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AMP Financial Services announces September quarter net cashflows

AMP Financial Services (AFS) has reported solid September quarter 2006 net cashflows, AFS Managing Director Craig Dunn said today.

AFS reported net cashflows of $244 million for the period, compared with $986 million in the September quarter of 2005. The 2005 figure was boosted by a one-off $820 million contribution from the inward transfer of AMP's own employee superannuation fund. Excluding this contribution, net cashflows in the third quarter of 2005 were $166 million.

Cash inflows rose by 20 per cent on a year earlier, excluding the large one-off contribution, while cash outflows rose by 18 per cent.

Cashflows by line of business – September quarter 2006
Table 1 shows details of September quarter 2006 cashflows by line of business:

Table 1:

	Q3 06			Q3 05		
	Inflows A$m	**Outflows A$m**	**Net A$m**	**Inflows A$m**	**Outflows A$m**	**Net A$m**
Australian Contemporary Wealth Management	2,442	1,958	484	2,804	1,480	1,324
Australian Contemporary Wealth Protection	133	86	47	120	86	34
Australian Mature	207	509	(302)	223	588	(365)
New Zealand	166	151	15	135	142	(7)
Total AMP Financial Services	**2,948**	**2,704**	**244**	**3,282**	**2,296**	**986**

Australian Contemporary Wealth Management
In Contemporary Wealth Management, net cashflows fell from $1,324 million last year to $484 million, broadly steady excluding the large one-off corporate super contribution.

Australian Contemporary Wealth Protection
In Contemporary Wealth Protection, cash inflows were 11 per cent higher at $133 million, outflows were steady at $86 million while net cashflows increased by $13 million to $47 million.

Individual risk annual premium income in the year to September 2006 was $424 million, up 10 per cent on the year to September 2005.

Australian Mature
The mature book continued to see lower outflows with net cash outflows down by $63 million to $302 million.

New Zealand
New Zealand recorded net cashflows of $15 million, a turnaround of $22 million on the quarter a year earlier.

Individual risk annual premium income in the year to September 2006 was NZ$100 million, up 17 per cent on the year to September 2005.

Plan for Life/ASSIRT data
AFS expects to report net cashflows of $352 million for the third quarter to Plan for Life and ASSIRT which report industry-wide data in Australian retail managed funds (Australian retail products excluding regular premium and risk products). The comparative figure for the third quarter of 2005 was $1,117 million ($297 milllion excluding the large corporate super contribution).

Cashflows by distribution channel – September quarter 2006
Table 2 shows details of September quarter 2006 cashflows by distribution channel.

Cashflows by Australian distribution channels reflect the overall impact of flows across Contemporary Wealth Management, Contemporary Wealth Protection and Mature lines of business. NZ results are as shown above.

Table 2:

	Q3 06 inflows A$m	**Q3 05 inflows A$m**	**Change %**	**Q3 06 net cashflows**	**Q3 05 net cashflows**	**Change A$m**
AMP Financial Planning	1,603	1,381	16	140	161	(21)
Hillross	486	403	21	131	101	30
Corporate Super direct sales force	401	1,061	(62)	177	952	(775)
Customer care centre & other	163	183	(11)	(130)	(115)	(15)
3rd Party Distributors	129	119	8	(89)	(106)	17
New Zealand	166	135	23	15	(7)	22
Total AMP Financial Services	**2,948**	**3,282**	**(10)**	**244**	**986**	**(742)**

AMP Financial Planning (AMPFP) recorded growth in cash inflows of 16 per cent in the September quarter 2006 on a year earlier. Net cashflows were $140 million, $21 million lower than a year earlier. It is likely there was a short-term impact on cash inflows in the quarter as AMPFP focused on changing planner processes and procedures, in line with the Enforceable Undertaking that AMPFP entered into with ASIC in July 2006.

Hillross, AMP's separately branded financial planning distribution channel, recorded growth in cash inflows of 21 per cent. Net cashflows were up $30 million to $131 million.

Corporate Superannuation direct salesforce net cashflows were down by $775 million on a year earlier, or up by $45 million to $177 million excluding the $820 million one-off contribution in 2005. The large net cashflows recorded in the second quarter of 2006 marked the closing of the APRA licensing window and there has subsequently been a return to more normal flows in this channel.

Cashflows by line of business – September 2006 year to date
Table 3 shows details of September year to date 2006 cashflows by line of business:

Table 3:

	YTD 06			YTD 05		
	Inflow A$m	**Outflow A$m**	**Net A$m**	**Inflow A$m**	**Outflow A$m**	**Net A$m**
Australian Contemporary Wealth Management	9,114	5,322	3,792	6,916	4,095	2,821
Australian Contemporary Wealth Protection	399	263	136	347	249	98
Australian Mature	687	1,553	(866)	691	1,671	(980)
New Zealand	478	453	25	409	468	(59)
Total AMP Financial Services	**10,678**	**7,591**	**3,087**	**8,363**	**6,483**	**1,880**

Cash inflows have risen by 28 per cent for the year while outflows rose by 17 per cent.

Net cashflows increased by $1,207 million to $3,087 million. All lines of business showed improved net cashflows from a year earlier, led by Australian Contemporary Wealth Management.

Note: All tables contains data for the AFS business only and exclude all external AMP Capital Investors flows.

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