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## **AMP Financial Services NZ posts strong results and looks forward to the 'game changing' with KiwiSaver**

- **Annual profit up 12 per cent**
- **Annual premium income on life insurance business up 16 per cent**
- **Strong future market growth anticipated with introduction of KiwiSaver**
- **AMP re-enters home loan market in partnership with Kiwibank**
- **AMP Scholarship Programme doubling from \$500,000 to \$1 million over next five years.**

AMP Financial Services New Zealand today reported an underlying profit after tax for the year ended 31 December 2006 of NZ\$66 million, up from NZ\$59 million in 2005, an increase of 12 per cent.

Operating earnings increased by 12 per cent to NZ\$60 million in 2006, up from NZ\$54 million in 2005. The New Zealand result was announced today alongside the AMP Limited result; an 11 per cent rise in underlying profit to \$A893 million for AMP Limited in the 12 months to 31 December 2006.

Greg Camm, Managing Director for AMP Financial Services New Zealand said, "Results in Australia benefit from a strong investment market on the back of compulsory superannuation. When you compare New Zealand and Australia, we don't have the environment to deliver the same kind of superannuation growth year on year."

"New Zealand has been the only country in the western world without tax incentives or compulsion for retirement savings.

"However, with the advent of KiwiSaver in July 2007, the game changes to encourage more Kiwis to save for their retirement. A move towards compulsory superannuation seems almost inevitable. Compulsory contributions funded by tax cuts look to be the logical next step," said Mr Camm.

As the launch date for KiwiSaver approaches, AMP is the market leader in New Zealand for workplace savings and has been invited to become one of the scheme's default providers.

"KiwiSaver is the beginning of a new era for workplace-based retirement savings in New Zealand," said Mr Camm.

AMP also announced today its decision to re-enter the home loan market and provide AMP-branded lending options through a partnership with Kiwibank.

“We have been working hard to return to market with AMP home loans through our Adviser force of 353 around the country,” said Mr Camm. “And we see significant customer benefits in Kiwibank’s extensive branch network.”

2006 was also a year of investment for AMP – in its people, its brand and the technology that will position the company going forward. At the same time, as a responsible member of the community, AMP is continuing to contribute to the communities around the country through our AMP Foundation partners – Habitat for Humanity, NZ Federation of Family Budgeting Services, Project K, YWCA Auckland and, most recently, Conservation Volunteers NZ.

“Again in 2006, AMP invested in the AMP Scholarship Programme, which is very important to AMP and its people. Through it, we lay the foundation for real Kiwis to realise their dreams by actively supporting 12 individuals each year over the next five years.

“So we are very pleased to announce today that we have committed to double that support from half a million to NZ\$1 million over the next five years.”

“AMP is also on track to move into the newly branded AMP Centre in Auckland’s CBD by mid 2007.

“We’ve invested heavily in our brand in the past year, with the launch of a high profile ongoing advertising campaign.

“And when we move to our new home in central Auckland, we’ll be more visible than ever,” said Mr Camm.

## **Result Highlights**

- AMP Financial Services New Zealand’s underlying year-end profit after tax rose 12 per cent to NZ\$66 million, up from NZ\$59 million in 2005.
- Strong growth in the life insurance arm with annual premium income up 16 per cent, driven by a 31 per cent increase in year-on-year new sales and a continuation of AMP’s market leading customer loyalty levels. Market share increased for the 12<sup>th</sup> consecutive quarter.
- AMP maintained market leadership in workplace savings at 27.6 per cent (as at December 2006). The company has also been invited to be one of six default providers for the Government’s KiwiSaver scheme.
- A further 63 new Advisers were successfully recruited to AMP, following 48 Advisers recruited in 2005, bringing the total to 353 Advisers nationwide. This included the recruitment of a further six existing independent adviser businesses into the AMP network.
- Return on Equity (ROE) increased from 27.6 per cent to 30.5 per cent.

**Ends**

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