

# **AXA ASIA PACIFIC HOLDINGS LIMITED**

## **2006 HALF YEAR RESULTS SPEECH**

**3 AUGUST 2006**

Good morning everybody and welcome to the presentation of our results for the 6 months ended 30 June 2006.

I am very pleased with what is another excellent set of results and which are further evidence that we have established a consistent track record of strong performance.

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I will start with a brief overview, Geoff Roberts will take you through the results in a little more detail, and I will finish with a review of our activities and prospects. We have members of our Australia/New Zealand management team with us here in Melbourne and Mark Pearson and members of the Asian management team are on line.

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First the Group highlights.

Once again we have delivered strong growth in Operating Earnings which were up 20% to \$223 million.

Within this Operating Earnings in Australia and New Zealand have increased by 22.1% to \$121.9 million, and in Hong Kong were up 16.9% to \$98.1 million.

In local currency HK Operating Earnings were up 11.6% to HK\$564.4 million.

Group Investment Earnings were up 61% to \$146.8 million with total profit after tax and before non-recurring items up 23.3% to \$303.8 million.

Total Group funds under management, administration and advice were up 8.8% to \$87.6 billion.

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In Australia and New Zealand we have seen another period of strong growth in Operating Earnings. Wealth management was up 14.4% to \$50.9 million, our advice businesses including ipac investment services are up 28.4% to \$19.9 million and financial protection was also up 28.4% to \$51.1 million.

As reported to the market last month we had a very strong second quarter for net retail inflows and, excluding AllianceBernstein mandates and the ex Bank of New Zealand business, net retail inflows for the first six months of the year were up 122.9% to \$1.5 billion.

The value of new business has benefited from growing new business volumes, further expense improvements, and product mix changes and was up 32.7% to \$66.9 million.

Funds under management and administration in Australia and New Zealand were up 8.7% to \$76.5 billion, and within this, funds under advice were up 8.8% to \$6.8 billion.

Overall we are continuing to progress well towards our AXA 6 goals.

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We have seen good growth in Operating Earnings in Hong Kong with financial protection up 8.2% to HK\$473.6 million and wealth management up 81.7% to HK\$74.3 million.

Total life new business index for the six months was up 39.2% or 31.2% if we exclude the business produced since 8 May by ex MLC HK agents. Margins have remained strong with the value of new business up 34.7% or 29.0% excluding MLC agents sales.

Funds under management at 30 June were HK\$51.6 billion, up 7.5% on the end 2005 position.

The integration of MLC Hong Kong is on track and, overall, we are progressing well towards our Hong Kong 6 goals.

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Finally the highlights for the rest of the Asian region.

New business index was up 26.1% to A\$83.7 million with the value of new business up 19.2% to A\$24.2 million.

Total premium income was up 13.5% to A\$402.3 million with funds under management up 20.1% to A\$2.2 billion.

Within this we have seen very strong growth in Singapore and China. In Indonesia the integration of the ex MLC business is on track, and we have now received final regulatory approvals in India and Malaysia and we expect sales to start by September.

Overall we continue to progress well towards our Asia 6 goals.

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I will now hand over to Geoff Roberts who will take you through the results in a little more detail.

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Thanks Les and good morning.

I am pleased to have the opportunity to be able to report another very strong set of results.

Operating earnings are up 20% to \$223 million.

Australia and New Zealand operating earnings increased by 22.1% to \$121.9 million and by 16.9% in Hong Kong to \$98.1 million. On a local currency basis, earnings in Hong Kong increased by 12%. Again, a very good performance from both of our major businesses. This is before including any earnings from MLC which will be included in the full year results.

Investment earnings were also strong, up 61% to \$146 million.

Corporate expenses have increased by \$5 million to \$34 million. This is due to our continued investment in our future growth in Asia. Our entry into India and Malaysia and our developing ipac and wealth management businesses in Asia are evidence of this investment.

Interest expense on our \$US denominated debt increased by \$5 million to \$31 million reflecting higher interest rates. Last year interest expense was reduced by a profit of \$26 million on cross currency swaps. These swaps were restructured in July last year and are now recorded directly in reserves.

Total profit after tax is \$303.8 million, up a strong 23.3% on last year.

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Reflecting this strong performance, the Board has increased the 2006 interim dividend by 20% to 7.5 cents per share.

This continues the growth in dividends declared at the end of last year and is a reflection of our confidence in future growth.

This interim dividend will be franked to a level of 30%.

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Earnings per share is 17.4 cents, up 23% from June 2005.

The rolling 12 month return on equity is 17.2%, up 50 basis points from June 2005.

Both earnings per share and return on equity are affected by investment earnings, which can be volatile. Therefore, using a normalised investment earnings measure provides a more meaningful trend of underlying performance.

When we include normalised investment earnings in the calculation, earnings per share would be up 1% to 15.3 cents and return on equity would be 14.8%.

Whilst the normalised return on equity appears to be down 90 basis points on last year, last year included \$26m of non-recurring interest income from cross currency swaps. When this income is excluded from last year, normalised return on equity improved from 14.5% to 14.8%

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Our capital position remains strong after the purchase of MLC Hong Kong and Indonesia, with total capital resources at 30 June 2006 of \$4.9 billion.

Since December 2005, our debt to equity ratio has reduced from 36% to 33%. Debt has decreased primarily due to repayment of senior debt. Equity has increased due to the retention of profits in excess of dividends.

Although our target gearing range is to maintain debt to equity within a range of 40-50%, our current gearing position and capital strength provide us with the flexibility to pursue attractive growth opportunities as they arise.

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A breakdown of our capital position of \$4.9 billion is shown in the pie chart. Total regulatory capital requirement at 30 June 2006 is \$2 billion, representing \$816m of solvency requirements and \$1.2 billion of capital adequacy requirements.

In addition to this regulatory capital, \$1.5 billion of our capital resources represents purchased goodwill. Purchased goodwill has increased by \$310 million largely as a result of the MLC acquisition.

Target surplus has increased by \$40 million to \$575 million to reflect the purchase of MLC.

The excess capital over target surplus is \$623 million. Excess capital remains strong.

For the present time, we will hold this capital to fund organic growth in Asia, purchase the remaining 67% of Tynan Mackenzie and pursue other attractive growth opportunities as they arise. We keep our capital position under

continuous review. It is not our policy to hold a material amount of excess capital on a permanent basis.

In summary, at 30 June 2006 we are holding almost \$1.2 billion above regulatory capital requirements, a very strong capital position.

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Turning now to our illustrative value numbers.

Illustrative enterprise value represents the value of inforce plus a multiple applied to the value of one year's new business, plus group net worth, less debt and corporate expenses. In management's opinion, the increase in inforce value and the increase in the value of new business are the most meaningful measures of shareholder value creation.

We continue to provide illustrative values using a range of discount rates. For the purpose of talking about the trends in these slides, I will refer to discount rates equal to local equity returns.

Total illustrative inforce value using discount rates of 10% for Australia and New Zealand and 10.5% for Hong Kong, before distributions to group net worth, has increased by 8.4% over the 6 months from December 2005, or 10.1% on a constant currency basis. Including the value of the MLC businesses in Hong Kong and Indonesia increases this growth rate to 15%. This illustrative inforce value has increased by more than the unwind of the discount rate due to:

- profitable new business written over the six months
- strong investment experience on assets backing the inforce portfolio
- strong expense control leading to lower unit costs and
- persistency being in line with, or better than, long term assumptions.

This represents very strong growth in value of inforce over a six month period.

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Value of new business represents the present value of future shareholder profits expected to emerge over time from new business written over the 12 months to 30 June 2006.

The value of new business in Australia and New Zealand grew 16% over the past six months primarily due to strong growth in platform and superannuation inflows, and continued strong growth in Global Equity Funds and ipac multi-manager inflows.

In wealth management, the benefit of scale and tight expense management is continuing to reduce unit costs and supports the improvement in value of new business.

Our Hong Kong value of new business was up 8.7% over the past six months reflecting increased sales volumes across most business lines. This growth excludes MLC.

For Asia ex Hong Kong strong growth in most of our Asian businesses and, in particular, Singapore, Thailand and China, has led to the value of new business increasing by 14.1% to \$23 million over the past six months. When the rolling 12 month MLC value of new business is included, Group value of new business on actual exchange rates increased 17.7% over the past six months.

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Following changes introduced by IFRS, investment earnings due to discount rate increases was a key reason for the increase in investment earnings for the year. Consequently we are providing additional information on investment earnings on assets backing policy liabilities, distinguishing between changes in earnings due to movements in the risk free rate and 'other' investment experience variations.

Investment earnings due to discount rate movements on assets backing policy liabilities of \$65 million is a \$71 million increase on last year due to increases in bond rates and therefore in risk free rates. Bond rates under

AIFRS are used to discount or value certain product policy liabilities and also impact the value of fixed interest assets that support these liabilities. The main products impacted are income protection and retirement income in Australia and the DA retirement fund and non-participating insurance products in Hong Kong. The increase in bond rates increased the discount rate which reduced both assets and liabilities. As some of the assets backing these product liabilities are either invested in equities or in fixed interest assets with shorter durations, market values of assets have not reduced to the same extent as the value of liabilities.

We have intentionally held shorter duration fixed interest assets for four reasons:

- an expectation that interest rates would increase
- to minimise regulatory capital requirements in Hong Kong
- in expectation that the closed retirement book in Hong Kong would convert to new retirement products more quickly than it currently has and
- due to the lack of depth in the longer duration bond market, particularly in Australia.

'Other' investment experience on assets backing policy liabilities were marginally higher than the long term assumed investment returns included in operating earnings.

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So that is the picture at the Group level, now I will focus on Australia and New Zealand.

Encouragingly, we saw growth in operating earnings from all major product groups.

Wealth management products grew 14% to \$50.9 million, due to positive net funds flow which increased fees from funds under management.

Advice grew 28% to \$19.9 million due to a combination of positive net funds flow and the continued strength of Australian equity markets. This has combined to increase funds under management and advice, and generate additional fee revenue.

Financial protection grew 28% to \$51.1 million driven by good claims experience on our group products. Our increased focus on income protection claims management has ensured that the negative claims experience reported in the second half of last year has not recurred.

Reductions in expenses over the last five years have also underpinned improved profits.

Investment earnings increased 74% to \$80 million due to strong equity returns and movements in bond rates used to value certain products, as mentioned on the previous slide.

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We are progressing well on our Australia and New Zealand AXA 1 goal of doubling the value of new business. Using the 10% equity return discount rate, the rolling 12 month value of new business has increased by 37.3% over the year from \$96 million to \$132 million.

Wealth management has grown by 36% to \$109 million, driven by strong flows into both our platform and multi-manager businesses, together with strong retail and institutional flows into our Global Equity Funds.

Our wealth management business continues to benefit from increasing scale, which has reduced our unit costs and assisted an improvement in value.

The value of new business for financial protection has grown by 44% from \$16 million to \$23 million. This represents a combination of a reasonable increase in volumes in Australian individual life and income protection, offset by a decrease in group life volumes as we forego volume for profit.

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Now turning to Hong Kong.

Underlying our result is an 11.6% improvement in Operating Earnings to HK\$564 million.

Financial protection profit increased due to strong new business, improved retention and the increase in investment margin spread from 1% to 1.25%. Individual life mortality experience referred to last year has returned to normal levels, although we experienced lower profits for group life business. This 11.6% operating earnings growth was achieved despite an additional HK\$11 million development spend on new distribution channels and wealth management initiatives.

These initiatives relate to the establishment of additional distribution channels, bancassurance agreements and the development of infrastructure for our wealth management businesses. Excluding this, operating earnings growth would have been nearly 14%.

Investment earnings in 2006 were strong at HK\$381 million, up 42% on the prior year. The major reasons for this increase were stronger international equity returns, combined with the increase in bond rates mentioned earlier.

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Using the assumed equity return discount rate of 10.5%, the value of new business in Hong Kong is up 20% from HK\$701 million to HK\$841 million on a rolling 12 months basis from June 2005 or 17.4% excluding MLC Hong Kong business, written post acquisition.

Our value of new business has increased at a slower rate than sales due to our strategy of accelerating growth in wealth management products. Although wealth management products have lower, but still very attractive margins, wealth management is a new market for us in Hong Kong. These wealth management product sales are not a substitute for higher margin traditional financial protection products.

We have included in the Appendix to these slides a comparison of margins year on year. The slight reductions this year have been due to product mix changes only. There have been no price reductions over the period.

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In respect to our other Asian businesses, there has been an increased focus on leveraging our 20 years' experience in Hong Kong by implementing regional blueprints across Asia. These blueprints, which include product approval and development, agency remuneration, bancassurance and risk management, enable us to achieve sustainable and controlled growth across the region.

This, combined with strong growth in most countries and, in particular, Singapore, Thailand and China, has led to the value of new business increasing by 26.6% from \$35 million to \$44 million over the year from June 2005 on a constant currency basis.

AXA's group share of this new business value at current exchange rates is \$25 million, representing 9% of the Group's total value of new business.

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So, in summary, we have achieved another excellent set of financial results across all areas of our business.

We have had strong growth in Operating Earnings, up 20%.

We have also continued our very strong growth in value of new business and value of inforce in these markets.

Group funds under management and administration have grown 8.8% to over \$87bn over the 6 month period.

We have also increased our interim dividend by 20%.

Our capital position continues to be very strong after financing the acquisition of MLC in Hong Kong and Indonesia and we remain in a position to pursue acquisition opportunities as they arise.

I will now hand back to Les to take you through a review of the six month's activities.

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Thank you Geoff. Let me turn first to Australia and New Zealand.

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The pattern of strong growth in wealth management that we have established in recent years has continued during the first half of 2006. Funds under management, advice and administration were up 8.7% to \$76.5 billion.

We have benefited from strong net fund flows in pretty well all parts of our business, and the acquisition of the ex Bank of New Zealand Investment Management business has added around \$2.2 billion.

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Net retail inflows for the half were up 25.4% to just over \$1.72 billion with very strong inflows into superannuation, investment products and platforms.

Excluding AllianceBernstein retail mandates, the second quarter was AXA Australia's best ever quarter for fund flows with net retail inflows up 122.9% to \$1.5 billion.

The second quarter is traditionally the biggest quarter for sales and was boosted this year by the positive impact of the removal of the superannuation contribution surcharge. The market as a whole also benefited from investor confidence buoyed by strong equity market performance.

However, in addition to general market factors, our aligned adviser productivity has continued to grow, and sales of AXA funds, including ipac multi manager, through our platforms were up 51%.

Sales of AXA investment products have benefited from our very good investment performance and were up 86%.

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Individual financial protection new business grew by 4.8% over the period with new regular premiums of \$39.3 million. Within this new business from new policies in Australia, as opposed to increases on existing policies, grew 8.4% to \$11.6 million. The good growth in individual life new business in Australia was offset by weaker new business in New Zealand. Group life new business was down, but this was very much as a result of our strategy of focusing only on segments where we can make an acceptable return.

And the strategy is working as profit from group life was up very sharply and was a significant contributor to an overall increase of 28.4% in financial protection Operating Earnings which rose to \$51.1 million.

As you are aware our strategy is to balance growth and profitability and we are deliberately not competing in certain market segments where we have the view that pricing and product features are too aggressive.

The good news is that we are growing both sales and new business value.

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We are optimistic about future market conditions in both Australia and New Zealand.

The market fundamentals in Australia remain attractive. Despite short term inflationary concerns we believe the underlying economy is strong and, together with improved incentives for long term savings, this should drive further growth in fund flows.

The changes announced in the 2006 Federal Budget underpin this growth potential. There will be a number of one off product opportunities – for example annuities and pension sales before September 2007.

In the longer term, the changes make it more attractive to invest in superannuation, and to leave money in superannuation and pension funds for longer.

The need for advice has never been greater and this will continue. Advice is not just about tax planning, nor is it just about strategy and implementation. Although it is all these things, advice is also about persuading people to voluntarily save more out of current income.

The New Zealand retail wealth management market has been stagnating for several years but we are optimistic about a return to growth. There will be some important changes in April 2007 when the tax disincentives for managed funds compared to holding assets directly will be removed. And we expect the introduction of Kiwi Saver to significantly increase the number of superannuation members.

So how are we progressing against the AXA 6 goals?

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Firstly AXA 1 – to double the value of new business. The rolling 12 months value of new business increased over 16% to \$119 million driven by strong flows into our platform, superannuation and investment products, and helped by continued improvement in our cost to income ratio.

Looking forward we expect to see further growth in personal superannuation and increasing fund flows into our platform and investment products leveraging the strong AllianceBernstein and ipac multi manager investment performance.

We are pleased with the early progress of AXcess, our self managed super product, and we are further improving our financial protection products later this year.

I expect New Zealand to make a growing contribution and there is more that we can do in reducing our cost to income ratio.

So very much on track here.

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Turning to AXA 2 where our objective is to consistently be in the top 5 for net retail fund flows.

With net retail fund flows of \$5.4 billion in the 12 months ending June 2006 we are fifth in the Standard & Poors analysis and third in the Plan for Life analysis for the combined retail marketer and wholesale unitised view.

Although we have done particularly well in global equities in recent years there is still room for further growth, particularly through retail channels. And we are starting to see improving traction in Australian equity sales with our Australian equity value product recently achieving a five star Morningstar rating.

There are also a number of new fund opportunities including the AXA Rosenberg Core Global Equities Fund and the ipac Global Equity Blend product.

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AXA 3 – to double funds under advice

We are very much on track here with inflows up 23.3% to \$845 million in the period, including a one off transfer of \$220 million from a new ipac equity partner.

We will complete the acquisition of the remaining 67% of Tynan Mackenzie's over the next couple of months and this will bring with it an additional \$2.1 billion of funds under advice (of which \$1.5 billion is already managed by ipac), 34 advisers, and a quantum increase in gross inflows. Tyn Mc's gross inflows in the first half of this year were \$123.1 million.

In ipac we are developing and expanding the corporate lead generation programme and are pursuing further equity partner transactions.

In New Zealand we expect to see Spicers returning to growth as we are implementing the ipac finder/minder model and benefiting from the improved market dynamics that I talked about a few minutes ago.

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The AXA 4 objective is to reduce our cost to income ratio by one-third.

We are making steady progress towards this objective with a 250 basis point reduction in the first half of this year. This was helped by strong growth in income due to positive net fund flows and buoyant investment markets, but was also contributed to by continuing cost efficiency initiatives.

Looking forward, further improvements will come from a continuation of strong income growth and more fundamental process re-design.

There are still significant opportunities to improve efficiency through rationalising our product range and systems, and reducing complexity, with particular focus on our legacy books of business.

We will exceed our minimum scale target of \$10 billion on a single PAS technology platform before the end of the year.

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The overarching goal under AXA 6 is to increase our illustrative enterprise value by 65% to \$A6.5 billion by the end of 2007.

As you know we take a mid point discount rate and a mid range multiple of one year's new business value. On this basis the illustrative enterprise value was up 11.3% in the first half of this year to \$5.9 billion putting us ahead of the required trajectory.

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Turning now to Hong Kong, our life sales were up very strongly by 39.2% to \$HK781.2 million in the first half, and we continue to broaden our distribution channels.

All channels grew, and non agency channels now account for 47% of our sales compared to 38% in 2005.

The integration of the ex MLC business in Hong Kong is on track.

Broker sales grew particularly strongly through both life and wealth management products and we have had very encouraging early progress on bancassurance sales through the multi-manager product we launched last year.

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The integration of the ex MLC Hong Kong business is on track and we expect to reach steady state by the end of the year.

The agency force is stable – we currently have around 750 ex MLC agents selling AXA products. We commenced the rollout of the Hong Kong agency blueprint on 3 July. We do expect some reduction in agent numbers over the coming months as we apply the stricter AXA validation requirements leading to low producing agents being managed out, but this reduction will be very much in line with our original expectations.

The ex MLC product range has now been completely replaced. The full AXA product range was available from 12 June and the MLC product range was closed to new business from mid July.

We are on track to hit our annualised cost savings target of HK\$70 million to HK\$95 million and we have completed the implementation of AXA's governance, compliance and internal control processes.

The new organisational structure is fully in place with key staff retained.

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Turning to the rest of Asia we have seen further growth from both bank and agency channels. New business index from bank distribution grew to A\$38 million. We are now selling through more than 75% of our joint venture bank

branches and we have a target to increase the number of bank advisers by 30% over the next 18 months.

The implementation of the HK agency blueprint in our other operations has helped grow agent numbers across the region from around 4600 to 6400. This, together with productivity increases across all operations, has helped grow agency new business index by 50% to A\$42 million.

It is encouraging that we have seen a return to strong growth in China although the market remains very challenging.

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We have made good progress over the last 6 months in India and Malaysia and we expect to start sales in both countries by September.

In India we have now received final regulatory approval and have our licence, the first set of agency leaders have been trained, and we are recruiting and training agents and advisers ahead of our product launches.

In Malaysia the transfer of the Tahan portfolio, the transfer of management control of operations, and the granting of a licence were completed by 30 June.

We are in the process of recruiting the first group of agents and bank financial advisers and we expect to have product approvals to enable us to launch by September.

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As you will know on 14 June AXA SA announced that it had entered into a definitive agreement to acquire the Winterthur group from Credit Suisse.

In accordance with its undertakings to the Foreign Investment Review Board, AXA SA has confirmed that it will offer Winterthur's Asian life insurance assets to AXA APH when its acquisition completes. We have already notified the market that we do not believe it is in the interests of the company or our

shareholders to acquire Winterthur's Japanese operations but we expect a review of their other Asian life insurance assets to commence in September.

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I am pleased to say that progress towards our Asia 6 goals remains firmly on track.

Asia 1 – to more than double the value of new business.

We have seen strong growth in new business value, with the 12 months rolling VNB up 10.9% over the 6 months to over A\$183 million.

Looking forward our priorities are to maintain focus on our technical margins – in particular the investment margin from participating business, discontinuance rates and the cost to income ratios.

In Hong Kong there are big opportunities from the successful integration of the ex MLC agents, and from strong growth in wealth management.

Elsewhere in Asia there is significant opportunity to continue to grow our bancassurance business, to improve productivity and launch new products based on the successful Hong Kong blueprints and, of course, we will see contributions from India and Malaysia.

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Our Asia 2 target is to grow our total funds inflows two and a half times to A\$4 billion.

We have seen solid growth in the period with gross inflows up 15% to A\$2.3 billion helped by exceptionally strong sales of multi-manager and Evolution, and by strong sales of single premium unit linked products in Asia.

Looking forward our opportunities are from further growth in wealth management, particularly product distribution agreements with banks, and from growth in the single premium investment market. We are targeting

increased market share in corporate and MPF segments through our multi-manager offer.

Elsewhere we are looking for strong growth from ipac financial planning, from our bancassurance partnerships and from India and Malaysia.

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Asia 3 is to grow our new business index two and a half times.

As previously mentioned we have seen strong growth in the period particularly from the Hong Kong broker market and bancassurance.

Looking forward we are targeting further growth from all our existing channels. In Hong Kong we will be launching AXA Network – a distribution services offer based on the Australian dealership model, and also growing the financial planning segment of the salaried adviser channel.

Elsewhere in Asia we are anticipating further growth in bancassurance, the opening of new branches in China later this year and an increasing contribution from India and Malaysia.

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Asia 4 is to reduce the management expense ratio in Hong Kong to below 5% and in the rest of Asia to below 20%.

So far we have only seen small reductions reflecting to some extent the additional investment we are making in broadening distribution channels and launching new products.

However we remain confident of meeting these targets through a combination of strong volume growth, the benefits of completing the integration of the AXA MLC businesses, growing scale in our smaller Asian operations and the move, in due course, of some support functions to AXA Business Services in India.

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Asia 5 is to improve the aggregate 13 month persistency ratio to 80%. Of course persistency is one of the key levers that turns value of new business into actual Operating Earnings.

As you can see, persistency for the first half of this year was at our target level of 80% which is better, in aggregate, than our pricing assumptions. We continue to put significant focus on this in the agency remuneration and management bonus terms.

Looking forward it is very much more of the same.

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The Asia 6 overarching goal is to more than double the illustrative enterprise value of our businesses to A\$8.8 billion, after adjustment for the acquisition of MLC.

Over the 6 months illustrative enterprise value was up 22.9% to \$5.9 billion. This was excellent progress and, as you can see, we are firmly on track.

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In summary we have delivered another excellent set of results.

We have seen continuing strong growth in Australia and New Zealand due to increasing net fund flows, lower cost to income ratios and clear focus on profitable growth.

In Hong Kong we are benefiting from continued strong sales growth in all channels and good retention of our inforce book. We are increasing scale in the rest of Asia and the first half has seen particularly good performance in Singapore and China.

Our strategy of accelerated growth in Asia is coming to fruition. We completed the MLC acquisitions earlier this year, we have the new start-ups in Malaysia and India, and we have the opportunity to look at the Winterthur assets later this year.

With about 18 months ago for AXA 6, and 2½ years to go for Asia 6, we are progressing well and are very much on target to meet our aspirational goals.

We have a strong balance sheet with plenty of flexibility to look at attractive growth opportunities when they arise.

I believe we are well positioned and I am confident we can continue to provide attractive returns for our shareholders.