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## **AXA to expand into non-life insurance with purchase of Charter Ping An from GT Capital**

AXA, global leader in insurance, seeks to enter the general insurance business in the Philippines with the recent execution of the Sale and Purchase Agreement (SPA) for the acquisition of Charter Ping An Insurance Corporation (Charter Ping An), the non-life insurance company of GT Capital Holdings, Inc. (GT Capital). The deal is valued at Php2.3 billion. Philippine AXA Life Insurance Corp. (AXA Philippines) is a joint venture between GT Capital, the global AXA Group, and Metropolitan Bank & Trust Co. (Metrobank) subsidiary First Metro Investment Corporation (FMIC).

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. Until then, all operations of Charter Ping An and AXA Philippines will be business as usual and shall remain separate, as they currently are.

AXA is currently the second largest life insurance company in the Philippines, based on Total Premium Income<sup>1</sup>. It has been operating in the country since 1999, focused on the life insurance business and providing solutions for savings and investments, health, education, income protection, and retirement. It pioneered bancassurance operations in the Philippines, which is the distribution of insurance products through banks.

Charter Ping An is a leading non-life insurance company in the Philippines that provides fire, motor car, marine cargo, personal accident, bonds, casualty and engineering insurance products. It is currently the fourth largest non-life insurance company in terms of Net Premiums Written and Premiums Earned<sup>1</sup>, and is fifth in Gross Premiums Written<sup>1</sup>.

“We are very excited about this development, as now we can offer our customers a complete suite of protection products,” said Rien Hermans, President & CEO of AXA Philippines. “From protecting themselves, their loved ones, their financial hopes and dreams, and now even their hard-earned assets and properties, we at AXA can be more present in their lives.”

“We have been growing our business steadily and aggressively in life insurance the past several years, making us a top three company for years now,” Hermans adds. “With the entry into non-life insurance, we see AXA Philippines building on the top five position of Charter Ping An and definitely become a major player and be a top three company in a few years.”

“By consolidating its life and non-life insurance businesses, GT Capital further strengthens its presence in the country’s underpenetrated yet fast growing insurance industry. We will clearly benefit from the global insurance expertise of AXA, the local market knowledge and network of Charter Ping An, and the cross-selling opportunities among our component companies,” explained GT Capital and FMIC Chairman Mr. Francisco C. Sebastian.

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<sup>1</sup> Based on Insurance Commission (2014 report)

AXA is currently the number one non-life international insurance company<sup>2</sup> and the number three international life insurance company in Asia<sup>3</sup> with strong presence in China, India, Hong Kong, Singapore, Thailand, Indonesia, and Malaysia.

AXA is also ranked as the number one global insurance brand for seven consecutive years, from 2009-2015, according to the “Best Global Brands” study of Interbrand, a leading global brand consultancy firm. With 103 million customers from 59 countries, AXA is considered a leader in insurance and asset management. According to the 2015 Fortune Global 500 list, AXA is ranked as the 20<sup>th</sup> largest corporation and 29<sup>th</sup> in the 2015 Forbes Global 2000 rankings.

AXA worldwide operates in three main lines of business: (1) life and savings --- which include the areas of protection and health, and savings and retirement, (2) property & casualty --- also known as general insurance or non-life insurance; and, (3) asset management. For the AXA Group, its non-life business accounts for 41% of its total pre-tax underlying earnings (end-2014), while its savings and asset management business contributes 33%, and its protection and health business makes up the final 26%.

“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,” says Jean-Louis Laurent Josi, Regional CEO for AXA Asia. “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.”

### **A Partnership of Synergy: The AXA Group and the Metrobank Group**

The move to sell 100% of Charter Ping An to AXA is a strategic move for the GT Capital and Metrobank Groups, which combined own 53.5% of AXA Philippines. Metrobank, through FMIC, owns 28.2%, while GT Capital holds 25.3%.

“We are excited to become part of AXA Philippines and look forward to integrating our businesses,” says Mel Mallillin, President of Charter Ping An. “The management, staff, and distributors of Charter Ping An see this as a positive development to further strength and grow our organization and the non-life insurance industry. We look forward to our journey together and all the synergies that will happen.”

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<sup>2</sup> Based on 2012 Asia ex-Japan P&C insurance premiums. Source: OCI, MAS, KIDI, TII, APRA, ISI, IRI, CIRC, OIC, Bank Negara, IRDA, BAPEPAMLK, PIC, AVI, company data, Credit Suisse estimates; As published in Credit Suisse, Asia P&C Insurance Sector, November 13, 2013

<sup>3</sup> Based on 2014 Asia ex-Japan life insurance premiums. Source: OCI, MAS, KLIA, TII, Plan for Life, ISI, CIRC, TLAA, LIAM, IRDA, BAPEPAMLK, PIC, IRI, company data, Credit Suisse estimates; As published in Credit Suisse, Asia Life Insurance Sector, October 2, 2015

