ASIA PACIFIC

Trevor D Lloyd
Company Secretary

Phone:61 3 9617 2520
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26 August 2003

Australian Stock Exchange Limited
Company Announcements Office
20 Bridge Street
SYDNEY NSW 2000

Market Information Services
New Zealand Stock Exchange
ASB Bank Tower
Level 9, 2 Hunter Street
Wellington
New Zealand

Dear Sir/Madam

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Half year information given to ASX under Listing Rule 4.2A

Attached are materials dealing with the results of AXA Asia Pacific Holdings Limited for the half year ended 30 June 2003. These materials consist of:

- Appendix 4D;
- Financial report and Directors' report for half year ended 30 June 2003 together with the auditor's report
- Press release;
- Investor compendium providing detailed information concerning the results; and
- Set of slides with will be referred to at the presentation of the results today.

This information should be read in conjunction with the most recent Annual Report for the financial year ended 31 December 2002.

Yours faithfully

Rule 4.2a.3

Appendix 4D
Half year report

Name of entity:

AXA ASIA PACIFIC HOLDINGS LIMITED

ABN:

78 069 123 011

1 Reporting Period

Half year ended ('reporting period'):

30 June 2003

Previous Half year ended ('previous corresponding period'):

30 June 2002

2 Results for announcement to the market

					$A'm
2.1	Revenue from ordinary activities	up	121%	to	2,486
2.2	Profit (loss) from ordinary activities after tax attributable to members	up	389%	to	655
2.3	Net profit (loss) for the period attributable to members	up	389%	to	655

	Dividends (distributions)	Amount per Security	Franked amount Per security
2.4	Interim dividend (proposed)	4.75¢	2.85¢
2.5	+Record date for determining entitlements to the dividend	5 September 2003	

2.6 Brief explanation (if required) of any of the figures reported above.
Refer Investor Compendium and Half Year Financial Report for analysis of figures disclosed above.

3 Net tangible assets per security

	Current period	Previous corresponding Period
Net tangible assets per +ordinary security	$2.05	$1.76

+See Chapter 19 for defined terms.

4 Entities over which control has been gained or lost

		Control gained	Control lost
4.1	Name of entity (or group of entities)	Macquarie Health Acquisitions Pty Ltd	Not applicable
4.2	Date from which control was gained/lost	28 February 2003	Not applicable
4.3	Profit (loss) from ordinary activities after tax of the controlled entity (or a group of entities) for the current period on which control was acquired (control gained) or for the current period to date of loss of control (control lost)	-	Not applicable
4.4	Profit (loss) from ordinary activities after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period	-	Not applicable

As part of the sale of AXA Health Insurance Pty Limited (AXA Health), Macquarie Health Acquisitions Pty Ltd (MHA) was created during 2002. At 31 December 2002 MHA was classified as an associated entity as the vendor shares held conferred only 27% of the voting rights. On 28 February 2003, the entity exercised its right to convert these vendor shares to 100% of the ordinary shares of MHA. In addition, during 2003 MHA disposed of its interest in AXA Health.

5 Proposed interim dividends

Date the dividend (distribution) is payable	3 October 2003

		Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
Interim dividend:	Current half year	4.75 ¢	2.85 ¢	N/A
	Previous half year	4.75 ¢	2.85 ¢	N/A

	Current period $A'm	Previous Corresponding $A'm
+Ordinary securities *(each class separately)*	83	84
Preference +securities *(each class separately)*	-	-
Other equity instruments *(each class separately)*	-	-
Totals	**83**	**84**

6 Dividend reinvestment plans

Dividend reinvestment plans in operation	Not applicable
The last date(s) for receipt of election notices for participation in any +dividend or distribution reinvestment plans	Not applicable

7 Details of associates and joint venture entities

	Percentage of ownership interest held at the end of period or date of disposal		Contribution to net profit / (loss)	
Equity accounted associates and joint venture entities	Current period %	Previous corresponding period %	Current period $A'm	Previous corresponding period $A'm
Macquarie Health Acquisitions Pty Ltd	-	-	10	-
Member's Equity Pty Ltd	-	50%	-	(2)
Alliance Capital Management Australia Ltd and Alliance Capital Management New Zealand Ltd (from 01.02.2001)	50%	50%	2	1
Totals	**Not applicable**	**Not applicable**	**12**	**(1)**
Other material interests	Not applicable	Not applicable	-	-
Totals	**Not applicable**	**Not applicable**	**12**	**(1)**

Refer also to section 4.

AXA Asia Pacific Holdings Limited

ABN 78 069 123 011

Half Year Directors' Report and

Financial Report

30 June 2003

Contents

Directors' Report

Your directors present their report on the consolidated entity consisting of AXA Asia Pacific Holdings Limited and its controlled entities (AXA APH) for the half year ended 30 June 2003.

Directors

The directors of AXA Asia Pacific Holdings Limited during the half year and up to the date of this report were:

Richard Hugh Allert, AM	Chairman
Arthur Leslie Owen	Group Chief Executive
Paul Ashley Cooper	
Thomas Brian Finn, AO	
Peter Hanbury Masfen	
Michel Pinault	
Michael Butler	(appointed 25 August 2003)
Lin Xinhong	(appointed 30 July 2003)
Melvyn Keith Ward, AO	(retired 24 April 2003)
Jean-Yves LeBerre	(ceased to be an alternate for Michel Pinault on 7 April 2003)
Bruno Jantet	(appointed alternate for Michel Pinault on 7 April 2003)

All directors were in office from 1 January 2003 until the date of this report unless otherwise stated.

Review of Operations and Results

Profit after income tax and before non-recurring items for the 6 months ending 30 June 2003 was $287 million (2002 - $134 million).

$Am	**6 months June 2003**	**6 months June 2002**
Operating earnings excluding Health	137	137
Operating earnings – Health*	10	26
Operating earnings	**147**	**163**
Investment earnings	188	27
Corporate expenses	(21)	(19)
Interest expense	(27)	(37)
Profit after tax before non recurring items	**287**	**134**
Non recurring items after tax	368	-
Profit after tax after non recurring items	**655**	**134**

*The sale of AXA Health was completed on 28 February 2003. Earnings are only included in respect of the period 1 January 2003 to 28 February 2003.

Operating Earnings (excluding Health) for the 6 months ending 30 June 2003 were maintained. This is despite continued difficult international investment markets, and the impact of the strong appreciation of the Australian Dollar on our Hong Kong earnings.

In Australia and New Zealand, operating earnings (excluding Health) grew 5%, and in local currency terms, Hong Kong operating earnings grew 7% as a result of improved persistency levels, expense control, growth in new business and improved investment markets in the second quarter of 2003.

Total operating earnings for the Group of $147 million were 10% lower than the corresponding period last year, following the sale of AXA Health Insurance Pty Limited (AXA Health) and the effect of the appreciation of the Australian Dollar. The sale of AXA Health was completed in February 2003 with profit on sale reported within non-recurring items.

Investment Earnings for the Group were up strongly at $188 million (2002 - $27 million) due to improved global equity markets, a reduction in bond yields and a contraction in corporate spreads. The US 10 year bond rate has increased over July/August, with yields now back above December 2002 levels.

Corporate expenses of $21 million are $2 million higher than last year due to additional superannuation contributions.

Interest expense was 27% lower than last year reflecting a fall in interest rates during the period, the appreciation of the Australian Dollar, and lower debt levels due to debt repayments earlier in the year.

Non-recurring items of $368 million include profits from the sales of AXA Health and Members Equity and the reduction in carrying value of AXA Life Singapore.

Significant Changes in the State of Affairs

On 28 February 2003, AXA Asia Pacific Holdings Limited finalised the sale of AXA Health, its private health insurance arm in a transaction with Macquarie Bank Limited.

On 8 January 2003, AXA Asia Pacific Holdings Limited completed the sale of its 50% interest in Members Equity.

Refer Note 7 "Significant Items" of the Financial Report for further details on these items.

Events Occurring After Reporting Date

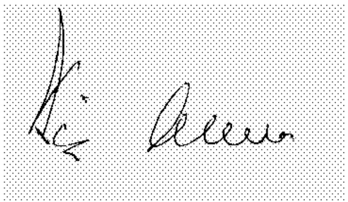
There has not been any matter or circumstance that has arisen since the end of the financial period that has significantly affected, or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the company in future financial periods.

Rounding

The Company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with the Class Order amounts in the directors report and the financial report are rounded off to the nearest million dollars unless otherwise stated.

Signed in accordance with a resolution of the directors.

R. H. Allert
Chairman



Les Owen
Group Chief Executive

Melbourne, 25 August 2003

Consolidated Financial Report

Consolidated Statement of Financial Performance

For the half-year ended 30 June 2003

	Note	30 June 2003 A$m	30 June 2002 A$m
Premium, fee and other revenue	2	1,449	1,512
Investment revenue		1,037	(387)
Revenues from ordinary activities		2,486	1,125
Claims expense	3	(508)	(879)
Changes in net policy liabilities and policy owner retained profits		(774)	497
Commission		(167)	(192)
Operating expenses		(332)	(392)
Expenses from ordinary activities		(1,781)	(966)
Share of net profits/(losses) of associates and joint ventures accounted for using the equity method		12	(1)
Borrowing costs		(56)	(51)
Profit from ordinary activities before income tax		**661**	**107**
Income tax expense/(benefit)		(5)	(33)
Net profit from ordinary activities after income tax		666	140
Outside equity interests		(11)	(6)
Net profit after tax attributable to shareholders of AXA		**655**	**134**
Decrease in foreign currency translation reserve		(142)	(37)
Total revenues, expenses and valuation adjustments attributable to members of AXA and recognised directly in equity		(142)	(37)
Total changes in equity other than those resulting from transactions with owners as owners		513	97

	Cents per share	Cents per share
Basic earnings per ordinary share	37.66	7.60
Diluted earnings per ordinary share	37.24	n/a

The accompanying notes form part of this Financial Report.

Consolidated Statement of Financial Position

As at 30 June 2003

	30 June 2003 A$m	31 December 2002 A$m
Assets		
Cash at bank and deposits on call	1,655	1,418
Receivables	970	573
Equity securities	7,763	8,483
Debt securities	12,430	12,307
Property investments	2,346	2,463
Other investments	282	272
Operating assets	94	104
Deferred tax assets	161	343
Intangibles	11	13
Excess of market value over net assets of controlled entities	1,682	1,705
Other assets	43	53
Total Assets	**27,437**	**27,734**
Liabilities		
Payables	1,559	1,113
Current tax liabilities	31	75
Borrowings	729	1,442
Provisions	155	202
Deferred tax liabilities	182	201
Other liabilities	176	185
Subordinated debt	970	1,102
Life insurance policy liabilities	19,710	19,927
Total liabilities	**23,512**	**24,247**
Net Assets	**3,925**	**3,487**
Equity attributable to shareholders of the parent entity		
Contributed equity	1,130	1,130
Asset revaluation reserve	-	15
Foreign currency translation reserve	(201)	(59)
Shareholders' retained profits	2,644	2,061
Total equity attributable to shareholders of the parent entity	3,573	3,147
Outside equity interests in controlled entities	352	340
Total equity	**3,925**	**3,487**

The accompanying notes form part of this Financial Report.

Consolidated Statement of Cash Flows

For the half-year ended 30 June 2003

	30 June 2003 A$m	30 June 2002 A$m
Cash flows from operating activities		
Premiums received	2,077	2,631
Interest received	350	342
Dividends/trust distributions received	185	107
Fees, rents and other cash received	218	240
Policy payments	(1,485)	(2,076)
Interest and other finance costs paid	(56)	(57)
Income tax (paid)/received	(31)	(86)
Fees and commissions paid	(176)	(276)
Payment to suppliers and employees	(361)	(433)
Net cash provided by/(used in) operating activities	**721**	**392**
Cash flows from investing activities		
Proceeds from sale of operating assets	6	6
Payment for purchase of operating assets	(18)	(13)
Net proceeds from sale of/(investment in) associated entities	608	(5)
Net proceeds from sale of/(investment in) equity securities	98	(314)
Net proceeds from sale of/(investment in) debt securities	(569)	21
Net proceeds from sale of/(investment in) property investments	92	88
Net proceeds from sale of/(investment in) other investments	91	73
Net cash provided by/(used in) investing activities	**308**	**(144)**
Cash flows from financing activities		
Dividends paid – members of the parent entity	(87)	(132)
Proceeds from borrowings	100	140
Repayment of borrowings	(700)	-
Net cash provided by/(used in) financing activities	**(687)**	**8**
Net increase/(decrease) in cash held	**342**	**256**
Cash at beginning of the half-year	1,418	1,597
Effect of exchange rate changes on the balance of cash held in foreign currencies at the beginning of the financial half-year	(105)	(57)
Cash at the End of the Half-Year	**1,655**	**1,796**

The accompanying notes form part of this Financial Report.

Notes to the Financial Statements

For the half year ended 30 June 2003

1. Basis of Preparation

This general purpose consolidated financial report for the half-year ended 30 June 2003 has been prepared in accordance with AASB 1029: 'Interim Financial Reporting', other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) and the Corporations Act 2001.

This financial report does not include all the notes of the type normally included in the annual financial report. Accordingly, this report should be read in conjunction with the Annual Financial Report of AXA Asia Pacific Holdings Limited for the twelve months ended 31 December 2002 and any public announcements made by AXA Asia Pacific Holdings Limited and its controlled entities (AXA APH) during the period in accordance with the continuous disclosure obligations arising under the Corporations Act 2001 and the ASX Listing Rules.

For the purpose of the financial report, each half-year period has been treated as a discrete reporting period.

Accounting policies adopted in this report are consistent with those adopted and disclosed in the 2002 Annual Financial Report, except as discussed below.

In accordance with Accounting Standard AASB 1044 'Provisions, Contingent Liabilities and Contingent Assets', on 1 January 2003 AXA APH changed its policy for providing for dividends. Under the new policy, a provision for dividend is recognised at balance date when the directors have declared, determined or publicly recommended the dividend before balance date. The effect of this change in accounting policy is to increase opening retained profits by the amount of the dividend provision at 31 December 2002 ($87 million).

Where necessary, comparative information has been reclassified to be consistent with current period disclosure.

Notes to the Financial Statements continued

2. Analysis of premium, fee and other revenue

	30 June 2003 A$m	30 June 2002 A$m
Premium and related revenue		
Premium and related revenue received and receivable – Life Insurance	2,031	2,106
Premium and related revenue received and receivable – AXA Health	-	408
Less deposits recognised as an increase in life insurance policy liabilities	(1,126)	(1,088)
Premium and related revenue – recognised as revenue	905	1,426
Fee and other revenue	116	86
Proceeds on sale of associates	608	-
Net book value of associates sold	(180)	-
Premium, fee and other revenue	**1,449**	**1,512**

Life insurance premiums are split between their revenue and deposit components. A similar split has been applied to life insurance claims between their expense and withdrawal components (see note 3) and a corresponding offsetting adjustment (ie. equivalent to the net of the adjustment to premiums and claims) is made to "Changes in net policy liabilities and policy owner retained profits". There is no profit effect.

3. Analysis of claims expense

	30 June 2003 A$m	30 June 2002 A$m
Claims		
Claims and related expenses paid and payable – Life Insurance	(1,445)	(1,598)
Claims and related expenses paid and payable – AXA Health	-	(308)
Less withdrawals recognised as a reduction in life insurance policy liabilities	937	1,027
Claims – recognised as expense	**(508)**	**(879)**

Notes to the Financial Statements continued

4. Dividends

	30 June 2003 A$m	30 June 2002 A$m
Ordinary shares		
Dividends paid during the half year		
2002 Final dividend of 5 cents per share (2001 – 7.5 cents) paid on 4 April 2003 franked to 60% at 30% (2001 – fully franked at 30%)	87	132
Dividends not recognised at the end of the half year		
2003 Interim dividend of 4.75 cents per share (2002 – 4.75 cents) to be paid on 3 October 2003 franked to 60% at 30% (2002 – 60% at 30%)	83	84

The interim dividend for the half year ended 30 June 2003 has not been recognised because the interim dividend was declared and recommended subsequent to 30 June 2003. On the basis that directors will continue to publicly recommend dividends subsequent to reporting date, in future half year reports the amounts disclosed as 'recognised' will be the final dividends in respect of the prior year.

5. Segment Information

6 Months ended 30 June 2003	Australia and New Zealand	China Region	Singapore	Consolidation adjustments	Consolidated Total
	$m	$m	$m	$m	$m
Revenue					
External segment revenue	1,399	1,007	80	-	2,486
Intra-segment revenue	145	-	2	(147)	-
Share of net profit of equity accounted associates	12	-	-	-	12
Total revenue	1,556	1,007	82	(147)	2,498
Result					
Profit from ordinary activities before income tax expense	431	242	(23)	-	650
Income tax (expense) / benefit	5	-	-	-	5
Profit from ordinary activities after Income tax expense	436	242	(23)	-	655

6 Months ended 30 June 2002	Australia and New Zealand	China Region	Singapore	Consolidation adjustments	Consolidated Total
	$m	$m	$m	$m	$m
Revenue					
External segment revenue	522	558	45	-	1,125
Intra-segment revenue	289	-	2	(291)	-
Share of net profit of equity accounted associates	(1)	-	-	-	(1)
Total revenue	810	558	47	(291)	1,124
Result					
Profit from ordinary activities before income tax expense	24	77	-	-	101
Income tax (expense) / benefit	35	(2)	-	-	33
Profit from ordinary activities after Income tax expense	59	75	-	-	134

Notes to the Financial Statements continued

6. Contingent Liabilities

At 31 December 2002 a contingent liability existed in relation to an associated entity, Macquarie Health Acquisitions Pty Limited, for a guarantee issued on an undrawn funding facility in relation to the sale of AXA Australia Health Insurance Pty Limited (AXA Health). Following the completion of the sale of AXA Health this contingent liability no longer exists.

As at the date of this report, there have been no material changes to the contingent liabilities reported in the 2002 Annual Financial Report other than the item noted above.

7. Significant Items

The following individually significant items have been recognised in the Statement of Financial Performance for the period, net of tax:

	30 June 2003 A$m	**30 June 2002 A$m**
Sale of AXA Australia Health Insurance Pty Limited(1)	366	-
Sale of Members Equity Pty Limited	40	-
Write-down of AXA Life Singapore Pte Ltd	(25)	-
Provision for Litigation settlements	(10)	-
Additional superannuation contribution	(3)	-
Total Significant Items after Income Tax Expense	**368**	**-**

(1) The profit recorded on the sale of AXA Australia Health Insurance Pty Limited on 28 February 2003 is shown above. The equity accounted profit for the period 1 January 2003 to 28 February 2003 is $10 million and is included in share of net profits/(losses) of associates and joint ventures accounted for using the equity method.

8. Events Occurring After Reporting Date

There has not been any matter or circumstance that has arisen since the end of the half year that has significantly affected, or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the consolidated entity in future financial periods.

Directors' Declaration

The directors declare that:

a) The attached financial statements and notes thereto comply with Accounting Standards;

b) The attached financial statements and notes thereto give a true and fair view of the financial position and performance of the consolidated entity;

c) In the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001; and

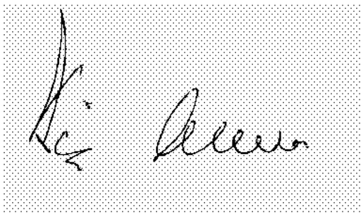
d) In the directors opinion, there are reasonable grounds to believe that the disclosing entity will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors

R. H. Allert

Chairman



Les Owen
Group Chief Executive

Melbourne, 25 August 2003

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Deloitte Touche Tohmatsu

INDEPENDENT REVIEW REPORT TO THE MEMBERS OF AXA ASIA PACIFIC HOLDINGS LIMITED

Scope

We have reviewed the financial report of AXA Asia Pacific Holdings Limited for the half-year ended 30 June 2003 as set out on pages 5 to 12. The financial report includes the consolidated financial statements of the consolidated entity comprising the disclosing entity and the entities it controlled at the end of the half-year or from time to time during the half-year. The disclosing entity's directors are responsible for the financial report. We have performed an independent review of the financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB 1029 "Interim Financial Reporting" issued in Australia and other mandatory professional reporting requirements and statutory requirements, so as to present a view which is consistent with our understanding of the consolidated entity's financial position, and performance as represented by the results of its operations and its cash flows, and in order for the disclosing entity to lodge the financial report with the Australian Securities and Investments Commission.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries of the entity's personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of AXA Asia Pacific Holdings Limited is not in accordance with:

(a) the Corporations Act 2001, including:

- (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2003 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 1029 "Interim Financial Reporting" and the Corporations Regulations 2001; and

(b) other mandatory professional reporting requirements.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

P A Caldwell

Partner

Chartered Accountants

Melbourne, 25 August 2003

news RELEASE

ASIA PACIFIC
447 Collins Street Melbourne
Victoria 3000 Australia
Phone 61 3 9618 4985
Facsimile 61 3 9618 4661

26 August 2003

(All figures are reported in Australian Dollars unless otherwise stated)

AXA ASIA PACIFIC HOLDINGS LIMITED
Results for the 6 months ended 30 June 2003

AXA Asia Pacific Holdings (AXA APH) today announced profit after tax and before non-recurring items of $287 million for the 6 months to 30 June 2003, up 114 per cent on the result for the corresponding period last year (6 months to 30 June 2002 - $134 million).

Profit after tax and non-recurring items was $655 million, up 389% (2002 - $134 million). Non-recurring items include significant one-off profits from the sale of AXA Health and the 50% interest in Members Equity.

Financial strength has further improved with a significant reduction in gearing. Capital resources are in excess of targets.

Commenting on the results, Group Chief Executive Les Owen said "We have maintained our focus on re-positioning our business, and these results demonstrate the resilience of this strategy in difficult market conditions.

"In Australia and New Zealand our Wealth Management businesses achieved a 13 per cent increase in Operating Earnings, despite the impact of challenging investment markets on fund values and revenues.

"Operating Earnings for Financial Protection, whilst slightly down on last year, reflect positive contributions from all product lines.

"Although weak market conditions saw the industry overall suffer, our own fund flows have remained stable and we have improved market share. Net retail fund flows were $903 million – a creditable performance. We continue to consolidate our position in the industry, achieving a top five position in the master trust and portfolio administration platform market and for net retail fund flows.

"Our Hong Kong business continues to grow. Operating Earnings in local currency were up 7 per cent, new business was up 10 per cent, and agent numbers have increased. Productivity and business retention levels have further improved and most importantly, we exceeded our target spread on our long term funds."

Investment Earnings for the Group for the 6 months were $188 million, (2002 – $27 million) reflecting improvements in global equity markets, reductions in US dollar bond yields in the period to 30 June 2003, and a contraction in corporate bond spreads.

The Directors have declared an interim dividend of 4.75 cents per share (60 per cent franked).

Australia and New Zealand

Key highlights:

- Operating Earnings for our core Financial Protection and Wealth Management business up 5 per cent to $66 million (6 months to 30 June 2002 - $63 million);

- Funds under management and administration up 2% to $41.8 billion (31 December 2002 - $41.0 billion);

- Funds under advice up 9% to $3.5 billion (31 December 2002 - $3.2 billion)

- Recurring management expenses down 6% to $168 million (2002 - $178 million);

- Non-recurring profits of $368 million principally arising from the sale of AXA Health and the 50 per cent interest in Members Equity;

- A top five ranking for net retail funds flows and top five in the master trust and portfolio administration market.

Hong Kong, China and South East Asia

Key highlights:

- Operating Earnings, in local currency, up 7% to HK$335 million (2002 – HK$312 million);

- Investment Earnings of HK$839 million (2002 - HK$9 million) due to some improvement in equity markets, capital appreciation in the US bond portfolio as a result of falling bond yields, and a contraction in US corporate bond spreads;

- Investment return on long term funds for the 6 month period exceeded 1% annual margin target, achieving a margin of 5.5% (excluding fixed interest gains, the margin was 2.2%);

- Growth in new business of 10% compared to 2002;

- Funds under management up 12% to HK$36 billion (31 December 2002 – HK$32 billion);

- Value of new business up 11% to HK$431 million (2002 – HK$389 million);

- Recurring management expenses down 14% to HK$155 million (2002 – HK$180 million);

Future outlook

Commenting on prospects for the future, Group Chief Executive Les Owen said,

"Despite the continuing global uncertainty and the impact on investor confidence, this good underlying performance in wealth management and financial protection is further evidence of the benefits of our hard work over the last three years in improving our business fundamentals, and demonstrates that we are well positioned for further growth as economic conditions and market confidence improve.

"The focus on our K5 and M6 transformation programmes has strengthened our market position through improved operational efficiency, an enhanced product range and greater distribution capability. We have also developed our presence in the financial advice market.

"Hong Kong continues to be an attractive market and AXA is strongly positioned. The penetration of insurance and investment products is still low, and the demographic trends towards an ageing population will increase the demand for retirement savings products. We have launched the ipac advice model in Singapore and Hong Kong and are confident this will deliver strong growth in funds under advice.

"Our continued commitment to our strategy of focusing on the fundamentals of our wealth management and financial protection business in difficult and volatile market conditions has clearly paid off with this solid financial performance. I am confident we are well positioned for further growth as the markets recover. There is no change to our strategy and no change in our focus."

Contact

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AXA APH Group

(A$ million)	6 months to 30 Jun 03	6 months to 30 Jun 02	Increase
Operating Earnings			
Australia & New Zealand (excluding Health)	66	63	5%
Hong Kong and Singapore	71	74	(4)%
Operating Earnings (excluding Health)	**137**	**137**	**0%**
AXA Australia 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%**

* The sale of Health was completed on 28 February 2003. Earnings are only in respect of the period 1 January 2003 – 28 February 2003.

AXA Australia and New Zealand

(A$ million)	6 months to 30 Jun 03	6 months to 30 Jun 02	Increase
Wealth Management	43	38	13%
Financial Protection	23	25	(8)%
Operating Earnings ** (excluding Health)	**66**	**63**	**5%**
AXA Australia Health	10	26	(62)%
Operating Earnings	**76**	**89**	**(15)%**
Investment Earnings	15	26	(42)%
Profit after tax and before non-recurring items	**91**	**115**	**(21)%**

** Operating Earnings include capitalised losses and reversals

AXA Hong Kong and Singapore

(A$ million)	6 months to 30 Jun 03	6 months to 30 Jun 02	Increase
Operating Earnings	71	74	(4)%
Investment Earnings	173	1	>>
Profit after tax and before non-recurring items	**242**	**75**	**223%**

(HK$ million)	6 months to 30 Jun 03	6 months to 30 Jun 02	Increase
Operating Earnings	335	312	7%
Investment Earnings	839	9	>>
Profit after tax and before non-recurring items	**1,174**	**321**	**266%**

ASIA PACIFIC

INVESTOR COMPENDIUM

FOR THE 6 MONTHS ENDED 30 JUNE 2003

INVESTOR COMPENDIUM FOR THE SIX MONTHS ENDED 30 JUNE 2003

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1 AXA Asia Pacific Holdings

1.1 | Group strategic overview

AXA Asia Pacific Holdings Limited ("AXA APH") is part of the global AXA Group, which has a diversified geographic presence in over 60 countries, and 50 million customer relationships. The AXA Group vision is to be a global leader in financial protection and wealth management.

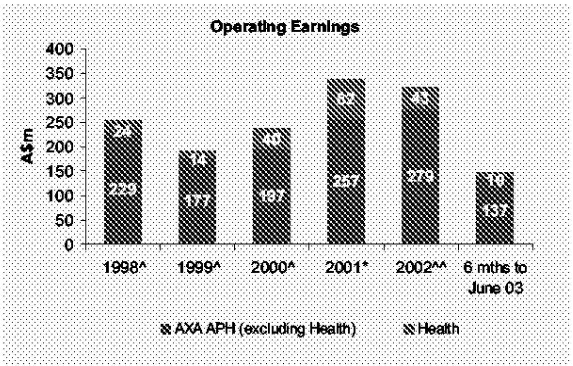
We share this vision, aiming to be the reference company in the business of financial protection and wealth management in the Asia Pacific region and also to be among the top 20 performing companies (of the largest 100 in Australia and New Zealand) as measured by total returns to shareholders. During 2000 we launched two transformation programmes (known as K5 in Australia and New Zealand and M6 in the Asia Pacific region) to deliver growth and achieve our vision for the business.

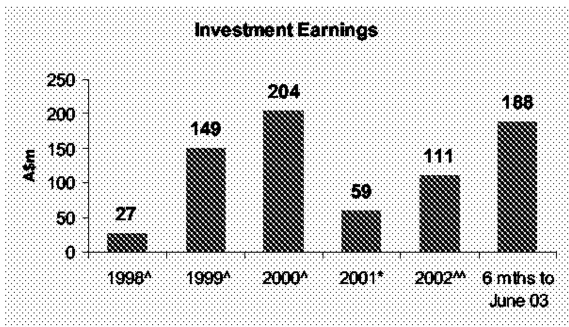
We are committed to international expansion and see the Asia Pacific region as offering many opportunities for future growth. We have operations in Australia, New Zealand and Hong Kong where we have a significant presence, and smaller but growing businesses in China, Singapore, Thailand, Indonesia and the Philippines, which offer significant potential for long term growth. In all of these markets we aim to be a leader in wealth management and financial protection through a comprehensive range of investment, superannuation and financial protection products and services, as well as through the provision of financial advice.

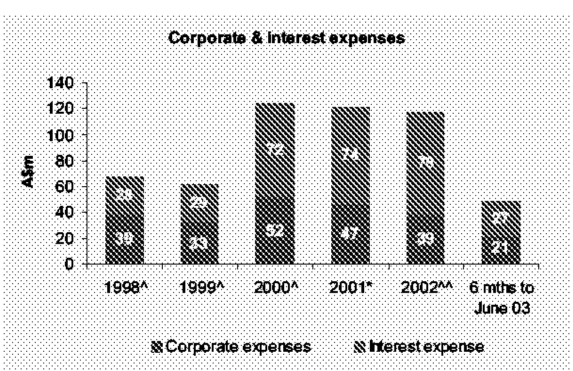
Uncertain global financial markets, volatile investment markets and the effect of SARS on Asian economies have resulted in a challenging six months for wealth management and financial protection companies. Despite this environment, our performance in the first half of 2003 has been encouraging and the fundamentals of our strategy remain unchanged.

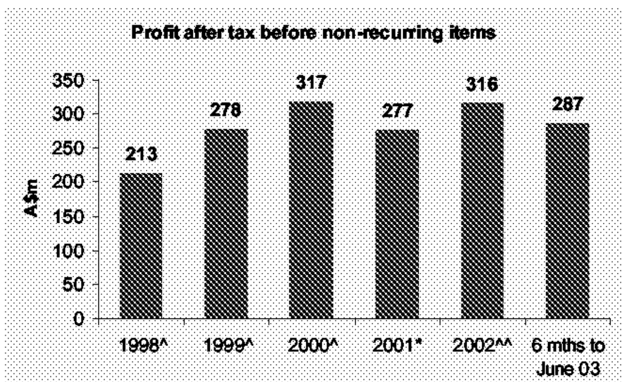
Current operations rank us as one of the largest wealth management and financial protection providers in the region, with approximately 3 million clients, gross life insurance premiums of over A$2 billion during the 6 months ended 30 June 2003, gross funds flows over the 6 months ended 30 June 2003 of over A$4 billion and total assets under management, administration and advice of almost A$48.7 billion.

AXA APH financial performance 1998 – 2003









^ 12 months ended 30 September (audited)
* 12 months ended 31 December (restated, but not audited for 2001)
^^ 12 months ended 31 December (audited)

1.2 | Highlights for the 6 months ended 30 June 2003

Financial performance

- Profit after tax and before non-recurring items up 114% to $287 million (6 months ended 30 June 2002 - $134 million)
- Operating Earnings (excluding Health) $137 million (2002 - $137 million)
  - Australia and New Zealand (excluding Health) up 5% to $66 million (2002 - $63 million)
  - In local currency, Hong Kong up 7% to HK$335 million (2002 – HK$312 million)
  - In Australian Dollars, Hong Kong and Singapore down 4% to $71 million (2002 - $74 million)
- Investment Earnings up 596% to $188 million (2002 - $27 million), with Hong Kong Investment Earnings $173 million (2002 - $1 million)
- Corporate and interest expenses down 14% to $48 million (2002 - $56 million)
- Significant non-recurring profits from the sale of AXA Health and our 50% interest in the Members Equity joint venture
- Group gearing, measured by debt to capital resources, reduced from 25% to 14% since 31 December 2002
- Total Group assets under management, administration and advice $48.7 billion ($48.5 billion at 31 December 2002)
- Interim dividend of 4.75 cents per share (2002 – 4.75 cents per share), franked to 60%

Australia and New Zealand

- Net retail funds flows up 32% to $903 million (2002 - $682 million) despite very difficult market conditions
- Achieved top 5 ranking for net retail fund flows, and top 5 in master trust and portfolio administration market
- Funds under management, administration and advice up 2% to $41.8 billion ($41.0 billion at 31 December 2002)
- Funds under advice up 9% to $3.5 billion ($3.2 billion at 31 December 2002)
- Inflows from our administration platforms into our investment products of $226 million (2002 - $148 million)
- Strong sales in the Global Equity Value Fund
- On a like-for-like basis, recurring management expenses down 6% to $168 million (2002 - $178 million)

Hong Kong

- New business up 9% to HK$480 million (2002 – HK$442 million), despite the SARS impact
- Value of new business up 11% to HK$431 million (12 months ended 31 December 2002 – HK$389 million)
- Funds under management up 12% to HK$36 billion since 31 December 2002
- 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, with the number of salaried advisers up 9% to 213 over the past 6 months and up 76% over the past 12 months
- Agent productivity of HK$23,400 average monthly sales up 4% (2002 - $22,400)
- Recurring management expenses down 14% to HK$155 million (2002 – HK$180 million)
- Business retention levels further improved, with aggregate persistency down to 9.7%

China and SE Asia

- 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, and closed some lower margin par products, with the value of new business in China and SE Asia up 13% (constant currency basis)
- Singapore operations restructured
- Advice business launched in Singapore during May, using the ipac business model

1.3 | Financial summary

A more detailed financial summary of the last three half-year periods is provided below.

(A$ million)	6 months to/ as at 30 Jun 03	6 months to/ as at 30 Jun 02	Increase	6 months to/ as at 31 Dec 02
Financial performance				
Operating Earnings excluding Health	137	137	(0)%	142
Operating Earnings – Health [1]	10	26	(62)%	17
Operating Earnings	**147**	**163**	**(10)%**	**159**
Investment Earnings	188	27	596%	84
Corporate expenses	(21)	(19)	(11)%	(20)
Interest expense	(27)	(37)	27%	(41)
Profit after income tax before non-recurring items	**287**	**134**	**114%**	**182**
Non-recurring items	368	0	n/a	14
Profit after income tax and non-recurring items	**655**	**134**	**389%**	**196**
Shareholder returns				
Earnings per share (before non-recurring items) (cents)	16.5	7.6	117%	10.4
Earnings per share (after non-recurring items) (cents)	37.6	7.6	395%	11.2
Dividend per share (cents)	4.75 [2]	4.75 [2]	0%	5.00 [3]
Dividend franking level	60%	60%		60%
Ordinary shares on issue (million)	1,740	1,762		1,740
Weighted average number of ordinary shares (million)	1,740	1,762		1,757
Return on capital [4]	9.3%	6.3%		6.8%
Return on equity [4]	14.3%	9.2%		10.4%
Financial position (A$ million)				
Shareholders' equity (ex outside equity interests)	3,573	3,113 [5]	18%	3,147 [5]
Hybrid debt	970	1,105	(12)%	1,102
Corporate debt	729	1,154	(37)%	1,442
Capital resources (ex outside equity interests)	**5,272**	**5,372** [5]	**(0)%**	**5,691** [5]
Corporate debt/capital resources	14%	21%		25%
Capital (A$ million)				
Regulatory capital held	2,773	3,075	(10)%	3,127
Excess assets (including target surplus)	817	1,006	(19)%	866[2]
Outside equity interests	352	298	18%	340
Net assets	**3,942**	**4,379**	**(10)%**	**4,333**
Funds under management, administration & advice (A$ million)				
Funds under management & administration	48,731	40,664	20%	48,528
Funds under advice	3,542	1,527	132%	3,251

[1] The sale of AXA Health was completed on 28 February 2003

[2] Interim dividend

[3] Final dividend

[4] On a rolling 12 month basis

[5] Adjusted in accordance with changes to Australian Accounting Standard AASB 1044 "Provisions, Contingent Liabilities and Contingent Assets"

Financial performance

Profit after income tax and before non-recurring items for the 6 months ended 30 June 2003 was $287 million (2002 – $134 million).

Financial performance (A$ million)	**6 months 30 Jun 03**	**6 months 30 Jun 02**	**Increase Jun to Jun**	**6 months 31 Dec 02**
Operating Earnings excluding Health	137	137	0%	142
Operating Earnings – Health	10 *	26	(62)%	17
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Interest expense	(27)	(37)	27%	(41)
Profit after income tax before non-recurring items	**287**	**134**	**114%**	**182**
Non-recurring items	368	0	n/a	14
Profit after income tax and non-recurring items	**655**	**134**	**389%**	**196**

* The sale of AXA Health was completed on 28 February 2003. Earnings are only included in respect of the period 1 January 2003 to 28 February 2003.

Operating Earnings (excluding Health) for the 6 months ended 30 June 2003 were maintained. This is despite continued difficult international investment markets, and the impact of the strong appreciation of the Australian Dollar on our Hong Kong earnings.

In Australia and New Zealand, Operating Earnings (excluding Health) grew 5%, and in local currency terms, Hong Kong Operating Earnings grew 7% as a result of improved persistency levels, expense control, growth in new business and improved investment markets in the second quarter of 2003.

Total Operating Earnings for the Group of $147 million were 10% lower than the corresponding period last year, following the sale of the Health business and the effect of the appreciation of the Australian Dollar. The sale of the Health business was completed in February 2003 with profit on sale reported within non-recurring items.

Analysis of Operating Earnings A$ million	**6 months 30 Jun 03**	**6 months 30 Jun 02**	**Increase Jun to Jun**	**6 months 31 Dec 02**
Australia & New Zealand (excluding Health)	66	63	5%	63
Hong Kong	69	74	(7)%	82
China & South East Asia	2	0	n/a	(3)
Operating Earnings (excluding Health)	**137**	**137**	**0%**	**142**
Health	10	26	(62)%	17
Total Operating Earnings	**147**	**163**	**(10)%**	**159**

Investment Earnings for the Group were up strongly at $188 million (2002 - $27 million) due to improved global equity markets, a reduction in bond yields and a contraction in corporate spreads. The US 10 year bond rate has increased over July/August, with yields now back above December 2002 levels. Since 30 June 2003, the Investment Earnings have reduced due to the rising bond yields.

Analysis of Investment Earnings A$ million	**6 months 30 Jun 03**	**6 months 30 Jun 02**	**Increase Jun to Jun**	**6 months 31 Dec 02**
Australia & New Zealand	15	26	(42)%	18
Hong Kong	173	1	n/a	66
Investment Earnings	**188**	**27**	**596%**	**84**

Investment Earnings in Australia and New Zealand for the 6 months ended 30 June 2002 benefited from a $19 million foreign exchange translation gain from assets held in New Zealand. This year, as a result of the strengthening of the Australian Dollar, there was a foreign exchange translation loss of $9 million. The returns on shareholder invested capital during the 6 months ended 30 June 2003 would otherwise have increased.

Corporate expenses of $21 million were $2 million higher than last year due to additional superannuation contributions.

Interest expense was 27% lower than last year reflecting the fall in interest rates during the period, the appreciation of the Australian Dollar, and lower debt levels due to debt repayments earlier in the year.

Non-recurring items of $368 million include after tax profits from the sales of AXA Health and Members Equity and a reduction in carrying value of AXA Life Singapore. In relation to the Health transaction in particular, the result also includes the impact of a more favourable tax outcome than assumed at the time of announcement. This matter is currently the subject of an ATO ruling request.

2 Australia and New Zealand

2.1 | Strategic overview & highlights

The Australian and New Zealand equity markets, and consumer confidence, have been affected over the last 2 years by the uncertainty in global financial markets, international security concerns and the outbreak of the atypical pneumonia virus, also referred to as Severe Acute Respiratory Syndrome ("SARS"), in Asia. Australian net retail inflows were $2.1 billion for the half year to 30 June 2003, compared to $5.7 billion for the half year to 30 June 2002 (source: ASSIRT). However, the fundamental growth drivers of the wealth management and financial protection markets remain robust.

Mandated superannuation and an ageing population will drive continued strong growth in the Australian and New Zealand long term savings and financial protection markets. In addition, the current uncertainty in the investment markets underlines the longer term need for, and the value placed on, sound financial advice and planning for retail investors and retirees.

Despite the global uncertainty and downturn in investor confidence, our underlying performance demonstrates that we are well positioned for further growth as economic conditions improve and consumer confidence returns.

Continued focus on our K5 goals has strengthened our market position through improved operational efficiency, an enhanced product range and greater distribution capability. Our market position has also been greatly strengthened by the development of our presence in the strategically important financial advice market through the acquisitions of ipac and Sterling Grace (Spicers). Our positioning is further enhanced by our asset management joint venture in Australia with Alliance Capital, a leading global investment management company, owned 56% by the global AXA Group.

In Australia we are:

- the 2nd largest multi-manager of funds
- top 5 ranked in the master trust and portfolio administration market
- top 5 ranked for net retail fund flows
- one of the largest providers of financial advice, with $2.6 billion in funds under advice
- top 3 ranked manager in financial protection by in-force annual premiums

In New Zealand we are:

- the 2nd largest manager of retail funds
- one of the largest providers of financial advice, with approximately $1 billion in funds under advice
- the 3rd largest in financial protection by in-force annual premiums

Sale of Health

In June 2002 we announced the sale of our Australian health insurance business (AXA Health) to a Macquarie Bank led consortium for $595 million. Total proceeds from the sale were split between an initial and final payment. The initial payment and a fully franked pre-completion dividend were received in August 2002. The final proceeds were received on 28 February this year. The proceeds from the sale have been used to reduce gearing levels.

The net profit on the sale of AXA Health was $366 million excluding the pre-completion dividend. The structuring of the transaction required us, under Australian Accounting Standards, to equity account the earnings of AXA Health from 31 August 2002 (completion of sale) to 28 February 2003 (completion of underwriting period). As a result, $29 million of equity accounted profits were taken into account in determining the after tax profit on sale. The result also includes the impact of a more favourable tax outcome than assumed at the time of announcement. This matter is currently the subject of an ATO ruling request.

Sale of Members Equity

In December 2002 we announced the sale of our 50% interest in the Members Equity banking joint venture to Industry Funds Services for $95 million. The transaction was completed on 8 January 2003, realising a net profit on sale of $40 million.

K5 Programme

The K5 transformation programme was launched in April 2000 with the aim of repositioning AXA APH in Australia and New Zealand in the wealth management and financial protection markets. The K5 programme has five key strategic objectives to be achieved by the end of 2003:

K1 To double the value of new business
K2 To get into the Top 5 in Net Retail Funds Flows
K3 To reduce our management expense ratio by 50%
K4 To achieve top quartile service performance as measured by ASSIRT/AC Nielsen Service rankings
K5 To get into the top quartile in the AXA Group Scope Survey of employee satisfaction

The K5 objectives are supported by seven strategic imperatives.

- To grow our share of retail investments and superannuation
- To improve retention of funds under management
- To increase size and productivity of aligned advisers
- To increase penetration of non-aligned advisers
- To return our income protection portfolio to profitability
- To improve operational efficiency and reduce expense ratios
- To improve the organisational capability through people

Progress on strategic imperatives

Grow our share of retail investment and superannuation

The focus this year has been on building on the momentum generated by initiatives implemented to enhance our retail investment and superannuation product range in 2002, and on growing our market share. We have continued to refine our wealth management product range during the 6 months ended 30 June 2003, with particular emphasis on improved marketing and assisting investors in their investment strategies during challenging equity markets.

Our joint venture with Alliance Capital Management and the development of new unit trust products and systems have provided us with a much improved capability to capture funds flow through higher margin equity products. This has been acknowledged in the market, with strong ratings from key independent research houses ASSIRT and van Eyk. The number of funds now rated investment grade (ie with a minimum B grading or minimum rating of 3 stars) or higher has increased from 12 as at June 2002 to 32 as at June 2003. All AXA funds rated by ASSIRT are now rated investment grade or higher.

We have continued to build our advice business following the acquisitions of ipac and Spicers. This, coupled with our strong position in platforms and funds management, means we are strongly positioned along the whole value chain.

In early 2003 ipac was appointed portfolio manager for the Super Directions and Summit Select multi manager portfolios. This has led to significant savings in fees to external managers. The appointment of ipac as portfolio manager makes us the second largest provider of multi manager investments in the market. We believe this transition will lead to more consistent investment returns for clients and improved productivity for advisers.

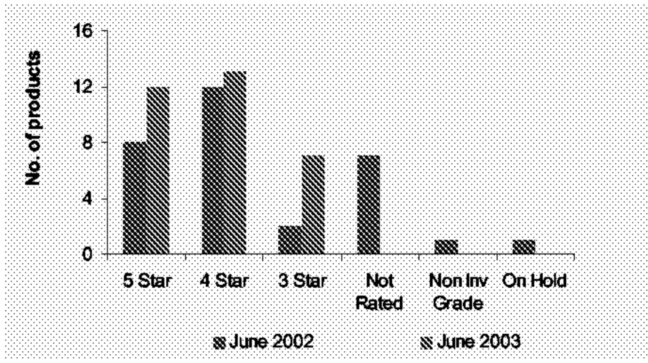
Our strategy of providing both growth and value style investment products from within the AXA Group means we are strongly – and probably uniquely – for the changing markets. We continue to have success with our Global Equity Value Fund, managed by Bernstein, which has performed well and has received excellent product ratings from the key research groups. This has contributed to strong support from advisers and excellent penetration of dealer group and master trust approved product lists.

Fund ratings

Priority Funds	FUM	ASSIRT	van Eyk
Global Equity Value	$191m	* * * * *	A
Global Equity Growth	$52m	* * * *	A
Australian Equity Growth	$31m	* * * *	B
Australian Equity Industrials	$96m	* * * *	B
Other Important Funds			
Australian Property Fund	$333m	* * * * *	A
Australian Income Fund	$905m	* * * * *	A
Australian Monthly Income Fund	$399m	* * * * *	A

(at 30 June 2003)

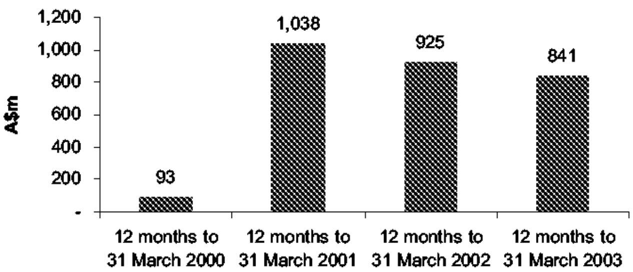
Product ratings



Building on the success of the Global Equity Value Fund, we launched an Australian Equity Value Fund in August. This fund is managed by an Australian Bernstein team and complements our growth style Australian equity funds. This is another step in our overall strategy of providing world class funds management capabilities to Australian and New Zealand investors.

Recent industry data is encouraging. Preliminary Plan for Life and ASSIRT data indicates that we continue to improve our Australian market position with respect to retail net funds flow. This is consistent with our K5 goal to be amongst the top 5 in terms of retail net funds flow.

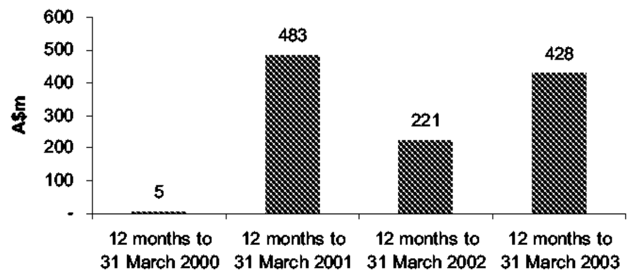
Plan for Life - AXA Australia net retail funds flow



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

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 - AXA Australia net retail funds flow



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

ASSIRT data excludes PAS (SUMMIT, Assure & iselect)

To improve retention of funds under management

We continue to make progress on our retention initiatives that have been focused on our superannuation and retirement income offers. Funds outflows in these areas have declined by more than 11% in the 6 months ended 30 June 2003, when compared to the first 6 months of last year.

For the 6 months ended 30 June 2003, $180 million in retail funds have been retained in direct response to our initiatives. We are on track to meet our full year target of $400 million. Our customer solutions team is, on average, successfully retaining more than 75% of surrender calls received.

Increase size and productivity of aligned advisers

The acquisition of ipac and the ongoing recruitment of advisers in both Australia and New Zealand has resulted in an increase in adviser numbers to 1,618 (1,586 at 31 December 2002).

We have focused on recruiting high quality advisers to both existing practices and new practices. In Australia, the Discovery Program launched in May 2003 transfers clients from existing adviser practices to seed new practices being established by experienced advisers. Early experience has shown that these advisers exceed the average productivity of other aligned advisers.

The quality of aligned advisers in both Australia and New Zealand is continually being improved in order to meet client needs and increasingly demanding legislation. In New Zealand we launched a training program for over 250 advisers. Completion of the program will provide certification in anticipation of a strengthening in the regulatory environment. In Australia, 600 advisers in AXA dealer groups are now trained to provide the most comprehensive and complex financial planning advice, up from 538 as at 31 December 2002.

Our aligned advisers continue to support us with 88% of their investment product sales being placed through AXA products in Australia. The number of aligned advisers writing new Summit business increased to 547 (511 at 31 December 2002).

Through the acquisition of ipac, we have gained access to ipac's Strategic Lifestyle financial planning model and software which is being rolled out to advisers in Charter and AXA Financial Planning during the second half of 2003. It is anticipated that the use of the Strategic Lifestyle model by the aligned advisers will further increase the productivity of this network. Spicers in New Zealand and ipac in Australia are working closely together, benchmarking their activity to seek best practice and leveraging the best out of both models. The two businesses have started to integrate their investment management research capabilities and are working towards integrating their financial planning processes and technology.

In the current investment environment, ipac and Spicers advisers have been focusing on client retention as a large proportion of their revenue is recurring income. In addition to improving communication with clients, these businesses have been working on further embedding quality controls into the advice process.

Increase penetration of non-aligned advisers

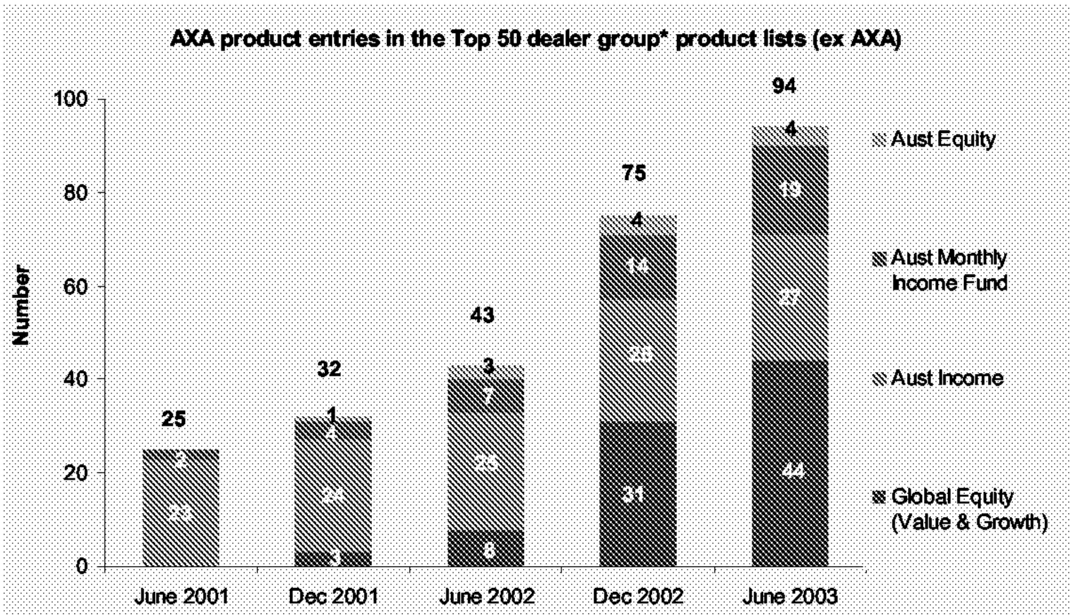
The improvements in our product range, combined with the joint venture with Alliance Capital / Bernstein, are now broadening our access to the non-aligned market. The number of non-aligned advisers using Summit increased to 515 at 30 June 2003, (471 at 31 December 2002). Research house ratings, dealer group approved product lists and master trust investment menus heavily control access to advisers selling investment products. In Australia, in the 6 months ended 30 June 2003, 63% of the inflows in AXA unit trusts from non-aligned advisers were placed via master trusts.

In Australia, we continue to increase the number of AXA products listed through non-aligned channels. As at 30 June 2003, we had 232 product entries on 64 approved product lists of external dealer groups, up 10% since 31 December 2002. We also had 370 product entries on 52 authorised investment lists of third party master trusts.

Our international equity trusts have a 78% weighted penetration rate (based on relative dealer group sizes) of the large and productive dealer group approved product lists, up from 45% in December 2002. Our Australian equity trusts have a weighted penetration rate of 19%.

The weighted penetration rate of master trust investment menus is showing further progress, with international equity unit trusts achieving 84% and Australian equity unit trusts 29%, compared to 52% and 18% respectively at 31 December 2002.

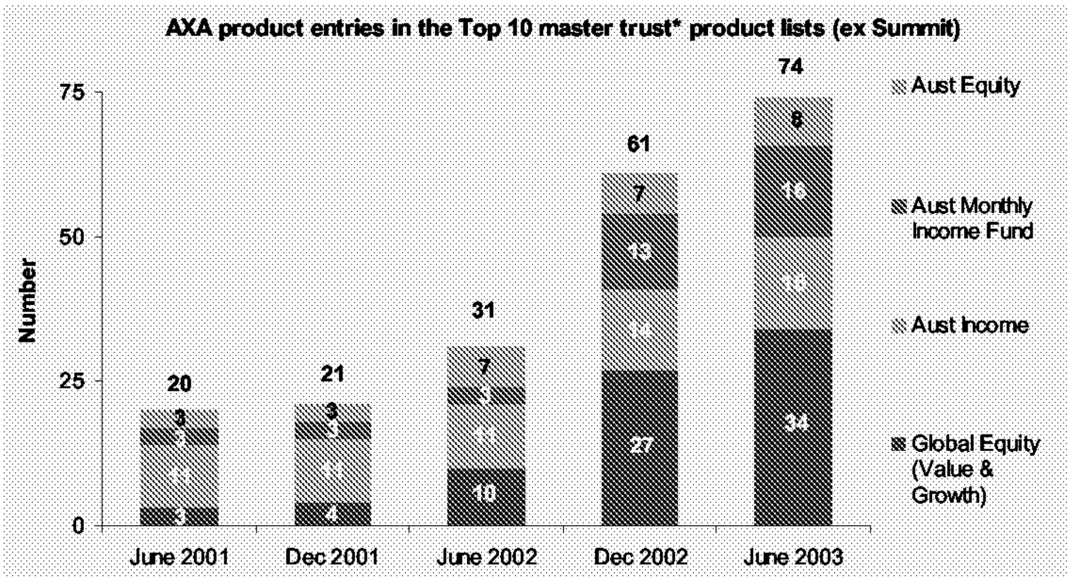
The following graph indicates the number of listings our unit trusts have on the approved product lists of the top 50 dealer groups in Australia (excluding AXA). As at 30 June 2003, we had 94 product entries on the approved product lists of the top 50 external dealer groups, excluding AXA, up 25% since 31 December 2002.



Source: AXA APH management

* 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.

The following graph indicates the number of listings of our unit trusts on the investment menus of the top 10 master trusts in Australia (excluding AXA's Summit master trust). As at 30 June 2003, we had 74 product entries on the investment lists of the top 10 master trusts, excluding Summit, up 17% compared to 31 December 2002.



Source: AXA APH management

* 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

The increased penetration on approved product lists and master trust investment menus resulted in an increase of 52% in investment product sales by non-aligned advisers for the 6 months ended 30 June 2003, compared to the 6 months ended 30 June 2002.

In New Zealand, we are broadening our relationship with brokers, with 617 brokers selling AXA products (590 at 31 December 2002).

Over the past 6 months, our position across a range of important lead indicators has continued to improve reinforcing our view that we are well placed to grow funds flows strongly as market confidence returns.

Return our income protection portfolio to profitability

Interventions in claims management and underwriting practices progressively introduced since 2000 continue to be effective as we manage the three elements of underwriting profit (open claims reserves, claims payments and claims expenses) to maximise profits.

Claims payments are the end result of claims incidence, duration and benefit size. Incidence continues to track at acceptable levels. Duration is managed down through intervention activities including active case management and rehabilitation.

Having returned income protection to profitability, we are increasingly turning our focus to maintaining and growing inflows of profitable business.

Improve operational efficiency and reduce expense ratios

Considerable organisational change was undertaken in 2002 to improve operational efficiency and facilitate achievement of further cost reductions in 2003. Recurring management expenses have improved by 6% over the past 6 months to $168 million (6 months ended 31 December 2002 - $178 million).

Outsourcing arrangements put in place with global AXA Group companies and other third party providers released over $2 million of savings in the 6 months ended June 2003.

Our investment management custody and processing is now being conducted by State Street. We believe this will deliver greater capacity for growth, improved service levels, and a reduction in costs.

These outsourcing arrangements combined with a rigid focus on process improvement and redesign are critical in helping us achieve our aggressive cost targets. This year we are investing significant resources into programmes to further improve customer service and reduce expense ratios. These programmes are expected to deliver savings from the beginning of the first quarter of 2004.
We believe we will be able to significantly exceed the level of synergies contemplated at the time of acquisition of ipac, for example by leveraging ipac's multi-manager fund-of-funds capabilities. We believe we will be able to achieve annualised cost savings of $15 million per annum (more than 3 times the level originally contemplated) have been identified and will be locked in 2004 budgets. Further commentary on the integration of ipac is outlined in section 2.3.

Improve our organisational capability through people

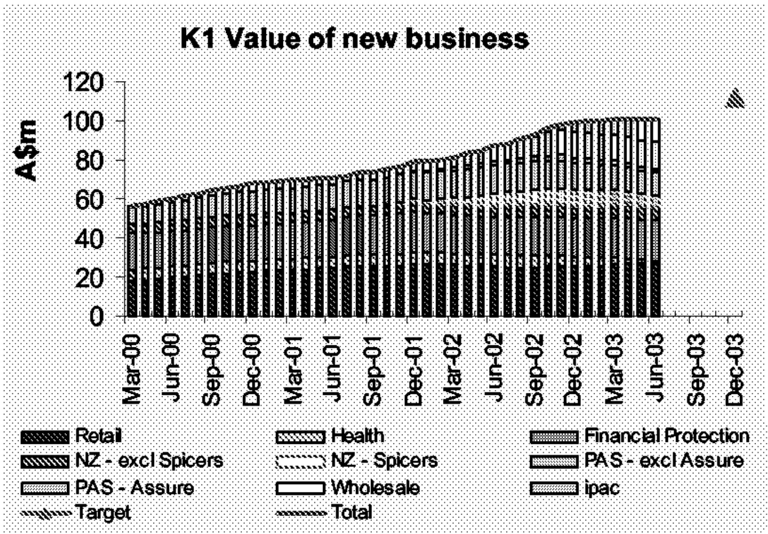
We have continued to appoint new management from outside the company to enhance and extend our management capability and expertise. Approximately 65% of our 50 most senior managers have been appointed from outside the company since K5 began. A new General Manager of Human Resources and Internal Communications was appointed in April 2003.

Key to our success is building a "can do" performance culture focused on adviser and client needs. In 2002, following the introduction of the minimum education requirements imposed on the financial planning industry, a range of industry leading support programmes were established to ensure that not only do the authorised representatives within our dealer groups comply with industry requirements but, in fact, exceed them. The support programmes include dedicated training courses, plans and standards. Our dealer groups are now well positioned to meet, and respond to, any future regulatory changes.

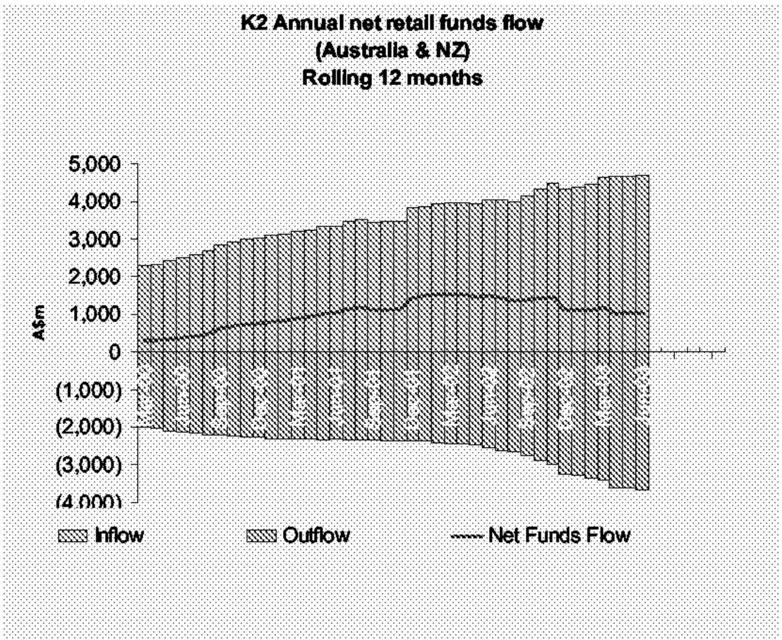
The success of our initiatives to develop and align our people to our organisational goals is again evidenced through our ranking in Scope, the global AXA Group survey of employee satisfaction. During 2003, we were ranked in the top quartile of global AXA Group companies around the world through our internal benchmarking, with an outstandingly high and improved employee response rate of 95.5%.

K5 Performance

K1 has remained relatively stable in the first half of 2003, despite difficult market conditions. There was an improvement in sales of retirement income products, unit trusts and wholesale business. The contribution from our financial protection business increased slightly, mainly due to solid sales of individual life and group life business. The loss of two third party arrangements has contributed to overall reduced inflows to Summit and Assure.

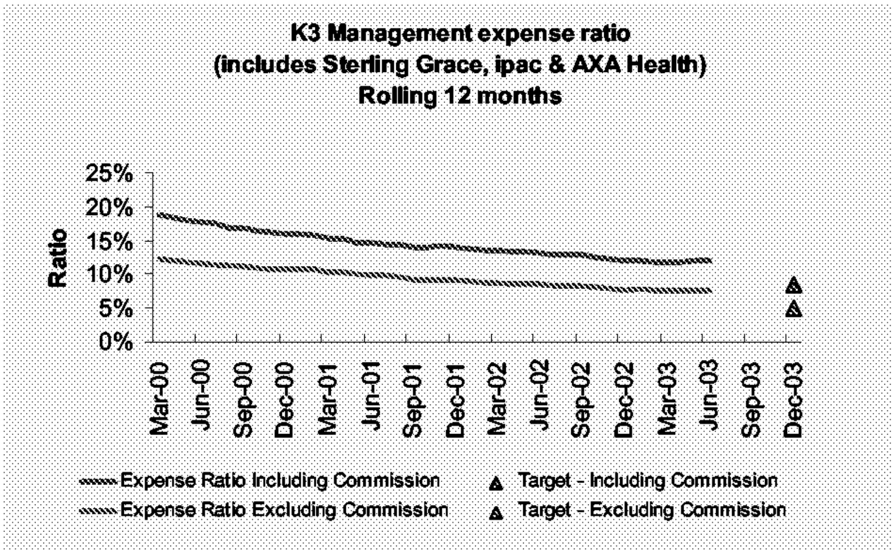


In an environment where overall industry net funds flow was down 73% between the 12 months ended 30 June 2002 and 2003 respectively, our **K2** result was very encouraging. The loss of a third party contract that was administered on the Assure PAS platform reduced K2 by $196 million (This was a contract that came with the Monitor Money acquisition. No value was attributed to it in the acquisition and its loss was anticipated). Ignoring this "one-off" impact, K2 increased slightly over the first half of the year. This was mainly due to strong performances in unit trust and retirement income product sales and the inclusion of ipac.



The **K3** management expense ratio (excluding commissions) for the rolling 12 months to June 2003 was 5.3% lower than the rolling 12 months to 30 June 2002. This comparison is impacted by the acquisition of Sterling Grace in November 2001, the acquisition of ipac in September 2002 and the sale of the Health business in August 2002. On a like-for-like basis, the underlying reduction in expense ratio was 11% over the period.

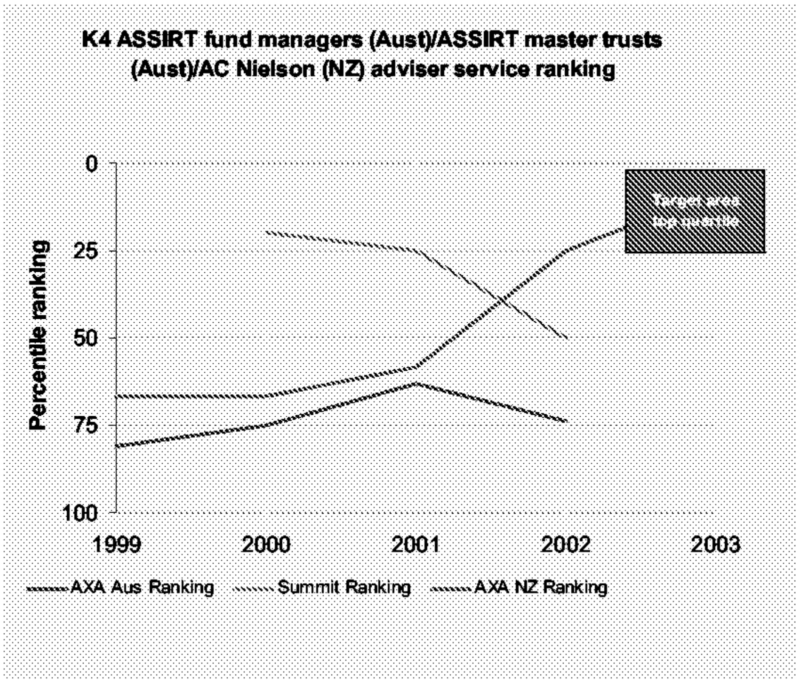
The K3 management expense ratio (excluding commission) has improved from 8.5% in June 2002 to 7.6% in June 2003.



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

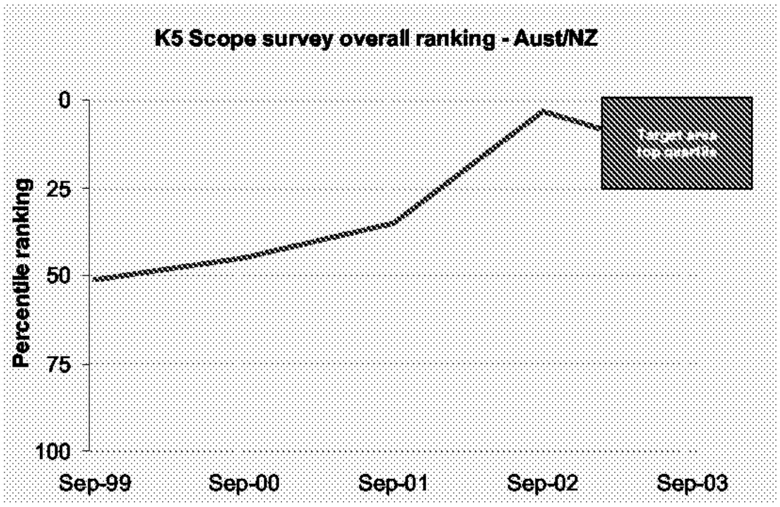
The Australian **K4** result has not been updated since October 2002 as the ASSIRT (Australia) service rankings are only updated on a yearly basis. We have continued to concentrate on improving our overall service offering to advisers through a range of activities, including enhancing web-based services and improving our sales support tools. As a result, we expect the 2003 ASSIRT survey results to show an improvement over the 2002 results.

AC Nielsen recently released its 2003 adviser survey in New Zealand. We maintained the top quartile ranking achieved in 2002. A highlight of the result was an improvement in broker and financial planner satisfaction. Our New Zealand business was also awarded first place in the Startel Group CRM Customer Services Award for the "Best insurance sector call centre" for the third year running.



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

The global AXA Group Scope employee survey is the measure for our **K5** goal. Our objective of achieving a top quartile ranking among the global AXA Group countries around the world for overall employee satisfaction was achieved in 2002 and has been maintained since. The 2003 Scope employee survey results showed an improvement in all the key measures compared to 2002.



2.2 | Financial summary

Financial performance A$ million	6 months 30 Jun 03	6 months 30 Jun 02	Increase Jun to Jun	6 months 31 Dec 02
Operating Earnings				
Wealth management	43	38	13%	39
Financial protection	23	25	(8)%	24
Operating Earnings (excluding Health)	**66**	**63**	**5%**	**63**
Health	10	26	(62)%	17
Operating Earnings (including Health)	**76**	**89**	**(15)%**	**80**
Investment Earnings	15	26	(42)%	18
Profit after income tax before non-recurring items	**91**	**115**	**(21)%**	**98**
Non-recurring items	0	0	-	2
Profit after income tax and non-recurring items	**91**	**115**	**(21)%**	**100**

Operating Earnings (excluding Health) were 5% higher as a result of growth in the wealth management business. This growth was achieved, despite falls in equities placing pressure on revenue from fees and charges. The consequent fall in revenues has been overcome through expense savings, net inflows and improved equity returns over the last couple of months of the period.

The purchase of ipac was completed in August 2002. ipac contributed $5 million in the period.

As expected, Health operating earnings declined following the sale of the Health business in February 2003. Under the terms of the sale, results from this business are equity accounted in the AXA APH Group result until 28 February 2003. Equity accounted profits have been deducted from the profit on sale.

Investment Earnings A$ million	6 months 30 Jun 03	Return %	6 months 30 Jun 02	Return %
Equities	4	2%	(18)	(7)%
Fixed interest	13	3%	11	2%
Property	1	2%	1	1%
Cash	5	2%	7	2%
Portfolio assets	**23**	2%	**1**	0%
Other assets	1	n/a	6	n/a
Foreign currency translation of assets in NZ	(9)	n/a	19	n/a
Investment Earnings	**15**	n/a	**26**	n/a

Investment Earnings were $11 million lower than last year which benefited from a $19 million foreign exchange translation gain from assets held in New Zealand. This year, as a result of the appreciation of the Australian Dollar there was a foreign exchange translation loss of $9 million .

Investment earnings on portfolio assets were significantly higher than last year due to the improved equity market over the second quarter of 2003.

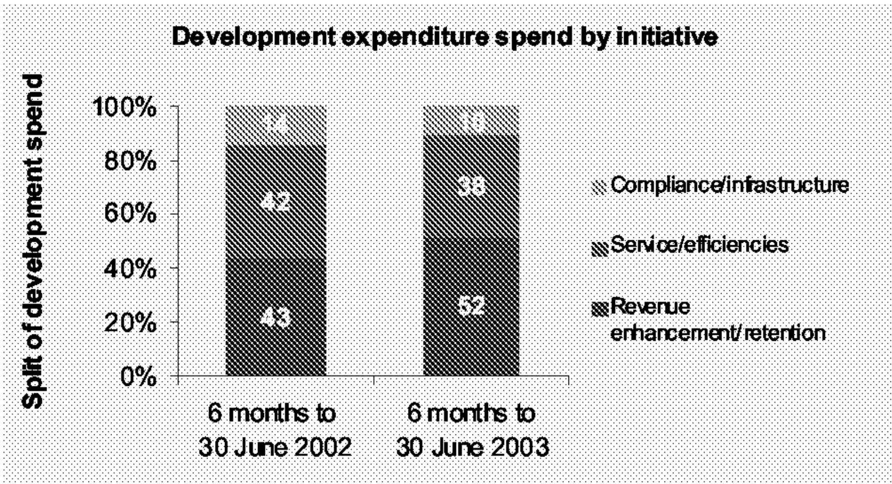
Management expenses

A$ million	6 months 30 Jun 03	6 months 30 Jun 02 [1]	Improvement Jun to Jun	6 months 31 Dec 02
Total recurring management expenses	168	**178**	6%	180
Project expenses	38	42	10%	41
Total management expenses	**206**	**220**	**6%**	**221**
Total commission and related expenses	115	113	(2)%	128
Total expenses	**321**	**333**	**4%**	**349**

[1] "Recurring management expenses" and "commissions and related expenses" for the 6 months ended 30 June 2002 include Sterling Grace expenses of $11 million and $5 million respectively. These were not previously included in the relevant amounts outlined in the Investor Compendium for the 6 months to 30 June 2002.

Total **management expenses** for the Australian and New Zealand businesses of $206 million improved by 6% (2002 - $220 million). Total recurring management expenses of $168 million also improved by 6% (2002 - $178 million).

Given the improvements we have achieved in the areas of operating efficiency and service in 2002, we have directed more development expenditure towards revenue generation initiatives in the first half of 2003. Our particular focus has been further development of our distribution capacity and products.



2.3 I Wealth Management

Equity markets, although weak in the first quarter, improved in the second quarter of 2003.. Superannuation products and non-life wealth products are more sensitive to changes in the level of FUM, which tends to drive revenues. For the 6 months ended 30 June 2003, overall lower FUM levels reduced revenues. Low investor confidence over the half year also reduced inflows into wealth management products and depressed markets reduced fund balances.

The following analysis splits profits within a life company environment, and therefore reported under Margin on Services (MoS), from those outside of a life company environment.

Financial performance **A$ million**	**Wealth management (life company)**	**Wealth management (other)**	**Wealth management Total**
Operating Earnings (6 months to 30 June 2003)	31	12	43
Operating Earnings (6 months to 30 June 2002)	34	4	38

Wealth Management (life company environment)

The table below sets out the results from wealth management products within the life company statutory funds. This shows the planned profit margins released under MoS accounting rules for retirement income, superannuation and ordinary savings products as well as the key elements of experience profit and loss.

Financial performance **A$ million**	**Retirement Income**	**Super-annuation**	**Ordinary savings**	**Total (life company)**
Profit margins released	**6**	**17**	**5**	**28**
Experience profit (loss)				
Expenses	0	2	(1)	1
Investment	1	0	0	1
Other (incl. Underwriting & surrenders)	1	0	0	1
Capitalised losses & reversals	0	0	0	0
Operating Earnings (6 months to 30 June 2003)	**8**	**19**	**4**	**31**
Operating Earnings (6 months to 30 June 2002)	**3**	**24**	**7**	**34**

The improvement in the **retirement income** result reflects improved market returns on the equity portion of assets supporting long-term annuity products.

Results from **superannuation** reflect the effect on fees due to investment returns in the period being lower than assumed in the planned margins. Revenue from fees and charges in the second half of last year and 2003 have come under pressure due to the lower levels of funds under management. Expense savings have favourably impacted the result.

Ordinary savings includes all traditional life office savings products, which generally included a financial protection component. Ordinary savings also include insurance bond savings products, which offer long term tax advantages to policyholders. These products are no longer available for sale to new clients.

Wealth Management (non-life company environment)

The results of the wealth management products sold outside the life company environment have been reported in the core product groupings of portfolio administration platform services, advice and investments.

Financial Performance **A$ million**	**Portfolio admini-stration**	**Advice**	**Investments/ other**	**Total (non life company)**
Gross Fees/Revenues	23	37	16	76
Operating Earnings (6 months to 30 June 2003)	**2**	**10**	**0**	**12**
Operating Earnings (6 months to 30 June 2002)	**3**	**4**	**(3)**	**4**

Note: The figures above do not include fees derived by the Alliance Capital joint venture

We have continued to invest in developing our wealth management products and capability, as demonstrated by the project/development expense analysis shown in Section 2.2. These products are currently accounting for around 80% of our development expenditure. The operating results include the expense cost of these investments. Benefits from the positive revenue impacts of this repositioning are expected to be realised as market confidence recovers.

Our ongoing reinvestment in the business was reflected in the result for **portfolio administration services**. We have made a considerable investment in improving the functionality of Summit, and have also largely completed the integration of the Assure master trust onto the Summit platform, which will give rise to future cost savings. Lower new business volumes than last year and lower FUM balances, a result of the current economic environment and investors being more hesitant about investing have impacted revenues and profits. The exit of the Symetry business from the Assure platform has reduced gross fees, but has had minimal impact on operating earnings given the very low margins on this business. Zero value was attributed to Symetry in the Sterling Grace acquisition and its loss was expected.

The **advice** result includes the profits from Sterling Grace, Monitor Money and ipac. The purchase of ipac was completed in August 2002. Results from Spicers in New Zealand have been particularly affected by the economic conditions due to the focus of its business model on providing post-retirement, lump sum investments in predominantly equity-backed products which has led to an increase in outflows of funds (albeit at no greater rate than the market generally).

Investments/other showed an improvement over last year as a consequence of the increased profitability of Alliance Capital and our 50% share in those profits. However, these profits were offset by the impact of lower asset values on fee revenues and the significant ongoing investment in retail and mezzanine unit trusts. In the current period, the additional investment covered the launch of a number of new products, including the new Bernstein Australian equity funds.

ipac integration

As previously outlined at the time of the acquisition of ipac, the purhcase price was equivalent to 13-17 times expected 2003 profit after tax (assuming 6-8% growth in investment markets in 2003. Given the current weak investment markets, revenues for 2003 will be lower than previously assumed, with a consequential impact on profits. Despite the market, net profit after tax is still expected to be consistent with a P/E multiple within the targeted range due to:

- stringent cost controls; and
- synergies from ipac's multi-manager capability.

The integration will produce cost savings of $10 million in 2003, equivalent to annualised savings of $15 million in 2004 – significantly greater than the level assumed at acquisition.

2.4 | Financial Protection

The table below analyses the results from our financial protection products. All financial protection products are within the life company statutory funds and therefore reported using MoS accounting. The table shows the planned profit margins released for long term risk, individual life, and individual income protection as well as the key elements of experience profit and loss.

Financial performance A$ million	Long term risk	Individual life	Group life & group income protection*	Individual income protection	Financial protection total
Profit margins released	**6**	**12**	**n/a**	**0**	**18**
Experience profit (loss)					
Expenses	1	0	n/a	1	2
Investment	0	0	n/a	(3)	(3)
Other (incl. underwriting & surrenders)	1	0	n/a	0	1
Capitalised losses & reversals	0	0	n/a	5	5
Operating Earnings (6 months to 30 June 2003)	**8**	**12**	**0**	**3**	**23**
Operating Earnings (6 months to 30 June 2002)	**8**	**12**	**(1)**	**6**	**25**

Note: Group life & income protection, being short term contracts, use an accumulation method of accounting and this type of experience analysis is not applicable.

Profit margins on **long term risk** products declined largely as a result of the maturing of this block of business.

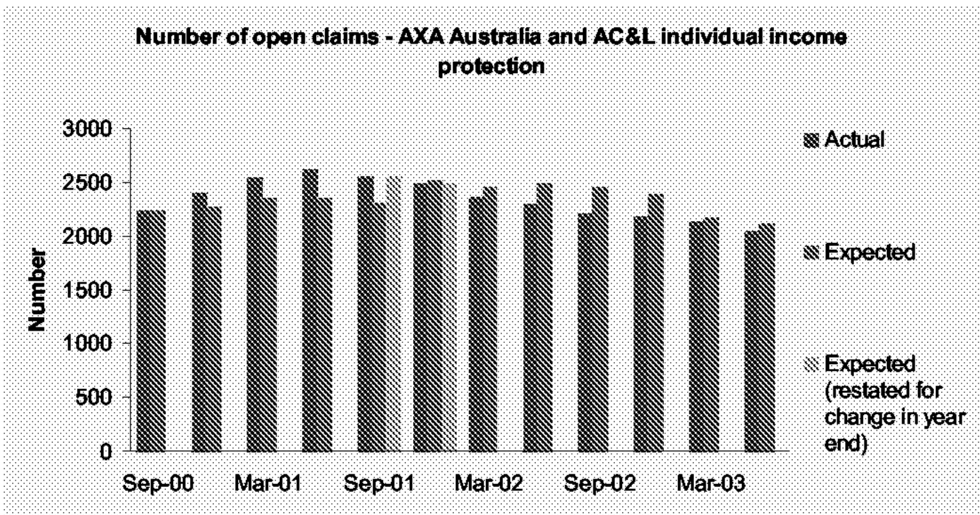
The experience for **individual life** has been as expected and the block of business continues to contribute around 50% of total financial protection operating profit.

Group life and income protection continues to improve following repricing that occurred in May 2002. Schemes are progressively being transitioned to the revised terms.

The **income protection** result includes a small positive underwriting experience for the period and a further release of capitalised losses of $5 million. This has been offset by a $3 million reduction due to a downward revision of our long term investment return assumptions in this portfolio.

Capitalised losses & reversals typically signify ongoing improvements in business performance. Following the business initiatives we have put in place and the continued focus on sound management of the business, the remaining $20 million in capital losses are expected to be reversed over the next few years.

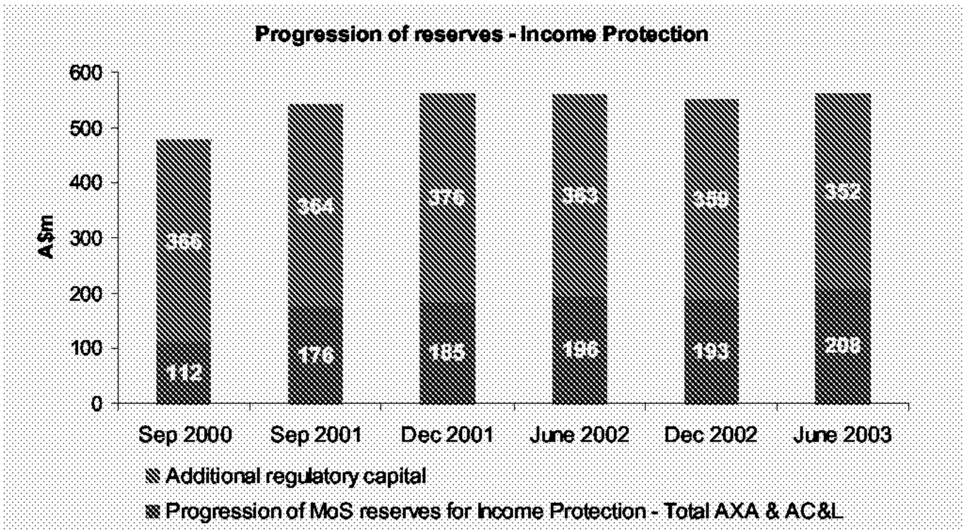
The chart below shows the progression of open claims since 2001. This chart demonstrates that whilst claims experience was poor over 2001, experience since has been favourable with claim numbers consistently below expected levels over the last 18 months. Note that at the start of each new reporting period (1 January) the expected claim numbers over the coming reporting period are reviewed based on the reserving basis used.



2.4 I Financial Protection (ctd)

The chart below shows the progression of reserves for individual income protection business in Australia and New Zealand. The policy liability is the amount shown on the balance sheet. The increase in reserves over the past 6 months is primarily due to the natural unwinding of the discount rate used to calculate the outstanding claims reserve, and is broadly in line with expectations. This increase also recognises the maturing of the portfolio.

Additional regulatory capital is held. The following graph indicates the strength of our capital support for this product line.



2.5 | Sales and funds flows

Wealth Management

Our retail product inflows, excluding Merrill Lynch and Symetry (one-off cancellation / withdrawals of third party PAS contracts), were up 27% on the same period last year driven by increased sales of retirement income, superannuation and investment products. The inclusion of ipac for a full 6 months has also contributed to improved inflows. Net flows of $903 million were up 32%, representing a significant improvement in our market position. Our PAS net flows are down on the previous year, although in terms of funds under administration, we remain 3rd in the Master Trust/PAS market (Source: ASSIRT as at 30 June 2003). Both AXA New Zealand and Spicers have been affected by the impact of volatile investment markets on consumer confidence.

Retail product flows

A$ million	Inflows			Outflows			Net flows		
	6 mths 30 Jun 03	6 mths 30 Jun 02	Increase	6 mths 30 Jun 03	6 mths 30 Jun 02	Improve-ment	6 mths 30 Jun 03	6 mths 30 Jun 02	Increase
Superannuation	536	523	3%	445	513	13%	91	10	828%
Retirement income	231	180	29%	177	190	7%	55	(10)	n/a
Investments	580	390	48%	330	260	(27)%	249	130	92%
PAS (ex Symetry)	427	604	(29)%	234	297	27%	193	307	(37)%
Advice	423	n/a	n/a	306	0	n/a	116	0	n/a
Subtotal Australia	**2,196**	**1,696**	**29%**	**1,493**	**1,260**	**(16)%**	**704**	**436**	**61%**
Subtotal New Zealand	**237**	**268**	**(12)%**	**326**	**247**	**(32)%**	**(89)**	**21**	**(519)%**
Retail mandates through ACM	449	382	17%	160	157	2%	289	225	28%
Total Aust & NZ retail flows (ex Symetry)	**2,882**	**2,346**	**23%**	**1,979**	**1,664**	**(16)%**	**903**	**682**	**32%**
One-off outflow due to closure of Symetry 3rd party business	59	187	(68)%	255	49	(81)%	(196)	138	n/a
Total Aust & NZ (incl Symetry)	**2,941**	**2,533**	**16%**	**2,234**	**1,713**	**33%**	**708**	**820**	**(14)%**

Superannuation

Net flows of $91 million for the 6 months ended 30 June 2003 represent an improvement of $81 million on the corresponding period last year. The reduction in outflows and improvement in our net flow position are a result of product enhancements to improve the competitiveness of our superannuation offer implemented in 2002 and retention initiatives.

Over the past two years we have implemented a range of initiatives aimed at reducing outflows in our largest personal superannuation product, Retirement Security Plan ("RSP"). As a result of these initiatives we have seen a 20% reduction in outflows and have achieved a more stable book of business. The surrender rate based on FUM continues to be below our internal target of 5% per annum (versus 7% best assumption under Australian GAAP) and supports our objective of achieving long-term stability in the RSP portfolio.

Whilst sales of Personal Super Directions were marginally down on last year, this is a reflection of reduced sales within the market. In April we launched our 'super season' offer to coincide with increased activity that traditionally occurs in the superannuation market during the second quarter. This offer was well received by advisers and contributed to increased sales in the second quarter.

Net flows for Business Super Directions (our open corporate superannuation master trust) are up more than 68% on the corresponding period last year. During the 6 months ended 30 June 2003 we experienced an 11% increase in the number of plans with over 50 members and a 25% increase in the number of advisers transferring in plans with FUM over $500,000 (as compared to the 6 months ended 31 December 2002). These results reflect the enhancements introduced last year to make Super Directions for Business more competitive and flexible in the 2 to 2,000 member plan market. These improvements included group insurance policy enhancements along with new death and TPD rates, age-based investment strategies, improved marketing materials, and a new tender documentation process.

We are also seeing some positive results from our retention initiatives that have targeted higher value plans that are of most risk of loss. Outflows from Tailored and Simple Super (our closed corporate superannuation master trust) were down 13% on the corresponding period last year, enabling Business Super overall to record a positive net flow for the 6 months ended 30 June 2003.

Retirement income

Our guaranteed annuity products continued to attract strong sales as capital guaranteed, fixed interest products provided an attractive haven in times of volatile equity markets. This has led to strong competition in this sector resulting in a number of our competitors implementing aggressive pricing strategies aimed at rapidly building market share. Rather than engage in an unprofitable price war, our focus has been on ensuring we are able to write acceptable volumes of business at optimum value. As a result, short-term annuity sales are encouragingly at a similar level to last year.

Retirement income sales were up 29% on last year. Our reputation as a secure, long-term income stream provider has contributed to the increased sales.

Equity market volatility and negative investment returns continued to impact our ability to increase sales of allocated pensions. Investors have sought capital guaranteed annuity products to manage their retirement savings, or have deferred retirement. In line with the broader industry, our allocated pension sales fell compared to 2002.

Investments

Growth in mezzanine trust products has continued strongly this year offset by outflows from traditional life and trust products. Improved results from the Alliance Capital joint venture have been driven by continued growth in funds under management from Alliance sourced institutional mandates. Institutional mandates net funds inflow was $1.2 billion in the 6 months ended 30 June 2003 (2002 - $0.1 billion).

Retail and mezzanine unit trusts

The continued volatility in equity markets has increased the attractiveness of defensive asset classes such as mortgages, cash and property. This has contributed to increased flows into our retail unit trust range, particularly mortgage funds, where inflows are almost double the amount for the same period last year.

We continue to achieve improvements in mezzanine sales, which are up by 70%, boosted by increased sales of international equity products and strong flows into our non-guaranteed mortgage fund. There is currently no industry data that accurately measures flows into mezzanine products but we believe this growth has increased our market share.

Global Equity Value Fund

Strong sales in the Global Equity Value Fund have contributed to improved results in the international equity products. Net inflows into retail and mezzanine international equity products are up more than 200% on last year. This is significant considering the poor performance of investment markets and the fact that overall industry flows are down considerably on recent years.

Improved product ratings

Our unit trust range continues to achieve strong ratings from independent research houses ASSIRT and van Eyk. Strong product ratings have contributed to increased recommended list approvals. This will stand us in good stead when investors move back into equity products.

Repositioned mortgage funds

Our strategy to reposition our mortgage funds and reduce flows into "capital guaranteed" portfolios has been successful with the non-guaranteed fund (Australian Monthly Income Fund) growing to $400 million as at 30 June 2003 (31 December 2002 - $270 million). More than 70% of total mortgage fund sales are now being directed to this fund compared to 46% in the corresponding period last year. Late in 2002, we increased the price of our guaranteed product Australian Income Fund (FUM at 1 January 2003 of $956 million) by 0.5%. Pleasingly, the fee increase has been accepted by the market and the net funds flow position of the fund has stabilised in recent months. Overall we have increased funds under management in our two Income Funds by $78 million over the last 6 months.

Portfolio administration services

Funds under administration in the ASSIRT "Platforms – Master Fund and Wraps" market were $15.8 billion, placing us 4th in the ASSIRT rankings (as at 31 March 2003). This strong position has been maintained due to better than market growth in depressed markets and the integration of the Sterling Grace and ipac acquisitions. The Sterling Grace (Australia) platform, Assure, will close by the end of 2003. The majority of the funds that were using this platform have already been migrated onto the Summit platform.

Total PAS inflows for the 6 months ended 30 June 2003 were $427 million, of which Summit inflows were $362 million. Whilst Summit inflows are down 20% compared to the same period in 2002, we believe this represents a satisfactory result given market conditions and is ahead of the industry average. Assure inflows were $65 million for the same period, reduced mainly due to the termination of the Symetry contract. In line with the rest of the industry, outflows were higher than last year, due mainly to the impact of volatile equity markets on investor confidence.

We continue to enhance the Summit offer, and have completed a new e-commerce platform to support the growing number of advisers using the Summit online services. We are also working to enhance efficiency. For example we are developing a system designed to automate all client communications. In addition, an increasing number of advisers are using the productivity tools developed and rolled out by Summit at the end of 2002.

The development of a new wrap and multi-manager offer for ipac is due for completion at the end of 2003. The new development uses the Summit platform and will assist in achieving further scale and increased penetration in the non-aligned adviser segment. It will also support ipac in growing its advisory channels, both internally and externally.

In May 2003 we consolidated our investment management and portfolio implementation of our multi-manager portfolio mandates with ipac. This will bring significant benefits to advisers and clients through enhanced communications and it has also reduced costs as a consequence of ipac's increased scale and negotiating power with investment managers. These initiatives are consistent with our strategy to achieve scale benefits and efficiencies from integrations and investment in a single platform.

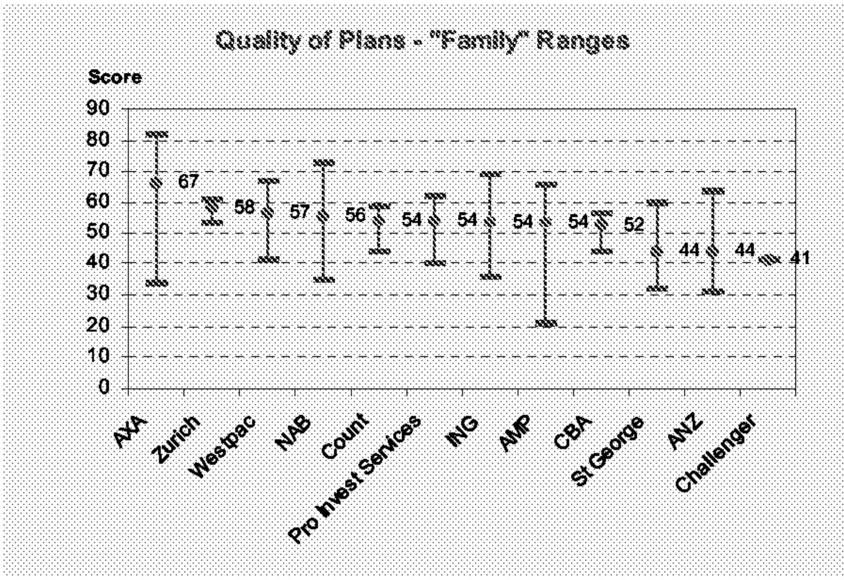
Advice

Global and local market uncertainty adversely impacted new business flows. We will continue to build scale through the ipac advice business model, which involves organic growth of existing practices and also acquisition of small financial planning practices that fit within the model. This strategy is expected to underpin a broader base of new business for ipac in the future.

ipac's national coverage has increased with the acquisition of two regional practices totalling $110 million in funds under advice and the opening of an office in Brisbane. ipac's lead generation is high and the business development strategies embarked upon are already showing signs of success.

Encouragingly, our outflows were lower than plan, emphasising the important role of the ipac business model in anchoring clients through volatile conditions. It also reflects the focus of advisers on servicing existing clients in the current volatile market environment.

Our reputation in financial planning has been enhanced by the results of the Quality of Financial Planning survey undertaken by Choice Magazine and the Australian Securities and Investment Commission ("ASIC"), both within the profession and the community.



Source: Choice Magazine and ASIC survey of the Quality of Financial Planning, September 2002

New Zealand

The absence of a mandated national savings structure has contributed to volatile funds flow and a strong reaction to the fall in equity markets experienced in late 2002/early 2003. As a consequence, there were net funds outflows from the wealth management market in New Zealand during the 6 months ended 30 June 2003 (A$142 million of outflows). Funds outflows did however improve in the June quarter to A$15 million, the smallest outflow since the first quarter of 2002. Net outflows were principally from diversified and equity funds with the majority of net inflows favouring mortgage backed fixed interest funds.

Whilst unit trust and wholesale funds flow reflected the weak flows across the industry, AXA New Zealand maintained its position in the top 5 for unit trust inflows. Overall, AXA New Zealand recorded net outflows for the 6 months ended 30 June 2003 of A$18 million. A new PAS was launched in April 2003, reflecting a growing shift in demand away from stand alone investment products to investment services supported by multiple investment managers and detailed reporting services. Over 40 investment advisory practises have joined the new service.

Due to Spicers' focus on diversified equity-backed products, redemption volumes during the 6 months ended 30 June 2003 were up 17%, and inflows down 74% over the corresponding June 2002 period. However, the Spicers' negative flows of A$44 million was a reasonable result in the context of negative funds flow industry wide. Analysis indicates that market share has risen through achieving a better than market average result.

The industry wide weakness in the diversified funds market has provided opportunities to acquire smaller advisory businesses to consolidate into the Spicers national network. In March 2003, Sterling Portfolio Management was acquired taking the total value of funds acquired to A$169 million. The acquisition and consolidation strategy has seen the number of senior advisers increase by 11 over the 6 months ended 30 June 2003, as well as the expansion of our Auckland, Wellington and Tauranga offices.

The positive capital market movements in the June quarter have resulted in more normal flows being experienced, with net flows during the month of June returning to a positive A$7 million.

Financial Protection

In Australia, our net in-force position at 30 June 2003 was 96% of in-force at 30 June 2002. This is largely a result of our focus on writing profitable business rather than growing market share on a loss making basis. Our overall market share of new business has reduced to around 12%.

Financial Protection new business

A$ million	New business			Discontinuances			In-force		
Regular premium	**6 mths 30 Jun 03**	**6 mths 30 Jun 02**	**Increase**	**6 mths 30 Jun 03**	**6 mths 30 Jun 02**	**Improve-ment**	**At 30 Jun 03**	**At 30 Jun 02**	**Increase**
Long term risk	1	1	(11)%	4	4	9%	63	69	(8)%
Individual IP	9	10	(10)%	12	18	47%	184	193	(4)%
Individual life	16	15	7%	10	11	6%	171	161	6%
Group life & IP [1]	13	7	78%	10	10	3%	94	113	(17)%
Subtotal Australia	**38**	**33**	**16%**	**36**	**43**	**19%**	**512**	**535**	**(4)%**
New Zealand	9	8	8%	7	6	(8)%	116	108	8%
Total Aust & NZ	**47**	**41**	**15%**	**43**	**49**	**15%**	**628**	**643**	**(2)%**
Single premium	13	13	-	n/a	n/a	n/a	n/a	n/a	n/a
[1] One-off adjustment due to loss of Industry Plan				12					

Long term risk

The flow-on effect of poor investment market returns has influenced bonus rates for long term risk, which has had some impact on new business volumes. Discontinuances in the 6 months ended 30 June 2003 were similar to the same period last year. This portfolio continues to be profitable, so ongoing retention initiatives targeting existing clients will continue to be an important focus.

Individual income protection

While new business for the 6 months to 30 June 2003 is marginally down in comparison to the same period last year, discontinuance has improved significantly over the period. Our market share for income protection is relatively stable at 13%.

We are satisfied that we are winning good business, and we are not prepared to offer unsustainable premiums, product features or underwriting just to buy back market share in this high risk sector.

Individual life

New business for the 6 months ended 30 June 2003 indicates that the results of the targeted offer we took to the market in September 2002 have been well received. As part of this offer, we used our two brands to specifically target competitive solutions for both the business and personal insurance markets. Following the introduction of this offer, we have seen the average sum insured increase for sales under both brands.

Group life & income protection

New sales are up across our life, income protection and single premium business. Life sales are around 78% higher than the corresponding period in 2002. This is particularly pleasing, as it was towards the end of the first half of 2002 that we implemented a carefully defined strategy to only tender for clearly profitable business, preferring life with or without income protection, over stand-alone income protection. Although we narrowed our market considerably by not tendering for higher risk segments, this has allowed us to focus our efforts. We are targeting the high growth master trust market, of which we are the insurer of two of the biggest master trusts.

We have had a high level of discontinuances as a result of our strategy of focussing on value. Another major factor impacting discontinuances was the completion of re-rating existing unprofitable AC&L plans, resulting in some plans being unwilling to accept the higher premiums.

Our re-positioning of the group portfolio is important in returning these products to profitability and puts us in good stead for the future.

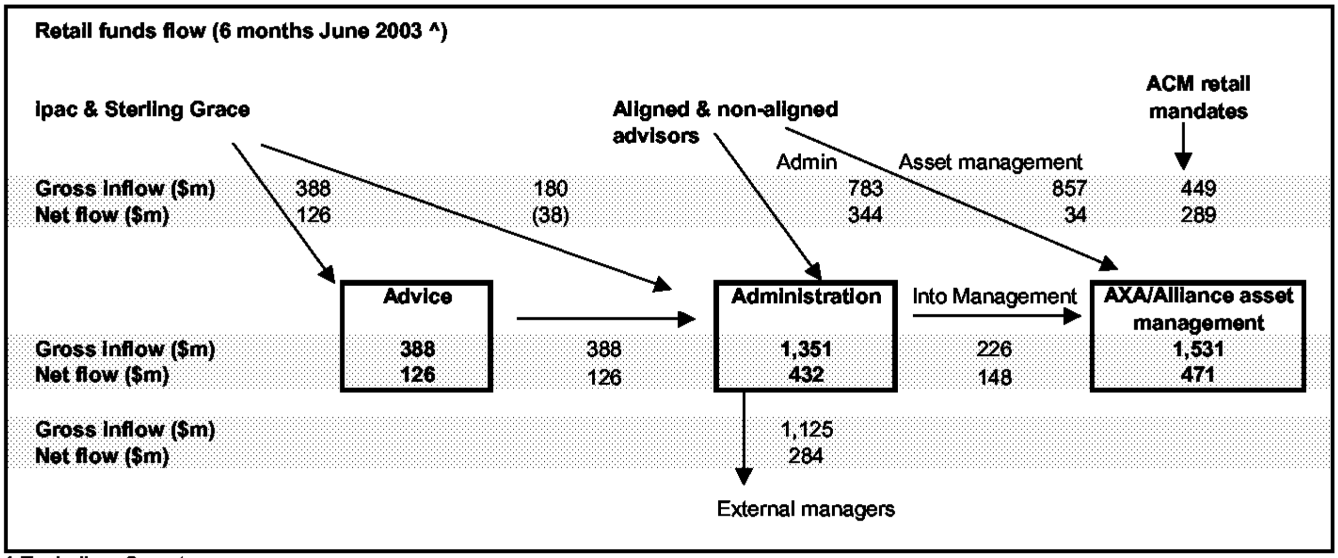
New Zealand

We continue to be the third largest financial protection provider in the New Zealand market. The 6 months saw an 8% increase in both our new business and our in-force portfolio against the 6 months ended 30 June 2002. Our plan is to continue to build distribution capability to successfully penetrate the broker market, thus further strengthening our position in the industry.

2.6 | Funds under management, administration and advice

We have continued to build our wealth management capability, moving closer to the end consumer with the acquisition of ipac in the latter half of 2002. We are now collecting more of the revenue available from retail funds as we build scale at all points along the value chain.

The following table represents a comparison of gross inflows and net retail funds flow for the 6 months ended 30 June 2003. Net advice flows of $126 million were well up with the inclusion of ipac flows for a full 6 month period. Flows from Aligned & non-aligned advisers to asset management represent AXA's investment business not flowing through AXA platforms as well as traditional retirement income & offsale superannuation business. Pleasingly, flows from administration into our investment management business of $148 million largely reflects the increasing market acceptance of the success of the Alliance Capital joint venture as net flows of AXA superannuation & investment products particularly, are well up on the previous year at $182 million for the 6 months ended 30 June 2003 (2002 – $23 million). The result has been greatly assisted by better retention in superannuation products & higher inflows of Mezzanine Unit Trusts as previously noted.



^ Excluding Symetry

Reconciliation of funds flow into management, administration and advice

Market statistics on funds flow are, in our view, incomplete and, in some cases, misleading. The following is an analysis of our funds flow performance which reconciles K2 and advice flow.

6 months ended 30 June 2003	Funds flow	
A$ million	**Gross flow**	**Net flow**
ipac , Monitor Money & Spicers (NZ)		
- advice flow	388	126
- administration flow	180	(38)
Aligned and non-aligned advisers		
- administration flow [1]	783	344
- administration to investment management flow	226	148
- investment	857	34
Retail funds flow (K2 measure excluding Alliance retail flow)	**2,433**	**614**
Alliance retail mandates		
- investment management	449	289
Retail funds flow (K2 measure including Alliance retail flow)	**2,882**	**903**
Advice to administration flow	388	126
Total funds flow	**3,270**	**1,029**

[1] Excludes Symetry

From a practical standpoint, we collect an advice and administration fee on 100% of funds flowing into our advisory network (ie. $126 million net flow in the 6 months ended 30 June 2003). We collect an administration fee on 100% of the flows into our administration platforms and all of our advice funds are on an AXA administration platform. In addition, we collect an asset management fee on 34% of the $432 million net funds flowing into our administration platforms (ie. $148 million of net flow). Our goal is to lift volume and percentage of flows across the chain, thereby increasing the margin captured at each point – advice, administration and investment management.

Funds under advice

Funds under advice grew significantly with the acquisition of ipac in the latter half of 2002. We receive an advice fee on all of the Monitor Money business and portions of ipac and Spicers. The Spicers result reflects the focus of that business on post retirement, equity backed products and the impact of the relatively unfavourable equity market conditions during the period which led to increased outflows. It is encouraging that notwithstanding these difficult market conditions, Spicers has maintained its market share position in New Zealand.

	Funds under advice [1]				Net funds flow		
A$ million	**At 30 June 03**	**At 30 June 02**	**Increase Jun to Jun**	**At 31 Dec 02**	**6 months 30 Jun 03**	**6 months 30 Jun 02**	**Increase Jun to Jun**
ipac	2,048	0	n/a	1,800	155	-	n/a
Assure - Monitor Money	535	536	(0)%	529	2	12	(87)%
Spicers (NZ)	959	991	(3)%	922	(30)	33	(192)%
Total	**3,542**	**1,527**	**132%**	**3,251**	**126**	**45**	**180%**

[1] Funds under advice is a subset of funds under management & administration

Funds under management and administration

Funds under administration are all funds that we administer, irrespective of whether the fund is managed by AXA (through Alliance Capital) or other fund managers selected by the client or by AXA. Other fund managers are fund managers, other than Alliance Capital, selected by AXA as part of its offering to retail superannuation clients.

In counting funds under administration and management at a point in time, some funds are counted twice to reflect that we receive a separate revenue stream for each service. To get a picture of the actual dollar amount of funds we hold, we back out the double count. However, when measuring flows, these funds are counted only once. Hence for net flow purposes, we add back a component to the funds flow number.

	Funds under management & administration				Net funds flows		
A$ million	**At 30 Jun 03**	**At 30 Jun 02**	**Increase Jun to Jun**	**At 31 Dec 02**	**6 months 30 Jun 03**	**6 months 30 Jun 02**	**Increase Jun to Jun**
AXA managed	1,643	2,312	(29)%	1,650	87	(14)	n/a
ACM joint venture	28,442	23,707	20%	26,736	1,558	292	433%
Deutsche	1,850	2,144	(14)%	2,096	(2)	6	n/a
PAS (Summit + Assure) [1]	3,935	3,531	11%	4,559	435	304	43%
ipac (fund of funds)	5,034	0	n/a	5,049	116	0	n/a
Other fund managers	1,023	1,128	(9)%	956	(17)	194	n/a
Spicers (NZ only)	1,384	1,418	(2)%	1,329	(44)	32	n/a
Gross FUM	**43,311**	**34,240**	**26%**	**42,375**	**2,134**	**814**	162%
Internal double count	(1,540)	(633)	n/a	(1,374)	(58)	(51)	n/a
Total	**41,771**	**33,607**	**24%**	**41,001**	**2,076**	**763**	**172%**

[1] Net fund flows exclude Symetry

Whilst institutional funds under administration grew 22% for the year, key retail funds under administration grew 25% with the acquisition of ipac. In what were difficult market conditions and where net industry flows contracted significantly, we managed to grow net retail funds flow by 34%.

Source of funds	Funds under management & administration				Net funds flows		
A$ million	At 30 Jun 03	At 30 Jun 02	Increase Jun to Jun	At 31 Dec 02	6 months 30 Jun 03	6 months 30 Jun 02	Increase Jun to Jun
Retail funds [1]	21,870	17,552	25%	22,598	615	457	34%
Retail mandates	2,548	1,844	38%	2,251	289	225	29%
Institutional funds	17,353	14,211	22%	16,152	1,172	81	n/a
Total	**41,771**	**33,607**	**24%**	**41,001**	**2,076**	**763**	**172%**

[1] Net fund flows excludes Symetry

Funds under management

Funds under management continued to grow quite strongly, with net funds flow up significantly despite the difficult market conditions. Funds under management include commercial loans managed by AXA, property funds managed by Deutsche and the Alliance Capital joint venture (included at 100% of funds).

Source of funds	Funds under management				Net funds flow		
A$ million	At 30 Jun 03	At 30 Jun 02	Increase Jun to Jun	At 31 Dec 02	6 months 30 Jun 03	6 months 30 Jun 02	Increase Jun to Jun
AXA managed	1,643	2,312	(29)%	1,650	87	(14)	n/a
Alliance Capital joint venture	28,442	23,707	20%	26,736	1,558	292	433%
Deutsche	1,850	2,144	(14)%	2,096	(2)	6	n/a
Total	**31,935**	**28,163**	**13%**	**30,482**	**1,643**	**284**	**478%**

Alliance Capital grew net institutional flows very strongly. Net retail mandates also grew by 29%. Major retail mandates won by Alliance Capital included Colonial/CBA (First Choice Master Trust) and AMP (retail product). A retail mandate is a "fund of fund" mandate sourced from retail customers (ie. not a corporate or industry superannuation fund or a transfer from another fund manager).

Source of funds	Funds under management				Net funds flow		
A$ million	At 30 Jun 03	At 30 Jun 02	Increase Jun to Jun	At 31 Dec 02	6 months 30 Jun 03	6 months 30 Jun 02	Increase Jun to Jun
Retail funds	12,034	12,108	(1)%	12,108	182	(21)	n/a
Retail mandates	2,548	1,844	38%	1,844	289	225	29%
Institutional funds	17,353	14,211	22%	16,530	1,172	81	n/a
Total	**31,935**	**28,163**	**13%**	**30,482**	**1,643**	**284**	**478%**

2.7 | Advisers & agents

Number of advisers at	30 June 03	30 June 02	Increase June to June	31 Dec 02
Australia				
AXA Level 3 advisers [1]	453	298	52%	366
AXA provisional Level 3 advisers [1]	147	209	(30)%	172
AXA Level 1 and Level 2 advisers	545	618	(12)%	583
Total AXA Dealer Groups	**1,145**	**1,125**	**2%**	**1,121**
ipac / Monitor Money	59	26	127%	59
Total Australia	**1,204**	**1,151**	**5%**	**1,180**
New Zealand				
AXA Advisers	346	336	3%	344
Spicers	68	62	10%	62
Total New Zealand	**414**	**398**	**4%**	**408**
Total	**1,618**	**1,549**	**4%**	**1,586**

[1] Level 3 advisers have been trained to provide the most comprehensive and complex financial planning advice. Provisional Level 3 advisers have been trained and are subject to a compliance audit before being granted full level 3 status.

AXA Dealer Groups include AXA Financial Planning, Charter, and Altus in Australia and the AXA and Quantum networks in New Zealand. The small increase in adviser numbers reflect a focus on recruiting quality advisers, practices and referral networks. Recruiting quality advisers has resulted in AXA Dealer Groups reducing the number of low producing advisers while maintaining the overall adviser numbers.

ipac was acquired in the second half of 2002. This added 32 employed advisers to our network in Australia.

The number of advisers for Spicers has increased as a result of the acquisition and successful integration of a practice of 9 advisers.

3 Hong Kong

3.1 | Strategic overview & highlights

Hong Kong insurance market

The Hong Kong life insurance market continues to experience strong growth up 22% in the first quarter of 2003 as compared to the first quarter of 2002. There is evidence to suggest a one off slow down in the overall market in the second quarter of 2003 due to SARS, although this did not adversely affect AXA's new business in Hong Kong.

Customers are now refocussing their investment strategies towards equity based investment linked business as a result of the rebound in equity markets in May and June 2003. The 11% increase in the Hang Seng Index in May/June has largely reversed the fall experienced in the first quarter of the year.

Funds under management in the retirement market continue to grow, driven by renewal contributions into the Mandatory Provident Fund ("MPF"). We believe that this will lead to significant opportunities in retail investment funds as clients become increasingly aware of the need to build funds for retirement. The MPF alone is unlikely to be sufficient for their lifestyle needs.

Tied agency remains the dominant distribution channel but with the market evolving towards financial planning. The continued depression of the property market and low interest rate environment has driven investors to seek advice in establishing alternative wealth creation strategies.

Our Hong Kong business enjoys a strong position and is firmly established as a leading participant in the life insurance market. We continue to strengthen and expand our distribution capabilities and respond tactically with new product offerings to meet the changing needs of our customers.

SARS

Life in Hong Kong was significantly impacted by SARS between March and May this year. We acted quickly to address the SARS situation and it is pleasing to report that the virus did not infect any staff or agent of AXA Asia Life.

Significant and urgent precautionary actions were undertaken to protect the health of our staff and agents, and business continuity plans were reviewed and activated, where necessary, to ensure continuity of service to our customers.

Business impact

The financial impact of SARS claims on our business was not material, with 7 death claims and 25 hospital claims, totalling HK$3 million during the 6 months ended 30 June 2003. By way of comparison, we paid out approximately 1,000 death claims for HK$450 million net of reinsurance during 2002.

Sales were 10% higher when compared to last year. Whilst customers were reluctant to make appointments during this time, SARS appears to have heightened people's general awareness regarding the need for, and value of, adequate financial protection. Our innovative responses to the situation, including the establishment of a mobile medical unit to underwrite customers at their homes, enabled us to reach our clients in these unusual circumstances.

On 23 May, the World Health Organisation ("WHO") removed its travel advisory warning regarding Hong Kong and Guangdong, and on 5 June the US Centers for Disease Control and Prevention ("CDC") also lifted its travel advisory warning. On 23 and 24 June, WHO removed Hong Kong and Beijing from the infected area list. There has been no recurrence of SARS in Hong Kong to date.

M6 programme

As in Australia and New Zealand, we have invested significantly in a transformation programme in Hong Kong. Launched in late 2000, M6 is focused on transforming our business from a leading life insurance company distributing traditional insurance products, solely through a traditional agency channel, to a leading financial protection and wealth management business using a range of distribution channels and a multi-product approach. M6 is focused on enhancing our distribution capability and product offerings, and improving efficiency.

M6 is integral to our strategy and we remain committed to our goal of being 'recognised as a leader and recommended as the best provider of financial protection and wealth management products'.

The M6 programme includes 6 aspirational targets for the end of 2004:

M1 Enterprise value of HK$23 billion
M2 Gross premium income of HK$10 billion
M3 Assets under management of HK$42 billion
M4 Build AXA as preferred brand of choice
M5 Employee satisfaction of greater than 30 in AXA Global Scope survey
M6 Value of new business of HK$753 million

The M6 objectives are supported by eight strategic imperatives:

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

Increase the number and productivity of aligned advisers

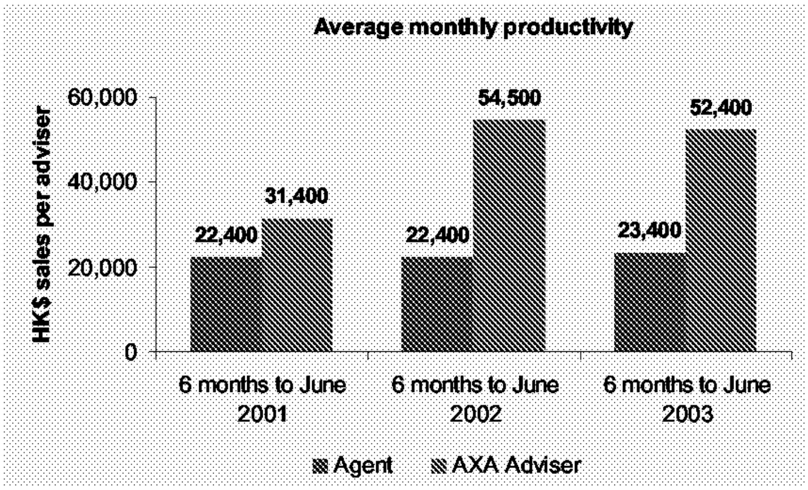
We have increased our activities to grow agent numbers, focussing on both recruitment and agent retention initiatives. Recruitment initiatives in this period include implementing the recruitment and selection modules of Professional Education Applied Knowledge ("PEAK"). PEAK is a comprehensive training programme developed jointly by AXA Hong Kong and RMIT University in Australia. In addition, we are now holding recruitment seminars every two weeks (also including agencies) which is yielding some early success. Other actions are in place to improve the effectiveness of training to lift exam pass rates and agent contracting ratios.

Agent retention will be improved by upskilling agents, broadening the range of products each agent is licenced to sell, and focussing on needs based selling through the introduction of more sophisticated point of sale technology. We will also leverage off the success of AXA Advisers who have twice the productivity of agents, by introducing systemised activity management.

These initiatives are in addition to the recently introduced alternative distribution management models, which are aimed at leading the market to a more modern and diversified distribution system. In particular, we have segmented our traditional agency force and employed AXA staff to manage a group of commissioned agents. This segment of the agency channel, AXA Phoenix, now has 735 agents. This significantly aids agent retention by establishing a direct relationship between the agents and the company, thereby reducing our vulnerability to agency leader defections.

These initiatives have enabled us to increase our adviser numbers by 10% compared to the same period last year. The number of recruits in 2003 has reached record highs since the introduction of agent examinations in January 2000. This has been achieved in an extremely competitive environment without entering into unsustainable and unprofitable poaching initiatives.

Agent numbers are important but our continued priority remains agent productivity, which is fundamental to profitable sales. Productivity has further improved by 4% despite the impact of the difficult environment due to SARS. We will continue to drive additional productivity increases through implementation of our new Regional Agency Blueprint, including closer alignment of compensation and management practices to company objectives.



Build profitable new aligned and broker /IFA channels

We have successfully broadened our distribution capability in 2003, including further establishing our salaried sales force – AXA Advisers. There are now 213 AXA Advisers (up from 121 at 30 June 2002 and 196 at 31 December 2002). AXA Adviser productivity levels are around twice that of commissioned advisers. This new channel accounted for 12% of our sales in the 6 months ended 30 June 2003.

Of the 213 AXA Advisers, 65% are university graduates and 90% have prior sales experience, which helps us to target a higher socio-economic customer group and achieve higher average policy sizes. AXA Advisers are also key in capitalising on alliance opportunities and servicing our large client bank. There is further scope to expand this channel whilst maintaining productivity levels through strong leads from external alliances and from our orphan client base.

We have also continued to develop our broker channel strategy and capability. Our corporate business has historically been distributed through independent brokers and a direct sales team. We enjoy an excellent reputation as a provider of service to the broker market. Over the past year, we have undertaken extensive research to leverage this reputation into the individual broker market. As a result, during the 6 months ended 30 June 2003, individual business was received from 29 broker firms, with new premiums totalling HK$8 million. These new premiums, though contributing only 2% of total sales for the period, were 3 times higher than the prior corresponding period. Expansion is expected to continue this year and beyond. However, whilst the sales volume potential of this market is attractive, we will continue to focus on shareholder value creation and so will direct our efforts only at profitable segments.

Build preferred brand of choice

With approximately 1 million clients and competitive pressure from new entrants, brand awareness is extremely important in attracting new clients and retaining existing clients.

In 2003, we continue to be among the top 3 preferred brands in the Hong Kong market with brand awareness of 75%, already achieving our target under the M6 programme. In 2002, we were awarded "Best Insurer in Hong Kong" by Capital Magazine for the third consecutive year. The award is decided by a combination of a judging panel, editorial staff and the voting public, and it is pleasing to stand alongside other category winners such as Merrill Lynch, IBM and Microsoft. Across all the award categories we are the only 3-time winner.

Deliver investment margins

Delivering the targeted 1% investment margin on non-linked assets over the long term is a critical component in achieving our goal of increasing enterprise value by 55% to HK$23 billion by the end of 2004.

Investment markets were strong in the second quarter of 2003, following the end of the war in Iraq and the gradual return of confidence as the SARS concerns diminished. In particular, equity returns were strong with the MSCI World Index up 10% over the first half of 2003, and bond returns also strong driven by falls in 10 year US bond yields from 3.83% in December 2002 to 3.54% in June 2003, together with the 56 basis points contraction in corporate spreads.

The margin on long term funds for the 6 months ended 30 June 2003 of 5.5%, or 2.2% excluding fixed interest gains, exceeded the target of 1% p.a. Although some of the capital gains on the bond portfolio have reversed since 30 June with the recent increase in US Dollar bond yields, we have also seen further strengthening of US and Asian equity markets.

Policyholder dividends on our in-force portfolio followed the worldwide fall in interest rates and were reduced in January 2003 by 0.75% on average and again in August 2003 by a further 0.25% on average. This is in addition to the 1% reduction in December 2001. This has not had an impact on our position in the market, as competitors have applied similar reductions. Our NL series guaranteed in-force life portfolio has been closed to new business and our DA fund guaranteed retirement business is now closed to contributions from all sources, with future contributions being retained in lower guarantee alternatives. We are also focused on further increasing our sales of unit-linked business and MPF business. Unit-linked products represented 21% of sales during the 6 months ended 30 June 2003, despite adverse investment markets over the first quarter.

We continue to manage our business using sophisticated actuarial analysis and tools including asset share methodology and asset liability management techniques. We have revised downwards our view on long term investment returns but remain confident that the 1% margin is achievable in the long term.

The table below summarises the current position on margins for the main product groupings based on current best estimate assumptions.

	Amount [1] (HK$ billion)	Investment guarantee to policyholder	Investment strategy (bond/ equity)	Prospective long term investment return [2]	Current policyholder return (gtees+ cash div+bonus)
"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%	5.00%
"MPF" Guarantee fund	0.6	0.00%	80/20 (HK)	6.00%	1.00%

[1] Fund amounts are based on AGAAP for life insurance and account balance for unit linked and retirement business, as opposed to regulatory liabilities. As such, these differ from the amounts previously disclosed in the Investor Compendium for the 12 months ended 31 December 2002 which were based on regulatory liabilities. This more accurately ties asset shares to respective crediting rates.
[2] Reduced from December 2002 assumptions
[3] Before offsetting effect of expense/mortality profits, which is approximately 1%
[4] Current return after reduction in August 2003

The significant assumptions underlying the prospective long-term investment returns for Active Dividend Management are US treasuries, US corporate bonds and global equities of 5.2%, 5.9% and 9.2% respectively.

Crediting rate mechanism

Crediting rates are smoothed over the medium term, with the aim of reflecting underlying asset performance over the medium to long term. This smoothing mechanism inevitably leads to some periods where credited rates are higher than actual returns and some where credited rates are lower.

This setting and smoothing of policyholder crediting rates is strongly influenced by affordability and underlying asset shares, but is a matter of judgement. Asset share analysis considers the "assets" accumulated from participating business cashflows and investment returns, and assesses the affordable crediting rate that is supported by these assets.

As a result of adverse investment markets in 2001 and 2002, we have credited more to our policyholders than we have actually earned in those years. This has been partly offset by our investment performance over the 6 months ended 30 June 2003. We believe that the past over-crediting will be recovered in future from policyholders through Active Dividend Management ("ADM"). We have also reduced policyholder dividends on our in-force portfolio following the worldwide fall in interest rates, with a reduction in January 2003 by 0.75% on average and again in August 2003 by a further 0.25% on average.

Limits in operating ADM

The strong investment margin this period (driven by equity market gains, reduced bond yields and a contraction in corporate spreads) has significantly reduced the extent of the future crediting recoveries required. However, we are still below the neutral asset share position for these participating policies. Furthermore, the strong investment margin will be somewhat reduced if the post 30 June increase in US interest rates, in isolation, are sustained.

Clearly, there are limits to the extent we can smooth crediting rates and pass on investment variations to policyholders. One such limit is defined by the policy guarantees and summarised in the earlier table.

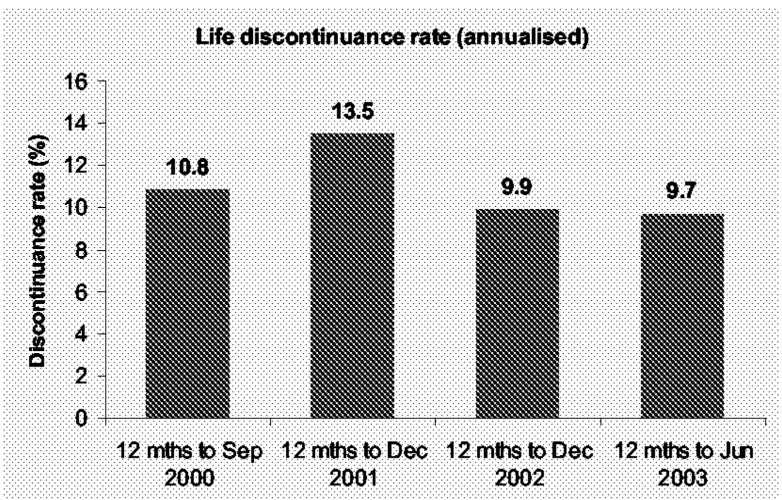
Another limit would potentially be reached if the cumulative shortfall – or excess – relative to a neutral position of the asset share becomes too large. That is, if it becomes unreasonable to take credit for recovering all the way to the neutral position. This limit is a dynamic judgement based on various factors such as the size of cumulative variation from long term expected returns, the future outlook for returns, and the latest stance of our competitors. As such, we work to a prudent range.

A reasonable range for this limit, having regard to our investment policy and the product characteristics, would be 10% to 15% of the asset share. In such a scenario, the Embedded Value ("EV") will be assuming smoothing (i.e. recovery of past higher/lower crediting than earning) over a period of 5-7 years. At the moment the cumulative shortfall is well below this range.

Bring persistency back to target levels

We have continued to invest in and expand our initiatives to retain clients. Our dedicated conservation team contributed to a net retention of approximately HK$29 million of in-force annualised premium. Furthermore, our Customer Care Centre is focused on reducing policy surrenders and pursuing cross-sell opportunities to our "orphan" clients. These are clients that have been returned to AXA from defecting or leaving agents and provide a strong source of leads to AXA Advisers and AXA Phoenix. Our Customer Care Centre is now servicing over 130,000 clients. Discontinuance rates on these clients have improved and repeat sales campaigns have resulted in over 3,200 new cases translating to HK$10 million new business value.

As a result of these initiatives, annualised persistency has continued to improve towards the levels assumed in our long-term projections. At 30 June 2003, the aggregate discontinuance rate for individual life policies was 9.7%, well down on prior periods.



The level of agent poaching activity has reduced markedly since early 2001, also contributing to the improvement in our discontinuance rates. The strategies used by some of our competitors in offering significant up-front payments to agency leaders to move, and take large numbers of agents with them, have not been successful. The activity of competitors has abated as they digest increased acquisition expense ratios and a failure to induce large numbers of agents to move. Our strategy has been to concentrate on improving the quality of the agency force and the attractiveness of the company as an employer for productive agents.

At the same time we have engaged in legal action to prosecute and discourage client twisting by defecting agents (where agents convince policyholders to surrender their policy with one company and purchase a new policy with another company).

Deliver operational excellence

Reflecting our continued focus on operational excellence, the value of new business increased 11% to HK$431million (2002 - HK$389 million). New business volume growth was 10%, with additional benefits arising from our ongoing focus on product profitability (including tactical re-pricing activities and mix of new sales).

We have one of the most efficient life insurance companies in Hong Kong and within the global AXA Group. However, we continue to identify areas of efficiency improvement, and over the 6 months ended 30 June 2003, recurring management expenses were further reduced by 14%, following reductions of 9% in 2002 and 12% in 2001.

Our Regional Life Policy Administration System was successfully implemented in May. We now have a platform for life insurance policy administration that is capable of being used throughout the region, subject only to modifications for local languages and local regulations. Key benefits of the platform include:

- extending the life span of our existing IT platform by up to 10 years;
- faster rollout to market of new processes and products;
- improved compliance and risks management functionalities; and
- the avoidance of the need to purchase expensive business applications from third party providers.

The recently established Asian Regional Life Centre provides a platform for further efficiency improvements and consistency between regional entities through the sharing of capabilities and process in areas such as financial control, asset/liability management, information systems, agency training, and product design and development. At the same time we are evaluating opportunities to leverage the low cost environment of mainland China for service and information systems delivery.

Improve organisational capability through our people

We have significantly reinforced our management and people capabilities and strengthened the operational structure in Hong Kong, including the appointment of a number of senior managers from both within the AXA Group and externally.

Our people processes have further improved through competency assessment and training, and the alignment of remuneration incentives to our M6 objectives. We have also strengthened our internal project management capabilities. We are committed to this type of continuous development approach to improving the capabilities of our people.

As a result there has been a marked improvement in our result for Scope (the global AXA Group's survey on staff satisfaction). We achieved a result of 49, compared to 42 in 2002. This has already exceeded our M6 programme target score of 30. This year, we have seen improvements in all key driver areas. The improvements clearly indicate that:

- open communication and targeted HR solutions have contributed to a committed and motivated workforce;
- company vision, strategy and objectives are well cascaded to staff and clearly aligned and committed by our managers;
- staff supported management's efforts to improve business results through controlling expenses, driving a performance culture and leading change programs; and
- the capability and quality of our managers has improved substantially and they have helped in driving the necessary changes.

Prepare for growth of savings and investment markets

Hong Kong continues to be an extremely attractive market. Whilst savings rates are high, the penetration of insurance and investment products is still low. Furthermore, the demographic trends towards an ageing population will increase the demand for retirement savings products. We are well placed, offering a full range of traditional products that combine savings, life insurance protections and a flexible range of rider protections. We have also launched new products into the market as well as building on our product innovations.

FUTURE was launched on 28 April. This is a 10 pay unit-linked individual retirement plan (i.e. we have a commitment to pay 10 annual premiums) that offers the policyholder the option of purchasing an annuity upon retirement. Its annuity option does not contain investment guarantees or longevity guarantees. We believe that there is a market for individual retirement plans due to the structural change in demographics, combining an ageing population and longer retirement life with the recognition that MPF contributions alone will be insufficient to fund total retirement savings needs. This product has been launched on the new Regional Life Policy Administration System and re-uses the existing Honey range of investment funds.

The Hong Kong market is still dominated by traditional products, which remain attractive under current investment market conditions.

"Smart Jumbo Saver", a regular premium non-linked endowment product with a 5 year payment option, continued its success with a further HK$95 million of sales during the 6 months ended 30 June 2003, building on the HK$132 million of sales in the four months following its launch in August 2002.

Mandatory Provident Fund

We continue to maintain our MPF market share of around 5% and are one of a small number of participants to have achieved critical mass in the MPF market. Our key initiatives this year are aimed at achieving organic growth through the establishment of a dedicated retirement sales team active in obtaining direct and broker businesses. The market has historically not been active in switching schemes provider, but we anticipate some opportunities for new sales will arise as schemes reach their third year anniversary in December 2003 (a trigger point for reviewing scheme providers).

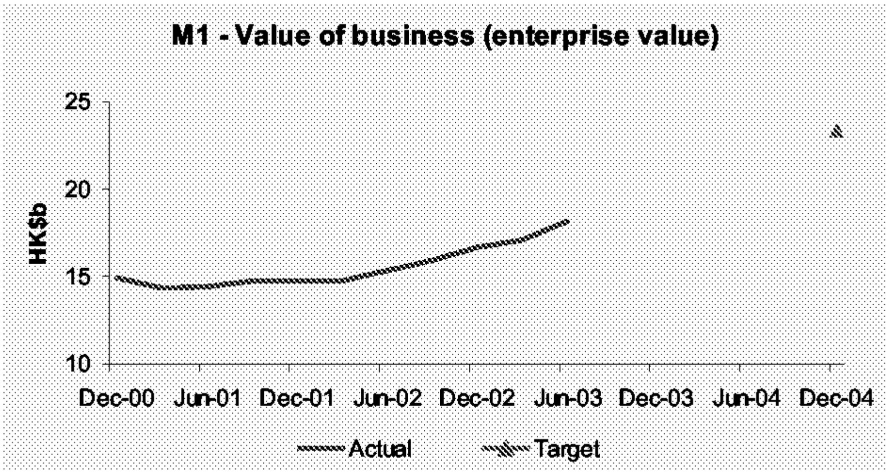
In response to prevailing economic conditions, the Hong Kong Government revised the minimum monthly salary level requiring mandatory employee contributions to MPF from HK$4,000 to HK$5,000 per month in early 2003. As such, employees earning less than $5,000 per month are no longer required to make contributions. However, employers are still required to contribute 5% of their employees' income. This has only had a small impact on the MPF market as the changes only relate to a low income group that historically did not make sizeable contributions anyway.

The market expects that the growth rate for new members from existing employers and the contribution amount are likely to remain stable, or slightly negative, in the short term given current job market characteristics. However, we do not expect this will have a substantial impact on our own MPF business. The key issue for our business is to retain our large clients, rather than aggressively growing new contributions.

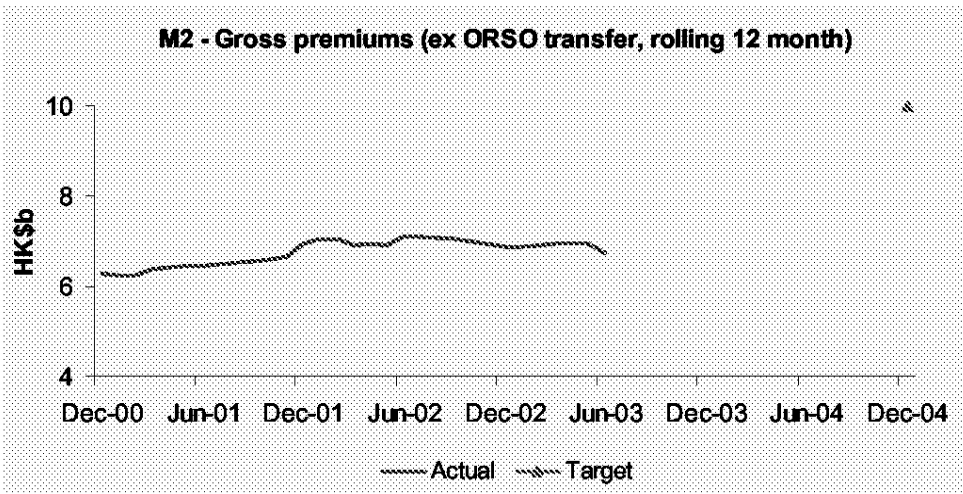
There are more than 20 providers in the market, with only half having the scale and administration efficiencies necessary to maintain a profitable business. With a dozen service providers accounting for only 20% market share, we believe that mergers of business and administration platforms may take place. We are well placed to participate in any potential consolidation that may occur in the MPF market and continue to monitor developments and opportunities that represent good value.

M6 performance

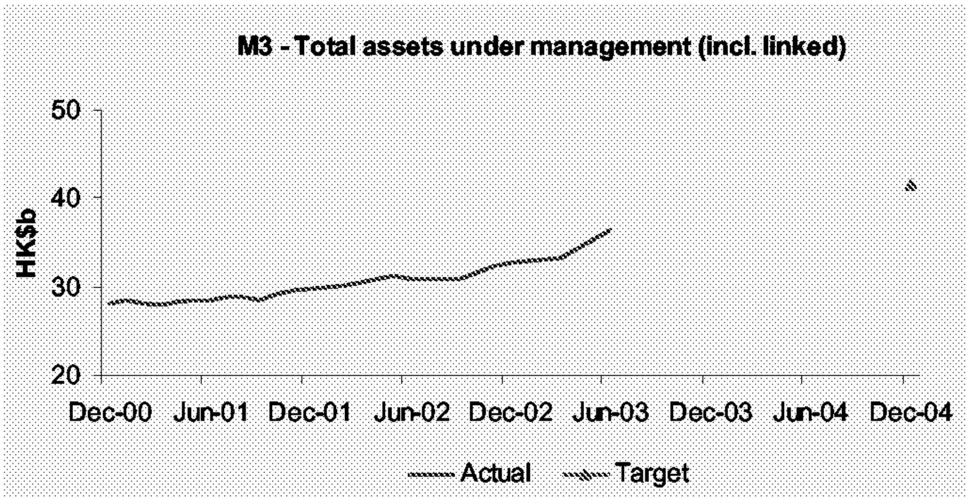
Enterprise Value is on track towards our **M1** goal of HK$23 billion in 2004. Persistency continues to improve, trending strongly towards our long term assumption. Mortality experience continues to be favourable and our already low expense ratios continue to be reduced. The improvement in investment markets this half year has reduced the amount of crediting rate recoveries assumed in our embedded value. M1 is made up of embedded value plus value of one year's new business with a conservative multiple of 8 times.



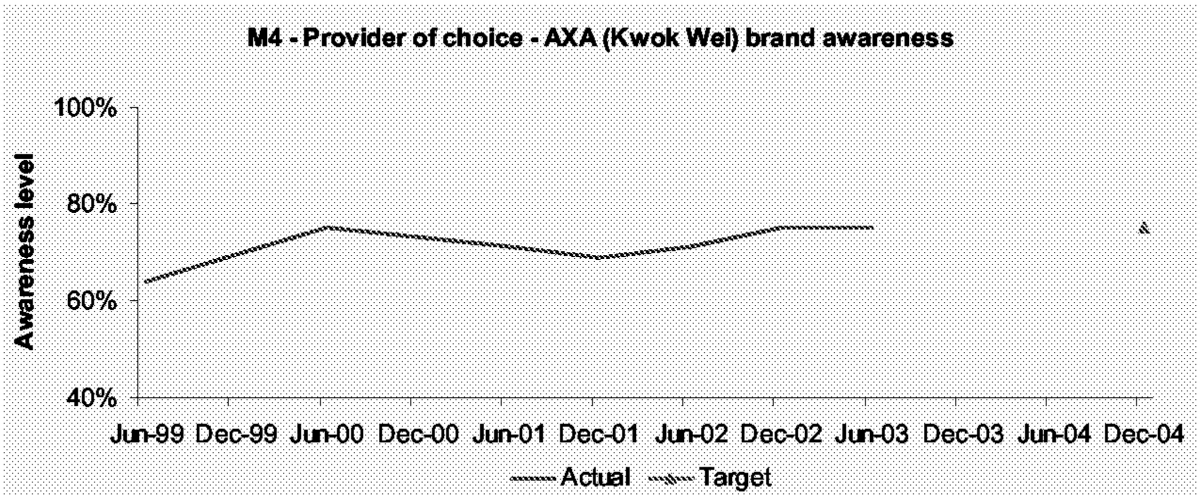
Gross premiums received continue to be strong at HK$6.7 billion, although below our **M2** target reflecting lower single premium sales during the 6 months ended 30 June 2003 (gross premium for the previous corresponding period included HK$176 million of Vitamin C single premiums). Growth in employer sponsored business has been subdued particularly in the SARS affected months, and the low interest rate environment has made it difficult to replicate structured bonds. Lower single premiums were partially offset by the growth in individual life sales following new product developments, and successful diversification of distribution channels. New sales mix has been biased towards the more profitable regular premium contributions, rather than single premiums, which is positive for shareholder value creation, but adversely impacts on this measure.



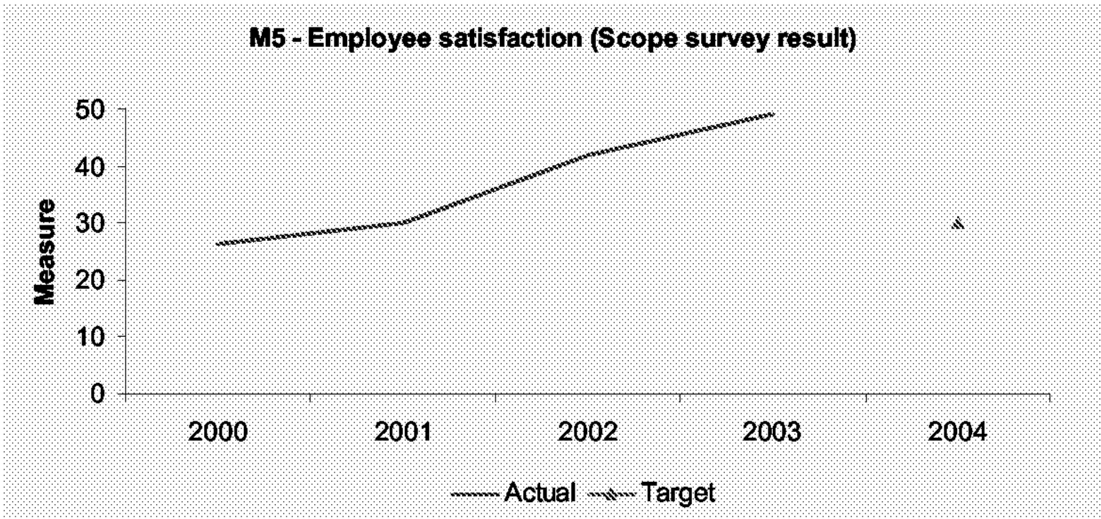
We are well on track towards our **M3** goal driven by strong net funds flows of HK$3.4 billion (rolling 12 months), together with the improvement in investment markets. We achieved a 7% return on the portfolio for the 6 months ended 30 June 2003.



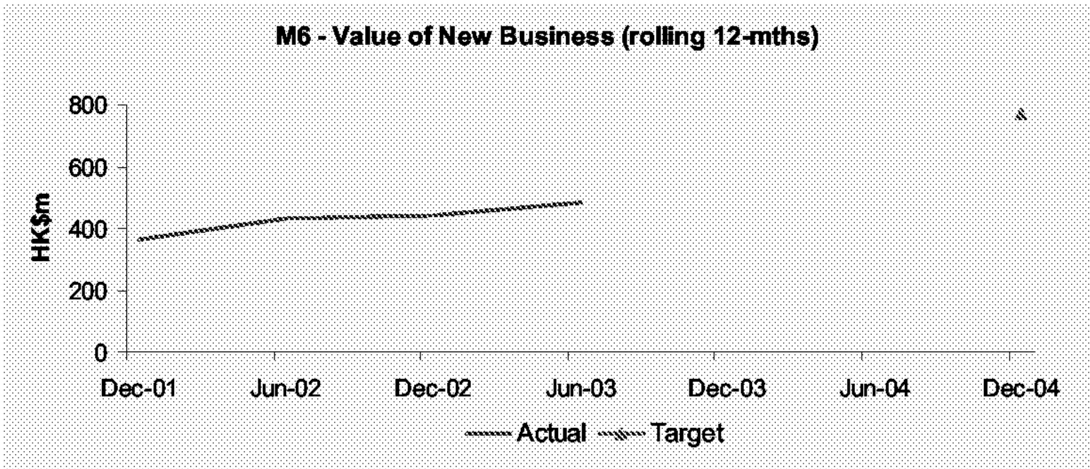
Our brand strength remains very high on all measures, and is achieving our **M4** target. Brand surveys, conducted each half year by an independent third party, found that the AXA brand was recognised by 100% of those interviewed, 75% of them unaided. Rather than incurring large advertising expenses, our high brand awareness has been supported by our long presence in Hong Kong, a strong distribution force and the continued effort to gain media exposure through press relations.



Our employee satisfaction result was very pleasing with an overall Scope score of 49, compared to our **M5** target of 30. This is particularly good considering the amount of change and process improvement activities undertaken. We believe that rigorous and open communication and focussed actions have been key to the improvement in the Scope result.



Good progress towards our **M6** target with an 11% increase in value of new business. This compares favourably to 10% sales growth and is attributable to our ongoing focus on product profitability including tactical re-pricing and close management of sales mix.



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

3.2 | Financial summary

Operating Earnings were down 7% reflecting the appreciation of the Australian Dollar. In local currency, Operating Earnings were up 7% reflecting improvements in persistency and investment returns. Mortality experience also continues to be favourable. Overall operating results were affected by the impact of prior year investment losses on retirement business, which are spread into future years under Australian GAAP "Margin on Services" methodology. This business has been closed to new schemes since 2001 and new contributions since the second quarter of 2003.

Financial performance A$ million	6 months 30 Jun 03	6 months 30 Jun 02	Increase Jun to Jun
Operating Earnings	69	74	(7)%
Investment Earnings	173	1	>>
Profit after income tax before non-recurring items	**242**	**75**	**223%**
Non-recurring items	**-**	**-**	**-**
Profit after income tax and non-recurring items	**242**	**75**	**223%**

Financial performance HK$ million	6 months 30 Jun 03	6 months 30 Jun 02	Increase Jun to Jun
Operating Earnings	335	312	7%
Investment Earnings	839	9	>>
Profit after income tax before non-recurring items	1,174	321	266%
Non-recurring items	0	0	n/a
Profit after income tax and non-recurring items	1,174	321	266%

Financial performance HK$ million	6 months 30 Jun 03	6 months 30 Jun 02
Expected profit margins released	**335**	**349**
Experience profit (loss)		
- Expenses	(10)	4
- Investment return	17	(29)
- Other (incl. underwriting & surrenders)	(7)	(12)
Capitalised losses & reversals		
Operating Earnings	**335**	**312**

Profit margins released benefited from lower expenses and sales growth, but was adversely impacted by the investment market losses in 2002 which under the Australian GAAP Margin on Services methodology have the effect of lowering future profit margins on our retirement business, and therefore creating a 'drag' effect to Operating Earnings.

Expenses continue to track favourably. The expense loss this period arises from corporate overhead amounts that were not allocated to specific product under Margin On Services. Furthermore, last year's favourable expenses lead to a re-setting of expected 2003 expenses to lower levels.

Other includes profits on favourable mortality experience offset by losses on surrender experience (where we are tracking well and trending to long term profit assumptions but not yet reached the long term assumptions) and some other small miscellaneous losses.

Life, Unit-Linked, Health & DI (%) - by premiums	6 months 30 Jun 03	6 months 30 Jun 02
13 month persistency	76.5	78.9
25 month persistency	68.9	71.0
61 month persistency	51.2	49.6
Individual Life only (%) - by cases		
13 month persistency	77.7	78.8
25 month persistency	69.0	69.7
61 month persistency	49.9	48.5

Although our overall discontinuance rates are trending strongly towards our long term assumed levels, short term 13 month persistency has fallen a little in the period. This is due to higher unit-linked withdrawals reflecting the weak economy. Whilst our retention rates are improving due to initiatives implemented by our Customer Care and conservation teams, this is offset by poorer experience in business sold more recently (i.e. with less years of duration). Overall we are succeeding with our initiatives to improve the retention of our clients.

Recurring management expenses are down 14%, following reductions of 9% in 2002 and 12% in 2001. Staff numbers are now 532, down 5% from 31 December 2002, reflecting our successful process improvement initiatives.

Expenses HK$ million	6 months 30 Jun 03	6 months 30 Jun 02	Improvement	6 months 31 Dec 02
Total recurring management expenses	155	180	**14%**	183
Project expenses	9	17	**47%**	12
One-off expenses	4	6	**33%**	13
Management expenses	**168**	**203**	**17%**	**208**
Total commission and related expenses	312	371	**16%**	366
Total expenses	**480**	**574**	**16%**	**574**

Incremental expenses on the M6 programme projects and other non-recurring activities were HK$13 million for the 6 months ended 30 June 2003.

Investment Earnings of HK$839 million were significantly higher reflecting the strong equity returns with the MSCI World Index increasing by 10% over the first half of 2003, and bond returns also strong driven by falls in US bond yields from 3.83% in December 2002 to 3.50% in June 2003 together with a 56 basis points drop in corporate spreads.

Investment Earnings HK$ million	6 months 30 Jun 03	Return %	6 months 30 Jun 02	Return %
Equities	306	9%	(166)	(7%)
Fixed interest	529	7%	172	3%
Property	(1)	0%	(8)	(4%)
Cash	5	1%	11	1%
Investment Earnings	**839**	**7%**	9	(0%)

3.3 | Sales & funds flow

New business showed strong growth over the same period last year despite the SARS impact, with total new business of HK$421 million annualised (including 10% single premium and excluding General Insurance), 10% ahead of the 6 months ended 30 June 2002 (HK$382 million). Rolling 12 months discontinuance has improved significantly with a rate of 9.7% for the rolling 12 months to 30 June 2003 compared to 9.9% for the rolling 12 months to 31 December 2002.

Annual premium discontinuances on our traditional life business has reduced by 12% compared to last year due to the success of our Customer Care and conservations teams, though this has been offset by higher levels of discontinuance on our younger unit-linked policies.

Annual premium products HK$ million	**New business**			**Discontinuance**			**In-force**		
	6 months 30 Jun 03	**6 months 30 Jun 02**	**Increase**	**6 months 30 Jun 03**	**6 months 30 Jun 02**	**Increase**	**At 30 Jun 03**	**At 30 Jun 02**	**Increase**
Individual life (non-linked)	250	220	14%	234	266	(12)%	4,563	4,519	1%
Individual life (unit-linked)	100	65	54%	55	11	418%	291	203	43%
Total individual life	**350**	**285**	**23%**	**289**	**276**	**5%**	**4,854**	**4,722**	**3%**
Group retirement (incl. MPF)	24	11	121%	152	63	140%	1,119	1,260	(11)%
Group risk	23	54	(57)%	39	20	94%	296	310	(5)%
Total	**397**	**349**	**14%**	**480**	**359**	**34%**	**6,270**	**6,292**	**(0)%**
General insurance (P&C) [1]	59	60	(2)%						

[1] Total premium

Single premium products HK$ million	**Inflows**			**Outflows**			**Net flow**			**FUM**		
	6 mths 30 Jun 03	**6 mths 30 Jun 02**	**Increase**	**6 mths 30 Jun 03**	**6 mths 30 Jun 02**	**Increase**	**6 mths 30 Jun 03**	**6 mths 30 Jun 02**	**Increase**	**At 30 Jun 03**	**At 31 Dec 02**	**At 30 Jun 02**
Individual Life (incl. unit-linked)	14	220	(94)%	4	7	(41)%	10	213	(95)%	796	717	639
Group Retirement [1]	222	107	107%	69	15	371%	153	92	66%			
Total	**236**	**327**	**(28)%**	**73**	**22**	**236%**	163	306	(47)%			

[1] FUM for retirement is not split between regular and single contributions and excludes internal ORSO conversions

Individual life regular premium sales continue to be strong, up 23% reflecting the increase in Honey unit-linked top up sales and the good performance of Smart Jumbo (non-linked endowment) with HK$95 million annualised contributions.

At the end of April 2003, we launched a unit-linked individual retirement plan, "FUTURE", with total regular premium sales of HK$10 million achieved in the two months to 30 June 2003.

Employer sponsored business has grown slowly in 2003 due to difficult economic conditions. In the competitive group risk and general insurance markets, we continue to place greater emphasis on pricing and achieving low combined ratios as opposed to pure volume growth.

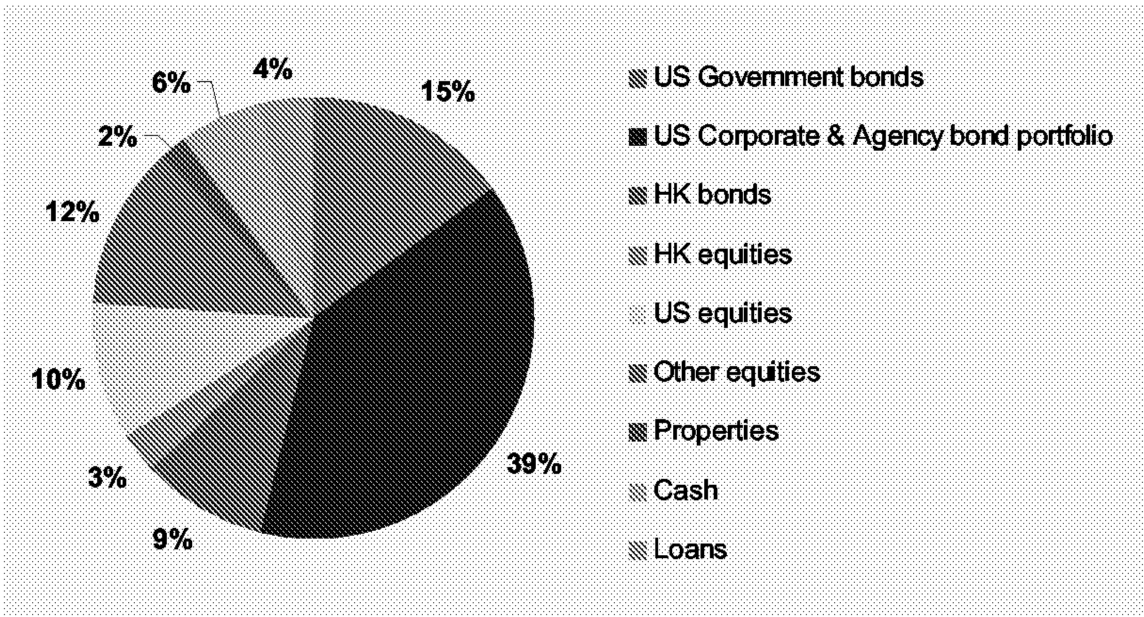
3.4 | Funds under management

Funds under management continued to grow driven by strong net funds flow of HK$3.8 billion during the 6 months ended 30 June 2003 and improved investment markets.

Breakdown of major funds **HK$ billion**	**As at 30 Jun 03**	**As at 31 Dec 02**	**As at 30 Jun 02**
"NL" closed life fund	15.3	13.8	13.2
"Smart" open life fund	0.8	0.5	0.3
"DA" retirement fund (closed to all new contributions)	3.9	3.8	3.9
"Retirement" % Guarantee Fund (incl. MPF guarantee)	0.6	0.4	0.4
"Honey" unit-linked life	0.8	0.7	0.6
"MPF" non-guaranteed	2.1	1.7	1.6
Other (including Shareholder)	12.9	11.7	10.9
Funds under management (incl. Linked)	**36.4**	**32.6**	**30.9**

Note: Fund amounts outlined above are different to the table in the Investor Compendium for the 12 months ended 31 December 2002. The amounts above are based on AGAAP for life insurance and account balance for unit-linked and retirement businesses, as opposed to statutory liabilities. This more accurately ties asset shares to respective crediting rates.

Portfolio composition



3.4 | Funds under management (ctd)

A breakdown of the US Bond portfolio by rating is outlined below.

US Bonds	Rating	Proportion
Government and Agency	AAA	34%
Corporate	AAA	3%
Corporate	AA	8%
Corporate	A	30%
Corporate	BBB	25%
Average	**A**	

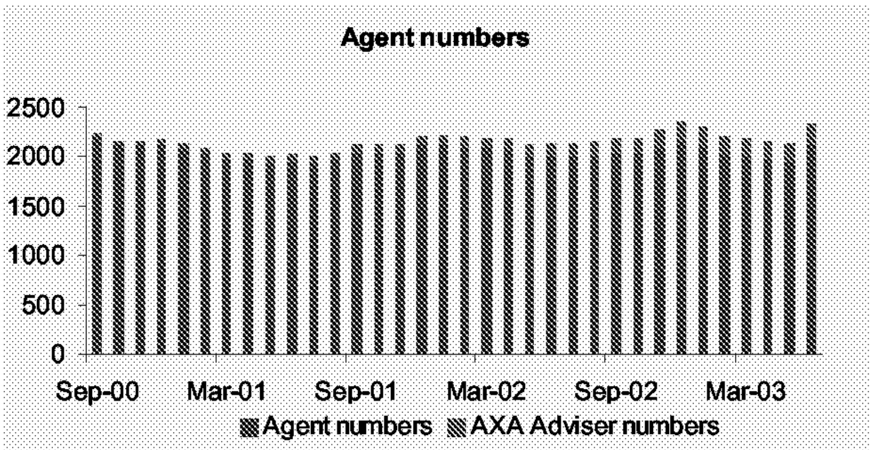
On a weighted basis, our average target credit rating for the US bond portfolio is A, with a minimum average of A-. The resulting percentage allocations across the various ratings fluctuate from time to time as the fund managers actively manage the portfolio.

3.5 | Advisers & agents

	At 30 June 03	At 30 June 02	Increase June to June	At 31 Dec 02
Commissioned agents managed by agency leaders	1,404	1,445	(3%)	1,453
Commissioned agents managed by salaried staff	735	566	30%	702
Total commissioned agents	**2,139**	**2,011**	**6%**	**2,155**
Salaried advisers	213	121	76%	196
Total advisers	**2,352**	**2,132**	**10%**	**2,351**

Commissioned agent numbers have increased by 6% compared to the same period last year due to a combination of recruitment initiatives and agent retention activities.

Salaried advisers have grown very strongly and have maintained high levels of productivity.



4 China & South East Asia

4.1 | Strategic overview & highlights

Our other Asian businesses comprise joint venture operations in China and South East Asia and are overseen by the AXA Asia Life Regional Centre based in Hong Kong. Our strategic vision is to be recognised as a leader in financial protection and wealth management in all the countries in which we operate, with specific focus on growing the shareholder value of these businesses.

Our China operations are based in Shanghai and the soon to be established Guangzhou branch. The South East Asian operations comprise our businesses in Singapore, the Philippines, Thailand and Indonesia.

The focus of our approach is a multi-channel, multi-product offering with enhanced operational effectiveness through extensive sharing of processes, IT systems and products. This is supported by the strong regional management teams now in place together with an ongoing focus for people development across the region. We have strengthened our risk management capabilities throughout the Asian entities, with a clear focus on product profitability, investment governance, internal control and compliance, as well as robust performance reporting with a key focus on value creation.

Although our presence is currently small by comparison to more developed regions, the China and South East Asian markets offer opportunities for significant long term growth. Our focus is to obtain a competitive share in these markets through organic growth and partnering opportunities. We have developed a bancassurance model which has been successfully implemented in the Philippines and is now being rolled out in Thailand and Indonesia in conjunction with our banking partners (which are the largest banks in each of those markets) providing us with collective access to over 15 million banking customers.

Ownership structures

Country	Entity name	AXA APH ownership interest	Partner(s)
China – Shanghai & Guangzhou	AXA-MinMetals Assurance Co Ltd	25%	MinMetals (49%), AXA SA (26%)
Singapore	AXA Life Insurance Singapore Pte Ltd	100%	
The Philippines	Philippine AXA Life Insurance Corporation (Philippines)	45%	Metrobank (55%)
Thailand	Krungthai AXA Life Insurance Co Ltd	50%	Krung Thai Bank (50%)
Indonesia	P.T. AXA Life Indonesia	80%	Tempo Group (20%)
	AXA Mandiri Financial Services [1]	51%	Bank Mandiri (49%)

[1] The joint venture announced in January 2003. However, its name is subject to regulatory approval

In each of these joint venture businesses, we have responsibility for management.

4.2 | China – Shanghai & Guangzhou

Our life insurance joint venture in Shanghai, AXA-Minmetals Assurance Co. Ltd, has achieved strong growth since its establishment in June 1999.

Gross premiums in local currency were up 27% in the first half of 2003 compared to the same period last year (7% in Australian Dollar terms). New business volumes were slightly ahead of the same period last year despite the disruptive effect of SARS. Our Regional Agency Blueprint implementation is now well advanced and expected to increase agent productivity in the second half of 2003.

The CIRC officially granted AXA-Minmetals the approval for commencing business in Guangzhou. The Guangzhou branch will strengthen our position in the Chinese market and is consistent with our strategy of concentrating on growth markets where we can achieve a leading position within a reasonable time frame. The senior management and staff for Guangzhou are now in place and recruiting of agents and agency leaders is well underway.

4.3 | Singapore

The Singapore market was particularly challenging in the first quarter this year, with sales for the industry down 41% compared to the same period last year. Also SARS seemed to have had more significant impact in Singapore than Hong Kong and China and impacted industry new business in the second quarter. Gross premium income in Singapore was A$66 million for the 6 months ended 30 June 2003. This is lower than last year due to lower single premium sales in line with industry experience, and the revision of the product range to focus on higher levels of profitability. Unit-linked business represented 53% of regular premium new business sales (2002 - 26%) and 98% of single premium business (2002 - 95%).

The Singapore regulator has also announced recently the introduction of a new capital regime to be introduced with effect from 1 January 2004. Whilst the full details of this new regime are not known it is likely to lead to a significant increase in capital requirements for AXA Life Singapore ("AXA LS").

Notwithstanding the tough market conditions in Singapore, we have embarked upon a program of changes in our business to lift product profitability and to focus on more profitable market segments.

Recognising the significant growth opportunities in the wealth management market due to large bank deposits and unlocked Central Provident Fund ("CPF") monies, AXA LS launched a new strategy to focus on the wealth management and financial protection markets. ipac Financial Planning was launched in May 2003, leveraging our proven Australian business model. This should position us very strongly with first mover advantage in the local financial planning market. This strategy builds on the Singapore Financial Advisor Act legislated in April 2002 (to promote higher standards in the areas of financial planning and advice). Key initiatives implemented during the 6 months ended 30 June 2003 include:

- Commencement of a programme providing training and software support to enable our existing tied agents to become qualified financial planners and at the same time strengthen our distribution capacity. In support of this, the Monetary Authority of Singapore has granted us a unit trust licence; and
- Introduction of a new designation, AXA Financial Planner, in August 2002, based on both external financial planning qualifications and internal accreditation and training requirements. As at 30 June 2003, AXA LS had 166 accredited qualified planners.

In light of these developments and to take into account the significant appreciation of the Australian Dollar compared to the Singapore Dollar over the period, we have reviewed the carrying value of AXA Life Singapore and reduced this by $25m as at 30 June 2003. This adjustment has been included in the non-recurring items line of the group Profit and Loss account.

4.4 | The Philippines

Our partnership with the largest banking group in the Philippines, Metrobank, positions Philippine AXA Life ("PAL") as one of the largest players in the country. This bancassurance model has been driving strong growth since its inception, providing a leading example of a successful bancassurance operation in Asia. We are ranked 1st in new business (first year premium plus single premium income) and 4th for total premium income in this market.

We have refocused our sales effort towards the more profitable annual premium sales, which were 15% ahead of last year. Single premiums sales are lower due to product re-pricing reflecting our move to focus on selling more profitable products, resulting in overall new business sales being 18% lower than the corresponding period last year. The launch of our investment linked products this year has been successful. Given our increased marketing activities in the bancassurance and agency channels, we expect solid new business growth in the forthcoming months.

4.5 | Thailand

Gross premium income in AXA Thailand was A$17 million for the 6 months ended 30 June 2003, 21% higher than the prior corresponding period, with sales of annual premium products up 44%. This is mainly driven by the rapid expansion of the agency force and Krung Thai's strong position in the home loans market, which has led to strong sales of our single premium Mortgage Reducing Term Assurance product.

Our joint venture partner Krung Thai Bank is a large financial institution with over 4 million customers in Thailand.

4.6 | Indonesia

We announced a new bancassurance joint venture with Bank Mandiri in Indonesia in January 2003. Bank Mandiri is the largest bank in Indonesia with approximately 700 branches and over 7 million corporate and individual customers. The recent oversubscribed IPO of Bank Mandiri was seen by many investors as a vote of confidence in Indonesia's economic stability.

The new venture, AXA Mandiri Financial Services ("AMFS") will leverage the strengths of our existing life insurance business in Indonesia together with our proven successful bancassurance model currently operating in the Philippines. AMFS will be running in parallel with our existing joint venture with the Tempo Group, AXA Life Indonesia ("AXA LI"), leveraging economies of scale through the establishment of a common back office to service both joint ventures.

We have priced AXA LI products with the aim of increasing profit margins and reducing risk. This is beneficial for the shareholder value of new business, but has led to lower volumes as compared to the 6 months ended 30 June 2002. We are launching regular premium investment linked products based on the successful Hong Kong product, HONEY, which we anticipate will increase sales in the second half of this year.

4.7 | Financial summary

The financial results outlined in the table below only relate to AXA Life Singapore. As the other operations in the region are in a relatively early stage of development, these are not consolidated in the AXA APH result.

Financial performance A$ million	**6 months 30 Jun 03**	**6 months 30 Jun 02**	**Increase Jun to Jun**	**6 months 31 Dec 02**
Operating Earnings	2	0	n/a	(3)
Profit after income tax before non-recurring items	**2**	**0**	**n/a**	**(3)**
Non-recurring items	0	0	-	0
Profit after income tax and non-recurring items	**2**	**0**	**n/a**	**(3)**

AXA LS' operating earnings have improved as a result of a solid investment performance, improved product profitability and reduced expense ratio.

4.8 | Sales

Gross premium income

Premium income in Singapore and the Philippines during the 6 months ended 30 June 2003 was lower than the equivalent period last year due to reduced sales of single premium business as a result of industry experience and the revision of the product range to focus on profitable new business. This period's results are also adversely affected by the significant strengthening of the Australian Dollar.

Gross Premium Income A$ million	6 months 30 Jun 03	6 months 30 Jun 02	Increase
China	9	8	7%
Singapore	68	94	(30)%
The Philippines	24	54	(55)%
Thailand	17	14	21%
Indonesia	16	15	5%

Gross Premium Income In millions	6 months 30 Jun 03	6 months 30 Jun 02	Increase
China (RMB)	50	39	27%
Singapore (SGD)	78	94	(17)%
The Philippines (PHP)	868	1,525	(43)%
Thailand (THB)	476	313	52%
Indonesia (IDR)	87,196	73,492	19%

The table below provides an overview of the movement of the Australian Dollar against various currencies.

Appreciation in Australian Dollar / currency	6 months to June 03	18 months to June 03
USD / HKD / RMB	19%	31%
SGD	21%	25%
PHP	19%	36%
THB	16%	25%
IDR	10%	4%

New business

There has been an increased focus this period on further improving the product profitability in the region, with product re-pricing and changes to contract terms and conditions. We have now introduced unit-linked products in Singapore, the Philippines, China and Indonesia. This has lead to an improvement in the overall value of new business written, although the volume of sales has been impacted. Sales were also adversely impacted in Singapore and China as a result of SARS.

New business premium Million	Currency	6 months 30 Jun 03	6 months 30 Jun 02	Increase
China	RMB	15	13	15%
Singapore	SGD	7	11	(38)%
The Philippines	PHP	294	357	(18)%
Thailand	THB	243	172	41%
Indonesia	IDR	23,880	27,611	(14)%

4.9 | Advisers & agents

Overall, adviser numbers have remained relatively stable despite tougher requirements in adviser qualifications. Whilst we continue to focus on removing non-performing advisers, we are also focussing on the development and training of our advisers to boost productivity. The implementation of our new Regional Agency Blueprint will be a key driver in this regard.

Adviser Numbers	At 30 June 03	At 30 June 02	Increase June to June	At 31 Dec 02
China	1,263	1,257	0%	1,236
Singapore	262	359	(27%)	359
The Philippines	2,568	1,715	50%	1,715
Thailand	3,067	3,659	(16%)	3,659
Indonesia	1,566	1,697	(8%)	1,697
Total	**8,726**	**8,687**	**0%**	**8,666**

5 Value and capital management

5.1 | Enterprise Value

Illustrative Enterprise Value of AXA APH	30 June 2003					
A$ million	Value of in-force	Value of one year's new business	Range of multiples (a)	(b)	Total (a)	Total (b)
Australia & New Zealand						
- Financial protection	1,186	13	7	9	1,277	1,303
- Wealth management	1,281	41	15	20	1,896	2,101
Australia & New Zealand	**2,467**	**54**			**3,173**	**3,404**
Hong Kong						
- Financial protection	1,879	70	7	9	2,370	2,511
- Wealth management	90	2	15	20	124	135
- Health	160	10	4	7	200	230
Hong Kong	**2,129**	**82**			**2,694**	**2,876**
South East Asia	**22**	**8**	**9**	**12**	**95**	**119**
Asian Regional Centre expenses					**(72)**	**(72)**
Total	**4,618**	**144**			**5,890**	**6,326**
Corporate expenses					(240)	(240)
Group net worth					817	817
Debt					(1,699)	(1,699)
Total value after debt and corporate expenses, before dividend					**4,769**	**5,204**
Dividend provision					**(83)**	**(83)**
Total value after debt and corporate expenses, after dividend					**4,685**	**5,122**
Illustrative value per share					**$2.69**	**$2.94**

An illustrative range for the enterprise value of AXA APH is provided in the table above. The above information is provided for illustrative purposes. It does not necessarily reflect the value that the Directors would place on AXA APH.

In summary, over the last six months the mid-point of the illustrative value per share has decreased from $2.94 to $2.82. This reduction is as a consequence of the impact of the appreciation of the Australian Dollar relative to the Hong Kong Dollar.

Enterprise value is a long-term analysis of the Group's worth on an illustrative basis. This information and accompanying analysis will be provided on an annual basis going forward due to the Group's plans to significantly accelerate its half-year reporting timeframe.

The illustrative value range is based on a discounted cash flow methodology, which comprises:

- the value of in-force, being the present value of future profits plus the release of capital in respect of business in-force as at 30 June 2003;
- an estimate of the value of future new business;
- Group net worth, being the net assets of the AXA APH Group in excess of the regulatory capital included in the value of in-force;
- corporate expenses capitalised;
- capitalisation of the costs associated with the Asian Regional Centre; and
- *less* corporate debt and hybrid capital, and the provision for an interim dividend.

The value of new business is estimated as a multiple of the value of new business written in the 12 months to 30 June 2003. The multiples applied are intended to provide a range based on what might be considered reasonable in the market and do not necessarily reflect the view or plans of AXA APH.

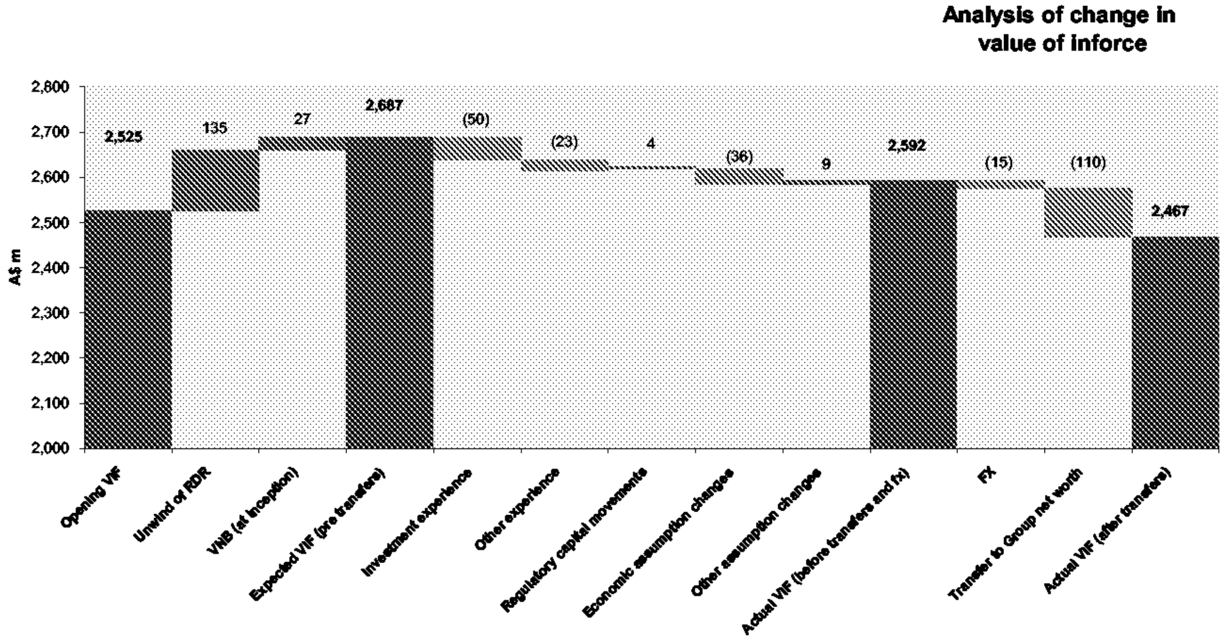
5.2 | Value of in-force – movements

Value of in-force A$ million	30 June 2003 (after distributed profit)	30 June 2003 (before distributed profit and fx)	31 December 2002	Increase
Australia & New Zealand				
- Financial Protection	1,186		1,185	
- Wealth Management	1,281		1,340	
Australia & New Zealand	**2,467**	**2,592**	**2,525**	**3%**
Hong Kong				
- Financial Protection	1,879		2,123	
- Wealth Management	90		109	
- Health	160		189	
Hong Kong	**2,129**	**2,713**	**2,421**	**12%**
South East Asia	**22**	**26**	**24**	**8%**
Total	**4,618**	**5,331**	**4,970**	**7%**

The figures above exclude the value of AXA Health, the sale of which was completed in February 2003. The proceeds from the sale of the business have been used to reduce gearing and are hence reflected in a lower debt figure in the enterprise value shown under Section 5.1.

Australia and New Zealand

The value of in-force for Australia and New Zealand has increased by 3% before foreign currency movements and profit distributed to the Group net worth and decreased by 2% after foreign currency movements and distributed profit. The major movements occurring during the last 6 months are outlined below.



Investment experience over the period has resulted in a reduction in the value of in-force by $50 million relative to expected. The effect of lower investment returns reduces value in two ways:

- investment returns over the period were lower than expected in the calculation of value of in-force at 31 December 2002, and
- the lower than expected investment returns meant that the actual account balances at 30 June 2003 for the wealth management business are less than they were expected to be in the value calculations at 31 December 2002. Hence, the fee income to be derived in the future is now assumed to be lower. This directly reduces the value of in-force business.

Other experience items reflect differences in actual experience over 2003 compared with expected experience underlying the valuation as at 31 December 2002. The items contributing to other experience include higher unit costs than anticipated in the wealth management business because of lower than expected volumes, and lower volumes in financial protection, particularly income protection, which has meant that acquisition expense product loadings were less than those assumed.

Regulatory capital held as at 30 June 2003 reduced marginally below that which was expected in the value of in-force reported as at 31 December 2002. This effectively means that the capital has been released and is available to transfer to the Group net worth. The amount of capital is $13 million with a discounted face value of $9 million. Hence the value of in-force before transfer to Group net worth increases by $4 million.

Economic assumption changes have reduced the value of in-force by $36 million, driven by a reduction in the long-term fixed interest earning rate assumptions. The domestic fixed interest earning rate assumptions have been reduced by 50 basis points for Australia and 75 basis points for New Zealand. The global fixed interest earning rate assumptions have been reduced by 50 basis points for both Australia and New Zealand. The assumed risk free rate, which determines the long term assumed equity return and the risk discount rate, has not been changed. Overall this reduces the assumed future earning rate of the underlying assets relative to the risk discount rate and hence reduces the value of in-force.

Other management assumption changes include a combination of adjustments to various assumptions across the product lines. The overall net impact of these movements is an increase in value of $9 million. The most significant item relates to expenses and product repricing. Specifically, we have increased charges on some of our investment account business which came into effect during the first half of 2003.

The expense reduction programme is well on track with actual dollar expenses being reduced in line with K5 reductions in unit costs. Despite this continued improvement, the lower than expected volumes in 2003 have resulted in unit costs not being reduced to the extent previously anticipated in the value of in-force. This has had a negative impact on the value of in-force. We would expect as markets stabilise that the rate of volume growth will increase, and unit costs will be reduced further, which will be reflected in the value in future periods.

A currency loss of $15 million in respect of the New Zealand business is included in value at 30 June 2003.

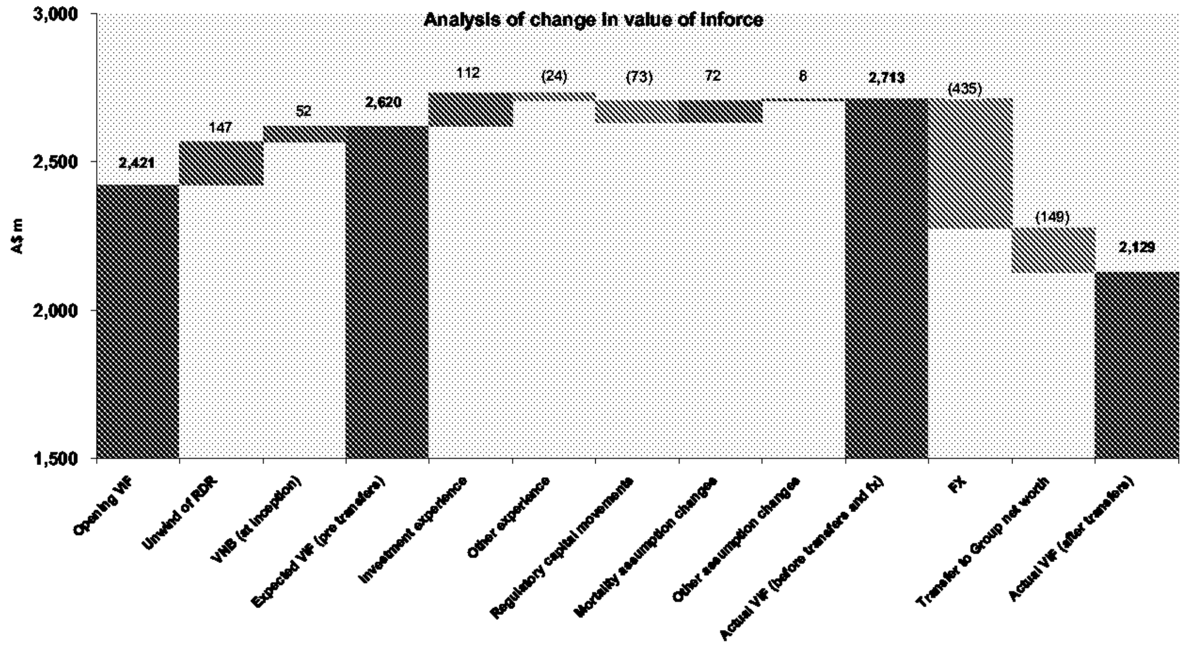
There is $110 million of profit transferred to Group net worth. This includes a distribution of assets to Group net worth of $88 million, and a distribution of franking credits of $22 million.

5.2 | Value of in-force – movements (ctd)

Hong Kong

The value of in-force of Hong Kong has increased by 12% before foreign currency movements and profit distributed to the Group net worth.

The Australian Dollar has appreciated significantly against the US Dollar and therefore, in Australian Dollar terms, the value of in-force of the Hong Kong business has decreased by $435 million over the period. The reduction in value due to exchange rate movements is partially offset by hedges held at a Group level. The hedges, which comprise US Dollar debt and swaps, increased in value by $333 million over the period. This offset is not included in the analysis of the Hong Kong value of in-force shown in the chart below. It is included in the consolidated assets of the Group, and hence reflected in the Group net worth.



Investment experience for the 6 months has been strong. This has been driven by falling bond yields and rising equity markets. The investment experience item shown in the value of in-force is HK$494 million (A$112 million). The excess investment return amounted to HK$1,308 million. Consistent with our Active Dividend Management, some of this additional investment income has been allocated to policyholders to support their future bonuses. Part of the excess return will be released in the future, and hence the value of this portion is discounted.

Other experience includes persistency, mortality and expense experience. It is the difference in actual experience during the first 6 months of calendar year 2003 compared to expected experience underlying the valuation as at 31 December 2002.

The total regulatory reserves, or statutory reserves, have increased over the period when compared to expected. The strong investment experience has been driven by a reduction in US bond yields. If this position were sustained, then the statutory reserves would increase to reflect the lower bond yield. However, this review is only carried out on an annual basis. Therefore we have held an additional amount of regulatory capital, that is a 'contingent' increase to the statutory reserve. This has effectively transferred a portion of the investment gain mentioned above, and some additional profit emerging, to support the contingent reserve. Since this amount is held as additional capital, and therefore at a discounted value, it reduces the value of in-force by HK$322 million (A$73 million). This is shown in the chart above as "regulatory capital movements". The 'contingent' reserve will be released at the year end if the interest rate rises seen in July and August are sustained.

Over recent years we have seen significant mortality profits emerge. An analysis of our experience over an extended period has confirmed that our mortality assumptions are conservative, and therefore we have reduced the assumption for male mortality by approximately 15% to better reflect historical experience. The impact of this assumption change is an increase in value of HK$317 million (A$72 million).

Other assumption changes include the increase in value from the addition of a policy fee on all Honey policies.

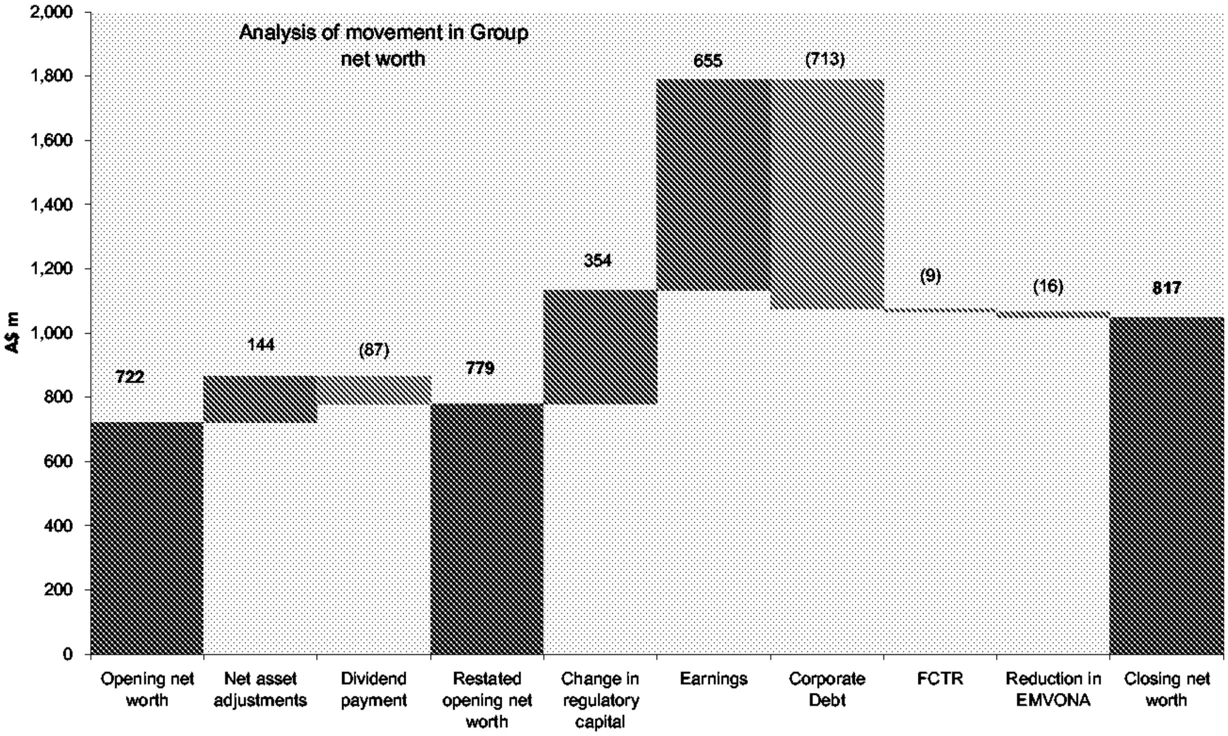
There is A$149 million of profit transferred to Group net worth.

South East Asia

The value of in-force of the South East Asian business has increased by 8% in local currency terms. The main drivers have been new business growth over the period and strong investment returns. The appreciation of the Australian Dollar against South East Asian currencies has had an adverse impact on value.

Group net worth

The Group net worth has increased by 5%, from $779 million to $817 million, over the period. The major movements are outlined below.



The opening Group net worth as shown in the 31 December 2002 investor compendium was $722 million. A number of adjustments need to be made to this value in order to reconcile to the consolidated balance sheet at 31 December 2002. The adjustments reflected elements included in other items in the illustrated Enterprise Value analysis, specifically:

- the inclusion of the net assets of the Australian Health insurance business and the 50% interest in the Members Equity joint venture which were held at the value of the gross proceeds from sale; and
- the dividend payment made in April 2003 which was shown separately.

Including these amounts, the restated opening net worth position is $779 million. This balances to the sum of the target surplus of $745 million and the excess of net assets over target surplus of $34 million, as shown in Section 5.6 of the investor compendium for the 12 months ending 31 December 2002.

The Group net worth is the total capital resources (excluding Outside Equity Interests) less the regulatory capital requirement and the excess of market value over net assets. Hence, any movement in these items will impact the Group net worth. Movements in the net assets, hybrid capital and corporate debt will affect total capital resources.

Total regulatory capital decreased over the period by $354 million, which increases the Group net worth. This reduction is primarily driven by the appreciation of the Australian Dollar against the Hong Kong Dollar. This is explained further in Section 5.6. The reduction is offset by a reduction in the Australian Dollar value of Hong Kong assets which is one item included in the Foreign Currency Translation Reserve ("FCTR").

The Group net worth has been increased by earnings after tax over the period of $655 million. This includes:

- a transfer from the value of in-force for Australia and New Zealand of $110 million, including both profit and a release of regulatory capital, of which the profit component contributes to this movement;
- a transfer from the value of in-force for Hong Kong of $149 million, including both profit and an increase in regulatory capital, in local currency terms, of which the profit component contributes to this movement; and
- other earnings which include the proceeds from the sale of the Australian health insurance business (AXA Health) and the 50% interest in the Members Equity joint venture.

Corporate debt has reduced over the period by $713 million. This is a result of the application of the proceeds from the sale of AXA Health and Members Equity. This is discussed further in Section 5.5. The level of hybrid capital (i.e. subordinated debt) has also reduced by $132 million. This however is included in the FCTR movement outlined below.

The FCTR has reduced by $9 million. This includes a significant reduction in the value of Hong Kong and Singapore net assets when translated into Australian Dollars. The movement in the RPS mentioned above and other instruments used as part of our hedging policy largely offset.

The reduction in the excess of market value over net assets of $16 million has reduced the net worth. This is mainly due to the write down in the carrying value of AXA Life Singapore.

The closing net worth is equal to $817 million. This supports the target surplus of $725 million plus the excess assets of $92 million (refer Section 5.6).

5.3 | Value of in-force – assumptions & sensitivity

The following table shows the value of in-force assumptions. The changes from 31 December 2002 are:

- a reduction in the domestic fixed interest earning rates of 50 basis points for Australia and 75 basis points for New Zealand; and
- a reduction in the global fixed interest rates of 50 basis points for both Australia and New Zealand.

Value of in-force – assumptions		**Australia**	**New Zealand**	**Hong Kong**
Long term assumptions				
CPI		2.5%	2.5%	3.0%
Cash rate		4.75%	5.5%	3.0%
Fixed interest	- US 10yr Treasury			5.7%
	- US Corporate			6.4%
	- Domestic	5.0%	5.75%	5.5%
	- Global	5.0%	5.0%	
Equities	- Domestic	10.0%	11.0%	11.5%
	- Global [1]	9.25%	10.25%	9.7%
Property		7.75%	8.0%	8.0%
Risk discount rate		11.0%	11.0%	12.5%
Lapse rates		Varies by product	Varies by product	Varies by product
Expense assumption		The long term expense assumption is consistent with achieving K3. There is allowance for short-term expense overrun in the last half of 2003.		The long term expense assumption is consistent with product loadings.

[1] Assumptions for global shares vary between regions due to different portfolio mixes.

Sensitivity tests

The table below shows the sensitivity of the value of in-force business to variations in the key economic and business assumptions, based on the position at 30 June 2003. The sensitivities are indicative only as they assume that the movement in a particular variable is independent of other variables. In addition, the impact on the value of in-force from a movement of a variable is not always symmetrical, the same for an increase as for a decrease, or linear, for example doubling the movement of the assumption does not necessarily double the impact.

The results below have been estimated using the value including the 100 basis point loading in the risk discount rate, above the equity assumption. The sensitivities presented at 31 December 2002 were slightly different, estimated using the risk discount rate excluding the 100 basis point margin. Hence there are some differences between the estimates below and those published at 31 December 2002.

% Change on value of in-force	**Australia & NZ**		**Hong Kong**		
	Financial Protection	**Wealth Management**	**Financial Protection**	**Wealth Manage-ment**	**Health**
Increase risk discount rate					
plus 1%	(5.7)%	(4.3)%	(5.6)%	(10.5)%	(4.9)%
plus 2%	(10.6)%	(9.0)%	(10.6)%	(20.0)%	(9.4)%
Decrease risk discount rate	5.9%				
minus 1%	13.0%	5.9%	6.5%	11.6%	5.5%
minus 2 %		11.6%	14.1%	24.6%	11.6%
Change in earnings rate and risk discount rate - equity rate minus 1% - cash/fixed interest rate minus 0.5% - risk discount rate minus 1%	4.8%	2.2%	1.8%	9.2%	5.8%
Expenses decreased by 10% of best estimate assumption	2.7%	4.4%	0.7%	3.6%	1.7%
Discontinuance rates decreased by 10% of best estimate assumption	7.5%	3.0%	3.0%	9.3%	7.0%
Mortality rates decreased by 10% of best estimate assumption	9.5%	(1.0)%	2.4%	0.0%	0.1%
Morbidity incidence rates decreased by 10% of best estimate assumption	5.2%		0.5%		
Morbidity termination rates increased by 10% of best estimate assumption	9.5%				

5.4 | Value of new business

	Value of one year's new business		
	30 June 03	**31 December 02**	**% change**
Australia & New Zealand (A$ million)			
Financial Protection	13	14	(9)%
Wealth Management	41	44	(7)%
Australia & New Zealand	**54**	**58**	**(7)%**
Hong Kong (HK$ million)			
Financial Protection	367	331	11%
Wealth Management	12	6	100%
Health	52	53	(1)%
Hong Kong	**431**	**389**	**11%**
Hong Kong (A$ million)	82	89	(7)%
South East Asia (A$ million)	**8**	**8**	**(5%)**

The value of one year's new business is the value from policies written over the twelve months preceding the date of the valuation. This basis differs from that underlying the K1 and M6 measures in a number of areas, the most significant of which is that K1 and M6 include the value from new business increments on in-force business. There are also some differences in economic and other assumptions, which have been kept constant over time in the K1 and M6 measure to aid performance comparisons.

Australia and New Zealand

The value of new business decreased by 7% from 31 December 2002. During the past 12 months, the industry has experienced reduced inflows as a result of difficult investment market conditions. Whilst our inflows have not reduced as much relative to the rest of the industry, we have nonetheless seen some significant reductions in sales volumes and funds inflow for some products.

Consistent with market experience, our mix of wealth management business has shifted to more defensive asset classes, such as fixed interest, and guaranteed style products such as annuities. These products are generally lower margin, which has significantly impacted the value of new business.

In financial protection, and more particularly income protection and group risk, we have continued our focus on writing profitable new business. This has resulted in a reduction in new premium income.

We have continued to see expense reductions over the period in recurring management expenses as a result of our K5 program. However, the increase in volumes has been less than anticipated, and therefore unit costs have not reduced to the extent expected. Nonetheless, we remain committed to removing the expense overrun in the value analysis by the end of 2003. Therefore, there has been an increase in unit costs which has also impacted the value of business written.

Hong Kong

The value of one year's new business in local currency has increased by 11% from 31 December 2002. The main drivers of the increase in the value have been:

- An increase in rolling 12 months sales volumes of approximately 5%, compared with 31 December 2002;
- Repricing of products to improve profitability (including premium increases and the introduction of policy fees for some products);
- The launch of a new unit-linked product called Future, similar to Honey but with a fixed term savings focus;
- Continued expense improvements with elimination of expense overrun in 2003; and

The appreciation of the Australian Dollar against the Hong Kong Dollar has impacted the movement when translated into Australian Dollars. The value of one year's new business has decreased by 7% from $89 million at 31 December 2002 to $82 million at 30 June 2003.

South East Asia

The value of new business has increased over the period in local currency terms, despite lower sales volumes in some of the South East Asian operations. This reflects the continued focus on developing and writing profitable products. However, the strong appreciation of the Australian Dollar against all South East Asian currencies has resulted in the Australian Dollar value of the new business remaining flat when compared against the 12 months to 31 December 2002.

5.5 | Capital structure & performance

A$ million	As at 30 Jun 2003	As at 31 Dec 2002
Capital resources		
- Equity excluding outside equity interests	3,573	3,147
- Hybrid	970	1,102
- Corporate debt	729	1,442
Total capital resources excluding outside equity interests	**5,272**	**5,691**
Gearing ratios		
- Debt/capital resources	14%	25%
- (Debt+hybrid)/capital resources	32%	45%
- Debt/(equity+hybrid)	16%	34%
- (Debt+hybrid) / equity	48%	81%

Net assets have increased by $426 million over the period. Earnings over the period were $655 million, which have been offset by the following:

- We paid a final dividend of 5 cents per share on 4 April 2003, reducing capital by $87 million; and
- The Foreign Currency Translation Reserve has reduced by $142 million. This movement relates to the translation losses on our investments in foreign operations and the foreign exchange movement on the hedges we have against our investment in Hong Kong, offset by gains from the reduction in debt due to the appreciation of the Australian Dollar.

This is summarised in the table below.

Movement of net assets for the 6 months ended 30 June 2003	A$ million
Opening net assets as at 31 December 2002 [1]	3,147
Earnings after tax	655
Final dividend	(87)
Foreign currency translation reserve	(142)
Closing net assets as at 30 June 2003	**3,573**

[1] Note that equity as at 31 December 2002 has been restated to reflect a change in accounting policy as per AASB 1044 "Provisions, Contingent Liabilities and Contingent Assets". The provision for final dividend as at 31 December 2002 has been reversed from the balance sheet and equity/net assets increased by $87 million.

Despite the increase in net assets of $426 million, total capital resources decreased by $419 million over the 6 months ended 30 June 2003. Major movements included:

- The appreciation of the Australian Dollar / US Dollar exchange rate reduced the Australian Dollar equivalent of the Non-Cumulative Redeemable Preference Shares ("NCRPS") by $132 million; and
- Corporate debt reduced by $713 million. The application of the proceeds of the sale of AXA Health and Members Equity reduced the senior debt by $600 million. The appreciation of the Australian Dollar / US Dollar exchange rate reduced the Australian Dollar equivalent of the senior debt by a further $112 million and the Deposit from Sales Trust reduced by $1 million.

This is summarised in the table below.

Movement of capital for the 6 months ended 30 June 2003	A$ million
Earnings after tax	655
Final dividend	(87)
Change in hybrid capital	(132)
Change in corporate debt	(713)
Foreign currency translation reserve	(142)
Total increase in capital	**(419)**

Capital performance

The return on equity and return on capital for the rolling 12 months to 30 June 2003 have increased significantly over the prior comparative period. These have been most significantly affected by the strong investment returns to 30 June.

	12 months 30 Jun 03	12 months 30 Jun 02
Return on equity	14.3%	9.2%
Return on capital	9.3%	6.3%

Return on capital is calculated as earnings after tax before non-recurring items plus interest expense after tax as a percentage of average total capital resources. Return on equity is calculated as earnings after tax before non-recurring items as a percentage of average shareholders' equity excluding outside equity interests.

Debt & hybrid

At 30 June 2003 (A$ million)	Committed	Drawn
Senior debt		
Loan from AXA SA (US Dollar denominated $395 million)	589	589
Loan from AXA SA (net of offsetting deposits)	280	100
Bilateral standby facilities	100	0
Deposit from Sales Trust	-	40
Total senior debt	**969**	**729**
Subordinated debt		
Hong Kong – Redeemable Preference Shares (US Dollar denominated $463 million)	690	690
Subordinated debt	280	280
Total subordinated debt	**970**	**970**
Total debt	**1,939**	**1,699**

Senior long-term debt with the global AXA Group is drawn in either Australian or US Dollars. Currently, the proportion drawn in US Dollars represents 75% of the total drawn debt from the global AXA Group. The average interest rate for interest bearing debt for the period 1 January 2003 to 30 June 2003 was 3.99%, after accounting for the effect of interest rate derivatives. We use interest rate derivatives to convert a portion of corporate debt from floating to fixed rate exposure. As at 30 June 2003, 44% of total debt was fixed (net of offsetting deposits).

Currency exposure

We use a combination of cross-currency interest rate swaps and corporate debt to manage the exposure of the Group balance sheet to Hong Kong.

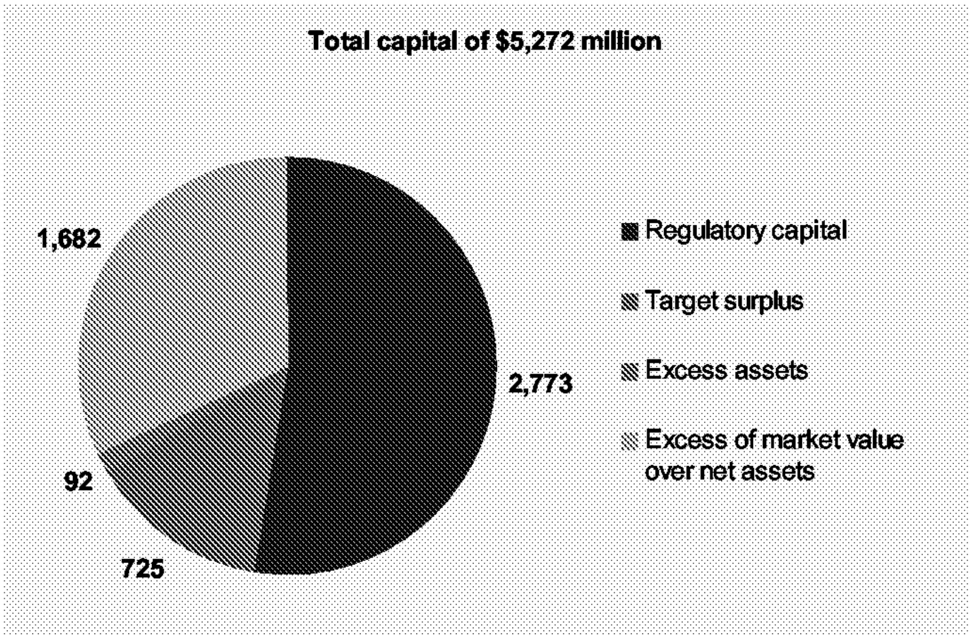
	AUD Equivalent A$ million
Strategy in place:	
- Exposure to Hong Kong Dollar hedged	465
- US Dollar denominated debt	1,279
Total hedged	**1,744**

5.6 | Capital utilisation

Capital allocation

At 30 June 2003 A$ million	Notional net assets	Excess of Market value over net assets	Total
Australia and New Zealand	1,152	496	1,648
Hong Kong	2,247	1,140	3,387
South East Asia	99	46	145
Surplus capital resources	92		92
Total capital (excluding outside equity interests)	**3,590**	**1,682**	**5,272**
Corporate debt			(729)
Hybrid capital			(970)
Shareholder equity (excluding outside equity interests)			**3,573**
Outside equity interests in controlled entities			352
Shareholder equity (including outside equity interests)			**3,925**

At 30 June 2003 we had total capital resources, being shareholders' equity, hybrid capital and corporate debt, of $5,272 million. The capital resources support the excess of market value over net assets ($1,682 million), regulatory capital requirements (driven predominantly by the life insurance operations) and Group target surplus. After allowing for these requirements, the Group also carries an excess over target surplus.



Total regulatory capital requirement decreased by $354 million over the 6 months ended 30 June 2003.

Regulatory capital required within the Hong Kong business decreased by $335 million. This has been primarily a result of the appreciation of the Australia Dollar against the Hong Kong Dollar. In local currency terms, regulatory capital was flat over the period at HK$8.9 billion.

Regulatory capital is determined as the excess of the total regulatory reserves (which are required on a prudential basis), over the policy liability. The policy liability is determined on an Australian GAAP basis and increased significantly over the six month period as a direct result of the strong investment performance. However, the total regulatory reserves required do not immediately increase until the lower yields are maintained for a sustained period. In the above analysis we have increased the total regulatory reserve as if these lower yields were sustained. If this approach had not been taken, then the regulatory capital for the Hong Kong business would have significantly reduced on a short-term basis giving an unrealistic view of the underlying situation.

Since 30 June 2003, investment markets have remained volatile and some of the gains from the first six months have been reversed. This reduces the Policy Liability under Australian GAAP, and also reduces the total prudential reserve required. Hence the impact on the actual regulatory capital, being the excess of prudential reserve over the policy liability, is much smaller.

Regulatory capital required in the Australian and New Zealand operations has decreased by $65 million, primarily due to the sale of the Australian Heath operations, which required $52 million of regulatory capital.

It is our policy to set an internal target surplus benchmark over regulatory capital to provide a buffer above regulatory capital requirements in periods of market volatility. The level of target surplus is reviewed annually. At 31 December 2002 the target surplus was $745 million, which included $20 million in respect of the Australian Health business. This level of target surplus has been retained at 30 June 2003 (excluding Health), and will be reviewed at the end of the year.

As noted in Section 5.5, a change in accounting policy led to a restatement of net assets by $87 million as at 31 December 2002. This has had the effect of increasing the net worth of the Group by a similar amount, contributing to the excess of net assets of $92 million as at 30 June 2003. A dividend of $83 million will be paid in October 2003, which will have the effect of reducing the excess capital to around $9 million.

5.7 | Investment of assets supporting shareholder capital

The policy for shareholder assets is 20%-40% in growth assets (equity and property), with the remainder in fixed income assets and cash. The policy applies, and is managed, at the Group level. Different asset allocation policies may apply to entities within the Group.

As at 30 June 2003 A$ million	Shareholder capital	Cash	Fixed interest	Loans	Equities	Property
Australia & New Zealand	1,169	394	511	4	239	22
Hong Kong	2,246	133	1,364	91	626	32
South East Asia	25	0	3	2	19	0
Total	**3,440**	**527**	**1,877**	**96**	**885**	**54**
Subsidiary assets & other provisions	150					
Excess of market value over net assets	1,682					
Total capital	**5,272**					

Australia & New Zealand

The following table shows the breakdown of the current shareholder invested capital by regional market for equities and fixed interest.

	Equities	Fixed Interest
Australia	62%	92%
New Zealand	23%	6%
Other	15%	2%
Total	**100%**	**100%**

The benchmark for equities is the S&P/ASX 300 All Ordinaries in Australia and the NZSE40 Gross Index in New Zealand. The approximate duration of the fixed interest portfolio is three and a half years. Investment earnings are taxed at the local corporate rate (Australia 30%, New Zealand 33%).

The following table shows the immediate after tax impact of a change in investment markets which is experienced through the investment earnings line of the profit & loss account.

Australia & New Zealand	A$ million
5% increase in local equities	6
5% increase in world equities	1
1% increase in bond yields	(13)

Hong Kong

The following table shows the breakdown of the current Hong Kong shareholder invested capital by regional market for equities and fixed interest.

	Equities	Fixed Interest
US	47%	92%
Hong Kong	9%	8%
Other	44%	0%
Total	**100%**	**100%**

The overall equity benchmark is similar to 90% MSCI World Free ex non-Japan Asia + 10% MSCI AC Far East Free ex Japan. US bonds dominate the Hong Kong fixed interest portfolio and have a benchmark duration of approximately eight years. Foreign sourced income is not taxable in Hong Kong.

The following table shows the immediate after tax profit impact of a change in investment markets which is experienced through the investment earnings line of the profit & loss account.

Hong Kong	A$ million
5% increase in world equities	31
1% increase in US bond yields	(100)

6 Financial statements

6.1 | AXA Asia Pacific Consolidated Balance Sheet

A$ million	30 Jun 2003	31 Dec 2002
Assets		
Cash at bank and deposits on call	1,655	1,418
Receivables	970	573
Equity securities	7,763	8,483
Debt securities	12,430	12,307
Property investments	2,346	2,463
Other investments	282	272
Operating assets	94	104
Deferred tax assets	161	343
Intangibles	11	13
Excess of market value over net assets of controlled entities	1,682	1,705
Other assets	43	53
Total assets	**27,437**	**27,734**
Liabilities		
Payables	1,559	1,113
Current tax liabilities	31	75
Borrowings	729	1,442
Provisions	155	202
Deferred tax liabilities	182	201
Other liabilities	176	185
Subordinated debt	970	1,102
Life insurance policy liabilities	19,710	19,927
Total liabilities	**23,512**	**24,247**
Net assets	**3,925**	**3,487**
Equity attributable to shareholders of the parent entity		
Contributed equity	1,130	1,130
Asset revaluation reserve	-	15
Foreign currency translation reserve	(201)	(59)
Shareholders' retained profits	2,644	2,061
Total equity attributable to shareholders of the parent entity	**3,573**	**3,147**
Outside equity interests in controlled entities	352	340
Total equity	**3,925**	**3,487**

6.2 | Consolidated Profit & Loss analysis

6 months to 30 June 2003 A$ million	A&NZ	Hong Kong	China & South East Asia	AXA APH	Consolidated AXA APH
Operating Earnings excluding Health	61	69	2		**132**
Operating Earnings – Health	10				**10**
Capitalised losses & reversals	5				**5**
Operating Earnings and capitalised losses & reversals	**76**	**69**	**2**		**147**
Investment Earnings	24	173			**197**
Foreign currency gain from translation of New Zealand net assets	(9)				**(9)**
Investment Earnings	**15**	**173**			**188**
Corporate expenses & goodwill amortisation				**(21)**	**(21)**
Interest expense				**(27)**	**(27)**
Profit after income tax and before non-recurring items	**91**	**242**	**2**	**(48)**	**287**
Non-recurring items				**368**	**368**
Profit after income tax and non-recurring items	**91**	**242**	**2**	**320**	**655**

6 months to 30 June 2002 A$ million	A&NZ	Hong Kong	China & South East Asia	AXA APH	Consolidated AXA APH
Operating Earnings excluding Health	58	74	0		**132**
Operating Earnings – Health	26				**26**
Capitalised losses & reversals	5				**5**
Operating Earnings and capitalised losses & reversals	**89**	**74**	**0**		**163**
Investment Earnings	7	1			**8**
Foreign currency gain from translation of New Zealand net assets	19				**19**
Investment Earnings	**26**	**1**			**27**
Corporate expenses & goodwill amortisation				**(19)**	**(19)**
Interest expense				**(37)**	**(37)**
Profit after income tax and before non-recurring items	**115**	**75**	**0**	**(56)**	**134**
Non-recurring items	**0**			**0**	**0**
Profit after income tax and non-recurring items	**115**	**75**	**0**	**(56)**	**134**

Non-recurring items A$ million	6 months to 30 Jun 03	6 months to 30 June 02
Profit on sale of AXA Australia Health	366	
Profit on sale of Members Equity	40	
Reduction in carrying value of AXA Life Singapore	(25)	
One-off payment to defined benefits Superannuation fund	(3)	
Other provisions	(10)	
Non-recurring items	**368**	**0**

6.3 | Australia & New Zealand Profit & Loss analysis

6 months to 30 June 2003 A$ million	Financial protection	Wealth management	Health	Investment Earnings/Other	A&NZ
Earnings		12	10		22
Expected margins released	18	28			46
Experience profit	0	3			3
Operating Earnings	**18**	**43**	**10**		**71**
Capitalised losses & reversals	**5**				**5**
Operating Earnings and capitalised losses & reversals	**23**	**43**	**10**		**76**
Investment Earnings				**15**	**15**
Profit after income tax and before non-recurring items	**23**	**43**	**10**	**15**	**91**
Non-recurring items					
Profit after income tax and non-recurring items	**23**	**43**	**10**	**15**	**91**

6 months to 30 June 2002 A$ million	Financial protection	Wealth management	Health	Investment Earnings/Other	A&NZ
Earnings		4	26		30
Expected margins released	23	34			57
Experience profit	(3)				(3)
Operating Earnings	**20**	**38**	**26**		**84**
Capitalised losses & reversals	**5**				**5**
Operating Earnings and capitalised losses & reversals	**25**	**38**	**26**		**89**
Investment Earnings				**26**	**26**
Profit after income tax and before non-recurring items	**25**	**38**	**26**	**26**	**115**
Non-recurring items					0
Profit after income tax and non-recurring items	**25**	**38**	**26**	**26**	**115**

6.4 | Hong Kong Profit & Loss analysis

HK$ million	6 months 30 Jun 03	6 months 30 Jun 02
Expected margins released	335	349
Experience profit	0	(37)
Operating Earnings	**335**	**312**
Investment Earnings	**839**	**9**
Profit after income tax before non-recurring items	**1,174**	**321**
Non-recurring items	0	0
Profit after income tax and non-recurring items	**1,174**	**321**

6.5 | Sensitivity analysis

The table below outlines operating and investment earnings sensitivities to changes in investment markets and exchange rates. This illustrates the impact on our earnings for the 6 months ended 30 June 2003. The sensitivities are indicative only as they assume that the movement in a particular variable is independent of other variables.

Profit after tax A$ million	Aust/NZ Operating Earnings	Aust/NZ Investment Earnings	Hong Kong/Singapore Operating Earnings	Hong Kong/Singapore Investment Earnings	Holding company interest on debt	Total profit
+/- 5% in Australian equities	+/- 7	+/- 6	0	0	0	+/- 13
+/- 5% in international equities	0	+/- 1	+/- 2	+/- 31	0	+/- 34
+/- 50 bps in bond yields	+/- 2	-/+ 7	-/+ 4	-/+ 50	0	-/+ 59
+/- 50 bps in corporate spread	0	0	-/+ 8	-/+ 25	0	+/- 33
+/- 5% move in AUD/USD	0	0	-/+ 3	-/+ 8	+/- 1	-/+ 10
+/- 1% move in interest rates [1]	0	0	0	0	+/-4	+/-4

[1] The interest rate impact on Investment Earnings has been included within the movement in bond yields and corporate spread.

Operating earnings are less sensitive to changes in investment markets for two reasons:

- We use asset matching techniques to ensure that asset movements are largely offset by a similar movement in policy liabilities; and
- In relation to Hong Kong, we use a technique called "Active Dividend Management" to smooth the impact of investment markets on policyholder benefits and shareholder profits.

Investment Earnings, which reflect the impact of investment returns on shareholder capital, are more sensitive. These assets are invested in accordance with the investment allocations set out on page 35. The returns on these investments flow through to the bottom line profit of AXA APH (through investment earnings).

We use a natural hedge to reduce our exposure to US Dollar currency movements. The value of Hong Kong profits falls when the US Dollar weakens, but the value of interest payments on US Dollar denominated debt also falls. However, the hedge is only partial.

7 Exchange rate table

	6 months 30 Jun 03	6 months 30 Jun 02	6 months 31 Dec 02
Profit and Loss			
- AUD/USD	0.622871	0.535950	0.544288
- AUD/HKD	4.857823	4.180107	4.245085
- AUD/SGD	1.091391	0.971894	0.972295
- AUD/NZD	1.107878	1.198901	1.168281
Balance Sheet			
- AUD/USD	0.67065	0.561374	0.563100
- AUD/HKD	5.22983	4.378550	4.391242

The Profit and Loss rate is an average of the exchange rate for the period being reported. The Balance Sheet rate is the exchange rate as at close of business on the last day of the reporting period.

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

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%

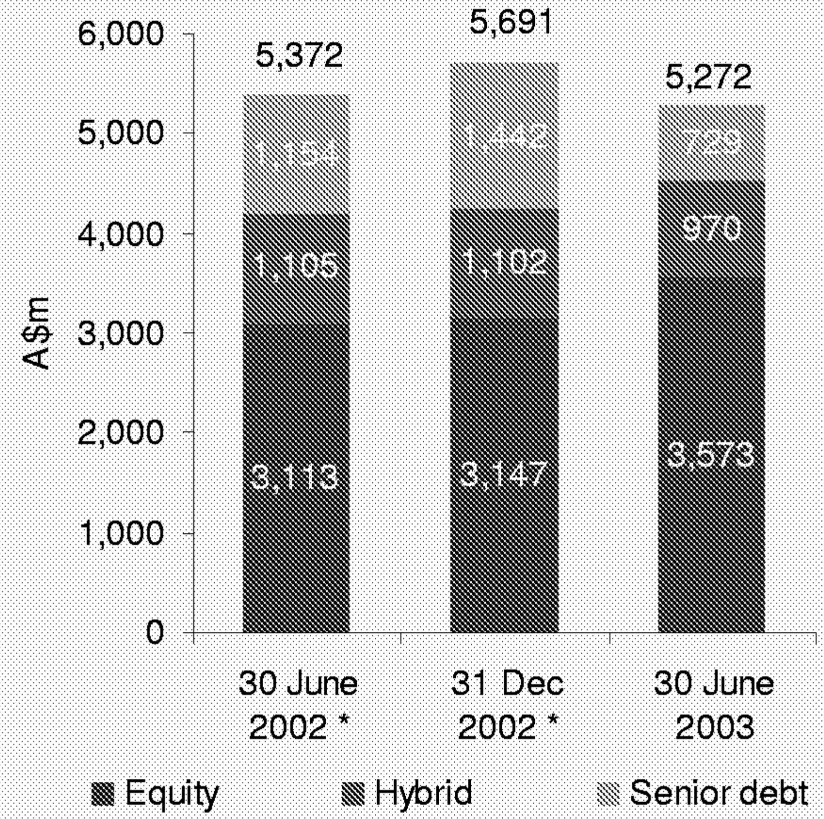
[1] EPS excludes non-recurring items and is for the 6 months to 30 June

[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)

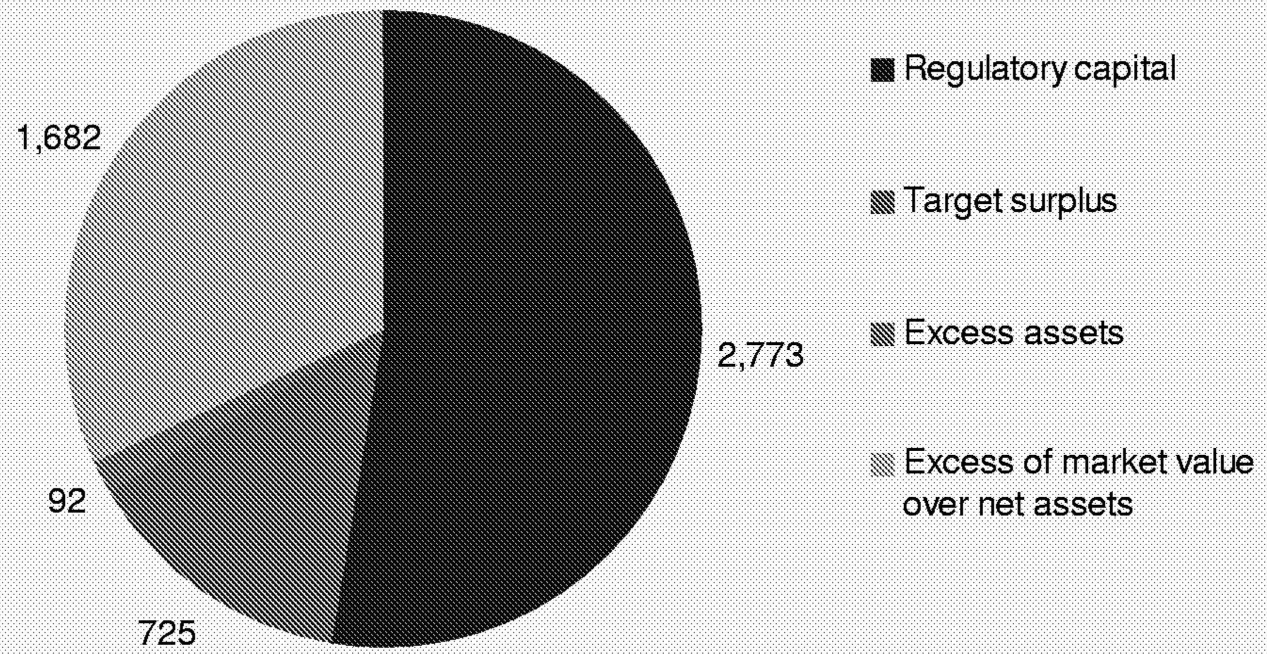


Gearing ratios	30 June 2003	31 Dec 2002 *	30 June 2002 *
Debt/capital resources	14%	25%	21%
(Debt+hybrid)/capital resources	32%	45%	42%
Debt/(equity+hybrid)	16%	34%	27%
(Debt+hybrid)/equity	48%	81%	73%
Financial strength rating (rating by S&P / Fitch)		AA-/AA	

* 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 Low	30 June 2003 High	31 Dec 2002 Low	31 Dec 2002 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

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)%

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%

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

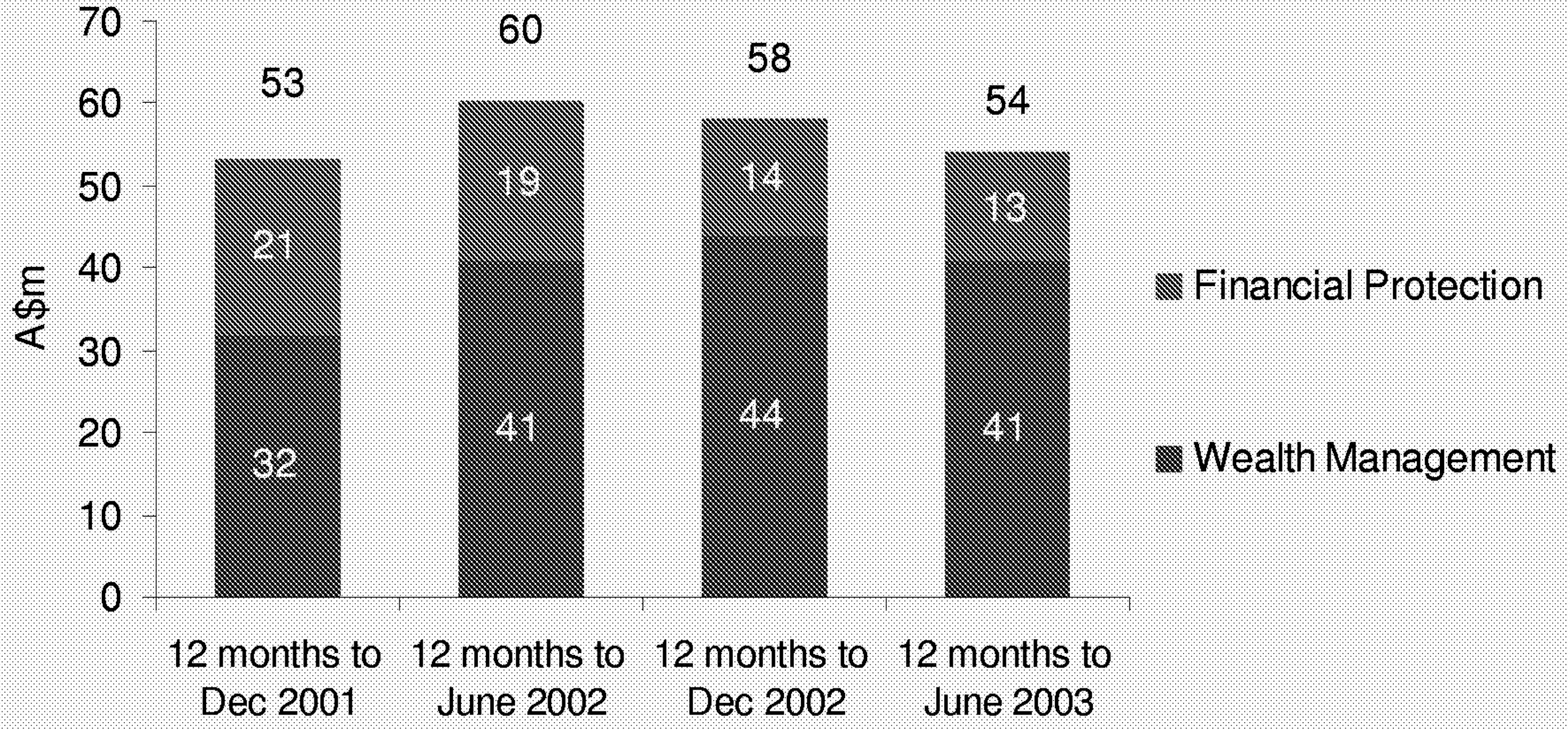
(A$ million) Six months to	30 June 2003	YTD return	30 June 2002
Equities	4	2%	(18)
Fixed interest	13	3%	11
Property	1	2%	1
Cash	5	2%	7
Portfolio assets	23	2%	1
Other assets	1	n/a	6
Foreign currency translation of assets in NZ	(9)	n/a	19
Total	15	n/a	26

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

Hong Kong
Profit after tax and before non-recurring items

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

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

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

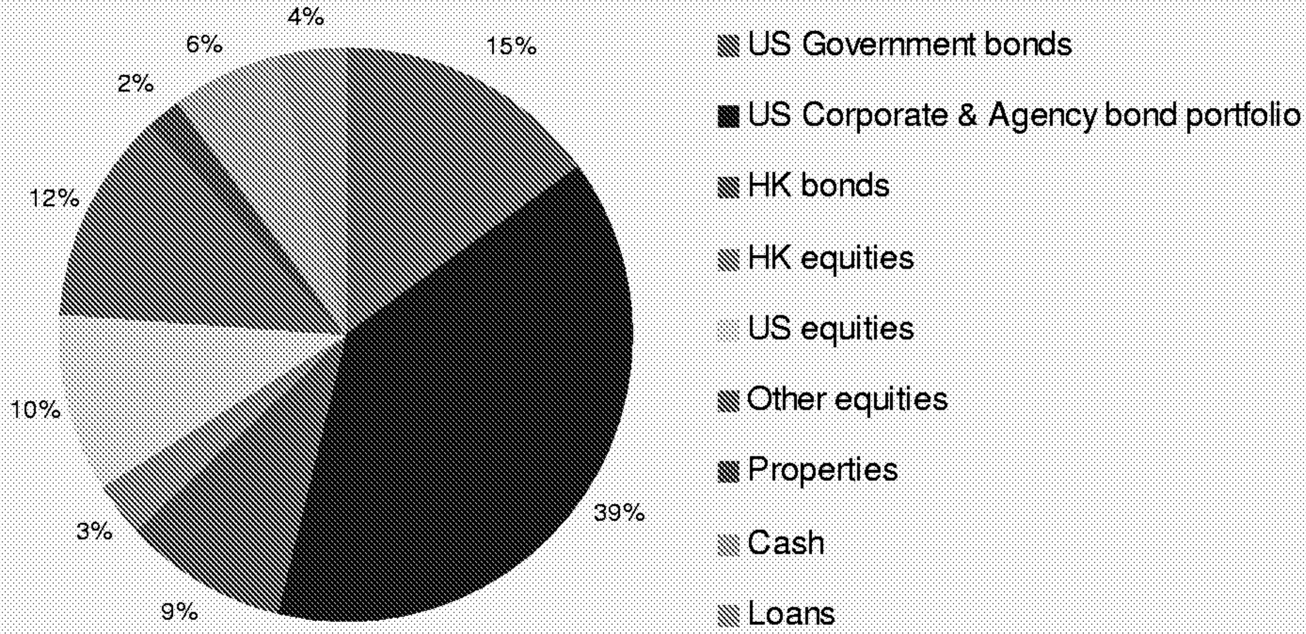
Earning rates for assets supporting policy liabilities	%
Investment interest income	2.1
Gains on fixed interest portfolio	3.3*
Gains on equities	2.5
Total	7.9
Interest credited to policyholders	(2.4)
Investment margin	5.5
Investment margin (ex fixed interest gains)	2.2

* 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%

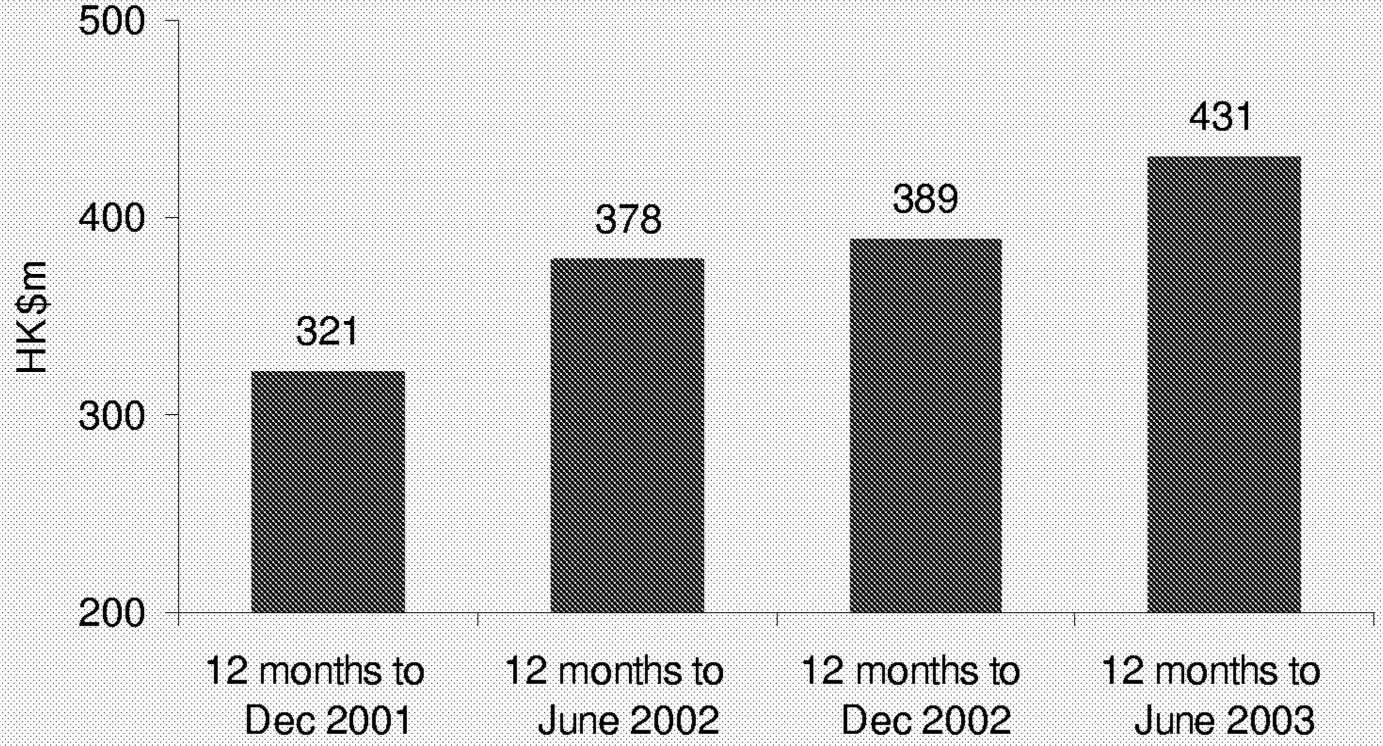
Hong Kong
New business

(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 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

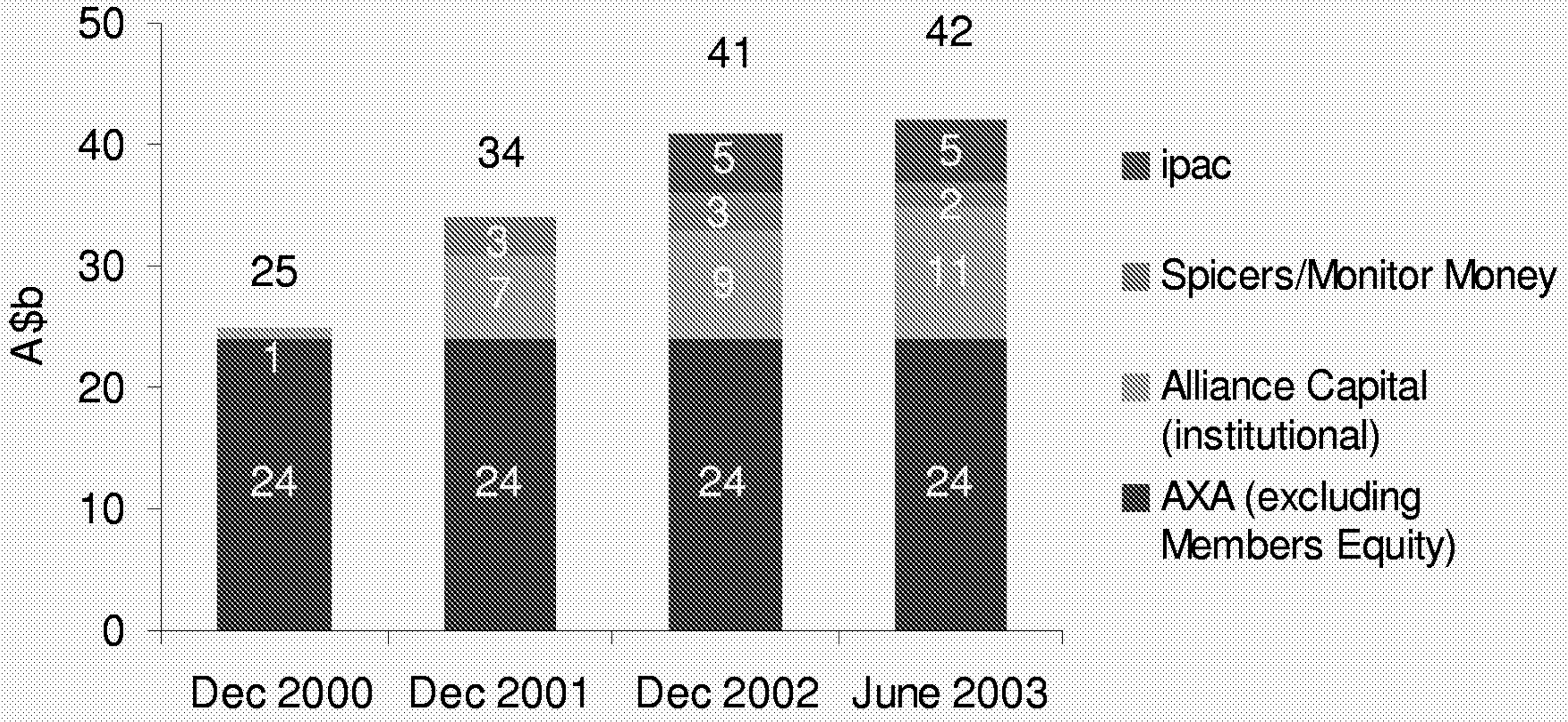
K1	K2	K3	K4	K5
Value of new business	Market share	Cost efficiency	Service	Employee satisfaction
• Double the value of New Business	• Top 5 in net retail funds inflow	• Reduce our expense ratio by 50%	• Top quartile ASSIRT Service ranking	• Top quartile AXA Scope ranking

Australia and New Zealand
Strategic imperatives

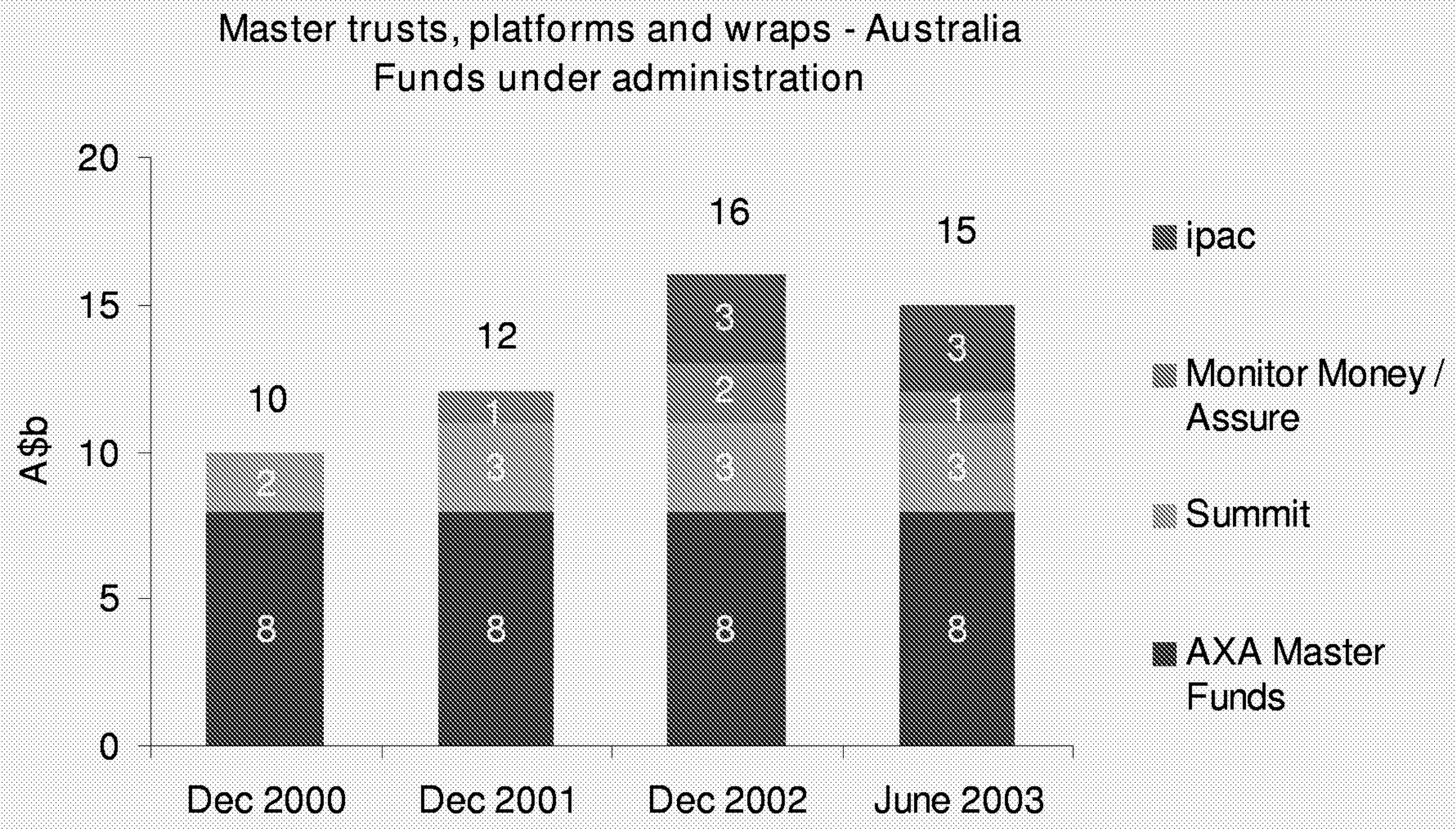
- Grow our share of retail investments and superannuation
- Improve retention of funds under management
- Increase size and productivity of aligned advisers
- Increase penetration of non aligned advisers
- Return our income protection portfolio to profitability
- Improve operational efficiency and reduce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



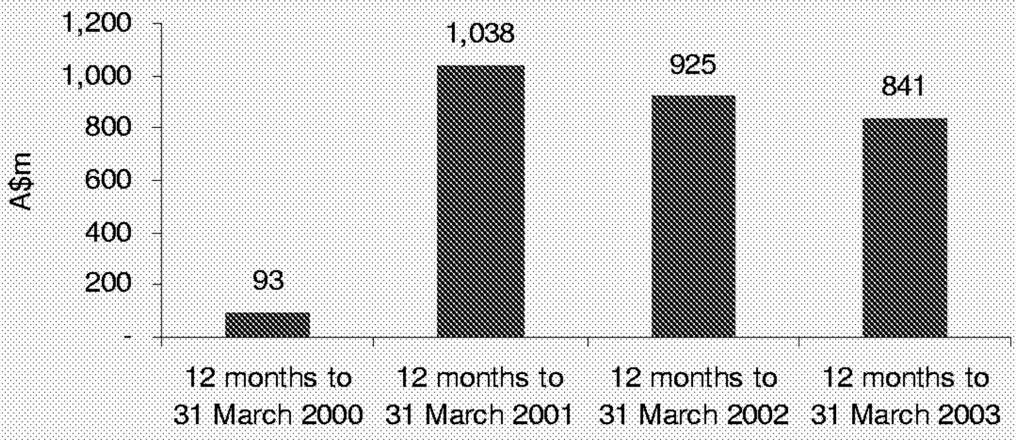
Australia and New Zealand
Grow our share of retail investments and superannuation



Australia and New Zealand
Grow our share of retail investments and superannuation

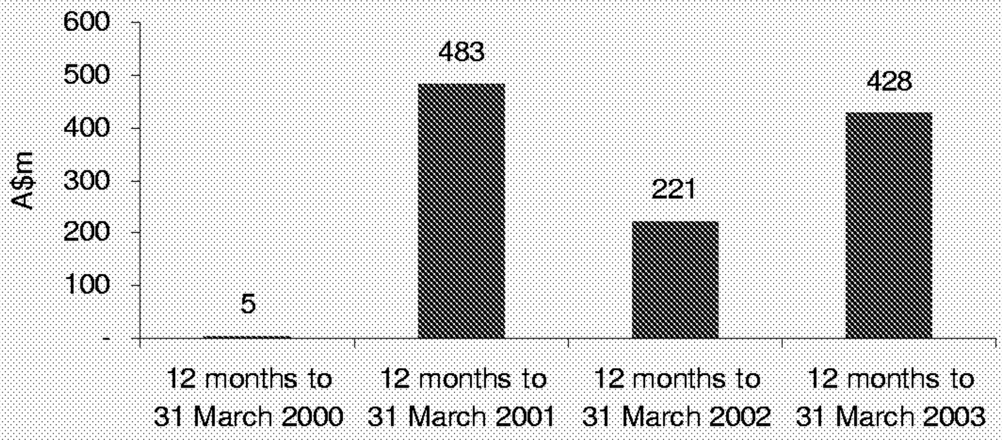
- Significant improvement in retail funds flow market share ranking

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



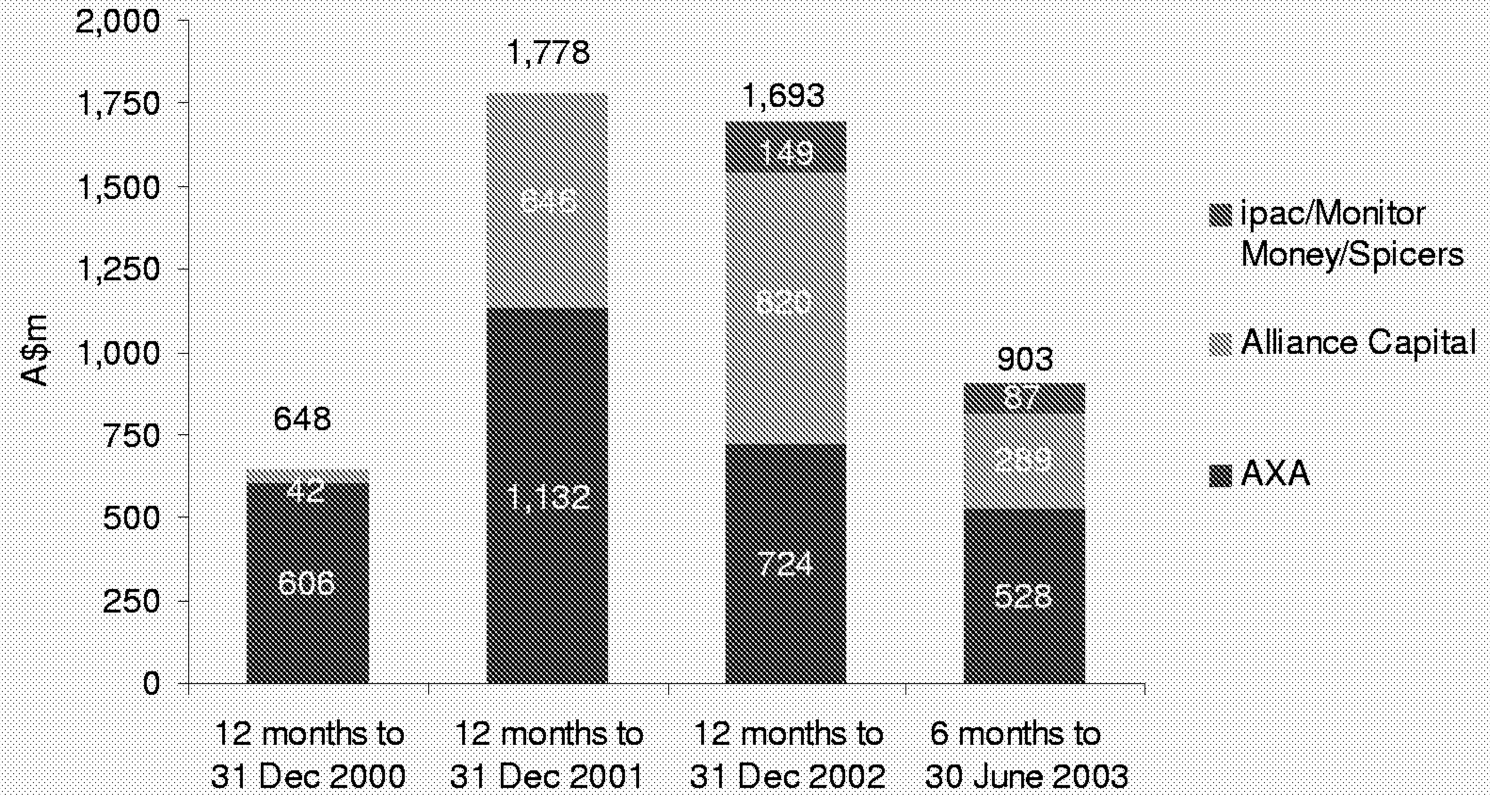
Rank	42	11	18	7
Share of market net flow	0.0%	2.5%	1.3%	4.6%

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)

C 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

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

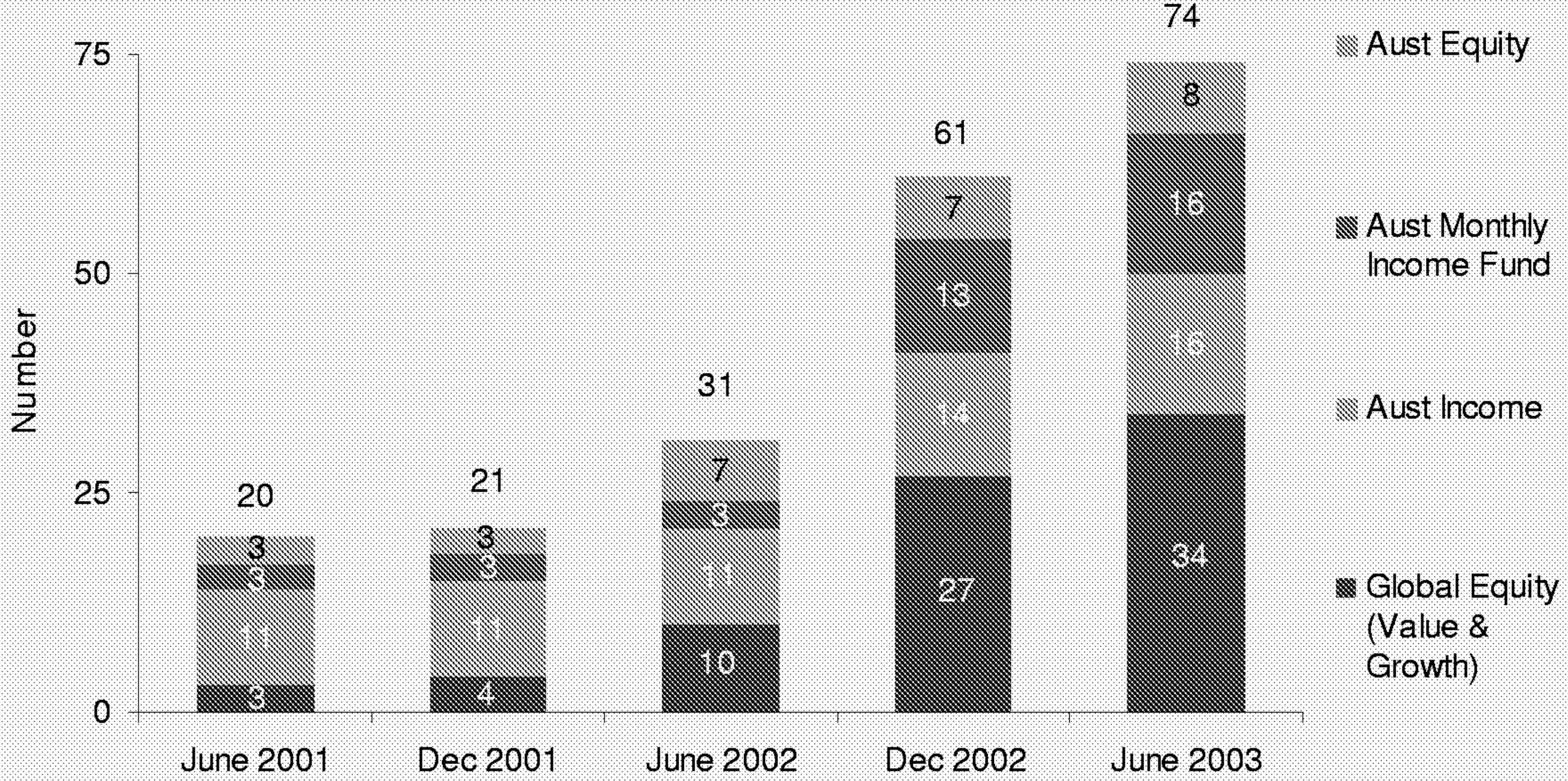
- Focus on Super and Retirement income. FUM outflows have declined by 11% in the six months to June 2003 vs 2002
- $177m saved at half year 2003, three fold increase over same period last year. Total for 2002 $190m. Target for 2003 $400m

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

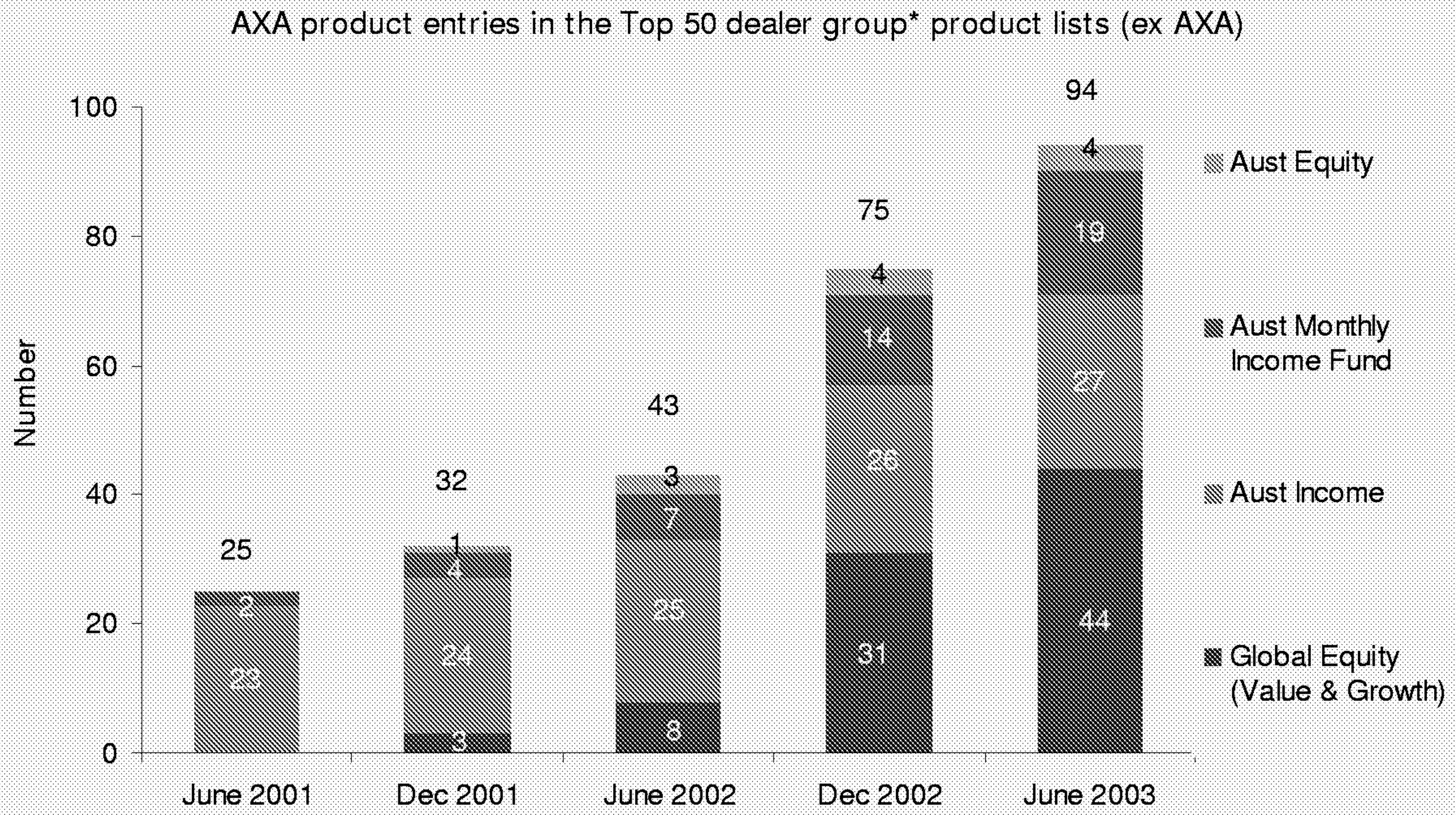
Australia
Increase penetration of non aligned advisers

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



* 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

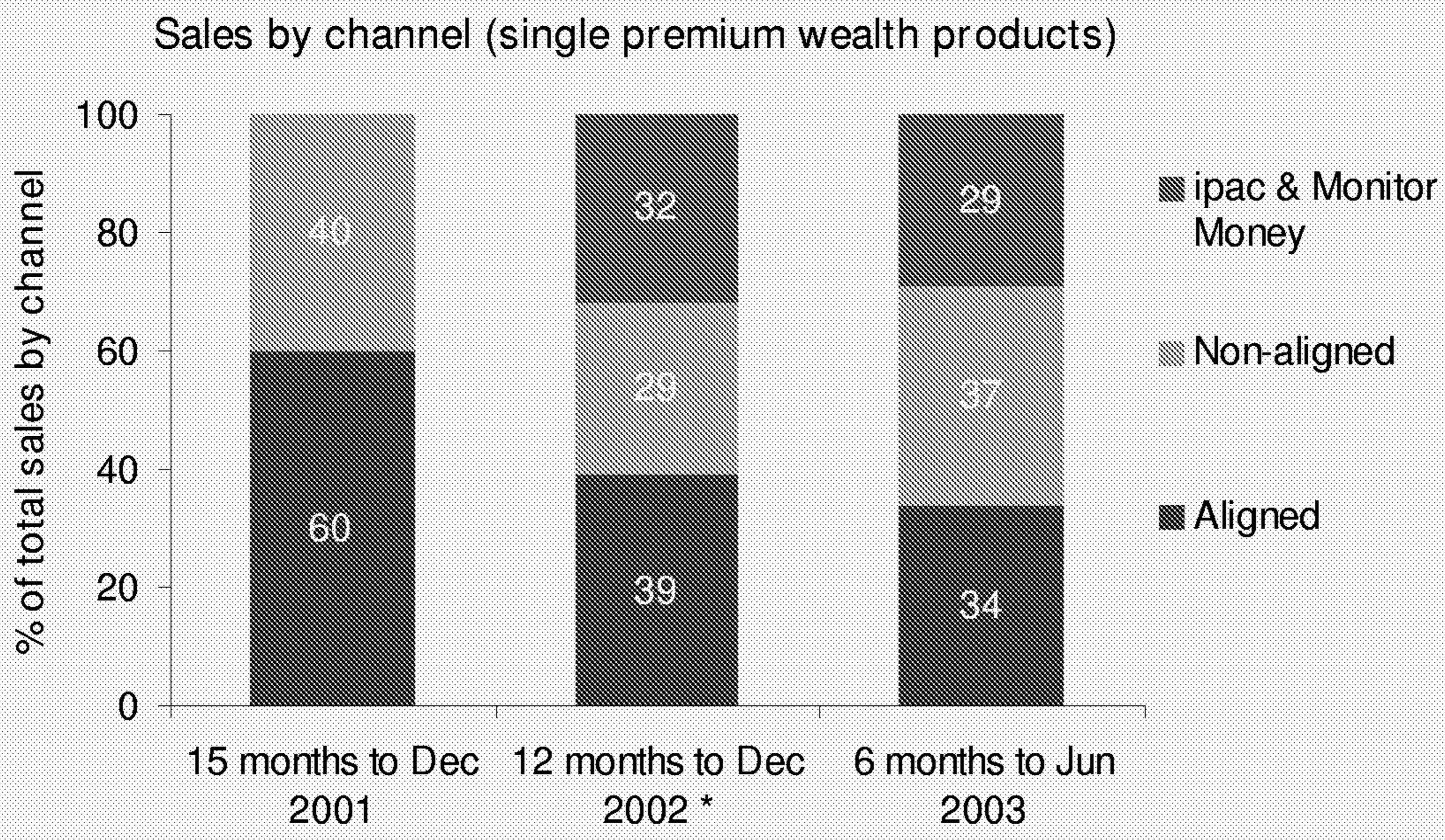
Australia
Increase penetration of non aligned advisers

- 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 Six months to	June 2003	June 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

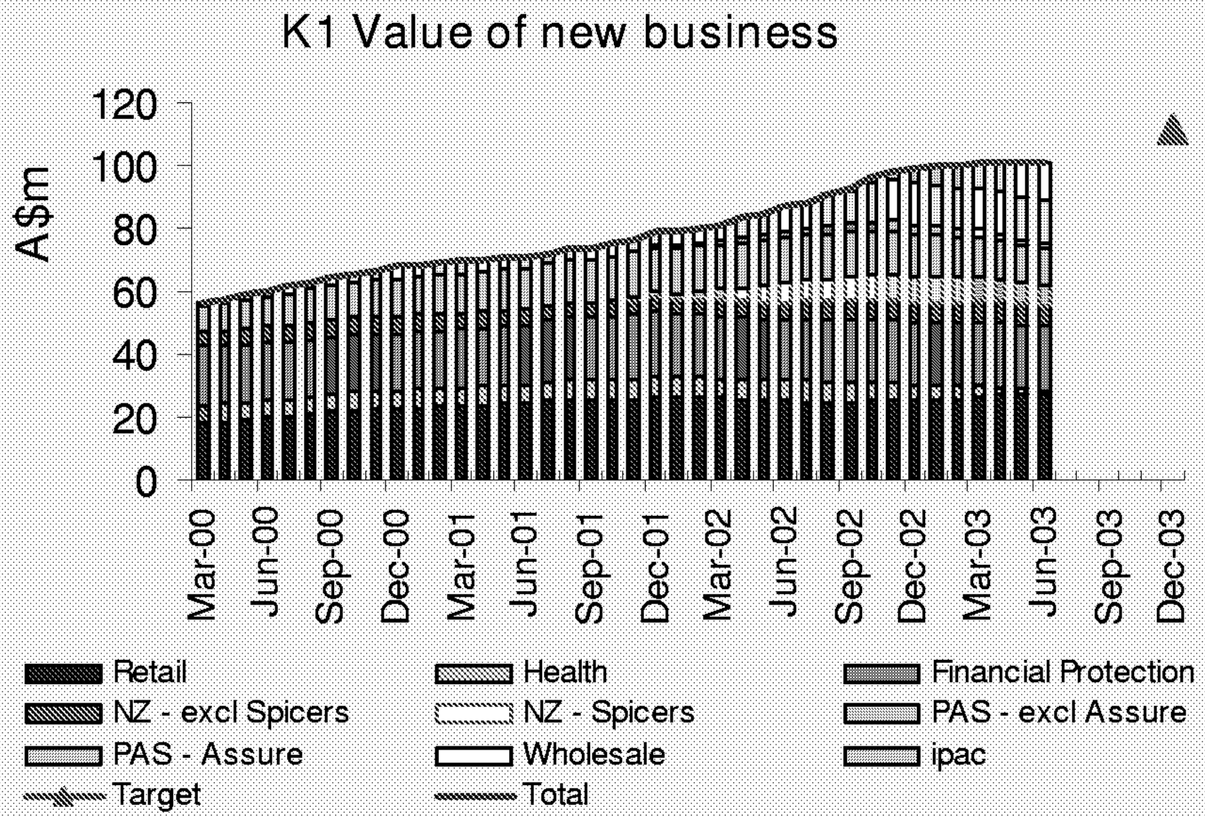
Australia
Increase penetration of non aligned advisers



* Pro forma - ipac included for full 12 months

Australia and New Zealand
Progress against K5 goals

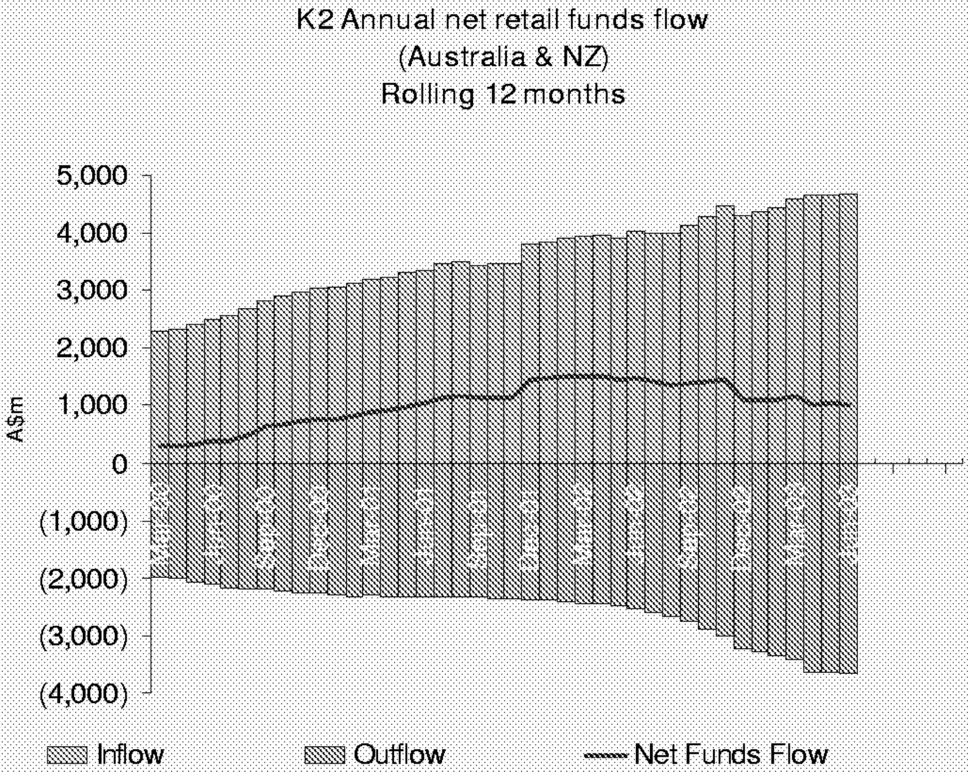
K1 - Double the value of new business



- 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

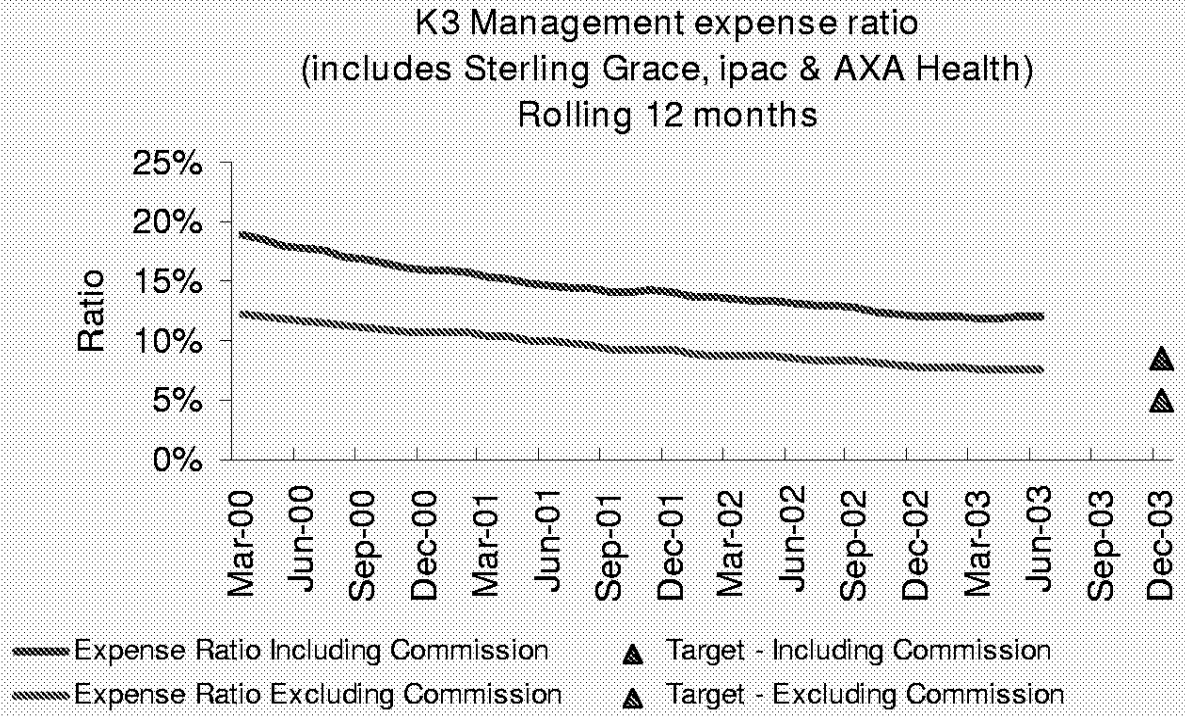
K2 - Top 5 in net retail funds inflow



- 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%

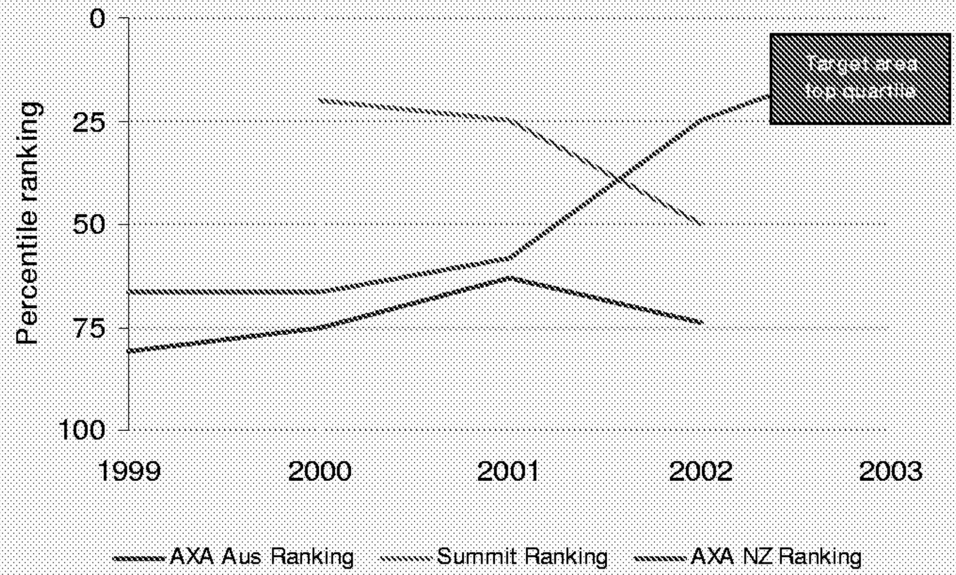


- On a like-for-like basis, the underlying reduction in rolling 12 month expenses at 30 June 2003 was 11%

Australia and New Zealand Progress against K5 goals

K4 - Top quarter service ranking

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

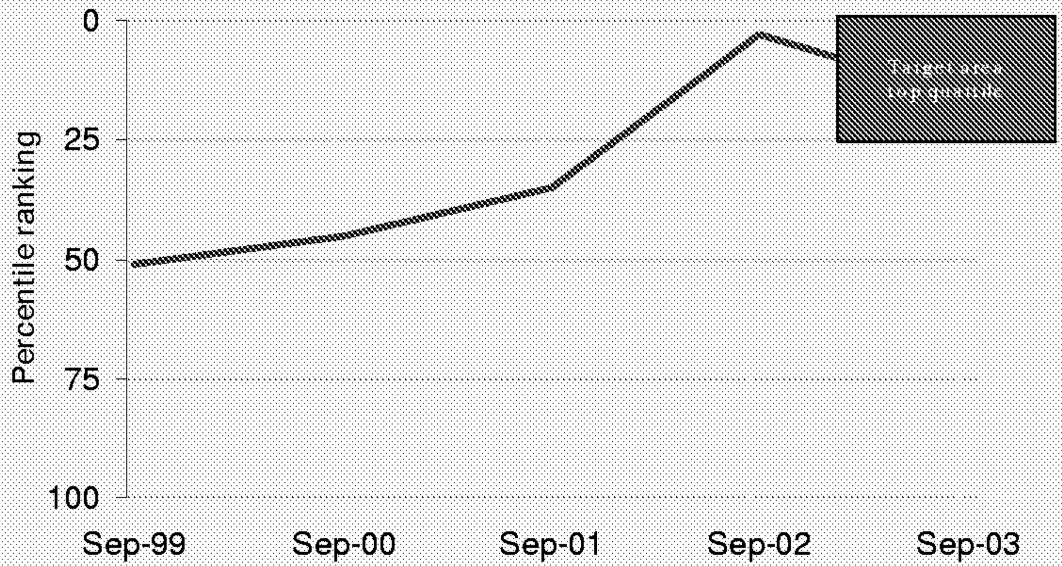


- Australian service rankings only updated each October
- AC Nielsen recently released NZ rankings with AXA APH maintaining its top quartile ranking

Australia and New Zealand
Progress against K5 goals

K5 - Top quartile AXA Scope Survey ranking

K5 Scope survey overall ranking - Aust/NZ



- 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

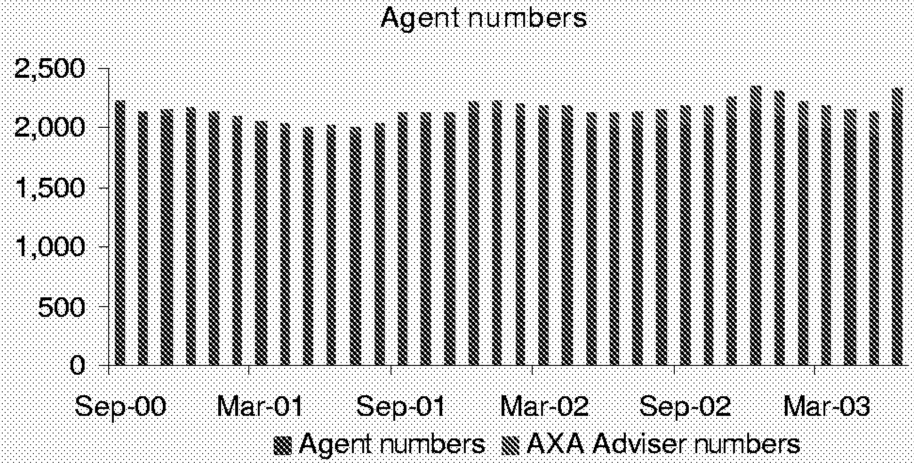
M1	M2	M3	M4	M5	M6
Value of business	Premium income	Assets under mgt	Provider of choice	Employee satisfaction	Value of sales
• Enterprise value HK$23b (before dividends)	• Gross premium income HK$10b	• Assets under management HK$42b	• #1 brand choice	• >30 scope	• Value of new business HK$753m

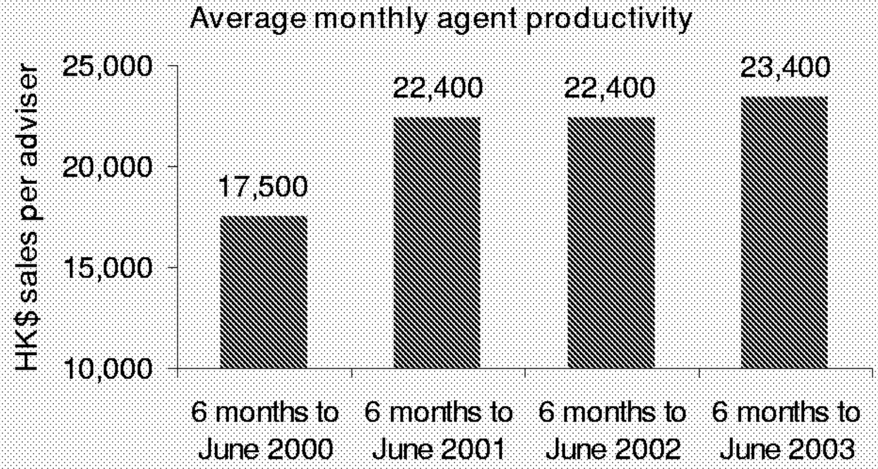
Hong Kong
Strategic imperatives

- 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

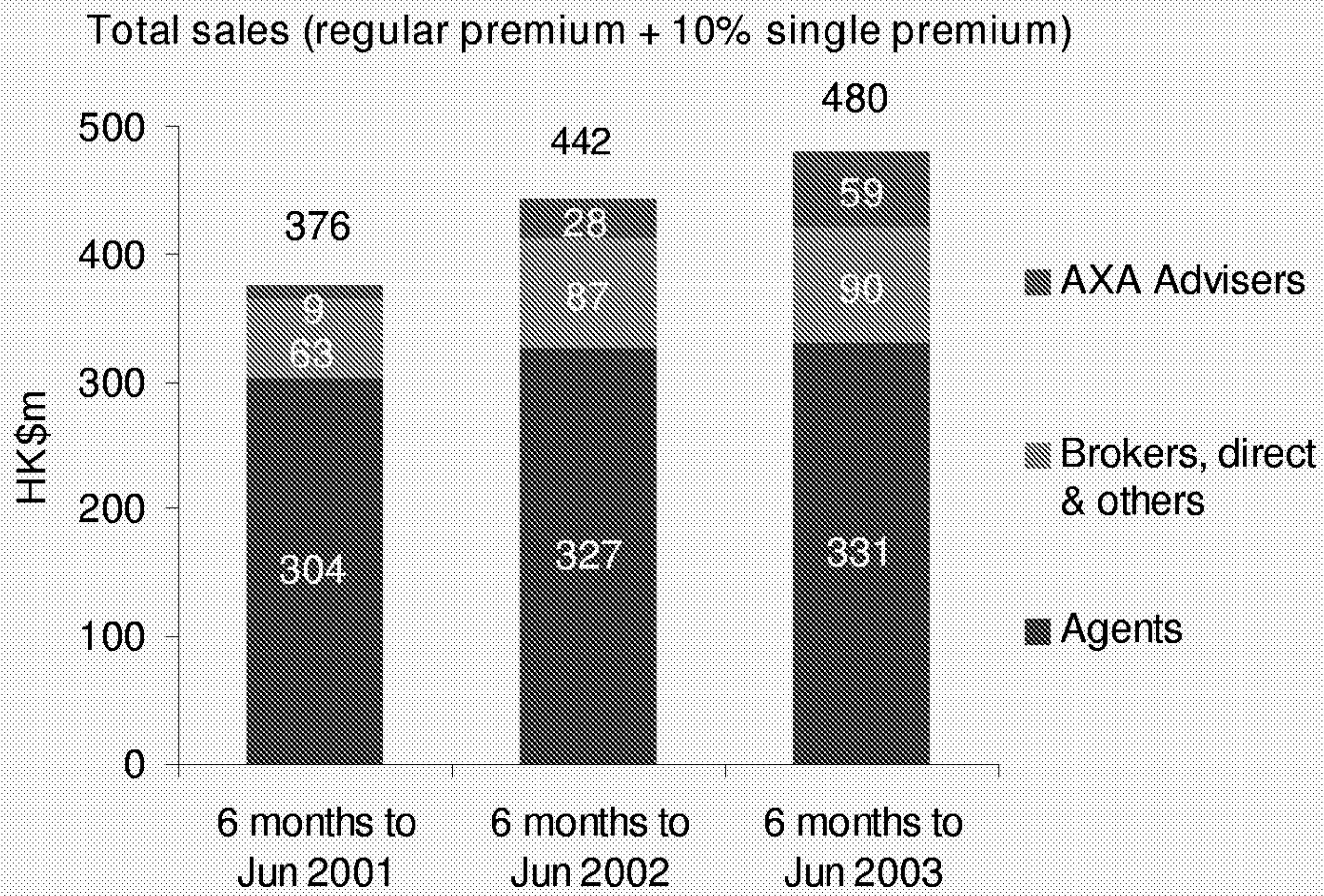
Hong Kong
Increase the number and productivity of agents

- 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



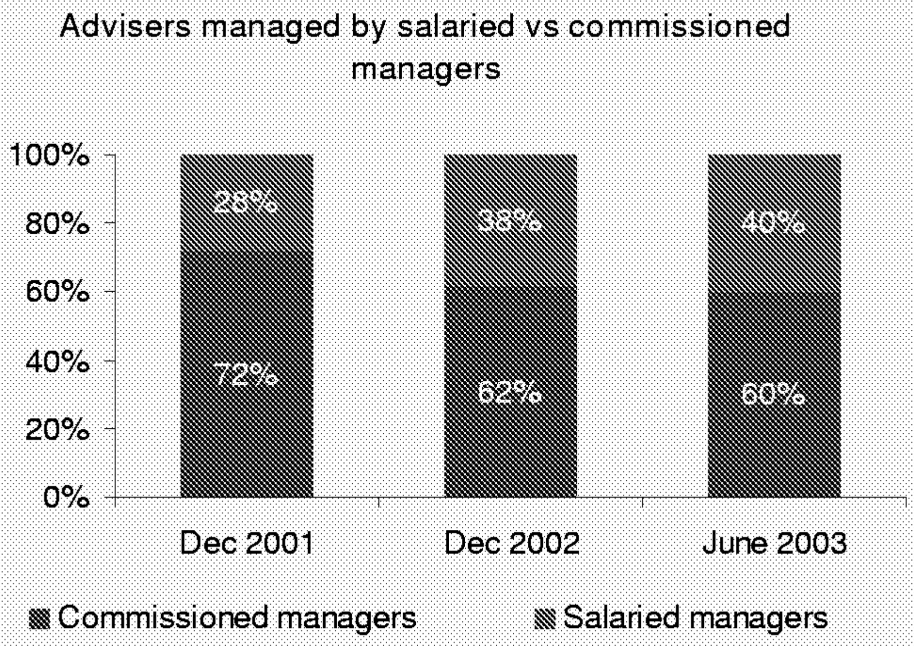


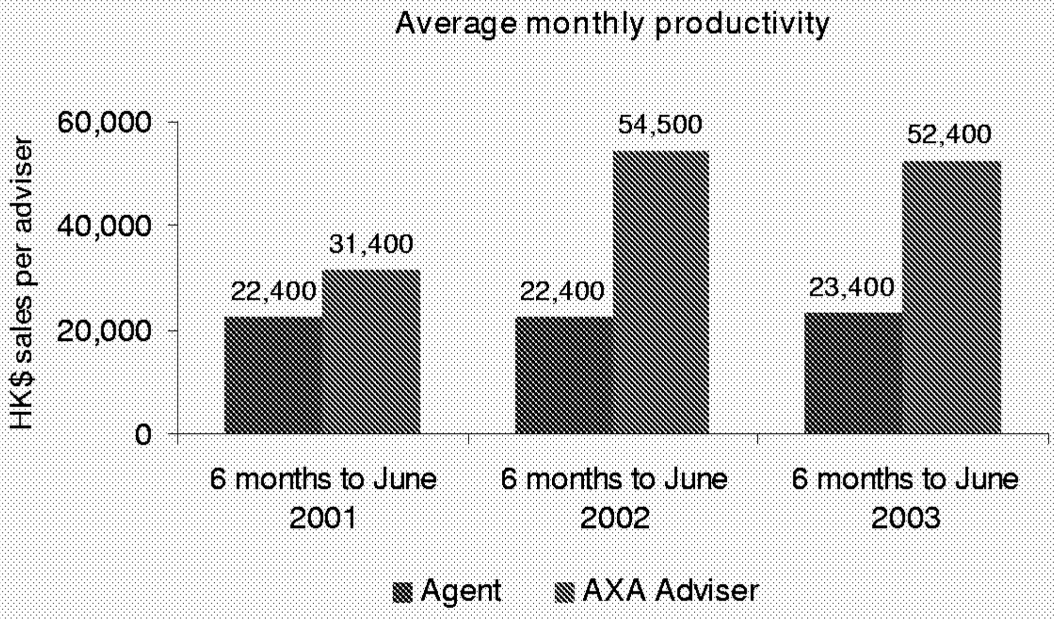
Hong Kong
Build profitable new distribution channels



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





Hong Kong
Deliver investment margins

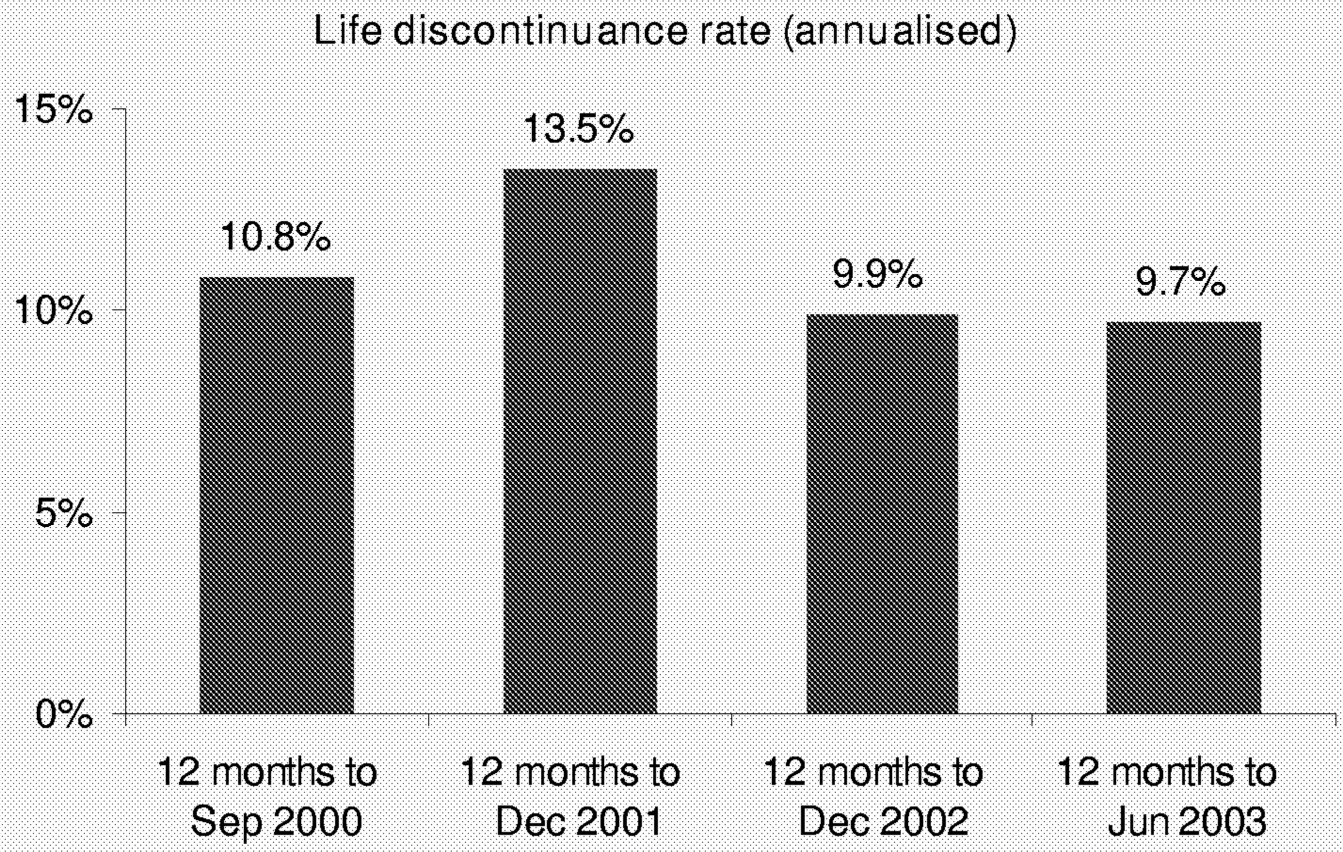
- Investment margin well in excess of required 1% p.a.
- Reduction in policyholder crediting rates by 75 basis points in January 2003 and again in August 2003 by a further 25 basis points

	Fund amounts [1] HK$bn	Investment guarantee to policyholder	Investment mix bond/equity	Forecast Long term investment return [2]	Current rate Total policyholder return (guarantees+cash div+bonus)
"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

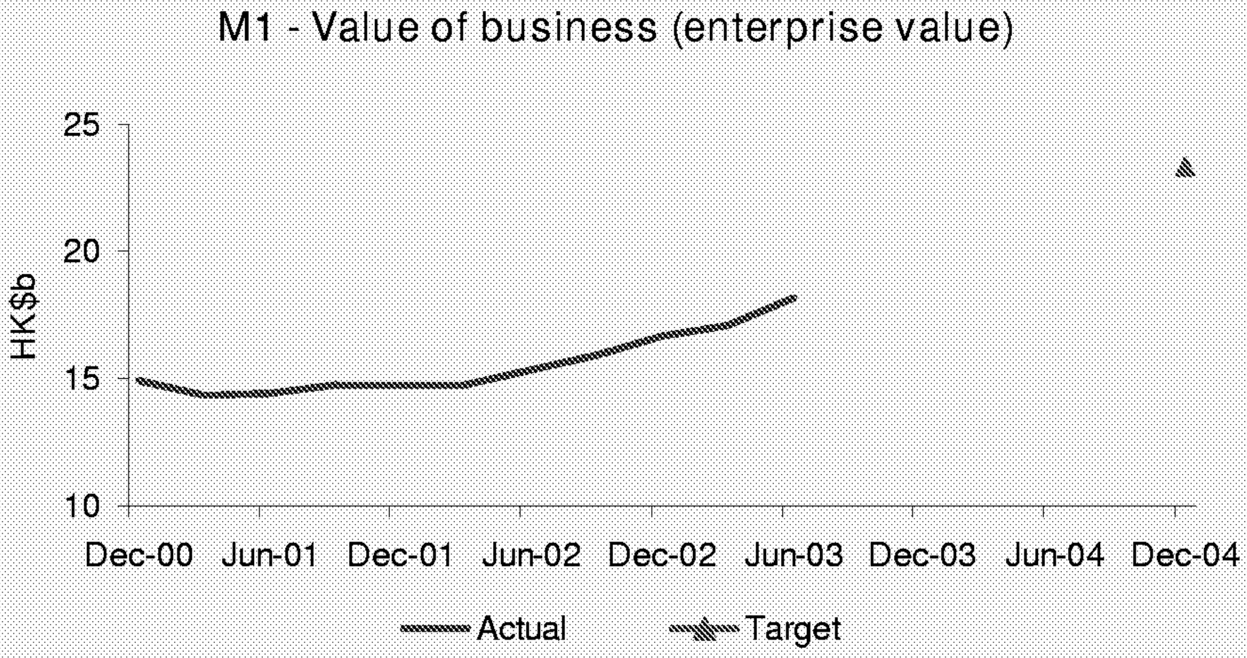


Hong Kong
Prepare for growth of savings and investment market

- 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

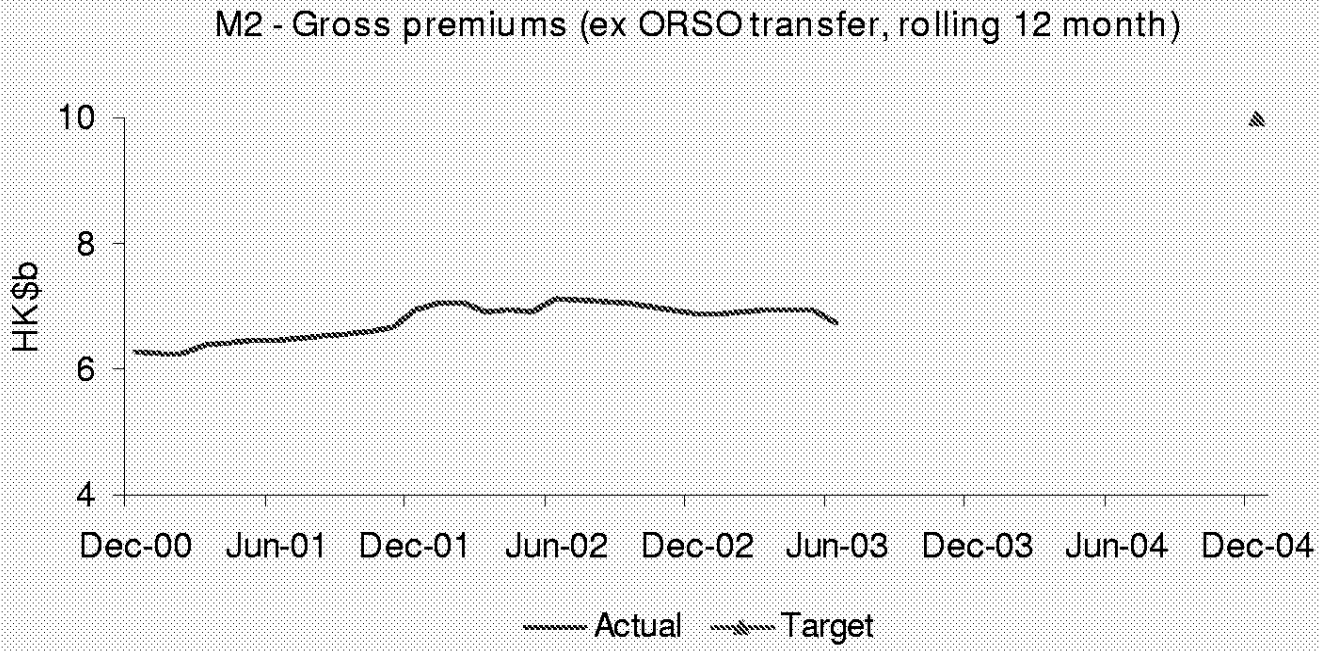


- Persistency continues to improve
- Mortality experience continues to be favourable
- Already low expense ratios continue to be reduced
- Good product profitability

Enterprise value on track

Hong Kong
Progress against M6 goals

M2 - Gross premiums of HK$10 billion

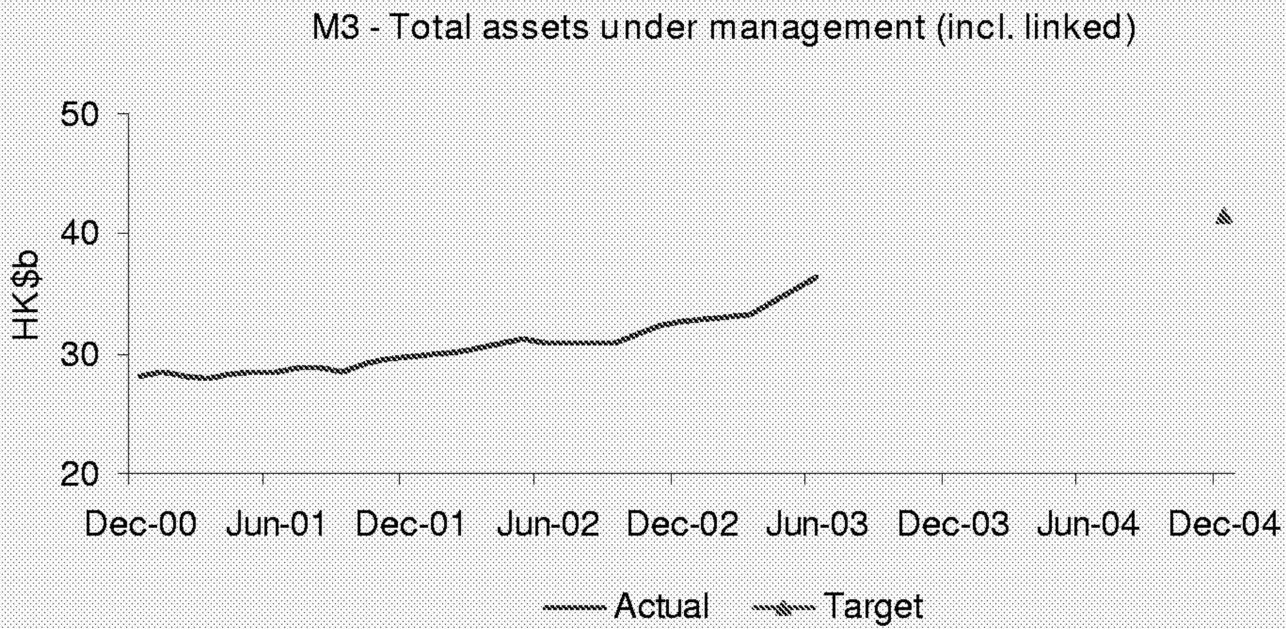


- Gross premiums below target reflecting lower single premium sales
- Partially offset by growth in individual life sales following new product development and diversification of distribution channels

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

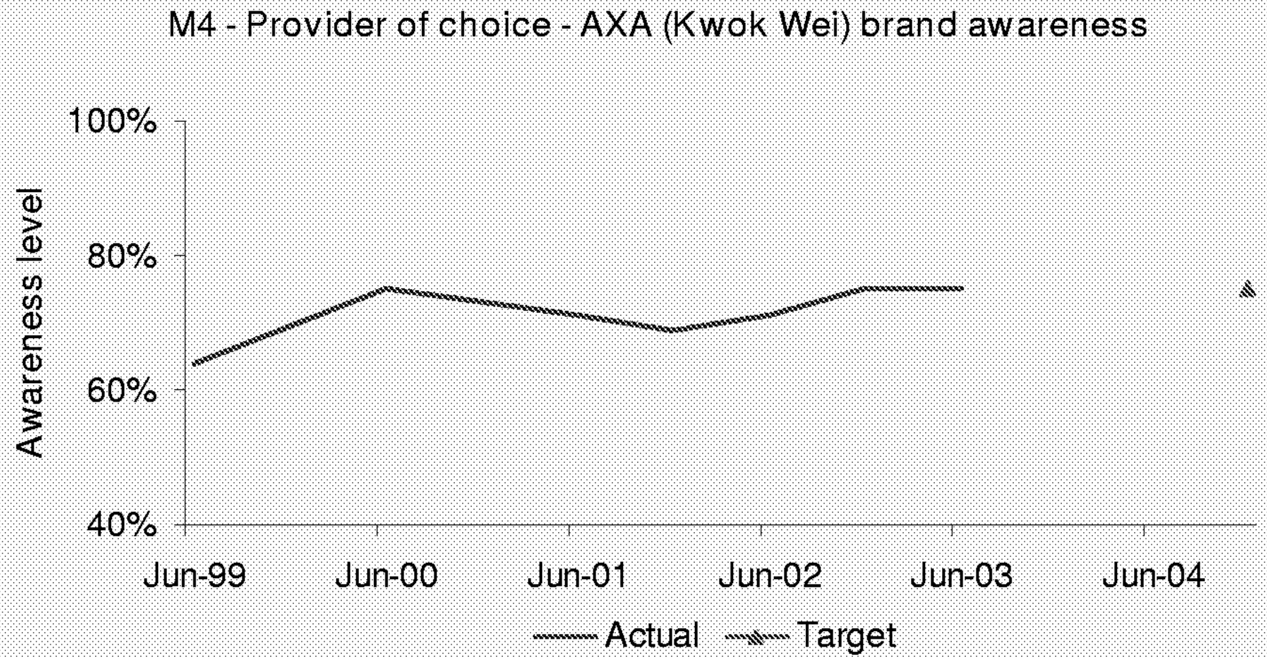


- Well on track to achieve our goal driven by strong net funds flows of HK$3.4b (rolling 12 months)

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)

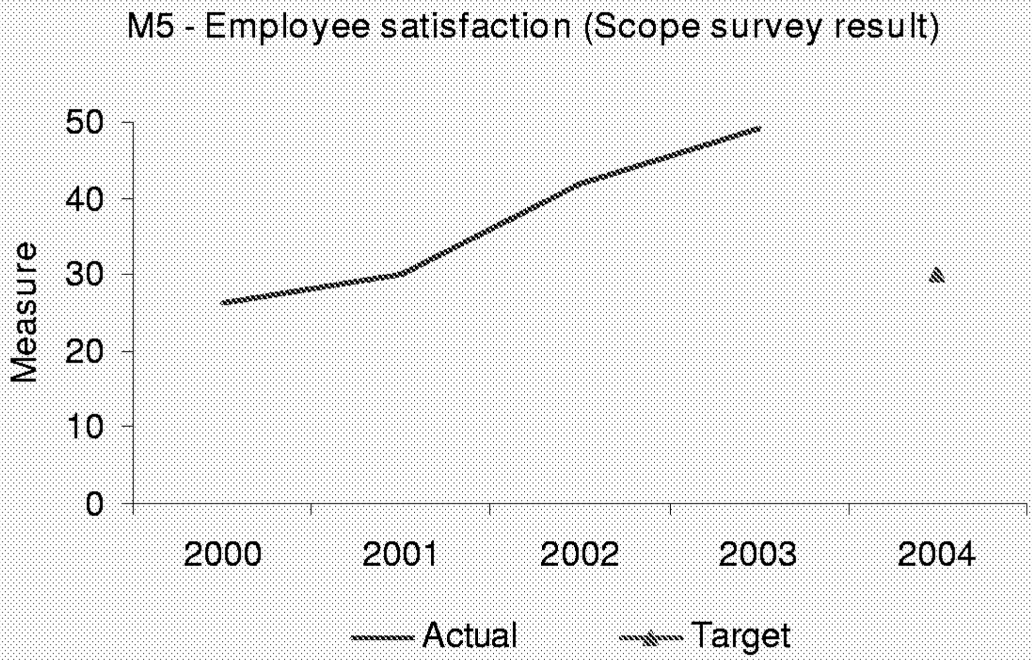


- Surveys show AXA brand has 100% recall and 75% unaided brand awareness
- Third year in a row voted best insurer in Hong Kong

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

Hong Kong
Progress against M6 goals

M5 - Employee satisfaction (>30 Scope survey)

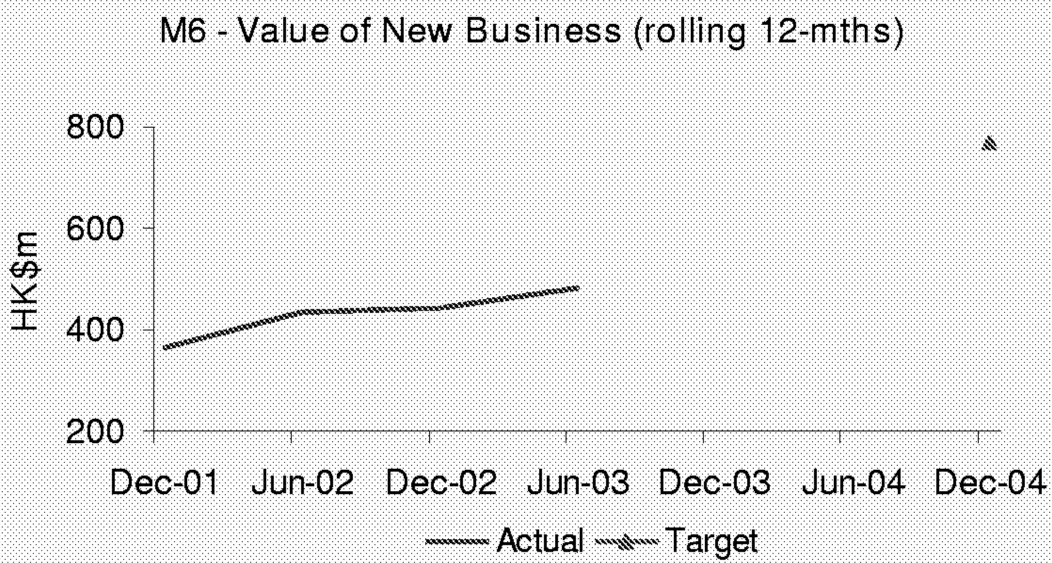


- Overall Scope score of 49
- Above target of 30
- Particularly pleasing given headcount reductions and change management processes implemented

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



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
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