



AXA sells its insurance operations in the Gulf region to Gulf Insurance Group (gig)

Customer Q&A

What agreement has been announced?

The AXA Group has entered into an agreement with gig (Gulf Insurance Group) to takeover AXA's operations in the Gulf (UAE, Oman, Qatar, Bahrain), AXA Cooperative Insurance and GCIC. This announcement marks a new step in AXA Group's long-term strategy; to simplify its global footprint and refocus on key segments.

What is the reason for this sale/transaction?

Since 2016, AXA has defined and actively implemented a transformation strategy to anticipate the major transformations that are taking place in our economies and the changes in the customer's expectations. One of the objectives of this strategy was, amongst others, to simplify and refocus the Group in order to accelerate its development and bring more added value to our customers. This strategy has also led AXA INM and the Group to undertake a review of its portfolio in certain countries, including Gulf and KSA.

Our partner recognises the resilience of AXA Gulf and KSA's business performance, especially throughout the current crisis, by offering new opportunities to fully utilise our potential and the value we can continue to provide to our customers, employees and partners.

Why did AXA decide to sell its operations in UAE, Oman, Qatar, Bahrain and KSA now?

AXA Gulf and AXA KSA have built over the years a very robust and highly performing platform which has delivered positive growth in volumes and profits, and we have delivered excellent results in all our local strategic focus areas. However, from a long-term strategy perspective, given the maturity of our Gulf and KSA operations, important investments are required to gain scale and allow both companies to grow to their full potential.

AXA Group and AXA INM are fully convinced that this decision is the best solution to develop further all the assets that we, at AXA Gulf and AXA KSA, have built together and fully leverage their potential for the future.



The buyer, gig, has seen the potential of AXA Gulf and AXA KSA, which in GCC is the largest international composite insurer across our (5) five markets, with a strong culture and inclusive and diverse working environment and a recognised expertise and technical excellence.

Who is the buyer?

Gulf Insurance Group is the number 1 insurance player in Kuwait, Bahrain and Jordan, backed by Fairfax and KIPCO. gig is quoted on the Kuwait Stock Exchange, operates in 11 countries in the MENA region and has a Financial Strength and Credit Rating of A (Excellent) and a very strong balance sheet. This transaction will bring us to the top 3 players in the GCC. gig is backed up by (2) two strong shareholders: Fairfax (43.43%) and KIPCO (45.99%).

Fairfax is a financial holding company headquartered in Toronto, Canada, with subsidiaries in over 40 countries that are separately capitalised and operate autonomously. They chose long-term growth and the long-term benefit of customers, employees, shareholders and the communities over short-term profits, focused on long-term growth in book value per share and not quarterly earnings. Their ambition is to increase the book value per share over the long term by 15% per year. Fairfax grows organically and through friendly acquisitions with a strong focus on the insurance and re-insurance industry.

KIPCO is one of the biggest diversified holding companies in MENA and backed by the ruling family of Kuwait. They are known for their focus on high-potential investments within banking, insurance, media and real estate space.

What will happen now?

There won't be any changes with immediate effect in the upcoming period and before the regulatory approvals. We, at AXA Gulf and AXA KSA, will continue to operate as usual, alongside progressive integration with gig in the coming weeks.

What will change for our clients?

There will be no changes for our clients at this stage. Insurance is a strictly regulated business sector, and transfer of shares does not have impact on the policies of our clients.

Until finalisation of this transaction, we will continue working under the AXA brand, guaranteeing our service quality and product standards and guidelines as we always have with products and services sold by AXA.