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

AMP Limited reports first quarter cashflows, AUM and wealth protection update

Please refer to the attached documents. 

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Public Affairs

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AMP Limited reports first quarter cashflows, AUM and wealth protection update

AMP Limited today reported cashflows and assets under management (AUM) and an update on its Wealth Protection business for the first quarter to 31 March 2014.

AMP's Q1 14 cashflow reporting has been more closely aligned to the business structure which came into effect on 1 January 2014 under new AMP CEO Craig Meller. This update also includes AMP Capital's quarterly cashflows.

AMP Chief Executive Craig Meller said: "This is a solid result for the overall business. Our contemporary products continue to perform well, our focus on Asia is starting to deliver results and the performance of our insurance business is in line with guidance."

AMP Wealth Management net cashflows for the quarter were \$363 million, up 72 per cent from \$211 million in Q1 13. Total AUM was \$101.1 billion, up from \$100.5 billion at the end of Q4 2013, reflecting relatively benign investment markets over the quarter.

AMP's North platform was a key growth driver with \$1 billion in net cashflows for the quarter, the fourth consecutive quarter of net cashflows of \$1 billion or more. Over 60 per cent of North's net cashflows were externally sourced.

The North platform had particular success in attracting flows from the post retirement segment and discretionary investment inflows. Approximately 10 per cent of flows were directed towards North's innovative capital guaranteed product.

North AUM grew to \$10.7 billion at the end of the quarter up 11.5 per cent from \$9.6 billion at the end of Q4 13. Also during the quarter, AMP successfully migrated a number of legacy platforms onto North's contemporary technology and AUM on this technology is now \$24.9 billion.

AMP Flexible Super, AMP's other contemporary retail superannuation and pension product, attracted net cashflows over Q1 14 of \$387 million. AUM increased by 4.6 per cent over the quarter to \$10.5 billion, up from \$10.0 billion at the end of Q4 13.

Corporate superannuation net cashflows were \$5 million in Q1 14 compared to \$92 million for Q1 13 mainly due to a mandate loss and increased outflows from other corporate superannuation products closed to new mandates.

During Q1 14, AMP's corporate superannuation business successfully tendered for nine new SME mandates which will benefit future quarters as they transition.

AMP SMSF assets under administration were \$17.3 billion at the end of Q1 14, an increase of \$741 million from Q4 13. At the end of Q1 14, AMP SMSF had approximately 14,900 member accounts under administration (including SuperIQ).

AMP Capital had net cashflows for Q1 14 of \$338 million, comprising external net cash inflows of \$802 million for the quarter and internal net cash outflows of \$464 million. AMP's strategic partnerships with China Life, and MUTB in Japan, were the primary drivers of external net cash inflows via the fixed income asset class as well as net mandate wins over the quarter, particularly for AMP Capital's direct property capability. Internal outflows relate mainly to the ongoing run-off of mature products closed to new business.

The China Life AMP Money Market Fund was the top new product launched in China in terms of funds raised in Q1 14. The fund raised over \$2.2 billion during Q1 14, with AMP Capital's 15 per cent share reported in both cashflows and AUM. AMP Capital's partnership with MUTB delivered net flows of over \$300 million across both retail and institutional clients.

AMP Capital AUM at the end of Q1 14 was \$142.2 billion up 1.4 per cent from \$140.2 billion at the end of Q4 13.

AMP New Zealand Financial Services' net cashflows significantly improved to A\$59 million, compared to A\$20 million in Q1 13 with continued strong uptake of its award winning KiwiSaver offering. AMP New Zealand was reselected as a KiwiSaver default provider in the quarter.

AMP's mature net outflows in Q1 14 were \$374 million, an improvement on a net outflow of \$439 million on Q1 13, mainly due to higher transfers of inactive accounts to the Australian Tax Office in Q1 13, which did not repeat in this quarter.

AMP Bank's mortgage book increased 3.2 per cent relative to Q4 13 to \$13.7 billion as strong take-up of its competitive mortgage products continued. The deposit book was \$9.1 billion, up 4 per cent on Q4 13.

AMP wealth protection annual premium income was relatively stable at \$1.807 billion at the end of Q1 14 compared to \$1.814 billion in Q4 13.

Business update on AMP's Wealth Protection business

During Q1 14, the value of claims and lapses across AMP's insurance business was broadly in line with the best estimate assumptions outlined at AMP's FY13 results announcement.

As stated at that time, the revised best estimate assumptions anticipate FY 14 claims will be broadly in line with FY 13 experience while expecting lapses to worsen by around 1 percentage point in FY 14 before management actions take effect.✓

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Q1 14 Cashflows and AUM

Australian Wealth Management

Australian wealth management	Cash inflows		Cash outflows		Net cashflows	
Cashflows by product (A\$m)	Q1 14	Q1 13	Q1 14	Q1 13	Q1 14	Q1 13
AMP Flexible Super ¹	1,261	1,026	(874)	(609)	387	417
North ²	1,932	1,265	(932)	(486)	1,000	779
Summit, Generations and iAccess (including Assure) ³	433	435	(745)	(765)	(312)	(330)
Flexible Lifetime Super (superannuation and pension) ⁴	510	476	(949)	(935)	(439)	(459)
Other retail investment and platforms ⁵	101	78	(137)	(141)	(36)	(63)
Total retail on AMP platforms	4,237	3,280	(3,637)	(2,936)	600	344
SignatureSuper and AMP Flexible Super - Employer	549	506	(417)	(368)	132	138
Other corporate superannuation ⁶	392	385	(519)	(431)	(127)	(46)
Total corporate superannuation	941	891	(936)	(799)	5	92
Total retail and corporate super on AMP Platforms	5,178	4,171	(4,573)	(3,735)	605	436
External platforms ⁷	432	532	(674)	(757)	(242)	(225)
Total Australian wealth management	5,610	4,703	(5,247)	(4,492)	363	211

¹ AMP Flexible Super is a flexible all in one superannuation and retirement account for individual retail business.

² North is a market leading fully functioning wrap platform which includes guaranteed and non-guaranteed options.

³ Summit and Generations are owned and developed platforms. iAccess and Assure are ipac badges on Summit.

⁴ Flexible Lifetime Super (superannuation and pension) was closed to new business from 1 July 2010. A small component of corporate superannuation schemes is included.

⁵ Other retail investment and platforms include Flexible Lifetime - Investments, AMP Personal Portfolio and Synergy.

⁶ Other corporate superannuation comprises CustomSuper, SuperLeader and Business Super.

⁷ External platforms comprise Asgard, Macquarie and BT Wrap platforms.

Australian wealth management	Q4 13		Q1 14 Net cashflows				Total	Other	Q1 14
AUM (A\$m) ¹	AUM	Superannuation	Pension	Investment	Other	net cashflows	movements ²		AUM
AMP Flexible Super	10,007	154	233	-	-	387	71		10,465
North	9,627	275	548	177	-	1,000	52		10,679
Summit, Generations and iAccess (including Assure)	14,511	(144)	(120)	(48)	-	(312)	67		14,266
Flexible Lifetime (superannuation and pension)	25,109	(265)	(174)	-	-	(439)	98		24,768
Other retail investment and platforms	3,307	(21)	(27)	12	-	(36)	2		3,273
Total retail on AMP platforms	62,561	(1)	460	141	-	600	290		63,451
SignatureSuper and AMP Flexible Super - Employer	11,402	99	33	-	-	132	5		11,539
Other corporate superannuation	13,002	(127)	-	-	-	(127)	24		12,899
Total corporate superannuation	24,404	(28)	33	-	-	5	29		24,438
Total retail and corporate super on AMP platforms	86,965	(29)	493	141	-	605	319		87,889
External platforms	13,526	(76)	(152)	(14)	-	(242)	(71)		13,213
Total Australian wealth management	100,491	(105)	341	127	-	363	248		101,102
Australian wealth management - AMP SMSF³									
Assets under administration	16,516						741		17,257

¹ Reported AUM excludes shareholder capital.

² Other movements include fees, investment returns and taxes.

³ AMP SMSF includes Multiport, Cavendish, SuperIQ, Your SMSF and Ascend administration platforms. SuperIQ is 49% owned by AMP however 100% of assets under administration are included.

Australian wealth management	Q4 13	Q1 14
AUM (A\$m)	AUM	AUM
AUM by product		
Superannuation	61,265	61,012
Pension	27,249	28,055
Investment	11,977	12,035
Total	100,491	101,102
AUM by asset class		
Cash and fixed interest	30%	30%
Australian equities	35%	35%
International equities	24%	23%
Property	6%	6%
Other	5%	6%
Total	100%	100%
AUM summary (A\$b)		
Australian wealth management		
Closing AUM	100.5	101.1
Average AUM	98.8	100.6

AMP Capital

AMP Capital	Q4 13	Q1 14 Net cashflows		Total	Other	Q1 14
AUM (A\$m)	AUM	Cash inflows	Cash outflows	net cashflows	movements	AUM
External	40,348	1,780	(978)	802	451	41,601
Internal	99,870	4,123	(4,587)	(464)	1,190	100,596
Total	140,218	5,903	(5,565)	338	1,641	142,197

AMP Capital AUM summary (A\$b)	Q4 13 AUM	Q1 14 AUM
Closing AUM	140.2	142.2
Average AUM	138.0	141.4

New Zealand

New Zealand	Cash inflows		Cash outflows		Net cashflows	
Cashflows by product (A\$m)	Q1 14	Q1 13	Q1 14	Q1 13	Q1 14	Q1 13
KiwiSaver	142	96	(63)	(50)	79	46
Other ¹	208	173	(228)	(199)	(20)	(26)
Total New Zealand	350	269	(291)	(249)	59	20

New Zealand	Q4 13	Q1 14 Net cashflows				Total	Other	Q1 14
AUM (A\$m) ²	AUM	Superannuation	Pension	Investment	Other	net cashflows	Movements ³	AUM
KiwiSaver	2,633	79	-	-	-	79	77	2,789
Other ¹	9,568	5	(1)	(33)	9	(20)	291	9,839
Total New Zealand	12,201	84	(1)	(33)	9	59	368	12,628

New Zealand wealth protection	Q4 13	Q1 14
Risk Insurance Annual Premium Income – API (A\$m)	API	API
Individual lump sum	229	233
Individual income protection	48	49
Group Risk	36	37
Total	313	319

¹ Other New Zealand cashflows and AUM include New Zealand wealth protection, mature and non – KiwiSaver wealth management.

² Reported AUM excludes shareholder capital.

³ Other movements include fees, investment returns, taxes, as well as foreign currency movements on New Zealand AUM.

Australian Mature

Cashflows by product (A\$m)	Cash inflows		Cash outflows		Net cashflows	
	Q1 14	Q1 13	Q1 14	Q1 13	Q1 14	Q1 13
Australian mature	159	130	(533)	(569)	(374)	(439)

AUM (A\$m) ¹	Q4 13	Q1 14 Net cashflows				Total	Other	Q1 14
	AUM	Superannuation	Pension	Investment	Other	net cashflows	movements ²	AUM
Australian mature	22,547	(182)	(54)	(26)	(112)	(374)	328	22,501

¹ Reported AUM excludes shareholder capital.

² Other movements include fees, investment returns and taxes.

AMP Bank

AMP Bank by product	Q4 13	Other	Q1 14
AUM (A\$m) ¹	AUM	movements ²	AUM
Deposits (Supercash, Super TDs & Platform TDs) ³	4,450	(123)	4,327
Deposits (retail) ³	4,291	525	4,816
Loans	13,322	424	13,746

¹ Reported AUM excludes shareholder capital.

² Represents movements in AMP Bank's deposits and loan books.

³ At 31 March 2014, deposits include AMP Bank customer deposits (A\$4.8b), AMP Super Cash and Super TD's (A\$2.6b), platform and investment fund deposits (A\$1.4b), and other deposits (A\$0.3b).

Australian Wealth Protection

Australian wealth protection	Cash inflows		Cash outflows		Net cashflows	
Cashflows by product (A\$m)	Q1 14	Q1 13	Q1 14	Q1 13	Q1 14	Q1 13
Individual risk	328	314	(160)	(135)	168	179
Group risk	85	82	(60)	(55)	25	27
Total Australian wealth protection	413	396	(220)	(190)	193	206

Australian wealth protection	Q4 13	Q1 14
Risk Insurance Annual Premium Income – API (A\$m)	API	API
Individual lump sum	1,029	1,023
Individual income protection	419	417
Group Risk	366	367
Total	1,814	1,807