

St Andrew's Australia continues strong growth trajectory

St Andrew's Australia, the wealth and insurance division of HBOS Australia, today announced profit before tax of \$22.6M, an increase of 109% on 2005.

Other key highlights were:

- Sales of insurance products as measured by Gross Written Premiums (GWP) up 36%
- Funds under management and advice increased by 18% to \$479m during 2006 and now exceeds 2 billion with the acquisition of Whittaker Macnaught

Announcing the result, St Andrew's Managing Director John Van Der Wielen said that St Andrew's was on a strong growth trajectory and was continuing to significantly increase its profits each year even with ongoing investment.

"St Andrew's commenced operating in 1998 and only 2 years ago, our profit was \$5.7M," he said.

"In the past 2 years we have more than quadrupled our profit while acquiring RACV Financial Services and investing significantly in resources and infrastructure to support our aggressive growth plans."

Mr Van Der Wielen said that strong growth in 2006 was due to a combination of factors.

"St Andrew's was well-positioned to take its share of the strong performing superannuation sector through our BankWest network, RACV alliance and now Whittaker Macnaught," he said.

"Our wealth division performed strongly in 2006 with 86 per cent increase in revenue over 2005, and commission income nearly doubling compared to the previous year.

"We continued to expand and strengthen our management team demonstrated by the appointment of Paul Northey as Director of Wealth and Renato Mazza as Director of Insurance.

"We have seen significant take up of our new range of simple, transparent life insurance products which are available direct to customers.

Plan for Life data released on 16 January, showed that in the twelve month period up to September 2006, St Andrew's was one of the fastest-growing Life Insurers, growing at 51% against a system growth of 11.5% and was also one of the fastest growing insurers in the individual risk (income and credit protection) with sales growing at almost 57% versus the system growth of just under 10%.

Mr Van Der Wielen said that in 2007 St Andrew's would look to accelerate its growth by expanding the range of its existing financial institutions and supporting the aggressive growth plans of HBOS Australia's BankWest business.

"We will also continue to broaden the range of our own manufactured products to make insurance and investment products more accessible to Australian consumers and leverage the Whittaker Macnaught acquisition to increase St Andrew's brand



awareness and provide general education around wealth and financial management,” he said.

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About St Andrew's:

St Andrew's Australia Pty Ltd, is a wholly owned subsidiary of HBOSA, and is the holding company of HBOS Australia's credit insurance, life insurance and wealth management businesses. St Andrew's Insurance (Australia) began trading in 1998 providing customers with consumer credit insurance products. In 2004, St Andrew's Australia opened a new life insurance company, St Andrew's Life Insurance to offer customers a range of term life and life insurance products. St Andrew's has continued to further expand its operations and also offers wealth management and investment product options through St Andrew's Wealth Management after acquiring BWA Financial Services Ltd in 2004 and RACV Financial Services Limited in 2005. These expansion initiatives form part of the overall growth strategy of HBOSA Insurance & Investment operations in the Australian market.