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# PRESS RELEASE

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## **AXA and Principal enter into partnership to offer retirement solutions**

AXA and the Principal Financial Group® (The Principal) today announced they have entered into an agreement for The Principal to acquire AXA's Mandatory Provident Fund (MPF) and Occupational Retirement Schemes Ordinance (ORSO) businesses in Hong Kong for HK\$2.6 billion. AXA and The Principal will also enter into a 15-year exclusive distribution agreement allowing The Principal to offer MPF and ORSO schemes through AXA's proprietary networks in Hong Kong.

This transaction creates a unique opportunity to maximise the value and power of the two global brands. The partnership will further enhance AXA's retirement proposition by combining the leading pension scheme expertise of The Principal with its own leading insurer position in Hong Kong. Together, AXA and The Principal look to offer enhanced retirement solutions, high quality customer service and increased value to their customers.

Mr. Mike Bishop, Regional Chief Executive Officer of AXA Asia, said, "This strategic partnership combines the capabilities and expertise of two powerful global organisations. As one of the market leaders in Hong Kong, we are delighted to partner with The Principal to offer compelling retirement propositions to our customers to further complement our comprehensive range of superior protection, health and retirement solutions."

"The relationship with AXA, a globally-recognised company, combined with our pension expertise, will continue to drive our growth in Asia. This transaction is an excellent opportunity for The Principal to secure its position as one of the top players in the Hong Kong's retirement market. After completion, The Principal's MPF portfolio will be amongst the top five<sup>1</sup> in the Hong Kong market," said Mr. Rex Auyeung, President - Asia, Principal Financial Group. "We are continuously enhancing the quality of our products and services. With the increased size and position in Hong Kong, we intend to create even more value for our members", said Mr. Art Bacci, Head of Principal Hong Kong.



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Mr. Stuart Harrison, Chief Executive Officer of AXA Hong Kong, remarked, "With our firm foothold in Hong Kong and our commitment to delivering comprehensive solutions to customers, we will continue to drive growth in our business through our strong multi-distribution capabilities and the strengthened retirement offering. In the meantime, I would like to emphasise to all AXA MPF and ORSO members that the existing terms and conditions of the schemes will remain unchanged and we are committed to continue to service their needs. We will provide updates in a timely manner to our members directly."

Completion of the transaction is subject to customary closing conditions, including the receipt of regulatory approvals, and is expected to take place in the third quarter 2015.

<sup>1</sup> Based on The Gadbury Group MPF Market Shares Report as of June 2014

## **ABOUT AXA HONG KONG**

AXA Hong Kong, a member of the AXA Group, prides itself of serving over 1 million customers<sup>2</sup> in Hong Kong and Macau. Besides being one of the largest health protection providers in Hong Kong, it is also the number 1 General Insurance provider<sup>3</sup> and a market leader in motor insurance.

AXA Hong Kong is committed to helping its customers achieve stability and prosperity through providing a comprehensive range of life, health, property and casualty protection, as well as wealth management and retirement solutions.

AXA believes it is its inherent responsibility to support the communities it operates in, hence creating a sustainable business via constant and considerable contribution in the dimensions of health, environment and the community.

<sup>2</sup> Including customers of AXA China Region Insurance Company Limited, AXA China Region Trustees Limited and AXA China Region Insurance Company (Bermuda) Limited (incorporated in Bermuda with limited liability)

<sup>3</sup> Based on 2013 Office of the Commissioner of Insurance market share statistics



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## ABOUT PRINCIPAL HONG KONG

The Principal is a provider of investment and retirement solutions in Hong Kong. We combine our capabilities in Global Investment Management, Retirement Leadership and Asset Allocation Expertise to provide retirement and asset management to businesses, individuals and institutional clients.

We offer award-winning mutual funds and investment products through our family of companies, all of which are member companies of The Principal Financial Group®.

THIS PRESS RELEASE IS AVAILABLE ON [WWW.AXA.COM.HK](http://WWW.AXA.COM.HK) and [WWW.PRINCIPAL.COM.HK](http://WWW.PRINCIPAL.COM.HK).

FOR MEDIA ENQUIRIES, PLEASE CONTACT:

### AXA Hong Kong

Victoria Kwok T: (852) 2519 5301 E: [victoria.kwok@axa.com.hk](mailto:victoria.kwok@axa.com.hk)

Athena Tai T: (852) 2519 5168 E: [athena.tai@axa.com.hk](mailto:athena.tai@axa.com.hk)

Connie Ng T: (852) 2519 1814 E: [connie.ng@axa.com.hk](mailto:connie.ng@axa.com.hk)

### Weber Shandwick

Carol Lau T: (852) 2533 9981 E: [clau@webershandwick.com](mailto:clau@webershandwick.com)

Theresa Yu T: (852) 2533 9973 E: [tyu@webershandwick.com](mailto:tyu@webershandwick.com)

Steve Lee T: (852) 2533 9986 E: [slee@webershandwick.com](mailto:slee@webershandwick.com)

### Principal Hong Kong

Camill Cheung T: (852) 2263 0384 E: [cheung.camill@principal.com](mailto:cheung.camill@principal.com)

Candy Leung T: (852) 2263 0280 E: [leung.candy@principal.com](mailto:leung.candy@principal.com)