

# AXA Banque / AXA Home Loan SFH

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Authors: Melanie Kiene, CIIA // Dr Frederik Kunze

AXA Home Loan SFH is a subsidiary of and wholly owned by the French AXA Banque SA. AXA Banque is the strategic banking unit of AXA France, which in turn is a wholly owned subsidiary of the AXA Group insurance group. Following the sale of AXA Bank Belgium to Crelan, AXA Banque is the sole banking subsidiary of the French AXA Group. AXA Banque benefits from the financial strength of the AXA insurance group. As part of this financial support, AXA France, for example, has undertaken to gradually increase AXA Banque's capital to enable it to be adequately capitalized against a background of further growth. AXA Banque operates as a universal bank with a strong focus on private clients. AXA Banque has about 550 employees and benefits from the distribution network of AXA France. In addition to day-to-day banking operations, it offers loans, private banking and wealth management, and savings & investments. AXA Banque's loan portfolio consists mostly of construction loans (100% France), followed by Lombard loans (asset backed loans where the assets are usually insurance policies or real estate). AXA Banque's mortgage portfolio consists almost exclusively of guaranteed loans. Consumer loans play a rather minor role. In addition to customer deposits, refinancing takes place through the issuance of covered bonds, which are issued via AXA Home Loan SFH.

## Ratings

	Rating	Outlook
Fitch	A	Positive
Moody's	-	-
S&P	A+	Stable

## Homepage

[www.axabank.be](http://www.axabank.be)

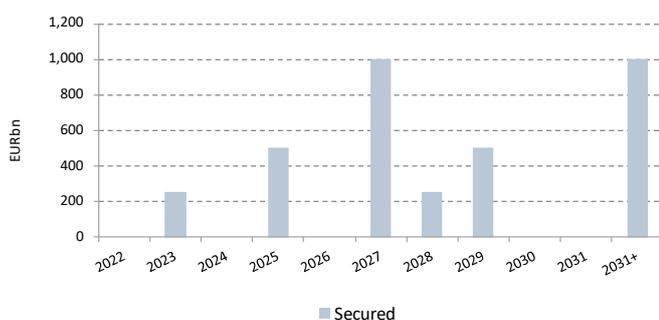
## Balance Sheet

(EURm)	2018Y	2019Y	2020Y
Net Loans to Customers	9,722	11,561	11,499
Total Securities	1,069	1,639	1,792
Total Deposits	5,224	5,011	4,999
Tier 1 Common Capital	415	517	485
Total Assets	12,288	15,027	16,657
Total Risk-weighted Assets	4,310	4,761	4,504

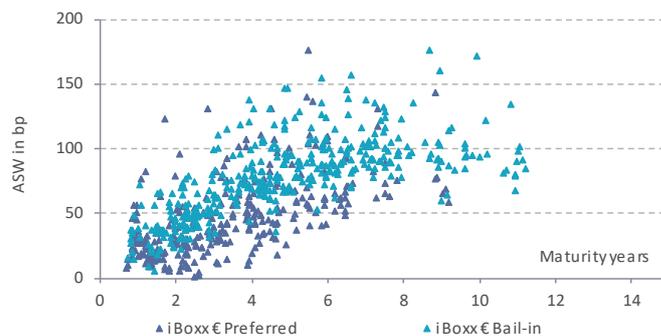
## Income Statement

(EURm)	2018Y	2019Y	2020Y
Net Interest Income	126	150	163
Net Fee & Commission Inc.	21	19	17
Net Trading Income	-20	7	-20
Operating Expense	131	149	176
Credit Commit. Impairment	-	-	-
Pre-tax Profit	-16	5	-42

## Redemption Profile



## Senior Unsecured Bonds (EUR BMK)



## Company Ratios

	2018Y	2019Y	2020Y		2018Y	2019Y	2020Y
Net Interest Margin	1.11	1.12	1.05	Liquidity Coverage Ratio	189.61	208.05	198.43
ROAE	-4.00	-0.99	-7.45	IFRS Tier 1 Leverage Ratio	3.42	3.51	2.99
Cost-to-Income	106.85	86.62	111.60	NPL/Loans at Amortised Cost	1.31	1.35	3.09
Core Tier 1 Ratio	9.63	10.86	10.77	Reserves/Loans at Amort. Cost	0.79	0.67	0.81

As of: 14.03.2022; Source: Bloomberg, S&P Global Market Intelligence, NORD/LB Markets Strategy & Floor Research

## Strengths / Opportunities

- Integral part of AXA Group
- Refinancing structure & asset quality

## Risks / Weaknesses

- Downgrade risk of parent
- Profitability

## Covered Bonds

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### Outstanding covered bonds with a volume of EUR 3.5 bn.

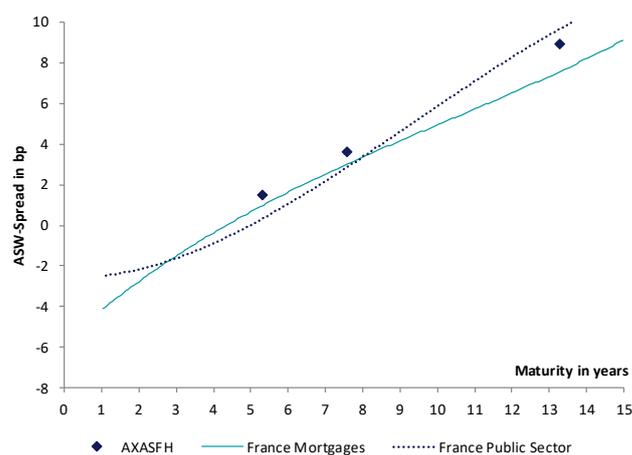
AXA Home Loan SFH had outstanding covered bonds with a volume of EUR 3.5bn as of January 31, 2022, compared to cover assets of EUR 4.0bn. The reported OC ratio was 15.1%. In March 2022, the institute was represented in the iBoxx EUR Covered with three EUR benchmarks with a total volume of EUR 2.25bn.

### Programme data

31 January 2022	Mortgages
Covered bonds outstanding	EUR 3,500m
Cover pool volume	EUR 4,027m
Current OC (nominal / legal)	15.1% / 5.0%
Type	100% Residential
Main country	100% France
Main region	47.8% Ile-de-France
Number of mortgage loans	26,910
Share of 10 largest exposures	0.3%
Average loan sized	EUR 149,640
LTV (unindexed / indexed)	71.7% / 61.8%
Fixed interest (Cover Pool / CBs)	100% / 100%
WAL (Cover Pool / CBs)	9.2y / 7.3y
CB Rating (Fitch / Moody's / S&P)	AAA / - / AAA

Source: Issuer, rating agencies, Bloomberg, NORD/LB Markets Strategy & Floor Research

### Spread overview (BMK >1y) – France



### Primary cover from residential assets in France

The cover pool consists of 100% residential assets, which are exclusively located in France. With 26,910 loans, which on average are denominated in approximately EUR 149,640, and a share of the ten largest exposures in the cover pool of 0.3%, the cover pool can be described as very granular. 70.4% of the loans were used to finance owner-occupied housing, while 27.3% belong to the buy-to-let/non-owner occupied category. 66% of the loans have a seasoning of at least three years. Geographically, Ile-de-France dominates (47.8%), followed by Occitania with 11.8%. The Provence-Alpes-Cote-d'Azur region accounts for a further 10.8%. With regard to the share of fixed rates, both the cover assets and the issued securities account for 100%, so there is no mismatch here. Non-performing loans are not included in the cover assets.

### Rating and regulatory treatment

AXA SFH's covered bonds are rated AAA by the rating agencies Fitch and S&P. The bonds issued benefit from a preferential risk weighting of 10% in accordance with the CRR, irrespective of the outstanding volume. In the context of LCR management, we also derive that benchmark deals can be used as Level 1 assets. In addition, the covered bonds are in principle eligible for purchase under the two ECB purchase programs CBPP3 and PEPP and can also be deposited as collateral under repo transactions with the Eurosystem.

# Appendix

## Contacts at NORD/LB

### Markets Strategy & Floor Research



**Jan-Phillipp Hensing**  
SSA/Public Issuers  
+49 172 4252877  
[jan-phillipp.hensing@nordlb.de](mailto:jan-phillipp.hensing@nordlb.de)



**Dr. Frederik Kunze**  
Covered Bonds/Banks  
+49 172 354 8977  
[frederik.kunze@nordlb.de](mailto:frederik.kunze@nordlb.de)



**Melanie Kiene**  
Covered Bonds/Banks  
+49 172 169 2633  
[melanie.kiene@nordlb.de](mailto:melanie.kiene@nordlb.de)



**Dr. Norman Rudschuck**  
SSA/Public Issuers  
+49 152 090 24094  
[norman.rudschuck@nordlb.de](mailto:norman.rudschuck@nordlb.de)

### Sales

Institutional Sales	+49 511 9818-9440
Sales Sparkassen & Regionalbanken	+49 511 9818-9400
Sales MM/FX	+49 511 9818-9460
Sales Europe	+352 452211-515

### Origination & Syndicate

Origination FI	+49 511 9818-6600
Origination Corporates	+49 511 361-2911

### Treasury

Collat. Management/Repos	+49 511 9818-9200
Liquidity Management	+49 511 9818-9620 +49 511 9818-9650

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Financials	+49 511 9818-9490
Governments	+49 511 9818-9660
Laender/Regionen	+49 511 9818-9550
Frequent Issuers	+49 511 9818-9640

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