

THE AXA "Accelerated growth in Asia" PLAN.

AXA Asia Pacific Holdings Strategy Briefing 2006
India & Malaysia

Clare Duggan - Regional Chief Operating Officer



10 May 2006

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C Agenda



— Be Life Confident —

- Asia market overview
- India market entry
- Malaysia market entry
- Summary

Asia market overview

Attractive market fundamentals



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India and Malaysia are attractive markets with high growth potential

	HK	China	India	Malaysia	Singapore	Thailand	Indonesia	Philippines ³
Population (m)	7	1,300	1,080	26	4	63	221	82
2005 GDP (A\$bn) ¹	244	2,588	1,092	177	154	250	414	116
Insurance market size (A\$bn) ¹	20	62	25	6	10	6	4	1
Forecast growth rate p.a.	13%	18%	15%	12%	13%	13%	17%	11%
Life Insurance penetration	8.1%	2.4%	2.3%	3.6%	6.8%	2.4%	0.9%	1.2%
Premium per capita (A\$) ¹	2,801	48	23	253	2,350	97	16	17
Foreign share of life market new business	91%	3%	36% ²	75%	58%	62%	59%	70%

Source: Swiss Re economic research, IRDA Annual Report 2005, Bank Negara Annual Report, Indonesian Life Insurance Federation, TLAA, PLIA/IIAP, Life Insurance Association of Singapore, CIA World Factbook

(1) Based on A\$/US\$ rate of 0.73231 as at 31 December 2005

(2) As at March 2006

(3) As at December 2004

- Our global scale, ability to re-use best practice business models and equity partnerships provide strategic advantages to enter two new markets in parallel

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India market entry



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India market entry

Market overview



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One of the most attractive emerging insurance markets

- Fifth largest insurance market in Asia¹
- Life insurance market size of A\$25bn²
- Market growth of 32% pa over the last 4 years, and 51% in 2005³
- Large middle class population (~250m) and rapidly increasing affluence among urban households
- Private (largely foreign joint ventures) have quickly captured significant market share (36% share on new business index (NBI) basis)⁴
- National licences - no business or geographical restrictions for foreign insurers
- The Indian Government has announced its intention to raise the 26% foreign investment ceiling to 49% (no set date)
- Lower margins than elsewhere in Asia (VNB margin 15% - 20%), but still attractive

(1) Swiss Re Sigma – World Insurance report 2004

(2) IRDA Annual Report 2005

(3) Growth in new business premium; IRDA Annual Reports

(4) IRDA Journal

India market entry Market opportunity



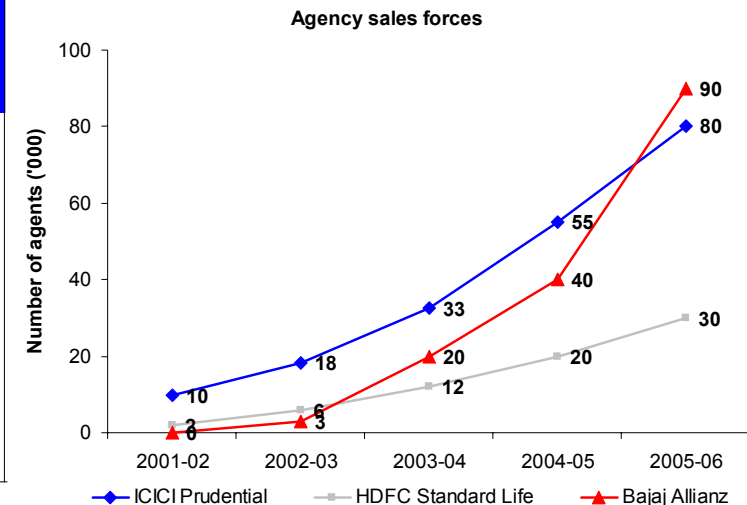
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Private insurers have experienced strong growth

Companies	Cumulative capital spend (A\$m) March 2006	Market share (NBI basis) January 2006 ²	NBI (A\$m) March 2005	Premium growth (Mar 2005 vs. Mar 2004)
ICICI Prudential	359	11.5%	445	129%
Bajaj Allianz	108	5.6%	137	184%
HDFC Standard Life	127	4.2%	119	184%
Birla Sun Life	133	2.9%	181	39%
Tata AIG Life	152	2.7%	90	68%
Max New York Life	167	2.4%	67	71%
All private insurers	1,356	36%	1,322	110%

(1) Source: IRDA

(2) Industry sources



India market entry Joint venture partner



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Partnering with one of India's leading and fastest growing corporate groups

Bharti Group

Bharti Enterprises

- Proven track record of joint venture partnerships with international companies
- Very strong capital base

Bharti Airtel

- The sixth largest listed company in India with A\$24.3bn market capitalisation¹
- Revenue for year ending March 2006 was A\$3.5bn², increase of 46%, generated cash profits of A\$1.2bn
- Provides mobile services in all states of India with a market share ~ 22%
- Network coverage of 40% of India's population. Present in 3,800 towns, through 1,000 exclusive retail outlets and 400,000 retailers
- Ranked second in Hewitt's Best Employers survey



Bharti AXA strategy

- Exclusive distribution agreement with Bharti Airtel to access their customer base, which is expected to grow to 50m by 2010
- Leverage Bharti Airtel retail network and mass market expertise
- Build affinity with strong retail brand for marketing and communication to customer base
- Leverage Bharti employer brand to attract quality talent

(1) www.bhartiairtel.in (as on 05 May 2006)

(2) Source: Quarterly Report, and Transcript of Analyst call, April 28 2006, www.bhartiairtel.in

India market entry Vision and strategy



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Vision

A leader and the preferred company for financial protection and wealth management

Strategy

- To achieve a top 5 market position through a multi-distribution, multi-product platform
- To adapt AXA's best practice blueprints as a sound platform for profitable growth
- To leverage Bharti's local knowledge, infrastructure and 20m customer base
- To be the employer of choice to attract and retain the best talent in India

India market entry Business model



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Proven Regional platforms to support significant distribution growth

Target customers

- Mass 14m households
 - Mass affluent 8m households
- } Metros
Tier 1 and Tier 2 cities

Marketing

- Reuse of Regional campaign management
- Cross sell to Bharti Airtel customer base

Product range

- Reuse of AXA Best of Breed Product Blueprint
- Unit linked, traditional and wide range of riders

Distribution

- Reuse of Agency and Salaried Advisor Blueprints
- National Coverage across 70 – 90 branches by 2012
- Will seek bank alliances

Operations

- Outsourced back office to AXA Business Services
- Regional systems deployed
- Centralised IT, finance shared services

India market entry

Components of indicative illustrative EV



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Strong value growth potential

AXA APH's JV in India - 100% share	Possible range of illustrative enterprise values 5 years after business commencement (A\$m) ¹
Value of inforce business (VIF)	100 - 130
Value of one year's new business (VNB)	30 - 45
Value of future expense overruns (VEO)	(50) - (35)
Statutory profit is expected to emerge within 5-7 years	
Illustrative EV, calculated as VIF, plus range of multiples times VNB, less VEO:	
12 x VNB	410 - 635
20x VNB	650 - 995
30x VNB	950 - 1,445
Capital injections	
in first three years	115 - 155
in first five years	175 - 230

(1) Based on constant currency rate of A\$/INR = 33

- Based on standard costs and loadings
- Assumed risk discount rate of 16%
- AXA APH has a direct equity interest of 26%

India market entry Launch update



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We are on track for Q3 launch

- Foreign Investment Promotion Board has approved our corporate structure
- Aiming for IRDA regulatory approvals Q3 2006
- Business plan has been approved
- CEO and most of top team recruited - will be on board by end of May
- Day 1 team in advance stage of recruitment
- Corporate office has been established in Mumbai

India market entry Summary



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- India is a highly attractive emerging insurance market
- BAL has a number of strategic advantages to achieve scale and be a leader in the India market
 - partner, Bharti, with strong consumer brand and access to 20m customers
 - multi-channel execution capability
 - AXA Asia product range is a good match for India
 - our scale provides cost effective and speedy re-use
 - global AXA brand
- Plan to commence operations in Q3 2006, subject to regulatory approval
- Strong value growth potential

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Malaysia market entry



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Malaysia market entry

Market overview



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An attractive market with high growth potential

- Population of 26m ¹
- Strong GDP growth ² (7.1% in 2004, 5%-6% pa forecast 2005-2007), and GDP per capita amongst the highest in the region (~A\$7,000)
- Total life insurance market size of A\$6bn ¹, one of the largest in South East Asia
- Market premium growth of ~22% in 2004, and relatively low life insurance penetration at 3.6% of GDP ¹
- Low insurance density (*premium per capita*) of ~A\$21 compared to a world average of A\$390 (life business) ¹
- Malaysia is a closed market which is limited to 16 life licences

(1) Swiss Re Market Analysis for Malaysia Dec 2005

(2) Bank Negara Insurance annual report

Malaysia market entry

Market overview - competitive positioning



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Foreign insurers have around 75% market share of new business

	2004 NBI (RM'000)	Market share
Great Eastern	432,015	21%
Prudential	339,525	17%
AIA	270,127	13%
ING	191,117	9%
Allianz	76,803	4%
MCIS Zurich	75,823	4%
Manulife	55,547	3%
Asia Life	48,430	2%

Source: Insurance annual report, 2004, Bank Negara Malaysia

- The market has seen significant growth in investment linked business
- New business generated through bancassurance was up 70% in 2004
- Bancassurance overtook agency as the most dominant distribution channel in 2004, accounting for 48% of new premiums

Malaysia market entry Joint venture partner



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Partnering with a leading Malaysian financial services group

- AXA AFFIN Life Insurance (AAL), a joint venture with AFFIN Holdings
 - AXA APH shareholding in the JV is 49%
 - AXA APH has management control
- AAL to acquire a life insurance licence through the acquisition of the life portfolio of Tahan Life Insurance
 - AXA APH's share of the purchase price was RM59m (approx. A\$22m)
- Bancassurance agreement with AFFIN Bank
 - Eighth largest bank in Malaysia
 - 600,000 customers across 100 branches

Malaysia market entry Vision and strategy



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Vision

A leader and the preferred company for financial protection and wealth management

Strategy

- To achieve a top 5 market position through a multi-distribution, multi-product platform
- To reuse AXA's best practice blueprints as a sound platform for profitable growth
- To leverage AFFIN Bank's branch network
- To be the employer of choice to attract and retain the best talent in Malaysia

Full reuse of AXA Asia Life Regional business model

Target customers

- Existing 600,000 bank customers and mass affluent

Marketing

- Reuse of Regional campaign management
- AFFIN leads generation campaign

Product range

- Reuse of AXA Best of Breed Product Blueprint
- Mortgage return term assurance (MRTA), unit linked and wide range of riders

Distribution

- Reuse of Agency and Bancassurance Blueprints
- National Agency force
- Bancassurance across AFFIN Bank branch network

Support functions

- Implement regional systems
- Centralised IT, finance shared services
- Leverage existing AXA General Insurance back office

Malaysia market entry

Components of indicative illustrative EV



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Strong value growth potential

AXA APH's JV in Malaysia - 100% share

Possible range of illustrative enterprise values 5 years after business commencement (A\$m) ¹

Value of inforce business (VIF)	70 - 100
Value of one year's new business (VNB)	12 - 20
Value of future expense overruns (VEO)	immaterial
Statutory profit is expected to emerge within 5-7 years	
Illustrative EV, calculated as VIF, plus range of multiples times VNB, less VEO:	
12 x VNB	215 - 340
16x VNB	260 - 420
20x VNB	310 - 500
Purchase price for Tahan	46
Capital injections in first 3 years	40 - 60
Capital injections in first 5 years	40 - 70

(1) Based on constant currency rate of A\$/MYR = 2.62

- Based on standard costs and loadings
- Assumed risk discount rate of 12.5%
- AXA APH has an equity interest of 49%

Malaysia market entry Launch update



— Be Life Confident —

We are on track for Q3 launch

- Received Certificate of Business Commencement from the local Authority
- Regulatory approvals and control of operations are expected Q3 2006
- Business plan has been approved
- CEO identified - seeking regulatory approval
- Senior team in advanced stage of recruitment
- Corporate office and training academy will be in Kuala Lumpur

Malaysia market entry Summary



— Be Life Confident —

- Malaysia is a very attractive insurance market with high growth potential
- AAL has a number of strategic advantages to achieve scale and be a leader in the Malaysia market
 - strong local partner in AFFIN Holdings with immediate distribution capable of targeting 600,000 customers through over 100 branches
 - multi distribution capability
 - strong AXA brand
 - AXA Asia Life product range is a good match for Malaysia
 - our scale provides cost effective and speedy re-use
 - AXA and AFFIN have had a presence in Malaysia for more than 25 years
- Plan to commence operations in Q3 2006, subject to regulatory approval
- Strong value growth potential

Attractive markets are not without risks



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Risk	Mitigation
Inability to grow scale distribution	<ul style="list-style-type: none"> • Proven Agency, Advisor and Bancassurance Blueprints • Industrialise recruitment capability
Inability to strongly penetrate partners customer base	<ul style="list-style-type: none"> • Strong commitment from partners • Reuse Regional campaign management
Price margins	<ul style="list-style-type: none"> • Implement low unit cost operations and cost conscious culture • Product innovation to maintain product margins
Inability to attract and retain quality people	<ul style="list-style-type: none"> • Leverage partner and AXA brand • Attractive career path including regional opportunities • AXA global developmental programmes

Summary



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- Two very attractive insurance markets with strong value growth potential
- Significant growth opportunities in the short and long term
- AXA is well positioned to benefit from these opportunities
- Regional best practice Blueprints in products, financial planning, distribution and financial control provide strategic advantages
- Strong committed partners
- Proven ability to successfully execute change

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Q&A



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The material in this presentation is a summary of the historic results of the AXA APH Group and an update on Group activities. It is current at the date of preparation, 10 May 2006.

Further details are provided in the Company's full year accounts, Investor Compendiums and results announcements.

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 on our website, www.axaasiapacific.com.au.

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