



Press release

Paris, November 26, 2018

AXA to acquire the remaining 50% stake in AXA Tianping to accelerate its growth in China as the #1 foreign P&C insurer

- AXA is the first foreign insurer to own 100% of a top 20 P&C insurance company in China
- Full management control will allow AXA to accelerate its strategy in the largest growing market in Asia
- A unique combination of a pan-China presence, strong direct distribution capabilities and an international brand will position AXA to capture the significant growth potential of the P&C and health market in China

AXA announced today that it had entered into an agreement with the current domestic shareholders¹ of AXA Tianping Property & Casualty Insurance Company Ltd (“AXA Tianping”) to acquire the remaining 50% stake² of the company.

Total consideration for the acquisition of the 50% stake would amount to RMB 4.6 billion (or Euro 584 million³), representing an implied 2.4x FY17 BV⁴ multiple, of which, subject to regulatory approvals, RMB 1.5 billion (or Euro 190 million³) should be financed through a capital reduction of AXA Tianping to buy back shares from the current domestic shareholders.

“AXA Tianping represents a unique platform for AXA to capture fully the significant growth potential of the P&C and health markets in China. By leveraging its broad domestic presence, strong distribution capabilities, and our international brand with global Health and P&C expertise, we look forward to offering high-value products and services to our existing and potential customers in China”, said **Thomas Buberl, Chief Executive Officer of AXA.**

“This is a “first of its kind” transaction in the Chinese insurance market whereby a leading P&C insurer, with a nationwide footprint, will be fully owned by a foreign company. The acquisition further reaffirms our conviction that our operations in China will be a key growth engine of the Group and in its preferred segments.”

¹ Shanghai Yi Ke Joint Venture Co., Ltd., Hainan Hua Ge Industrial Investment Co., Ltd., Tian Mao Industrial Group Joint Stock Corporation, Hainan Luda Technology Co., Ltd., Shanghai Rixingkang Biology Engineering Co., Ltd.

² AXA acquired the initial 50% stake in AXA Tianping in February 2014.

³ 1 Euro = RMB 7.8767 as of November 23, 2018 (Source: Bloomberg).

⁴ Chinese GAAP.



In 2017, AXA Tianping ranked 15th amongst China's P&C insurers with Euro 1 billion⁵ of Gross Written Premiums (GWP), and is the only foreign invested company in the top 20 P&C insurers in China. It is a leading company in Direct Motor insurance (6th in the market⁶), with Motor insurance contributing 91% of GWP, of which 41% is distributed through direct channels. It also sells short-term health insurance products.

AXA Tianping has developed a national footprint with 25 branches and 93 sub-branches, covering 20 provinces which together generate over 85% of China's GDP⁷.

"The transaction marks another step towards consolidating our position as the #1 foreign insurer in China and strengthening of our leadership in the Asian region. With full ownership and management control of AXA Tianping, we will further accelerate the deployment of our strategy to create a leading insurer that champions healthcare and mobility solutions", said **Gordon Watson, CEO of AXA Asia**

"Combining AXA Tianping's high-quality infrastructure with AXA's global expertise in health and digital, will enable us to target selectively our preferred customer segments to create more long term value in the motor business, while capturing the rapid expansion of the health market by developing a holistic wellbeing offer."

Completion of the transaction is subject to customary closing conditions, including the receipt of regulatory approvals, most notably from the China Banking and Insurance Regulatory Commission.

On the completion of the transaction, AXA Tianping will be fully consolidated into the AXA Group's financial statements.

About the Chinese insurance market^{8,9}

The Chinese P&C insurance and health insurance markets have been growing rapidly at 13% p.a. and 39% p.a. respectively, over the past 5 years. Despite continuous growth, P&C insurance penetration remains low at 1.3%¹⁰. Motor insurance has been the dominant product, representing 74% of the market, with new passenger car sales in China growing to 25 million, representing 8% CAGR between 2014-2017. Agency and Direct are the main distribution channels in the Chinese P&C insurance market.

⁵ Converted at average FY17 EUR/RMB exchange rate of 7.6191 (Source: Bloomberg).

⁶ Source: China Banking and Insurance Regulatory Commission

⁷ Source: Provincial Bureau of Statistics of China as of FY2017.

⁸ Source: China Banking and Insurance Regulatory Commission, International Monetary Fund, Swiss Re research, China Auto Industrial Research.

⁹ As of FY17.

¹⁰ As a % of GDP.



ABOUT THE AXA GROUP

The AXA Group is a worldwide leader in insurance and asset management, with 160,000 employees serving 105 million clients in 62 countries. In 2017, IFRS revenues amounted to Euro 98.5 billion and IFRS underlying earnings to Euro 6.0 billion. AXA had Euro 1,439 billion in assets under management as of December 31, 2017.

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.

This press release and the regulated information made public by AXA pursuant to article L. 451-1-2 of the French Monetary and Financial Code and articles 222-1 et seq. of the Autorité des marchés financiers' General Regulation are available on the AXA Group website (axa.com).

THIS PRESS RELEASE IS AVAILABLE ON THE AXA GROUP WEBSITE axa.com

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