

# AXA

## PRESS RELEASE

PARIS, MAY 10, 2017

### AXA announces its intention to IPO its US operations

- **Strategic decision to create significant additional financial flexibility to accelerate AXA's transformation, in line with Ambition 2020 objectives**
- **Intention to list a minority stake of AXA's US operations<sup>1</sup> (expected to consist of its US Life & Savings business and AXA Group's interest in AB) in 1H18, subject to market conditions**
- **Creating a leading US-based diversified financial institution benefiting from enhanced strategic flexibility, visibility and stronger growth prospects as a listed company**
- **Proceeds to be reinvested by AXA in priority segments and/or potentially returned to shareholders, depending on opportunities and market conditions**
- **AXA's 3%-7% UEPS CAGR target over 2015-2020 reaffirmed**

In the US, AXA is a leading life insurance and annuity company serving more than 2.5 million customers, and owns an interest of approximately 64% in AB, a leading global asset manager with USD 498 billion in Assets under Management as at 31 March 2017.

*"We are very proud of our strong financial performance track-record over the past years, which resulted from a dramatic shift in new business towards a more balanced and capital effective product suite, supported by strict discipline in terms of product development, pricing, hedging and reserving",* said **Mark Pearson, CEO of AXA US.**

*"With Seth Bernstein, the new AB CEO, we have the unique opportunity together to create a leading US life insurance, annuity and asset management company. Together we will be focused on delivering superior wealth accumulation, protection and retirement-focused products for our customers and creating sustainable value for our stakeholders."*

*"At AB, we're excited to be taking this next step in our journey with AXA US and the AXA Group"* said **Seth Bernstein, President and CEO of AB.** *"We'll continue to manage assets for both entities, and look forward to further aligning our businesses from here with new services and opportunities."*

The listing of the US operations would bring significant additional financial flexibility for AXA, benefiting from supportive macroeconomic conditions in the US, and create an option to further reduce AXA's exposure to financial risks while further strengthening its economic capital position.

To enhance the capitalization of the US operations ahead of the IPO, about USD 1.0 billion of outstanding debt owed by AXA US to AXA Group will be converted into equity.

The proceeds of the transaction would be reinvested in the Group's priority lines of business, including Health, Capital-light Savings, Protection and P&C commercial lines, in line with the Ambition 2020 strategy, and/or potentially returned to shareholders depending on acquisition opportunities and market conditions.

The AXA Group reaffirms the following key financial objectives for 2015-2020: Underlying earnings per share CAGR of 3%-7%, Solvency II ratio target range of 170%-230%, cumulative cash remitted to Group holding company of Euro 24-27 billion, and adjusted Return on Equity of 12%-14%.

*"The decision to prepare for a listing of our US operations is a key step towards our 2020 objectives: we believe the current environment is supportive of this strategic initiative which would create significant additional financial flexibility to accelerate the transformation of the AXA Group around Health, Capital-light Savings, Protection and P&C commercial lines, our priority lines of business",* said **Thomas Buberl, CEO of AXA.**

*"At the same time, we are convinced our US operations would be better positioned as a listed company in the US, operating on a level-playing field under local regulatory rules, and would benefit from greater strategic flexibility to deliver sustainable and profitable growth."*

1. Expected NYSE listing of AXA America Holdings, Inc., which is expected to consist of the AXA US Life & Savings business and the AXA Group's interest in AllianceBernstein LP and AllianceBernstein Holding LP ("AB"). AXA America Corporate Solutions Inc. is not expected to be part of the IPO.

*“We very much appreciate the continued guidance and responsiveness of AXA Equitable’s US regulator, the New York Department of Financial Services. DFS has been a strong and fair supervisor of AXA Equitable, which will remain a New York domiciled insurer, and we look forward to the Department’s ongoing leadership and oversight”*, said **Mark Pearson, CEO of AXA US**.

**ABOUT AXA US**

AXA US includes AXA Equitable Financial Services, LLC and its family of companies, including AXA Equitable Life Insurance Company (“AXA Equitable”), MONY Life Insurance Company of America (“MLOA”), AXA Advisors, LLC, and AXA Distributors LLC.

AXA Equitable and MLOA offer a variety of life insurance, variable annuity, employee benefit and mutual fund products, as well as asset management, financial planning and other services. The products and services are offered principally to individuals, small and medium-size businesses and professional and trade associations. AXA Equitable, established in the State of New York in 1859, is among the largest life insurance companies in the United States. Following AXA Equitable’s demutualization in 1992, AXA acquired a controlling interest in AXA Equitable’s parent company, the Equitable Companies Incorporated (now called “AXA Financial”). In 2000, AXA acquired the remaining minority interest in AXA Financial, making it a wholly-owned AXA subsidiary. MLOA was acquired by AXA in 2004 and is a wholly-owned AXA subsidiary. MLOA currently issues and sells life insurance and employee benefit products outside of New York.

**As at December 31, 2016, AXA Equitable Life Insurance, AXA’s main life insurance entity in the US, reported under US GAAP shareholders’ equity of USD 13.3 billion (group share basis), General Account assets of USD 56.3 billion and Separate Account assets of USD 111.4 billion. Under IFRS, AXA US Life & Savings operations contributed Euro 905 million to AXA’s underlying earnings in 2016.**

**ABOUT AB**

AB provides research, diversified asset management and related services globally to a broad range of clients through three buy-side distribution channels: Institutions, Retail and Private Wealth Management, and its sell-side business, Bernstein Research Services.

**In 2016, AB contributed Euro 191 million to AXA’s underlying earnings under IFRS. As at 31 March, 2017, AB recorded USD 498 billion assets under management.**

**ABOUT THE AXA GROUP**

The AXA Group is a worldwide leader in insurance and asset management, with 165,000 employees serving 107 million clients in 64 countries. In 2016, IFRS revenues amounted to Euro 100.2 billion and IFRS underlying earnings to Euro 5.7 billion. AXA had Euro 1,429 billion in assets under management as of December 31, 2016.

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 ([www.axa.com](http://www.axa.com)).*

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

Certain statements contained herein may be forward-looking statements including, but not limited to, the statements about the intended IPO and listing of the US operations and other 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 and can be affected by other factors that could cause actual results and AXA’s plans and objectives to differ materially from those expressed or implied in the forward looking statements. Please refer to Part 4 - “Risk factors and risk management” of AXA’s Annual Report for the year ended December 31, 2016, 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. **This press release is not an offer to sell or the solicitation of an offer to buy any securities.**

The intended IPO and listing will be subject to market conditions and the satisfaction of various conditions and approvals, including any applicable requirement of the US Securities and Exchange Commission (“SEC”) and customary regulatory approvals. We currently expect AXA America Holdings, Inc. to file an S-1 registration statement with the US SEC in Q4 2017. Pending this filing and during the subsequent IPO process, AXA and AXA US will be subject to restrictions imposed by the US securities laws on what can be said about the listing and the IPO. Consequently, during this “quiet period” AXA and AXA US will limit their communications appropriately. AXA and AXA US will make further announcements about the IPO, if and when appropriate, consistent with applicable US securities laws.