



ASX Announcement

27 October 2011

Manager Manager  
Company Announcements Office  
Australian Securities Exchange  
Level 4, 20 Bridge Street  
Sydney NSW 2000

Market Information Services Section  
New Zealand Stock Exchange  
Level 2, NZX Centre, 11 Cable Street  
Wellington New Zealand

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**AMP Limited (ASX/NZX: AMP)**  
**(also for release to AMP Group Finance Services Limited (ASX: AQNHA & NZX: AQN010))**

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**AMP Limited reports third quarter cashflows**

Please see attached announcement.

27 October 2011

## **AMP Limited reports third quarter cashflows, AUM and business update**

AMP Limited today reported cashflows for AMP Financial Services (AFS) and the group's assets under management (AUM) for the third quarter to 30 September 2011. AFS cashflows and AUM include AXA post the integration of the two businesses.

AFS net cash outflows were \$335 million for the quarter compared to net cash outflows of \$170 million for Q3 10.

Net cashflows were impacted by a net outflow of \$192 million from the departure of a Hillross practice in 2010.

Growth in AMP's contemporary platforms and products partially offset the impact of volatile markets and subdued investor sentiment. Net retail cashflows on AMP platforms were \$119 million for the quarter, up 21 per cent on Q3 10 (\$98 million).

AFS's growth initiatives continued to deliver results in Q3 11 with strong growth in the business' core contemporary platforms and products despite the challenging conditions.

Highlights for Q3 11 were:

- AMP Flexible Super, launched just 18 months ago, is Australia's fastest growing superannuation and retirement product with \$3.5 billion in AUM, a 24 per cent increase over the quarter. Net cashflows for Q3 11 were \$788 million, up 45 per cent on Q3 10.
- AXA North has evolved into an industry leading wrap platform with \$2.0 billion in AUM – up 7 per cent on 30 June 2011. Net cashflows in Q3 11 doubled to \$242 million compared to Q3 10.
- New Zealand KiwiSaver net cashflows increased 10 per cent on Q3 10 to A\$168 million. AUM at 30 September 2011 was A\$1.4 billion.
- Risk insurance annual premium income for AMP and AXA's risk businesses was up 4 per cent in the quarter to \$1.9 billion due to higher sales and annual premium increases.
- AMP Bank's mortgage book grew to \$11.1 billion, up from \$11.0 billion in the previous quarter while its deposit book grew 16 per cent to \$6.4 billion over the same period.

External platforms net cash outflows include the impact of the departure of the Hillross practice in 2010 with a remaining \$140 million in AUM expected to transition from this practice by the end of 2011.

Corporate superannuation net cash outflows were \$40 million, compared with a net cash inflow of \$93 million in Q3 10. Cash outflows increased in Q3 11 due to higher customer withdrawals while cash inflows fell after the closure of AMP's CustomSuper and SuperLeader products in 2010.

AFS's contemporary large corporate superannuation product, SignatureSuper, continued to show resilience in a difficult environment, benefiting from a high proportion of superannuation guarantee contributions.

AFS's Mature net cash outflows increased by \$27 million due to the closure of the AMP Retirement Savings Account with new customers now moving to the low cost AMP Flexible Super product.

AFS's Australian Contemporary Wealth Management AUM, restated to include AXA, and AMP Capital Investors' AUM at 30 September 2011, were impacted by lower investment markets.

Australian Contemporary Wealth Management AUM at 30 September 2011 was \$78.4 billion, down 5 per cent for the quarter.

AMP Capital Investors AUM at 30 September 2011 was \$94.4 billion, down 3 per cent for the quarter.

Detailed cashflow and AUM data is contained in the attached tables. Comparative data, on the same basis from Q3 10, for AFS cashflows is available on the AMP [website](#)<sup>1</sup>.

## **Business update**


### Contemporary Wealth Protection experience

Experience losses in Contemporary Wealth Protection, which includes AXA's Australian risk insurance business, were \$12 million in Q3 11 (experience profits were \$8 million for 1H 11), driven largely by higher income protection claims, which is consistent with a challenging economic environment, and higher lapse rates.

### Performance and transaction fees

AMP Capital Investors 2H 11 performance and transaction fees are expected to be significantly lower than that achieved in 1H 11 (\$20 million) reflecting volatile investment markets and subdued investment performance.

### Cost guidance

The AFS cost guidance given at the 1H 11 results remains unchanged. 

#### **Media enquiries**

Jane Anderson  
+61 2 9257 9870  
+61 402 967 791

Amanda Wallace  
+61 2 9257 6168  
+61 422 379 964

#### **Investor enquiries**

Howard Marks  
+61 2 9257 7109  
+61 402 438 019

Stuart Kingham  
+61 2 9257 5207  
+61 401 139 067

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<sup>1</sup> [www.amp.com.au/shareholdercentre/analysts/cashflows](http://www.amp.com.au/shareholdercentre/analysts/cashflows)

## Q3 11 Cashflows<sup>1</sup>

Cashflows (A\$m)	Cash inflows		Cash outflows		Net cashflows	
	Q3 11	Q3 10	Q3 11	Q3 10	Q3 11	Q3 10
<b>Australian contemporary wealth management</b>						
AMP Flexible Super <sup>2</sup>	1,414	803	626	259	788	544
North <sup>3</sup>	523	219	282	101	242	118
Multiport <sup>4</sup>	100	93	60	39	40	54
Summit, Generations and iAccess (including Assure) <sup>5</sup>	867	797	1,092	930	(225)	(133)
Flexible Lifetime Super (superannuation and pension) <sup>6</sup>	677	952	1,314	1,400	(637)	(448)
Synergy <sup>7</sup>	34	37	91	81	(57)	(45)
Retail investment <sup>8</sup>	88	111	119	103	(31)	8
<b>Total retail on AMP platforms</b>	<b>3,703</b>	<b>3,011</b>	<b>3,584</b>	<b>2,913</b>	<b>119</b>	<b>98</b>
Corporate superannuation and pensions <sup>9</sup>	737	775	789	682	(52)	93
Corporate superannuation mandate w ins	12	0	0	0	12	-
<b>Total corporate super</b>	<b>749</b>	<b>775</b>	<b>789</b>	<b>682</b>	<b>(40)</b>	<b>93</b>
External platforms <sup>10</sup>	766	714	1,089	953	(323)	(239)
<b>Total Australian contemporary wealth management</b>	<b>5,218</b>	<b>4,500</b>	<b>5,462</b>	<b>4,548</b>	<b>(244)</b>	<b>(48)</b>
<b>Total Australian contemporary wealth protection</b>						
Individual risk	310	287	136	145	173	142
Group risk	115	93	49	53	67	41
<b>Total Australian contemporary wealth protection</b>	<b>425</b>	<b>381</b>	<b>185</b>	<b>198</b>	<b>240</b>	<b>183</b>
<b>Total Australian contemporary</b>	<b>5,643</b>	<b>4,881</b>	<b>5,647</b>	<b>4,746</b>	<b>(5)</b>	<b>134</b>
<b>Australian mature</b>	<b>160</b>	<b>198</b>	<b>631</b>	<b>641</b>	<b>(470)</b>	<b>(443)</b>
<b>Total Australia</b>	<b>5,803</b>	<b>5,079</b>	<b>6,278</b>	<b>5,387</b>	<b>(475)</b>	<b>(309)</b>
<b>New Zealand</b>						
Kiw iSaver	192	176	25	23	168	153
Other <sup>11</sup>	177	260	204	274	(28)	(14)
<b>New Zealand</b>	<b>369</b>	<b>435</b>	<b>229</b>	<b>297</b>	<b>140</b>	<b>139</b>
<b>Total AFS cashflows</b>	<b>6,172</b>	<b>5,514</b>	<b>6,507</b>	<b>5,684</b>	<b>(335)</b>	<b>(170)</b>
<b>Australian contemporary wealth management - AMP Bank by product<sup>12</sup></b>						
Deposit (Supercash & Term Deposits)					670	102
Deposits (retail)					215	156
Mortgages					100	61

1 Comparatives have been restated.

2 AMP Flexible Super is a flexible all in one superannuation and retirement account for individual retail and SME business.

3 North is a market leading fully functioning wrap platform which includes guaranteed and non-guaranteed options.

4 Multiport is an administration platform for SMSF and IMA business.

5 Summit and Generations are owned and developed platforms. iAccess and Assure are ipac badges on Summit.

6 Flexible Lifetime Super (superannuation and pensions) was closed to new business from 1 July 2010. A small component of corporate superannuation schemes are included.

7 Synergy is an in-house platform used by Genesys.

8 Retail investment includes Flexible Lifetime - Investments and AMP Personal Portfolio. Products previously reported under AXA Australian wealth management investment segment are not reported in AFS cashflows. AUM for those products is reported in the attached AUM disclosures under Asset Management.

9 Corporate superannuation and pensions comprise SignatureSuper, CustomSuper, SuperLeader and AXA business super. AXA business super was previously reported as part of AXA Mature.

10 External platforms comprise Asgard, BT Wrap, Macquarie Wrap, Solar and other margin earning platforms used by Genesys. Solar is a Genesys badged version of BT Wrap.

11 New Zealand wholesale wealth management is not reported in AFS cashflows. AUM for this product is reported in the attached AUM disclosures under Asset Management.

12 Represents movements in AMP Bank's deposits and mortgage books for the quarter.

### Q3 11 Cashflows continued<sup>1</sup>

Cashflows by distribution channel (A\$m)	Cash inflows		Cash outflows		Net cashflows	
	Q3 11	Q3 10	Q3 11	Q3 10	Q3 11	Q3 10
AMP Financial Planning	2,438	2,173	2,449	2,125	(11)	48
Hillross	494	387	703	421	(209)	(34)
AXA Financial Planning	312	280	275	256	37	24
Charter Financial Planning	590	465	552	465	38	0
Jigsaw advisers	99	99	93	77	6	22
ipac group advisers and Tyan Mackenzie	493	306	549	401	(56)	(95)
Genesys group advisers	240	230	273	262	(33)	(32)
Direct (including corporate superannuation)	332	358	253	268	79	90
Centrally managed clients and other	186	189	265	279	(79)	(90)
3rd party distributors	619	592	866	833	(247)	(242)
<b>Total Australia</b>	<b>5,803</b>	<b>5,079</b>	<b>6,278</b>	<b>5,387</b>	<b>(475)</b>	<b>(309)</b>
<b>New Zealand</b>	<b>369</b>	<b>435</b>	<b>229</b>	<b>297</b>	<b>140</b>	<b>139</b>
<b>Total AFS cashflows</b>	<b>6,172</b>	<b>5,514</b>	<b>6,507</b>	<b>5,684</b>	<b>(335)</b>	<b>(170)</b>

<sup>1</sup> Comparatives have been restated.

## Q3 11 AUM<sup>1</sup>

AUM (A\$m)	Q2 11		Q3 11 Net cashflows			Total net cashflows	Other movements <sup>7</sup>	Q3 11 AUM
	AUM	Superannuation	Pension	Investment	Other			
<b>Australian contemporary wealth management</b>								
AMP Flexible Super	2,800	302	486	-	-	788	(119)	3,469
North	1,816	107	110	26	-	242	(107)	1,951
Multiport	1,217	36	-	4	-	40	(3)	1,254
Summit, Generations and iAccess (including Assure)	14,553	(141)	20	(104)	-	(225)	(815)	13,513
Flexible Lifetime (superannuation and pension)	25,615	(297)	(340)	-	-	(637)	(1,611)	23,367
Synergy	1,504	(28)	(15)	(15)	-	(57)	(68)	1,379
Retail investment <sup>2</sup>	2,083	-	-	(31)	-	(31)	(169)	1,883
<b>Total retail on AMP platforms</b>	<b>49,589</b>	<b>(21)</b>	<b>260</b>	<b>(120)</b>	<b>-</b>	<b>119</b>	<b>(2,893)</b>	<b>46,815</b>
<b>Total corporate super<sup>3</sup></b>	<b>19,883</b>	<b>(46)</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>(40)</b>	<b>(920)</b>	<b>18,922</b>
External platforms <sup>4</sup>	13,081	(91)	(202)	(30)	-	(323)	(89)	12,668
<b>Total Australian contemporary wealth management</b>	<b>82,552</b>	<b>(158)</b>	<b>64</b>	<b>(151)</b>	<b>-</b>	<b>(244)</b>	<b>(3,902)</b>	<b>78,406</b>
<b>Australian contemporary wealth protection</b>					<b>240</b>	<b>240</b>	<b>(240)</b>	
<b>Australian mature<sup>3,5</sup></b>	<b>23,486</b>	<b>(191)</b>	<b>(74)</b>	<b>(7)</b>	<b>(198)</b>	<b>(470)</b>	<b>(17)</b>	<b>22,999</b>
<b>Total Australia</b>	<b>106,038</b>	<b>(349)</b>	<b>(10)</b>	<b>(158)</b>	<b>42</b>	<b>(475)</b>	<b>(4,159)</b>	<b>101,405</b>
<b>New Zealand<sup>6</sup></b>								
Kiw iSaver	1,267	168	-	-	-	168	(4)	1,431
Other	7,878	(1)	-	(22)	(5)	(28)	(12)	7,838
<b>New Zealand</b>	<b>9,145</b>	<b>167</b>	<b>-</b>	<b>(22)</b>	<b>(5)</b>	<b>140</b>	<b>(17)</b>	<b>9,268</b>
<b>Total AUM</b>	<b>115,183</b>	<b>(182)</b>	<b>(10)</b>	<b>(179)</b>	<b>36</b>	<b>(335)</b>	<b>(4,175)</b>	<b>110,673</b>
<b>Australian contemporary wealth management - AMP Bank by product</b>								
Deposit (Supercash & Term Deposits)	2,158						670	2,828
Deposits (retail)	3,383						215	3,598
Mortgages	10,992						100	11,092

1 Reported AUM excludes shareholder capital.

2 Products previously reported under AXA Australian wealth management investment are not reported in AFS cashflows but are included as part of Asset Management AUM.

3 Corporate super includes AXA business super which was previously reported as part of AXA Mature (1H 11 AUM \$3.3b).

4 External platforms other movements includes \$0.7b of Asgard AUM acquired as a result of the Hillross IRIS acquisition.

5 AXA guaranteed savings account (GSA) was previously reported as part of AXA Mature (1H 11 AUM \$1.3b). The AUM is currently managed by AMPCI and AllianceBernstein.

6 AXA NZ wholesale wealth management business is not reported under AFS but is included as part of Asset Management AUM (1H 11 \$0.3b).

7 Other movements includes fees, investment returns, taxes, as well as foreign currency movements on New Zealand AUM.

## Q3 11 AUM and API summary

AUM (A\$m)	Q2 11 AUM	Q3 11 AUM
<b>Australian contemporary wealth management - AUM by product</b>		
Superannuation	51,572	48,767
Pension	19,571	18,933
Investment	11,409	10,706
<b>Total</b>	<b>82,552</b>	<b>78,406</b>
<b>Australian contemporary wealth management - AUM by asset class</b>		
Cash and fixed interest	30%	32%
Australian equities	35%	34%
International equities	24%	23%
Property	6%	6%
Other	5%	4%
<b>Total</b>	<b>100%</b>	<b>100%</b>
<b>AUM summary (A\$b)</b>		
<b>Australian contemporary wealth management</b>		
Closing AUM	82.6	78.4
Average AUM	83.1	80.5
<b>Asset Management</b>		
<b>AMPCI</b>		
Closing AUM <sup>1</sup>	97.7	94.4
Average AUM	99.2	96.2
<b>NMFM, ipac, AXA Global Investors (NZ)</b>		
Closing AUM <sup>2</sup>	27.9	26.0
<b>Risk insurance Annual Premium Income - API (A\$m)</b>		
<b>Australia</b>		
Individual lump sum	865	913
Individual income protection	361	369
Group risk	332	343
<b>New Zealand</b>		
Individual lump sum	181	189
Individual income protection	35	37
Group risk	30	30
<b>Total</b>	<b>1,804</b>	<b>1,880</b>

1 Q3 11 includes AXA guaranteed savings account of \$0.9b transferred in during the quarter.

2 Management responsibility of this AUM will transition to AMP Capital Investors. It includes AUM currently managed by National Mutual Funds Management, ipac and AXA Global Investors (NZ) on behalf of AFS and wholesale clients.