



# news release

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## **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 nine months ended 30 September 2007.

Group Chief Executive, Andrew Penn, said:

“Total inflows in Australia and New Zealand exceeded \$15 billion for the nine months to 30 September 2007.

“Growth in retail gross and net inflows accelerated this quarter, up 41% and 61% respectively, due to continued strong inflows into superannuation and as money invested pre-June 30 has found its way into our award winning and very competitive range of investment products.

“Pleasingly, we saw an increase in total financial protection new business, up 14 percent to \$86 million with strong growth in our group business and improved individual new business. This follows a number of product enhancements in July.

“Hong Kong life new business index rose 39 percent to HK\$1.7 billion, reflecting further penetration from our multi-product, multi-channel distribution strategy and following the acquisitions of Winterthur and MLC.

“New business index for the rest of Asia grew very strongly, up 84 percent to A\$249 million on a constant currency basis. Our businesses in the Philippines, China, Thailand and Indonesia were all strong contributors. We are also starting to see meaningful sales from India with our operations extending to 48 locations across the country and over 4,600 licensed advisers and agents.

“Total group funds under management were up 12% over the nine months to \$108 billion.

“Our strong position in Australia and New Zealand in conjunction with our growing footprint in Asia, in some of the world’s fastest growing markets, continues to position us well for the future.”

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**Australia and New Zealand – key points**

- **Superannuation gross** inflows up 35% to \$3.55bn (2006 – \$2.62bn) and **net** inflows up 57% to \$1.65bn (2006 – \$1.05bn) due to strong inflows into our platform personal superannuation products and good retention of existing funds
- **Investment products gross** inflows up 48% to \$4.22bn (2006 – \$2.85bn) and **net** inflows up 63% to \$1.95bn (2006 – \$1.20bn) due to continued strong flows into our investment products including the Global Equity Value Fund, Australian Property Fund and Australian Equity Value Fund.
- **Platform gross** inflows up 37% to \$3.83bn (2006 – \$2.79bn) and **net** inflows up 40% to \$2.08bn (2006 – \$1.49bn) due to strong inflows into our Summit and Generations personal superannuation products
- **Advice gross** inflows up 3% to \$1.20bn (2006 – \$1.17bn) and **net** inflows down 17% to \$448.9m (2006 – \$541.3m). 2006 included an ipac equity partner transfer of \$220m, excluding this advice gross inflows were up 27% and net inflows were up 40%
- **AllianceBernstein gross retail** inflows up 47% to \$2.79bn (2006 – \$1.90bn) and **net retail** inflows up 35% to \$1.12bn (2006 – \$0.83bn) due to strong inflows and a new mandate awarded in March 2007
- **AllianceBernstein gross wholesale** inflows down 29% to \$3.89bn (2006 – \$5.49bn), and **net wholesale** inflows down 52% to \$0.84bn (2006 – \$1.75bn). 2006 included two new large international equity mandates
- **Total gross** inflows (**retail** and **wholesale**) up 13% to \$15.10bn (2006 – \$13.42bn), and total net inflows (**retail** and **wholesale**) up 13% to \$5.24bn (2006 – \$4.65bn) due to strong inflows across platforms, superannuation and investment products, and retention of existing funds
- Excluding flows from AllianceBernstein retail mandates, **gross AXA retail** inflows were up 41% to \$8.23bn (2006 – \$5.85bn), and **net AXA retail** inflows were up 61% to \$3.39bn (2006 – \$2.11bn)
- **New Zealand total gross retail** inflows up 18% to \$603.8m (2006 – \$513.0m) due to strong personal super lump sum inflows
- **New Zealand total net retail** inflows down to \$(108.5)m (2006 – \$(19.9)m) due to the closure of several legacy products as part of NZ taxation reform together with higher mezzanine and Spicers outflows. The latter has been affected by investor preference for cash term deposits with local rates of 8.25%, given financial market volatility and the collapse of local finance companies, exchange rate movements and a wait-and-see approach to the recently released taxation reforms
- **Individual life** new business up 7% to \$45.9m (2006 – \$42.7m), whilst **individual income protection** up 6% to \$20.1m (2006 – \$18.9m) following a number of product enhancements in July. **Group insurance** new business up 55% to \$17.8m (2006 – \$11.5m)
- **Funds under management, administration and advice** up 10% to \$93.62bn (31 December 2006 - \$85.42bn) and **funds under advice** up 17% to \$9.65bn (31 December 2006 - \$8.25bn)

## Hong Kong – key points

- **New individual life regular** premiums up 30% to HK\$1.13bn (2006 – HK\$0.87bn). The bias for investment style wealth management products, which are included in these figures, over financial protection has continued in Q3 given the extraordinary performance of the Hong Kong equity market and encouraging results from our new Citibank bancassurance agreement
- **New group retirement regular** premiums up 158% to HK\$283.0m (2006 – HK\$109.5m) driven by strong growth in regular premium business through the broker channel
- **Group risk** premiums up 23% to HK\$107.0m (2006 – HK\$87.0m) also driven by strong sales through brokers
- **Single premiums** up 18% to HK\$1.96bn. Excluding the contribution from Winterthur single premiums were HK\$1.52bn, down 9% compared to last year (2006 – HK\$1.66bn). This was due to lower sales through the broker channel. Sales through brokers have predominantly been in the form of regular premium retirement products this year
- **Total life** new business index<sup>1</sup> up 39% to HK\$1.71bn (2006 – HK\$1.23bn). Excluding Winterthur, total new business index was up 25% reflecting strong growth in individual unit linked regular premiums and group retirement sales
- **General insurance** premiums up 42% to HK\$101.4m (2006 – HK\$71.2m), benefiting from sales through ex MLC agents
- **Total** inforce regular premiums up 21% to HK\$11.53bn (2006 – HK\$9.54bn) and total premium income up 22% to HK\$9.82bn (2006 – HK\$8.07bn) both assisted by strong new business growth and the acquisition of Winterthur

## Asia (ex Hong Kong) – key points

- **Total new business index** up 84% to A\$248.9m (2006 – A\$135.1m) with the Philippines, China, Thailand and Indonesia making strong contributions. **Total premium income** up 89% to A\$1.12bn (2006 – A\$0.59bn)
- **South East Asia**
  - **Philippines** new business index up 126% due to continued strong growth in single premium investment linked products and improved agent productivity
  - **Indonesia** new business index up 73% due to strong growth in investment linked products through both agency and bancassurance channels. Declining bank deposit interest rates and a surging stock market has made the investment linked product relatively more attractive
  - **Thailand** new business index up 75% due to a continued increase in agent numbers driven by effective recruiting and sales support activities, as well as strong growth in the bancassurance channel
  - **Singapore** new business index up 20% due to continued growth in single premium investment linked sales.

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

## New Markets

- **China** new business index up 110% due to a buoyant investment market, launch of the new AXA Adviser channel and strong growth in agent numbers resulting from a strengthened recruitment program
- Sales results from our joint venture in **India** were encouraging, with our operations extending to 48 locations across the country and over 4,600 licensed advisers and agents

## Asia wealth management – key points

- **Total inflows** into ipac financial planning in Hong Kong and Singapore (“ipac Asia”) up 39% to A\$112.6m (2006 – A\$81.2m) due to a significant level of superannuation business from Australian clients taking advantage of the Australian superannuation changes during the second quarter of the year. Third quarter sales were slower following this activity
- ipac Asia’s **total funds under advice** up 59% to A\$309.5m (31 December 2006 – A\$195.0m)

## Australia and New Zealand

## Wealth management

(A\$ million)	Gross inflows (9 months ended)			Net inflows (9 months ended)		
	30 Sep 2007	30 Sep 2006	Change	30 Sep 2007	30 Sep 2006	Change
Superannuation <sup>1</sup>	3,545.8	2,619.4	35%	1,653.4	1,050.4	57%
Retirement income	456.4	381.7	20%	(215.8)	(139.2)	(55)%
Investment products <sup>1</sup>	4,222.8	2,849.3	48%	1,947.7	1,197.7	63%
<b>Total AXA retail inflows <sup>1</sup></b>	<b>8,225.0</b>	<b>5,850.4</b>	<b>41%</b>	<b>3,385.3</b>	<b>2,108.9</b>	<b>61%</b>
AllianceBernstein – retail mandates	2,787.1	1,897.4	47%	1,120.3	830.4	35%
AllianceBernstein – wholesale mandates	3,885.3	5,486.5	(29)%	839.3	1,748.9	(52)%
Other <sup>2</sup>	201.5	183.5	10%	(101.9)	(38.6)	(164)%
<b>Total A&amp;NZ inflows</b>	<b>15,098.9</b>	<b>13,417.9</b>	<b>13%</b>	<b>5,243.0</b>	<b>4,649.5</b>	<b>13%</b>
<i>Included in the above:</i>						
Platforms	3,828.9	2,790.1	37%	2,083.1	1,486.9	40%
Advice	1,204.5	1,170.1	3%	448.9	541.3	(17)%
<b>AXA retail inflows</b>						
Australia	7,621.2	5,337.6	43%	3,493.8	2,128.8	64%
New Zealand <sup>3</sup>	603.8	513.0	18%	(108.5)	(19.9)	<<
<b>Total AXA retail inflows</b>	<b>8,225.0</b>	<b>5,850.4</b>	<b>41%</b>	<b>3,385.3</b>	<b>2,108.9</b>	<b>61%</b>
<b>Total inflows</b>						
Australia	13,789.0	11,957.8	15%	5,837.3	4,653.6	25%
New Zealand <sup>3</sup>	1,309.9	1,460.2	(10)%	(594.3)	(4.0)	<<
<b>Total A&amp;NZ inflows</b>	<b>15,098.9</b>	<b>13,417.9</b>	<b>13%</b>	<b>5,243.0</b>	<b>4,649.5</b>	<b>13%</b>

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

(2) Cash management trusts and AFM wholesale flows

(3) Translated at average exchange rates for the nine months to 30 September 2007 of A\$/NZ\$=1.1315 and for 2006 of A\$/NZ\$ = 1.1692

## Funds under management, administration and advice

As at (A\$ billion)	30 Sep 2007	31 Dec 2006	Change	30 Sep 2006	Change
Funds under management, administration and advice	93.62 <sup>1</sup>	85.42	10%	80.42	16%
Funds under advice	9.65 <sup>2</sup>	8.25	17%	7.79	24%

(1) Comprising \$84.34bn in Australia and \$9.28bn in New Zealand (\$75.46bn and \$9.96bn respectively at 31 December 2006)

(2) Comprising \$8.38bn in Australia and \$1.27bn in New Zealand (\$6.88bn and \$1.37 respectively at 31 December 2006)

## Financial protection

(A\$ million)	New business (9 months ended) <sup>1</sup>			Inforce (as at)		
	30 Sep 2007	30 Sep 2006	Change	30 Sep 2007	30 Sep 2006	Change
Individual life	45.9	42.7	7%	311.2	291.2	7%
Individual income protection	20.1	18.9	6%	204.5	201.2	2%
<b>Total individual financial protection</b>	<b>66.0</b>	<b>61.6</b>	<b>7%</b>	<b>515.7</b>	<b>492.4</b>	<b>5%</b>
Group insurance	17.8	11.5	55%	136.9	133.9	2%
Long term risk	1.9	2.0	(5)%	76.5	82.9	(8)%
<b>Total financial protection</b>	<b>85.7</b>	<b>75.1</b>	<b>14%</b>	<b>729.1</b>	<b>709.2</b>	<b>3%</b>
Single premiums	21.3	23.8	(11)%			
<b>Individual financial protection</b>						
Australia	55.0	51.5	7%	431.6	412.3	5%
New Zealand <sup>2</sup>	11.0	10.1	9%	84.1	80.1	5%
<b>Total individual financial protection</b>	<b>66.0</b>	<b>61.6</b>	<b>7%</b>	<b>515.7</b>	<b>492.4</b>	<b>5%</b>
<b>Total financial protection</b>						
Australia	70.4	60.2	17%	586.7	567.0	3%
New Zealand <sup>2</sup>	15.3	14.9	3%	142.4	142.2	0%
<b>Total financial protection</b>	<b>85.7</b>	<b>75.1</b>	<b>14%</b>	<b>729.1</b>	<b>709.2</b>	<b>3%</b>

(1) New regular premiums

(2) New business translated at average exchange rates for the nine months ended 30 September 2007 of A\$/NZ\$=1.1315 and for 2006 of A\$/NZ\$=1.1692, with inforce translated at exchange rates at 30 September 2007 of A\$/NZ\$=1.1648 and 2006 of A\$/NZ\$=1.1437

## Hong Kong

(HK\$ million)	New business (9 months ended)		
	30 Sep 2007	30 Sep 2006	Change
<b>New regular premiums</b>			
Individual life – non-linked	550.1	617.5	(11)%
Individual life – unit linked <sup>1</sup>	577.4	252.2	129%
<b>Total individual life</b>	<b>1,127.5</b>	<b>869.7</b>	<b>30%</b>
Group retirement – incl MPF	283.0	109.5	158%
Group risk	107.0	87.0	23%
<b>Total new regular premiums</b>	<b>1,517.5</b>	<b>1,066.2</b>	<b>42%</b>
<b>Single premiums</b>			
Individual life – incl unit linked	1,035.4	693.5	49%
Group retirement and investment products <sup>2</sup>	925.7	970.2	(5)%
<b>Total single premiums</b>	<b>1,961.1</b>	<b>1,663.7</b>	<b>18%</b>
<b>Total life new business index (“NBI”) <sup>3,4</sup></b>	<b>1,713.6</b>	<b>1,232.6</b>	<b>39%</b>
General insurance (P&C) <sup>5</sup>	101.4	71.2	42%

(1) Includes investment regular premium business (including Signature Saver)  
(2) 2006 included HK\$548m non-recurring wholesale unit trust contributions through bank distribution agreements  
(3) New regular premiums + 10% of single premiums  
(4) Includes HK\$186.8m from Winterthur (HK\$142.6m regular premiums and HK\$442.5m single premiums)  
(5) Total premium income

(HK\$ million)	Inforce regular premiums (as at)		
	30 Sep 2007	30 Sep 2006	Change
Individual life – non-linked	6,990.8	6,626.7	6%
Individual life – unit linked	2,522.9	909.5	177%
<b>Total individual life</b>	<b>9,513.7</b>	<b>7,536.2</b>	<b>26%</b>
Group retirement – incl MPF	1,432.2	1,458.7	(2)%
Group risk	579.2	543.0	7%
<b>Total inforce <sup>1</sup></b>	<b>11,525.1</b>	<b>9,537.9</b>	<b>21%</b>

(1) Includes inforce of HK\$1,264.3m from Winterthur

**Total premium income  
(9 months ended)**

(HK\$ million)	30 Sep 2007	30 Sep 2006	Change
Individual life – non-linked	5,162.4	4,541.6	14%
Individual life – unit linked	2,164.7	1,145.3	89%
<b>Total individual life</b>	<b>7,327.1</b>	<b>5,686.9</b>	<b>29%</b>
Group retirement	1,932.0	1,927.2	0%
Group risk	464.2	386.9	20%
General insurance (P&C)	101.4	71.2	43%
<b>Total premium income<sup>1</sup></b>	<b>9,824.7</b>	<b>8,072.2</b>	<b>22%</b>

(1) Includes premium income of HK\$950.4m from Winterthur

Total funds under management and administration at 30 September 2007 up 30% to HK\$74.94bn<sup>2</sup> (31 December 2006 – HK\$57.70bn).

### Asia (ex Hong Kong)

	New business index <sup>1</sup> (9 months ended)			Total premium income (9 months ended)		
	30 Sep 2007	30 Sep 2006	Change	30 Sep 2007	30 Sep 2006	Change
<b>South East Asia</b>						
Philippines (Peso m)	1,734.4	767.3	126%	13,750.3	5,548.8	148%
Indonesia (Rupiah bn)	592.0	341.4	73%	1,949.6	796.2	145%
Thailand (Baht m)	1,888.5	1,080.5	75%	3,973.9	2,556.4	55%
Singapore (Sing\$ m)	34.5	28.7	20%	294.6	246.6	19%
<b>New Markets</b>						
China (Rmb m)	114.7	54.6	110%	725.4	357.2	103%
India (Rupee m) <sup>2</sup>	409.4	10.9	>>	252.6	9.4	>>
Malaysia (Ringgit m) <sup>3</sup>	3.7	-	n/a	22.0	-	n/a
<b>Total (A\$ m)<sup>4</sup></b>	<b>248.9</b>	<b>135.1</b>	<b>84%</b>	<b>1,119.4</b>	<b>592.9</b>	<b>89%</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 nine months ended 30 September 2007 of A\$/Peso = 38.75; A\$/Rupiah = 7,518.80; A\$/Baht = 28.41; A\$/Sing\$ = 1.25; A\$/Rmb = 6.31; A\$/Rupee = 34.41; A\$/Ringgit = 2.85. Figures represent 100% share of the businesses

Total funds under management and administration at 30 September 2007 up 27% to A\$3.53bn (31 December 2006 – A\$2.79bn).

<sup>2</sup> Includes funds under management and administration of HK\$9.1bn from Winterthur

## Asia wealth management

	Gross inflows (9 months ended)			Funds under advice (as at)		
	30 Sep 2007	30 Sep 2006	Change	30 Sep 2007	31 Dec 2006	Change
<b>ipac financial planning</b>						
Hong Kong (HK\$ m)	494.6	299.0	65%	1,341.2	789.2	70%
Singapore (Sing\$ m)	44.7	43.4	3%	148.4	104.2	42%
<b>Total (A\$ m)<sup>1</sup></b>	<b>112.6</b>	<b>81.2</b>	<b>39%</b>	<b>309.5</b>	<b>195.0</b>	<b>59%</b>

(1) On a constant currency basis, with gross inflows translated at average exchange rates for the nine months ended 30 September 2007 of A\$/HK\$ = 6.43; A\$/Sing\$ = 1.25 and funds under advice translated at 30 September 2007 closing exchange rates of A\$/HK\$ = 6.84; A\$/Sing\$ = 1.31

## New business index – other Asian operations

(A\$ million)	(9 months ended)		
	30 Sep 2007	30 Sep 2006	Change
Asia (ex Hong Kong)	248.9	135.1	84%
Asia wealth management <sup>1</sup>	11.3	8.1	39%
<b>Total (A\$ m)</b>	<b>260.2</b>	<b>143.2</b>	<b>82%</b>

(1) 10% of gross inflows