

AMP announces impairments to be recognised in FY 22

AMP has today announced that it expects to recognise impairment charges in the order of A\$68 million (post-tax) in its FY 22 financial results.

The impairments include the costs of onerous lease contracts arising from reduced office space requirements and the write-down of assets on AMP's balance sheet related to the development of an advice software solution. AMP will also recognise a small amount of capitalised cost impairments.

The impairments will result in a reduction in AMP's FY 22 statutory profit. The impairments will not impact FY 22 underlying Net Profit After Tax (NPAT), which remains AMP's preferred measure of profitability as it best reflects the underlying performance of the business units.

The charges include:

	Pre-tax (A\$m)	Post-tax (A\$m)
Onerous lease contracts	53	36
Write-down of assets related to advice software solution	32	25
Capitalised cost impairments	9	7
Total	94	68

The charges do not have a material impact on AMP's capital position or liquidity with proforma 31 December 2022 capital remaining above target surplus.

AMP will announce its FY 22 results on 16 February 2023.

Alexis George, AMP Chief Executive Officer commented:

"AMP remains focused on continuing to build a robust balance sheet. Our strategic priorities to simplify and reposition the business will require us to recognise some impairments. These items do not impact underlying NPAT or have a material impact on AMP's capital position or liquidity. This action will help to ensure we are well positioned for the future, to deliver on our strategy as a focused wealth management and retail banking business in Australia and New Zealand."

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