ASX Announcement



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Manager ASX Market Announcements Australian Securities Exchange Level 4, 20 Bridge Street Sydney NSW 2000

Announcement No: 33/2012 AMP Limited (ASX/NZX: AMP) Manager Market Information Services Section New Zealand Stock Exchange Level 24, NZX Centre, 11 Cable Street Wellington, New Zealand

AMP Limited reports third quarter cashflows, AUM and business update

Please see the attached media release.



Media Release



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Public Affairs

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AMP_AU

AMP Limited reports third quarter cashflows, AUM and business update

AMP Limited today reported cashflows for AMP Financial Services (AFS)¹ and the Group's assets under management (AUM) for the third quarter to 30 September 2012.

AFS net cashflows were \$605 million for the quarter compared to a net cash outflow of \$335 million for Q3 11.

Australian Contemporary Wealth Management AUM at 30 September 2012 was \$94.2 billion, up 14 per cent on 1H 12. This includes \$10 billion of AUM in AMP SMSF. AMP Capital Investors AUM at 30 September 2012 was \$126.9 billion, up 3 per cent for the guarter.

AFS's growth initiatives continued to deliver positive results in Q3 12 with growth in the business' core contemporary platforms – predominantly North as well as AMP's new business unit AMP SMSF.

Highlights for Q3 12 were:

- North cemented its position as a leading wrap platform with \$3.7 billion in AUM, up 26 per cent on 30 June 2012. Net cashflows more than doubled to \$644 million, up from \$242 million in Q3 11, mainly due to stronger cash inflows, in part from the increased take-up of North by AMP's aligned planner network.
- AMP Flexible Super AUM increased 15 per cent to \$6.5 billion in Q3 12 compared to \$5.7 billion on 30 June 2012. Net cashflows for Q3 12 were \$639 million, compared to \$788 million in Q3 11 due to lower internal product flows and higher pension payments on the back of higher AUM balances.
- Corporate superannuation net cash outflows were \$116 million, compared with net cash outflows of \$40 million in Q3 11, reflecting a mandate loss during the quarter.
- AMP SMSF, comprising Cavendish, Multiport, Ascend, and AMP's 49 per cent shareholding in SuperIQ, had net cashflows of \$209 million for the quarter, up from \$40 million in Q3 11.
 - As at 30 September 2012, AMP SMSF administered more than 9,000 funds, up from 3,090² member funds at 1H 12. This includes funds from the Cavendish acquisition (4,780) and from Smart Super (965) which was acquired by SuperIQ in the quarter.

AMP Limited

¹ AFS cashflows include AMP SMSF.

² Restated from 1H 12.

- External platforms had net cashflows of \$194 million in Q3 12 compared to net cash outflows of \$323 million in Q3 11. This increase is mainly due to a number of new financial planning practices joining Hillross during the period.
- New Zealand KiwiSaver net cashflows were \$99 million for Q3 12, compared to \$168 million for Q3 11 mainly due to the NZ Government reducing its matched KiwiSaver contributions. Total New Zealand AUM at 30 September 2012 increased 6 per cent to A\$10.1 billion due to higher investment markets.
- AFS's Mature net cash outflows were \$144 million, an improvement on Q3 11 cash outflows which were \$470 million, due to \$320 million from the rollover of AXA's National Preservation Trust product into the AMP mature book.
- AMP Bank's mortgage book grew to \$12.2 billion in Q3 12, up from \$12.0 billion as at 1H 12, while its deposit book remained relatively stable at \$8.5 billion. Retail deposits fell \$460 million over the quarter due to a change in AMP Bank's desired funding mix.
- Risk insurance annual premium income for AMP and AXA's risk businesses increased
 3.1 per cent at the end of the quarter to \$2.0 billion compared to \$1.9 billion in 30 June 2012.

Detailed cashflow and AUM data tables are attached.

Business update

Contemporary Wealth Protection experience

Similar to 2011, third quarter experience in Contemporary Wealth Protection has been poor. Experience losses were \$37 million in Q3 12³ compared to experience profits of \$5 million in 1H 12. This reflected the volatile nature of experience from period to period across an in-force portfolio of \$1.7 billion.

Total claims experience losses in 3Q 12 were \$25 million while lapse experience losses were \$12 million. Higher income protection claims were experienced across both the AMP and AXA life companies, due to lower rates of claims closure than in 1H 12.

Lapse experience on retail risk products deteriorated across both the income protection and lump sum businesses with more customers reducing their levels of cover and poorer lapse experience at higher premium levels.

AMP is taking steps to improve retention and claims management through expanding underwriting, claims and retention resources, targeted retention campaigns at both the customer and planner level and implementing new claims management policies focussed on high cost claims and earlier intervention.

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³ Unaudited figures.

Q3 12 Cashflows

	Cash inflo	ws	Cash outflows		Net cashflows	
Cashflows by product (A\$m)	Q3 12	Q3 11	Q3 12	Q3 11	Q3 12	Q3 11
Australian contemporary wealth management						
AMP Flexible Super ¹	1,560	1,414	921	626	639	788
North ²	1,071	523	427	282	644	242
SMSF ³	295	100	86	60	209	40
Summit, Generations and iAccess (including Assure) ⁴	708	867	1,039	1,092	(331)	(225)
Flexible Lifetime Super (superannuation and pension) ⁵	581	677	1,218	1,314	(637)	(637)
Other retail investment and platforms ⁶	79	122	165	210	(86)	(88)
Total retail on AMP platforms	4,294	3,703	3,856	3,584	438	119
Corporate superannuation and pensions ⁷	769	737	885	789	(116)	(52)
Corporate superannuation mandate wins	-	12	-	-	-	12
Total corporate superannuation	769	749	885	789	(116)	(40)
Total retail and corporate super on AMP Platforms	5,063	4,452	4,741	4,373	322	79
External platforms ⁸	1,140	766	946	1,089	194	(323)
Total Australian contemporary wealth management	6,203	5,218	5,687	5,462	516	(244)
Total Australian contemporary wealth protection	, , , , , , , , , , , , , , , , , , ,	,	·	·		, ,
Individual risk	336	310	159	136	177	173
Group risk	90	115	58	49	32	67
Total Australian contemporary wealth protection	426	425	217	185	209	240
Total Australian contemporary	6,629	5,643	5,904	5,647	725	(5)
Australian mature	461	160	605	631	(144)	(470)
Total Australia	7,090	5,803	6,509	6,278	581	(475)
New Zealand	,	,,,,,,,	,	,		(-,
KiwiSaver	144	192	45	25	99	168
Other	190	177	265	204	(75)	(28)
New Zealand	334	369	310	229	24	140
Total AFS cashflows	7,424	6,172	6,819	6,507	605	(335)
Australian contemporary wealth management - AMP Bank by	product ⁹					
Deposits (Supercash, Super TDs & Platform TDs)					410	670
Deposits (Retail)					(460)	215
Mortgages					208	100
Cashflows by distribution channel (A\$m)						
AMP Financial Planning	2,657	2,438	2,632	2,449	25	(11)
Hillross	866	494	491	703	375	(209)
AXA Financial Planning / Charter Financial Planning	935	902	874	827	61	75
Jigsaw advisers	115	99	132	93	(17)	6
ipac group advisers and Tynan Mackenzie	546	493	565	549	(19)	(56)
Genesys group advisers	300	240	308	273	(8)	(33)
Direct (including corporate superannuation)	436	332	431	253	5	79
Centrally managed clients and other	662	186	318	265	344	(79)
3rd party distributors	573	619	758	866	(185)	(247)
Total Australia	7,090	5,803	6,509	6,278	581	(475)
New Zealand	334	369	310	229	24	140
Total AFS cashflows	7,424	6,172	6,819	6,507	605	(335)

- AMP Flexible Super is a flexible all in one superannuation and retirement account for individual retail and SME business. North is a market leading fully functioning wrap platform which includes guaranteed and non-guaranteed options. SMSF includes Multiport, SuperIQ, Ascend and Cavendish administration platforms. SuperIQ is 49% owned by AMP.

- Summit and Generations are owned and developed platforms. iAccess and Assure are ipac badges on Summit.
- Flexible Lifetime Super (superannuation and pension) was closed to new business from 1 July 2010. A small component of corporate superannuation schemes is included.

- Other retail investment and platforms include Flexible Lifetime Investments, AMP Personal Portfolio and Synergy.

 Corporate superannuation and pensions comprise SignatureSuper, CustomSuper, SuperLeader and AXA Business Super.

 External platforms comprise Asgard, BT Wrap, Macquarie Wrap, Solar and other margin earning platforms used by Genesys.

 Represents movements in AMP Bank's deposits and mortgage books.

Q3 12 AUM¹

	Q2 12 Q3 12 Net cashflows						Total	Q3 12	
AUM (A\$m)	AUM	Super- annuatio n	Pension	Investment	SMSF	Other	net cashflows	movements 2	AUM
Australian contemporary wealth management									
AMP Flexible Super	5,656	295	344	-	-	-	639	218	6,513
North	2,954	254	270	120	-	-	644	119	3,717
SMSF	1,914	-	-	-	209	-	209	7,908	10,031
Summit, Generations and iAccess (including Assure)	13,333	(177)	(79)	(75)	-	-	(331)	695	13,697
Flexible Lifetime (superannuation and pension)	22,953	(362)	(275)	-	-	-	(637)	1,036	23,352
Other retail investment and platforms	3,065	(28)	(23)	(35)	-	-	(86)	160	3,139
Total retail on AMP platforms	49,875	(18)	237	10	209	-	438	10,136	60,449
Total corporate superannuation	19,939	(118)	2	-	-	-	(116)	605	20,428
Total retail and corporate superannuation on AMP platforms	69,814	(136)	239	10	209	-	322	10,741	80,877
External platforms	12,495	72	11	111	-	-	194	607	13,296
Total Australian contemporary wealth management	82,309	(64)	250	121	209	-	516	11,348	94,173
Australian contemporary wealth protection						209	209	(209)	
Australian mature	22,907	105	(64)	(14)	-	(171)	(144)	310	23,073
Total Australia	105,216	41	186	107	209	38	581	11,449	117,246
New Zealand									
KiwiSaver	1,642	99	-	-	-	-	99	104	1,845
Other	7,894	(2)	(1)	(74)	-	2	(75)	483	8,302
New Zealand	9,536	97	(1)	(74)	-	2	24	587	10,147
Total AUM	114,752	138	185	(33)	209	40	605	12,036	127,393
Australian contemporary wealth management -	AMP Bank by	product							
Deposits (Supercash, Super TDs & Platform TDs)	4,105							410	4,515
Deposits (retail)	4,486							(460)	4,026
Mortgages	12,036							208	12,244

Q3 12 AUM and API summary

AUM (A\$m)	Q2 12 AUM	Q3 12 AUM
Australian contemporary wealth management - AUM by product		
Superannuation	49,742	51,663
Pension	20,312	21,585
Investment	10,341	10,894
SMSF	1,914	10,031
Total	82,309	94,173
Australian contemporary wealth management (excluding SMSF) - AUM by as	sset class	
Cash and fixed interest	33%	33%
Australian equities	34%	34%
International equities	22%	23%
Property	6%	6%
Other	5%	4%
Total	100%	100%
AUM summary (A\$b)		
Australian contemporary wealth management		
Closing AUM (excluding SMSF)	80	84
Closing AUM (including SMSF)	82	94
Average AUM (excluding SMSF)	81	82
Asset Management		
AMP Capital		
Closing AUM	123.3	126.9
Average AUM	124.3	125.3
Risk insurance Annual Premium Income - API (A\$m)		
Australia		
Individual lump sum	930	978
Individual income protection	398	404
Group risk	354	353
Total Australia	1,682	1,735
New Zealand		
Individual lump sum	193	200
Individual income protection	36	35
Group risk	30	31
Total New Zealand	259	266
Total API	1.941	2,001

Reported AUM excludes shareholder capital.
 Other movements includes fees, investment returns, taxes, as well as foreign currency movements on New Zealand AUM.