

# **AMP Limited**

**ABN 49 079 354 519**

## **ASX Appendix 4D**

### **For the Half Year ended 30 June 2021**

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*The information contained in this document should be read in conjunction with the AMP Limited Directors' Report for the half year ended 30 June 2021, the AMP Limited Annual Report for the year ended 31 December 2020 and any public announcements made by AMP Limited and its controlled entities during the half year in accordance with the continuous disclosure obligations arising under the Corporations Act 2001 and the ASX Listing Rules.*

**Results for announcement to the market**

for the half year ended 30 June 2021

	<b>30 Jun 2021</b>	<b>30 Jun 2020</b>	<b>% movement</b>
<b>Financial results</b>	<b>\$m</b>	<b>\$m</b>	
Revenue from ordinary activities of continuing operations <sup>1</sup>	<b>1,707</b>	1,802	5% decrease
Revenue from ordinary activities of discontinued operations	-	(23,391)	100% increase
Total revenue from ordinary activities	<b>1,707</b>	(21,589)	108% increase
Profit from ordinary activities of continuing operations after tax attributable to members	<b>146</b>	80	82% increase
Profit from ordinary activities of discontinued operations after tax attributable to members	-	123	100% decrease
<b>Total net profit for the period attributable to members</b>	<b>146</b>	<b>203</b>	<b>28% decrease</b>

1 Revenue from ordinary activities of continuing businesses includes fee revenue of \$1,092m (2020: \$1,301m), interest income using the effective interest method of \$310m (2020: \$353m), other investment gains of \$nil (2020: \$59m), share of profit or loss from associates of \$127m (2020: \$35m) gain on movement in guarantee liabilities of \$41m (2020: \$nil) and other income of \$137m (2020: \$54m).

**Dividends**

AMP Limited proposes to pay no dividends on interim results.

	<b>30 Jun 2021</b>	<b>30 Jun 2020</b>
<b>Net tangible assets per ordinary share</b>	<b>\$</b>	<b>\$</b>
Net tangible assets per ordinary share	1.15	1.26

## Commentary on the results

for the half year ended 30 June 2021

### REVIEW OF OPERATIONS AND RESULTS

The profit attributable to shareholders of AMP Limited for the half-year ended 30 June 2021 was \$146 million (1H 20: profit of \$203 million).

Basic earnings per share for the half year ended 30 June 2021 on a statutory basis was 4.3 cents (1H 20: 5.9 cents). On an underlying basis<sup>1</sup>, the earnings per share was 5.3 cents (1H 20: 4.3 cents).

Key performance measures of the group were as follows:

- 1H 21 NPAT (underlying)<sup>2</sup> of \$181 million increased 57% from \$115 million in 1H 20. This increase largely reflects the impact of stronger AMP Bank earnings (+76%), stronger investment income from Group Office, including contributions from CLPC and Resolution Life Australasia, partly offset by lower AMP Capital earnings (-19%) and Australian wealth management earnings (-17%)
- AMP's total assets under management (AUM) and administration were \$256 billion<sup>3</sup> at 30 June 2021 (FY 20: \$255 billion)
- Australian wealth management net cash outflows were \$2.7 billion in 1H 21 compared to net cash outflows of \$4 billion in 1H 20. The improvement in net cash outflows was largely attributable to one-off impacts on 1H 20, including the \$1.3 billion loss of corporate mandates and \$0.9 billion of COVID-19 Early Release of Super (ERS) payments
- AMP Capital external net cash outflows were \$6.7 billion, with \$3.7 billion of net cash outflows across real estate largely attributable to the exit of the AMP Capital Diversified Property Fund and \$2.9 billion net cash outflows across public markets
- AMP Bank's total loan book increased 1.9% to \$21 billion at 1H 21 from \$20.6 billion at FY 20
- AMP's controllable costs decreased \$25 million to \$639 million (1H 20: \$664 million), reflecting cost out benefits partly offset by structural cost increases, variable remuneration and reinvestment spend
- The group's cost to income ratio was 71.2%<sup>4</sup> in 1H 21, down from 73.5% in 1H 20
- Underlying return on equity was 8.3% in 1H 21, up from 6.0% in 1H 20
- 2020 total eligible capital resources were \$452 million above target requirements, down from \$521 million at FY 20

### OPERATING RESULTS BY BUSINESS AREA

The operating results of each business area for 1H 21 were as follows:

*Australian wealth management* – NPAT (underlying) fell from \$58 million in 1H 20 to \$48 million in 1H 21. The decline in NPAT (underlying) was driven by impairments to the carrying value of equity investments in Advice, lower revenue predominantly from the impact of legislative and pricing changes, partly offset by lower variable and controllable costs from cost reduction initiatives.

*AMP Bank* – 1H 21 NPAT (underlying) of \$88 million increased by \$38 million (76%) from 1H 20 largely due to a \$12 million release of credit loss provisions as a result of the improved macro-economic outlook since the impact of COVID-19 in 1H 20, a return to more stable funding conditions and a reduction in excess liquidity.

*New Zealand wealth management* – 1H 21 NPAT (underlying) of \$20 million increased by \$2 million (11%) from 1H 20 from stronger investment markets and cost discipline offsetting the impact from compression associated with product repricing.

*AMP Capital* – 1H 21 NPAT (underlying) of \$61 million declined 19% from \$75m in 1H 20 reflecting lower performance and transaction fees due to earnings variability as the business transitions to closed-end funds.

<sup>1</sup> Number of shares has not been adjusted to remove treasury shares.

<sup>2</sup> NPAT (underlying) represents shareholder attributable net profit or loss after tax excluding non-recurring revenue and expenses.

<sup>3</sup> Includes SuperConcepts assets under administration.

<sup>4</sup> 1H 21 includes a change to cost to income methodology for the group, with the exclusion of loan impairment expense and the inclusion of pre-tax investment income. Additionally, investment income is now reported on an actual basis, with the removal of the market adjustment methodology. Prior periods have not been restated.

**Details of movements in controlled entities**

for the half year ended 30 June 2021

<b>Changes in controlled entities during the half year ended 30 June 2021</b>	<b>Date control</b>	
	<b>gained over entity</b>	<b>lost over entity</b>
<b>Name of the entity</b>		
Capital Private Wealth Pty Ltd	20-May-21	
AMP Capital Global Long Term Alpha Fund		6-Apr-21
AMP Insurance Investment Holdings Pty Limited		24-Feb-21
Cavendish Superannuation Holdings Pty Ltd		23-Apr-21
Foundation Wealth Advisers Pty Limited		31-Mar-21
Genesys Holdings Pty Ltd		27-Jan-21
Genesys Kew Pty Ltd		27-Jan-21
Trenthills Financial Services Pty Limited		27-Jan-21

**Details of investments in associate and joint venture entities**

for the half year ended 30 June 2021

Investments in associate entities which are accounted for using the equity method comprise a number of operating entities and AMP Capital managed funds. The table below includes the list of associate entities considered significant to AMP Limited's consolidated financial report as at 30 June 2021.

	Ownership interest	
	30-Jun	31-Dec
	2021	2020
<b>Significant associates and joint ventures of the group as at 30 June 2021</b>	%	%
AMP Capital Infrastructure Debt Fund IV	1.25%	1.25%
AMP Capital Infrastructure Debt Fund V	2.04%	3.08%
AMP Huami Management Ltd	50.00%	50.00%
China Life AMP Asset Management Company Ltd	14.97%	14.97%
China Life Pension Company	19.99%	19.99%
Global Infrastructure Fund II	2.81%	2.81%
Global Infrastructure Fund Sponsor	4.74%	4.74%
PCCP LLC (Pacific Coast Capital Partners)	24.90%	24.90%
Resolution Life NOHC Pty Ltd	19.13%	19.62%