

## AMP announces FY 22 results

- Net profit after tax (NPAT) (underlying)<sup>1</sup> A\$184 million (FY 21: A\$280 million)
- NPAT (statutory) A\$387 million (FY 21: A\$252 million statutory loss)
- A\$1.1 billion capital management program underway
- FY 22 final dividend 2.5c per share (franking of 20 per cent)

### FY 22 results highlights

- Solid financial performance in a challenging macroeconomic environment.
- Significant progress on strategy to simplify and reposition AMP with strong delivery against FY 22 commitments.
- NPAT (underlying) of A\$184 million (FY 21: A\$280 million), predominantly reflects investment market volatility on assets under management (AUM), strategic repricing in wealth management businesses and net interest margin (NIM) compression in AMP Bank. These factors were partially offset by continued delivery on cost reduction.
- NPAT (statutory) increased to A\$387 million (FY 21: A\$252 million statutory loss) supported by the gain on sale of the infrastructure debt platform in FY 22, partly offset by impairments announced in January 2023 and costs to separate the AMP Capital businesses.
- AMP Bank residential mortgage book grew A\$2 billion whilst improving NIM during 2H 22 and maintaining strong credit quality of the loan book. Mortgage book growth was 1.5x system, excluding the acquisition of the Nano loan book.
- Australian Wealth Management AUM of A\$124.2 billion (FY 21: A\$142.3 billion) was impacted by the decline in investment markets, and net cash outflows of A\$5.3 billion (FY 21: A\$7.2 billion)
- Strong balance sheet with A\$923 million surplus above Board target capital level as at 31 December 2022.
- Continued to progress capital management program of A\$1.1 billion announced at 1H 22 results including A\$267 million of a targeted A\$350 million on-market share buyback completed as at 31 December 2022.
- FY 22 final dividend declared of 2.5 cents per share (franking of 20 per cent), announced as part of the A\$1.1 billion capital management program.
- Disciplined focus on costs across the group, with controllable costs, excluding AMP Capital discontinued operations, reduced by A\$54 million.

<sup>1</sup> Net profit after tax (underlying) represents shareholder attributable net profit or loss after tax excluding non-recurring revenue and expenses. NPAT (underlying) is AMP's preferred measure of profitability as it best reflects the underlying performance of AMP's business units.

## Update on AMP Capital transactions

- Completed the sale and transfer of the international infrastructure equity business to DigitalBridge in February 2023, realising a total value of A\$582 million and potential for additional cash earn-out of A\$180 million contingent on future fundraisings by new owners.
- One outstanding regulatory approval required in China to complete the sale of the real estate and domestic infrastructure equity business to Dexus. Continuing to work through an alternative transaction structure.

### AMP Chief Executive Alexis George said:

*“We have made excellent progress on the delivery of the strategy that we announced in November 2021, setting us on the path to a new AMP. Our strategic focus has been on simplifying our operations and repositioning AMP as a leading wealth management and banking business in Australia and New Zealand. We are now focused on driving growth in our core businesses and exploring new business opportunities for longer term growth.*”

*“We have now completed both the sale of the infrastructure debt platform and the international infrastructure equity business. We continue to work towards completion of the sale of the real estate and domestic infrastructure equity business. The completion of these transactions enables AMP to become a simplified and more customer-focused business. Off the back of those transactions, we have committed to returning \$1.1 billion of capital to shareholders, and I am pleased that we are able to deliver an FY 22 final dividend to shareholders of 2.5 cents per share as part of that, in addition to the \$350 million on-market share buyback that we currently have underway.*”

*“Our profit for the year reflects the challenging economic environment we are facing, as well as strategic decisions to reprice our offers in Master Trust and Platforms to deliver both highly competitive and attractive offers. We are seeing positive momentum around the transformation of our Advice business, where we have more than halved the losses, and our key growth businesses – AMP Bank and Platforms – are starting to benefit from the investments we are making in those businesses. In our flagship North platform, we have continued to increase the percentage of flows from the independent financial adviser market.*”

*“I am proud of the significant progress we have made in 2022. We have made several new appointments to the executive and management team during the year to position the business to deliver on our strategy, and drive a culture of accountability and inclusion. Strategically and operationally, we have a clear path forward for AMP as a leader in wealth management and banking, building on our purpose – helping people create their tomorrow.”*

## Business unit results

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### AMP Bank

AMP Bank has maintained a disciplined approach to growing its mortgage book in a competitive market, achieving above system growth and maintaining strong credit quality.

The residential mortgage book grew at 1.8x system, (1.5x excluding the acquisition of Nano), underpinned by ongoing service improvements driving organic growth, as well as the acquisition of the Nano residential mortgage book, adding approximately A\$400 million in loans. The quality of the mortgage book was maintained with 67 per cent of customers being owner-occupied, and an average book loan to

value ratio (LVR) of 66 per cent. There were 41 per cent of AMP Bank customers ahead of their mortgage repayments schedule by more than three months.

NPAT (underlying) of A\$103 million (FY 21: A\$153 million) reflects the benefit of the one-off, COVID related, loan impairment release in FY 21 not repeated in FY 22, as well as a more competitive environment from a funding and lending perspective. NIM of 1.38 per cent (FY 21: 1.62 per cent) was primarily driven by mortgage margin compression and asset mix changes. NIM improved during 2H 22, due to the heightened interest rate environment and an ongoing focus on carefully controlling deposit and funding costs.

### **Australian Wealth Management**

Australian Wealth Management includes three businesses – Platforms, Master Trust and Advice. NPAT for the overall business was A\$50 million (FY 21: A\$89 million), reflecting strategic repricing in North and Master Trust to attract and retain customers.

#### **Platforms**

AMP's flagship platform, North, continued to generate solid inflows from both Independent Financial Advisers (IFAs) and aligned advisers. There was a 31 per cent increase in inflows from independent financial advisers, which follows strategic repricing initiatives and continued investment in the platform's functionality.

NPAT (underlying) of A\$66 million (FY 21: A\$123 million) was impacted by market volatility including hedging losses and valuation impacts on the North Guarantee and the planned strategic repricing. Controllable costs of A\$157 million (FY 21: A\$146 million) reflect the decision to increase spending to support future business growth.

Overall Platforms AUM of A\$65.5 billion (FY 21: A\$71.1 billion) reflects volatile investment markets partly offset by cash inflows of A\$936 million (FY 21: A\$83 million). Within that overall outcome the North Platform AUM remained relatively stable at A\$61.3 billion, with volatile investment markets offset by net cash inflows of A\$5.7 billion.

The Platforms business is positioned for growth, underpinned by continued enhancements to service, functionality and investment choice, as well as the recent launch of the new retirement product and North's expanding IFA relationships.

#### **Master Trust**

The Master Trust business continues its strategy of simplification, driving operational efficiency and reducing costs while improving investment performance, despite the challenging operating conditions in this sector of the market.

FY 22 NPAT (underlying) of A\$55 million (FY 21: A\$111 million) was impacted by the simplification initiatives completed in Q3 21, lower average AUM and the decision to deliver price reductions for members in the previous year to remain competitive with the market.

The focus on operational efficiency continued, with controllable costs falling to A\$192 million (FY 21: A\$216 million) driven by focused cost reduction activity and lower project costs, with the major simplification programs largely complete.

AUM of A\$54.0 billion (FY 21: A\$62.9 billion) reflects the volatile investment markets and cash outflows. Net cash outflows of A\$3.9 billion improved from A\$5.2 billion in FY 21, reflecting the focus on improving investment performance and competitive pricing to retain and attract customers.

### **Advice**

The transformation of the Advice business continues to progress towards a sustainable, standalone business, with NPAT loss more than halved to A\$68 million (FY 21: A\$146 million loss).

Advice revenues of A\$56 million (FY 21: A\$58 million) were impacted by the sale of the employed business, partially offset by higher licensee fees, growth in equity investment portfolio and A\$18 million of impairments in the prior year not repeating. Variable costs reduced to A\$18 million, which was primarily due to the exit of employed advice.

Costs were carefully managed, with controllable costs reducing by 25 per cent to A\$138 million. This was driven by cost out activity, as well as lower project costs as a number of projects to reposition the Advice business were completed.

### **New Zealand Wealth Management**

NZWM NPAT (underlying) of A\$32 million (FY 21: A\$39 million) was driven primarily by investment market moves, as well as the repricing of the KiwiSaver product. AUM based revenue was A\$92 million (FY 21: A\$116 million), with AUM of A\$10.5 billion (FY 21: A\$12.2 billion).

Controllable costs were A\$35 million (FY 21: A\$36 million), driven by ongoing discipline around costs and simplification of the business.

### **Capital position and return**

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AMP continues to maintain prudent levels of capital given the challenging macroeconomic backdrop.

FY 22 capital position of A\$3.0 billion comprises A\$1.4 billion to meet regulatory requirements: A\$699 million Board buffer to cover potential impacts of operational, market or regulatory change as well as product-related risks; and A\$923 million surplus capital. Target capital levels are expected to reduce following completion of the remaining AMP Capital sale.

As announced in August 2022, AMP has committed to return a total of A\$1.1 billion of capital to shareholders. This comprises:

- A\$350 million via an on-market share buyback, of which A\$267 million was complete at 31 December 2022.
- Additional A\$400 million expected to be returned through FY 22 final dividend of 2.5 cents per share, franked at 20 per cent, and other capital management initiatives in FY 23.
- Further capital management initiatives of up to A\$350 million to be announced to complete A\$1.1 billion commitment.

More detailed information on the FY 22 result is available in the FY 22 investor report and presentation, both accessible at [amp.com.au/shares](http://amp.com.au/shares).

An analyst briefing, starting at 11.00am, can be viewed (listen only) via webcast at [amp.com.au/webcasts](http://amp.com.au/webcasts).

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## Q4 22 Cashflows

### AMP Bank

Deposits and loans (A\$m)	Q3 22	Movement <sup>1</sup>	Q4 22
	End balance		End balance
Customer deposits	13,776	673	14,449
At call deposits	8,507	(35)	8,472
Term deposits	5,269	708	5,977
Platforms <sup>2</sup>	4,582	(334)	4,248
Master Trust <sup>3</sup>	1,874	(21)	1,853
Other <sup>4</sup>	440	(68)	372
<b>Total deposits</b>	<b>20,672</b>	<b>250</b>	<b>20,922</b>
Residential Mortgages	23,039	742	23,781
Practice Finance Loans	264	(12)	252
<b>Total loans</b>	<b>23,303</b>	<b>730</b>	<b>24,033</b>
<b>Deposit to loan ratio</b>	<b>89%</b>	<b>-2%</b>	<b>87%</b>

1. Represents movements in AMP Bank's deposits, loan books and deposit to loan ratio.
2. At 31 Dec 2022, Platforms include North (A\$3.5b) and other platform deposits (A\$0.8b).
3. At 31 Dec 2022, Master Trust deposits include AMP Supercash (A\$1.7b) and Super TDs (A\$0.1b).
4. Other deposits include internal deposits and wholesale deposits.

### Australian Wealth Management

Cashflows by product (A\$m)	Cash inflows		Cash outflows		Net cashflows	
	Q4 22	Q4 21	Q4 22	Q4 21	Q4 22	Q4 21
North <sup>1</sup>	7,813	4,276	(4,180)	(3,329)	3,633	947
Summit, Generations and iAccess <sup>2</sup>	41	87	(3,391)	(392)	(3,350)	(305)
AMP Personalised Portfolio	-	-	-	(384)	-	(384)
External platforms <sup>3</sup>	29	59	(203)	(324)	(174)	(265)
<b>Total Platforms</b>	<b>7,883</b>	<b>4,422</b>	<b>(7,774)</b>	<b>(4,429)</b>	<b>109</b>	<b>(7)</b>
Total retail superannuation	562	595	(1,210)	(1,394)	(648)	(799)
Total corporate superannuation	796	810	(1,599)	(1,078)	(803)	(268)
<b>Total Master Trust</b>	<b>1,358</b>	<b>1,405</b>	<b>(2,809)</b>	<b>(2,472)</b>	<b>(1,451)</b>	<b>(1,067)</b>
Other wealth management <sup>4</sup>	19	811	(241)	(1,473)	(222)	(662)
<b>Total Australian wealth management<sup>6</sup></b>	<b>9,260</b>	<b>6,638</b>	<b>(10,824)</b>	<b>(8,374)</b>	<b>(1,564)</b>	<b>(1,736)</b>

Cash inflow composition (A\$m)	Q4 22	Q4 21
Member contributions	1,040	1,105
Employer contributions	939	872
<b>Total contributions</b>	<b>1,979</b>	<b>1,977</b>
Transfers, rollovers in and other <sup>5</sup>	7,281	4,661
<b>Total Australian wealth management<sup>6</sup></b>	<b>9,260</b>	<b>6,638</b>

- 1 North is a fully functioning wrap platform which includes guaranteed and non-guaranteed options. Includes North and MyNorth platforms.
- 2 Summit and Generations are owned and developed platforms. iAccess is ipac's badge on Summit. During Q4 Summit and Generations were closed, with existing customers migrated to MyNorth.
- 3 External platforms comprise AMP administered, Asgard manufactured platform products.
- 4 Other wealth management includes Flexible Lifetime Investments and external investment mandate clients managed by AMP Investments following the transfer of MAG to AWM.
- 5 Transfers, rollovers in and other includes the transfer of accumulated member balances into AMP from both internal (e.g. retail superannuation to allocated pension/annuities) and external products.
- 6 Prior periods have been restated following the transition of AMP Investments (formerly known as MAG) to Australian Wealth Management

AUM (A\$m)	Q3 22	Q4 22 Net cashflows				Total net cashflows	Other movements <sup>1</sup>	Q4 22
	AUM	Super-annuation	Pension payments	Other pension	Investment			AUM
North	55,733	1,972	(355)	1,568	448	3,633	1,958	61,324
Summit, Generations and iAccess	5,140	(1,914)	(22)	(958)	(456)	(3,350)	267	2,057
External platforms	2,195	(40)	(10)	(50)	(74)	(174)	93	2,114
<b>Total Platforms</b>	<b>63,068</b>	<b>18</b>	<b>(387)</b>	<b>560</b>	<b>(82)</b>	<b>109</b>	<b>2,318</b>	<b>65,495</b>
Total retail superannuation <sup>2</sup>	28,057	(385)	(73)	(190)	-	(648)	1,082	28,491
Total corporate superannuation <sup>3</sup>	25,599	(792)	(7)	(4)	-	(803)	736	25,532
<b>Total Master Trust</b>	<b>53,656</b>	<b>(1,177)</b>	<b>(80)</b>	<b>(194)</b>	<b>-</b>	<b>(1,451)</b>	<b>1,818</b>	<b>54,023</b>
Other wealth management	4,691	-	-	-	(222)	(222)	189	4,658
<b>Total Australian wealth management</b>	<b>121,415</b>	<b>(1,159)</b>	<b>(467)</b>	<b>366</b>	<b>(304)</b>	<b>(1,564)</b>	<b>4,325</b>	<b>124,176</b>
Assets under administration - SuperConcepts <sup>4</sup>	14,446	-	-	-	-	-	(5)	14,441
<b>Total AUM and administration</b>	<b>135,861</b>	<b>(1,159)</b>	<b>(467)</b>	<b>366</b>	<b>(304)</b>	<b>(1,564)</b>	<b>4,320</b>	<b>138,617</b>

AUM (A\$m)	Q3 22	Q4 22
<b>AUM by product</b>	<b>AUM</b>	<b>AUM</b>
Superannuation	72,136	73,360
Pension	31,595	32,454
Investment	17,684	18,362
<b>Total</b>	<b>121,415</b>	<b>124,176</b>
<b>AUM by asset class</b>		
Cash and fixed interest	31%	29%
Australian equities	28%	30%
International equities	31%	31%
Property	5%	5%
Other	5%	5%
<b>Total</b>	<b>100%</b>	<b>100%</b>

AUM (A\$b)	Q3 22	Q4 22
<b>AUM</b>	<b>AUM</b>	<b>AUM</b>
Closing AUM	121.4	124.2
Average AUM	126.1	125.1

1 Other movements include fees, investment returns, distributions, taxes and foreign exchange movements.  
2 Retail superannuation includes A\$6.8b in MySuper (Q3 22 A\$6.6b).  
3 Corporate superannuation includes A\$14.5b in MySuper (Q3 22 A\$14.4b).  
4 SuperConcepts assets under administration includes AMP SMSF, Multiport, Cavendish, SuperIQ, Moore Stephens Annual, Ascend and SuperConcepts platforms, but does not include Multiport Annual, SuperConcepts Accountants Outsource, SMSF Managers and MORE Superannuation.

## New Zealand Wealth Management

Cashflows by product (A\$m)	Cash inflows		Cash outflows		Net cashflows	
	Q4 22	Q4 21	Q4 22	Q4 21	Q4 22	Q4 21
KiwiSaver	139	179	(105)	(813)	34	(634)
Other <sup>1</sup>	88	120	(144)	(205)	(56)	(85)
<b>Total New Zealand wealth management</b>	<b>227</b>	<b>299</b>	<b>(249)</b>	<b>(1,018)</b>	<b>(22)</b>	<b>(719)</b>

AUM (A\$m)	Q3 22	Q4 22 Net cashflows			Other movements <sup>2</sup>	Q4 22
	AUM	Super-annuation	Investment	Total net cashflows		AUM
KiwiSaver	4,764	34	-	34	359	5,157
Other <sup>1</sup>	5,025	(32)	(24)	(56)	333	5,302
<b>Total New Zealand wealth management</b>	<b>9,789</b>	<b>2</b>	<b>(24)</b>	<b>(22)</b>	<b>692</b>	<b>10,459</b>

1 Other includes superannuation, retail investment platform, legacy products and managed funds.  
2 Other movements include fees, investment returns, distributions, taxes, as well as foreign currency movements on New Zealand AUM.

## AMP Capital

AUM (A\$m)	Q3 22	Q4 22 Net cashflows			Other movements <sup>1</sup>	FY 22	FY 22
	AUM	Cash inflows	Cash outflows	Total net cashflows		AUM	Uncalled Committed Capital
<b>Held for sale</b>							
Infrastructure equity - Domestic	10,460	61	(77)	(16)	91	10,535	-
Infrastructure equity - International	8,251	282	-	282	(280)	8,253	858
Real estate	19,324	137	(8,081)	(7,944)	(2,552)	8,828	-
<b>Continuing business</b>							
Joint venture investments <sup>2</sup>	13,928	996	(1,115)	(119)	(480)	13,329	-
<b>AUM by asset class (closing)</b>	<b>51,963</b>	<b>1,476</b>	<b>(9,273)</b>	<b>(7,797)</b>	<b>(3,221)</b>	<b>40,945</b>	<b>858</b>
<b>AUM by asset class (average)</b>	<b>53,060</b>	n/a	n/a	n/a	n/a	<b>44,943</b>	n/a
External	48,696	1,426	(8,917)	(7,491)	(3,328)	37,877	858
Internal	3,267	50	(356)	(306)	107	3,068	-

1 Other movements include fees, investment returns, distributions, taxes, foreign exchange movements and real estate debt refinancing.

2 Includes AMP Capital's 14.97% share of CLAMP AUM and 23.87% share of PCCP net asset value