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## **AMP Financial Services NZ builds on growth and welcomes the “turbo-charged” KiwiSaver**

- **Underlying profit margin up 15 per cent in the first half of 2007**
- **Life Insurance market share up for fourteenth consecutive quarter**
- **AMP confirmed as KiwiSaver default provider**
- **AMP acquires Roost, a mortgage broking franchise**
- **AMP re-enters home loan market through Kiwibank alliance**
- **AMP Centre opens in Central Auckland**

AMP Financial Services New Zealand today reported an underlying profit margin of NZ\$28.6 million for the half-year ended 30 June 2007, an increase of 15 per cent on the same period last year. Operating earnings increased to NZ\$27 million, up from NZ\$26 million in the same period last year.

Greg Camm, AMP Financial Services Managing Director, announced the result today just before he hands over the reins to incoming Managing Director, Jack Regan.

“We’ve grown new Life Insurance business 35 per cent since 2005 and this half’s steady performance builds on that. Jack’s been on board since February and the smooth transition reflects in this half’s results with AMP strengthening its Life Insurance market position for the fourteenth consecutive quarter. ”

Mr Camm said the changes announced by the Government in its May budget have had a significant impact on New Zealand’s financial services industry and savings in general.

“The May Budget turbo-charged KiwiSaver and dramatically changed the financial services industry overnight. Coupled with preparations for KiwiSaver on 1 July and product development for the new Portfolio Investment Entity (PIE) tax changes, it’s been a busy first half.

“The Budget changes sparked more interest in savings, and the upcoming investment tax changes make investing in managed funds more attractive,” said Mr Camm. “We’ve responded by investing in training and development to ensure

AMP Advisers continue to provide quality advice to customers in the changed environment.”

Mr Camm said AMP has been very active in the Workplace Savings market. “Employers and customers are very interested in AMP KiwiSaver and AMP’s been very active in this market of opportunity. We were confirmed as a default provider on 2 April. We began to enrol customers on 1 July and are on track to receive KiwiSaver funds from the IRD on 1 October.

“AMP regards its brand and distribution as valuable assets in this market. Because of our well known brand, our Advisers are getting significant numbers of enquiries about KiwiSaver. We are also actively engaged with KiwiSaver tenders through our Workplace Savings team.

“We welcome progress with the Government’s review of financial products and providers especially the measures to raise the quality of advice to consumers. We are well placed on quality advice as our Advisers are already subject to stringent quality and audit processes.”

AMP broadened its product range and distribution network during the half through a number of new arrangements.

“AMP re-entered the home loan market with an AMP branded mortgage product provided by Kiwibank. We also linked with BNZ on KiwiSaver to help them bring a Workplace Savings solution to their customers.

“AMP also completed the acquisition of the Roost mortgage broking franchise in May and put the AMP name back in lights with our move to the newly-branded AMP Centre in downtown Auckland,” said Mr Camm.

Jack Regan succeeds Greg Camm as Managing Director of AMP Financial Services from 1 September 2007.

## **Result Highlights**

- AMP Financial Services New Zealand’s underlying profit after tax rose 15 per cent to NZ\$28.6 million, up from NZ\$24.9 million on the same period last year.
- Life insurance market share increased for the fourteenth consecutive quarter with new business tracking at 5 per cent ahead of 2006. Market-leading customer loyalty levels continued.
- Operating earnings increased to NZ\$27 million, up from NZ\$26 million in the same period last year.
- AMP was confirmed as one of six default providers for the Government’s KiwiSaver Scheme.

**Ends**

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