

26 April 2007

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

AXA Asia Pacific Holdings today released details of its new business and fund flows for the three months ended 31 March 2007.

Group Chief Executive, Andrew Penn, said:

“Ahead of the 30 June implementation of the superannuation changes announced in the 2006 Budget, net retail inflows were up 51 per cent to \$782.9 million in Australia and New Zealand.

“Our AllianceBernstein joint venture had total gross inflows of \$1.82 billion for the quarter and total net inflows of \$1.01 billion. AllianceBernstein was also recently named Morningstar’s 2006 “Fund Manager of the Year”.

“Total individual financial protection new business was up 2 per cent to \$18.2 million, reflecting the competitiveness of the market and our continued focus on writing profitable business. Endorsing this approach we were recently named Plan for Life’s 2006 “Life Company of the Year”.

“Hong Kong life new business index was up 31 per cent to HK\$464.9 million due to the inclusion of MLC Hong Kong which was acquired in May last year and strong growth in regular premium unit linked and group retirement sales.

“A highlight of this quarter was the exceptionally strong growth in our other Asian operations. New business index was up 103 per cent to A\$78.1 million on a constant currency basis, with particularly strong growth in Indonesia, Philippines and Thailand.

“We achieved an important milestone in the quarter with total group funds under management, administration and advice up 3 per cent to \$101 billion.”

### Australia and New Zealand – key points

- **Superannuation gross** inflows up 10% to \$789.6m (2006 – \$716.2m) and **net** inflows up 33% to \$307.9m (2006 – \$231.9m) due to strong inflows into our personal superannuation products and good retention of existing funds
- **Investment products gross** inflows up 46% to \$1,165.2m, (2006 – \$797.4m) and **net** inflows up 63% to \$557.0m (2006 – \$340.7m) due to continued strong inflows into our international equity funds, in particular the Global Equity Value Fund with net inflows of \$339.9m (2006 – \$236.0m)
- **Platform gross** inflows up 14% to \$848.2m (2006 – \$745.6m) and **net** inflows up 21% to \$439.7m (2006 – \$363.0m) due to strong inflows into our Summit and Generations personal superannuation products
- **Advice gross** inflows down 4% to \$277.0m (2006 – \$289.8m) and **net** inflows down 5% to \$88.1m (2006 – \$92.7m) mainly due to a higher proportion of circular flows in 2006 and slightly higher outflows in New Zealand in 2007. Activity levels in the first quarter have been high ahead of the superannuation changes in Australia
- **AllianceBernstein gross retail** inflows up 43% to \$582.4m (2006 – \$406.2m) and **net retail** inflows of \$374.7m (2006 – \$(115.9m)) due to strong inflows and a new mandate awarded in March. In addition, outflows significantly improved as there was very little rebalancing out of global equities
- **AllianceBernstein gross wholesale** inflows down 48% to \$1.24bn (2006 – \$2.39bn) and **net wholesale** inflows down 43% to \$0.63bn (2006 – \$1.11bn). The prior period included two new large international equity mandates
- **Total gross** inflows (**retail** and **wholesale**) down 13% to \$3.92bn (2006 – \$4.48bn) due to lower AllianceBernstein wholesale mandate inflows. **Total net** inflows (**retail** and **wholesale**) up 19% to \$1.78bn (2006 – \$1.49bn) due to strong inflows into our superannuation and investment products and net inflows into AllianceBernstein retail mandates
- Excluding flows from AllianceBernstein retail mandates, **gross AXA retail** inflows up 27% to \$2.05bn (2006 – \$1.62bn) and **net AXA retail** inflows up 51% to \$782.9m (2006 – \$518.7m)
- **Individual life** new business up 2% to \$12.6m (2006 – \$12.3m), **individual income protection** up 2% to \$5.6m (2006 – \$5.5m), and **Group life** new business down 58% to \$1.7m (2006 – \$4.0m).

### Hong Kong – key points

- **Total life** new business index <sup>1</sup> up 31% to HK\$464.9m (2006 – HK\$354.1m)
- **New individual life regular** premiums up 15% to HK\$257.2m (2006 – HK\$223.0m) assisted by the inclusion of MLC Hong Kong which we acquired in May last year
- **New individual life non linked regular** premiums up 6% to HK\$177.4m (2006 – HK\$167.5m) reflecting a change in mix towards unit linked products. Non linked sales in the first quarter of 2006 benefited from the launch of a new product - 'Maxx'. The mix between non-linked and linked can vary significantly from period to period
- **New individual life unit linked regular** premiums up 44% to HK\$79.8m (2006 – HK\$55.5m) due to strong sales from agency and AXA Advisers. A new individual life unit linked product has been launched this month.

<sup>1</sup> Regular premiums + 10% of single premiums

- **Individual life single premiums** down 40% to HK\$202.3m (2006 – HK\$336.3m) due to lower sales from the broker channel. Sales through the broker channel in the first quarter of this year have been predominantly retirement products. This mix can vary from period to period
- **Group retirement and investment products** new business index <sup>2</sup> up 128% to HK\$133.9m (2006 – HK\$58.6m) due to significant growth in regular premium retirement business as a result of the buoyant economy and strong sales through the broker channel
- **Total** premium income up 13% to HK\$3.03bn (2006 – HK\$2.69bn).

### Asia (ex Hong Kong) – key points

- **Indonesia** new business index up 190% due to productivity improvements in both bancassurance and agency
- **Philippines** new business index up 176% due to strong growth in single premium investment linked products via our bancassurance channel
- **Thailand** new business index up 69% due to increased agent and adviser numbers, and improved productivity in our bancassurance channel
- **China** new business index up 36% due to strong growth in single premium investment linked sales through the agency channel
- **Singapore** new business index up 18% due to continued growth in single premium investment linked sales
- **Total** new business index up 106% to A\$74.5m <sup>3</sup> (2006 – A\$36.1m). **Total** premium income up 95% to A\$353.9m <sup>3</sup> (2006 – A\$181.3m).

### Asia wealth management – key points

- **Total** gross inflows into ipac financial planning in Hong Kong and Singapore (“ipac Asia”) up 56% to A\$35.6m <sup>3</sup> (2006 – A\$22.8m) due to improved adviser productivity
- ipac Asia’s **total** funds under advice up 16% to A\$243.4m <sup>3</sup> (31 December 2006 – A\$209.8m).

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<sup>2</sup> Regular premiums of HK\$112.7m plus 10% of single premiums of HK\$211.5m (equates to HK\$21.2m)

<sup>3</sup> On a constant currency basis

## Australia and New Zealand

## Wealth management

(A\$ million)	Gross inflows (3 months ended)			Net inflows (3 months ended)		
	31 Mar 2007	31 Mar 2006	Change	31 Mar 2007	31 Mar 2006	Change
Superannuation <sup>1</sup>	789.6	716.2	10%	307.9	231.9	33%
Retirement income	95.4	103.4	(8)%	(82.0)	(53.9)	(52)%
Investment products <sup>1</sup>	1,165.2	797.4	46%	557.0	340.7	63%
<b>Total AXA retail inflows <sup>1</sup></b>	<b>2,050.2</b>	<b>1,617.0</b>	<b>27%</b>	<b>782.9</b>	<b>518.7</b>	<b>51%</b>
AllianceBernstein – retail mandates	582.4	406.2	43%	374.7	(115.9)	>>
AllianceBernstein – wholesale mandates	1,237.5	2,391.3	(48)%	634.9	1,114.6	(43)%
Other <sup>2</sup>	46.8	66.3	(29)%	(8.2)	(22.2)	63%
<b>Total A&amp;NZ inflows</b>	<b>3,916.9</b>	<b>4,480.8</b>	<b>(13)%</b>	<b>1,784.3</b>	<b>1,495.3</b>	<b>19%</b>

Included in the above:

Platform	848.2	745.6	14%	439.7	363.0	21%
Advice	277.0	289.8	(4)%	88.1	92.7	(5)%

## AXA retail inflows

Australia	1,827.9	1,481.0	23%	736.2	538.9	37%
New Zealand <sup>3</sup>	222.3	136.0	63%	46.8	(20.2)	>>
<b>Total AXA retail inflows</b>	<b>2,050.2</b>	<b>1,617.0</b>	<b>27%</b>	<b>782.9</b>	<b>518.7</b>	<b>51%</b>

## Total inflows

Australia	3,453.6	4,069.4	(15)%	1,772.2	1,533.4	16%
New Zealand <sup>3</sup>	463.3	411.4	13%	12.1	(38.2)	>>
<b>Total A&amp;NZ inflows</b>	<b>3,916.9</b>	<b>4,480.8</b>	<b>(13)%</b>	<b>1,784.3</b>	<b>1,495.3</b>	<b>19%</b>

(1) Prior year comparatives have been restated to include flows from Assure Funds Management (AFM) retail flows in New Zealand

(2) Cash management trusts and AFM wholesale flows

(3) Translated at average exchange rates for the 3 months ended 31 March 2007 of A\$/NZ\$= 1.1299, and for 2006 of A\$/NZ\$ = 1.1141

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 2007	31 Mar 2006	Change
Superannuation	27.3	70.7	61%
Retirement income	5.3	21.4	75%
Investment products	2.6	16.2	84%
AllianceBernstein – retail mandates	0.0	0.0	-
<b>Total intra-group inflows</b>	<b>35.2</b>	<b>108.3</b>	<b>67%</b>
Included in the above:			
Platforms	28.3	105.5	73%
Advice	12.6	69.8	82%

Total funds under management, administration and advice at 31 March 2007 up 3% to \$88.08bn <sup>4</sup> (31 December 2006 – \$85.42bn).

Total funds under advice up 3% to \$8.52bn <sup>5</sup> (31 December 2006 – \$8.25bn).

## Financial protection

(A\$ million)	New business (3 months ended)			Inforce (as at)		
	31 Mar 2007	31 Mar 2006	Change	31 Mar 2007	31 Mar 2006	Change
Individual life	12.6	12.3	2%	300.4	278.0	8%
Individual income protection	5.6	5.5	2%	203.0	199.9	2%
<b>Total individual financial protection <sup>1</sup></b>	<b>18.2</b>	<b>17.8</b>	<b>2%</b>	<b>503.4</b>	<b>477.9</b>	<b>5%</b>
Group insurance	1.7	4.0	(58)%	133.8	135.5	(1)%
Long term risk	0.7	0.6	17%	80.9	85.2	(5)%
<b>Total financial protection <sup>1</sup></b>	<b>20.6</b>	<b>22.4</b>	<b>(8)%</b>	<b>718.1</b>	<b>698.6</b>	<b>3%</b>
Single premiums	7.6	7.8	(3)%			
<b>Individual financial protection</b>						
Australia	15.2	14.9	2%	419.8	401.8	4%
New Zealand <sup>2</sup>	3.0	2.9	3%	83.6	76.1	10%
<b>Total individual financial protection <sup>1</sup></b>	<b>18.2</b>	<b>17.8</b>	<b>2%</b>	<b>503.4</b>	<b>477.9</b>	<b>5%</b>
<b>Total financial protection</b>						
Australia	16.5	18.3	(10)%	573.5	561.6	2%
New Zealand <sup>2</sup>	4.1	4.1	0%	144.6	137.0	6%
<b>Total financial protection <sup>1</sup></b>	<b>20.6</b>	<b>22.4</b>	<b>(8)%</b>	<b>718.1</b>	<b>698.6</b>	<b>3%</b>

(1) New regular premiums

(2) New business translated at average exchange rates for the 3 months ended 31 March 2007 of A\$/NZ\$ = 1.1299, and for 2006 of A\$/NZ\$ = 1.1141, with inforce translated at exchange rates at 31 March 2007 of A\$/NZ\$ = 1.1325, and 2006 of A\$/NZ\$ = 1.1621

<sup>4</sup> Comprising \$78.19bn funds under management, administration and advice in Australia and \$9.89bn in New Zealand (\$75.46bn and \$9.96bn respectively at 31 December 2006)

<sup>5</sup> Comprising \$7.71bn funds under advice in Australia and \$1.35bn in New Zealand (\$6.88bn and \$1.37bn respectively at 31 December 2006)

## Hong Kong

(HK\$ million)	New business (3 months ended)		
	31 Mar 2007	31 Mar 2006	Change
<b>New regular premiums</b>			
Individual life – non-linked	177.4	167.5	6%
Individual life – unit linked	79.8	55.5	44%
<b>Total individual life</b>	<b>257.2</b>	<b>223.0</b>	<b>15%</b>
Group retirement – incl MPF	112.7	12.9	>>
Group risk	53.6	38.8	38%
<b>Total new regular premiums</b>	<b>423.5</b>	<b>274.7</b>	<b>54%</b>
<b>Single premiums</b>			
Individual life – incl unit linked	202.3	336.3	(40)%
Group retirement and investment products	211.5	457.3	(54)%
<b>Total single premiums</b>	<b>413.8</b>	<b>793.6</b>	<b>(50)%</b>
<b>Total life new business index (“NBI”) <sup>1</sup></b>	<b>464.9</b>	<b>354.1</b>	<b>31%</b>
General insurance (P&C) <sup>2</sup>	34.9	25.9	35%
(1) <i>New regular premiums + 10% of single premiums</i>			
(2) <i>Total premium income</i>			

(HK\$ million)	Inforce regular premiums (as at)		
	31 Mar 2007	31 Mar 2006	Change
Individual life – non-linked	6,828.9	5,140.7	33%
Individual life – unit linked	974.1	747.4	30%
<b>Total individual life</b>	<b>7,803.0</b>	<b>5,888.1</b>	<b>33%</b>
Group retirement – incl MPF	1,436.4	1,240.6	16%
Group risk	541.8	484.5	12%
<b>Total inforce</b>	<b>9,781.2</b>	<b>7,613.2</b>	<b>29%</b>

(HK\$ million)	Total premium income (3 months ended)		
	31 Mar 2007	31 Mar 2006	Change
Individual life – non-linked	1,599.1	1,213.4	32%
Individual life – unit linked	336.4	477.2	(30)%
<b>Total individual life</b>	<b>1,935.5</b>	<b>1,690.6</b>	<b>15%</b>
Group retirement – incl MPF	829.8	772.7	7%
Group risk	232.7	197.2	18%
General insurance (P&C)	34.9	25.9	35%
<b>Total premium income</b>	<b>3,032.9</b>	<b>2,686.4</b>	<b>13%</b>

Total funds under management and administration at 31 March 2007 up 5% to HK\$60.54bn (31 December 2006 – HK\$57.70bn).

## Asia (ex Hong Kong)

	New business index <sup>1</sup> (3 months ended)			Total premium income (3 months ended)		
	31 Mar 2007	31 Mar 2006	Change	31 Mar 2007	31 Mar 2006	Change
Indonesia (Rupiah bn)	171.4	59.2	190%	497.7	153.1	225%
Philippines (Peso m)	594.5	215.2	176%	4,987.7	1,535.6	225%
Thailand (Baht m)	520.5	308.3	69%	1,153.3	851.9	35%
China (Rmb m)	24.3	17.9	36%	150.5	130.7	15%
Singapore (Sing\$ m)	11.4	9.7	18%	101.0	81.2	24%
India (Rupee m) <sup>2</sup>	88.6	-	n/a	56.1	-	n/a
Malaysia (Ringgit m) <sup>3</sup>	0.4	-	n/a	6.7	-	n/a
<b>Total (A\$m) <sup>4</sup></b>	<b>74.5</b>	<b>36.1</b>	<b>106%</b>	<b>353.9</b>	<b>181.3</b>	<b>95%</b>

(1) New regular premiums + 10% of single premiums

(2) Commenced operations on 22 August 2006

(3) Commenced operations on 18 September 2006

(4) On a constant currency basis, translated at average exchange rates for the 3 months ended 31 March 2007 of A\$/Rupiah = 7,194; A\$/Peso = 38.361; A\$/Baht = 27.297; A\$/Rmb = 6.12; A\$/Sing\$ = 1.205; A\$/Rupee = 34.732, A\$/Ringgit = 2.755  
Figures represent 100% share of the businesses

Total funds under management and administration at 31 March 2007 up 9% to A\$3.03bn <sup>6</sup>  
(31 December 2006 – A\$2.79bn).

## Asia wealth management

	Gross inflows (3 months ended)			Funds under advice (as at)		
	31 Mar 2007	31 Mar 2006	Change	31 Mar 2007	31 Dec 2006	Change
<b>ipac financial planning</b>						
Hong Kong (HK\$m)	149.3	84.5	77%	946.1	789.2	20%
Singapore (Sing\$m)	13.5	10.8	25%	115.0	104.2	10%
<b>Total (A\$m) <sup>1</sup></b>	<b>35.6</b>	<b>22.8</b>	<b>56%</b>	<b>243.4</b>	<b>209.8</b>	<b>16%</b>

(1) On a constant currency basis. Gross inflows translated at average exchange rates for the 3 months ended 31 March 2007 of A\$/HK\$ = 6.122 and A\$/Sing\$ = 1.205, and funds under advice translated at exchange rates at 31 March 2007 of A\$/HK\$ = 6.323 and A\$/Sing\$ = 1.226

## New business index – other Asian operations

(A\$ million)	(3 months ended)		
	31 Mar 2007	31 Mar 2006	Change
Asia (ex Hong Kong)	74.5	36.1	106%
Asia wealth management <sup>1</sup>	3.6	2.3	56%
<b>Total (A\$m)</b>	<b>78.1</b>	<b>38.4</b>	<b>103%</b>

(1) 10% of gross inflows

<sup>6</sup> At respective spot exchange rates