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ASX Market Announcements  
Australian Securities Exchange  
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Announcement No: 20/2016  
AMP Limited (ASX/NZX: AMP)

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## Half Year Financial Results

### RESULTS FOR ANNOUNCEMENT TO THE MARKET

- Part One:** **Appendix 4D**   
Appendix 3A.1
- Part Two:** AMP reports A\$523 million net profit 1H 16
- Part Three:** Investor Presentation
- Part Four:** Investor Report
- Part Five:** Directors' Report and Financial Report

# **AMP Limited**

ABN 49 079 354 519

## **ASX Appendix 4D for the Half Year Ended 30 June 2016**

*The information contained in this document should be read in conjunction with the AMP Limited Directors' Report and Financial Report for the half year ended 30 June 2016 and the AMP Limited Annual Report for the year ended 31 December 2015 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

	30 Jun 2016 \$m	30 Jun 2015 \$m	% movement
<b>Financial results</b>			
Revenue from ordinary activities <sup>1</sup>	6,096	8,624	-29%
Profit from ordinary activities after tax attributable to members	523	507	3%
Net profit for the period attributable to members	523	507	3%

1 Revenue from ordinary activities includes amounts attributable to shareholders, policyholders and external unitholders. The amount is the aggregate of premium and related revenue of \$1,225m (2015: \$1,208m), fee revenue of \$1,506m (2015: \$1,546m), other revenue of \$37m (2015: \$64m), net investment gains of \$3,314m (2015: \$5,796m gain) and share of profit or (loss) of associates accounted for using the equity method \$14m (2015: \$10m).

	Amount per security (cents)	Franked amount per security (cents)
<b>Dividends</b>		
- Interim dividend (payable) (franked to 90% at a tax rate of 30%) <sup>1,2</sup>	14.00	12.60
- Final dividend (paid) (franked to 90% at a tax rate of 30%)	14.00	12.60

The record date to determine entitlements to the interim dividend 1-Sep-2016  
The date the interim dividend is payable 7-Oct-2016

- The unfranked component of the 2016 interim dividend will be paid from conduit foreign income.
- AMP has a dividend reinvestment plan (DRP) under which shareholders who have a registered address in, and are residents of, Australia and New Zealand are invited to reinvest all or part of any dividends receivable in additional shares. The price of the shares under the plan will be the arithmetic average of the daily volume weighted average price per share of all shares sold in the ordinary course of trading on the ASX for the 10 trading days from 6 September 2016 to 19 September 2016, rounded to the nearest one cent. For the 2016 interim dividend, no discount to the price will apply. AMP intends to acquire shares on-market to satisfy any entitlements under the DRP. Shares provided under the DRP will rank equally in all respects with existing fully paid AMP ordinary shares. The last date for receipt of election notes from shareholders wanting to commence, cease or vary their participation in the DRP for the 2016 interim dividend is by 5:00pm (Australian Eastern Standard Time) on 2 September 2016.

	30 Jun 2016 \$	30 Jun 2015 \$
<b>Net tangible assets per ordinary share</b>		
Net tangible assets per ordinary share	1.60	1.50

## ASX Appendix 4D

For the half year ended 30 June 2016

### COMMENTARY

#### Principal activities

AMP is Australia and New Zealand's leading independent wealth management company, with an expanding international investment management business and a growing retail banking business in Australia.

AMP provides retail customers in Australia and New Zealand with financial advice, superannuation, retirement income and investment products. AMP has over 5,400 employees, more than 800,000 shareholders and manages over \$220 billion in assets.

AMP provides superannuation services for businesses, administration, banking and investment services for self-managed superannuation funds (SMSF), income protection, disability and life insurance, and selected banking products. These products and services are delivered directly from AMP and through a network of over 3,700 aligned and employed financial advisers in Australia and New Zealand and extensive relationships with independent financial advisers.

AMP Capital is a diversified investment manager with a growing international presence providing investment services for domestic and international customers.

Mitsubishi UFJ Trust and Banking Corporation holds a 15% ownership interest in AMP Capital. AMP Capital holds a 15% stake in the China Life AMP Asset Management Company Limited, a funds management company which offers retail and institutional investors in China access to leading investment solutions.

The AMP business reports its results against six key business areas: Australian wealth management, AMP Capital, Australian wealth protection, AMP Bank, New Zealand financial services and Australian mature.

The *Australian wealth management* business provides customers with superannuation, retirement income, investment, SMSF administration and financial advice services (through aligned and owned advice businesses).

*AMP Capital* is a diversified investment manager, managing investments across major asset classes including equities, fixed interest, infrastructure, property, diversified funds, multi-manager and multi-asset funds.

*Australian wealth protection* comprises individual and group term life, disability and income protection insurance products. Products can be offered within superannuation or held independently.

*AMP Bank* is an Australian retail bank offering residential mortgages, deposits, transaction banking, and SMSF products with around 100,000 customers. It also has a small portfolio of practice finance loans. AMP Bank distributes through brokers, AMP advisers, and direct to retail customers via phone and internet banking.

*New Zealand financial services* provides tailored financial products and solutions to New Zealanders through a network of financial advisers. New Zealand financial services has a leading market position in both wealth protection and wealth management, in addition to being the market leader in advice and in providing support to advisers.

*Australian mature* is the largest closed life insurance business in Australia. Australian mature assets under management comprises capital guaranteed products (77%) and market linked products (23%). Australian mature products include whole of life, endowment, investment linked, investment account, Retirement Savings Account, Eligible Rollover Fund, annuities, insurance bonds, personal superannuation and guaranteed savings accounts.

**ASX Appendix 4D**

For the half year ended 30 June 2016

**Review of operations and results**

We have delivered good performances in AMP Capital, AMP Bank and New Zealand and demonstrated resilience in our Australian wealth management business in challenging market conditions. These strong results have been overshadowed by the performance of our wealth protection business. We continue to control costs tightly, maintain a strong capital position and to focus on delivering better outcomes for customers and improved returns for shareholders over the long-term.

AMP's profit attributable to shareholders of AMP Limited for the half year ended 30 June 2016 was \$523 million (1H 15: \$507 million).

AMP's underlying profit for the half year ended 30 June 2016 was \$513 million (1H 15: \$570 million).

Underlying profit is AMP's key measure of business profitability, as it normalises investment market volatility stemming from shareholder assets invested in investment markets and aims to reflect the trends in the underlying business performance of the AMP group. Underlying profit excludes the impact of market volatility, accounting mismatches and other items.

Basic earnings per share for the half year ended 30 June 2016 on a statutory basis were 17.9 cents per share (1H 15: 17.4 cents per share). On an underlying basis, earnings were 17.3 cents per share (1H 15: 19.3 cents per share).

AMP's key performance measures were as follows:

- 1H 16 underlying profit of \$513 million declined 10% from \$570 million in 1H 15, driven by higher Australian wealth protection losses and challenging investment market conditions.
- 1H 16 AMP group cost to income ratio of 45.5% increased by 2.4 percentage points from 1H 15 as a result of lower income in 1H 16.
- Australian wealth management 1H 16 net cashflows were \$582 million, down from net cashflows of \$1,152 million in 1H 15.
- AMP's retail and corporate super platform net cashflows were impacted by ongoing market volatility, superannuation legislative uncertainty and advisers adjusting to an enhanced regulatory environment.
- AMP Capital external net cash outflows were \$153 million in 1H 16, down from net cash inflows of \$3,025 million in 1H 15. Challenging domestic market conditions offset strong flows into infrastructure and property asset classes.
- Underlying return on equity fell 1.6 percentage points to 11.9% in 1H 16 from 1H 15, largely reflecting the decline in underlying profit.

**Capital management**

Equity and reserves of the AMP group attributable to shareholders of AMP Limited increased to \$8.6 billion at 30 June 2016 from \$8.5 billion at 31 December 2015.

AMP remains well capitalised, with \$1.9 billion in shareholder regulatory capital resources above minimum regulatory requirements at 30 June 2016 (\$2.5 billion at 31 December 2015).

**Dividends**

AMP's interim 2016 dividend is 14.0 cents per share, franked to 90%. This represents a first half 2016 dividend payout ratio of 81% of underlying profit. AMP will continue to offer the dividend reinvestment plan (DRP) to eligible shareholders. AMP intends to neutralise the impact of the DRP by acquiring shares on market to satisfy any entitlements under the DRP.

**ASX Appendix 4D**

For the half year ended 30 June 2016

**DETAILS OF MOVEMENTS IN CONTROLLED ENTITIES**

Changes in controlled entities comprise entities acquired and disposed through (a) activities in respect of investment entities controlled by the AMP life insurance entities' statutory funds and (b) purchase, sale, formation, and deregistration of minor operating controlled entities. There has been no material contribution to the profit of AMP group from entities acquired and disposed of during the half year.

**Changes in controlled entities during the half year ended 30 June 2016**

<b>Name of entity</b>	<b>Date control</b>	
	<b>gained over entity</b>	<b>lost over entity</b>
AMP Life Property Fund	14-Mar-16	
AMP Capital Global Listed Infrastructure Long Short Fund	15-Feb-16	
IMAS Transition Trust No.1	15-Feb-16	
AMPCI Australian Share Fund	15-Feb-16	
AMP Capital Diversified Infrastructure Trust	16-May-16	
AMP Capital Diversified Retirement Fund	16-May-16	
AMP Capital Global Infrastructure Securities Fund	16-May-16	
AMP Capital Global Property Securities Unhedged Fund	16-May-16	
My Super Enhanced Index Australian Equities Fund	16-May-16	
AMP Capital Advisors India Pvt Ltd	1-Jan-16	
MoneyBrilliant Pty Ltd	29-Feb-16	
140 St Georges Terrace Trust		1-Jan-16
ACPP Industrial Trust		29-Jun-16
AMP Capital Asia Quant Fund		31-Jan-16
AMP Capital Dynamic Balanced Fund		16-May-16
AMP Capital Corporate Bond Fund		16-May-16
Crossroads Trust		16-May-16
Davidson Road Trust		1-Jan-16
Kent Street Investment Trust		1-Jan-16
Monash House Trust		16-May-16
Riverside Plaza Trust		12-May-16
MAFS Transition Trust No 2		16-May-16
MAFS Transition Trust No 4		16-May-16
MAFS Transition Trust No 5		16-May-16
MAFS Transition Trust No 6		16-May-16
MAFS Transition Trust No 7		16-May-16
MAFS Transition Trust No 8		16-May-16
MAFS Transition Trust No 9		16-May-16
MAFS Transition Trust No 10		16-May-16
AAPH Hong Kong Finance Limited		29-Jan-16
AMP (UK) Finance Services Plc		6-Apr-16
Hindmarsh Square Financial Services Pty Limited		5-Apr-16
Northstar Lending Pty Limited		5-Apr-16
AMP Private Capital New Zealand Limited		6-May-16
Tynan MacKenzie Holdings Pty Ltd		12-Apr-16
AMP Capital AB Holdings Limited		19-Apr-16
AMP Capital Core Infrastructure Pty Ltd		19-Apr-16
AMP Capital Investment Management Pty Limited		19-Apr-16
Omega (Australia) Pty Limited		19-Apr-16
Mortgage Backed Bonds Limited		17-Feb-16

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For the half year ended 30 June 2016

**DETAILS OF INVESTMENTS IN ASSOCIATED ENTITIES AND JOINT VENTURE ENTITIES**

The majority of investment assets held by AMP are in the Australian life insurance statutory funds and measured at fair value through profit or loss. At any one time, the life insurance statutory funds hold investments in various vehicles, including associated entities, on behalf of policyholders. These investments are not part of the core wealth management business of AMP and did not have a material impact on the financial performance of the company.

**Significant associates and joint ventures of the Group as at 30 June 2016**

	Ownership interest	
	30 Jun	31 Dec
	2016	2015
	%	%
AMP Capital Balanced Growth Fund	39	35
AMP Capital Diversified Property Fund	25	25
AMP Capital Dynamic Markets Fund	27	24
AMP Capital Global Property Securities Fund	43	41
AMP Capital Multi-Asset Fund	28	28
AMP Capital NZ Shares Fund	32	44
AMP Capital Pacific Fair and Macquarie Shopping Centre Fund	26	26
AMP Capital Shopping Centre Fund	28	30
AMP Capital Strategic NZ Shares Fund	-	42
AMP Capital Wholesale Office Fund	-	23
Australian Corporate Bond Fund	31	-
Enhanced Index Share Fund	47	48
EFM Fixed Interest Fund 10	47	49
Global Infrastructure Fund	5	5
Gove Aluminium Finance Limited	30	30
K2 Australian Absolute Return Fund	24	26
Legg Mason Martin Currie Real Income Fund	31	-
Listed Property Trust Fund	28	29
Responsible Investments Leader Balanced Fund	24	24
Value Plus Australia Share Fund	-	33
Wholesale Cash Management Trust	48	49
Wholesale Unit Trust Australasian Property Shares	-	26
AIMS AMP Capital Industrial REIT	5	5
China Life AMP Asset Management Company Ltd	15	15
China Life Pension Company	19.99	19.99
Infrashore Group	29	29