

AMP Limited provides Q1 23 Bank, AUM and cashflows update

- Continued disciplined growth in AMP Bank, with loan book increasing by \$0.2 billion to \$24.2 billion.
- Australian Wealth Management (AWM) assets under management (AUM) increased by \$2 billion to \$126.2 billion.
- AWM net cash outflows improved by more than 30 per cent on the prior corresponding period driven by further stabilisation of Master Trust outflows.
- North inflows from independent financial advisers (IFA) continue to grow, up 30 per cent on Q1 22.
- New Zealand Wealth Management's KiwiSaver net cashflows increased to \$44 million (Q1 22: \$10 million).

AMP Chief Executive Alexis George said:

"We continue to take an active approach to managing the Bank's loan book, being disciplined in our growth in a highly competitive market to maintain strong credit quality and margin. We are conscious of the impact of rising interest rates on customers and continue to focus on providing competitive loan and deposit rates."

"In Australian Wealth Management, assets under management have grown by \$2 billion over the past quarter and we have reduced net cash outflows compared to Q1 2022. In our Platforms business, our continued strategic focus on the independent financial adviser market is reflected in inflows from IFAs to the North platform being up 30 per cent on the same period last year."

"In the New Zealand business, we continue to consolidate our strong position in the KiwiSaver market with increased inflows into AMP KiwiSaver."

"The completion of the sale of the final AMP Capital business last month has further sharpened our focus on driving the performance of our banking and wealth management businesses. At the same time, we are progressing our capital and balance sheet review, as well as determining the appropriate operating model and cost base for the business going forward."

Business unit results

AMP Bank

- AMP Bank's total loan book grew by \$0.2 billion to \$24.2 billion in Q1 23. Residential loan growth was 0.3x system to the end of February 2023. Through March and early April, we are seeing improving momentum in loan applications and growth.
- We continue to actively manage the AMP Bank portfolio in a highly competitive market to maintain credit quality and margin.
- Net Interest Margin remains broadly in line with FY 22.

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- As part of AMP Bank’s wholesale funding strategy, a Residential Mortgage Backed Securities (RMBS) deal in March 2023 raised \$750 million, while total deposits decreased by \$0.3 billion to \$20.6 billion during Q1 23.
- While economic conditions have become more difficult for some borrowers, AMP Bank’s credit quality remains strong. Although there are currently very few signs of stress in the book, we remain vigilant, and are working with customers to find appropriate solutions where required.

Australian Wealth Management

- Australian Wealth Management AUM increased to \$126.2 billion (Q4 22: \$124.2 billion), reflecting positive investment markets, partly offset by net cash outflows and pension payments.
- Net cash outflows of \$0.6 billion in Q1 23 improved from net cash outflows of \$0.9 billion in Q1 22. Separately, regular pension payments to ongoing members amounted to \$468 million in Q1 23 (Q1 22: \$455 million).
- In order to more accurately reflect the nature of the business, AMP is now reporting pension payments separately to net cashflows, and prior periods have been adjusted accordingly.
- AUM on the North platform of \$62.8 billion increased by \$1.5 billion on Q4 22 AUM of \$61.3 billion.
- In Platforms, net cash inflows of \$152 million compared to inflows of \$406 million in Q1 22¹. This was driven by lower internal inflows from Master Trust by \$106 million, as well as a 7 per cent increase in outflows compared to Q1 22.
- North inflows from IFAs continue to grow, increasing 30 per cent on Q1 22.
- The rationalisation of legacy platforms is nearing completion, with iAccess expected to transition to North in Q2 23.
- Master Trust net cash outflows of \$610 million improved on the \$1 billion in Q1 22 (Q1 22 included a mandate loss of \$0.3 billion).

New Zealand Wealth Management

- KiwiSaver net cash inflows of \$44 million (Q1 22: \$10 million) driven by improved customer acquisition and retention.
- New Zealand Wealth Management divested a legacy product in Q1 23, resulting in cash outflows of approximately \$185 million in the quarter.
- AUM increased to \$10.7 billion (Q4 22: \$10.5 billion) despite the loss of AUM associated with the sale of the legacy product in Q1 23.

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All figures are in Australian dollars (A\$) unless otherwise noted.
Authorised for release by the Market Disclosure Committee.

¹ Q1 22 has been restated to reflect that Flexible Lifetime Investment is now reported within Other wealth management.

Q1 23 Cashflows

AMP Bank

Deposits and loans (A\$m)	Q4 22	Movement ¹	Q1 23
	End balance		End balance
Customer deposits	14,449	(231)	14,218
At call deposits	8,472	(322)	8,150
Term deposits	5,977	91	6,068
Platforms ²	4,248	17	4,265
Master Trust ³	1,853	(4)	1,849
Other ⁴	372	(100)	272
Total deposits	20,922	(318)	20,604
Residential Mortgages	23,781	160	23,941
Practice Finance Loans	252	(8)	244
Total loans	24,033	152	24,185
Deposit to loan ratio	87%	-2%	85%

1. Represents movements in AMP Bank's deposits, loan books and deposit to loan ratio.
2. At 31 Mar 2023, Platforms include North (A\$3.5b) and other platform deposits (A\$0.8b).
3. At 31 Mar 2023, Master Trust deposits include AMP Supercash (A\$1.7b) and Super TDs (A\$0.1b).
4. Other deposits include internal deposits and wholesale deposits.

Australian Wealth Management

Cashflows by product (A\$m)	Cash inflows ¹		Cash outflows ^{1,2}		Net cashflows ²	
	Q1 23	Q1 22	Q1 23	Q1 22	Q1 23	Q1 22
North ³	3,795	3,456	(3,327)	(2,629)	468	827
Legacy Platform ^{4,5}	9	66	(190)	(320)	(181)	(254)
External platforms ⁶	36	48	(171)	(215)	(135)	(167)
Total Platforms⁵	3,840	3,570	(3,688)	(3,164)	152	406
Total retail superannuation	550	637	(963)	(1,061)	(413)	(424)
Total corporate superannuation	695	822	(892)	(1,423)	(197)	(601)
Total Master Trust	1,245	1,459	(1,855)	(2,484)	(610)	(1,025)
Other wealth management ^{5,7}	67	43	(215)	(297)	(148)	(254)
Total Australian wealth management	5,152	5,072	(5,758)	(5,945)	(606)	(873)

Cash inflow composition (A\$m)	Q1 23	Q1 22
Member contributions	837	919
Employer contributions	897	874
Total contributions	1,734	1,793
Transfers, rollovers in and other ⁸	3,418	3,279
Total Australian wealth management	5,152	5,072

1. Inflows and outflows include those from internal and external sources. Internal includes transfers across and within products (eg moving from Super to Pension within North).
2. Net Cashflows excludes regular pension payments to member. Prior periods have been restated to reflect this.
3. North is a fully functioning wrap platform which includes guaranteed and non-guaranteed options. Includes North and MyNorth platforms.
4. Legacy Platforms include Summit, Generations, iAccess and AMP Personalised Portfolio. During Q4 22 Summit and Generations were closed, with existing customers migrated to MyNorth. AMP Personalised Portfolio closed in Q1 2022.
5. Q1 22 has been restated to reflect that Flexible Lifetime Investment is now reported within Other wealth management.
6. External platforms comprise AMP administered, Asgard manufactured platform products.
7. Other wealth management includes Flexible Lifetime Investments and external investment mandate clients managed by AMP Investments following the transfer of MAG to AWM.
8. Transfers, rollovers in and other includes the transfer of accumulated member balances into AMP from both internal (e.g. retail superannuation to allocated pension/annuities) and external products.

	Q4 22	Q1 23 Net cashflows ¹				Other movements		Q1 23
AUM (A\$m)	AUM	Super-annuation	Other pension	Investment	Net cashflows	Pension payments	Market/Other ²	AUM
North	61,324	21	531	(84)	468	(371)	1,425	62,846
Legacy Platforms	2,057	(47)	(87)	(47)	(181)	(11)	35	1,900
External platforms	2,114	(35)	(46)	(54)	(135)	(10)	48	2,017
Total Platforms	65,495	(61)	398	(185)	152	(392)	1,508	66,763
Total retail superannuation ³	28,491	(282)	(131)	-	(413)	(70)	694	28,702
Total corporate superannuation ⁴	25,532	(214)	17	-	(197)	(6)	537	25,866
Total Master Trust	54,023	(496)	(114)	-	(610)	(76)	1,231	54,568
Other wealth management	4,658	-	-	(148)	(148)	-	343	4,853
Total Australian wealth management	124,176	(557)	284	(333)	(606)	(468)	3,082	126,184
Assets under administration - SuperConcepts ⁵	14,441	-	-	-	-	-	138	14,579
Total AUM and administration	138,617	(557)	284	(333)	(606)	(468)	3,220	140,763

AUM (A\$m)	Q4 22	Q1 23
AUM by product	AUM	AUM
Superannuation	73,360	74,393
Pension	32,454	33,089
Investment	18,362	18,702
Total	124,176	126,184
AUM by asset class		
Cash and fixed interest	29%	27%
Australian equities	30%	30%
International equities	31%	32%
Property	5%	6%
Other	5%	5%
Total	100%	100%

	Q4 22	Q1 23
AUM (A\$b)	AUM	AUM
Closing AUM	124.2	126.2
Average AUM	125.1	126.4

1. Net Cashflows excludes regular pension payments to members. Prior periods have been restated to reflect this.
2. Market/Other movements include fees, investment returns, distributions, taxes and foreign exchange movements.
3. Retail superannuation includes A\$7.0b in MySuper (Q4 22 A\$6.8b).
4. Corporate superannuation includes A\$14.9b in MySuper (Q4 22 A\$14.5b).
5. SuperConcepts assets under administration includes AMP SMSF, Multiport, Cavendish, SuperIQ, Moore Stephens Annual, Ascend and SuperConcepts platforms, but does not include Multiport Annual, SuperConcepts Accountants Outsource, SMSF Managers and MORE Superannuation.

New Zealand Wealth Management

Cashflows by product (A\$m)	Cash inflows		Cash outflows		Net cashflows	
	Q1 23	Q1 22	Q1 23	Q1 22	Q1 23	Q1 22
KiwiSaver	144	126	(100)	(116)	44	10
Other ¹	117	72	(180)	(144)	(63)	(72)
Total New Zealand wealth management	261	198	(280)	(260)	(19)	(62)

AUM (A\$m)	Q4 22	Q1 23 Net cashflows			Other movements ^{2,3}	Q1 23
	AUM	Super-annuation	Investment	Total net cashflows		AUM
KiwiSaver	5,157	44	-	44	215	5,416
Other ¹	5,302	(26)	(37)	(63)	17	5,256
Total New Zealand wealth management	10,459	18	(37)	(19)	232	10,672

1. Other includes superannuation, retail investment platform and legacy products.
2. Other movements include fees, investment returns, distributions, taxes, as well as foreign currency movements on New Zealand AUM.
3. Other Movements in Other includes the sale of a legacy product in Q1 with AUM outflows of ~A\$185m.