

**Autumn Investor  
Seminar**

**Workshops**

**Uncovering the Mexican Opportunity:  
Perspectives on AXA Mexico**

Xavier de Bellefon  
CEO of AXA Mexico

Guillaume Lejeune  
CFO, AXA Mexico

Paris – November 25, 2008

**redefining / standards**



# Cautionary statements concerning forward-looking statements

Certain statements contained herein are forward-looking statements including, but not limited to, statements that are predictions of or indicate future events, trends, plans or objectives. Undue reliance should not be placed on such statements because, by their nature, they are subject to known and unknown risks and uncertainties. Please refer to AXA's Annual Report on Form 20-F and AXA's Document de Référence for the year ended December 31, 2007, for a description of certain important factors, risks and uncertainties that may affect AXA's business.

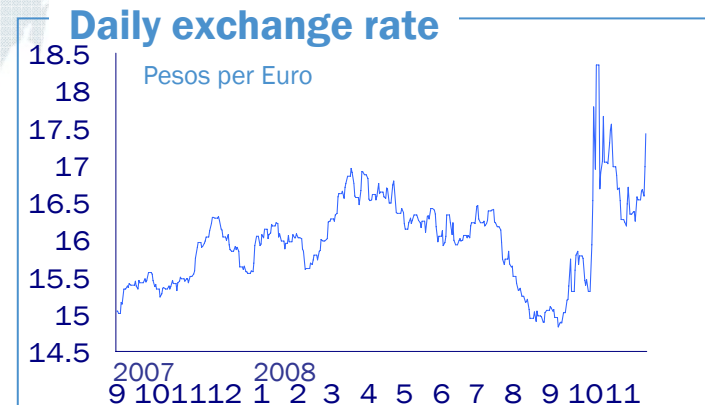
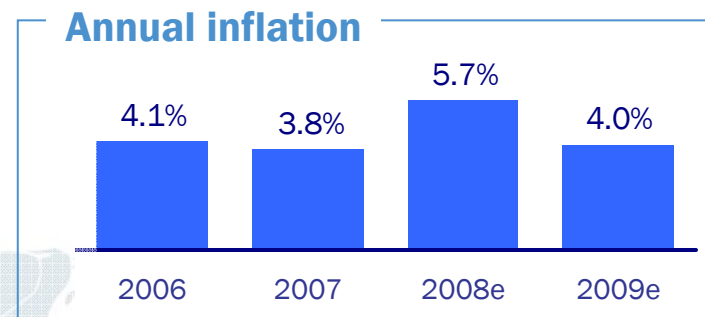
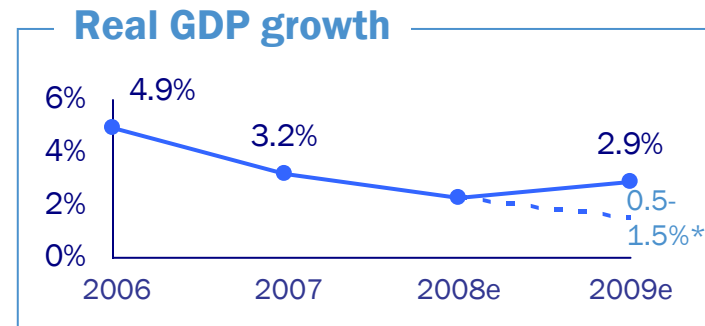
In particular, please refer to the section "Special Note Regarding Forward-Looking Statements" in AXA's Annual Report on Form 20-F. AXA undertakes no obligation to publicly update or revise any of these forward-looking statements, whether to reflect new information, future events or circumstances or otherwise.

# Key messages

- **Mexican Insurance market offers real opportunities for AXA**
- **AXA Mexico is a turnaround challenge, supported by a strong franchise: objective to decrease the combined ratio from 111% to 100% in 4 years**
- **Fast execution is key; we have a clear road-map**

# Mexico's economic environment

- Mexican demography and economy create attractive fundamentals:
  - 15th largest world economy
  - Highest per capita income in Latin America (\$8,340 in 2007)
  - 106 million inhabitants
  
- Mexico is challenged by the global crisis :
  - Initial effects of the global crisis can be seen (due to importance of oil & US exports)
  - GDP growth expectations for 2009 from original 2.8% to 0.5%-1.5%
  
- However, Mexican Government is reacting fast:
  - Federal Government announced plan to mitigate effects of crisis
  - Strong and stable macro-economic fundamentals



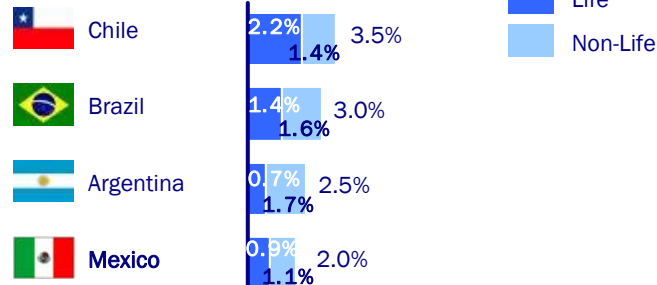
\* Possible growth scenarios: Mexican Central Bank, Analysts and Banks  
 Source INEGI, Mexican Central Bank, Finance Ministry, Citibank (Banamex) (September 2008), Scotiabank "Estudios Económicos y Planeación Estratégica" (October 2008), Global Insight World Overview, Banxico, Oanda, Merrill Lynch, IXE Banco "Macro economic report" and press clippings

# Mexican insurance industry has grown significantly and shows outstanding long-term potential

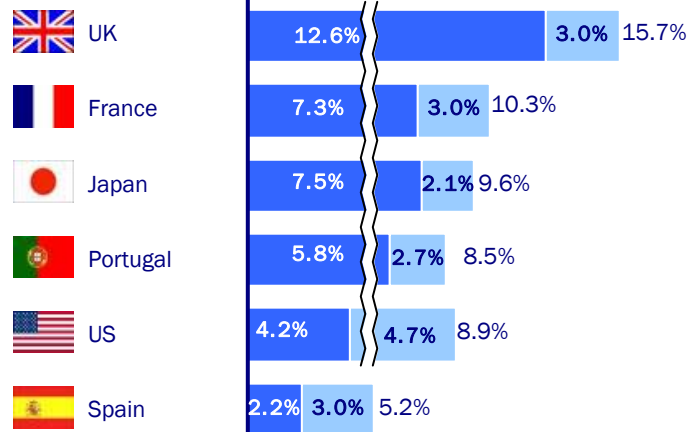
## Insurance penetration

Direct premiums as % of GDP (2007)

### Latin American countries

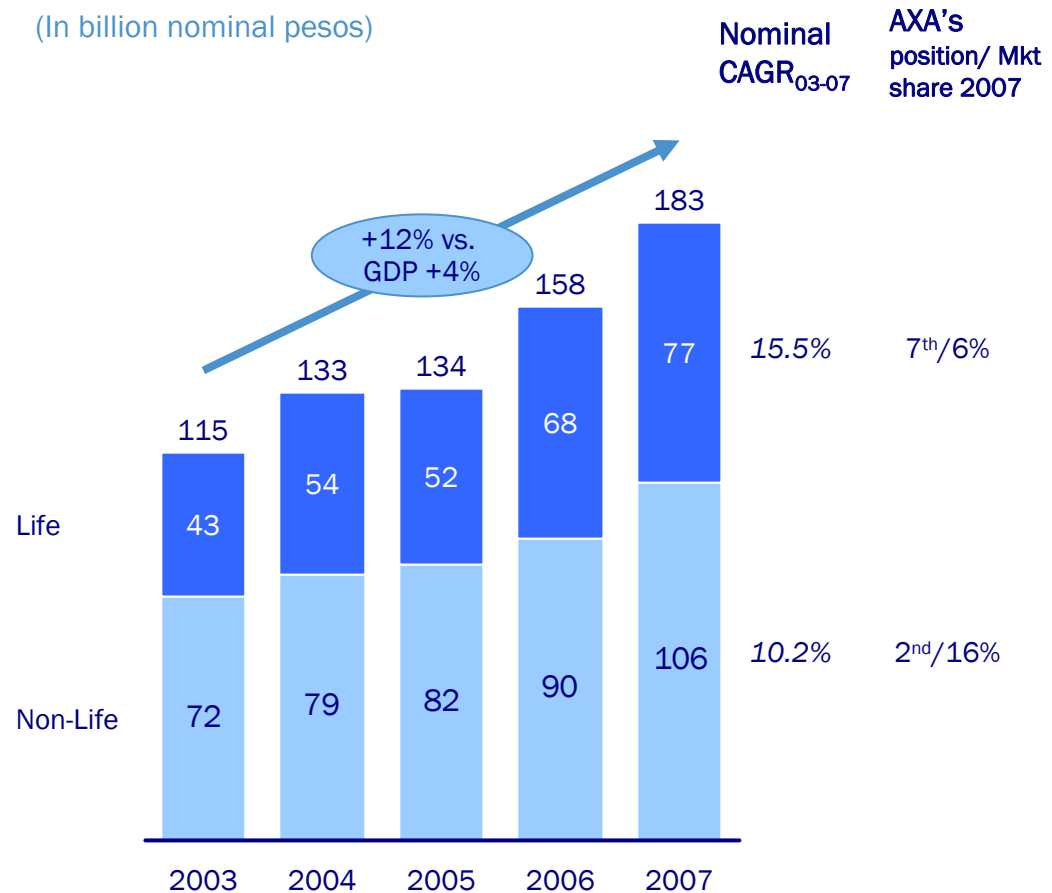


### Developed countries



## Insurance market in Mexico\*

(In billion nominal pesos)



> New regulation in discussion, inspired by Solvency II

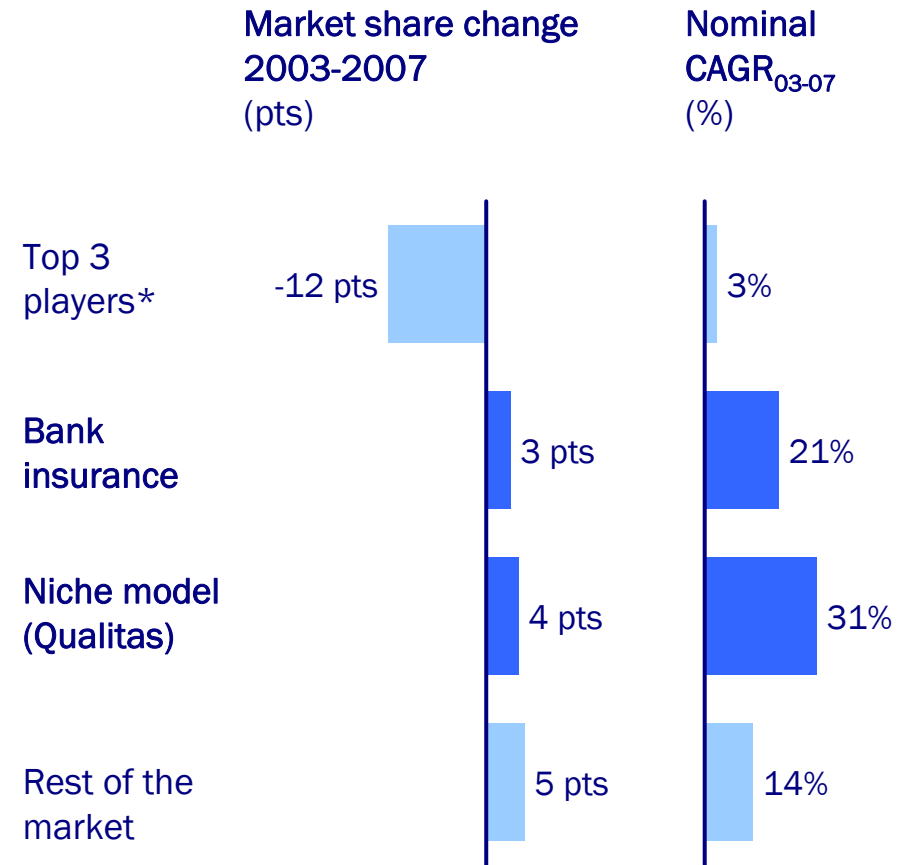
\* Excludes Credit insurance

Source: SwissRe; 4Q AMIS reports for 2003 to 2007

# In Non-Life, industry dynamic has been redefined, offering growth opportunities

- No clear market leader: de-concentrated market offers growth opportunities
- Large portion of Mexican Health expense not currently covered by insurance
- Unsophisticated Motor products:
  - Pricing limited to 3 criteria
  - Low penetration for used cars (>3-5 years)
- Low insurance penetration in Home and SMEs
- Limited differentiation (service, strategy, etc.) of distribution channels offers opportunities to design new models (e.g. Qualitas)

## Market share change for Non-Life business

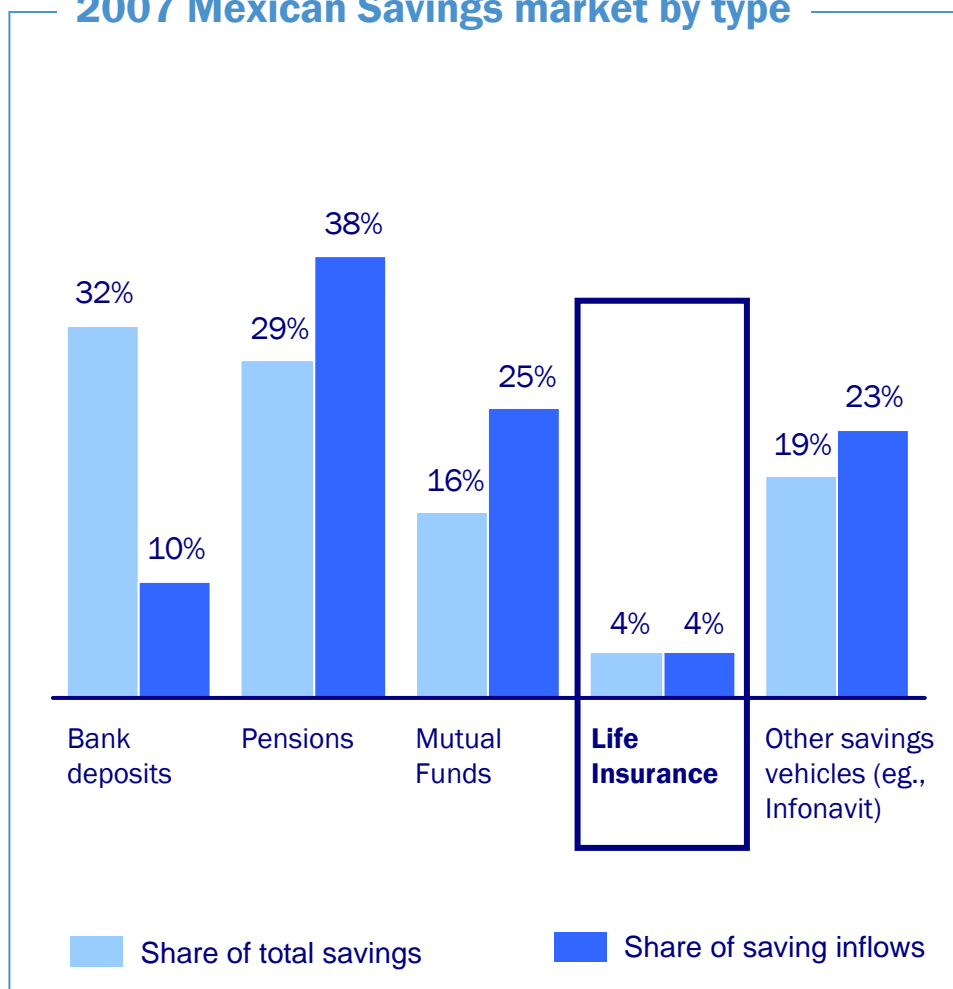


\* Include Metlife, GNP and AXA

Source: AMIS, Banco de México, CONSAR, CNBV

# Life insurance market in Mexico is concentrated in Protection, with a very limited share of the Savings market

2007 Mexican Savings market by type



- Life is still emerging (4% of saving flows vs. 38% from pensions)
- Life insurance focused on protection:
  - 85% of market is pure protection
  - Growth mainly driven by Individual line and dollar products
  - Unattractive Life savings offer, notably due to:
    - product complexity
    - limited tax advantage
- Banks are rapidly growing (12 to 30% market share in 5 years), while “advice-driven” sales forces is only recently emerging
- Life offers opportunities...
- Optimize protection offer and distribution
- Develop SME segment
- Introduce attractive Life savings products

# AXA Mexico today

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## Client portfolio

- 5.5 million contracts

## Distribution network

- 6,833 active agents
- 117 brokers
- 9 distribution partnerships

## Employees

- 4,700 employees

## Invested assets\*

- Euro 1.3 billion\*\* (July 2008)
  - 72 % government bonds
  - 26% corporate bonds
- No toxic assets

## Key results 2007 (local GAAP)

- GWP: Euro 1.2 billion\*\*
- Underlying earnings: Euro -8.5 million\*\* partly explained by a high loss ratio (81%), mainly driven by motor (89%)

\* Investment assets for AXA Seguros, AXA Fianzas and ISES  
Source:AMIS, CNSF

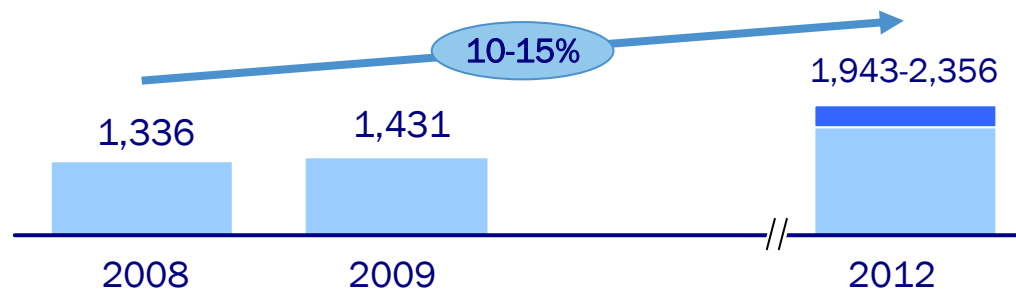
\*\* Exchange rate at November 20, 2008: 1EUR=16.98MXN



# AXA Mexico in 2012

## Direct Written Premium

(Euro million\*)



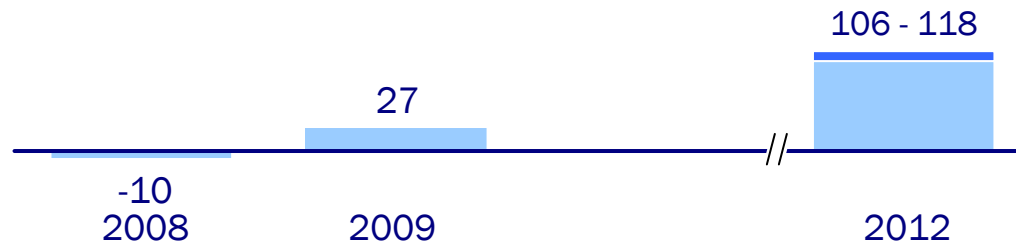
## P&C Combined Ratio

(Percentage)



## Underlying Earnings

(Euro million\*)



\* Exchange rate at November 20, 2008: 1EUR=16.98MXN

# We have the means to succeed

## Strong, tangible assets from AXA Mexico

- Large client portfolio (5.5 million contracts)
- Strong, multi-channel distribution capabilities: robust relationships with large networks committed to AXA
- Workforce motivated to change
- Enhanced organization:
  - Executive team reinforced with Group and local talents
  - Strengthened key positions



## AXA Group's experience and IT assets

- Leverage on Group's experience and know-how
- Systematically analyze and import tools and systems
- Mexican entity integrated into a fully operational Region from AXA Group
- Leverage on Group talent for key tasks to share expertise and develop local know-how

### AXA Mexico

reinventando / los seguros



# Executive Committee



**Xavier de Bellefon**  
CEO

- Xavier has been with AXA Group since 1999
- Before Mexico, Xavier was acting as Executive Vice-President Strategic Planning for AXA Group



**Antonio Fernández**  
VP Sales and Distribution

- Antonio has developed a 28 year career in the Mexican Insurance sector
- Previously, he acted as General Manager of ING Seguros and Divisional Director of GNP



**Hector Rode**  
VP Product and Marketing

- Hector was Director of individual lines with ING Seguros. Prior to that Executive Director of Health with GNP
- Hector is president of the Health Committee of AMIS



**Raúl Avila**  
CIO

- Raúl has been CIO in the Mexican insurance sector with ING Seguros & Monterrey New York Life
- Before insurance, he was CIO with the first online bank in Mexico (IXE)



**Guillermo Pérez**  
VP Customer service and Operations

- Guillermo led the Customer Service team for ING Mexico and ING Chile
- Before that, Guillermo was COO with ING Pension division and with a local bank



**Cristina Hernández**  
VP Human Resources

- Cristina has dedicated her professional career in HR both for public sector (led President's office HR team) and the private sector (Marsh & McLennan, Merk Sharp & Dohme, Nabisco, etc.)



**Guillaume Lejeune**  
VP Finance and Strategy

- Guillaume has been with AXA Group since 1996
- Before coming to Mexico Guillaume was acting as Head of Finance Control and Strategy for AXA France

## **Short term efforts will focus on fast execution of key actions that will provide a competitive head start**

- **Implement actions to improve customer service and experience**
- **Leverage on Group's know-how and tools to change technical processes and improve service/profitability**
- **Gain productivity and improve processes' efficiency by investing in systems and by leveraging the Regional platform**

# Summary

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- **Fast execution is key; we have a clear road-map**

