

21 April 2006

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

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

Group Chief Executive, Les Owen, said:

“It has been an encouraging start to 2006, with new business and fund flows higher than the same period last year for most areas of the business.

“In Australia and New Zealand total gross inflows were up 19.5% to \$4.48bn (three months ended 31 March 2005 – \$3.75bn), whilst gross retail inflows were unchanged at \$2.00bn (2005 – \$2.01bn).

“Total net fund flows in Australia and New Zealand were up 2.2% to \$1.50bn (2005 – \$1.46bn). Total funds under management, administration and advice were up 11.7% to \$78.60bn (31 December 2005 – \$70.34bn).

“Financial protection new regular premiums in Australia and New Zealand were down 10.0% to \$22.4m (2005 – \$24.9m) due to lower group risk new business following a review of premium rating last year reflecting our strategy to write only profitable business. However individual life and income protection new business was up over 7%.

“New business in Hong Kong continued to grow strongly. Total life new business index was up 36.5% to HK\$354.1m (2005 – HK\$259.4m). We saw growth in both individual life and single premium investment products, particularly through bancassurance agreements.

“New business in the rest of the Asian region was up 14.6% to \$36.0m on a constant currency basis (2005 – \$31.4m). Performing particularly well were China and Thailand.”

### **Australia and New Zealand – key points**

- **Total gross** inflows (*retail* and *wholesale*) up 19.5% to \$4.48bn (2005 – \$3.75bn). **Total net** flows (*retail* and *wholesale*) up 2.2% to \$1.50bn (2005 – \$1.46bn)
- Excluding flows from Bank of New Zealand Investment Management Limited (acquired on 31 January 2006 and since renamed Assure Funds Management (AFM)), **gross retail** inflows were unchanged at \$2.00bn (2005 – \$2.01bn). **Net retail** flows were down 28.8% to \$420.0m (2005 – \$589.7m) due to lower AllianceBernstein retail mandates, which by their nature are lumpy
- **Superannuation gross** flows up 16.0% to \$710.0m (2005 – \$612.1m) and **net** flows up 12.5% to \$238.5m (2005 – \$212.0m) due to strong inflows into our platform personal superannuation products

- **Investment products net** flows up 171.7% to \$351.3m (2005 – \$129.3m) due to the continued success of our international equity funds, with net flows of \$231.3m (2005 - \$81.1m) into the wholesale Global Equity Value fund
- **AllianceBernstein net retail** flows down \$419.0m to \$(115.9)m (2005 – \$303.1m) due to lower gross inflows compared to a very strong first quarter in 2005, and some rebalancing activity out of global equities following the strong performance of this asset class. Retail mandate fund flows tend to be lumpy
- **AllianceBernstein net wholesale** flows up 28.0% to \$1,114.6m (2005 – \$871.0m) helped by two large international equity mandates awarded in March 2006
- **Platform net** flows up 30.1% to \$353.2m (2005 – \$271.5m) as a result of increased gross inflows into our Summit and ipac superannuation products
- **Advice net** flows down 3.6% to \$92.7m (2005 – \$96.2m). The first quarter 2005 benefited from one-off inflows from new equity partners
- Following our acquisition of Bank of New Zealand Investment Management (since renamed AFM) on 31 January 2006, **AFM net retail** and **net wholesale** outflows are in line with expectations when the business was acquired.
- **Individual life** new business up 7.0% to \$12.3m (2005 – \$11.5m) and **individual income protection** up 7.8% to \$5.5m (2005 – \$5.1m)
- **Group risk** new business down 47.4% to \$4.0m (2005 – \$7.6m) following a review of premium rating last year. This reflects our strategy to write only profitable business.

### Hong Kong – key points

- **Total life** new business index up 36.5% to HK\$354.1m (2005 – HK\$259.4m)
- **New individual life regular** premiums up 23.5% to HK\$223.0m (2005 – HK\$180.6m) driven by strong sales from agency and broker channels
- **New non linked regular** premiums up 63.4%, mainly driven by 'Maxx', a new traditional participating product launched in October 2005 with a greater savings focus. This was partly offset by **new unit linked regular** premium business down 28.9% following a very strong first quarter in 2005. The mix between non-linked and linked can vary significantly from period to period depending on the timing of sales campaigns and new product launches
- Exceptionally strong growth in **single** premiums, up 758.9% to HK\$793.6m (2005 – HK\$92.4m)
- **Individual life single premiums** up 500.5% to HK\$336.3m (2005 – HK\$56.0m) mainly due to sales of investment linked products through both broker and agency channels
- **Retirement** new business index up 36.9% with a higher proportion of single premiums due to encouraging inflows to our new multi-manager unit trust products through bank distribution agreements. We would expect this business to be volatile quarter to quarter
- **Total** premium income up 49.6% to HK\$2,686.4m (2005 – HK\$1,795.9m).

### Asia (ex Hong Kong) – key points

- **Total** new business index up 14.6% to A\$36.0m<sup>1</sup> (2005 – A\$31.4m). **Total** premium income slightly down 0.4% to A\$182.0m<sup>1</sup> (2005 – A\$182.7m) reflecting lower single premiums in Indonesia
- Continued strong growth in **Thailand** with new business index up 52.9% due to continuing improvements in agent productivity following the implementation of our regional Agency Blueprint
- New business index in **Philippines** up 29.0% as a result of continued growth in single premium investment products via Metrobank branches, and higher regular premium product sales through the agency channel
- Continued growth in **Singapore** with new business index up 12.8% due to strong growth in both regular premium protection and single premium investment linked products. Excluding a one-off rollover in the first quarter 2005 of maturing products, new business index and total premium income were up by 93.6% and 78.1% respectively on a like-for-like basis
- **Indonesia** new business index down 26.0% due to lower sales of single premium investment products as a result of the continuation of the market slowdown as seen in the second half of 2005, and competition from bank deposits following an increase in short term interest rates. Regular premium new business was up 13.9% due to higher average case sizes and a larger distribution network
- New business index in **China** up 138.7% driven by strong sales growth from the Beijing branch, bank alliances, and improved agent productivity across all three branches (Shanghai, Guangzhou and Beijing).

### Asia wealth management – key points

- **Total** gross inflows into ipac financial planning in Hong Kong and Singapore (“ipac Asia”) up 185.5% to A\$23.7m<sup>1</sup> (2005 – A\$8.3m) driven by improving adviser productivity
- ipac Asia’s **total** funds under management, administration and advice up 24.0% to A\$137.8m<sup>1</sup> (31 December 2005 – A\$111.1m).

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<sup>1</sup> On a constant currency basis

## Australia and New Zealand

## Wealth management

(A\$ million)	Gross inflows (3 months ended)			Net flows (3 months ended)		
	31 Mar 2006	31 Mar 2005	Change	31 Mar 2006	31 Mar 2005	Change
Superannuation	710.0	612.1	16.0%	238.5	212.0	12.5%
Retirement income	103.4	137.1	(24.6)%	(53.9)	(54.7)	1.5%
Investment products	783.7	554.5	41.3%	351.3	129.3	171.7%
AllianceBernstein – retail mandates <sup>1</sup>	406.2	704.6	(42.4)%	(115.9)	303.1	n/a
<b>Total A&amp;NZ retail flows (ex cash management trusts and AFM)</b>	<b>2,003.3</b>	<b>2,008.3</b>	<b>(0.2)%</b>	<b>420.0</b>	<b>589.7</b>	<b>(28.8)%</b>
Cash management trusts	14.1	20.8	(32.2)%	2.2	2.6	(15.4)%
AllianceBernstein – wholesale mandates	2,391.3	1,720.2	39.0%	1,114.6	871.0	28.0%
<b>Total A&amp;NZ flows (ex AFM)</b>	<b>4,408.7</b>	<b>3,749.3</b>	<b>17.6%</b>	<b>1,536.8</b>	<b>1,463.3</b>	<b>5.0%</b>
AFM – retail <sup>2</sup>	19.9	-	n/a	(17.2)	-	n/a
AFM – wholesale mandates <sup>2</sup>	52.2	-	n/a	(24.3)	-	n/a
<b>Total A&amp;NZ flows</b>	<b>4,480.8</b>	<b>3,749.3</b>	<b>19.5%</b>	<b>1,495.3</b>	<b>1,463.3</b>	<b>2.2%</b>

*Included in the above:*

Platforms	734.3	656.1	11.9%	353.2	271.5	30.1%
Advice	289.8	304.7	(4.9)%	92.7	96.2	(3.6)%

*Note:*

- (1) 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.
- (2) Represents flows following the acquisition of Bank of New Zealand Investment Management Limited on 31 January 2006, since renamed as Assure Funds Management (AFM). These levels of net flows are in line with expectations when this business was acquired.

Included in the figures above 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 (3 months ended)		
	31 Mar 2006	31 Mar 2005	Change
Superannuation	70.7	83.0	(14.8)%
Retirement income	21.4	30.7	(30.3)%
Investment products	16.2	17.3	(6.4)%
AllianceBernstein – retail mandates	0.0	200.0	n/a
<b>Total intra-group flows</b>	<b>108.3</b>	<b>331.0</b>	<b>(67.3)%</b>
<i>Included in the above:</i>			
Platforms	105.5	123.7	(14.7)%
Advice	69.8	83.0	(15.9)%

Total funds under management and administration at 31 March 2006 was \$78.60bn, up 11.7% (31 December 2005 – \$70.34bn).

## Financial protection

(A\$ million)	New business (3 months ended)			Inforce (as at)		
	31 Mar 2006	31 Mar 2005	Change	31 Mar 2006	31 Mar 2005	Change
<b>New regular premiums</b>						
Individual life	12.3	11.5	7.0%	272.7	248.5	9.7%
Individual income protection	5.5	5.1	7.8%	197.7	196.4	0.7%
Group insurance	4.0	7.6	(47.4)%	133.5	137.2	(2.7)%
Long term risk	0.6	0.7	(14.3)%	86.8	93.6	(7.3)%
<b>Total</b>	<b>22.4</b>	<b>24.9</b>	<b>(10.0)%</b>	<b>690.7</b>	<b>675.7</b>	<b>2.2%</b>
Single premiums	7.8	7.3	6.8%			

## Hong Kong

(HK\$ million)	New business (3 months ended)		
	31 Mar 2006	31 Mar 2005	Change
<b>New regular premiums</b>			
Individual life – non-linked	167.5	102.5	63.4%
Individual life – unit linked	55.5	78.1	(28.9)%
Total individual life	223.0	180.6	23.5%
Group retirement – incl MPF	12.9	39.2	(67.1)%
Group risk	38.8	30.4	27.6%
<b>Total new regular premiums</b>	<b>274.7</b>	<b>250.2</b>	<b>9.8%</b>
<b>Single premiums</b>			
Individual life – incl unit linked	336.3	56.0	>>
Group retirement and investment products	457.3	36.4	>>
<b>Total single premiums</b>	<b>793.6</b>	<b>92.4</b>	<b>&gt;&gt;</b>
<b>Total life new business index (“NBI”)<sup>1</sup></b>	<b>354.1</b>	<b>259.4</b>	<b>36.5%</b>
General insurance (P&C) <sup>2</sup>	25.9	29.1	(11.0)%

Note:

(1) New business index = new regular premiums + 10% of single premiums

(2) Total premium income

(HK\$ million)	Inforce regular premiums (as at)		
	31 Mar 2006	31 Mar 2005	Change
Individual life – non-linked	5,140.7	4,831.7	6.4%
Individual life – unit linked	747.4	532.4	40.4%
Total individual life	5,888.1	5,364.1	9.8%
Group retirement – incl MPF	1,240.6	1,209.4	2.6%
Group risk	484.5	391.0	23.9%
<b>Total inforce</b>	<b>7,613.2</b>	<b>6,964.5</b>	<b>9.3%</b>

(HK\$ million)	Total premium income (3 months ended)		
	31 Mar 2006	31 Mar 2005	Change
Individual life – non-linked	1,213.4	1,100.6	10.2%
Individual life – unit linked	477.2	168.8	182.7%
Total individual life	1,690.6	1,269.5	33.2%
Group retirement – incl MPF	772.7	324.0	138.5%
Group risk	197.2	173.2	13.9%
General insurance (P&C)	25.9	29.1	(11.0)%
<b>Total premium income</b>	<b>2,686.4</b>	<b>1,795.8</b>	<b>49.6%</b>

Total funds under management and administration at 31 March 2006 was HK\$50.3bn, up 4.8% (31 December 2005 – HK\$48.0bn).

### Asia (ex Hong Kong)

(million)	New business index <sup>1</sup> (3 months ended)			Total premium income (3 months ended)		
	31 Mar 2006	31 Mar 2005	Change	31 Mar 2006	31 Mar 2005	Change
Thailand (Baht)	308.3	201.6	52.9%	851.9	584.0	45.9%
Philippines (Peso)	215.2	166.8	29.0%	1,535.6	1,048.9	46.4%
Singapore (Sing\$)	9.7	8.6	12.8%	81.2	81.5	(0.4)%
Indonesia (Rupiah)	59,247.4	80,078.0	(26.0)%	153,124.2	403,562.0	(62.1)%
China (Rmb)	17.9	7.5	138.7%	130.7	49.6	163.5%
<b>Total (A\$) <sup>2</sup></b>	<b>36.0</b>	<b>31.4</b>	<b>14.6%</b>	<b>182.0</b>	<b>182.7</b>	<b>(0.4)%</b>

Note:

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

(2) On a constant currency basis, translated at average exchange rates for the three months ended 31 March 2006 of A\$/Rmb = 0.167480; A\$/Baht = 0.034309; A\$/Peso = 0.026812; A\$/Sing\$ = 0.830894; A\$/Rupiah = 0.000145. Figures represent 100% share of the businesses

### Asia wealth management

(million)	Gross inflows (3 months ended)			Funds under advice (as at) <sup>2</sup>		
	31 Mar 2006	31 Mar 2005	Change	31 Mar 2006	31 Dec 2005	Change
<b>ipac financial planning</b>						
Hong Kong (HK\$)	84.5	29.6	185.5%	478.5	407.7	17.4%
Singapore (Sing\$)	10.8	3.8	184.2%	59.3	43.3	37.0%
<b>Total (A\$) <sup>1</sup></b>	<b>23.7</b>	<b>8.3</b>	<b>185.5%</b>	<b>137.8</b>	<b>111.1</b>	<b>24.0%</b>

Note:

(1) On a constant currency basis, translated at average exchange rates for the three months ended 31 March 2006 of A\$/HK\$ = 0.173984; A\$/Sing\$ = 0.830894

(2) On a constant currency basis, translated at 31 March 2006 closing exchange rates of A\$/HK\$ = 0.180272; A\$/Sing\$ = 0.869048