

Life Insurance Premium Inflows decline 2.4% over the year from \$40bn to \$39bn.

1. Overview of Life Insurance Premium Inflows: 12 months to March 2010

Overall Life Insurance Premium Inflows were relatively little changed over the year to the end of March 2010, down by only a fairly modest 2.4%. Nevertheless Risk Insurance continued to enjoy healthy growth up by 10.8%. Group Superannuation Investment Inflows also increased by 8.2% year on year. However all of the other sub-markets were down with Retirement Income falling 20.0%, Individual Superannuation Investment 10.8% and Ordinary (Non Superannuation) Investment 9.7%.

Challenger (32.1%), TOWER (25.1%), Macquarie Life (12.4%), Hallmark (11.7%) and AIA Australia (9.1%) reported significant growth in their Inflows while by contrast falls were recorded by MBF Life (-33.9%), AMP (-9.7%), BT / Westpac (-9.0%) and AXA Australia (-7.8%).

2.1 Retirement Income

Premium Inflows fell significantly, down by 20.0% over the last twelve months. Challenger (38.3%) was the only company to report any substantial growth in its Retirement Income Inflows in a generally down market with most of the others recording double digit percentage falls year on year. Suncorp (-73.8%), off a relatively low base, BT / Westpac (-44.1%) and National Australia / MLC (-42.7%) and MBF (-32.0%) experienced some of the largest falls in their annual Inflows. This market is comprised of Short Term Annuities, Complying Longer Term Annuities and Allocated Annuities/Pensions.

2.2 Individual Superannuation Investment

Overall Inflows into this sub-market fell by 10.8%. None of the leading companies reported any real growth with the best result being the flat growth recorded by National Australia / MLC (0.1%) which saw its Inflows remain more or less unchanged year on year. On the other hand MBF (-40.7%), BT / Westpac (-36.3%), Zurich (-16.3%), Challenger (-16.2%), Commlnsure (-15.5%), ING Australia (-14.2%), AMP (-10.4%) and TOWER (-10.3%) all reported double digit percentage falls. The Individual Super Investment sub-market comprises mainly of Single Premium Bonds and more recently Master Funds together with some older products.

2.3 Group Superannuation Investment

Group Superannuation Premium Inflows were up by 8.2% with ING (74.3%), National Australia / MLC (28.4%) and Macquarie (16.3%) recording the highest growth. All of the other leading companies saw their Inflows decline although in all cases the falls ranged from modest to relatively slight. This market category includes a large amount of older (pre 1970) products.

2.4 Ordinary (Non Superannuation) Investment

The long term decline in Ordinary (Non Superannuation) Investment business continued with Inflows into that market down by a further 9.7% over the last twelve months. A couple of notable exceptions to this trend were National Australia / MLC (6.9%) and Commlnsure (5.4%) which both managed to report some modest growth in their Ordinary business.

2.5 Risk Business

The Risk Market continues to enjoy solid and relatively stable upward growth experiencing a further 10.8% increase in annual Inflows. The best Risk business growth rates year on year were achieved by TOWER (33.2%), National Australia / MLC (13.4%), AMP (12.2%), ING (11.0%), BT / Westpac (11.0%) and AIA (10.8%).

TABLES SECTION

1.1 Total Inflows By Life Insurance Market

| \$millions | Year Ended Mar-10 | Annual Growth | Year Ended Mar-09 | Annual Growth | Year Ended Mar-08 |
|--|----------------------|------------------|----------------------|------------------|----------------------|
| Retirement Income | 5,616.7 | -20.0% | 7,023.4 | -41.8% | 12,068.1 |
| Individual Superannuation Investment | 11,003.0 | -10.8% | 12,340.6 | -21.9% | 15,803.2 |
| Group Superannuation Investment | 13,462.7 | 8.2% | 12,446.1 | -21.7% | 15,885.7 |
| Ordinary (Non Superannuation) Investment | 538.7 | -9.7% | 596.5 | -12.4% | 680.9 |
| Risk Insurance | 8,427.8 | 10.8% | 7,604.7 | 16.0% | 6,555.7 |
| Total | 39,048.9 | -2.4% | 40,011.3 | -21.5% | 50,993.6 |

1.2 Total Inflows By Life Insurance Market

| \$millions | Year Ended Mar-10 | Annual Growth | Market Share | Year Ended Mar-09 | Market Share | Year Ended Mar-08 | Market Share |
|--------------------------------|----------------------|------------------|-----------------|----------------------|-----------------|----------------------|-----------------|
| AMP Group | 12,870.2 | -9.7% | 33.0% | 14,245.4 | 35.6% | 14,825.9 | 29.1% |
| National Australia / MLC Group | 8,225.3 | 3.9% | 21.1% | 7,919.1 | 19.8% | 14,480.3 | 28.4% |
| ING Australia Group | 6,442.6 | 5.2% | 16.5% | 6,124.6 | 15.3% | 8,593.9 | 16.9% |
| AXA Australia Group | 2,121.4 | -7.8% | 5.4% | 2,300.7 | 5.8% | 1,818.5 | 3.6% |
| CommInsure Group | 2,079.2 | -5.5% | 5.3% | 2,201.0 | 5.5% | 2,377.9 | 4.7% |
| BT / Westpac Group | 1,766.4 | -9.0% | 4.5% | 1,940.1 | 4.8% | 2,674.7 | 5.2% |
| Suncorp Group | 1,211.2 | -6.3% | 3.1% | 1,292.7 | 3.2% | 1,621.7 | 3.2% |
| TOWER Group | 1,061.4 | 25.1% | 2.7% | 848.6 | 2.1% | 885.7 | 1.7% |
| AIA Australia | 783.9 | 9.1% | 2.0% | 718.4 | 1.8% | 404.4 | 0.8% |
| Challenger Financial Group | 740.8 | 32.1% | 1.9% | 561.0 | 1.4% | 624.8 | 1.2% |
| Macquarie Life | 709.3 | 12.4% | 1.8% | 631.2 | 1.6% | 1,123.9 | 2.2% |
| MBF Life | 371.0 | -33.9% | 0.9% | 561.0 | 1.4% | 768.9 | 1.5% |
| Zurich Group | 312.6 | -2.5% | 0.8% | 320.5 | 0.8% | 422.8 | 0.8% |
| MetLife Insurance | 251.4 | -1.0% | 0.6% | 253.8 | 0.6% | 280.9 | 0.6% |
| Hallmark Group | 36.8 | 11.7% | 0.1% | 32.9 | 0.1% | 31.5 | 0.1% |
| Allianz Australia Life | 27.1 | 13.2% | 0.1% | 24.0 | 0.1% | 22.1 | 0.0% |
| HCF Life | 20.9 | 3.6% | 0.1% | 20.2 | 0.1% | 20.0 | 0.0% |
| Cuna Mutual | 15.8 | 7.9% | 0.0% | 14.6 | 0.0% | 14.1 | 0.0% |
| IOOF Life | 0.8 | 0.0% | 0.0% | 0.8 | 0.0% | 0.8 | 0.0% |
| Combined Life | 0.7 | -3.6% | 0.0% | 0.8 | 0.0% | 0.8 | 0.0% |
| Others | 0.0 | N/A | 0.0% | 0.0 | 0.0% | 0.0 | 0.0% |
| Total | 39,048.9 | -2.4% | 100.0% | 40,011.3 | 100.0% | 50,993.6 | 100.0% |

* Life Insurance Groups only refers to the Life Insurance Business of these groups and specifically excludes their non-life businesses

Media Release

Life Insurance Premium Inflows for Year Ended March 2010

Release Date: 16 July 2010

2.1 Retirement Income Inflows

| \$millions | Year Ended Mar-10 | Annual Growth | Market Share | Year Ended Mar-09 | Market Share | Year Ended Mar-08 | Market Share |
|--------------------------------|----------------------|------------------|-----------------|----------------------|-----------------|----------------------|-----------------|
| AMP Group | 2,328.4 | -14.6% | 41.5% | 2,725.4 | 38.8% | 3,705.3 | 30.7% |
| ING Australia Group | 1,192.5 | -19.7% | 21.2% | 1,484.7 | 21.1% | 2,775.3 | 23.0% |
| National Australia / MLC Group | 881.0 | -42.7% | 15.7% | 1,537.6 | 21.9% | 3,414.3 | 28.3% |
| Challenger Financial Group | 687.2 | 38.3% | 12.2% | 497.0 | 7.1% | 601.5 | 5.0% |
| CommInsure Group | 262.3 | -15.7% | 4.7% | 311.0 | 4.4% | 492.0 | 4.1% |
| MBF Life | 167.0 | -32.0% | 3.0% | 245.6 | 3.5% | 292.4 | 2.4% |
| BT / Westpac Group | 53.6 | -44.1% | 1.0% | 95.9 | 1.4% | 275.5 | 2.3% |
| Suncorp Group | 27.5 | -73.8% | 0.5% | 104.8 | 1.5% | 308.5 | 2.6% |
| Zurich Group | 14.6 | -24.6% | 0.3% | 19.3 | 0.3% | 58.8 | 0.5% |
| AXA Australia Group | 1.7 | 3.5% | 0.0% | 1.6 | 0.0% | 94.5 | 0.8% |
| Others | 0.8 | 88.9% | 0.0% | 0.4 | 0.0% | 50.0 | 0.4% |
| Total | 5,616.7 | -20.0% | 100.0% | 7,023.4 | 100.0% | 12,068.1 | 100.0% |

2.2 Individual Superannuation Investment Inflows

| \$millions | Year Ended Mar-10 | Annual Growth | Market Share | Year Ended Mar-09 | Market Share | Year Ended Mar-08 | Market Share |
|--------------------------------|----------------------|------------------|-----------------|----------------------|-----------------|----------------------|-----------------|
| AMP Group | 5,373.8 | -10.4% | 48.8% | 5,998.5 | 48.6% | 5,872.4 | 37.2% |
| National Australia / MLC Group | 2,354.2 | 0.1% | 21.4% | 2,352.7 | 19.1% | 4,098.4 | 25.9% |
| ING Australia Group | 2,044.5 | -14.2% | 18.6% | 2,383.4 | 19.3% | 3,637.8 | 23.0% |
| CommInsure Group | 369.8 | -15.5% | 3.4% | 437.7 | 3.5% | 619.6 | 3.9% |
| AXA Australia Group | 322.5 | -9.1% | 2.9% | 354.5 | 2.9% | 410.8 | 2.6% |
| MBF Life | 163.4 | -40.7% | 1.5% | 275.4 | 2.2% | 440.8 | 2.8% |
| BT / Westpac Group | 101.3 | -36.3% | 0.9% | 159.1 | 1.3% | 310.2 | 2.0% |
| TOWER Group | 91.2 | -10.3% | 0.8% | 101.6 | 0.8% | 112.8 | 0.7% |
| Zurich Group | 77.7 | -16.3% | 0.7% | 92.8 | 0.8% | 138.0 | 0.9% |
| Challenger Financial Group | 53.6 | -16.2% | 0.5% | 64.0 | 0.5% | 23.3 | 0.1% |
| Others | 50.9 | -57.8% | 0.5% | 120.7 | 1.0% | 139.3 | 0.9% |
| Total | 11,003.0 | -10.8% | 100.0% | 12,340.6 | 100.0% | 15,803.2 | 100.0% |

2.3 Group Superannuation Investment Inflows

| \$millions | Year Ended Mar-10 | Annual Growth | Market Share | Year Ended Mar-09 | Market Share | Year Ended Mar-08 | Market Share |
|--------------------------------|----------------------|------------------|-----------------|----------------------|-----------------|----------------------|-----------------|
| AMP Group | 4,280.5 | -8.9% | 31.8% | 4,700.8 | 37.8% | 4,491.7 | 28.3% |
| National Australia / MLC Group | 3,620.3 | 28.4% | 26.9% | 2,819.0 | 22.6% | 5,884.2 | 37.0% |
| ING Australia Group | 2,062.9 | 74.3% | 15.3% | 1,183.6 | 9.5% | 1,190.6 | 7.5% |
| BT / Westpac Group | 1,175.7 | -8.7% | 8.7% | 1,287.7 | 10.3% | 1,701.0 | 10.7% |
| AXA Australia Group | 1,061.8 | -14.8% | 7.9% | 1,245.9 | 10.0% | 648.2 | 4.1% |
| Macquarie Life | 650.7 | 16.3% | 4.8% | 559.4 | 4.5% | 1,095.7 | 6.9% |
| Suncorp Group | 461.1 | -2.7% | 3.4% | 473.9 | 3.8% | 588.0 | 3.7% |
| CommInsure Group | 116.7 | -2.9% | 0.9% | 120.2 | 1.0% | 143.4 | 0.9% |
| TOWER Group | 20.6 | -37.7% | 0.2% | 33.0 | 0.3% | 73.9 | 0.5% |
| Zurich Group | 12.3 | -45.5% | 0.1% | 22.6 | 0.2% | 60.1 | 0.4% |
| Others | 0.0 | N/A | 0.0% | 0.0 | 0.0% | 8.9 | 0.1% |
| Total | 13,462.7 | 8.2% | 100.0% | 12,446.1 | 100.0% | 15,885.7 | 100.0% |

2.4 Ordinary (Non Superannuation) Investment Inflows

| \$millions | Year Ended Mar-10 | Annual Growth | Market Share | Year Ended Mar-09 | Market Share | Year Ended Mar-08 | Market Share |
|--------------------------------|----------------------|------------------|-----------------|----------------------|-----------------|----------------------|-----------------|
| CommInsure Group | 166.7 | 5.4% | 30.9% | 158.1 | 26.5% | 123.6 | 18.2% |
| AMP Group | 120.9 | -12.0% | 22.4% | 137.4 | 23.0% | 145.2 | 21.3% |
| ING Australia Group | 73.4 | -33.1% | 13.6% | 109.7 | 18.4% | 155.7 | 22.9% |
| AIA Australia | 55.2 | -8.9% | 10.2% | 60.6 | 10.2% | 64.3 | 9.4% |
| AXA Australia Group | 52.5 | -7.0% | 9.8% | 56.5 | 9.5% | 62.0 | 9.1% |
| National Australia / MLC Group | 36.0 | 6.9% | 6.7% | 33.7 | 5.6% | 35.0 | 5.1% |
| Suncorp Group | 11.9 | -5.4% | 2.2% | 12.6 | 2.1% | 14.9 | 2.2% |
| BT / Westpac Group | 11.6 | -22.9% | 2.2% | 15.1 | 2.5% | 64.5 | 9.5% |
| Zurich Group | 5.0 | -12.9% | 0.9% | 5.8 | 1.0% | 6.9 | 1.0% |
| TOWER Group | 3.4 | -7.2% | 0.6% | 3.6 | 0.6% | 5.1 | 0.7% |
| Others | 2.0 | -42.6% | 0.4% | 3.6 | 0.6% | 3.8 | 0.6% |
| Total | 538.7 | -9.7% | 100.0% | 596.5 | 100.0% | 680.9 | 100.0% |

2.5 Risk Business Inflows

| \$millions | Year Ended Mar-10 | Annual Growth | Market Share | Year Ended Mar-09 | Market Share | Year Ended Mar-08 | Market Share |
|--------------------------------|----------------------|------------------|-----------------|----------------------|-----------------|----------------------|-----------------|
| National Australia / MLC Group | 1,333.8 | 13.4% | 15.8% | 1,176.1 | 15.5% | 1,048.5 | 16.0% |
| CommInsure Group | 1,163.6 | -0.9% | 13.8% | 1,174.0 | 15.4% | 999.3 | 15.2% |
| ING Australia Group | 1,069.4 | 11.0% | 12.7% | 963.2 | 12.7% | 834.6 | 12.7% |
| TOWER Group | 946.3 | 33.2% | 11.2% | 710.4 | 9.3% | 693.8 | 10.6% |
| AMP Group | 766.5 | 12.2% | 9.1% | 683.3 | 9.0% | 611.4 | 9.3% |
| AIA Australia | 728.8 | 10.8% | 8.6% | 657.8 | 8.6% | 340.1 | 5.2% |
| AXA Australia Group | 682.9 | 6.3% | 8.1% | 642.2 | 8.4% | 603.1 | 9.2% |
| Suncorp Group | 661.1 | 5.7% | 7.8% | 625.3 | 8.2% | 588.6 | 9.0% |
| BT / Westpac Group | 424.2 | 11.0% | 5.0% | 382.3 | 5.0% | 323.5 | 4.9% |
| MetLife Insurance | 251.4 | -1.0% | 3.0% | 253.8 | 3.3% | 222.4 | 3.4% |
| Others | 399.8 | 18.9% | 4.7% | 336.4 | 4.4% | 290.6 | 4.4% |
| Total | 8,427.8 | 10.8% | 100.0% | 7,604.7 | 100.0% | 6,555.7 | 100.0% |

3. Premium Inflows Relationship to In-Force Annual Premiums and New Single and Annual Premiums

Premium Inflows, which combines both the In-Force Annual Premium and New Single Premium statistics, is we believe a simple yet very illustrative measure of business growth and market share trends.

New Annual Premiums (which also effectively form part of Premium Inflows) is becoming a less and less relevant statistical measure of business growth, particularly in respect of investment/savings business where Companies have difficulty distinguishing between New Annual and Single Premiums.

The following table provides a means of comparing the size of each of the statistics, both old and new. As can be seen from the table below, many companies now count much of their New Business as Single Premium rather than Annual Premium.

Although we will increasingly foster the preferred use of Premium Inflows, we will still provide source material, which has the "old" parameters of New Single Premiums, New Annual Premiums and In-Force Annual Premiums for those analysts who find them useful.

Life Insurance Market In-Force & New Premium Statistics - Year Ended March 2010

| \$millions | Total Inflows | In-Force Annual Premiums | New Single Premiums | New Annual Premiums |
|--------------------------------|-----------------|--------------------------|---------------------|---------------------|
| AMP Group | 12,870.2 | 1,082.2 | 11,788.1 | 142.3 |
| National Australia / MLC Group | 8,225.3 | 1,583.7 | 6,641.7 | 438.1 |
| ING Australia Group | 6,442.6 | 1,030.5 | 5,412.1 | 224.1 |
| AXA Australia Group | 2,121.4 | 1,204.0 | 917.4 | 162.8 |
| CommInsure Group | 2,079.2 | 1,364.9 | 714.3 | 328.2 |
| BT / Westpac Group | 1,766.4 | 423.1 | 1,343.3 | 82.7 |
| Suncorp Group | 1,211.2 | 748.7 | 462.5 | 83.1 |
| TOWER Group | 1,061.4 | 1,002.3 | 59.2 | 346.2 |
| AIA Australia | 783.9 | 779.8 | 4.1 | 96.2 |
| Challenger Financial Group | 740.8 | - | 740.8 | - |
| Macquarie Life | 709.3 | 56.2 | 653.0 | 29.7 |
| MBF Life | 371.0 | 40.4 | 330.5 | 1.9 |
| Zurich Group | 312.6 | 205.4 | 107.2 | 33.1 |
| MetLife Insurance | 251.4 | 251.4 | - | 25.0 |
| Hallmark Group | 36.8 | 3.3 | 33.5 | 0.0 |
| Allianz Australia Life | 27.1 | 6.7 | 20.4 | 2.4 |
| HCF Life | 20.9 | 19.9 | 1.0 | 2.8 |
| Cuna Mutual | 15.8 | 5.9 | 9.9 | 1.0 |
| IOOF Life | 0.8 | 0.8 | - | - |
| Combined Life | 0.7 | 0.7 | - | - |
| Others | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 39,048.9 | 9,810.0 | 29,238.9 | 1,999.8 |

About the Media Release

Plan for Life Pty Ltd, Actuaries and Researchers, are pleased to provide the Media Release on Life Insurance Industry Premium Inflows for the year to March 2010, based on data sourced from Life Insurance Companies.

The Life Insurance Industry is analysed using the statistic; Premium Inflow, which is defined as In Force Premium at the end of the reported period, plus Single Premiums during the reported period. This is very similar to the statistic "New Inflows", used in the Funds Management Industry, and means that Life Insurance Companies can be assessed in a similar fashion to other fund managers.

The Statistics provided in this Report represent funds that flow through Life Companies' Statutory Funds, and as such exclude funds that flow through Unit Trusts and Master Funds. Consequently this Report concentrates on the market shares held within the Life Industry Funds, and not the overall Retail Funds Industry.

For the balance of this report it is important not to read too much into some of the reductions in business as some companies may have a deliberate strategy of getting rid of unprofitable business and moving funds from Life Office products to Trust based products (ie non-life insurance based). We can provide more details, in specific cases, on request.

Data Collection and Estimation Techniques

This Report is based wherever possible on data collected directly from the various Life Companies; prior to 1998, a part of the data is based on that collected by the Insurance and Superannuation Commission (now APRA), to whom acknowledgment is given. The majority of Companies now provide data to Plan for Life at least 6 monthly, as well as 3 monthly in the case of the major Companies. Where Companies no longer maintain quarterly statistics, estimates based on previous trends have been used; these have no material affect on the overall quality of the data.

Disclaimer and Conditions of Use

Plan for Life Pty Ltd has taken all reasonable care to ensure that data contained in this Report is accurate, fair, reasonable and balanced; no responsibility is taken for the manner in which the statistics and analysis are subsequently used. This Report is provided as an information service to Companies and Advisers in the Financial Services industry and is not suitable to be acted upon as investment advice. It is advisable to obtain investment advice before making any investment decisions relying on the information provided. Reference to this Report may be made provided the source is clearly indicated as follows: "Media Release Life Insurance Industry Results - March 2010, Plan For Life Pty Ltd".

Products and Services

Plan For Life provides a number of different data applications and analyses based on the quarterly data collection.

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