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Company Secretary

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21 October 2009

Australian Securities Exchange  
Company Announcements Office  
20 Bridge Street  
SYDNEY NSW 2000

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 nine months ended 30 September 2009.

Yours sincerely

A handwritten signature in black ink, consisting of a large, stylized 'K' followed by a horizontal line.

Kevin Keenan  
Company Secretary

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# news release

[www.axaasiapacific.com.au](http://www.axaasiapacific.com.au)

21 October 2009

## **AXA ASIA PACIFIC HOLDINGS LIMITED**

AXA Asia Pacific Holdings today announced its new business and fund flows for the 9 months ended 30 September 2009.

### **Chief Executive Officer, Andrew Penn, said:**

“The third quarter of 2009 saw further improvements in local and global equity markets. Notwithstanding this, investor confidence has not yet recovered and industry sales in most of the markets in which we operate remain well below 2008.

“In this environment, our product and geographic distribution has continued to provide resilience to our business.

“Total new business index for Hong Kong was down 8 percent to HK\$1.7 billion whilst latest market statistics show industry sales for the first half were down 30 percent.

“In South East Asia, new business index was up 35 percent with particularly strong growth in Singapore, Thailand and Indonesia.

“New business index in India was up 19 percent to Rupee 2.8 billion (A\$75 million) and 59 percent in China to Rmb 198 million (A\$39 million).

“In Australia, total AXA wealth management net fund flows for the 9 months were \$376 million. North continues to be well supported with funds under management now more than A\$1 billion. Total individual financial protection new business was up 16 percent to \$75 million whilst group life new business was down 18 percent to \$16 million.

“In New Zealand, wealth management retail net fund flows were NZ\$99 million. Total financial protection new business was NZ\$20 million with individual financial protection new business up 5 percent to NZ\$16 million, offset by lower group life sales.

“Total group funds under management, administration and advice over the 9 months to 30 September 2009 were down 2 percent to \$81.9 billion.”

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## Hong Kong

- **Total new business index** was down 8% to HK\$1.65bn (2008 – HK\$1.79bn) due to lower sales of investment and unit linked products, partially offset by higher sales of traditional life business.
- **Total premium income** was down 1% to HK\$10.35bn (2008 – HK\$10.44bn) mainly due to lower single premium wealth management sales.
- New business index for **wealth management** was down 17% to HK\$751.1m (2008 – HK\$907.5m) due to lower sales of investment products, partially offset by growth through the bancassurance channel.
- **Financial protection** new business index was up 2% to HK\$900.7m (2008 – HK\$885.4m). The growth in traditional life business was partially offset by lower sales of unit linked protection and general insurance products.
- Mature **premium income** was down 7% to HK\$2.05bn (2008 – HK\$2.22bn). These products are closed to new business.
- **Total funds under management, administration and advice** in Hong Kong were up 18% to HK\$78.68bn (31 December 2008 – HK\$66.93bn).

## South East Asia

- **Total new business index** for South East Asia was up 35% to A\$296.8m (2008 – A\$219.8m) reflecting strong growth in all markets except for the Philippines.
- **Total inforce premiums** were up 6% to A\$812.7m (31 December 2008 – A\$765.2m).
- **Philippines** new business index was down 20% to Peso 669.7m (2008 – Peso 835.3m).
- **Indonesia** new business index was up 20% to Rupiah 854.7bn (2008 – Rupiah 715.1bn).
- **Thailand** new business index was up 28% to Baht 3.27bn (2008 – Baht 2.55bn).
- **Singapore** new business index was up 34% to S\$38.0m (2008 – S\$28.4m).
- **Malaysia** new business index was up 117% to Ringgit 29.7m (2008 – Ringgit 13.7m).

## India and China

- **India** new business index was up 19% to Rupee 2.76bn (2008 – Rupee 2.33bn) following the expansion of our branch network last year.
- **China** new business index was up 59% to Rmb 198.1m (2008 – Rmb 124.8m) due to the success of our multi-distribution strategy and the increased geographical coverage we achieved in the latter part of last year.

## ipac Asia

- **Total gross inflows** for ipac Asia were A\$125.8m (2008 – A\$376.8m). As previously disclosed, 2008 included a one off transfer of A\$224.6m.
- **Total funds under management and advice** were up 2% to A\$908.4m (31 December 2008 – A\$891.3m) due to the recent growth in global capital markets.

## Australia

- **Total Australia wealth management gross inflows** were down 41% to \$5.82bn (2008 – \$9.93bn) and AXA wealth management gross inflows were down 27% to \$5.76bn (2008 – \$7.86bn). Total wealth management net flows (including AllianceBernstein) were down \$10.74bn to \$(8.60)bn (2008 – \$2.14bn). AXA wealth management net flows were down 81% to \$376.2m (2008 – \$1.93bn). Whilst business activity remains well below 2008 in our industry, we are seeing some signs of modest improvement.
- **Platform** gross inflows were down 2% to \$1.75bn (2008 – \$1.78bn) and net flows were down 5% to \$628.6m (2008 – \$659.6m). The net inflow position reflects the continued strength of North.
- **Advice** gross inflows were up 38% to \$1.67bn (2008 – \$1.21bn) due to the inclusion of Genesys from 30 June 2008. Genesys and our existing advice businesses both reported positive net flows for the second and third quarters of 2009.
- **Investment** gross inflows were down 52% to \$2.35bn (2008 – \$4.87bn) due to lower sales in global equities and the impact of the banks guarantee on mortgage funds. Net flows were down \$1.43bn to \$(343.1)m (2008 – \$1.08bn).
- **AllianceBernstein** gross inflows were down 64% to \$2.00bn (2008 – \$5.54bn) and net flows were down \$11.58bn to \$(10.86)bn (2008 – \$726.7m) due to the termination of a number of client mandates in global equities and domestic fixed income.
- **Total Australia financial protection new business** was up 8% to \$90.8m (2008 – \$83.7m).
- **Individual life** new business was up 14% to \$51.3m (2008 – \$45.1m). Whilst we continue to improve our market position for new sales this remains below our inforce market share.
- **Individual income protection** new business was up 22% to \$23.6m (2008 – \$19.3m) due to the impact of price increases on the existing book.
- **Group risk** new business was down 18% to \$15.9m (2008 – \$19.3m). In the third quarter of 2008, a particularly large plan was successfully re-tendered. Excluding this, group risk new business has continued to increase reflecting ongoing tender success.
- Net flows from our **mature business** were \$(50.3)m (2008 – \$(182.4)m). Market conditions influenced customer sentiment leading to large cash inflows into our conservative saving account products during the last quarter of 2008 and the first quarter of 2009. This has now started to reverse.
- Gross inflows into AXA **superannuation and pension** products were up 8% to \$2.94bn (2008 – \$2.71bn) due to the inclusion of Genesys and strong North inflows. Net inflows were up 61% to \$499.7m (2008 – \$310.0m) due to lower outflows following the sale of our annuity business in late 2008.
- **Total funds under management, administration and advice** in Australia were down 3% to \$59.91bn (31 December 2008 - \$61.60bn).

## New Zealand

- **New Zealand gross retail wealth management inflows** were down 4% to NZ\$578.7m (2008 – NZ\$603.9m). The third quarter of 2009 was particularly strong due to money being converted from Gould Wealth Management clients onto our platform and continued growth in KiwiSaver. Retail net inflows were positive at NZ\$98.7m (2008 – NZ\$(339.4)m) due to reduced outflows across the business.
- **New Zealand gross wholesale wealth management inflows** were down 25% to NZ\$493.6m (2008 – NZ\$661.4m) due to lower inflows from AllianceBernstein, although third quarter inflows were 15% higher than the second quarter and 13% higher than the corresponding period last year. Net outflows, primarily related to AllianceBernstein, improved 67% to NZ\$(328.3)m (2008 – NZ\$(995.2)m).
- **Total New Zealand financial protection new business** was stable at NZ\$20.1m (2008 – NZ\$20.1m). The growth in individual financial protection of 5% was offset by lower group life new business.
- **Total funds under management, administration and advice** in New Zealand were up 8% to NZ\$6.76bn (31 December 2008 – NZ\$6.29bn).

## Hong Kong

### Hong Kong - Total

9 months to 30 September HK\$m	New business index			Premium income			Funds under management		
	2009	2008	Change	2009	2008	Change	30-Sep-09	31-Dec-08	Change
Total Hong Kong	1,651.8	1,793.0	(8)%	10,351.3	10,436.4	(1)%	78,683.8	66,928.9	18%

### Hong Kong - Wealth Management

9 months to 30 September HK\$m	New business index			Net flows			Funds under management		
	2009	2008	Change	2009	2008	Change	30-Sep-09	31-Dec-08	Change
Investment	566.1	656.9	(14)%						
Group retirement and investment products	185.0	250.6	(26)%						
Total wealth management	751.1	907.5	(17)%	1,867.1	1,162.0	61%	19,812.3	14,292.6	39%

### Hong Kong - Financial Protection <sup>1</sup>

9 months to 30 September HK\$m	New business index			Premium income			Regular Inforce Premiums		
	2009	2008	Change	2009	2008	Change	30-Sep-09	31-Dec-08	Change
Traditional life	660.2	577.6	14%						
Unit linked	39.2	96.2	(59)%						
Group risk	133.3	116.8	14%						
General insurance	68.0	94.8	(28)%						
Total financial protection	900.7	885.4	2%	4,630.0	4,454.2	4%	6,444.1	6,101.5	6%

1. Financial protection FUM as at 30 Sept 2009 was HK\$14.10bn (31 December 2008 - HK\$11.68bn)

### Hong Kong - Mature

9 months to 30 September HK\$m	Premium income			Inforce premiums			Funds under management		
	2009	2008	Change	30-Sep-09	31-Dec-08	Change	30-Sep-09	31-Dec-08	Change
Mature	2,054.8	2,218.1	(7)%	2,916.6	3,033.2	(4)%	44,773.9	40,955.3	9%

South East Asia<sup>1</sup>

9 months to 30 September local currency	New business index			Premium income			Inforce premiums		
	2009	2008	Change	2009	2008	Change	30-Sep-09	31-Dec-08	Change
Philippines (peso m)	669.7	835.3	(20)%	2,861.3	4,261.2	(33)%	2,004.4	1,861.9	8%
Indonesia (Rupiah bn)	854.7	715.1	20%	1,732.1	2,403.3	(28)%	2,557.0	2,081.6	23%
Thailand (Baht m)	3,267.6	2,550.9	28%	8,867.5	6,572.6	35%	10,579.3	8,128.5	30%
Singapore (Sing\$ m)	38.0	28.4	34%	127.6	213.3	(40)%	119.2	102.5	16%
Malaysia (Ringgit m)	29.7	13.7	>>	158.2	29.0	>>	37.2	34.3	8%

9 months to 30 September A\$m	New business index			Premium income			Inforce premiums		
	2009	2008	Change	2009	2008	Change	30-Sep-09	31-Dec-08	Change
Philippines	18.7	21.2	(12)%	79.8	108.4	(26)%	47.7	55.9	(15)%
Indonesia	106.8	85.8	24%	216.5	288.4	(25)%	299.2	260.2	15%
Thailand	125.8	85.8	47%	341.4	221.1	54%	357.9	333.0	7%
Singapore	34.4	22.4	54%	115.6	168.2	(31)%	95.8	102.0	(6)%
Malaysia	11.1	4.6	>>	59.3	9.8	>>	12.1	14.1	(14)%
<b>Total South East Asia</b>	<b>296.8</b>	<b>219.8</b>	<b>35%</b>	<b>812.6</b>	<b>795.9</b>	<b>2%</b>	<b>812.7</b>	<b>765.2</b>	<b>6%</b>

1. All metrics are reported on a 100% basis

India and China<sup>1</sup>

9 months to 30 September local currency	New business index			Premium income			Inforce premiums		
	2009	2008	Change	2009	2008	Change	30-Sep-09	31-Dec-08	Change
India (Rupee m)	2,764.9	2,328.6	19%	3,741.3	1,980.5	89%	4,737.0	3,415.5	39%
China (Rmb m)	198.1	124.8	59%	460.8	459.2	0%	465.4	328.8	42%

9 months to 30 September A\$m	New business index			Premium income			Inforce premiums		
	2009	2008	Change	2009	2008	Change	30-Sep-09	31-Dec-08	Change
India	75.3	61.1	23%	101.9	51.9	96%	111.4	99.9	12%
China	38.7	19.8	95%	89.9	72.9	23%	77.1	68.6	12%
<b>Total</b>	<b>114.0</b>	<b>80.9</b>	<b>41%</b>	<b>191.8</b>	<b>124.8</b>	<b>54%</b>	<b>188.5</b>	<b>168.5</b>	<b>12%</b>

1. All metrics are reported on a 100% basis

ipac Asia<sup>1</sup>

9 months to 30 September A\$m	Inflows			Netflows			Funds under management and advice		
	2009	2008	Change	2009	2008	Change	30-Sep-09	31-Dec-08	Change
<b>Total ipac</b>	<b>125.8</b>	<b>376.8</b>	<b>(67)%</b>	<b>(1.6)</b>	<b>322.3</b>	<b>&lt;&lt;</b>	<b>908.4</b>	<b>891.3</b>	<b>2%</b>

1. The 2008 flow s include \$224.6m of funds originated from AXA Singapore

## Australia

**Australia Wealth Management**

9 months to 30 September	Inflows			Netflows			Funds under management, administration and advice <sup>1</sup>		
	A\$m	2009	2008	Change	2009	2008	Change	30-Sep-09	31-Dec-08
Platforms	1,745.5	1,783.5	(2)%	628.6	659.6	(5)%	11,728.7	8,970.6	31%
Advice	1,668.2	1,211.3	38%	90.7	191.1	(53)%	13,378.5	11,889.0	13%
Investments	2,348.6	4,865.4	(52)%	(343.1)	1,082.8	<<	19,864.1	18,659.9	6%
<b>Total AXA</b>	<b>5,762.3</b>	<b>7,860.2</b>	<b>(27)%</b>	<b>376.2</b>	<b>1,933.5</b>	<b>(81)%</b>	<b>44,971.3</b>	<b>39,519.5</b>	<b>14%</b>
AllianceBernstein	2,002.9	5,542.4	(64)%	(10,856.4)	726.7	<<	29,722.7	38,635.2	(23)%
Inter-segment <sup>2</sup>	(1,949.7)	(3,473.6)	44%	1,878.3	(518.7)	>>	(25,981.9)	(27,544.3)	6%
<b>Total Wealth Management</b>	<b>5,815.5</b>	<b>9,929.0</b>	<b>(41)%</b>	<b>(8,601.9)</b>	<b>2,141.5</b>	<b>&lt;&lt;</b>	<b>48,712.1</b>	<b>50,610.4</b>	<b>(4)%</b>

1. Included in platform w as Multiport funds under advice of \$794.1m acquired in the second quarter of 2009

2. Inter-segment flow s are single flow s that reoccur across the value chain. Adjusting for these provides a single count view of Australia-wide funds under management, administration and advice and flow s

**Australia Financial Protection**

9 months to 30 September	New business			Discontinuances			Inforce Premiums		
	A\$m	2009	2008	Change	2009	2008	Change	30-Sep-09	31-Dec-08
Individual Life	51.3	45.1	14%	(30.5)	(26.1)	(17)%	296.9	276.1	8%
Individual Income Protection	23.6	19.3	22%	(18.0)	(16.9)	(7)%	193.8	188.2	3%
<b>Total individual Financial Protection</b>	<b>74.9</b>	<b>64.4</b>	<b>16%</b>	<b>(48.5)</b>	<b>(43.0)</b>	<b>(13)%</b>	<b>490.7</b>	<b>464.3</b>	<b>6%</b>
Group <sup>1</sup>	15.9	19.3	(18)%	(15.2)	(11.1)	(37)%	175.6	174.9	0%
<b>Total Financial Protection</b>	<b>90.8</b>	<b>83.7</b>	<b>8%</b>	<b>(63.7)</b>	<b>(54.1)</b>	<b>(18)%</b>	<b>666.3</b>	<b>639.2</b>	<b>4%</b>

1. Group new business and discontinuances have been restated to more accurately categorise new business and changes to existing business. There is no change to inforce premiums. (Restated numbers for new business: Q108:\$2.5m, Q208:\$4.3m, Q308:\$12.5m, Q408:\$9.3m, Q109:\$3.7m, Q209:\$4.5m. Restated numbers for discontinuances: Q108:\$3.5m, Q208:\$4.4m, Q308:\$3.2m, Q408:\$5.7m, Q109:\$3.6m, Q209:\$7.0m)

**Australia Mature**

9 months to 30 September	Inflows			Netflows			Funds under management		
	A\$m	2009	2008	Change	2009	2008	Change	30-Sep-09	31-Dec-08
Retirement income <sup>1</sup>	0.4	1.3	(69)%	(114.6)	(234.1)	51%	-	179.9	<<
Long Term Savings <sup>2</sup>	1,090.1	1,135.1	(4)%	141.7	136.8	4%	9,694.6	9,186.3	6%
Long Term Risk	33.1	33.9	(2)%	(77.4)	(85.1)	9%	1,506.2	1,619.6	(7)%
<b>Total Mature</b>	<b>1,123.6</b>	<b>1,170.3</b>	<b>(4)%</b>	<b>(50.3)</b>	<b>(182.4)</b>	<b>72%</b>	<b>11,200.8</b>	<b>10,985.8</b>	<b>2%</b>

1. Retirement income FUM at 30 June 2009 w as nil. Therefore, no flow s were reported post 30 June 2009 in retirement income

2. GSA funds under management as at 30 September 2009 w as \$1.50bn (31 December 2008 - \$1.18bn)

**Australia Superannuation and Pension (included in the tables above)**

9 months to 30 September	Inflows			Netflows		
	A\$m	2009	2008	Change	2009	2008
Wealth Management	2,493.8	2,142.5	16%	737.0	828.3	(11)%
Mature	442.6	571.0	(22)%	(237.3)	(518.3)	54%
<b>Total Superannuation and Pension<sup>1</sup></b>	<b>2,936.4</b>	<b>2,713.5</b>	<b>8%</b>	<b>499.7</b>	<b>310.0</b>	<b>61%</b>

1. Represents all direct flows into AXA superannuation and pension products. Internal transfers from superannuation to pension are not included as an inflow or an outflow. Flows into AXA investment products through superannuation products provided by other manufacturers are excluded

## New Zealand

### New Zealand - Wealth Management

9 months to 30 September NZ\$m	Inflows			Netflows			Funds under management, administration and advice <sup>1</sup>		
	2009	2008	Change	2009	2008	Change	30-Sep-09	31-Dec-08	Change
Retail Wealth Management	578.7	603.9	(4)%	98.7	(339.4)	>>	4,032.8	3,655.9	10%
Wholesale Wealth Management	493.6	661.4	(25)%	(328.3)	(995.2)	67%	3,895.2	3,896.7	(0)%
Inter-segment	(32.4)	(26.6)	(22)%	0.0	109.7	<<	(1,164.1)	(1,261.2)	8%
<b>Total Wealth Management</b>	<b>1,039.9</b>	<b>1,238.7</b>	<b>(16)%</b>	<b>(229.6)</b>	<b>(1,224.9)</b>	<b>81%</b>	<b>6,763.9</b>	<b>6,291.4</b>	<b>8%</b>

1. Inter-segment flows are single flows that reoccur across retail and wholesale. Adjusting for these provides a single count view of New Zealand-wide funds under management, administration and advice and flows

### New Zealand - Financial protection

9 months to 30 September NZ\$m	New business			Discontinuances			Inforce Premiums		
	2009	2008	Change	2009	2008	Change	30-Sep-09	31-Dec-08	Change
Individual	15.5	14.8	5%	(13.7)	(13.1)	(5)%	143.0	141.2	1%
Group	4.6	5.3	(13)%	(3.2)	(4.4)	27%	35.8	34.4	4%
<b>Financial protection</b>	<b>20.1</b>	<b>20.1</b>	<b>-</b>	<b>(16.9)</b>	<b>(17.5)</b>	<b>3%</b>	<b>178.8</b>	<b>175.6</b>	<b>2%</b>

## Group funds under administration, management and advice

	Local (bn)			A\$ (bn)		
	30-Sep-09	31-Dec-08	Change	30-Sep-09	31-Dec-08	Change
Hong Kong	78.7	66.9	18%	11.5	12.3	(7)%
Asia ex Hong Kong	n/a	n/a	n/a	4.5	4.2	7%
ipac Asia	n/a	n/a	n/a	0.9	0.9	-
Australia	59.9	61.6	(3)%	59.9	61.6	(3)%
New Zealand	6.8	6.3	8%	5.5	5.2	6%
Inter-segment <sup>1</sup>	n/a	n/a	n/a	(0.4)	(0.3)	(33)%
<b>Total</b>				<b>81.9</b>	<b>83.9</b>	<b>(2)%</b>

1. Inter-segment represents AXA Life Singapore funds administered on the ipac Dublin platform and investments managed by ipac Australia. The balance of funds administered on the ipac Dublin platform and investments managed by ipac Australia are also included. In total group FUM these funds are included once

Exchange rates<sup>1</sup>

		Average rate		Spot rate	
		30-Sep-09	30-Sep-08	30-Sep-09	31-Dec-08
Hong Kong	HK\$	5.81	7.11	6.85	5.45
Philippines	peso	35.86	39.32	42.05	33.30
Indonesia	rupiah	8,000.00	8,356.10	8,547.01	7,981.21
Thailand	baht	25.97	29.73	29.56	24.41
Singapore	sing\$	1.10	1.27	1.24	1.00
Malaysia	ringgit	2.67	2.96	3.06	2.43
India	rupee	36.71	38.14	42.51	34.20
China	rmb	5.12	6.30	6.03	4.79
New Zealand	NZ\$	1.25	1.20	1.22	1.21

1. Inflows, netflows, new business, discontinuances, new business index and premium income are translated using the respective average rate. Funds under management, administration and advice and inforce premiums are translated using the respective spot rate