

26 November 2019



AMP Capital Notes 2 Offer

Important notice and disclaimer

Summary information

This presentation has been prepared by AMP Limited (ABN 49 079 354 519) (“AMP”) in relation to the proposed offer of AMP Capital Notes 2 issued by AMP (“Capital Notes 2”) (“Offer”). The Offer is made under a Prospectus lodged with the Australian Securities and Investments Commission (“ASIC”) on 26 November 2019 (“Prospectus”). The Prospectus is available within Australia and can be obtained electronically from ampcapitalnotes2.com.au or a paper copy can be requested (free of charge) during the Offer Period by contacting the Capital Notes 2 information line on 1300 338 164 (within Australia) or +61 3 9415 4018 (outside Australia) Monday to Friday—8.30am to 5.30pm (Sydney time), or by registering online to receive a Prospectus at www.ampcapitalnotes2.com.au. Applicants under the Broker Firm Offer should contact their Syndicate Broker for information on how to apply. Applications for Capital Notes 2 under the Prospectus may only be made during the Offer Period, using an Application Form (either electronic or paper) that is attached to or accompanying the Prospectus (including the electronic Prospectus). It is important that you consider the Prospectus in full before deciding to invest in Capital Notes 2. Unless otherwise defined, capitalised terms in this presentation have the meaning given in the Prospectus.

This presentation contains general background information about AMP’s activities current at the date of this presentation, which may be subject to change. The information is in a summary form and does not purport to be complete, comprehensive or to comprise all the information which a securityholder or potential investor in AMP may require in order to determine whether to deal in Capital Notes 2 or AMP Shares, nor does it contain all the information which would be required in a disclosure document prepared in accordance with the Corporations Act 2001 (Cth) (“Corporations Act”). It is to be read in conjunction with AMP’s other announcements released to the Australian Securities Exchange (available at www.asx.com.au). Nothing contained in this presentation constitutes financial product, investment, legal, tax or other advice or any recommendation. It does not take into account the investment objectives, financial situation or needs of any particular investor. The appropriateness of the information in this presentation should be considered by you having regard to your own investment objectives, financial situation and needs and with your own professional advice, when deciding if an investment is appropriate.

Not an offer

This presentation should not be considered as investment advice. The information contained in this presentation is for information purposes only and nothing in this presentation should be read or understood as an offer, invitation, solicitation, inducement or recommendation to subscribe, buy or sell Capital Notes 2 or AMP Shares in any jurisdiction, or be treated or relied on as advice by AMP. This presentation will not form any part of any contract or commitment for the acquisition of Capital Notes 2 or AMP Shares. This presentation is not a prospectus or other offering document under Australian law or any law. It will not be lodged with the Australian Securities and Investments Commission.

Forward-looking statements

This presentation contains forward looking statements, including statements regarding the financial condition, results of operations and business of AMP, the outcome of the Offer, the sale of AMP Life and the implementation of AMP’s announced strategy. These statements relate to expectations, beliefs, intentions or strategies regarding the future. Forward looking statements may be identified by the use of words like ‘anticipate’, ‘believe’, ‘aim’, ‘estimate’, ‘expect’, ‘intend’, ‘may’, ‘plan’, ‘project’, ‘will’, ‘should’, ‘seek’ and similar expressions.

Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements, as well as statements about market and industry trends, which are based on interpretations of current market conditions. The forward-looking statements reflect views and assumptions with respect to future events as of the date of this presentation. However, they are not guarantees of future performance. They involve known and unknown risks, uncertainties, assumptions, contingencies and other factors, many of which are beyond the control of AMP and its related bodies corporate and affiliates and each of their respective directors, securityholders, officers, employees, partners, agents, advisers and management, and may involve significant elements of subjective judgement and assumptions as to future events that may or may not be correct. Forward-looking statements speak only as of the date of this presentation and there can be no assurance that actual outcomes will not differ materially. Past performance is not indicative of future performance.

No guarantee, representation or warranty, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns, statements or tax treatment in relation to future matters contained in this presentation. Readers are cautioned not to place undue reliance on the forward-looking statements, which are based only on information currently available to AMP. Except as required by applicable laws or regulations, AMP does not undertake to publicly update or revise the forward-looking statements or other statements in this presentation, whether as a result of new information or future events or circumstances.

Important notice and disclaimer

Financial data

Investors should note that this presentation contains pro forma historical financial information. The pro forma financial information provided in this presentation is for illustrative purposes only and is not represented as being indicative of AMP's, nor anyone else's, views on its future financial condition and/or performance. The pro forma financial information has been prepared on the basis set out in Section 4.2 of the Prospectus. Investors should also note that the pro forma financial information does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the U.S. Securities and Exchange Commission.

Investors should be aware that certain financial measures included in this presentation are 'non-IFRS financial information' under ASIC Regulatory Guide 230: 'Disclosing non-IFRS financial information' published by ASIC and also 'non-GAAP financial measures' within the meaning of Regulation G under the U.S. Securities Exchange Act of 1934, as amended, and are not recognised under Australian Accounting Standards ("AAS") and International Financial Reporting Standards ("IFRS"). The non-IFRS financial information/non-GAAP financial measures include, amongst others, underlying profit, various regulatory capital measures and key operational metrics. The disclosure of non-GAAP financial measures in the manner included in this presentation may not be permissible in a registration statement under the U.S. Securities Act of 1933, as amended ("U.S. Securities Act"). Those non-IFRS financial information/non-GAAP financial measures do not have a standardised meaning prescribed by AAS or IFRS. Therefore, the non-IFRS financial information/non-GAAP financial measures may not be comparable to similarly titled measures presented by other entities and should not be construed as an alternative to other financial measures determined in accordance with AAS or IFRS. Although AMP believes these non-IFRS financial information/non-GAAP financial measures provide useful information to investors in measuring the financial performance and condition of its business, investors are cautioned not to place undue reliance on any non-IFRS financial information/non-GAAP financial measures included in this presentation. The financial information in this presentation is presented in an abbreviated form insofar as it does not include all of this presentation and disclosures required by the AAS and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

Financial data and rounding

All dollar values are in Australian dollars (\$) and financial data is presented as at 30 June 2019 unless stated otherwise. A number of figures, amounts, percentages estimates, calculations of value and other fractions used in this presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this presentation.

Not for release or distribution in the United States

This presentation may not be distributed or released in the United States or to any person acting for the account or benefit of a person in the United States. This presentation does not constitute an offer to sell, or a solicitation of any offer to buy, any securities in the United States or any other jurisdiction in which that offer would be illegal. AMP Capital Notes 2 have not been, and will not be, registered under the U.S. Securities Act, or under the securities laws of any state or other jurisdiction of the United States. Accordingly, the securities may not be offered or sold, directly or indirectly, in the United States or to any person that is acting for the account or benefit of a person in the United States, except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws of any state or other jurisdiction of the United States. The release, publication or distribution of this presentation (including an electronic copy) outside Australia or New Zealand may be restricted by law. If you come into possession of this presentation, you should observe restrictions and should seek your own advice on restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

Disclaimer

To the maximum extent permitted by law, AMP and its affiliates and related bodies corporate and each of their respective directors, officers, partners, employees, agents and advisers exclude and expressly disclaim:

- all duty and liability (including, without limitation, any liability arising from fault, negligence or negligent misstatement) for any expenses, losses, damage or costs incurred by you as a result of the information in this presentation being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise,
- any obligations or undertaking to release any updates or revisions to the information in this presentation to reflect any change in expectations or assumptions, and
- all liabilities in respect of, and make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of information in this presentation or that this presentation contains all material information about AMP or which a prospective investor or purchaser may require in evaluating a possible investment in AMP or acquisition of Capital Notes 2, or likelihood of fulfilment of any forward-looking statement or any event or results expressed or implied in any forward-looking statement.

Statements made in this presentation are made only as at the date of this presentation. The information in this presentation remains subject to change without notice. AMP may in its absolute discretion, but without being under any obligation to do so, update or supplement this presentation. Any further information will be provided subject to the terms and conditions contained in this Important Notice.

AMP reserves the right to withdraw the Offer or vary the timetable for the Offer without notice.

ASIC Guidance

Please consider ASIC's guidance for investors before investing in Capital Notes 2. ASIC's guidance can be accessed at www.moneysmart.gov.au/investing

Capital Notes 2 are complex and involve different risks from a simple debt security or ordinary equity security. Capital Notes 2 are not suitable for all investors and contain features which may make the Terms difficult to understand. In considering whether to apply for Capital Notes 2, it is important that you consider all risks and other information regarding an investment in Capital Notes 2 in light of your particular investment objectives and circumstances.

ASIC has published guidance on hybrid securities on its MoneySmart website which may be relevant to your consideration of the Capital Notes 2. You can read this guidance by searching for the term 'hybrid securities' at www.moneysmart.gov.au.

ASIC's guidance includes a series of questions you should ask before you invest in hybrid securities, as well as a short quiz to check your understanding of how hybrids work, their features and risks.

AMP strongly recommends that you seek professional guidance from a licensed adviser, which takes into account your particular investment objectives and circumstances, before you make an investment decision.

Overview

Section one

Offer summary

Section two

AMP business update

Section three

Key features of Capital Notes 2

Section four

About the Offer



Section one

Offer summary

Offer summary

Issuer	– AMP Limited (AMP)
Security	– Fully paid, subordinated, perpetual, unsecured, convertible notes (but see “Shareholder Approval” below)
Offer size	– A\$200 million with the ability to raise a higher or lower amount
Use of proceeds	– Capital Notes 2 are being issued as part of the AMP Group's ongoing funding and capital management strategy. The proceeds raised by the issue will be used to meet general funding requirements, including to fund Additional Tier 1 Capital of one or more APRA regulated entities within the AMP Group
Ranking¹	– In a winding-up of AMP, unless Redeemed, Converted or Written-off prior to the winding-up, Capital Notes 2 rank ahead of AMP Shares, equally among themselves and other equal ranking instruments (including Capital Notes 1 ² and AMP Wholesale Capital Notes ³) and behind the claims of all Senior Ranking Creditors of AMP. Holders should be aware that if AMP is in a winding-up, it is likely that a Non-Viability Event will have occurred, in which case Holders will have received AMP Shares (unless their Capital Notes 2 have been Written-off in accordance with the Terms)
Distribution payments	– Floating rate, quarterly, discretionary, non-cumulative payments, subject to no Payment Condition existing ⁴ – Distributions are expected to be franked at the same rate as AMP ordinary dividends. The Franking Rate applicable to the first Distribution is expected to be 100% – Margin expected to be in the range of 4.5000% – 4.7000% per annum over 3-month BBSW Rate
Shareholder Approval	– The Terms of Capital Notes 2 are different from the terms of Capital Notes 1 and other similar hybrid securities listed on ASX in that the Terms which provide for the Conversion of Capital Notes 2 will not apply, other than on account of a Non-Viability Event, unless and until Shareholder Approval has been obtained. The features that will not apply unless and until Shareholder Approval is obtained are shaded in yellow in the Prospectus and presentation. See Section 2.7 of the Prospectus for further details
Term	– Perpetual unless Converted, Redeemed or Written-off – Optional Exchange⁵ : all or some Capital Notes 2 on 16 December 2025 or following a Regulatory or Tax Event, and all (but not some only) after a Potential Acquisition Event – Scheduled Mandatory Conversion Date⁶ : 16 December 2027 – Acquisition Event⁶ : AMP must Convert Capital Notes 2 following an Acquisition Event – Non-Viability Event : AMP will be required to Convert some or all Capital Notes 2, and if Conversion does not occur within 5 Business Days, then Capital Notes 2 will be Written-off
Offer structure	– Securityholder Offer, Broker Firm Offer and Institutional Offer
JLMs	– Commonwealth Bank of Australia, Morgans, National Australia Bank and UBS (Arranger)
Quotation	– AMP will apply for Capital Notes 2 to be quoted on ASX. Capital Notes 2 are expected to trade under ASX code “AMPPB”

Notes:

1. The ranking of Holders in a winding-up will be adversely affected if a Non-Viability Event occurs. See Sections 1.3, 2.4, 2.6 and 5.1.7 of the Prospectus.

2. The perpetual, convertible, subordinated and unsecured debt obligations in the form of unsecured notes which were issued by AMP on 30 November 2015.

3. Perpetual subordinated notes issued by AMP on 27 March 2015.

4. Payment of any Distribution is within the absolute discretion of AMP.

5. At AMP's option, subject to certain conditions being met and APRA's prior written approval. Holders of Capital Notes 2 should not assume that APRA will give its approval for any Exchange. AMP may not elect Conversion as the Exchange Method unless and until Shareholder Approval has been obtained.

6. Subject to certain conditions being met.

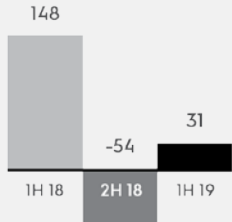
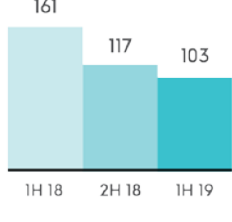
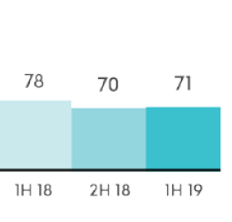
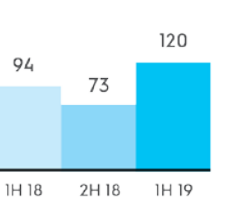
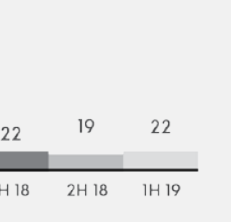
The features that will not apply unless and until Shareholder Approval is obtained are shaded in yellow in the Prospectus and presentation. See Section 2.7 of the Prospectus for further details.



Section two

AMP business update

Focused, higher growth and higher return AMP

		Future portfolio																																											
	AMP Life ¹	AWM	AMP Bank	AMP Capital	NZ WM																																								
Context	<ul style="list-style-type: none"> Structural challenges of operating in life insurance industry High capital intensity Significant earnings volatility In-force market consolidation opportunity 	<ul style="list-style-type: none"> Traditional advice licensee model requires reinvention Big 4 banks exiting wealth Technology enabling lower-cost advice Continued pressure on product margins 	<ul style="list-style-type: none"> Unique opportunity for bank and wealth integration Growth track record above system Access to diversified retail deposits Focused and efficient 	<ul style="list-style-type: none"> Shift to passive and specialist active Global search for yield and high-demand for differentiated products (e.g. real assets) Internationally recognised real asset capability 	<ul style="list-style-type: none"> Competitive advantage for local players Market consolidation opportunity Uniquely positioned employed advice business High return business 																																								
Performance: Operating earnings (A\$m) ²	 <table border="1"> <tr><th>Period</th><th>Operating Earnings (A\$m)</th></tr> <tr><td>1H 18</td><td>148</td></tr> <tr><td>2H 18</td><td>-54</td></tr> <tr><td>1H 19</td><td>31</td></tr> </table>	Period	Operating Earnings (A\$m)	1H 18	148	2H 18	-54	1H 19	31	 <table border="1"> <tr><th>Period</th><th>Operating Earnings (A\$m)</th></tr> <tr><td>1H 18</td><td>161</td></tr> <tr><td>2H 18</td><td>117</td></tr> <tr><td>1H 19</td><td>103</td></tr> </table>	Period	Operating Earnings (A\$m)	1H 18	161	2H 18	117	1H 19	103	 <table border="1"> <tr><th>Period</th><th>Operating Earnings (A\$m)</th></tr> <tr><td>1H 18</td><td>78</td></tr> <tr><td>2H 18</td><td>70</td></tr> <tr><td>1H 19</td><td>71</td></tr> </table>	Period	Operating Earnings (A\$m)	1H 18	78	2H 18	70	1H 19	71	 <table border="1"> <tr><th>Period</th><th>Operating Earnings (A\$m)</th></tr> <tr><td>1H 18</td><td>94</td></tr> <tr><td>2H 18</td><td>73</td></tr> <tr><td>1H 19</td><td>120</td></tr> </table>	Period	Operating Earnings (A\$m)	1H 18	94	2H 18	73	1H 19	120	 <table border="1"> <tr><th>Period</th><th>Operating Earnings (A\$m)</th></tr> <tr><td>1H 18</td><td>22</td></tr> <tr><td>2H 18</td><td>19</td></tr> <tr><td>1H 19</td><td>22</td></tr> </table>	Period	Operating Earnings (A\$m)	1H 18	22	2H 18	19	1H 19	22
Period	Operating Earnings (A\$m)																																												
1H 18	148																																												
2H 18	-54																																												
1H 19	31																																												
Period	Operating Earnings (A\$m)																																												
1H 18	161																																												
2H 18	117																																												
1H 19	103																																												
Period	Operating Earnings (A\$m)																																												
1H 18	78																																												
2H 18	70																																												
1H 19	71																																												
Period	Operating Earnings (A\$m)																																												
1H 18	94																																												
2H 18	73																																												
1H 19	120																																												
Period	Operating Earnings (A\$m)																																												
1H 18	22																																												
2H 18	19																																												
1H 19	22																																												
Avg. ROBU ³	6%	27%	15% ⁴	52%	45%																																								
Strategic implications ⁵	Divest majority ownership to release capital	Reinvent wealth management in Australia to capitalise on industry disruption		Drive differentiated capabilities and international growth	<ul style="list-style-type: none"> Localise and autonomise Explore options to divest 																																								

Notes:

1. Includes Australian Wealth Protection, New Zealand Wealth Protection and Mature, and Australian Mature.

2. All historical earnings have been restated to reflect the perimeter of the divestment of AMP Life and Mature; AMP Capital operating earnings are shown net of minority interests.

3. Return on Business Unit Equity.

4. Return on Capital.

5. As part of AMP's strategy, it will continue to consider sources and allocation of capital and therefore will continue to evaluate opportunities to leverage its capabilities, capitalise on synergies, streamline its business and respond to market dynamics and changes in competitor landscape and regulation. This includes looking for, and pursuing opportunities for, future acquisitions or disposals, joint ventures or other partnership or risk sharing arrangements, modifying its cost base or undertaking capital management initiatives. The AMP Board and management will continue to evaluate future potential opportunities for the business.

Reinventing AMP: client-led, simpler, growth-oriented

Australia		International
Australian Wealth Management Simpler client-led wealth manager with tailored offering to meet the needs of all Australians	AMP Bank Technology enabled challenger bank that integrates with clients' wealth management needs	AMP Capital Leading global investment manager, growing through differentiated active capabilities

Strategic enablers

Transform culture to be more client-focused and entrepreneurial

Improve execution through end-to-end businesses with greater accountability for delivery

Simplify the business to improve cost and capital efficiency

Reinventing our business in Australia

		Strategy	Objectives	Outcomes
Australian wealth management	Fix Legacy	<ul style="list-style-type: none"> Reshape aligned advice to be more professional, compliant, and productive Simplify super¹ to improve client outcomes 	<ul style="list-style-type: none"> BOLR² risk mitigation Fewer, more productive, professional advisers Fewer admin systems and simpler products Stronger governance and compliance processes 	Subdued performance until contemporary business reaches scale
	Grow contemporary	<ul style="list-style-type: none"> Provide wealth management for the needs of all Australians Shift focus toward direct to client channels Offer simpler, best-of-breed products Build digital from strong technology foundations 	<ul style="list-style-type: none"> Scaled direct to client channels Increased adviser productivity Increased client engagement and experience 	
AMP Bank	Further integrate banking solutions	<ul style="list-style-type: none"> Continue strong growth and further diversify channel mix Improve integration with wealth management and increase client engagement Scale through re-platforming, digitisation and automation Increase deposit funding 	<ul style="list-style-type: none"> Increased market penetration of broker, adviser and direct channel Uplift in client experience and engagement whilst delivering positive jaws 	Double digit earnings growth over the medium term

Notes:

1. Mastertrust products.

2. BOLR = Buyer of Last Resort.

Growing through differentiated capabilities

		Strategy	Objectives	Outcomes
AMP Capital	Real assets A\$50b FuM ¹ 57% of fee income ^{1,2}	<ul style="list-style-type: none"> – Continue to expand our global footprint building on strong track record, reputation, longstanding relationships and distribution network – Address global demand for yield with customised real asset solutions 	<ul style="list-style-type: none"> – Significant earnings growth in infrastructure and real estate – Double digit acceleration in international FuM 	<ul style="list-style-type: none"> – Double digit earnings growth over the medium term (through the cycle) – 75% of FuM delivering at or above clients' goals
	Public markets A\$138b FuM ³ 43% of fee income ^{2,3}	<ul style="list-style-type: none"> – Simplify product set and operating model to drive efficiency – Grow solutions and high alpha offerings, such as AMP Capital's global equities capabilities, which has delivered top percentile performance vs peers since inception⁴ (31.0% pa vs market return 13.4% pa) 	<ul style="list-style-type: none"> – Improved efficiency supported by contemporary technology – Optimised investment capabilities delivering high quality outcomes for clients 	

Notes:

1. Includes AMP Capital's 24.9% share of PCCP (Real Estate).

2. Total fee income of A\$708m FY18.

3. Includes AMP Capital's 15% share of CLAMP Fixed Income and Equities.

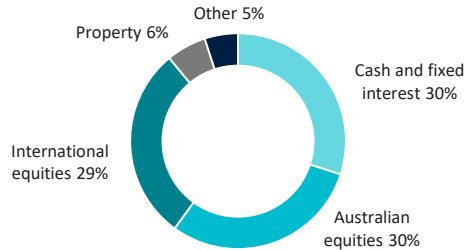
4. Inception date is 30 March 2017. Returns are calculated net of fees, before tax and assume all distributions are reinvested. Peer universe is the Evestment Global Large Cap Growth Equity peer set. Market return is MSCI World AC Index (AUD).

Australian wealth management

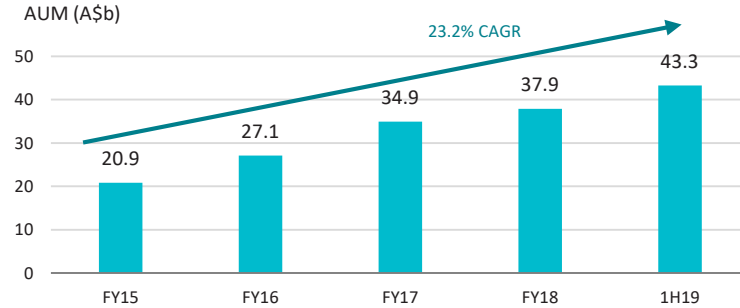
AUM and key products resilient, with continued growth in flagship North platform

More conservative allocation bias to match clients' risk profile and retirement needs

AWM AUM (A\$132.7b) by asset class (as at 30 June 2019)

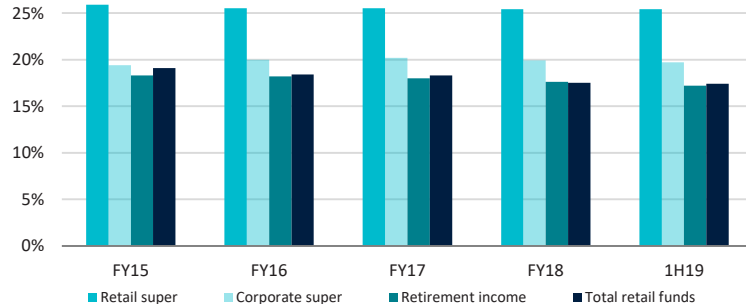


Continued growth in AMP's flagship North platform

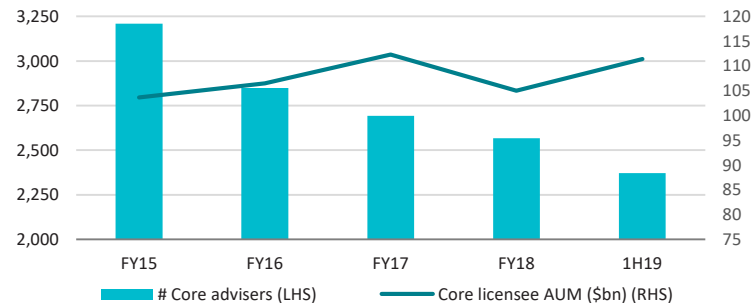


Note:
1. Historic market shares as reported in AMP full year and half year investor reports.

AMP retail market share remains resilient across key products¹



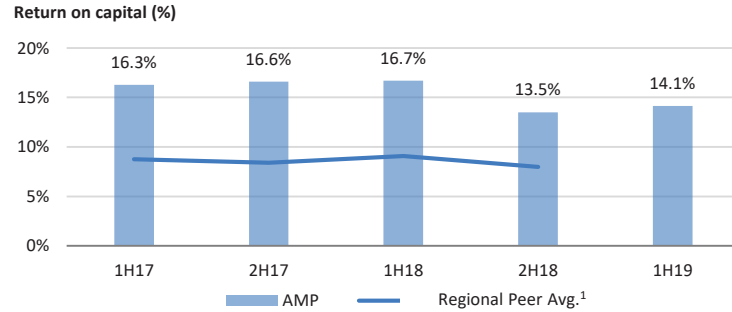
Adviser FUM broadly stable driven by targeted retention of more productive practices



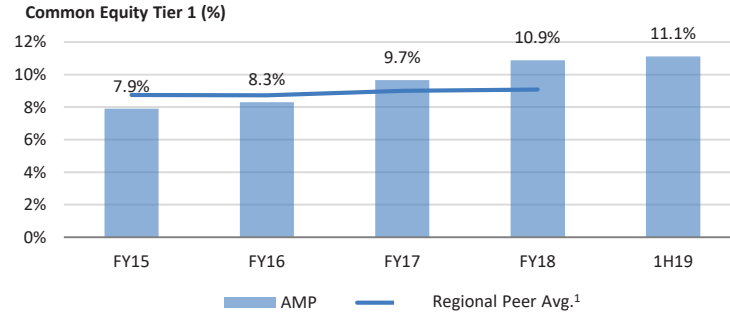
AMP Bank

A well capitalised bank delivering an attractive return on capital

AMP Bank has consistently delivered higher returns on capital than its peer group

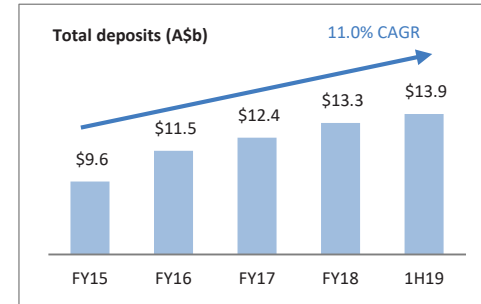
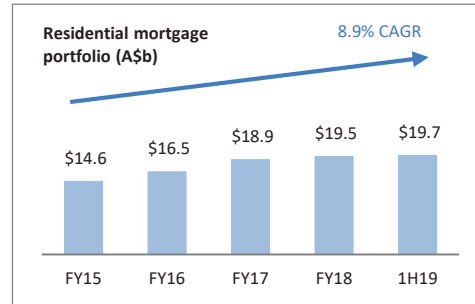
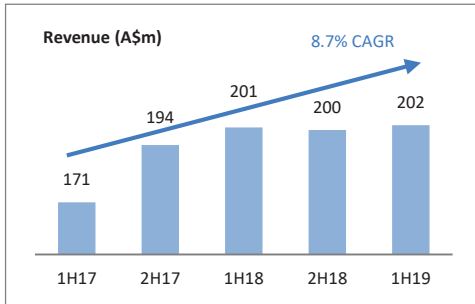


AMP Bank remains well capitalised compared to peers and regulatory requirements



Note:
1. Based on current disclosure of regional bank peers.

AMP Bank has achieved strong growth in revenue, mortgage lending and deposit funding over time

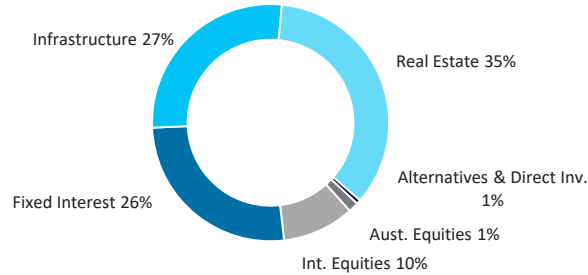


AMP Capital

Growth driven by higher margin real assets business

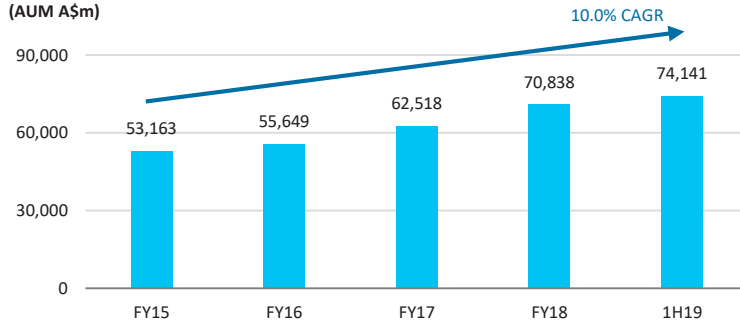
Real Estate, Infrastructure and Fixed Income focus

External AUM composition (1H 19)



Double-digit growth of external AUM

(AUM A\$m)

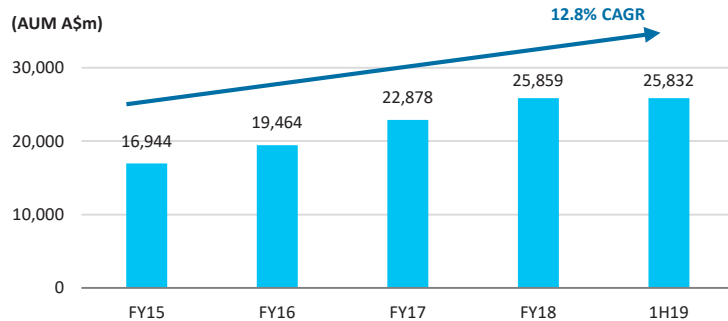


Notes:

1. Real Estate AUM from external clients.
2. Infrastructure AUM from external clients.

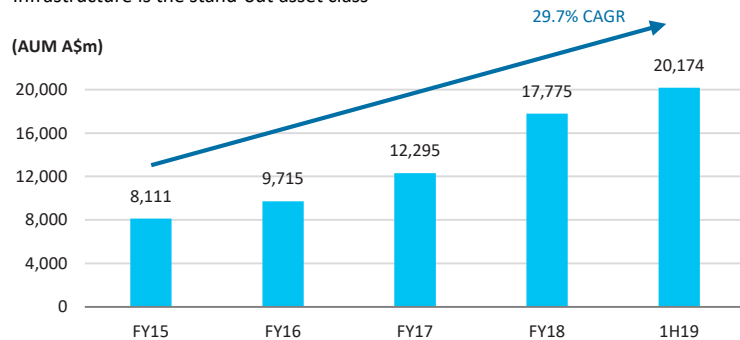
Real Estate continues to perform well¹

(AUM A\$m)



Infrastructure is the stand-out asset class²

(AUM A\$m)



AMP Life revised agreement – key terms

Overview and structure	<ul style="list-style-type: none">– Revised agreement delivers consideration of A\$3.0 billion comprising:<ul style="list-style-type: none">– A\$2.5 billion in cash, and– A\$500 million equity interest (expected to be around 20%) in Resolution Life Australia¹ - new Australian-domiciled, Resolution Life-controlled holding company which will become the owner of AMP Life– Resolution Life will be on risk for all experience and lapse losses from 1 July 2018 until completion and is entitled to all AMP Life net earnings during that period– Transaction expected to complete in 1H 20. AMP will continue to report the results of AMP Life through to completion– Resolution Life Australia represents a platform for continued growth and consolidation in the Australian and New Zealand in-force life insurance market– From completion, AMP's expected 20% interest will provide an ongoing entitlement to an equivalent share of the new company's earnings and distributions (including franking credits as appropriate)– AMP has the right, but not the obligation, to subscribe additional capital in future to maintain its expected 20% holding
Benefits for policyholders	<ul style="list-style-type: none">– Committed to ensuring policyholders' interests remain paramount; policyholders to retain terms and conditions of existing policies– Expected benefits from Resolution Life's expertise in managing in-force life insurance portfolios with a track record of quality service for policyholders — capabilities will be supported by AMP Life's highly skilled team transferring to Resolution Life
Use of proceeds	<ul style="list-style-type: none">– AMP will use proceeds to repay debt (A\$800m), fund separation costs (A\$320m), fund capital dis-synergies (A\$160m) and fund new strategy– Post these actions, Board intends to return capital in excess of target surplus to shareholders, subject to unforeseen circumstances

Notes:

1. Resolution Life NOHC Pty Ltd.

1H 19 profit summary

A\$m	1H 19 ¹	2H 18	1H 18	(%) 1H 19/1H 18
Australian wealth management	103	159	204	(49.5)
New Zealand wealth management	22	25	28	(21.4)
AMP Capital ²	120	73	94	27.7
AMP Bank	71	70	78	(9.0)
Retained businesses operating earnings	316	327	404	(21.8)
AMP Life operating earnings³	31	(102)	99	(68.7)
Business unit operating earnings	347	225	503	(31.0)
Group Office costs	(59)	(47)	(29)	(103.4)
Total operating earnings	288	178	474	(39.2)
Underlying investment income	55	44	52	5.8
Interest expense on corporate debt	(34)	(37)	(31)	(9.7)
Underlying profit	309	185	495	(37.6)
Items reported below underlying profit	(2,549)	(285)	(425)	n/a
Market adjustments	(47)	(5)	13	n/a
Accounting mismatches	(5)	18	32	n/a
Profit/(loss) attributable to shareholders of AMP Limited	(2,292)	(87)	115	n/a

Notes:

1. Internal distribution fees and product revenues for AMP Life excluded from Australian and New Zealand wealth management businesses from 1H 19.
2. AMP Capital is 15% owned by MUTB. AMP Capital results, and any other impacted line items, are shown net of minority interests.
3. AMP Life refers to AMP's wealth protection and mature businesses in Australia and New Zealand which are subject to a sale agreement with Resolution Life.

Capital adequacy, funding and liquidity

A\$m	1H 19	FY 18
Shareholder equity	4,307	6,683
Less: intangibles and other regulatory adjustments	(1,267)	(3,606)
Level 3 eligible capital	3,040	3,077
Minimum Regulatory Requirements (MRR)	1,346	1,426
Level 3 eligible capital above MRR	1,694	1,651

Debt metrics and liquidity	1H 19	FY 18
Corporate debt (A\$m)	1,909	1,849
Undrawn loan facilities (A\$m)	1,000	1,000

- Level 3 eligible capital of A\$3.0b, with level 3 eligible capital above Minimum Regulatory Requirements (MRR) of A\$1.7b at 30 June 2019, in line with the Board's target surplus requirements. The target surplus in place to protect the adequacy of the capital position by maintaining a sufficient surplus to reduce the risk of breaching the MRR reflecting accepted industry and prudential standards
- Of the total Group Level 3 eligible capital position of A\$1.7b, A\$821m is attributable to Life participating business
- A\$500m syndicated loan repaid in 1H 19 and replaced by A\$623m of bond issuances
- The AMP Board resolved not to declare a first half 2019 dividend. The Board will maintain a consistent approach to capital management until the completion of the sale of AMP Life

Pro forma capital position

The table below shows AMP Group's capital resources at reporting date adjusted for the Offer excluding the A\$784 million in equity capital raised via the issuance of AMP Shares after 30 June 2019:

A\$m	30 June 2019 reported	Pro forma Adjustments ³	Pro forma as at 30 June 2019
AMP shareholder equity	4,307	–	4,307
Subordinated debt	876	194	1,070
Senior debt	1,033	–	1,033
Total AMP capital resources	6,216	194	6,410
Shareholder equity	4,307	–	4,307
Goodwill and other intangibles ¹	(1,252)	–	(1,252)
Other regulatory adjustments ²	(98)	–	(98)
Subordinated bonds eligible as Level 3 capital	83	–	83
Level 3 eligible capital	3,040	–	3,040
Minimum regulatory requirements (MRR)	1,346	–	1,346
Level 3 eligible capital above MRR	1,694	–	1,694

Notes:

1. Represents acquired goodwill, acquired identifiable intangibles on merging with AXA, acquired asset management mandates, capitalised costs and associate equity investments in financial institutions.
2. For life insurers, other deductions include policy liability adjustments, deferred tax assets and regulatory requirements for AMP's superannuation trustees, which are subsidiaries of the life insurers. For AMP Bank, other deductions relate to securitisation, deferred tax assets and other provisions.
3. These adjustments assume a A\$200 million Offer of Capital Notes 2, less transaction fees.



Section three

Key features of Capital Notes 2

General

Issuer	– AMP Limited (AMP)
Security	– Fully paid, subordinated, perpetual, unsecured, convertible notes (but see “Shareholder Approval” below)
Shareholder Approval	– The Terms of Capital Notes 2 are different from the terms of Capital Notes 1 and other similar hybrid securities listed on ASX in that the Terms which provide for the Conversion of Capital Notes 2 will not apply, other than on account of a Non-Viability Event, unless and until Shareholder Approval has been obtained. The features that will not apply unless and until Shareholder Approval is obtained are shaded in yellow in the Prospectus and presentation. See Section 2.7 of the Prospectus for further details
Offer size	– A\$200 million with the ability to raise a higher or lower amount
Face Value	– A\$100 per Capital Note 2 but may be reduced to zero following a Non-Viability Event
Ranking¹	– In a winding-up of AMP, unless Redeemed, Converted or Written-off prior to the winding-up, Capital Notes 2 rank ahead of AMP Shares, equally among themselves and other equal ranking instruments (including Capital Notes 1 and AMP Wholesale Capital Notes) and behind the claims of all Senior Ranking Creditors of AMP. Holders should be aware that if AMP is in a winding-up, it is likely that a Non-Viability Event will have occurred, in which case Holders will have received AMP Shares (unless their Capital Notes 2 have been Written-off in accordance with the Terms)
Term	<ul style="list-style-type: none"> – Perpetual (no fixed maturity date) unless Converted, Redeemed or Written-off – Optional Exchange Date: 16 December 2025² – Scheduled Mandatory Conversion Date: 16 December 2027
Distribution Dates	<ul style="list-style-type: none"> – The first Distribution Date is 16 March 2020³ – Distribution Dates are 16 March, 16 June, 16 September and 16 December in each year

Notes:

1. The ranking of Holders in a winding-up will be adversely affected if a Non-Viability Event occurs. See Sections 1.3, 2.4, 2.6 and 5.1.7 of the Prospectus.

2. AMP may not elect Conversion into AMP Shares as the Exchange Method unless and until Shareholder Approval is obtained.

3. If a Distribution Date is not a Business Day, then the Distribution Date will be the next Business Day.

The features that will not apply unless and until Shareholder Approval is obtained are shaded in yellow in the Prospectus and presentation. See Section 2.7 of the Prospectus for further details.

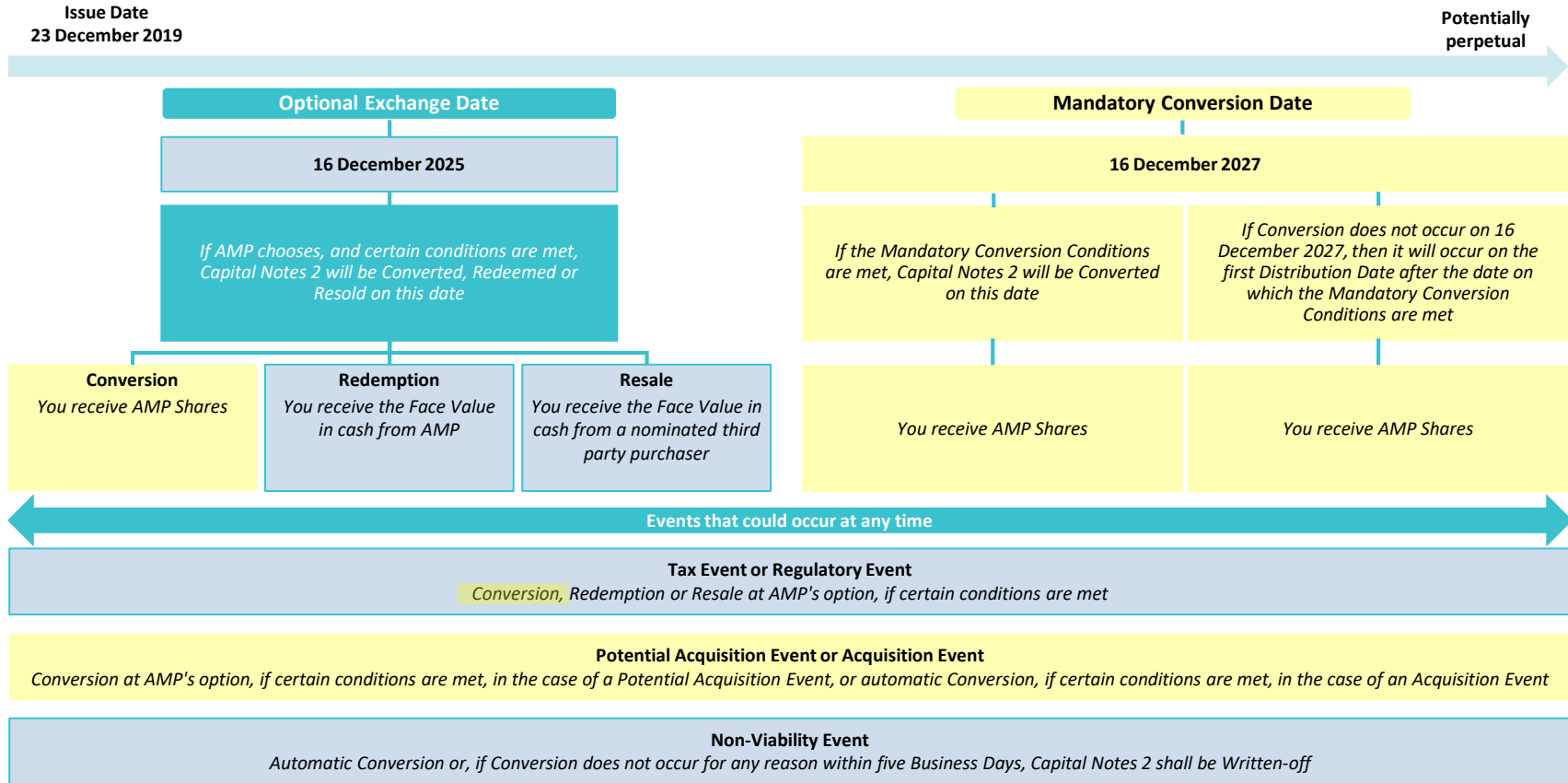
Distributions

Distributions	<ul style="list-style-type: none"> – Distributions are discretionary, non-cumulative, floating rate payments and are expected to be franked at the same rate as Dividends on AMP Shares. The current applicable Franking Rate is 100% <ul style="list-style-type: none"> – Distributions are scheduled to be paid quarterly in arrear, subject to no Payment Condition existing – the first Distribution Date is 16 March 2020¹ – Distribution Dates are 16 March, 16 June, 16 September and 16 December in each year – If any Distribution is not fully franked, then the cash amount of the Distribution will increase to compensate for the reduction in Franking Credits
Distribution Rate	<ul style="list-style-type: none"> – $\text{Distribution Rate} = (\text{BBSW Rate} + \text{Margin}) \times \frac{(1-T)}{1-[T \times (1-F)]}$ (where F means the Franking Rate, and T means the Tax Rate) – BBSW Rate is the 3-month BBSW Rate on the first Business Day of the relevant Distribution Period (as adjusted or replaced in accordance with the Terms) – Margin expected to be 4.5000% – 4.7000% per annum, to be determined under the Bookbuild
Payment Conditions	<ul style="list-style-type: none"> – 'Payment Condition' means: <ul style="list-style-type: none"> – paying the Distribution would result in AMP breaching APRA's capital adequacy requirements applicable to it, – paying the Distribution would result in AMP becoming, or being likely to become, insolvent for the purposes of the Corporations Act, or – APRA objects to the payment of the Distribution
Distribution restriction	<ul style="list-style-type: none"> – If a Distribution has not been paid in full within 20 Business Days of the scheduled Distribution Date, then subject to certain exclusions set out in the Terms, AMP must not, without the approval of a Special Resolution of Holders, until and including the next Distribution Date: <ul style="list-style-type: none"> – declare, determine to pay or pay a Dividend on AMP Shares, or – undertake any Buy Back or Capital Reduction – Failure to pay a Distribution when scheduled will not constitute an event of default – Distributions that are not paid do not accrue and will not be subsequently paid

Note:

1. If a Distribution Date is not a Business Day, then the Distribution Date will be the next Business Day.

Summary of events that may affect Capital Notes 2



Note:

The features that will not apply unless and until Shareholder Approval is obtained are shaded in yellow in the Prospectus and presentation. See Section 2.7 of the Prospectus for further details.

Optional Exchange and Conversion on Acquisition Event

Exchange by AMP¹	<ul style="list-style-type: none"> – AMP may choose to Exchange all or some Capital Notes 2 on the Optional Exchange Date (being 16 December 2025) – AMP may choose to Exchange all or some Capital Notes 2 after a Tax Event or a Regulatory Event – AMP may choose to Convert all (but not some only) Capital Notes 2 after a Potential Acquisition Event – AMP must Convert all (but not some only) Capital Notes 2 after an Acquisition Event (subject to certain conditions being met) – See “Shareholder Approval” on slide 21.
Exchange	<ul style="list-style-type: none"> – Exchange means: <ul style="list-style-type: none"> – Conversion into a variable number of AMP Shares with a value of approximately A\$101 per Capital Note 2² – Redemption for A\$100 per Capital Note 2, – Resale for A\$100 per Capital Note 2, or – a combination of two or more of Conversion, Redemption and Resale
Holder rights	<ul style="list-style-type: none"> – Holders do not have a right to request Exchange
Resale by AMP	<ul style="list-style-type: none"> – If AMP elects for Capital Notes 2 to be Resold, Holders will be notified and on the Exchange Date will receive A\$100 per Capital Note 2 – AMP may appoint one or more third parties (Nominated Purchaser(s)) to purchase some or all Capital Notes 2 – If the Nominated Purchaser does not pay the Resale Price of any Capital Notes 2 when due, those Capital Notes 2 will not be transferred and the Holder will continue to hold them until those Capital Notes 2 are otherwise Converted, Redeemed or Resold

Notes:

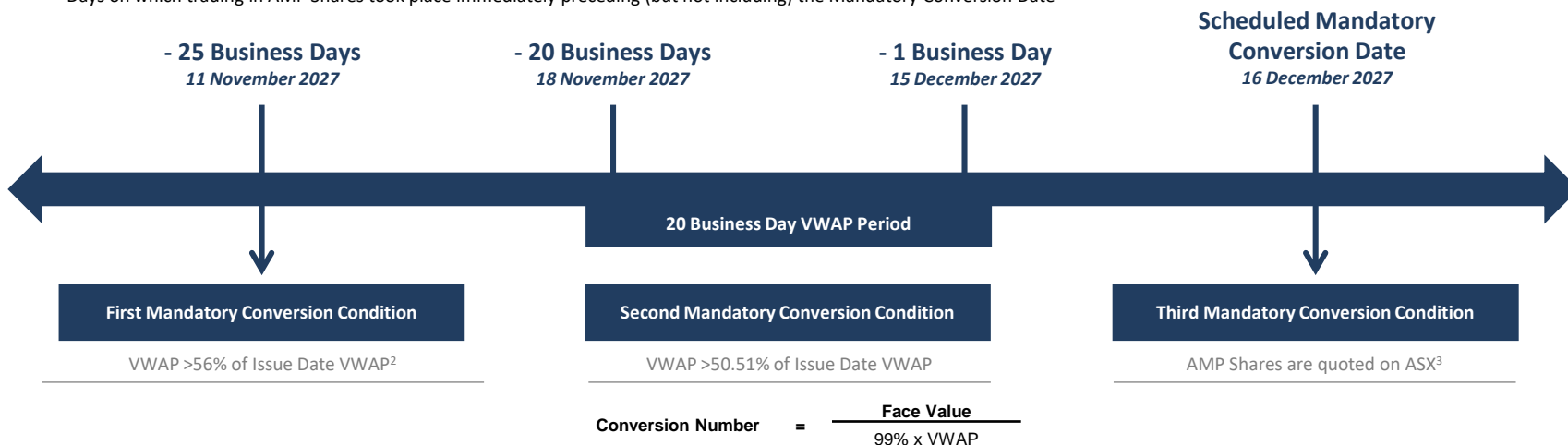
1. AMP’s right to elect to Exchange is subject to APRA’s prior written approval and subject to restrictions in certain circumstances. Holders should not assume that APRA will provide its approval. AMP may not elect Conversion into AMP Shares as the Exchange Method unless and until Shareholder Approval is obtained.

2. The exact number of AMP Shares to be received depends on the VWAP of AMP Shares during a period, therefore it may be worth more or less than A\$101 per Capital Note 2 on the Conversion Date.

The features that will not apply unless and until Shareholder Approval is obtained are shaded in yellow in the Prospectus and presentation. See Section 2.7 of the Prospectus for further details.

Mandatory Conversion

- **The Mandatory Conversion feature will not apply unless and until Shareholder Approval is obtained**
- The Mandatory Conversion Date will be 16 December 2027, provided the Mandatory Conversion Conditions have been satisfied on that date. If any of the Mandatory Conversion Conditions are not satisfied on this date, then the Mandatory Conversion Date will be the next Distribution Date on which all such conditions are satisfied
- Capital Notes 2 may remain on issue indefinitely and may never Convert into AMP Shares if the Mandatory Conversion Conditions are not satisfied
- On the Mandatory Conversion Date, Holders will receive approximately A\$101 of AMP Shares for each Capital Note 2¹ calculated by reference to the VWAP during a period of 20 Business Days on which trading in AMP Shares took place immediately preceding (but not including) the Mandatory Conversion Date



Notes:

1. The exact number of AMP Shares to be received depends on the VWAP of AMP Shares. The VWAP during the 20 Business Days on which trading in AMP Shares took place immediately preceding (but not including) the Mandatory Conversion Date that is used to calculate the number of AMP Shares that Holders receive will most likely differ from the AMP Share price on or after the Mandatory Conversion Date. This means that the value of AMP Shares received may be worth more or less than approximately A\$101 per Capital Note 2.
2. Issue Date VWAP = VWAP during the 20 Business Days on which trading in AMP Shares took place immediately preceding (but not including) the Issue Date, as adjusted in accordance with the Terms.
3. Subject to further conditions.

The features that will not apply unless and until Shareholder Approval is obtained are shaded in yellow in the Prospectus and presentation. See Section 2.7 of the Prospectus for further details.

Non-Viability Event Conversion

Non-Viability Event	<ul style="list-style-type: none"> - A Non-Viability Event occurs upon: <ul style="list-style-type: none"> - the issuance of a notice, in writing, by APRA to AMP that the conversion to AMP Shares or Write-off of Perpetual Subordinated Instruments in accordance with their terms or by operation of law is necessary because, without it, APRA considers that AMP would become non-viable, or - a determination by APRA, notified in writing to AMP, that without a public sector injection of capital, or equivalent support, AMP would become non-viable
Conversion following a Non-Viability Event	<ul style="list-style-type: none"> - Upon a Non-Viability Event occurring, AMP must immediately Convert some or all Capital Notes 2 to AMP Shares - If a Capital Note 2 is required to be Converted on account of a Non-Viability Event and a Non-Viability Conversion does not occur within 5 Business Days of the Non-Viability Conversion Date for any reason (including an Inability Event), then Conversion will not occur and the Holder's rights with respect to that Capital Note 2 are immediately and irrevocably Written-off
Maximum Conversion Number	<ul style="list-style-type: none"> - The number of AMP Shares a Holder receives upon Conversion is calculated using the formula on the previous page¹ but is capped at the Maximum Conversion Number. The Maximum Conversion Number will never apply in the case of a Mandatory Conversion because the Mandatory Conversion Conditions will not be satisfied if the Maximum Conversion Number is reached - The Maximum Conversion Number is calculated as $A\\$100 / (\text{Issue Date VWAP} \times \text{Relevant Fraction})$ <ul style="list-style-type: none"> - the Relevant Fraction is 0.5 in relation to a Mandatory Conversion and 0.2 in the case of any other Conversion (including Conversion following a Non-Viability Event) - The number of AMP Shares a Holder receives on account of a Non-Viability Conversion is likely to be worth significantly less than the Face Value of the relevant Capital Notes 2 and a Holder may suffer a significant loss as a consequence

Note:

1. See conversion formula on previous page.

Ranking of Capital Notes 2 in a winding-up^{1,2}

	Type	Illustrative examples	
<p>Higher ranking</p> <p>Lower ranking</p>	Preferred and secured debt	Liabilities preferred by law including employee entitlements and secured creditors	
	Unsubordinated and unsecured debt	Bonds and notes, trade and general creditors	
	Subordinated and unsecured debt	Certain subordinated notes, other subordinated and unsecured debt obligations (including AMP Subordinated Notes issued in 2017 and 2018)	
	Perpetual Subordinated Instruments	Capital Notes 2 (prior to Conversion, Write-off or Redemption) and any preference shares or other securities expressed to rank equally with Capital Notes 2 if issued by AMP in the future (including Capital Notes 1 and AMP Wholesale Capital Notes issued in 2015)	← Capital Notes 2
	AMP Shares	AMP Shares (including AMP Shares issued to Holders of Capital Notes 2 where Capital Notes 2 are Converted)	← Capital Notes 2 if Converted

Notes:

1. The ranking of Holders in a winding-up will be adversely affected if a Non-Viability Event occurs. See Sections 1.3, 2.4, 2.6 and 5.1.9 of the Prospectus.
2. For more information on ranking in a winding-up, see Section 1.3 of the Prospectus.

Comparison between Capital Notes 2 and other types of investments¹

	Bank deposits	Capital Notes 1	Capital Notes 2	AMP Shares
Issuer / provider	A bank, credit union or building society (such as AMP Bank)	AMP	AMP	AMP
Legal form	Unsubordinated debt obligation	Unsecured and perpetual subordinated debt obligation	Unsecured and perpetual subordinated debt obligation	Ordinary share
Maturity	One month to five years	Perpetual (unless redeemed, converted or written-off)	Perpetual (unless Redeemed, Converted or Written-off)	Perpetual
Ranking	Ahead of Capital Notes 2	Behind bank depositors and ahead of AMP shareholders ²	Behind bank depositors and ahead of AMP Shareholders ²	Behind Holders of Capital Notes 2 and Capital Notes 1
Transferable on market	No	Yes – quoted on ASX ³	Yes – quoted on ASX ³	Yes – quoted on ASX
Protection under Financial Claims Scheme	Yes ⁴	No	No	No
Interest rate / distribution rate	May be fixed or floating	Floating	Floating	Variable Dividends payable
Interest / distribution payment frequency	At least per annum, typically monthly or end of term	Quarterly	Quarterly	Semi-annually
Interest / distribution payment discretionary	No	Yes	Yes	Yes
Interest / distribution payment	Cumulative	Non-cumulative	Non-cumulative	Non-cumulative
Franking	Interest payments are not franked	Same rate as AMP Shares	Same rate as AMP Shares	Franking rate will fluctuate
Treated by APRA as regulatory capital	No	No, used to meet general funding requirements including to fund additional Tier 1 capital of one or more of the APRA regulated entities within the AMP Group	No, used to meet general funding requirements including to fund additional Tier 1 capital of one or more of the APRA regulated entities within the AMP Group	No, used to fund Common Equity Tier 1 capital of one or more entities within the AMP Group or investments in other entities within the AMP Group
Mandatory conversion to ordinary shares	No	Yes, on the mandatory conversion date subject to certain conditions	Yes, on the Mandatory Conversion Date subject to certain conditions (including Shareholder Approval)	n/a

Notes:

1. The Terms of Capital Notes 2 are different from the terms of Capital Notes 1 and other similar hybrid securities listed on ASX in that the Terms which provide for the Conversion of Capital Notes 2 will not apply, other than on account of a Non-Viability Event, unless and until Shareholder Approval has been obtained (see Section 2.7 of the Prospectus). AMP will use reasonable endeavours to obtain that approval but gives no assurance it will be obtained, and investors will have no remedy if it is not obtained. Investors should assess Capital Notes 2 on the basis that those features are not operative, unless and until the Shareholder Approval is obtained. AMP will notify Holders by ASX announcement if and when Shareholder Approval is obtained. For more information on the comparison between Capital Notes 2 and other types of investments, see Section 1.5 of the Prospectus.

2. The ranking of Holders in a winding-up will be adversely affected if a Non-Viability Event occurs. Capital Notes 2 would rank equally with Capital Notes 1 and AMP Wholesale Capital Notes on a winding-up of AMP.

3. AMP will apply for Capital Notes 2 to be quoted on ASX and they are expected to trade under the code 'AMPBB'.

4. Up to A\$250,000 in aggregate per authorised deposit taking institution (ADI) declared subject to the Financial Claims Scheme across all accounts that an account holder has with the Australian ADI.

The features that will not apply unless and until Shareholder Approval is obtained are shaded in yellow in the Prospectus and presentation. See Section 2.7 of the Prospectus for further details.

Key risks associated with an investment in Capital Notes 2

<p>Capital Notes 2 are not guaranteed, nor are they bank deposits or policy liabilities of the AMP Group</p>	<ul style="list-style-type: none"> – Capital Notes 2 are not guaranteed by, nor are they bank deposits, policy liabilities or protected accounts or investments in any superannuation or other fund managed by, any member of the AMP Group. They are also not guaranteed or insured by any government, government agency or compensation scheme
<p>Capital Notes 2 are unsecured and subordinated obligations</p>	<ul style="list-style-type: none"> – Capital Notes 2 are unsecured and subordinated obligations – In a winding-up of AMP, there is a risk that Holders may lose some or all of the money invested in Capital Notes 2
<p>Capital Notes 2 are perpetual securities</p>	<ul style="list-style-type: none"> – Capital Notes 2 are perpetual debt obligations, which means they have no fixed maturity date and could remain on issue indefinitely if not Converted, Redeemed or Written-off. Holders have no right to require Conversion or Redemption of the Capital Notes 2 and may never be repaid the principal invested or receive AMP Shares
<p>Conversion will not apply unless and until Shareholder Approval is obtained</p>	<ul style="list-style-type: none"> – If Shareholder Approval is never obtained Capital Notes 2 will never Convert into AMP Shares, unless a Non-Viability Event occurs, and the Capital Notes 2 may remain on issue indefinitely
<p>Distributions may not be paid</p>	<ul style="list-style-type: none"> – Distributions are payable only if AMP decides to pay them and are subject to the Payment Conditions – Distributions that are not paid do not accumulate and will not be subsequently paid
<p>Changes in the Distribution Rate</p>	<ul style="list-style-type: none"> – The Distribution Rate will fluctuate with changes in the BBSW Rate or the Franking Rate – There is a risk that the Distribution Rate may become less attractive when compared with the rates of return available on comparable securities
<p>Distributions may or may not be franked</p>	<ul style="list-style-type: none"> – Distributions are expected to be franked at the same rate as Dividends on AMP Shares. The Franking Rate may vary over time and Distributions may be partially, fully, or not franked – The ability of a Holder to use Franking Credits will depend on the individual circumstances of the Holder
<p>Capital Notes 2 may Convert into AMP Shares</p>	<ul style="list-style-type: none"> – Capital Notes 2 must be Converted to AMP Shares upon the occurrence of a Non-Viability Event – Capital Notes 2 must be Converted to AMP Shares on the Mandatory Conversion Date or an Acquisition Event. AMP may also elect to Convert the Capital Notes 2 – On Conversion, Holders will receive AMP Shares which may be worth significantly less than the Face Value of Capital Notes 2 and Holders may suffer a loss as a consequence

Note:

The features that will not apply unless and until Shareholder Approval is obtained are shaded in yellow in the Prospectus and presentation. See Section 2.7 of the Prospectus for further details.

Key risks associated with an investment in Capital Notes 2

<p>AMP Shares are a different type of investment to Capital Notes 2</p>	<ul style="list-style-type: none"> – If Capital Notes 2 are Converted, Holders will be issued AMP Shares. AMP Shares are a different type of investment to Capital Notes 2 and AMP Shareholders have different rights to Holders of Capital Notes 2. In a winding-up of AMP, claims of AMP Shareholders rank behind claims of investors in all other securities of AMP and AMP's lenders and other creditors
<p>A failure to Convert following a Non-Viability Event may cause Holders to lose all of their investment</p>	<ul style="list-style-type: none"> – If for any reason a Non-Viability Conversion does not occur within five Business Days of the Non-Viability Conversion Date, Capital Notes 2 that are required to be Converted (and all rights in relation to those Capital Notes 2) will be immediately and irrevocably Written-off and terminated. Your investment will be lost and you will not receive any compensation – This would occur if, for example, AMP were prevented from Converting Capital Notes 2 by circumstances outside its control, such as an applicable law or order of any court, or action of any government authority
<p>The value of AMP Shares to be issued on Conversion may be significantly less than the market price on the Conversion Date</p>	<ul style="list-style-type: none"> – The price used to calculate the number of AMP Shares to be issued on Conversion may be different to the market price of AMP Shares at the time of Conversion because the price used is based on the VWAP during a number of Business Days immediately preceding the Conversion Date. Also, the Conversion Number is subject to the Maximum Conversion Number which may limit the number of AMP Shares to be issued on Conversion of Capital Notes 2, particularly in the case of a Non-Viability Conversion – The value of AMP Shares you receive may be, and in the case of a Non-Viability Conversion is likely to be, significantly less than the value of those AMP Shares based on the AMP Share price on the Conversion Date
<p>Exchange is at AMP's option</p>	<ul style="list-style-type: none"> – AMP may (subject to APRA's prior written approval and certain other conditions and restrictions) elect to Exchange Capital Notes 2 on the Optional Exchange Date or at any time for tax or regulatory reasons and may (subject to certain conditions and restrictions) Convert all Capital Notes 2 following a Potential Acquisition Event. AMP may not choose Conversion as the method for Exchanging Capital Notes 2 in these circumstances unless Shareholder Approval has been obtained – APRA's approval for an Exchange may or may not be given
<p>Holders have no rights to request Exchange of Capital Notes 2</p>	<ul style="list-style-type: none"> – Holders do not have a right to request or require an Exchange of Capital Notes 2 in any circumstances

Note:

The features that will not apply unless and until Shareholder Approval is obtained are shaded in yellow in the Prospectus and presentation. See Section 2.7 of the Prospectus for further details.

Key risks associated with an investment in Capital Notes 2

<p>It is not certain whether and when Capital Notes 2 may be Exchanged</p>	<ul style="list-style-type: none"> – There are a number of scenarios in which Capital Notes 2 may be Exchanged. It is uncertain whether and when an Exchange may occur. The timing of any Exchange may not suit all Holders – Capital Notes 2 have no maturity date and may not be Converted or Redeemed at all
<p>AMP may issue further securities</p>	<ul style="list-style-type: none"> – AMP may raise further debt or issue securities that rank equally with or ahead of Capital Notes 2. This may affect a Holder's ability to be repaid on a winding-up of AMP. An investment in Capital Notes 2 confers no right for Holders of Capital Notes 2 to participate in the issue of any further securities other than on Conversion in accordance with the Terms
<p>Market price and liquidity of Capital Notes 2</p>	<ul style="list-style-type: none"> – The market price of Capital Notes 2 will fluctuate and Holders may lose some of the money invested in Capital Notes 2 if they are sold – Standard & Poor's (S&P) has placed AMP on Negative Outlook reflecting downward credit ratings pressure. S&P's outlook assesses the potential direction of a long-term credit rating over the intermediate term (typically six months to two years). Negative means that a rating may be lowered. A downgrade of AMP's credit rating may affect the market price of Capital Notes 2 – Liquidity of Capital Notes 2 on ASX may be low and Holders may not be able to sell their Capital Notes 2, in which case they may not be able to realise any of their investment in Capital Notes 2
<p>Market price and liquidity of AMP Shares</p>	<ul style="list-style-type: none"> – The market price of AMP Shares may fluctuate due to various factors – Holders of Capital Notes 2 receiving AMP Shares on Conversion may not be able to sell those AMP Shares at the price on which the Conversion calculation was based, or at all
<p>Further information</p>	<ul style="list-style-type: none"> – See Sections 1.4 and 5.1 of the Prospectus for more information on risks associated with Capital Notes 2 – See Section 5.2 of the Prospectus for more information on risks associated with AMP and AMP Group



Section four

About the Offer

Offer structure

Securityholder Offer	<ul style="list-style-type: none">– Offer to Eligible Securityholders<ul style="list-style-type: none">– an AMP Shareholder or holder of Capital Notes 1 who is shown on the register of AMP Shares or Capital Notes 1 (as applicable) at 7.00pm (Sydney time) on 15 November 2019 as having an address in Australia and who is not in the United States, not acting as a nominee for a person in the United States or otherwise prevented from receiving the Offer or the Capital Notes 2 under the laws of any jurisdiction as determined by AMP
Broker Firm Offer	<ul style="list-style-type: none">– Offer to Australian resident retail and high net worth clients of Syndicate Brokers
Institutional Offer	<ul style="list-style-type: none">– Offer to certain institutional investors who are invited by the Joint Lead Managers to bid for Capital Notes 2 in the Bookbuild

Key dates

Key dates for the Offer	Date
Record Date for determining Eligible Securityholders (7.00pm Sydney time)	15 November 2019
Lodgement of the Prospectus with ASIC	26 November 2019
Bookbuild	3 December 2019
Announcement of the Margin	3 December 2019
Lodgement of the replacement Prospectus with ASIC	4 December 2019
Opening Date for the Offer	4 December 2019
Closing Date for the Securityholder Offer (5.00pm Sydney time)	18 December 2019
Closing Date for the Broker Firm Offer (10.00am Sydney time)	20 December 2019
Issue Date	23 December 2019
Capital Notes 2 commence trading on ASX (deferred settlement basis)	24 December 2019
Holding Statements for Capital Notes 2 dispatched by	30 December 2019
Capital Notes 2 commence trading on ASX (normal settlement basis)	31 December 2019
Shareholder approval sought	8 May 2020
Key dates for Capital Notes 2	
First Distribution Date	16 March 2020
Optional Exchange Date	16 December 2025
Date on which Mandatory Conversion is scheduled to occur	16 December 2027

Note:

The features that will not apply unless and until Shareholder Approval is obtained are shaded in yellow in the Prospectus and presentation. See Section 2.7 of the Prospectus for further details.

Investment highlights



New and experienced leadership

- New experienced Chairman (including CEO of CBA from 1992 to 2005)
- New CEO with successful international experience in private banking
- New leadership team focused on executing the new business strategy



Business turnaround underway

- Focusing on core businesses (Wealth Management, AMP Bank, AMP Capital) and announced exit of capital intensive Life business combined with exploring options for New Zealand wealth management
- Reshaping organisation design through simplification and technology / systems investment, delivering significant cost savings
- De-risking business and making progress on legacy issues – client remediation program on track



Strong capitalisation

- Strengthened capital position with sufficient capacity to fund strategic initiatives
- Pro forma excess capital over regulatory requirement of ~A\$2.5bn as at 30 June 2019 including the equity capital raised of A\$784m via the issuance of AMP Shares after 30 June 2019
- Completion of AMP Life sale (expected in 1H 20) expected to generate additional excess capital



Pricing of Capital Notes 2

- Margin expected to be in the range of 4.5000% – 4.7000% over BBSW
- Significant premium over recently priced CBA and SUN hybrid transactions (both priced at BBSW+3.0%)

Contact directory

Issuer

AMP Limited	Jason Bounassif	Group Treasurer	+61 2 9257 9684
-------------	-----------------	-----------------	-----------------

Arranger and Joint Lead Manager

UBS	Enrico Musso		+61 2 9324 2985
-----	--------------	--	-----------------

Joint Lead Managers

Commonwealth Bank of Australia	Truong Le		+61 2 9118 1205
Morgans	Steven Wright		+61 7 3334 4941
National Australia Bank	Nicholas Chaplin		+61 2 9237 9518

Further information

1300 338 164 (within Australia) +61 3 9415 4018 (outside Australia)	ampcapitalnotes2.com.au
--	-------------------------



Thank you