



AXA Asia Pacific Holdings Limited
Results for the 6 months ended 30 June 2003

Les Owen, Group Chief Executive
Andrew Penn, Chief Finance Officer



26 August 2003

C Today's agenda

- Overview Les Owen
- Half year results Andrew Penn
- Review of activities Les Owen



AXA Asia Pacific Group Highlights

- Profit after tax before non-recurring items up 114% to \$287m (6 months to 30 June 2002 - \$134m)
- Operating earnings (ex Health) \$137m (2002 - \$137m)
 - Australia & NZ \$66m, up 5% (2002 - \$63m)
 - Hong Kong \$69m, down 7% (2002 - \$74m)
 - local currency HK\$335m up 7% (2002 - HK\$312m)
- Investment earnings \$188m, up 596% (2002 - \$27m)
 - Hong Kong \$173m (2002 - \$1m)
 - Australia & NZ \$15m (2002 - \$26m)
- Group funds under management and administration \$48.7b at 30 June 2003
- Financial strength improved and capital position strong



Australia and New Zealand Highlights

- 5% increase in operating earnings (excluding Health) to \$66m (2002 - \$63m)
- Recurring management expenses \$168m, an improvement of 6% (2002 - \$178m)
- Non recurring profits of \$368m largely resulting from the sale of AXA Health and 50% interest in Members Equity
- Net retail funds flow up 32% to \$903m (2002 - \$682m), despite difficult market conditions
- Funds under management and administration up 2% to \$41.8b (31 December 2002 - \$41.0b)
- Funds under advice up 9% to \$3.5b (31 December 2002 - \$3.2b)
- Achieved top 5 ranking for net retail fund flows, and top 5 in master trust and portfolio administration market



Hong Kong Highlights

- Sales up 9% to HK\$480m (2002 - HK\$442m) despite SARS impact; value of new business up 11%
- Recurring management expenses HK\$155m, down 14% (2002 - HK\$180m)
- Funds under management up 12% to HK\$36.4b (31 December 2002 - HK\$32.6b)
- Investment margin in excess of required 1% spread due to a combination of growth in equity markets, a fall in bond yields, and a contraction in US corporate bond spreads
- Distribution channels broadened
- Overall persistency further improved



China & South East Asia Highlights

- Licence authorisation granted by CIRC to open AXA-Minmetals' second China branch operation in Guangzhou - preparations to commence business are well advanced
- New bancassurance joint venture with Bank Mandiri (Indonesia's largest bank) announced in January 2003
- Successfully launched investment linked products in Indonesia and the Philippines
- Value of new business in China and South East Asia up 13% (constant currency basis)
- Singapore operations restructured
- ipac business model launched in Singapore and Hong Kong





AXA Asia Pacific Holdings Limited
Results for the 6 months ended 30 June 2003

Andrew Penn, Chief Finance Officer



AXA Asia Pacific Group

Profit & loss analysis

(A\$ million) Six months to	30 June 2003	30 June 2002	Increase
Australia & New Zealand (ex Health)	66	63	5%
Hong Kong and Singapore	71	74	(4)%
Operating earnings (ex Health)	137	137	0%
Health	10	26	(62)%
Operating earnings	147	163	(10)%
Investment earnings	188	27	596%
Corporate expenses	(21)	(19)	(11)%
Interest expense	(27)	(37)	27%
Profit after tax and before non-recurring items	287	134	114%
Non-recurring items	368	0	>>
Profit after tax and non-recurring items	655	134	389%



AXA Asia Pacific Group

Earnings per share and return on equity

	30 June 2003	30 June 2002
Earnings per share (cents) ¹	16.5	7.6
Return on equity ²	14.3%	9.2%

¹ EPS excludes non-recurring items and is for the 6 months to 30 June

² ROE calculated as profit after tax and before non-recurring items for the 12 months to 30 June as a percentage of average shareholders' equity

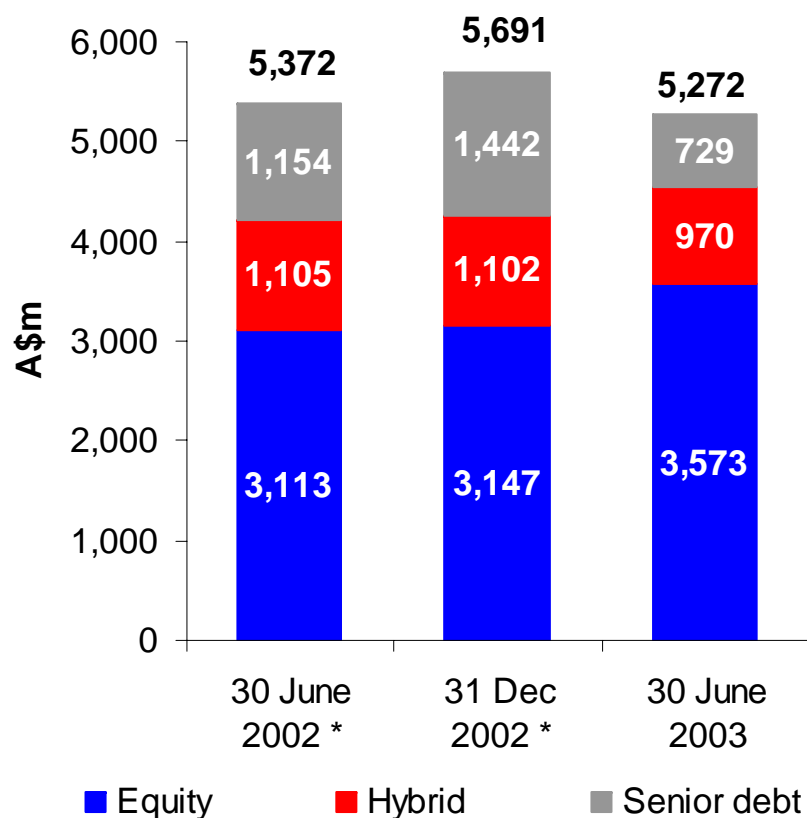
Dividend

	Interim Dividend	Franking	Final Dividend	Franking	Total Dividend
2002	4.75c	60%	5.0c	60%	9.75c
2003	4.75c	60%			



AXA Asia Pacific Group

Capital structure (excluding outside equity interests)



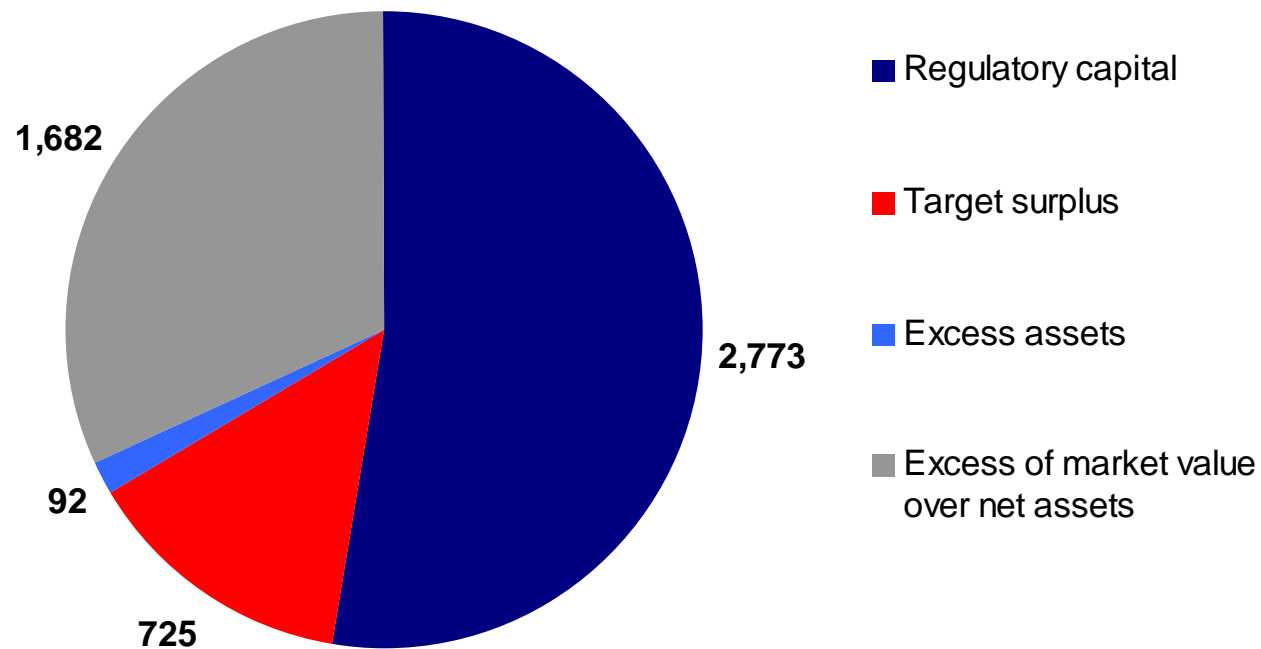
Gearing ratios	30 June 2003	31 Dec 2002 *	30 June 2002 *
Debt/capital resources	14%	25%	21%
(Debt+hybrid)/capital resources	32%	45%	42%
Debt/(equity+hybrid)	16%	34%	27%
(Debt+hybrid)/equity	48%	81%	73%
Financial strength rating (rating by S&P / Fitch)	AA-/AA		

* Restated to incorporate change to accounting policy per AASB 1044



AXA Asia Pacific Group Capital usage at 30 June 2003

Total capital \$5,272 million (excluding outside equity interests)



AXA Asia Pacific Group

Illustrative value

Range	30 June 2003		31 Dec 2002	
	Low	High	Low	High
Enterprise Value	\$4.7b	\$5.1b	\$4.9b	\$5.3b
Enterprise Value per share	\$2.69	\$2.94	\$2.80	\$3.07

- Reduction reflects effect of appreciation of Australian Dollar on value of AXA Hong Kong



C Australia and New Zealand

Profit after tax and before non-recurring items

(A\$ million) Six months to	30 June 2003	30 June 2002	Increase
Wealth Management	43	38	13%
Financial Protection	23	25	(8)%
Operating earnings (excluding Health)	66	63	5%
Health	10	26	(62)%
Operating earnings (including Health)	76	89	(15)%
Investment earnings	15	26	(42)%
Profit after tax before non-recurring items	91	115	(21)%



C Australia and New Zealand Operating earnings - Wealth Management

(A\$ million) Six months to	30 June 2003	30 June 2002	Increase
Personal & business superannuation	19	24	(21)%
Ordinary savings	4	7	(43)%
Retirement income	8	3	167%
Investment businesses	0	(3)	100%
Portfolio administration services	2	3	(33)%
Advice	10	4	150%
Operating earnings	43	38	13%



C Australia and New Zealand Operating earnings - Financial Protection

(A\$ million) Six months to	30 June 2003	30 June 2002	Increase
Income protection	3	6	(50)%
Individual term & trauma	12	12	0%
Group insurance	0	(1)	100%
Long term life	8	8	0%
Operating earnings	23	25	(8)%



Australia and New Zealand Investment Earnings

(A\$ million) Six months to	30 June 2003	YTD return	30 June 2002
Equities	4	2%	(18)
Fixed interest	13	3%	11
Property	1	2%	1
Cash	5	2%	7
Portfolio assets	23	2%	1
Other assets	1	n/a	6
Foreign currency translation of assets in NZ	(9)	n/a	19
Total	15	n/a	26



Australia and New Zealand

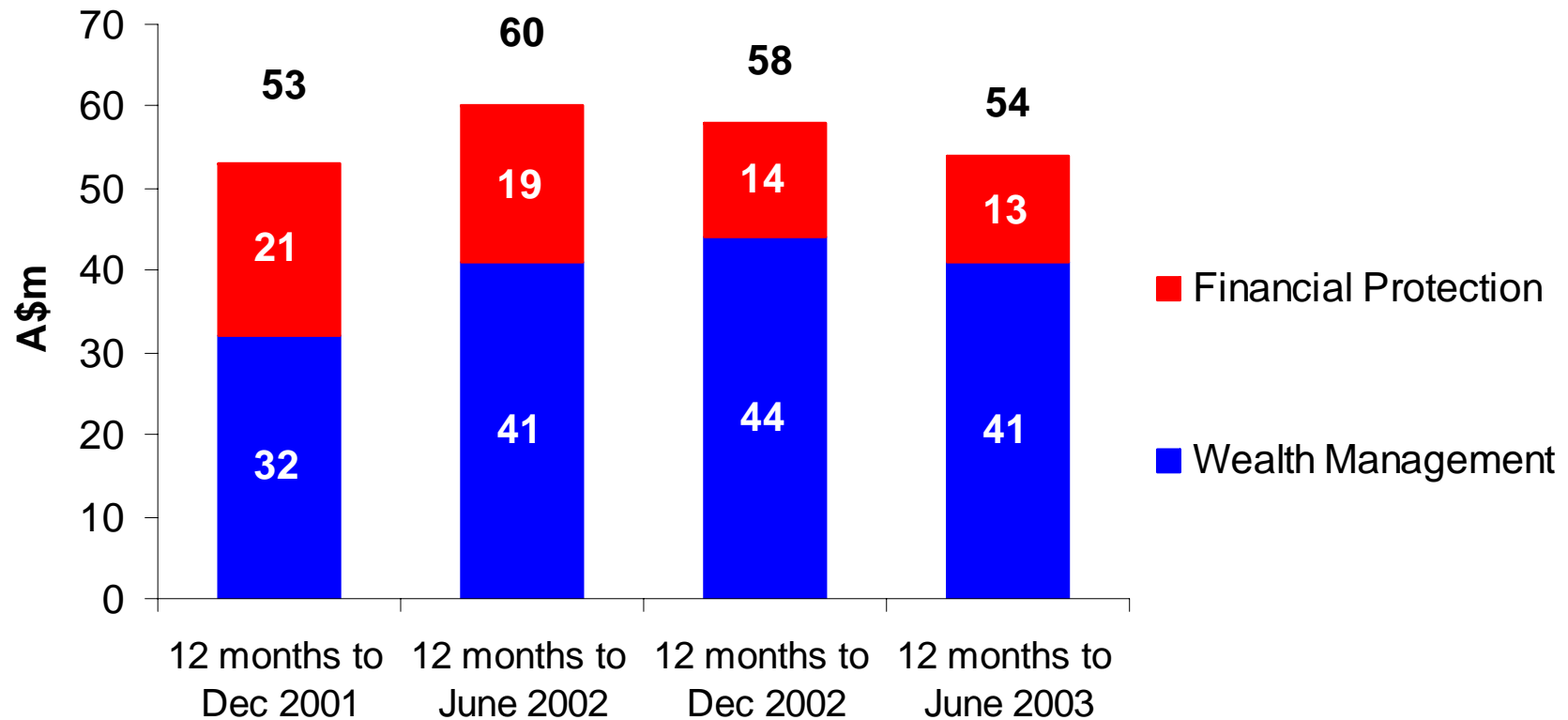
New business / gross inflows

(A\$ million) Six months to New annual premium	30 June 2003	30 June 2002	Increase
Long term life	1	1	(11)%
Income protection	9	10	(10)%
Individual term & trauma	16	15	7%
Group insurance	13	7	78%
Financial Protection – New Zealand	9	8	8%
Total	47	41	15%
Single premium	14	13	8%
Gross inflows			
Superannuation & retirement income	767	703	9%
Investments	1,003	390	157%
Portfolio administration services ¹	427	604	(29)%
Alliance Capital sourced inflows	1,838	1,600	15%
New Zealand	237	268	(12)%
Total	4,272	3,565	20%

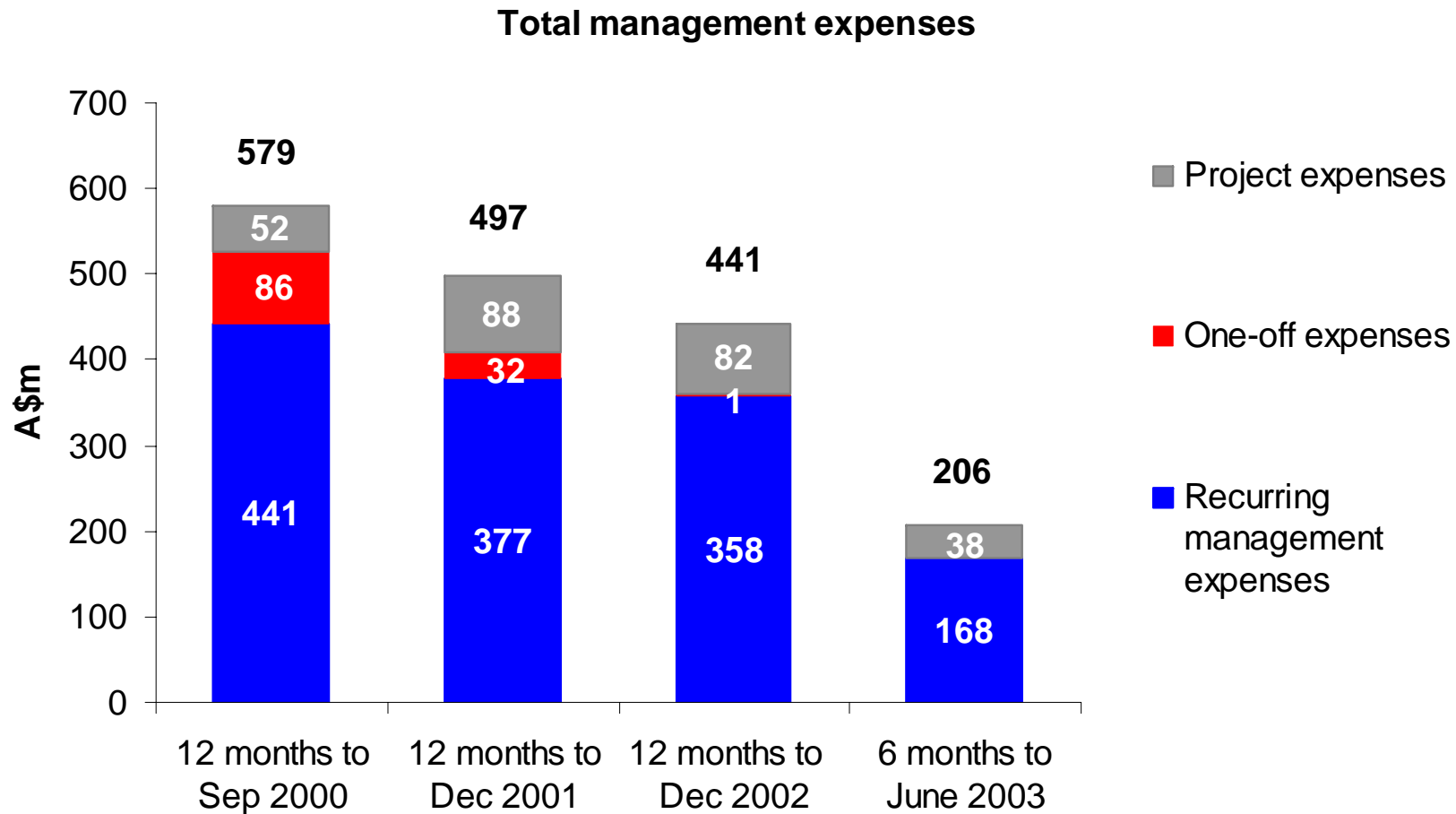
¹ Excludes Symetry



Australia and New Zealand Value of new business



Australia and New Zealand Total management expenses



Total management expenses excludes commission and related expenses



C Hong Kong

Profit after tax and before non-recurring items

(HK\$ million)	30 June	30 June	
Six months to	2003	2002	Increase
Operating earnings	335	312	7%
Investment earnings	839	9	>>
Profit after tax	1,174	321	266%

(A\$ million)	30 June	30 June	
Six months to	2003	2002	Increase
Operating earnings	69	74	(7)%
Investment earnings	173	1	>>
Profit after tax	242	75	223%



C Hong Kong Investment Earnings

(HK\$ million) Six months to	30 June 2003	6 month return %	30 June 2002
Equities	306	9%	(166)
Fixed interest	529	7%	172
Property & loans	(1)	0%	(8)
Cash	5	1%	11
Total	839	7%	9



Hong Kong Investment margin on policyholder assets

- Margin on policyholder assets for 6 month period exceeded 1% annual margin target

Earning rates for assets supporting policy liabilities	%
Investment interest income	2.1
Gains on fixed interest portfolio	3.3*
Gains on equities	2.5
Total	7.9
Interest credited to policyholders	(2.4)
Investment margin	5.5
Investment margin (ex fixed interest gains)	2.2

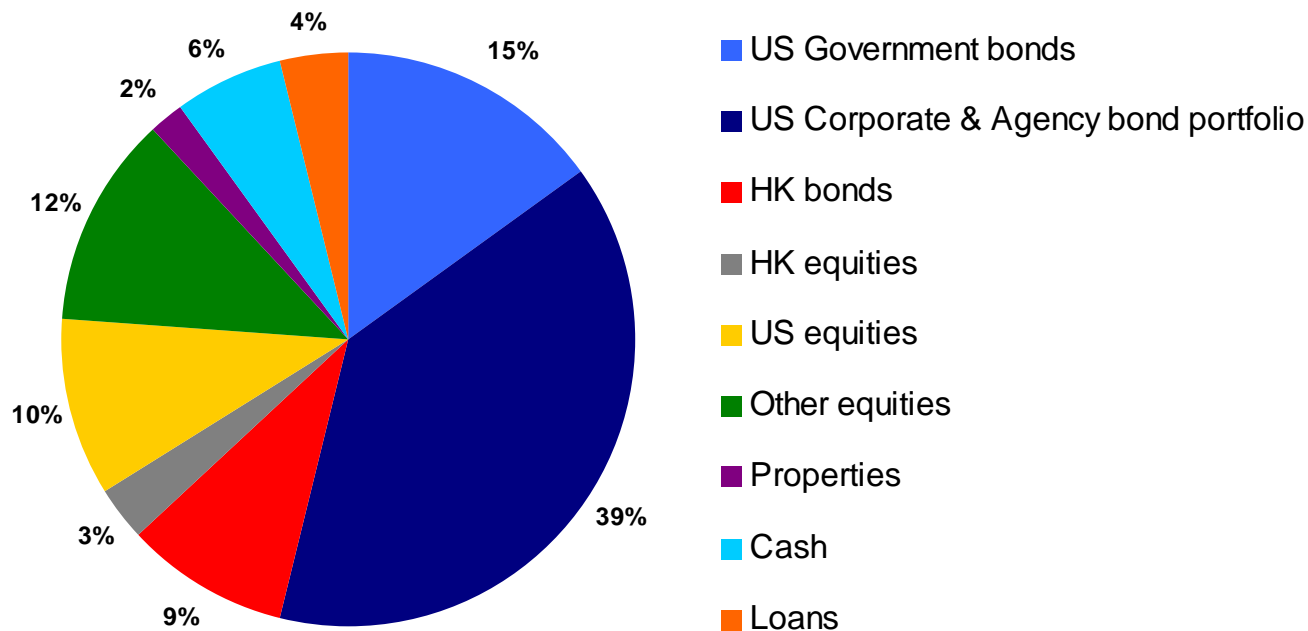
* Approximately 1.3% due to yield decrease and 2% due to contraction in corporate spread

- Investment spread driven by strong equity markets, fall in bond yields and contraction in corporate spread
- Crediting rates reduced by a further 25 basis points from August 2003



Hong Kong Investment portfolio mix

75% of our US bond portfolio is rated A or higher and no junk bond exposure



	Rating	Proportion
Gvt & agency	AAA	34%
Corporate	AAA	3%
	AA	8%
	A	30%
	BBB	25%
Average / total	A	100%



Hong Kong New business

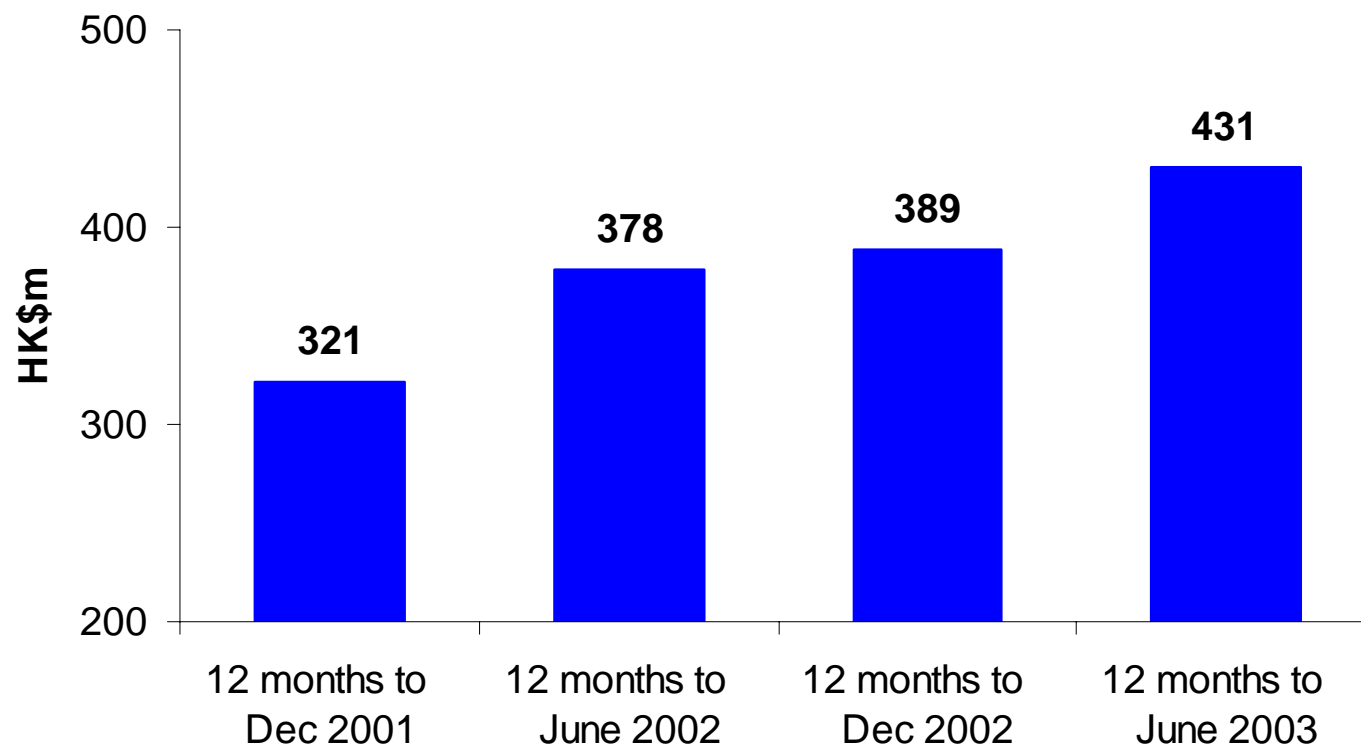
(HK\$ million) Six months to	30 June 2003	30 June 2002	Increase
Regular Premium			
Individual life (non-linked)	250	220	14%
Individual life (unit linked)	100	65	54%
Total individual life	350	285	23%
Group retirement (incl MPF)	24	11	121%
Group risk	23	54	(57%)
Total	397	349	14%
Single Premium			
Individual Life (incl unit linked)	14	220	(94)%
Group retirement	222	107	107%
Total	236	327	(28)%
Total (Regular Premium + 10% Single Premium) excluding general insurance	421	382	10%
General insurance (P&C) ¹	59	60	(2)%
Total (Regular Premium + 10% Single Premium) including general insurance	480	442	9%

¹ Total premium



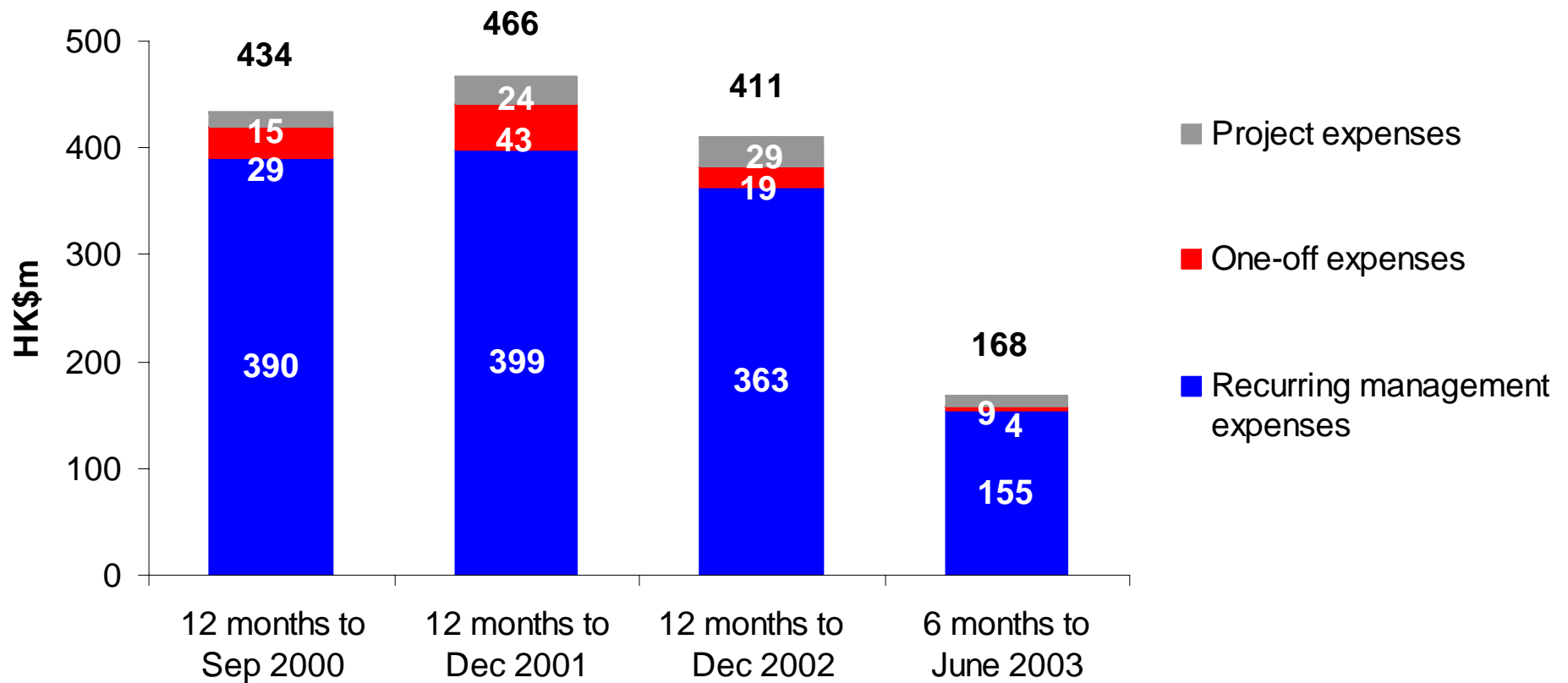
Hong Kong Value of new business

Value of new business up 11% to HK\$431m



Hong Kong Total management expenses

Total management expenses



Total management expenses excludes commission and related expenses



China & South East Asia

New business

In millions Six months to	30 June 2003	30 June 2002	Increase
China (RMB)	15	13	15%
Singapore (Sing\$)	7	11	(38)%
The Philippines (Peso)	294	357	(18)%
Thailand (Baht)	243	172	41%
Indonesia (Rupiah)	23,880	27,611	(14)%

- Increased focus towards investment linked product sales and closed lower margin par products
- Although volumes were impacted, value of new business for the 12 months ended 30 June 2003 for the region is up 13% (at constant currency) compared to the 12 months ended 31 December 2002





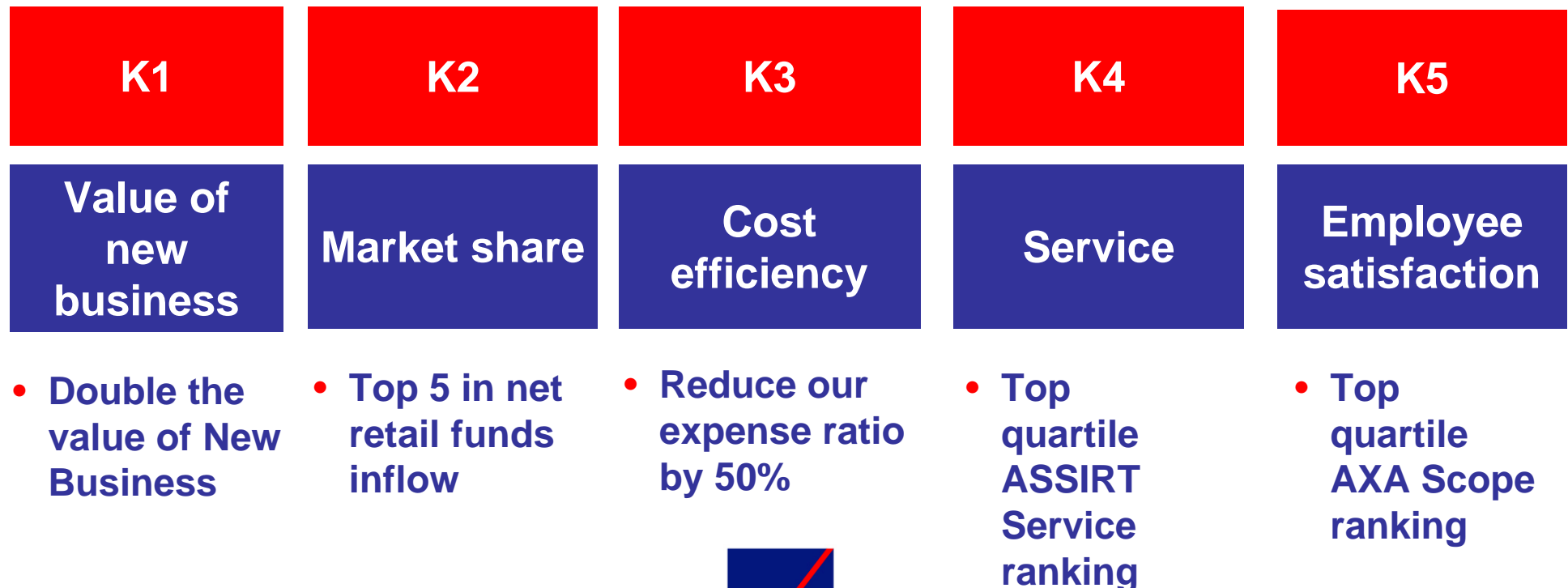
AXA Asia Pacific Holdings Limited
Review of activities

Les Owen, Group Chief Executive



Australia and New Zealand K5 transformation programme

By end 2003, we aspire to be in the top 20 of the largest 100 Australian & NZ companies as measured by total shareholder return



Australia and New Zealand Strategic imperatives

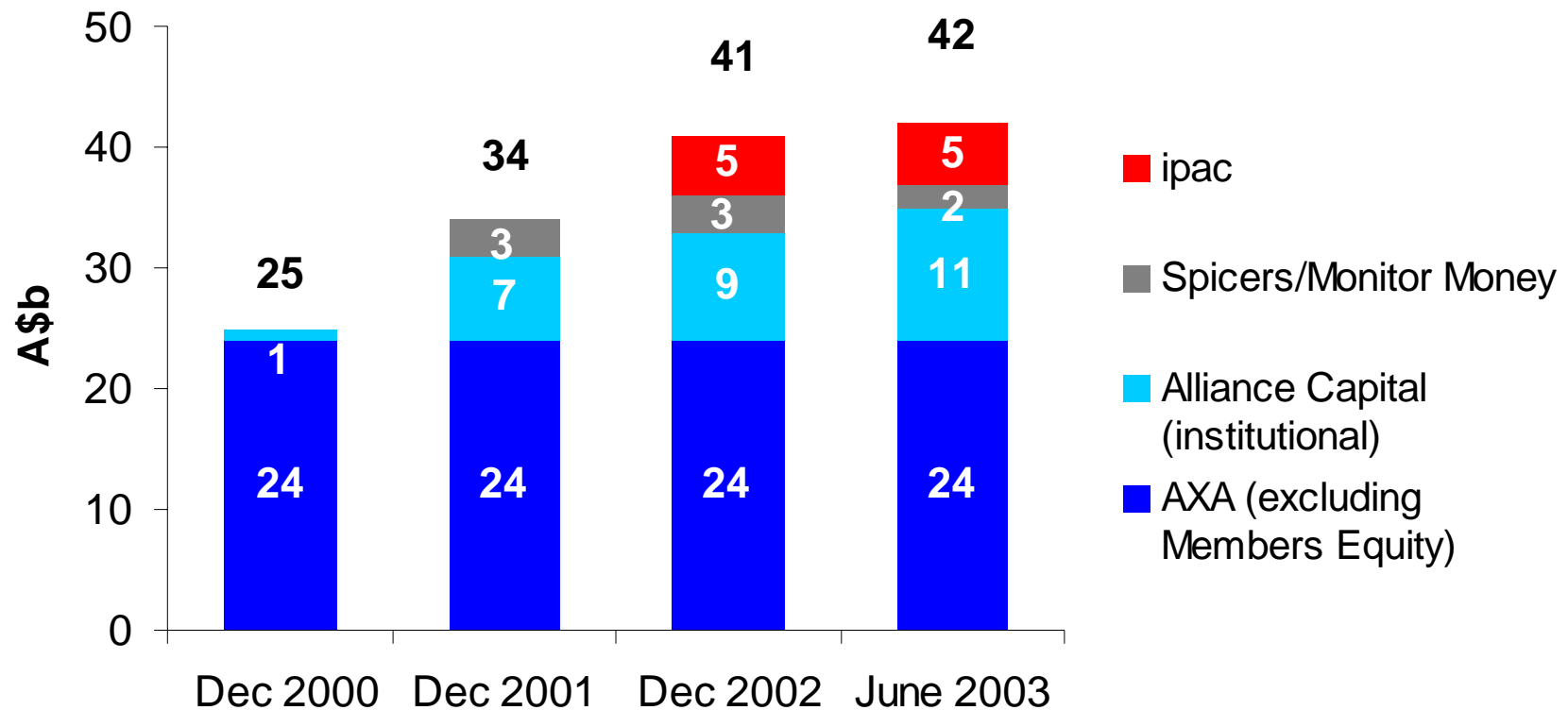
- Grow our share of retail investments and superannuation
- Improve retention of funds under management
- Increase size and productivity of aligned advisers
- Increase penetration of non aligned advisers
- Return our income protection portfolio to profitability
- Improve operational efficiency and reduce expense ratios
- Improve the organisational capability through people



Australia and New Zealand

Grow our share of retail investments and superannuation

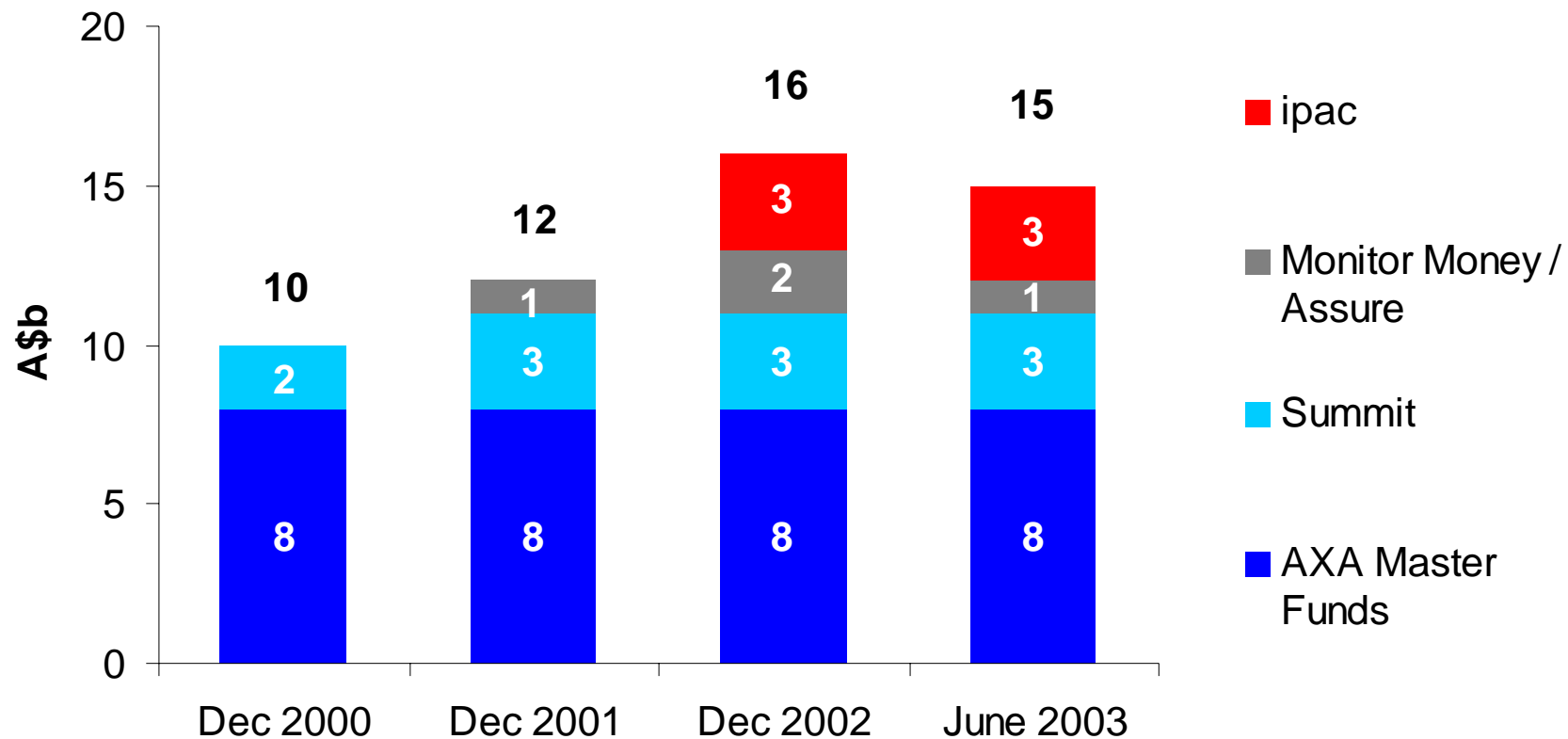
Funds under management and administration



Australia and New Zealand

Grow our share of retail investments and superannuation

Master trusts, platforms and wraps - Australia
Funds under administration

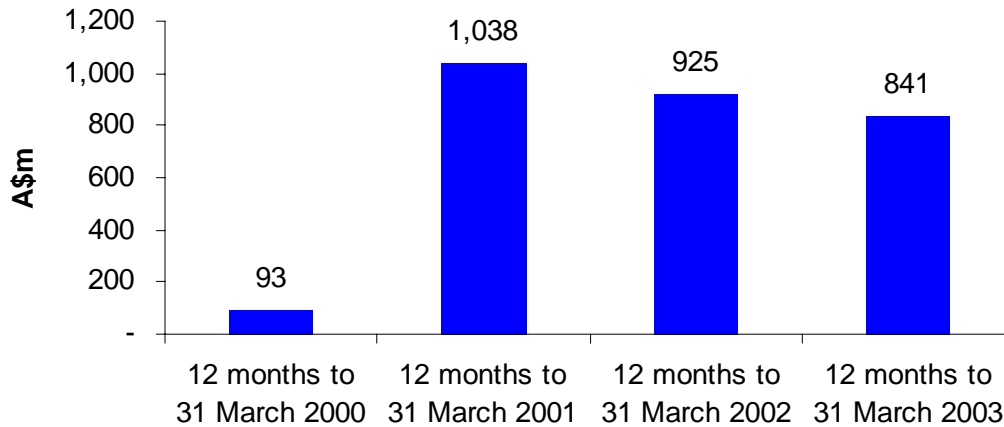


Australia and New Zealand

Grow our share of retail investments and superannuation

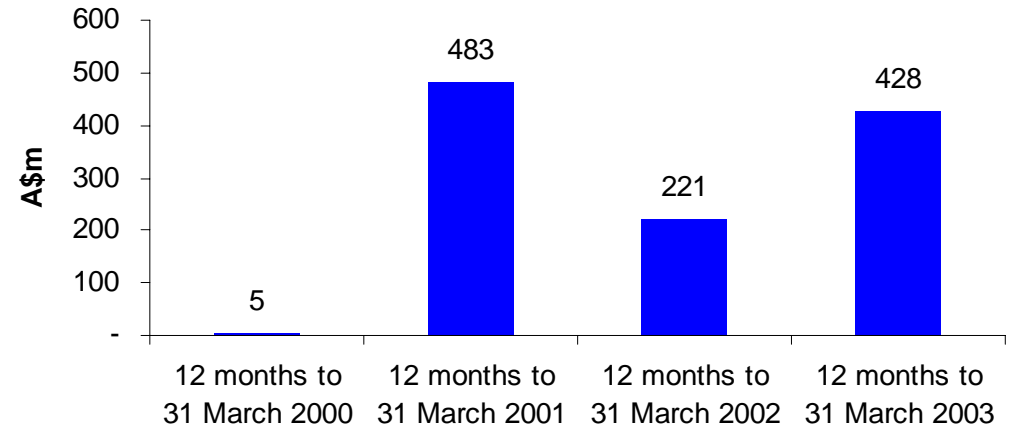
- Significant improvement in retail funds flow market share ranking

Plan for Life - AXA Australia net retail funds flow



Rank	18	9	10	5
Share of market net flow	0.5%	3.8%	3.6%	7.4%

ASSIRT - AXA Australia net retail funds flow



Rank	42	11	18	7
Share of market net flow	0.0%	2.5%	1.3%	4.6%

Plan for Life historical data have been amended: Assure and ipac have been taken out of AXA flows for periods prior to 1 October 2002 and 1 January 2002 respectively

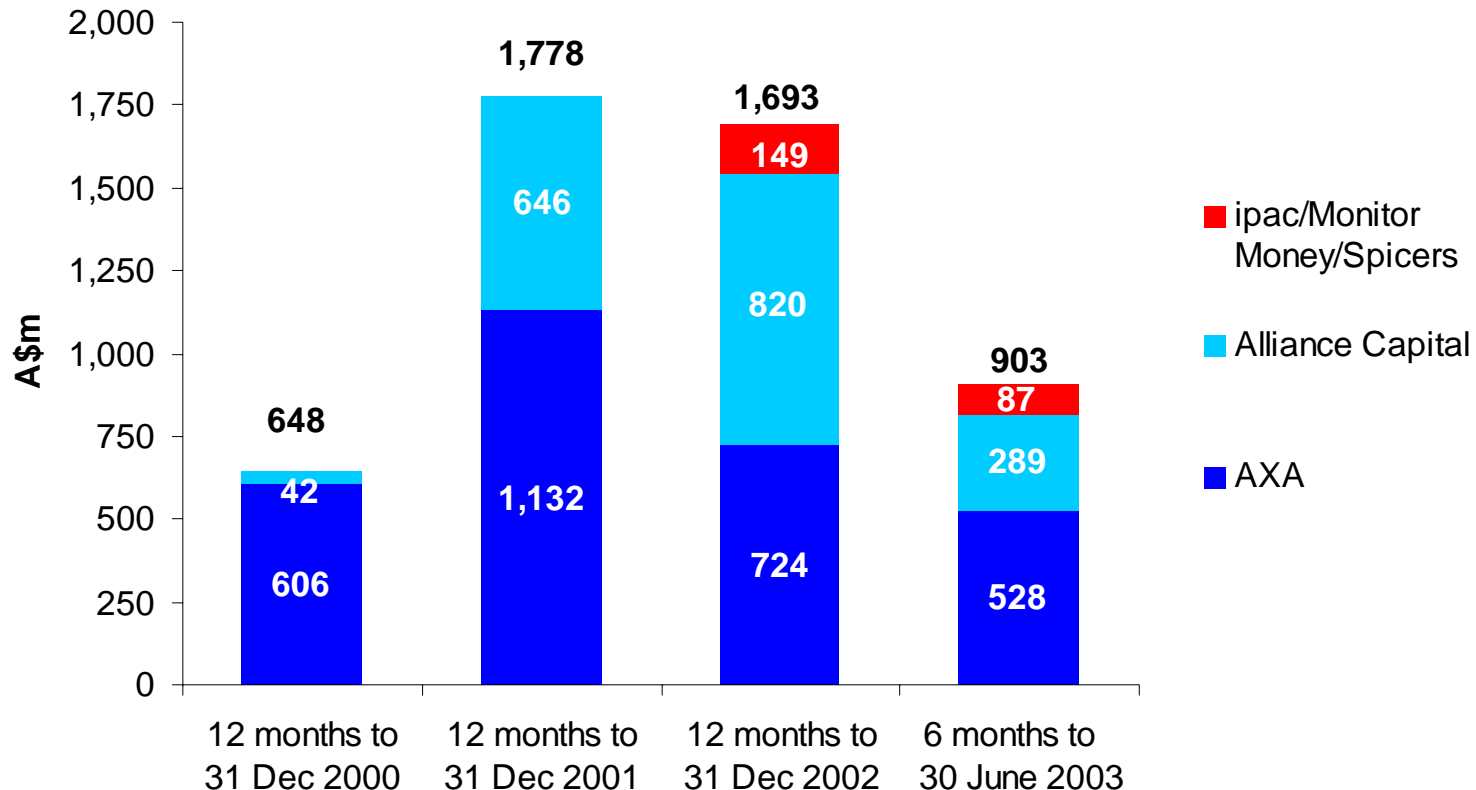


ASSIRT data excludes PAS (SUMMIT, Assure & iselect)

Australia and New Zealand

Grow our share of retail investments and superannuation

Net retail funds flow (excluding Symetry*)



* Net inflow of \$219m and outflow of \$196m in relation to Symetry have been excluded from the 12 months ended 31 December 2002 and from the 6 months ended 30 June 2003 respectively



C Australia and New Zealand

Improve retention of funds under management

Product group (\$ million)	Retained in alternative product	Retained in existing product	Total by product
Super & Retirement Income	71	84	155
Investments	0	10	10
Summit	6	0	6
Financial Protection	0	6	6
Total CRM	77	100	177

- Focus on Super and Retirement income. FUM outflows have declined by 11% in the six months to June 2003 vs 2002
- \$177m saved at half year 2003, three fold increase over same period last year. Total for 2002 \$190m. Target for 2003 \$400m



C Australia ipac integration effectively complete

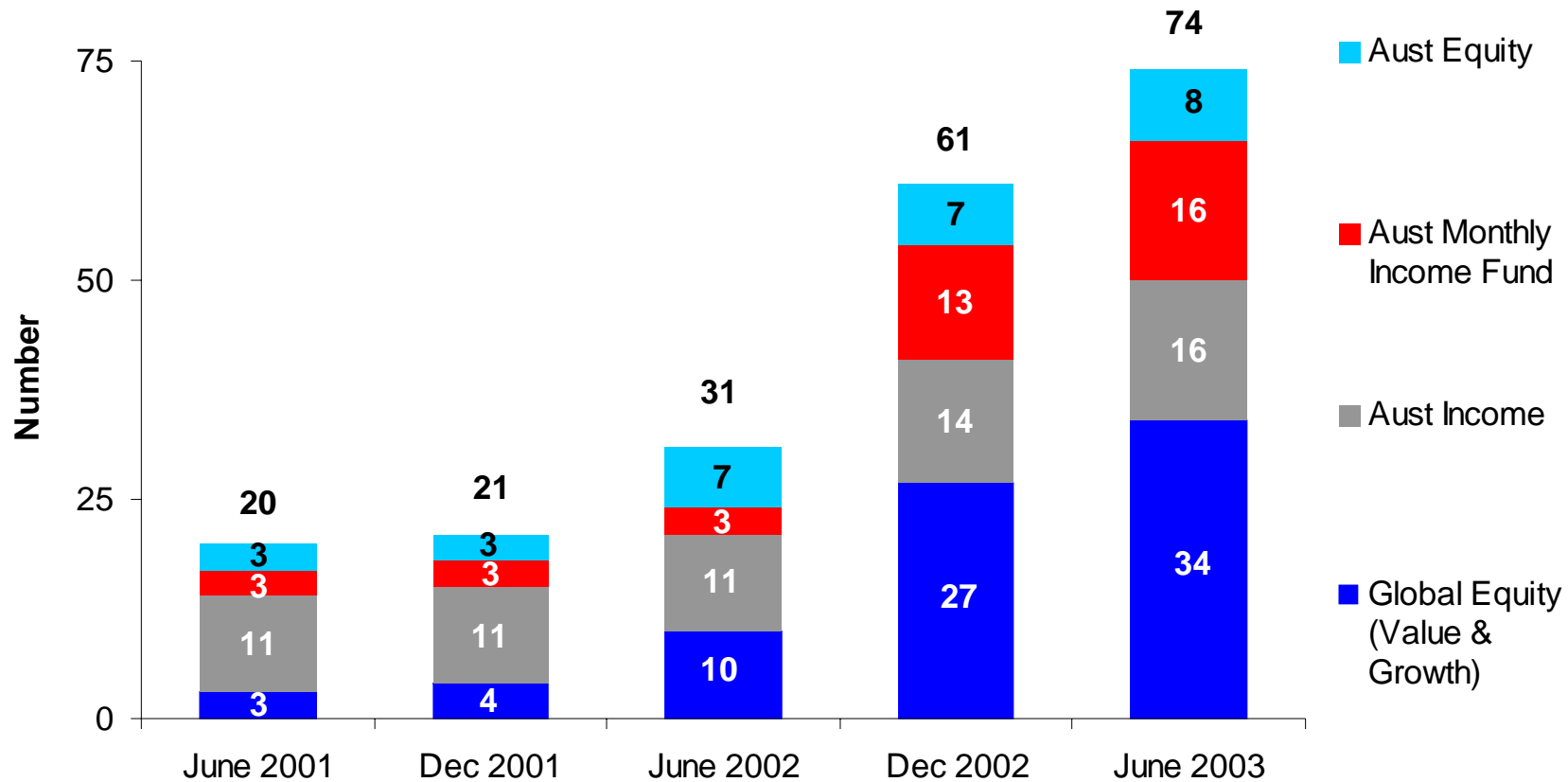
- Purchase price equivalent to 13-17 times expected 2003 profit after tax
- Market growth in 2003 likely to deliver lower than anticipated revenues
- Despite the market, profit after tax still expected to be consistent with a P/E multiple within the targeted range due to
 - stringent cost controls
 - synergies from ipac's multi-manager capability
- Cost savings of \$10m in 2003. Annualised savings in 2004 of \$15m - significantly greater than the level assumed at acquisition



Australia

Increase penetration of non aligned advisers

AXA product entries in the Top 10 master trust* product lists (ex Summit)



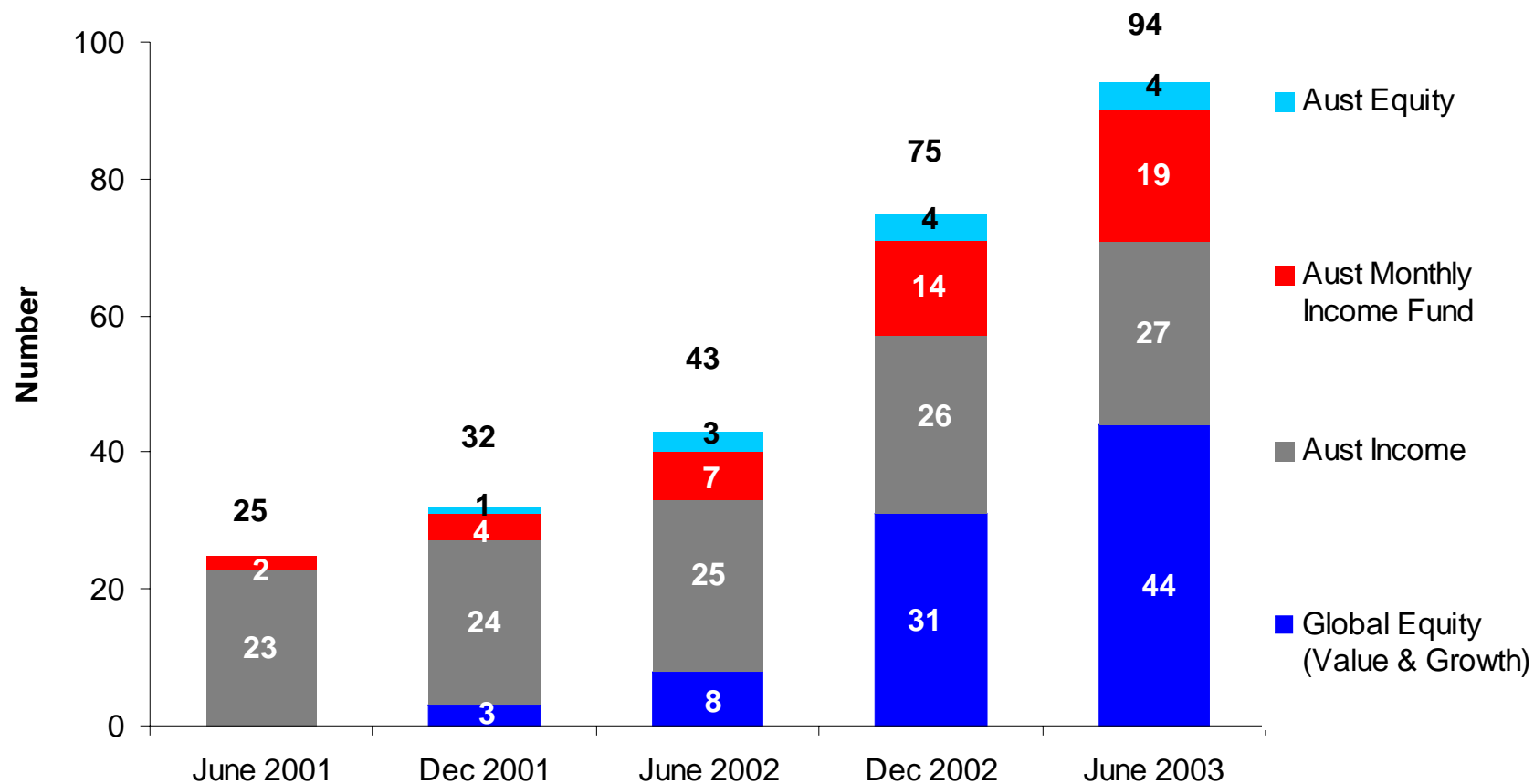
* Top 10 master trusts excluding Summit as at 30 June 2003. For each period, penetration is tracked against these top 10 master trusts. Therefore historical penetration in this chart differs from previously reported penetration due to changes in the top 10



Australia

Increase penetration of non aligned advisers

AXA product entries in the Top 50 dealer group* product lists (ex AXA)



* Top 50 dealer groups based on top 54 as per Rainmaker information, less AXA dealer groups (AXA Financial Planning, Charter, Altus and ipac) as at 30 June 2003. For each period, penetration is tracked against these top 50 dealer groups. Therefore historical penetration in this chart differs from previously reported penetration due to changes in top 50



Australia

Increase penetration of non aligned advisers

- Improvements to our product range combined with the joint venture with Alliance Capital/Bernstein broadening our access to the non aligned market
- Sales for single premium investment products up with strong increase in sales of unit trusts

A\$ million	June	June	
Six months to	2003	2002	Increase
Mezzanine Unit Trusts	191	78	145%
Retail Unit Trusts	73	36	103%
Retirement Income	202	150	35%
Personal Super	32	26	23%

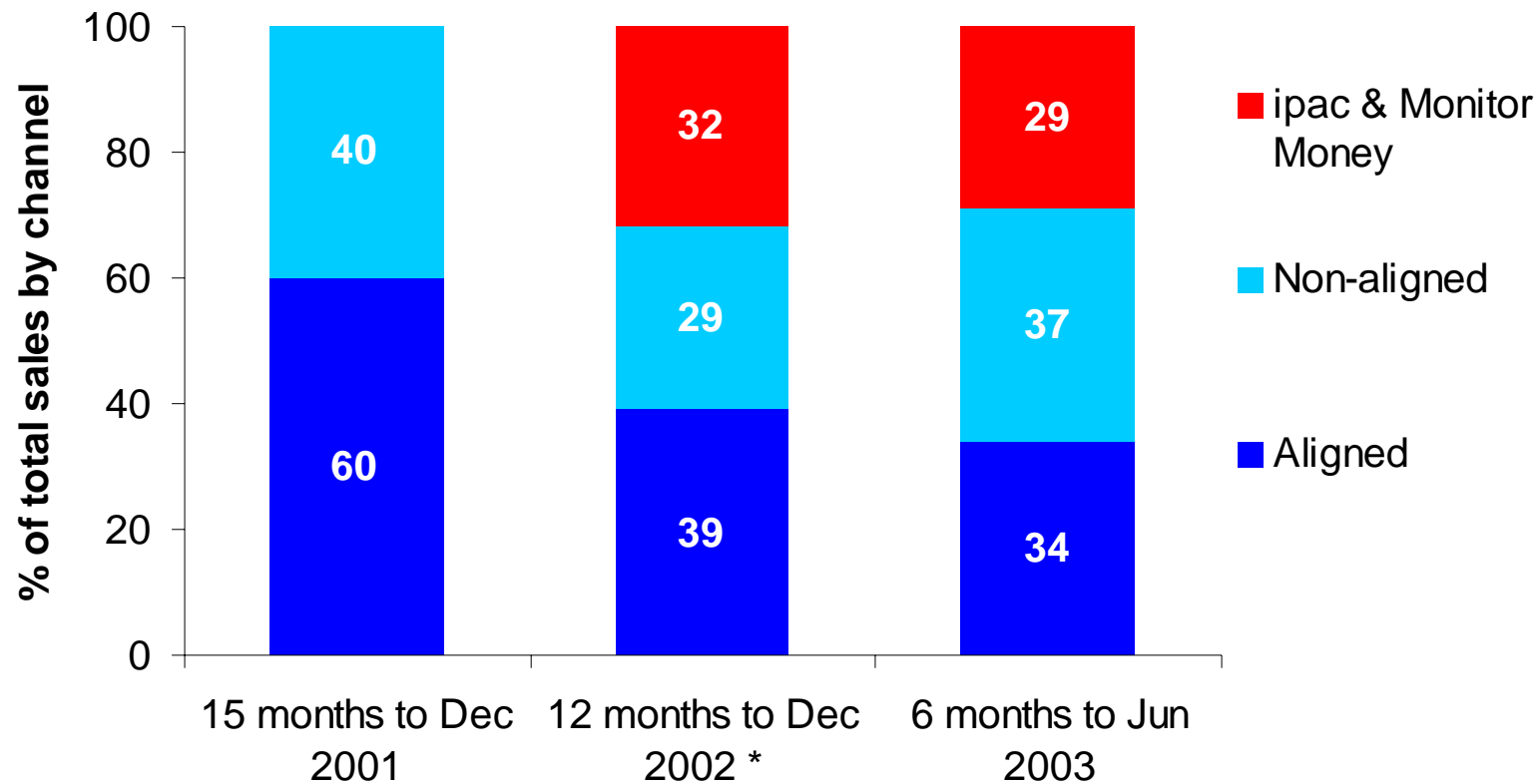
- Continue to increase penetration of
 - master trust investment lists
 - dealer group approved product lists



Australia

Increase penetration of non aligned advisers

Sales by channel (single premium wealth products)



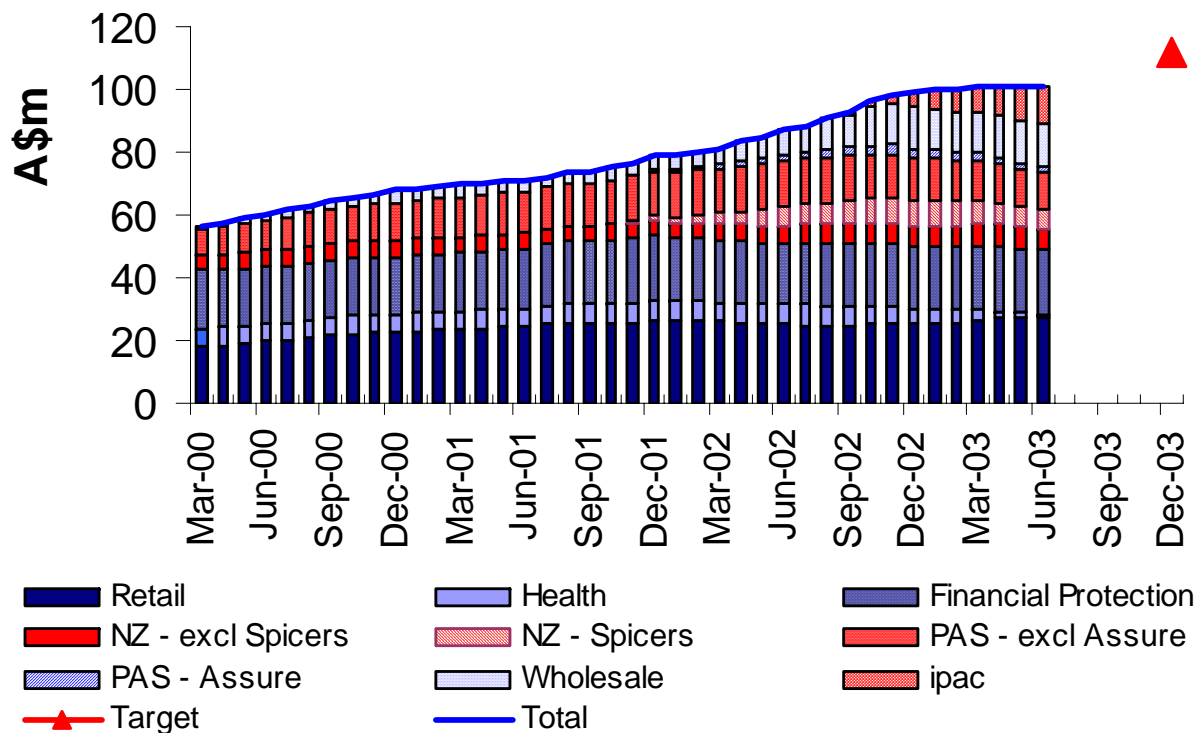
* Pro forma - ipac included for full 12 months



Australia and New Zealand Progress against K5 goals

K1 - Double the value of new business

K1 Value of new business



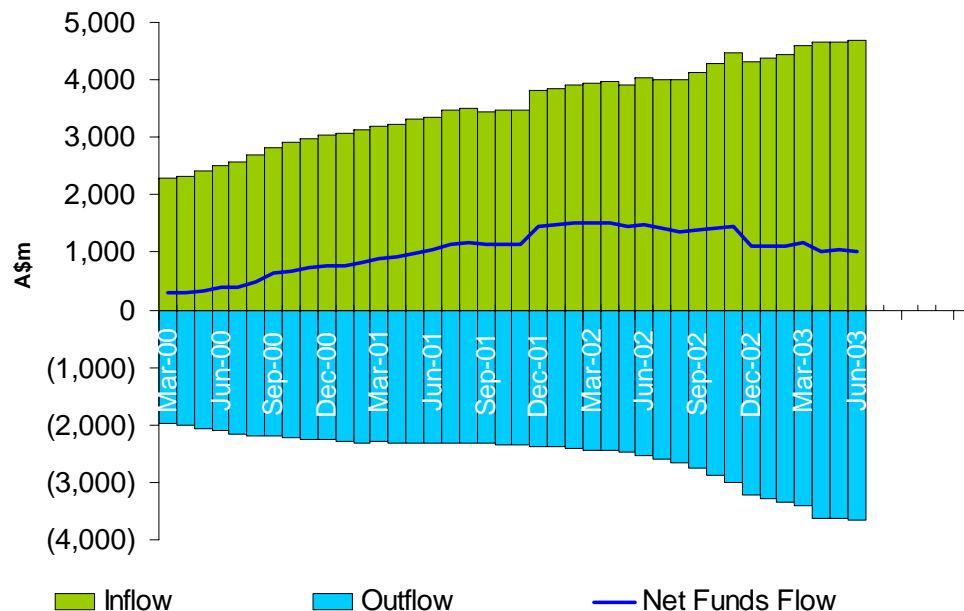
- Remained relatively stable despite difficult market conditions
- Improvement to sales of unit trusts and wholesale business
- Contribution from financial protection increased slightly



Australia and New Zealand Progress against K5 goals

K2 - Top 5 in net retail funds inflow

K2 Annual net retail funds flow
(Australia & NZ)
Rolling 12 months



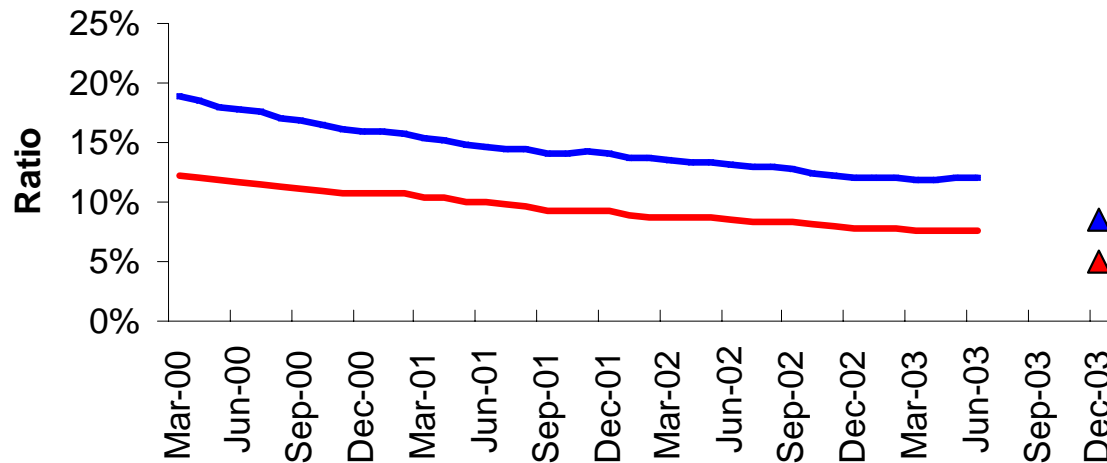
- Very encouraging result in an environment where overall industry funds flows were down
- Achieved top 5 over 12 months to 30 June 2003 (based on preliminary ASSIRT and Plan for Life analysis)



Australia and New Zealand Progress against K5 goals

K3 - Reduce our management expense ratio by 50%

**K3 Management expense ratio
(includes Sterling Grace, ipac & AXA Health)
Rolling 12 months**



— Expense Ratio Including Commission ▲ Target - Including Commission
— Expense Ratio Excluding Commission ▲ Target - Excluding Commission

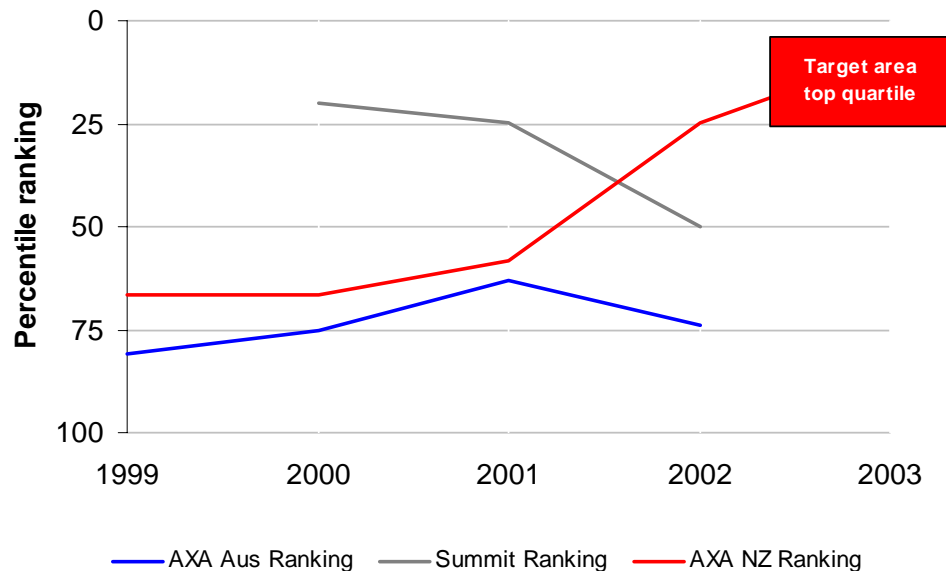
- On a like-for-like basis, the underlying reduction in rolling 12 month expenses at 30 June 2003 was 11%



Australia and New Zealand Progress against K5 goals

K4 - Top quarter service ranking

K4 ASSIRT fund managers (Aust)/ASSIRT master trusts
(Aust)/AC Nielsen (NZ) adviser service ranking

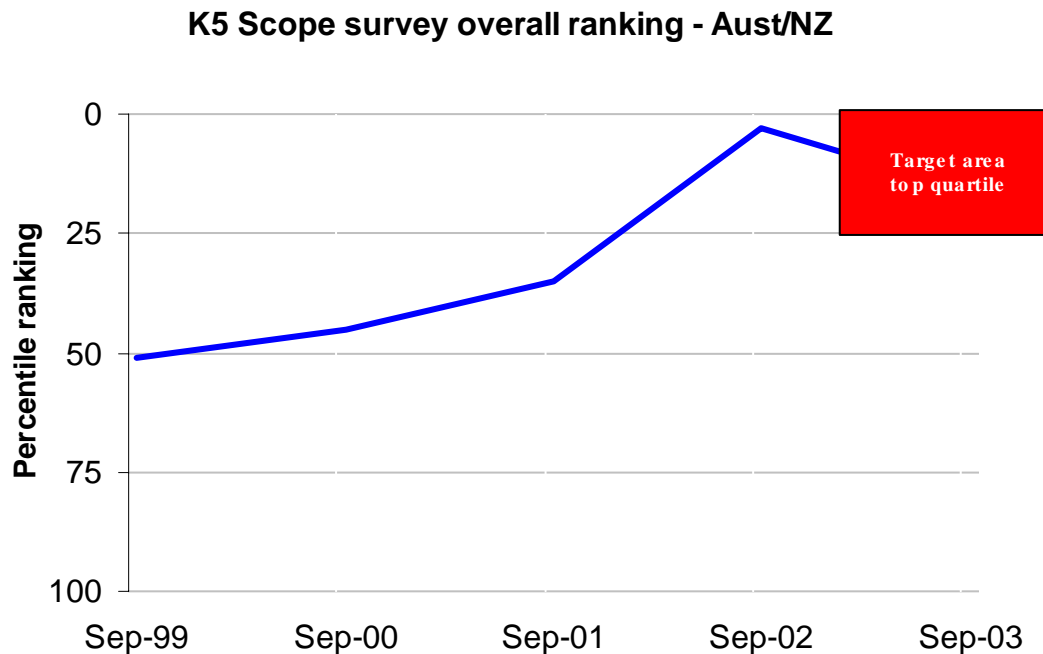


- Australian service rankings only updated each October
- AC Nielsen recently released NZ rankings with AXA APH maintaining its top quartile ranking



Australia and New Zealand Progress against K5 goals

K5 - Top quartile AXA Scope Survey ranking



- Our objective of achieving top quartile ranking has been achieved
- We continue to improve our Scope survey score



Hong Kong M6 Transformation Programme

By end 2004 our aspiration is to achieve

M1	M2	M3	M4	M5	M6
Value of business	Premium income	Assets under mgt	Provider of choice	Employee satisfaction	Value of sales
<ul style="list-style-type: none">Enterprise value HK\$23b (before dividends)	<ul style="list-style-type: none">Gross premium income HK\$10b	<ul style="list-style-type: none">Assets under management HK\$42b	<ul style="list-style-type: none">#1 brand choice	<ul style="list-style-type: none">>30 scope	<ul style="list-style-type: none">Value of new business HK\$753m



Hong Kong Strategic imperatives

- Increase the number and productivity of agents
- Build profitable new distribution channels
- Build AXA as preferred brand of choice
- Deliver investment margins
- Bring persistency back to target levels
- Improve organisational capability through our people
- Deliver operational excellence
- Prepare for growth of savings and investment market

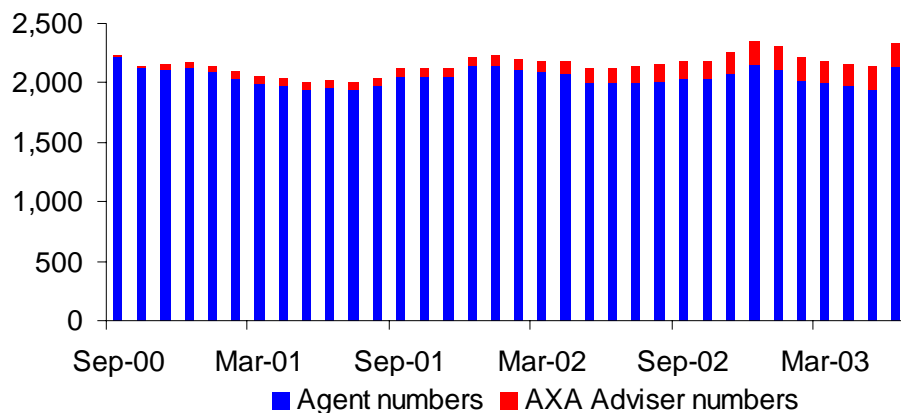


Hong Kong

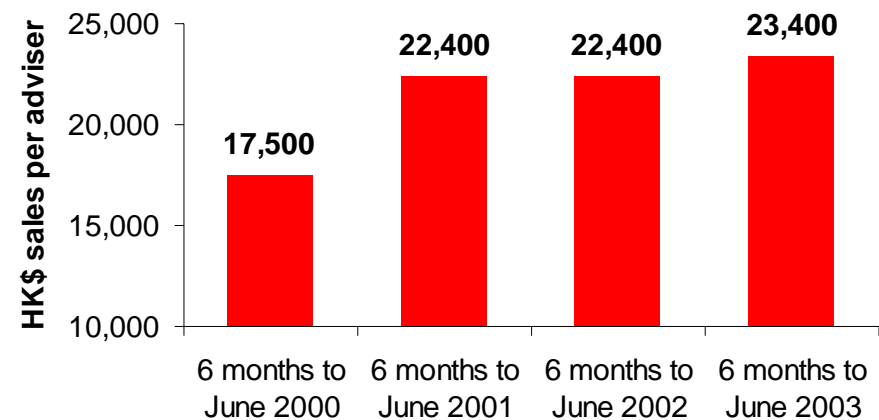
Increase the number and productivity of agents

- Adviser numbers increased by 10% compared to the same period last year
- Number of new recruits in June the highest since the industry introduced agent examinations
- Productivity has further improved by 4% despite the difficult environment due to SARS

Agent numbers



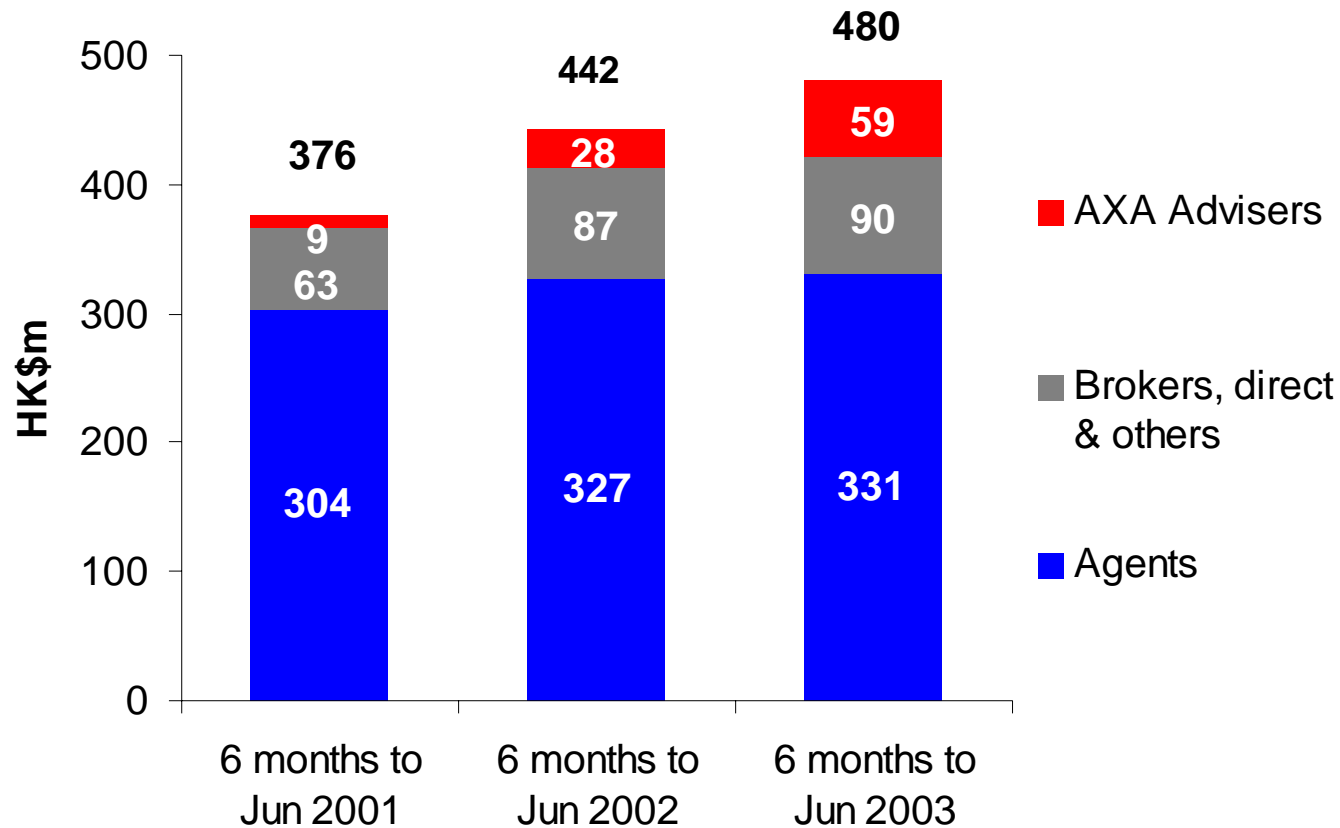
Average monthly agent productivity



Hong Kong

Build profitable new distribution channels

Total sales (regular premium + 10% single premium)

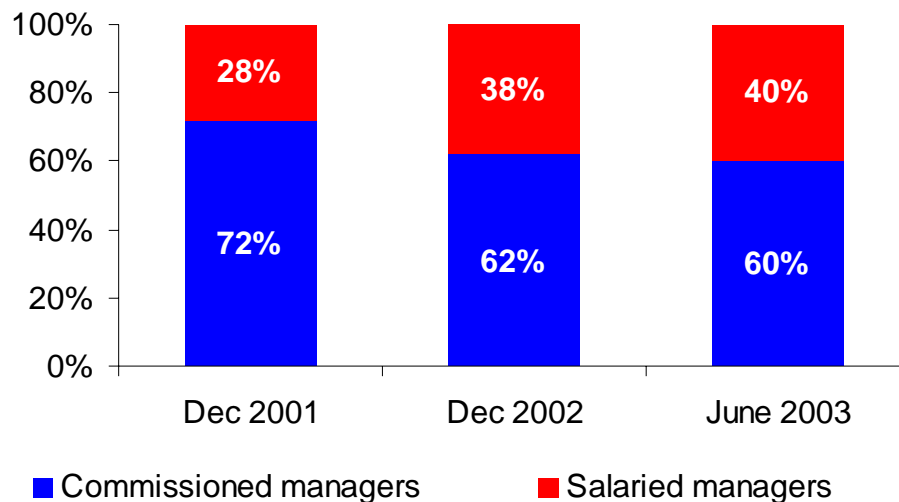


Hong Kong

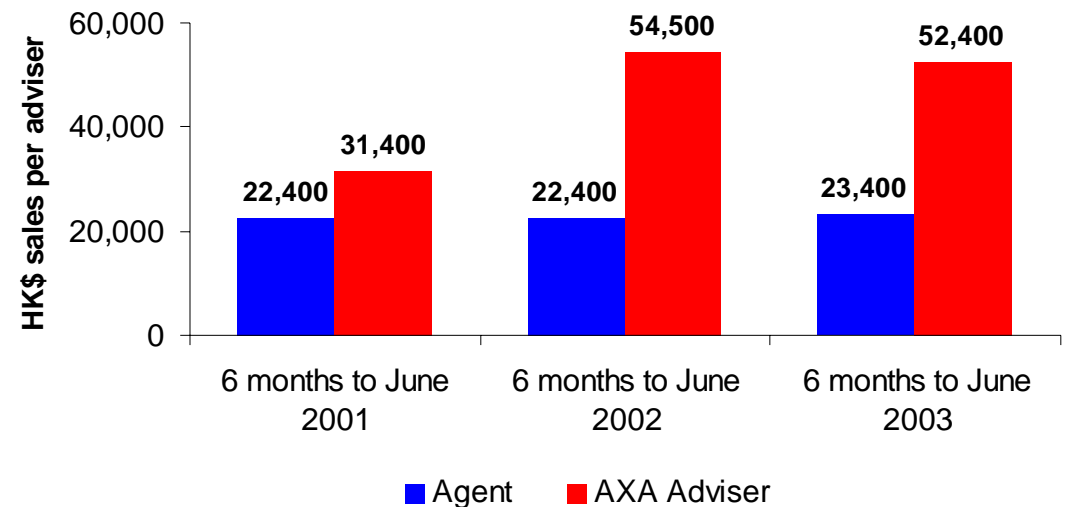
Build profitable new distribution channels

- Company managed distribution now 40% of total
- Salaried advisers productivity double that of traditional agents
- Number of salaried advisers up 76% from 30 June 2002

Advisers managed by salaried vs commissioned managers



Average monthly productivity



Hong Kong Deliver investment margins

- Investment margin well in excess of required 1% p.a.
- Reduction in policyholder crediting rates by 75 basis points in January 2003 and again in August 2003 by a further 25 basis points

	Fund amounts ¹ HK\$bn	Investment guarantee to policyholder	Investment mix bond/equity	<u>Forecast</u> Long term investment return ²	<u>Current rate</u> Total policyholder return (guarantees+cash div+bonus) ⁴
"NL" closed Life fund	15.3	4.25% ³	70/30 (Global)	6.50%	4.75% ⁴
"Smart" open Life fund	0.8	<1.00%	50/50 (Global)	7.50%	4.00% + TB
"DA" Retirement fund closed to all new contributions	3.9	5.00%	80/20 (HK)	6.00%	5.0%
"MPF" Guarantee Fund	0.6	0.00%	80/20 (HK)	6.00%	1.0%

¹ Fund amounts are based on AGAAP for life insurance and account balance for unit linked and retirement businesses, as opposed to regulatory liabilities

² Reduced from December 2002 assumptions

³ Before offsetting the effects of expense and mortality profits which are approx 1%

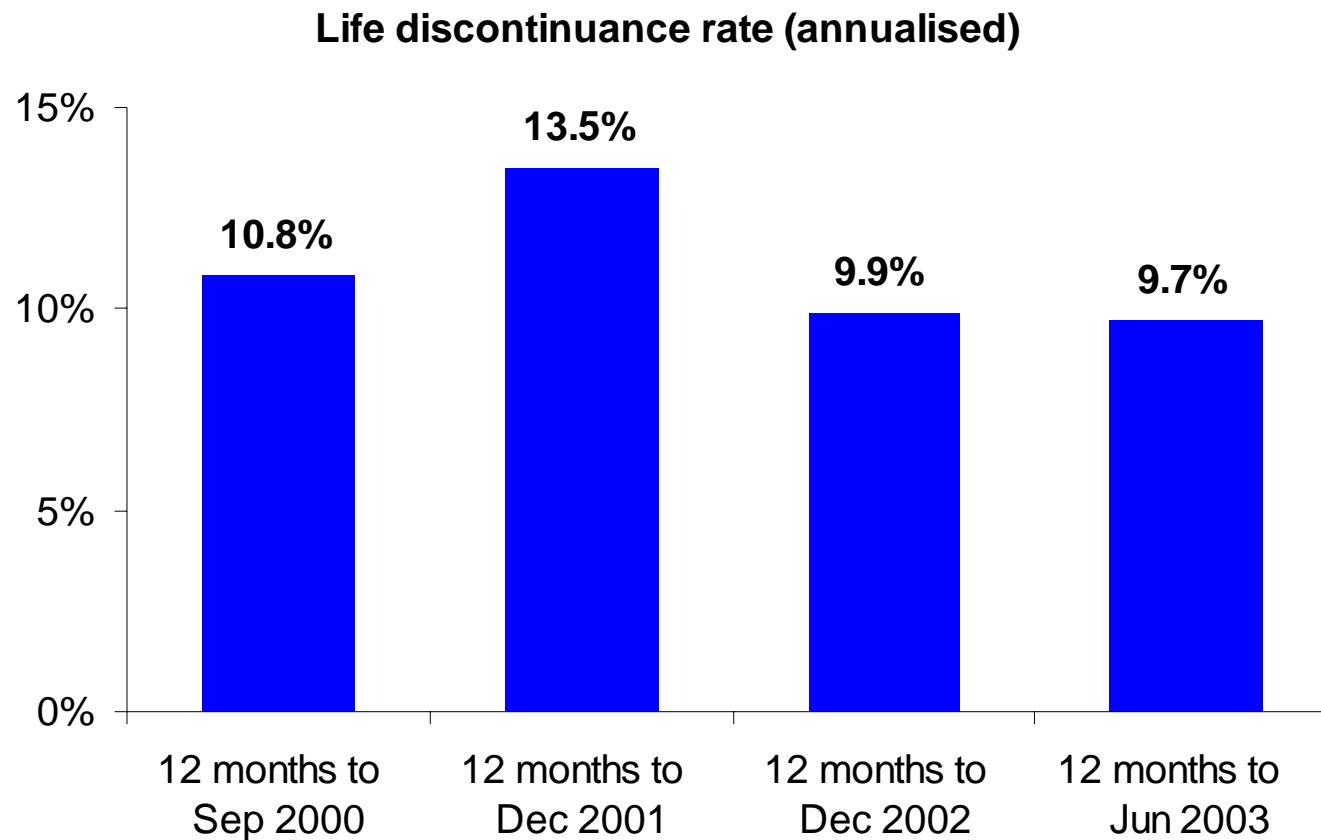
⁴ Current return after reduction in August 2003



Hong Kong

Bring persistency back to target levels

- Aggregate lapse rate further improved



C Hong Kong

Prepare for growth of savings and investment market

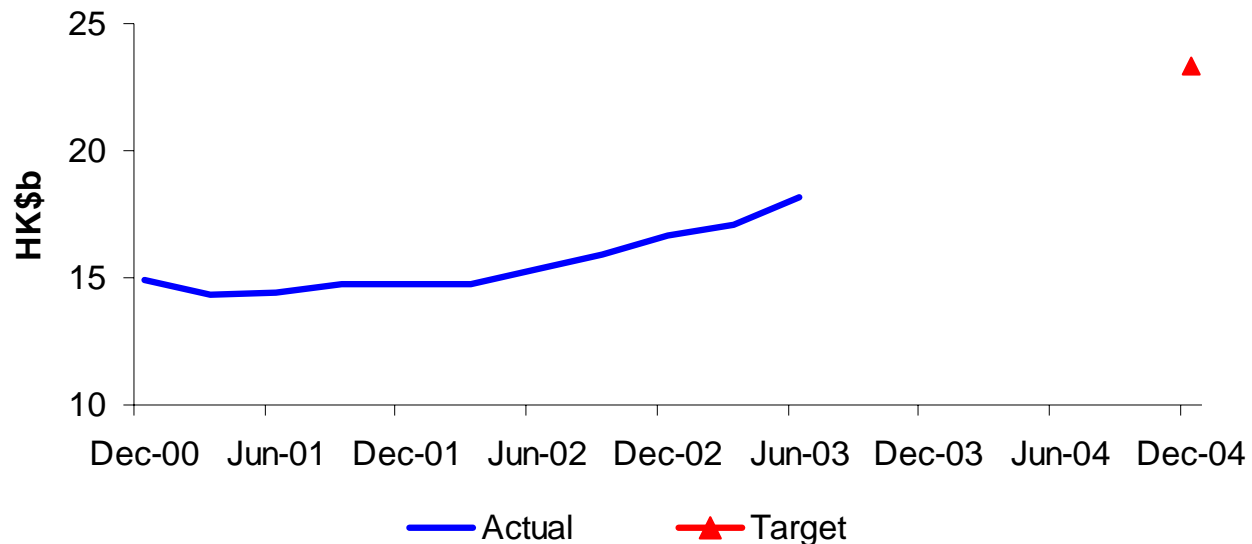
- Hong Kong continues to be an extremely attractive market
 - savings rates are high
 - penetration rates low for both insurance and investment products
- Individual unit linked retirement savings plan launched in April
- MPF - well placed to capitalise on consolidation opportunities as they emerge
- ipac Hong Kong financial advisory business launched in July



Hong Kong Progress against M6 goals

M1 - Enterprise value of HK\$23 billion

M1 - Value of business (enterprise value)



- Persistency continues to improve
- Mortality experience continues to be favourable
- Already low expense ratios continue to be reduced
- Good product profitability

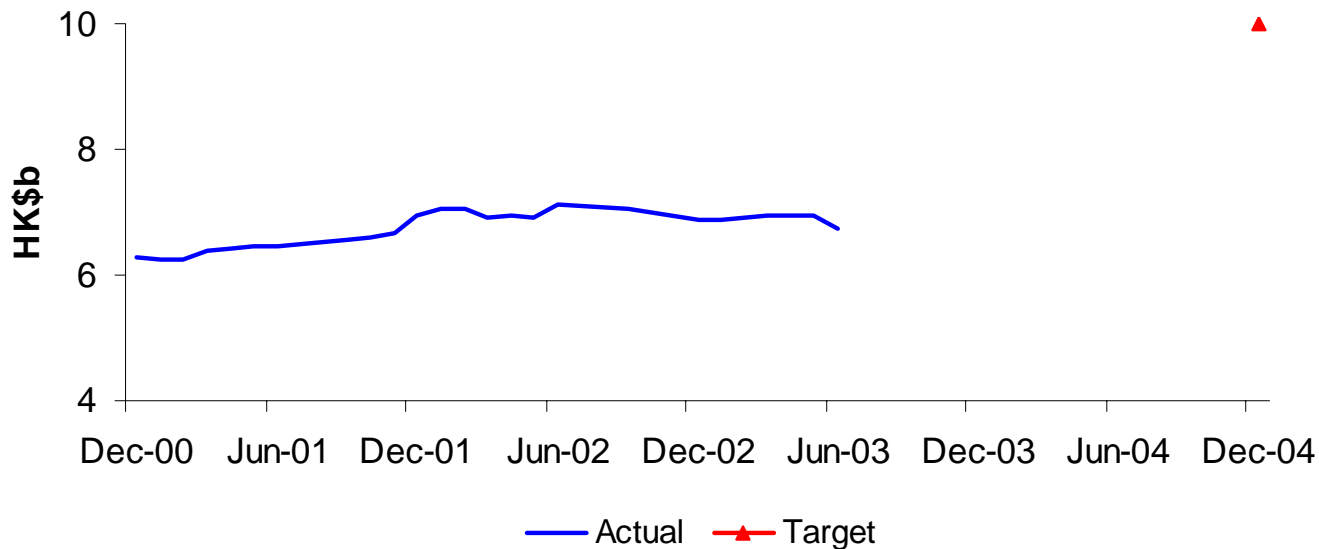
Enterprise value on track



Hong Kong Progress against M6 goals

M2 - Gross premiums of HK\$10 billion

M2 - Gross premiums (ex ORSO transfer, rolling 12 month)



- Gross premiums below target reflecting lower single premium sales
- Partially offset by growth in individual life sales following new product development and diversification of distribution channels

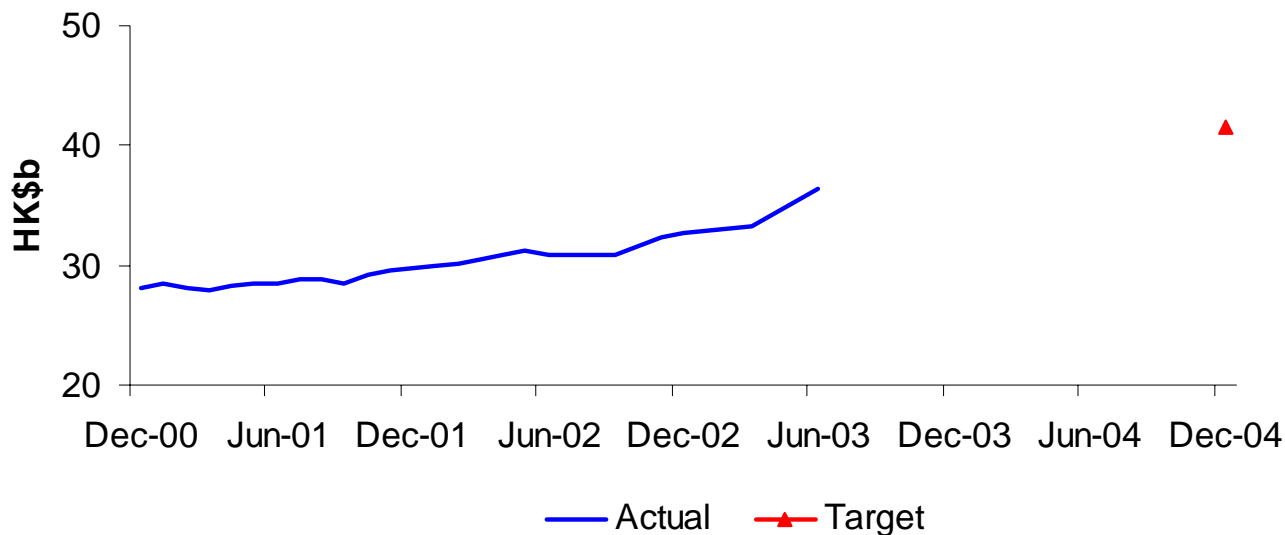
Net funds flow continues to be strong at HK\$3.4b



Hong Kong Progress against M6 goals

M3 - Total assets under management of HK\$42 billion

M3 - Total assets under management (incl. linked)



- Well on track to achieve our goal driven by strong net funds flows of HK\$3.4b (rolling 12 months)

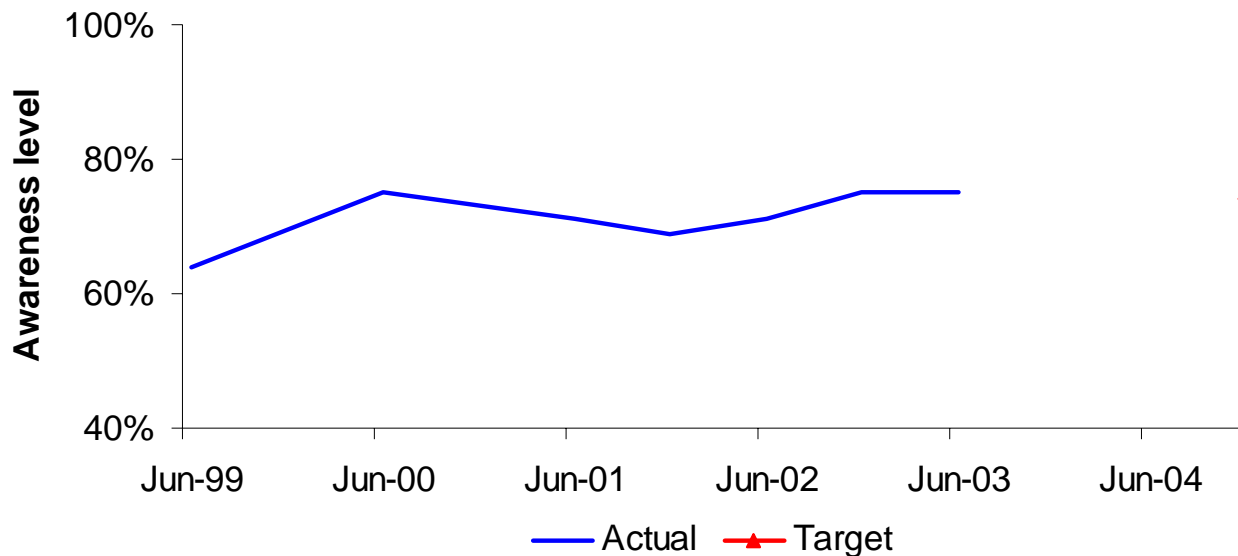
**On track to achieve target
despite difficult investment
markets in 2001 and 2002**



Hong Kong Progress against M6 goals

M4 - Provider of choice (brand awareness)

M4 - Provider of choice - AXA (Kwok Wei) brand awareness



- Surveys show AXA brand has 100% recall and 75% unaided brand awareness
- Third year in a row voted best insurer in Hong Kong

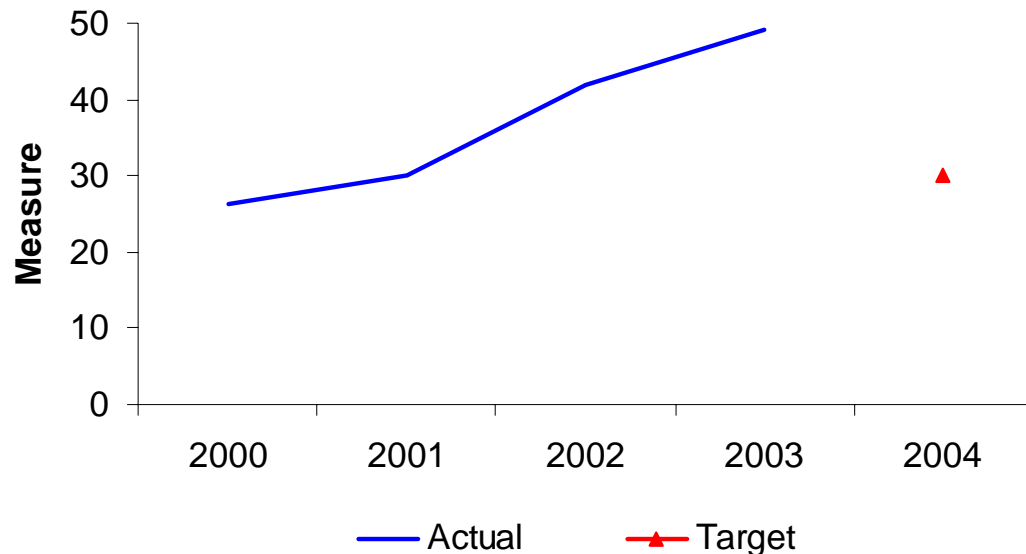
Excellent brand - platform to support new growth initiatives and maintain margins



Hong Kong Progress against M6 goals

M5 - Employee satisfaction (>30 Scope survey)

M5 - Employee satisfaction (Scope survey result)



- Overall Scope score of 49
- Above target of 30
- Particularly pleasing given headcount reductions and change management processes implemented

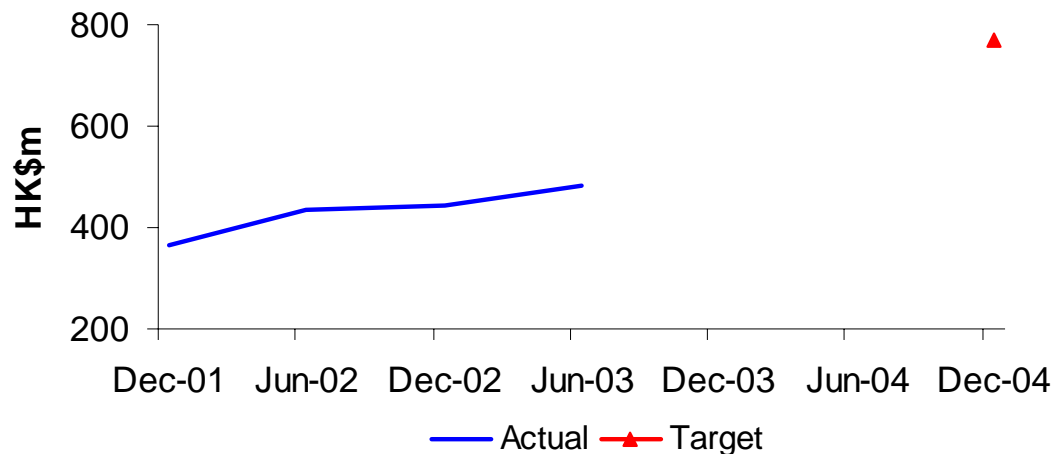
**AXA performance culture
allowing us to attract better
staff and retain key staff**



Hong Kong Progress against M6 goals

M6 - Value of new business of \$753 million

M6 - Value of New Business (rolling 12-mths)



Excludes MPF one-off impact of HK\$57m in 2001, and includes value of indexation

- Increase in value of sales attributed to ongoing focus on product profitability, in particular re-pricing of Smart series and non linked products

30 June 2003 31 Dec 2002

	30 June 2003	31 Dec 2002
Growth in sales	10%	12%
Growth in VNB	11%	21%

11% growth in value of new business



Summary

- Good performance in difficult environment
- Clear signs that repositioning of business is delivering results
- Strong financial position
- Well positioned for market recovery
- No change to our strategy, no change in our focus



Disclaimer

- The material in this presentation is a summary of the results of the AXA APH Group for the 6 months ended 30 June 2003 and an update on Group activities and is current at the date of preparation, 26 August 2003. Further details are provided in the Company's half year accounts, Investor Compendium and results announcement released on 26 August 2003. This presentation provides information in summary form and is not intended to be complete. It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. Further information including historical results and a description of the activities of the Group is available at the website www.axa-asiapacific.com.au.





AXA Asia Pacific Holdings Limited
Results for the 6 months ended 30 June 2003

Les Owen, Group Chief Executive
Andrew Penn, Chief Finance Officer



26 August 2003