



Press release

Paris, August 1st, 2024

AXA enters into an exclusive negotiation to sell AXA Investment Managers to BNP Paribas

- Strategic decision to exit Asset Management and enter into a long-term investment management partnership with BNP Paribas
- Group strategy focused on insurance business: Life & Savings, Property & Casualty and Health
- AXA retains full authority over product design, asset allocation, and asset-liability management decisions
- Total consideration¹ of Euro 5.4 billion, representing a 15x underlying earnings multiple
- Anti-dilutive share buyback to be launched after closing
- Key financial targets of 'Unlock the Future' plan affirmed²

AXA announced today that it has entered into an exclusive negotiation to sell its asset manager AXA Investment Managers ("AXA IM") to BNP Paribas for cash proceeds¹ of Euro 5.1 billion. In addition, AXA would receive Euro 0.3 billion consideration from the sale of Select³ to AXA IM prior to the closing of the proposed transaction. The total estimated transaction value is expected to be Euro 5.4 billion, representing a multiple of 15x 2023 earnings. Under the terms of the proposed transaction, AXA and BNP Paribas would also enter into a long-term strategic partnership under which BNP Paribas would provide investment management services to AXA. The combination of AXA Investment Managers and BNP Paribas would create a leading European asset manager, with total assets under management of Euro 1.5 trillion⁴.

The intention to exit the Asset Management business further emphasizes the Group's strategy to simplify its business model and to focus on its core insurance activities. In particular, AXA's Life & Savings business is well-positioned to grow, driven by the Group's strong distribution and product design capabilities, and our customers will benefit from a broader array of asset classes, including continued access to a best-in-class *Alternatives* asset management platform. AXA retains full authority over product design, asset allocation and asset-liability management decisions.

"AXA Investment Managers has been a homegrown success story for the AXA Group. Over the past 25 years, we have built an exceptional franchise anchored in investment expertise, a relentless client focus and a proven track record on sustainability and private assets. Thanks to the quality of its teams, AXA IM is today a leading player, notably in Alternatives. In the context of a rapidly consolidating and highly competitive asset management industry, the Group has considered different options to support the future development of AXA IM and to best align with the strategic goals of AXA to further simplify its business profile and grow its insurance businesses," said **Thomas Buberl, CEO of AXA**. *"By joining forces with BNP Paribas, AXA IM would become a global asset manager with a wider product offering and a mutual objective to further their leading position in responsible investing. This long-term partnership would provide AXA and its customers with continued access to a wide range of best-in-class investment solutions that would further strengthen our strategic ambitions in Life & Savings. I would like to thank all AXA IM employees for their unwavering commitment, and their continued focus on delivering value for our clients."*

¹ For 100% share capital of AXA IM, of which 98% is owned by the AXA Group (67% by AXA SA and 31% by other AXA entities), subject to price adjustment mechanisms.

² Underlying earnings per share CAGR 2023-2026E between 6% and 8%, Underlying return on equity between 14% and 16% over 2024E to 2026E, over Euro 21 billion cumulative organic cash upstream over 2024E to 2026E.

³ Select (formerly named 'Architas') is an AXA company offering investment solutions, including management of funds, investment management services, advisory services, and investment related services, to retail customers in France, Belgium, Hong Kong, and Indonesia.

⁴ As of December 31st, 2023, based on companies' financial disclosures.



“I would like to extend a warm welcome to AXA IM teams who would join BNP Paribas as part of the completion of the project. In line with the model developed by AXA IM, BNP Paribas will remain deeply committed to deploying this new enlarged long-term savings management platform to serve insurers, pension funds as well as bank and distribution networks” said **Jean-Laurent Bonnafé, Director and CEO, BNP Paribas.**

The completion of the transaction is subject to customary closing conditions, including the information and consultation of employee representative bodies, followed by the signing of the Share Purchase Agreement and the receipt of regulatory approvals, and is expected to be finalized by the second quarter of 2025.

Expected financial impacts of the transaction

- Starting from FY24, AXA IM will be classified as ‘discontinued operations’ in AXA’s consolidated financial statements. AXA will continue to account for the contribution of AXA IM in the Group’s underlying earnings until the expected completion of the sale.
- Upon completion, the proposed transaction is expected to result in (i) a reduction in underlying earnings of ca. Euro 0.4 billion on an annualized basis for the Group and (ii) an estimated one-off net income gain of Euro 2.2 billion.
- AXA intends to offset the earnings dilution from the proposed disposal with a share buyback, currently estimated at Euro 3.8 billion, to be launched immediately following the closing of the proposed transaction.
- The proposed transaction and the associated share buyback are expected to have a neutral impact on AXA’s Solvency II ratio.
- The proposed transaction is expected to have no material impact on the key financial targets² that were communicated as part of the ‘Unlock the Future’ plan.

ABOUT THE AXA GROUP

The AXA Group is a worldwide leader in insurance and asset management, with 147,000 employees serving 94 million clients in 50 countries. In 2023, IFRS17 revenues amounted to Euro 102.7 billion and IFRS17 underlying earnings to Euro 7.6 billion. AXA had Euro 946 billion in assets under management, including assets managed on behalf of third parties, as of December 31, 2023.

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).

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IMPORTANT LEGAL INFORMATION AND CAUTIONARY STATEMENTS CONCERNING FORWARD-LOOKING STATEMENTS AND THE USE OF NON-GAAP FINANCIAL MEASURES

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, and other information that is not historical information. Forward-looking statements are generally identified by words and expressions such as “expects”, “anticipates”, “may”, “plan” or any variations or similar terminology of these words and expressions, or conditional verbs such as, without limitations, “would” and “could”. Undue reliance should not be placed on such statements because, by their nature, they are subject to known and unknown risks and uncertainties, many of which are outside AXA’s control, and can be affected by other factors that could cause AXA’s actual results to differ materially from those expressed in, or implied or projected by, such forward-looking statements. Readers are therefore cautioned that a variety of factors could influence and cause actual results to differ from those anticipated or implied in any forward-looking



statements, in some instances materially. Each forward-looking statement speaks only at the date of this press release. Please refer to Part 5 - "Risk Factors and Risk Management" of AXA's Universal Registration Document for the year ended December 31, 2023 (the "2023 Universal Registration Document") for a description of certain important factors, risks and uncertainties that may affect AXA's business and/or results of operations. AXA specifically disclaims and 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. This press release is not intended to and does not contain or constitute an offer to purchase or sell AXA's securities. In addition, this press release refers to certain non-GAAP financial measures, or alternative performance measures ("APMs"), used by Management in analyzing AXA's operating trends, financial performance and financial position and providing investors with additional information that Management believes to be useful and relevant regarding AXA's results. These non-GAAP financial measures generally have no standardized meaning and therefore may not be comparable to similarly labelled measures used by other companies. As a result, none of these non-GAAP financial measures should be considered in isolation from, or as a substitute for, the Group's consolidated financial statements and related notes prepared in accordance with IFRS. "Underlying earnings", "underlying earnings per share", "underlying return on equity", "combined ratio" and "debt gearing" are APMs as defined in ESMA's guidelines and the AMF's related position statement issued in 2015. AXA provides a reconciliation of such APMs to the most closely related line item, subtotal, or total in the financial statements of the corresponding period (and/or their calculation methodology, as applicable) in its Half-Year Financial Report as of June 30, 2024, on the pages indicated under the heading "IMPORTANT LEGAL INFORMATION AND CAUTIONARY STATEMENTS CONCERNING FORWARD-LOOKING STATEMENTS AND THE USE OF NON-GAAP AND ALTERNATIVE PERFORMANCE MEASURES". For further information on the above-mentioned and other non-GAAP financial measures used in this press release, see the Glossary set forth in AXA's 2023 Universal Registration Document.