



18 February 2010

AMP Limited reports Q4 2009 cashflows and AUM

AMP Limited today reported cashflows and AUM for the fourth quarter to 31 December 2009. Total AMP Financial Services net cashflows for the quarter were \$694 million, up significantly from \$252 million in the fourth quarter of 2008.

AMP Financial Services Managing Director Craig Meller said the Q4 2009 cashflows showed an improving trend for the business, reflecting better market conditions.

“We are seeing an improvement in cashflows across the business boosted by the recovering market and stronger investment returns, mandate wins within the corporate super business, and funds transitioned from our acquisition of Rabo Financial Advisors.”

Overall persistency for AMP Financial Services improved to 90.7 per cent, compared to 89.9 per cent in the corresponding period in 2008.

The attached table contains cashflows and AUM for the three months ending 31 December 2009.

Retail superannuation and allocated pensions

Total net cashflows for retail superannuation and allocated pensions were \$182 million, down 10 per cent on the previous corresponding period.

Retail superannuation and allocated pensions inflows were \$1,392 million, a decrease of 2 per cent on the previous corresponding period with discretionary contributions remaining subdued as a result of the recent global financial crises.

Cash outflows decreased modestly by 1 per cent to \$1,210 million.

Retail superannuation persistency improved to 91.8 per cent compared to 91.7 per cent in the previous corresponding quarter.

Allocated pensions' persistency improved to 89.0 per cent compared to 85.7 per cent in Q4 2008 as customers reduced withdrawals in response to prevailing economic and investment market conditions.

Corporate superannuation

Corporate superannuation net cashflows (excluding mandate wins of \$182 million) were \$200 million, down slightly from \$229 million for the previous corresponding period.

Cash inflows fell 2 per cent to \$740 million due to slightly lower employer super guarantee contributions and lower rollovers in. Cash outflows increased 2 per cent on Q4 2008 to \$540 million off the back of higher withdrawal balances following the increase in investment markets.

Corporate superannuation generated inflows of \$182 million from mandate wins, up significantly on Q4 2008.

In corporate superannuation, 59 per cent of outflows flowed back into AMP products, marginally down on the previous corresponding period.

Persistency remained relatively stable at 93.8 per cent compared to 93.9 per cent in the previous corresponding period.

External platforms and retail investment

External platform net cashflows were \$238 million, an increase of \$286 million on the previous corresponding period.

The net cashflows included:

- \$34 million from the Definitive Wrap product launched in 2009.
- BT Wrap net cashflows of \$231 million from the transition of client portfolios following the acquisition of the financial planning arm of Rabobank Australia & New Zealand, Rabo Financial Advisors.
- Asgard net cash outflows of \$27 million, an improvement of \$21 million on the previous corresponding period.

Net cashflows from retail investment, consisting primarily of the AMP Flexible Lifetime Investment and Personalised Portfolio products, were \$44 million for the quarter.

Contemporary wealth protection

Contemporary wealth protection net cashflows increased 12 per cent to \$113 million largely due to higher cash inflows driven by the higher annual premium in-force in 2009.

Mature products

Net outflows in the mature business were \$316 million, an increase of 5 per cent compared to the previous corresponding period. Cash inflows were \$167 million, down \$60 million on the previous corresponding quarter. Cash inflows were down following the closure of the fixed-term annuity product. However, this was partially offset by lower outflows as customers opted to remain in capital guaranteed products.

New Zealand

Net cashflows in New Zealand increased to \$51 million, up from \$27 million in Q4 2008. KiwiSaver continued to generate solid cash inflows. Outflows improved significantly as Q4 2008 was impacted by the closure of a number of investment funds.

Channel flows

AMP Financial Planning:

- Net cashflows were \$218 million, up 65 per cent on Q4 2008. Inflows fell 3 per cent to \$1,826 million due to lower discretionary flows into retail superannuation and allocated pensions. However this was partially offset by higher inflows into retail investment products.
- Outflows improved 8 per cent to \$1,608 million, compared to \$1,748 million in Q4 2008.

Hillross:

- Net cashflows increased to \$223 million, compared to \$6 million for the previous corresponding period.
- Inflows included \$231 million from the transition of client portfolios following the acquisition of Rabo Financial Advisors during the fourth quarter and \$34 million from the Definitive Wrap product launched in 2009.
- Asgard net cash outflows during the quarter were inline with Q4 2008.

Assets under management

AMP Financial Services Contemporary Wealth Management (CWM) average AUM was 12 per cent higher at \$50.1 billion compared to \$44.8 billion for Q4 2008. Closing AUM was \$51.6 billion, up 4 per cent from 30 September 2009.

AMP Capital Investors (AMPCI) average AUM was 1 per cent lower at \$96.0 billion compared to \$96.7 billion for Q4 2008. Closing AUM was \$96.9 billion, unchanged from 30 September 2009. AMPCI AUM balances were impacted by a higher weighting to property and the loss of a \$1 billion external client mandate.

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AMP Financial Services – Q4 09 cashflows

Cashflows by product (A\$m)	Cash inflows			Cash outflows			Net cashflows		
	Q4 09	Q4 08	% Q4/Q4	Q4 09	Q4 08	% Q4/Q4	Q4 09	Q4 08	% Q4/Q4
Australian contemporary wealth management									
Retail superannuation ¹	985	988	(0.3)	894	924	3.2	91	64	42.2
Allocated pensions	407	436	(6.7)	316	298	(6.0)	91	138	(34.1)
Total retail superannuation and pensions	1,392	1,424	(2.2)	1,210	1,222	1.0	182	202	(9.9)
Retail investment	114	101	12.9	70	101	30.7	44	0	n/a
External platforms ²	601	316	90.2	363	364	0.3	238	(48)	n/a
Total retail	2,107	1,841	14.4	1,643	1,687	2.6	464	154	201.3
Corporate superannuation and pensions	740	758	(2.4)	540	529	(2.1)	200	229	(12.7)
Corporate superannuation mandate wins ³	182	42	333.3	-	-	-	182	42	333.3
Total Australian contemporary wealth management	3,029	2,641	14.7	2,183	2,216	1.5	846	425	99.1
Total Australian contemporary wealth protection	182	179	1.7	69	78	11.5	113	101	11.9
Total Australian contemporary	3,211	2,820	13.9	2,252	2,294	1.8	959	526	82.3
Australian mature⁴	167	227	(26.4)	483	528	8.5	(316)	(301)	(5.0)
Total Australia	3,378	3,047	10.9	2,735	2,822	3.1	643	225	185.8
New Zealand	162	172	(5.8)	111	145	23.4	51	27	88.9
Total AFS cashflows	3,540	3,219	10.0	2,846	2,967	4.1	694	252	175.4
Total AFS cashflows, excluding Corporate superannuation mandate wins							512	210	143.8
AMP Banking – mortgages	496	617	(19.6)	469	397	(18.0)	27	220	(87.6)
AMP Banking – deposits							(135)	403	n/a
Cashflows by distribution channel									
AMP Financial Planning	1,826	1,880	(2.9)	1,608	1,748	8.0	218	132	65.2
Hillross	638	411	55.2	415	405	(2.5)	223	6	3616.7
Corporate Superannuation - direct sales force	580	423	37.1	238	215	(10.7)	342	208	64.4
Centrally managed clients and other	155	167	(7.2)	241	252	4.4	(86)	(85)	(1.2)
3rd party distributors	179	166	7.8	233	202	(15.3)	(54)	(36)	(50.0)
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Australian contemporary wealth management cash inflows (A\$)⁴									
Member contributions	227	284	(19.9)						
Employer contributions	728	796	(8.6)						
Total contributions	955	1,080	(11.5)						
Transfers and rollovers in ⁵	1,846	1,369	34.8						
Other cash inflows	228	192	18.6						
Total	3,029	2,641	14.7						

1 Retail superannuation includes the product Flexible Lifetime - Super (FLS), a component of which is small corporate superannuation schemes.

2 Externally manufactured products that earn platform fees (superannuation, pensions and investments).

3 Cashflows from the transfer of accumulated member benefits as a result of SignatureSuper mandate wins.

4 Fixed term annuities (previously part of Contemporary wealth management) and Lifetime annuities (previously part of Contemporary wealth protection) are now reported within Australian mature. Comparatives and other prior year transactions have been restated.

5 Transfers and rollovers in include transfer of accumulated member balances into AMP from both internal (eg retail superannuation to allocated pensions/annuities) and external products.

AMP Financial Services and AMPCI - Q4 09 AUM

AUM (A\$b)	Q4 09	Q4 08	% Q4/Q4
Australian contemporary wealth management⁴			
Closing AUM (including capital)	51.6	42.9	20.1
Average AUM (including capital)	50.1	44.8	11.9
AMPCI			
Closing AUM	96.9	91.8	5.6
Average AUM	96.0	96.7	(0.7)