AXA ASIA PACIFIC HOLDINGS LIMITED
ANNUAL GENERAL MEETING – 15 FEBRUARY 2001

Chairman's Address

It is a great pleasure for me to address you today as Chairman following my appointment in April last year.

I would like to take this opportunity to recognise the outstanding contribution of my predecessor, Dean Wills, and to thank him on your behalf for his efforts as Chairman since 1997 - and as a director of the company since 1991. Dean was a tireless worker in the interests of every shareholder in our company and his diligence and energy were greatly appreciated by us all.

Turning now to our results, I am pleased to report that for the year ended 30 September 2000, group profit after tax and before abnormals increased by a 16 per cent to $309 million. Earnings per share increased by 2.5 cents to 17.6 cents. The dividend for the second half was 5 cents per share giving a total dividend for the year of 9.5 cents, compared to 9.0 cents for the previous year. The first half dividend was franked to 60 per cent and the second half to 30 per cent, reflecting both changes in taxation treatment of life insurance operations and tax rates that became effective from 1 July 2000 and the significant proportion of the Group's profits which comes from our international operations.

Les Owen, our Group Chief Executive, will cover the results in more detail in a few moments.

You will remember the three major objectives outlined at last year's Annual General Meeting were:

- To turn around our business in Australia and New Zealand;
- To expand our Asian operations; and
- To build the AXA brand

It is pleasing to report that we have made progress in each area.

Les Owen initiated a major review of our business in Australia and New Zealand with the aim of achieving a significant turnaround in our performance. As a result, management has put in place an ambitious three-year transformation program - known internally as K5.

The K5 change program has been communicated widely throughout the company and has been enthusiastically taken up by our managers and staff who have welcomed the firm direction that has been set out.

A key element of K5 has been the recruitment of several key executives to the senior management team, including Matthew Slatter, our new Chief Finance Officer who, as some of you know, was previously Chief Executive Officer of The Bank of Melbourne. I am pleased to welcome Matthew to the Board.

During the year the management team clearly set out our areas of strategic focus - wealth accumulation and financial protection. This led to a review of a number of our activities and to the sale of various non-core assets including the Trustee businesses in Australia and New Zealand, a number of mortgage portfolios and the New Zealand health business.

We have also taken action to address the issue of our income protection portfolio, where we are the market leader but where unsatisfactory results have been generated over the last two of years.

On the positive side, our Health business has enjoyed significant growth over the last 12 months and was a major contributor to our profits in Australia.

Recognising that asset management and competitive investment performance are critical if we are to grow our position in the retail investment and superannuation markets, we were delighted to announce in October the formation of a new joint venture funds management business with Alliance Capital Management, another AXA company.

This joint venture will bring world class investment management capability to AXA in Australia and New Zealand and will be of critical importance as we seek to increase our penetration of the retail investment and superannuation sector.

The Board is pleased with the start the new management team has made in transforming our Australian and New Zealand operations and we are confident that the right foundation has been put in place.

Turning now to our Asian operations, the last 12 months presented a number of challenges for us in our Hong Kong business. Agent poaching, which has been endemic in the Hong Kong market for a number of years, increased in intensity and during the year we suffered agent losses as a result. We could, of course, engage in poaching activity ourselves. However, we are firmly of the view that this sort of activity does not add shareholder value in the medium to long-term, damages the reputation of the market and is not in the interests of customers. We are proud of the success that we have enjoyed in Hong Kong over a number of years and the fact that we are recognised as a high quality operation.

A feature of our business in Hong Kong last year was our success with the Mandatory Provident Fund. We finished the year as one of the top 10 players in the MPF market and this puts us in a strong position to grow funds under management in the future.

Elsewhere in the Asia Pacific region, AXA SA acquired a Japanese insurance company - Nippon Dantai. Under the terms of the AXA SA agreement with the Federal Government, we were offered the opportunity to acquire this business or to take a significant shareholding in it. Recognising that there was a requirement to inject a significant amount of new capital into the company, that a major turnaround was required, and the distraction this would mean for our senior management, the Board decided it would not be in the best interests of our shareholders to take a major shareholding and accordingly we declined this offer.

Looking at the rest of our Asian businesses, we enjoyed strong growth in new business in Singapore, Philippines, Thailand, and Indonesia.

It was pleasing that during the year the life insurance operation in Shanghai, in which we hold a 25per cent economic interest, opened its doors for new business. This, together with our wide presence in Asia, represents an exciting opportunity to participate in the long-term growth in this region.

During the year we have continued to build awareness and acceptance of the AXA brand in Australia and New Zealand. Our television advertising campaigns have been very successful and the name change has been extremely well received by staff, by our advisers and intermediary partners, and by our customers. We are convinced that we will increasingly benefit from the development of AXA as a truly global financial services brand, and our market research confirms that AXA is now the most clearly recognised global financial services brand in Australia.

We enjoy many benefits from our participation with AXA, including the ability to interchange high quality staff, and by taking part in a range of the Group’s global initiatives including IT architecture, data centre consolidation and procurement. The relationship is working well and is to our advantage.

Since the demutualisation and listing of National Mutual in 1996 we have had a very wide individual shareholder base. Recognising the fact that a number of our shareholders have very small parcels of shares, we recently announced an initiative whereby those with 300 shares or less could take advantage of the opportunity, if they so wished, to sell their shares for reduced cost, or in some cases, for no cost. As well as allowing smaller shareholders to realise their investment in an easy and cost-effective way this initiative will generate administrative savings to the benefit of all shareholders. Of course this offer is not a recommendation to sell - indeed I would be delighted if smaller shareholders were to increase their holdings!

As you may have read, an error by an external mailing house led to some shareholders not receiving the full explanation of this offer. All affected shareholders in Australia will be receiving the correct information and the offer period has been extended until March 23rd.

During the year the Board undertook a review of its effectiveness with the assistance of an outside consultant. This was a constructive exercise, and, amongst other things, led to the decision to reduce the size of the Board. I will be carrying out regular reviews of the performance and effectiveness of all directors throughout the year.

As you know three of our directors are retiring today and are not seeking re-election – they are Eric Mayer, Tony Manford and Francois De Meneval.

Eric Mayer has been with National Mutual and AXA over the course of a lifetime, starting his career with the company in 1949. He became Chief Executive in 1983 and a Director in 1983. His outstanding service and contribution have been greatly appreciated.

Tony Manford has been on the Board of National Mutual and AXA Asia Pacific for 7 years. He has played a key role during this period and his contribution around the Board table has been invaluable.

Tony and Eric retire from our Board with our thanks and best wishes for the future.

I would also like to thank Francois de Meneval for his contribution over the 3 years he has sat on our Board and to wish him well in his continued career with the AXA group.

Brian Finn, Mel Ward and Matthew Slatter also retire under the Companies Constitution and as you know are seeking re-election. Stephen Mayne has also nominated for the Board so with 3 vacancies and 4 nominations, there will be a poll for the election of Directors later on during the meeting.

Your Directors believe that our company has strong growth prospects. We are an important part of the global AXA group and we are embarking on a period of major change in our Australian and New Zealand businesses. We realise that there is much hard work ahead but we are confident that Les Owen and the management team have set a direction and a series of objectives that will lead to us increasing our market share in the critically important investment and superannuation markets and to growing our various businesses to deliver increased wealth to all of our shareholders.

Ladies and gentlemen, thank you for your continued support of AXA Asia Pacific Holding.

It is now my pleasure to ask our Group Chief Executive, Les Owen to outline the year's results and activities in detail.