

27 January 2005

AXA ASIA PACIFIC HOLDINGS LIMITED NEW BUSINESS AND FUND FLOWS

AXA Asia Pacific Holdings has today announced details of new business and fund flows for the 12 months ended 31 December 2004.

Group Chief Executive, Les Owen, said:

“Group fund flows and new life business have both grown strongly over the past 12 months.

“In Australia & New Zealand, the strength of our distribution networks, improved product offerings and overall market growth contributed to a 16% increase in gross wealth management inflows. In financial protection, our focus remains firmly on targeting profitable market segments. The solid 5% growth in new regular premiums is encouraging.

“New business in Hong Kong also grew strongly, up 14%, with particularly good performance in group business and unit linked single premiums.

“New business in South East Asia also grew, with very strong growth in Indonesia following the launch of our joint venture with Bank Mandiri at the beginning of 2004.

”We are well positioned in all our major markets to deliver further profitable growth in 2005.”

Australia and New Zealand – key points

- Gross *retail* inflows of \$8.15bn, up 9% (12 months ended 31 December 2003 - \$7.50bn)
- Total *gross* inflows (retail and wholesale) of \$12.25bn, up 16% (2003 - \$10.51bn)
- *Investment product* gross inflows up 29% to \$2.87bn (2003 - \$2.22bn) due to strong unit trust and Summit inflows
- Gross inflows to *advice* businesses up 30% to \$1.19bn (2003 - \$0.92bn)
- Net *retail* flows of \$2.93bn, down 18% (2003 - \$3.56bn), due to a reduction in retail mandate flows through Alliance Capital compared to a very strong 2003. However total net flows into Alliance Capital were up 42% to \$2.66bn (2003 - \$1.88bn). Intra-group flows from mezzanine products to Alliance Capital retail sourced mandates were \$110.3m. Total net flows were \$3.99bn, up 12% (2003 - \$3.57bn)
- *Individual life* new regular premiums up 7% to \$48.4m (2003 - \$45.1m)
- *Individual income protection* new regular premiums down 2% to \$22.5m, reflecting continued focus on profitable market segments.

Hong Kong – key points

- New *regular* premiums of HK\$1,009.4m, up 14% (2003 – HK\$881.8m), reflecting marketing and productivity initiatives which have driven growth across agency, adviser and broker channels
- New *regular* premiums for group retirement up 168% and group risk up 130% reflecting further broadening of distribution channels
- *Single* premiums up 6% to HK\$475.9m (2003 – HK\$447.7m) reflecting growth in individual life unit linked sales
- Total life new business index up 14% to HK\$1,057.0m (2003 – HK\$926.6m).

China and South East Asia – key points

- Total new business index up 18% to A\$82.5m (2003 – A\$69.8m) ¹
- Total premium income up 37% to A\$455.4m (2003 – A\$332.9m) ¹
- Very strong growth in Indonesia with new business up 137% driven by a successful first year by our joint venture with Bank Mandiri
- New business in Singapore up 14%, mostly from growth in regular premium investment products
- New business index in Philippines up 9% driven by strong growth in the second half of the year following the presidential elections in May
- New business index in China fell by 13% reflecting an overall slowdown in the Chinese market. However, total premium income in Shanghai grew 9% compared to an overall market decline of 5% (11 months ended 30 November 2004)
- New business in Thailand down 16% following a particularly strong 2003. This reflects some planned reductions in agent numbers as we focus on productivity and profitability. Total premium income increased.

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¹ On a constant currency basis, translated at average exchange rates for the 12 months ended 31 December 2004 of A\$/Rmb = 0.163529; A\$/Sing\$ = 0.803247; A\$/Peso = 0.024113; A\$/Baht = 0.033655; A\$/Rupiah = 0.000151.

Australia/New Zealand

(A\$ million)	Gross inflows (12 months ended)			Net flows (12 months ended)		
	31 Dec 2004	31 Dec 2003	Change	31 Dec 2004	31 Dec 2003	Change
Wealth management						
Superannuation	2,402.5	2,229.9	8%	733.2	735.1	(0)%
Retirement income	689.9	697.4	(1)%	(43.5)	41.4	n/a
Investment products	2,866.7	2,218.7	29%	706.8	772.0	(8)%
Alliance Capital – retail mandates	2,186.8	2,352.8	(7)%	1,536.9	2,007.3	(23)%
Total A&NZ retail inflows (excluding cash management trusts)	8,145.9	7,498.8	9%	2,933.4	3,555.8	(18)%
Cash management trusts	81.3	254.5	(68)%	(67.9)	138.9	n/a
Alliance Capital – wholesale mandates	4,017.9	2,761.0	46%	1,121.1	(130.0)	n/a
Total A&NZ inflows	12,245.1	10,514.3	16%	3,986.6	3,564.7	12%
<i>Included in the above:</i>						
Platforms	2,361.1	1,812.5	30%	797.8	711.7	12%
Advice	1,192.0	920.3	30%	428.9	426.5	1%
<i>Intra group flows:</i>						
Investment products				(110.3)		
Alliance Capital – retail mandates				110.3		

Total funds under management, administration and advice was \$52.49bn, up 19% (31 December 2003 - \$44.25bn).

(A\$ million)	New business (12 months ended)			In-force (as at)		
	31 Dec 2004	31 Dec 2003	Change	31 Dec 2004	31 Dec 2003	Change
Financial protection						
New regular premiums						
Individual life	48.4	45.1	7%	242.6	222.5	9%
Individual income protection	22.5	23.0	(2)%	196.4	197.2	(0)%
Group insurance	26.2	23.8	10%	125.0 ¹	116.0	8%
Long term risk	3.2	3.9	(18)%	94.6	99.4	(5)%
Total	100.3	95.8	5%	658.6	635.1	4%
Single premiums	30.1	27.8	8%	-	-	

Note:

(1) 2004 in-force excludes one off positive adjustment of \$9.6m to 2004 group insurance master trust business

Hong Kong

(HK\$ million)	New business (12 months ended)			In-force (as at)		
	31 Dec 2004	31 Dec 2003	Change	31 Dec 2004	31 Dec 2003	Change
New regular premiums						
Individual life – non-linked	592.2	582.7	2%	4,836.2	4,640.4	4%
Individual life – unit linked	234.3	226.2	4%	482.0	361.8	33%
Group retirement – incl MPF	107.3	40.1	168%	1,274.9	1,196.7	7%
Group risk	75.6	32.8	130%	367.7	296.2	24%
Total new regular premiums	1,009.4	881.8	14%	6,960.8	6,495.1	7%
Single premiums						
Individual life – incl unit linked	217.3	119.6	82%			
Group retirement	258.6	328.1	(21)%			
Total single premiums	475.9	447.7	6%			
Total Life New Business Index (“NBI”)¹	1,057.0	926.6	14%			
General insurance (P&C) ²	115.0	105.5	9%			
Total New Business Index	1,172.0	1,032.0	14%			

Note:

(1) New Business Index = regular premium sales + 10% of single premium sales

(2) Gross written premium

Total funds under management, administration and advice was HK\$46.34bn, up 16% (31 December 2003 - HK\$40.07bn).

China & South East Asia

(million)	New Business Index ¹ (12 months ended)			Total premium income (12 months ended)		
	31 Dec 2004	31 Dec 2003	Change	31 Dec 2004	31 Dec 2003	Change
Indonesia (Rupiah)	158,619.4	66,979.2	137%	690,504.0	229,466.1	201%
Singapore (Sing\$)	23.1	20.3	14%	216.4	219.2	(1)%
Philippines (Peso)	633.9	583.9	9%	4,151.2	2,648.9	57%
China (Rmb)	39.9	46.1	(13)%	175.0	124.5	41%
Thailand (Baht)	541.4	645.8	(16)%	1,444.4	1,126.3	28%
Total (AUD) ²	82.5	69.8	18%	455.4	332.9	37%

Note:

(1) New Business Index = regular premium sales + 10% of single premium sales

(2) On a constant currency basis, translated at average exchange rates for the 12 months ended 31 December 2004 of A\$/Rmb = 0.163529; A\$/Sing\$ = 0.803247; A\$/Peso = 0.024113; A\$/Baht = 0.033655; A\$/Rupiah = 0.000151.

Figures represent 100% share of the businesses