

# AXA

## PRESS RELEASE

PARIS, NOVEMBER 11, 2013

### AXA to acquire 51% of Colpatria's insurance operations and enter the Colombian market

- Total consideration of Euro 259 million<sup>1</sup>
- AXA has the opportunity to enter the fast-growing Colombian insurance market and strengthen its position in Latin America, in line with its Ambition AXA strategy
- AXA would become the #4 insurance player and the #2 Property & Casualty player in Colombia

AXA announced today it has entered into an agreement with Grupo Mercantil Colpatria to acquire a 51% stake in its composite insurance operations in Colombia<sup>2</sup> ("Colpatria Seguros") for a total consideration of COP 672 billion (or Euro 259 million). AXA expects to consolidate the acquired operations within its Mediterranean & Latin American Region.

Colpatria Seguros is the #4 insurance player in Colombia (7% market share), with operations in both Property & Casualty and Life & Savings. It is a leader in the segments of compulsory Motor Third Party Liability (#3 with 15% market share) and Workers Compensation (#4 with 14% market share). Its nationwide coverage and diversified distribution networks, with multi-tied agents representing approximately 40% of premiums, have supported its strong growth.

The transaction will allow AXA to enter the attractive Colombian market and benefit from its strong growth prospects through developed and profitable operations in a joint-venture with a well-established local partner. Colpatria Seguros will benefit from AXA's strong know-how to accelerate further its development and leverage its competitive advantages in the Colombian market.

*"This acquisition gives AXA a unique opportunity to enter the fast-growing Colombian insurance market with well-established positions in all lines of business, while benefiting from the support of a solid and reputable local partner. Moreover, Colpatria Seguros' sustained historical growth and profitability, both above market average, provide AXA with a strong platform for further development. This operation strengthens AXA's growth profile and marks another milestone in our strategy of accelerating in high growth markets, which is at the heart of our Ambition AXA plan",* said **Henri de Castries, Chairman and CEO of AXA.**

*"We are very much looking forward to working with Colpatria Seguros' teams. By combining their extensive knowledge of the domestic market and AXA's capabilities and expertise, we expect to provide individual and corporate customers with a wider product range and an innovative offer",* added **Jean-Laurent Granier, CEO of AXA Mediterranean & Latin American Region.**

Completion of the transaction is subject to customary closing conditions, including the receipt of regulatory approval, and is expected to take place in 2014.

<sup>1</sup> EUR 1 = COP 2,593.68 as of November 6, 2013.

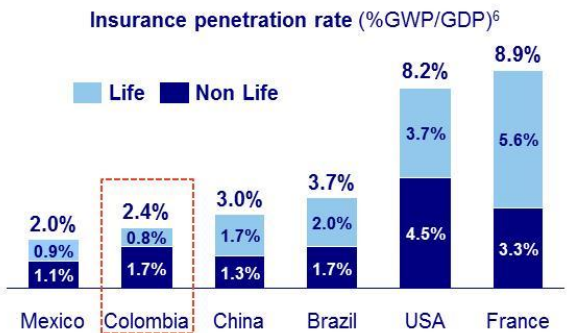
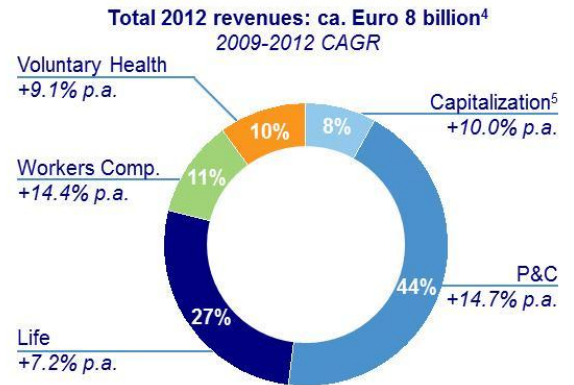
<sup>2</sup> The scope of the transaction includes the four insurance companies of Grupo Mercantil Colpatria: Seguros Colpatria S.A. (Property & Casualty), Seguros de Vida Colpatria S.A. (Life, Workers Compensation), Capitalizadora Colpatria S.A. (Capitalization) and Colpatria Medicina Prepagada S.A. (Voluntary Health).

**ABOUT THE COLOMBIAN INSURANCE MARKET<sup>3</sup>**

The Colombian insurance market is the fifth largest in Latin America with ca. Euro 8 billion of revenues. Property & Casualty represent close to 50% of the market, followed by Life, Workers Compensation (Labour Risks) and Voluntary Health. The top 5 players represent ca. 50% of the volumes. Distribution is dominated by multi-tied agents (52%) and brokers (31%).

The Colombian insurance market has enjoyed robust growth over the past four years, at 12% per annum on average. It still presents further upside potential with a low penetration rate of 2.4%<sup>6</sup> and assuming strong prospects for the Colombian economy. On top of increasing economic activity and a growing middle class, market growth has been boosted by the strong development of mandatory insurance coverage, such as Motor Third Party Liability, Workers Compensation and Health Insurance.

In 2012, there were 47.7 million inhabitants in Colombia and GDP was Euro 288 billion.

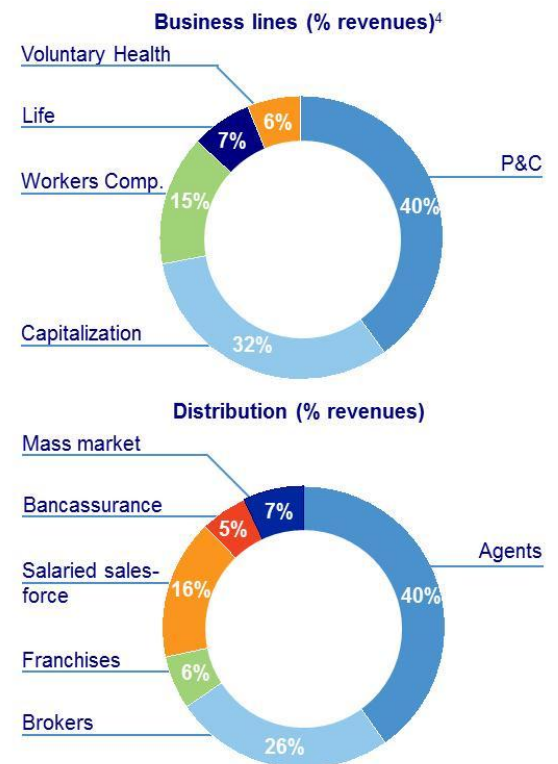


**ABOUT COLPATRIA SEGUROS<sup>7</sup>**

Colpatria Seguros is the insurance arm of Grupo Mercantil Colpatria, one of the largest financial conglomerates in Colombia. It is the #4 insurance player in the country, with strong positions in Property & Casualty (#2 with 9% market share), Workers Compensation (#4 with 14% market share) and Capitalization (#2 with 42% market share). It is also active on the Life market (#8 with 4% market share) and the Voluntary Health market (#7 with 5% market share).

Colpatria Seguros has 2,400 employees and distributes insurance products to its 1.3 million clients across the country through a multi-channel strategy.

In 2012, Colpatria Seguros recorded revenues of COP 1,911 billion (or Euro 827 million), a 14% increase over 2011. From 2009 to 2012, Colpatria Seguros achieved an 18% average annual growth in terms of revenues, outperforming the market. 2012 Net income<sup>8</sup> was COP 89 billion (or Euro 39 million).



<sup>3</sup> Source: *Superintendencia Financiera de Colombia* and World Bank publicly available information.

<sup>4</sup> P&C line of business includes Group Life products sold through P&C entities and Life line of business includes Health products sold through Life entities.

<sup>5</sup> Short-term savings instruments.

<sup>6</sup> Source: Swiss Re, sigma No 3/2013.

<sup>7</sup> Sources: based on information furnished by Colpatria and on *Superintendencia Financiera de Colombia* publicly available information.

<sup>8</sup> Adjusted to reflect the transaction scope.

## COLPATRIA SEGUROS KEY FIGURES

Euro million	2009	2010	2011	2012
Revenues	391	539	654	827
<i>Property &amp; Casualty</i>	126	187	263	334
<i>Life and Workers Compensation</i>	85	112	121	159
<i>Capitalization</i>	128	171	206	256
<i>Health<sup>9</sup></i>	53	68	64	78
Total Assets	715	957	1,041	1,274

<sup>9</sup> Includes regulated health business (*POS*, out of the transaction scope) and voluntary health business (*Medicina Prepagada*, included in the transaction scope).

## ABOUT THE AXA GROUP

The AXA Group is a worldwide leader in insurance and asset management, with 160,000 employees serving 102 million clients in 57 countries. In 2012, IFRS revenues amounted to Euro 90.1 billion and IFRS underlying earnings to Euro 4.3 billion. AXA had Euro 1,116 billion in assets under management as of December 31, 2012.

The AXA ordinary share is listed on compartment A of Euronext Paris under the ticker symbol CS (ISN FR 0000120628 – Bloomberg: CS FP – Reuters: AXAF.PA). AXA's American Depository Share is also quoted on the OTC QX platform under the ticker symbol AXAHY.

The AXA Group is included in the main international SRI indexes, such as Dow Jones Sustainability Index (DJSI) and FTSE4GOOD.

It is a founding member of the UN Environment Programme's Finance Initiative (UNEP FI) Principles for Sustainable Insurance and a signatory of the UN Principles for Responsible Investment.

## THIS PRESS RELEASE IS AVAILABLE ON THE AXA GROUP WEBSITE

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