

# AXA

# PRESS RELEASE

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## AXA accelerates its development in Egypt through a partnership with Commercial International Bank

- AXA to enter into a 10-year Life & Savings exclusive bancassurance agreement with CIB, the #1 private-sector bank in Egypt<sup>1</sup>
- AXA to acquire 100% of Commercial International Life (“CIL”), the Life & Savings joint-venture between CIB and Legal & General in Egypt, which is the #3 Life & Savings player in the country<sup>2</sup>, for a consideration of approximately Euro 88 million<sup>3</sup>

AXA announced today it will enter into a partnership with Commercial International Bank (“CIB”) whereby AXA will benefit from a 10-year exclusive Life & Savings distribution agreement with CIB in Egypt, focusing more specifically on Unit-Linked and Protection & Health insurance. As part of the transaction, AXA will acquire 100% of Commercial International Life Insurance Company (“CIL”), a leading Egyptian Life insurance player, jointly owned by Legal & General (55%) and CIB (45%), for a cash consideration of EGP 763 million (or Euro 88 million<sup>3</sup>), subject to price adjustment at completion. In addition, AXA will pay to CIB an access fee and commissions under the bancassurance agreement.

With its ca. 628,000 retail and 60,000 corporate customers, CIB is the #1 private-sector bank in Egypt, relying on an extensive network composed of 166 branches and 10,000 points of sales<sup>4</sup>. It has built a highly reputable brand and a robust market position with a clear ambition to accelerate its presence in the retail banking segment. Thus, CIB represents a unique partner for AXA to benefit from the high growth prospects of the Egyptian market.

CIL is the #3 Life & Savings insurance player in Egypt with a 15% market share<sup>2</sup> and offers both Unit-Linked and Protection products. It is a fast-growing company with 23% annual premium growth from 2012 to 2014, and a strong business performance over the first six months of the fiscal year 2015<sup>5</sup>.

Thanks to the excellent positioning of CIB in Egypt, this transaction will allow AXA to accelerate its development in Egypt, following the grant of its preliminary non-life insurance license in March 2015, and more generally to pursue the strengthening of its footprint in the Middle East and Africa. It will also support the shift in business mix towards more Unit-Linked and Protection & Health products, in line with the Ambition AXA strategy.

Completion of the transaction is subject to customary closing conditions, including the receipt of regulatory approvals, and is expected to take place by the end of 2015.

<sup>1</sup> Source : Central Bank of Egypt - #1 private-sector bank in terms of loans and deposits.

<sup>2</sup> Source: Egyptian Financial Supervisory Authority – Excluding Health insurance.

<sup>3</sup> EUR 1 = EGP 8.6241 as of July 9, 2015.

<sup>4</sup> CIB financial communication as of March 2015.

<sup>5</sup> CIL's fiscal year ends on June 30 of each year.

## CIL KEY FIGURES

Euro million <sup>6</sup>	FY13	FY14	6M'15
Total revenues	76.1	82.5	53.9
Net income	0.6	1.9	2.1

Note: CIL's fiscal year ends on June 30 of each year.

## ABOUT AXA IN EGYPT

AXA received its preliminary non-life insurance license in March 2015. Since then, it has built a team of highly experienced professionals and intends to start its operations in September.

AXA plans to offer Life, Health and Property & Casualty insurance covers to individuals, SMEs and corporate clients and leverage the strength of its global presence.

### ABOUT THE AXA GROUP

The AXA Group is a worldwide leader in insurance and asset management, with 161,000 employees serving 103 million clients in 59 countries. In 2014, IFRS revenues amounted to Euro 92.0 billion and IFRS underlying earnings to Euro 5.1 billion. AXA had Euro 1,277 billion in assets under management as of December 31, 2014.

The AXA ordinary share is listed on compartment A of Euronext Paris under the ticker symbol CS (ISN FR 0000120628 – Bloomberg: CS FP – Reuters: AXAF.PA). AXA's American Depository Share is also quoted on the OTC QX platform under the ticker symbol AXAHY.

The AXA Group is included in the main international SRI indexes, such as Dow Jones Sustainability Index (DJSI) and FTSE4GOOD.

It is a founding member of the UN Environment Programme's Finance Initiative (UNEP FI) Principles for Sustainable Insurance and a signatory of the UN Principles for Responsible Investment.

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<sup>6</sup> Using 12 months average Forex rates (source: Bloomberg).