global Certificate**") will initially be issued in relation to Materialised Notes. Such Temporary Global Certificate will subsequently be exchanged for definitive Materialised Notes with, where applicable, coupons for interest or talons attached (the "**Definitive Materialised Notes**"), on or after a date expected to be on or about the fortieth (40th) day after the issue date of the Notes (subject to postponement as described in "Temporary Global Certificate in respect of Materialised Notes") upon certification as to non-US beneficial ownership as more fully described herein. Temporary Global Certificates will (a) in the case of a Tranche (as defined in "Terms and Conditions of the Notes") intended to be cleared through Euroclear and/or Clearstream, Luxembourg, be deposited on the issue date with a common depository for Euroclear and Clearstream, Luxembourg, and (b) in the case of a Tranche intended to be cleared through a clearing system other than or in addition to Euroclear and/or Clearstream, Luxembourg or delivered outside a clearing system, be deposited as agreed between the Issuer and the relevant Dealer(s) (as defined below). In the case of a Tranche which is not intended to be cleared through a clearing system, the Notes of such Tranche cannot be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange.

Notes issued under the Programme are expected to be rated Aaa by Moody's Investors Service Ltd and AAA by Fitch Ratings Limited (together, the "**Rating Agencies**"). The rating of Notes will be specified in the relevant Final Terms. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency without notice.

As at the date of this Base Prospectus, each of the Rating Agencies is established in the European Union and is registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council dated 16 September 2009, as amended by Regulation (EU) No 513/2011 of the European Parliament and of the Council dated 11 May 2011 and is included in the list of registered credit rating agencies published at the website of the European Securities and Markets Authority (www.esma.europa.eu/page/List-registered-and-certified-CRAs).

See "**Risk Factors**" below for certain information relevant to an investment in the Notes to be issued under the Programme.

ARRANGER

BNP PARIBAS

PERMANENT DEALERS

BNP PARIBAS
CRÉDIT AGRICOLE CIB
NATIXIS

BofA MERRILL LYNCH
HSBC
SOCIÉTÉ GÉNÉRALE
CORPORATE & INVESTMENT BANKING

The date of this Base Prospectus is 27 June 2013

This Base Prospectus (together with all supplements thereto from time to time), constitutes a base prospectus for the purposes of article 5.4 of the Directive 2003/71/EC of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading as amended, to the extent that such amendment have been implemented in a Member State of the EEA (herein referred to as the "Prospectus Directive") and contains all relevant information concerning the Issuer which is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer, as well as the base terms and conditions of the Notes to be issued under the Programme. The terms and conditions applicable to each Tranche (as defined in "General Description of the Programme") not contained herein (including, without limitation, the aggregate nominal amount, issue price, redemption price thereof, and interest, if any, payable thereunder) will be determined by the Issuer and the relevant Dealer(s) at the time of the issue on the basis of the then prevailing market conditions and will be set out in the relevant Final Terms.

This Base Prospectus should be read and construed in conjunction with any supplement thereto and with any other documents incorporated by reference (see "Documents incorporated by reference"), each of which shall be incorporated by reference in and form part of this Base Prospectus and, in relation to any Tranche of Notes, should be read and construed together with the relevant Final Terms, the Base Prospectus and the Final Terms being together, the "Prospectus".

This Base Prospectus (together with all supplements thereto from time to time) may only be used for the purposes for which it has been published.

No person is or has been authorised to give any information or to make any representation other than those contained or incorporated by reference in this Base Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Arranger or any of the Dealer(s). Neither the delivery of this Base Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Base Prospectus has been most recently supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Base Prospectus has been most recently supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

In the case of any Notes which are to be admitted to trading on a Regulated Market within the EEA in circumstances which require the publication of a prospectus under the Prospectus Directive, the minimum denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes).

The distribution of this Base Prospectus and the offering or sale of Notes in certain jurisdictions may be restricted by law. The Issuer, the Arranger and the Dealer(s) do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Arranger or the Dealer(s) which is intended to permit a public offering of any Notes or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base

Prospectus and the offer or sale of Notes in the United States of America, the EEA (including Belgium, France and the United Kingdom), Switzerland and Japan.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons as defined in Regulation S. under the Securities Act ("Regulation S"). The Notes may include Materialised Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered or sold or, in the case of Materialised Notes in bearer form, delivered within the United States or, in the case of certain Materialised Notes in bearer form, to, or for the account or benefit of, United States persons as defined in the U.S. Internal Revenue Code of 1986, as amended. The Notes are being offered and sold outside the United States of America to non-U.S. persons in reliance on Regulation S.

For a description of these and certain other restrictions on offers, sales and transfers of Notes and on distribution of this Base Prospectus, see "Subscription and Sale".

This Base Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Arranger or the Dealer(s) to subscribe for, or purchase, any Notes below.

The Arranger and the Dealer(s) have not separately verified the information contained or incorporated by reference in this Base Prospectus. Neither the Arranger nor any of the Dealers makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information or incorporated by reference in this Base Prospectus. Neither this Base Prospectus nor any other information supplied in connection with the Programme (including any information incorporated by reference) is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arranger or the Dealer(s) that any recipient of this Base Prospectus or other information supplied in connection with the Programme (including any information incorporated by reference) should purchase the Notes. Each prospective investor in the Notes should determine for itself the relevance of the information contained or incorporated by reference in this Base Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. Neither the Arranger nor any of the Dealers undertake to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Notes of any information that may come to the attention of any of the Dealers or the Arranger.

In connection with the issue of any Tranche, the Dealer(s) (if any) named as the stabilising manager(s) (the "Stabilising Manager(s)") (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager(s)) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the final terms of the offer of the relevant Tranche is made and, if begun, may be ended at any time, but it must end no later than the earlier of thirty (30) days after the issue date of the relevant Tranche and sixty (60) days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment shall be conducted in accordance with all applicable laws and rules.

None of the Issuer, the Arranger or the Dealers makes any representation to any prospective investor in the Notes regarding the legality of its investment under any applicable laws. If you are in any doubt about the contents of this Base Prospectus you should contact your advisers. An investment in the Notes is only suitable for financially sophisticated investors who are capable of evaluating the merits and risks of such investment and who have sufficient resources to be able

to bear any losses that may result from such investment. It should be remembered that the price of the Notes and the income from them may decrease.

In this Base Prospectus, unless otherwise specified or the context otherwise requires, references to "€", "Euro", "euro" or "EUR" are to the lawful currency of the member states of the European Union that have adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union and as amended by the Treaty of Amsterdam, references to "£", "pounds sterling" and "Sterling" are to the lawful currency of the United Kingdom, references to "\$", "USD" and "US Dollar" are to the lawful currency of the United States of America, references to "¥", "JPY" and "Yen" are to the lawful currency of Japan and references to "CHF" and "Swiss Francs" are to the lawful currency of Switzerland.

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PERSON RESPONSIBLE FOR THE INFORMATION GIVEN IN THE BASE PROSPECTUS

AXA Bank Europe SCF (the "**Responsible Person**") accepts responsibility for the information contained or incorporated by reference in this Base Prospectus and, for each Tranche of Notes issued under the Programme, in the relevant Final Terms. . To the best of its knowledge (having taken all reasonable care to ensure that such is the case), the information contained or incorporated by reference in this Base Prospectus is in accordance with the facts and contains no omission likely to affect its import.

AXA Bank Europe SCF
203/205, rue Carnot
94138 Fontenay-sous-Bois
France

Duly represented by Geert Van de Walle
in its capacity as Deputy Chief Executive Officer and Director (*Directeur Général Délégué*) of the Issuer

RISK FACTORS

Prospective purchasers of Notes offered hereby should consider carefully, in light of their financial circumstances and investment objectives, all of the information in this Base Prospectus and, in particular, the risk factors below in making an investment decision.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate.

Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and, in the light of their own financial circumstances and investment objectives, reach their own views prior to making any investment decision. In particular, investors should make their own assessment as to the risks associated with the Notes prior to investing in Notes issued under the Programme.

1. RISK FACTORS RELATING TO THE ISSUER AND ITS OPERATIONS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which are material for the purpose of assessing the market risks associated with the Notes issued under the Programme are also described below.

1. 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. 515-14 and L. 515-16 of the French Monetary and Financial Code (*Code monétaire et financier*), according to which the Issuer may:

- (i) only acquire residential mortgage loans if, in accordance with Article L. 515-14 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 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) only 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 community or European economic area, if the following provisions of Articles L.515-16 and R. 515-4 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. 515-14 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* 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, until 31 December 2013, if (i) loans composing the assets of the vehicle are transferred by an entity belonging to the same group or affiliated to the same central body as the Issuer and (ii) the subordinated units of the vehicle are kept by such entity; and/or
- (iii) only subscribe mortgage promissory notes (*billets à ordre hypothécaires*) governed by Article L.313-42 *et seq.* of the French *Code monétaire et financier* provided that (a) such mortgage promissory notes do not exceed 10 per cent. of the Issuer's assets in accordance with Article L. 515-16-1 of the French Monetary and Financial Code (*Code monétaire et financier*) and (b) the loans refinanced by such mortgage promissory notes are (i) secured by a first ranking mortgage over an eligible real estate or by other real estate security interests providing an equivalent security interest in accordance with Article L. 515-14 of the French Monetary and Financial Code (*Code monétaire et financier*) or (ii) guaranteed by a credit institution 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").

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

In addition, according to Articles L. 515-17 and R. 515-7 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, or guaranteed by, credit institutions or investment firms is less than 100 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* pursuant to Article L. 511-44 of the French Monetary and Financial Code (*Code monétaire et financier*).

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* no later than on 10 June of each year information relating to the quality of its financed assets. This report is published within 45 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.515-17-2 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 (<http://www.axabank.eu/eng/financialinformation-overview/coveredbonds>). 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, until 31 December 2013, if (i) loans composing the assets of the vehicle are transferred by an entity belonging to the same group or affiliated to the same central body as the Issuer and (ii) the subordinated units of the vehicle are kept by such entity all in accordance with Article R.515-3, IV of the French Monetary and Financial Code (*Code monétaire et financier*) implementing Directive 2010/76/EU of the European Parliament and of the Council of 24 November 2010 (amending Directives 2006/48/EC and 2006/49/EC as regards capital requirements for the trading book and for re-securitisations, and the supervisory review of remuneration policies) under French law (the "**Exemption**").

As at the date of this Base Prospectus, the RMBS subscribed for by the Issuer are refinanced by issuance of French *obligations foncières* up to 100 per cent. of the nominal amount of the Notes in accordance with the Exemption. Although the Issuer is of the opinion that, depending of the timing of implementation under French law, there are reasonable chances that such Exemption will be extended to a longer term (i.e. until 31 December 2017 subject to approval of the relevant competent authorities (i.e. the *Autorité de contrôle prudentiel* for France), in accordance with article 473 of the capital requirements regulation on prudential requirements for credit institutions and investment firms as adopted by the European Parliament on 16 April 2013), the end of the Exemption may adversely affect the Issuer's business activity since the Issuer could be required to comply with the limitation mentioned above and to find substitute eligible assets.

See A(ii)(d) above and "Overview of the legislation and regulations relating to *sociétés de crédit foncier* – Cover ratio".

C. Cover ratio between assets and privileged debts

According to Articles L. 515-20 and R. 515-7-2 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 102 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. For the relevant weighting percentage applicable to the assets of the Issuer see "Overview of the legislation and regulations relating to *sociétés de crédit foncier* – Cover ratio".

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 twice a year 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.

2. Market risks

Market risk may come from a foreign exchange risk. The AXA Bank Europe group's management policy is to take no foreign exchange risks. Assets and liabilities originally in foreign currencies are swapped against euros when they are acquired.

3. Interest rate and currency risks

The Issuer uses micro and macro hedges to hedge general interest rate and currency risks. The goal of the Issuer is to neutralise interest rate and currency risks as much as possible from an operating standpoint. The ability of the Issuer to enter into appropriate hedging agreements or find replacement hedging agreements depends however on market conditions prevailing at that time.

The hedging agreements will provide a hedge of any interest rate or currency risk arising from the mismatches between (i) the amounts of principal and interest payable by the Issuer under the Notes, and (ii) the currencies in which the RMBS (or residential mortgage loans if direct assignment) subscribed for by the Issuer are denominated and the interest rate conditions applicable to them and in particular, the hedging agreements will ensure that the Issuer will have in place appropriate derivative transactions to hedge the currency and interest rate risks arising from such assets.

For this purpose, the Issuer will enter into one or more hedging agreements and related hedging transaction(s) with eligible hedging provider(s) with minimum ratings complying with the rating agencies public methodologies and criteria which are, as at the date on which they are entered into, commensurate to the then current rating of the Notes and on terms as per rating agencies' public methodologies and criteria to cover interest rate and/or currency risks arising from the mismatches between the payments received under the RMBS (or residential mortgage loans if direct assignment) subscribed for by the Issuer and the payments to be made under the Notes.

The hedging agreements may be documented under a 1992 (Multicurrency - Cross Border) or a 2002 International Swap Derivatives Association (ISDA) master agreement (including its schedule, credit support document and confirmations) governed by English law or its equivalent under the *Fédération Bancaire Française* (FBF) master agreement relating to transactions on forward financial instruments (including its schedule, collateral annex and confirmations) and will contain provisions complying with the rating agencies' public methodologies and criteria which are commensurate to the then current rating of the Notes, in particular in relation to the hedging mechanisms for the counterparty risks.

Termination or transfer of a hedging agreement may be at the Issuer's cost and may therefore, depending on market conditions prevailing at that time, have a material adverse affect on the Issuer's financial situation.

Pursuant to the second paragraph of Article L.515-18 of the French Monetary and Financial Code (*Code monétaire et financier*), the hedging agreement(s) and related hedging transaction(s) entered into by the Issuer in relation to the Notes will benefit from the *Privilège* created by Article L.515-19 of the French Monetary and Financial Code (*Code monétaire et financier*). However, the Issuer may also enter into forward financial instruments which will not benefit from the *Privilège*, in particular when such forward financial instruments are not concluded by the Issuer to hedge items of its assets and/or privileged liabilities or the global risk on its assets, liabilities and off-balance sheet items in accordance with Article L.515-18 of the French Monetary and Financial Code (*Code monétaire et financier*).

The replacement assets referred to in Articles L. 515-17 and R. 515-7 of the French Monetary and Financial Code (*Code monétaire et financier*) are managed so as not to incur any interest rate risk.

4. Credit risk on bank counterparties

For the Issuer, counterparty risk is that of counterparties in:

- (a) hedging operations; and
- (b) cash advance provider; and
- (c) holding the Issuer's bank accounts.

With respect to the counterparty risk under the hedging agreements entered into by the Issuer, the hedging agreements shall contain appropriate wording complying, as at the date on which they are entered into, with the rating agencies public methodologies and criteria which are commensurate to the then current rating of the Notes. In particular, in the event that the eligible hedging provider(s) (or their respective guarantor, as applicable) is or are downgraded by a rating agency below a minimum hedging rating determined in accordance with the rating agencies' public methodologies and criteria which are commensurate to the then current rating of the Notes, the relevant eligible hedging provider shall take certain remedial measures, at its cost, which may include one or more of the following, depending on the level of the downgrading:

- (i) providing collateral for its obligations under the relevant hedging agreement;
- (ii) arranging for its obligations under the relevant hedging agreement to be transferred to a replacement eligible hedging provider benefiting from the minimum level of ratings complying with the relevant rating agency public methodologies and criteria (as specified in the relevant hedging agreement);

- (iii) procuring another entity with the ratings complying with the relevant rating agency public methodologies and criteria (as specified in the relevant hedging agreement) to become a guarantor in respect of its obligations under the relevant hedging agreement; and/or
- (iv) taking such other actions as notified to the relevant rating agency that prevent the then current ratings of the Notes from being downgraded.

Notwithstanding the above rating downgrade remedies, the Issuer remains nonetheless exposed to the risk of default of its derivatives counterparties.

The Issuer is exposed to the credit risk on its bank counterparties (in particular its bank account holder). In order to mitigate such credit risk, the bank counterparties must be selected by the Issuer as to comply with the specific legal requirements applicable to *sociétés de crédit foncier* and with the rating agencies public methodologies and criteria which are commensurate to the then current rating of the Notes. In particular, such bank counterparties shall have minimum ratings complying with (i) the specific legal requirements applicable to *sociétés de crédit foncier* and in particular Article R. 515-7 of the French Monetary and Financial Code (*Code monétaire et financier*) relating to the replacement assets (see "Risk Factors - Credit risk on assets" above) and (ii) any additional rating agencies' criteria in accordance with their public methodologies in order to maintain the ratings of the Notes.

5. Liquidity risk

The maturity and amortisation profile of the eligible assets may not match the repayment profile and maturities of the Notes, therefore creating a need for liquidity at the level of the Issuer.

The Issuer benefits from the ALM management tools provided to it by the laws and regulations applicable to *sociétés de crédit foncier* in order to fund temporary liquidity needs (which could result from the mismatch between payment dates and maturities under the assets of the Issuer and its liabilities). According to Article L.515-13 of the French Monetary and Financial Code (*Code monétaire et financier*), the Issuer may at any time sell or liquidate assets or raise new short-term or medium-term funds in order to comply with its payment obligations pursuant to the Notes and other resources which benefit or not from the *Privilège*. These instruments include, *inter alia*, sale or transfer as collateral of receivables in accordance with Article L.211-36 *et seq* or Article L.313-23 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*), temporary transfers of its securities as provided for in Articles L.211-22 to L.211-34 of the French Monetary and Financial Code (*Code monétaire et financier*) or having recourse to funding secured by a pledge of a securities account as defined in Article L. 211-20 of the French Monetary and Financial Code (*Code monétaire et financier*) or issuing bonds or other resources which benefit or not from the *Privilège*. In particular, assets of the Issuer which are in the form of AAA RMBS may be eligible collateral with the European Central Bank in accordance with the rules of the Eurosystem. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria as specified by the European Central Bank.

To address such liquidity risk, the Issuer also benefits from an undertaking from AXA Bank Europe, under a cash advance agreement, to make cash advances on any Interest Payment Date, Instalment Date or Maturity Date (or Extended Maturity Date) of any Series of Notes (as determined in the Final Terms of such Series of Notes) issued by the Issuer or any payment date under any hedging agreement benefiting from the *Privilège*, in an amount equal to the positive difference between (a) the total amounts due (in interest and/or principal) by the Issuer under such Series of Notes and, as the case may be, under such hedging agreement benefiting from the *Privilège* on such payment date, together with any fees payable by the Issuer during the period starting on the preceding payment date (excluded) and ending on such payment date (included) and any other debts benefiting from the *Privilège* in accordance with Article L.515-19 of the French Monetary and Financial Code (*Code monétaire et financier*) and (b) the available cash standing to the credit of the Issuer's bank account on such date, resulting in particular from the payments received under its assets. Consequently, the Issuer is exposed to a liquidity risk in the event that AXA Bank Europe cannot meet its obligations under the cash advance agreement.

In the event that the rating of AXA Bank Europe SCF's short term Issuer Default Rating (IDR) (or credit view the equivalent to such rating) falls below F1+ by Fitch or the rating of the short-term, unsecured, unsubordinated and unguaranteed debt obligations of AXA Bank Europe falls below P-1 by Moody's (or such other minimum ratings complying with the rating agencies' public methodologies and criteria in order to maintain the ratings of the Notes) during the nine (9) month period preceding the Maturity Date of any Series of Notes with hard bullet maturities and ending on, and including, such Maturity Date (a "**Pre-Maturity Reserve Test Period**") and on a regular basis for so long as it is continuing during such Pre-Maturity Reserve Test Period (a "**Pre-Maturity**

Reserve Trigger Event"), AXA Bank Europe undertakes (a) to fund a pre-maturity reserve (in cash and/or securities) in an amount equal to (A) the aggregate amount of principal payable by the Issuer under all Series of Notes with hard bullet maturities during a 9 month period starting on such funding date (without for the avoidance of doubt any double counting) and (B) the aggregate amount of any other debts benefiting from the *Privilège* (but, for the avoidance of doubt and any double counting, excluding the amount due under all Series of Notes or the hedging agreements benefiting from the *Privilège*) in accordance with Article L.515-19 of the French Monetary and Financial Code (*Code monétaire et financier*) for the benefit of the Issuer by crediting such reserve account as designated by the Issuer and (b) to maintain, on a rolling basis until such Pre-Maturity Reserve Trigger Event has ceased, a minimum pre-maturity reserve amount in such reserve account. The reserve will only be funded in respect of Series of Notes which will have hard bullet maturities (i.e. not allowing the Maturity Date of the relevant Series to be extended), as specified in the relevant Final Terms and for an amount complying with a "*Pre-Maturity Test*" commensurate in accordance with the rating agencies' public methodologies to ensure that the Issuer will have sufficient funds to meet its payment obligations at maturity.

The sums due (in interest or principal) under any cash advances or the reserves by AXA Bank Europe will not benefit from the *Privilège*.

In the event that the Issuer cannot meet its liquidity needs from any other sources, pursuant to Article L. 515-32-1 of the French Monetary and Financial Code (*Code monétaire et financier*), it may as a *société de crédit foncier* subscribe its own *obligations foncières* (i.e. the Notes) within the limit of 10 per cent. of the outstanding principal amount of any liabilities of the Issuer benefiting from the *Privilège* on the date of their subscription, for the sole purpose of granting them as collateral for the credit operations of the *Banque de France* in accordance with the procedures and, subject to the conditions of the *Banque de France*, laid out by it for its monetary policy and intraday credit operations.

Pursuant to Articles L. 515-17-1 and R. 515-7-1 of the French Monetary and Financial Code (*Code monétaire et financier*), *sociétés de crédit foncier* must ensure, at all times, the coverage of their cash requirements for the next 180 days, by acquiring replacement values (*valeurs de remplacement*) or other eligible assets to be granted as collateral with the *Banque de France* in accordance with the procedures and conditions laid out by it for its monetary policy and intraday credit operations, or by entering into refinancing agreements with credit institutions benefiting from the first level of short term credit quality (*premier échelon de qualité de crédit à court terme*) established by an external rating agency recognized by the *Autorité de contrôle prudentiel* or guaranteed by other legal entities benefiting from the same level of short term credit quality.

6. Operating risks involving information systems

The security of AXA Bank Europe information systems is managed within AXA Bank Europe. A security policy has been defined, including directives and operating procedures broken down by risk sector: physical security, security of system access control, security of data bases and applications and security of continued operation.

2. RISK FACTORS RELATING TO THE NOTES

The following paragraphs describe the principal risk factors that the Issuer believes are material to the Notes to be listed and admitted to trading in order to assess the market risk associated with these Notes.

2.1 The Notes may not be a suitable investment for all investors

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

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the relevant Notes and the information contained in this Base Prospectus or any applicable supplement to this Base Prospectus;
- (ii) 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 the relevant Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

- (iv) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) 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 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.

2.2 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 the most common such features:

Notes subject to optional redemption by the Issuer

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of such Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The redeemed face amount of the Notes may be lower than the purchase price for the Notes paid by the Noteholders. As a consequence, part of the capital invested by the Noteholder may be lost, so that the Noteholder in such case would not receive the total amount of the capital invested.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Notes subject to optional redemption by the Noteholders: exercise of Put Option in respect of certain Notes may affect the liquidity of the Notes of the same Series in respect of which such option is not exercised

Depending on the number of Notes of the same Series in respect of which the Put Option specified as applicable in the relevant Final Terms is exercised, any trading market in respect of those Notes in respect of which such option is not exercised may become illiquid. In addition, investors may only be able to reinvest the moneys they receive upon such early redemption in securities with a lower yield than the redeemed Notes.

Fixed Rate Notes

Investment in Notes which bear interest at a fixed rate involves the risk that subsequent changes in market interest rates may adversely affect the value of the relevant Tranche.

Floating Rate Notes

Investment in Notes which bear interest at a floating rate comprise (i) a reference rate and (ii) a margin to be added or subtracted, as the case may be, from such base rate. Typically, the relevant margin will not change throughout the life of the Notes but there will be a periodic adjustment (as specified in the relevant Final Terms) of the reference rate (e.g., every three (3) months or six (6) months) which itself will change in accordance with general market conditions. Accordingly, the market value of floating rate Notes may be volatile if changes, particularly short term changes, to market interest rates evidenced by the relevant reference rate can only be reflected in the interest rate of these Notes upon the next periodic adjustment of the relevant reference rate.

Potential Conflicts of Interest

The Arranger and the Dealer(s) may from time to time advise the issuers of or obligors in respect of reference assets regarding transactions to be entered into by them, or engage in transactions involving reference assets for their proprietary accounts and for other accounts under their management. Any such transactions may have a

positive or negative effect on the value of such reference assets and therefore on the value of any Notes to which they relate. Accordingly, certain conflicts of interest may arise both among the Arranger and the Dealer(s) and between the interests of the Arranger and the Dealer(s) and the interests of holders of Notes.

The Issuer may from time to time be engaged in transactions involving an index or related derivatives which may affect the market price, liquidity or value of the Notes and which could be deemed to be adverse to the interests of the Noteholders.

Potential conflicts of interest may also arise between the Calculation Agent, if any, for a Tranche and the Noteholders, including with respect to certain discretionary determinations and judgements that such Calculation Agent may make pursuant to the Terms and Conditions that may influence the amount receivable upon redemption of the Notes.

Inverse Floating Rate Notes

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate. The market values of such Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Fixed to Floating Rate Notes

Fixed to Floating Rate Notes may bear interest at a rate that will automatically, or that the Issuer may elect to, convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The conversion (whether automatic or optional) will affect the secondary market and the market value of such Notes since it may lead to a lower overall cost of borrowing. If a fixed rate is converted to a floating rate, the spread on the Fixed to 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 a floating rate is converted to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal 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.

Zero Coupon 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.

Extendible Notes may be redeemed after their initial maturity

The Maturity Date of Extendible Notes may be extended automatically until the Extended Maturity Date (as specified in the applicable Final Terms). The payment of the unpaid amount may be automatically deferred and shall become due and payable on the Extended Maturity Date if so specified in the relevant Final Terms, provided that the Final Redemption Amount unpaid on the Maturity Date may be paid by the Issuer on any Specified Interest Payment Date occurring thereafter up to and including the Extended Maturity Date.

In addition, the provisions relating to interest payable relating to Extendible Notes may differ from the initial Notes.

2.3 Risks related to Notes generally

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

Modification of the Conditions (waiver-substitution)

Except as otherwise provided by the relevant Final Terms, holders of Notes will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a *masse*, as defined in Condition 10, and a General Meeting can be held. The Terms and Conditions permit in certain cases defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant General Meeting and Noteholders who voted in a manner contrary to the majority. The General Meeting may deliberate on any proposal relating to the modification of the Conditions including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, as more fully described in Condition 10.

Change of law

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

Impact of regulatory changes

The Issuer is subject to financial services laws, regulations, administrative actions and policies in each jurisdiction in which it carries on business. Changes in supervision and regulation, in particular in France, could materially affect the Issuer's business, the products and services offered or the value of its assets. Although the Issuer works closely with its regulators and continually monitors its environment, future changes in regulation, fiscal or other policies can be unpredictable and are beyond the control of the Issuer.

French insolvency law

Except as otherwise provided by the relevant Final Terms, the Noteholders, in respect of all Tranches in any Series, will be grouped automatically for the defence of their common interests in a *Masse*, as defined in Condition 10.

However, under French insolvency law, holders of debt securities are automatically grouped into a single assembly of holders (the "**Assembly**") in case of the opening in France of a safeguard procedure (*procédure de sauvegarde*) or a judicial reorganisation procedure (*procédure de redressement judiciaire*) of the Issuer, in order to defend their common interests.

The Assembly comprises holders of all debt securities issued by the Issuer (including the Notes), whether or not under a debt issuance programme (such as the Programme) and regardless of their governing law.

The Assembly deliberates on the proposed safeguard plan (*projet de plan de sauvegarde*) or proposed judicial reorganisation plan (*projet de plan de redressement*) applicable to the Issuer and may further agree to:

- increase the liabilities (*charges*) of holders of debt securities (including the Noteholders) by rescheduling and/or writing-off debts;
- establish an unequal treatment between holders of debt securities (including the Noteholders) as appropriate under the circumstances; and/or
- decide to convert debt securities (including the Notes) into shares.

Decisions of the Assembly will be taken by a two-third majority (calculated as a proportion of the debt securities held by the holders attending such Assembly or represented thereat). No quorum is required on convocation of the Assembly.

For the avoidance of doubt, the provisions relating to the Representation of the Noteholders described in the Terms and Conditions of the Notes set out in this Base Prospectus and if applicable, the relevant Final Terms,

will not be applicable with respect to the Assembly to the extent they conflict with compulsory insolvency law provisions that apply in these circumstances.

Taxation

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for innovative financial notes such as the Notes. Potential investors are advised not to rely upon the tax summary contained in this Base Prospectus but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, sale and redemption of the Notes. Only these advisors are in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of this Base Prospectus.

Withholding Taxes - No gross-up obligation

If any law or any agreement entered into with the IRS (as defined below) pursuant to FATCA or an intergovernmental agreement implementing FATCA should require that any payments in respect of any Notes be subject to deduction or withholding in respect of any taxes or duties whatsoever, the Issuer will not pay any additional amounts in respect of any such deduction or withholding. Therefore, the corresponding risk shall be borne by the Noteholders or, if applicable, the Receiptholders and the Couponholders.

EU Savings Directive

The EC Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments (the "**Savings Directive**") requires each Member State as from 1 July 2005 to provide to the tax authorities of another Member State details of payments of interest and other similar income within the meaning of the Savings Directive made by a paying agent within its jurisdiction to (or under circumstances to the benefit of) a beneficial owner (within the meaning of the Savings Directive) resident in that other Member State, except that Luxembourg and Austria will instead impose a withholding system for a transitional period unless the beneficiary of interest payment elects for the exchange of information.

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 nor any 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. If a withholding tax is imposed on payment made by a Paying Agent, the Issuer will be required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Savings Directive.

The European Commission has proposed certain amendments to the Savings Directive which may, if implemented, amend or broaden the scope of the requirements described above.

2.4 Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

Market value of the Notes

The market value of the Notes will be affected by the creditworthiness of the Issuer and a number of additional factors, including the value of the reference assets or an index, including, but not limited to, the volatility of the reference assets or an index, or the dividend on the securities taken up in the index, market interest and yield rates and the time remaining to the Maturity Date.

The value of the Notes, the reference assets or the index depends on a number of interrelated factors, including economic, financial and political events in France or elsewhere, including factors affecting capital markets generally and the stock exchanges on which the Notes, the reference assets, the securities taken up in the index, or the index are traded. The price at which a Noteholder will be able to sell the Notes prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser. The historical market prices of the reference assets or an index should not be taken as an indication of the reference assets' or an index's future performance during the term of any Note.

No active secondary/trading market for the Notes

Notes issued under the Programme will be new securities which may not be widely distributed and for which there may be no active trading market. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although in relation to Notes to be admitted to trading on the Luxembourg Stock Exchange and/or any other regulated market in the European Economic Area, the Final Terms of the Notes will be filed with the *Commission de surveillance du secteur financier* in Luxembourg and/or with the competent authority of the regulated market of the European Economic Area where the Notes will be admitted to trading, there is no assurance that such filings will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes.

In addition, certain Notes may be designed for specific investment objectives or strategies and therefore may have a more limited secondary market and experience more price volatility than conventional debt securities. Investors may not be able to sell Notes readily or at prices that will enable investors to realise their anticipated yield. No investor should purchase Notes unless the investor understands and is able to bear the risk that certain Notes may not be readily sellable, that the value of Notes may fluctuate over time and that such fluctuations may be significant.

Furthermore, the secondary market for securities is currently experiencing significantly reduced liquidity, which could limit investors' ability to resell Notes and adversely affect the price of Notes.

Exchange rate risks and exchange controls

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

Appreciation in the value of the investor's currency relative to the value of the applicable specified currency would result in a decrease in the investor's currency-equivalent yield on a Note denominated, or the principal of or return on which is payable, in such specified currency, in the investor's currency-equivalent value of the principal of such Note payable at maturity (if any) and generally in the investor's currency-equivalent market value of such Note. In addition, depending on the specific terms of a Note denominated in, or the payment of which is determined by reference to the value of, one or more specified currencies (other than solely the investor's currency), indices (including exchange rates and swap indices between currencies or currency units) or formulas, fluctuations in exchange rates relating to any of the currencies or currency units involved could result in a decrease in the effective yield on such Note and, in certain circumstances, could result in a loss of all or a substantial portion of the principal of such Note to the investor.

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.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the 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 Regulation (EC) No. 1060/2009 as amended (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).

There is no assurance that any such ratings will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by the relevant rating agencies as a result of changes in or unavailability of information or if, in the rating agencies' judgement, circumstances so warrant. Any rating agency other than Moody's Investors Service Ltd. and Fitch Ratings Limited could seek to rate the Notes and if such unsolicited ratings are lower than the comparable ratings assigned to the Notes by Moody's Investors Service Ltd. and Fitch Ratings Limited, such unsolicited ratings could have an adverse effect on the value of the Notes.

Payments on the Notes may be subject to U.S. withholding tax under FATCA

FATCA generally imposes a 30 per cent. withholding tax on certain payments to certain non-US financial institutions that do not enter into and comply with an agreement with the U.S. Internal Revenue Service (the "IRS") to provide certain information on their U.S. accountholders (including the holders of their debt or equity).

The IRS is still in the process of developing and issuing guidance on the implementation of FATCA and the full extent and implications of the legislation are presently unclear in the market. Therefore, it is not certain whether FATCA will ultimately impose obligations on certain Noteholders or the Issuer (see "Taxation – Foreign Account Tax Compliance Act" for more details).

FATCA IS PARTICULARLY COMPLEX AND ITS APPLICATION TO THE ISSUER IS UNCERTAIN AT THIS TIME. EACH NOTEHOLDER SHOULD CONSULT ITS OWN TAX ADVISER TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND TO DETERMINE HOW THIS LEGISLATION MIGHT AFFECT EACH HOLDER IN ITS PARTICULAR CIRCUMSTANCES.

Implementation of Basel II and Basel III Risk-Weighted Asset Framework

In June 1999, the Basel Committee on Banking Supervision (the "**Basel Committee**") issued proposals for the reform of the 1988 Basel Capital Accord and proposed a new capital adequacy framework which would place enhanced emphasis on risk sensitivity and market discipline. On 26 June 2004, the Basel Committee published a new Capital Accord under the title "Basel II International Convergence of Capital Measurement and Capital Standards: a Revised Framework" ("**Basel II**"), an updated version of which was published in November 2005. Basel II was implemented under EU legislation by virtue of the directives no. 2006/48 of the European Parliament and of the Council relating to the taking up and pursuit of the business of credit institutions and no. 2006/49 on the capital adequacy of investment firms and credit institutions both dated 14 June 2006 as recently amended by the Directives 2009/27/EC, 2009/83/EC and 2009/111/EC (the "**Capital Requirements Directives**", as amended from time to time). In France, the provisions of the Capital Requirements Directives providing for a new solvency ratio were implemented in particular under an *arrêté* dated 20 February 2007 relating to the capital requirements applicable to the credit institutions and the investment firms (as amended) and *ordonnance* no. 2007-571 dated 19 April 2007 relating to the credit institutions, the investment firms and *sociétés de crédit foncier*. Please also note that the *arrêté* dated 25 August 2010 transposing the Capital Requirements Directives, which entered into effect on 31 December 2010, has amended the French prudential control requirements applicable to credit institutions and investment firms.

This implementation has brought about many substantial changes to the current system of capital requirements, prudential oversight and risk-management systems. The implementation of Basel II could affect the risk weighting of the Notes in respect of certain investors if those investors are subject to the new guidelines resulting from the implementation of the Capital Requirements Directives. Accordingly, recipients of this Base Prospectus should consult their own advisers as to the consequences and effects the implementation of the Capital Requirements Directives could have on them.

On 17 December 2009, the Basel Committee published for consultation a package of proposals for new capital and liquidity requirements intended to reinforce capital standards and to establish minimum liquidity standards for credit institutions. On 16 December 2010 and 13 January 2011, the Basel Committee has approved significant changes to Basel II ("**Basel III**"), including new capital and liquidity standards for credit institutions. Those measures are expected to be implemented by relevant authorities starting from 1 January 2013 with full implementation on 1 January 2019, although certain supervisory authorities have already announced their intention to require an earlier application.

In particular, the changes introduced by Basel III refer to, amongst other things:

- a complete review of the capital standards;
- the introduction of a leverage ratio; and
- the introduction of short-term and longer-term standards for funding liquidity (referred to as the "Liquidity Coverage Ratio" and the "Net Stable Funding Ratio").

The European authorities have indicated that they support the work of the Basel Committee on the approved changes in general. Those changes were implemented at a European level through the adoption on 16 April 2013 by the European Parliament of the new Capital Requirements Directive (the "**Directive CRD IV**") and the related regulation (the "**Capital Requirement Regulation**"). These new rules will apply and are expected to be implemented by the relevant authorities as from 1 January 2014, if published in the Official Journal by 30 June 2013, otherwise from 1 July 2014 and with full implementation by 1 January 2019. Once published, the Directive CRD IV and the Capital Requirement Regulation will be implemented under French law.

The implementation of Basel II and Basel III has and will continue to bring about a number of substantial changes to the current capital requirements, prudential oversight and risk-management systems, including those of the Issuer. The direction and the magnitude of the impact of Basel II and Basel III will depend on the particular asset structure of each bank and its precise impact on the Issuer cannot be quantified with certainty at this time. The Issuer may operate its business in ways that are less profitable than its present operation in complying with the new guidelines resulting from the Capital Requirements Directives (including CRD IV and the Capital Requirement Regulation).

Moreover, the implementation of Basel II and Basel III could affect the risk weighting of the Notes in respect of certain investors to the extent that those investors are subject to the new guidelines resulting from the implementation of the Directive CRD IV. In general, investors should consult their own advisers as to the regulatory capital requirements in respect of the Notes and as to the consequences to and effect on them of any changes to the Basel II Framework, the Basel III changes described above and the relevant implementing measures. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal 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 (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules. Neither the Issuer, the Dealer(s) nor any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective investor of the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

GENERAL DESCRIPTION OF THE PROGRAMME

Words and expressions defined in "Terms and Conditions of the Notes" below shall have the same meanings in this general description.

KEY INFORMATION ABOUT THE NOTES AND THE PROGRAMME

Issuer: AXA Bank Europe SCF

Arranger: BNP Paribas

Permanent Dealers: BNP Paribas
Crédit Agricole Corporate and Investment Bank
HSBC France
Merrill Lynch International
Natixis
Société Générale

The Issuer may from time to time terminate the appointment of any Dealer under the Programme or appoint additional dealers either in respect of one (1) or more Tranches or in respect of the whole Programme. References in this Base Prospectus to "**Permanent Dealers**" are to the person referred to above as Dealer and to such additional persons that may be appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to "**Dealers**" are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.

Description: Euro Medium Term Note Programme for the continuous offer of *obligations foncières* (the "**Notes**") (as described herein).

Programme Limit: Up to € 5,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one (1) time.

**Fiscal Agent and
Principal Paying Agent:** BNP Paribas Securities Services.

Paying Agent: BNP Paribas Securities Services (Euroclear France number 29106).

**Luxembourg Listing
Agent:** BNP Paribas Securities Services, Luxembourg Branch.

Calculation Agent: BNP Paribas Securities Services, unless the Final Terms provide otherwise.

Method of Issue: The Notes may be issued on a syndicated or non-syndicated basis.

The Notes will be issued in series (each a "**Series**") having one or more issue dates and on terms otherwise identical (or identical save as to the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a "**Tranche**") on the same or different issue dates.

The specific terms of each Tranche (including, without limitation, the aggregate nominal amount, issue price, redemption price thereof, and interest, if any, payable thereunder) will be determined by the Issuer and the relevant Dealer(s) at the time of the issue and will be set out in the relevant final terms (the "**Final Terms**").

Maturities: Subject to compliance with all relevant laws, regulations and directives, the

Notes may have any maturity from one month from the date of original issue as specified in the relevant Final Terms (the "**Maturity Date**"), subject to such minimum maturity as may be required by the applicable legal and/or regulatory requirements.

An extended final maturity date (the "**Extended Maturity Date**") may be specified in the Final Terms of a Tranche of Notes (the "**Extendible Notes**"). In such case, if the Final Redemption Amount specified in the relevant Final Terms is not paid by the Issuer on the Maturity Date, such payment of unpaid amount will be automatically deferred and shall be due and payable on the Extended Maturity Date, provided that the Final Redemption Amount unpaid on the Maturity Date may be paid by the Issuer on any Specified Interest Payment Date occurring thereafter up to and including the Extended Maturity Date. Interest from the Maturity Date and up to the Extended Maturity Date will be specified in the applicable Final Terms, will accrue on any unpaid amount during such extended period and will be payable on each Specified Interest Payment Date and on the Extended Maturity Date in accordance with the applicable Conditions and the Final Terms of such Tranche of Extendible Notes.

Currencies: Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in Euro, U.S. dollars, Japanese yen, Sterling, Swiss francs and in any other currency specified in the relevant Final Terms.

Denomination(s): Notes shall be issued in the Specified Denomination(s) set out in the relevant Final Terms, save that the minimum denomination of each Note admitted to trading on a Regulated Market in circumstances which require the publication of a prospectus under the Prospectus Directive will be € 100,000 (or its equivalent in any other currency) or such higher amount as may be allowed or required from time to time in relation to the relevant Specified Currency.

Notes having a maturity of less than one year in respect of which the issue proceeds are to be accepted in the United Kingdom will constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and they have a denomination of at least £100,000 or its equivalent.

Dematerialised Notes shall be issued in one denomination only.

Status of Notes and Privilege: The principal and interest of the Notes (and where applicable any Receipts and Coupons) will constitute direct, unconditional, unsubordinated and privileged obligations of the Issuer, all as described in "Terms and Conditions of the Notes - Status".

The Notes will be issued under Articles L. 515-13 to L. 515-33 of the French Monetary and Financial Code (*Code monétaire et financier*). Noteholders benefit from the *Privilège* (priority right of payment) over all the assets and revenues of the Issuer. See "Terms and Conditions of the Notes - *Privilège*" and "Overview of the legislation and regulations relating to *sociétés de crédit foncier*".

Negative Pledge: None.

Events of Default: None.

Redemption Amount: Subject to any laws and regulations applicable from time to time, the relevant Final Terms will specify the basis for calculating the redemption amounts payable (subject to the "Terms and Conditions of the Notes" of this Base Prospectus).

Optional Redemption: The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer

or the Noteholders (either in whole or in part) and, if so, the terms applicable to such redemption.

Redemption by Instalments:

The Final Terms issued in respect of each issue of Notes that are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed.

Interest Periods and Interest Rates:

The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms.

Taxation:

All payments of principal and interest by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

If any law or any agreement entered into with the IRS pursuant to FATCA or an intergovernmental agreement implementing FATCA should require that such payments be subject to deduction or withholding, the Issuer will not be required to pay any additional amounts in respect of any such deduction or withholding.

A more detailed description of the tax regime applicable to the Notes is contained in the section "Taxation".

Fixed Rate Notes:

Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms.

Floating Rate Notes:

Floating Rate Notes will bear interest determined separately for each Series as follows:

- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by the 2007 FBF Master Agreement, as published by the *Fédération Bancaire Française*, or
- (ii) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., or
- (iii) on the basis of a reference rate appearing on an agreed screen page of a commercial quotation service (including, without limitation, EURIBOR, EONIA or LIBOR),

in each case plus or minus any applicable margin, if any, and calculated and payable as indicated in the applicable Final Terms. Floating Rate Notes may also have a maximum rate of interest, a minimum rate of interest or both.

Interest periods will be specified in the Final Terms.

Zero Coupon Notes:

Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest.

Redenomination:

Notes issued in the currency of any Member State of the EU which participates in the third stage (or any further stage) of European Monetary Union may be redenominated into Euro, all as more fully provided in Condition 1(d) - see "Terms and Conditions of the Notes – Redenomination".

Consolidation:	Notes of one Series may be consolidated with Notes of another Series as more fully provided in Condition 13 - see "Terms and Conditions of the Notes – Further Issues and Consolidation".
Form of Notes:	<p>Notes may be issued in either dematerialised form ("Dematerialised Notes") or in materialised form ("Materialised Notes").</p> <p>Dematerialised Notes may, at the option of the Issuer, be issued in bearer form (<i>au porteur</i>) or in registered form (<i>au nominatif</i>) and, in such latter case, at the option of the relevant holder, in either fully registered form (<i>au nominatif pur</i>) or administered registered form (<i>au nominatif administré</i>). No physical documents of title will be issued in respect of Dematerialised Notes. See Condition 1 - see "Terms and Conditions of the Notes – Form, Denomination, Title and Redenomination".</p> <p>Materialised Notes will be in bearer form only. A Temporary Global Certificate will initially be issued in respect of each Tranche of Materialised Notes. Materialised Notes may only be issued outside France.</p>
Governing Law:	French law.
Clearing Systems:	Euroclear France as central depository in relation to Dematerialised Notes and, in relation to Materialised Notes, Clearstream, Luxembourg and Euroclear or, in any case, any other clearing system that may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer.
Initial Delivery of Dematerialised Notes:	One (1) Paris business day before the issue date of each Tranche of Dematerialised Notes, the <i>Lettre comptable</i> relating to such Tranche shall be deposited with Euroclear France as central depository.
Initial Delivery of Materialised Notes:	On or before the issue date for each Tranche of Materialised Notes, the Temporary Global Certificate issued in respect of such Tranche shall be deposited with a common depository for Euroclear and Clearstream, Luxembourg or with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Fiscal Agent and the relevant Dealer(s).
Issue Price:	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount.
Listing and 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 and/or any other Regulated Market in accordance with the Prospectus Directive or on an alternative stock exchange or market, as specified in the relevant Final Terms. As specified in the relevant Final Terms, a Series of Notes may be unlisted.
Rating:	<p>Notes issued under the Programme are expected to be rated Aaa by Moody's Investors Service Ltd and AAA by Fitch Ratings Limited (together, the "Rating Agencies"). The rating of Notes will be specified in the relevant Final Terms.</p> <p>As of the date of this Base Prospectus, each of the Rating Agencies is established in the European Union and is registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council dated 16 September 2009, as amended by Regulation (EU) No 513/2011 of the European Parliament and of the Council dated 11 May 2011 and is included in the list of registered credit rating agencies published at the website of the European Securities and Markets Authority (www.esma.europa.eu/page/List-registered-and-certified-CRAs).</p> <p>A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the</p>

assigning rating agency without notice. The ratings address the likelihood of full and timely receipt by any of the relevant Noteholders of interest on the Notes and the likelihood of receipt by any relevant Noteholder of principal of the Notes by the relevant Maturity Date specified in the relevant Final Terms. The ratings assigned by Fitch Ratings Limited incorporate both an indication of the probability of default and of recovery in the case of a default of the Notes.

Risk factors:

There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. These are set out under "Risk Factors" below and include: credit risk on assets held by the Issuer and on bank counterparties of the Issuer, market risks on replacement assets, interest and currency risks, liquidity risk and operating risks linked to information systems.

In addition, there are certain factors which are material for the purpose of assessing the markets risks associated with Notes issued under the Programme. These are set out under "Risk Factors" and include the fact that the Notes may not be a suitable investment for all investors, certain risks relating to the structure of particular Series of Notes, risks relating to Notes generally, risks related to market generally and legal investment consideration.

Selling Restrictions:

There are restrictions on the offer and sale of Notes and the distribution of offering material in various jurisdictions (See "Subscription and Sale"). In connection with the offering and sale of a particular Tranche, additional selling restrictions may be imposed in the relevant Final Terms.

The Issuer is Category 1 for the purposes of Regulation S under the United States Securities Act of 1933, as amended.

The Notes have not been and will not be registered under the Securities Act or the securities laws of any State or jurisdiction of the United States and may not be offered or sold, directly or indirectly or within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to the registration requirements of the Securities Act. The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S. Terms used in this paragraph have the meanings given to them by Regulation S.

Materialised Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (or any successor regulation issued under the U.S. internal revenue code of 1986, as amended (the "**Code**") section 4701(b) containing rules identical to those applying under Code section 163(f)(2)(B)) (the "**D Rules**") unless (i) the relevant Final Terms states that such Materialised Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (or any successor regulation issued under Code section 4701(b) containing rules identical to those applying under Code section 163(f)(2)(B)) (the "**C Rules**") or (ii) such Materialised Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute "registration required obligations" under the United States Tax Equity and Fiscal Responsibility Act of 1982 ("**TEFRA**"), which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.

Dematerialised Notes do not require compliance with the TEFRA Rules.

The Dealers have represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer(s) or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within

the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this section have the meanings given to them by Regulation S under the Securities Act.

In addition, until forty (40) days after the commencement of the offering of any identifiable Tranche, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

KEY INFORMATION ABOUT THE ISSUER

Description:

AXA Bank Europe SCF is a *société anonyme à conseil d'administration* incorporated under French law and registered with the Trade and Companies Register (*Registre du Commerce et des Sociétés*) of Paris under number 525 010 880, duly licensed as a credit institution (*société financière - société de crédit foncier*) by the French *Autorité de contrôle prudentiel* on 24 September 2010.

The Issuer is governed, *inter alia*, by the French Commercial Code (*Code de Commerce*) and by the French Monetary and Financial Code (*Code monétaire et financier*). In relation to its capacity as a *société de crédit foncier*, the Issuer is governed by the provisions of Livre V Title 1 Chapter V Section 4 of the French Monetary and Financial Code (*Code monétaire et financier*).

Its registered office is located at 203/205, rue Carnot, 94138 Fontenay Sous Bois, France (telephone number: +33(0)1 55 12 75 15).

Business Overview:

The corporate purpose of the Issuer is to grant or acquire secured loans and securities and instruments as defined in Articles L. 515-14 to L. 515-17 of the French Monetary and Financial Code (*Code monétaire et financier*) and in order to finance such categories of loans, securities and instruments, to issue *obligations foncières* which benefit from the *Privilège* defined in Article L. 515-19 of the French Monetary and Financial Code (*Code monétaire et financier*), and to raise other resources, the issuance or subscription agreement of which mentions this *Privilège*.

The Issuer is primarily dedicated to 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)). In this respect, the Issuer has subscribed certain senior notes benefiting from the highest level of credit assessment (*meilleur échelon de qualité de crédit*) issued by Royal Street NV/SA ("**Royal Street**"), a Belgian securitisation vehicle (*société d'investissement en créances institutionnelle de droit belge*) ("**SIC**"), acting through its compartments Compartment RS-2 and Compartment RS-3, namely the Class A RS-2 Notes and the Class A RS-3 Notes.

The purpose of Royal Street, acting through Compartment RS-2, Compartment RS-3 or any subsequent newly compartment, as the case may be, is the purchase of portfolios of Belgian residential mortgage loans from AXA Bank Europe and finance such purchase through the issuance of different classes of notes.

The Issuer may also 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 intends to subscribe mortgage promissory notes (*billets à ordre hypothécaires*) 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.

Since the Issuer has no human resources, its technical administration has been subcontracted to its parent company, AXA Bank Europe and to an other credit institution belonging to the AXA group, AXA Banque, which act in accordance with the instructions of the board of directors of the Issuer.

Furthermore AXA Bank Europe acts as cash advance provider, as lender under certain term senior loan or subordinated loan agreements, and, in relation to certain issues of Notes under the Programme, as hedging provider under the relevant hedging agreements and related hedging transactions entered into with the Issuer.

SUPPLEMENT TO THE BASE PROSPECTUS

In connection with Notes traded on a Regulated Market, if at any time during the duration of the Programme, there is any significant new factor, material mistake or inaccuracy relating to the information included in this Base Prospectus which is capable of affecting the assessment of any Notes, the Issuer shall prepare a supplement to the Base Prospectus in accordance with Article 16 of the Prospectus Directive and article 13 of the *loi relative aux prospectus pour valeurs mobilières* dated 10 July 2005 as amended (implementing the Prospectus Directive in Luxembourg) or publish a replacement Base Prospectus for use in connection with any subsequent offering of the Notes, submit such supplement to the Base Prospectus to the *Commission de Surveillance du Secteur Financier* in Luxembourg for approval and supply each Dealer, the Luxembourg Stock Exchange and the *Commission de Surveillance du Secteur Financier* in Luxembourg with such number of copies of such supplement to the Base Prospectus as may reasonably be requested.

DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus shall be read and construed in conjunction with the following documents which have been previously or simultaneously published with the CSSF and which are incorporated by reference in, and shall be deemed to form part of, this Base Prospectus:

- the amended and restated prospectus of Royal Street NV/SA (acting through its Compartment RS-2) dated 12 October 2010 relating the issue of Floating Rate Mortgage Backed Notes approved by the Financial Services and Markets Authority ("**FSMA**", previously the CBFA) on 12 October 2010 (the "**RS2 Prospectus**");
- the prospectus of Royal Street NV/SA (acting through its Compartment RS-3) dated 29 November 2011 relating the issue of Floating Rate Mortgage Backed Notes approved by the FSMA on 29 November 2011 (the "**RS3 2011 Prospectus**");
- the prospectus of Royal Street NV/SA (acting through its Compartment RS-3) dated 30 May 2013 relating the issue of Floating Rate Mortgage Backed Notes approved by the FSMA on 4 June 2013 (the "**RS3 2013 Prospectus**");
- the *Rapport Annuel* of the Issuer (in the French language) which contains the audited financial statements of the Issuer for the period from 1 January 2011 to 31 December 2011 and the auditors' report thereon (the "**2011 Annual Report**");
- the *Rapport Annuel* of the Issuer (in the French language) which contains the audited financial statements of the Issuer for the period from 1 January 2012 to 31 December 2012 and the auditors' report thereon (the "**2012 Annual Report**");
- the section "Terms and Conditions" of the Base Prospectus dated 5 December 2011 (pages 29 to 51),

save that any statement contained in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

Any information contained in the documents listed above which is not incorporated by reference in this Base Prospectus is either not relevant to investors or is covered elsewhere in this Base Prospectus.

Any document incorporated by reference in this Base Prospectus may be obtained, without charge upon request, at the principal office of the Issuer and the Paying Agents set out at the end of this 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) and (ii) the Issuer (<http://www.axabank.eu/eng/financialinformation-overview/coveredbonds>).

The information incorporated by reference in this Base Prospectus shall be read in connection with the cross reference list below. The information incorporated by reference that is not included in the cross-reference list, is considered as additional information and is not required by the relevant schedules of the Commission Regulation (EC) 809/2004 (as amended).

CROSS REFERENCE LIST

INFORMATION INCORPORATED BY REFERENCE	REFERENCE
BUSINESS OVERVIEW	
Principal activities:	<p>Pages 104 (section 6) to 119 (section 7) of the RS2 Prospectus</p> <p>Pages 114 (section 6) to 130 (section 7) of the RS3 2011 Prospectus</p>

	Pages 113 (section 6) to 129 (section 7) of the RS3 2013 Prospectus
ORGANISATIONAL STRUCTURE	
	Pages 172 (section 14.1) to 175 (section 14.1.2.5) of the RS3 2013 Prospectus.
FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES	
Financial Statements for the period from 1 January 2011 to 31 December 2011	pages 15 to 32 of the 2011 Annual Report
- Balance Sheet (<i>Bilan</i>) relating to the above	page 16 of the 2011 Annual Report
- Income Statement (<i>Compte de résultat</i>) relating to the above	page 18 of the 2011 Annual Report
- Off-Balance Sheet (<i>Hors bilan</i>) relating to the above	page 17 of the 2011 Annual Report
- Notes relating to the above	pages from 19 to 32 of the 2011 Annual Report
- Auditor's report (<i>Rapport des commissaires aux comptes sur les comptes annuels</i>) relating to the above	pages 43 and 45 of the 2011 Annual Report*
Financial Statements for the period from 1 January 2012 to 31 December 2012	pages 14 to 31 of the 2012 Annual Report
- Balance Sheet (<i>Bilan</i>) relating to the above	page 15 of the 2012 Annual Report
- Income Statement (<i>Compte de résultat</i>) relating to the above	page 17 of the 2012 Annual Report
- Off-Balance Sheet (<i>Hors bilan</i>) relating to the above	page 16 of the 2012 Annual Report
- Notes relating to the above	pages from 18 to 31 of the 2012 Annual Report
- Auditor's report (<i>Rapport des commissaires aux comptes sur les comptes annuels</i>) relating to the above	pages 44 and 46 of the 2012 Annual Report*

*Page references are to the PDF document number.

TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions that, as completed in accordance with the provisions of the relevant Final Terms, shall be applicable to the Notes. In the case of Dematerialised Notes, the text of the terms and conditions will not be endorsed on physical documents of title but will be constituted by the following text as completed by the relevant Final Terms. In the case of Materialised Notes, either (i) the full text of these terms and conditions together with the relevant provisions of the Final Terms or (ii) these terms and conditions as so completed (in each case subject to simplification by the deletion of non-applicable provisions) shall be endorsed on Definitive Materialised Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Final Terms. References below to "**Conditions**" are, unless the context requires otherwise, to the numbered paragraphs below. References in the Conditions to "**Notes**" are to the Notes of one Series only, not to all Notes that may be issued under the Programme.*

The Notes are issued by AXA Bank Europe SCF (the "**Issuer**") in series (each a "**Series**") having one or more issue dates and on terms otherwise identical (or identical save as to the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a "**Tranche**") on the same or different issue dates. The specific terms of each Tranche (including, without limitation, the aggregate nominal amount, issue price, redemption price thereof, and interest, if any, payable thereunder) will be determined by the Issuer and the relevant Dealer(s) at the time of the issue and will be set out in the final terms of such Tranche (the "**Final Terms**").

The Notes are issued with the benefit of an amended and restated agency agreement dated 27 June 2013 (the "**Agency Agreement**") between the Issuer, BNP Paribas Securities Services, as fiscal agent and principal paying agent and the other agents named therein. The fiscal agent, the paying agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the "**Fiscal Agent**", the "**Paying Agents**" (which expression shall include the Fiscal Agent) and the "**Calculation Agent(s)**". The holders of the interest coupons (the "**Coupons**") relating to interest bearing Materialised Notes and, where applicable in the case of such Notes, talons (the "**Talons**") for further Coupons and the holders of the receipts for the payment of instalments of principal (the "**Receipts**") relating to Materialised Notes of which the principal is redeemable in instalments are respectively referred to below as the "**Couponholders**" and the "**Receiptholders**".

For the purpose of these Terms and Conditions, "**Regulated Market**" means any regulated market situated in a Member State of the European Economic Area ("**EEA**") as defined in the Directive 2004/39/EC on Markets in Financial Instruments dated 21 April 2004 as amended from time to time.

1. Form, Denomination, Title and Redenomination

(a) Form

Notes may be issued either in dematerialised form ("**Dematerialised Notes**") or in materialised form ("**Materialised Notes**"), as specified in the relevant Final Terms.

- (i) Title to Dematerialised Notes will be evidenced in accordance with Articles L.211-3 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*) by book entries (*inscriptions en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French Monetary and Financial Code (*Code monétaire et financier*)) will be issued in respect of the Dematerialised Notes.

Dematerialised Notes are issued, at the option of the Issuer, in either bearer form (*au porteur*), which will be inscribed in the books of Euroclear France (acting as central depository) which shall credit the accounts of the Account Holders, or in registered form (*au nominatif*) and, in such latter case, at the option of the relevant holder in either administered registered form (*nominatif administré*) inscribed in the books of an Account Holder designated by the relevant holder of Notes or in fully registered form (*au nominatif pur*) inscribed in an account maintained by the Issuer or a registration agent (designated in the relevant Final Terms) acting on behalf of the Issuer (the "**Registration Agent**").

For the purpose of these Conditions, "**Account Holder**" means any intermediary institution entitled to hold accounts, directly or indirectly, with Euroclear France, and includes Euroclear Bank

S.A./N.V. ("**Euroclear**") and the depositary bank for Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**").

- (ii) Materialised Notes are issued in bearer form only. Materialised Notes in definitive form ("**Definitive Materialised Notes**") are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date or the Extended Maturity Date, if any), Coupons and Talons in these Conditions are not applicable. "**Instalment Notes**" are issued with one or more Receipts attached.

In accordance with Articles L.211-3 et seq. of the French Monetary and Financial Code (Code monétaire et financier), securities (such as Notes constituting obligations under French law) in materialised form and governed by French law must be issued outside the French territory.

Materialised Notes and Dematerialised Notes may also be cleared through one or more clearing system(s) other than or in addition to Euroclear France, Euroclear and/or Clearstream Luxembourg, as may be specified in the relevant Final Terms.

The Notes may be "**Fixed Rate Notes**", "**Floating Rate Notes**", "**Zero Coupon Notes**", or a combination of any of the foregoing, depending on the Interest Basis and the redemption method specified in the relevant Final Terms.

(b) Denomination

Notes shall be issued in the specified denomination(s) as set out in the relevant Final Terms (the "**Specified Denomination(s)**"), save that the minimum denomination of each Note admitted to trading on a Regulated Market in circumstances which require the publication of a prospectus under the Directive 2003/71/EC of the European Parliament and of the Council as amended by Directive 2010/73/EU to the extent that such amendments have been implemented in a Member State of the EEA will be €100,000 (or its equivalent in any other currency) or such higher amount as may be allowed or required from time to time by the relevant monetary authority or any laws or regulations applicable to the relevant Specified Currency.

Notes having a maturity of less than one year in respect of which the issue proceeds are to be accepted in the United Kingdom will constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent.

Dematerialised Notes shall be issued in one Specified Denomination only.

(c) Title

- (i) Title to Dematerialised Notes in bearer form (*au porteur*) and in administered registered form (*au nominatif administré*) shall pass upon, and transfer of such Notes may only be effected through, registration of the transfer in the accounts of the Account Holders. Title to Dematerialised Notes in fully registered form (*au nominatif pur*) shall pass upon, and transfer of such Notes may only be effected through, registration of the transfer in the accounts maintained by the Issuer or by the Registration Agent.
- (ii) Title to Definitive Materialised Notes, including, where appropriate, Receipt(s), Coupons and/or a Talon attached, shall pass by delivery.
- (iii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note (as defined below), Coupon, Receipt or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the holder.
- (iv) In these Conditions,

"**Noteholder**" or, as the case may be, "**holder of any Note**" means (a) in the case of Dematerialised Notes, the individual or entity whose name appears in the account of the relevant Account Holder,

the Issuer or the Registration Agent (as the case may be) as being entitled to such Notes and (b) in the case of Definitive Materialised Notes, the bearer of any Definitive Materialised Note and the Coupons, Receipts or Talons relating to it.

(d) Redenomination

- (i) The Issuer may (if so specified in the relevant Final Terms), on any date, without the consent of the holder of any Note, Coupon, Receipt or Talon, by giving at least thirty (30) days' notice in accordance with Condition 14 and on or after the date on which the European Member State in whose national currency the Notes are denominated has become a participating Member State in the single currency of the European Economic and Monetary Union (as provided in the Treaty establishing the European Community (the "EC", as amended from time to time (the "**Treaty**")) or events have occurred which have substantially the same effects (in either case, "**EMU**"), redenominate all, but not some only, of the Notes of any Series into Euro and adjust the aggregate principal amount and the Specified Denomination(s) set out in the relevant Final Terms accordingly, as described below. The date on which such redenomination becomes effective shall be referred to in these Conditions as the "**Redenomination Date**".
- (ii) The redenomination of the Notes pursuant to Condition 1(d)(i) shall be made by converting the principal amount of each Note from the relevant national currency into Euro using the fixed relevant national currency Euro conversion rate established by the Council of the European Union pursuant to Article 123(4) of the Treaty and rounding the resulting figure to the nearest Euro 0.01 (with Euro 0.005 being rounded upwards). If the Issuer so elects, the figure resulting from conversion of the principal amount of each Note using the fixed relevant national currency Euro conversion rate shall be rounded down to the nearest Euro. The Euro denominations of the Notes so determined shall be notified to holders of Notes in accordance with Condition 14. Any balance remaining from the redenomination with a denomination higher than Euro 0.01 shall be paid by way of cash adjustment rounded to the nearest Euro 0.01 (with Euro 0.005 being rounded upwards). Such cash adjustment will be payable in Euro on the Redenomination Date in the manner notified to holders of Notes by the Issuer.
- (iii) Upon redenomination of the Notes, any reference hereon to the relevant national currency shall be construed as a reference to Euro.
- (iv) The Issuer may, with the prior approval of the Fiscal Agent, in connection with any redenomination pursuant to this Condition or any consolidation pursuant to Condition 13, without the consent of the holder of any Note, Receipt, Coupon or Talon, make any changes or additions to these Conditions or Condition 13 (including, without limitation, any change to any applicable business day definition, business day convention, principal financial centre of the country of the Specified Currency, interest accrual basis or benchmark), taking into account market practice in respect of redenominated Euromarket debt obligations and which it believes are not prejudicial to the interests of such holders. Any such changes or additions shall, in the absence of manifest error, be binding on the holders of Notes, Receipts, Coupons and Talons and shall be notified to holders of Notes in accordance with Condition 14 as soon as practicable thereafter.
- (v) Neither the Issuer nor any Paying Agent shall be liable to the holder of any Note, Receipt, Coupon or Talon or other person for any commissions, costs, losses or expenses in relation to or resulting from the credit or transfer of Euro or any currency conversion or rounding effected in connection therewith.

2. Conversions and Exchanges of Notes

(a) Dematerialised Notes

- (i) Dematerialised Notes issued in bearer form (*au porteur*) may not be converted for Dematerialised Notes in registered form, whether in fully registered form (*au nominatif pur*) or in administered registered form (*au nominatif administré*).
- (ii) Dematerialised Notes issued in registered form (*au nominatif*) may not be converted for Dematerialised Notes in bearer form (*au porteur*).

- (iii) Dematerialised Notes issued in fully registered form (*au nominatif pur*) may, at the option of the holder of such Notes, be converted into Notes in administered registered form (*au nominatif administré*), and *vice versa*. The exercise of any such option by such holder shall be made in accordance with Article R.211-4 of the French Monetary and Financial Code (*Code monétaire et financier*). Any such conversion shall be effected at the cost of such holder.

(b) Materialised Notes

Materialised Notes of one Specified Denomination may not be exchanged for Materialised Notes of another Specified Denomination.

In accordance with Articles L.211-3 et seq. of the French Monetary and Financial Code (*Code monétaire et financier*), securities (such as Notes constituting *obligations* under French law) in materialised form and governed by French law must be issued outside the French territory.

3. Status

The principal and interest of the Notes and, where applicable, any Receipts and Coupons relating to them constitute direct, unconditional, unsubordinated and, pursuant to the provisions of Condition 4, privileged obligations of the Issuer and rank and will rank *pari passu* and without any preference among themselves and equally and rateably with all other present or future notes (including the Notes of all other Series) and other resources raised by the Issuer benefiting from the *privilège* (the "**Privilège**") created by Article L.515-19 of the French Monetary and Financial Code (*Code monétaire et financier*) as described in Condition 4.

4. Privilège

- (a) The principal and interest of the Notes benefit from the *Privilège* (priority right of payment) created by Article L.515-19 of the French Monetary and Financial Code (*Code monétaire et financier*).
- (b) Accordingly, notwithstanding any legal provisions to the contrary (including *Livre VI* of the French Commercial Code (*Code de Commerce*), pursuant to Article L.515-19 of the French Monetary and Financial Code (*Code monétaire et financier*):
 - (i) all amounts payable to the Issuer in respect of loans or assimilated receivables, exposures and securities referred to in Articles L.515-14 to L.515-17 of the French Monetary and Financial Code (*Code monétaire et financier*) and forward financial instruments referred to in Article L.515-18 of the French Monetary and Financial Code (*Code monétaire et financier*) (in each case after any applicable set-off), together with the claims in respect of deposits made by the Issuer with credit institutions, are allocated in priority to the payment of any sums due in respect of *obligations foncières* such as the Notes, and any other resources raised by the Issuer and benefiting from the *Privilège*; it should be noted that not only Notes benefit from the *Privilège*; other resources (such as loans) and forward financial instruments (i.e. derivative transactions) for hedging Notes and such other resources as well as some ancillary expenses and as the sums, if any, due under the contract provided for in Article L.515-22 of the French Monetary and Financial Code (*Code monétaire et financier*) may also benefit from the *Privilège*; and
 - (ii) in the event of conciliation (*conciliation*), safeguard (*sauvegarde*), judicial reorganisation (*redressement judiciaire*) or judicial liquidation (*liquidation judiciaire*) of the Issuer, all amounts due regularly under *obligations foncières* such as the Notes, and any other resources benefiting from the *Privilège*, are paid on their contractual due date, and in priority to all other debts, whether or not preferred, including interest resulting from agreements whatever their duration. Accordingly, until all creditors (including the Noteholders) benefiting from the *Privilège* have been fully paid, no other creditor of the Issuer may exercise any right over the assets and rights of the Issuer.
- (c) The judicial liquidation of the Issuer will not result in the acceleration of payment of *obligations foncières* such as the Notes.

5. Interest and other Calculations

(a) Definitions

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"Business Day" means:

- (i) in the case of Euro, a day on which the Trans European Automated Real Time Gross Settlement Express Transfer or any successor thereto (the **"TARGET 2 System"**) is operating (a **"TARGET 2 Business Day"**), and/or
- (ii) in the case of a Specified Currency other than Euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for that currency, and/or
- (iii) in the case of a Specified Currency and/or one or more additional business centre(s) specified in the relevant Final Terms (the **"Business Centre(s)"**), a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres so specified.

"Day Count Fraction" means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period, the **"Calculation Period"**):

- (i) if **"Actual/Actual"**, **"Actual/Actual-ISDA"**, **"Act/Act"**, **"Act/Act-ISDA"** or **"Actual/365-FBF"** is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if **"Actual/Actual-FBF"** is specified in the relevant Final Terms, the fraction whose numerator is the actual number of days elapsed during such period and whose denominator is 365 (or 366 if 29 February falls within the Calculation Period). If the Calculation Period is of a duration of more than one (1) year, the basis shall be calculated as follows:
 - (x) the number of complete years shall be counted back from the last day of the Calculation Period;
 - (y) this number shall be increased by the fraction for the relevant period calculated as set out in the first paragraph of this definition;
- (iii) if **"Actual/Actual-ICMA"** or **"Act/Act-ICMA"** is specified in the relevant Final Terms:
 - (A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
 - (B) if the Calculation Period is longer than one (1) Determination Period, the sum of:
 - (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

- (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year,

in each case where

"Determination Period" means the period from and including a Determination Date in any year to but excluding the next Determination Date, and

"Determination Date" means the date specified in the relevant Final Terms or, if none is so specified, the Interest Payment Date;

- (iv) if **"Actual/365 (Fixed)"**, **"Act/365 (Fixed)"**, **"A/365 (Fixed)"** or **"A/365 F"** is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365;
- (v) if **"Actual/360"**, **"Act/360"** or **"A/360"** is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 360;
- (vi) if **"30/360"**, **"360/360"** or **"Bond Basis"** is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{1}{360} \times [[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)]$$

where:

"Y1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day included the Calculation Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day included the Calculation Period falls;

"D1" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included the Calculation Period, unless such number would be 31 and D1 greater than 29, in which case D2 will be 30;

- (vii) if **"30/360-FBF"** or **"Actual 30A/360 (American Bond Basis)"** is specified in the relevant Final Terms, in respect of each Calculation Period, the fraction whose denominator is 360 and whose numerator is the number of days calculated as for 30E/360-FBF, subject to the following exception:

where the last day of the Calculation Period is the 31st and the first day is neither the 30th nor the 31st, the last month of the Calculation Period shall be deemed to be a month of thirty-one (31) days,

using the same abbreviations as for 30E/360-FBF, the fraction is:

If dd2 = 31 and dd1 ≠ (30,31)

then:

$$\frac{1}{360} \times [(yy2 - yy1) \times 360 + (mm2 - mm1) \times 30 + (dd2 - dd1)]$$

or

$$\frac{1}{360} \times [(yy2 - yy1) \times 360 + (mm2 - mm1) \times 30 + \text{Min}(dd2, 30) - \text{Min}(dd1, 30)];$$

- (viii) if "**30^E/360**" or "**Eurobond Basis**" is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{1}{360} \times [[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)]$$

where:

"Y1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D1" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D2 will be 30.

- (ix) if "**30E/360-FBF**" is specified in the relevant Final Terms, in respect of each Calculation Period, the fraction whose denominator is 360 and whose numerator is the number of days elapsed during such period, calculated on the basis of a year comprising twelve (12) months of thirty (30) days, subject to the following the exception:

if the last day of the Calculation Period is the last day of the month of February, the number of days elapsed during such month shall be the actual number of days,

where:

D1 (dd1, mm1, yy1) is the date of the beginning of the period

D2 (dd2, mm2, yy2) is the date of the end of the period

the fraction is:

$$\frac{1}{360} \times [(yy2 - yy1) \times 360 + (mm2 - mm1) \times 30 + \text{Min}(dd2, 30) - \text{Min}(dd1, 30)].$$

- (x) if "**30^E/360-ISDA**" is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{1}{360} \times [[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)]$$

where:

"Y1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D1" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date (or the Extended Maturity Date, if any) or (ii) such number would be 31, in which case D2 will be 30.

"**Effective Date**" means, with respect to any Floating Rate to be determined on an Interest Determination Date, the date specified as such in the relevant Final Terms or, if none is so specified, the first day of the Interest Accrual Period to which such Interest Determination Date relates.

"Euro Zone" means the region comprised of member states of the European Union that have adopted or adopt the single currency in accordance with the Treaty.

"FBF Definitions" means the definitions set out in the 2007 FBF Master Agreement relating to transactions on forward financial instruments as supplemented by the Technical Schedules (*Additifs Techniques*), as supplemented or amended as at the Issue Date, as published by the *Fédération Bancaire Française* (together the **"FBF Master Agreement"**), a copy of which is available on the website of the *Fédération Bancaire Française* (www.fbf.fr).

"Interest Accrual Period" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

"Interest Amount" means the amount of interest payable, and in the case of Fixed Rate Notes, means the Fixed Coupon Amount or Broken Amount, as specified in the relevant Final Terms, as the case may be.

"Interest Commencement Date" means the Issue Date or such other date as may be specified in the relevant Final Terms.

"Interest Determination Date" means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such in the relevant Final Terms or, if none is so specified, (i) the day falling two (2) TARGET 2 Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is Euro or (ii) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (iii) the day falling two (2) Business Days in the city specified in the Final Terms for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor Euro.

"Interest Payment Date" means the date(s) specified in the relevant Final Terms.

"Interest Period" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

"Interest Period Date" means each Interest Payment Date unless otherwise specified in the relevant Final Terms.

"ISDA Definitions" means the 2006 ISDA Definitions, as supplemented or amended as at the Issue Date, as published by the International Swaps and Derivatives Association, Inc., a copy of which is available on the website of the International Swaps and Derivatives Association, Inc. (www.isda.org).

"Page" means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters Markets 3000) as may be specified for the purpose of providing a Relevant Rate, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to that Relevant Rate.

"Rate of Interest" means the rate of interest payable from time to time in respect of the Notes and that is either specified or calculated in accordance with the provisions in the relevant Final Terms.

"Reference Banks" means the institutions specified as such in the relevant Final Terms or, if none, four major banks selected by the Calculation Agent in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the Benchmark (which, if EURIBOR or EONIA is the relevant Benchmark, shall be the Euro-zone, and, if LIBOR is the relevant Benchmark, shall be London).

"Relevant Financial Centre" means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the financial centre as may be specified as such in the relevant Final Terms or, if none is so specified, the financial centre with which the relevant Benchmark is most closely connected (which, in the case of EURIBOR or EONIA, shall be the Euro-zone and, in the case of LIBOR, shall be London) or, if none is so connected, Paris.

"Relevant Date" means, in respect of any Note, Receipt or Coupon, the date on which payment in respect of it first became due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (in the case of Materialised Notes if earlier) the date seven (7) days after that on which notice is duly given to the holders of such Materialised Notes that, upon further presentation of the Materialised Note, Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

"Relevant Rate" means the Benchmark for a Representative Amount of the Specified Currency for a period (if applicable or appropriate to the Benchmark) equal to the Specified Duration commencing on the Effective Date.

"Relevant Time" means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified in the relevant Final Terms or, if no time is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Specified Currency in the interbank market in the Relevant Financial Centre and for this purpose **"local time"** means, with respect to Europe and the Euro-zone as a Relevant Financial Centre, 11:00 a.m. (Brussels time).

"Representative Amount" means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the amount specified as such in the relevant Final Terms or, if none is specified, an amount that is representative for a single transaction in the relevant market at the time.

"Specified Currency" means the currency specified as such in the relevant Final Terms or, if none is specified, the currency in which the Notes are denominated.

"Specified Duration" means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the duration specified in the relevant Final Terms or, if none is specified, a period of time equal to the relative Interest Accrual Period, ignoring any adjustment pursuant to Condition 5(c)(ii).

(b) Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date except as otherwise provided in the relevant Final Terms.

If a fixed amount of interest (**"Fixed Coupon Amount"**) or a broken amount of interest (**"Broken Amount"**) is specified in the relevant Final Terms, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount or, if applicable, the Broken Amount so specified and in the case of the Broken Amount will be payable on the particular Interest Payment Date(s) specified in the relevant Final Terms.

(c) Interest on Floating Rate Notes

(i) *Interest Payment Dates:* Each Floating Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrears (except as otherwise provided in the relevant Final Terms) on each Interest Payment Date. Such Interest Payment Date(s) is/are either shown in the relevant Final Terms as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown in the relevant Final Terms, Interest Payment Date shall mean each date which falls the number of months or other period shown in the relevant Final Terms as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the **"Floating Rate Business Day Convention"**, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought

forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the "**Following Business Day Convention**", such date shall be postponed to the next day that is a Business Day, (C) the "**Modified Following Business Day Convention**", such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the "**Preceding Business Day Convention**", such date shall be brought forward to the immediately preceding Business Day. Notwithstanding the foregoing, where the applicable Final Terms specify that the relevant Business Day Convention is to be applied on an "unadjusted" basis, the Interest Amount payable on any date shall not be affected by the application of that Business Day Convention.

- (iii) *Rate of Interest for Floating Rate Notes*: The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified in (i) the relevant Final Terms and (ii) the provisions below relating to either FBF Determination, ISDA Determination or Screen Rate Determination, depending upon which is specified in the relevant Final Terms.

(A) FBF Determination for Floating Rate Notes

Where FBF Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Agent as a rate equal to the relevant FBF Rate plus or minus (as indicated in the relevant Final Terms) the Margin (if any). For the purposes of this sub-paragraph (A), "**FBF Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Agent under a notional interest rate swap transaction (*Echange*) in the relevant Specified Currency incorporating the FBF Definitions and under which:

- (a) the Floating Rate is as specified in the relevant Final Terms; and
- (b) the Floating Rate Determination Date is as specified in the relevant Final Terms.

For the purposes of this sub-paragraph (A), "**Floating Rate**", "**Agent**" and "**Floating Rate Determination Date**" are translations of the French terms "*Taux Variable*", "*Agent*" and "*Date de Détermination du Taux Variable*", respectively, which have the meanings given to those terms in the FBF Definitions.

(B) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate plus or minus (as indicated in the relevant Final Terms) the Margin (if any). For the purposes of this sub-paragraph (B), "**ISDA Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (a) the Floating Rate Option is as specified in the relevant Final Terms;
- (b) the Designated Maturity is a period specified in the relevant Final Terms; and
- (c) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified in the relevant Final Terms.

For the purposes of this sub-paragraph (B), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**", "**Reset Date**" and "**Swap Transaction**" have the meanings given to those terms in the ISDA Definitions.

(C) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent at or about the Relevant Time on the

Interest Determination Date in respect of such Interest Accrual Period in accordance with the following:

(a) if the Primary Source for Floating Rate is a Page, subject as provided below, the Rate of Interest shall be:

- (i) the Relevant Rate (where such Relevant Rate on such Page is a composite quotation or is customarily supplied by one entity) or
- (ii) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Page,

in each case appearing on such Page at the Relevant Time on the Interest Determination Date as disclosed in the relevant Final Terms, plus or minus (as indicated in the relevant Final Terms) the Margin (if any);

(b) if the Primary Source for the Floating Rate is Reference Banks or if sub-paragraph (a)(i) applies and no Relevant Rate appears on the Page at the Relevant Time on the Interest Determination Date or if sub-paragraph (a)(ii) applies and fewer than two Relevant Rates appear on the Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the arithmetic mean of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent, plus or minus (as indicated in the relevant Final Terms) the Margin (if any); and

(c) if paragraph (b) above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) that the Calculation Agent determines to be the rates (being the nearest equivalent to the Benchmark) in respect of a Representative Amount of the Specified Currency that at least two out of five leading banks selected by the Calculation Agent in the principal financial centre of the country of the Specified Currency or, if the Specified Currency is Euro, in the Euro-zone as selected by the Calculation Agent (the "**Principal Financial Centre**") are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the Effective Date for a period equivalent to the Specified Duration (I) to leading banks carrying on business in Europe, or (if the Calculation Agent determines that fewer than two of such banks are so quoting to leading banks in Europe) (II) to leading banks carrying on business in the Principal Financial Centre; except that, if fewer than two of such banks are so quoting to leading banks in the Principal Financial Centre, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date (after readjustment for any difference between any Margin, Rate Multiplier or Maximum or Minimum Rate of Interest applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).

(d) Zero Coupon Notes

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date (or the Extended Maturity Date, if any) pursuant to an Issuer's Option or, if so specified in the relevant Final Terms, pursuant to Condition 6(e) or otherwise and is not paid when due, the amount due and payable prior to the Maturity Date (or the Extended Maturity Date, if any) shall be the Early Redemption Amount. As from the Maturity Date (or the Extended Maturity Date, if any), the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(e)).

(e) Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate (i) that the Issuer may elect to convert on the date set out in the Final Terms from a Fixed Rate to a Floating Rate, or from a Floating Rate to a Fixed Rate or (ii) that will automatically change from a Fixed Rate to a Floating Rate, or from a Floating Rate to a Fixed Rate at the date(s) set out in the Final Terms.

(f) Accrual of interest

Interest shall cease to accrue on each Note on the due date for redemption unless (i) in the case of Dematerialised Notes, on such due date or (ii) in the case of Materialised Notes, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgement) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date.

(g) Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts and Rounding:

- (a) If any Margin is specified in the relevant Final Terms, either (x) generally or (y) in relation to one or more Interest Accrual Periods, an adjustment shall be made to all Rates of Interest in the case of (x), or to the Rates of Interest for the specified Interest Accrual Periods in the case of (y), calculated in accordance with Condition 5(c) above by adding (if a positive number) or subtracting (if a negative number) the absolute value of such Margin, subject always to the next paragraph.
- (b) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified in the relevant Final Terms, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.
- (c) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (w) if FBF Determination is specified in the relevant Final Terms, all percentages resulting from such calculations shall be rounded, if necessary, to the nearest ten-thousandth of a percentage point (with halves being rounded up), (x) otherwise all percentages resulting from such calculations shall be rounded, if necessary, to the nearest fifth decimal (with halves being rounded up), (y) all figures shall be rounded to seven figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "unit" means the lowest amount of such currency that is available as legal tender in the country of such currency.

(h) Calculations

The amount of interest payable in respect of any Note for any period shall be calculated by multiplying the product of the Rate of Interest and the outstanding nominal amount of such Note by the Day Count Fraction, unless an Interest Amount is specified in respect of such period, in which case the amount of interest payable in respect of such Note for such period shall equal such Interest Amount. Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period shall be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

(i) Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts

The Calculation Agent, as soon as practicable on such date as it may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts in respect of each Specified Denomination of the Notes for the relevant Interest Accrual Period, shall calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the holders of Notes, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are admitted to trading on a Regulated Market and the rules of such Regulated Market so require, such Regulated Market as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such Regulated Market of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(c)(ii), the Interest Amounts and the

Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(j) Calculation Agent and Reference Banks

The Issuer shall procure that there shall at all times be four Reference Banks (or such other number as may be required) with offices in the Relevant Financial Centre and one or more Calculation Agents if provision is made for them in the relevant Final Terms and for so long as any Note is outstanding (as defined above). If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Issuer shall appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Period or Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal Paris or Luxembourg office, as appropriate, or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid. So long as the Notes are admitted to trading on a Regulated Market and the rules of, or applicable to, that Regulated Market so require, notice of any change of Calculation Agent shall be given in accordance with Condition 14.

6. Redemption, Purchase and Options

(a) Final Redemption

Unless previously redeemed, purchased and cancelled as provided below or its maturity is extended pursuant to any option provided by the relevant Final Terms in accordance with the paragraph below and/or including the Call Option in accordance with Condition 6(c), each Note shall be finally redeemed on the Maturity Date specified in the relevant Final Terms at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount) or, in the case of a Note falling within Condition 6(b) below, its final Instalment Amount.

An extended final maturity date (the "**Extended Maturity Date**") may be specified in the Final Terms of a Tranche of Notes (the "**Extendible Notes**"). If an Extended Final Maturity Date is specified in the Final Terms of any Tranche of Notes and the Final Redemption Amount is not paid by the Issuer on the Maturity Date specified in the relevant Final Terms, such payment of unpaid amount will be automatically deferred and shall be due and payable on the Extended Maturity Date, provided that the Final Redemption Amount unpaid on the Maturity Date may be paid by the Issuer on any Specified Interest Payment Date occurring thereafter up to and including the Extended Maturity Date. Interest from the Maturity Date and up to the Extended Maturity Date will be specified in the applicable Final Terms, will accrue on any unpaid amount during such extended period and be payable on each Specified Interest Payment Date and on the Extended Maturity Date in accordance with these Conditions and the Final Terms of such Tranche of Extendible Notes.

(b) Redemption by Instalments

Unless previously redeemed, purchased and cancelled as provided in this Condition 6 or the relevant Instalment Date (being one of the dates so specified in the relevant Final Terms) is extended pursuant to the Issuer's option in accordance with Condition 6(c), each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified in the relevant Final Terms. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused (i) in

the case of Dematerialised Notes, on the due date for such payment or (ii) in the case of Materialised Notes, on presentation of the related Receipt, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.

(c) Redemption at the Option of the Issuer, Exercise of Issuer's Options and Partial Redemption

If a Call Option is specified in the relevant Final Terms, the Issuer may, subject to compliance by the Issuer with all the relevant laws, regulations and directives and upon giving not less than fifteen (15) nor more than thirty (30) days' irrevocable notice in accordance with Condition 14 to the holders of Notes (or such other notice period as may be specified in the relevant Final Terms) redeem in relation to all or, if so provided, some of the Notes on any Optional Redemption Date or Option Exercise Date, as the case may be. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption, if any. Any such redemption must relate to 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 in accordance with this Condition.

In the case of a partial redemption or a partial exercise of an Issuer's option in respect of Materialised Notes, the notice to holders of such Materialised Notes shall also contain the numbers of the Definitive Materialised Notes to be redeemed or in respect of which such option has been exercised, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and Regulated Market requirements.

In the case of a partial redemption of or a partial exercise of an Issuer's option in respect of Dematerialised Notes, the redemption may be effected, at the option of the Issuer, either (i) by reducing the nominal amount of all such Dematerialised Notes in a Series in proportion to the aggregate nominal amount redeemed or (ii) by redeeming in full some only of such Dematerialised Notes and, in such latter case, the choice between those Dematerialised Notes that will be fully redeemed and those Dematerialised Notes of any Series that will not be redeemed shall be made in accordance with Article R.213-16 of the French Monetary and Financial Code (*Code monétaire et financier*), subject to compliance with any other applicable laws and Regulated Market requirements.

So long as the Notes are admitted to trading on a Regulated Market and the rules of, or applicable to, such Regulated Market require, the Issuer shall, each time there has been a partial redemption of the Notes, cause to be published (i) as long as such Notes are admitted to trading on the Regulated Market of the Luxembourg Stock Exchange and the rules of such Stock Exchange so permit, on the website of the Luxembourg Stock Exchange (www.bourse.lu) or (ii) in a leading newspaper with general circulation in the city where the Regulated Market on which such Notes are admitted to trading is located, which in the case of the Regulated Market of the Luxembourg Stock Exchange is expected to be the *Luxemburger Wort*, a notice specifying the aggregate nominal amount of Notes outstanding and, in the case of Materialised Notes, a list of any Definitive Materialised Notes drawn for redemption but not surrendered.

(d) Redemption at the Option of Noteholders

If a Put Option is specified in the relevant Final Terms the Issuer shall, at the option of the Noteholder, upon the Noteholder giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified in the relevant Final Terms) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption, including, where applicable, any Arrears of Interest.

To exercise such option, the Noteholder must deposit with a Paying Agent at its specified office a duly completed option exercise notice (the "**Exercise Notice**") in the form obtained during normal business hours from any Paying Agent or the Registration Agent, as the case may be, within the notice period. In the case of Materialised Notes, the Exercise Notice shall have attached to it the relevant Notes (together with all unmatured Receipts and Coupons and unexchanged Talons). In the case of Dematerialised Notes, the Noteholder shall transfer, or cause to be transferred, the Dematerialised Notes to be redeemed to the account of the Paying Agent with a specified office in Paris, as specified in the Exercise Notice. No

option so exercised and, where applicable, no Note so deposited or transferred, may be withdrawn without the prior consent of the Issuer.

(e) Early Redemption

(i) Zero Coupon Notes

- (A) The Early Redemption Amount payable in respect of any Zero Coupon Note, upon redemption of such Note pursuant to Condition 6(j) shall be the Amortised Nominal Amount (calculated as provided below) of such Note.
- (B) Subject to the provisions of sub-paragraph (C) below, the Amortised Nominal Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date (or the Extended Maturity Date, if any) discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown in the relevant Final Terms, shall be such rate as would produce an Amortised Nominal Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (C) If the Amortised Nominal Amount payable in respect of any such Note upon its redemption pursuant to Condition 6 (j) is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Nominal Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable was the Relevant Date. The calculation of the Amortised Nominal Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgement) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date (or the Extended Maturity Date, if any), in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date (or the Extended Maturity Date, if any) together with any interest that may accrue in accordance with Condition 5(d).

Where such calculation is to be made for a period of less than one (1) year, it shall be made on the basis of the Day Count Fraction as provided in the relevant Final Terms.

(ii) Other Notes

The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note shall be the Final Redemption Amount together with interest accrued to the date fixed for redemption.

(f) No Redemption for Taxation Reasons

If any law or any agreement entered into with the IRS pursuant to FATCA or an intergovernmental agreement implementing FATCA should require that payments of principal or interest in respect of any Note be subject to deduction or withholding in respect of any present or future taxes or duties whatsoever, such Notes may not be redeemed early.

(g) Purchases

The Issuer shall have the right at all times to purchase Notes (provided that, in the case of Materialised Notes, all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise (including by tender offer) at any price, subject to the applicable laws and/or regulations.

Unless the possibility of holding and reselling is expressly excluded in the Final Terms, Notes so purchased by the Issuer may be held in accordance with Articles L.213-1 A and D.213-1 A of the French Monetary and Financial Code (*Code monétaire et financier*) for the purpose of enhancing the liquidity of the Notes, or cancelled in accordance with Condition 6 (i) below.

(h) Subscription by the Issuer of Notes as collateral with the *Banque de France*

Pursuant to Article L. 515-32-1 of the French Monetary and Financial Code (*Code monétaire et financier*), the Issuer as *société de crédit foncier* may subscribe to its own Notes for the sole purpose of granting them as collateral for the credit operations of the *Banque de France* in accordance with the procedures and conditions laid out by it for its monetary policy and intraday credit operations in the event that the Issuer cannot meet its liquidity needs from any other sources. The Notes thus subscribed by the Issuer must meet the following conditions:

- their outstanding principal amount does not exceed 10 per cent. of the outstanding principal amount of any liabilities of the Issuer benefiting from the *Privilège* on the date of their subscription;
- they are deprived of the rights provided for under Articles L. 228-46 to L. 228-89 of the French Commercial Code (*Code de commerce*) for so long as they are held by the Issuer;
- they are granted as collateral to the *Banque de France* within an 8-day period starting from their settlement date (otherwise, they shall be cancelled by the Issuer at the end of such 8-day period); and
- they cannot be subscribed by a third party.

In any case, any such Notes subscribed by the Issuer shall be cancelled within an 8-day period starting from the date they are no longer granted as collateral with the *Banque de France*.

The specific controller of the Issuer must certify that these conditions are met in a report delivered to the *Autorité de contrôle prudentiel*.

(i) Cancellation

All Notes purchased or subscribed by the Issuer for cancellation, will be cancelled, in the case of Dematerialised Notes, by transfer to an account in accordance with the rules and procedures of Euroclear France and, in the case of Materialised Notes, by surrendering the relevant Temporary Global Certificate or the Definitive Materialised Notes in question, together with all unmatured Receipts and Coupons and all unexchanged Talons, if applicable, to the Fiscal Agent and, in each case, if so transferred or surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with, in the case of Dematerialised Notes, all rights relating to payment of interest and other amounts relating to such Dematerialised Notes and, in the case of Definitive Materialised Notes, all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so cancelled or, where applicable, transferred or surrendered for cancellation may not be resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

(j) Illegality

If, by reason of any change in French law, or any change in the official application or interpretation of such law, becoming effective after the Issue Date, it would become unlawful for the Issuer to perform or comply with one or more of its obligations under the Notes, the Issuer will, subject to having given not more than forty-five (45) nor less than thirty (30) days' notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 14, redeem all, but not some only, of the Notes at their Early Redemption Amount together with any interest accrued to the date set for redemption.

7. Payments and Talons

(a) Dematerialised Notes

Payments of principal and interest in respect of Dematerialised Notes shall (i) in the case of Dematerialised Notes in bearer dematerialised form or administered registered form, be made by transfer to the account denominated in the relevant currency of the relevant Account Holders for the benefit of the holders of Notes and, (ii) in the case of Dematerialised Notes in fully registered form, to an account denominated in the relevant currency with a Bank (as defined below) designated by the relevant holder of Notes. All payments validly made to such Account Holders or Bank will be an effective discharge of the Issuer in respect of such payments.

(b) Definitive Materialised Notes

(i) Method of payment

Subject as provided below, payments in a Specified Currency will be made by credit or transfer to an account denominated in the relevant Specified Currency, or to which the Specified Currency may be credited or transferred (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is euro, shall be any country in the Euro-zone).

(ii) Presentation and surrender of Definitive Materialised Notes, Receipts and Coupons

Payments of principal in respect of Definitive Materialised Notes will (subject as provided below) be made in the manner provided in paragraph (i) above only against presentation and surrender (or, in the case of partial payment of any sum due, annotation) of such Notes, and payments of interest in respect of Definitive Materialised Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, annotation) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Payments of instalments of principal (if any) in respect of Definitive Materialised Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in paragraph (i) above only against presentation and surrender (or, in the case of part payment of any sum due, annotation) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in paragraph (i) above only against presentation and surrender (or, in the case of part payment of any sum due, annotation) of the relevant Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the Definitive Materialised Note to which it appertains. Receipts presented without the Definitive Materialised Note to which they appertain do not constitute valid obligations of the Issuer.

Upon the date upon which any Definitive Materialised Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment will be made in respect thereof.

Fixed Rate Notes in definitive form should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of ten (10) years after the Relevant Date in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9) or, if later, five (5) years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive form becoming due and repayable prior to its Maturity Date (or the Extended Maturity Date, if any), all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note in definitive form becomes due and repayable prior to its Maturity Date (or the Extended Maturity Date, if any), unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

If the due date for redemption of any Definitive Materialised Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against presentation and surrender (if appropriate) of the relevant Definitive Materialised Note.

(c) Payments in the Kingdom of Belgium

In the event that the Issuer becomes aware that particular Notes are held by investors established in the Kingdom of Belgium other than institutional or professional investors (the "**Belgian Eligible Holders**") within the meaning of Article 5, §3 of the Belgian Act of 20 July 2004 on certain forms of collective management of investment portfolios (*Wet betreffende bepaalde vormen van collectief beheer van beleggingsportefeuilles/Loi relative à certaines formes de gestion collective de portefeuilles d'investissement*), as amended from time to time, acting for their own account, the Issuer will suspend any interest and/or principal payments, as the case may be, relating to these Notes until such Notes will have been transferred to and held by Belgian Eligible Holders acting for their own account.

(d) Payments in the United States

Notwithstanding the foregoing, if any Materialised Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(e) Payments subject to Fiscal Laws

All payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives in the place of payment but without prejudice to Condition 8 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the holders of Notes or Couponholders in respect of such payments.

(f) Appointment of Agents

The Fiscal Agent, the Paying Agents and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed at the end of the Base Prospectus relating to the Programme of the Notes of the Issuer. The Fiscal Agent, the Paying Agents and the Registration Agent act solely as agents of the Issuer and the Calculation Agent(s) act(s) as independent experts(s) and, in each case such, do not assume any obligation or relationship of agency for any Noteholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, Registration Agent or Calculation Agent and to appoint other Fiscal Agent, Paying Agent(s), Registration Agent(s) or Calculation Agent(s) or additional Paying Agent(s), Registration Agent(s) or Calculation Agent(s), provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) one or more Calculation Agent(s) where the Conditions so require, (iii) Paying Agents having specified offices in at least two major European cities and ensuring the financial services of the Notes in Luxembourg so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange and, so long as the Notes are admitted to trading on any other Regulated Market, in such other city where the Notes are admitted to trading, (iv) in the case of issues of Materialised Notes only, a Paying Agent having its specified office in a Member State of the EU that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other EU Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to, such Directive (which may be any of the Paying Agents referred to in (iii) above), (v) in the case of Dematerialised Notes in fully registered form, a Registration Agent and (vi) such other agents as may be required by the rules of any other Regulated Market on which the Notes may be admitted to trading.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Materialised Notes denominated in U.S. dollars in the circumstances described in paragraph (c) above.

Notice of any such change or any change of any specified office shall promptly be given to the holders of Notes in accordance with Condition 14.

(g) Talons

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Materialised Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).

(h) Business Days for Payment

If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day (the "**Adjusted Payment Date**"), nor to any interest or other sum in respect of such postponed payment. In this paragraph, "**business day**" means a day (other than a Saturday or a Sunday) (A) (i) in the case of Dematerialised Notes, on which Euroclear France is open for business or (ii) in the case of Materialised Notes, on which banks and foreign exchange markets are open for business in the relevant place of presentation, (B) in such jurisdictions as shall be specified as "**Financial Centre(s)**" in the relevant Final Terms and (C) (i) in the case of a payment in a currency other than Euro, where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency or (ii) in the case of a payment in Euro, which is a TARGET 2 Business Day.

(i) Bank

For the purpose of this Condition 7, "**Bank**" means a bank in the principal financial centre of the relevant currency or, in the case of Euro, in a city in which banks have access to the TARGET 2 System.

8. Taxation

(a) *Tax Exemption for Notes constituting obligations or debt instruments (titres de créances) assimilated thereto for French tax purposes*

All payments of principal, interest and other revenues by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within any jurisdiction or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

(b) *No Additional Amounts*

If any law or any agreement entered into with the IRS pursuant to FATCA or an intergovernmental agreement implementing FATCA should require that payments of principal or interest in respect of any Note or any Receipt or Coupon relating thereto, be subject to deduction or withholding in respect of any present or future taxes or duties whatsoever, the Issuer will not be required to pay any additional amounts in respect of any such withholding or deduction.

9. Prescription

Claims against the Issuer for payment in respect of the Notes, Receipts and Coupons (which for this purpose shall not include Talons) shall be prescribed and become void unless made within ten (10) years (in the case of principal) or five (5) years (in the case of interest) from the appropriate Relevant Date in respect of them.

10. Representation of Noteholders

In respect of the representation of Noteholders, the following shall apply:

(a) If the relevant Final Terms specifies "Full Masse", the Noteholders will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a Masse and the provisions

of the French Commercial Code (*Code de commerce*) relating to the masse (in each case, the "**Masse**") shall apply subject to the below provisions of this Condition 10(a).

The names and addresses of the initial representative (the "**Representative**") of the Masse and its alternate will be set out in the relevant Final Terms. The Representative appointed in respect of the first Tranche of any Series of Notes will be the Representative of the single Masse of all Tranches in such Series.

The Representative will be entitled to such remuneration in connection with its functions or duties as set out in the relevant Final Terms.

In the event of death, retirement or revocation of appointment of the initial Representative, such Representative will be replaced by its alternate. In the event of death, retirement or revocation of appointment of the alternate Representative, an alternate will be elected by the general meeting of the Noteholders (the "**General Meeting**").

The place where a General Meeting shall be held will be set out in the notice convening such General Meeting; or

- (b) If the relevant Final Terms specify "**Contractual Masse**", the holders of Notes will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a *masse* which will be subject to the below provisions of this Condition 10(b).

The Masse will be governed by the provisions of the French Commercial Code (*Code de commerce*) with the exception of Articles L.228-48, L.228-59, L.228-71, R.228-63, R.228-67 and R.228-69, subject to the following provisions:

(i) Legal Personality

The Masse will be a separate legal entity and will act in part through the Representative and in part through the General Meeting.

The Masse alone, to the exclusion of all individual holders of Notes, shall exercise the common rights, actions and benefits which now or in the future may accrue respectively with respect to the Notes.

(ii) Representatives

The office of Representative may be conferred on a person of any nationality. However, the following persons may not be chosen as Representatives:

- the Issuer, the members of its board of directors (*conseil d'administration*), its executive board (*directoire*), its supervisory board (*conseil de surveillance*), its general managers (*directeurs généraux*), its statutory auditors, its employees and their ascendants, descendants and spouse; or
- companies guaranteeing all or part of the obligations of the Issuer, their respective managers (*gérants*), general managers (*directeurs généraux*), members of their board of directors (*conseil d'administration*), executive board (*directoire*) or supervisory board (*conseil de surveillance*), their statutory auditors, employees and their ascendants, descendants and spouse; or
- companies holding ten (10) per cent. or more of the share capital of the Issuer or companies having ten (10) per cent. or more of their share capital held by the Issuer; or
- persons to whom the practice of banker is forbidden or who have been deprived of the right of directing, administering or managing an enterprise in whatever capacity.

The names and addresses of the initial Representative and its alternate will be set out in the Final Terms. The Representative appointed in respect of the first Tranche of any Series of Notes will be the Representative of the single Masse of all Tranches in such Series.

The Representative will be entitled to such remuneration in connection with its function or duties, if any, as set out in the relevant Final Terms.

In the event of death, retirement or revocation of appointment of the Representative, such Representative will be replaced by the alternate Representative. In the event of the death, retirement or revocation of appointment of the alternate Representative, an alternate will be elected by the General Meeting.

All interested parties will at all times have the right to obtain the names and addresses of the Representative and the alternate Representative at the head office of the Issuer and the specified offices of any of the Paying Agents.

(iii) Powers of Representative

The Representative shall (in the absence of any decision to the contrary of the General Meeting and except as provided by paragraph 1 of Article L.515-31 of the French Monetary and Financial Code (*Code monétaire et financier*)) have the power to take all acts of management necessary in order to defend the common interests of the holders of Notes.

All legal proceedings against the Noteholders or initiated by them, must be brought by or against the Representative; except that, should safeguard procedure (*procédure de sauvegarde*), judicial reorganisation (*redressement judiciaire*) or judicial liquidation (*liquidation judiciaire*) proceedings be commenced against the Issuer, the specific controller would file the proof of debt of all creditors (including the Noteholders) of the Issuer benefiting from the *Privilège*.

The Representative may not be involved in the management of the affairs of the Issuer.

(iv) General Meeting

A General Meeting may be held at any time, on convocation either by the Issuer or by the Representative. One or more Noteholders, holding together at least one-thirtieth of the principal amount of the Notes outstanding, may address to the Issuer and the Representative a demand for convocation of the General Meeting. If such General Meeting has not been convened within two (2) months after such demand, the Noteholders may commission one of their members to petition a competent court in Paris to appoint an agent (*mandataire*) who will call the General Meeting.

Notice of the date, hour, place and agenda of any General Meeting will be published as provided under Condition 14.

Each Noteholder has the right to participate in a General Meeting in person or by proxy. Each Note carries the right to one vote or, in the case of Notes issued with more than one Specified Denomination, one vote in respect of each multiple of the lowest Specified Denomination comprised in the principal amount of the Specified Denomination of such Note.

In accordance with Article R.228-71 of the French Commercial Code (*Code de Commerce*), the rights of each Noteholder to participate in General Meetings will be evidenced by the entries in the books of the relevant Account Holder of the name of such Noteholder on the third business day in Paris preceding the date set for the meeting of the relevant General Meeting at zero hours, Paris time.

(v) Powers of the General Meetings

The General Meeting is empowered to deliberate on the dismissal and replacement of the Representative and the alternate Representative and also may act with respect to any other matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the Notes, including authorising the Representative to act at law as plaintiff or defendant.

The General Meeting may further deliberate on any proposal relating to the modification of the Conditions including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, it being specified, however, that the General Meeting may not increase amounts payable by Noteholders, nor establish any unequal treatment between the Noteholders.

General Meetings may deliberate validly on first convocation only if Noteholders present or represented hold at least a fifth of the principal amount of the Notes then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a two-third majority of votes cast by Noteholders attending such General Meetings or represented thereat.

Decisions of General Meetings must be published in accordance with the provisions set forth in Condition 14.

(vi) Information to Noteholders

Each Noteholder or Representative thereof will have the right, during the 15-day period preceding the holding of each General Meeting, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented at the General Meeting, all of which will be available for inspection by the relevant Noteholders at the registered office of the Issuer, at the specified offices of any of the Paying Agents and at any other place specified in the notice of the General Meeting.

(vii) Expenses

The Issuer will pay all expenses relating to the operation of the Masse, including expenses relating to the calling and holding of General Meetings and, more generally, all administrative expenses resolved upon by the General Meeting, it being expressly stipulated that no expenses may be imputed against interest payable under the Notes.

(viii) Single Masse

The Noteholders of the same Series, and the Noteholders of any other Series which have been assimilated with the Notes of such first mentioned Series in accordance with Condition 13, shall, for the defence of their respective common interests, be grouped in a single Masse. The Representative appointed in respect of the first Tranche or Series of Notes will be the Representative of the single Masse of all such Series.

In this Condition 10, the term "**outstanding**" shall not include those Notes subscribed or purchased by the Issuer pursuant to, respectively, Articles L.515-32-1 and L.213-1 A of the French Monetary and Financial Code (*Code monétaire et financier*) that are held by it and not cancelled.

11. Modifications

These Conditions may be completed in relation to any Series of Notes by the terms of the relevant Final Terms in relation to such Series.

12. Replacement of Definitive Materialised Notes, Receipts, Coupons and Talons

If, in the case of any Materialised Notes, a Definitive Materialised Note, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and Regulated Market regulations, at the specified office of the Fiscal Agent or such other Paying Agent as may from time to time be designated by the Issuer for this purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Definitive Materialised Note, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Definitive Materialised Notes, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Materialised Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

13. Further Issues and Consolidation

(a) Further Issues

The Issuer may from time to time without the consent of the Noteholders, Receiptholders or Couponholders create and issue further Notes to be assimilated (*assimilées*) with the Notes provided such Notes and the further Notes carry rights identical in all respects (or identical in all respects save as to the first payment of interest) and that the terms of such Notes provide for such assimilation, and references in these Conditions to "**Notes**" shall be construed accordingly.

(b) Consolidation

The Issuer, with the prior approval of the Fiscal Agent (which shall not be unreasonably withheld), may from time to time on any Interest Payment Date occurring on or after the Redenomination Date on giving not less than thirty (30) days' prior notice to the Noteholders in accordance with Condition 14, without the consent of the Noteholders, Receiptholders or Couponholders, consolidate the Notes of one Series denominated in Euro with the Notes of one or more other Series issued by it, whether or not originally issued in one of the European national currencies or in Euro, provided such other Notes have been redenominated in Euro (if not originally denominated in Euro) and which otherwise have, in respect of all periods subsequent to such consolidation, the same terms and conditions as the Notes.

14. Notices

- (a) Notices to the holders of Dematerialised Notes in registered form (*au nominatif*) shall be valid if either, (i) they are mailed to them at their respective addresses, in which case they will be deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the mailing, or (ii) they are published in a leading daily newspaper of general circulation in Europe (which is expected to be the *Financial Times*) or, so long as such Notes are admitted to trading on any Regulated Market(s), in a leading daily newspaper with general circulation in the city/ies where the Regulated Market(s) on which such Notes is/are admitted to trading is located, which in the case of the Regulated Market of the Luxembourg Stock Exchange is expected to be the *Luxemburger Wort*, or (iii) so long as such Notes are admitted to trading on the Regulated Market of the Luxembourg Stock Exchange, they are published on the website of the Luxembourg Stock Exchange (www.bourse.lu).
- (b) Notices to the holders of Materialised Notes and Dematerialised Notes in bearer form (*au porteur*) shall be valid if published in a leading daily newspaper of general circulation in Europe (which is expected to be the *Financial Times*) or (i) so long as such Notes are admitted to trading on any Regulated Market(s), in a leading daily newspaper with general circulation in the city/ies where the Regulated Market(s) on which such Notes is/are admitted to trading is located, which in the case of the Regulated Market of the Luxembourg Stock Exchange is expected to be the *Luxemburger Wort*, or (ii) so long as such Notes are admitted to trading on the Regulated Market of the Luxembourg Stock Exchange, they are published on the website of the Luxembourg Stock Exchange (www.bourse.lu).
- (c) If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any notice given by publication shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Materialised Notes in accordance with this Condition.
- (d) Notices required to be given to the holders of Dematerialised Notes (whether in registered or in bearer form) (*au porteur* or *au nominatif*) pursuant to these Conditions may be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream, Luxembourg and any other clearing system through which the Notes are for the time being cleared in substitution for the mailing and publication as required by Conditions 14(a), (b) et (c) above; provided that (i) so long as such Notes are admitted to trading on any Regulated Market(s) and the rules of that Regulated Market so require, notices shall also be published in a leading daily newspaper with general circulation in the city/ies where the Regulated Market(s) on which such Notes are admitted to trading is located, which in the case of the Regulated Market of the Luxembourg Stock Exchange is expected to be the *Luxemburger Wort*, or (ii) so long as such Notes are admitted to trading on the Regulated Market of the Luxembourg Stock Exchange, notices shall also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu). Notices relating to the convocation and decision(s) of the General Meetings pursuant to Condition 10 shall also be published in a leading newspaper with general circulation in Europe.

15. Governing Law and Jurisdiction

(a) Governing Law

The Notes (and, where applicable, the Receipts, the Coupons and the Talons) are governed by, and shall be construed in accordance with, French law.

(b) Jurisdiction

Any claim against the Issuer in connection with any Notes (and, where applicable, the Receipts, the Coupons and the Talons) Receipts, Coupons or Talons may be brought before any competent court of the jurisdiction of the Paris Court of Appeal.

TEMPORARY GLOBAL CERTIFICATES IN RESPECT OF MATERIALISED NOTES

Temporary Global Certificates

A Temporary Global Certificate without interest coupons (a "**Temporary Global Certificate**") will initially be issued in connection with each Tranche of Materialised Notes, which will be delivered on or prior to the issue date of the Tranche with a common depositary (the "**Common Depositary**") for Euroclear Bank S.A./N.V. ("**Euroclear**") and for Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**"). Upon the delivery of such Temporary Global Certificate with a Common Depositary, Euroclear and Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

The Common Depositary may also credit with a nominal amount of Notes the accounts of subscribers with (if indicated in the relevant Final Terms) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, a nominal amount of Notes that is initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg, or other clearing systems.

Exchange

Each Temporary Global Certificate issued in respect of Materialised Notes will be exchangeable, free of charge to the holder, on or after its Exchange Date (as defined below):

- (i) if the relevant Final Terms indicates that such Temporary Global Certificate is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see "General Description of the Programme-Selling Restrictions"), in whole, but not in part, for Definitive Materialised Notes and
- (ii) otherwise, in whole but not in part, upon certification if required under U.S. Treasury regulation section 1.163-5(c)(2)(i)(D)(3) (or any successor regulation issued under the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") section 4701(b) containing rules identical to those applying under Code section 163(f)(2)(B)) as to non-U.S. beneficial ownership for Definitive Materialised Notes.

While any Materialised Note is represented by a Temporary Global Certificate, any payment payable in respect of such Materialised Note prior to the Exchange Date (as defined below) will be made only to the extent that the certification described in (ii) above has been received by Euroclear and/or Clearstream, Luxembourg, and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certification received) to the relevant Paying Agent. The holder of a Temporary Global Certificate will not be entitled to collect any payment due thereon on or after the Exchange Date unless, upon due certification as described above, exchange of the Temporary Global Certificate for an interest in Definitive Materialised Notes is improperly refused or withheld.

Delivery of Definitive Materialised Notes

On or after its Exchange Date, the holder of a Temporary Global Certificate may surrender such Temporary Global Certificate to, or to the order of, the Fiscal Agent. In exchange for any Temporary Global Certificate, the Issuer will deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Materialised Notes. In this Base Prospectus, "**Definitive Materialised Notes**" means, in relation to any Temporary Global Certificate, the Definitive Materialised Notes for which such Temporary Global Certificate may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Temporary Global Certificate and a Talon). Definitive Materialised Notes will be security printed in accordance with any applicable legal and stock exchange requirement.

Exchange Date

"**Exchange Date**" means, in relation to a Temporary Global Certificate in respect of any Materialised Notes, the day falling after the expiry of forty (40) days after its issue date, provided that in the event any further Materialised Notes which are to be assimilated with such first mentioned Materialised Notes are issued prior to such day pursuant to Condition 13(a), the Exchange Date may, at the option of the Issuer, be

postponed to the day falling after the expiry of forty (40) days after the issue date of such further Materialised Notes.

In the case of Materialised Notes with an initial maturity of more than 365 days (and that are not relying on the TEFRA C Rules), the Temporary Global Certificate shall bear the following legend:

ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES FEDERAL INCOME TAX LAWS INCLUDING THE LIMITATION PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED.

USE OF PROCEEDS

The net proceeds of the issue of the Notes will be used for financing the assets of the Issuer in accordance with the provisions of Article L.515-13 of the French Monetary and Financial Code (*Code monétaire et financier*).

OVERVIEW OF THE LEGISLATION AND REGULATIONS RELATING TO SOCIÉTÉS DE CRÉDIT FONCIER

The paragraphs below relating to the laws and regulations applicable to sociétés de crédit foncier are based on French laws and regulations in force as at the date of this Base Prospectus.

Entities entitled to issue *Obligations Foncières*

The legal and regulatory regime applicable to *sociétés de crédit foncier* results from the following provisions:

- Articles L.515-13 to L.515-33 of the French Monetary and Financial Code (*Code monétaire et financier*) (which is amended from time to time, lately by the law no. 2010-1249 of 22 October 2010);
- Articles R.515-2 to R.515-14 of the French Monetary and Financial Code (*Code monétaire et financier*);
- Regulation no. 99-10 dated 9 July 1999 issued by the Committee of banking and financial regulation (the *Comité de la réglementation bancaire et financière* or "**CRBF**") (as amended from time to time, lately by *arrêté* of 23 February 2011); and
- various regulations (*instructions*) relating to *sociétés de crédit foncier* issued by the *Autorité de contrôle prudentiel*.

Eligible receivables

In accordance with the French current legal framework applicable to *sociétés de crédit foncier* on the date hereof, the eligible assets of a *société de crédit foncier* may only be:

- (i) secured loans which, in accordance with Article L. 515-14 of the French Monetary and Financial Code (*Code monétaire et financier*), include loans which are secured by a first-ranking mortgage over an eligible real estate or by other real estate security interests that are equivalent to a first-ranking mortgage or loans that are guaranteed by a credit institution or an insurance company with a shareholder's equity of at least €12 million and which does not belong to the same group as the relevant *société de crédit foncier*. The property must be located in France or in any other Member State of the European Community ("**EC**") or European Economic Area ("**EEA**") or in a State benefiting from the highest level of credit assessment (*meilleur échelon de qualité de crédit*) given by an external rating agency recognised by the *Autorité de contrôle prudentiel* as provided in Article L.511-44 of the French Monetary and Financial Code (*Code monétaire et financier*);
- (ii) exposures to public entities which, in accordance with Article L. 515-15 of the French Monetary and Financial Code (*Code monétaire et financier*), include, *inter alia*, exposures to public entities such as states, central banks, local authorities or state-owned entities located within the EEA, in a Member State of the EC, in the United States of America, Switzerland, Japan, Canada, Australia or New Zealand, or if not located in those jurisdictions, such public entities must comply with specific limits and level of credit assessment (*échelon de qualité de crédit*) given by an external rating agency recognised by the *Autorité de contrôle prudentiel* as provided in Article L.511-44 of the French Monetary and Financial Code (*Code monétaire et financier*);
- (iii) units or notes (other than subordinated units or subordinated notes) issued by French *organismes de titrisation*, which are French securitisation vehicles, or other similar vehicles governed by the laws of a Member State of the EC or EEA, the United States of America, Switzerland, Japan, Canada, Australia or New Zealand, the assets of which shall comprise at least 90 per cent., subject to certain exclusions as set forth below, of receivables similar to secured loans or exposures to public entities complying with the criteria defined in Articles L. 515-14 and L. 515-15 of the French Monetary and Financial Code (*Code monétaire et financier*) or other assets benefiting from the same level of guarantees as loans and exposures referred to in Articles L. 515-14 and L. 515-15 of the French Monetary and Financial Code (*Code monétaire et financier*); such units or notes must 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* pursuant to Article L. 511-44 of the French Monetary and Financial Code (*Code monétaire et financier*); the similar vehicle shall be governed by the laws of a Member State of the EC or EEA if the assets are composed of loans or exposures referred to in Article L.515-14

of the French Monetary and Financial Code (*Code monétaire et financier*); and such units or notes are only eligible 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 until 31 December 2013, if (i) loans composing the assets of the vehicle are transferred by an entity belonging to the same group or affiliated to the same central body as the Issuer and (ii) the subordinated units of the vehicle are kept by such entity; and

- (iv) mortgage promissory notes (*billets à ordre hypothécaires*) governed by Article L.313-42 *et seq.* of the French *Code monétaire et financier* provided that (a) such mortgage promissory notes do not exceed 10 per cent. of the Issuer's assets in accordance with Article L. 515-16-1 of the French *Code monétaire et financier* and (b) the receivables refinanced by such mortgage promissory notes satisfy the conditions set out in Article L. 515-14 of the French *Code monétaire et financier* (see paragraph (i) above).

With respect to the Issuer however, given that the Issuer is dedicated to the refinancing of residential mortgage loans, the eligible assets of the Issuer will mainly consist in:

- loans secured by a first-ranking mortgage or by other real estate security interests that are equivalent to a first-ranking mortgage referred to in paragraph (i) above; and/or
- mortgage promissory notes for which the receivables refinanced by such mortgage promissory notes are loans secured by a first-ranking mortgage or by other real estate security interests that are equivalent to a first-ranking mortgage referred to in paragraph (i) above; and/or
- securities that are "assimilated to" such mortgage loans, i.e. the units or notes referred to in paragraph (iii) above issued by French *organismes de titrisation* or other similar vehicles governed by the laws of a Member State of the EC or EEA, the assets of which shall comprise at least 90 per cent. of mortgage loans complying with the criteria defined in I of Article L. 515-14 of the French Monetary and Financial Code (*Code monétaire et financier*) or other receivables benefiting from the same level of guarantees.

In addition, like any *société de crédit foncier*, the Issuer is not allowed to make any other investments, except investments in assets which are sufficiently secure and liquid to be held as replacement values (*valeurs de remplacement*), as defined in Article R.515-7 of the French Monetary and Financial Code (*Code monétaire et financier*).

See also "Description of the Issuer – Issuer's exclusive purpose and business overview".

Pursuant to Article R. 515-14 of the French Monetary and Financial Code (*Code monétaire et financier*), *sociétés de crédit foncier* must keep the record of all loans made available by it or acquired by it. This record must specify the type and value of the security and guarantees attached to such loans and the type and amount of the liabilities benefiting from the *Privilège*. Pursuant to Article 13 of Regulation 99-10 of the CRBF, *sociétés de crédit foncier* must send to the *Autorité de contrôle prudentiel* no later than on 10 June of each year information relating to the quality of their assets. This report is published within 45 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 such report. In addition, according to Article L.515-17-2 of the French Monetary and Financial Code (*Code monétaire et financier*), *sociétés de crédit foncier* must publish every quarter a report containing the same information as the annual report in respect of the quality of their assets, together with information relating to the duration of the loans, securities and instruments to be financed.

Financing portion (*quotité de financement*)

In accordance with the French legal framework applicable to *sociétés de crédit foncier*, the Issuer may only finance the residential mortgage backed securities (RMBS) issued by a securitisation vehicle through issuance of *obligations foncières* up to the lowest of the following amounts:

- the outstanding principal amount of such eligible securities;
- the sum of (i) the capital remaining due under loans composing the assets of such securitisation vehicle and (ii) the liquidities of such securitisation vehicle as defined in Article R.214-95 of the French Monetary and Financial Code (*Code monétaire et financier*);

- the product of (i) the value of the charged residential real estate securing the loans composing the assets of the securitisation vehicle and (ii) the applicable "financing portion" (*quotité de financement*) referred to in Article R.515-2 of the French Monetary and Financial Code (*Code monétaire et financier*) (which in respect of residential mortgage loans is 80 per cent.). This product shall be increased by the liquidities of the securitisation vehicle as defined in Article R. 214-95 of the French Monetary and Financial Code (*Code monétaire et financier*).

As regards the residential mortgage loans and in accordance with the French legal framework applicable to *sociétés de crédit foncier*, the Issuer may only finance such eligible assets through issuance of *obligations foncières* up to the lower of the following amounts:

- the principal outstanding amount of the loan;
- the product of (i) the value of the charged residential real estate securing the loan and (ii) the applicable "financing portion" (*quotité de financement*) referred to in Article R.515-2 of the French Monetary and Financial Code (*Code monétaire et financier*) (which in respect of residential mortgage loans is 80 per cent.).

In accordance with Article R.313-20, II of the French Monetary and Financial Code (*Code monétaire et financier*), the "financing portion" (*quotité de financement*) in respect of mortgage promissory notes (*billets à ordre hypothécaires*) is (i) 60% of the value of the asset financed (in the case of secured receivables) or of the assets provided as collateral on mortgage loans or (ii) 80% of the value of the property for any loan receivables made to individuals in order to fund the construction or purchase of housing or to finance both the purchase of development land and the cost of construction of housing. Article R.313-21 of the French Monetary and Financial Code (*Code monétaire et financier*) provides that such percentage is increased to (i) 90% of the value of the asset when the value of the funded receivables is at least 25% more than the value of the mortgage promissory notes they guarantee and (ii) 100% of the value of the asset provided as collateral, in the case of the social housing ownership loans guaranteed by the *Fonds de Garantie à l'Accession Sociale* referred to in Article L. 312-1 of the French *Code de la construction* or loans secured, for the fraction over and above the relevant "financing portion", by a guarantee satisfying the criteria set out in Article L. 313-42 of the French Monetary and Financial Code (*Code monétaire et financier*) or by a guarantee by one or several public legal persons referred to in article L. 515-15 of the French Monetary and Financial Code (*Code monétaire et financier*).

Cover ratio

In addition, *sociétés de crédit foncier* must at all times maintain a cover ratio between its assets and its liabilities which have the benefit of the *Privilège*. Pursuant to Articles L.515-20 and R. 515-7-2 of the French Monetary and Financial Code (*Code monétaire et financier*), *sociétés de crédit foncier* must at all times maintain a ratio of at least 102 per cent. between their assets and the total amount of their liabilities which have the benefit of the *Privilège*.

The ratio's denominator (Article 8 of regulation 99-10 of the CRBF) "is comprised of *obligations foncières* and other resources benefiting from the *Privilège*".

The ratio's numerator (Article 9 of regulation 99-10 of the CRBF) "is made up of all the assets" weighted to reflect their category. With respect to *sociétés de crédit foncier* refinancing residential mortgage loans:

- (i) the home loans secured by a first ranking mortgage are given a 100 per cent. weighting up to their financing portion (*quotité de financement*) i.e., the lesser of 80 per cent. of the valuation of the charged residential property and the principal outstanding amount of the loan;
- (ii) the home loans secured by a guarantee (*cautionnement*) issued by a guarantor (*société de caution*) which does not fall within the scope of consolidation, as defined in Article L.233-16 of the French *Code de Commerce*, of the *société de crédit foncier* are given a weighting percentage depending on their rating as follows:
 - 100 % for the guarantor (*société de caution*) benefiting from the second level of credit assessment (*deuxième meilleur échelon de qualité de crédit*) given by an external rating agency recognised by the *Autorité de contrôle prudentiel*;
 - 80% for the guarantor (*société de caution*) benefiting from the third highest level of credit assessment (*troisième meilleur échelon de qualité de crédit*) given by an external rating agency recognised by the *Autorité de contrôle prudentiel*; and
 - 0% otherwise;

- (iii) the residential mortgage backed securities subscribed by *sociétés de crédit foncier* are given a weighting percentage depending on (i) whether or not the entity assigning the assets underlying the RMBS belongs to the same *consolidation* scope as the *sociétés de crédit foncier*, (ii) the date on which the RMBS were subscribed by the *sociétés de crédit foncier* and (iii) the level of the rating of such RMBS. AXA Bank Europe being the entity assigning the residential mortgage loans underlying the RMBS subscribed or to be subscribed by the Issuer, such RMBS will be given a weighting percentage as follows:
 - if such RMBS were subscribed by the Issuer before 31 December 2011, they will be given a 100 per cent., 80 per cent. or 0 per cent. weighting depending on the level of the rating of such RMBS until 31 December 2014 and as from 1 January 2015 a 100 per cent., 50 per cent. or 0 per cent. weighting depending on the level of the rating of such RMBS; and
 - if such RMBS were subscribed by the Issuer after 31 December 2011, they will be given a 100 per cent., 50 per cent. or 0 per cent. weighting depending on the level of the rating of such RMBS; and
- (iv) in respect of mortgage promissory notes (*billets à ordre hypothécaires*) subscribed by *sociétés de crédit foncier*, pursuant to article R. 515-7-2 of the French Monetary and Financial Code (*Code monétaire et financier*), the home loans composing the cover pool of such mortgage promissory notes (*billets à ordre hypothécaires*) shall be taken into account for the calculation of that ratio by look-through approach so that paragraphs (i) and (ii) shall apply to such home loans.

Sociétés de crédit foncier submit their cover ratio to the *Autorité de contrôle prudentiel* on 30 June and 31 December of each year and must appoint a specific controller (*contrôleur spécifique*) with the approval of the *Autorité de contrôle prudentiel* whose task is to ensure that the cover ratio is at all times complied with. In particular, the specific controller must certify that the cover ratio is satisfied in connection with (i) the *société de crédit foncier's* quarterly programme of issues benefiting from the *Privilège* and (ii) any specific issue also benefiting from the *Privilège* whose amount is greater than Euro 500 million. The specific controller must verify the eligibility and quality of the assets, the process of yearly revaluation of the charged properties and the congruence of the asset liability management. The specific controller has access to information that allows confirmation of each issue's compliance with the cover ratio. This cover ratio is published twice a year and checked on a quarterly basis by the specific controller.

In any event, AXA Bank Europe contractually undertakes towards the Issuer to ensure, by providing liquidity support or assigning additional eligible assets or otherwise, that the Issuer will, at all times, maintain an overcollateralisation ratio between its assets and its liabilities which have the benefit of the *Privilège* equal to or greater than 5 per cent.

AXA Bank Europe is more fully described in the RS-3 2013 Prospectus which is incorporated by reference in this Base Prospectus (see "Documents incorporated by Reference").

Liquidity needs

Pursuant to Articles L. 515-17-1 and R. 515-7-1 of the French Monetary and Financial Code (*Code monétaire et financier*), *sociétés de crédit foncier* must ensure, at all times, the coverage of their cash requirements for the next 180 days, by acquiring replacement values (*valeurs de remplacement*) or other eligible assets to be granted as collateral with the *Banque de France* in accordance with the procedures and conditions laid out by it for its monetary policy and intraday credit operations, or by entering into refinancing agreements with credit institutions benefiting from the first level of short-term credit quality (*premier échelon de qualité de crédit à court terme*) established by an external rating agency recognized by the *Autorité de contrôle prudentiel* or guaranteed by other legal entities benefiting from the same level of short-term credit quality.

Subscription by the *société de crédit foncier* of its own *obligations foncières* as eligible collateral with the *Banque de France*

Pursuant to Article L. 515-32-1 of the French Monetary and Financial Code (*Code monétaire et financier*), a *société de crédit foncier* may subscribe its own *obligations foncières* for the sole purpose of granting them as eligible collateral with the *Banque de France* in accordance with the procedures and conditions laid out by it for its monetary policy and intraday credit operations in the event that the Issuer cannot meet its liquidity needs from any other sources. Such recognition as eligible collateral will depend upon satisfaction of the Eurosystem eligibility criteria as specified by the European Central Bank. The *obligations foncières* thus subscribed by the *société de crédit foncier* must meet the following conditions:

- their outstanding principal amount does not exceed 10 per cent. of the outstanding principal amount of any liabilities of the *société de crédit foncier* benefiting from the *Privilège* on the subscription date of the *obligations foncières* by the *société de crédit foncier*;
- they are deprived of the rights provided for under Articles L. 228-46 to L. 228-89 of the French Commercial Code (*Code de commerce*) for so long as they are held by the *société de crédit foncier*;
- they are granted as collateral to the *Banque de France* or they are cancelled within the eight (8) days from their settlement date or from the date they are no more granted as collateral, as applicable; and
- they cannot be subscribed by a third party.

The specific controller of the *société de crédit foncier* must certify these conditions are met in a report delivered to the *Autorité de contrôle prudentiel*.

Privilège and non privileged debts

The *obligations foncières* issued by *sociétés de crédit foncier*, together with the other resources raised, the issuance or subscription agreement of which mentions the *Privilège*, and the liabilities resulting from derivative transactions relating to the hedging of assets, *obligations foncières* and other privileged debts in accordance with the second paragraph of Article L.515-18 of the French Monetary and Financial Code (*Code monétaire et financier*) benefit from the *Privilège*.

Pursuant to Article L.515-19 of the French Monetary and Financial Code (*Code monétaire et financier*), notwithstanding any legal provisions to the contrary and in particular the provisions included in the French Commercial Code (*Code de commerce*) relating to the prevention and conciliation of business difficulties and to the safeguard, judicial administration and liquidation of companies:

- (i) the sums resulting from the loans, assimilated receivables, exposures and securities as referred to in Articles L.515-14 to L.515-17 of the French Monetary and Financial Code (*Code monétaire et financier*) and from the financial instruments used for hedging as referred to in Article L.515-18 of the French Monetary and Financial Code (*Code monétaire et financier*), (in each case after any applicable set-off), together with the claims in respect of deposits made by a *société de crédit foncier* (i.e. the issuer of *obligations foncières*, such as the Issuer) with credit institutions, are allocated in priority to the payment of any sums due in relation to the *obligations foncières* such as the Notes, to other resources benefiting from the *Privilège* as mentioned in paragraph 2 of I of Article L.515-13 of the French Monetary and Financial Code (*Code monétaire et financier*), to derivative transaction used for hedging, under the condition of Article L.515-18 of the French Monetary and Financial Code (*Code monétaire et financier*) and to other ancillary expenses and sums expressly referred to in Article L.515-19 of the French Monetary and Financial Code (*Code monétaire et financier*);
- (ii) when a *société de crédit foncier* such as the Issuer is subject to safeguard, judicial or liquidation proceedings (*procédure de sauvegarde, de redressement ou de liquidation judiciaires*) or to conciliation proceedings with its creditors (*procédure de conciliation*), the amounts due regularly from the operations referred to in paragraph 2 of I of Article L.515-13 of the French Monetary and Financial Code (*Code monétaire et financier*) are paid on their contractual due date, and in priority to all other debts, whether or not preferred or secured, including interest resulting from agreements whatever their duration. No other creditor of a *société de crédit foncier* such as the Issuer may exercise any right over the assets and rights of such *société* until all creditors benefiting from the *Privilège* as defined in Article L.515-19 of the French Monetary and Financial Code (*Code monétaire et financier*) have been fully paid off; and
- (iii) the judicial liquidation of a *société de crédit foncier* such as the Issuer, will not result in the acceleration of payment of *obligations foncières* such as the Notes and other debts benefiting from the *Privilège*.

Sociétés de crédit foncier may also issue ordinary bonds or raise funds which do not benefit from such *Privilège*.

The Issuer may also refinance its assets in accordance with specific means of refinancing set forth by Article L.515-13 of the French Monetary and Financial Code (*Code monétaire et financier*), such as transfers of receivables in accordance with Article L.313-23 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*) or temporary transfers of its securities as provided for in Articles L.211-22 to L.211-34

of the French Monetary and Financial Code (*Code monétaire et financier*) or having recourse to funding secured by a pledge of a securities account as defined in Article L. 211-20 of the French Monetary and Financial Code (*Code monétaire et financier*). In such case, the receivables and securities so refinanced are not taken into account for the purpose of determining the cover ratio of the resources benefiting from the *Privilège*.

The Issuer may enter into forward financial instruments to hedge its interest rate and currency risks on the loans and exposures set out in Articles L.515-14 to L.515-17 of the French Monetary and Financial Code (*Code monétaire et financier*), on the *obligations foncières* and other resources benefiting from the *Privilège*. Any amounts payable pursuant to these forward financial instruments, after the applicable set-off as the case may be, benefit from the *Privilège* of Article L.515-19 of the French Monetary and Financial Code (*Code monétaire et financier*), unless such forward financial instruments were not concluded by the Issuer to hedge items of its assets and/or privileged liabilities or the global risk on its assets, liabilities and off-balance sheet items in accordance with Article L.515-18 of the French Monetary and Financial Code (*Code monétaire et financier*).

Insolvency derogatory regime

Article L.515-27 of the French Monetary and Financial Code (*Code monétaire et financier*) precludes the extension of any safeguard procedure (*procédure de sauvegarde*), judicial reorganisation (*redressement judiciaire*) or liquidation (*liquidation judiciaire*) in respect of the *société de crédit foncier*'s shareholders to the *société de crédit foncier*.

The French Monetary and Financial Code (*Code monétaire et financier*) provides for a regime which derogates in many ways from the French legal provisions relating to insolvency proceedings. In particular, in the event of safeguard procedure (*procédure de sauvegarde*), judicial reorganisation (*redressement judiciaire*) or liquidation (*liquidation judiciaire*) of a *société de crédit foncier*, all claims benefiting from the *Privilège*, including interest thereon, must be paid on their due dates and in preference to all other claims, whether or not secured or statutorily preferred and, until payment in full of all such preferred claims, no other creditors may take any action against the assets of the *société de crédit foncier*.

In addition, the provisions allowing an administration to render certain transactions entered into during the hardening period (*période suspecte*) null and void are not applicable for transactions entered into by a *société de crédit foncier* provided that such transactions are made in accordance with their exclusive legal purpose and without fraud. Pursuant to Article L. 515-28 of the French Monetary and Financial Code (*Code monétaire et financier*), in case of the opening of any safeguard procedure (*procédure de sauvegarde*), judicial reorganisation (*redressement judiciaire*) or liquidation (*liquidation judiciaire*) against the credit institution which is acting as manager and servicer of the assets and liabilities of the *société de crédit foncier*, the recovery, management and servicing contract may be immediately terminated by the *société de crédit foncier* notwithstanding any legal provisions to the contrary.

DESCRIPTION OF THE ISSUER

Incorporation, duration and registered office

The Issuer is a credit institution (*établissement de crédit*), licensed as a financial company (*société financière*) with the status of *société de crédit foncier*, incorporated under French law on 20 September 2010 for a period of 99 years as a *société anonyme*. The Issuer is registered under the name of AXA Bank Europe SCF with the Commercial and Companies Registry (*Registre du Commerce et des Sociétés*) of Créteil under number 525 010 880. The Issuer's office is at 203/205, rue Carnot, 94138 Fontenay Sous Bois, France, its telephone number: +33 (0)1 55 12 75 15.

On 24 September 2010, the Issuer was authorised to act as a *société de crédit foncier* by the French Prudential Supervisory Authority, the *Autorité de contrôle prudentiel*.

The Issuer is governed, *inter alia*, by the French Commercial Code (*Code de Commerce*) and by the French Monetary and Financial Code (*Code monétaire et financier*). In relation to its capacity as a *société de crédit foncier*, the Issuer is governed by the provisions of Livre V Title 1 Chapter V Section 4 of the French Monetary and Financial Code (*Code monétaire et financier*) (see the section entitled "Overview of the legislation and regulations relating to *sociétés de crédit foncier*").

The Issuer is a member of the AXA group.

Share capital

The Issuer's share capital is EUR 111,095,200 divided into 11,109,520 fully paid-up ordinary shares of EUR 10. At the date of this Base Prospectus, 99.99 per cent. of this share capital is held by AXA Bank Europe and the remainder by AXA Belgium, AXA Holdings Belgium, Servis, Les Assurés Réunis, AXA Private Management and L'Ardenne Prévoyante (each of them holding one share).

There is no authorised and unissued share capital. There are no securities which grant rights to shares in the capital of the Issuer. All shares have equal voting rights.

AXA Holdings Belgium holds 99.99 per cent. of the share capital of AXA Bank Europe and the remainder is held by AXA Belgium.

All the share capital of AXA Holdings Belgium is held by AXA S.A. which is a French *société anonyme*, the shares of which are listed on Euronext Paris.

Issuer's exclusive purpose and business overview

In accordance with Article L.515-13 of the French Monetary and Financial Code (*Code monétaire et financier*) which defines the exclusive purpose of the *sociétés de crédit foncier* and with Article 2 of its by-laws, the Issuer's exclusive purpose consists in carrying out the activities and operations below, whether in France or abroad:

- (i) credit operations and assimilated operations within the terms set forth by regulations applicable to *sociétés de crédit foncier* and within the limits of its license;
- (ii) financing operations within the terms set forth by regulations applicable to *sociétés de crédit foncier* by means of issuance of *obligations foncières* or any other borrowing; and
- (iii) any ancillary activities expressly authorized by the texts on *sociétés de crédit foncier* for the achievement of its exclusive corporate purpose.

For a description of the legal framework applicable to *sociétés de crédit foncier*, see the section entitled "Overview of the legislation and regulations relating to *sociétés de crédit foncier*".

The Issuer may sign all necessary agreements with a credit institution to procure services for the management and recovery of its loans, exposures and other eligible financial assets, *obligations foncières* and other resources.

The Issuer is primarily dedicated to 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)). The Issuer has, and might continue to, subscribe RMBS issued by Royal Street NV/SA ("**Royal Street**"), a Belgian securitisation vehicle (*société d'investissement en créances institutionnelle de droit belge*) (SIC), the purpose of which is to acquire residential mortgage loan receivables

originated by AXA Bank Europe (which is more fully described in the RS-3 2013 Prospectus which is incorporated by reference in this Base Prospectus (see "Documents incorporated by Reference")).

At incorporation of Royal Street, the Compartments RS-1, RS-2, RS-3, RS-4 and RS-5 were created. In 2008, Compartment RS-1 acquired a portfolio of residential mortgage loan receivables from AXA Bank Europe and financed such purchase through the issuance of different classes of notes as further detailed in the prospectus relating to the notes issued by Compartment RS-1.

In 2010 and 2011, Royal Street, acting respectively through its Compartment RS-2 ("**Compartment RS-2**") and Compartment RS-3 ("**Compartment RS-3**"), purchased a portfolio of Belgian residential mortgage loans from AXA Bank Europe and financed such purchase through the issuance of different classes of notes and thereafter, pursuant to the terms of Belgian law governed mortgage loan sale agreements, purchased further new loans as further detailed in the prospectuses relating to the notes issued by Compartment RS-2 and Compartment RS-3 of Royal Street NV/SA incorporated by reference in this Base Prospectus.

The residential mortgage loans composing the portfolio was selected so that such residential mortgage loans and the receivables arising therefrom would comply with the eligible criteria set out in Article L.515-14 of the French Monetary and Financial Code (*Code monétaire et financier*) and the cumulative eligibility criteria as further detailed in the relevant Belgian law governed mortgage loan sale agreements entered into by AXA Bank Europe and Royal Street and the prospectuses relating to the notes issued by Compartment RS-2 (as supplemented *inter alia* by an information memorandum dated 5 December 2011 in order to substitute Standard & Poor's Rating Services by Moody's Investors Service Ltd. and obtain a rating by Moody's Investors Service Ltd. of the Class A RS-2 Notes (as defined below)) and Compartment RS-3 of Royal Street NV/SA incorporated by reference in this Base Prospectus.

The initial assets of the Issuer were composed solely of certain senior notes benefiting from the highest level of credit assessment (*meilleur échelon de qualité de crédit*) issued by Royal Street, acting through the Compartment RS-2 (the "**Class A RS-2 Notes**") and the Compartment RS-3 (the "**Class A RS-3 Notes**"). All of the Class A RS-2 Notes and the Class A RS-3 Notes were subscribed by the Issuer at the time of their respective issue.

It is currently contemplated that the Issuer will subscribe additional notes issued by the Compartment RS-3 as further detailed in the RS-3 2013 Prospectus incorporated by reference in this Base Prospectus.

Depending on the funding requirements of the Issuer, additional compartments may be activated in the future allowing multiple issuances of notes. The Issuer may then subscribe all or part of the senior notes benefiting from the highest level of credit assessment (*meilleur échelon de qualité de crédit*) issued by any compartment of Royal Street.

The Issuer may also acquire assets which are eligible assets in accordance with the French legal framework applicable to *sociétés de crédit foncier*. See "Overview of the legislation and regulations relating to *sociétés de crédit foncier* – Eligible assets". In this respect, it is currently contemplated that the Issuer will subscribe mortgage promissory notes (*billets à ordre hypothécaires*) governed by Articles L.313-42 *et seq.* of the French *Code monétaire et financier* issued by AXA Banque, the purpose of which is to refinance residential loan receivables originated by AXA Banque. Such loan receivables benefit from a guarantee (*cautionnement solidaire*) issued by Crédit Logement (i.e. a credit institution licensed by the *Autorité de contrôle prudentiel* which is not included in the scope of consolidation of AXA Bank Europe SCF).

The loan receivables originated by AXA Banque are currently serviced by Crédit Foncier de France. Axa Banque is responsible for servicing and custody of such loan receivables originated. AXA Banque sub-contracts the servicing and custody of the loan receivables originated by AXA Banque to Crédit Foncier de France. In the event that the Issuer subscribes such mortgage promissory notes (*billets à ordre hypothécaires*) issued by AXA Banque, it would benefit from this arrangement by a third party benefit clause (*stipulation pour autrui*).

The Issuer is not rated. However, the *obligations foncières* to be issued by the Issuer to refinance such residential mortgage loans are expected to be rated Aaa by Moody's Investors Service Ltd and AAA by Fitch Ratings Limited (together, the "**Rating Agencies**") and listed on the Official List of the Luxembourg Stock Exchange.

As of the date of this Base Prospectus, each of the Rating Agencies is established in the European Union is registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council dated 16 September 2009, as amended by Regulation (EU) No 513/2011 of the European Parliament and of the Council dated 11 May 2011 and is included in the list of registered credit rating agencies published at the website of the European Securities and Markets Authority (www.esma.europa.eu/page/List-registered-and-certified-CRAs).

Subsidiaries

According to article L.515-13 V of the French Monetary and Financial Code (*Code monétaire et financier*), the Issuer, as a *société de crédit foncier*, is not allowed to hold shares in other companies.

Management of the Issuer

The Issuer is administrated by a board of directors (*Conseil d'administration*).

The Issuer's board of directors (the "**Board**"), which at the date of this Base Prospectus comprises 8 members (who are all natural persons (*personnes physiques*)), has full powers to act in all circumstances on behalf of the Issuer within the limits set by its internal rules and the *Statuts* of the Issuer and subject to the powers expressly conferred by the French Commercial Code (*Code de commerce*) on shareholders in general meetings.

The Chairman of the Board organises and directs the work of the Board, of which it shall give an account to the shareholders' meeting, ensures that the governing bodies of the Issuer operate properly, and that the directors are able to perform their duties.

The management of the Issuer consists of the Chairman of the Board as Chief Executive Officer and two Deputy Chief Executive Officers to assist him. All of them are vested with the broadest powers to act in all circumstances on behalf of the Issuer within the limits of the corporate purpose, and subject to the powers expressly attributed by law to shareholders' meeting and the special powers of the board of directors. They represent the Issuer in its relationships with third parties.

- Names, business address and functions of the members of the Board and principal activities performed by them outside the Issuer:

Names	Business Address	Function	Principal activities performed outside the Issuer
Emmanuel Vercoustre	203/205, rue Carnot 94138 Fontenay Sous Bois France	Chairman of the Board and Chief Executive Officer	Member of the Board of Directors and Executive Committee, Head of Financial Services of AXA Bank Europe
Emmanuel Ramé	203/205, rue Carnot 94138 Fontenay Sous Bois France	Deputy Chief Executive Officer and Director	Member of the Executive Board (<i>Directoire</i>) – Chief Financial Officer and General Counsel of AXA Banque
Geert Van de Walle	203/205, rue Carnot 94138 Fontenay Sous Bois France	Deputy Chief Executive Officer and Director	Deputy Head of Financial Services of AXA Bank Europe
Irina Buchmann	203/205, rue Carnot 94138 Fontenay Sous Bois France	Director	Member of the Board of Directors and Executive Committee, Chief Financial Officer of AXA Bank Europe
Laurent Abensour	203/205, rue Carnot 94138 Fontenay Sous Bois France	Director	Head of Corporate Finance & Treasury Department of AXA group
Dominique Bellec	203/205, rue Carnot 94138 Fontenay Sous Bois France	Director	Member of the Board of Directors and Executive Committee, Chief Risk Officer of AXA Bank Europe
Marie-Cecile Plessix	203/205, rue Carnot 94138 Fontenay Sous Bois France	Director	Member of the Executive Board (<i>Directoire</i>) - Credit Officer (<i>Directeur Crédit</i>) of AXA

			Banque
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The Issuer has appointed two Statutory Auditors (*Commissaires aux comptes*) and two Deputy Statutory Auditors (*Commissaires aux comptes suppléants*) in compliance with applicable laws and regulations.

Furthermore, the Issuer has appointed, in accordance with Articles L.515-30 to L.515-31 of the French Monetary and Financial Code (*Code monétaire et financier*) a specific controller (*contrôleur spécifique*), and a substitute specific controller (*contrôleur spécifique suppléant*), who are selected from the official list of auditors and are appointed by the Board with the approval of the *Autorité de contrôle prudentiel*.

The specific controller ensures that the Issuer complies with the French Monetary and Financial Code (*Code monétaire et financier*) (in particular, verifying the quality and the eligibility of the assets and the cover ratios). He also monitors the balance between the Issuer's assets and liabilities in terms of rates and maturity (cash flow adequacy) and notifies the Board and the *Autorité de contrôle prudentiel* if he considers such balance to be unsatisfactory. The specific controller attends all shareholders' meetings and, on his request, may be heard by the Board (Article L.515-30 of the French Monetary and Financial Code (*Code monétaire et financier*)).

The Issuer identified no potential conflicts of interests between the duties to it by the members of the Board and their private interests.

Under Regulation n° 97-02 of the Committee of banking and financial regulation (the *Comité de la réglementation bancaire et financière* or "**CRBF**") and in application of Article L.823-19 of the French Commercial code (*Code de commerce*), the Board set up an Audit Committee. The Audit Committee is responsible more particularly under the supervision of the Board for (i) ensuring that the information provided is clear and assessing the relevance of the accounting methods used to prepare the individual accounts, and (ii) assessing the quality of internal control procedures, in particular whether the systems for measuring, monitoring and controlling risks are consistent, and recommending further actions where appropriate.

In addition, a Committee of Commitments has been established by the Issuer. The Committee of Commitments is advising the Chief Executive Officer and the Deputy Chief Executive Officers regarding *inter alia* the purchase of assets by the Issuer, the eligibility of the assets, the opportunity of new issuances and asset liability management.

The management of the Issuer can thus be summarised by the following chart:

ORGANISATIONAL CHART AXA BANK EUROPE SCF			
Board of Directors	Responsible managers	Audit Committee	Committee of Commitments
VERCOUSTRE Emmanuel	VERCOUSTRE Emmanuel	BUCHMANN Irina	BIN-SABIR Abbas
PLESSIX Marie-Cécile	RAME Emmanuel	ABENSOUR Laurent	VERCOUSTRE Emmanuel
BUCHMANN Irina	VAN DE WALLE Geert		NOSKOWICZ Dalia
VAN DE WALLE Geert			CROMBEZ Christophe
ABENSOUR Laurent			WAUTHIER Alain
RAME Emmanuel			CHARRIER Ingrid

BELLECC Dominique

VAN DE WALLE Geert

MOULAERT Jean-Charles

FORTEYN Philippe

Staff

The Issuer has no human resources. Its technical administration has been subcontracted to its parent company, AXA Bank Europe and to another credit institution belonging to the AXA group, AXA Banque, which act in accordance with the instructions of the Board.

Compliance with the corporate governance regulations

The Issuer complies with the corporate governance regulations applicable to French companies.

Membership of professional organisation

The Issuer is member of the Association Française des Sociétés Financières, 24, avenue de la Grande Armée, 75584 PARIS CEDEX 17.

RELATIONSHIP BETWEEN AXA BANK EUROPE SCF AND AXA GROUP ENTITIES

As mentioned and/or further described in "Description of the Issuer" and "Risk factors relating to the Issuer and its operations", the Issuer has entered into several contracts with AXA Bank Europe, its parent company, and AXA Banque, a French credit institution within the AXA group (as applicable).

AXA Bank Europe is a public limited liability company of unlimited duration incorporated under Belgian law on 27 August 1881 under the name of "Antwerpsche Hypotheekkas" (ANHYP) and is registered in the "Register of Legal Entities" of Brussels, Belgium, under number 0404.476.835 with its registered office situated at 25, Boulevard du Souverain, 1170 Brussels. AXA Bank Europe is more fully described in the section "Description of AXA Bank Europe".

AXA Banque is organised as a *société anonyme à directoire et conseil de surveillance*, with a share capital of 69.467.904 euros and a registered office located at 203/205 rue Carnot, 94138, Fontenay-sous-Bois Cedex, France. AXA Banque is registered with the Commercial and Companies Registry (*Registre du Commerce et des Sociétés*) of Paris under number 542 016 993. AXA Banque is a credit institution duly licensed by the *Autorité de contrôle prudentiel* as a bank and as an investment services provider. In addition, AXA Banque is authorised to act as custodian of financial instruments (*teneur de compte-conservateur*).

The main contracts entered into between the Issuer and such AXA group entities are further described below.

1. The Issuer having no employees or other resources, it has entered into two outsourcing services contracts (as amended from time to time): (i) a *contrat d'externalisation et de fourniture de services* (outsourcing contract) with AXA Bank Europe and AXA Banque, setting out the conditions under which AXA Bank Europe and AXA Banque shall provide services for the fulfilment of the regulatory obligations of the Issuer in its capacity as financial company subject to the legislative and regulatory provisions governing *sociétés de crédit foncier*, including in particular the accounting supervision (and in particular regulatory reporting), the legal and tax secretariat and the legal and tax assistance, the control of the risks, the permanent control, (including the compliance and the fight against money laundering) and, the periodic control in connection with the internal control, and (ii) a *convention de gestion* (in accordance with Article L.515-22 of the French Monetary and Financial Code (*Code monétaire et financier*)) with AXA Bank Europe setting out the conditions under which AXA Bank Europe shall provide services in connection with the management and the recovery of the assets of the Issuer as well as financial management and ALM management of the Issuer.

2. The Issuer has entered into a cash advance agreement (as amended from time to time) with AXA Bank Europe setting out the terms and conditions under which AXA Bank Europe undertakes to (i) make cash advances to the Issuer on any Interest Payment Date, Instalment Date or Maturity Date (or Extended Maturity Date) of any Series of Notes (as determined in the Final Terms of such Series of Notes) issued by the Issuer or any payment date under any hedging agreement benefiting from the *Privilège* and (ii) each time a trigger event occurs during a specific period and for so long as it is continuing during such period, fund a pre-maturity reserve in respect of Series of Notes with hard bullet maturity, as security for its financial obligations towards the Issuer, in accordance with and subject to the terms and conditions set forth in the cash advance agreement. The sums due (in interest or principal) under any cash advances or the reserve by AXA Bank Europe will not benefit from the *Privilège*. See "Risk factors relating to the Issuer and its operations – Liquidity Risk".

3. In connection with the issue of Notes under the Programme, the Issuer has entered and may in future enter into certain hedging agreements and related hedging transactions with AXA Bank Europe in its capacity as eligible hedging provider in accordance with relevant rating agency requirements. These hedging agreements and related hedging transactions are entered into by the Issuer as part of its hedging strategy to hedge interest rate and/or currency risk. For a description of the Issuer's hedging strategy and the associated risks, see above under "Risk Factors – Interest rate and currency risks" and "Risk Factors – Credit risk on bank counterparties".

4. The Issuer has entered and may in future enter into certain term senior loan agreements with AXA Bank Europe in order to finance certain expenses in connection with the issue of Notes under the Programme. AXA Bank Europe has also granted a subordinated loan to the Issuer, the purpose of which is to finance the general financial needs of the Issuer. The sums due by the Issuer (in interest or principal) under the term senior loan agreements and the subordinated loan will not benefit from the *Privilège*.

5. The Issuer may enter into (i) a general framework agreement relating to mortgage promissory notes (*Convention Cadre de Mobilisation de Créances (Billet Hypothécaire)*) and (ii) a refinancing receivables

agreement (*Convention de Mobilisation de Créances*), with AXA Banque, in relation to the subscription by AXA Bank Europe SCF of mortgage promissory notes (*billets à orders hypothécaires*) issued by AXA Banque, the purpose of which are to refinance French residential loan receivables originated by AXA Banque.

FORM OF FINAL TERMS

Final Terms dated [●]

AXA BANK EUROPE SCF

(Issuer)

Issue of [Aggregate Nominal Amount of Tranche] *Obligations Foncières* due [●]
under the €5,000,000,000 Euro Medium Term Note Programme

Issue Price: [●] per cent.

[Name(s) of Dealer(s)]

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the conditions (the "**Conditions**") set forth in the Base Prospectus dated 27 June 2013 [and the supplement to the Base Prospectus dated [●]] which [together] constitute[s] a base prospectus for the purposes of the Directive 2003/71/EC as amended by Directive 2010/73/EU to the extent that such amendment have been implemented in the relevant Member State of the European Economic Area (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 [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus [and the supplement to the Base Prospectus] [is] [are] available for viewing on the websites of (i) the Luxembourg Stock Exchange (www.bourse.lu) and (ii) the Issuer (<http://www.axabank.eu/eng/financialinformation-overview/coveredbonds>), in each case during a period of at least twelve (12) months from the date of the Base Prospectus, [and] during normal business hours at the registered office of the Issuer and at the specified office of the Paying Agent(s) where copies may be obtained. [In addition¹, the Base Prospectus [and the supplement to the Base Prospectus] [is] [are] available for viewing [on/at] [●].]

[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.]

Terms used herein shall be deemed to be defined as such for the purposes of the conditions (the "**Conditions**") set forth in the Base Prospectus dated [original date] [and the supplement to the Base Prospectus dated [●]] which are incorporated by reference in the Base Prospectus dated 27 June 2013. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of Directive 2003/71/EC as amended by Directive 2010/73/EU to the extent that such amendment have been implemented in the relevant Member State of the European Economic Area (the "**Prospectus Directive**") and must be read in conjunction with the Base Prospectus dated [●] 2013 [and the supplement to the Base Prospectus dated [●]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the "**Base Prospectus**"), including the Conditions incorporated by reference in this Base Prospectus. Full information on the Issuer 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 viewing on the websites of (i) the Luxembourg Stock Exchange (www.bourse.lu) and (ii) the Issuer (<http://www.axabank.eu/eng/financialinformation-overview/coveredbonds>), in each case during a period of at least twelve (12) months from the date of the Base Prospectus, [and] during normal business hours at the registered office of the Issuer and at the specified office of the Paying Agent(s) where copies may be obtained. [In addition², the Base Prospectus is available for viewing [on/at] [●].]

[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.]

- | | | | |
|----|------|------------------------------------|---|
| 1. | (i) | Series Number: | [●] |
| | (ii) | Tranche Number: | [●] |
| | | | <i>(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)</i> |
| 2. | | Specified Currency or Currencies: | [●] |
| 3. | | Aggregate Nominal Amount of Notes: | [●] |
| | (i) | Series: | [●] |
| | (ii) | Tranche: | [●] |
| 4. | | Issue Price: | [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)] |

¹ If the Notes are admitted to trading on a Regulated Market other than the Luxembourg Stock Exchange.

5. **Specified Denomination(s) (Condition 1 (b)):** [●]
(one (1) denomination only for Dematerialised Notes) (Not less than €100,000 or its equivalent in other currency at the Issue Date when the Notes are admitted to trading on a Regulated Market in circumstances which require the publication of a prospectus under the Prospectus Directive)³
6. (i) **Issue Date:** [●]
(ii) **Interest Commencement Date:** [Specify/Issue Date/Not Applicable]
7. **Maturity Date (Condition 6 (a)):** [Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year] [If applicable, refer to paragraph 9 below for the Extended Maturity Date]
8. **Extended Maturity Date (Condition 6 (a)):** [If the Final Redemption Amount is not paid on the Maturity Date, such payment of unpaid amount will be deferred and shall be due and payable on [●], provided that the Final Redemption Amount unpaid on the Maturity Date may be paid by the Issuer on any Specified Interest Payment Date occurring thereafter up to and including the Extended Maturity Date. / Not Applicable.]
9. **Interest Basis (Condition 5):** [[●] per cent. Fixed Rate]
(further particulars specified in paragraph 14 below)
[[EURIBOR, EONIA, LIBOR] +/- [●] per cent. Floating Rate]
(further particulars specified in paragraph 15 below)
[Zero Coupon]
(further particulars specified in paragraph 16 below)
[Fixed/Floating Rate]
(further particulars specified in paragraphs 14 and 15 below)
10. **Redemption/Payment Basis (Condition 6):** [Redemption at par]
(further particulars specified in paragraph 19 below)
[Instalment]
(further particulars specified in paragraph 25 below)
11. **Put/Call Options (Conditions 6 (c) and 6 (d)):** [Issuer Call]
[Put Option]
[Not Applicable]
12. **Date of corporate authorisations for issuance of Notes obtained:** Decision of the Board of Directors (*Conseil d'administration*) dated [●]
13. **Method of distribution:** [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. **Fixed Rate Notes Provisions (Condition 5(b)):** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)

³ Notes (including Notes denominated in Sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitute a contravention of section 19 of FSMA and having a maturity of less than one year must have a minimum denomination of Sterling 100,000 (or its equivalent in other currencies).

- (i) Rate(s) of Interest: [●] per cent. per annum [payable [annually / semi-annually / quarterly / monthly] in arrear on each Interest Payment Date]
- (ii) Interest Payment Date(s): [●] in each year
[Unadjusted/[specify Business Day Convention (Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention) and any applicable Business Centre(s) for the definition of "Business Day"]]
- (iii) Fixed Coupon Amount(s): [●] per [●] in Specified Denomination
- (iv) Broken Amount(s): [€[●], being the [initial or final] broken interest amount which does not correspond with the Fixed Coupon Amount(s)]/Not Applicable]
- (v) Day Count Fraction: [●] [Actual/Actual / Actual/Actual-ISDA / Act/Act / Act/Act-ISDA / Actual/365-FBF / Actual/Actual-FBF / Actual/Actual-ICMA / Act/Act-ICMA / Actual/365 (Fixed) / Act/365 (Fixed) / A/365 (Fixed) / A/365 F / Actual/360 / Act/360 / A/360 / 30/360 / 360/360 / Bond Basis / 30/360-FBF / Actual 30A/360 (American Bond Basis) / 30E/360/ Eurobond Basis / 30E/360-FBF / 30E/360-ISDA]
- (vi) Determination Dates: [●] in each year
(insert regular Interest Payment Dates, ignoring Issue Date or Maturity Date (or Extended Maturity Date) in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))
- 15. Floating Rate Notes Provisions (Condition 5 (c)):** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Interest Period(s): [●]
- (ii) Specified Interest Payment Dates: [●]
- (iii) First Interest Payment Date: [●]
- (iv) Interest Period Date: [Interest Payment Date/Other (specify date)]
- (v) Business Day Convention: [Floating Rate Business Day Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention]
[Insert "unadjusted" if the application of the relevant business day convention is not intended to affect the Interest Amount]
- (vi) Business Centre(s) (Condition 5(a)): [Not Applicable]/[●]
- (vii) Manner in which the Rate(s) of Interest is/are to be determined: [FBF Determination/ ISDA Determination/ Screen Rate Determination]
- (viii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Calculation Agent): [Not Applicable]/[●]
- (ix) FBF Determination: [Applicable/Not Applicable]
- Floating Rate (*Taux Variable*): [●]
- Floating Rate Determination Date [●]

(Date de Détermination du taux Variable):

- (x) ISDA Determination: [Applicable/Not Applicable]
 - Floating Rate Option: [●]
 - Designated Maturity: [●]
 - Reset Date: [●]
- (xi) Screen Rate Determination: [Applicable/Not Applicable]
 - Relevant Rate: [●] [Either LIBOR, EURIBOR or other and, if other, include additional information if necessary]
 - Relevant Time: [●]
 - Interest Determination Date(s): [●]
 - Primary Source: [Specify relevant screen page or "Reference Banks"]
 - Reference Banks (if Primary Source is "Reference Banks"): [Specify four]
 - Relevant Financial Centre: [The financial centre most closely connected to the Benchmark - specify if not Paris]
 - Representative Amount: [Specify if screen or Reference Bank quotations are to be given in respect of a transaction of a specified notional amount]
 - Effective Date: [Specify if quotations are not to be obtained with effect from commencement of Interest Accrual Period]
 - Specified Duration: [Specify period for quotation if not duration of Interest Accrual Period]
- (xii) Margin(s): [+/-] [●] per cent. per annum
- (xiii) Minimum Rate of Interest: [Not Applicable/[●] per cent. per annum]
- (xiv) Maximum Rate of Interest: [Not Applicable/[●] per cent. per annum]
- (xv) Day Count Fraction: [●]
- 16. Zero Coupon Notes Provisions (Condition 5 (d)):** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Amortisation Yield: [●] per cent. per annum
- (ii) Day Count Fraction: [●] [Actual/Actual / Actual/Actual-ISDA / Act/Act / Act/Act-ISDA / Actual/365-FBF / Actual/Actual-FBF / Actual/Actual-ICMA / Act/Act-ICMA / Actual/365 (Fixed) / Act/365 (Fixed) / A/365 (Fixed) / A/365 F / Actual/360 / Act/360 / A/360 / 30/360 / 360/360 / Bond Basis / 30/360-FBF / Actual 30A/360 (American Bond Basis) / 30E/360/ Eurobond Basis / 30E/360-FBF / 30E/360-ISDA]

PROVISIONS RELATING TO REDEMPTION

- 17. Call Option (Condition 6 (c)):** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s) of each Note: [●] per Note of [●] Specified Denomination
- (iii) If redeemable in part:
 - (a) Minimum Redemption Amount: [Not Applicable/[●]]

- (b) Maximum Redemption Amount: [Not Applicable/[●]]
- (iv) Option Exercise Date(s): [●]
- (v) Notice period⁷: [●]
- 18. Put Option(Condition 6 (d)):** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [●] per Note of [●] Specified Denomination
- (iii) Option Exercise Date(s): [●]
- (iv) Notice period⁷: [●]
- 19. Final Redemption Amount of each Note (Condition 6 (a)):** [●] per Note of [●] Specified Denomination/ Specified Denomination]
- 20. Early Redemption Amount (Condition 6 (e)):**
Early Redemption Amount(s) of each Note payable on early redemption: [●]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 21. Form of Notes (Condition 1 (a)):** [Dematerialised Notes/ Materialised Notes]
(Materialised Notes are only in bearer form)
[Delete as appropriate]
- (i) Form of Dematerialised Notes: [Not Applicable/if Applicable specify whether bearer form (*au porteur*)/ administered registered form (*au nominatif administré*)/ fully registered form (*au nominatif pur*)]
- (ii) Registration Agent: [Not Applicable/if applicable give name and address] (Note that a Registration Agent can be appointed in relation to Dematerialised Notes in fully registered form only)
- (iii) Temporary Global Certificate: [Not Applicable/Temporary Global Certificate exchangeable for Definitive Materialised Notes on [●] (the "Exchange Date"), being forty (40) days after the Issue Date subject to postponement as specified in the Temporary Global Certificate]
- 22. Financial Centre(s) (Condition 7(h)):** [Not Applicable/[●]. Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which sub-paragraphs 15 (ii) and 16(v) relate]
- Adjusted Payment Date (Condition 7(h)):**

⁷ If setting notice periods which are different to those provided in the terms and conditions, consider the practicalities of distribution of information through intermediaries, for example clearing systems, as well as any other notice requirements which may apply, for example as between the Issuer and the Fiscal Agent (Condition 6 (c)).

⁷ If setting notice periods which are different to those provided in the terms and conditions, consider the practicalities of distribution of information through intermediaries, for example clearing systems, as well as any other notice requirements which may apply, for example as between the Issuer and the Fiscal Agent (Condition 6 (d)).

The next following business day unless it would thereby fall into the next calendar month, in which such event such date shall be brought forward to the immediately preceding business day.] / [The immediately preceding business day]/[Other*]

23. **Talons for future Coupons or Receipts to be attached to Definitive Materialised Notes (and dates on which such Talons mature) (Condition 7 (b)):** [Yes/No/Not Applicable] *(Only applicable to Materialised Notes)*
24. **Purchase in accordance with Article L.213-1 A and D.213-1 A of the French Code monétaire et financier (Condition 6 (g)):** [Applicable/Not Applicable]
25. **Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made (Condition 6 (b)):** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) **Instalment Amount:** [●]
- (ii) **Instalment Date:** [●]
26. **Redenomination, renominatisation and reconventioning provisions (Condition 1 (d)):** [Not Applicable/The provisions in Condition 1(d) apply]
27. **Consolidation provisions (Condition 13(b)):** [Not Applicable/The provisions in Condition 13(b) apply]
28. **Masse (Condition 10):** [[Full Masse] / [Contractual Masse] shall apply]
(Note that: (i) in respect of any Tranche of Notes of Notes issued outside France, Condition 10(b) (Contractual Masse) may be elected by the Issuer; and (ii) in respect of any Tranche of Notes issued inside France, Condition 10(a) (Full Masse) shall apply).
(If Condition 10(a) (Full Masse) or 10(b) (Contractual Masse) applies, insert below details of Representative and Alternate Representative and remuneration, if any:)
 [Name and address of the Representative: [●]]
 Name and address of the alternate Representative: [●]]
 [The Representative will receive no remuneration/The Representative will receive a remuneration of [●]]

* In the market practice, if any date for payment in respect of Fixed Rate Notes, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day (as defined in Condition 7(g)).

RESPONSIBILITY

[(*Relevant third party information*) has been extracted from (*specify source*). The Issuer 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 (*specify source*), no facts have been omitted which would render the reproduced information inaccurate or misleading.]¹

Signed on behalf of AXA Bank Europe SCF:

By:

Duly authorised

¹ Include if third party information is provided.

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing(s): [Official List of the Luxembourg Stock Exchange/ other (*specify*)/ None]
- (ii) Admission to trading: [Application has been made to be 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 original Notes are already admitted to trading.)]
- (ii) Estimate of total expenses related to admission to trading: [●]

2. RATINGS

- Ratings: [The Notes to be issued have been rated/are expected to be rated:
[Moody's Investors Service Ltd: [●]]
[Fitch Ratings Limited: [●]]
[[Other]: [●]]
- (The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*
- [[Insert credit rating agency] is established in the European Union and has applied for registration under Regulation (EC) No 1060/2009 of the European Parliament and of the Council dated 16 September 2009, as amended by Regulation (EU) No. 513/2011 of the European Parliament and of the Council dated 11 May 2011, although notification of the corresponding registration decision has not yet been provided by the relevant competent authority.]
- [[Insert credit rating agency] is established in the European Union and is registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council dated 16 September 2009, as amended by Regulation (EU) No 513/2011 of the European Parliament and of the Council dated 11 May 2011 and is included in the list of registered credit rating agencies published at the website of the European Securities and Markets Authority (www.esma.europa.eu/page/List-registered-and-certified-CRAs).]

3. NOTIFICATION

The *Commission de Surveillance du Secteur Financier*, which is the Luxembourg competent authority for the purpose of the Prospectus Directive [has been requested to provide/has provided - *include first*

alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues] the [include names of competent authorities of host Member States] with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.

4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Need to include a description of any interest, including conflicting ones, that is material to the issue, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement: "Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer."

[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)]

5. Fixed Rate Notes only – YIELD

Indication of yield: [●] / [Not Applicable]

6. Floating Rate Notes only - HISTORIC INTEREST RATES

Details of historic [EURIBOR, LIBOR or EONIA] rates can be obtained from [Reuters/other].

7. DISTRIBUTION

(i)

(a) **If syndicated, names of Managers:** [Not Applicable/give names]

(b) **Date of subscription agreement:** [●]

(c) **Stabilising Manager(s) (if any):** [Not Applicable/give name]

(ii) **If non-syndicated, name of Dealer:** [Not Applicable/give name]

(iii) **U.S. selling restrictions:** The Issuer is Category 1 for the purposes of Regulation S under the United States Securities Act of 1933, as amended.

[TEFRA C/ TEFRA D/ TEFRA not Applicable]
(TEFRA are not applicable to Dematerialised Notes)

8. OPERATIONAL INFORMATION

ISIN Code: [●]

Common Code: [●]

Depositories:

(i) Euroclear France to act as Central Depository [Yes/No]

(ii) Common Depository for Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme [Yes/No]

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): [Not Applicable/give name(s) and number(s) and address(es)]

Delivery: Delivery [against/free of] payment

Names and addresses of additional Paying Agent(s) (if any): [Not Applicable/give name]

TAXATION

The following is a description limited to certain tax considerations in France and in Luxembourg relating to the Notes that may be issued under the Programme and specifically contains information on taxes on the income from the securities withheld at source. This summary is based on the laws in force in France and in the Grand Duchy of Luxembourg as of the date of this Base Prospectus and is subject to any changes in law. It does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Notes. Each prospective holder or beneficial owner of Notes should consult its tax advisor as to the tax consequences of any investment in or ownership and disposition of the Notes.

1. EU Savings Directive

The EC Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments (the "**Savings Directive**") requires each Member State as from 1 July 2005 to provide to the tax authorities of another Member State details of payments of interest and other similar income within the meaning of the Savings Directive made by a paying agent within its jurisdiction to (or under circumstances to the benefit of) a beneficial owner (within the meaning of the Savings Directive) resident in that other Member State, except that Luxembourg and Austria will instead impose a withholding system for a transitional period unless the beneficiary of interest payment elects for the exchange of information.

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 nor any 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. If a withholding tax is imposed on payment made by a Paying Agent, the Issuer will be required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Savings Directive.

The European Commission has proposed certain amendments to the Savings Directive which may, if implemented, amend or broaden the scope of the requirements described above.

2. France

2.1 French withholding tax

- (a) Following the introduction of the French *loi de finances rectificative pour 2009* no. 3 (n° 2009-1674 dated 30 December 2009) (the "**Law**"), payments of interest and other revenues made by the Issuer with respect to Notes will not be subject to the withholding tax set out under Article 125 A III of the French General Tax Code (*Code général des Impôts*) unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French General Tax Code (*Code général des Impôts*) (a "**Non-Cooperative State**"). If such payments under the Notes are made in a Non-Cooperative State, a 75 per cent. withholding tax will be applicable (subject to certain exceptions and potentially to more favourable provisions of any applicable double tax treaty) by virtue of Article 125 A III of the French General Tax Code (*Code général des Impôts*).

Notwithstanding the foregoing, the Law provides that the 75 per cent. withholding tax will not apply in respect the issue of the Notes if the Issuer can prove that the principal purpose and effect of such issue of Notes were not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the "**Exception**"). Pursuant to official guidelines issued by the French tax authorities under the references BOI-INT-DG-20-50-20120912, no. 990, BOI-RPPM-RCM-30-10-20-50-20120912, no. 70, and BOI-ANX-000366-20120912, no. 90, an issue of Notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of such issue of the Notes if such Notes are:

- (i) offered by means of a public offer within the meaning of Article L.411-1 of the French Monetary and Financial Code (*Code monétaire et financier*) or pursuant to an equivalent offer in a State or territory other than a Non-Cooperative State. For this purpose, an "equivalent offer" means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or
- (ii) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the

operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or

- (iii) admitted, at the time of their issue, to the operations of a central depository or of a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the French Monetary and Financial Code (*Code monétaire et financier*), or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non-Cooperative State.

Furthermore, pursuant to Article 238 A of the French *General Tax Code (Code général des impôts)*, interest and other revenues on such Notes are not deductible from the Issuer's taxable income, if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid in such a Non-Cooperative State. Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Article 109 of the French *General Tax Code (Code général des impôts)*, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* of the French *General Tax Code (Code général des impôts)*, at a rate of 30 per cent. or 75 per cent.

However, neither the non-deductibility set out under Article 238 A of the French *General Tax Code (Code général des impôts)*, nor the withholding tax set out under article 119 *bis* 2 of the same code will apply in respect of the Notes solely by reason of the relevant payments being made to persons domiciled or established in a Non-Cooperative State or paid in such a Non-Cooperative State if the Issuer can prove that it can benefit from the Exception and that the relevant interest or revenues relate to genuine transactions and are not in an abnormal or exaggerated amount. Pursuant to the official guidelines issued by the French tax authorities under the references BOI-INT-DG-20-50-20120912, no. 550, BOI-ANX-000364-20120912, no. 20 and BOI-ANX-000366-20120912, no. 90, the issue of the Notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of the issue of the Notes if the Notes satisfy one of the three above-mentioned conditions.

- (b) Pursuant to the 2013 Finance Law (*loi de finances pour 2013, n° 2012-1509 du 29 décembre 2012*) and subject to certain limited exceptions, interest and other revenues received under the Notes as from 1 January 2013 by individuals who are fiscally domiciled in France are subject to a 24 per cent. withholding tax, set out under Article 125 A I and III *bis* of the French *General Tax Code (Code général des impôts)*. This withholding tax is an advance payment made in respect of the personal income tax of the individual receiving the interest or revenue, which is deductible from his personal income tax liability in respect of the year during which the withholding has been made. Social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding at an aggregate rate of 15.5 per cent. on interest and similar revenues paid by the Issuer under the Notes, to individuals who are fiscally domiciled in France.

2.2 Savings Directive

The Savings Directive has been implemented in French law by Article 242 *ter* of the French *General Tax Code (Code général des Impôts)* and Articles 49 I *ter* to 49 I *sexies* of the Schedule III to French *General Tax Code (Code général des Impôts)*. Article 242 *ter* of the French *General Tax Code (Code général des Impôts)* imposes on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners domiciled in another Member State, including, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest paid to that beneficial owner.

Please refer to the section "*EU Savings Directive*" above for more details.

3. Luxembourg Withholding Tax

The Savings Directive has been implemented in Luxembourg law by Act of 21 June 2005.

3.1 Individuals

Luxembourg residents

A 10 per cent. withholding tax has been introduced, as from 1 January 2006, on interest payments made by Luxembourg paying agents (defined in the same way as in the Savings Directive) to Luxembourg individual

residents. Only interest accrued after 1 July 2005 falls within the scope of this withholding tax. Income (other than interest) from investment funds and from current accounts provided that the interest rate is not higher than 0.75 per cent. is exempt from the withholding tax. Furthermore, interest which is accrued once a year on savings accounts (short and long term) and which does not exceed €250 per person and per paying agent is exempted from the withholding tax.

This withholding tax represents the final tax liability for the Luxembourg individual resident taxpayers.

Luxembourg non-residents

Subject to the application of the Savings Directive and applicable laws, there is no withholding tax on payments of interest (including accrued but unpaid interest) made to Luxembourg non-resident Noteholders.

Under the Savings Directive and applicable laws, a Luxembourg based paying agent (within the meaning of the Savings Directive) is required since 1 July 2005 to withhold tax on interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual resident in another Member State unless the beneficiary of the interest payments elects for the exchange of information. The same regime applies to payments to individuals or Residual Entities resident in certain dependent territories.

The current withholding tax rate is 35 per cent. The withholding 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.

3.2 Corporations

There is no withholding tax for Luxembourg resident and non-resident corporations Noteholders on payments of interest (including accrued but unpaid interest).

4. Foreign Account Tax Compliance Act

Sections 1471 through 1474 of the Code ("**FATCA**") impose a new reporting regime and potentially a 30% withholding tax with respect to certain payments to (i) any non-U.S. financial institution (a "**foreign financial institution**", or "**FFI**" (as defined by FATCA)) that does not become a Participating FFI by entering into an agreement with the U.S. Internal Revenue Service ("**IRS**") to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (ii) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a "**United States account**" of the Participating FFI (a "**Recalcitrant Holder**"). The Issuer is classified as an FFI.

The new withholding regime will be phased in beginning 1 January 2014 for payments from sources within the United States and will apply to "**foreign passthru payments**" (a term not yet defined) no earlier than 1 January 2017. This withholding would potentially apply to payments in respect of (i) any Notes characterized as debt (or which are not otherwise characterized as equity and have a fixed term) for U.S. federal tax purposes that are issued on or after the "**grandfathering date**", which is the later of (a) 1 January 2014 and (b) the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register, or which are materially modified on or after the grandfathering date and (ii) any Notes characterized as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued.

If Notes are issued before the grandfathering date, and additional Notes of the same series are issued on or after that date, the additional Notes may not be treated as grandfathered, which may have negative consequences for the existing Notes, including a negative impact on market price.

The United States and a number of other jurisdictions have announced their intention to negotiate intergovernmental agreements to facilitate the implementation of FATCA (each, an "**IGA**"). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a Reporting FI not subject to withholding under FATCA on any payments it receives. Further, an FFI in a Model 1 IGA jurisdiction would not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being "**FATCA Withholding**") from payments it makes (unless it has agreed to do so under the U.S. "**qualified intermediary**", "**withholding foreign partnership**" or "**withholding foreign trust**" regimes). The Model 2 IGA leaves open the possibility that a Reporting FI might in the future be required to withhold as a Participating FFI on foreign passthru payments and payments that it makes to Recalcitrant Holders. Under each Model IGA, a Reporting FI would still be required to report certain

information in respect of its account holders and investors to its home government or to the IRS. The United States and France have announced an intention to enter into an agreement (a "US-France IGA").

The Issuer expects to be treated as a Reporting FI pursuant to a US-France IGA and does not anticipate being obliged to deduct any FATCA Withholding on payments it makes. There can be no assurance, however, that the Issuer will be treated as a Reporting FI, or that it would in the future not be required to deduct FATCA Withholding from payments it makes. Accordingly, the Issuer and financial institutions through which payments on the Notes are made may be required to withhold FATCA Withholding if (i) any FFI through or to which payment on such Notes is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA or (ii) an investor is a Recalcitrant Holder.

If an amount in respect of FATCA Withholding were to be deducted or withheld from interest, principal or other payments made in respect of the Notes, neither the Issuer nor any paying agent nor 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. As a result, investors may receive less interest or principal than expected.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form.

TO ENSURE COMPLIANCE WITH IRS CIRCULAR 230, EACH TAXPAYER IS HEREBY NOTIFIED THAT: (A) ANY TAX DISCUSSION HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY THE TAXPAYER FOR THE PURPOSE OF AVOIDING U.S. FEDERAL INCOME TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER; (B) ANY SUCH TAX DISCUSSION WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) THE TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

SUBSCRIPTION AND SALE

Subject to the terms and on the conditions contained in the amended and restated dealer agreement dated 27 June 2013 between the Issuer, the Arranger and the Permanent Dealers (the "**Dealer Agreement**"), the Notes will be offered by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission (if any) as agreed between them in respect of Notes subscribed by it. The Issuer has agreed to reimburse the Arranger for their expenses incurred in connection with the Programme and the Dealers for certain of their activities in connection with the Programme.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

Selling Restrictions

General

These selling restrictions may be modified by the agreement of the Issuer and the Dealers in particular following a change in a relevant law, regulation or directive. Any such modification will be set out in a supplement to this Base Prospectus.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will comply, to the best of its knowledge, with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Base Prospectus, any other offering material or any Final Terms and that it will obtain any consent, approval or permission required for the purchase, offer or sale of Notes under the laws and regulations in force in any jurisdiction in which it makes such purchase, offer or sale. None of the Issuer or any other Dealer shall have responsibility therefore.

Each of the Dealers and the Issuer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that Materialised Notes may only be issued outside France.

United States of America

The Notes have not been and will not be registered under the Securities Act, or securities laws of any State or jurisdiction of the United States and may not be offered or sold, directly or indirectly within the United States or to, or for the account or benefit of U.S. persons as defined under Regulation S, except pursuant to an exemption from, or in a transaction not subject to the registration requirements of the Securities Act. The Notes are being offered and sold outside the United States to non U.S. persons in reliance on Regulation S. Terms used in this paragraph have the meanings given to them by Regulation S.

Materialised Notes having a maturity of more than one (1) year are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the

restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this section have the meanings given to them by Regulation S under the Securities Act.

In addition, until forty (40) days after the commencement of the offering of any identifiable Tranche, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

This Base Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States. The Issuer and the Dealer(s) reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Base Prospectus does not constitute an offer to any person in the United States. Distribution of this Base Prospectus by any non-U.S. person outside the United States to any U.S. person or to any other person within the United States is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States is prohibited.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each of the Dealers and the Issuer has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) **Qualified investors:** at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) **Fewer than 100/150 offerees:** at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive (as defined below), 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) **Other exempt offers:** at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "**Prospectus Directive**" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU of 24 November 2010.

Belgium

Each of the Dealers has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that:

- (a) it has not made or will not make a private placement in Belgium other than in compliance with the criteria listed in article 3 of the Belgian law of 16 June 2006 on the public offers of investment instruments and the admission of investment instruments to trading on a regulated market (the "**Law on Public Offers of 2006**"), as construed in accordance with the communication of the Financial Services and Markets Authority ("**FSMA**") of 21 June 2012. According to the Law on Public Offers of 2006, some types of offers are not considered public offers, including if, (i) the Notes of a particular series have a nominal value of EUR 100,000 or more, or (ii) the offer is reserved for certain qualified

investors within the meaning of the Prospectus Directive, article 10 of the Law on Public Offering of 2006 and the Royal Decree of 26 September 2006 relating to the extension of the definition of qualified investors and professional or institutional investors;

- (b) it will only sell the Notes to one or more consumer(s) within the meaning of article 2.3° of the Belgian law of 6 April 2010 on market practices and consumer protection, if, on doing so, it complies with the provisions of this law and its implementing decrees.

France

Each of the Dealers and the Issuer has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (i) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) and/or (ii) qualified investors (*investisseurs qualifiés*), all as defined and in accordance with Articles L. 411-1, L.411-2, D.411-1, D.744-1, D.754-1 and D. 764-1 (*Code monétaire et financier*).

This Base Prospectus prepared in connection with the Notes has not been submitted to the clearance procedures of the *Autorité des marchés financiers*.

Switzerland

This document is not intended to constitute an offer or solicitation to purchase or invest in the Notes described herein. The Notes may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this Base Prospectus nor any other offering or marketing material relating to the Notes constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange or any other regulated trading facility in Switzerland and neither this Base Prospectus nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

United Kingdom

Each of the Dealers has represented and agreed that:

- (a) in relation to any Notes which have a maturity of less than one year from the date of their issue, (i) it is a person whose ordinary activities involve in it acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to the persons whose ordinary activities involve in it acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or whose it is reasonable to expect they will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of Note would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 as amended (the "**FSMA**") by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No.25 of 1948, as amended; the "**FIEA**") and each of the Dealers has agreed that it will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any

resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

GENERAL INFORMATION

- (1) This Base Prospectus has been approved by the *Commission de surveillance du secteur financier*, as competent authority in Luxembourg for the purposes of the Prospectus Directive. In accordance with article 7 (7) of the *loi relative aux prospectus pour valeurs mobilières* dated 10 July 2005 as amended, the *Commission de surveillance du secteur financier* does not assume any responsibility as to the economic and financial soundness of the transaction and the quality or solvency of the Issuer. This Base Prospectus has not been submitted to the clearance procedures of the *Autorité des marchés financiers*.
- (2) The Issuer has obtained all necessary corporate and other consents, approvals and authorisations in France in connection with the establishment and the update of the Programme. Any issuance of Notes under the Programme, to the extent that such Notes constitute *obligations* under French law, requires the prior authorisation of the Board of Directors (*Conseil d'Administration*) of the Issuer, which may delegate its power to its *Président Directeur Général* or to any other member of the Board of Directors (*Conseil d'Administration*) of the Issuer, or to the *Directeur Général Délégué* of the Issuer, or to any other person.
- (3) There has been no significant change in the financial or trading position of the Issuer since 31 December 2012.
- (4) There has been no material adverse change in the prospects of the Issuer since 31 December 2012.
- (5) The Issuer is not or has not been involved in any governmental, legal or arbitration proceedings (including any such proceeding which are pending or threatened of which the Issuer is aware), during a period covering at least the previous twelve (12) months which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer.
- (6) Save as disclosed in the section "Relationship between AXA Bank Europe SCF and AXA Group Entities" on pages 68 and 69 of this Base Prospectus, there are no material contracts that are not entered into the ordinary course of the Issuer's business which could result in the Issuer being under an obligation or entitlement that is material to the Issuer's ability to meet its obligation to Noteholders in respect of the Notes being issued.
- (7) Application may be made for Notes to be accepted for clearance through Euroclear France (66 Rue de la Victoire, 75009 Paris, France) and/or Euroclear (boulevard du Roi Albert II, 1210 Bruxelles, Belgique) and Clearstream, Luxembourg (42, avenue JF Kennedy, 1855 Luxembourg, Luxembourg). The Common Code and the International Securities Identification Number (ISIN) or the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Final Terms.
- (8) Pursuant to Article R.515-13 IV of the French Monetary and Financial Code (*Code monétaire et financier*), the specific controller certifies that the rule providing that the amount of eligible assets of the Issuer is greater than the amount of liabilities benefiting from the *Privilège* is satisfied on the basis of a quarterly borrowing programme and for any issue of Notes in a principal amount equal to or above Euro 500 million or its equivalent in the currency of issue. The specific controller also certifies that the conditions provided for under Article L. 515-32-1 of the French Monetary and Financial Code (*Code monétaire et financier*) are met, as the case may be.
- (9) Mazars at 61 rue Henri Régnault, 92400 Courbevoie and PricewaterhouseCoopers Audit at 63, rue de Villiers, 92200 Neuilly-sur-Seine (both entities regulated by the *Haut Conseil du Commissariat aux Comptes* and duly authorised as *Commissaires aux comptes*) are registered with the *Compagnie Nationale des Commissaires aux Comptes* (official statutory auditors' representative body) and subject to the authority of the French High Council of Statutory Auditors (the *Haut Conseil du Commissariat aux Comptes*). Mazars and PricewaterhouseCoopers Audit have audited and rendered unqualified audit reports on the non-consolidated financial statements of the Issuer for the years ended 31 December 2011 and 2012.
- (10) This Base Prospectus will be published on the websites of (i) the Luxembourg Stock Exchange and (ii) the Issuer (<http://www.axabank.eu/eng/financialinformation-overview/coveredbonds>), in each case during a period of at least twelve (12) months from the date of this Base Prospectus. The Final Terms related to Notes traded on any Regulated Market in accordance with the Prospectus Directive will be published on the website of the Luxembourg Stock Exchange during a period of at least twelve (12) months from the date of this Base Prospectus.

In addition, should the Notes be admitted to trading on a Regulated Market other than the Regulated Market of the Luxembourg Stock Exchange, in accordance with the Prospectus Directive, the Final Terms related to those Notes will provide whether this Base Prospectus and the relevant Final Terms will be published on the website of (x) the Regulated Market where the Notes have been admitted to trading or (y) the competent authority of the Member State of the EEA where the Notes have been admitted to trading.

- (11) So long as Notes are capable of being issued under the Programme, hard copies of the following documents are or will, when published, be available during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted), at the registered office of the Issuer and at the specified office of the Paying Agent(s):
- (i) the *statuts* of the Issuer;
 - (ii) the most recently published audited non-consolidated financial statements and interim financial statements of the Issuer;
 - (iii) the Final Terms for Notes that are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange or any other Regulated Market;
 - (iii) a copy of this Base Prospectus together with any supplement to this Base Prospectus or further Base Prospectus; and
 - (iv) all reports, letters and other documents, historical financial information, valuations and statements prepared by any expert at the Issuer's request any part of which is included or referred to in this Base Prospectus.

The Agency Agreement (which includes the form of the *Lettre Comptable*, of the Temporary Global Certificates, of the Definitive Materialised Notes, of the Coupons, of the Receipts and of the Talons) will be available during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted), for inspection, at the registered office of the Issuer and at the specified office of the Paying Agent(s).

- (12) The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

Issuer

AXA Bank Europe SCF

203/205, rue Carnot
94138 Fontenay sous Bois
France

Arranger

BNP Paribas

10 Harewood Avenue
London NW1 6AA
United Kingdom

Permanent Dealers

BNP Paribas

10 Harewood Avenue
London NW1 6AA
United Kingdom

Crédit Agricole Corporate and Investment Bank

9, quai du Président Paul Doumer
92920 Paris La Défense Cedex
France

HSBC France

103, avenue des Champs Elysées
75008 Paris
France

Merrill Lynch International

2 King Edward Street
London EC1A 1HQ
United Kingdom

NATIXIS

30, avenue Pierre Mendes France
75013 Paris
France

Société Générale

29, boulevard Haussmann
75009 Paris
France

Fiscal Agent, Principal Paying Agent and Calculation Agent

BNP Paribas Securities Services

(Euroclear France number 29106)
Les Grands Moulins de Pantin
9 rue du Débarcadère
93500 Pantin

Luxembourg Listing Agent

BNP Paribas Securities Services

Global Trust Services
33 rue de Gasperich
Howald - Hesperange
L – 2085 Luxembourg
Grand-Duché de Luxembourg

Auditors to the Issuer

PricewaterhouseCoopers Audit

63 rue de Villiers
92208 Neuilly sur Seine
France

Mazars

61 rue Henri Régnauld,
92400 Courbevoie
France

Specific Controller to the Issuer

FIDES

37, avenue de Friedland
75008 Paris
France

Legal Advisers

To the Issuer

Hogan Lovells (Paris) LLP

17, avenue Matignon
CS 60021
75008 Paris
France

To the Permanent Dealers

Gide Loyrette Nouel A.A.R.P.I.

26, cours Albert 1^{er}
75008 Paris
France