



Press release

Paris, October 25, 2019

AXA to sell AXA Bank Belgium, and enter into a long-term insurance distribution partnership with Crelan Bank

- Further **simplification** of AXA's profile, in line with its Ambition 2020 strategy
- Continued focus towards **preferred segments**
- Strengthening of AXA's balance sheet, with an expected **+4 points on Solvency II ratio**

AXA announced today that it has entered into an agreement to sell its Belgian banking operations, AXA Bank Belgium, to Crelan Bank ("Crelan").

Under the terms of the agreement, AXA will sell 100% of AXA Bank Belgium to Crelan for a total consideration of Euro 620 million, comprised of (i) a total cash consideration of Euro 540 million¹, and (ii) the transfer to AXA Belgium of 100% of Crelan Insurance (valued at Euro 80 million), the insurance company of Crelan, providing protection insurance linked to loans originated by Crelan.

In addition, AXA and Crelan have agreed to enter into a long-term P&C and Protection² insurance distribution partnership, extending the existing partnership between AXA Bank Belgium and AXA Belgium to the entire Crelan network.

*"This transaction is another important step in the execution of our Ambition 2020 strategy, as we concentrate on businesses with critical scale and continue to simplify our business profile", said **Thomas Buberl, Chief Executive Officer of AXA.***

"We are extremely pleased to maintain our strong historical links through a continued partnership with AXA Bank Belgium, a key factor in this transaction, and to extend this partnership to Crelan's network. Combining this with the transfer of Crelan's insurance business to AXA, our leadership position in our preferred segments in Belgium will be further reinforced."

"We are convinced that AXA Bank Belgium will strongly benefit from the consolidation with Crelan, leveraging on their respective scales and product offerings."

"I would like to thank AXA Bank Belgium's management team and all the employees for their strong contribution and commitment over the years and wish them every success as part of the Crelan Group."

¹ Subject to price adjustment at closing.

² Insurance linked to mortgages, consumer and professional loans.



Financial impacts

- This transaction is expected to result in a positive impact on AXA Group's Solvency II ratio of ca. 4 points.
- It is expected to result in a one-time negative Net Income impact³ of approximately Euro 0.6 billion in AXA Group's FY19 consolidated financial statements.
- Underlying Earnings (UE) generated by AXA Bank Belgium were Euro 47 million⁴ in 2018.

In addition, AXA will take a 9.9% minority equity stake⁵ in Crelan NV⁶ and AXA Bank Belgium, investing a total of Euro 90 million, which will be fully financed by the purchase by Crelan, for Euro 90 million, of the contingent convertible bonds previously issued by AXA Bank Belgium to AXA Group.

Completion of the transaction is subject to customary closing conditions, including the receipt of regulatory approvals, and is expected to be finalized in the second quarter of 2020.

³ The net income impact is based on the cash consideration and the value of Crelan Insurance only and does not take into account any value for the insurance distribution partnership with AXA Bank Belgium, and its extension to Crelan.

⁴ Excluding favourable non-recurring impacts of Euro 36 million.

⁵ Crelan has a call option to purchase the Crelan NV and AXA Bank Belgium shares held by AXA.

⁶ Crelan NV is Crelan's banking subsidiary.



About AXA Bank Belgium

AXA Bank Belgium is the 6th largest retail bank in Belgium in terms of total assets (Euro 27 billion, of which Euro 20 billion of customer loans). AXA Bank Belgium offers a range of retail banking products and investment solutions to ca. 860,000 customers, primarily focused on credit, investment, and daily banking services and deposits. The company had 790 employees and distributed its products through a network of ca. 550 bank agencies across Belgium, as at the end of 2018. AXA Bank Belgium has no direct links with other banking activities of the AXA Group, notably in France and Germany, which are not affected by this transaction.

About Crelan Bank⁷

Crelan is a cooperative bank which is directly owned by its clients via CrelanCo. In 2018, Crelan, including its subsidiary Europabank, was the 7th largest bank in Belgium by assets (Euro 20.4 billion) and had Euro 16.7 billion of loans. The bank offers both retail and SME commercial banking services to ca. 920,000 customers, relying on 633 branches, with a strong presence in Flanders. The agents also act as insurance intermediaries offering both P&C and Life & Saving products.

About Crelan Insurance⁷

Crelan Insurance is the insurance company of Crelan, providing protection insurance to Crelan's customers on mortgages, professional and consumer loans. In 2018, the company generated Euro 28 million of Gross Written Premium (GWP), of which 92% comes from mortgage insurance. 2018 Net Income amounted to Euro 5.5 million.

ABOUT THE AXA GROUP

The AXA Group is a worldwide leader in insurance and asset management, with 171,000 employees serving 105 million clients in 61 countries. In 2018, IFRS revenues amounted to Euro 102.9 billion and underlying earnings to Euro 6.2 billion. AXA had Euro 1,424 billion in assets under management as of December 31, 2018.

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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Certain statements contained herein may be forward-looking statements including, but not limited to, statements that are predictions of or indicate future events, trends, plans, expectations 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 and can be affected by other factors that could cause AXA's actual results to differ materially from those expressed or implied in such forward looking statements. Please refer to Part 4 - "Risk Factors and Risk Management" of AXA's 2018 Registration Document, for a description of certain important factors, risks and uncertainties that may affect AXA's business and/or results of operations. 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, except as required by applicable laws and regulations.

⁷ Source: Crelan 2018 Annual Report