

THE AXA "What comes after AXA 6" PLAN.

AXA Asia Pacific Holdings Strategy Briefing 2007

AXA New Zealand

Ralph Stewart - Chief Executive Officer, New Zealand



21 November 2007

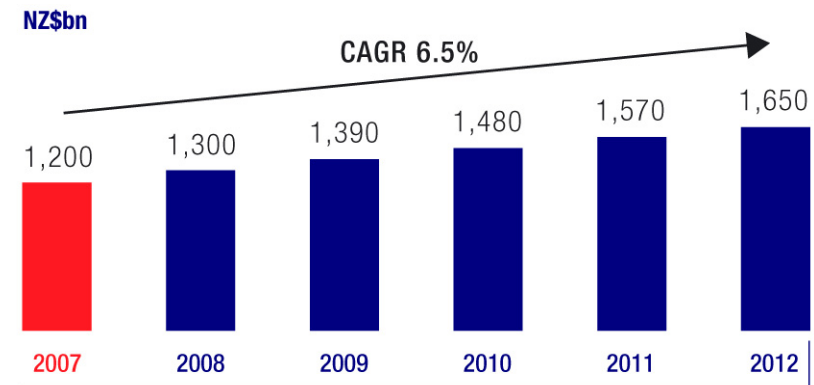
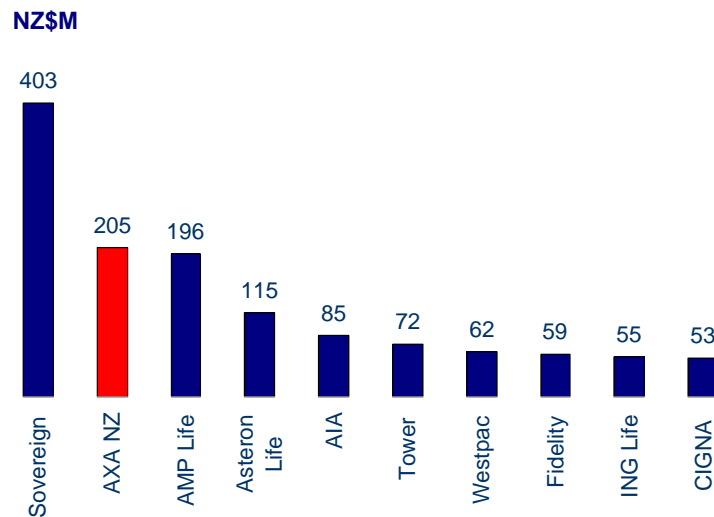
Agenda

- Market dynamics
- Our Ambition 2012 Aspirational Goals
- Our Ambition 2012 Strategic Imperatives
- Summary

Market dynamics

Financial protection

Our position is strong in a growing market



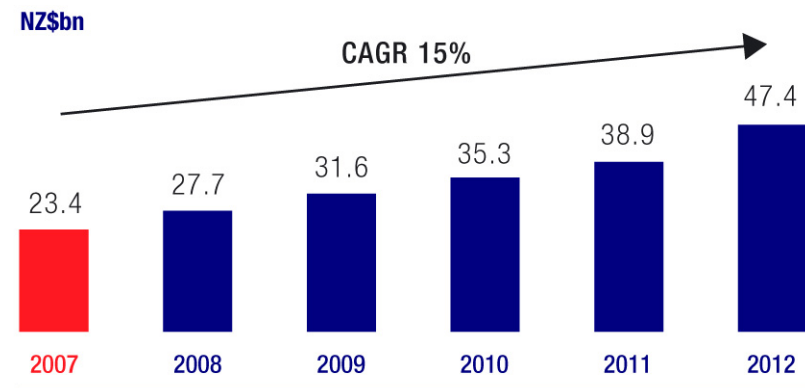
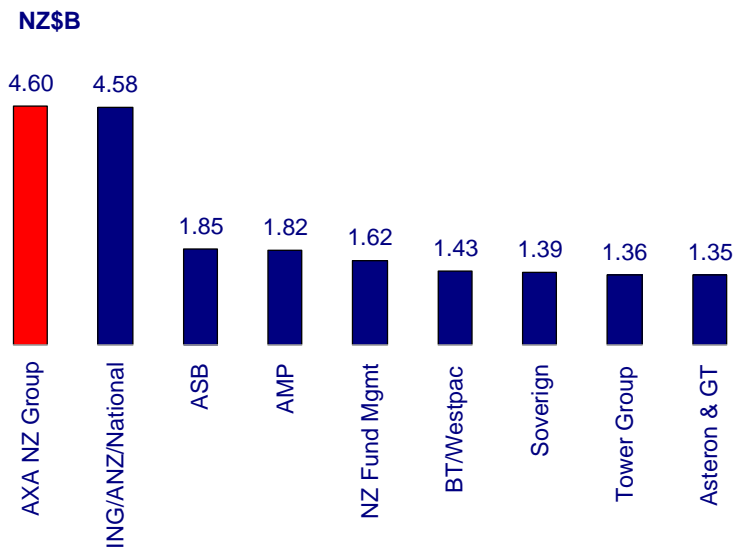
- Approximately 50% of New Zealanders have no life insurance at all (AIA, 2005) and a similar study (AMP 2006) concluded that 67% of families have no or inadequate life cover
- We are well positioned to benefit from this significant opportunity in the financial protection market
- Term life continues to be the leading product, making up 75% of all new business premiums



Market dynamics

Wealth management

We hold a leading position in this rapidly growing market



- Removing tax impediments to investing in managed funds and the impact of KiwiSaver on retail superannuation contribute to a forecast doubling in the size of the New Zealand wealth management market by 2012.
- We are the largest retail wealth management provider, driven by a diversified distribution base – owned advice businesses, bank alliances, aligned advisers and government superannuation contracts.



Source: FundSource September 2007, adjusted to include Spicers Portfolio Management, Retail Superannuation, Select Portfolio Solutions and Mortgage Backed Products for AXA

Market dynamics

	2004	2005	2006	Current
Savings	Harris report on workplace savings. Launch of State Sector Retirement Savings Scheme (SSRSS)	Budget announcement on national workplace savings initiative in May	KiwiSaver final design and Bill passed	<ul style="list-style-type: none"> • New universal opt-out work place savings scheme effective 1 July 2007 • Minimum employee contribution 4% • Tax free employer contributions up to 4% by 2011 • Locked to age 65
Taxation	Stobo report on taxation driving awareness for capital gains issues	Recommendations to Government, likely scope known in 2005	Details of changes to the taxation of collective investment vehicles (CIVs) announced	<ul style="list-style-type: none"> • New International tax regime (FDR implemented 1 April 2007) • New Collective Investment vehicle taxation implemented 1 October 2007

Our Ambition 2012 Aspirational Goals

Overarching	Double enterprise value
Ambition 1	Double the value of new business
Ambition 2	Top 3 in both net funds flow and net premium flows
Ambition 3	Deliver 5 step business simplification programme
Ambition 4	Reduce the cost to income ratio by 15 percent
Ambition 5	Top quartile for customer and adviser satisfaction
Ambition 6	Top quartile for employee engagement

Our Ambition 2012 Strategic Imperatives

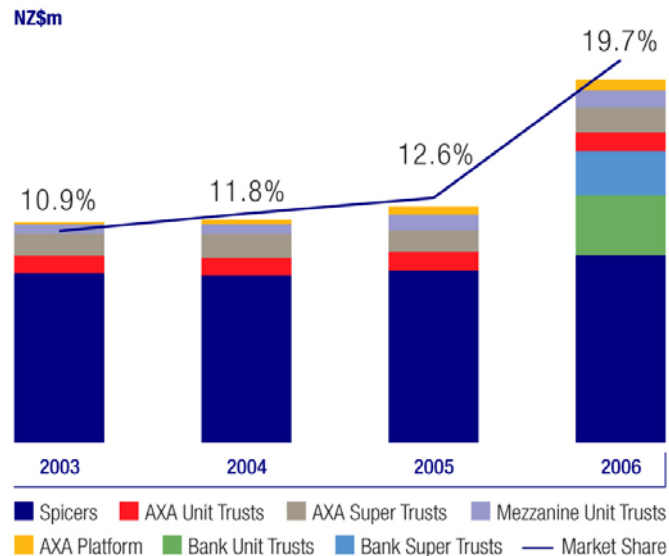
- 1. Simplify the operating model**
- 2. Strengthen our distribution franchise**
- 3. Increase financial protection scale and profitability**
4. Focus our wealth management capability on key channels (Spicers, BNZ, aligned advisers and Government)
5. Continue to drive increases in employee engagement
6. Put ease of doing business at the forefront of our service for customers and advisers

Ambition 2012 Strategic Imperative 1

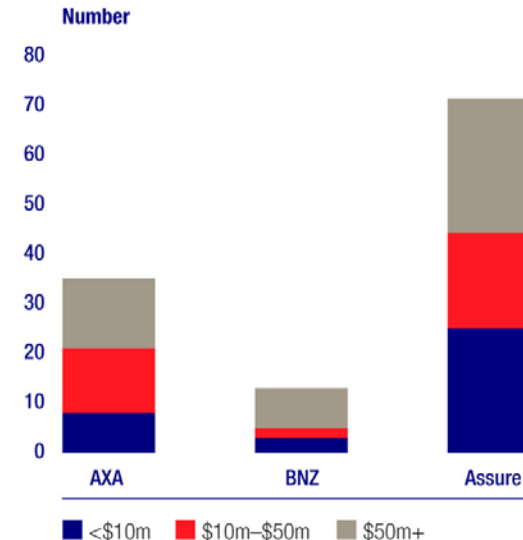
1. Simplify the operating model

Capitalise on rationalisation opportunities of channel, product and structure

AXA NZ Retail Wealth Management FUM (excl Legacy)



AXA NZ FUM Balances (\$NZm)



- Invest to support a single investment platform
- Rationalise small investment funds
- Reduce the number of legal entities



Ambition 2012 Strategic Imperative 2

2. Strengthen our distribution franchise

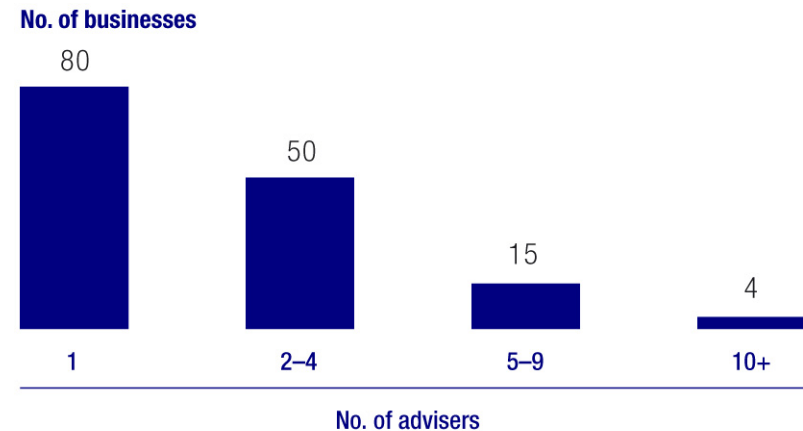
Capitalise on the demographics of advisers and the disaggregated industry structure

Age demographics (AXA Aligned advisers)

	<45	46-54	55-59	60-64	65+
Auckland	5%	6%	2%	5%	1%
Wellington	1%	2%	5%	2%	2%
Christchurch	1%	3%	1%	2%	2%
Other North	3%	12%	15%	13%	4%
Other South	2%	7%	0%	3%	0%
Total	12%	30%	23%	25%	8%

- Nearly 60% of aligned advisers are expected to retire in the next 10 years
- A third in the next 5 years

No. of Aligned per Adviser Practice (AXA aligned)



- Over 250 of Aligned advisers operate within practices of 4 or less people
- 80 practices are sole traders
- There are only 19 practices that have 5 or more advisers



- Provide succession planning to retain business as advisers retire
- Pursue acquisition opportunities

Ambition 2012 Strategic Imperative 3

3. Increase financial protection scale and profitability

Effectively balance our ambition for growth while maintaining our emphasis on value of new business, operating earnings and regulatory requirements

NZ\$m	Total In Force Annual Premium	% of Total Premium	Rank
Sovereign	403	29.5	1
AXA New Zealand	205	15.0	2
AMP Life	196	14.4	3
Asteron Life	115	8.5	4
AIA	85	6.2	5
Tower	72	5.3	6
Westpac	62	4.6	7
Fidelity	59	4.3	8
ING Life	55	4.1	9
CIGNA	53	3.9	10

- Close long term risk to new business given low new business value
- Review our reinsurance and regulatory capital positions to support increasing value for income protection
- Actively pursue risk acquisition opportunities, combining both scale and distribution benefits
- Leverage AXA's position as a default KiwiSaver provider to cross sell financial protection products

Summary

- Reform of the savings and investment market is now in place and legislative attention has shifted to market conduct and adviser regulation
- The new regulatory environment will prove positive for the industry, although challenges remain in the short-term
- Market composition provides opportunities for established players to expand distribution
- The New Zealand financial protection market remains relatively under-insured
- New Zealand has the potential to replicate Australia's booming wealth management market
- Our Ambition 2012 aspirational goals and strategic imperatives position us well to capitalise on these market conditions

THE AXA

"What comes
after AXA 6"

PLAN.

Q & A



21 November 2007

AXA APH

Disclaimer

The material in this presentation is a summary of the results of the AXA APH Group for the six months ended 30 June 2007 and an update on Group activities and is current at the date of preparation, 7 August 2007. Further details are provided in the Company's half year accounts, Investor Compendium and results announcement released on 7 August 2007.

This presentation provides information in summary form only 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.

This presentation should be read in conjunction with the 2007 half year Investor Compendium. 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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