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

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- 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 consideration* 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 affirmed**

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 proceeds* of Euro 5.1 billion. In addition, AXA would receive Euro 0.3 billion consideration from the sale of Select*** 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 trillion****.

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.



THOMAS BUBERL
CHIEF EXECUTIVE OFFICER OF AXA

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.

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.



JEAN-LAURENT BONNAFÉ
DIRECTOR AND CEO, BNP PARIBAS

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.

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.

***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.**

****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.**

*****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.**

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

Contacts

INVESTOR RELATIONS

