AXA Belgium Finance (NL) B.V.

Annual report for the year ended December 31, 2015

Amsterdam, April 28, 2016

Approved and adopted in the general meeting of shareholders dated April 28, 2016

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General information

Management board
Mr. Aernout Veerman (Chairman)
Mr. Geert Van de Walle (Member)

Statutory seat
Amsterdam

Registered office
Ginnekenweg 213
4835 NA Breda

The Management board reviewed the Annual report of AXA Belgium Finance (NL) B.V. at April 28, 2016 and authorised their issue.

Management report

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, 2015 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, 2015 AXA Bank Europe S.A./N.V. in its turn is held for 100% by 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 Mr. Aernout W. Veerman, chairman and Mr. Geert Van de Walle, member. The composition of the Management Board is not in line with legislation that was in place until January 1, 2016, which 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 decrease of EUR 9 million and arrive at an amount of EUR 1,644 million (2014: EUR 1,653 million). The net operating income increased from EUR 1,235,000 to EUR 1,298,000. The operating expenses increased from EUR 296,000 to EUR 343,000.

The profit before taxation increased and amounts to EUR 955,000 (2014: EUR 939,000).

The Management Board proposes to add the net profit of EUR 721,000 to the retained earnings.

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 under 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.

A number of 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. The Note 'Serena Upgrade' issued under this Programme matured on September 29, 2014.
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. The Base Prospectus describing the Programme was last updated on September 14, 2015. In February 2016 a First Supplement dated February 15, 2016, was published to the Base Prospectus of September 14, 2015. The note "CoFE IV" matured in 2015.

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. All Notes issued in 2015 however are only distributed in Belgium.

On December 31, 2015, the nominal value of the AXA Bank Europe S.A./N.V. loans was EUR 1,477 million and based on IFRS EUR 1,597 million excluding interest.

On December 31, 2015, the following par values of notes issued by the Company were outstanding:

1 under the Notes Programme dated May 9, 2006:
- Serena Lift Up: EUR 18,514,000 (maturity: June 23, 2016);
- Serena Memoris: EUR 5,286,000 (maturity: December 15, 2016).

2 under the EUR 2,000,000,000 Notes Issuance Programme dated September 21, 2010:
- Eureka !: EUR 1,000,000 (distributed in France);
- Optinote Multiwin: EUR 99,505,000;
- Optinote Multistep: EUR 47,268,000;
- AXA Coupon Sérénité 2: EUR 47,413,000 (distributed in France);
- Optinote Inflation: EUR 69,564,000;
- Optinote Amplitude: EUR 6,274,000(distributed in Belgium);
- Sweet Reverse: EUR 2,850,000(distributed in Portugal);
- Drouot Patrimoine Zen: EUR 4,822,000;
- Optinote Multistep 2: EUR 95,531,000;
- Coupon Sérénité 4: EUR 139,252,000;
- Drouot Patrimoine Zen 2: EUR 8,019,000;

- Optinote Nordic: NOK 497,220,000;
- Sweet Reverse 2: EUR 1,400,000 (distributed in Portugal);
- Life Opportunity: EUR 51,418,000;
- Sweet Reverse 3: EUR 1,950,000 (distributed in Portugal);
- Drouot Patrimoine Zen 3: EUR 9,732,000;
- Optinote Australia: AUD 59,896,000;
- Sweet Reverse 4: EUR 2,600,000;
- Life Opportunity 2: EUR 33,747,000;
- Optinote Nordic 2: NOK 172,590,000;
- Sweet Reverse 5: EUR 3,350,000;
- Optinote Carmignac Patrimoine: EUR 31,536,000;
- Life Opportunity 3: EUR 53,468,000;
- Life Opportunity Selection: EUR 39,606,000;
- Sweet Reverse 6: EUR 2,000,000 (distributed in Portugal);
- Optinote Australia 2: AUD 69,238,000;
- Optinote European Dividend: EUR 18,502,000;
- Sweet Reverse 7: EUR 3,700,000 (distributed in Portugal);
- Optinote New Zealand: NZD 49,800,000;
- Oxylife Opportunity: EUR 14,639,000;
- Oxylife Opportunity 2: EUR 10,376,000;
- Life Opportunity Selection 2: EUR 29,883,000;
- Life Opportunity Selection 2 Dynamic: EUR 16,974,000;
- Oxylife Opportunity 3: EUR 18,805,000;
- Optinote Prestige: EUR 13,211,000;
- Life Opportunity Selection 3: EUR 26,602,000;
- Life Opportunity Selection 3 Dynamic: EUR 8,400,000;
- Oxylife Opportunity 4: EUR 22,986,000;
- Oxylife Opportunity 5: EUR 16,864,000;
- Life Opportunity Index: EUR 11,809,000;
- Optinote Multistep Australia: AUD 51,404,000;
- Oxylife Opportunity 6: EUR 6,300,000;
- Life Opportunity Selection 4: EUR 11,870,000;
- Life Opportunity Selection 4 Dynamic: EUR 5,600,000;
- Optinote European Selection: EUR 30,709,000;
- Oxylife Opportunity 7: EUR 1,840,000;
- Life Opportunity Selection Index 2: EUR 4,773,000;
- Life Opportunity Selection Index 2 Short: EUR 950,000;
- Optinote European Selection 2: EUR 12,630,000;
- Optinote Multistep New Zealand: NZD 51,674,000;
- Optinote European Excellence: EUR 81,400,000;
- Optinote Energy: EUR 23,269,000;
- Optinote Euro Diversification: EUR 13,586,000;
- Optinote New-Zealand 2: NZD 64,990,000.

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.

It's important to know that management relies on the risk management governance and procedures of AXA Bank Europe. Indeed AXA Bank Europe also manages its risks at consolidated level taking into account the EMTN activity.

After the financial crisis the Basel Committee strengthened substantially the solvability and liquidity requirements for credit institutions. On solvability there are now more strict rules on the composition of the own funds and there is a gradual implementation of the minimum required solvability requirements and the implementation of a leverage ratio (difference between balance sheet total and Tier I capital). AXA Bank Europe is obliged to report quarterly on those requirements towards its regulator.

AXA Bank Europe falls under direct supervision of the ECB and also participated on the 'Supervisory Review and Evalution Process' (SREP) monitored by the ECB.

Based on this exercise the ECB concluded that AXA Bank Europe implemented globally healthy and efficient strategies and processes to estimate and to follow up its capital requirements and agreed to lower the Tier II capital. The eligible capital is more than sufficient to cover the nature and level of risks to which the bank is exposed.

In terms of governance, AXA Bank Europe manages its risk on a consolidated basis but ensures, by construction, that its entities, on a stand-alone basis, are not supporting material risks. In the specific case of Axa Bank Belgium, any issued EMTN is backed by a structured deposit with ABE that pays the capital at maturity together with the performance.

Prudential capital requirements are carefully monitored at level of the Capital Management Committee within AXA Bank Europe, which reports periodically towards the Asset & Liability Committee (ALCO).

At level of AXA Bank Europe the main risks linked to the EMTN activity are:
- Market risk: AXA Bank Europe follows a strict risk framework for its trading activity which includes the hedges of the EMTN with the market. At inception new EMTNs are fully hedged. Only some residual position can result from EMTNs bought back from clients before maturity.
- Credit counterparty risk: There are limits defined by counterparty that cover all ABE derivatives including the one hedging EMTNs.

Fair value calculation
The fair values are, except for some manual products or elements, produced by the front office application Sophis which contains (a) the models that are used in its financial library and (b) the market parameters that are updated on a daily basis enabling consequently a daily calculation of the fair values.
Before any model application or model change including the market data, a motivated request for approval after a detailed analysis is released by the Middle Office, in charge of the independent valuation process of AXA Bank Europe, in order to get the validation of Risk Management for the put in production of the described solution. This enables the get evidence that any valuation process has been subject to a second level of validation before use.

Once validated, the solution is put in production and a daily upload and control of the market data process takes place with respect of an Internal Financial Control (IFC) procedure in which evidences of controls and, potentially, corrections have to be produced. This procedure enables to avoid significant market data quality problems.

Once the market data are uploaded, the valuations are produced automatically by the application Sophis and are feeding (a) the accounting as well as (b) the economic reports which are produced and controlled on a daily basis.

At the end of the month, the accounting P&L is compared with the independently calculated economic figures with respect to the IFC P&L reconciliation process.

Finally, the valuations of AXA Bank Europe are compared with those received by the counterparties with respect to the valuation check procedure which enable to validate, or detect problems if any, the levels defined by AXA Bank Europe. A motived and detailed file is communicated for validation to the Risk Management validation team twice a year and the outcome is presented to the Wholesale Risk Committee (WRC).

In consequence of the risk management framework as described above, capital management of AXA Belgium Finance and all related decisions are also monitored within AXA Bank Europe in close collaboration with the management of AXA Belgium Finance (NL) B.V.

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 previous 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) which 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 2016 in Belgium.

Since December 31, 2015, the following Notes are issued (situation April 28, 2016):
- Optinote Flexfunds (January 22, 2016).
- Optinote Demography (March 11, 2016);
- Optinote Megatrends (April 22, 2016).

And for the near future:
- Optinote New Zealand 3 (May, 2016);
- Optinote Scandinavia NOK (July, 2016).

For the rest of 2016, AXA BANK has informed the Company of its intention to distribute a further 3 Notes in Belgium after July 2016 for which they will request the launching by AXA Belgium Finance (NL) B.V. under the Programme.

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, 2015. 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 year ended December 31, 2015.

Amsterdam, April 28, 2016

Aernout Veerman, Chairman of the Management Board

Geert Van de Walle, Member of the Management Board

Financial statements

Statement of financial position as at December 31, 2015

	Note	2015	2014
		EUR000	EUR000
Assets			
Financial assets at fair value through profit or loss	4	1,639,030	1,648,465
Deferred tax assets	5	18	13
Other receivables		5	7
Cash and cash equivalents	6	4,852	4,146
Total assets		**1,643,905**	**1,652,631**
Shareholder's equity			
Issued share capital	7	1,768	1,768
Retained earnings	8	3,517	2,796
Total shareholder's equity		**5,285**	**4,564**
Liabilities			
Financial liabilities at fair value through profit or loss	9	1,638,463	1,647,906
Taxes payable	5	17	9
Other liabilities and accruals	10	140	152
Total liabilities		**1,638,620**	**1,648,067**
Total liabilities and shareholder's equity		**1,643,905**	**1,652,631**

Statement of comprehensive income for the year ended December 31, 2015

	Note	2015	2014
		EUR000	EUR000
Interest income	11	42,382	38,729
Interest expense	11	(41,096)	(37,483)
Net interest income		**1,286**	**1,246**
Net gain/(loss) on financial assets and liabilities at fair value through profit and loss	12	—	(1)
Foreign exchange gains/(losses)	13	(26)	(13)
Other income	14	38	3
Net operating income		**1,298**	**1,235**
Operating expenses	15	(343)	(296)
Net operating expenses		**(343)**	**(296)**
Profit before tax		**955**	**939**
Income tax expense	5	(234)	(228)
Profit for the year		**721**	**711**
Other comprehensive income for the year, net of tax		**—**	**—**
Total comprehensive income for the year		**721**	**711**

The total comprehensive income for the year is fully attributable to the sole shareholder.

Statement of changes in equity for the year ended December 31, 2015

	Share capital	Retained earnings	Total
	EUR000	EUR000	EUR000
Balance at January 1, 2014	**1,768**	**2,085**	**3,853**
Profit for the year	—	711	711
Other comprehensive income	—	—	—
Total comprehensive income	—	711	711
Transactions with owners	—	—	—
	—	711	711
Balance at December 31, 2014	**1,768**	**2,796**	**4,564**
Profit for the year	—	721	721
Other comprehensive income	—	—	—
Total comprehensive income	—	721	721
Transactions with owners	—	—	—
	—	721	721
Balance at December 31, 2015	**1,768**	**3,517**	**5,285**

Statement of cash flows for the year ended December 31, 2015

	2015	2014
	EUR000	EUR000
Profit before tax for the year	955	939
Adjustments to reconcile profit before tax to net cash flows:		
Interest income	(42,382)	(38,729)
Interest expense	41,096	37,483
Effect of exchange rate changes	(26)	(13)
Other movements	20	6
	(337)	(314)
Working capital adjustment:		
Changes in interest receivables, deferred tax assets and other receivables	5,304	2,573
Changes in interest liabilities, taxes payable and other liabilities and accruals	(5,238)	(2,393)
	66	180
Operating activities:		
Loans granted to group companies	(157,011)	(277,427)
Repayment on loans to group companies	125,099	85,954
Proceeds from issued medium term notes	157,011	277,427
Repayments on issued medium term notes	(125,097)	(85,951)
Interest received	28,591	26,055
Interest paid	(27,387)	(24,961)
Income tax paid	(229)	(432)
	977	665
Cash flow from operating activities	**706**	**531**
Net increase of cash and cash equivalents	706	531
Cash and cash equivalents as at January 1	4,146	3,615
Cash and cash equivalents as at December 31	**4,852**	**4,146**

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

Notes to the financial statements

1 Corporate information

AXA Belgium Finance (NL) B.V. (the Company) is a limited liability Company ('Besloten Vennootschap met beperkte aansprakelijkheid') under the laws of the Netherlands. At December 31, 2015 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. AXA Bank Europe S.A./N.V. shares are held by the ultimate parent company AXA S.A., Paris, France.

2 Basis of preparation

2.1 *Reporting standards*

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS EU) and comply with mandatory elements of Part 9 of Book 2 of the Dutch Civil Code. Transactions are accounted for at settlement date.

2.2 *Functional and presentation currency*

These financial statements are presented in Euro, which is the Company's functional currency. All amounts have been rounded to the nearest thousand, except when otherwise indicated.

2.3 *Use of significant accounting judgments, estimates and assumptions*

The Company uses estimates and judgments when drawing up its financial statements on the basis of IFRS EU. These estimates and assumptions are continuously tested and are based on the experience from the past and other factors, among which an acceptable assessment of future events based on currently known conditions. The principal judgments and estimates, including underlying assumptions, are disclosed in note 19 Fair value of financial assets and liabilities.

2.4 *Going concern*

The Company's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

3 Accounting policies

3.1 *New Standards and Interpretations adopted in 2015*

The Company applied for the first time certain Standards, Amendments and Interpretations, which are effective for annual periods beginning on or after January 1, 2015:

- Annual Improvements to IFRSs 2011-2013 Cycle (EU effective date January 1, 2015).
- IFRIC 21 – Levies, issued at May 20, 2013, regarding levies imposed by an authority (EU effective date June 19, 2014).

- Amendments to IAS 19 Defined Benefit Plans: Employee Contributions (EU effective date February 1, 2015).
- Annual Improvements to IFRSs 2010-2012 Cycle (EU effective date February 1, 2015).

Although these new standards and amendments applied for the first time in 2015, they did not have a material impact on the 2015 financial statements of the Company.
AXA Belgium Finance (NL) B.V. early adopted the Annual Improvements to IFRSs 2010-2012 Cycle as from January 1, 2015. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

3.2 *Standards issued but not yet effective*

The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. The following standards issued by the IASB have been endorsed by the EU and will become effective in 2016:
- Amendments to IAS 27: *Equity Method in Separate Financial Statements.*
- Amendments to IAS 1: *Disclosure Initiative.*
- Annual Improvements to IFRSs 2012-2014 Cycle.
- Amendments to IAS 16 and IAS 38: *Clarification of Acceptable Methods of Depreciation and Amortisation.*
- Amendments to IFRS 11: *Accounting for Acquisitions of Interests in Joint Operations.*
- Amendments to IAS 16 and IAS 41: *Bearer Plants.*

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements will be adopted by the Company once they become effective in the EU.
- IFRS 9 *Financial Instruments*, IASB effective date January 1, 2018.
- IFRS 14 *Regulatory Deferral Accounts*, IASB effective date January 1, 2016.
- IFRS 15 *Revenue from Contracts with Customers*, IASB effective date January 1, 2018.
- Amendments to IFRS 10, IFRS 12 and IAS 28: *Investment Entities – Applying the Consolidation Exception*, IASB effective date January 1, 2016.
- Amendments to IFRS 10 and IAS 28: *Sale or Contribution of Assets between an Investor and its associate or Joint Venture*, IASB effective date January 1, 2016.

Expected significant upcoming changes are:

IFRS 9 Financial instruments
In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before February 1, 2015.
The Company is currently evaluating the potential impact of IFRS 9 on its financial assets and financial liabilities.

IFRS 15 Revenue from Contracts with Customers
IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognising revenue.

The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2018 with early adoption permitted. The Company is currently assessing the impact of IFRS 15.

3.3 *Summary of significant accounting policies*

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

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.

Financial assets at fair value through profit or loss

Loans and receivables are initially designated at fair value through profit or loss and recognised at fair value. After initial recognition, these receivables are carried at fair value through profit or loss with all fair value movements directly recognised in profit or loss.

Non-performing loans and receivables

The Company assesses at each reporting date whether there is any objective evidence that a loan or receivable or a group of loans and receivables is impaired. A loan or receivable or a group of loans and receivables is deemed to be impaired if there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the loan or receivable or the group of loans and receivables that can be reliably estimated.

Negative differences between the calculated recoverable amounts and the carrying amount are recognised in the statement of comprehensive income as an impairment loss.

Other receivables

Other receivables are stated at amortized cost less impairment.

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than 90 days maturity from the date of acquisition.

Other liabilities

Other liabilities are stated at amortised cost.

Financial liabilities at fair value through profit or loss

Medium term notes are initially recognised at fair value. After initial measurement, these liabilities are carried at fair value through profit or loss with all fair value movements directly recognised in profit or loss. The guarantee given by the parent company is both embedded in the CVA calculation on the loans and the DVA calculation of the medium term notes given the fact those adjustments are based on the credit spread of the parent company AXA Bank Europe towards the retail market. Those spreads are a best estimate of the retail market appetite taking into account that those medium term notes are guaranteed by AXA Bank Europe.

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. Taxes owed and refundable over the reporting period relating to current and previous periods are recognised as a liability, inasmuch as they have not yet been paid. If the amount already paid, with respect to current and previous periods, is greater than the amount owed for these periods, the balance is recognised as an asset.

Deferred taxes are recognised in the statement of financial position for all temporary taxable differences. They are created; i) through the income statement if the underlying temporary difference is also recognised through the income statement; ii) through equity if the underlying temporary difference is also recognised through equity.

Deferred tax assets are always recognised in the statement of financial position since it is assumed that these temporary differences shall always be able to be actually recovered. Deferred tax assets and deferred tax liabilities relating to the same tax authority are presented net if a legally enforceable right to offset exists.

Recognition of financial assets and liabilities

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Derecognition of financial assets and liabilities

Financial assets

Financial assets are derecognised when:

- contractual rights to receive cash flows from the financial asset expired;
- rights to receive cash flows from the asset were retained but there exists an obligation to pay them in full without material delay to a third party under a specific arrangement transferring substantially all risks and rewards;
- rights to receive cash flows from the asset were transferred;
- all the risks and rewards of the asset, or the control of the asset were transferred substantially.

When the Company has transferred its contractual rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of the consideration that the Company could be required to repay.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive income.

Repossessed collateral

Repossessed collateral represents non-financial assets acquired by the Company in settlement of overdue loans. The assets are initially recognised at fair value when acquired and included within the related account on the statement of financial position or other assets depending on their nature and the Company's intention in respect of recovery of these assets and are subsequently re-measured and accounted for in accordance with the accounting policies for these categories of assets. Inventories of repossessed assets are recorded at the lower of cost or net realisable value. There is no collateral pledged by the Company or collateral held by the Company that can be repledged.

Recognition of income and expenses

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Interest income

Interest income is recognised pro rata in the profit and loss account based on the effective interest rates of the loans, provided the income can be reliably measured.

Operating expenses

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 based on the effective interest rates of the medium term notes, provided the expenses can be reliably measured.

4 Financial assets at fair value through profit or loss

	2015	2014
	EUR000	EUR000
Loans AXA Bank Europe S.A./N.V.	1,597,119	1,615,038
Interest receivable on loans AXA Bank Europe S.A./N.V.	41,911	33,427
Total financial assets at fair value through profit and loss	1,639,030	1,648,465

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, 2015	1,615,038	33,427	1,648,465
Loans granted	157,011	—	157,011
Repayments	(125,099)	—	(125,099)
Exchange rate differences	(5,863)	—	(5,863)
Fair value changes	(43,968)	—	(43,968)
Interest taken to profit and loss account	—	8,484	8,484
Book value as at December 31, 2015	1,597,119	41,911	1,639,030

	AXA Bank Europe S.A./N.V.		
	Loans	Interest receivable	Total
	EUR000	EUR000	EUR000
Book value as at January 1, 2014	1,352,309	23,303	1,375,612
Loans granted	277,427	—	277,427
Repayments	(85,954)	—	(85,954)
Exchange rate differences	(792)	—	(792)
Fair value changes	72,048	—	72,048
Interest taken to profit and loss account	—	10,124	10,124
Book value as at December 31, 2014	1,615,038	33,427	1,648,465

Contract maturity of financial assets at fair value through profit or loss:

	2015			
	<1 years	1-5 years	>5 years	Total
	EUR000	EUR000	EUR000	EUR000
Loans AXA Bank Europe S.A./N.V.	255,778	706,375	634,965	1,597,119
Interest receivable on loans AXA Bank Europe S.A./N.V.	12,531	13,063	16,317	41,911
Total financial assets at fair value through profit or loss	268,309	719,438	651,282	1,639,030

	2014			
	<1 years	1-5 years	>5 years	Total
	EUR000	EUR000	EUR000	EUR000
Loans AXA Bank Europe S.A./N.V.	3,005	781,731	830,302	1,615,038
Interest receivable on loans AXA Bank Europe S.A./N.V.	11,625	4,407	17,395	33,427
Total financial assets at fair value through profit or loss	14,630	786,138	847,697	1,648,465

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% (2014: 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%).

The change in fair value of the loans attributable to changes in credit risk in the year is negative EUR 38,456 thousand (2014: EUR 9,202 thousand) and cumulative December 31, 2015 EUR 8,031 thousand (2014: EUR 46,487 thousand).

These loans are not subordinated.

5 Taxation

The charge for taxation as provided in the statement of comprehensive income 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 (2014: 20% over a tax profit of EUR 200,000 and 25% over profits exceeding this amount). The effective tax rate is 24.5% (2014: 24.3%).

Deferred tax assets as presented in the statement of financial position:

	2015	2014
	EUR000	EUR000
Balance as at January 1	13	32
Movement for the year	5	(19)
Balance as at December 31	18	13

The deferred tax amount expected to be recovered or settled within 12 months amounts to EUR nil (2014: EUR nil).

Taxes payable as presented in the statement of financial position:

	2015	2014
	EUR000	EUR000
Corporate income tax payable	17	9
Total taxes payable	17	9

The tax payables recognised in the statement of financial position is the remaining corporate income tax charge that's payable for the year.

The corporate income tax as presented in the statement of comprehensive income:

	2015	2014
	EUR000	EUR000
Corporate income tax charge, current year	(239)	(209)
Deferred tax, current year	5	(19)
Total income taxes	(234)	(228)

	2015		2014	
	EUR000	%	EUR000	%
Profit before income taxes	955	100.0	939	100.0
Theoretical income tax at the applicable tax rate of 25% (2014: 25%), with a tax rate of 20% (2014: 20%) on the first bracket of EUR 200,000	234	24.5	226	24.1
Tax effect of the expenses not deductible for tax purposes and adjustments previous years	0	0.0	2	0.2
Total income tax expense	**234**	**24.5**	**228**	**24.3**

6 Cash and cash equivalents

	2015	2014
	EUR000	EUR000
Current accounts AXA Bank Europe S.A./N.V.	4,818	4,130
Current accounts other banks	34	16
Total cash and cash equivalents	4,852	4,146

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

7 Issued share capital

	2015	2014
	EUR000	EUR000
3,897 ordinary shares with a par value of EUR 453.80	1,768	1,768

The Company's authorized capital amounts to EUR 4,000,000. Shares outstanding have not changed compared to prior year.

In consequence of the risk management framework, capital management of AXA Belgium Finance (NL) B.V., as well as all related decisions, are monitored within AXA Bank Europe S.A./N.V. in close collaboration with the management of AXA Belgium Finance (NL) B.V.

8 Retained earnings

	2015	2014
	EUR000	EUR000
Balance at January 1	2,796	2,085
Result for the previous year	721	711
Balance at December 31	3,517	2,796

9 Financial liabilities at fair value through profit or loss

	2015	2014
	EUR000	EUR000
Medium term notes	1,597,119	1,615,038
Interest payable medium term notes	41,344	32,868
Total financial liabilities at fair value through profit or loss	1,638,463	1,647,906

Contract maturity of financial liabilities at fair value trough profit or loss:

	2015			
	<1 years	1-5 years	>5 years	Total
	EUR000	EUR000	EUR000	EUR000
Medium term notes	255,778	706,375	634,965	1,597,119
Interest payable medium term notes	12,176	12,994	16,174	41,344
Total financial liabilities at fair value through profit or loss	267,955	719,369	651,139	1,638,463

	2014			
	<1 years	1-5 years	>5 years	Total
	EUR000	EUR000	EUR000	EUR000
Medium term notes	3,005	781,731	830,302	1,615,038
Interest payable medium term notes	11,295	4,384	17,189	32,868
Total financial liabilities at fair value through profit or loss	14,300	786,115	847,491	1,647,906

Issued medium term notes are unconditionally and irrevocably guaranteed by the parent company AXA Bank Europe S.A./N.V. The movement of the financial liabilities at fair value through profit and loss is similar to the movement of the financial assets at fair value through profit and loss, with the exception of a small difference in the interest rates. Part of the interest rates for notes with maturity exceeding one year are fixed between 5.75% and 0.00% and part of the interest rates are variable (2014: partly fixed between 5.75% and 0.00% and partly variable).

In 2015 the applicable interest rate for notes maturing within one year is depending on the 3 months Euribor rate, with a minimum of 2.5% and a maximum of 5.5% in one case (2014: interest depending on the 3 months Euribor rate, with a minimum of 2.5% and a maximum of 5.5% in one case).

The change in fair value of the medium term notes attributable to changes in credit risk in the period is negative EUR 38,456 thousand (2014: EUR 9,202 thousand) and cumulative December 31, 2015 EUR 8,031 thousand (2014: EUR 46,487 thousand). The contractual repayment amount at maturity is EUR 1,477,267 thousand (2014: 1,436,045 thousand).

10 Other liabilities and accruals

	2015	2014
	EUR000	EUR000
Trade creditors	34	43
Other payables and accruals	106	109
Total other liabilities and accruals	140	152

11 Net interest income

	2015	2014
	EUR000	EUR000
Interest income on:		
Loans AXA Bank Europe S.A./N.V.	42,382	38,729
Total interest income	42,382	38,729
Interest expense on:		
Medium term notes	(41,096)	(37,483)
Total interest expense	(41,096)	(37,483)
Net interest income	1,286	1,246

12 Net gain/(loss) on financial assets and liabilities at fair value through profit and loss

The fair value gains/losses on loans and receivables of negative EUR 43,968 thousand (2014: positive EUR 72,048 thousand) are mitigated by the fair value gains/losses on medium term notes of positive EUR 43,968 thousand (2014: negative EUR 72,049 thousand).

13 Foreign exchange gains/(losses)

Foreign exchange losses of EUR 26 thousand (2014: loss of EUR 13 thousand) are on a net basis and include gains and losses arising from foreign currency transactions and the effects of translation of foreign currency assets and liabilities.

14 Other income

Other income are related results realized due to repurchase of notes and loans.

15 Operating expenses

The operating expenses include directors' remunerations, travel expenses and professional service fees (investment management, accounting, audit, tax, legal).

16 Audit fees

	2015	2014
	EUR000	EUR000
Audit fees financial statements	55	27

The amounts disclosed are the amounts recognised as an expense during the year.

17 Transactions with key management

The directors' remunerations are recorded as general and administrative expenses and amount to EUR 21 thousand (2014: EUR 25 thousand), and include only short-term remunerations of current members of the Management Board. No other benefits, like pension, medical, termination share-based payment transactions, company cars or loans, have been granted.

The amounts disclosed are the amounts recognised as an expense during the year.

18 Number of employees

In accordance with prior year the Company has no employees.

19 Fair value of financial assets and liabilities at fair value through profit or loss

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair values of certain financial assets and liabilities carried at cost, including cash and short-term loans receivable and payable - are considered to approximate their respective carrying values due to their short-term nature.

Fair value hierarchy

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Company's market assumptions. These inputs result in the following fair value hierarchy:

- Level 1 financial instruments are those that are valued using unadjusted quoted prices in active markets for identical financial instruments.
- Level 2 financial instruments are those valued using techniques based primarily on observable market data. Instruments in this category are valued using quoted prices for similar instruments or identical instruments in markets which are not considered to be active; or valuation techniques where all the inputs that have a significant effect on the valuation are directly or indirectly based on observable market data.
- Level 3 financial instruments are those valued using techniques that incorporate information other than observable market data. Instruments in this category have been valued using a valuation technique where at least one input, which could have a significant effect on the instrument's valuation, is not based on observable market data.

Valuation techniques

The fair value of the financial instruments is determined using available market information and estimating methods. The valuation methods have not been changed compared to previous year. The following methods and assumptions have been used to estimate the fair value of the financial instruments:

- Loans; 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;
- Medium term notes; the fair value of the medium term notes is estimated by using the discounted value of the future cash flows at market conditions.

The determination of the existence of an active market is most often straight forward with market quote information readily available to the public and or investment teams. There is no bright line or minimal threshold of activity that represents "regularly occurring market transactions", thus the level of actual transactions should be evaluated with consideration of frequency and volume. However, a low level of volume of transactions still represents a price if determined in a normal business environment on an arm's length basis and the transaction amounts are important indicators of fair value.

If the market for a specific instrument is not active or market prices are not or not regularly available, rating techniques are used based on the updated value of future cash flows and the price determination of option models. These rating techniques make use of market data such as interest curves, dividend yield, index levels and volatility data. In some cases we make use of external prices provided by a reliable intermediary. These prices are then subject to an internal validation or we value these instruments by means of internal rating techniques.

The use of observable input parameters leads to a level 2 fair value hierarchy whereas the use of non-observable inputs leads to a level 3 fair value hierarchy unless their influence is not significant. Observable inputs are developed using market data, such as publicly available information about actual events or transactions, and that reflect the assumptions that market participants would use when pricing the instrument. As the parameters used may vary from one instrument to another, we determine the observability and the significance of potentially non-observable parameters by class of instrument. We maintain a decision table justifying, based on these criteria, the level of fair value attributed to each class of instrument. A dedicated committee ensures a regular revision, at least once a year, of this decision table to ensure its accuracy and comprehensiveness. The dedicated committee is, at least, composed of the managers of the accounting policies and the middle-office representing the business. If the revision would lead to a transfer of an instrument between levels of the fair value hierarchy, the transfer shall occur at the end of the reporting period. Transfers between levels may occur when an instrument fulfils the criteria defined, which are market and product dependent.

Fair value hierarchy as at December 31, 2015

	Level 1	Level 2	Level 3	Total
	EUR000	EUR000	EUR000	EUR000
Financial assets				
Financial assets at fair value through profit or loss	—	1,261,467	377,563	1,639,030
Financial liabilities				
Financial liabilities at fair value through profit or loss	—	1,261,007	377,456	1,638,463

Fair value hierarchy as at December 31, 2014

	Level 1	Level 2	Level 3	Total
	EUR000	EUR000	EUR000	EUR000
Financial assets				
Financial assets at fair value through profit or loss	—	1,363,146	285,319	1,648,465
Financial liabilities				
Financial liabilities at fair value through profit or loss	—	1,362,673	285,233	1,647,906

The fair values of other financial assets and liabilities are approximated by their carrying amounts.

During 2015 no reclassifications occur between level 1 and 2 fair value hierarchy to level 3 fair value hierarchy.

Reconciliation of fair value measurement of level 3 assets and liabilities:

	Assets Loans AXA Bank Europe S.A./N.V.	Liabilities medium term notes
	EUR000	EUR000
Balance at January 1, 2014	153,483	153,480
New issues medium term notes / loans	113,190	113,190
Net unrealized gains and losses recognised in profit or loss	18,500	18,500
Interest recognised in profit or loss	146	63
Balance at December 31, 2014	285,319	285,233
New issues medium term notes / loans	118,255	118,255
Unwindings medium term notes / loans	(10,917)	(10,917)
Net unrealized gains and losses recognised in profit or loss	(15,196)	(15,196)
Interest recognised in profit or loss	102	81
Balance at December 31, 2015	377,563	377,456

The significant unobservable inputs used in fair value measurement categorized within level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at December 31, 2015 and 2014 are as shown below.

	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to the fair value
Financial assets:				
Loans and receivables	DCF	Volatilities based on historical data*	-10% - 10%	10% increase (decrease) in the growth rate would result in an increase (decrease) in fair value by EUR 18.0 million
Financial liabilities: medium term notes	DCF	Volatilities based on historical data*	-10% - 10%	10% increase (decrease) in the growth rate would result in an increase (decrease) in fair value by EUR 18.0 million

* In most cases observable option prices are used as input parameters in the valuation process of the medium term notes pay-off. However in some cases (e.g. performance linked to fund prices) no observable option prices are available and, in corollary, no volatilities. In that cases we use historical volatility of the performance.

20 Financial risk review

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 operational risk, market risk, credit risk, foreign currency 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.

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.

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 and the nature of the associated assets and liabilities, the Company is prevented from assuming, and therefore has not assumed, 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. Refer to Note 4 for the amount of maximum exposure to loss from credit risk.

Overall, AXA Bank Europe's risk profile remains conservative:

- It maintains a prudent approach to market risk, focusing its treasury and financial market activities on the risk management of liquidity, interest rates and Forex positions.
- Exposures to interest rate derivatives taken to provide hedging services to AXA insurance companies are mitigated by strict netting and collateral management policies.
- The Company also focuses its credit exposures on Basel III liquidity eligible assets.

Despite the current context on financial markets, AXA Bank Europe's ratings at December 31, 2015 are:

- Standard & Poor's: A/A-1 with Positive outlook (15/10/2014);
- Moody's: A2/P-1 with Stable outlook (24/09/2015).

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 net foreign currency risk exposure. Other than these issues, the Company is not active in different currency zones or dealing with instruments in different currencies.

Foreign currencies as at December 31, 2015

	AUD	NZD	NOK	EUR	Total
	EUR000	EUR000	EUR000	EUR000	EUR000
Financial assets at fair value through profit or loss	128,655	107,164	74,224	1,328,987	1,639,030
Deferred tax assets	—	—	—	18	18
Other receivables	—	—	—	5	5
Cash and cash equivalents	200	61	188	4,403	4,852
Total financial assets	128,855	107,225	74,412	1,333,413	1,643,905
Financial liabilities at fair value through profit or loss	128,619	107,133	74,198	1,328,513	1,638,463
Taxes payable	—	—	—	17	17
Other liabilities and accruals	—	—	—	141	141
Total financial liabilities	128,619	107,133	74,198	1,328,671	1,638,621

Foreign currencies as at December 31, 2014

	AUD	NZD	NOK	EUR	Total
	EUR000	EUR000	EUR000	EUR000	EUR000
Financial assets at fair value through profit or loss	140,118	71,721	86,441	1,350,185	1,648,465
Deferred tax assets	—	—	—	13	13
Other receivables	—	—	—	7	7
Cash and cash equivalents	110	20	145	3,871	4,146
Total financial assets	140,228	71,741	86,586	1,354,076	1,652,631
Financial liabilities at fair value through profit or loss	140,080	71,713	86,411	1,349,702	1,647,906
Taxes payable	—	—	—	9	9
Other liabilities and accruals	—	—	—	152	152
Total financial liabilities	140,080	71,713	86,411	1,349,863	1,648,067

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.

Year ended as at December 31, 2015 (par values including interest accrual)

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	EUR000	EUR000	EUR000	EUR000	EUR000	EUR000
Financial assets						
Financial assets at fair value through profit or loss	—	3,209	259,582	631,839	624,547	1,519,177
Financial liabilities						
Financial liabilities at fair value through profit or loss	—	3,113	259,324	631,770	624,404	1,518,611
Maturity/liquidity gap	—	96	258	69	143	566

Year ended as at December 31, 2014 (par values including interest accrual)

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	EUR000	EUR000	EUR000	EUR000	EUR000	EUR000
Financial assets						
Financial assets at fair value through profit or loss	—	36,427	—	717,058	715,987	1,469,472
Financial liabilities						
Financial liabilities at fair value through profit or loss	—	35,869	—	716,847	715,568	1,468,284
Maturity/liquidity gap	—	558	—	211	419	1,188

Offsetting financial assets and financial liabilities

There are no netting arrangements that meet the criteria for offsetting in the statement of financial position. In addition, the Company and its counterparties do not intend to settle on a net basis or to realize the assets and settle the liabilities simultaneously. Loans receivable from the parent company and notes issued in order to fund the loans to the parent company are fully guaranteed by the parent company.

21 Commitments and contingencies

No commitments and contingencies.

22 Related party disclosures

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. Key management of the Company (members of the Management board) is also considered to be a related party. Related party transactions are at an arms-length basis. Related party transactions between the Company and its related party AXA Bank Europe S.A./N.V. were as follows:

- Loans and receivables from participants, refer to Note 4;
- Cash and cash equivalents, refer to Note 6;
- Interest income and similar income, refer to Note 11;
- 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;
- AXA Investment Managers fee charges for provided services regarding loans and notes issuance of EUR 15 thousand (2014: EUR 21 thousand);
- Transactions with key management, refer to Note 17.

23 Profit appropriation according to the Articles of Association

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.

24 Appropriation of profit 2015

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 721 thousand to the retained earnings.

25 Subsequent events

No events took place after balance sheet date that could have a material effect on the financial position of the Company.

Amsterdam, April 28, 2016

Aernout Veerman, Chairman of the Management Board

Geert Van de Walle, Member of the Management Board

Independent auditor's report

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

Independent auditor's report

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

Report on the financial statements 2015

Our opinion

In our opinion the accompanying financial statements give a true and fair view of the financial position of AXA Belgium Finance (NL) B.V. as at 31 December 2015, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2015 of AXA Belgium Finance (NL) B.V., Breda ('the company').

The financial statements comprise:

- the statement of financial position as at 31 December 2015;
- the following statements for 2015: the income statement, the statements of comprehensive income, changes in equity and cash flows; and
- the notes, comprising a summary of the significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is EU-IFRS and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the section 'Our responsibilities for the audit of the financial statements' of our report.

We are independent of AXA Belgium Finance (NL) B.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO) and other relevant independence requirements in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA).

Ref.:e0378964

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

Our audit approach

Overview and context

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we looked at where the management board made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the management board that may represent a risk of material misstatement due to fraud.

We ensured that the audit team included the appropriate skills and competences which are needed for the audit of a financing company. We therefore included specialists in the area of financial instruments in our team.

The main purpose of the company is the financing of companies belonging to the AXA group. The company is financing these loans through bond offerings on the Luxembourg Stock Exchange. The repayment of these bonds to the investors is guaranteed by AXA Bank Europe S.A./N.V. as disclosed in note 9. to the financial statements. Loans are issued to AXA Bank Europe S.A./N.V. increased with an interest margin, aligned with fiscal rules.

Materiality

The scope of our audit is influenced by the application of materiality which is further explained in the section 'Our responsibilities for the audit of the financial statements'.

We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and to evaluate the effect of identified misstatements on our opinion.

Based on our professional judgement we determined the materiality for the financial statements as a whole at €8.219.000 (2014: €8.263.000). The benchmark applied is 0,5% of total assets, to ensure that all relevant balance sheet and income statement items are in scope. We use total assets given the company's main activity is intra-group lending. The company facilitates AXA Bak Europe S.A./N.V. in its financing activities for which it receives a margin.

We also take misstatements and/or possible misstatements into account that, in our judgement, are material for qualitative reasons.

We agreed with the management board that we would report to them misstatements identified during our audit above €822.000 (2014: €826.000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

The scope of our audit

The company is financing companies belonging to the AXA group by granting loans to AXA Bank Europe S.A./N.V. As part of our testing procedures we tested the existence of the loans by requesting representatives of AXA Bank Europe S.A./N.V. to confirm the outstanding intercompany loans.

In addition to this confirmation process, we performed additional testing on these confirmations by contacting the audit team of PwC Belgium responsible for the audit of AXA Bank Europe S.A./N.V. to confirm the outstanding intercompany loans and inform to them of any risk noted with respect to the payment of the loans and the ability to meet the guarantee.

For the existence and effectiveness of internal controls surrounding the source system in which loans granted to AXA Bank Europe S.A./N.V. and issued to third parties are accounted for as well as the valuation of these loans at fair value we relied on the work performed by the PwC audit teams responsible for the audit of AXA Bank Europe S.A./N.V. For that purpose we have sent the PwC audit team instructions. Additionally we have performed a file review on the work performed by the PwC audit team.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements. We have communicated the key audit matters to the management board, but they are not a comprehensive reflection of all matters that were identified by our audit and that we discussed. We described the key audit matters and included a summary of the audit procedures we performed on those matters.

Due to the nature of the company's business we recognise that key audit matters may be long-standing and therefore may not change significantly from one year to the next. As compared to prior year there have been no changes in key audit matters.

The key audit matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon. We do not provide a separate opinion on these matters or on specific elements of the financial statements. Any comments we make on the results of our procedures should be read in this context.

Key audit matter	***How our audit addressed the matter***
Existence and valuation of the loans issued to AXA Bank Europe S.A./N.V. We consider the valuation of the loans issued, as disclosed in note 4 to the financial statements for a total amount of €1.597.119.000, as a key audit matter. This is due to the size of the loan portfolio and given that an impairment may have a material effect on the income statement and financial position of the company. Loans are recognized at fair value. Management did not identify any impairment triggers regarding the loans issued to AXA Bank Europe S.A./N.V.	We have performed detailed audit work addressing the existence and valuation of the loans issued to AXA Bank Europe S.A./N.V. , through reconciling on a sample basis the loans issued with the underlying loan agreements and cash flows, confirmation procedures and analysis of the financial situation of AXA Bank Europe S.A./N.V. to which loans have been provided and assessed whether there were any impairment triggers. We concur with the position taken by the management board as set out in the financial statements with respect to the valuation of the loans.

Key audit matter	*How our audit addressed the matter*
Fair value of notes issued to third parties We consider the fair value of the notes issued as disclosed in note 9 to the financial statements of €1.597.119.000 as a key audit matter. This is due to the size of the notes issued and given that an adjustment to fair value may have a material effect on the income statement	We have performed detailed audit work addressing the valuation of the notes issued by AXA Belgium Finance (NL) B.V. We tested, amongst others, the internal controls surrounding the treasury management system and issuance of notes and reconciling on a sample basis the notes issued with the underlying agreements and cash flows. We also tested data input to calculate the fair value and reconciliation of the treasury management system with the general ledger. We challenged the assumptions of management used in the fair value calculation.

Responsibilities of the management board

The management board is responsible for:

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

As part of the preparation of the financial statements, the management board is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the management board should prepare the financial statements using the going concern basis of accounting unless the management board either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The management board should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our audit opinion aims to provide reasonable assurance about whether the financial statements are free from material misstatement. Reasonable assurance is a high but not absolute level of assurance which makes it possible that we may not detect all misstatements. Misstatements may arise due to fraud or error. They are considered to be material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A more detailed description of our responsibilities is set out in the appendix to our report.

Report on other legal and regulatory requirements

Our report on the management board report and the other information

Pursuant to the legal requirements of Part 9 of Book 2 of the Dutch Civil Code (concerning our obligation to report about the management board report and the other information):

- 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 by Part 9 of Book 2 of the Dutch Civil Code has been annexed.
- We report that the management board report, to the extent we can assess, is consistent with the financial statements.

Our appointment

We were appointed as auditors of AXA Belgium Finance (NL) B.V. following the passing of a resolution by the shareholders at the annual meeting held on 24 April 2015. Our appointment has been renewed annually by shareholders representing a total period of uninterrupted engagement appointment of more than 10 years.

Groningen, 28 April 2016
PricewaterhouseCoopers Accountants N.V.

Original has been signed by H.D.M. Plomp RA

Appendix to our auditor's report on the financial statements 2015 of AXA Belgium Finance (NL) B.V.

In addition to what is included in our auditor's report we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error. Our audit consisted, among others of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the intentional override of internal control.
- Obtaining an understanding of internal control relevant to the audit 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.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management board.
- Concluding on the appropriateness of the management board's use of the going concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the management board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide the management board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the management board, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.