

# AXA

# PRESS RELEASE

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## AXA accelerates its development in the Philippines by extending its successful partnership with Metrobank to Property & Casualty

- AXA Philippines to enter into Property & Casualty insurance by acquiring 100% of Charter Ping An, the #5 non-life insurer in the Philippines for a consideration of approximately Euro 45 million
- AXA to extend its successful bancassurance partnership with GT Capital and Metrobank, the #2 bank in the country, to include the distribution of Property & Casualty insurance products

AXA announced today that it would expand its existing relationship with GT Capital Holdings, Inc. (“GT Capital”) and its component company Metropolitan Bank & Trust Company (“Metrobank”) to cover Property & Casualty insurance. As part of the transaction, AXA Philippines would acquire 100% of Charter Ping An Insurance Corporation (“CPA”) from GT Capital. The total cash consideration to be paid by AXA Philippines would amount to PHP 2.3 billion (or Euro 45 million<sup>1</sup>). This would allow AXA Philippines to offer Property & Casualty insurance products, alongside its current range of Life & Savings products, and distribute them notably through the extensive branch network of Metrobank.

CPA is the #5 Property & Casualty insurance player in the Philippines with GWP of Euro 68 million in 2014<sup>2</sup> and offers a full range of fire, motor, marine, personal accident and engineering insurance products. It is a fast-growing company which realized a 21% annual average growth in GWP between 2011 and 2014, benefiting from a successful bancassurance agreement creating synergies with Metrobank.

Metrobank is the #2 bank in the Philippines in terms of assets and deposits<sup>3</sup>, relying on a network of 938 branches nationwide. It offers a full range of banking services to large local and multinational corporations, SMEs, high net-worth individuals and retail clients. Metrobank has already been distributing AXA Philippines’ Life & Savings insurance products since 1999.

Due to the excellent positioning of Metrobank in the Philippines, this transaction would allow AXA to benefit from a new promising Property & Casualty market which offers significant potential with a very low insurance penetration rate (0.45% of GDP in 2014<sup>4</sup>), expected to increase over the next years.

*“This deal marks the next stage in expanding AXA Philippines to offer a comprehensive range of high-quality insurance products to our customers, enabling us to leverage our international experience in Property and Casualty cover to provide customer-centric solutions. Our close partnership with GT Capital and Metrobank has enabled us to build a strong presence in this high-growth market and this milestone will create new opportunities for further growth, as well as to help enhance the local insurance sector with a wider range of offerings.”* said **Jean-Louis Laurent Josi, Regional CEO of AXA Asia.**

Completion of the transaction is subject to customary closing conditions, including the receipt of regulatory approvals, and is expected to take place in the first quarter of 2016.

<sup>1</sup> EUR 1 = 51.3309 PHP as of November 3, 2015

<sup>2</sup> Source: Philippines Insurance Commission / 2014 average FX rate EUR 1 = 58,98 PHP

<sup>3</sup> Source: Central Bank of Philippines

<sup>4</sup> Source: The Philippines Insurance Market, February 2015, Swiss Re

**CPA KEY FIGURES**

Euro million <sup>5</sup>	FY12	FY13	FY14
Gross Earned Premiums	43.1	57.6	64.0
Net Profit	3.9	3.4	1.8

**ABOUT AXA PHILIPPINES**

AXA Philippines is the #2 Life & Savings insurer in the country<sup>6</sup> and is currently operating through a partnership with Metrobank and its parent company GT Capital. AXA Philippines is owned at 45% by AXA, 25% by GT Capital and 28% by Metrobank, and recorded Euro 30 million of APE in 2014 on a group share basis.

**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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<b>Investor Relations:</b>	<b>+33.1.40.75.46.85</b>	<b>Individual Shareholder Relations:</b>	<b>Media Relations:</b>	<b>+33.1.40.75.46.74</b>
Andrew Wallace-Barnett:	+33.1.40.75.46.85	+33.1.40.75.48.43	Garance Wattez-Richard:	+33.1.40.75.46.42
Florian Bezault:	+33.1.40.75.59.17		Sixtine Richer:	+33.1.40.75.55.51
François Boissin:	+33.1.40.75.39.82		Jean-Baptiste Mounier:	+33.1.40.75.49.68
Aurore Chaussec:	+33.1.40.75.96.20			
Sulabh Kakkar:	+33.1.40.75.48.91			

**IMPORTANT LEGAL INFORMATION AND CAUTIONARY STATEMENTS CONCERNING FORWARD-LOOKING STATEMENTS**

Certain statements contained herein are forward-looking statements including, but not limited to, statements that are predictions of or indicate future events, trends, plans or objectives. Undue reliance should not be placed on such statements because, by their nature, they are subject to known and unknown risks and uncertainties. Please refer to the section “Cautionary statements” in page 2 of AXA’s Document de Référence for the year ended December 31, 2014, for a description of certain important factors, risks and uncertainties that may affect AXA’s business. AXA undertakes no obligation to publicly update or revise any of these forward-looking statements, whether to reflect new information, future events or circumstances or otherwise.

<sup>5</sup> Charter Ping An Insurance Corporation Audited Financial Statements – Using 12 months average Forex rates (source: Bloomberg).

<sup>6</sup> In terms of premium income - Source : Philippines Insurance Commission