

AXA Belgium Finance (NL) B.V.

Unaudited interim financial statements June 30, 2012

Registered office:
Address:

Amsterdam
Ginnekenweg 213
4835 NA BREDA

Breda, August 29, 2012

Table of contents

Reports of management

Management report	1
-------------------	---

Interim financial statements

Interim balance sheet at June 30, 2012	5
Interim profit and loss account for the six months ended June 30, 2012	7
Interim cash flow statement for the six months ended June 30, 2012	8
Accounting policies used for the interim financial statements	9
Notes to the interim balance sheet	10
Notes to the interim profit and loss account	13

Other information

Auditor's report	14
Subsequent events	14

Total number of pages in this report: 14

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. The company is managed by a management board consisting of two managing directors. 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 managing directors of the company are Dr. Cees de Jong, chairman, and Mr. Geert Van de Walle, Deputy CIO European Treasury and Investment of AXA Bank Europe S.A./N.V.

The company is a wholly owned subsidiary of AXA Bank Europe S.A./N.V., which in its turn is held for 100% by AXA Holdings Belgium S.A./N.V. The legal address of those parent companies is Boulevard du Souverain 25, 1170 Brussels (Watermael-Boitsfort), Belgium.

Financial information

The total assets increased by EUR 558,477,663 from EUR 389,391,247 in 2011 to EUR 947,868,910. Intragroup interest income amounts to EUR 8,420,446 of which EUR 8,402,216 from amounts receivable forming part of the fixed assets and from securities. Interest expense and similar charges amount to EUR 8,113,720. The operating expenses show an increase of EUR 13,655. The profit before tax increased by EUR 212,710, resulting in an increase of the net profit after taxation of EUR 169,281 to EUR 173,314 (2011: EUR 4,033).

Business overview

According to article 2 of its articles of association, the company's objects 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 its general corporate purposes. Notes issues can be subject to selling commissions, out-of-pocket expenses and are subject to paying agency fees. The 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.

The outstanding notes are issued under two programmes:

In 2006 the Serena notes issuance programme was launched. No new notes have been issued under this programme since 2007.

In September 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). In April 2012 AXA Bank Europe S.A./N.V. and the company decided to increase the size of this notes issuance programme from EUR 1,000,000,000 to EUR 2,000,000,000.

Under the programme the following issues have been launched in the first half of 2012:

- AXA Bank Europe CoFE III: EUR 3,000,000
- AXA Bank Europe CoFE IV: EUR 3,000,000
- Drouot Patrimoine Zen: EUR 30,000,000
- Optinote Multistep 2: EUR 103,872,000
- Coupon Sérénité 4: EUR 350,000,000
- Drouot Patrimoine Zen 2: EUR 30,000,000
- Optinote Nordic : NOK 535,310,000
- Sweet Reverse 2 : EUR 2,500,000

On June 30, 2012, the following par values of notes were outstanding:

- 1 Under the notes programme dated May 9, 2006:
 - Serena Lift Up: EUR 26,271,000 (maturity: June 23, 2016);
 - Serena Upgrade: EUR 12,341,000 (maturity: September 29, 2014);
 - Serena Memoris: EUR 7,838,000 (maturity: December 15, 2016).
- 2 Under the EUR 1,000,000,000 notes issuance programme dated September 21, 2010, which was increased in April 2012 to EUR 2,000,000,000:
 - CoFE: EUR 1,150,000 (distributed in France);
 - Eureka !: EUR 1,000,000 (distributed in France);
 - CoFE II: EUR 5,000,000 (distributed in France);
 - Optinote Multiwin: EUR 112,582,000 (initial size: EUR 114,133,000) (distributed in Belgium);
 - Optinote Multistep: EUR 50,963,000 (distributed in Belgium);
 - AXA Coupon Sérénité 2: EUR 68,286,000 (initial size: EUR 100,000,000) (distributed in France);
 - Optinote Inflation : EUR 77,383,000 (initial size : EUR 77,901,000) (distributed in Belgium);
 - Optinote Amplitude : EUR 7,321,000 (distributed in Belgium);
 - Sweet Reverse: EUR 6,200,000 (distributed in Portugal);
 - Drouot Patrimoine Zen: EUR 10,786,000 (Initial size: EUR 30,000,000) (distributed in France) ;
 - CoFe III : EUR 3,000,000 (distributed in France);
 - CoFe IV : EUR 3,000,000 (distributed in France);
 - Optinote Multistep 2 : EUR 103,872,000 (distributed in Belgium);
 - AXA Coupon Sérénité 4: EUR 350,000,000 (distributed in France);
 - Drouot Patrimoine Zen 2: EUR 13,535,000 (Initial size: EUR 30,000,000) (distributed in France);

- Optinote Nordic : NOK 535,310,000 (distributed in Belgium);
- Sweet Reverse 2: EUR 2,500,000 (distributed in Portugal).

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 parallelism between the conditions of the notes and those of the loans to AXA Bank Europe 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, real estate risk and liquidity risk. In assessing the risk profile of the company it is important to remind 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: as the company is not active in different currency zones or dealing with instruments in different currencies there are no currency risks.

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 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 June 30, 2012, 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 fulfill them is provided.

Apart from this evolving business objectives, there has been no material adverse change in the financial position or prospects of the company since June 30, 2012. 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, August 29, 2012

Cees de Jong, chairman of the management board

Geert Van de Walle, member of the management board

Interim balance sheet at June 30, 2012

(after appropriation of result)

A s s e t s

	June 30, 2012 (unaudited)		December 31, 2011 (audited)	
	EUR	EUR	EUR	EUR
Fixed assets				
Financial fixed assets (1)				
Amounts receivable from group companies		933,974,278		380,765,643
Current assets				
Receivables (2)				
Amounts receivable from group companies	11,361,566		5,999,250	
Other amounts receivable, prepayments and accrued income	78		36,679	
		11,361,644		6,035,929
Cash at bank and in hand		2,532,988		2,589,675
Total assets		<u>947,868,910</u>		<u>389,391,247</u>

S h a r e h o l d e r s ' e q u i t y a n d l i a b i l i t i e s

	June 30, 2012 (unaudited)		December 31, 2011 (audited)	
	EUR	EUR	EUR	EUR
Shareholders' equity (3)				
Issued share capital	1,768,459		1,768,459	
Other reserves	1,134,318		961,004	
		2,902,777		2,729,463
Long-term liabilities (4)				
Other bond loans and private loans		936,504,990		380,719,015
Current liabilities (5)				
Other bond loans and private loans	–		2,426,627	
Taxes and social security charges	54,357		9,483	
Other liabilities, accruals and deferred income	8,406,786		3,506,659	
		8,461,143		5,942,769
Total shareholders' equity and liabilities		<u>947,868,910</u>		<u>389,391,247</u>

Interim profit and loss account for the six months ended June 30, 2012

	For the six months ended June 30			
	2012 (unaudited)		2011 (unaudited)	
	EUR	EUR	EUR	EUR
Other operating expenses		101,173		87,518
Operating income		(101,173)		(87,518)
Income from amounts receivable forming part of the fixed assets and from securities (6)	8,413,526		53,496	
Other interest income and similar income (7)	19,119		312,411	
Interest expenses and similar charges (8)	(8,113,720)		(273,347)	
Financial income and expense		318,925		92,560
Profit before taxation		217,752		5,042
Income taxes (9)		44,438		1,009
Profit after taxation		173,314		4,033

Interim cash flow statement for the six months ended June 30, 2012

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

	For the six months ended June 30			
	2012 (unaudited)		2011 (unaudited)	
	EUR	EUR	EUR	EUR
Cash flow from operating activities				
Operating profit/(loss)		(101,173)		(87,518)
Changes in working capital:				
– Movements in amounts receivable		(5,325,715)		(347,620)
– Movements in current liabilities (excluding amounts payable to credit institutions)		2,518,374		315,345
		(2,908,514)		(119,793)
Other changes:				
– Changes in amounts receivable forming part of the fixed assets	238,033		–	
– Changes in long term liabilities	2,334,727		–	
		2,572,760		–
Income from amounts receivable forming part of the fixed assets and from securities	7,689,542		53,496	
Other interest income and similar income	19,119		312,411	
Interest expenses and similar charges	(7,396,466)		(280,739)	
Income taxes	(44,438)		(1,009)	
		267,757		84,159
Cash flow from operating activities		(67,997)		(35,634)
Cash flow from financing activities				
Loans granted to group companies	(592,435,994)		(2,150,000)	
Repayment on loans to group companies	39,560,978		403,000	
Proceeds from issued medium term notes	592,435,994		2,150,000	
Repayments on issued medium term notes	(39,549,668)		(403,000)	
Cash flow from financing activities		11,310		–
Movements in cash at bank and in hand		(56,687)		(35,634)
Cash at bank and in hand January 1		2,589,675		2,672,886
Cash at bank and in hand June 30		2,532,988		2,637,252

Accounting policies used for the interim financial statements

General information

The company's interim 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 used.

AXA group and related parties

AXA Belgium Finance (NL) B.V. is a wholly owned subsidiary of AXA Bank Europe 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.

Going concern

The accounting policies used in these interim financial statements are based on the expectation that the company will be able to continue as a going concern. The basis 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.

Basis of preparation and accounting policies

Basis of preparation

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the company's annual financial statements as at December 31, 2011. The interim condensed financial statements have not been audited.

Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the company's annual financial statements for the year ended December 31, 2011.

Notes to the interim balance sheet

Financial fixed assets (1)

Amounts receivable from group companies

This item includes loans to the parent company AXA Bank Europe S.A./N.V. with a total par value of EUR 934,089,994 (2011: EUR 380,358,000). 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% (2011: Part of the interest rates are fixed between 5.1660% 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 0.10%).

The loans fall due:

- 1 - 5 years EUR 499,768,994 (2011: EUR 310,358,000);
- > 5 years EUR 434,321,000 (2011: EUR 70,000,000).

These loans are subordinated for a total par value of EUR 0 (2011: EUR 0).

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

Movements in loans to the parent company can be specified as follows.

	June 30, 2012 (unaudited)	December 31 2011 (unaudited)
	EUR	EUR
Balance at start	380,358,000	49,266,000
Loans issued	593,433,994	363,867,000
Repurchased	(39,702,000)	(32,775,000)
Balance at end	<u>934,089,994</u>	<u>380,358,000</u>

Receivables (2)

The amounts receivable have a maturity shorter than one year.

The receivables include receivable amounts from the parent company AXA Bank Europe S.A./N.V. with a total value of EUR 11,361,566 (2011: EUR 5,999,250). In 2012 no interest on these receivables is applicable (2011: no interest rates are applicable).

These receivables are subordinated for a total par value of EUR 0 (2011: EUR 0).

Shareholders' equity (3)

Paid-up and called-up share capital

	June 30, 2012 (unaudited)	December 31, 2011 (audited)
	EUR	EUR
3.897 ordinary shares with a nominal value of EUR 453.80	<u>1,768,459</u>	<u>1,768,459</u>

The company's authorised capital amounts to EUR 4,000,247.

Other reserves

	June 30, 2012 (unaudited)	December 31, 2011 (audited)	June 30, 2011 (unaudited)
	EUR	EUR	EUR
Balance at start	961,004	872,277	872,277
Profit appropriation	173,314	88,727	4,033
Balance at end	<u>1,134,318</u>	<u>961,004</u>	<u>876,310</u>

Long-term liabilities (4)

This item includes medium term note and bond liabilities with a total par value of EUR 934,089,994 (2011: EUR 380,358,000). The loans are fully 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 (2011: part fixed between 5.00% and 0.00% and part variable).

The loans fall due:

- 1 - 5 years EUR 499,768,994 (2011: EUR 310,358,000);
- > 5 year EUR 434,321,000 (2011: EUR 70,000,000).

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

During the first half of 2012 the following issues have been launched under the September 2010 Notes Issuance Programme:

- AXA Bank Europe CoFE III: EUR 3,000,000;
- AXA Bank Europe CoFE IV: EUR 3,000,000;
- Drouot Patrimoine Zen: EUR 30,000,000;
- Optimote Multistep 2: EUR 103,872,000;
- Coupon Sérénité 4: EUR 350,000,000;
- Drouot Patrimoine Zen 2: EUR 30,000,000;
- Optimote Nordic: NOK 535,310,000;
- Sweet Reverse 2: EUR 2,500,000.

The proceeds of these issues have been used to grant loans to the parent company AXA Bank Europe S.A./N.V.

Current liabilities (5)

Included in this item are medium term note and bond liabilities amounting to EUR 0 (2011: EUR 2,426,627). These medium term note and bond liabilities were fully guaranteed by the parent company AXA Bank Europe S.A./N.V. In 2012 no interest on these liabilities is applicable (2011: no interest applicable).

This item also includes accrued interest amounting to EUR 8,367,469 (2011: EUR 3,442,722) on the medium term note and bond liabilities portfolio.

Notes to the interim profit and loss account

Staff members

The average number of staff employed by the company during the first half year of 2012 was – (2011: –).

Financial income and expense

Income from amounts receivable forming part of the fixed assets and from securities (6)

This item includes intra group interest for an amount of EUR 8,402,216 (2011: EUR 53,496).

Other interest income and similar income (7)

This item includes intra group interest for an amount of EUR 18,230 (2011: EUR 312,327).

Interest expense and similar charges (8)

This interest amount refers mainly to interest expenses related to outstanding notes and bonds.

Income taxes (9)

The tax refund on the profit and loss account mainly exists of taxes on the result for the year under review.

The applicable and effective tax rate for the interim financial statements is 20% (2011: 20%).

Other information

Auditor's report

The interim financial statements are unaudited.

Subsequent events

In September 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). In April 2012 an extension with EUR 1,000 million from EUR 1,000 to EUR 2,000 million was launched.

Under the programme the following issues have been offered after June 30, 2012:

- Life Opportunity: minimum EUR 45,000,000 (in offer in Belgium until September 7, 2012);
- Sweet Reverse 3: minimum EUR 3,750,000 (in offer in Portugal until September 20, 2012);
- Sweet Reverse 4: minimum EUR 2,500,000 (in offer in Portugal until November 27, 2012).