



EKÖ

AXA: INVESTMENTS IN ISRAELI BANKS FINANCING WAR CRIMES

*Latest data on the French insurer's involvement in
the illegal settlement enterprise*

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About Ekō

Ekō is a people-powered campaign organisation with over 22 million members across the globe, taking action to hold corporations to account and push for a better world.



About Profundo

Profundo is an independent research organisation specialised in profound research and advice, with the aim of making a practical contribution to a sustainable world and social justice.

Thematically, Profundo focuses on commodity chains, the financial sector and corporate social responsibility. More information on Profundo can be found at www.profundo.nl



Authorship

Ekō commissioned the research in this report from Profundo, namely, researcher Jeroen Walstra to investigate the investments of AXA in bond and shares issued by five Israeli banks: Bank Hapoalim, Bank Leumi, Israel Discount Bank, First International Bank of Israel and Mizrahi Tefahot Bank.

Profundo delivered the research on 28 June 2024. Consequently, the notes and recommendations of this report were written by Ekō.

Methodology

This research investigates data on the institutional investors holding bonds and shares of the selected companies. Corporate, government and individual shareholders are not included.

The data from this report is based on the Refinitiv financial database which contains more updated information than Bloomberg. The analyses are based on the data retrieved from Refinitiv financial database.

Shareholding data is retrieved for multiple financial quarters from 31 December 2022 (Q4 2022) until the most recent quarter, as of 24 June 2024 (Q2 2024). Bondholding data is retrieved at the most recent filing date (June 2024).

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Introduction

Ekō has for years been part of the global coalition “Stop AXA Assistance for Israeli Apartheid” campaigning to **pressure AXA to divest from the five largest Israeli banks’ financing illegal settlements in the Occupied Palestinian Territory, and from Elbit Systems**, Israel’s largest weapons manufacturer.

The coalition **successfully forced AXA to divest from Elbit Systems**, first partially² in December 2018³ and in March 2019⁴, and fully by the end of 2019⁵.

The coalition continued to focus on the five Israeli banks analysed in this report, namely Bank Hapoalim, Bank Leumi, Israel Discount Bank, First International Bank of Israel and Mizrahi Tefahot Bank. The United Nations **denounced⁶ all five banks for their complicity in war crimes⁷ against Palestinians**. All five banks are the backbone of Israel’s illegal military settlement enterprise enabling its expansion through vital loans and funding⁸.

In July 2024, the International Court of Justice⁹ ruled that Israeli apartheid against Palestinians, and its military occupation and annexation of Palestinian territory, are illegal. The ICJ is clear that **all states, local governments, corporations, and institutions have an obligation¹⁰ to stop enabling these grave violations of international law, including corporations like AXA**.

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1. Human Rights Watch – *“Bankrolling abuse: Israeli banks in West Bank settlements”* – 29 May 2018
 2. Business & Human Rights Resource Centre – *“French investment firm AXA partially divests from Israeli arms manufacturer Elbit Systems”* – 3 December 2018
 3. Fintel – *“AXA ownership in Elbit Systems Ltd”* – 8 August 2023
 4. AXA – *“AXA SA announces the successful completion of a secondary common stock offering of AXA Equitable Holdings”* – 1 March 2021
 5. AXA – *“AXA SA announces the successful completion of the sale of its remaining stake in AXA Equitable Holdings”* – 6 November 2019
 6. United Nations Office of the High Commissioner for Human Rights (OHCHR) – *“Israeli settlement in the Occupied Palestinian Territory [...] Report of the United Nations High Commissioner for Human Rights”* – 30 June 2023
 7. Amnesty International USA – *“Let’s be clear: Israel’s long-running settlement policy constitutes a war crime”* – 5 February 2019
 8. American Friends Service Committee – *“Bank Hapoalim.”* – 15 January 2024
 9. United Nations – *“Report on the situation in the Occupied Palestinian Territory, including East Jerusalem and the Gaza Strip.”* – 19 July 2024
 10. Office of the United Nations High Commissioner for Human Rights – *“Experts hail ICJ declaration on the illegality of Israel’s presence in the occupied Palestinian territories.”* – 18 July 2024

Key findings

This report reveals that global insurer AXA has fully divested from all five complicit Israeli banks as of 24 June 2024.

- Until 30 September 2023, AXA held over **US\$2.5 million shares, worth US\$20.4 million dollars in Bank Hapoalim, Bank Leumi, and Israel Discount Bank.** The data shows AXA engaged in a **clear, fast, and intentional divestment** from these complicit banks and by 24 June, 2024, AXA's shares in these banks had effectively dropped to zero.
- Refinitiv's financial database still shows AXA has trace amounts of shares in Bank Leumi (US\$130,000 or 16,000 shares) as of 24 June 2024. Profundo attributes this **residual amount to reporting and internal accounting** still to be done and considers this a **full divestment**.
- The data also shows that AXA did not divest from Bank Hapoalim in response to market share prices, which remained steady or rose, but **in response to external pressure**.
- The report also confirms that **AXA has not reinvested in Bank Mizrahi-Tefahot or First International Bank of Israel**, the other two banks targeted by campaigners, since at least 31 December, 2022.
- In addition, the report lists the top 50 investors in the five selected Israeli banks.
- Ekō contacted AXA about the nature of its investment policy which informed this divestment. **AXA has not responded to any of our communication.**

Trend of AXA Investments in five Israeli Banks – number of shares

AXA's investments in shares of five Israeli banks (December 2022 - June 2024, number of shares)

Investor Parent	AXA
Type of financing	Shareholding
Type of issuer	Bank

No. of shares Group	Reporting date						
	2022-12-31	2023-03-31	2023-06-30	2023-09-30	2023-12-31	2024-03-31	2024-06-24
Bank Hapoalim	666,364	666,364	707,242	999,543	666,364	2,081	0
Bank Leumi	516,642	508,152	728,414	832,051	253,021	16,920	16,920
First International Bank	0	0	0	0	0	0	0
Israel Discount Bank	512,238	319,863	645,047	749,328	277,096	0	0
Mizrahi Tefahot Bank	0	0	0	0	0	0	0
Total	1,695,244	1,494,379	2,080,703	2,580,922	1,196,481	19,001	16,920

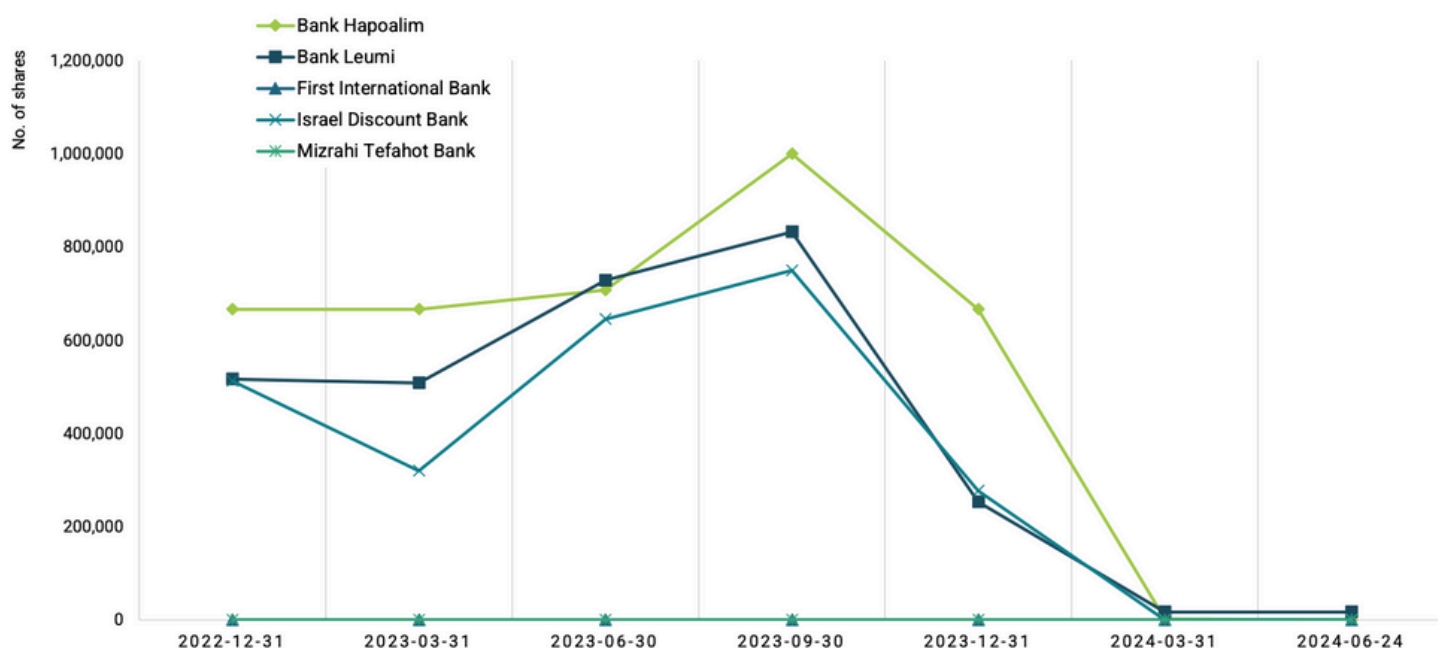


Table and graph showing the number of shares held by AXA in the five selected banks during the last six reporting quarters plus the actual position (as of 24 June 2024).

The data shows that as of 24 June 2024, **AXA holds no bonds and shares in any of the five banks**, except for 16,920 shares in Bank Leumi. Profundo attributes this residual amount to reporting and internal accounting still to be done and considers this a full divestment.

The table also shows AXA divested from Bank Mizrahi-Tefahot and First International Bank of Israel, by at least December 31, 2022.

AXA investments in bond and shareholdings issued by five Israeli Banks – investment value

AXA's bond- and shareholdings issued by selected banks
(at most recent filing date as of 24 June 2024, in US\$ mln)

Investor Parent	AXA
Type of issuer	Bank
Reporting date	2024-06-24

Per Investor Value Group	Type of financing		Total
	Bondholding	Shareholding	
Bank Hapoalim	0.00	0.00	0.00
Bank Leumi	0.00	0.13	0.13
First International Bank	0.00	0.00	0.00
Israel Discount Bank	0.00	0.00	0.00
Mizrahi Tefahot Bank	0.00	0.00	0.00
Total	0.00	0.13	0.13

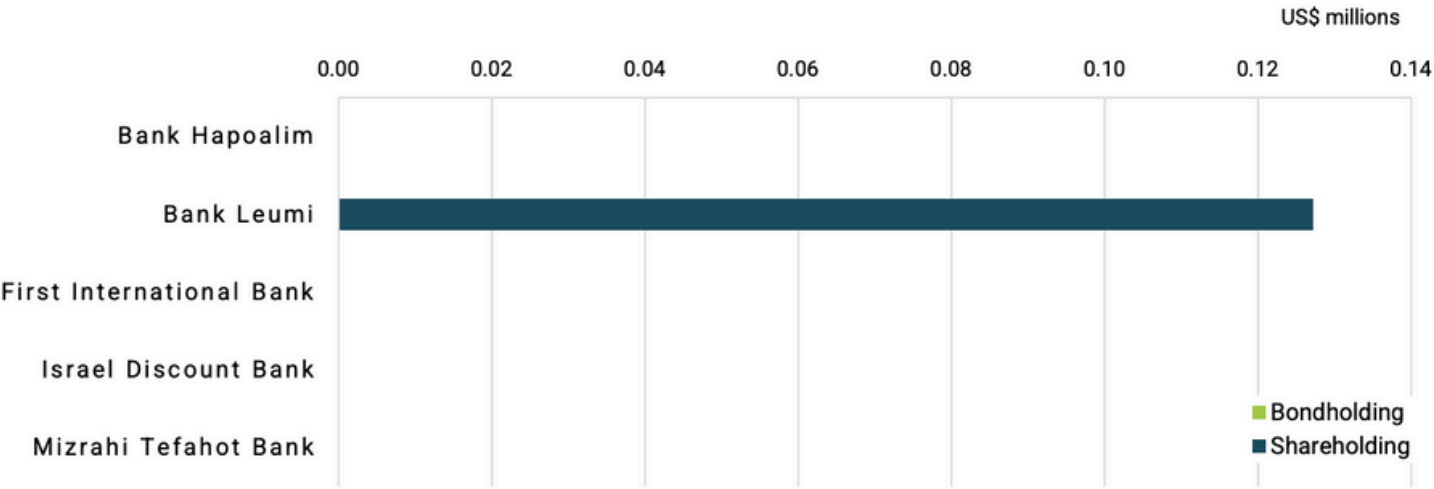


Table showing AXA's actual investment in bonds and shares issued by the five selected banks.

The data, as of 24 June 2024, shows that **AXA holds zero bonds and shares in all banks** except for shares valued at US\$130,000 in Bank Leumi.

Trend of AXA Investments in five Israeli Banks – investment value

AXA's investments in shares of five Israeli banks (December 2022 - June 2024, in US\$ mln)

Investor Parent	AXA
Type of financing	Shareholding
Type of issuer	Bank

Value Group	Reporting date						
	2022-12-31	2023-03-31	2023-06-30	2023-09-30	2023-12-31	2024-03-31	2024-06-24
Bank Hapoalim	6.11	5.81	6.12	8.91	6.16	0.02	0.00
Bank Leumi	4.86	4.56	6.18	7.40	2.64	0.13	0.13
First International Bank	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Israel Discount Bank	2.84	1.78	3.41	4.10	1.59	0.00	0.00
Mizrahi Tefahot Bank	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	13.81	12.14	15.71	20.42	10.38	0.15	0.13

Table showing the number of shares of the five selected banks held by AXA during the last 6 reporting quarters plus the actual position (as of 24 June 2024).

In addition to showing AXA's recent divestment from the three banks, this table also shows AXA has **remained divested from Bank Mizrahi-Tefahot and First International Bank of Israel**, the other two banks targeted by campaigners, since at least December 31, 2022.

Trend of AXA Investments in Bank Hapoalim – investment value

AXA's investments in shares of Bank Hapoalim (December 2022 - June 2024, in US\$ mln, reporting date adjusted values)

Investor Parent	AXA
Type of financing	Shareholding
Type of issuer	Bank

Value Group	Reporting date	2022-12-31	2023-03-31	2023-06-30	2023-09-30	2023-12-31	2024-03-31	2024-06-24
Investment value (as reported, at filing date)		6.11	5.81	6.12	8.91	6.16	0.02	0.00
Difference (reporting date adjustment)		0.09	0.29	0.31	0.07	0.07	0.00	0.00
Actuals (adjusted value, at reporting date)		6.02	5.52	5.81	8.84	6.09	0.02	0.00
Baseline (value, as if no. of shares unchanged)		6.02	5.52	5.47	5.89	6.09	6.34	5.99

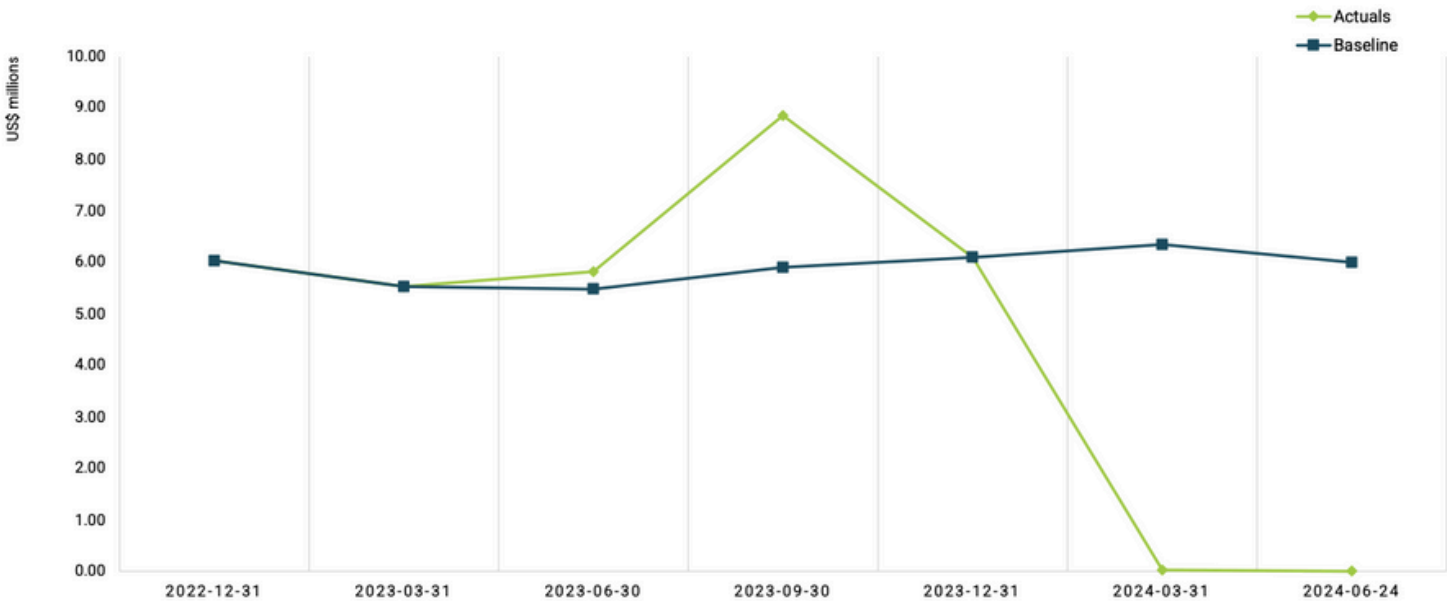


Table and graph showing the investment value of shares of Bank Hapoalim held by AXA during the last 6 reporting quarters plus the actual position (as of 24 June 2024)

The figure presents the actual versus the baseline of the values invested by AXA in shares of Bank Hapoalim. The baseline corresponds to the investment in the first quarter. The number of shares is held equal, while the investment value varies due to the fluctuation in share price.

During the six quarters of the research the share price of Bank Hapoalim stayed steady or rose, varying between US\$8.28 and US\$9.51 per share. This shows that **AXA did not divest in response to market share prices, but in response to external pressure.**

The table shows **AXA's full divestment from Bank Hapoalim from 30 September 2023**. AXA's held US\$6.11 million worth of shares in Bank Hapoalim in Q2 2022. AXA invested during Q3 2023, increasing the shareholdings value up to US\$8.91 million. From that moment, AXA started to divest, holding a value of US\$6.16 million in Q4 2023, US\$0.02 million in Q1 2024 and US\$0.00 (zero) in Q2 2024. By 24 June 2024, AXA's shareholding in Bank Hapoalim is zero.

Top 50 investors in bond & shareholdings issued by five Israeli banks

Top-50 Investors in bond and shareholdings issued by selected banks
(at most recent filing date as of 24 June 2024, in US\$ mln)

Type of issuer	Bank			
Reporting date	2024-06-24			
Per Investor Value	Type of financing			
Investor Parent	Investor Parent Country	Bondholding	Shareholding	Total
Phoenix Investments and Finance	Israel	0	2,772	2,772
Harel Group	Israel	0	2,541	2,541
BRM Group	Israel	0	2,437	2,437
Clal Insurance	Israel	0	2,216	2,216
First International Bank of Israel (FIBI)	Israel	0	1,960	1,960
Menorah Mivtachim Holdings	Israel	0	1,747	1,747
Altshuler Shaham Group	Israel	0	1,519	1,519
Vanguard	United States	3	1,074	1,077
BlackRock	United States	31	884	915
I.B.I Mutual Fund Management (1978) Ltd.	Israel	0	317	317
Government Pension Fund Global (GPGF)	Norway	0	307	307
Dimensional Fund Advisors	United States	0	274	274
Geode Capital Holdings	United States	0	273	273
Capital Group	United States	0	247	247
Scotiabank	Canada	0	232	232
TIAA	United States	124	94	218
Lazard	Bermuda	0	186	187
California Public Employees' Retirement System (CalPERS)	United States	0	183	183
Charles Schwab	United States	0	114	114
UBS	Switzerland	20	67	87
State Street	United States	0	83	83
Ameriprise Financial	United States	0	74	74
Toronto-Dominion Bank	Canada	0	67	67
Goldman Sachs	United States	46	15	61
Power Corporation of Canada	Canada	6	50	56
California State Teachers' Retirement System (CalSTRS)	United States	0	55	55
Deutsche Bank	Germany	1	53	53
I.B.I. Amban Investment Management Ltd.	Israel	0	47	47
Canada Pension Plan Investment Board	Canada	0	41	41
Ninety One	South Africa	39	0	39
Equitable Holdings	United States	6	32	38
Aviva	United Kingdom	37	1	38
Bank of New York Mellon	United States	4	32	37
Northern Trust	United States	1	35	36
Morgan Stanley	United States	30	5	35
Legal & General	United Kingdom	16	15	31
WCM Investment Management	United States	0	31	31
Apollo Global Management	United States	31	0	31
M&G	United Kingdom	30	0	30
Carmignac Gestion	France	26	0	26
New York Life Insurance	United States	24	2	26
Lombard Odier	Switzerland	25	0	25
Royal Bank of Canada	Canada	25	0	25
Crédit Agricole	France	10	14	24
Algemeen Burgerlijk Pensioenfonds (ABP)	Netherlands	0	23	23
Groupe BPCE	France	18	4	22
Allianz	Germany	21	1	21
Prudential Financial (US)	United States	21	0	21
American Century Investments	United States	0	20	20
T. Rowe Price	United States	16	3	20

Table showing the Top-50 largest investors and their actual investments in bonds and shares issued by the five selected Israeli banks.

Conclusion and recommendations

This report makes it evident **AXA engaged in clear, fast, and intentional divestment from Israeli banks financing war crimes in the Occupied Palestinian Territory.**

On 24 July 2024, Ekō contacted AXA to present the findings of this research and to commend them on their divestment. However, Ekō was unable to identify the specific policy AXA applied to initiate this divestment. **We requested AXA to clarify which policy guided their decision to divest** from these five banks or to confirm if it was based on a new, unpublished policy. As of 20 August 2024, we have not received a response from AXA.

We **encourage AXA to adopt a clear policy commitment to not invest in businesses complicit in apartheid and other grave violations of human rights**, or publicly communicate which existing policy was used to make this divestment.

We hope this sends a strong signal to other financial actors that it is never good business to invest in apartheid.

Ekō will continue to monitor AXA's investments to make sure it is not complicit in Israel's ongoing genocide in Gaza.

