

14 February 2019


Manager
ASX Market Announcements
Australian Securities Exchange
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Sydney NSW 2000

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AMP Limited (ASX/NZX: AMP)

Full Year Financial Results

RESULTS FOR ANNOUNCEMENT TO THE MARKET

- Part One: Appendix 4E
 Appendix 3A.1
- Part Two: AMP reports FY 18 results
- Part Three: Investor presentation** 
- Part Four: Investor report



2018 full year results

Francesco De Ferrari, Chief Executive Officer
Gordon Lefevre, Chief Financial Officer

14 February 2019



AMP – helping people own tomorrow

Over
3.5 million

customers in Australia
and New Zealand

AMP Capital managed
A\$187b
for clients globally

We helped over
125,000
customers retire in Australia

We helped around
572,000
customers with their super
via their employer plans

A\$2.5b

paid in Australian
retirement payments

A\$1.2b

paid in Australian
insurance claims

Approximately
740,000
shareholders

We helped around
100,000

Australians with their
banking needs

Notes

1. All data relates to FY 18

Agenda

1. FY 18 results
2. FY 18 earnings rebase
3. AMP of tomorrow and 2019 priorities





FY 18 results

Section 1

FY 18 profit summary

| A\$m | FY 18 | FY 17 | % |
|--|-------------|--------------|---------------|
| Australian wealth management ¹ | 363 | 391 | (7.2) |
| AMP Capital ² | 167 | 156 | 7.1 |
| AMP Bank | 148 | 140 | 5.7 |
| New Zealand wealth management ¹ | 53 | 54 | (1.9) |
| Retained business operating earnings | 731 | 741 | (1.3) |
| Australian wealth protection | (176) | 110 | n/a |
| New Zealand wealth protection and mature | 39 | 71 | (45.1) |
| Australian mature | 134 | 150 | (10.7) |
| Sold business operating earnings³ | (3) | 331 | n/a |
| BU operating earnings | 728 | 1,072 | (32.1) |
| Group Office costs | (76) | (74) | (2.7) |
| Total operating earnings | 652 | 998 | (34.7) |
| Underlying investment income ² | 96 | 95 | 1.1 |
| Interest expense on corporate debt | (68) | (53) | (28.3) |
| Underlying profit | 680 | 1,040 | (34.6) |
| Advice remediation and related costs | (469) | - | n/a |
| Royal Commission | (32) | - | n/a |
| Portfolio review and related costs | (48) | (24) | (100.0) |
| Risk management, governance and controls | (8) | - | n/a |
| Other items | (74) | (21) | n/a |
| Amortisation of acquired intangible assets ² | (79) | (80) | 1.3 |
| Profit/(loss) before market adjustments and accounting mismatches | (30) | 915 | n/a |
| Market adjustments ² | 8 | (53) | n/a |
| Accounting mismatches | 50 | (14) | n/a |
| Profit/(loss) attributable to shareholders of AMP Limited | 28 | 848 | (96.7) |

Notes

1. Resolution Life is entitled to a portion of the 2H 18 operating earnings of the Australian and New Zealand wealth management businesses. See pages 7 and 17 of the FY 18 Investor Report
2. AMP Capital is 15% owned by MUFG: Trust Bank (formerly MUTB). AMP Capital results, and any other impacted line items, are shown net of minority interests
3. Resolution Life assumes risks and profit impacts adjusted for AMP's share of risks and ongoing economic interest in the Australian and New Zealand mature businesses, from 1 July 2018. See pages 1 and 19 of the FY 18 Investor Report

Australian wealth management

Cash outflows during challenging period; earnings resilient

| Key performance measures | FY 18 | FY 17 |
|--|---------|-------|
| Investment-related revenue (A\$m) ¹ | 1,213 | 1,263 |
| Other revenue (A\$m) | 96 | 108 |
| Operating earnings (A\$m) ² | 363 | 391 |
| Controllable costs (A\$m) | (462) | (490) |
| Average AUM (A\$b) ^{3,4} | 130.1 | 124.7 |
| Total net cashflows (A\$m) ³ | (3,968) | 931 |
| Operating earnings to AUM (bps) ^{3,4} | 28 | 31 |
| Cost to income ratio | 46.4% | 46.1% |

- Operating earnings impacted by higher margin compression, weaker investment markets, and lower other revenue, partially offset by lower controllable costs
- Margin compression driven by MySuper price reductions and advisers moving clients to contemporary solutions such as MyNorth
- Decrease in other revenue largely due to impairments on the carrying value of client registers in 2H 18

- Strong cost management; efficiencies and lower variable remuneration and project costs contributed to lower controllable costs
- Number of factors affected cashflows including:
 - Reputational impact from Royal Commission
 - Financial advisers focused on customer retention rather than new business
 - Reduction in member contributions in FY 18 following elevated one-off contributions ahead of 1 July 2017 super changes

Notes

1. Investment related revenue refers to revenue on superannuation, retirement income and investment products
2. Resolution Life is entitled to a portion of the 2H 18 operating earnings. See page 7 of the FY 18 Investor Report
3. Excludes SuperConcepts AUA
4. Based on average of monthly average AUM

New Zealand wealth management

Stable performance; strong earnings growth from the advice channel

| New Zealand | FY 18 | FY 17 |
|--|-------|-------|
| Operating earnings (A\$m) ¹ | 53 | 54 |
| Controllable costs (A\$m) | (33) | (32) |
| Average AUM (A\$b) ² | 11.1 | 10.5 |
| Total net cashflows (A\$m) | 83 | 220 |
| Operating earnings to AUM (bps) ² | 48 | 52 |
| Cost to income ratio | 31.0% | 29.9% |

- Operating earnings stable; supported by income from financial advice channel
- Decrease in net cashflows primarily driven by higher KiwiSaver cash outflows including an increase in retirement and first home buyer withdrawals

- Leading provider of KiwiSaver with approximately 10% of the total market and around 225,000 customers; KiwiSaver remains a focus for growth

Notes

1. Resolution Life is entitled to a portion of the 2H 18 operating earnings. See page 17 of the FY 18 Investor Report

2. Based on average of monthly average AUM

AMP Bank

Solid performance
in slower housing
market

| Key performance measures | FY 18 | FY 17 |
|----------------------------------|--------|--------|
| Operating profit (A\$m) | 148 | 140 |
| Controllable costs (A\$m) | (95) | (80) |
| Cost to income ratio | 31.0% | 28.6% |
| Net interest margin | 1.70% | 1.70% |
| Residential mortgage book (A\$m) | 19,460 | 18,870 |
| 90+ day mortgage arrears | 0.47% | 0.36% |
| Deposits (A\$m) | 13,304 | 12,383 |
| Return on capital | 15.0% | 16.5% |
| Liquidity coverage ratio | 139% | 126% |

- Growth in residential mortgages and reduction in deposit costs drove operating profits higher in FY 18
- Residential loans increased on FY 17; growth slowed in 2H 18 due to competition in subdued housing market, regulatory limits and conservative liquidity management
- Controllable costs reflect continued investment in technology and operating capability to improve customer service
- Net interest margin stable; expected to trend down due to competitive lending environment and increased funding costs
- Conservative credit policy and strong asset quality; +90 day mortgages arrears below industry average

AMP Capital

Strength in real assets; continued investment in international growth

| Key performance measures | FY 18 | FY 17 |
|--|---------|-------|
| Operating earnings (A\$m) ¹ | 167 | 156 |
| Fee income (A\$m) | 708 | 659 |
| Controllable costs (A\$m) | (453) | (412) |
| Cost to income ratio | 62.3% | 61.5% |
| Total net cashflows (A\$m) | (2,772) | 2,886 |
| Total external net cashflows (A\$m) | 4,219 | 5,477 |
| Average AUM (A\$b) ^{2,3} | 190.2 | 179.6 |

- Higher earnings supported by stronger fee income and solid external AUM growth, partially offset by higher controllable costs
- External net cashflows and AUM growth driven by real assets business including strong global investor interest in infrastructure capabilities
- Total net cashflows reflect decline in internal flows
- A\$4.4b of uncalled capital in real assets investment pipeline; A\$1.6b earmarked for committed transactions
- 61% of AUM met or exceeded client goals over three years to December 2018; 68% of AUM exceeded traditional market-based benchmarks
- Performance and transaction fees slightly lower on FY 17; more closed-end funds increase variability of performance fees
- Continued investment in international growth, real assets and equities capabilities
- Controllable costs remain within target cost to income ratio of 60%-65%

Notes

1. Operating earnings after minority interests
2. Based on average monthly average AUM
3. Includes AMP Capital's 24.9% share of PCCP AUM

Sold businesses¹ – overview

Deterioration of wealth protection claims experience in a challenging market

| Key performance measures | FY 18 ² | FY 17 |
|--|--------------------|-------|
| Profit margins (A\$m) | 269 | 303 |
| Experience profits / (losses) (A\$m) | (63) | 21 |
| Capitalised (losses) / reversals and other one-off experience items (A\$m) | (209) | 7 |
| Operating earnings (A\$m) ^{2, 3} | (3) | 331 |

- Negative experience in wealth protection in FY 18 largely driven by increase in income protection and TPD claims in Australia
- Capitalised losses due to strengthening of best estimate assumptions

- Other one-off experience items due to loss of previously announced group plan in Australia
- Legal separation of AMP Life and change of ownership to Resolution Life on track to complete by end of Q3 19

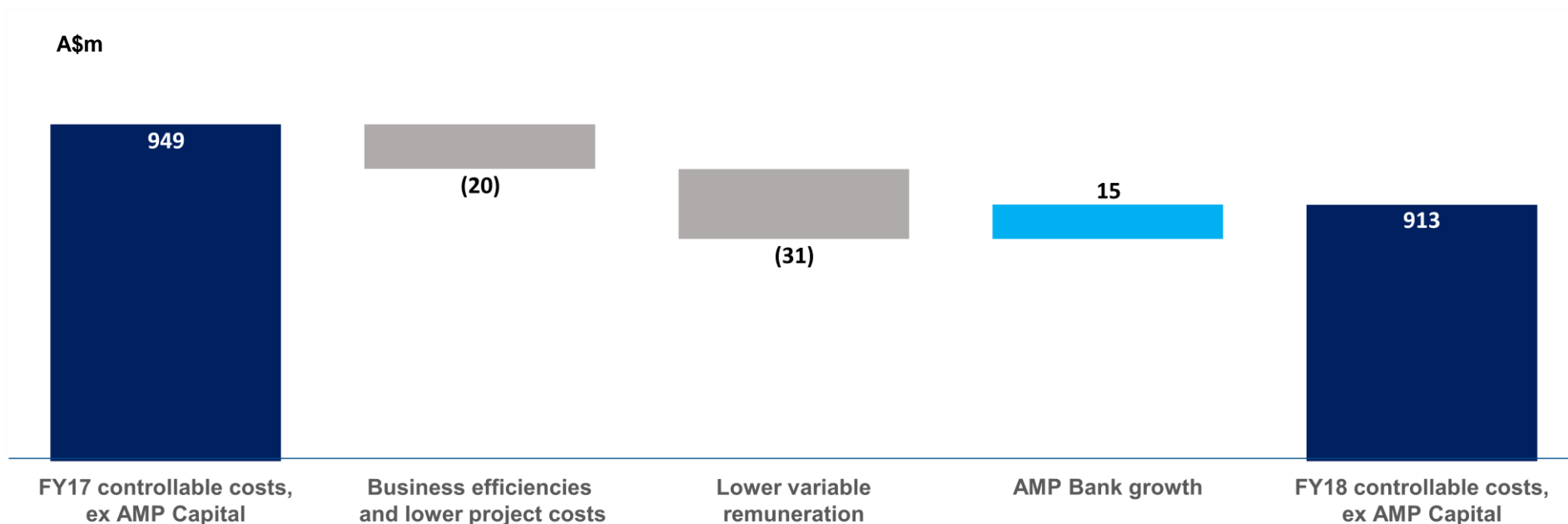
Notes

1. Businesses subject to a sale agreement with Resolution Life ("sold businesses") are Australian and New Zealand wealth protection and mature. Refer to page 1 of the FY 18 Investor Report

2. Resolution Life assumes risks and profit impacts, adjusted for AMP's share of risks and ongoing economic interest in mature business, from 1 July 2018. See pages 1 and 19 of the FY 18 Investor Report

3. On a proforma 2018 basis, an additional A\$97m of operating earnings are attributable to Resolution Life (refer to slide 16)

Controllable costs



- FY 18 controllable costs (ex AMP Capital) below guidance. Investment in AMP Bank offset by cost reductions including:
 - Business efficiencies from 2017 initiatives
 - Lower project costs
 - Lower variable remuneration
- AMP Capital cost to income ratio 62.3%, in line with 60-65% guidance
- AMP Bank continued investing in technology and operating capability to improve customer service

- Stranded costs of approximately A\$40m (after tax), A\$57m (pre-tax) relating to sold businesses; costs to be removed by the end of the first full year post-separation (FY 20)
- FY 19 controllable costs (ex AMP Capital) are expected to increase by approximately A\$100m reflecting:
 - Decision to move regulatory and compliance costs for implementing major change into controllable costs from 2019 onwards
 - Increase in professional indemnity insurance costs
 - CPI and wages growth

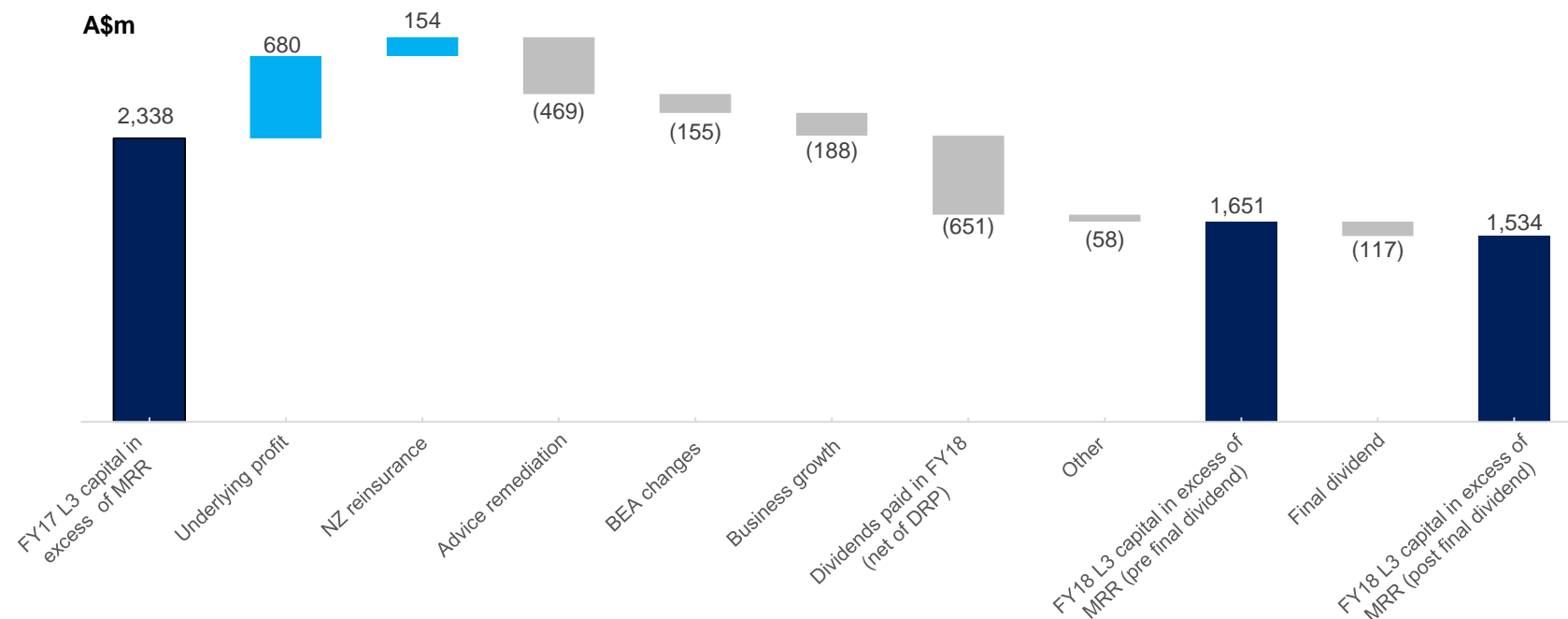
Key financial items outside business unit results

| A\$m | FY 18 | FY 17 |
|---|-------------|--------------|
| Underlying profit | 680 | 1,040 |
| Advice remediation and related costs | (469) | - |
| Royal Commission | (32) | - |
| Portfolio review and related costs | (48) | (24) |
| Risk management, governance and controls | (8) | - |
| Other items | (74) | (21) |
| Amortisation of acquired intangible assets | (79) | (80) |
| Profit/(loss) before market adjustments and accounting mismatches | (30) | 915 |
| Market adjustments | 8 | (53) |
| Accounting mismatches | 50 | (14) |
| Profit/(loss) attributable to shareholders of AMP Limited | 28 | 848 |
| <ul style="list-style-type: none"> – Advice remediation and related costs include A\$430m (post-tax) provisioning and A\$39m of direct costs – Royal Commission costs reflect legal and other expenses incurred in preparation and response – Portfolio review costs reflect transition costs and commencement of separation activities – Other items include cost of implementing significant regulatory and compliance change (A\$40m) and non-advice related customer remediation costs (A\$20m) | | |

Capital adequacy, funding and liquidity

| A\$m | FY 18 | FY 17 |
|---|--------------|--------------|
| Shareholder equity | 6,683 | 7,276 |
| Less: goodwill and other intangibles | (3,560) | (3,475) |
| Less: other deductions | (129) | (173) |
| Plus: subordinated bonds eligible as level 3 capital | 83 | 83 |
| Level 3 eligible capital | 3,077 | 3,711 |
| Minimum Regulatory Requirements (MRR) | 1,426 | 1,373 |
| Level 3 eligible capital above MRR | 1,651 | 2,338 |
| Debt metrics and liquidity | | |
| S&P gearing | 17% | 9% |
| Interest cover (underlying) | 11.0 times | 20.6 times |
| Group cash (A\$m) | 533 | 455 |
| Corporate debt (A\$m) | 1,849 | 1,681 |
| Undrawn loan facilities (A\$m) | 1,000 | 400 |
| <div> <div> <p>– Reduction in shareholder equity and Level 3 eligible capital above MRR due primarily to advice remediation provisions, changes to best estimate assumptions and other one-off costs</p> </div> <div> <p>– AMP repaid a syndicated loan (A\$500m corporate debt and A\$400m undrawn loan facilities) subsequent to the reporting date</p> </div> </div> | | |

Capital position



- Active capital management continued; New Zealand reinsurance tranche executed in Q4 18 releasing A\$154m
- Advice remediation and best estimate assumptions significantly impacted available capital; absorbed A\$624m
- Business growth funded to maintain momentum – A\$188m
- Final dividend of 4 cents a share, bringing total FY 18 dividend to 14 cents a share. Final dividend reflects weaker business performance in 2H 18, related capital impacts and uncertainties in operating environment
- FY 18 Level 3 capital in excess of MRR (A\$1.5b post final dividend) is in line with Board limits for target capital surplus; reflects strong capital position
- Board anticipates maintaining target capital surplus ahead of Resolution Life transaction completion
- AMP reaffirms its commitment to returning the majority of the net cash proceeds received on settlement of the Resolution Life transaction to shareholders, subject to unforeseen circumstances



FY 18 earnings rebase

Section 2

FY 18 earnings rebase

| A\$m | FY 18 reported | Sold businesses earnings | Proforma adjustments | Other adjustments | FY 18 ¹⁰ rebased |
|---|----------------|--------------------------|-------------------------|---------------------|-----------------------------|
| Australian wealth management | 363 | | (85) ² | (75) ^{5,6} | 203 |
| AMP Capital | 167 | | | | 167 |
| AMP Bank | 148 | | | (10) ⁶ | 138 |
| New Zealand wealth management | 53 | | (12) ² | | 41 |
| Retained business operating earnings | 731 | | (97)² | (85) | 549 |
| Australian wealth protection | (176) | 176 | | | - |
| New Zealand wealth protection and mature | 39 | (39) | | | - |
| Australian mature | 134 | (134) | | | - |
| Sold business operating earnings | (3) | 3 | | | - |
| BU operating earnings | 728 | 3 | (97) | (85) | 549 |
| Group Office costs | (76) | | (40) ³ | (30) ^{6,7} | (146) |
| Total operating earnings | 652 | 3 | (137) | (115) | 403 |
| Underlying investment income | 96 | (43) | 50 ⁴ | 15 ⁸ | 118 |
| Interest expense on corporate debt | (68) | | | 8 ⁹ | (60) |
| Underlying profit | 680 | (40)¹ | (87) | (92) | 461 |

Sold businesses earnings adjustments

1. Resolution Life assumes risk and profit impacts from 1 July 2018; AMP risk share will be adjusted against gain/loss on sale when transaction completion takes place and is not shown here.

Proforma adjustments (annualised) from sold businesses

2. Resolution Life share of Australian wealth management and New Zealand wealth management operating earnings; includes distribution arrangements of approx. A\$65m (post-tax) and products transferring with sale.
3. Stranded costs of A\$40m (post-tax)
4. AMP retained economic interest in mature of A\$50m p.a. (post-tax)

Other Adjustments

5. Ongoing margin compression for AWM of up to 8bps, including full year impact of MySuper pricing - A\$60m (post-tax)
6. Major regulatory and compliance change costs reported above the line in AWM (A\$15m), AMP Bank (A\$10m) and Group Office (A\$10m) totalling A\$35m (post-tax)
7. Professional indemnity cost increase in Group Office
8. Annual investment income of A\$110m (less A\$50m for retained economic interest in mature) earned on income generating assets for three months, assuming completion at the end of Q3 19
9. Annual reduction in interest costs of A\$23m for three months, assuming completion at the end of Q3 19

FY 18 rebased

10. FY 18 rebased earnings provide a more representative base from which to set earnings expectations for the retained businesses in FY 19



AMP of tomorrow and 2019 priorities

Section 3

Transforming AMP



Board renewal

- David Murray AO appointed Chairman AMP Limited
- Three highly-experienced financial services leaders appointed as non-executive directors (NEDs)



Executive change

- New CEO appointed
- New CEO Australian wealth management
- GLT changes to drive transformation in 2019



Consequence management

- Clear remuneration consequences
- Forfeiture of short and long-term incentives for certain former executives
- Board: reduction in NED fees for 2018
- FY 18 zero short-term incentive for group leadership team (ex. AMP Capital)



Customer focus

- Coordinated advice remediation program; pre-tax provisions for A\$415m and A\$200m announced
- Improved price competitiveness of MySuper offer, benefiting approximately 600,000 existing customers



Transformational transaction




- Sale of Australian and New Zealand wealth protection and mature to Resolution Life; legal separation on track to complete by the end of Q3 19



Risk management

- Commitment to invest A\$100 million (pre-tax) over two years to strengthen risk management, internal controls and governance

Unique opportunity to redefine AMP

| | Australian wealth management | New Zealand wealth management | AMP Bank | AMP Capital |
|---|--|---|--|--|
|  <p>Strengths</p> | <ul style="list-style-type: none"> – Largest financial advice network¹ – Leader in superannuation | <ul style="list-style-type: none"> – Strong advice network – Leading KiwiSaver provider | <ul style="list-style-type: none"> – Competitive core offering – Low-cost banking model | <ul style="list-style-type: none"> – Recognised as a leader in real assets – Expanding international client base |
|  <p>Challenges</p> | <ul style="list-style-type: none"> – Regulatory environment – Affordability of advice | <ul style="list-style-type: none"> – Market size | <ul style="list-style-type: none"> – Highly-concentrated market – Future of mortgage broking | <ul style="list-style-type: none"> – Continued focus on improving investment performance in public markets |
|  <p>Strategic opportunities</p> | <ul style="list-style-type: none"> – Transform business and enhance the delivery of advice | <ul style="list-style-type: none"> – Establish and grow as a standalone business unit | <ul style="list-style-type: none"> – Leverage bank in integrated customer life cycle | <ul style="list-style-type: none"> – Leverage areas of competitive advantage and strategic partnerships |
| Cost discipline and capital optimisation | | | | |

Notes

1. Adviser numbers: ASIC Financial Adviser Register, December 2018

2019 priorities



Towards structural transformation

Separate Australia and New Zealand wealth protection and mature


- Drive legal separation for end Q3 19

Deliver advice remediation

- Remediate clients as quickly as possible

Strengthen risk management, internal controls and governance

- Optimise investment in risk and compliance systems
- Improve risk culture



Position to win across core operating businesses

Transform Australian wealth management

- Reshape advice network and improve economics
- Streamline operating model and product offering

Grow New Zealand wealth management

- Focus on separation and growth
- Defer IPO consideration until separation completion

Drive growth in AMP Bank

- Deliver solutions through broker and advice channels
- Grow retail deposit base

Maintain growth momentum in AMP Capital

- Continue international expansion
- Leverage strategic partnerships





Appendix

Section 4

Guidance summary

Australian wealth management

- Including the MySuper repricing, and subject to any further regulatory impacts and management initiatives, underlying margin compression is expected to be up to 8bps in FY 19
- Financial impact of unwinding distribution agreements and adjustments for tax and products will give rise to a reduction in operating earnings of approximately A\$85m in FY19
- Commitment to offset the lost distribution fee earnings in the order of A\$65m p.a. (post-tax) through revenue replacement and/or cost management

New Zealand wealth management

- Following completion of transaction with Resolution Life, operating earnings of New Zealand wealth management are expected to be approximately A\$40 million per annum

AMP Capital

- Seasonally lower performance fees experienced in second half of year as infrastructure funds typically attract fees for annual period ending 30 June
- In future periods, there is likely to be increased variability in performance fees as new global infrastructure funds (IDF and GIF series) are closed end funds, earning carried interest towards the end of the fund lifetime
- Given the variable mix of short-term asset holdings and longer-term cornerstone investments, income from seed and sponsor capital may vary from period to period
- Continue to target a cost to income ratio between 60%-65%

AMP Bank

- Net interest margin expected to trend down due to competitive lending environment and increased funding costs
- AMP Bank continues to target total lending growth at or above system, subject to risk appetite, regulatory landscape, return on capital hurdles and funding availability

Investments

- Economic interest in mature business expected to deliver future earnings of approximately A\$50 million (after tax) per annum, assuming annual run off at 5%
- AMP's interest in Resolution Life (focused on acquisition and management of in-force life insurance books globally) expected to generate significant yield over time post deal completion
- AT1 preference shares from Resolution Life transaction to yield a fully franked semi-annual cash coupon of approximately 6% per annum, equivalent to A\$18 million per annum post deal completion

Controllable costs

- FY 19 controllable costs (ex AMP Capital) are expected to increase by approximately A\$100m on FY 18 reflecting higher professional indemnity insurance costs, decision to move regulatory and compliance costs for implementing major change into controllable costs from 2019 onwards (A\$50m), and CPI growth not offset by cost reduction initiatives (A\$20m)
- AMP has committed to remove approximately A\$40m (after tax) of group office stranded costs in the first full year post separation (i.e. FY 20)

One-off costs

- Approximately A\$35m per annum (post-tax) over the next two years to strengthen risk management and controls

Amortisation of acquired intangible assets

- Amortisation of acquired intangibles of approximately A\$80m in FY 19 (post-tax)

Resolution Life transaction: financial impacts and timing

As announced on 25 October 2018, Resolution Life assumes the risks and profit impacts of the Australian and New Zealand wealth protection and mature businesses from 1 July 2018, subject to AMP's share of risks and AMP's retained economic interest in the mature business. As previously detailed, key elements of transaction implementation include:

- AMP will share with Resolution Life, wealth protection negative claims experience above A\$20m until transaction completion
- AMP retains an economic interest in the mature business expected to deliver future earnings of approximately A\$50 million (after tax) p.a. (expected to run off at 5% p.a. from 2H 19)
- AMP Australian wealth management will lose an annualised A\$80-90m of earnings from the unwinding of distribution arrangements, tax and other impacts, between its wealth management and wealth protection businesses
- New Zealand wealth management expected to have annual operating earnings of A\$40m p.a. on a stand-alone basis

At the time of transaction settlement (expected to complete end Q3 19)

On settlement, Resolution Life will pay transaction proceeds of A\$3.3b (comprising cash, preference shares and equity consideration) to AMP in exchange for the net assets and target capital of AMP Life and various other entities, based on an agreed 30 June 2018 proforma position with Resolution Life.

- In practice, any earnings and capital movements (including best estimate assumption changes) in the sold businesses between 1 July 2018 and the completion date will be included in AMP's results. The net movements will be adjusted in the final cash payment from Resolution Life
- The consideration is subject to risk sharing arrangements which will also be reflected in the final payment from Resolution Life

Post completion of the transaction

- AMP to benefit by approximately A\$110m p.a. on a proforma 2018 basis from a) income-generating equity investments received as part consideration and b) an ongoing retained economic interest in the mature business
- Interest expense on corporate debt expected to be reduced by approximately A\$23m p.a. on a proforma 2018 basis
- Stranded costs of A\$40m p.a. to be removed in the first full financial year post completion (FY 20)
- Separation costs of A\$320m (after-tax), previously announced, expected to be approximately A\$200m in FY 19 and A\$120m in FY 20
- Majority of A\$755m net cash proceeds received on settlement to be returned to shareholders, subject to unforeseen circumstances
- Commitment to offset the lost distribution fee earnings in the order of A\$65m p.a. (post-tax) through revenue replacement and/or cost management
- AMP to provide transitional support services for wealth protection and mature businesses for a period of 2 years post completion on a cost recovery basis, impacting timing of potential cost out initiatives
- AMP is entitled to up to A\$45m of additional value depending on the lapse performance of the New Zealand individual risk business

AMP's advice network – Australia

| Channel Analysis | Target market | Advisers | | Total AUM (\$m) ⁵ | | AUM per adviser (\$m) | |
|---|---------------------|--------------|--------------|------------------------------|----------------|-----------------------|-------------|
| | | Dec 18 | Dec 17 | Dec 18 | Dec 17 | Dec 18 | Dec 17 |
| AMP Advice ¹ | Goals-based | 233 | 226 | 13,788 | 15,302 | 59.2 | 67.7 |
| AMP Financial Planning ² | Core Licensee Offer | 1,334 | 1,437 | 56,774 | 59,427 | 42.6 | 41.4 |
| Charter Financial Planning ³ | | 687 | 712 | 20,742 | 22,830 | 30.2 | 32.1 |
| Hillross | | 313 | 317 | 13,710 | 14,756 | 43.8 | 46.5 |
| Total (core licensees) | - | 2,567 | 2,692 | 105,014 | 112,315 | 40.9 | 41.7 |
| Jigsaw Support Services ⁴ | | 137 | 134 | 1,089 | 1,115 | 7.9 | 8.3 |
| SMSF Advice ⁶ | | - | 41 | n/a | n/a | n/a | n/a |
| Total (licensee services) | | 137 | 175 | 1,089 | 1,115 | 7.9 | 6.4 |

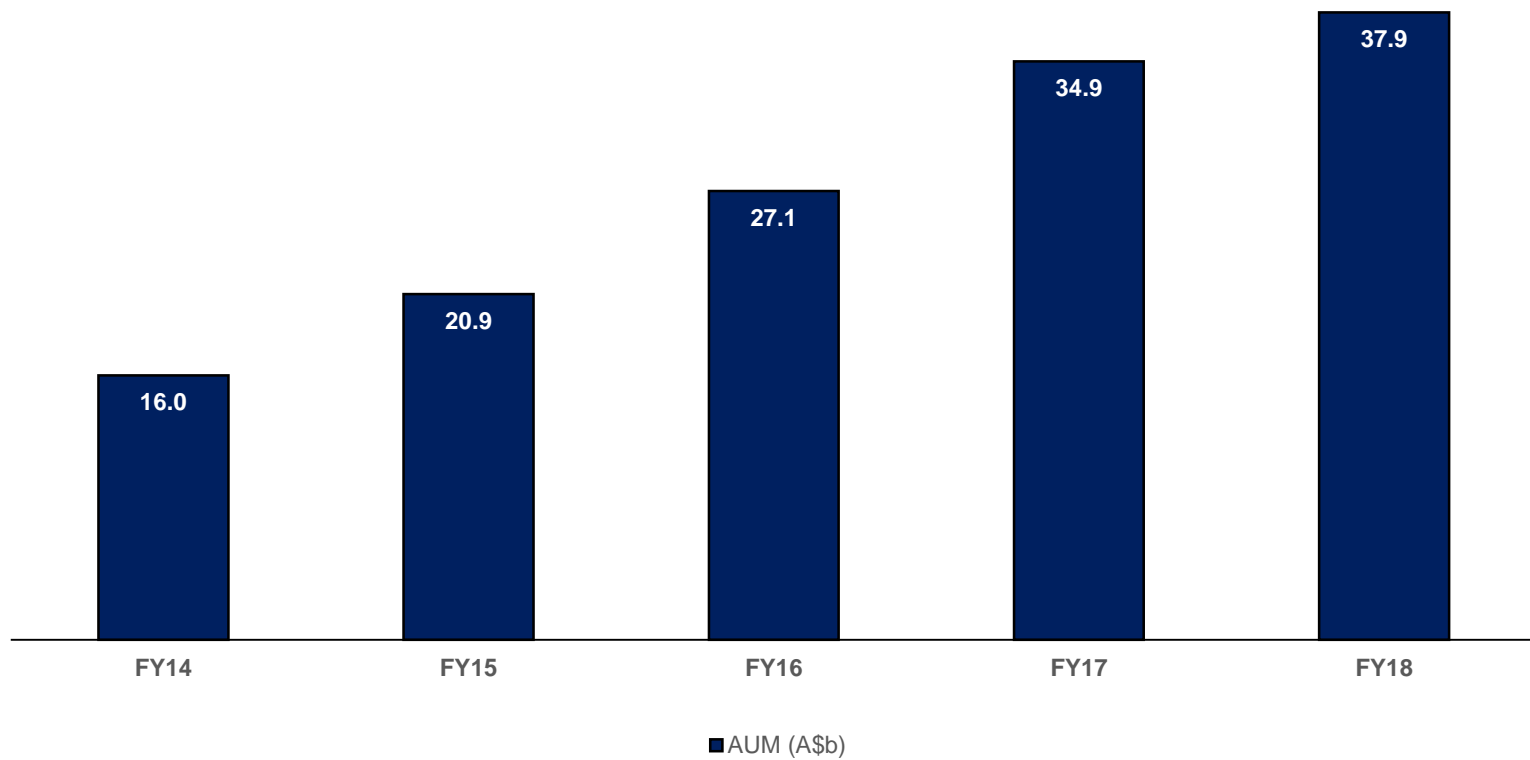
- Increased focus on reshaping adviser network; shifting emphasis away from adviser numbers to productivity, professionalism and compliance
- Implementation of Adviser Pathways, AMP's education and training program for new advisers, supports focus on adviser professionalism

- Number of advisers in core licensees declined 4.6% from December 2017, largely due to exits from the industry including retirements

1. Includes AMP Advice employed, AMP Advice self employed advisers, and AMP Assist advisers
2. AMPFP excludes 52 AMP Advice self employed advisers
3. Excludes 17 AMP Advice self employed advisers
4. Jigsaw does not include AMP Authorised Representatives
5. AUM represents total Australia AUM including WM and Mature, and excludes SuperConcepts
6. Decision to close SMSF Advice to new authorised representatives was made in 2017; business being wound down

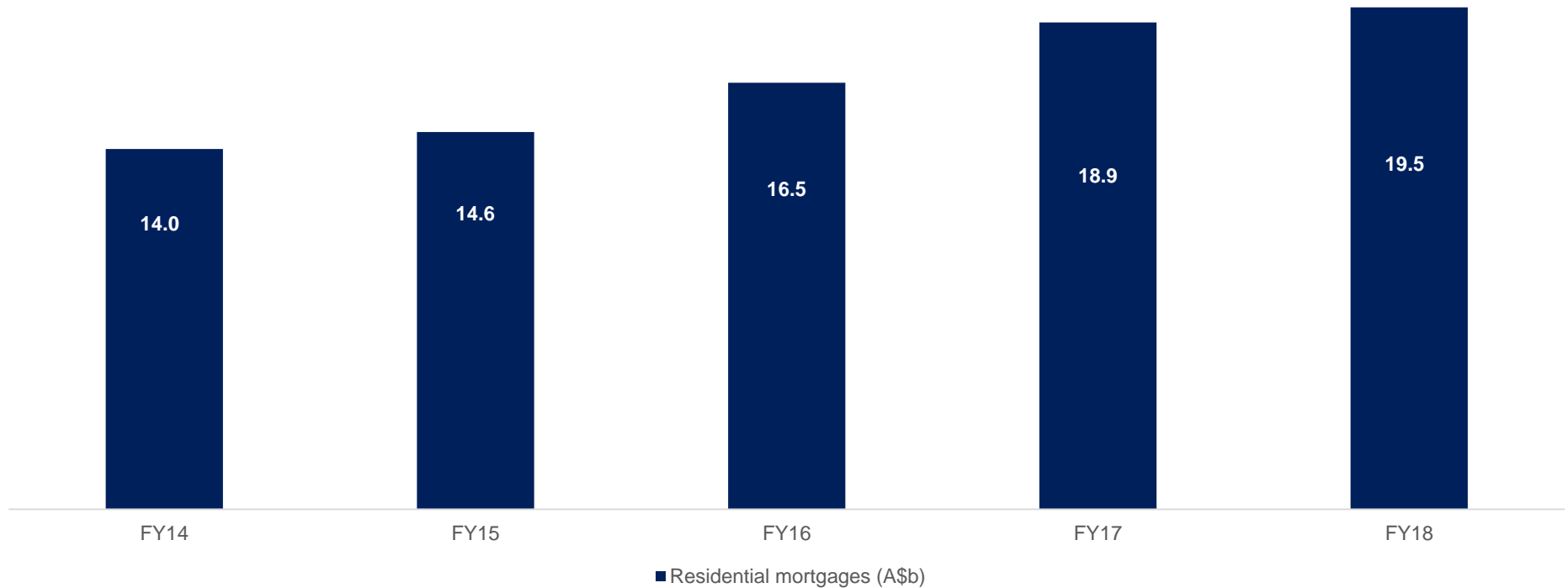
North AUM – five year summary

24% compound
annual growth
rate in North
platform AUM



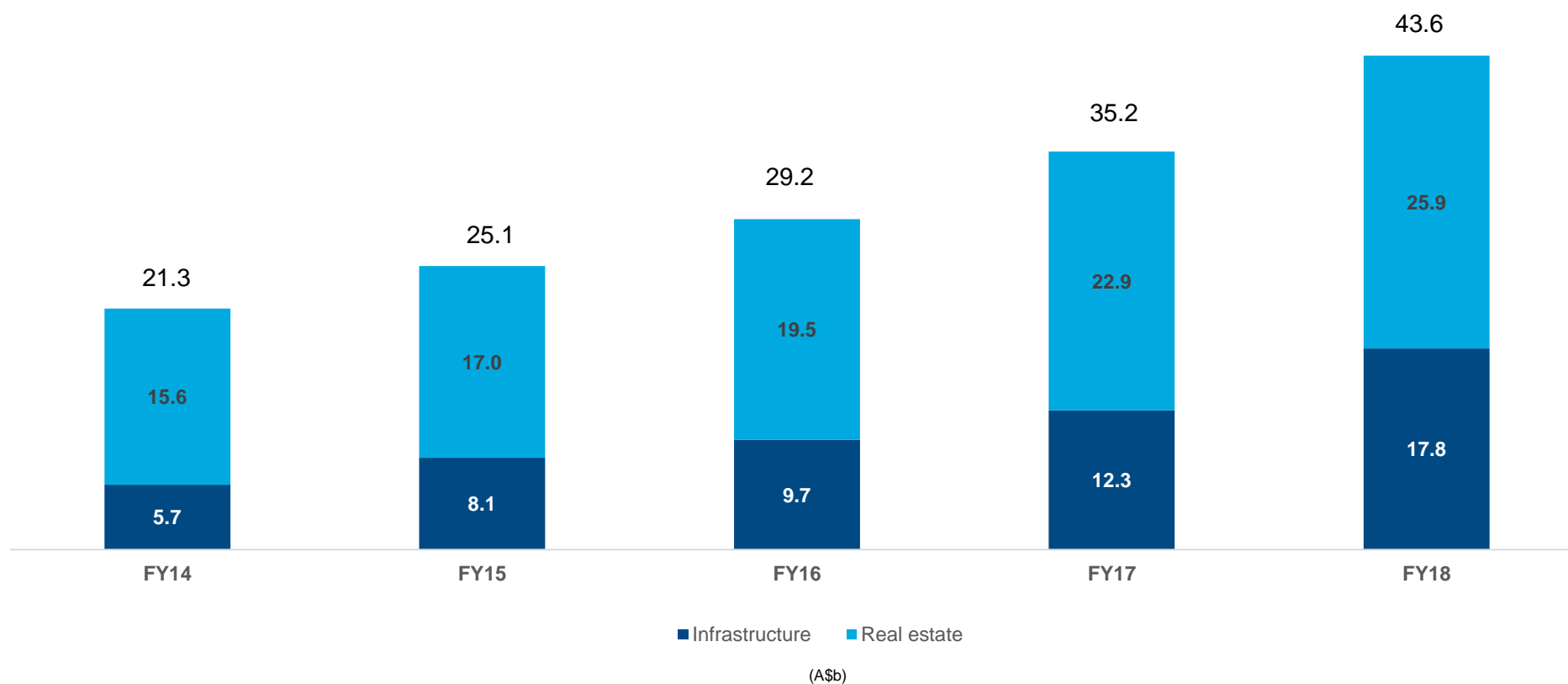
AMP Bank residential mortgage growth – five year summary

9% compound
annual growth
rate in residential
mortgages



AMP Capital real assets external AUM – five year summary

20% compound
annual growth
rate in real assets
external AUM



AMP Capital – international growth

| | |
|-------------------------------------|--|
| Global Partnerships | <p>China Life AMP Asset Management (CLAMP)¹</p> <ul style="list-style-type: none"> – AUM grew 10.1% (from FY 17) in local currency terms to RMB 201.7b (A\$41.7b) – Launched 17 new products year-to-date including separately managed accounts, diversified, equity and bond funds <p>China Life Pension Company (CLPC)²</p> <ul style="list-style-type: none"> – AUM grew 35.7% (from FY 17) in local currency terms to RMB 720.7b (A\$149.1b) – No.1 in trustee services (32% market share) and No.3 in investment management (11% market share)³ by AUM at Q3 2018 – CLPC has been selected as a trustee manager in each of the eight occupational pension plans that have been tendered to date. Tender activity among the remaining provinces will continue in 2019 <p>MUFG: Trust Bank and other Japanese clients and distributors</p> <ul style="list-style-type: none"> – Managing A\$5.9b for clients in Japan – MUFG: Trust Bank business alliance offers nine retail and three institutional funds, with A\$1.2b in AUM. Raised commitments of A\$1.6b across a large number of Japanese institutional clients since the launch of AMP Capital's Global Infrastructure Fund and Infrastructure Debt Fund series |
| Global Investment Management | <ul style="list-style-type: none"> – Managing A\$29.0b for international investors; includes A\$17.3b for 302 direct international institutional clients – Ongoing growth in global infrastructure debt and equity capabilities and AUM – A\$5b Australian property development program attracting strong support from international and domestic investors <ul style="list-style-type: none"> – Development of Quay Quarter Tower commenced in 2018; forecast completion of Quay Quarter in early 2022 – Development of Karrinyup shopping centre commenced in late 2018; estimated completion time of 3 years – Continuing to progress remaining conditions precedent for major redevelopment at WA shopping centre Garden City, Booragoon |

Notes

1. AMP Capital holds a 15% stake in the joint venture. AMP Capital's 15% share of AUM is A\$6.3b.

2. AMP holds a 19.99% stake in the joint venture.

3. Ministry of Human Resources and Social Security (MOHRSS), September 2018

AMP Group Leadership Team

CEO



Francesco De Ferrari
Chief Executive Officer

Business lines



Megan Beer
Chief Executive,
AMP Life



Sally Bruce
Chief Executive,
AMP Bank



Adam Tindall
Chief Executive,
AMP Capital



Blair Vernon
Chief Executive, New Zealand
Wealth Management



Alex Wade
Chief Executive, Australian
Wealth Management

Group functions



David Cullen
Group General Counsel



Jenny Fagg
Chief Risk Officer



Gordon Lefevre
Chief Financial Officer



Helen Livesey
Group Executive, Public
Affairs and Chief of Staff



Craig Ryman
Chief Operating Officer



Fiona Wardlaw
Group Executive,
People and Culture

New GLT structure effective 4 March 2019

Key Royal Commission recommendations relevant to AMP

– AMP has embraced the need for change and has already taken significant action to improve culture, governance, accountability and processes across the group

– AMP will work constructively with the government, regulators, advisers, trustees and other bodies to meet the best interests of customers

| Lines of business | Australian Wealth Management | | AMP Bank | AMP Capital | Group |
|-------------------|---|---|--|--|--|
| | Advice | Products & Platforms | | | |
| Recommendations | <ul style="list-style-type: none"> Grandfathered commissions to cease Annual renewal and payment and authority to deduct fees Disclosure of independent advice Creation of single central disciplinary body | <ul style="list-style-type: none"> Deduction of advice fees Trustee obligations Civil penalty provision for trustees One default account per person | <ul style="list-style-type: none"> Mortgage brokers to have a best interest duty Ban on trail commissions Brokers to be subject to same laws that apply to financial advisers Review on moving to borrower pays mortgage brokerage fee | <ul style="list-style-type: none"> Flow on effects from wealth management | <ul style="list-style-type: none"> Strengthened regulatory enforcement Oversight body for regulators Improve culture and governance Remuneration redesign Extension of BEAR |

Legislative and regulatory environment

| Proposed reform | AMP position |
|---|---|
| Royal Commission into misconduct in the Banking, Superannuation and Financial Services industry | <ul style="list-style-type: none"> - AMP will work constructively with government and other stakeholders to ensure that, as the recommendations move into definitive legislative reform, the outcomes are capable of being consistently applied, clear, simple and meet the best interests of customers. |
| Protecting Your Super (PYS) Package Legislation announced in 2018-19 Federal Budget aims to protect super savings from undue erosion by fees and insurance premiums, and reduce the number of unnecessary multiple accounts | <ul style="list-style-type: none"> - AMP supports policy initiatives that aim to strengthen the superannuation system. We support measures that aim to protect low balance and inactive accounts from fee erosion and remove unnecessary multiple accounts. - AMP has raised concerns with the Government's PYS Package. Along with others in the sector, AMP believes several implementation issues need to be addressed in the current Package, specifically in relation to insurance, so as to not adversely impact members. |
| Productivity Commission Final Report: Superannuation Review of the competitiveness and efficiency of the superannuation system including an assessment of alternative default models | <ul style="list-style-type: none"> - The Government responded to some of the Productivity Commission's recommendations as part of its response to the Royal Commission Final Report. - As part of our broader response to the recommendations of the Final Report, AMP will fully participate in the consultation process. |
| Design and distribution obligations for financial products Draft legislation to introduce design and distribution obligations for financial products issuers and distributors to ensure that products are targeted and offered to the right customers | <ul style="list-style-type: none"> - AMP supports in-principle the draft legislation and believes it will improve consumer protection in relation to financial and credit products and strengthen product and distribution governance. We also support ASIC having powers to intervene in the issue or distribution of a product to prevent harm to consumers. - AMP has some implementation concerns, which have been publicly raised in the consultation process. |
| Banking Executive Accountability Regime (BEAR) Legislation that requires senior executives in Authorised Deposit-Taking Institutions to meet heightened accountability obligations in addition to deferred remuneration and notification obligations | <ul style="list-style-type: none"> - AMP supports BEAR and will be compliant with its requirements ahead of the 1 July 2019 deadline for AMP Bank. We have also applied its remuneration requirements to senior executives across the Group. - AMP believes an extension of BEAR obligations to all financial services entities is appropriate, to improve customer outcomes and consumer confidence in the financial services industry. |
| Financial Adviser Standards and Ethics Authority (FASEA) New professional standards framework for the financial planning profession | <ul style="list-style-type: none"> - AMP strongly supports the professionalisation of financial advice. - AMP supports the implementation of practical industry-wide standards which have been set by FASEA. |

Important disclaimer

Forward-looking statements in this presentation are based on AMP's current views and assumptions and involve known and unknown risks and uncertainties, many of which are beyond AMP's control and could cause actual results, performance or events to differ materially from those expressed or implied. These forward-looking statements are not guarantees or representations of future performance, and should not be relied upon as such.

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