

7 May 2015

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

AMP Limited today reported cashflows, assets under management (AUM) and an update on its wealth protection business for the first quarter to 31 March 2015.

AMP Chief Executive Craig Meller said: “Cashflows across the business are encouraging, particularly in our contemporary products such as our North wrap platform, which is attracting good external flows. Our focus on Asia continues to deliver results and the insurance business remains in line with guidance.”

Australian wealth management net cashflows for the quarter were \$342 million, down 6 per cent from \$363 million in Q1 14. This was largely due to a \$54 million increase in net cash outflows from external platforms to \$296 million in Q1 15. Retail net cashflows onto AMP platforms increased 10 per cent to \$661 million in Q1 15 from \$600 million in Q1 14.

Total AUM was \$116.1 billion, up 6 per cent from \$109.5 billion at the end of Q4 14 (and \$101.1 billion at Q1 14). This largely reflects positive investment market movements during the quarter. Average AUM increased by 6 per cent to \$113.4 billion over the same period.

Q1 15 flows were partially impacted by AMP’s successful deeming campaign in Q4 14, which reduced external cash inflows into AMP’s retirement income products and reduced the level of transition of customers from closed to open products during the quarter.

AMP’s leading wrap platform North reported net cashflows of \$926 million in Q1 15, down 7 per cent from Q1 14. Q1 15 external flows into North were up 6 per cent over this period, driven by stronger inflows into superannuation and investment products. Over 60 per cent of North’s net cashflows were externally sourced. Customers also continued to be attracted to North’s guaranteed options which accounted for 10 per cent of net cashflows in the first quarter. North AUM grew to \$17.8 billion at the end of the quarter, up 11 per cent from \$16.0 billion at the end of Q4 14 (and \$10.7 billion at Q1 14).

AMP Flexible Super reported net cashflows of \$347 million in Q1 15, down from \$387 million in Q1 14. While cash inflows into AMP Flexible Super increased 8 per cent, rising AUM in retirement accounts resulted in higher outflows. Total AUM in AMP Flexible Super increased by 8.7 per cent over the quarter to \$14.2 billion, up from \$13.1 billion at the end of Q4 14 (and \$10.5 billion at Q1 14).

Corporate superannuation net cash outflows were \$23 million in Q1 15 compared to a net cash inflow of \$5 million in Q1 14. The decline was in part due to significant redundancies within a large corporate plan and higher outflows to internal products. Flows will benefit through 2015 from mandate wins as customers begin to transition.

External platform net cash outflows were \$296 million in Q1 15 compared to a net cash outflow of \$242 million in Q1 14. This was largely the result of lower inflows, particularly on the Asgard and BT Wrap platforms, in part, as customer flows gravitate towards North.

AMP SMSF assets under administration were \$19.7 billion at the end of Q1 15, an increase of \$809 million from Q4 14. At the end of Q1 15 AMP SMSF had 15,181 customer accounts under administration (including SuperIQ) down from 15,462 at the end of Q4 14.

AMP Capital net cashflows for Q1 15 were \$873 million, comprising external net cash inflows of \$1,643 million for the quarter and internal net cash outflows of \$770 million.

A number of large domestic external mandate wins contributed to the strong Q1 15 flows for AMP Capital. Key wins were across both fixed income and infrastructure asset classes.

AMP's strategic partnership with MUTB in Japan again delivered strong flows, as did other distribution partnerships in Japan across a number of asset classes. During the quarter the MUTB partnership delivered net flows in the order of \$300 million. The China Life AMP Asset Management Company (CLAMP) also contributed to the external net cash inflows in the first quarter, with four new funds launched over the period.

AMP Capital AUM at the end of Q1 15 was \$160.5 billion, up 6 per cent from \$151.5 billion at the end of Q4 14 (and \$142.2 billion at Q1 14). Average AUM also increased 6 per cent over the quarter to \$156.6 billion.

AMP New Zealand financial services' net cashflows of A\$52 million in Q1 15 were down from A\$59 million in Q1 14. Cashflows into the KiwiSaver offering increased slightly on Q1 14 to A\$81 million, but this was offset by an increase in other net cash outflows to A\$29 million, from A\$20 million in Q1 14.

Australian mature net cash outflows in Q1 15 were \$361 million, compared to a net cash outflow of \$374 million in Q1 14.

AMP Bank's mortgage book increased 1.5 per cent to \$14.7 billion at the end of Q1 15 from \$14.5 billion at Q4 14. The AMP aligned adviser channel contributed 26 per cent of AMP Bank's mortgage new business. The deposit book declined \$126m (1.4 per cent) in Q1 15 relative to Q4 14.

Australian wealth protection annual premium in-force (API) was down by 0.5 per cent in Q1 15 to \$1,926 million compared to \$1,936 million in Q4 14. The small decline in API was primarily driven by a 0.7 per cent fall in individual lump sum insurance and a 1.1 per cent decrease in individual income protection.

Business update on Australian wealth protection business

During Q1 15, claims and lapse experience across AMP's insurance business was broadly in line with best estimate assumptions outlined at AMP's FY 14 result.

Best estimate assumptions remain in line with FY 14 guidance. 

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Q1 15 cashflows

Australian wealth management

Australian wealth management	Cash inflows		Cash outflows		Net cashflows	
Cashflows by product (A\$m)	Q1 15	Q1 14	Q1 15	Q1 14	Q1 15	Q1 14
AMP Flexible Super ¹	1,366	1,261	(1,019)	(874)	347	387
North ²	2,121	1,932	(1,195)	(932)	926	1,000
Summit, Generations and iAccess ³	343	433	(646)	(745)	(303)	(312)
Flexible Lifetime (superannuation and pension) ⁴	526	510	(812)	(949)	(286)	(439)
Other retail investment and platforms ⁵	99	101	(122)	(137)	(23)	(36)
Total retail on AMP platforms	4,455	4,237	(3,794)	(3,637)	661	600
SignatureSuper and AMP Flexible Super - Employer	677	549	(557)	(417)	120	132
Other corporate superannuation ⁶	403	392	(546)	(519)	(143)	(127)
Total corporate superannuation	1,080	941	(1,103)	(936)	(23)	5
Total retail and corporate super on AMP Platforms	5,535	5,178	(4,897)	(4,573)	638	605
External platforms ⁷	336	432	(632)	(674)	(296)	(242)
Total Australian wealth management	5,871	5,610	(5,529)	(5,247)	342	363

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 is ipac badged 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 are included.

⁵ Other retail investment and platforms include Flexible Lifetime - Investments, AMP Personalised 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 14		Q1 15 Net cashflows			Total net cashflows	Other movements ¹	Q1 15 AUM
AUM (A\$m)	AUM	Superannuation	Pension	Investment				AUM
AMP Flexible Super	13,083	148	199	-	347	790	14,220	
North	15,956	234	475	217	926	905	17,787	
Summit, Generations and iAccess	13,862	(131)	(106)	(66)	(303)	799	14,358	
Flexible Lifetime Super (superannuation and pension)	24,573	(161)	(125)	-	(286)	1,609	25,896	
Other retail investment and platforms	3,051	(14)	(9)	-	(23)	199	3,227	
Total retail on AMP platforms	70,525	76	434	151	661	4,302	75,488	
SignatureSuper and AMP Flexible Super - Employer	12,937	96	24	-	120	725	13,782	
Other corporate superannuation	13,174	(143)	-	-	(143)	566	13,597	
Total corporate superannuation	26,111	(47)	24	-	(23)	1,291	27,379	
Total retail and corporate super on AMP platforms	96,636	29	458	151	638	5,593	102,867	
External platforms	12,871	(86)	(138)	(72)	(296)	669	13,244	
Total Australian wealth management	109,507	(57)	320	79	342	6,262	116,111	
Australian wealth management - AMP SMSF²								
Assets under administration	18,894					809	19,703	

¹ Other movements include fees, investment returns and taxes.

² 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 14	Q1 15
AUM (A\$m)	AUM	AUM
AUM by product		
Superannuation	64,554	68,158
Pension	31,897	34,051
Investment	13,056	13,902
Total	109,507	116,111
AUM by asset class		
Cash and fixed interest	30%	30%
Australian equities	33%	33%
International equities	25%	26%
Property	6%	6%
Other	6%	5%
Total	100%	100%

Australian wealth management	Q4 14	Q1 15
AUM summary (A\$b)	AUM	AUM
Closing AUM	109.5	116.1
Average AUM	107.0	113.4

AMP Capital

AMP Capital	Q4 14	Q1 15 Net cashflows			Total net cashflows	Other movements	Q1 15
AUM (A\$m)	AUM	Cash inflows	Cash outflows				AUM
External	46,884	3,241	(1,598)	1,643	1,702	50,229	
Internal	104,588	3,977	(4,747)	(770)	6,464	110,282	
Total AMP Capital	151,472	7,218	(6,345)	873	8,166	160,511	

AMP Capital	Q4 14	Q1 15
AUM summary (A\$b)	AUM	AUM
Closing AUM	151.5	160.5
Average AUM	147.9	156.6

New Zealand financial services

New Zealand financial services	Cash inflows		Cash outflows		Net cashflows	
Cashflows by product (A\$m)	Q1 15	Q1 14	Q1 15	Q1 14	Q1 15	Q1 14
KiwiSaver	149	142	(68)	(63)	81	79
Other ¹	290	208	(319)	(228)	(29)	(20)
Total New Zealand	439	350	(387)	(291)	52	59

New Zealand financial services	Q4 14	Q1 15 Net cashflows				Total net cashflows	Other movements ²	Q1 15
AUM (A\$m)	AUM	Superannuation	Pension	Investment	Other			AUM
KiwiSaver	3,285	81	-	-	-	81	191	3,557
Other ¹	10,309	(5)	(1)	(32)	9	(29)	560	10,840
Total New Zealand	13,594	76	(1)	(32)	9	52	751	14,397

¹ Other New Zealand financial services cashflows and AUM include New Zealand wealth protection, mature and non-KiwiSaver wealth management products.

² Other movements include fees, investment returns, taxes, as well as foreign currency movements on New Zealand AUM.

New Zealand wealth protection	Q4 14	Q1 15
Risk Insurance Annual Premium In-force – API (A\$m)	API	API
Individual lump sum	236	243
Individual income protection	49	49
Group Risk	41	42
Total	326	334

Australian mature

Australian mature	Cash inflows		Cash outflows		Net cashflows	
Cashflows by product (A\$m)	Q1 15	Q1 14	Q1 15	Q1 14	Q1 15	Q1 14
Australian mature	150	159	(511)	(533)	(361)	(374)

Australian mature	Q4 14	Q1 15 Net cashflows				Total net cashflows	Other movements ¹	Q1 15
AUM (A\$m)	AUM	Superannuation	Pension	Investment	Other			AUM
Australian mature	22,264	(183)	(48)	(22)	(108)	(361)	1,154	23,057

¹ Other movements include fees, investment returns and taxes.

AMP Bank

AMP Bank by product	Q4 14	Q1 15	
Deposits and loans (A\$m)	End balance	Other movements ¹	End balance
Deposits (Supercash, Super TDs & Platform TDs) ²	4,316	(345)	3,971
Deposits (retail)	4,928	219	5,147
Loans	14,491	219	14,710

¹ Represents movements in AMP Bank's deposits and loan books.

² At 31 March 2015, deposits include AMP Bank customer deposits (A\$5.1bn), AMP Super Cash and Super TD's (A\$2.3bn), platform and investment fund deposits (A\$1.3bn), and other deposits (A\$0.4bn).

Australian wealth protection

Australian wealth protection	Cash inflows		Cash outflows		Net cashflows	
Cashflows by product (A\$m)	Q1 15	Q1 14	Q1 15	Q1 14	Q1 15	Q1 14
Individual risk	344	328	(139)	(160)	205	168
Group risk	99	85	(58)	(60)	41	25
Total Australian wealth protection	443	413	(197)	(220)	246	193

Australian wealth protection	Q4 14	Q1 15
Annual Premium In-force – API (A\$m)	API	API
Individual lump sum	1,077	1,070
Individual income protection	421	416
Group Risk	438	440
Total	1,936	1,926