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Company Secretary

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Company Announcements Office  
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Wellington  
New Zealand

Dear Sir/Madam

**AXA Asia Pacific Holdings Limited – New Business and Fund Flows**

Please find attached details of new business and fund flows for the 12 months ended 31 December 2005.

Yours faithfully

A handwritten signature in black ink, appearing to be 'M. Penca', written over a horizontal line.

**Milena Penca**  
Company Secretary

25 January 2006

## AXA ASIA PACIFIC HOLDINGS LIMITED NEW BUSINESS AND FUND FLOWS

AXA Asia Pacific Holdings today announced details of new business and fund flows for the 12 months ended 31 December 2005.

Group Chief Executive, Les Owen, said:

"I am pleased to report that fund flows and new business have both grown very strongly over the past 12 months. This is an impressive result with almost all areas of our business performing well.

"In Australia and New Zealand total net fund flows were up 139.6% to \$9.55bn (12 months ended 31 December 2004 - \$3.99bn).

"Gross retail inflows in Australia and New Zealand were up 32.5% to \$10.79bn (2004 - \$8.15bn). Net retail inflows were up 71.7% to \$5.04bn (2004 - \$2.93bn). Total funds under management, administration and advice was up 34.0% to \$70.34bn (2004 - \$52.49bn) as result of strong flows and favourable investment performance.

"We have continued to experience strong growth in our Australian and international equity funds. Our Global Equity Value Fund has more than doubled inflows over the past year.

"Financial protection new regular premiums in Australia and New Zealand were up 9.8% to \$110.1m (2004 - \$100.3m). We expect product improvements made in July 2005 to deliver further growth in 2006.

"New business in Hong Kong continued to grow strongly. Total life new business index was up 20.6% to HK\$1.27bn (2004 - HK\$1.06bn). There was particularly strong growth in single premiums following the successful launch of our new multi manager investment platform, Evolution, at the end of 2004.

"New business in the rest of the Asian region continued to grow strongly, up 59.3% to \$125.5m on a constant currency basis (2004 - \$78.8m)."

### Australia and New Zealand – key points

- **Gross** inflows (**retail** and **wholesale**) up 51.8% to \$18.59bn (2004 - \$12.25bn). **Net** flows (**retail** and **wholesale**) up 139.6% to \$9.55bn (2004 - \$3.99bn)
- **Gross retail** inflows up 32.5% to \$10.79bn (2004 - \$8.15bn). **Net retail** flows up 71.7% to \$5.04bn (2004 - \$2.93bn)
- **Superannuation net** flows up 16.8% to \$856.5m (2004 - \$733.2m) due to continued strong inflows into AXA Generations and Summit

- **Investment products net** flows up 29.4% to \$914.8m (2004 - \$706.8m) due to the continuing success of our Australian and international equity funds with net flows of \$595.1m (2004 - \$223.2m) through our Global Equity Value Fund
- **Alliance Capital net retail** flows up 126.1% to \$3.48bn (2004 – \$1.54bn) helped by two large international equity mandates awarded in the third quarter of 2005
- **Alliance Capital net wholesale** flows up 301.4% to \$4.50bn (2004 - \$1.12bn) due to increased inflows into the Global Equity investment funds of Alliance Bernstein, winner of Money Management's "Fund Manager of the Year 2005" and "International Equity Fund Manager of the Year 2005"
- **Platform net** flows up 48.0% to \$1,181.0m (2004 - \$797.8m) as a result of increased gross inflows to our AXA Generations products
- **Advice net** flows down 21.5% to \$336.9m (2004 - \$428.9m) due mainly to reduced flows in New Zealand where the market environment remains difficult. The market is expected to improve once the proposed changes to New Zealand's savings and tax regime come into effect
- Intra-group flows are higher than last year largely due to continued retention initiatives resulting in transfers from old to new products
- **Individual life** new business up 11.8% to \$54.1m (2004 - \$48.4m) and **individual income protection** up 14.7% to \$25.8m (2004 - \$22.5m). Product improvements made in July 2005 are expected to deliver further growth in 2006.

#### Hong Kong – key points

- **Total life** new business index up 20.6% to HK\$1,274.6m (2004 – HK\$1,057.0m)
- **New regular** premiums up 17.0% to HK\$1,181.1m (2004 – HK\$1,009.4m) due to continued improvements in productivity in both agency and adviser channels, and new product launches. **New individual life regular** premiums were up 19.2% (up 32.3% in Q4 2005 vs Q4 2004). **New unit linked regular** premium business was up 37.4%, driven by strong sales from 'Dimensions'. **New non linked regular** premium business increased 12.0%, helped by sales from 'Maxx', a new traditional participating product launched in October with a greater savings focus which contributed HK\$70m of new regular premiums
- **Single** premiums up 96.4% to HK\$934.6m (2004 – HK\$475.9m) driven by strong inflows into investment and retirement products, particularly into our multi manager investment platform, 'Evolution'. Evolution, which was launched in late 2004, had HK\$216 million of inflows
- **Total** premium income up 12.1% to HK\$8,152.3m (2004 – HK\$7,274.5m).

#### China and South East Asia – key points

- **Total** new business index up 59.3% to A\$125.5m (2004 – A\$78.8m). **Total** premium income up 42.1% to A\$622.7m <sup>1</sup> (2004 – A\$438.3m)
- The very strong growth in **Thailand** continued with new business up 103.2% as a result of continued improvements in agent productivity and strong expansion of bancassurance sales through Krungthai Bank

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<sup>1</sup> On a constant currency basis

- Driven by significant growth in sales through Bank Mandiri and improving agent productivity, new business in **Indonesia** was up 94.2%, although new business growth in the fourth quarter decreased due to an overall market slowdown
- New business in **Singapore** up 28.1% due to strong growth in sales of regular premium protection products through our adviser channel, and the rollover of maturing products into new investment linked plans
- New business in **China** up 17.8% reflecting significant sales growth in the last two quarters following the opening of our new branch in Beijing, new bank alliances and improvements in agent productivity
- New business in **Philippines** up 13.7% due to growth in sales of single premium investment linked products through our bancassurance channel and higher sales of regular premium products by our agency force.

### Asia wealth management – key points

- **Total** gross inflows from ipac financial planning in Hong Kong and Singapore (“ipac Asia”) of A\$50.8m<sup>2</sup> (2004 – A\$50.6m). Singapore has grown strongly in 2005 with gross inflows increasing by 33.2%. Hong Kong gross inflows are down 13.3% following a large inflow in the last quarter of 2004 which was not repeated in 2005
- ipac Asia’s **total** funds under management, administration and advice up 71.8% to A\$107.2m<sup>2</sup> (2004 – A\$62.4m).

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<sup>2</sup> On a constant currency basis

## Australia/New Zealand

## Wealth management

(A\$ million)	Gross inflows (12 months ended)			Net flows (12 months ended)		
	31 Dec 2005	31 Dec 2004	Change	31 Dec 2005	31 Dec 2004	Change
Superannuation	2,810.4	2,402.5	17.0%	856.5	733.2	16.8%
Retirement income <sup>1</sup>	568.5	689.9	(17.6)%	(210.1)	(43.5)	(383.0)%
Investment products	2,937.4	2,866.7	2.5%	914.8	706.8	29.4%
Alliance Capital – retail mandates <sup>2</sup>	4,476.1	2,186.8	104.7%	3,475.3	1,536.9	126.1%
<b>Total A&amp;NZ retail flows (excluding cash management trusts)</b>	<b>10,792.4</b>	<b>8,145.9</b>	<b>32.5%</b>	<b>5,036.5</b>	<b>2,933.4</b>	<b>71.7%</b>
Cash management trusts	86.6	81.3	6.5%	14.0	(67.9)	n/a
Alliance Capital – wholesale mandates	7,706.7	4,017.9	91.8%	4,499.9	1,121.1	301.4%
<b>Total A&amp;NZ flows</b>	<b>18,585.7</b>	<b>12,245.1</b>	<b>51.8%</b>	<b>9,550.4</b>	<b>3,986.6</b>	<b>139.6%</b>

Included in the  
above:

Platforms	2,916.5	2,361.1	23.5%	1,181.0	797.8	48.0%
Advice	1,320.1	1,192.0	10.7%	336.9	428.9	(21.5)%

Note:

- (1) Inflows in 2004 for long term annuities were high in the lead up to the September 2004 legislative changes to eligibility criteria for this type of product. The market for these products subsequently declined resulting in lower inflows during 2005
- (2) All of these mandates are from retail providers. However, some flows may be institutionally sourced. As the flows are via mandates, we do not have a split

Included in the figures above are flows that arise through switches from one product to another, such as from a traditional superannuation product to a platform-based superannuation product.

Intra-group inflows (A\$ million)	Gross inflows (12 months ended)		
	31 Dec 2005	31 Dec 2004	Change
Superannuation	411.2	153.0	168.8%
Retirement income	141.5	35.0	304.3%
Investment products	86.9	22.9	279.5%
Alliance Capital – retail mandates	272.0	110.0	147.3%
<b>Total intra-group flows</b>	<b>911.6</b>	<b>320.9</b>	<b>184.1%</b>
Included in the above:			
Platforms	563.7	143.5	292.8%
Advice	397.0	100.0	297.0%

Total funds under management, administration and advice at 31 December 2005 was \$70.34bn, up 34.0% (31 December 2004 - \$52.49bn).

## Financial protection

(A\$ million)	New business (12 months ended)			Inforce (as at)		
	31 Dec 2005	31 Dec 2004	Change	31 Dec 2005	31 Dec 2004	Change
<b>New regular premiums</b>						
Individual life	54.1	48.4	11.8%	266.0	242.6	9.6%
Individual income protection	25.8	22.5	14.7%	200.0	196.4	1.8%
Group insurance <sup>1</sup>	27.2	26.2	3.8%	137.0	134.6	1.8%
Long term risk	3.0	3.2	(6.3)%	89.3	94.6	(5.6)%
<b>Total</b>	<b>110.1</b>	<b>100.3</b>	<b>9.8%</b>	<b>692.3</b>	<b>668.2</b>	<b>3.6%</b>
Single premiums	31.6	30.1	5.0%	-	-	-

Note:

(1) 2004 Group insurance inforce has been restated to include \$9.6m of premiums not included in 2004 releases

## Hong Kong

(HK\$ million)	New business (12 months ended)		
	31 Dec 2005	31 Dec 2004	Change
<b>New regular premiums</b>			
Individual life – non-linked	663.4	592.2	12.0%
Individual life – unit linked	322.0	234.3	37.4%
Total individual life	985.4	826.5	19.2%
Group retirement – incl MPF	114.4	107.3	6.6%
Group risk	81.3	75.6	7.5%
<b>Total new regular premiums</b>	<b>1,181.1</b>	<b>1,009.4</b>	<b>17.0%</b>
<b>Single premiums</b>			
Individual life – incl unit linked	509.4	217.3	134.4%
Group retirement	425.2	258.6	64.4%
<b>Total single premiums</b>	<b>934.6</b>	<b>475.9</b>	<b>96.4%</b>
<b>Total life new business index (“NBI”) <sup>1</sup></b>	<b>1,274.6</b>	<b>1,057.0</b>	<b>20.6%</b>
General insurance (P&C) <sup>2</sup>	105.5	115.0	(8.3)%

Note:

(1) New business index = new regular premiums + 10% of single premiums

(2) Total premium income

(HK\$ million)	Inforce regular premiums (as at)		
	31 Dec 2005	31 Dec 2004	Change
Individual life – non-linked	5,057.1	4,836.2	4.6%
Individual life – unit linked	711.2	482.0	47.6%
Total individual life	5,768.3	5,318.2	8.5%
Group retirement – incl MPF	1,317.9	1,274.9	3.4%
Group risk	447.5	367.7	21.7%
<b>Total inforce</b>	<b>7,533.7</b>	<b>6,960.8</b>	<b>8.2%</b>

(HK\$ million)	Total premium income (12 months ended)		
	31 Dec 2005	31 Dec 2004	Change
Individual life – non-linked	5,082.7	4,855.3	4.7%
Individual life – unit linked	1,013.5	557.0	82.0%
Total individual life	<b>6,096.2</b>	<b>5,412.3</b>	<b>12.6%</b>
Group retirement – incl MPF	1,553.9	1,400.2	11.0%
Group risk	396.7	346.9	14.4%
General insurance (P&C)	105.5	115.1	(8.3)%
<b>Total premium income</b>	<b>8,152.3</b>	<b>7,274.5</b>	<b>12.1%</b>

Total funds under management, administration and advice at 31 December 2005 was HK\$49.91bn<sup>3</sup>, up 11.4% (31 December 2004 - HK\$44.82bn).

### China and South East Asia

(million)	New business index <sup>1</sup> (12 months ended)			Total premium income (12 months ended)		
	31 Dec 2005	31 Dec 2004	Change	31 Dec 2005	31 Dec 2004	Change
Thailand (Baht)	1,100.0	541.4	103.2%	2,756.0	1,444.4	90.8%
Indonesia (Rupiah)	308,090.0	158,619.4	94.2%	1,258,662.0	690,504.0	82.3%
Singapore (Sing\$)	29.6	23.1	28.1%	261.1	216.4	20.7%
China (Rmb)	47.0	39.9	17.8%	294.6	175.0	68.3%
Philippines (Peso)	720.5	633.9	13.7%	4,588.8	4,151.2	10.5%
<b>Total (A\$)<sup>2</sup></b>	<b>125.5</b>	<b>78.8</b>	<b>59.3%</b>	<b>622.7</b>	<b>438.3</b>	<b>42.1%</b>

Note:

(1) New business index = regular premium sales + 10% of single premium sales

(2) On a constant currency basis, translated at average exchange rates for the 12 months ended 31 December 2005 of A\$/Baht = 0.032555; A\$/Rupiah = 0.000135; A\$/Sing\$ = 0.789037; A\$/Rmb = 0.160598, A\$/Peso = 0.023908. Figures represent 100% share of the businesses

### Asia wealth management

(million)	Gross inflows (12 months ended)			Funds under management (as at) <sup>2</sup>		
	31 Dec 2005	31 Dec 2004	Change	31 Dec 2005	31 Dec 2004	Change
<b>ipac financial planning</b>						
Hong Kong (HK\$)	182.7	210.8	(13.3)%	407.7	237.2	71.9%
Singapore (Sing\$)	25.3	19.0	33.2%	43.3	25.3	71.1%
<b>Total (A\$)<sup>1</sup></b>	<b>50.8</b>	<b>50.6</b>	<b>0.4%</b>	<b>107.2</b>	<b>62.4</b>	<b>71.8%</b>

Note:

(1) On a constant currency basis, translated at average exchange rates for the 12 months ended 31 December 2005 of A\$/HK\$ = 0.168950; A\$/Sing\$ = 0.789037

(2) On a constant currency basis, translated at 31 December 2005 closing exchange rates of A\$/HK\$ = 0.175821; A\$/Sing\$ = 0.819842

<sup>3</sup> Gross of HK\$1,939m dividends and loans to AXA APH