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Half year 2020

INVESTOR REPORT



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Contents

AMP	Business overview	2
	1H 20 performance summary	3
	Financial summary	4
AMP business unit results	AMP Australia	
	Australian wealth management	6
	AMP Bank	10
	AMP Capital	12
	New Zealand wealth management	16
	AMP Life	17
Group Office and other items of profit and loss		18
Capital, debt and liquidity	Regulatory capital requirements and capital management framework	20
	Capital adequacy	21
	Debt and liquidity overview	22
Additional AMP group information	Sensitivities – profit and capital	23
	Market share and channel analysis	25
	AMP Capital investment performance	26
Glossary of terms	Accounting treatment, definitions and exchange rates	27
Key dates for shareholders		29

Important general notes

This Investor Report provides financial information reflecting results after income tax for AMP shareholders. Information is provided on an operational basis (rather than a statutory basis) to reflect a management view of the businesses and existing structures. Content is prepared using external market data and internal management information. The principles of life insurance accounting are used in reporting the results of AMP Life. This Investor Report is not audited.

Profit attributable to shareholders of AMP Limited has been prepared in accordance with Australian Accounting Standards.

Forward looking statements in this Investor Report are based on management's current views and assumptions. The assumptions 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.

These forward looking statements are not guarantees or representations of future performance, and should not be relied upon.

This Investor Report is not an offer document and therefore has not been the subject of a full due diligence process typically used for an offer document. While AMP has sought to ensure that information in this Investor Report is accurate by undertaking a review process, it makes no representation or warranty as to the accuracy or completeness of any information or statement in this Investor Report. In particular, information and statements in this Investor Report do not constitute investment advice or a recommendation on any matter, and should not be relied upon.

AMP also provides statutory reporting prescribed under the *Corporations Act 2001*. Those accounts will be available from AMP's website amp.com.au and reflect policyholder and shareholder interests.

Resolution Life transaction

On 1 July 2020, AMP Limited announced the completion of the sale of its life insurance business, AMP Life (the Australian and New Zealand wealth protection and mature businesses) to Resolution Life.

The gross sale proceeds were A\$3.0b comprising:

- A\$2.5b cash, and
- A\$500m equity interest in Resolution Life Australia¹, a new Australian-domiciled, Resolution Life-controlled holding company that is now the owner of AMP Life.

Resolution Life was on risk for all experience and lapse losses from 1 July 2018 until 30 June 2020 and is entitled to all AMP Life net earnings during that period. The sale was completed on 30 June 2020. AMP has continued to report the results of AMP Life through to 30 June 2020. Impacts to the capital position are broadly in line with estimates provided previously, other than an unexpected variation to AMP Life's Net Asset Position due to the unprecedented impacts of COVID-19 and the impact of additional provisions for contractual obligations, which reduced net proceeds by A\$87m and A\$93m, respectively.

In accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*, the results (but not the assets and liabilities) of the AMP Life business are consolidated in the 1H 20 AMP Limited half year financial report.

1 Resolution Life NOHC Pty Ltd.

Business overview

Overview of the AMP group

AMP is Australia and New Zealand's leading wealth management company.

The AMP group's business is divided into three areas:

- AMP Australia (wealth management, advice and bank)
- AMP Capital, and
- New Zealand wealth management.

AMP also holds a number of important strategic partnerships at Group and at business unit level.

AMP Australia

AMP Australia aims to help Australians to manage and grow their wealth throughout their lives.

In November 2019, AMP brought together its Australian wealth management and AMP Bank divisions under one leadership team.

Australian wealth management

Wealth management provides financial advice services (through aligned and owned advice businesses), platform administration (including SMSF), unit linked superannuation, retirement income and managed investment products.

AMP Bank

AMP Bank offers residential mortgages, deposits and transaction banking. The business will continue to act in its clients best interests, while at the same time seek opportunities to integrate with Australian wealth management.

As at 1H 20, AMP wealth management managed AUM of A\$121.0b, paid out A\$1.2b in retirement payments, and AMP Bank helped around 118,000 clients with their banking needs and provided over 2,900 new home loans.

AMP Capital

AMP Capital is a diversified investment manager across major asset classes including infrastructure, real estate, equities, fixed interest, diversified and multi-manager and multi-asset funds.

AMP Capital's aspiration is to build the best global private markets platform in the world, underpinned by real assets while at the same time continue to grow in select differentiated capabilities in public markets.

Post balance date, AMP entered into a binding agreement to repurchase Mitsubishi UFJ Trust and Banking Corporation's (MUTB) 15% shareholding in AMP Capital. The amount payable under the purchase agreement is total cash consideration of A\$460m. The transaction will be funded from AMP Limited's existing capital reserves and is expected to complete in Q3 2020, subject to receipt of required approvals. At transaction completion, the existing business and capital alliances between MUTB, AMP Limited and AMP Capital will end. However, AMP Capital and MUTB will continue to cooperate strategically, building on their mutually beneficial business relationship in Japan with AMP Capital continuing to deliver its investment products through MUTB's network. MUTB will no longer have a representative on the AMP Capital Board.

New Zealand wealth management

The New Zealand wealth management business encompasses the wealth management, financial advice and distribution business in New Zealand.

It provides customers with a variety of wealth management solutions including KiwiSaver, corporate superannuation, retail investments and a wrap investment management program.

Strategic partnerships

AMP group and business units hold a number of strategic partnerships including:

- A\$500m equity interest in Resolution Life Australia
- 19.99% of China Life Pension Company (CLPC)
- 15.0% of China Life AMP (CLAMP), and
- 24.9% in US real estate investment manager, PCCP.

1H 20 performance summary

COVID-19 impacts

- AMP's earnings have been materially impacted by market volatility in Australian wealth management, AMP Capital and New Zealand wealth management and the impact of the economic downturn requiring credit loss provisioning in AMP Bank (A\$24m) and the unrealised devaluation of equity and real asset sponsor investments in AMP Capital (A\$16m).
- AMP has prioritised servicing clients throughout the pandemic, which has resulted in additional servicing costs as well as impacted the pace of investment spend, including the cost reduction program. AMP remains committed to delivering A\$300m of annual run-rate cost savings and its transformation investment of A\$1.0-1.3b by FY 22.

Key performance measures

- 1H 20 retained businesses underlying profit of A\$149m declined 42% from A\$256m in 1H 19. This decrease largely reflects the impact of weaker Australian wealth management earnings (-43%), AMP Capital earnings (-40%), and AMP Bank earnings (-30%).
- Australian wealth management earnings of A\$59m declined 43% from 1H 19 primarily due to lower investment related revenue arising from weaker markets, Protecting Your Super (PYS) legislation changes, MyNorth pricing changes and product mix and volume changes, partly offset by lower investment management expense and lower controllable costs.
- Australian wealth management net cash outflows were A\$4.4b in 1H 20, including A\$1.2b of pension payments, versus net cash outflows of A\$3.1b in 1H 19. Previously announced mandate losses in corporate super and COVID-19 early release of super payments were offset by higher inflows into the North platform.
- AMP Bank earnings of A\$50m declined A\$21m from 1H 19 predominately from the recognition of a A\$24m (post-tax) credit loss provision reflecting the uncertain and challenging economic outlook.
- AMP Bank's total loan book increased 1% to A\$20.9b in 1H 20 from A\$20.7b in FY 19, while deposits increased 18% to A\$17.0b from A\$14.4b in FY 19.
- AMP Capital earnings of A\$72m fell 40% from 1H 19 reflecting lower performance and transaction fees and the unrealised devaluation of seed and sponsor capital losses which were adversely impacted by COVID-19.
- AMP Capital external net cash inflows were A\$2.6b, up from A\$0.8b in 1H 19, reflecting the investment of real asset committed capital.
- New Zealand wealth management earnings of A\$18m declined A\$4m from 1H 19 due to the proactive closure of two legacy schemes in 2H 19 and the impact of COVID-19 on its ability to generate income.
- Sold businesses operating earnings (to the benefit of Resolution Life Australia) were A\$94m in 1H 20.
- Underlying return on equity is 6.0% in 1H 20.

Revenue measures

- Total AUM of A\$253b¹ in 1H 20 fell by A\$19b (7%) from FY 19.
- Australian wealth management AUM decreased 10% to A\$121.0b in 1H 20 from FY 19. 1H 20 investment related revenue of A\$465m decreased 14% from A\$540m in 1H 19.
- AMP Bank's total revenue increased 1% for the period. The net interest margin decreased 7 bps from 1H 19 and remains under pressure from the competitive lending environment and increased funding costs.
- AMP Capital AUM decreased A\$13.2b (6%) to A\$189.9b in 1H 20 from FY 19. Fee income decreased 4% to A\$387m in 1H 20 reflecting lower performance and transaction fees. Seed and sponsor losses of A\$16m reflect the unrealised devaluation of equity and real asset sponsor investments.

Cost measures

- AMP group controllable costs (excluding AMP Life) increased A\$20m to A\$664m, reflecting cost growth in AMP Capital (A\$15m) and structural increases in costs of doing business (A\$45m), including regulatory and compliance costs, offsetting cost savings (A\$40m).
- AMP group cost to income ratio was 73.5% in 1H 20, up from 60.9% in 1H 19, driven by lower revenue and higher controllable costs.
- Total controllable costs to AUM has increased by 2 bps in 1H 20 to 50 bps.
- Excluding AMP Capital and AMP Life, 1H 20 controllable costs increased A\$5m (1%) on 1H 19 to A\$410m.
- Australian wealth management cost to income ratio increased 12.1 percentage points to 73.4% in 1H 20 due to lower revenue. Controllable costs decreased by A\$1m from 1H 19 to A\$246m.
- AMP Capital cost to income ratio increased 12.8 percentage points from 1H 19 to 68.4% in 1H 20, reflecting increased employee costs and investment in the expansion of AMP Capital's international business and reduced revenues. Controllable costs increased by A\$15m to A\$254m in 1H 20.

Capital position

- 1H 20 total eligible capital resources were A\$1,428m above total requirements, up from A\$529m at 31 December 2019, this is largely due to receipt of cash proceeds from the sale of AMP Life.
- AMP has announced the return of capital of up to A\$544m to shareholders, comprising a A\$344m fully franked special dividend and up to A\$200m in the form of an on-market share buy-back, subject to market conditions.
- Beyond these capital changes, AMP Limited will continue to use capital to fund delivery of the new AMP strategy, including the repurchase of MUTB's 15% shareholding in AMP Capital reflecting capital usage of A\$400m.
- The Board does not expect to declare a final FY 20 dividend.

1 Includes SuperConcepts assets under administration, refer to page 9.

Financial summary

A\$m	1H 20	1H 19	2H 19	FY 19	% 1H 20/ 1H 19
Profit and loss					
Australian wealth management	59	103	79	182	(42.7)
AMP Bank	50	71	70	141	(29.6)
AMP Capital ¹	72	120	78	198	(40.0)
New Zealand wealth management	18	22	22	44	(18.2)
Retained businesses operating earnings	199	316	249	565	(37.0)
Group Office costs	(64)	(59)	(69)	(128)	(8.5)
Total operating earnings	135	257	180	437	(47.5)
Underlying investment income ¹	46	33	34	67	39.4
Interest expense on corporate debt	(32)	(34)	(31)	(65)	5.9
Underlying profit	149	256	183	439	(41.8)
Gain on sale of AMP Life	298	-	-	-	n/a
AMP Life separation costs	(208)	(89)	(94)	(183)	(133.7)
Client remediation and related costs	(19)	(41)	(112)	(153)	53.7
Risk management, governance and controls	(14)	(17)	(16)	(33)	17.6
Transformation cost out	(13)	-	(28)	(28)	n/a
Impairments	(32)	(2,352)	(55)	(2,407)	98.6
Other items	(11)	(5)	27	22	(120.0)
Market adjustment – investment income ¹	(34)	(44)	(25)	(69)	22.7
Amortisation of acquired intangible assets ¹	(42)	(45)	(51)	(96)	6.7
Profit/(loss) attributable to shareholders of AMP Limited excluding AMP Life	74	(2,337)	(171)	(2,508)	n/a
AMP Life earnings ²	129	50	(8)	42	158.0
Accounting mismatches	-	(5)	4	(1)	n/a
Profit/(loss) attributable to shareholders of AMP Limited	203	(2,292)	(175)	(2,467)	n/a

¹ AMP Capital is 15% owned by Mitsubishi UFJ Trust and Banking Corporation (MUTB). The AMP Capital business unit results and any other impacted line items are shown net of minority interests.

² As disclosed on page 1, AMP has completed the sale of its life insurance business, AMP Life (the Australian and New Zealand wealth protection and mature businesses) to Resolution Life. Operating earnings for AMP Life accrue to Resolution Life from 1 July 2018 until 30 June 2020. AMP has continued to report these earnings through to 30 June 2020. Refer to page 17 for details.

Financial summary cont'd

	1H 20	1H 19	2H 19	FY 19
Earnings				
EPS – underlying (cps) ^{1,2}	4.3	8.7	5.6	14.0
EPS – actual (cps)	5.9	(78.4)	(5.4)	(79.5)
RoE – underlying ³	6.0%	9.5%	6.3%	8.2%
RoE – actual	8.2%	-	-	-
Dividend				
Special dividend per share (cps)	10.0	-	-	-
Franking rate ⁴	100%	-	-	-
Ordinary shares on issue (m) ²	3,437	2,946	3,437	3,437
Weighted average number of shares on issue (m)				
– basic ²	3,437	2,942	3,268	3,127
– fully diluted ²	3,493	2,962	3,298	3,156
– statutory	3,421	2,922	3,244	3,105
Share price for the period (A\$)				
– low	1.11	2.03	1.60	1.60
– high	2.08	2.66	1.92	2.66
Market capitalisation – end period (A\$m)	6,392	6,247	6,598	6,598
Capital and corporate debt				
AMP shareholder equity (A\$m)	5,007	4,307	4,910	4,910
Corporate debt (excluding AMP Bank debt) (A\$m)	2,130	1,909	2,139	2,139
S&P gearing	23%	23%	20%	20%
Interest cover – underlying (times) ³	6.3	8.0	8.1	8.1
Interest cover – actual (times)	1.4	-	-	-
Margins				
Australian wealth management investment related revenue to AUM (bps)	75	85	79	82
AMP Capital AUM based management fees to AUM (bps) – external	45.7	49.0	46.3	47.6
AMP Bank net interest margin (over average interest earning assets)	1.63%	1.70%	1.68%	1.69%
Cashflows and AUM				
Australian wealth management cash inflows (A\$m)	14,053	11,366	14,256	25,622
Australian wealth management cash outflows (A\$m)	(18,414)	(14,462)	(17,501)	(31,963)
Australian wealth management net cashflows (A\$m)	(4,361)	(3,096)	(3,245)	(6,341)
Australian wealth management persistency ⁵	85.4%	86.6%	86.7%	86.1%
Australian wealth management AUM (A\$b) ⁵	121.0	132.7	134.5	134.5
AMP Capital net cashflows – external (A\$m)	2,587	818	1,708	2,526
AMP Capital net cashflows – internal (A\$m)	(6,490)	(3,442)	(4,273)	(7,715)
AMP Capital AUM (A\$b) ⁶	190	200	203	203
Non-AMP Capital managed AUM (A\$b) ⁷	63	71	69	69
Total AUM (A\$b) ⁷	253	271	272	272
Controllable costs (pre-tax) and cost ratios				
Operating costs (A\$m) ¹	582	551	645	1,196
Project costs (A\$m) ¹	82	93	85	178
Total controllable costs (A\$m) ¹	664	644	730	1,374
Cost to income ratio ¹	73.5%	60.9%	71.3%	66.0%
Controllable costs to average AUM (bps) ¹	50	48	53	50
Staff numbers				
Total staff numbers ^{3,8}	5,778	6,505	6,519	6,519

1 1H 19, 2H 19 and FY 19 have been restated to exclude AMP Life.
2 Number of shares has not been adjusted to remove treasury shares.
3 1H 20 excludes AMP Life.
4 Franking rate is the franking applicable to the dividend for that year.
5 Excludes SuperConcepts assets under administration.

6 1H 20 includes AMP Capital's 24.9% share of PCCP. AUM measured at net asset value (A\$1.7b).

7 Includes SuperConcepts assets under administration, refer to page 9.
1H 19 assets under administration has been restated down by A\$4.3b for correction of duplicated balances on funds migrated to new systems and finalisation of FY 18 lodgements.

8 Excludes advisers.

AMP Australia | Australian wealth management

Profit and loss (A\$m)	1H 20	1H 19	2H 19	FY 19	% 1H 20/ 1H 19
Investment related revenue ¹	465	540	530	1,070	(13.9)
Other revenue ²	9	17	8	25	(47.1)
Total revenue	474	557	538	1,095	(14.9)
Investment management expense	(144)	(164)	(158)	(322)	12.2
Controllable costs ³	(246)	(247)	(270)	(517)	0.4
Tax expense	(25)	(43)	(31)	(74)	41.9
Operating earnings	59	103	79	182	(42.7)
Underlying investment income	4	6	7	13	(33.3)
Underlying operating profit after income tax	63	109	86	195	(42.2)
Ratios and other data					
RoBUE	15.8%	23.0%	17.3%	20.1%	n/a
End period tangible capital resources (A\$m) ⁴	607	878	926	926	(30.9)
Net cashflows (A\$m) ⁵	(4,361)	(3,096)	(3,245)	(6,341)	(40.9)
AUM (A\$b) ⁵	121.0	132.7	134.5	134.5	(8.8)
Average AUM (A\$b) ^{5,6}	125.6	128.8	133.5	131.2	(2.5)
Persistence ⁵	85.4%	86.6%	86.7%	86.1%	n/a
Cost to income ratio	73.4%	61.3%	69.4%	65.3%	n/a
Investment related revenue to AUM (bps) ^{1,5,6,7}	75	85	79	82	n/a
Investment management expense to AUM (bps) ^{5,6,7}	23	26	24	25	n/a
Investment related revenue less variable costs to AUM (bps) ^{1,5,6,7}	52	59	55	57	n/a
Controllable costs to AUM (bps) ^{3,5,6,7}	39	39	40	39	n/a
Operating earnings to AUM (bps) ^{3,5,6,7}	9	16	12	14	n/a

¹ Investment related revenue refers to revenue on superannuation, retirement income and investment products.

² Other revenue includes SuperConcepts revenues, investment income and advice fees net of directly related costs.

³ Includes SuperConcepts.

⁴ Upon completion of the sale of AMP Life, the methodology used to calculate end period tangible capital resources has changed. The previous methodology allocated capital held within AMP Life which was attributable to the Australian wealth management business. The new methodology utilises closing shareholders equity less goodwill and other intangibles (as shown on page 21) and has been averaged with the closing FY 19 and 1H 19.

⁵ Excludes SuperConcepts assets under administration.

⁶ Based on average of monthly average AUM.

⁷ Ratio based on 182 days in 1H 20, 181 days in 1H 19 and 184 days in 2H 19.

AMP Australia | Australian wealth management cont'd

Operating earnings

Operating earnings fell from A\$103m in 1H 19 to A\$59m in 1H 20.

The decline in operating earnings was driven by:

- lower investment related revenue (A\$75m pre-tax), arising from:
 - weaker markets, product mix and volume changes (A\$43m)
 - Protecting Your Super (PYS) legislation changes (A\$21m)
 - pricing changes to MyNorth, MySuper and cash options and SFT related changes (A\$11m)
- lower other revenue (A\$8m pre-tax), offset by
- lower investment management expense (A\$20m pre-tax) driven by weaker markets and mix.

Other revenue

Other revenue decreased by A\$8m from 1H 19 to A\$9m in 1H 20, driven by lower SuperConcepts revenue (A\$5m) and lower investment income revenues (A\$3m). Lower advice fees primarily from the cessation of grandfathered commissions and weaker investment markets were largely offset by cost savings relating to the advice network.

Investment related revenue to AUM

1H 20 investment related revenue to AUM was 75 bps, a 10 bps (12%) reduction from 1H 19 and a 4 bps reduction from 2H 19 (5%).

The reduction from 1H 19 was driven by product mix and volume changes (5 bps), Protecting Your Super (PYS) legislation impact (3 bps) and price changes (2 bps).

Subject to any further regulatory impacts and management initiatives, underlying margin compression is expected to be up to 9 bps in FY 20.

Investment related revenue to AUM for North was 50 bps in 1H 20 across both administration and multi-manager investment revenue.

SuperConcepts

Across administration and software services, SuperConcepts supports 46,331 funds representing 8% of the SMSF market¹. AMP currently provides professional administration services to 17,286 funds and software as a service to a further 29,045 funds.

Total assets under administration in 1H 20 were A\$17.4b, down 11% from FY 19 largely reflecting client attrition and lower asset balances.

SuperConcepts revenue is reported as part of 'Other' revenue and forms part of Australian wealth management's consolidated reporting. SuperConcepts contributed A\$16m from business operations to 'Other' revenue in 1H 20, down A\$5m on 1H 19.

Controllable costs

Australian wealth management controllable costs decreased A\$1m (0.4%) in 1H 20 to A\$246m reflecting cost savings largely offset by the structural increase in the cost of doing business.

1 Self-managed Super Fund Quarterly Statistical Report, Australian Taxation Office, March 2020.

AMP Australia | Australian wealth management cont'd

1H 20 cashflows

Cashflows by product (A\$m)	Cash inflows			Cash outflows			Net cashflows		
	1H 20	1H 19	% 1H/1H	1H 20	1H 19	% 1H/1H	1H 20	1H 19	% 1H/1H
North ¹	8,088	6,942	16.5	(6,049)	(5,597)	(8.1)	2,039	1,345	51.6
AMP Flexible Super ²	1,521	953	59.6	(1,899)	(1,955)	2.9	(378)	(1,002)	62.3
Summit, Generations and iAccess ³	208	330	(37.0)	(1,136)	(1,192)	4.7	(928)	(862)	(7.7)
Flexible Lifetime Super (superannuation and pension) ⁴	851	689	23.5	(2,065)	(1,900)	(8.7)	(1,214)	(1,211)	(0.2)
Other retail investment and platforms ⁵	44	54	(18.5)	(244)	(195)	(25.1)	(200)	(141)	(41.8)
Total retail on AMP platforms	10,712	8,968	19.4	(11,393)	(10,839)	(5.1)	(681)	(1,871)	63.6
SignatureSuper and AMP Flexible Super – Employer	1,339	1,384	(3.3)	(2,881)	(1,500)	(92.1)	(1,542)	(116)	n/a
Other corporate superannuation ⁶	1,769	666	165.6	(3,270)	(968)	(237.8)	(1,501)	(302)	n/a
Total corporate superannuation	3,108	2,050	51.6	(6,151)	(2,468)	(149.2)	(3,043)	(418)	n/a
Total retail and corporate superannuation on AMP platforms	13,820	11,018	25.4	(17,544)	(13,307)	(31.8)	(3,724)	(2,289)	(62.7)
External platforms ⁷	233	348	(33.0)	(870)	(1,155)	24.7	(637)	(807)	21.1
Total Australian wealth management	14,053	11,366	23.6	(18,414)	(14,462)	(27.3)	(4,361)	(3,096)	(40.9)
Australian wealth management cash inflow composition (A\$m)									
Member contributions	1,723	1,660	3.8						
Employer contributions	2,005	2,099	(4.5)						
Total contributions	3,728	3,759	(0.8)						
Transfers, rollovers in and other ⁸	10,325	7,607	35.7						
Total Australian wealth management	14,053	11,366	23.6						

1 North is an award-winning fully functioning wrap platform which includes guaranteed and non-guaranteed options. Includes North and MyNorth platforms.

2 AMP Flexible Super is a flexible all in one superannuation and retirement account for individual retail business.

3 Summit and Generations are owned and developed platforms. iAccess is ipac's badge on Summit.

4 Flexible Lifetime Super (superannuation and pension) was closed to new business from 1 July 2010. A small component of corporate superannuation schemes are included.

5 Other retail investment and platforms include Flexible Lifetime – Investments and AMP Personalised Portfolio.

6 Other corporate superannuation comprises CustomSuper, SuperLeader and Business Super. Business Super was closed in May 2020 with members migrated to CustomSuper or AMP Flexible Super.

7 External platforms comprise Asgard, Macquarie, BT Wrap platforms and Challenger annuities.

8 Transfers, rollovers in and other includes the transfer of accumulated member balances into AMP from both internal (eg retail superannuation to allocated pension/annuities) and external products.

Cashflow overview

Australian wealth management net cash outflows were A\$4.4b in 1H 20, compared to net cash outflows of A\$3.1b in 1H 19.

The first half result was impacted by the exit of previously announced large Signature Super mandates of A\$1.3b and A\$0.9b early release of super payments under the Government legislative changes in response to COVID-19. These negative impacts offset lower cash outflows to retail and industry competitors with higher inflows into the North platform from new and existing clients. Pension payments to members of A\$1.2b in 1H 20 were in line with 1H 19. 1H 20 includes A\$0.2b of outflows related to PYS legislation changes.

Internal inflows across wealth management products were A\$8.5b in 1H 20 (A\$5.8b in 1H 19), representing 61% (51% in 1H 19) of total wealth management cash inflows. The increase was driven by the transfer of A\$2.0b to CustomSuper and AMP Flexible Super in respect of the employer and personal divisions of Business Super, closed as part of the large Successor Fund Transfer program. This was completed in May 2020 as part of the AMP Life sale.

Retail on AMP platforms

AMP's retail platforms comprise platforms which are owned, developed, and operated by AMP in contrast to external platforms which are administered by other platform providers.

Total retail AUM on AMP platforms decreased A\$7.1b (7%) from FY 19 to A\$87.9b in 1H 20, largely driven by weaker investment markets.

Net cash outflows on AMP retail platforms reduced by A\$1.2b to A\$0.7b in 1H 20 driven by the transfer of A\$0.9b of personal division members of Business Super to AMP Flexible Super, higher net cashflows in North, offset by early release of super payments of A\$0.5b.

North AUM decreased A\$1.6b (3%) to A\$46.0b in 1H 20 driven by weaker investment markets, while AUM held in North's capital guaranteed products reduced A\$0.2b to A\$1.6b in 1H 20.

North net cashflows of A\$2.0b were up A\$0.7b (52%) on 1H 19. Externally sourced inflows increased A\$0.3b (13%) whilst external outflows decreased A\$0.1b (5%) driven by pricing changes implemented in May 2019. Inflows from External Financial Advisers increased by A\$196m (39%) to A\$700m driven by increasing distribution focus on non-aligned channels.

AMP Flexible Super net cash outflows were A\$0.4b in 1H 20 driven by an increasing preference for new and existing retirement clients to use North and A\$0.1b early release of super payments offset by the transfer of Business Super personal division members.

Flexible Lifetime Super (superannuation and pension) was closed to new business from 1 July 2010. In 1H 20, net cash outflows of A\$1.2b were in line with 1H 19 and reflected lower outflows to competitors offset by A\$0.3b early release of super payments to members.

AMP Australia | Australian wealth management cont'd

1H 20 AUM

AUM (A\$m)	FY 19 AUM	1H 20 net cashflows					Total net cashflows	Other movements ¹	1H 20 AUM
		Super-annuation	Pension payments	Other pension	Investment				
North	47,587	1,086	(667)	1,223	397	2,039	(3,605)	46,021	
AMP Flexible Super ²	14,361	393	(232)	(539)	-	(378)	(673)	13,310	
Summit, Generations and iAccess	8,892	(319)	(109)	(251)	(249)	(928)	(617)	7,347	
Flexible Lifetime Super (superannuation and pension) ³	21,866	(997)	(76)	(141)	-	(1,214)	(1,347)	19,305	
Other retail investment and platforms	2,307	-	-	-	(200)	(200)	(200)	1,907	
Total retail on AMP platforms	95,013	163	(1,084)	292	(52)	(681)	(6,442)	87,890	
SignatureSuper and AMP Flexible Super – Employer ⁴	19,901	(1,485)	(17)	(40)	-	(1,542)	(1,190)	17,169	
Other corporate superannuation ⁵	12,284	(1,501)	-	-	-	(1,501)	(695)	10,088	
Total corporate superannuation	32,185	(2,986)	(17)	(40)	-	(3,043)	(1,885)	27,257	
Total retail and corporate superannuation on AMP platforms	127,198	(2,823)	(1,101)	252	(52)	(3,724)	(8,327)	115,147	
External platforms	7,263	(99)	(62)	(143)	(333)	(637)	(734)	5,892	
Total Australian wealth management	134,461	(2,922)	(1,163)	109	(385)	(4,361)	(9,061)	121,039	
Australian wealth management – SuperConcepts⁶									
Assets under administration	19,686						(2,252)	17,434	
Total AUM	154,147	(2,922)	(1,163)	109	(385)	(4,361)	(11,313)	138,473	

Australian wealth management – AUM by asset class

Cash and fixed interest	29%	32%
Australian equities	30%	29%
International equities	30%	28%
Property	6%	6%
Other	5%	5%
Total	100%	100%

1 Other movements include fees, investment returns, distributions, taxes and foreign exchange movements.

2 AMP Flexible Super includes A\$0.8b in MySuper (FY 19 A\$0.4b).

3 Flexible Lifetime Super (superannuation and pension) includes A\$5.0b in MySuper (FY 19 A\$5.5b).

4 SignatureSuper and AMP Flexible Super – Employer includes A\$9.1b in MySuper (FY 19 A\$10.6b).

5 Other corporate superannuation includes A\$5.0b in MySuper (FY 19 A\$6.2b).

6 SuperConcepts assets under administration includes AMP SMSF, Multiport, Cavendish, SuperIQ, yourSMSF, JustSuper, Ascend and SuperConcepts platforms, but does not include Multiport Annual, SuperConcepts Accountants Outsource, SMSF Managers and MORE Superannuation.

Corporate superannuation

Total corporate superannuation AUM of A\$27.3b in 1H 20 decreased A\$4.9b (15%) from FY 19, largely due to the impact of mandate losses, weaker investment markets, the transition of Business Super personal members to AMP Flexible Super and early release of super payments following legislation changes as a result of the impact of COVID-19. Net cash outflows of A\$3.0b in 1H 20 were up from A\$0.4b in 1H 19.

There were A\$1.3b of outflows from the expected loss of large corporate super mandates in 1H 20. Further outflows of approximately A\$0.6b are expected in 2H 20 from a small number of lost mandates.

SignatureSuper and AMP Flexible Super – Employer had net cash outflows of A\$1.5b, compared with net cash outflows of A\$0.1b in 1H 19 reflecting the impact of mandate losses of A\$1.3b and A\$0.2b of outflow as part of COVID-19 early release of super.

Other corporate superannuation comprising CustomSuper, SuperLeader and Business Super, experienced net cash outflows of A\$1.5b in 1H 20, an increase of A\$1.2b from 1H 19 reflecting the closure of Business Super in May and transfer of A\$0.9b in respect of personal division members to AMP Flexible Super and A\$0.2b outflows as part of early release of super.

External platforms

External platforms represent superannuation, pension and investment products on the Asgard, Macquarie, BT Wrap platforms and Challenger annuities.

In 1H 20, external platform net cash outflows reduced by A\$170m due to lower outflows.

Total Australian wealth management AUM

Of the total Australian wealth management AUM of A\$121.0b at 1H 20, 76% (76% at FY 19) is ultimately externally managed, while 24% (24% at FY 19) is internally managed.

AMP Australia | AMP Bank

Profit and loss (A\$m)	1H 20	1H 19	2H 19	FY 19	% 1H 20/ 1H 19
Net interest income	196	192	195	387	2.1
Fee and other income ¹	7	10	11	21	(30.0)
Total revenue	203	202	206	408	0.5
Bank variable costs	(43)	(40)	(43)	(83)	(7.5)
Loan impairment expense	(35)	(6)	(4)	(10)	n/a
Controllable costs	(53)	(55)	(59)	(114)	3.6
Tax expense	(22)	(30)	(30)	(60)	26.7
Operating earnings after income tax	50	71	70	141	(29.6)

Ratios and other data

Return on capital ²	9.1%	14.1%	13.4%	13.8%	n/a
Total capital resources (A\$m) ³	991	958	1,001	1,001	3.4
Capital Adequacy Ratio	15.7%	16.5%	17.0%	17.0%	n/a
Common Equity Tier 1 capital ratio	10.5%	11.1%	10.7%	10.7%	n/a
Net interest margin (over average interest earning assets)	1.63%	1.70%	1.68%	1.69%	n/a
Total loans (A\$m)	20,929	20,202	20,684	20,684	3.6
Residential mortgages (A\$m)	20,496	19,690	20,207	20,207	4.1
Practice finance loans to AMP aligned advisers (A\$m)	433	512	477	477	(15.4)
Mortgages – interest only as a proportion of total	22%	27%	24%	24%	n/a
Mortgages – existing business weighted average loan to value ratio (LVR)	67%	66%	66%	66%	n/a
Loan portfolio growth – AMP aligned channel	(5%)	(2%)	(6%)	(7%)	n/a
Total deposits (A\$m)	16,989	13,868	14,414	14,414	22.5
Deposit to loan ratio	81%	69%	70%	70%	n/a
Mortgages – 30+ days in arrears	1.17%	1.25%	1.17%	1.17%	n/a
Mortgages – 90+ days in arrears	0.78%	0.63%	0.66%	0.66%	n/a
Mortgage impairment expense to average mortgages	0.34%	0.06%	0.05%	0.05%	n/a
Total provisions for impairment losses (A\$m) ⁴	61	23	27	27	165.2
Total mortgages provisions to mortgages	0.30%	0.12%	0.13%	0.13%	n/a
Cost to income ratio	33.1%	34.0%	36.1%	35.1%	n/a

¹ Fee and other income mainly comprises mortgage origination, servicing and discharge fees as well as foreign exchange gains and profit on sale of invested assets.

² Return on capital for the period was impacted by COVID-19 related credit loss provision. Excluding this provision, return on capital was 13.8%.

³ Total capital resources of A\$991m excludes A\$85m of equity reserve accounts which are included in the calculation of total shareholders equity as shown on page 21.

⁴ Total provisions for impairment losses excludes A\$106m relating to Practice Finance Loans (1H 19 A\$20m, FY 19 A\$105m).

Movement in deposits and loans (A\$m)	Deposits (super and platform) ¹		Deposits (other) ^{1,2}		Loans	
	1H 20	1H 19	1H 20	1H 19	1H 20	1H 19
Balance at beginning of period	5,692	6,002	8,722	7,302	20,684	20,008
Net movement	1,221	(362)	1,354	926	245	194
Balance at end of period	6,913	5,640	10,076	8,228	20,929	20,202
% 1H 20/1H 19	22.6%		22.5%		3.6%	

¹ Super Directions Fund has been reclassified to Deposits (super and platform) from Deposits (other) (FY 19 A\$0.3b, 1H 19 A\$0.3b).

² Includes retail deposits, internal deposits, wholesale deposits and other deposits.

AMP Bank funding composition (A\$b)	1H 20		FY 19		1H 19	
Total deposits	17.0	68%	14.4	61%	13.9	61%
Securitisation	4.5	18%	4.7	20%	4.7	21%
Wholesale funding	2.1	8%	2.8	12%	2.8	12%
Subordinated debt	0.3	1%	0.3	1%	0.3	1%
Equity and reserves	1.2	5%	1.3	6%	1.1	5%
Total funding	25.1	100%	23.5	100%	22.8	100%

AMP Australia | AMP Bank cont'd

Operating earnings

1H 20 operating earnings of A\$50m decreased by A\$21m (30%) from 1H 19 largely due to a significant increase in credit loss provision as a result of expected economic impacts of COVID-19. Underlying this, the result includes an increase in the total loan book of 3.6% from 1H 19, offset by a decrease in margin due to increasing funding and deposit costs.

Net interest margin was 1.63% in 1H 20, which was 7 bps lower than 1H 19. Net interest margin is expected to remain under pressure from the highly competitive lending environment and increased deposit and other funding costs.

AMP Bank's return on capital in 1H 20 was 9.1%, a decrease of 5.0 percentage points from 1H 19, as a result of the lower operating earnings. Excluding the COVID-19 credit loss provision, normalised earnings increased 4% to A\$74m, with a return on capital of 13.8%.

Lending

AMP Bank maintained a competitive lending position in 1H 20 and a focus on book quality, with the residential loan book growing by 2.9% (annualised) in the six months (which was largely in line with system¹ growth of 3.1%), in a weaker housing lending market.

Residential mortgage competition, particularly in the owner occupied principal and interest market, remains intense. Within this environment, AMP Bank's residential mortgage book grew to A\$20.5b, with growth in principal and interest loans across both owner-occupied and investment lending. Interest only lending represents 22% of the total book, down from 24% at FY 19, the result of active management in response to the dynamic market environment.

AMP Bank continues to target total residential lending growth at or above system over the long term, subject to risk appetite, landscape, return on capital hurdles and funding availability.

The practice finance loan portfolio declined from A\$477m at FY 19 to A\$433m at 1H 20 with loan repayments and discharges exceeding new loans, in line with the reshape of the advice network. This portfolio is expected to continue to decline as new business origination is minimal.

Credit quality, credit loss provisions and loan impairment expenses

The Bank's credit provisioning has increased by A\$34m due to the change in the economic outlook related to COVID-19. Though there has been a small increase in the arrears rates, the increase in the provision has been predominantly due to the worsening economic outlook.

Mortgages in arrears (90+ days) increased 0.12 percentage points to 0.78% but compares favourably to peers. Approximately 11% of AMP Bank's mortgage borrowers (by value and number) have availed of the COVID-19 repayment pause. AMP Bank is working with customers in deferral on the timing of their return to regular repayments, or individually to support them through a range of options, depending on their individual circumstance. This take-up of repayment pause is broadly in line with that of other retail banks.

An intragroup indemnity is in place covering credit losses that relate to practice finance loans. Accordingly, AMP Bank does not report impairment charges for these loans where it falls under the indemnity and excludes related expected credit losses from its portfolio loan provisioning.

Variable and controllable costs

The Bank's variable costs of A\$43m was A\$3m (8%) higher than 1H 19 due to higher residential mortgage book new business.

AMP Bank's controllable costs decreased by A\$2m (4%) from 1H 19 to A\$53m in 1H 20 reflecting productivity savings offsetting cost of additional staff required to support customers during COVID-19 response, as well as continued investment in technology and operating capabilities.

Funding, liquidity and capital management

The Bank maintains a diversified funding base and conservative liquidity profile. AMP Bank's total debt and equity funding was A\$25.1b at 1H 20 (A\$23.5b at FY 19).

Total deposits increased by A\$2.6b (18%) over the six months, in line with management's intent to increase the proportion of deposit funding, and in light of the increased volatility in wholesale markets, with securitisation markets remaining largely closed during 1H 20. The growth was mainly from superannuation and at-call deposits. AMP Bank's deposit to loan ratio is 81% at 1H 20, compared with 70% at FY 19.

AMP Bank maintains a diversified liquidity portfolio with adequate high-quality liquid assets, in accordance with Basel III liquidity requirements. As at 1H 20, AMP Bank's liquidity coverage ratio was 157% (145% at FY 19) and the Net Stable Funding Ratio was 129% (125% at FY 19). Both remain above internal and regulatory requirements.

The Capital Adequacy Ratio was 15.7% as at 1H 20 (17.0% at FY 19). The Common Equity Tier 1 Capital Ratio (CET1) for 1H 20 was 10.5% (10.7% at FY 19). Both ratios remain above internal and regulatory requirements.

In line with APRA's guidance for COVID-19 regarding capital management for ADIs, the AMP Bank Board has decided to not declare a dividend to the AMP group for 1H 20.

AMP Capital

Profit and loss (A\$m)	1H 20	1H 19	2H 19	FY 19	% 1H 20/ 1H 19
Internal AUM based management fees	107	117	117	234	(8.5)
External AUM based management fees	180	175	177	352	2.9
Non-AUM based management fees	62	48	82	130	29.2
Performance and transaction fees	38	62	22	84	(38.7)
Fee income	387	402	398	800	(3.7)
Controllable costs	(254)	(239)	(288)	(527)	(6.3)
Tax expense	(32)	(37)	(20)	(57)	13.5
Operating earnings before net seed pool income	101	126	90	216	(19.8)
Net seed and sponsor capital returns	(16)	15	2	17	n/a
Operating earnings including minority interests	85	141	92	233	(39.7)
Minority interests in operating earnings	(13)	(21)	(14)	(35)	38.1
Operating earnings	72	120	78	198	(40.0)
Underlying investment income	3	3	3	6	-
Underlying operating profit after income tax	75	123	81	204	(39.0)
Controllable costs					
Employee related	190	168	218	386	13.1
Investment operations and other	52	62	58	120	(16.1)
Total operating costs	242	230	276	506	5.2
Project costs	12	9	12	21	33.3
Total controllable costs	254	239	288	527	6.3
Ratios and other data					
Cost to income ratio	68.4%	55.6%	70.8%	63.0%	n/a
Controllable costs to average AUM (bps) ^{1,2}	25.7	24.6	28.5	26.6	n/a
AMP Capital staff numbers ³	1,378	1,327	1,382	1,382	3.8
AUM (A\$b) ²	189.9	199.6	203.1	203.1	(4.9)
Average AUM (A\$b) – total ^{1,2}	197.6	194.2	202.0	198.1	1.8
Average AUM (A\$b) – internal ¹	115.8	122.2	126.1	124.2	(5.2)
Average AUM (A\$b) – external ^{1,2}	81.8	72.0	75.9	73.9	13.6
AUM based management fees to AUM (bps) – total ^{1,2}	29.2	30.3	28.9	29.6	n/a
AUM based management fees to AUM (bps) – internal ^{1,4}	18.1	19.3	18.4	18.8	n/a
AUM based management fees to AUM (bps) – external ^{1,2,4}	45.7	49.0	46.3	47.6	n/a
Performance and transaction fees to AUM (bps) ^{1,2}	3.8	6.4	2.1	4.2	n/a
End period tangible capital resources (A\$m) ⁵	625	618	597	597	1.1
RoBUE	29.0%	53.6%	33.0%	42.9%	n/a

¹ Based on average of monthly average AUM.

² 1H 20 average AUM includes A\$12.1b relating to joint ventures, including AMP Capital's 24.9% share of PCCP's net asset value at 1H 20 (average A\$1.8b, closing A\$1.7b).

³ 1H 20 includes 301 FTEs (308 in 1H 19), primarily in shopping centres, for which the costs are recharged.

⁴ Internal AUM based management fees to AUM (bps) includes AMP Life AUM for the entire 1H 20 period.

⁵ End period tangible capital resources are disclosed gross of minority interest. This figure aligns with the disclosures presented on page 21, when adjusted for minority interest.

Operational highlights

Operational highlights during 1H 20 include:

- Strong momentum in AMP Capital's infrastructure debt series and global infrastructure equity series with A\$2.0b of infrastructure capital deployed in 1H 20; including a loan to a UK port company and an investment in a US renewable energy company.
- AMP Capital marked the three-year anniversary of the Global Companies Strategy, its global equities strategy, with an absolute return over the first three years to 31 March 2020 of 54.0% net of fees¹, compared to global equity market returns of 4.6% over the

same period². The three-year track record is a key milestone for the strategy which has reached over A\$0.5b of AUM, supported by a cornerstone investment from one of the UK's largest wealth managers.

- Strong commitment to real asset capabilities with A\$5.7b of uncalled committed capital at 1H 20, with A\$2.4b earmarked for investment.
- Continued expansion of AMP Capital's global footprint, increasing AUM managed on behalf of direct international institutional clients to A\$22.3b (from A\$20.4b in FY 19).

¹ As at 31 March 2020. Performance is for AMP Capital Global Companies Strategy Composite (USD) comprising AMP Capital's AUD, USD hedged/unhedged and NZD versions of the strategy. Net returns are net of all fees and costs and reflect the reinvestment of dividends and other income. Source: AMP Capital.

² As at 31 March 2020. MSCI World All Countries Index (USD). Source: FactSet.

AMP Capital cont'd

Operating earnings

AMP group's 85% share of AMP Capital's 1H 20 operating earnings was A\$72m, down 40% from A\$120m in 1H 19, which included a number of one-off benefits such as the sale of AA REIT management entities. AUM based earnings proved resilient in 1H 20 despite the challenging economic environment. AMP Capital's transaction revenues were adversely impacted by COVID-19, particularly through lower performance and transaction fees (down A\$24m) and seed and sponsor capital returns (down A\$31m from 1H 19).

Fee income

Fee income decreased 4% in 1H 20 to A\$387m from A\$402m in 1H 19. This was driven by a A\$24m (39%) decrease in performance and transaction fees, a A\$5m (2%) decrease in AUM based management fees, partly offset by a A\$14m (29%) increase in non-AUM based management fees. Real assets fee income increased 10% from 1H 19, whilst public markets related fee income decreased 8% amidst market volatility.

Average AUM increased 2% to A\$197.6b from A\$194.2b, driven by positive external net cashflows including investment of real asset committed capital. Total AUM based management fees to AUM were 29.2 bps in 1H 20, down from 30.3 bps in 1H 19.

Internal AUM based management fees decreased A\$10m (9%) to A\$107m in 1H 20. The average internal AUM margin was 18.1 bps, compared to 19.3 bps in 1H 19, including fee and rebate provisioning in respect of current and prior years.

External AUM based management fees increased A\$5m (3%) from A\$175m in 1H 19, driven by growth in average AUM from the investment of committed capital. External AUM margins of 45.7 bps were lower than 49.0 bps in 1H 19 and lower than 47.6 bps in FY 19 including the impact of foreign currency hedging.

Non-AUM based management fees mainly comprise infrastructure commitment fees and real estate management, development and leasing fees. Non-AUM based management fees were A\$62m in 1H 20, up A\$14m (29%) from 1H 19 including A\$25m fees on closed end infrastructure fund committed capital. Most of these fees on Global Infrastructure Fund II committed capital will transition to the AUM based management fee category as committed capital is invested.

1H 20 performance and transaction fees were A\$38m, down A\$24m from A\$62m in 1H 19. Performance fees were A\$34m in 1H 20 down A\$3m on 1H 19, including performance fees on open-end infrastructure equity funds and, for the first time, performance fees from closed end funds from the successful achievement of performance hurdles as IDF II nears the end of the fund life cycle.

Infrastructure performance fees on open-ended funds continue to reflect active asset management and low bond yields – this revenue stream continues to reduce as prior period performance fees run off. Additionally, 1H 20 fees have been adversely impacted as funds with underlying exposures to international airports are revalued to reflect current COVID-19 travel restrictions.

Transaction fees of A\$4m were A\$21m lower than in 1H 19, as one-off fees from the 1H 19 sale of the AA REIT management entities have not been repeated in 1H 20.

Performance and transaction fees are variable from period to period. Performance fees are typically materially lower in 2H as most open-ended infrastructure funds attract performance fees for annual periods ending 30 June.

AMP Capital's Global Infrastructure Fund and Infrastructure Debt Fund series are closed end funds, meaning any closed end performance fees will be recognised towards the end of the fund's lifetime rather than throughout the lifetime of the fund. This is expected to increase earnings variability over coming years.

Controllable costs

Controllable costs of A\$254m in 1H 20 increased A\$15m (6%) from 1H 19. The increase in costs was largely due to higher employee costs and investment in the expansion of AMP Capital's international business. Controllable costs also reflect additional regulations and compliance faced by the industry. Controllable costs are increasingly influenced by foreign exchange movements as the business grows globally.

AMP Capital's cost to income ratio increased from 55.6% in 1H 19 to 68.4% in 1H 20. AMP Capital continues to target a full year cost to income ratio between 60% and 65%; however, this is at risk in the COVID-19 environment.

Tax expense

AMP Capital's effective tax rate in 1H 20 was 24.3%, up from 22.5% in FY 19. The effective tax rate is lower than the Australian corporate tax rate (30%), largely due to tax concessions on offshore activities and joint venture earnings which are recognised net of tax.

Net seed and sponsor capital returns

1H 20 sponsor capital holdings were A\$320m. These are intended as long term investments and include investments across closed end real asset funds and early stage funding to support new public markets products.

The 1H 20 net seed and sponsor capital loss of A\$16m includes the unrealised devaluation of sponsor capital investments in equity and real asset funds, including those with underlying exposures to international airports. Seed and sponsor capital is net of debt funding costs.

Given the variable mix of short-term asset holdings and longer-term cornerstone investments, as well as asset return fluctuations and equity market volatility, income from seed and sponsor capital will vary from period to period.

Investment performance

AMP Capital aims to be a trusted partner of its clients delivering consistent investment performance.

As at 30 June 2020, 61% of AUM outperformed market benchmarks over a three-year time period.

The first half of 2020 was a period of extremes for AMP Capital's multi-asset funds. Funds experienced negative returns in the period up to the 23 March as the COVID-19 pandemic led to widespread selling across markets and asset classes. Active management and diversification lessened the magnitude of losses across most funds, with drawdowns materially less than the fall in equity markets. In contrast, multi-asset funds delivered strong positive returns in the second quarter as listed market allocations rebounded, partially recovering earlier losses.

AMP Capital's multi-asset funds generally have a lower exposure to unlisted assets relative to industry peers.

Investment performance across real estate, infrastructure equity and debt capabilities continued to perform strongly.

The table on page 26 shows investment performance across all asset classes over various timeframes to 30 June 2020.

AMP Capital cont'd

Cashflows and AUM

Cashflows by asset class (A\$m)	Cash inflows			Cash outflows			Net cashflows		
	1H 20	1H 19	% 1H/1H	1H 20	1H 19	% 1H/1H	1H 20	1H 19	% 1H/1H
External									
Australian equities	74	42	76.2	(316)	(135)	(134.1)	(242)	(93)	(160.2)
International equities	1,044	741	40.9	(703)	(513)	(37.0)	341	228	49.6
Fixed interest	2,806	2,091	34.2	(2,727)	(3,029)	10.0	79	(938)	n/a
Infrastructure	2,483	1,899	30.8	(773)	(541)	(42.9)	1,710	1,358	25.9
Direct investments	-	-	n/a	-	-	n/a	-	-	n/a
Real estate	1,535	1,061	44.7	(840)	(690)	(21.7)	695	371	87.3
Alternative assets	22	12	83.3	(18)	(120)	85.0	4	(108)	n/a
Total external	7,964	5,846	36.2	(5,377)	(5,028)	(6.9)	2,587	818	216.3
Internal									
Australian equities	13,284	889	n/a	(14,313)	(1,993)	n/a	(1,029)	(1,104)	6.8
International equities	18,021	1,648	n/a	(19,996)	(2,305)	n/a	(1,975)	(657)	n/a
Fixed interest	17,557	4,386	n/a	(20,453)	(5,943)	n/a	(2,896)	(1,557)	(86.0)
Infrastructure	1,332	120	n/a	(1,590)	(142)	n/a	(258)	(22)	n/a
Direct investments	1,377	4	n/a	(1,410)	(30)	n/a	(33)	(26)	(26.9)
Real estate	1,520	104	n/a	(1,584)	(153)	n/a	(64)	(49)	(30.6)
Alternative assets	1,950	268	n/a	(2,185)	(295)	n/a	(235)	(27)	n/a
Total internal¹	55,041	7,419	n/a	(61,531)	(10,861)	n/a	(6,490)	(3,442)	(88.6)
Total	63,005	13,265	n/a	(66,908)	(15,889)	n/a	(3,903)	(2,624)	(48.7)

AUM by asset class (A\$m)	FY 19	%	Net cashflows 1H 20	Investment returns and other ²	AMP Life transitioned ³	1H 20	%
External							
Australian equities	1,017	1	(242)	(92)	4,362	5,045	5
International equities	7,727	10	341	(795)	4,213	11,486	10
Fixed interest	20,232	26	79	181	18,589	39,081	36
Infrastructure	21,786	28	1,710	104	923	24,523	23
Direct investments	10	-	-	-	30	40	-
Real estate ⁴	26,300	34	695	(1,811)	1,257	26,441	25
Alternative assets ⁵	323	1	4	(56)	140	411	1
Total external	77,395	100	2,587	(2,469)	29,514	107,027	100
Internal							
Australian equities	29,120	23	(1,029)	(2,930)	(4,362)	20,799	25
International equities	36,862	29	(1,975)	(3,535)	(4,213)	27,139	33
Fixed interest	48,325	38	(2,896)	662	(18,589)	27,502	33
Infrastructure	3,244	3	(258)	(286)	(923)	1,777	2
Direct investments	1,403	1	(33)	(26)	(30)	1,314	2
Real estate ⁴	3,454	3	(64)	(317)	(1,257)	1,816	2
Alternative assets ⁵	3,292	3	(235)	(427)	(140)	2,490	3
Total internal	125,700	100	(6,490)	(6,859)	(29,514)	82,837	100
Total	203,095	100	(3,903)	(9,328)	(29,514)	189,864	100
AUM by source of client (A\$m)	FY 19	%				1H 20	%
Australia	146,888	72				131,071	69
New Zealand	22,536	11				22,064	12
Asia (including Middle East)	19,372	10				21,681	11
Rest of world	14,299	7				15,048	8
Total	203,095	100				189,864	100

1 Internal cash inflows and outflows include A\$47.1b AUM transferred between internal portfolios in preparation for the AMP Life sale transaction. Excluding these one-off transfers, internal cash inflows were A\$8.0b (1H 19 A\$7.4b) and internal cash outflows were A\$14.4b (1H 19 A\$10.9b).

2 Investment returns and other includes fees, investment returns, distributions, taxes and foreign exchange movements.

3 AUM transitioned from internal to external AUM category following the sale of AMP Life business to Resolution Life, effective 30 June 2020.

4 Real estate AUM comprises Australian (A\$23.6b), NZ (A\$2.9b) and Global (A\$1.8b) managed assets. Australian real estate AUM is invested in office (50%), retail (43%), industrial (5%) and other (2%).

5 Alternative assets refer to a range of investments that fall outside the traditional asset classes and includes investments in commodities and absolute return funds.

AMP Capital cont'd

Assets under management (AUM)

AUM decreased by A\$13.2b to A\$189.9b in 1H 20, driven by internal cash outflows and adverse investment market returns. These were partially offset by net cash inflows from external clients.

In addition to AUM of A\$189.9b, AMP Capital has A\$5.7b of uncalled committed real asset capital at 1H 20. AMP Capital's infrastructure teams are pursuing opportunities for further investment.

Sale of AMP Life to Resolution Life

As part of AMP's sale of AMP Life to Resolution Life, A\$29.5b of funds previously managed for AMP Life as part of internal AUM are now shown as external AUM.

External AUM and cashflows

External AUM increased during 1H 20 to A\$107.0b, with A\$2.6b of net cashflows. The majority of the increase was attributable to the sale of AMP Life to Resolution Life, an external client.

External net cashflows of A\$2.6b were up from A\$0.8b in the previous year, reflecting investment of real asset committed capital.

International

AMP Capital grew its number of direct international institutional clients by 6 to 364 in 1H 20, managing A\$22.3b on their behalf (up 9% from A\$20.4b at FY 19). Approximately one third of external AUM (A\$36.7b) is now managed on behalf of clients outside Australia and New Zealand, down from 44% at FY 19 due to the transfer of assets to external AUM arising from the sale of AMP Life to Resolution Life.

China

During 1H 20, the China Life AMP (CLAMP) joint venture launched 16 new products, including SMAs, diversified, equity and bond funds. At 1H 20, the joint venture managed A\$57.6b (RMB 281b) of total AUM on behalf of Chinese retail and institutional investors. This was up 18% from A\$48.8b at FY 19.

In 1H 20, AMP Capital's share of CLAMP net cashflows were A\$1.3b, up 44% from A\$0.9b in FY 19. CLAMP attracted inflows into its fixed income and money market funds, benefiting from a flight to safety amidst COVID-19 equity market volatility.

AMP Capital reports its 15% share of the joint venture's AUM (A\$8.6b) and cashflows within the 'External' AUM and cashflow disclosure.

Japan

AMP Capital's business alliance with MUTB offers products covering balanced strategies, Australian and global fixed interest, global infrastructure as well as hedged and unhedged listed real estate.

At 1H 20, AMP Capital's business alliance with MUTB had nine retail funds and three institutional funds in market with a combined AUM of A\$1.9b, up 6% from A\$1.8b in FY 19.

In addition, MUTB has raised commitments of A\$2.3b across many Japanese institutional clients since the launch of AMP Capital's Global Infrastructure Fund and Infrastructure Debt Fund series.

AMP Capital also continues to raise and manage funds through partnerships with other Japanese distributors. AMP Capital manages A\$6.5b AUM on behalf of all Japanese retail and institutional clients.

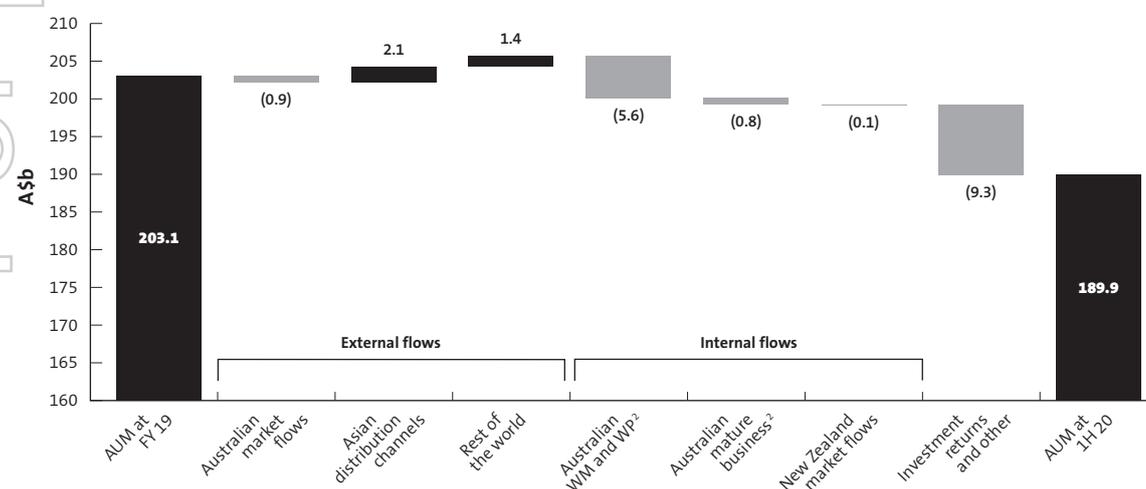
Internal AUM and cashflows

Internal AUM decreased to A\$82.8b in 1H 20, mostly driven by the transfer of A\$29.5b AUM from AMP Life internal AUM category to the Resolution Life external AUM category.

Internal net cashflows include AMP group payments such as dividend payments and net cashflows from wealth management products including products in run-off.

AMP Capital manages 62% of Australian wealth management AUM – of this, 30% is managed internally by AMP Capital's in-house investment capabilities, 70% is outsourced to external fund managers.

Movement in AUM by channel FY 19 to 1H 20¹



¹ AMP Capital cash inflows reported net of fees and taxes.

² To be reported as external flows from 1 July 2020.

New Zealand wealth management

Profit and loss (A\$m)	1H 20	1H 19	2H 19	FY 19	% 1H 20/ 1H 19
Wealth management	11	13	13	26	(15.4)
Advice	7	9	9	18	(22.2)
Operating earnings after income tax¹	18	22	22	44	(18.2)
Ratios and other data					
RoBUE	34.1%	42.1%	40.0%	41.0%	n/a
End period tangible capital resources (A\$m) ²	89	100	129	129	(11.0)
Net cashflows (A\$m)	20	(250)	(183)	(433)	n/a
AUM (A\$m)	11,621	11,963	12,270	12,270	(2.9)
Average AUM (A\$m)	11,525	11,749	11,961	11,972	(1.9)
Persistency	91.1%	86.2%	86.7%	85.9%	n/a
Controllable costs (A\$m)	19	18	16	34	5.6
Cost to income ratio	43.2%	36.9%	33.4%	35.4%	n/a
Controllable costs to AUM (bps)	33	30	26	28	n/a
Operating earnings to AUM (bps)	32	37	37	37	n/a

1 In NZ dollar terms, operating earnings in 1H 20 were NZ\$19m (1H 19 NZ\$23m).

2 End period tangible capital resources is total shareholder equity (A\$216m) less goodwill and other intangibles (A\$127m) as shown on page 21.

Cashflows and movements in AUM (A\$m)	KiwiSaver		Other¹		Total	
	1H 20	1H 19	1H 20	1H 19	1H 20	1H 19
AUM at beginning of period	5,664	4,883	6,606	6,193	12,270	11,076
Cash inflows	360	305	204	217	564	522
Cash outflows	(211)	(275)	(333)	(497)	(544)	(772)
Net cashflows	149	30	(129)	(280)	20	(250)
Other movements in AUM	(291)	438	(378)	699	(669)	1,137
AUM at end of period	5,522	5,351	6,099	6,612	11,621	11,963

Composition of net cashflows by product

Superannuation	149	30	(37)	(29)	112	1
Investment	-	-	(92)	(251)	(92)	(251)

1 Other New Zealand wealth management cashflows and AUM includes non-KiwiSaver wealth management products.

Operating earnings

1H 20 operating earnings have decreased A\$4m (18%) on 1H 19 due to wealth management decreasing A\$2m (15%) and the advice business decreasing A\$2m (22%) on 1H 19.

The wealth management business was impacted by the proactive closure of two legacy schemes in 2H 19 and the conclusion of cost sharing arrangements with AMP Life.

The Advice business has seen a A\$2m decrease on 1H 19 as an extended lockdown in New Zealand impacted ability to generate income in 1H 20.

Cashflows and AUM

1H 20 AUM of A\$11.6b has decreased by A\$0.6b (5%) from FY 19. This is predominantly driven by a combination of investment market falls (A\$359m) and foreign currency fluctuations (A\$310m), partly offset by net cashflows of A\$20m.

Net cashflows of A\$20m in 1H 20 have improved from net cash outflows of A\$250m in 1H 19, largely due to improved KiwiSaver performance.

Overall, KiwiSaver generated net cash inflows of A\$149m in 1H 20, while net cash outflows on platforms and other investments amounted to A\$129m.

New Zealand wealth management is the largest non-bank provider of KiwiSaver with approximately 9%¹ of the NZ\$66.7b KiwiSaver market as at 30 June 2020.

Controllable costs

1H 20 controllable costs of A\$19m were 6% up on 1H 19 primarily due to the conclusion of cost sharing arrangements with AMP Life. 1H 20 cost to income ratio of 43.2% increased 6.3 percentage points on 1H 19.

AMP Life

Profit and loss (A\$m)	1H 20	1H 19	2H 19	FY 19	% 1H 20/ 1H 19
Australian wealth protection	27	36	19	55	(25.0)
New Zealand wealth protection and mature	11	11	12	23	-
Australian mature	41	69	75	144	(40.6)
Total profit margins	79	116	106	222	(31.9)
AWP experience profits/(losses)	43	(13)	8	(5)	n/a
New Zealand experience profits/(losses)	6	(4)	2	(2)	n/a
Australian mature experience profits/(losses)	(2)	2	8	10	n/a
Total experience profits/(losses)	47	(15)	18	3	n/a
Capitalised (losses)/reversals and other one-off experience items	(32)	(70)	(176)	(246)	54.3
Operating earnings	94	31	(52)	(21)	n/a
Underlying investment income	25	22	24	46	13.6
Underlying operating profit/(loss) after income tax	119	53	(28)	25	124.5
Market adjustment – investment income	(24)	28	(6)	22	n/a
Market adjustment – annuity fair value	7	(5)	3	(2)	n/a
Market adjustment – risk products	27	(26)	23	(3)	n/a
AMP Life earnings	129	50	(8)	42	158.0

Businesses sold to Resolution Life

On 1 July 2020, AMP Limited announced the completion of the sale of its life insurance business, AMP Life (the Australian and New Zealand wealth protection and mature businesses) to Resolution Life.

The gross sale proceeds were A\$3.0b, comprising:

- A\$2.5b cash, and
- A\$500m equity interest in Resolution Life Australia¹, a new Australian-domiciled, Resolution Life-controlled holding company that is now the owner of AMP Life.

Resolution Life was on risk for all experience and lapse losses from 1 July 2018 until 30 June 2020 when the sale completed and was entitled to all AMP Life net earnings during that period. Impacts to the capital position are broadly in line with estimates provided previously, other than an unexpected variation to AMP Life's Net Asset Position due to the unprecedented impacts of COVID-19 and the impact of additional provisions for contractual obligations, which reduced net proceeds by A\$87m and A\$93m, respectively.

In accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*, the results (but not the assets and liabilities) of the AMP Life business are consolidated in the 1H 20 AMP Limited half year financial report.

Profit margins

1H 20 profit margins of A\$79m decreased 32% from 1H 19 largely due to the implementation of Protecting Your Super (PYS) legislation, as well as the impact of lower bond yields on the mature book.

Experience

Total experience profits of A\$47m in 1H 20 were driven primarily by better than expected retention of policies under the Putting Members' Interests First (PMIF) legislation, partly offset by Australian and New Zealand wealth protection claim experience particularly in relation to income protection and Total and Permanent Disability (TPD) claims.

Capitalised (losses)/reversals and other one-off

Australian and New Zealand capitalised losses and other one-off experience items of A\$32m in 1H 20 were mainly driven by Australian income protection and short-term impacts of the current economic conditions.

Market adjustment – investment income

The 1H 20 market adjustment – investment income was -A\$24m (1H 19 A\$28m).

Market adjustment – annuity fair value

1H 20 market adjustment – annuity fair value was A\$7m (1H 19 -A\$5m). Market adjustment – annuity fair value relates to the net impact of investment markets on AMP Life's annuity portfolio.

Market adjustment – risk products

1H 20 market adjustment – risk products was A\$27m (1H 19 -A\$26m).

Market adjustment – risk products relates to the net impact of changes in market economic assumptions (bond yields and CPI) on the valuation of risk insurance liabilities.

1 Resolution Life NOHC Pty Ltd.

Group Office

A\$m	1H 20	1H 19	2H 19	FY 19	% 1H 20/ 1H 19
Group Office costs not recovered from business units (post-tax)	(64)	(59)	(69)	(128)	(8.5)
Underlying investment income on Group Office capital	39	24	24	48	62.5
Interest expense on corporate debt	(32)	(34)	(31)	(65)	5.9
Gain on sale of AMP Life	298	-	-	-	n/a
AMP Life separation costs	(208)	(89)	(94)	(183)	(133.7)
Client remediation and related costs	(19)	(41)	(112)	(153)	53.7
Risk management, governance and controls	(14)	(17)	(16)	(33)	17.6
Transformation cost out	(13)	-	(28)	(28)	n/a
Impairments	(32)	(2,352)	(55)	(2,407)	98.6
Other items	(11)	(5)	27	22	(120.0)
Market adjustment – investment income	(34)	(44)	(25)	(69)	22.7
Amortisation of acquired intangible assets	(42)	(45)	(51)	(96)	6.7
Accounting mismatches ¹	-	(5)	4	(1)	n/a
Interest expense summary					
Average volume of corporate debt	2,134	1,803	1,848	1,825	
Weighted average cost of corporate debt	4.21%	5.33%	4.78%	5.06%	
Tax rate	29%	29%	29%	29%	
Interest expense on corporate debt ²	32	34	31	65	
Franking credits					
AMP dividend franking credits at face value at end of period ³	277	158	175	175	
Staff numbers	1,102	1,111	998	998	(0.8)

1 Accounting mismatches in 1H 19 arise from treasury shares (+A\$5m), superannuation products invested with AMP Bank (-A\$1m) and syndicated loan repayment gain on modification reversal (-A\$7m).

2 Includes fees associated with undrawn liquidity facilities.

3 Balance of franking account adjusted for franking credits which will arise from the payment of income tax provided for in the financial statements. After franking the special dividend (100%), the balance of franking credits will be A\$130m.

Group Office costs not recovered from business units

1H 20 Group Office costs not recovered from business units were A\$64m, up from A\$59m in 1H 19.

Group Office costs primarily include enterprise costs, professional indemnity insurance and Board and listing requirement costs.

Most Group Office related synergies and ongoing business efficiency benefits are passed on to the business units through lower overhead allocations.

Underlying investment income on Group Office capital

Underlying investment income on Group Office capital was A\$39m in 1H 20, up from A\$24m in 1H 19 predominately driven by higher CLPC earnings.

Following the completion of AMP's acquisition of 19.99% of China Life Pension Company (CLPC) in January 2015, AMP's equity accounted share of CLPC's net profit is reported through underlying investment income in Group Office capital.

Underlying investment income assumes post-tax returns of 2.5% on Group Office capital. Any differences between this rate and what is actually earned are reported as market adjustment – investment income.

Interest expense on corporate debt

1H 20 interest expense on corporate debt was A\$32m, down from A\$34m in 1H 19.

The average volume of corporate debt increased through 1H 20 to A\$2,134m (A\$1,803m in 1H 19).

The weighted average cost of debt in 1H 20 was 4.21%, down from 5.33% in 1H 19. This was mainly due to continued falls in benchmark interest rates used to set the underlying price of corporate debt.

For further information on corporate debt, refer to page 22.

Gain on sale of AMP Life

The gain incurred on the sale of AMP Life of A\$298m represents the net of proceeds, net assets disposed and purchase price and accounting adjustments.

AMP Life separation costs

Separation costs of A\$208m relate to costs incurred in 1H 20 and residual future program costs fully recognised at 1H 20. This brings total separation costs to A\$410m.

Client remediation and related costs

1H 20 client remediation and related costs of A\$19m relate primarily to 1H 20 provision for client lost earnings and legal costs relating to class actions.

Group Office cont'd

Risk management, governance and controls

Costs relating to improving AMP's risk management, governance and controls environment are expected to total A\$100m pre-tax (A\$70m post-tax) over a 24 month period, ending FY 20. To date, AMP has incurred A\$55m of post-tax costs relating to this program.

Transformation cost out

Transformation costs of A\$13m largely relate to realising cost improvements and program costs. The pace of transformation spend in 1H 20 has been impacted by the COVID-19 pandemic.

Transformation investment spend of A\$1.0-1.3b pre-tax is expected by FY 22.

AMP spent A\$138m in 1H 20, including:

- A\$53m on investing for growth,
- A\$18m on realising cost improvement (A\$13m post-tax, as above), and
- A\$67m on de-risking the business.

Impairments

1H 20 impairments of A\$32m have been impacted by the carrying value of advice registers held by AMP, recognition of expected future impairments to servicing rights and client registers where practices have submitted their BOLR notice. These impacts were driven by the continued network reshape activities and COVID-19 related impacts.

Other items

Other items largely comprise of permanent tax differences and merger and acquisition activity spend.

Amortisation of acquired intangible assets

1H 20 amortisation of acquired intangible assets was A\$42m. Amortisation of acquired intangibles for FY 20 is expected to be approximately A\$65m, a reduction of ~A\$20m from FY 19 guidance primarily due to the disposal of intangibles to AMP Life.

Included in this line item are amortisation of AXA intangible assets (primarily comprise rights to future income), amortisation of the advice register purchases, PCCP and SuperConcepts business acquisitions.

The amortised balance of AXA acquired intangibles as at 1H 20 was A\$0.1b.

Market adjustment – investment income

Market adjustment – investment income represents the excess (or shortfall) between underlying investment income and actual return on shareholder assets invested in income producing assets.

The 1H 20 market adjustment – investment income was -A\$34m (1H 19 -A\$44m), reflecting lower short-term interest rates relative to the long-term assumed earning rate of 2.5% post-tax.

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Regulatory capital requirements and capital management framework

Regulatory requirements

A number of the operating entities within the AMP group of companies are regulated. These include an authorised deposit taking institution (ADI), superannuation entities and a number of companies that hold Australian Financial Services Licences (AFSLs). These companies are regulated by APRA, the Reserve Bank of New Zealand, the Financial Markets Authority New Zealand and/or the Australian Securities and Investments Commission (ASIC) and are required to hold minimum levels of regulatory capital, as set by the relevant regulator.

The main minimum regulatory capital requirements for AMP's regulated businesses are determined as follows:

- AMP Australia – AMP Bank: capital requirements as specified under the APRA ADI Prudential Standards
- AMP Australia – Australian wealth management: operational risk requirements related to AMP's two superannuation trustees, AFS Licence requirements on several administration entities. Capital is also held against risks within the North Guarantee, and
- AMP Capital: primarily relates to AFS Licence requirements in two core administration entities.

APRA announced the deferral of its proposed capital requirements for conglomerate groups (Level 3 institutions) in March 2016. There are no current plans to introduce these standards and APRA has not yet started industry consultations. The transition arrangements provided by APRA in 2013 allow the A\$83m subordinated bond maturing in 2022 to be recognised as Level 3 eligible capital until the implementation of conglomerate capital standards.

Capital management framework

AMP holds capital to protect clients, creditors and shareholders against unexpected losses. There are a number of ways AMP assesses the adequacy of its capital position. Primarily, AMP aims to:

- maintain a sufficient surplus above minimum regulatory capital requirements (MRR) to reduce the risk of breaching MRR, and
- maintain the AMP group's credit rating.

These factors are considered together with AMP's appetite for material risks (including financial risk, product and insurance risk and operational risk), when setting a target surplus above MRR which seeks to reduce the risk of breaching MRR.

Level 3 eligible capital above MRR and target capital requirements for regulated entities and the AMP group may vary throughout the year due to a range of factors including profits, dividend payments, capital for business growth and other one-off items, including market movements.

Capital position

At 30 June 2020, total eligible capital above total requirements was A\$1,428m (A\$529m at 31 December 2019). The ratio of total eligible capital to total requirements is 1.7x (compared to 1.2x total requirements at 31 December 2019).

Finalisation of the AMP Life sale

On 30 June 2020, AMP sold its Australian and New Zealand wealth protection and mature businesses to Resolution Life. The impact of the sale of these businesses to the consolidated capital position of AMP Limited at 30 June 2020 was a net increase in Level 3 eligible capital resources above target surplus of A\$912m.

Use of sale proceeds

AMP has announced the return of capital of up to A\$544m to shareholders, comprising a A\$344m fully franked special dividend and up to A\$200m in the form of an on-market share buy-back, subject to market conditions.

Beyond these capital changes, AMP Limited will continue to use capital to fund delivery of the new AMP strategy, including the repurchase of MUTB's 15% shareholding in AMP Capital reflecting capital usage of A\$400m.

The Board does not expect to declare a final FY 20 dividend.

Net tangible assets

1H 20 shareholders equity of A\$5,007m comprises net tangible assets (NTA) of A\$4,343m, or A\$1.26 per share.

The shareholders equity of A\$5,007m is adjusted for accounting mismatches, cashflow hedge reserve and other adjustments of A\$19m and goodwill and other intangibles of A\$645m to arrive at the net tangible assets of A\$4,343m.

Capital adequacy

AMP group capital adequacy calculation (A\$m)

	30 June 2020					31 December 2019	
	AWM	AMP Bank ¹	AMP Capital ²	NZWM	Group Office and other	Total	Total
Shareholder equity ³	815	1,076	652	216	2,248	5,007	4,910
Goodwill and other intangibles ⁴	(208)	-	(122)	(127)	(188)	(645)	(1,057)
Equity investments ⁵	(59)	-	(476)	-	(847)	(1,382)	(173)
Other regulatory adjustments ⁶	(48)	(170)	264	(1)	(22)	23	69
Subordinated bonds eligible as Level 3 capital	-	-	-	-	83	83	83
Level 3 eligible capital	500	906	318	88	1,274	3,086	3,832
Eligible hybrid capital resources ⁷	26	301	-	-	-	327	761
Total eligible capital resources	526	1,207	318	88	1,274	3,413	4,593
Minimum regulatory requirements (MRR) ⁸	306	903	43	-	-	1,252	2,323
Target capital requirements	231	172	170	50	110	733	1,741
Total capital requirements	537	1,075	213	50	110	1,985	4,064
Surplus capital above total requirements	(11)	132	105	38	1,164	1,428	529

1 Total shareholder equity of A\$1,076m includes A\$85m of equity reserve accounts which are excluded in the calculation of total capital resources as shown on page 10.

2 Amounts shown for AMP Capital are disclosed net of minority interest.

3 Shareholder equity is statutory shareholder equity of A\$4,988m adjusted for accounting mismatches, cashflow hedge reserve and other adjustments (A\$19m).

4 Refer to page 27 for definition of intangibles.

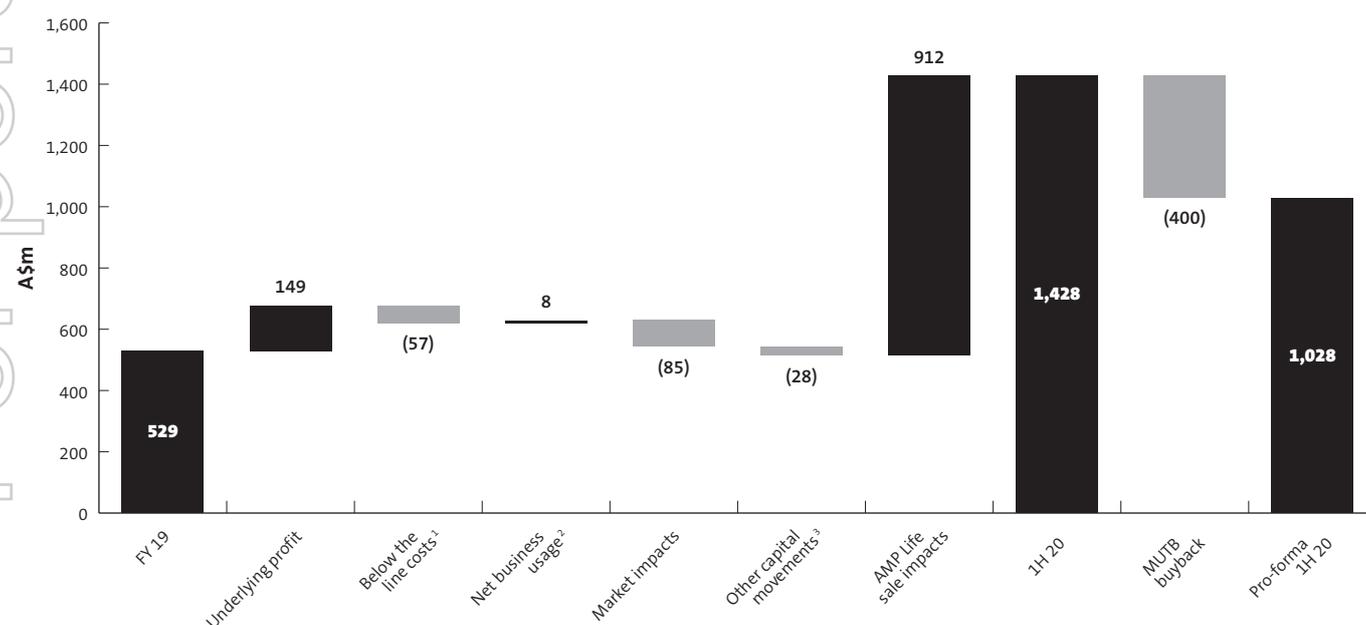
5 Equity investments relate to holdings of associate equity investment where AMP holds a minority interest, this includes the A\$500m holding in Resolution Life Australia.

6 Other regulatory adjustments relate to securitisation, deferred tax assets and other provisions for AMP Bank, deferred tax assets for Australian wealth management and New Zealand wealth management and includes an adjustment for eligible seed and sponsor investment classified as equity investments in AMP Capital.

7 Eligible hybrid capital instruments are subordinated debt which is able to be included as eligible capital for the purpose of meeting minimum regulatory requirements.

8 Minimum regulatory requirements for AMP Bank relate to total capital requirements of 8% (of risk weighted assets) plus the countercyclical buffer (2.5% of risk weighted assets), as stipulated within APS 111.

Movement in AMP group capital FY 19 to 1H 20



1 Includes client remediation and related costs, risk management, governance and controls and other items.

2 In 1H 20, net business usage related to capital deployed in the purchase of advice registers, capital required to support mortgage growth in AMP Bank, and capital required to support AUM growth.

3 Other capital movements includes tax impacts, impairments, movements in equity reserve accounts and other miscellaneous items.

Debt and liquidity overview

A\$m	30 June 2020			31 December 2019		
	Corporate debt	AMP Bank	Total	Corporate debt	AMP Bank	Total
Subordinated bonds	83	-	83	83	-	83
AMP Notes 3 ¹	250	-	250	250	-	250
AMP Wholesale Capital Notes ²	-	-	-	275	-	275
AMP Capital Notes ³	268	-	268	268	-	268
AMP Capital Notes 2	275	-	275	275	-	275
AMP Subordinated Notes ⁴	-	250	250	-	250	250
Total subordinated debt	876	250	1,126	1,151	250	1,401
Commercial paper, NCDs and repos	-	292	292	-	586	586
Medium-term notes (MTN)	1,254	1,816	3,070	988	2,241	3,229
Total senior debt	1,254	2,108	3,362	988	2,827	3,815
Deposits	-	16,989	16,989	-	14,414	14,414
Total debt	2,130	19,347	21,477	2,139	17,491	19,630
Corporate gearing ratios						
S&P gearing	23%			20%		
Interest cover – underlying (times)	6.3			8.1		
Interest cover – actual (times)	1.4			-		

A\$m	Corporate debt by year of repayment ⁵					Total
	0–1 year	1–2 years	2–5 years	5–10 years	10+ years	
Total corporate debt at 30 June 2020	-	943	912	275	-	2,130
Total corporate debt at 31 December 2019	275	943	646	275	-	2,139

¹ AMP Notes 3 are not recognised as Level 3 eligible capital of AMP group for APRA purposes.

² AMP Wholesale Capital Notes were redeemed in March 2020.

³ AMP Capital Notes are not currently recognised as Level 3 eligible capital of AMP group for APRA purposes. A\$40m of AMP Capital Notes and A\$100m of AMP Capital Notes 2 are used to fund Additional Tier 1 Capital within AMP Bank. The remaining A\$228m of AMP Capital Notes and A\$175m of AMP Capital Notes 2 are not currently on-lent and held as general corporate debt.

⁴ AMP Subordinated Notes are issued by AMP Limited and on-lent to AMP Bank, where they are recognised as allowable Tier 2 capital. The debt and interest expense on these notes is included in AMP Bank's balance sheet and operating results and not in AMP corporate debt and interest expense.

⁵ Based on the earlier of the maturity date and the first call date.

Corporate debt

Corporate debt decreased by A\$9m during 1H 20, due to the issuance of medium-term notes, offset by the repayment of AMP Wholesale Capital Notes. At 30 June 2020, all corporate debt was effectively at floating rates.

All foreign currency denominated corporate debt is hedged back to AUD at the time of issuance for the life of the security. Foreign currency denominated debt is reported above in AUD based on hedged face value.

At 30 June 2020, AMP's liquidity comprised A\$2,856m of group cash (including short-term investments) and undrawn facilities of A\$150m.

AMP Bank

AMP Bank utilises a diverse range of funding sources (securitisation, customer deposits, short and long-term wholesale borrowings), with its primary source of funding being A\$17.0b of customer deposits.

AMP Bank actively hedges its funding against movements in short-term interest rates. However, the Bank remains exposed to negative interest rates and increases in credit spreads to the extent it needs to replace funding eg the spread between wholesale interest rates and the rate paid to customers.

The securitisation of mortgages via the issuance of residential mortgage backed securities (RMBS) is a source of funding and capital relief for AMP Bank. As at 30 June 2020, total RMBS funds were A\$3.6b. AMP Bank has in place a A\$1b warehouse facility with MUFG Bank Ltd.

Sensitivities – profit and capital

1H 20 profit sensitivities – excluding AMP Life (A\$m)

	Operating earnings (post-tax)					Total	Investment income
	WM	AMP Bank	NZWM	AMP Capital	Group Office		
Market variables							
10% increase in Australian equities	6	-	-	2		8	(1)
10% decrease in Australian equities	(6)	-	-	(2)		(8)	(1)
10% increase in international equities	6	-	1	2		9	(1)
10% decrease in international equities	(6)	-	(1)	(2)		(9)	(1)
10% increase in property ¹	1	-	-	3		4	-
10% decrease in property ¹	(1)	-	-	(3)		(4)	-
1% (100 bps) increase in 10 year bond yields	(2)	-	-	(2)		(4)	(1)
1% (100 bps) decrease in 10 year bond yields	2	-	-	2		4	-
1% increase in cash rate	1	-	-	-		1	17
1% decrease in cash rate	(1)	-	-	-		(1)	(17)
Business variables							
5% increase in AUM	11		1	9		21	
5% increase in (AMP Capital) external AUM				7		7	
5% increase in (AMP Capital) internal AUM				2		2	
5% increase in AMP Bank total mortgage balances		6				6	
5% increase in sales volumes	1	1	-			2	
1% increase in persistency	2	-	-			2	
1 bp increase in AMP Bank net interest margin	-	2	-			2	
5% reduction in controllable costs	17	4	1	15	6	43	

¹ AMP Bank has no direct property exposure.

All profit sensitivities above show a full year impact.

The profit and capital sensitivities are only indicative, because:

- they assume that the particular variable moves independently of all others
- they are based on the 1H 20 position, ie not 'forward looking', and make no allowances for events subsequent to 30 June 2020, and
- in general, for profit sensitivities, they assume the movement occurs evenly over the year; for capital sensitivities, they assume the movement occurs at 30 June 2020.

Other assumptions include:

- parent company shareholders' equity is fully invested, and there are no adjustments for investments which are outside index weightings
- currency movements in investments in self-sustaining operations do not impact profit
- sales sensitivity assumes the same product mix as in underlying sales during 1H 20
- investment income sensitivity is based on the amount of investments held at 30 June 2020
- property sensitivities relate to unlisted property; listed property trusts are included in equities
- bond yield sensitivities relate to both government and corporate bond yields for both Australian and international bonds
- profit sensitivities exclude the impact of movements in credit spreads in corporate and semi-government debt
- AMP Bank net interest margin is assumed to be insensitive to changes in cash rate, and
- AMP Bank's increase in sales volume assumes a 5% change in total loans growth with no change in net interest margin and costs.

Profit sensitivities

The sensitivities set out above apply to 1H 20 operating earnings and investment income, assuming changes in a range of hypothetical economic or business variables.

Important considerations when using these sensitivities

Operating earnings – investment linked business

For investment linked business, fee income is largely based on the level of AUM, which in turn is directly impacted by investment markets.

For changes in market variables which impact AUM levels, it is assumed that the change in the variable occurs evenly across the entire year. That is, the analysis is point to point, assuming the movement from one point (eg beginning of the year equity markets) to another point (eg end of the year equity markets) occurs evenly over the year. It is similar to assuming a one-off movement in the variable halfway through the year. For large movements that do not occur halfway through the year, the profit sensitivities need to be extrapolated. For example, a 10% increase/decrease in equity markets at the start of the year would have double the impact on 1H 20 operating earnings than set out in the table above.

The sensitivities are based on the 1H 20 position and are not forward looking. If using the sensitivities as forward looking (eg applying 1H 20 profit sensitivities for 2H 20 or FY 20), an allowance for changes in AUM levels and mix should be made. Refer to page 6 (Australian wealth management) and page 12 (AMP Capital) for average AUM levels that were applied in 1H 20.

The AMP Capital operating earning sensitivities are net of minority interests and assume no change to performance and transaction fees and do not include seed and sponsor capital investments.

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Sensitivities – profit and capital cont'd

Investment income

The analysis is based on a point in time and indicates the impact a change in the market variable would have on AMP's 1H 20 total investment income (ie underlying investment income plus market adjustment – investment income).

The sensitivities are based on 30 June 2020 equity markets, bond yields and property values and correspond to the disclosure in the capital adequacy section (refer to page 21).

Sensitivities include the profit/loss impact from changes in investment market variables on total shareholder funds. Changes in BU operating earnings are not reflected.

The cash rate sensitivities show the full year impact of a different cash rate on total investment income. The impact assumes that the change in the cash rate applies over the entire year.

The investment income sensitivities (refer to page 23 for details) do not include any allowance for investment gains/losses on assets that back AMP's annuity book or the impact of changes in economic variables (such as bond yields or CPI) on wealth protection products. The impacts of investment market variables are not always symmetrical, as they are inclusive of the impacts of long-term and tactical protection strategies.

The sensitivities assume that the guarantees on the North products are effectively hedged under current hedging procedures.

The investment income sensitivities to bond yields include the use of derivatives to reduce the impact on regulatory capital resources above MRR from bond yields movements. Gains and losses on these derivatives are reported in the market adjustment – investment income.

AMP regulatory capital sensitivities

Capital sensitivities – regulatory capital resources above MRR (A\$m) ¹		AMP group
Actual 30 June 2020 (ASX 200 @ 5,896; Australian bond yields @ 0.9%)		2,161
Equity sensitivity	– 20% increase (ASX 200 @ 7,075)	-
	– 10% increase (ASX 200 @ 6,486)	-
	– 10% decrease (ASX 200 @ 5,306)	-
	– 20% decrease (ASX 200 @ 4,717)	(5)
Australian bond yields sensitivity	– 100 bps increase (Australian bond yields @ 1.9%)	60
	– 50 bps increase (Australian bond yields @ 1.4%)	30
	– 50 bps decrease (Australian bond yields @ 0.4%)	(30)
	– 100 bps decrease (Australian bond yields @ -0.1%)	(65)

¹ These sensitivities are based on a point in time and do not make any allowance for subsequent management actions.

The sensitivities shown above reflect the impact of market movements on AMP's capital position.

The analysis is a point in time view of the capital impact of movements in equity markets, bond yields and property values on AMP's capital position inclusive of long-term and tactical protection.

AMP group sensitivities include the effect on capital of movements in Operational Risk requirements in the Superannuation funds, the defined benefit funds and North Guarantee products.

AMP's capital management policies include market related trigger points at which management will take action to reduce the impact of market movements on AMP's capital position.

AMP actively manages both the asset mix and the associated capital. Market movements and trends are carefully monitored and adjustments made accordingly.

The sensitivities contained in the table above do not make any allowance for management actions subsequent to 30 June 2020, which may have a significant impact on these sensitivities.

Market share and channel analysis

Market share

	March 2020			March 2019		
	Total market size	Market position (rank)	Market share %	Total market size	Market position (rank)	Market share %
Australia (AUM) A\$bn						
Superannuation including rollovers ^{1,2}	391.7	1	24.1	436.8	1	25.3
Corporate superannuation master funds ³	153.1	2	18.5	167.6	2	19.3
Retirement income ¹	182.1	2	18.1	210.0	2	17.2
Unit trusts (excluding cash management trusts) ^{1,2}	268.8	7	5.2	280.8	5	5.7
Total retail managed funds (excluding cash management trusts) ^{1,2}	849.9	1	16.7	935.1	1	17.4
New Zealand wealth management (AUM) NZ\$bn						
Retail superannuation ⁴	2.5	1	43.2	3.0	1	39.2
Unit trusts ⁴	45.5	15	1.2	42.8	13	1.7
KiwiSaver ⁴	66.7	4	8.9	58.3	4	9.6
Total retail funds ⁴	115.1	6	6.5	104.9	4	7.1
Corporate superannuation ⁵	7.4	1	45.4	8.5	1	39.9

1 Source: Market Overview Retail Managed Funds – Marketer, Plan For Life, March 2020.

2 These figures include SuperConcepts products in the superannuation and unit trust categories.

3 Source: Australian Retail and Wholesale Investments, Market Share and Dynamics Report, Plan For Life, 31 March 2020.

4 Measured by AUM. Source: FundSource Limited June 2020 and June 2019.

5 Measured by AUM. Source: Eriksens Master Trust Survey June 2020 and June 2019.

Channel analysis

Channel analysis (A\$m)	Adviser numbers			Total AUM ¹		
	1H 20	1H 19	% 1H/1H	1H 20	1H 19	% 1H/1H
AMP Advice ²	102	210	(51.4)	8,015	14,653	(45.3)
AMP Financial Planning ³	1,018	1,221	(16.6)	49,635	59,530	(16.6)
Charter Financial Planning ⁴	507	643	(21.2)	18,333	22,674	(19.1)
Hillross	240	298	(19.5)	11,852	14,528	(18.4)
Total (core licensees)	1,867	2,372	(21.3)	87,835	111,385	(21.1)
Jigsaw Support Services ⁵	43	55	(21.8)	783	1,064	(26.4)
Total (licensee services)	43	55	(21.8)	783	1,064	(26.4)
Corporate Super Direct				13,761	15,848	(13.2)
Third-party distributors and other				18,660	24,551	(24.0)
Total Australia⁶	1,910	2,427	(21.3)	121,039	152,848	(20.8)
New Zealand⁷	63	345	(81.7)	11,621	17,253	(32.6)
Total	1,973	2,772	(28.8)	132,660	170,101	(22.0)

1 Includes advised and non-advised AUM.

2 Includes 61 self-employed advisers in 1H 19. 1H 20 includes AMP Advice employed and AMP Assist only.

3 Excludes 48 advisers in 1H 19.

4 Excludes 13 advisers in 1H 19.

5 Excludes AMP Authorised Representatives.

6 AUM includes all Australian wealth management and excludes SuperConcepts. 1H 19 includes AUM on mature products.

7 In 1H 20 New Zealand wealth management includes AMP employees and AdviceFirst. In FY 19 AMP restructured its New Zealand advice network by recontracting 281 advisers previously part of its AMP Financial Advice Network (AFAN) and IFA QAN (Quality Advice Network) with standard IFA distribution agreements. 1H 19 includes AUM on mature products.

AMP Capital investment performance

Fund/style name	AUM (A\$m)	1 Year		3 Year		5 Year	
		Absolute return ¹ %	Excess return ² %	Absolute return ¹ %	Excess return ² %	Absolute return ¹ %	Excess return ² %
Australian Equities							
Small Caps	330	5.5	11.2	12.1	6.0	11.6	3.7
Enhanced Index	8,624	(7.4)	0.2	5.4	0.2	6.0	-
Future Directions Australian Equity Fund ³	3,647	(5.2)	2.4	4.9	(0.3)	6.8	0.8
Global Equities							
Global Companies Fund	503	19.0	-	25.5	-	-	-
Global Listed Real Estate ⁴	5,042	(12.6)	5.1	1.7	3.6	3.4	0.9
Global Listed Infrastructure ⁴	2,186	(3.6)	0.6	8.3	1.7	5.8	(0.4)
Specialist International Shares Fund ³	1,742	4.3	(0.5)	9.6	(1.0)	9.8	0.5
Enhanced Index International Shares	11,152	4.5	(0.7)	10.6	(0.3)	9.5	0.1
Fixed interest							
Wholesale Australian Bond Fund	2,108	4.5	0.3	5.9	0.4	5.1	0.4
Managed Treasury Fund	1,639	1.3	0.4	1.9	0.4	2.1	0.4
Real Estate (direct)⁵							
Wholesale Office ⁶	7,056	6.9	1.1	10.3	(0.6)	11.9	(0.9)
Shopping Centres ⁶	3,679	(18.4)	(0.5)	(4.1)	(1.3)	2.0	(0.2)
Diversified Property Fund ⁶	5,456	(2.3)	(2.3)	3.9	(2.2)	6.4	(2.0)
Infrastructure (direct)							
Diversified Infrastructure Trust	1,579	(3.1)	(8.7)	6.8	0.3	10.2	3.5
Australia Pacific Airports Fund	376	(13.9)	(25.9)	4.1	(7.9)	11.7	(0.3)
Diversified							
Balanced Growth Option	786	(0.1)	(1.2)	6.0	(0.8)	5.7	(1.3)
Future Directions Balanced Fund	4,575	(0.6)	(1.7)	5.0	(1.3)	5.8	(0.5)
MySuper 1970s ⁷	5,610	(2.0)	(2.5)	5.2	(1.2)	6.2	(0.3)
Goal based							
Corporate Bond	1,105	1.8	0.9	2.8	1.3	3.2	1.2
Multi Asset Fund	731	(2.2)	(9.4)	1.9	(5.4)	3.6	(3.7)
Dynamic Markets Fund	432	(14.0)	(20.2)	(4.1)	(10.4)	(1.9)	(8.2)
Income Generator	1,538	(2.3)	(2.0)	3.8	(1.5)	4.8	(0.5)
Equity Income Generator	337	(10.1)	(2.4)	1.5	(3.7)	2.5	(3.4)

1 Absolute returns are annualised for periods greater than one year.

2 Excess return is measured against the client goal or market benchmark.

3 For this fund, two fund returns have been joined due to historical fund restructures.

4 AUM provided is the assets under management of the entire capability.

5 Calculated in accordance with the Mercer/IPD Pooled Property Fund Index methodology.

6 For this fund, AUM disclosed is the gross asset value.

7 MySuper 1970s is representative of the MySuper range of funds – it is disclosed as it is the largest fund in the MySuper range.

Accounting treatment, definitions and exchange rates

Accounting mismatches – Refer to page 18.

Additional Tier 1 capital – Includes components of capital that are higher quality than Tier 2 capital, but do not meet the requirements for Common Equity Tier 1 capital.

Capital Adequacy Ratio (AMP Bank) – Total regulatory capital divided by total risk weighted assets calculated using the standardised approach. Total regulatory capital is comprised of Common Equity Tier 1 capital, Additional Tier 1 capital and Tier 2 capital.

Common Equity Tier 1 capital – Comprises the highest quality components of capital that fully satisfy all of the following essential characteristics:

- a) provide a permanent and unrestricted commitment of funds
- b) are freely available to absorb losses
- c) do not impose any unavoidable servicing charge against earnings, and
- d) rank behind the claims of depositors, policyholders and other creditors in the event of winding up.

Controllable costs – Include operational and project costs and exclude variable costs, provision for bad and doubtful debts and interest on corporate debt.

Controllable costs to AUM – Calculated as controllable costs divided by the average of monthly average AUM.

Corporate debt – Borrowings used to fund shareholder activities of the AMP group including the impact of any cross-currency swaps entered into to convert the debt into A\$, but excluding debt used to fund AMP Bank activities. Refer to page 22 for more detail.

Cost to income ratio – Calculated as controllable costs divided by gross margin. Gross margin is calculated as total operating earnings and underlying investment income before tax expense plus controllable costs.

Cost to income ratio (AMP Bank) – Calculated as controllable costs divided by gross margin, excluding loan impairment expenses. Gross margin is calculated as total operating earnings before tax expense plus controllable costs.

Defined benefit fund – A scheme that provides a retirement benefit, usually based on salary and/or a predetermined formula for calculating that benefit. Unlike an accumulation scheme, the retirement benefit and method of calculation is known to the member at all times.

EPS (actual) – Earnings per share calculated as profit attributable to shareholders of AMP Limited divided by the statutory weighted average number of ordinary shares.

EPS (underlying) – Calculated as underlying profit divided by the basic weighted average number of ordinary shares.

External AUM (AMP Capital) – Assets managed by AMP Capital sourced from institutional clients (including corporate, public sector and industry superannuation funds, and large non-superannuation funds), non-AMP dealer groups, private clients and international clients and partnerships.

Group cash – Cash and cash equivalents held outside business units.

Group risk API – Contractual annual premiums payable on all in-force group risk policies.

Individual risk API – Contractual annual premiums payable on all in-force individual risk policies.

Individual risk lapse rate – Calculated as annualised voluntary cancellations as a percentage of average annual premium in-force prior to cancellations. Policies expiring due to maturities, death or disablement and conversions are excluded from the calculation.

Intangibles – Represents acquired goodwill, acquired asset management mandates, and capitalised costs.

Interest cover (actual) – Calculated on a rolling 12 month post-tax basis as profit attributable to shareholders of AMP Limited before interest expense on corporate debt for the year divided by interest expense on corporate debt for the same period.

Interest cover (underlying) – Calculated on a rolling 12 month post-tax basis as underlying profit before interest expense on corporate debt for the year divided by interest expense on corporate debt for the same period.

Internal AUM (AMP Capital) – Assets managed by AMP Capital sourced from AMP's business units.

Investment performance (AMP Capital) – The percentage of AUM measured against market benchmarks.

Level 3 eligible capital – Comprises the highest quality components of capital for AMP Limited as the head of a Level 3 group. Level 3 eligible capital has similar characteristics to Common Equity Tier 1 capital for insurers and ADIs.

Liquidity Coverage Ratio (LCR) – A requirement to maintain an adequate level of high quality liquid assets to meet liquidity needs for a 30 calendar day period under a stress scenario. Absent a situation of financial stress, the value of the LCR may not be less than 100%.

Market adjustment – investment income – Refer to page 19.

Minimum regulatory capital requirements (MRR) – Refer to page 20.

Net interest margin (AMP Bank) – Net interest income over average interest earning assets.

Net seed and sponsor capital income (AMP Capital) – Income on seed and sponsor capital assets, including normal valuation movements and net profit/loss on sales, offset by funding costs.

Net Stable Funding Ratio (NSFR) – The Net Stable Funding Ratio seeks to promote the stable funding of a bank's balance sheet based on the liquidity characteristics of its assets and off-balance sheet activities over a one year time horizon. The measure aims to ensure that long-term assets are financed with at least a minimum amount of stable funding.

Operating earnings – Represent shareholder attributable profits or losses that relate to the performance of a business unit. The principles of life insurance accounting are used in reporting the results of AMP Life. Operating earnings exclude investment earnings on shareholder capital and one-off items.

Persistence – Calculated as opening AUM less cash outflows during the period divided by opening AUM. Wealth management total cash outflows are adjusted to exclude internal flows so as to reflect external cash outflows only.

Accounting treatment, definitions and exchange rates cont'd

Practice finance loans – Business loans provided to AMP aligned financial advisers, which are secured by a General Security Agreement over the adviser's business assets, including the client servicing rights, or other assets. Commercial lending credit policy, process and rates apply to these loans.

Return on capital (AMP Bank) – Return on capital is calculated as operating earnings after income tax, less distributions on Additional Tier 1 capital divided by average total capital resources (for the purpose of this calculation, total capital resources is balance sheet equity, less Additional Tier 1 capital) for the period.

RoBUE (from 1H 20) – Return on BU equity is calculated as BU underlying operating profit after income tax (including underlying investment income), annualised for the number of days in the period (for half years), divided by the average of the BU's current balance of tangible capital resources and the closing balances of the prior two periods. In each case, no allowance is made for the benefit of gearing, which occurs at the AMP group level.

RoBUE (pre 1H 20) – Return on BU equity is calculated as BU underlying operating profit after income tax (including underlying investment income) divided by the BU's average of monthly average tangible capital resources. No allowance is made for the benefit of gearing, which occurs at the AMP group level.

RoE (actual) – Calculated as annualised profit attributable to shareholders of AMP Limited divided by the average of the monthly average shareholder equity for the period.

RoE (underlying) – Calculated as annualised underlying profit divided by the average of the monthly average shareholder equity for the period.

S&P gearing – Senior debt plus non-allowable hybrids divided by economic capital available plus hybrids plus senior debt. Economic capital available is as defined by Standard & Poor's and includes AMP shareholders' equity (including goodwill and acquired AXA intangibles, but excluding acquired asset management mandates and capitalised costs).

Tier 2 capital – Includes components of capital that, to varying degrees, fall short of the quality of Common Equity Tier 1 capital and Additional Tier 1 capital but nonetheless contribute to the overall strength of an insurer or ADI.

Underlying investment income – The investment income on shareholder assets invested in income producing investment assets (as opposed to income producing operating assets) attributed to the BUs (including Group Office) has been normalised in order to bring greater clarity to the results by eliminating the impact of short-term market volatility on underlying performance. The excess (or shortfall) between the underlying return and the actual return is disclosed separately as market adjustment – investment income. Underlying returns are set based on long-term expected returns for each asset class, except for a short-term return, equivalent to a one year government bond, set annually for the implicit DAC component of shareholder assets. The return on AMP Bank income producing investment assets is included in AMP Bank operating earnings.

The underlying post-tax rate of return used for 1H 20 is 2.5% pa (unchanged from FY 19) and is based on the long-term target asset mix and assumed long-term rates of return. The investment return equivalent to a one year government bond of 1.3% pa post-tax is being applied to the implicit DAC for 1H 20 (1.3% in 2019).

Shareholder funds invested in income producing assets may be higher or lower than BU capital due to the working capital requirements of the business unit.

Underlying profit – 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 all items listed below the 'underlying profit' line on page 4. Other items largely comprise the net of one-off and non-recurring revenues and costs.

Variable costs – Include costs that vary directly with the level of related business (eg investment management fees and banking commissions and securitisation costs).

Exchange rates

			AUD/NZD
2020	1H 20	– closing	1.0695
		– average	1.0501
2019	FY 19	– closing	1.0419
		– average	1.0545
	2H 19	– closing	1.0419
		– average	1.0576
	1H 19	– closing	1.0448
		– average	1.0500

Key dates for shareholders¹

18 September 2020	Ex-dividend date for special 2020 dividend (Australia and New Zealand)
21 September 2020	Record date for special 2020 dividend
1 October 2020	Payment date for special 2020 dividend
22 October 2020	Third quarter 2020 cashflow and AUM announcement
11 February 2021	Full year 2020 results

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¹ Key dates subject to change.

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Website

For additional 2020 half year results information, visit AMP's website at **amp.com.au/shares**

You will find:

- background information on AMP, business units, management and policies
- statutory reporting at the AMP Limited level (incorporating shareholder, policyholder and non-controlling interests)
- archived webcasts of presentations to investors and analysts
- archived ASX announcements and historical information
- definitions and details of assumptions.

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