

25 May 2017

AMP provides update on growth strategy

AMP is today providing an update on its group strategy and growth opportunities at its Investor Strategy Day, being held in Sydney.

The strategy will direct investment towards higher-growth businesses in wealth management, AMP Bank and AMP Capital; leverage AMP's strengths in overseas markets; and maintain focus on driving cost efficiency.

Key elements of the strategy include:

- Tilt investment to higher-growth, less capital-intensive businesses. Release and recycle capital from lower-growth business lines to fund growth and returns.
- Grow wealth management by broadening its revenue streams via increasing contributions from advice and SMSF, while continuing to invest in product and platform development.
- Build and integrate a goals-based advice operating system across face-to-face, phone, digital and corporate super employer channels. Explore options to extend advice capability and systems into international markets.
- Leverage AMP Capital's investment management expertise in fixed income, infrastructure and real estate to selected international markets, including Europe, North America and Asia.
- Continue the rapid growth and increasing contribution of China businesses.
- Manage Australian wealth protection, New Zealand and mature for capital efficiency and value, emerging embedded value as soon as possible.
- Continue focus on costs to drive operational leverage.

AMP Chief Executive Craig Meller said:

"Our strategy continues AMP's shift from a product and distribution business to a customer-led organisation focused on helping our customers achieve their personal goals."

"We are uniquely positioned to benefit from favourable domestic and global thematic trends including the mandated growth of the Australian superannuation system, a growing banking market and the structural increase in demand for investment yield as the world's population ages.


"The strategy is focused on realising our potential while adapting to an increasingly competitive market place and technology-driven disruption.

"In Australia, we will continue to lead the wealth management market, changing the sector's traditional economics by driving greater revenue from advice and self-managed super fund (SMSF) services. We will help more Australians get more advice, more often through our transformed goals-based operating system.

“We will also diversify and drive revenue growth internationally through investment management, particularly infrastructure and real estate, and by extending our unique wealth operating system to offshore players. Our partnerships with market leaders in China (China Life) and Japan (MUTB) provide strong platforms for future growth.

“The approach for our Australian wealth protection, New Zealand and mature businesses is to manage them for value and capital efficiency. These businesses have significant embedded value and we continue to look for ways to economically accelerate the realisation of this value.

“The strategy will be underpinned by a continuing focus on operational efficiency and cost discipline right across the group.”

More detail on AMP’s strategy is available in the attached presentation that is also available at www.amp.com.au/shares. A link to the webcast (starting from 9am AEST) is also available from this location. 

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Investor

strategy day

25 May 2017

Agenda

9.00 am	AMP strategy	Craig Meller, CEO
9.20 am	China	President Su, China Life Beng Neoh, MD North Asia, AMP Capital
10.00 am	Australian Wealth Management	Jack Regan, Group Executive, Advice Paul Sainsbury, Group Executive, Wealth Solutions and Customer
11.25 am	Morning tea (webcast paused)	
11.40 am	AMP Bank	Sally Bruce, Group Executive, AMP Bank
12.00 pm	AMP Capital <ul style="list-style-type: none">– Multi-Asset Group goals-based fund– Real Estate	Adam Tindall, CEO, AMP Capital Sean Henaghan, CIO and Director Multi-Asset Group Carmel Hourigan, Global Head of Real Estate
12.45 pm	CEO close	Craig Meller, CEO
1.00 pm	Lunch	

Our purpose

Helping people own tomorrow

AMP strategy

Trends: Demographic, social, behavioural, regulatory and technology

Portfolio priorities

- Large and growing markets
- Rational competition
- Distinctive competitive advantage

Strategic priorities

- Tilt to higher growth, capital light businesses
- Complete customer transformation
- Expand internationally
- Costs

AMP tomorrow

Strong foundation for growth: #1 Super | #1 Advice | #1 SMSF | #2 Retirement income

Domestic growth

- Continued leadership of Australian wealth management:
 - New revenue streams (advice and SMSF)
 - Goals-based advice operating system driving greater productivity, and cashflows
- Integrated debt and investment solutions in goals-based offers
- Intermediated retail banking provider of choice

International growth

- **Europe and North America:** via higher margin infrastructure and real estate assets
- **China:** pensions and asset management through partnership with China Life
- **Japan:** retail and institutional partnership with MUTB
- Opportunity to leverage new wealth operating system

Streamlined higher growth, capital light, internationally diverse portfolio

AMP Strategy 2017 – 2022

Environment

Challenges

- Global scale in insurance
- Intensifying competition
- Commoditisation of financial platforms
- Shift to passive investment management
- Increasing regulatory scrutiny and requirements

Strong underlying thematic

- Ageing population (doubling of 60+ by 2050)
- Mandated doubling of Australian superannuation system by 2026
- Australian economy growing at 3%
- Increasing consumer demand for transparency, value, choice and experiences
- Global capital in search of true alpha
- Technology driving efficiency opportunities

Emerging opportunities

- Structural search for yield due to ageing demographics
- Exposure to Chinese domestic growth
- Rise of consumer experience
- Technology and business model disruption

Manage for value and capital efficiency

Strategy

Wealth Protection

- Leading market position with margins under pressure from scale global players

- Continue progressive reinsurance to release capital
- Focus on pricing, claims and lapse management to improve margins

New Zealand

- Strong position in highly competitive, low growth market

- Continue to manage for yield and cost efficiency
- Explore reinsurance opportunities

Mature

- Large stable profit and capital pool with high margins but naturally declining book

- Continue to manage for yield and capital efficiency

Helping people own tomorrow

Invest to grow

Goals-based advice

AMP Bank	Australian Wealth Management		AMP Capital
<ul style="list-style-type: none"> – High growth retail bank 	Advice strategy <ul style="list-style-type: none"> – Largest adviser footprint in Australia 	Platforms & O/S <ul style="list-style-type: none"> – Comprehensive offering: retail, corporate super and SMSF 	<ul style="list-style-type: none"> – Strong multi-asset group (MAG) capabilities – Strength in real assets
<ul style="list-style-type: none"> – Organic growth via integrated goals-based solutions – Become provider of choice to advisers and brokers – Conservative risk, funding and capital settings 	<ul style="list-style-type: none"> – Greater participation in advice value chain – Drive productivity via technology – Drive professionalism and broaden offer – Strengthen governance and compliance 	<ul style="list-style-type: none"> – Invest to further enhance platform competitiveness – Goals-based O/S – Increase channel choice – Price for volume – Grow revenue from SMSF – Simplification and efficiency 	<ul style="list-style-type: none"> – Extend MAG capabilities – Create and manufacture innovative goals-based funds – Grow domestic real assets footprint – Evolve and focus public market strategies

Leverage to drive new growth

Global Inv. Mgmt.

- Globally recognised capabilities in infrastructure and property

- Accelerate growth in Europe, North America and Asia
- Organic and inorganic growth in high margin real assets

Asian Partnerships

- Trusted partnerships with China Life and MUTB

- Grow and extend partnership with China Life
- Enhance MUTB partnership to drive greater value

Global O/S & Advice

- International opportunity for innovative O/S

- Accelerate completion of O/S
- China Life O/S opportunity
- Seek partnering with other leading O/S players
- Explore options to disrupt overseas

Focus on customer, cost and capital

O/S = operating system

China

President Su, China Life Pension Company
Beng Neoh, Managing Director North Asia, AMP Capital

Our strategy in China



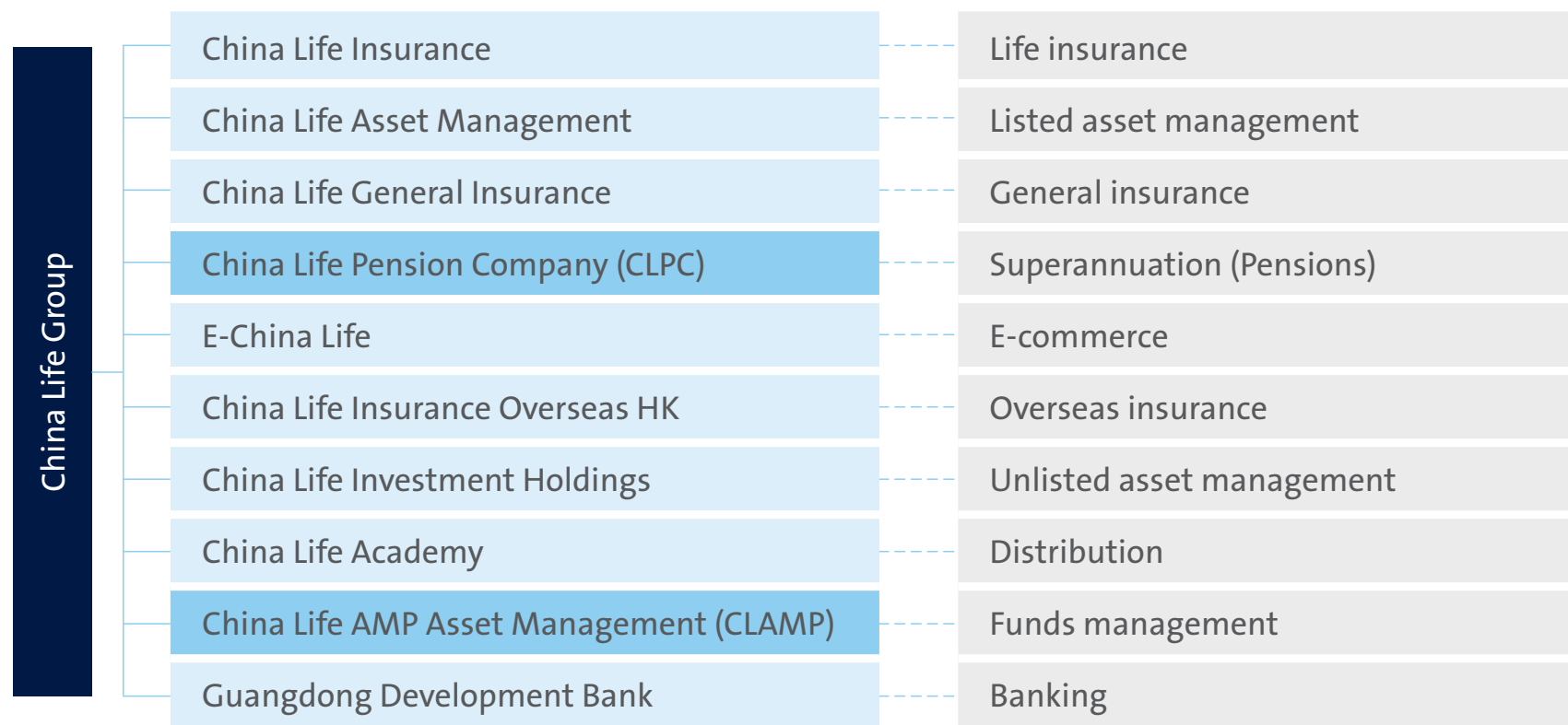
- Presence in China since 1997
- Adopted long-term, capital-light strategy
- Activities have closely followed China's financial services liberalisation
- Strategic partnership with China Life Group brings strong brand and distribution presence

Why China Life?

- Largest financial services company in China outside the big 4 banks – the 5th pillar
- 200 million customers, national coverage, with distribution force of 2 million people
- Manages over RMB 5 trillion in assets
- World's largest listed life insurance company by market capitalisation
- Ranked #54 in Global Fortune 500 companies in 2016



China Life Group



China Life Pension Company (CLPC)

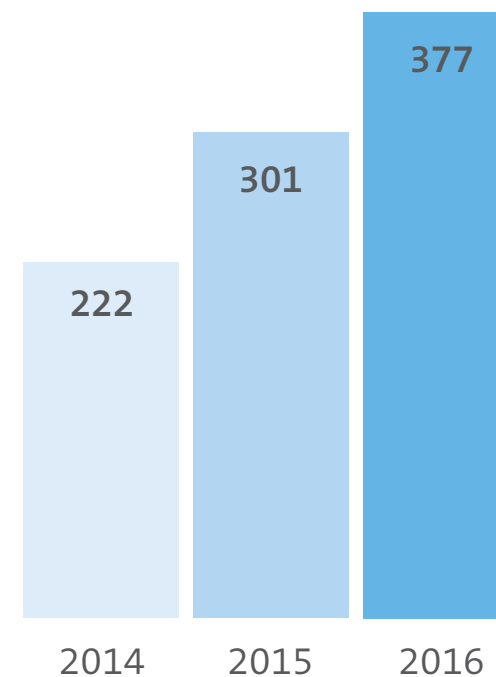
Trustee, investment management and account admin services in pensions

President Su, China Life Pension Company

CLPC overview



- Established in 2007, now the largest pension insurance company in China
- AMP purchased 19.99% strategic stake in January 2015 for AUD\$237 million
- Competes for pension (superannuation) business across all of China's 3-pillar system
- Continuing to invest to capture future growth and market share



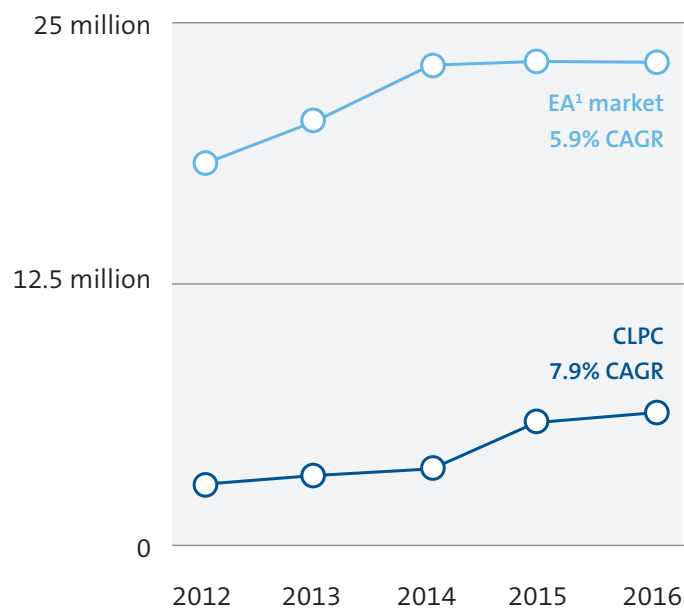
Total combined AUM¹ (RMB billion)

1 Enterprise Annuities (EA) trustee, Enterprise Annuities (EA) investment management and individual pension product

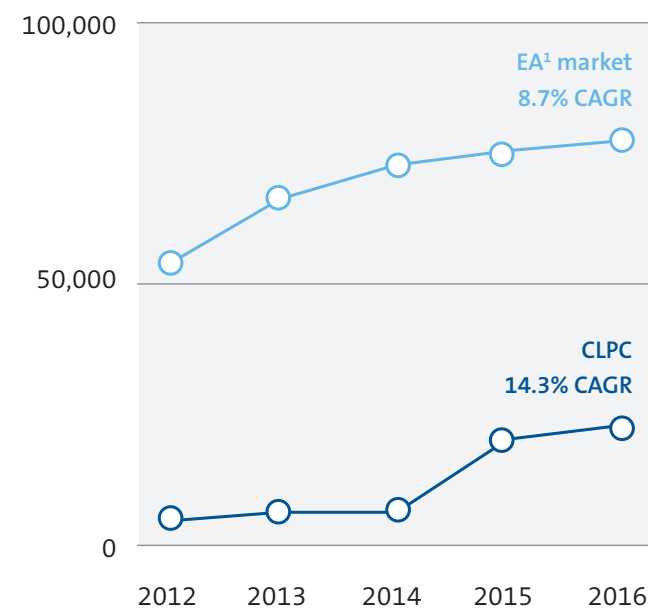
CLPC is growing well above system



CLPC has grown above average system rates over the past 5 years



Growth in new members



Growth in new enterprises

1 EA – Enterprise Annuities

A pension system to respond to a rapidly ageing population

	2017	By 2030
Population	1.38 billion	1.45 billion
Median age	36	43
60+ age group	16.7% of total current population	25%

- China's pension system facing significant structural issues
- Population ageing with very low pension balances
- China's evolving pension market is following similar reform path to Australia's

China's pension industry

	Pillar 1 Compulsory Basic Pension	Pillar 2 Enterprise Annuities (EA)	Pillar 2 Occupational Pensions (OP)	Pillar 3 Individual Pension Product (IPP)
Compulsory/voluntary	Compulsory	Voluntary	Compulsory	Voluntary
Applicable to	Chinese citizens	Corporate staff	Civil servants	Individuals
Responsible entity	Government	Corporates and individuals		Individuals
Established	1997	2004	2016	
Source of contributions	Compulsory contribution from individuals and employers, fiscal subsidies	<ul style="list-style-type: none"> – Employers: max 8% salary – Individuals: max 4% salary 	<ul style="list-style-type: none"> – Employers: max 8% salary – Individuals: max 4% salary 	Individuals
AUM and coverage	RMB 3.9 trillion 858 million people (end of 2015)	RMB 1 trillion 23 million people (September 2016)	Estimated to be 40 million employees with annual contributions in excess of RMB 200 billion once fully implemented	Part of broader wealth management market

Licensing introduced for Pillar 2 providers

- CLPC business focused on Pillar 2 market
- In 2004 China introduced licensing requirements to compete in the Pillar 2 market (4 licences)
- CLPC licensed across the three most important segments of Trustee, Investment Management and Account Management
- Pension industry protected from margin squeeze by a minimum pricing requirement

Regime	Participants	Minimum pricing for service
Trustee licence	11	– 10 bps
Investment management licence	21	– 60bps where solution includes domestic equities (up to 30%) – Similar to MySuper active solutions in Australia
Account management licence	18	– RMB 1 per member account per month
Custodian licence	10	

CLPC performance

Pillar 1 Compulsory Basic Pension	Pillar 2 Enterprise Annuities	Pillar 2 Occupational Pensions	Pillar 3 Individual Pension Product
<ul style="list-style-type: none"> – At end of 2016, one of first few selected investment managers to manage the national basic pension fund investment 	<ul style="list-style-type: none"> – #1 in trustee services with 31% market share – #3 in investment management with 12% market share – #5 in account management 	<ul style="list-style-type: none"> – Competing to win business across each region of China. Nation-wide tendering process expected H2 2017 	<ul style="list-style-type: none"> – Closed-end product sales exceeded RMB 35 billion for 200,000 clients – Open-end product AUM exceeded RMB 20 billion for 5 million clients
Direct sales	Direct sales Agents	Direct sales	Direct sales Agents Online/Social media platforms
<ul style="list-style-type: none"> – Investment management fee 	<ul style="list-style-type: none"> – Trustee fee – Account administration fee – Investment management fee 	<ul style="list-style-type: none"> – Trustee fee – Investment management fee 	<ul style="list-style-type: none"> – Investment management fee

Outlook for Pillar 2 pension system

- Shift of workers from rural to urban continues
- Urban population grew 18% in the last 3 years
- Pillar 2 not currently compulsory, current penetration of Pillar 2 solution ~6%
- Upcoming implementation of Occupational Pensions (OP) is the first sign of compulsion in China
- 40 million civil servants through OP will drive approximately RMB 200 billion in annual contributions

China Life AMP Asset Management

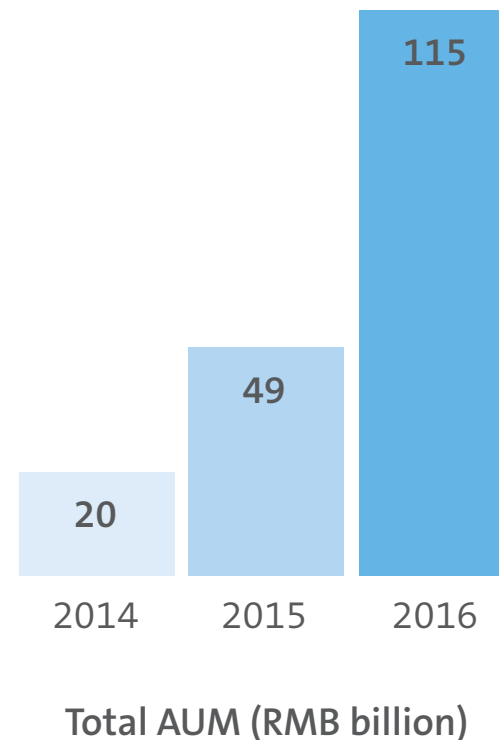
Mutual fund products and separately managed accounts

CLAMP overview



国寿安保基金管理有限公司
China Life AMP Asset Management Co., Ltd.

- Established October 2013, CLAMP is the fastest growing new funds management company in China
- AMP founding partner with 14.97% stake for AUD\$14 million
- Distributes and manages investment solutions for retail and institutional clients
- CLAMP now a Top 30 fund manager in an industry with over 100 participants



CLAMP performance

- Launched more than 60 funds since inception
- Over 1 million retail investors
- 3,000 wholesale/institutional investors in China

CLAMP currently has various offerings through both SMA and retail channels covering:

- Money Market
- Fixed Income
- Active Equity
- Index
- Balanced funds

Public Mutual Fund

Market size: RMB 9.2 trillion as at December 2016

- Raised RMB 11.9 billion during initial public offering for inaugural fund, a record for a first-time fund launch by any Chinese fund management company
- Flagship money market fund and fixed income fund continuously rank in top quartile

Direct sales, agents, third party channels

Separately Managed Accounts (SMAs)

Market size: RMB 4 trillion as at December 2015

- Fastest growing segment for CLAMP, with more stable cash flows than public mutual funds

Direct sales

Investment management fee

General market management fee rates:

Retail:

- Money Market Fund: 0.30%
- Fixed Income: 0.60%
- Active Equity: 1.50%
- Index: 0.50%
- Balanced: 1.50%
- SMA: ~30 – 60% lower

Future outlook

Strong growth outlook for our business in China

	Core business areas	Drivers of future outlook
CLPC	Offers pension solutions for corporate, institutional and retail clients	<ul style="list-style-type: none">– Retail pension: current penetration is negligible– Retirement age reforms– Demographics – the one-child policy has created ‘4-2-1’ families where the children cannot support their parents who must plan their retirement– Changing expectation to be more self-sufficient in retirement– Anticipated further tax incentives
CLAMP	Offers domestic and international funds in listed assets to retail and institutional clients	<ul style="list-style-type: none">– Chinese population saves on average 40% of income. As the economy matures, savings looking for investment opportunities beyond traditional bank deposits– Chinese government encouraging development of local capital markets– Growth in asset base of local institutional investors (i.e. insurance companies, pension companies) looking to invest internationally– CLAMP received Qualified Domestic Institutional License (QDII) allowing Chinese capital to be invested offshore. While CLAMP still awaits their quota from regulators, AMP Capital is working closely with CLAMP on potential offering in this market

Future outlook for our business in China

	Inbound	Outbound	Domestic
Strategy	<ul style="list-style-type: none"> – A trusted investment partner to invest internationally sourced capital in China 	<ul style="list-style-type: none"> – A preferred manager for Chinese offshore investments 	<ul style="list-style-type: none"> – A trusted strategic partner for China Life
Drivers of future outlook	<ul style="list-style-type: none"> – Increasing demand for Chinese assets when China is included in global market indices 	<ul style="list-style-type: none"> – Increasing need for Chinese financial services company to invest offshore as regulations permit over time – China's 3 sovereign wealth funds, with more than RMB 6 trillion in AUM, will also increase their offshore investment 	<ul style="list-style-type: none"> – Ongoing strong growth from our two businesses – AMP continues to explore cooperation in other areas with China Life
Potential sources of income for AMP	<ul style="list-style-type: none"> – Distribution fee – Investment management fee where CLAMP is the investment manager 	<ul style="list-style-type: none"> – Investment management fee 	<ul style="list-style-type: none"> – Increase in value of equity stakes – Future dividends – Potential inbound and outbound cashflow opportunities

Future outlook

- China pension industry set for rapid growth due to an ageing demographic
- China extremely focused on broadening and deepening its financial services industry, increasing customer share of wallet
- Outlook very positive for AMP's two businesses CLPC and CLAMP
- CLPC business expected to benefit from its strong position in the fast growing pension market
- Ambition to grow CLPC AUM by over 20% pa over the next 5 years and continue to be the market leader in China's pension market
- CLAMP business expected to continue growing strongly, extending its broad product offering. Intention to become a top 20 investment manager in China within 3 years
- AMP targeting earnings of around \$50 million per annum from the China businesses within 5 years



Australian wealth management

Craig Meller, CEO

Driving new economics in wealth management

	Growth as % of average AUM		
Investment markets	+8%		
Customer fees	-1%		
Margin compression	-4%		
Net cashflow	+2%	}	Advice and SMSF contribution 2%
Other revenue	0%		
Growth	5%		
@ 45% cost to income ¹	x 1.8		
Annual operating earnings growth	9%		

Figures reflect back-tested actuals 2012 – 2017 (rounded)

¹ Actual FY16 cost to income ratio: 45%

Driving wealth management performance



Improve
productivity
of our model

Drive new
revenue
streams

AMP Advice and channel strategy

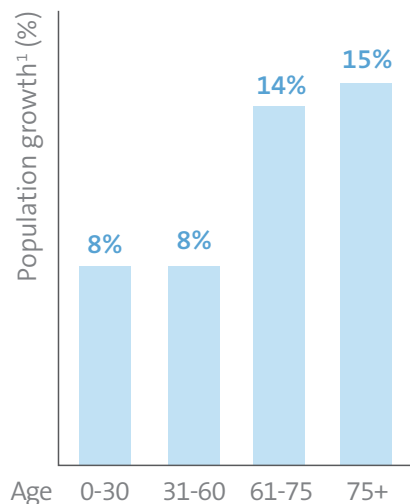
Jack Regan, Group Executive, Advice and New Zealand

More advice to more Australians more often

Need for advice has never been greater...

... but the role of face-to-face advisers is changing

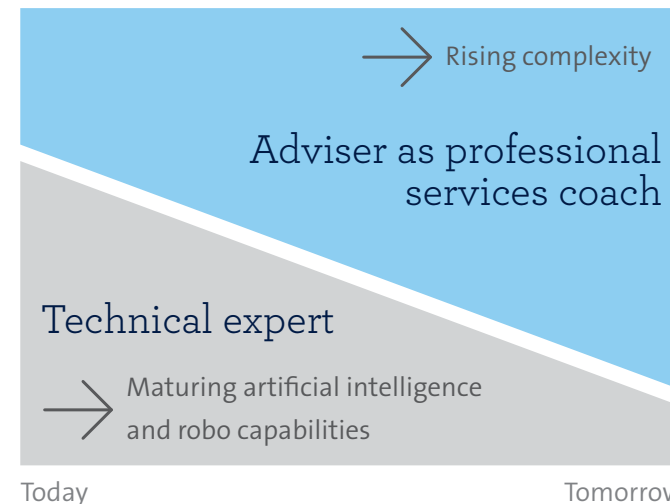
Population growth in older age brackets



Rising financial complexity



Positive impact of advice²



1 ABS, 2017 – 2022

2 Blackrock Global Investor Pulse Survey, 2013

Our advice distribution environment

Headwinds

Regulatory scrutiny

Public perception
of advice

Value chain
disruption post FOFA

Competition and
margin compression

Success factors of the future

Conduct

Capability

Scale

Value

Business
systems

Opportunities from disruption

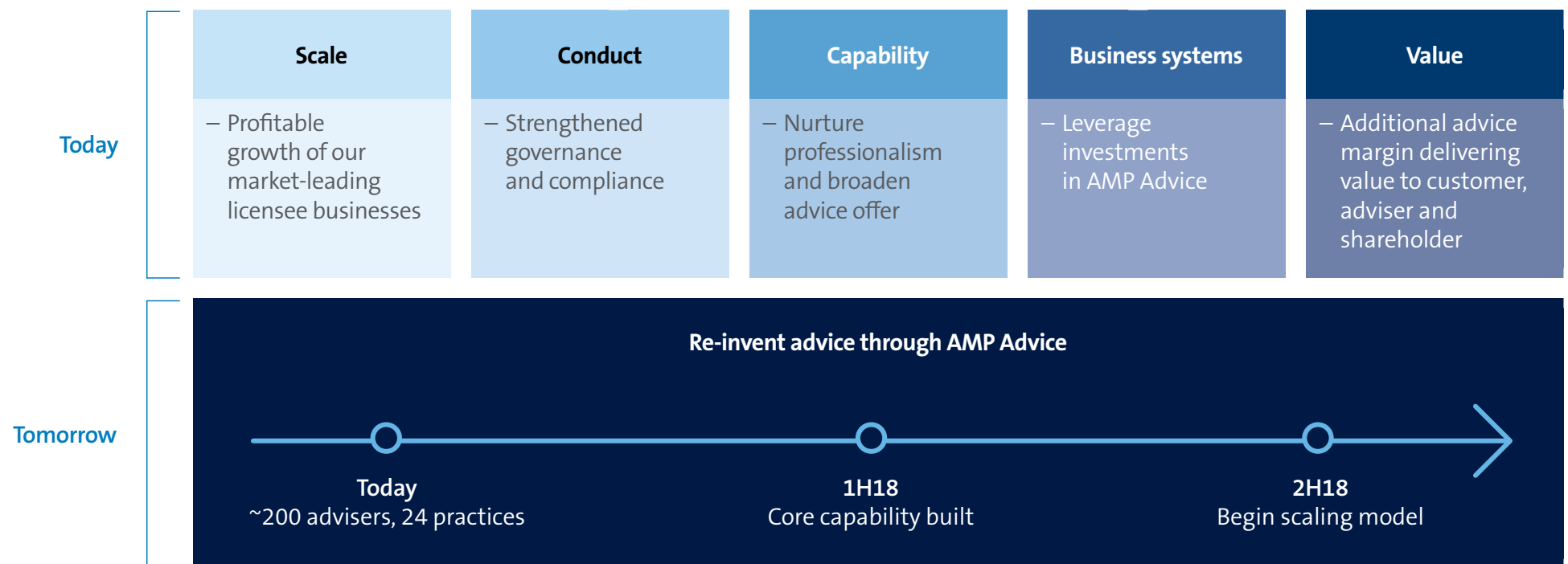
Professionalism

Increasing financial
complexity






Automation
and analytics

Digitisation
and mobile

Advice strategy: balancing today and tomorrow



Delivering on the key success factors today

Scale	Conduct	Capability	Business systems	Value
<ul style="list-style-type: none">– #1 adviser numbers¹– #1 advised AUM and inforce premium²	<ul style="list-style-type: none">– First to introduce independent oversight of complaints– First to commence ethical training for advisers	<ul style="list-style-type: none">– One of first to move on higher education standards– Well above industry standard for professional accreditation across network²	<ul style="list-style-type: none">– Current focus area for investment (partnership with Salesforce)	<ul style="list-style-type: none">– Actively advised customers have NPS 3x higher than non-advised– Revenue per adviser 12% above peer average²– Licensee cost-to-income ratio 17% below peer median²
				

1 ASIC Financial Adviser register

2 Source: Comparator – 2016 performance benchmark for financial planning businesses report

Broad market offering with value concentrated in our core licensees

As at Dec 2016	Target market	Advisers	Mortgage consultants ¹	Total AUM (billion)	AUM per adviser (million)
AMP Advice	Goals-based	203	13	\$9bn	\$46m
AMP Financial Planning	Core licensee offer	1,516	482	\$57bn	\$38m
Charter Financial Planning		783	29	\$21bn	\$27m
Hillross		337	18	\$14bn	\$41m
Total (core licensees)	—	2,839	542	\$101bn	\$36m
Jigsaw	Self licensed	109	21	\$1bn	\$9m
SMSF Advice	Accountants	130	5	N/A	N/A
Total (licensee services)	—	239	26	\$1bn	\$4m

1 Includes double count of 395 mortgage consultants included as advisers

Driving performance today

Grow our market-leading licensee businesses

Scale	Conduct	Capability	Business systems	Value
Profitable growth	Strengthened governance and compliance	Professionalism and broader advice offer	Productivity underpinned by technology	Participate in advice value chain
				
<ul style="list-style-type: none"> – Breadth of adviser value propositions – Refreshed recruitment – Start-up offers 	<ul style="list-style-type: none"> – Risk-based audits – Analytics and key risk indicators – Systemised approach to advice 	<ul style="list-style-type: none"> – Professionalism with FASEA – AMP Academy and career pathways – Debt, cashflow and budgeting advice capability 	<ul style="list-style-type: none"> – Practice management solution (Salesforce) – Leveraging technology investments from new goals-based operating system – Scoped advice capability 	<ul style="list-style-type: none"> – Integrated servicing to support succession – Equity participation to drive mutual revenue growth – Increase share of advice margin from AMP Advice

Driving performance today: business systems

Partnering with Salesforce to reimagine advice practice management

Advice practice functions



Client information



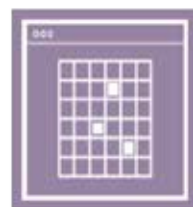
Document management



Ongoing client account management



Practice and client communications



Marketing and campaigns



Practice and product information



Workflow and diary management



Compliance and risk management



Reporting and analytics



Practice revenue management



Practice operations performance management

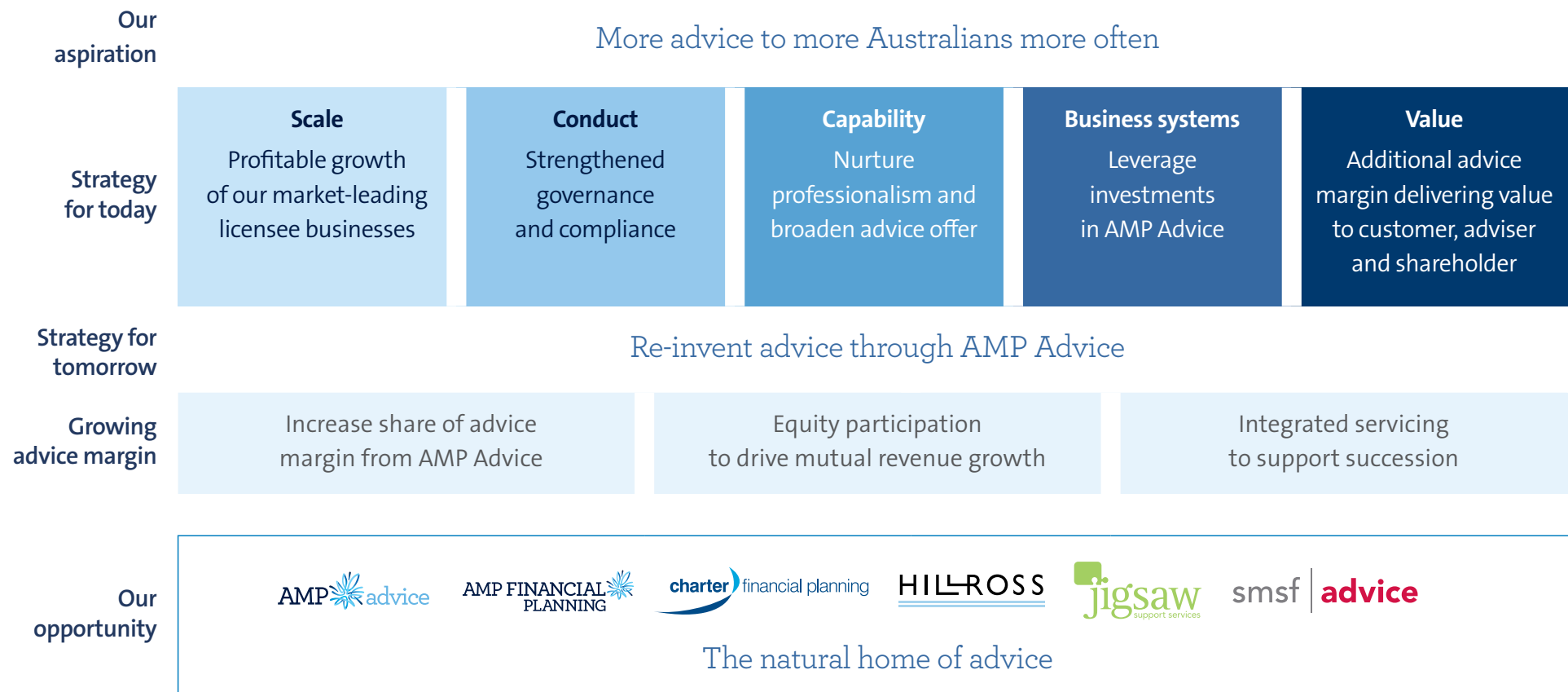


Mobility

Single practice management solution



AMP is the natural home for advice



Platform strategy

Paul Sainsbury, Group Executive, Wealth Solutions and Customer

Highly competitive, comprehensive platform and product offering

Category	Target segment	Market position	Industry recognition
Self managed	High net worth Mass affluent	Admin \$22.5 billion Rank #1 Software \$22.4 billion Rank #3	Core Data Awards (2016) Winner Administrator of the Year (Member) Finalist in 4 other categories Selecting Super (2016) Finalist SMSF Administrator of the Year
Retail	Mass affluent Mass	Retail Super \$64.5 billion Rank #1 Non Super \$15 billion Rank #6	Investment Trends (2017) Best new functionality (MyNorth) Canstar (2017) Outstanding value for account based pensions (AMP Flexible Super) Super Ratings (2017) Platinum ratings: MyNorth (Super and Pension), Flexible Super (Retirement)
Workplace (Corporate)	Mass affluent Mass Youth	Retail Corp Super \$29.8 billion Rank #1	Heron Partners (2017) Top rating: Corporate and pension products Super Ratings (2017) Platinum rating: Signature Super and Signature Super Select

Source: Self Directed ATO Statistics and Market Analysis – December 2016, Retail and Workplace – Strategic Insight (Plan for Life, December 2016)

Product and platform rationalisation drives efficiency

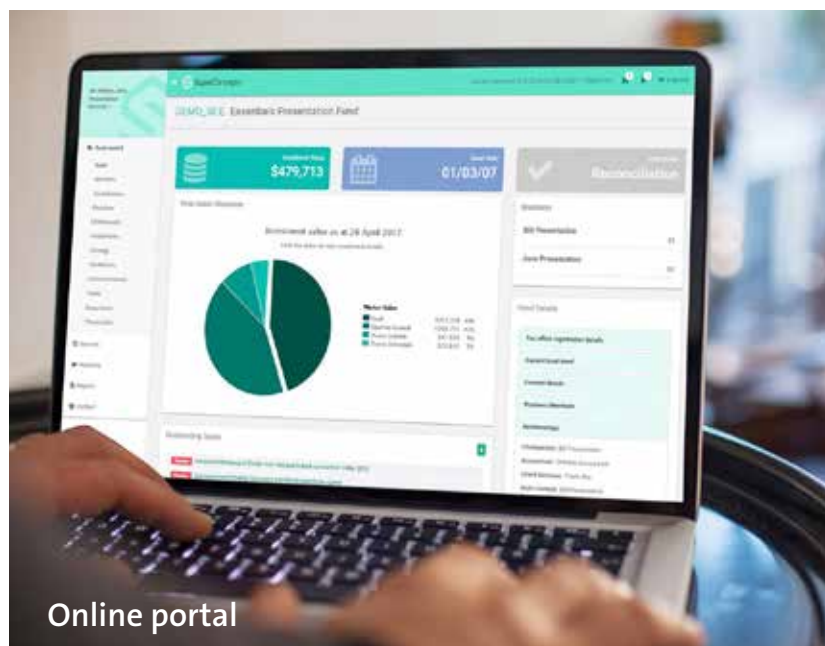
– investment drives growth

Category	Systems		Products/Platforms		Channels		Enhancements (in progress)
	From	To	From	To	From	To	
Self directed	11	3	8	1	– Adviser – Accountant	– Adviser – Accountant – Direct	– Product marketplace – Portfolio services – Enhanced integration – Mobile access
Retail			11	3	– Adviser	– Adviser – Direct – Digital	– SMAs – Enhanced CMA – Tax optimisation – Adviser productivity
Workplace			9	2	– Adviser – Employer	– Adviser – Employer – Direct – Digital	– SME offer enhancements – Pension payment planner – Customer lifetime management – Phone-based advice

Unbundling 'mega platforms' provides flexibility and agility



New SMSF platform creates opportunity for revenue growth



Professional administration

Revenue model: Admin fee per trust

Accounting system

Revenue model: License fee per trust

Product marketplace

Revenue model:
AUM/premium based

Portfolio services

Revenue model:
Margin on consumption

Clear platform strategy to drive growth

- Scale in platforms – highly competitive, comprehensive offering
- Platform simplification drives efficiency
- Funded investment to maintain market-leading features and functionality
- Revenue growth equivalent to 1%+ of AUM from SMSF

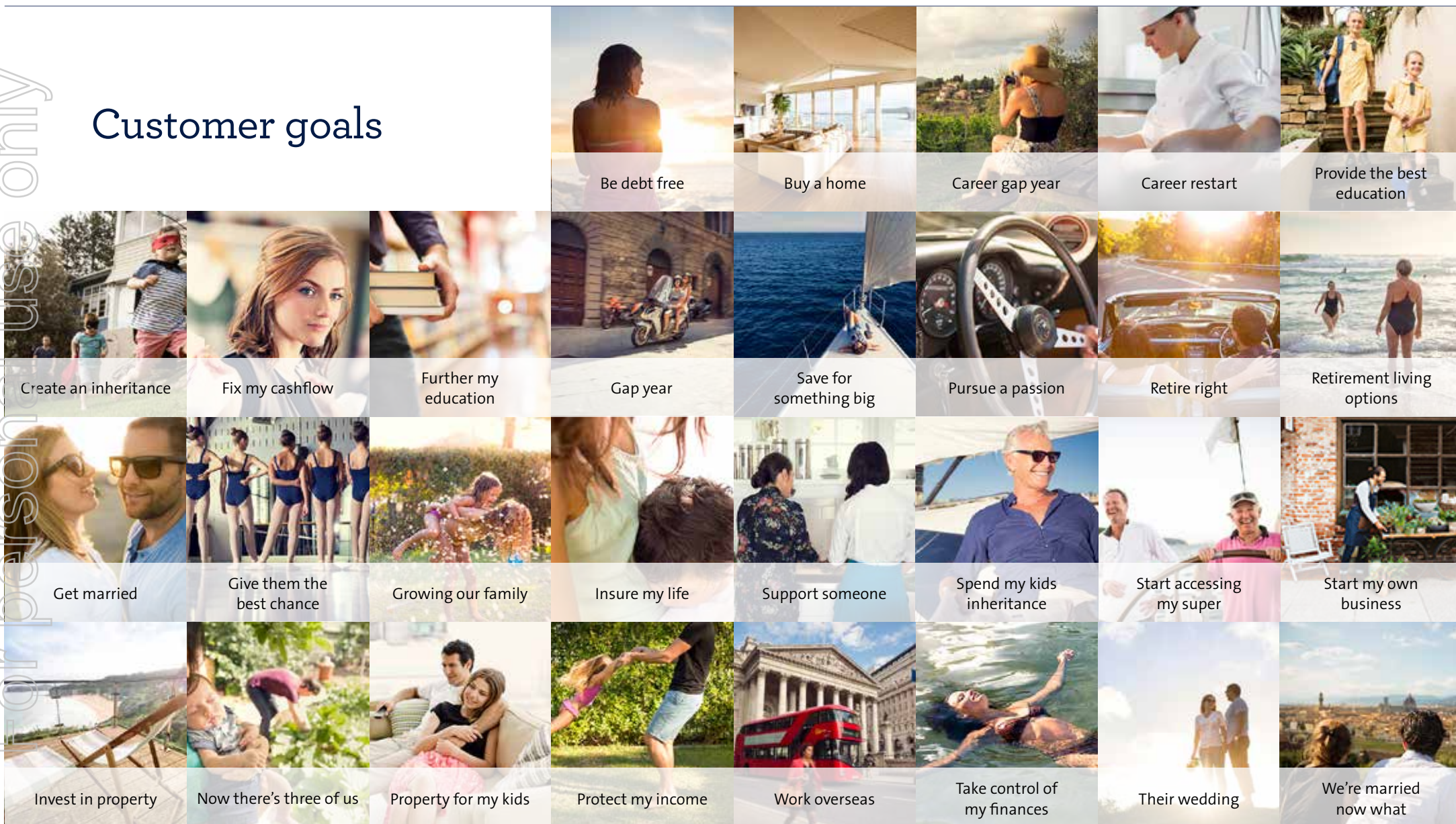


Building the wealth manager of the future

Why goals – the benefits

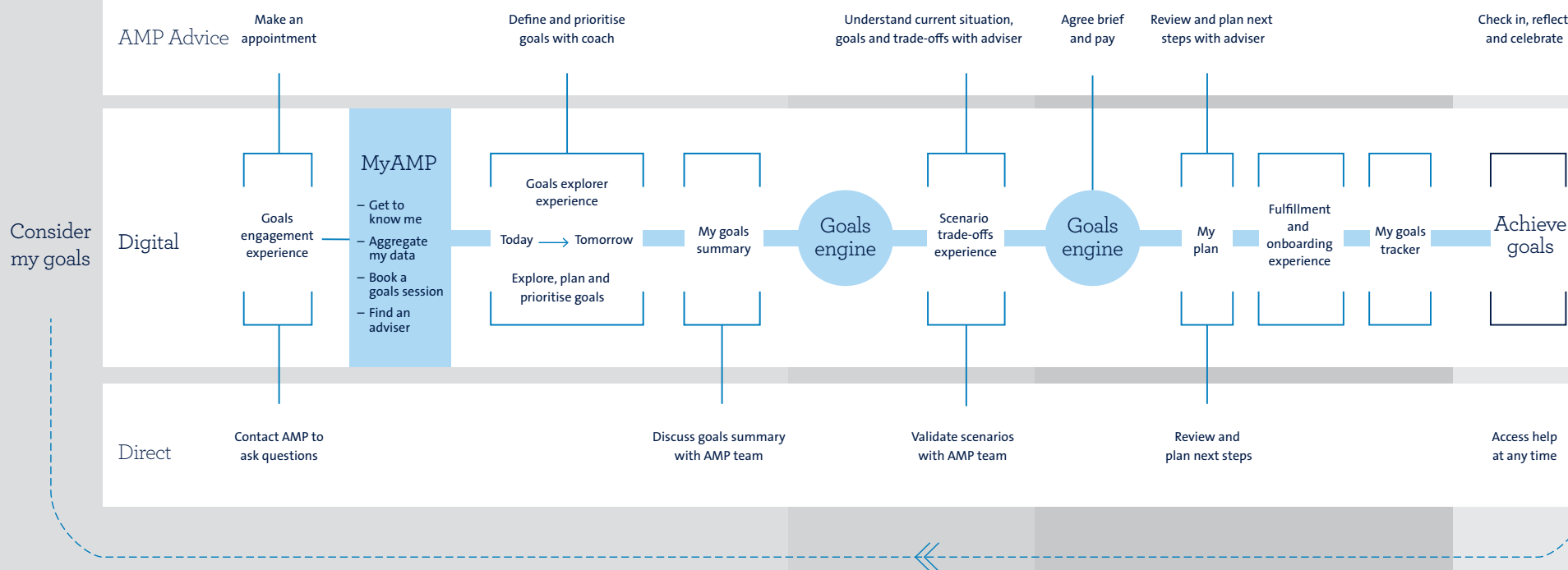


Customer goals








AMP goals-based wealth operating system

explore → plan → track → realise

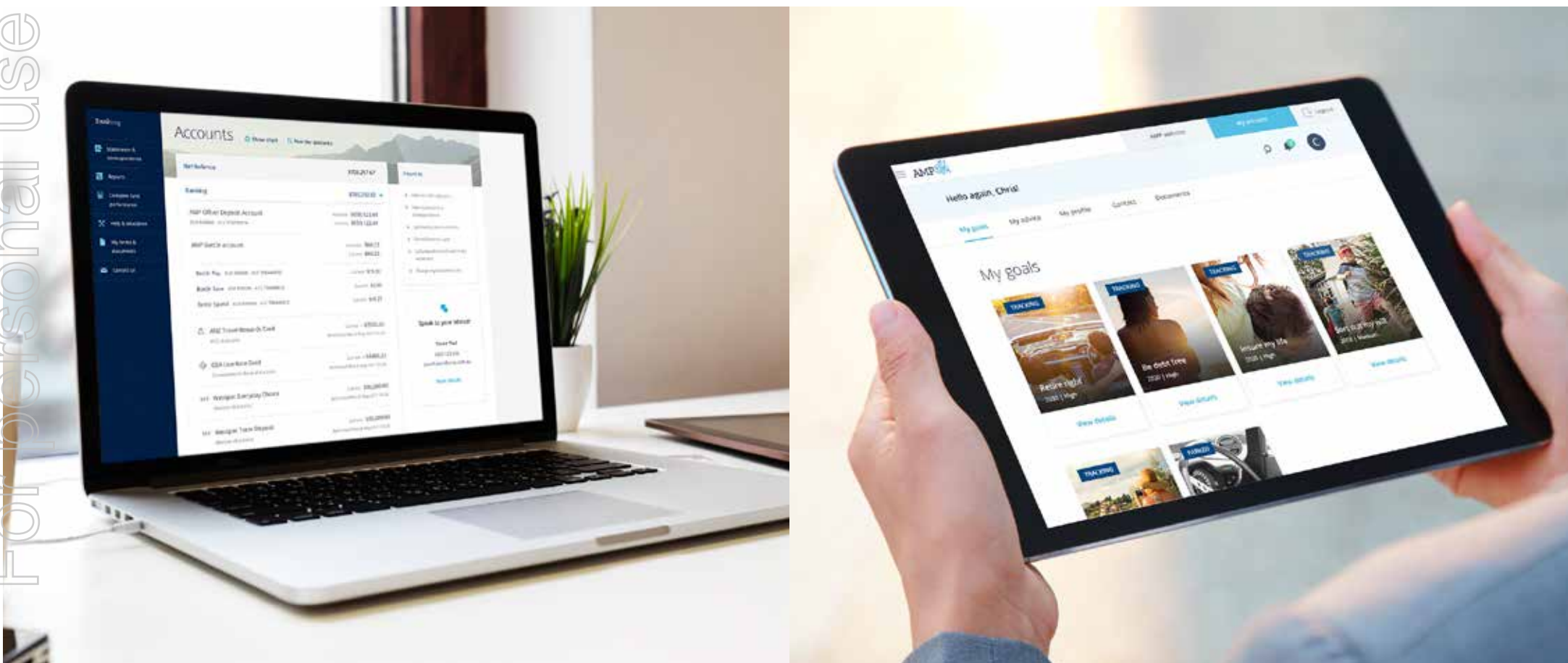


Customer engagement supported by market-leading technology suite

Capabilities	 Tools
Marketing automation and customer experience decisioning	
Data analytics and visualisation	 
Structured data	
Data engineering	  
Unstructured data	
Data lake storage	
Batch and real-time data ingestion	 

- Contemporary technology model
- Cutting edge plug and play capabilities delivered via the cloud
- Flexibility to upgrade at low cost
- Real-time engagement across all contact channels

Data aggregation supports our customers' most immediate needs



AMP Goals Explorer blends technology and human 'coaching'



Modelling engine transforms the delivery of goals-based advice

Goal principles

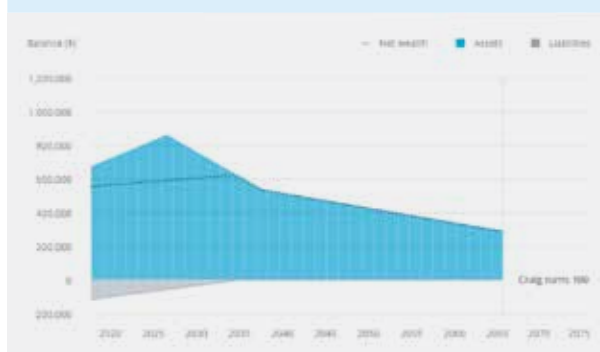
- Achievability of customers' goals is the benchmark for advice success
- Goals modelling enables decisions to be based on goal achievability

Whole of wealth projections



- Determines ability to fund future goals
- Shows impact of uncertainty over time and importance of priority

Intuitive, visualised advice decisions



- Provides data to allow objective and transparent decision making
- Visualises impact and value of advice in context of goals

Innovative goals-based product solutions

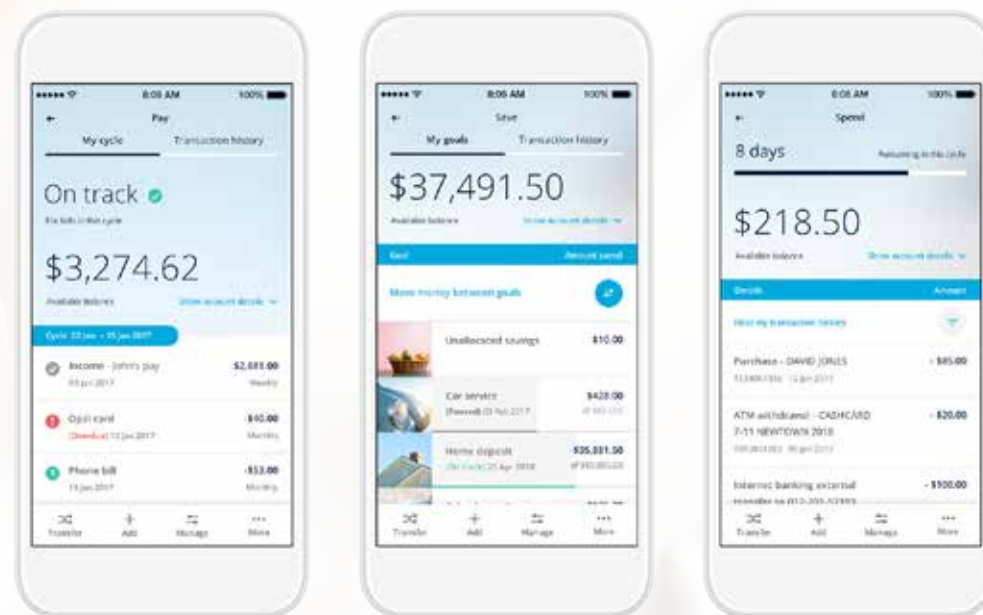


- Calculates investment, insurance and debt solutions to best support goal achievement
- Recommends products to meet individual goal requirements

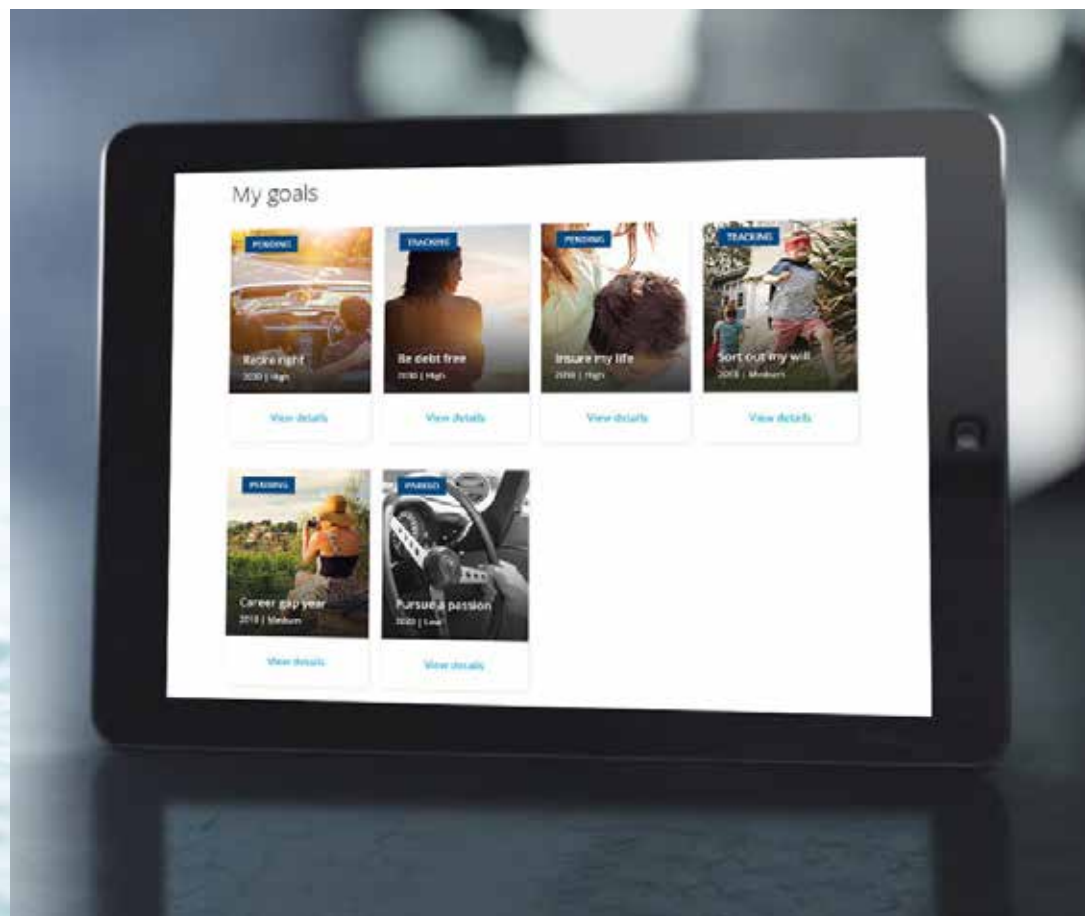
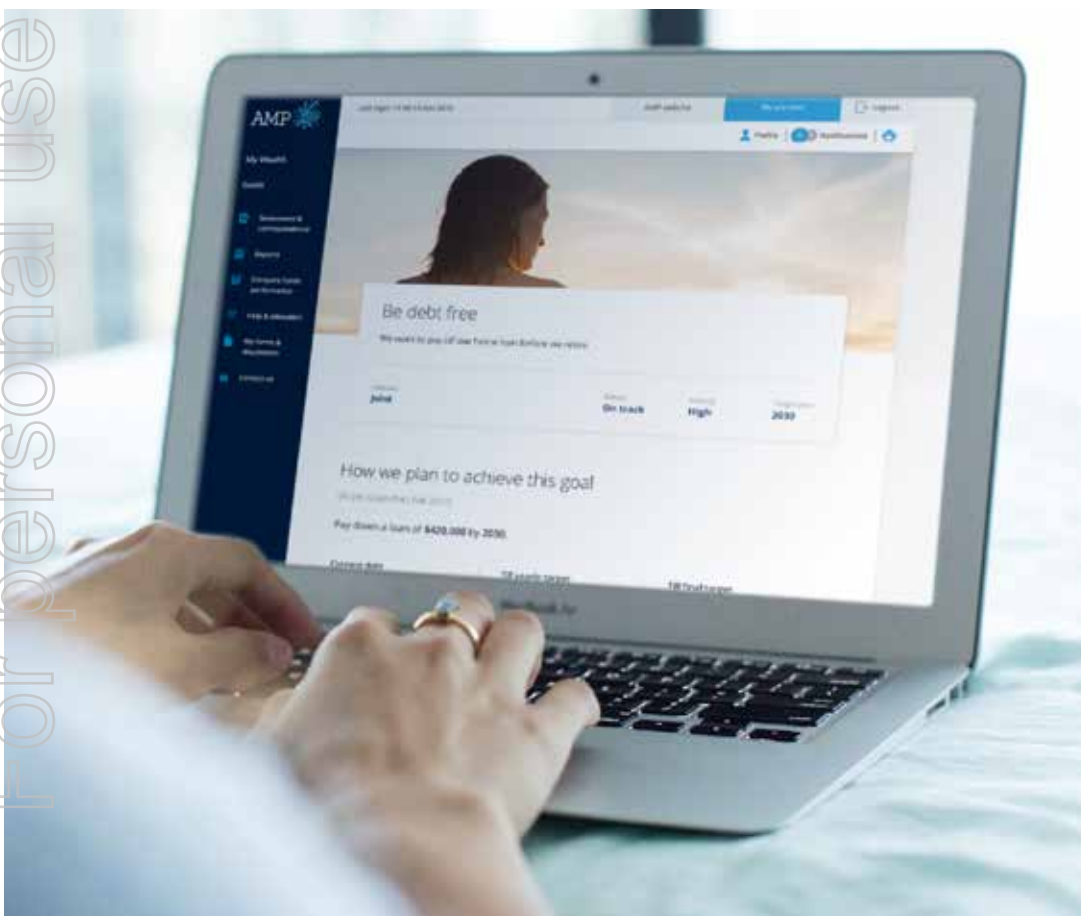
Deep understanding of customer enables innovative product design

Bett3r

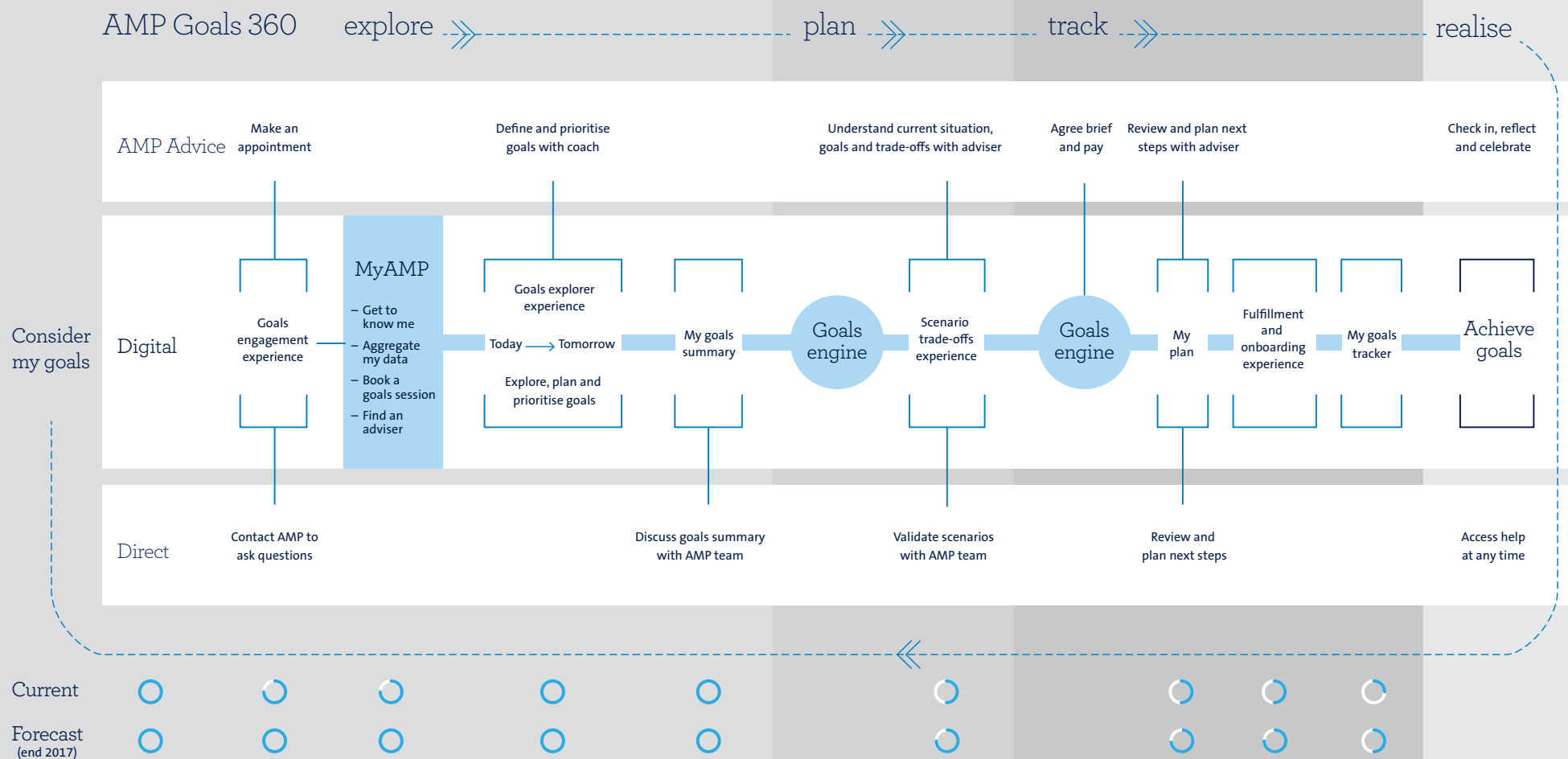
- Manages money in Pay, Save and Spend buckets
- Digital online account opening
- Visualisation and in-app help change behaviour



Ongoing engagement tools help track progress against goals



Advice transformation substantially completed by end 2017



Building the wealth manager of the future

- Differentiated, highly engaging goals-based customer experience
- One system for customers, advisers and AMP
- True omni-channel experience – broadening customer channel choice (F2F, digital and direct)
- Optimal blend of human interaction and best-of-breed technology
- Drives efficiency, productivity, consistency and flows

AMP Bank

Sally Bruce, Group Executive, AMP Bank

AMP Bank today – a bank within a wealth manager

Strong profit growth/ momentum

- FY16 \$120 million OPAT ↑15% YOY
- Q1 mortgage growth of 5%
- Q1 deposit growth 5%
- Earnings CAGR of 17.9% (2012–2016)
- >10% of Group earnings

Established distribution capability

- Largest adviser network in Australia
- Strong broker network (+50% of all AMP Bank home loans)

Growing market

- Credit growth 7%
- Less than 1% market share

Strong balance sheet and risk position

- Deposit to loan ratio of 67%
- Conservative risk settings
- Home loans 90+ days in arrears 35% lower than average of the majors

Double value of AMP Bank over 5 years

Three key strategic questions

1. Can you grow this business faster?

- Balancing strong growth with scale infrastructure build out

2. Are you comfortable with your level of risk against your high growth?

- Doubled contribution while tightening risk settings and maintaining margins
- Strengthening vintage performance
- Better than majors' and peers' arrears performance

3. What is your competitive advantage?

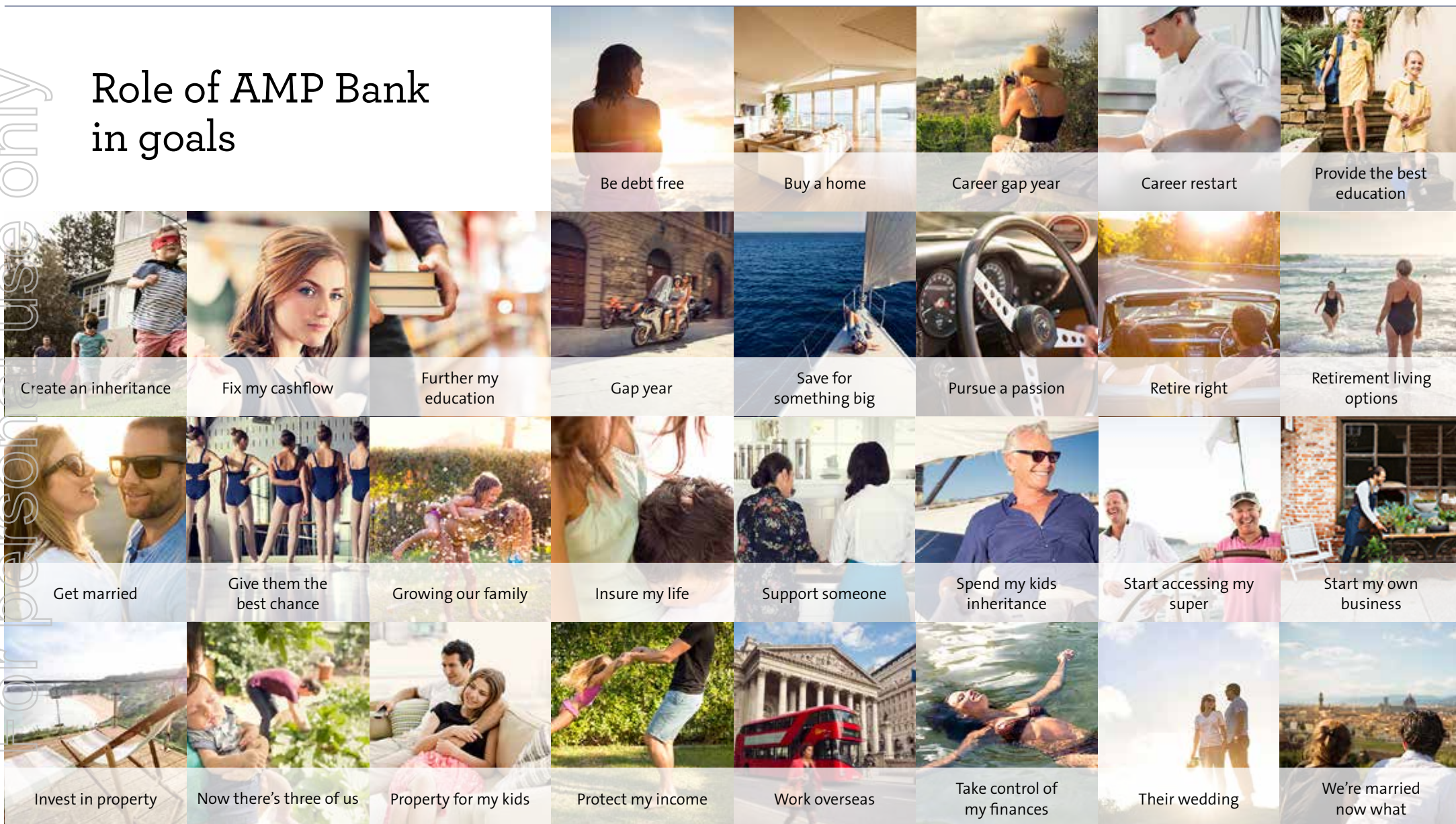
- To be the intermediated bank of choice
- A bank within a wealth manager
- Connection to customers goals

Using competitive advantage to become the intermediary bank of choice

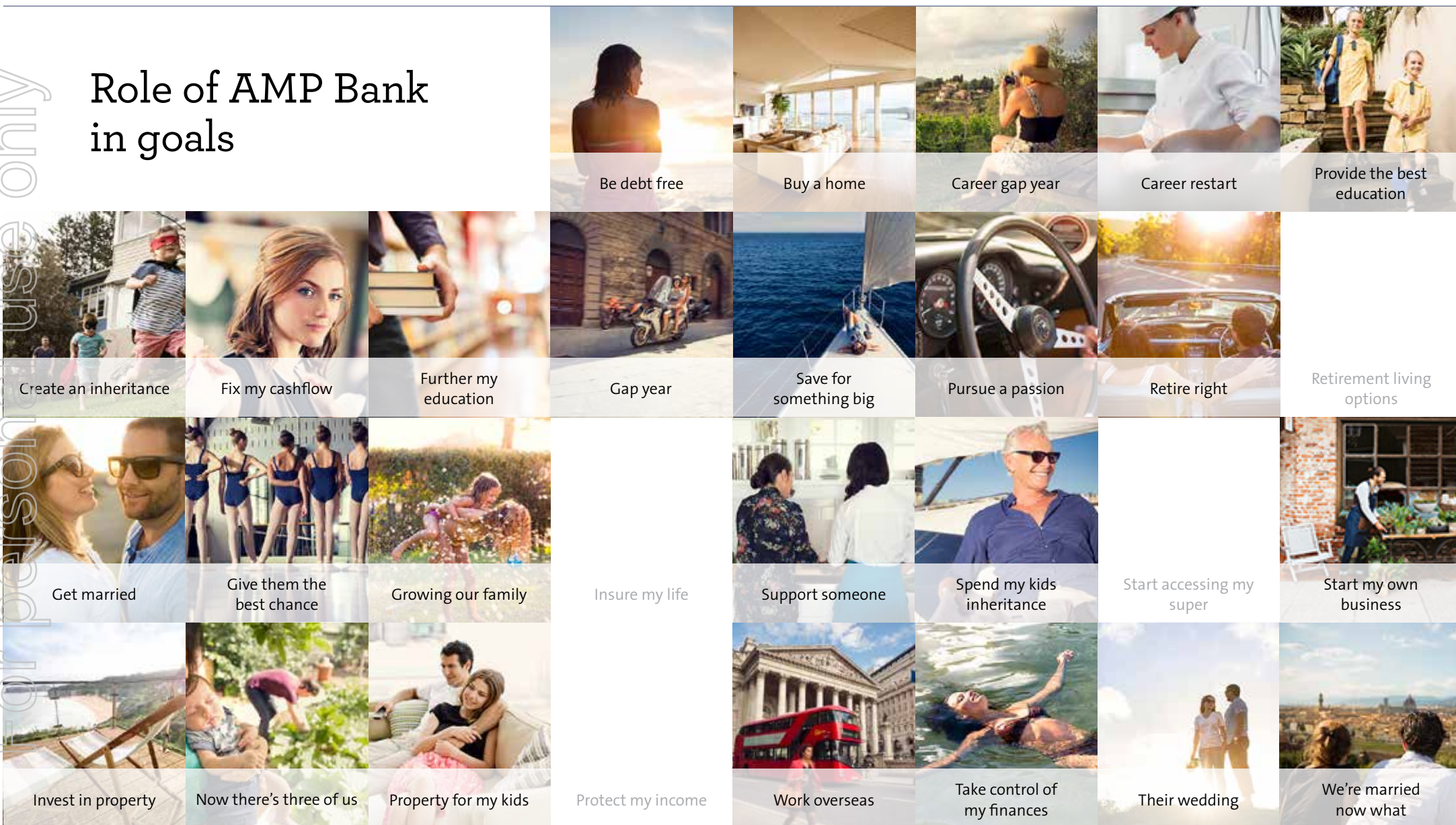
Channel	Goals	Customer lifecycle	Diversified AMP revenues
<ul style="list-style-type: none">– +50% of all home lending activity via brokers– 25% of advisers originate debt with AMP	<ul style="list-style-type: none">– Aligned with AMP goals philosophy– Majority of 29 customer goals involve bank product	<ul style="list-style-type: none">– Opportunity to engage early	<ul style="list-style-type: none">– Amplifies AMP investment in the network and goals– >10% of earnings contributions

A bank within a wealth manager

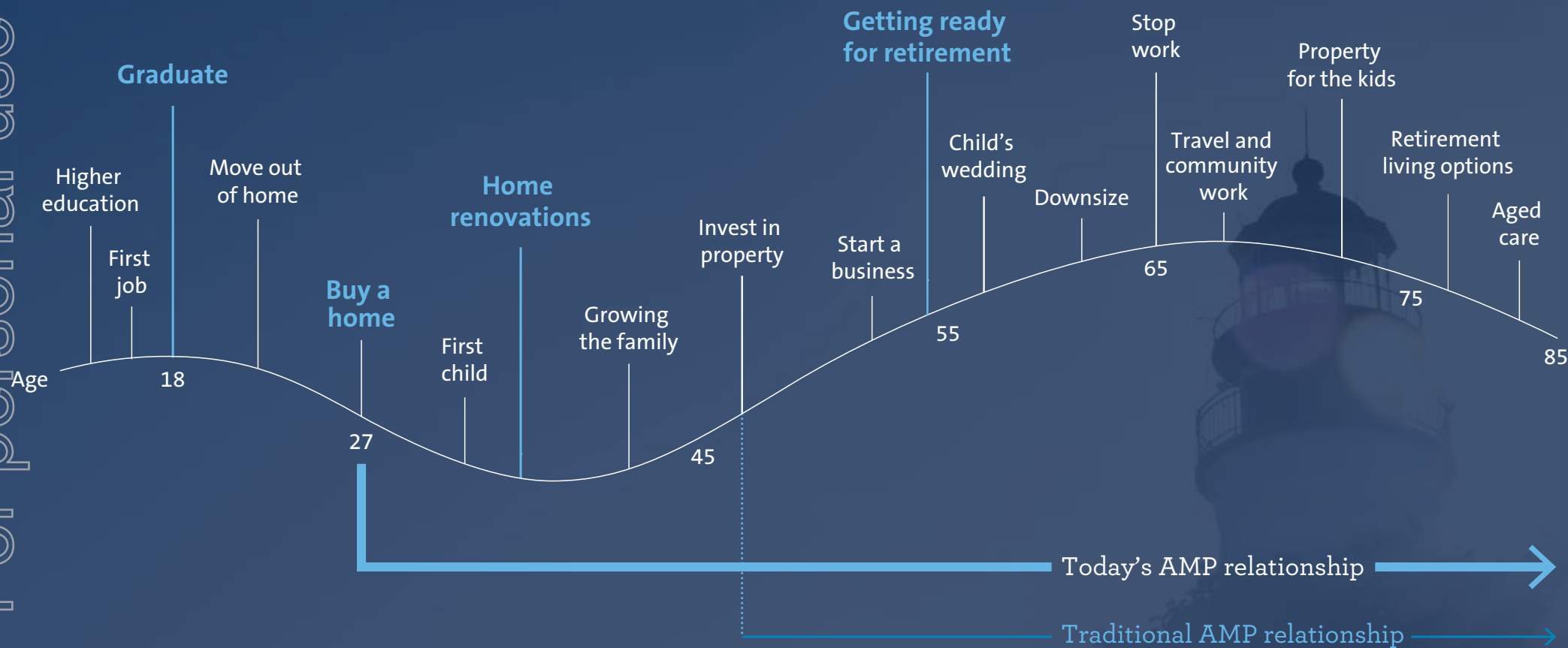
Role of AMP Bank in goals



Role of AMP Bank in goals



AMP Bank: early engagement in the customer life cycle



AMP Capital growth strategy

Adam Tindall, Chief Executive Officer, AMP Capital

Sean Henaghan, CIO and Director, Multi-asset Group, AMP Capital

Carmel Hourigan, Global Head of Real Estate, AMP Capital

Our vision

To be a pre-eminent
global investment manager

AMP Capital investment capabilities

	Infrastructure	Real estate	Multi-asset	Equities	Fixed income
AUM	\$12 billion	\$22 billion	\$84 billion ¹	\$24 billion	\$60 billion
Investment professionals	67	62	32	42	41

1 \$40 billion managed by AMP Capital Equities and Fixed Income

AMP Capital business potential

**Strong
double digit**

growth contribution

**Deep
relationships**

with partners

400+

international clients

Suite of
market leading

investment solutions
targeting deep global pools

5 key hubs

with 25% employees
based internationally

Potential

for inorganic acceleration

AMP Capital clients and partners – Australia and New Zealand

- \$110 billion managed on behalf of AMP customers
- 112 institutional clients investing \$22.2 billion



Multi-Asset Group

Goals-based investing

- Full spectrum of return sources
- Flexible approach to management

**\$1.1
billion**

Multi Asset
Fund
(2010)

**\$1.8
billion**

Income
Generation
(2010)

**\$1.7
billion**

Dynamic
Market Fund
(2011)

Future
Cash Flow
Range
(2016)

MyNorth
Retirement
Fund
(2016)

**\$14
billion**

MySuper
(2016)

International growth

AMP Capital clients and partners – China

- Beijing office opened 1997
- China Life AMP Asset Management Company Limited fastest growing new funds management company in China
- First foreign company to acquire stake in Chinese pension company, China Life Pensions Company
- Total combined AUM RMB 452 billion



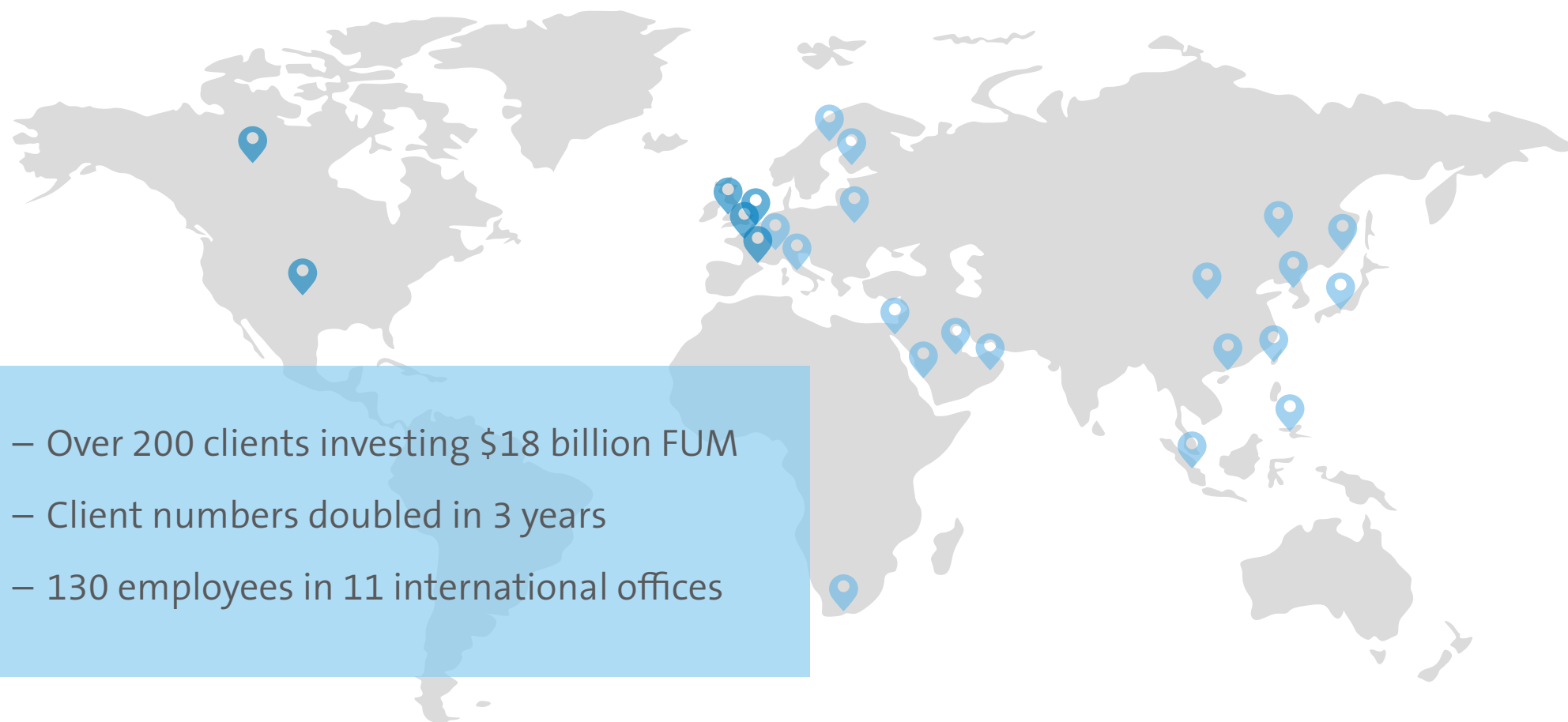
AMP Capital clients and partners – Japan

- Japan presence since 2001
- 2012 strategic alliance agreement
- 2017 enhanced business alliance agreement
- \$1.5 billion managed on behalf of MUTB

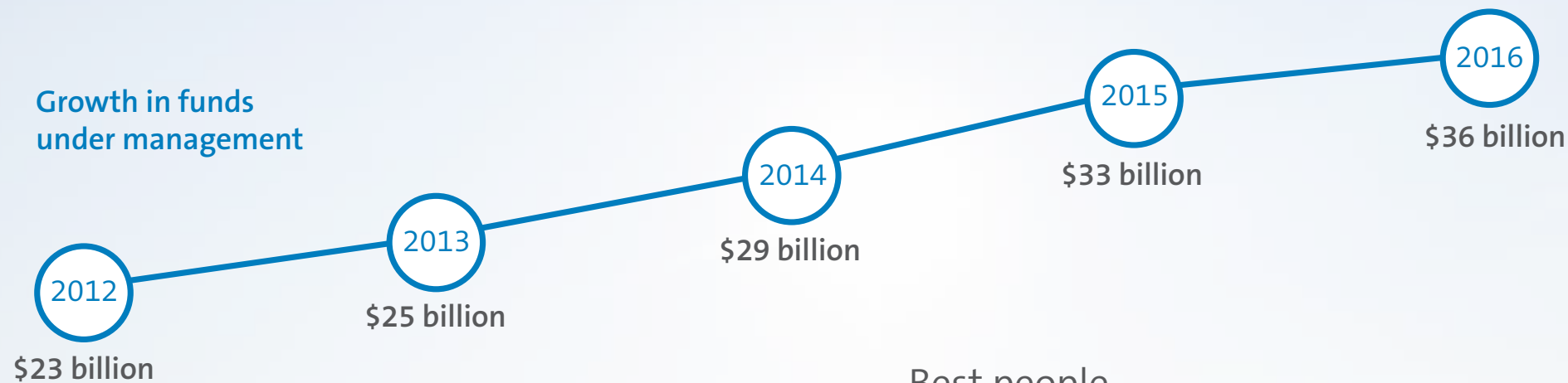


Mitsubishi UFJ
Trust and Banking

AMP Capital clients and partners – international institutional clients



Creating value for clients and shareholders in real assets



- Best people
- Quality assets
- Active management and development
- Global platform

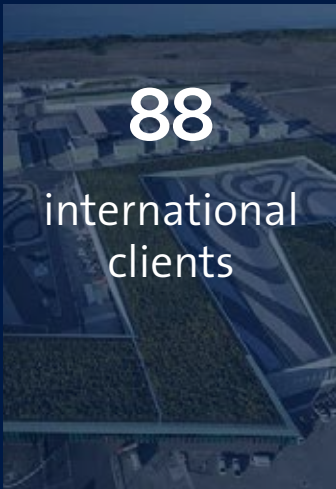
AMP Capital global infrastructure equity Top 10 infrastructure business



**\$10
billion**
in AUM



Landmark
transactions
and strong
deal flow



88
international
clients



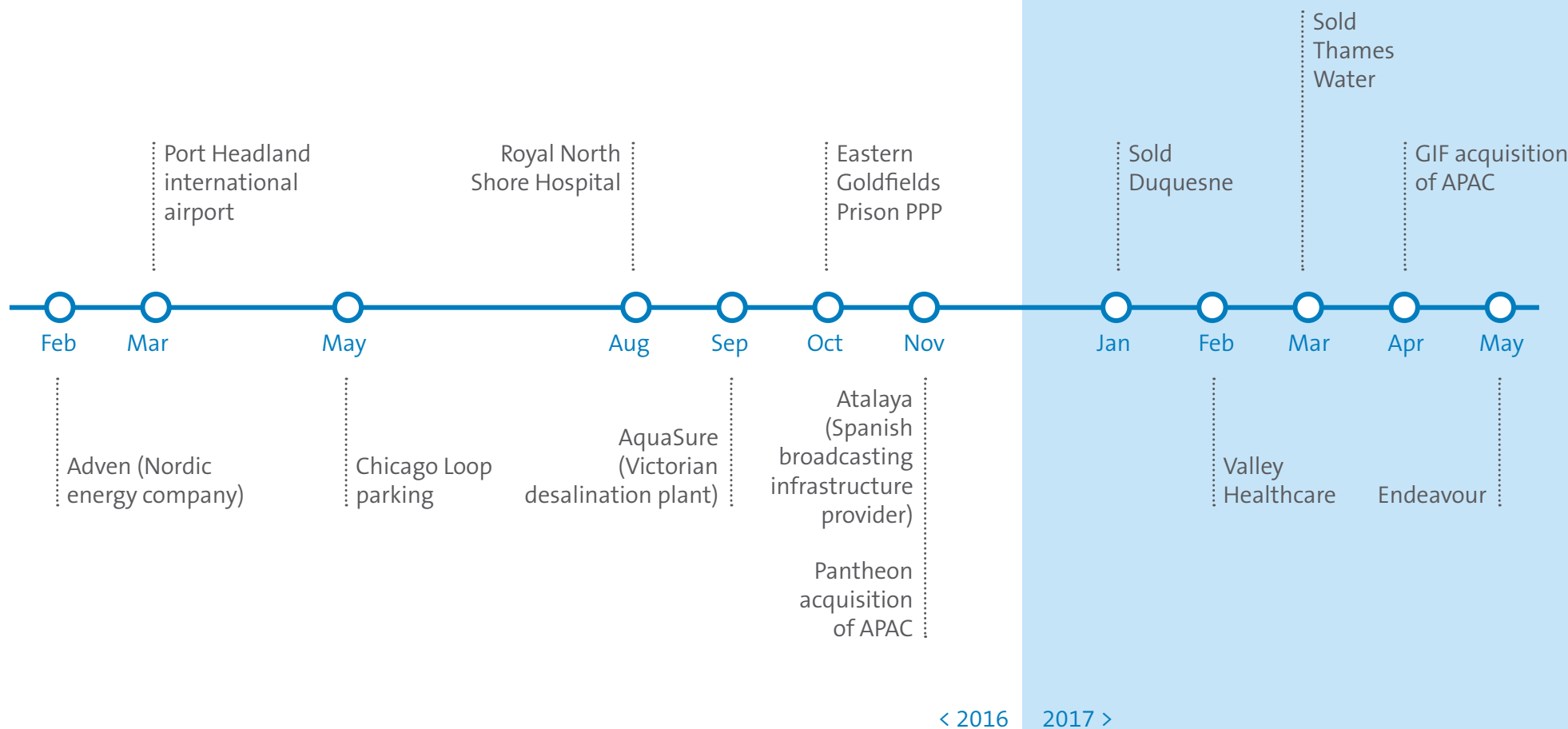
#1
infrastructure
fund
for ESG



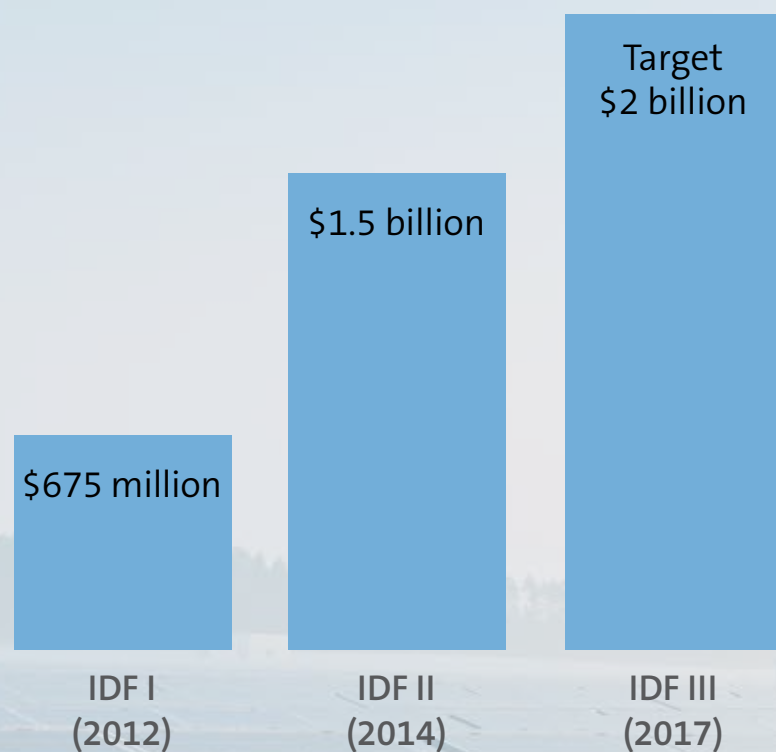
**US\$2.4
billion**
Global
Infrastructure
Fund

Global infrastructure equity

Track record of innovative transactions



Infrastructure debt funds (IDF)
136 clients investing \$3.5 billion



Notable deals

- Invenergy Thermal (Oct 2015)
- Carlsbad Desalination Plant (Apr 2016)
- Solør Bioenergi (Apr 2017)

Real estate

AMP Capital real estate

Over 60 years creating exceptional experience

\$23 billion

in
AUM

27

shopping
centres

\$3 billion

developments
completed

\$5 billion

development
pipeline

450+

real estate
professionals

56

office and
industrial assets

+2.9 million

sqm of
lettable area

One of the
largest

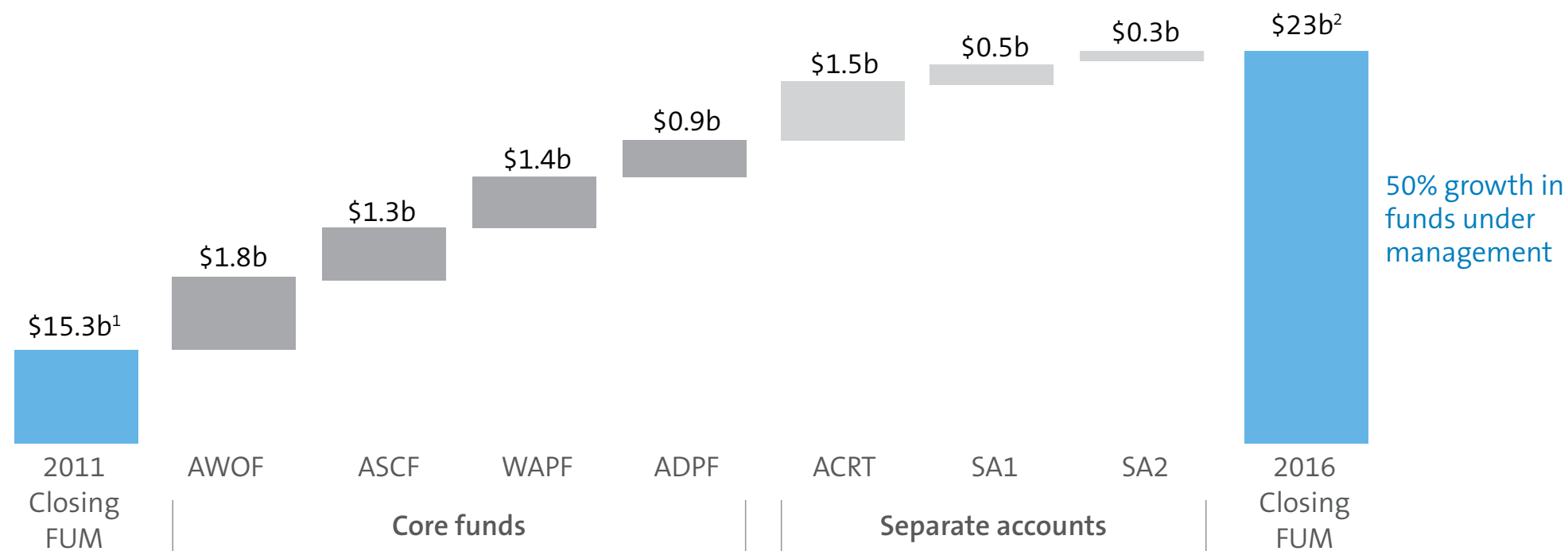
direct real estate
fund managers

Integrated real estate management model



Real estate assets under management

A five year journey of growth



1 Includes 47 external institutional investors

2 Includes 73 external institutional investors

Real estate investment highlights 2016 – 2017

Creating value for our clients

85% of FUM

exceeded
client goals

Total capital raised
\$1.3 billion

in 2016

Over
\$1 billion

capital raised
YTD in 2017

\$2 billion

in investment
transactions

Leveraging our
**global
platform**

10 new
institutional
investors

\$3 billion
development
pipeline completed

Over
\$5 billion
future development
pipeline

Delivering on our clients' development pipeline



200 George Street

- \$400 million value on completion
- 24.8% total return (Project IRR)
- 6 star Green Star (V3) Design and 5 star NABERS Energy



Pacific Fair

- \$670 million value on completion
- Largest centre in Queensland, 4th largest in Australia
- Most extensive luxury retailer mix in Australia



Macquarie Centre

- \$450 million redevelopment
- Largest centre in Sydney and NSW
- Significant further development opportunity including mixed use as part of Macquarie Town Centre masterplan

Quay Quarter Tower

Artists impression



Investing for growth

AMP tomorrow

Strong foundation for growth: #1 Super | #1 Advice | #1 SMSF | #2 Retirement income

Domestic growth

- Continued leadership of Australian wealth management:
 - New revenue streams (advice and SMSF)
 - Goals-based advice operating system driving greater productivity, volume and cashflows
- Integrated debt and investment solutions in goals-based offers
- Intermediated retail banking provider of choice

International growth

- **Europe and North America:** via higher margin infrastructure and real estate assets
- **China:** pensions and asset management through partnership with China Life
- **Japan:** retail and institutional partnership with MUTB
- Opportunity to leverage new wealth operating system

Streamlined higher growth, capital light, internationally diverse portfolio