AXA Belgium Finance (NL) B.V.

Annual report for the year ended December 31, 2013

Statutory seat:	Amsterdam
Address:	Ginnekenweg 213 4835 NA Breda

Breda, April 22, 2014

Approved and adopted in the general meeting of shareholders dated April 22, 2014

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Management report 2013

General

AXA Belgium Finance (NL) B.V. is a limited liability company ('Besloten Vennootschap met beperkte aansprakelijkheid') under the laws of the Netherlands. At December 31, 2013 the Company is a wholly owned subsidiary of AXA Bank Europe S.A./N.V. The legal address of the parent company is Boulevard du Souverain 25, 1170 Brussels (Watermael-Boitsfort), Belgium. At December 31, 2013 AXA Bank Europe S.A./N.V. in its turn is held for 100% by AXA Holdings Belgium S.A./N.V., Brussels, Belgium. At March 17, 2014 all the shares of AXA Bank Europe S.A./N.V. were transferred from AXA Holdings Belgium S.A./N.V. to the ultimate parent company AXA S.A., Paris, France.

The Company has a Management Board consisting of two managing directors, who have been appointed by the Company's shareholder. The Company has no staff and its Management Board members work on a part-time basis for the Company. There are no potential conflicts of interests between any duties to the Company of any of the Management Board members and their private interests and/or other duties.

The Management Board of the Company consists of Dr. Cees de Jong, chairman, and Mr. Geert Van de Walle, member. The composition of the Management Board is not in line with current legislation that requires a 'balanced composition' in terms of gender of the Management Board of certain companies. Because of the background of the existing Management Board members and their specific knowledge, changing the composition of the Management Board is not in the interest of the Company.

Financial information

In comparison with the previous financial year, the total assets show a relatively moderate increase of EUR 230 million and arrived at an amount of EUR 1,262 million. This is due to both a rather sharp decrease of the number of new issues and the size of these issues compared to 2012.

The operating expenses increased from EUR 208,000 to EUR 225,000. The increase (8.2%) was slightly less compared to last year's increase (9.8%).

The profit before taxation considerably increased (77.4%) and amounts to EUR 999,000 (2012: 563,000). This increase is mainly caused by growth of interest margins due to growth of financing activities.

The Management Board proposes to add the net profit of EUR 761,000 to the 'other reserves'.

Business overview

According to Article 2 of its Articles of Association, the Company's objectives are:

- to finance other enterprises and companies;
- to found, to participate in any way in, to manage and to supervise enterprises and companies;
- to provide guarantees and to engage the Company or its assets for the benefit of connected enterprises and companies;
- to grant services to enterprises and companies;
- to lend, loan and raise funds, including the issue of bonds, IOUs or other securities, and conclude the connected agreements;
- obtaining, alienating, managing and exploiting of real estate and value properties in general;
- carrying out all sorts of industrial, financial and commercial activities.

Currently, the Company's activity consists of issuing notes programmes that are unconditionally and irrevocably guaranteed by its sole shareholder AXA Bank Europe S.A./N.V. (the Guarantor). The notes issued by the Company are mainly placed among European investors. The net proceeds of these notes are lent to AXA Bank Europe S.A./N.V., that uses the proceeds for general corporate purposes.

Several Notes are listed on the Luxembourg Stock Exchange. Notes issues can be subject to selling commissions, out-of-pocket expenses and are subject to paying agency fees. The notes issued under the Notes Programmes dated May 9, 2006 are governed by the laws of the Netherlands and they are issued in bearer form or in registered form. Pursuant to a selling restriction, the notes under these Programmes cannot be transferred or sold, whether directly or indirectly, as part of the initial distribution or at any time thereafter, to any individual or legal entity who or which is established, domiciled or resident in the Netherlands.

The first Notes Programme was issued in 2006.
In 2010 a new Notes Issuance Programme for a maximum amount of EUR 1,000 million was launched together with AXA Bank Europe S.A./N.V. (co-issuer and Guarantor). The Notes issued under this new Programme are governed by Belgian law. On April 17, 2012, the Belgium regulator FSMA (Autoriteit voor Financiële Diensten en Markten) has approved the extension of this Programme from EUR 1,000 million to EUR 2,000 million. During 2013 a second Supplement dated June 18, 2013, was published to the Base Prospectus of September 10, 2012. The Base Prospectus describing the Programme was last updated on September 10, 2013. The note "CoFE II" matured on 15 July 2013.
Contrary to the Notes issued under earlier Programmes, some Notes issued under this new Programme are distributed in other countries than Belgium, through the services provided by local third party distributors appointed upon advice and in sub delegation of the Company's principal distributor, AXA Bank Europe S.A./N.V. In order to enable such activities, the Base Prospectus describing the Programme has been notified by the Belgian regulator (FSMA) to the official regulators in France, Luxemburg, Germany, Spain, Portugal and Greece.

On December 31, 2013, the following par values of notes were outstanding:

1 under the Notes Programme dated May 9, 2006:
- Serena Lift Up: EUR 23,534,000 (maturity: June 23, 2016)
- Serena Upgrade: EUR 11,035,000 (maturity: September 29, 2014);
- Serena Memoris: EUR 6,299,000 (maturity: December 15, 2016);

2 under the EUR 2,000,000,000 Notes Issuance Programme dated September 21, 2010:
- CoFE: EUR 1,150,000 (distributed in France)
- EUREKA !: EUR 1,000,000 (distributed in France)
- Optinote Multiwin: EUR 108,786,000 (initial: EUR 114,133,000)
- Optinote Multistep: EUR 49,098,000 (initial: EUR 51,162,000)
- AXA Coupon Sérénité 2: EUR 62,111,000 (initial: EUR 100,000,000) (distributed in France)
- Optinote Inflation: EUR 74,008,000 (initial: EUR 77,901,000)
- Optinote Amplitude: EUR 6,999,000 (initial: EUR 7,321,000) (distributed in Belgium)
- Sweet Reverse: EUR 4,100,000 (distributed in Portugal)
- Drouot Patrimoine Zen: EUR 10,289,000 (initial: EUR 30,000,000)
- CoFe III: EUR 3,000,000
- CoFe IV: EUR 3,000,000
- Optinote Multistep 2: EUR 100,689,000 (initial: EUR 103,872,000)
- Coupon Sérénité 4: EUR 190,749,000 (initial: EUR 350,000,000)
- Drouot Patrimoine Zen 2: EUR 12,874,000 (initial size: 30,000,000)
- Optinote Nordic: NOK 530,010,000
- Sweet Reverse 2: EUR 2,050,000 (distributed in Portugal)
- Life Opportunity: EUR 56,399,000
- Sweet Reverse 3: EUR 3,150,000 (distributed in Portugal)
- Drouot Patrimoine Zen 3: EUR 14,180,000
- Optinote Australia: AUD 64,526,000
- Sweet Reverse 4: EUR 3,750,000
- Life Opportunity 2: EUR 36,751,000
- Optinote Nordic 2: NOK 184,490,000
- Sweet Reverse 5: EUR 4,500,000
- Optinote Carmignac Patrimoine: EUR 35,145,000 (initial: EUR 35,624,000)
- Life Opportunity 3: EUR 55,944,000 (initial: EUR 75,000,000)
- Life Opportunity Selection: EUR 41,210,000 (initial: EUR 42,750,000)
- Sweet Reverse 6: EUR 3,000,000 (initial: EUR 4,500,000) (distributed in Portugal)
- Optinote Australia 2: AUD 74,020,000
- Optinote European Dividend: EUR 21,318,000
- Sweet Reverse 7: EUR 4,500,000 (distributed in Portugal)
- Optinote New Zealand: NZD 53,072,000
- Oxylife Opportunity: EUR 15,179,000 (initial: EUR15,480,000)
- Oxylife Opportunity 2: EUR 11,300,000
- Life Opportunity Selection 2: EUR 33,300,000

Life Opportunity Selection 2 Dynamic: EUR 18,000,000

Risk management

The main activity of the Company consists of lending the proceeds of issued notes to AXA Bank Europe S.A./N.V., where a maximum correlation between the conditions of the notes and those of the loans to AXA Bank Europe S.A./N.V. is pursued, thus preventing the existence of substantial transformation risks.
As a finance company, the Company could face a number of risks including, but not limited to credit risk, market risk, currency risk, operational risk and liquidity risk. In assessing the risk profile of the Company it is important to note that all notes issued by the Company are unconditionally and irrevocably guaranteed by AXA Bank Europe S.A./N.V.

Credit risk: as a finance company, the Company is exposed to the creditworthiness of its counterparties where the Company may suffer losses related to the inability of its debtors or counterparties to meet their financial obligations. As all the proceeds of the notes are lent to the Guarantor, the significant credit risk is limited to the Guarantor.

Market risk: refers to the risk of loss relating to fluctuations in market prices and interest rates, their interactions and their level of volatility. Due to the nature of its activity, the Company is prevented from assuming significant exposure to market risk.

Foreign currency risk: the Company has issued Notes in Australian dollar, Norwegian crown and New Zealand dollar. As all the proceeds of the Notes are lent to the Guarantor and these loans are in the same currencies, there is no significant foreign currency risk exposure. Other than these issues, the Company is not active in different currency zones or dealing with instruments in different currencies.

Operational risk: is the risk of loss arising from the inadequacy or failure of procedures, individuals or internal systems, or even external events (such as, but not limited to natural disasters and fires). It includes risk relating to information systems, litigation risk and reputation risk. The Company cannot provide assurances that such failures will not occur or, if they do occur that they will be adequately addressed. Operational, information and security risks are, however, actively managed through a common AXA Bank Europe S.A./N.V. framework that identifies measures and monitors the risks and its mitigating controls in the businesses of AXA Bank Europe S.A./N.V. and its subsidiaries.

Liquidity risk: is the risk that the Company cannot meet its financial liabilities when they fall due, at reasonable costs and in a timely manner. We refer to the Guarantee by AXA Bank Europe S.A./N.V. that unconditionally and irrevocably guarantees the due and punctual payment of the principal of and interest on the issued notes as well as of any additional amounts which may be required to be paid by the Company.

Generally, the risks are based on contingencies which may or may not occur and neither the Company, nor the Guarantor, is in a position to express a view on the likelihood of any such contingency occurring.

Declaration section 5:25C

As required by section 5:25c of the Wet op het financieel toezicht (Dutch Financial Supervision Act), the Managing Directors declare that, to the best of their knowledge,

1 the financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and

2 the management report gives a true and fair view of the important events and their impact on the financial statements and as well as major related parties transactions that have occurred during the financial year together with a description of the principal risks and uncertainties that the Company faces.

Corporate social responsibility

The Company is a member of the AXA group that is active at the crossroads between social development, respect for the environment and economic performance. As such, the AXA group has developed a sustainable development strategy focusing on the specific nature of its financial protection business and the responsible behaviour commensurate with its status as a major international group. This is why the AXA group is committed to carrying out its activities as a responsible corporation, managing its direct impact on its various stakeholders:

- Employees: continually strengthening their skills and commitment with a view to improving performance, with a priority focus on diversity and equal opportunities.
- Clients: consistently delivering efficient services and adapted solutions, while adhering to the highest standard of professional conduct.
- Shareholders: achieving industry-leading operating performance levels in order to create lasting value, and providing them with transparent information.
- Suppliers: assessing their commitment to sustainable development and human rights when selecting suppliers, with AXA's purchasers upholding strict rules of professional conduct.
- The community: developing corporate philanthropy actions focusing on prevention, social volunteering, local development and the fight against exclusion.

Investments

Since the date of the closing of the financial year, there have been no principal investments made. Moreover, the Company has not planned any principal future investments, except for the onlending of the proceeds of the notes under the present programmes. Considering that there are no firm commitments for future investments, no information regarding the anticipated sources of funds needed to fulfil them is provided.

Future developments

The Notes Issuance Programme dated September 21, 2010, is created at the request of, and in close collaboration with AXA Bank Europe S.A./N.V. (in this Programme AXA Bank Europe S.A./N.V. acts both as potential Issuer together with AXA Belgium Finance (NL) B.V. and as Guarantor) and will support the international business objectives of AXA Bank Europe S.A./N.V. that aim at providing an offer of notes with a broad range of maturities, currencies, structures and sizes, that shall be distributed through local entities of the AXA Group or third party distributors. The Programme allows retail issues, institutional issuances, private placements and reverse inquiry issues (for entities of the AXA Group and third parties) can be organized under the same Programme throughout Europe. AXA Bank Europe S.A./N.V. has requested to prepare the issue process of several new issues in 2014 in Belgium and other European countries.

Since December 31, 2013, the following Notes are issued (situation April 22, 2014):

- Oxylife Opportunity 3 (January 6, 2014): EUR 20,600,000
- Oxylife Opportunity 4 (February 2, 2014): EUR 24,150,000
- Optinote Prestige (March 7, 2014): EUR 14,563,000
- Life Opportunity Selection 3 (March 7, 2014): EUR 27,500,000
- Life Opportunity Selection 3 Dynamic (March 7, 2014): EUR 8,400,000

The following issues are planned for launching under the Programme in the near future:

- Oxylife Opportunity 5 (issue date: April 24, 2014 - maturity: March 24, 2024)
- Life Opportunity Index (issue date: May 6, 2014 - maturity: November 6, 2023)
- Optinote Multistep Australia (issue date: May 16, 2014 - maturity: May 18, 2020)

Apart from these evolving business objectives, there has been no material adverse change in the financial position or prospects of the Company since December 31, 2013. There are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the prospects of the Company for the current financial year.

Breda, April 22, 2014

Cees de Jong, Chairman of the Management Board

Geert Van de Walle, Member of the Management Board

Balance sheet at December 31, 2013

(after appropriation of result)

A s s e t s

	2013		2012	
	EUR000	EUR000	EUR000	EUR000
Fixed assets				
Financial fixed assets				
Amounts receivable from participants (1)		1,231,378		1,014,692
Current assets				
Receivables				
Amounts receivable from participants (2)	27,277		14,426	
Cash at bank (3)	3,616		2,876	
		30,893		17,302
Total assets		1,262,271		1,031,994

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Shareholder's equity and liabilities

	2013		2012	
	EUR000	EUR000	EUR000	EUR000
Shareholder's equity				
Issued share capital (4)	1,768		1,768	
Other reserves (5)	2,154		1,393	
		3,922		3,161
Long-term liabilities				
Other bond loans and private loans (6)		1,231,184		1,014,623
Current liabilities				
Other bond loans and private loans (7)	15,185		5,000	
Taxes and social security charges	231		142	
Other liabilities, accruals and deferred income (8)	11,749		9,068	
		27,165		14,210
Total shareholder's equity and liabilities		1,262,271		1,031,994

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Profit and loss account for the year ended 2013

	2013		2012	
	EUR000	EUR000	EUR000	EUR000
Other operating expenses		(225)		(208)
Operating loss		(225)		(208)
Income from amounts receivable forming part of the fixed assets (9)	33,762		20,982	
Interest income and similar income (10)	12		22	
Interest expense and similar charges (11)	(32,550)		(20,233)	
Financial income and expense		1,224		771
Profit before taxation		999		563
Income taxes (12)		(238)		(131)
Profit after taxation		761		432

PricewaterhouseCoopers Accountants N.V.
For identification purposes only

Cash flow statement for the year ended 2013

The cash flow statement has been drawn up using the indirect method.

	2013		2012	
	EUR000	EUR000	EUR000	EUR000
Cash flow from operating activities				
Operating loss		(225)		(208)
Changes in working capital:				
– Movements in amounts receivable	(2,666)		(3,390)	
– Movements in current liabilities (excluding amounts payable to credit institutions)	2,770		3,267	
		104		(123)
Other changes:				
– Changes in amounts receivable forming part of the fixed assets	(7,666)		(3,269)	
– Changes in long term accrual liabilities	7,505		3,233	
		(161)		(36)
		(282)		(367)
Income from amounts receivable forming part of the fixed assets	33,639		19,954	
Interest income	13		22	
Interest expense	(32,510)		(19,172)	
Income taxes	(238)		(131)	
		904		673
Cash flow from operating activities		622		306
Cash flow from financing activities				
Loans granted to group companies	(349,757)		(821,675)	
Repayments on loans to group companies	98,269		186,557	
Proceeds from issued medium term notes	349,757		821,675	
Repayments on issued medium term notes	(98,151)		(186,576)	
Cash flow from financing activities		118		(19)
Movements in cash at bank		740		287
Cash at bank January 1		2,876		2,589
Movement		740		287
Cash at bank December 31		3,616		2,876

Accounting policies used for the financial statements

General information

The Company's financial statements have been prepared in accordance with Part 9 of Book 2 of the Dutch Civil Code. Because the Dutch Act on Financial Supervision is applicable due to the fact that the Company has issued securities that are traded on a regulated market, no reporting exemptions can be utilised. The financial statements were prepared on April 22, 2014.

AXA group and related parties

AXA Belgium Finance (NL) B.V. is a wholly owned subsidiary of AXA Bank Europe S.A./N.V., Brussels, Belgium. The ultimate parent is AXA S.A., Paris, France.
In the financial statements these companies are considered to be related parties.

Business overview

Objectives of the Company

According to article 2 of its articles of association, the Company's objectives are:

- to finance other enterprises and companies;
- to found, to participate in any way in, to manage and to supervise enterprises and companies;
- to provide guarantees and to engage the Company or its assets for the benefit of connected enterprises and companies;
- to grant services to enterprises and companies;
- to lend, loan and raise funds, including the issue of bonds, IOUs or other securities, and conclude the connected agreements;
- obtaining, alienating, managing and exploiting of real estate and value properties in general;
- carrying out all sorts of industrial, financial and commercial activities.

Operations

Currently, the Company's activity consists of issuing notes programmes that are unconditionally and irrevocably guaranteed by its sole shareholder AXA Bank Europe S.A./N.V. (the Guarantor). The notes issued by the Company are mainly placed among European investors. The net proceeds of these notes are lent to AXA Bank Europe S.A./N.V., which uses the proceeds for its general corporate purposes. In the financial year new notes under the Euro Medium Term Notes programme have been issued. These securities are traded on regulated markets. Notes issues can be subject to selling commissions, out-of-pocket expenses and are subject to paying agency fees. The not listed notes are governed by the laws of the Netherlands and they are issued in bearer form or in registered form. Pursuant to a selling restriction, the notes will not be offered, transferred or sold, whether directly or indirectly, as part of the initial distribution or at any time thereafter, to any individual or legal entity who or which is established, domiciled or resident in the Netherlands.

Notes programmes

The first Notes Programme was issued in 2006. In 2008 the Company decided to issue a new notes programme for a maximum amount of EUR 300 million. The conditions of this programme are similar to the 2006 notes programme.

In 2010 it was decided to start the Euro Medium Term Notes programme. Under this programme notes can be issued to a maximum of EUR 1,000 million. In 2012 the programme was extended to EUR 2,000 million. In 2013 notes for this programme were issued with a total par value of an original EUR equivalent of 347 million (2012: EUR 822 million). During 2013 notes with a total par value of an original EUR equivalent of 100 million have been repaid (2012: EUR 185 million).

On December 31, 2013, the following par values of notes, with a total par value of EUR equivalent of 1,235 million, were outstanding:

1 Notes Programme dated May 9, 2006:

Product	Currency	Amount ('000)	Maturity
Serena Lift Up	EUR	23,534	June 23, 2016
Serena Upgrade	EUR	11,035	September 29, 2014
Serena Memoris	EUR	6,299	December 15, 2016

2 Notes Issuance Programme dated September 6, 2011:

Product	Currency	Amount ('000)	Maturity
CoFE	EUR	1,150	March 17, 2014
EUREKA !	EUR	1,000	May 19, 2016
Optinote Multiwin	EUR	108,786	July 15, 2016
Optinote Multistep	EUR	49,098	July 15, 2016
AXA Coupon Sérénité 2	EUR	62,111	December 12, 2019
Optinote Inflation	EUR	74,008	November 9, 2016
Optinote Amplitude	EUR	6,999	November 9, 2016
Sweet Reverse	EUR	4,100	December 28, 2016
Drouot Patrimoine Zen	EUR	10,289	May 11, 2017
CoFE III	EUR	3,000	January 31, 2014
CoFE IV	EUR	3,000	January 30, 2015
Optinote Multistep 2	EUR	100,689	March 9, 2017
Drouot Patrimoine Zen 2	EUR	12,874	July 5, 2017
AXA Coupon Sérénité 4	EUR	190,749	August 14, 2020
Sweet Reverse 2	EUR	2,050	June 7, 2018
Optinote Nordic	NOK	530,010	June 8, 2017
Life Opportunity	EUR	56,399	September 13, 2021
Sweet Reverse 3	EUR	3,150	September 26, 2018
Optinote Australia	AUD	64,526	November 16, 2017
Sweet Reverse 4	EUR	3,750	December 3, 2018

Product	Currency	Amount ('000)	Maturity
Drouot Patrimoine Zen 3	EUR	14,180	January 29, 2018
Life Opportunity 2	EUR	36,751	December 13, 2022
Sweet Reverse 5	EUR	4,500	December 28, 2020
Optinote Nordic 2	NOK	184,490	December 27, 2017
Optinote Carmignac Patrimoine	EUR	35,145	February 14, 2019
Life Opportunity 3	EUR	55,944	March 8, 2022
Life Opportunity Selection	EUR	41,210	May 3, 2022
Sweet Reserve 6	EUR	3,000	April 30, 2021
Optinote Australia 2	AUD	74,020	May 8, 2018
Optinote European Dividend	EUR	21,318	June 20, 2019
Sweet Reserve 7	EUR	4,500	June 18, 2021
Oxylife Opportunity 1	EUR	15,179	March 1, 2022
Optinote New-Zealand	NZD	53,072	September 6, 2019
Oxylife Opportunity 2	EUR	11,300	April 28, 2022
Life Opportunity Selection 2 Dynamic	EUR	18,000	November 6, 2022
Life Opportunity Selection 2	EUR	33,300	November 6, 2022

Guideline 290 Financial Instruments

Following Guideline '290 Financial Instruments' - dated December 19, 2013 - for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board, please find below information with respect to the embedded derivatives included in some Notes issues.

Some Notes issues have a derivative component. As a result, their value and return are to a large extent dependent on the performance of one or more of these embedded derivatives.

The change in accounting policies, in which the embedded derivative should be separated from the basic contract, has not been adopted in the financial statements for the year 2013.

As for the financial year 2014 a change in accounting policies will be adopted, but currently an ongoing study of the contracts and valuations is examining in which way the consequences of changing the accounting policies can be included to the balance sheet and profit and loss account in the best way.

It is important to draw attention to the fact that this change in accounting policies will have no or virtually no impact on the result or equity of the Company.

The Company, as financing entity of AXA Bank Europe S.A. / N.V., reflects the Notes issued on the liability side of the balance sheet, to the loans it provided to AXA Bank Europe S.A. / N.V. on the asset side of the balance sheet. Each time each Notes issue is followed by a new loan to AXA Bank Europe S.A. / N.V. The Company is organized in a way that both the par values and the financial terms of the Notes issued on the one hand, as well as the loans granted on the other hand, are identical at any time, except for a small margin as compensation for the Company.

Hence the embedded derivatives on the asset side of the balance sheet reflect the embedded derivative on the liability side of the balance sheet. As such, the results of the changed accounting principles applied to the embedded derivatives on both sides of the balance sheet will eliminate each other, and therefore the outcome will have no or virtually no impact on results or equity of the Company.

The prospectus of the relevant Notes Issuance Programme expresses whether or not an issue includes a derivative component.

Going concern

The accounting policies used in these financial statements are based on the expectation that the Company will be able to continue as a going concern. The bases presumes that funds are available to finance future operations and that the realization of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

Judgements and estimates

The management of the Company makes various judgements and estimates when applying the accounting policies and rules for preparing the financial statements. The principal judgements and estimates, including underlying assumptions, are disclosed in the notes to the financial statement items in question.

Foreign currency translation

The financial statements are prepared in euros, the functional and presentation currency of the Company.

Transactions denominated in foreign currencies are initially carried at the functional exchange rates ruling at the date of transaction. Monetary balance sheet items denominated in foreign currencies are translated at the functional exchange rates ruling at the balance sheet date.

Exchange differences arising on the settlement or translation of monetary items denominated in foreign currencies are taken to the profit and loss account.

Assets and liabilities

Financial fixed assets

Receivables under financial fixed assets are initially recognised at fair value. After initial measurement, these receivables are carried at amortized cost based on the effective interest method.

Receivables

Receivables under current assets are initially recognised at fair value. After initial measurement, these receivables are carried at amortized cost based on the effective interest method.

Cash at bank and in hand

Cash and cash equivalents are carried at their face value.

Financial instruments

A financial instrument or its separate components are classified in the financial statements as liability or as equity in accordance with the substance of the contractual agreement underlying the financial instrument. In the financial statements, a financial instrument is classified in accordance with the legal reality. Interest, dividends, income and expenses relating to a financial instrument, or part of a financial instrument, are included in the financial statements in accordance with the classification of the financial instruments as liabilities or equity.

Unless stated otherwise, the financial instruments included in the financial statements are carried at their face value.

Taxes

Taxes are calculated on the result disclosed in the profit and loss account, taking account of tax-exempt and partly or completely non-deductible expenses.

Liabilities

Liabilities are initially recognised at fair value. After initial measurement, the liabilities are carried at amortized cost, being the amount received taking into account of any premium or discount, less transaction costs.

Income

Interest income

Interest income is recognised pro rata in the profit and loss account, taking into account the effective interest rate for the asset concerned, provided the income can be measured and the income is probable to be received.

Expenses

General

Expenses are determined with due observance of the aforementioned accounting policies and allocated to the financial year to which they relate. Foreseeable and other obligations as well as potential losses arising before the financial year-end are recognised when they are known before the financial statements are prepared and provided all other conditions for forming provisions are met.

Interest expenses

Interest expenses are recognised pro rata in the profit and loss account, taking into account the effective interest rate for the liabilities concerned, provided the expenses can be measured.

Notes to the balance sheet

Related party transactions

Related party transactions between the Company and its related party AXA Bank Europe S.A./N.V. were as follows:

- Financial fixed assets; amounts receivable from participants, refer to Note 1;
- Current assets; amounts receivable from participants, refer to Note 2;
- Cash at bank and in hand, refer to Note 3;
- Current liabilities; other bond loans and private loans, refer to Note 6 and Note 7;
- Current liabilities; other liabilities, accruals and deferred income, refer to Note 8;
- Income from amounts receivable forming part of the fixed assets, refer to Note 9;
- Interest income and similar income, refer to Note 10.

Financial fixed assets

Amounts receivable from participants (1)

	2013	2012
	EUR000	EUR000
Loans AXA Bank Europe S.A./N.V.	1,220,141	1,011,058
Interest receivable on loans AXA Bank Europe S.A./N.V.	11,237	3,634
	1,231,378	1,014,692

Movements in these items were as follows:

	AXA Bank Europe S.A./N.V.		
	Loans	Interest receivable	Total
	EUR000	EUR000	EUR000
Book value as at January 1, 2013	1,011,058	3,634	1,014,692
Loans granted	349,757	-	349,757
Repayments	(97,173)	-	(97,173)
Exchange rate differences	(28,316)	-	(28,316)
Reclassification from fixed to current assets	(15,185)	-	(15,185)
Interest taken to profit and loss account	-	7,603	7,603
Book value as at December 31, 2013	1,220,141	11,237	1,231,378

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	2013		
	> 5 years	1 - 5 years	Total
	EUR000	EUR000	EUR000
Loans AXA Bank Europe S.A./N.V.	621,068	599,073	1,220,141
Interest receivable on loans AXA Bank Europe S.A./N.V.	10,280	957	11,237
	631,348	600,030	1,231,378

	2012		
	> 5 years	1 - 5 years	Total
	EUR000	EUR000	EUR000
Loans to AXA Bank Europe S.A./N.V.	429,728	581,330	1,011,058
Interest receivable on loans AXA Bank Europe S.A./N.V.	3,321	313	3,634
	433,049	581,643	1,014,692

Part of the interest rates are fixed between 5.85% and 0.00% and part of the interest rates are variable and are equal to the medium term notes issued by the Company, increased with margins from 0.06% (2012: Part of the interest rates are fixed between 5.85% and 0.00% and part of the interest rates are variable and are equal to the medium term notes issued by the Company, increased with margins from 0.09%).

These loans are subordinated for a total par value of EUR 0 (2012: EUR 0).

Assets with a maturity less than one year are disclosed within current assets.

Current assets

Amounts receivable from participants (2)

	2013	2012
	EUR000	EUR000
Loans AXA Bank Europe S.A./N.V.	15,185	5,000
Interest AXA Bank Europe S.A./N.V.	12,080	9,424
Other interest receivable	12	2
	27,277	14,426

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These amounts receivable have a maturity shorter than a year.

These receivables are subordinated for a total par value of EUR 0 (2012: EUR 0).

Cash at bank (3)

	2013	2012
	EUR000	EUR000
Current accounts AXA Bank Europe S.A./N.V.	3,606	2,874
Current accounts other banks	10	2
	3,616	2,876

There are no restrictions on the availability of cash and cash equivalents.

Shareholder's equity

	2013	2012
	EUR000	EUR000

Paid-up and called-up share capital (4)

3,897 ordinary shares with a par value of EUR 453.80	1,768	1,768

The Company's authorised capital amounts to EUR 4,000,000.

Other reserves (5)

Balance at January 1	1,393	961
Profit appropriation	761	432
Balance at December 31	2,154	1,393

Long-term liabilities

Other bond loans and private loans (6)

Other bond loans and private loans	1,220,045	1,010,989
Interest payable other bonds loans and private loans	11,139	3,634
	1,231,184	1,014,623

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	2013		
	> 5 years	1 - 5 years	Total
	EUR000	EUR000	EUR000
Other bonds loans and private loans	621,068	598,977	1,220,045
Interest payable other bonds loans and private loans	10,184	955	11,139
	631,252	599,932	1,231,184

	2012		
	> 5 years	1 - 5 years	Total
	EUR000	EUR000	EUR000
Other bonds loans and private loans	429,728	581,261	1,010,989
Interest payable other bonds loans and private loans	3,321	313	3,634
	433,049	581,574	1,014,623

The other bond loans and private loans consist of issued medium term notes that are unconditionally and irrevocably guaranteed by the parent company AXA Bank Europe S.A./N.V. Part of the interest rates are fixed between 5.75% and 0.00% and part of the interest rates are variable (2012: partly fixed between 5.75% and 0.00% and partly variable).

Liabilities with a maturity less than one year are disclosed within current liabilities.

Current liabilities

Other bond loans and private loans (7)

	2013	2012
	EUR000	EUR000
Medium term notes	15,185	5,000

These medium term notes are unconditionally and irrevocably guaranteed by the parent company AXA Bank Europe S.A./N.V. In 2013 the applicable interest rate is depending on the 3 months Euribor rate, with a minimum of 2.3% and a maximum of 5.5% in one case (2012: interest depending on the 3 months Euribor rate, with a minimum of 2.35%).

Other liabilities, accruals and deferred income (8)

	2013	2012
	EUR000	EUR000
Trade creditors	20	10
Accrued interest medium term notes	11,677	9,008
Other accruals	52	50
	11,749	9,068

Financial instruments

General

The main activity of the Company consists of lending the proceeds of issued notes to AXA Bank Europe S.A./N.V., where a maximum correlation between the conditions of the notes and those of the loans to AXA Bank Europe S.A./N.V. is pursued, thus preventing the existence of substantial transformation risks.

As a finance company, the Company could face a number of risks including, but not limited to credit risk, market risk, currency risk, operational risk and liquidity risk. In assessing the risk profile of the Company it is important to note that all notes issued by the Company are unconditionally and irrevocably guaranteed by AXA Bank Europe S.A./N.V.

Generally, the risks are based on contingencies which may or may not occur and neither the Company, nor the Guarantor, is in a position to express a view on the likelihood of any such contingency occurring.

Foreign currency risk

The Company has issued Notes in Australian dollar, Norwegian crown and New Zealand dollar. As all the proceeds of the Notes are lent to the Guarantor and these loans are in the same currencies, there is no significant foreign currency risk exposure. Other than these issues, the Company is not active in different currency zones or dealing with instruments in different currencies.

Operational risk

Is the risk of loss arising from the inadequacy or failure of procedures, individuals or internal systems, or even external events (such as, but not limited to natural disasters and fires). It includes risk relating to information systems, litigation risk and reputation risk. The Company cannot provide assurances that such failures will not occur or, if they do occur that they will be adequately addressed. Operational, information and security risks are, however, actively managed through a common AXA Bank Europe framework that identifies measures and monitors the risks and its mitigating controls in the businesses of AXA Bank Europe S.A./N.V. and its subsidiaries.

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Market risk

Refers to the risk of loss relating to fluctuations in market prices and interest rates, their interactions and their level of volatility. Due to the nature of its activity, the Company is prevented from assuming significant exposure to market risk.

Credit risk

As a finance company, the Company is exposed to the creditworthiness of its counterparties where the Company may suffer losses related to the inability of its debtors or counterparties to meet their financial obligations. As all the proceeds of the notes are lent to the Guarantor, the significant credit risk is limited to the Guarantor.

Liquidity risk

Is the risk that the Company cannot meet its financial liabilities when they fall due, at reasonable costs and in a timely manner. We refer to the Guarantee by AXA Bank Europe S.A./N.V. that unconditionally and irrevocably guarantees the due and punctual payment of the principal of and interest on the issued notes as well as of any additional amounts which may be required to be paid by the Company.

Notes to the profit and loss account

Work force

The average number of staff employed by the Company in 2013 was – (2012: –).

Directors' remuneration

	2013	2012
	EUR000	EUR000
Current and former managing directors	21	21

The remuneration includes all remunerations and other benefits of current and former members of the Management Board.

Audit fees

In accordance with the provisions of article 382a-3 of Book 2 of the Dutch Civil Code, the Company is exempt from disclosing the audit fees in the Company's statutory financial statements, as the audit fees are disclosed in the consolidated statements of the parent company, AXA Bank Europe S.A./N.V., Brussels, Belgium.

Financial income and expense

Income from amounts receivable forming part of the fixed assets (9)

	2013	2012
	EUR000	EUR000
Interest income AXA Bank Europe S.A./N.V.	33,645	20,982
Realised results repurchase of notes and loans	117	–
	33,762	20,982

Interest income and similar income (10)

Interest AXA Bank Europe S.A./N.V.	12	21
Other interest	–	1
	12	22

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Interest expense and similar charges (11)

	2013	2012
	EUR000	EUR000
Interest, release discount and amortization transaction cost of medium term notes	32,533	20,214
Realised results repurchase of notes and loans	–	19
Foreign currency exchange rate differences *)	17	–
	32,550	20,233

*) Reflects the balance of positive and negative FX rate differences.

Financial instruments at cost

The table below shows financial instruments whose fair value differs from cost.

	2013		2012	
	Fair value	Carrying amount	Fair value	Carrying amount
	EUR000	EUR000	EUR000	EUR000
Financial fixed assets/Current assets				
Amounts receivable from participants - loans to AXA Bank Europe S.A./N.V.	1,372,895	1,255,926	1,086,408	1,016,058
Long-term liabilities/Current liabilities				
Medium term notes	1,372,136	1,255,168	1,086,408	1,016,058

Determination of fair values

The fair value of the financial instruments is determined using available market information and estimating methods. The following methods and assumptions have been used to estimate the fair value of the financial instruments:

- Financial fixed assets/ current assets; the fair value of the loans to the parent company is estimated by using the discounted value of the future cash flows at market conditions;
- Long term liabilities/current liabilities; the fair value of the medium term notes is estimated by using the discounted value of the future cash flows at market conditions.

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Financial fixed assets / Current assets

The fair value of loans to the shareholder is higher (2012: higher) than their carrying amount because they bear interest at a rate that is higher (2012: higher) than the market rate. Management has not identified any impairment triggers (credit events) towards the loans to the shareholder. Considering the fact that the loans are intended to be held to maturity and that there has been no impairment triggers, management considers no impairments are deemed necessary.

Long-term liabilities / Current liabilities

The fair value of the medium term notes issued is higher (2012: higher) than their carrying amount because they bear interest at a rate that is higher (2012: higher) than the market rate. Management has not identified any impairment triggers (credit events) towards the medium term notes. Considering the fact that the medium term notes are intended to be held to maturity and that there has been no impairment triggers, management considers no impairments are deemed necessary.

Income taxes (12)

The charge for taxation as provided in the Profit and Loss Account is based on the profit before tax, using the Dutch corporate tax rate. The applicable tax rate for the financial statements is 20% over a tax profit of EUR 200,000 and 25% over profits exceeding this amount (2012: 20% over a tax profit of EUR 200,000 and 25% over profits exceeding this amount). The effective tax rate is 23.8% (2012: 23.3%).

The corporate income tax as presented in the Profit and Loss Account consists of:

	2013	2012
	EUR000	EUR000
Tax charge current year	238	131

Other information

Articles of Association provisions governing profit appropriation

Profit is appropriated in accordance with Article 14 of the Articles of Association, which states that the profit is at the disposal of the General Meeting of Shareholders.

Appropriation of profit 2013

In accordance with article 14 of the Articles of Association the profit is at the disposal of the General Meeting of Shareholders.

The Board of Management proposes to add the profit of EUR 761,000 to the other reserves.

Subsequent events

In September 2010 a Notes Issuance Programme for a maximum amount of EUR 1,000 million was launched together with AXA Bank Europe S.A./N.V. (co-issuer and Guarantor).
On April 17, 2012 the Belgium regulator FSMA (Autoriteit voor Financiële Diensten en Markten) approved the extension of the Notes Issuance Programme dated September 21, 2010 from EUR 1,000 million to EUR 2,000 million.
Under the Programme the following issues have been launched in 2014 (situation April 22, 2014):

	Amount	Value	Maturity
	EUR000		
Oxylife Opportunity 3	20,600	January 6, 2014	July 6, 2022
Oxylife Opportunity 4	24,150	February 2, 2014	January 24, 2024
Optinote Prestige	14,563	March 7, 2014	March 8, 2021
Life Opportunity Selection 3	27,500	March 7, 2014	February 7,2023
Life Opportunity Selection 3 Dynamic	8,400	March 7, 2014	February 7, 2023

The following issues are planned for launching under the Programme in the near future:

- Oxylife Opportunity 5 (issue date: April 24, 2014 - maturity: March 24, 2024)
- Life Opportunity Index (issue date: May 6, 2014 - maturity: November 6, 2023)
- Optinote Multistep Australia (issue date: May 16, 2014 - maturity: May 18, 2020)

Cees de Jong, Chairman of the Management Board

Geert Van de Walle, Member of the Management Board pwc

Independent auditor's report

To: the general meeting of AXA Belgium Finance (NL) B.V.

Report on the financial statements

We have audited the accompanying financial statements 2013 as set out on pages 7 to 26 of AXA Belgium Finance (NL) B.V., Amsterdam, which comprise the balance sheet as at 31 December 2013, the profit and loss account for the year then ended and the notes, comprising a summary of accounting policies and other explanatory information.

Management board's responsibility

The management board is responsible for the preparation and fair presentation of these financial statements and for the preparation of the management board report, both in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the management board is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management board, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of AXA Belgium Finance (NL) B.V. as at 31 December 2013, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

pwc

Report on other legal and regulatory requirements

Pursuant to the legal requirement under Section 2: 393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the management board report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2: 392 sub 1 at b-h has been annexed. Further we report that the management board report, to the extent we can assess, is consistent with the financial statements as required by Section 2: 391 sub 4 of the Dutch Civil Code.

Groningen, 22 April 2014
PricewaterhouseCoopers Accountants N.V.

H.D.M. Plomp RA