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Announcement No: 26/2015  
AMP Limited (ASX/NZX: AMP)

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## AMP Capital Notes Investor Presentation

Please refer to the attached documents. 



# AMP Limited AMP capital notes offer

October 2015



# Disclaimer

The information contained in this presentation (collectively, “Information”) has been prepared by AMP Limited (ABN 49 079 354 519) (“AMP”) in connection with a proposed offer of AMP capital notes (“*capital notes*”) (“*offer*”). The *offer* is being made under a prospectus which was lodged with ASIC on 26 October 2015 (“*prospectus*”) and a replacement prospectus, which will include the *margin* and *application form*, expected to be lodged with ASIC on 3 November 2015.

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*Capital notes* are perpetual, convertible, subordinated and unsecured notes to be issued by AMP. *Capital notes* may mandatorily *convert* into *AMP shares* (subject to certain conditions being satisfied) and *capital notes* will also be *converted* or *written-off* into *AMP shares* at any time if a *non-viability event* occurs. *Capital notes* are not guaranteed by, nor are they bank deposits, policy liabilities or protected accounts of, any member of the AMP group. Nor are capital notes investments in any superannuation or other fund managed by a member of the AMP group. They are also not guaranteed or insured by any government, government agency or compensation scheme.

You should consider and read the *prospectus* in full before deciding whether to invest in *capital notes*. A copy of the *prospectus* is available at [www.amp.com.au/capitalnotes](http://www.amp.com.au/capitalnotes). Applications for *capital notes* can only be made in the relevant *application form* in or accompanying the replacement prospectus, or as otherwise described in the replacement prospectus.

If you are in any doubt as to whether to invest in *capital notes*, you should seek professional guidance from your financial planner, stockbroker, solicitor, accountant or other independent and qualified professional advisor before deciding whether to invest.

Italicised terms used in this presentation but not otherwise defined have the meanings given in the *prospectus*.

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About AMP and market overview

# About AMP

## Introduction

AMP group is Australia and New Zealand's leading independent wealth management group with an expanding international investment management business and a growing retail banking business in Australia. It provides financial advice, products and services primarily distributed through self-employed financial advisers and investment opportunities through AMP Capital to help people and organisations build financial security. AMP Limited is the non-operating holding company of the AMP group.

## Overview of the AMP group

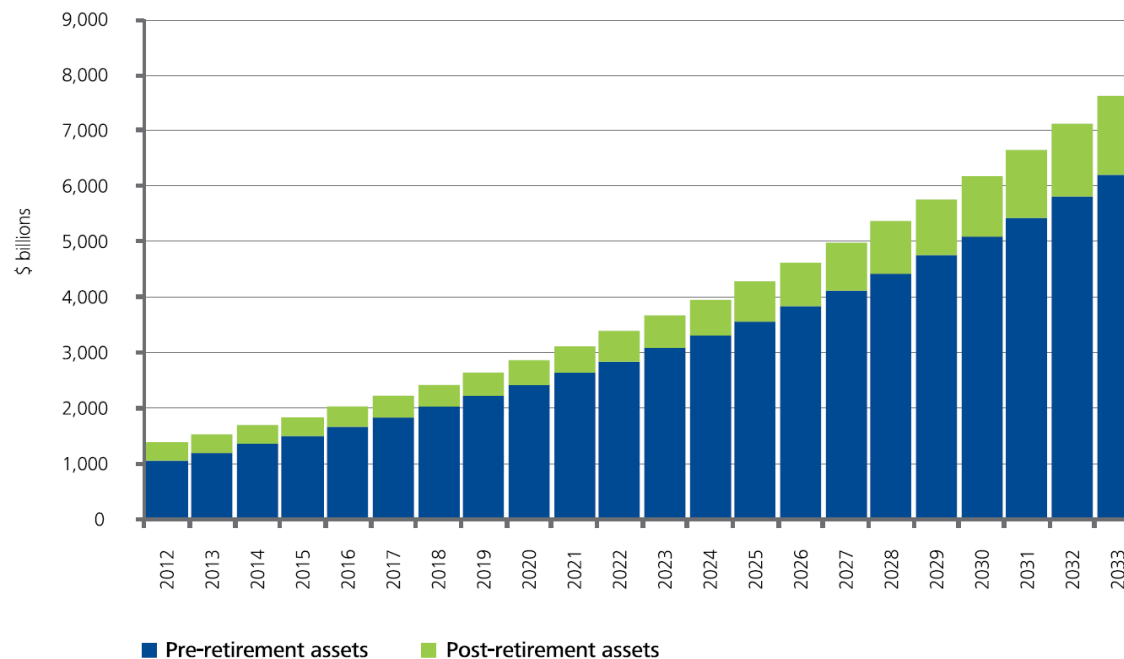
The AMP group provides:

- financial advice
- superannuation, retirement income and other investment products for individuals
- superannuation services for businesses
- administration, banking and investment services for self-managed super funds
- income protection, disability and life insurance
- selected banking products, and
- investments in shares, fixed interest, property, infrastructure, multi-manager and multi-asset funds.

# Australian superannuation & pension market (A\$2.02 trillion)<sup>1</sup>

- Australia is the 4th largest global pension market with A\$1.68 trillion in assets as at December 2014<sup>2</sup>
- Australian wealth management sector remains highly attractive with the size of the market projected to double by 2022<sup>3</sup>
- Over the past decade, Australia’s pension market increased at a CAGR of 11% (USD 12%) (global pension market CAGR of 8%, USD 6%)<sup>2</sup>
- Australia’s pension market is dominated by defined contribution, accounting for 85% of total assets<sup>2</sup>
- Government mandated employer contributions set to rise from 9.5% to 12% of wages as a stepped increase by 2025

**Projected Superannuation Assets (2012 – 2033)<sup>4</sup>**

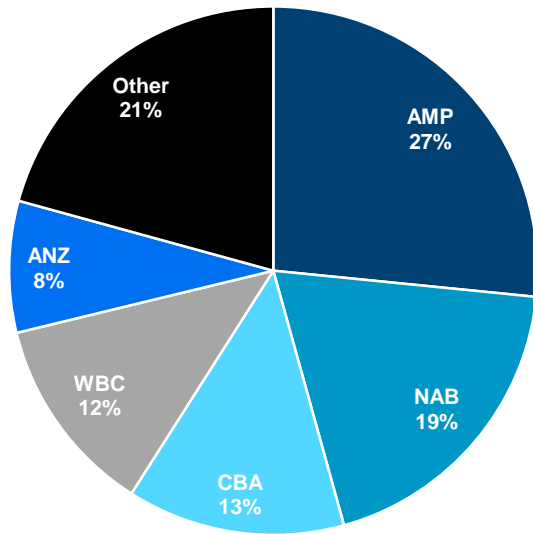


1. Australian Prudential Regulation Authority – June 2015  
 2. Towers Watson – Global Pension Assets Study 2015  
 3. Source: DEXX&R 13 May 2013

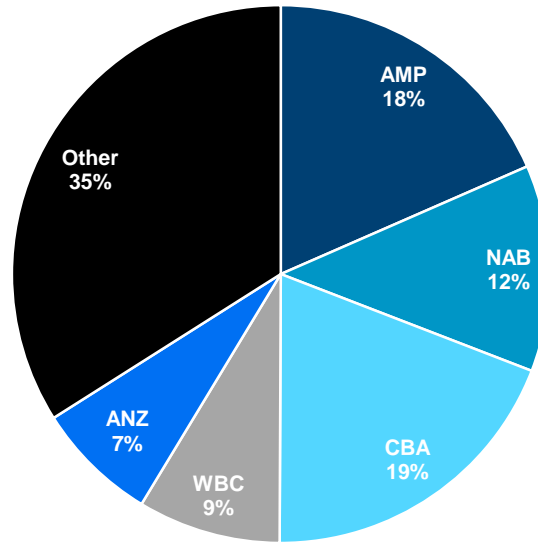
4. Deloitte Actuaries and Consultants – Dynamics of the Australian Superannuation System, 2013

# AMP ranked first or second in key market segments

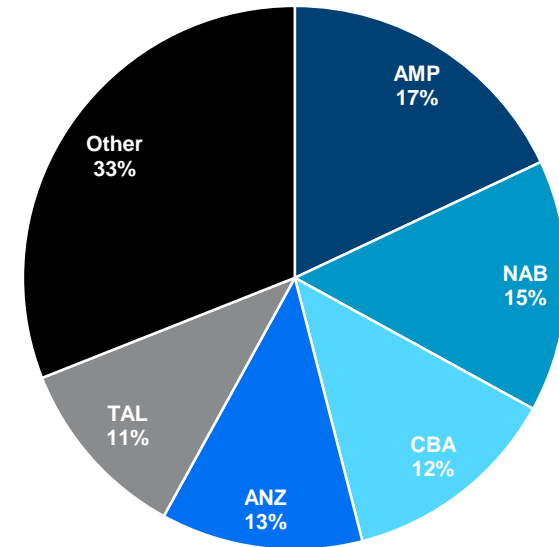
**Superannuation - Accumulation<sup>1</sup>**



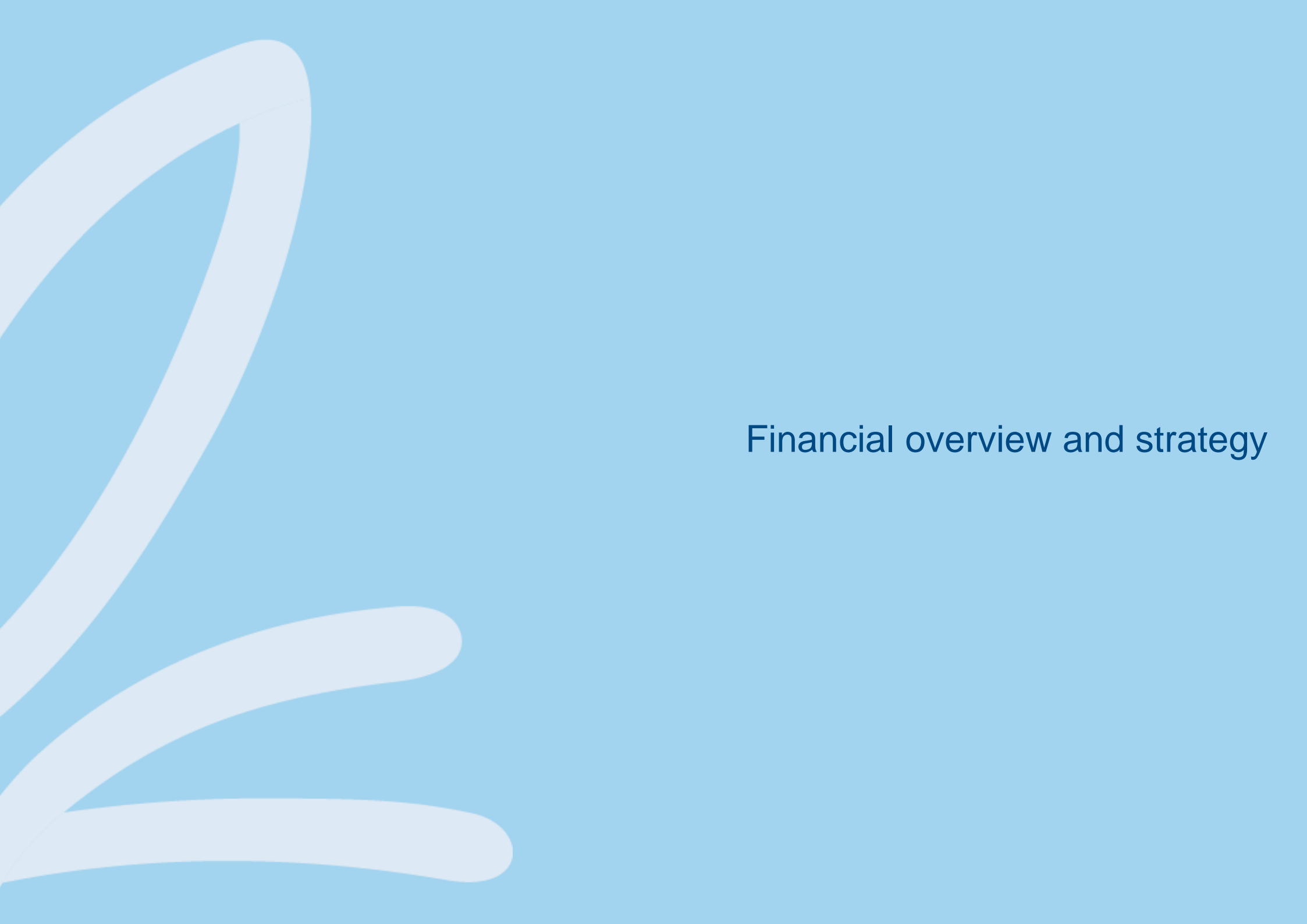
**Superannuation - Pensions<sup>1</sup>**



**Retail life insurance<sup>2</sup>**



1. Plan for Life – Analysis Of Retail Managed Funds - March 2015
2. Plan for Life – Life Insurance Individual Risk in-Force Annual Premiums – March 2015



## Financial overview and strategy



# 1H 15 profit summary

Historical reconciliation of segment profit after tax (A\$m)	Year ended Dec-13	Year ended Dec-14	Half-year ended Jun-15
<b>Reconciliation of segment profit after tax</b>			
Australian wealth management	330	374	207
AMP Capital	99	115	72
Australian wealth protection	64	188	99
AMP Bank	83	91	50
New Zealand financial services	97	110	61
Australian mature	178	174	80
<b>Business unit operating earnings</b>	<b>851</b>	<b>1,052</b>	<b>569</b>
Group office costs	(62)	(62)	(31)
<b>Total operating earnings</b>	<b>789</b>	<b>990</b>	<b>538</b>
Underlying investment income	135	132	60
Interest expense on corporate debt	(75)	(77)	(28)
<b>Underlying profit</b>	<b>849</b>	<b>1,045</b>	<b>570</b>
Other items	(2)	7	(2)
AMP AAPH integration costs	(57)	(20)	-
Business efficiency program costs	(39)	(100)	(33)
Amortisation of AMP AAPH acquired intangible assets	(91)	(89)	(42)
<b>Profit before market adjustments and accounting mismatches</b>	<b>660</b>	<b>843</b>	<b>493</b>
Market adjustment - investment income	2	42	2
Market adjustment - annuity fair value	27	6	12
Market adjustment - risk products	(5)	11	10
Accounting mismatches	(12)	(18)	(10)
<b>Profit attributable to shareholders of AMP Limited</b>	<b>672</b>	<b>884</b>	<b>507</b>
Profit attributable to non-controlling interests <sup>1</sup>	44	87	384
<b>Profit for the period</b>	<b>716</b>	<b>971</b>	<b>891</b>

Notes:

<sup>1</sup> Net profit attributable to non-controlling interests, includes the 15% share of profit of AMP Capital attributable to MUTB; the minority share of profit in other operating businesses controlled but not fully owned by AMP; and share of profit attributable to the external investors in investment vehicles controlled though investments held AMP's life companies where those investment vehicles have issue instruments that are classified as equity rather than liabilities for accounting purposes. The significant increase relates primarily to controlled European infrastructure funds which experienced a combination of large returns for the period, significant benefits from foreign exchange rate movements and an increase in the proportion of the investments held by external investors.

## Financial overview – business efficiency program

### **Reduce costs**

- AMP continues to improve its efficiency in order to invest in new customer solutions and increase profitability.
- The three year business efficiency program is on track, with many key initiatives to be completed by FY 15. This includes a move to a more efficient IT platform and back office transitions.
- The efficiency program aims to reduce the company's overall controllable cost growth by reducing operating costs whilst investing in areas of the business that deliver the greatest value to customers and shareholders.
- It is expected to lead to A\$200m in pre-tax recurring run rate cost savings by the end of 2016 for a one-off investment of A\$320m pre-tax, with recurring cost savings estimated to be 80% controllable and 20% variable.

## Balance sheet and regulatory capital

AMP group capital position (A\$m)	Dec-13	Dec-14	Jun-15	Adjust.	Pro forma Jun-15
AMP shareholder equity <sup>1</sup>	8,154	8,346	8,475	-	8,475
Less goodwill and other intangibles <sup>2</sup>	(3,857)	(3,844)	(3,925)	(8)	(3,933)
Less other deductions <sup>3</sup>	(1,573)	(1,550)	(1,484)	-	(1,484)
<b>Common equity tier 1 capital</b>	<b>2,724</b>	<b>2,952</b>	<b>3,066</b>	<b>(8)</b>	<b>3,058</b>
<i>Additional tier 1 capital instruments</i>	-	-	275	200	475
<b>Total tier 1 capital</b>	<b>2,724</b>	<b>2,952</b>	<b>3,341</b>	<b>192</b>	<b>3,533</b>
AMP Notes 2	325	325	325	-	325
Other <i>tier 2 capital</i> instruments	949	683	683	-	683
<b>Total tier 2 capital</b>	<b>1,274</b>	<b>1,008</b>	<b>1,008</b>	<b>-</b>	<b>1,008</b>
Hybrid capital not eligible at AMP Ltd	(300)	(310)	(600)	(200)	(800)
<b>Total regulatory capital resources</b>	<b>3,698</b>	<b>3,650</b>	<b>3,749</b>	<b>(8)</b>	<b>3,741</b>
Total capital resources	10,128	9,804	10,008	200	10,208
Intangibles	(3,857)	(3,844)	(3,925)	(8)	(3,933)
<b>Tangible capital resources</b>	<b>6,271</b>	<b>5,960</b>	<b>6,083</b>	<b>192</b>	<b>6,275</b>
Senior debt	(700)	(450)	(250)	-	(250)
Hybrid capital not eligible at AMP Ltd	(300)	(310)	(600)	(200)	(800)
Other deductions	(1,573)	(1,550)	(1,484)	-	(1,484)
<b>Regulatory capital resources</b>	<b>3,698</b>	<b>3,650</b>	<b>3,749</b>	<b>(8)</b>	<b>3,741</b>
Shareholder minimum regulatory capital <sup>4</sup>	1,618	1,663	1,427	-	1,427
<b>Shareholder regulatory capital resources above minimum regulatory capital</b>	<b>2,080</b>	<b>1,987</b>	<b>2,322</b>	<b>(8)</b>	<b>2,314</b>

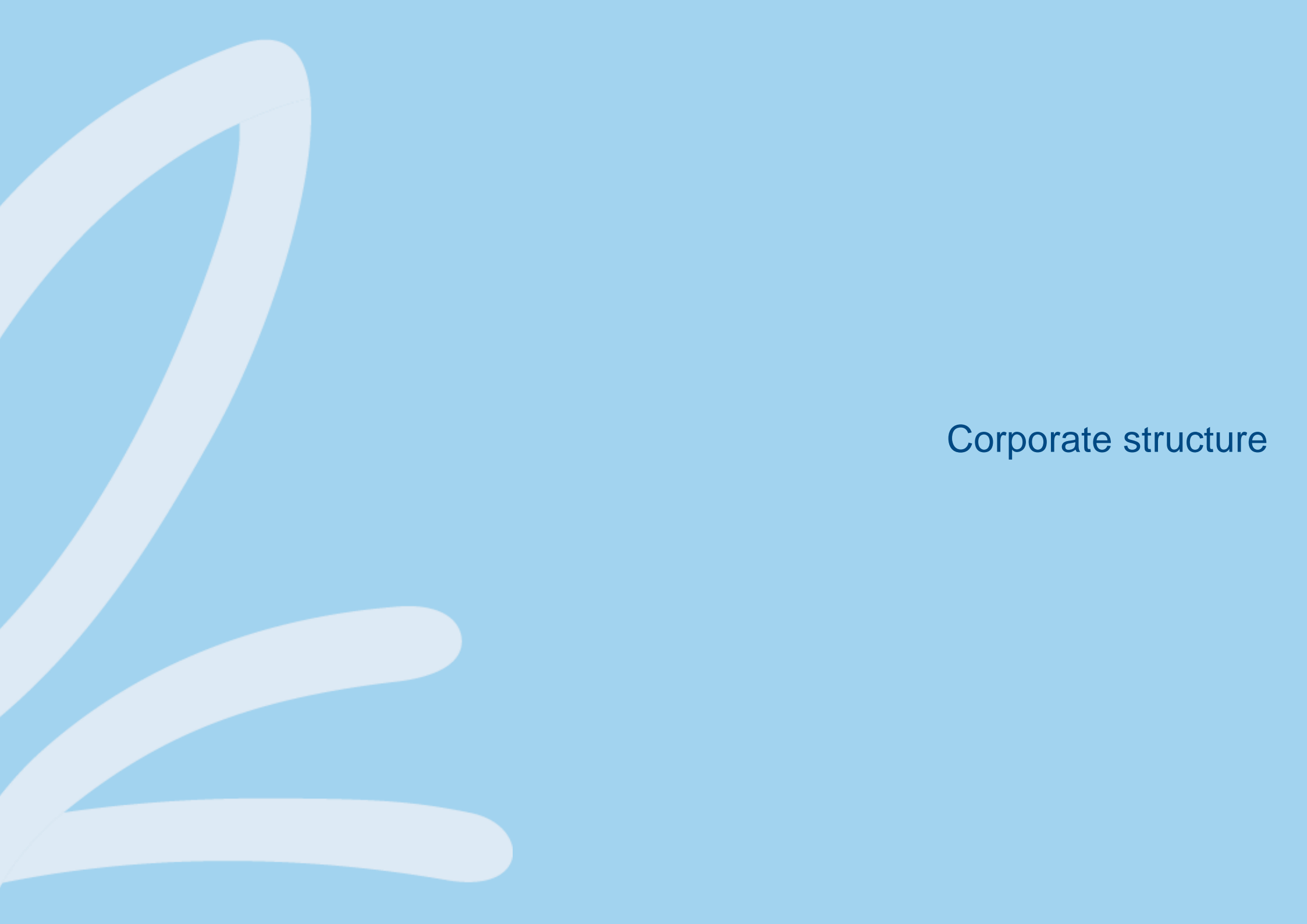
### Notes:

<sup>1</sup> Shown after accounting mismatches, cash flow hedge reserves, and other adjustments

<sup>2</sup> Intangibles include transaction costs

<sup>3</sup> 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.

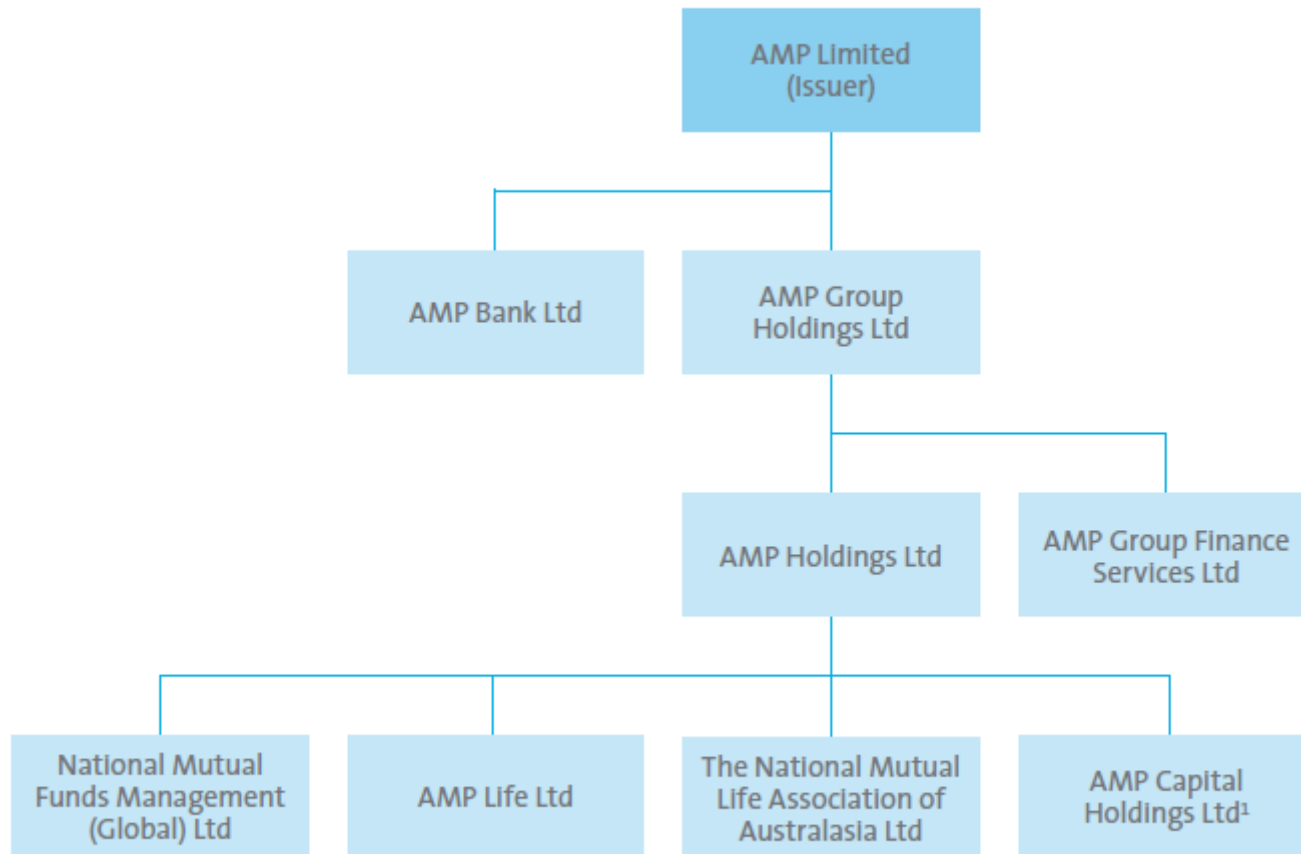
<sup>4</sup> Subject to the amounts on lent to the regulated entities within the AMP group, a reduction in shareholder minimum regulatory capital would be expected.



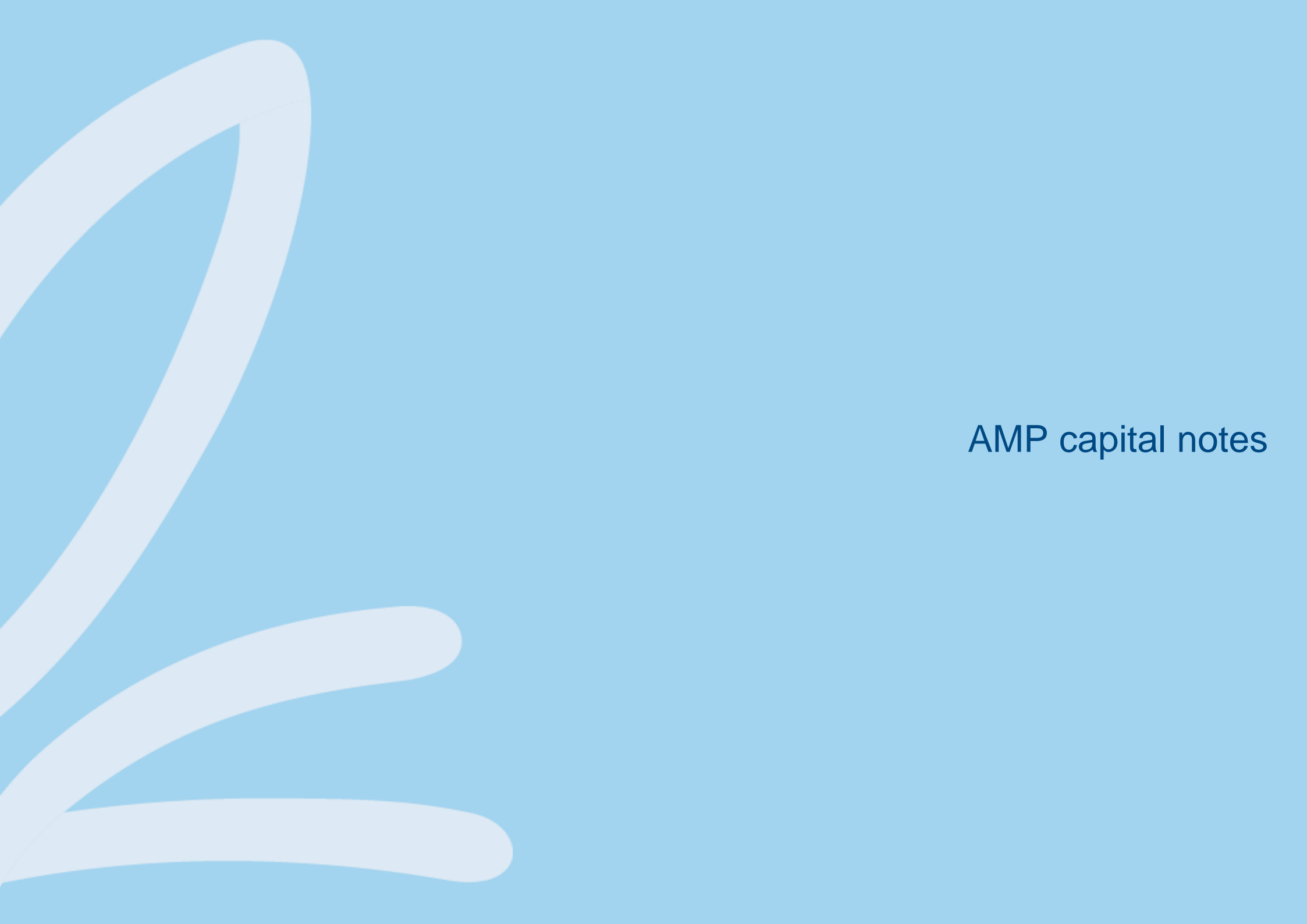
Corporate structure

# Corporate structure

A simplified structure of the AMP group is as follows:



- <sup>1</sup> AMP Capital Holdings Limited is owned 85% by AMP Holdings Ltd and 15% by Mitsubishi UFJ Trust and Banking Corporation as part of the strategic business and capital alliance between AMP Capital and Mitsubishi UFJ Trust and Banking Corporation.



## AMP capital notes

# Key features of AMP capital notes

## General

<b>Issuer</b>	<ul style="list-style-type: none"> <li>AMP Limited (ABN 49 079 354 519) (the non-operating holding company of the AMP group)</li> </ul>
<b>Capital notes</b>	<ul style="list-style-type: none"> <li>Fully paid perpetual, convertible, subordinated, unsecured notes (<i>capital notes</i>)</li> <li>Must be converted into <i>AMP shares</i> on the <i>mandatory conversion date</i> (subject to conditions) or following a <i>non-viability event</i> or <i>acquisition event</i> (subject to conditions)</li> </ul>
<b>Offer size</b>	<ul style="list-style-type: none"> <li>\$200 million with the ability to raise a higher or lower amount</li> </ul>
<b>Face value</b>	<ul style="list-style-type: none"> <li>\$100 per capital note</li> </ul>
<b>Use of proceeds</b>	<ul style="list-style-type: none"> <li><i>Capital notes</i> are being issued as part of the AMP group's ongoing funding and capital management strategy. The <i>proceeds</i> will be used to meet general funding requirements including to fund <i>additional tier 1 capital</i> of one or more <i>APRA</i> regulated entities within the AMP group</li> </ul>
<b>Ranking</b>	<ul style="list-style-type: none"> <li>In a winding-up, assuming a <i>non-viability event</i> has not occurred, <i>capital notes</i> rank: <ul style="list-style-type: none"> <li>ahead of <i>AMP shares</i></li> <li>equally with all other <i>perpetual subordinated instruments</i>, and</li> <li>behind all <i>senior ranking creditors</i>.</li> </ul> </li> <li>The ranking of <i>capital notes</i> in a winding-up will be adversely affected if a <i>non-viability event</i> occurs<sup>1</sup></li> </ul>
<b>Term</b>	<ul style="list-style-type: none"> <li><i>Capital notes</i> are perpetual (which means they have no fixed maturity date) and will remain on issue indefinitely if not <i>converted</i>, <i>redeemed</i> or <i>written-off</i></li> <li>Optional <i>exchange</i> on 22 December 2021 or at any time following a <i>tax event</i> or <i>regulatory event</i> (and <i>optional conversion</i> at any time following a <i>potential acquisition event</i>)</li> <li>Mandatory <i>conversion</i> on 22 December 2023 (subject to the <i>mandatory conversion conditions</i> being satisfied) or following a <i>non-viability event</i> or <i>acquisition event</i> (subject to conditions)</li> </ul>
<b>Regulatory treatment</b>	<ul style="list-style-type: none"> <li><i>APRA</i> has advised that it does not object to AMP using the proceeds of <i>capital notes</i> to fund a subscription for <i>additional tier 1 capital</i> of one or more <i>APRA</i> regulated entities within the AMP group</li> <li><i>Capital notes</i> will not constitute <i>additional tier 1 capital</i> or any other form of regulatory capital of AMP</li> </ul>

### Notes:

1. If a *non-viability event* occurs, *capital notes* must be *converted* into *AMP shares*, so *holders* would have a claim as an ordinary shareholder of AMP. If for any reason *capital notes* are not *converted* following a *non-viability event*, they will be *written-off*, which means that all rights in respect of *capital notes* will be terminated and *holders* will not have their capital repaid.

# Key features of AMP capital notes (continued)

## Distributions

<b>Distributions</b>	<ul style="list-style-type: none"> <li>• Discretionary, non-cumulative, floating rate <i>distributions</i> scheduled to be paid quarterly in arrear</li> <li>• <i>Distributions</i> are only payable if AMP decides to pay them and payments are subject to no <i>payment condition</i> existing</li> <li>• Expected to be franked at the same rate as <i>dividends</i> on <i>AMP shares</i> <ul style="list-style-type: none"> <li>- current applicable <i>franking rate</i> is 85%. The <i>franking rate</i> may vary over time and <i>distributions</i> may be partially, fully or not franked</li> <li>- the greater the rate of franking of the distribution, the lower the distribution rate and the amount of cash distribution, reflecting the value of the franking credit attached to the distribution</li> </ul> </li> </ul>
<b>Distribution rate</b>	<ul style="list-style-type: none"> <li>• <i>Distribution rate</i> = (bank bill rate + margin) x <i>franking adjustment factor</i><sup>1</sup> <ul style="list-style-type: none"> <li>- <i>bank bill rate</i> is the average mid-rate for prime bank eligible securities having a three month tenor on the Reuters BBSW page on the first day of each <i>distribution period</i></li> <li>- <i>margin</i> is the rate (expressed as a percentage per annum) determined under the <i>bookbuild</i>, expected to be in the range of 510bp to 530bp</li> </ul> </li> </ul>
<b>Payment conditions</b>	<ul style="list-style-type: none"> <li>• <i>Payment condition</i> means: <ul style="list-style-type: none"> <li>- payment would result in AMP breaching APRA's capital adequacy requirements applicable to it</li> <li>- the payment would result in AMP becoming, or being likely to become, insolvent for the purposes of the <i>Corporations Act</i>, or</li> <li>- APRA objecting to the payment</li> </ul> </li> </ul>
<b>Dividend restriction</b>	<ul style="list-style-type: none"> <li>• If for any reason a <i>distribution</i> has not been paid in full on a <i>distribution date</i>, AMP must not: <ul style="list-style-type: none"> <li>- declare, determine to pay or pay a <i>dividend</i> on <i>AMP shares</i>, or</li> <li>- undertake any <i>buy back</i> or <i>capital reduction</i></li> </ul> <p>until and including the next <i>distribution date</i> unless the <i>distribution</i> is paid in full within 20 <i>business days</i> of the scheduled <i>distribution date</i>.</p> </li> </ul>

### Notes:

1. *Franking adjustment factor* means  $(1-T)/(1-Tx(1-F))$  where F means the *franking rate* (being the franking percentage applicable to AMP's franking account) and T means the *tax rate* (being the Australian corporate tax rate applicable to AMP at the relevant *distribution date*)



## Key features of AMP capital notes (continued)

### Exchange

<b>Exchange by AMP</b>	<ul style="list-style-type: none"> <li>• AMP may choose to:             <ul style="list-style-type: none"> <li>- <i>convert, redeem or resell</i> all or some <i>capital notes</i> on the <i>optional exchange date</i></li> <li>- <i>convert, redeem or resell</i> all or some <i>capital notes</i> on an <i>exchange date</i> following the occurrence of a <i>tax event</i> or a <i>regulatory event</i>, or</li> <li>- <i>convert</i> all (but not some only) <i>capital notes</i> on an <i>exchange date</i> following the occurrence of a <i>potential acquisition event</i></li> </ul> </li> <li>• The <i>optional exchange date</i> is 22 December 2021</li> </ul>
<b>Exchange</b>	<ul style="list-style-type: none"> <li>• <i>Exchange</i> means:             <ul style="list-style-type: none"> <li>- <i>conversion</i> into approximately \$101 worth of <i>AMP shares</i><sup>1</sup> (subject to the <i>maximum conversion number</i>)</li> <li>- <i>redemption</i> for \$100 per <i>capital note</i>, or</li> <li>- <i>resale</i> for \$100 per <i>capital note</i></li> </ul> </li> </ul> <p>or a combination of them</p>
<b>Holder rights</b>	<ul style="list-style-type: none"> <li>• <i>Holders</i> do not have a right to request <i>exchange of capital notes</i></li> </ul>
<b>Resale by AMP</b>	<ul style="list-style-type: none"> <li>• <i>Resale</i> is a process by which AMP may require <i>holders</i> to sell all or some of their <i>capital notes</i> to third party(s) for \$100 per <i>capital note</i> (the <i>resale price</i>)</li> <li>• If the <i>third party(s)</i> do not pay the <i>resale price</i> on the <i>exchange date</i> to <i>holders</i>, <i>resale</i> will not occur and <i>holders</i> will continue to hold <i>capital notes</i></li> </ul>

#### Notes:

1. The exact number of *AMP shares* to be received depends on the VWAP of *AMP shares*, is capped at the *maximum conversion number* and may be worth less than \$101 per *capital note*

## Key features of AMP capital notes (continued)

### Mandatory conversion

<b>Mandatory conversion</b>	<ul style="list-style-type: none"><li>• The <i>mandatory conversion date</i> will be 22 December 2023 if the <i>mandatory conversion conditions</i> have been satisfied on that date or the first <i>distribution payment date</i> thereafter on which the <i>mandatory conversion conditions</i> are satisfied</li><li>• On <i>conversion</i> on the <i>mandatory conversion date</i>, holders will receive approximately \$101 worth of AMP shares per <i>capital note</i> based on the VWAP during a period of 20 <i>business days</i> on which trading in AMP shares took place immediately preceding the <i>mandatory conversion date</i></li></ul>
<b>Mandatory conversion conditions</b>	<ul style="list-style-type: none"><li>• The <i>mandatory conversion conditions</i> are as follows:<ul style="list-style-type: none"><li>- <i>first mandatory conversion condition</i>: the VWAP of AMP shares on the 25th <i>business day</i> immediately preceding (but not including) the relevant <i>distribution date</i><sup>1</sup> is more than 56% of the <i>issue date</i> VWAP</li><li>- <i>second mandatory conversion condition</i>: the VWAP of AMP shares during the period of 20 <i>business days</i> on which trading in AMP shares took place immediately preceding (but not including) the relevant <i>distribution date</i> is greater than 50.51% of the <i>issue date</i> VWAP, and</li><li>- <i>third mandatory conversion condition</i>: AMP is listed on ASX on the <i>mandatory conversion date</i> and trading in AMP shares has not been suspended during the five preceding <i>business days</i> or on that date, and that AMP is not prevented by any applicable law or order of any court or any action of any government authority or any other reason from converting <i>capital notes</i></li></ul></li></ul>

#### Notes:

1. If no trading in AMP shares took place on that date, the VWAP is the VWAP on the first *business day* immediately preceding that date on which trading in AMP shares took place

## Key features of AMP capital notes (continued)

### Non-viability conversion

<b>Non-viability event</b>	<ul style="list-style-type: none"> <li>A <i>non-viability event</i> occurs when APRA notifies AMP in writing that it believes that:             <ul style="list-style-type: none"> <li>the <i>conversion</i> or <i>write-off</i> of <i>perpetual subordinated instruments</i> (which includes <i>AMP wholesale capital notes</i> issued in 2015) is necessary because, without it, AMP would become non-viable, or</li> <li>a public sector injection of capital into, or equivalent capital support is necessary, because, without it, AMP would become non-viable</li> </ul> </li> </ul>
<b>Conversion following non-viability event</b>	<ul style="list-style-type: none"> <li>If AMP is required to <i>convert</i> some or all <i>capital notes</i> on account of a <i>non-viability event</i>, it must do so on the date the <i>non-viability event</i> occurs</li> <li><i>Conversion</i> will be immediate and irrevocable</li> <li>The number of <i>AMP shares</i> that <i>holders</i> receive upon <i>conversion</i> of their <i>capital notes</i> is the <i>conversion number</i><sup>1</sup> (subject to the <i>maximum conversion number</i>)</li> <li>From the <i>non-viability conversion date</i>, AMP will treat <i>holders</i> of <i>capital notes</i> as the <i>AMP shareholders</i> of the <i>conversion number</i> of <i>AMP shares</i></li> <li>If a <i>capital note</i> is required to be <i>converted</i> on account of a <i>non-viability event</i> and if for any reason (including an <i>inability event</i>) a <i>non-viability conversion</i> has not occurred within five <i>business days</i> of the <i>non-viability conversion date</i>, then the <i>capital notes</i> will be immediately and irrevocably <i>written-off</i></li> </ul>
<b>Maximum conversion number</b>	<ul style="list-style-type: none"> <li>The <i>maximum conversion number</i> per <i>capital note</i> is calculated in accordance with the following formula:             <ul style="list-style-type: none"> <li><math>maximum\ conversion\ number = \\$100 / (issue\ date\ VWAP^2 \times relevant\ fraction)</math></li> <li>relevant fraction means 0.5 in the case of a <i>mandatory conversion</i> or 0.2 in the case of any other <i>conversion</i></li> </ul> </li> </ul>

#### Notes:

- Conversion number* =  $face\ value / (99\% \times VWAP)$  where *face value* is \$100 and *VWAP* is the volume weighted average price of *AMP shares* during the period of five *business days* on which trading in *AMP shares* took place immediately preceding (but not including) the *non-viability conversion date*
- Face value* is \$100 and *issue date VWAP* is the average of the volume weighted average price of *AMP shares* during the period of 20 *business days* on which trading in *AMP shares* took place immediately before (but not including) the *issue date* (as that price may be adjusted for certain events described below)

## Key investment risks associated with capital notes

**The investment risks listed below are a summary only. You should refer to section 5 ‘Investment risks’ of the *prospectus* before making a decision on whether or not to invest in *capital notes***

*Capital notes* are not deposits or protected accounts of AMP Bank or any other member of the AMP group for the purposes of the *Banking Act* and are not policies with any member of the AMP group for the purposes of the *Life Insurance Act*.

In a winding-up of AMP and assuming a non-viability event has not occurred, *capital notes* are subordinated and *holders* rank for payment of the *face value* behind *senior ranking creditors* and *distributions* are not payable (and no claim may be brought in respect of any unpaid *distributions*). If a non-viability event occurs, that is likely to affect your claim in a winding up.

Payment of *distributions* is discretionary and subject to no *payment condition* existing.

Although a *dividend* restriction applies, it only applies in limited circumstances (no restrictions apply to making payments on or conducting buy backs or capital reductions in respect of securities ranking equally with *capital notes* or any other class of security on issue).

The *distribution rate* will increase or decrease over time with movements in the *bank bill rate*.

The *franking rate* for a *distribution period* may be lower or higher depending on AMP’s available *franking credits*, or *distributions* may not be franked at all. AMP’s available *franking credits* may be affected by a wide range of factors.

*Capital notes* may *convert* to *AMP shares*. This may be at any time and may occur on dates not previously contemplated by *holders*, which may be disadvantageous, including because of market conditions or the individual circumstances of *holders*.

If AMP is unable for any reason to convert *capital notes* when it is required to do so following a *non-viability event*, those *capital notes* will be immediately and irrevocably *written-off* and the rights of *holders* under those *capital notes* will be terminated and the *holder* will lose all of the money invested in the *capital notes*.

*Holders* have no right to request *exchange* of the *capital notes* and may never be repaid the principal invested or receive *AMP shares*.

AMP may raise further debt and may issue securities that rank equally with or ahead of *capital notes*. This may affect a *holder’s* ability to be repaid on a *winding-up* of AMP.

The market price of *capital notes* may fluctuate due to various factors including investor perceptions, Australian and international economic conditions, changes in interest rates, credit margins, foreign exchange rates, credit ratings and capital markets, and factors that may affect the AMP group’s financial and capital position. The occurrence of a *non-viability event* is also likely to cause the market price of *capital notes* to decline.

The market for *capital notes* may be volatile and less liquid than the market for *AMP shares*.

The market price of *AMP shares* may fluctuate due to various factors including investor perceptions, Australian and international economic conditions, changes in interest rates, credit margins, foreign exchange rates, credit ratings and capital markets, and factors that may affect the AMP group’s financial and capital position.

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*.

If *conversion* occurs on account of a *non-viability event*, *holders* will receive *AMP shares* that may be worth significantly less than the *face value* of their *capital notes*.

Risks associated with AMP’s business are set out in section 5.2 of the *prospectus*.

# Offer summary

## Key features

<b>Offer size</b>	<ul style="list-style-type: none"><li>• The <i>offer</i> is for the issue of capital notes to raise \$200 million with the ability to raise a higher or lower amount</li></ul>
<b>Structure</b>	<ul style="list-style-type: none"><li>• The <i>offer</i> comprises:<ul style="list-style-type: none"><li>- A <i>broker firm offer</i> made to Australian resident clients of syndicate brokers</li><li>- A <i>securityholder offer</i> made to <i>eligible securityholders</i></li><li>- A <i>general offer</i> made to members of the public who are resident in Australia</li><li>- An <i>institutional offer</i> made to certain institutional investors</li></ul></li></ul>
<b>Use of proceeds</b>	<ul style="list-style-type: none"><li>• <i>Capital notes</i> 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</li></ul>
<b>Bookbuild</b>	<ul style="list-style-type: none"><li>• Certain <i>institutional investors</i> and <i>syndicate brokers</i> are invited by the <i>joint lead managers</i> to bid for <i>Capital notes</i> in the <i>bookbuild</i> to be conducted on 30 October 2015</li><li>• The Margin will be determined under the <i>bookbuild</i>, and is expected to be in the range of 5.10% to 5.30%</li><li>• On the basis of those bids, the <i>joint lead managers</i> and AMP will determine the Margin and the firm allocations to <i>bookbuild</i> participants, being <i>syndicate brokers</i> and certain <i>institutional investors</i></li></ul>
<b>Applicants</b>	<ul style="list-style-type: none"><li>• Applications under the <i>securityholder offer</i>, <i>broker firm offer</i> and <i>general offer</i> must be for a minimum of 50 <i>capital notes</i> (\$5,000) and after that in multiples of 10 <i>capital notes</i> (\$1,000).</li><li>• AMP reserves the right to scale back applications from AMP <i>securityholder applicants</i> and applicants under the <i>general offer</i></li></ul>

# Key dates

## Key dates for the offer

Record date for determining eligible securityholders (7.00pm Sydney time)	22 October 2015
Lodgement of this prospectus with ASIC	26 October 2015
Bookbuild	30 October 2015
Announcement of the margin	30 October 2015
Lodgement of the replacement prospectus with ASIC	3 November 2015
Opening date for the offer	3 November 2015
Closing date for the securityholder and general offer (5.00pm Sydney time)	20 November 2015
Closing date for the broker firm offer (10.00am Sydney time)	27 November 2015
Issue date	30 November 2015
Capital notes commence trading on ASX (deferred settlement basis)	1 December 2015
Holding statements for capital notes dispatched by	3 December 2015
Capital notes commence trading on ASX (normal settlement basis)	4 December 2015

## Key dates for capital notes

First distribution date	22 March 2016
Optional exchange date	22 December 2021
Date on which mandatory conversion is scheduled to occur	22 December 2023

*The key dates for the Offer are indicative only and may change without notice.*

## Key contacts

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