



**Milena Ickeringill**  
Company Secretary

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30 January 2007

Australian Stock Exchange Limited  
Company Announcements Office  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam

**AXA Asia Pacific Holdings Limited – New Business and Fund Flows**

Please find attached details of new business and fund flows for the 12 months ended 31 December 2006.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Milena Ickeringill'.

**Milena Ickeringill**  
Company Secretary

30 January 2007

## **AXA ASIA PACIFIC HOLDINGS LIMITED NEW BUSINESS AND FUND FLOWS**

AXA Asia Pacific Holdings today announced details of its new business and fund flows for the 12 months ended 31 December 2006.

Group Chief Executive, Andrew Penn, said:

“Our key businesses have continued their strong growth over the past 12 months.

“Australia and New Zealand net retail inflows <sup>1</sup> were almost double that of last year, up 82 per cent to \$2.85 billion (12 months ended 31 December 2005 – \$1.56 billion). This result reflects strong growth in gross retail inflows, up 21 per cent to \$7.62 billion (2005 – \$6.32 billion), and good retention of existing funds.

“AllianceBernstein sales were strong with gross wholesale inflows of \$7.72 billion and gross retail inflows of \$2.66 billion.

“We remain focused on growing the value of new business and profit in our Australia and New Zealand financial protection business in an environment which continues to experience concerning market behaviour.

“Asia performed exceptionally well with Hong Kong life new business index up 37 per cent to HK\$1.74 billion (2005 – HK\$1.27 billion) reflecting the benefits of our multi-distribution, multi-product strategy, and the successful integration of MLC Hong Kong.

“New business index for the rest of Asia was up 58 per cent to A\$212.6 million on a constant currency basis (2005 – A\$134.3 million), with particularly strong growth in Indonesia, Philippines, China and Thailand. Our joint venture operations in India and Malaysia commenced operations during the third quarter of 2006, with early sales in India particularly encouraging.

“Total group funds under management was up 21 per cent to \$97.65 billion (2005 – \$80.56 billion).

“This result continues the very strong progress towards our AXA 6 and Asia 6 strategic goals.”

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<sup>1</sup> Total Australia and New Zealand retail flows (ex AllianceBernstein, cash management trusts and Assure Funds Management)

**Australia and New Zealand – key points**

- **Superannuation gross** inflows up 19% to \$3.33bn (2005 – \$2.81bn) and **net** inflows up 56% to \$1.34bn (2005 – \$0.86bn) due to strong inflows into our platform personal superannuation products
- **Investment products gross** inflows up 29% to \$3.80bn (2005 – \$2.94bn) and **net** inflows up 91% to \$1.74bn (2005 – \$0.91bn) due to continued strong inflows into our international equity funds, in particular the Global Equity Value fund with net inflows of \$1.16bn (2005 – \$0.60bn)
- **Platform net** inflows up 51% to \$1.83bn (2005 – \$1.21bn) due to strong inflows into our Summit and Generations superannuation products
- **Advice net** inflows up 85% to \$623.5m (2005 – \$336.9m) including the contribution from the \$220m ipac equity partner transfer in the second quarter of 2006. Spicers New Zealand has continued to experience improved retention rates since mid 2005
- **AllianceBernstein gross retail** inflows down 41% to \$2.66bn (2005 – \$4.48bn) and **net retail** inflows down 68% to \$1.12bn (2005 – \$3.48bn) following an exceptionally strong 2005 helped by two large international equity mandates awarded in the third quarter of 2005 totalling in excess of \$2bn
- **AllianceBernstein gross wholesale** inflows of \$7.72bn (2005 – \$7.71bn). **Net wholesale** inflows down 45% to \$2.45bn (2005 – \$4.50bn) due to client rebalancing activity out of global equities following the strong performance of this asset class and the partial withdrawal of a client's mandate following a review of their investment strategy
- **Assure Funds Management (AFM) net retail** and **net wholesale** outflows better than expectations when the business was acquired
- **Total gross** inflows (**retail** and **wholesale**) were down 1% to \$18.33bn (2005 – \$18.59bn) and **total net** inflows (**retail** and **wholesale**) were down 34% to \$6.28bn (2005 – \$9.55bn). This decrease reflects a reduction in AllianceBernstein inflows compared to 2005 which included two large mandates totalling in excess of \$2bn
- Excluding flows from AFM and AllianceBernstein retail mandates, **gross retail** inflows were up 21% to \$7.62bn (2005 – \$6.32bn), and **net retail** inflows were up 82% to \$2.85bn (2005 – \$1.56bn) due to increased inflows into our superannuation and investment products
- For the first time we have provided a geographic split of our new business and fund flows between Australia and New Zealand
- In **Australia**, gross retail inflows were up 22% to \$7.03bn (2005 - \$5.78bn) and net retail inflows up 76% to \$2.77bn (2005 - \$1.58bn) due to increased inflows into our superannuation products
- Gross retail inflows in **New Zealand** were up 10% to \$584.6m (2005 - \$531.3m) and net retail inflows up to \$79.9m (2005 - \$(16.2)m) due to improved advice flows into Spicers
- **Individual life** new business up 6% to \$57.5m (2005 – \$54.1m), whilst **individual income protection** down 1% to \$25.5m (2005 – \$25.8m). **Australian individual** financial protection new business up 9% to \$69.0m (2005 - \$63.1m) was offset by weaker new business in New Zealand and a weaker NZ\$ exchange rate
- **Group risk** new business down 40% to \$16.2m (2005 – \$27.2m) reflecting our strategy to write only profitable business and the impact of one-off pricing increases in 2005. Despite lower new business levels, profitability of our group risk business has grown significantly in 2006.

## Hong Kong – key points

- **Total life** new business index <sup>2</sup> up 37% to HK\$1.74bn (2005 – HK\$1.27bn) reflecting the benefits of our multi-distribution, multi-product strategy and the successful integration of MLC Hong Kong. Excluding the contribution from the ex MLC Hong Kong agents, total new business index was up 23%. Productivity of ex MLC Hong Kong agents has been strong, generating life new business index of HK\$174.0m since 8 May 2006
- **New individual life regular** premiums up 24% to HK\$1.22bn (2005 – HK\$0.99bn) due to strong sales from agency, brokers and AXA advisers
- **New non-linked individual life regular** premiums up 32% to HK\$873.7m (2005 – HK\$663.4m), mainly due to strong sales from ex MLC agents and the broker channel. **New unit linked regular** premium business up 8% to HK\$349.2m (2005 – HK\$322.0m) even after a very strong 2005, due to further productivity improvements in our adviser channel
- Exceptionally strong growth in **single** premiums, up 108% to HK\$1.94bn (2005 – HK\$0.93bn)
- **Individual life single** premiums up 68% to HK\$853.5m (2005 – HK\$509.4m) due to an increase in unit linked single premium sales through the broker channel
- **Group retirement and investment products** new business index <sup>3</sup> up 109% to HK\$328.2m (2005 – HK\$156.9m) due to an increase in unit trust sales through bank distribution agreements and stronger new contributions to retirement schemes as a result of the buoyant economy
- **Total** premium income up 32% to HK\$10.78bn (2005 – HK\$8.15bn).

## Asia (ex Hong Kong) – key points

- **Indonesia** new business index up 78% reflecting significant sales growth in the last two quarters of 2006 due to improved productivity in our bancassurance channel, strong growth of regular premium sales, and the successful integration of the ex MLC Indonesia agency channel which has responded well to AXA's product and agency blueprints. Excluding the contribution from the ex MLC Indonesia business, total new business index was up 52%
- Strong growth in **Philippines** with new business index up 69% due to continued growth in single premium investment linked products from our agency and Metrobank bancassurance channels. Our early mover advantage in launching investment linked products has benefited from the strong growth in the local sharemarket
- New business index in **China** up 66% due to strong sales growth through bank alliances, higher average case sizes and increased agent numbers
- Continued growth in **Thailand** with new business index up 46% due to further improvements in agent productivity together with significant growth in agent and adviser numbers
- **Singapore** new business index up 27% due to continued growth in sales of both regular premium protection and single premium investment linked products
- Our joint ventures in India and Malaysia commenced operations on 22 August and 18 September 2006 respectively, with early sales in India particularly encouraging
- **Total** new business index up 58% to A\$212.6m <sup>4</sup> (2005 – A\$134.3m). **Total** premium income up 36% to A\$906.7m <sup>4</sup> (2005 – A\$664.9m).

<sup>2</sup> Regular premiums + 10% of single premiums

<sup>3</sup> Regular premiums of HK\$219.4m plus 10% of single premiums of HK\$1,088.3m

**Asia wealth management – key points**

- **Total** gross inflows into ipac financial planning in Hong Kong and Singapore (“ipac Asia”) up 111% to A\$111.0m <sup>4</sup> (2005 – A\$52.5m) due to improved adviser productivity
- ipac Asia’s **total** funds under advice up 110% to A\$215.2m <sup>4</sup> (2005 – A\$102.5m).

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<sup>4</sup> On a constant currency basis

## Australia and New Zealand

## Wealth management

(A\$ million)	Gross inflows (12 months ended)			Net inflows (12 months ended)		
	31 Dec 2006	31 Dec 2005	Change	31 Dec 2006	31 Dec 2005	Change
Superannuation	3,332.6	2,810.4	19%	1,339.1	856.5	56%
Retirement income	483.5	568.5	(15)%	(235.1)	(210.1)	(12)%
Investment products	3,800.9	2,937.4	29%	1,743.8	914.8	91%
<b>Total AXA retail inflows</b> <sup>1</sup>	<b>7,617.0</b>	<b>6,316.3</b>	<b>21%</b>	<b>2,847.8</b>	<b>1,561.2</b>	<b>82%</b>
Cash management trusts	77.9	86.6	(10)%	15.5	14.0	11%
AllianceBernstein – retail mandates <sup>2</sup>	2,656.9	4,476.1	(41)%	1,119.2	3,475.3	(68)%
AllianceBernstein – wholesale mandates	7,720.0	7,706.7	0%	2,454.9	4,499.9	(45)%
<b>Total A&amp;NZ inflows (ex AFM)</b>	<b>18,071.8</b>	<b>18,585.7</b>	<b>(3)%</b>	<b>6,437.4</b>	<b>9,550.4</b>	<b>(33)%</b>
AFM – retail <sup>3</sup>	91.7	-	n/a	(98.3)	-	n/a
AFM – wholesale mandates <sup>3</sup>	163.6	-	n/a	(60.6)	-	n/a
<b>Total A&amp;NZ inflows</b>	<b>18,327.1</b>	<b>18,585.7</b>	<b>(1)%</b>	<b>6,278.5</b>	<b>9,550.4</b>	<b>(34)%</b>
<i>Included in the above:</i>						
Platforms <sup>4,5</sup>	3,559.6	2,958.2	20%	1,831.5	1,214.0	51%
Advice	1,428.4	1,320.1	8%	623.5	336.9	85%
<b>AXA retail inflows</b>						
Australia	7,032.4	5,784.9	22%	2,767.9	1,577.4	76%
New Zealand <sup>6</sup>	584.6	531.3	10%	79.9	(16.2)	>>
<b>Total AXA retail inflows</b>	<b>7,617.0</b>	<b>6,316.3</b>	<b>21%</b>	<b>2,847.8</b>	<b>1,561.2</b>	<b>82%</b>
<b>Total inflows (ex AFM)</b>						
Australia	16,329.8	17,594.4	(7)%	6,376.4	9,827.3	(35)%
New Zealand <sup>6</sup>	1,742.0	991.3	76%	61.0	(276.9)	>>
<b>Total A&amp;NZ inflows (ex AFM)</b>	<b>18,071.8</b>	<b>18,585.7</b>	<b>(3)%</b>	<b>6,437.4</b>	<b>9,550.4</b>	<b>(33)%</b>

## Note:

- (1) Excludes flows into AllianceBernstein, cash management trusts and Assure Funds Management (AFM)
- (2) All of these mandates are from retail providers. However, some flows may be institutionally sourced. As the flows are via mandates, we do not have a split
- (3) Represents New Zealand flows following the acquisition of Bank of New Zealand Investment Management Limited on 31 January 2006, since renamed Assure Funds Management (AFM). These levels of net flows are better than expectations when this business was acquired
- (4) An amount of \$1.6bn of existing ipac client FUM that was previously being administered externally is now being administered by AXA. These flows are not included in the table above
- (5) Prior year comparatives have been restated to include New Zealand platform flows
- (6) Translated at average exchange rates for 2006 of A\$/NZ\$ = 1.16279 and for 2005 of A\$/NZ\$ = 1.08264

**Australia and New Zealand – Wealth management (continued)**

Included in the previous figures are flows that arise through switches from one product to another, such as from a traditional superannuation product to a platform-based superannuation product.

(A\$ million)	Gross inflows (12 months ended)		
	31 Dec 2006	31 Dec 2005	Change
Superannuation	304.3	411.2	(26)%
Retirement income	53.1	141.5	(63)%
Investment products	77.3	86.9	(11)%
AllianceBernstein – retail mandates	-	272.0	(100)%
<b>Total intra-group inflows</b>	<b>434.7</b>	<b>911.6</b>	<b>(52)%</b>
<i>Included in the above:</i>			
Platforms	385.7	563.7	(32)%
Advice	172.0	397.0	(57)%

Total funds under management and administration at 31 December 2006 up 21% to \$85.42bn<sup>5</sup> (2005 – \$70.34bn). Total funds under advice up 31% to \$8.25bn<sup>6</sup> (2005 – \$6.28bn).

**Financial protection**

(A\$ million)	New business (12 months ended)			Inforce (as at)		
	31 Dec 2006	31 Dec 2005	Change	31 Dec 2006	31 Dec 2005	Change
Individual life	57.5	54.1	6%	296.9	266.0	12%
Individual income protection	25.5	25.8	(1)%	202.6	200.0	1%
<b>Total individual financial protection<sup>1</sup></b>	<b>83.0</b>	<b>79.9</b>	<b>4%</b>	<b>499.5</b>	<b>466.0</b>	<b>7%</b>
Group insurance	16.2	27.2	(40)%	136.7	137.0	(0)%
Long term risk	2.7	3.0	(10)%	82.2	89.3	(8)%
<b>Total financial protection<sup>1</sup></b>	<b>101.9</b>	<b>110.1</b>	<b>(7)%</b>	<b>718.4</b>	<b>692.3</b>	<b>4%</b>
Single premiums	31.3	31.6	(1)%			
<b>Individual financial protection<sup>1</sup></b>						
Australia	69.0	63.1	9%	416.1	384.9	8%
New Zealand <sup>2</sup>	14.0	16.8	(17)%	83.4	81.1	3%
<b>Total A&amp;NZ individual financial protection<sup>1</sup></b>	<b>83.0</b>	<b>79.9</b>	<b>4%</b>	<b>499.5</b>	<b>466.0</b>	<b>7%</b>
<b>Total financial protection<sup>1</sup></b>						
Australia	81.7	86.0	(5)%	572.2	544.8	5%
New Zealand <sup>2</sup>	20.2	24.1	(16)%	146.2	147.5	(1)%
<b>Total A&amp;NZ financial protection<sup>1</sup></b>	<b>101.9</b>	<b>110.1</b>	<b>(7)%</b>	<b>718.4</b>	<b>692.3</b>	<b>4%</b>

Note:

(1) New regular premiums

(2) New business translated at average exchange rates for 2006 of A\$/NZ\$ = 1.16279 and for 2005 of A\$/NZ\$ = 1.08264, with inforce translated at exchange rates at 31 December 2006 of A\$/NZ\$ = 1.12172 and 2005 of A\$/NZ\$ = 1.07254

<sup>5</sup> Comprising \$75.46bn funds under management and administration in Australia and \$9.96bn in New Zealand (\$63.01bn and \$7.33bn respectively in 2005)

<sup>6</sup> Comprising \$6.88bn funds under advice in Australia and \$1.37bn in New Zealand (\$4.96bn and \$1.32bn respectively in 2005)

## Hong Kong

(HK\$ million)	New business (12 months ended)		
	31 Dec 2006	31 Dec 2005	Change
<b>New regular premiums</b>			
Individual life – non-linked	873.7	663.4	32%
Individual life – unit linked	349.2	322.0	8%
<b>Total individual life</b>	<b>1,222.9</b>	<b>985.4</b>	<b>24%</b>
Group retirement – incl MPF	219.4	114.4	92%
Group risk	104.0	81.3	28%
<b>Total new regular premiums</b>	<b>1,546.3</b>	<b>1,181.1</b>	<b>31%</b>
<b>Single premiums</b>			
Individual life – incl unit linked	853.5	509.4	68%
Group retirement and investment products	1,088.3	425.2	156%
<b>Total single premiums</b>	<b>1,941.8</b>	<b>934.6</b>	<b>108%</b>
<b>Total life new business index (“NBI”) <sup>1,2</sup></b>	<b>1,740.5</b>	<b>1,274.6</b>	<b>37%</b>
General insurance (P&C) <sup>3</sup>	95.9	105.5	(9%)

Note:

- (1) New business index = new regular premiums + 10% of single premiums  
(2) Includes HK\$174.0m contributed from ex MLC Hong Kong agents since 8 May 2006  
(3) Total premium income; includes HK\$2.2m contributed from ex MLC Hong Kong agents since 8 May 2006

(HK\$ million)	Inforce regular premiums (as at)		
	31 Dec 2006	31 Dec 2005	Change
Individual life – non-linked	6,762.6	5,057.1	34%
Individual life – unit linked	963.5	711.2	36%
<b>Total individual life</b>	<b>7,726.1</b>	<b>5,768.3</b>	<b>34%</b>
Group retirement – incl MPF	1,497.7	1,317.9	14%
Group risk	527.4	447.5	18%
<b>Total inforce <sup>1</sup></b>	<b>9,751.2</b>	<b>7,533.7</b>	<b>29%</b>

Note:

- (1) Includes HK\$1,392.2m contributed from the ex MLC Hong Kong business

## Hong Kong (continued)

(HK\$ million)	Total premium income (12 months ended)		
	31 Dec 2006	31 Dec 2005	Change
Individual life – non-linked	6,387.5	5,082.7	26%
Individual life – unit linked	1,495.5	1,013.5	48%
<b>Total individual life</b>	<b>7,883.1</b>	<b>6,096.2</b>	<b>29%</b>
Group retirement – incl MPF	2,340.2	1,553.9	51%
Group risk	456.8	396.7	15%
General insurance (P&C)	95.9	105.5	(9%)
<b>Total premium income <sup>1</sup></b>	<b>10,776.1</b>	<b>8,152.3</b>	<b>32%</b>

Note:

(1) Includes HK\$918.9m contributed from the ex MLC Hong Kong business since 8 May 2006

Total funds under management and administration at 31 December 2006 up 25% to HK\$57.70bn <sup>7</sup> (2005 – HK\$47.97bn), including HK\$4.96bn contributed by the ex MLC Hong Kong business.

## Asia (ex Hong Kong)

	New business index <sup>1</sup> (12 months ended)			Total premium income (12 months ended)		
	31 Dec 2006	31 Dec 2005	Change	31 Dec 2006	31 Dec 2005	Change
Indonesia (Rupiah bn) <sup>2,3</sup>	548.8	308.1	78%	1,265.4	1,258.7	1%
Philippines (Peso m)	1,220.5	720.5	69%	9,056.1	4,588.8	97%
China (Rmb m)	78.0	47.0	66%	483.3	294.6	64%
Thailand (Baht m)	1,603.6	1,100.0	46%	3,610.1	2,756.0	31%
Singapore (Sing\$ m)	37.6	29.6	27%	330.9	261.1	27%
India (Rupee m) <sup>4</sup>	28.6	-	n/a	19.0	-	n/a
Malaysia (Ringgit m) <sup>5</sup>	0.5	-	n/a	14.2	-	n/a
<b>Total (A\$ m) <sup>6</sup></b>	<b>212.6</b>	<b>134.3</b>	<b>58%</b>	<b>906.7</b>	<b>664.9</b>	<b>36%</b>

Note:

(1) New business index = regular premium sales + 10% of single premium sales

(2) Includes Rupiah 81.8bn new business index and Rupiah 213.4bn total premium income contributed from the ex MLC Indonesia business since 8 May 2006

(3) Total premium income was only slightly up on 2005 due to a change in business mix from single premiums to regular premiums in 2006

(4) Commenced operations on 22 August 2006

(5) Commenced operations on 18 September 2006. Total premium income includes renewal (ie non first year) premiums from ex-Tahan insurance policies

(6) On a constant currency basis, translated at average exchange rates for the 12 months ended 31 December 2006 of A\$/Rupiah = 0.000145, A\$/Peso = 0.025858, A\$/Rmb = 0.166126, A\$/Baht = 0.034963, A\$/Sing\$ = 0.836667, A\$/Rupee = 0.029208, A\$/Ringgit = 0.360861. Figures represent 100% share of the businesses

Total funds under management and administration at 31 December 2006 up 57% to A\$2.79bn <sup>8</sup> (2005 – A\$1.78bn), including A\$180.7m contributed by the ex MLC Indonesia business.

<sup>7</sup> After HK\$2.1bn dividends paid to AXA APH

<sup>8</sup> At respective spot exchange rates

## Asia wealth management

(million)	Gross inflows (12 months ended)			Funds under advice (as at)		
	31 Dec 2006	31 Dec 2005	Change	31 Dec 2006	31 Dec 2005	Change
<b>ipac financial planning</b>						
Hong Kong (HK\$)	368.1	182.7	102%	789.2	407.7	94%
Singapore (Sing\$)	57.1	25.3	126%	104.2	43.3	141%
<b>Total (A\$) <sup>1</sup></b>	<b>111.0</b>	<b>52.5</b>	<b>111%</b>	<b>215.2</b>	<b>102.5</b>	<b>110%</b>

Note:

(1) On a constant currency basis, with gross inflows translated at average exchange rates for the 12 months ended 31 December 2006 of A\$/HK\$ = 0.171667 and A\$/Sing\$ = 0.836667, and funds under advice translated at 31 December 2006 closing exchange rates of A\$/HK\$ = 0.163606 and A\$/Sing\$ = 0.826377