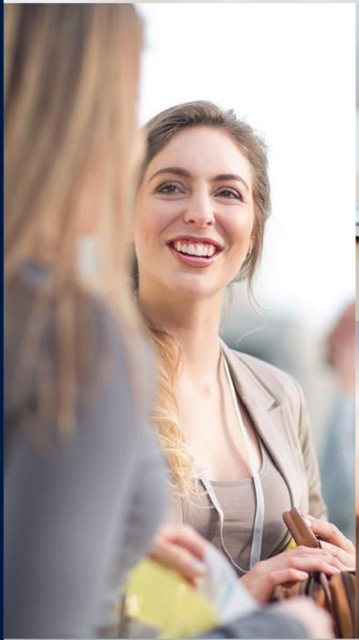
AMP

2017 full year results

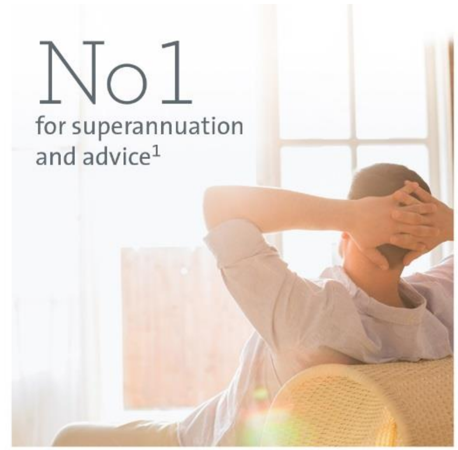
Craig Meller, Chief Executive Officer

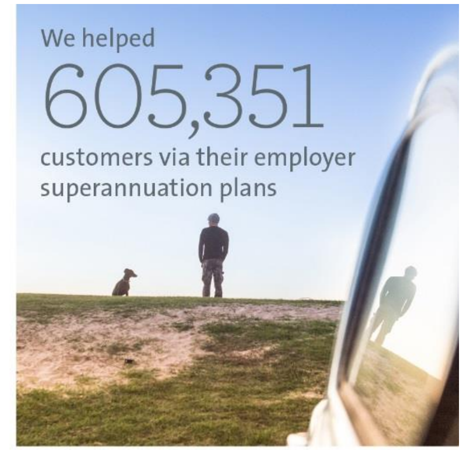
Gordon Lefevre, Chief Financial Officer

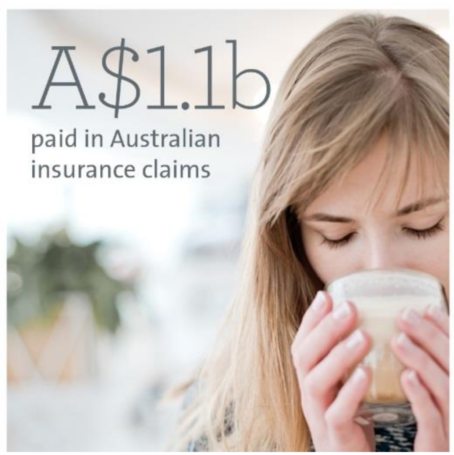
8 February 2018

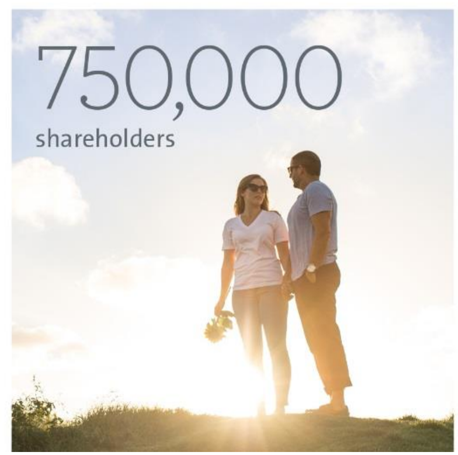


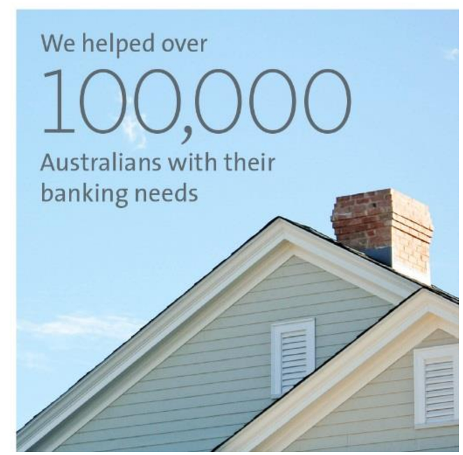
AMP – helping people own tomorrow











Notes

1. Fund Market Overview Retail – Marketer, Strategic Insight (Plan For Life), September 2017. Planner Numbers, Money Management Top 100 Dealer Groups, 2017.
2. All data relates to FY 17.

Executive summary

Business performance

- FY 17 underlying profit of A$1,040m (FY 16: A$486m) and net profit of A$848m (FY 16: -A$344m)
- Business recovery reflects stabilisation of wealth protection business and solid broader performance:
  - Growth momentum in AMP Capital and AMP Bank
  - Resilient performance in Australian wealth management; strong underlying growth trajectory emerging
  - Wealth protection business performing in line with expectations
  - Sustained focus on cost management and operational efficiency
- Underlying Return on Equity (RoE) 14.3%

Strategy

Delivery on key drivers of strategy:

Manage for value

- Executed comprehensive Australian reinsurance program releasing capital
- Well progressed with portfolio review of the manage for value businesses with all alternatives being considered. As a result, in discussions with a number of interested parties
- Portfolio review yet to be concluded but expect to provide an update at or before AGM

Invest to grow: continued investment, repositioning for growth

Leverage strengths to drive new growth: growing relationships with China Life and MUFG: Trust Bank, new partnerships with United Capital and PCCP

Capital and dividend

- Strong capital position with surplus of A$2.3b over MRR, benefiting from reinsurance program
- Potential for capital management initiatives will be considered at conclusion of portfolio review; update to be provided at or before AGM
- Final dividend 14.5 cents a share, franked to 90% bringing total FY 17 dividend to 29 cents a share. DRP neutralised with shares bought on market

FY 17 profit summary

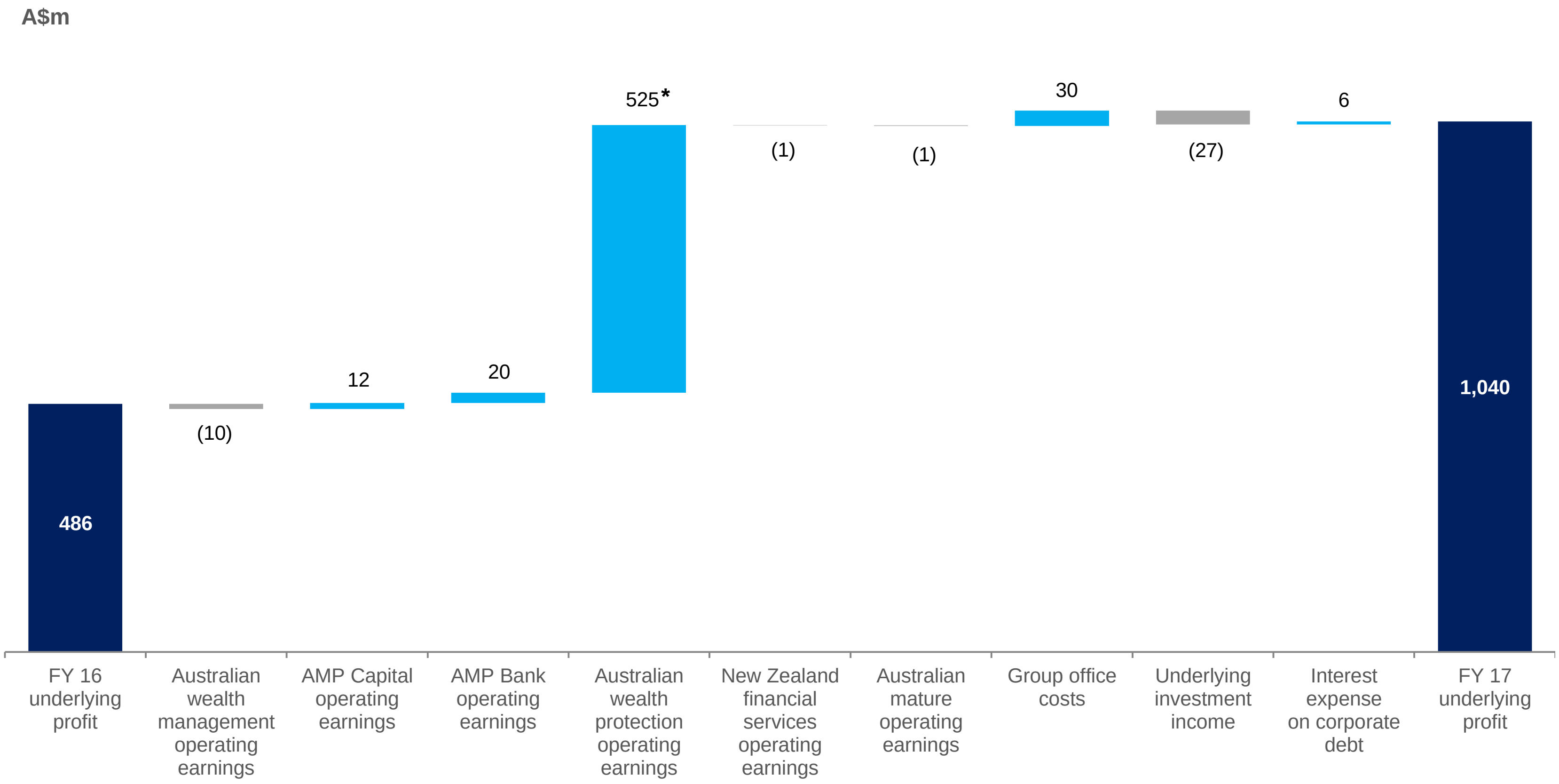
A$m	FY 17	FY 16	%
Australian wealth management	391	401	(2.5)
AMP Capital[1]	156	144	8.3
AMP Bank	140	120	16.7
Australian wealth protection	110	(415)	n/a
New Zealand financial services	125	126	(0.8)
Australian mature	150	151	(0.7)
BU operating earnings	**1,072**	**527**	**103.4**
Group Office costs	(74)	(104)	28.8
Total operating earnings	**998**	**423**	**135.9**
Underlying investment income[1]	95	122	(22.1)
Interest expense on corporate debt	(53)	(59)	10.2
Underlying profit	**1,040**	**486**	**114.0**
Other items	(21)	(9)	(133.3)
Portfolio review and related costs	(24)	-	n/a
Business efficiency program costs	-	(19)	n/a
Amortisation of AXA acquired intangible assets[1]	(80)	(77)	(3.9)
Goodwill impairment	-	(668)	n/a
Profit before market adjustments and accounting mismatches	**915**	**(287)**	**n/a**
Market adjustments[1]	(53)	(43)	(23.3)
Accounting mismatches	(14)	(14)	-
Profit attributable to shareholders of AMP Limited	**848**	**(344)**	**n/a**

Notes

1. AMP Capital is 15% owned by MUFG: Trust Bank (formerly MUTB). AMP Capital results, and any other impacted line items, are shown net of minority interests.

FY 17 movement in underlying profit

Strong recovery; solid operating performance across the business



*FY 16 Australian wealth protection reported A$415 million loss, following FY 16 strengthening of best estimate assumptions.

Delivering on strategy in 2017

2017 objective	Delivered in 2017	
3% controllable cost reduction (ex AMP Capital)	– Group controllable costs ex AMP Capital reduced 3% in FY 17	✓
Grow new sources of revenue in Australian wealth management via Advice and SMSF	– Other revenue grew 10% to A$108m – Invested A$40m in practice equity and client registers in 2H 17	✓
5% annualised margin compression over 18 months to FY 17	– Margin guidance achieved with FY 17 margins of 101 bps	✓
Accelerate international expansion	– Expanded distribution footprint and significant raisings into global infrastructure platform – 46% increase in direct international institutional clients to 291 – 24.9% stake in PCCP; immediately accretive – Partnership with United Capital	✓
Stabilise Australian wealth protection business	– Implemented second tranche of reinsurance releasing A$548m of capital to the group – Performance in line with expectations	✓

Business unit results

Section 2

Wealth management – overview

Resilient performance; strong underlying growth trajectory

Key performance measures	FY 17	FY 16
Investment related revenue (A$m) [1]	1,263	1,244
Other revenue (A$m)	108	98
Operating earnings (A$m)	391	401
Controllable costs (A$m)	(490)	(485)
Total retail and corporate super net cashflows on AMP platforms (A$m)	2,403	1,778
Total net cashflows (A$m)[2]	931	336
Investment-related revenue to AUM (bps) [1,2,3]	101	107
Operating earnings to AUM (bps)[2,3]	31	35
Cost to income ratio	46.1%	45.0%

- Resilient performance underpinned by strong platform cashflows, additional growth in other revenue and tight cost management
- FY 17 operating earnings reflect final period of MySuper transitions, reset investment management agreement with AMP Capital and higher variable remuneration on FY 16
- Excluding variable remuneration, operating earnings increased 4% on FY 16
- Investment management agreement with AMP Capital reset to reduce volatility of wealth management fees paid year to year
- MySuper transitions now complete; margin compression expected to trend back to longer-term average from 2018
- Other revenue increased by 10% in FY 17 as Advice and SMSF strategies deliver additional growth
- Tight cost discipline; cost efficiencies largely offsetting investment in growth initiatives and higher variable remuneration costs
- Retained 99% of core licensee adviser practices; focusing on driving productivity. Average AUM per adviser in core licensees up 8% to A$41m on FY 16

Notes
1. Investment related revenue refers to revenue on superannuation, retirement income and investment products.
2. Excludes SuperConcepts.
3. Based on average of monthly average AUM.

Wealth management – net cashflows

North and corporate super driving stronger cashflow performance

Net cashflows summary (A$m)	FY 17	FY 16
North[1]	5,680	4,981
AMP Flexible Super[1]	(681)	92
Other products and platforms[1]	(3,313)	(3,576)
Total retail on AMP platforms	**1,686**	**1,497**
SignatureSuper and Flexible Super (employer)	1,194	675
Other corporate superannuation[2]	(477)	(394)
Total corporate superannuation	**717**	**281**
Total retail and corporate super on AMP platforms	**2,403**	**1,778**
External platforms[3]	(1,472)	(1,442)
Total Australian wealth management	**931**	**336**

- Total net cashflows up A$595m to A$931m in FY 17 driven by strong discretionary contributions ahead of 1 July 2017 super changes and corporate super mandate wins
- Net cashflows excluding pension payments increased 29% to A$3.3b in FY 17
- Member contributions increased by A$1.4b on FY 16, up 41%
- Corporate super net flows up A$436m to A$717m in FY 17 reflecting strength in corporate super platforms
- Strong momentum on North platform, with net cashflows up 14% on FY 16 and up 28% excluding one-off internal transfers in 1H 16
- Total retail cashflows on AMP platforms up 13% on FY 16
- Continuing leadership in Australian retail superannuation sector

Notes

1. For details of platforms see p8 of FY 17 Investor Report.
2. Comprises CustomSuper, SuperLeader and Business Super.
3. Comprises Asgard, Macquarie, Challenger and BT Wrap platforms.

Wealth management – disciplined management of margin compression

Disciplined management during elevated margin compression

Wealth management margin compression of year ending	2017	2016	2015	2014	2013	2012
Investment related revenue to AUM	101	107	112	117	121	125
Annual compression %	-5.6%	-4.5%	-4.3%	-3.3%	-3.2%	
Average 5 year (actual)	-4.2%					

- Highly disciplined management of margin compression throughout super reforms and MySuper transition period
- Margin outcomes consistently in line with guidance across the five year period
- FY 17 compression rate of 5.6% reflects the final period of MySuper transitions
- From 2018, margin compression is expected to trend back towards longer-term average of around 3%

AMP Capital – overview

Strength in real assets underpins continued growth

Key performance measures	FY 17	FY 16
Operating earnings (A$m)[1]	156	144
Fee income (A$m)	659	614
Controllable costs (A$m)	(412)	(392)
Cost to income ratio	61.5%	62.1%
Total external net cashflows (A$m)	5,477	967
Average AUM (A$b)[2,3]	179.6	160.4

- Operating earnings up 8% driven by higher fee income, assisted by strong external AUM growth
- Growth in real asset classes supported increase in fee income. Real assets now contribute more than 50% of AMP Capital's operating earnings
- Performance fees remained strong in FY 17, driven by high infrastructure valuations due to competition and ongoing search for yield
- Higher controllable costs reflect continued investment in real asset capabilities, growth initiatives and international expansion
- Full year cost to income ratio improved to 61.5%; at lower range of 60%-65% target
- Investment in US real estate investment manager PCCP in December 2017 immediately earnings accretive; complements Asian distribution strategy

Notes

1. Operating earnings after minority interests.
2. Based on average monthly AUM.
3. Includes A$10.3b of transitioned AUM in 2017; excludes AMP Capital's share of PCCP.

AMP Capital – net cashflows and investment performance

Real assets and Asian distribution strategy delivering strong flows

External net cashflows (A$m)	FY 17	FY 16
China (CLAMP)[1]	1,868	1,262
Japan	(94)	(158)
International	1,887	1,315
Domestic	1,816	(1,452)
Total external net cashflows	**5,477**	**967**

Net cashflows (A$m)	FY 17	FY 16
Internal	(2,591)	(3,900)
External	5,477	967
Total net cashflows	**2,886**	**(2,933)**

Net cashflows

- Highest external net cashflows since establishment of AMP Capital in 2003
- Significant increase in net cashflows driven by external flows into real assets and fixed income
- A$5.6b of real asset investments made in the year to 31 December 2017 including Leeds Bradford Airport and Indooroopilly Shopping Centre; A$4.2b committed capital available for investment at 31 December 2017
- Successful raising for Infrastructure Debt Fund (IDF) III raised US$2.5b at final close, with a further US$1.6b in co-investment and other commitments
- Strong cashflows from Chinese institutional and retail clients through CLAMP joint venture
- Momentum building in institutional inflows through Japanese joint venture MUFG:Trust Bank; commitments of A$0.6b into IDF III in FY 17
- 46% increase in direct international institutional clients to 291 on FY 16

Investment performance

- 60% of AUM met or exceeded client goals over three years to December 2017
- Real assets continued to perform well with infrastructure performance meeting 100% of client goals

Notes

1. AMP Capital's 15% stake in China Life AMP Asset Management (CLAMP) joint venture.

AMP Bank – overview

Delivering double digit growth in competitive market

Key performance measures	FY 17	FY 16
Operating profit (A$m)	140	120
Controllable costs (A$m)	(80)	(69)
Cost to income ratio	28.6%	28.5%
Net interest margin	1.70%	1.67%
Residential mortgage book (A$m)	18,870	16,539
Deposits (A$m)	12,383	11,549
Return on capital	16.5%	16.7%
Liquidity coverage ratio	126%	144%

- Strong residential mortgage book growth drove 17% increase in operating profits in FY 17
- Loan growth moderated in 2H 17 due to regulatory requirements
- Investment in business capability, people and technology reflected in higher controllable costs; cost to income ratio broadly stable
- Maintained conservative credit policy and asset quality remained strong; +90 day arrears well below industry average
- Bank capital position strengthened in response to changing regulatory requirements and to support continuing loan growth
- Securitisation undertaken in December 2017 resulting in elevated capital ratios at FY 17

Wealth protection – overview

Business stabilised and performing in line with expectations

Key performance measures	FY 17	FY 16
Profit margins (A$m)	99	175
Experience profits / (losses) (A$m)	4	(105)
Capitalised (losses) / reversals (A$m)	7	(485)
Operating earnings (A$m)	110	(415)
Individual risk API (A$m)	1,535	1,522
Individual risk lapse rate	14.2%	13.9%
Controllable costs (A$m)	(150)	(165)
Cost to income ratio	43.2%	n/a

- Profit margins decreased due to assumption changes made at FY 16 and impact of reinsurance arrangements
- FY 18 profit margins expected to reduce to approximately A$70m mainly due to new reinsurance agreements
- Experience largely in line with expectations
- Modest income protection capitalised loss reversals partly offset by group losses following loss of a large scheme
- New reinsurance agreements with Munich Re[1] and Gen Re[2] commenced on 1 November 2017; effectively reinsures 65% of retail book

Notes

1. Munich Reinsurance Company of Australasia Limited.
2. General Reinsurance Life Australia Limited.

New Zealand and Mature – key performance measures

Manage for value strategy delivers stable earnings stream

New Zealand	FY 17	FY 16
Profit margins (A$m)	115	112
Experience profits / (losses) (A$m)	10	14
Operating earnings (A$m)	125	126
Net cashflows (A$m)	205	372
Individual risk API (A$m)	271	288
Individual risk lapse rate	11.3%	11.1%
Cost to income ratio	27.8%	28.4%

- Higher profit margins partially offset by lower experience profits
- In NZ$ terms, operating earnings increased by 1%
- Individual risk API decreased by A$17m largely due to NZ$ depreciation
- Continued focus on cost management resulting in improvement in cost to income ratio

Mature	FY 17	FY 16
Operating earnings (A$m)	150	151
AUM (A$b)	20.7	21.2
Persistency	89.9%	91.0%
Controllable costs (A$m)	(49)	(54)
Cost to income ratio	17.4%	18.4%

- Mature business performing ahead of guidance
- Expected portfolio run-off offset by improved investment markets and favourable annuity experience





Financial overview

Section 3

Financial overview – key items outside business unit results

A$m	FY 17	FY 16	% change
Underlying profit	**1,040**	**486**	**114.0**
Other items	(21)	(9)	(133.3)
Portfolio review and related costs	(24)	-	n/a
Business efficiency program costs	-	(19)	n/a
Amortisation of AXA acquired intangible assets[1]	(80)	(77)	(3.9)
Goodwill impairment	-	(668)	n/a
Profit before market adjustments and accounting mismatches	**915**	**(287)**	**n/a**
Market adjustments[1]	(53)	(43)	(23.3)
Accounting mismatches	(14)	(14)	-
Profit attributable to shareholders of AMP Limited	**848**	**(344)**	**n/a**

– Higher other items in FY 17 reflects additional regulatory and compliance costs and remediation of prior year matters

– Portfolio review and related costs reflect ongoing review of manage for value businesses and 2H 17 business acquisition costs

– FY 16 goodwill impairment relates to Australian wealth protection following 2016 update to best estimate assumptions

Notes

1. AMP Capital is 15% owned by MUFG: Trust Bank and the business result, and any other impacted line items, are shown net of minority interests.

Financial overview – balance sheet and regulatory capital

A$m	FY 17	FY 16	Change
Shareholder equity[1]	7,276	7,489	(213)
Total corporate subordinated debt[2]	951	951	-
Total corporate senior debt[2]	730	611	119
Total capital resources	**8,957**	**9,051**	**(94)**
Level 3 eligible capital	3,711	3,603	108
Level 3 eligible capital above MRR	**2,338**	**2,195**	**143**
Debt metrics and liquidity			
Corporate gearing[2]	9%	9%	
Interest cover (underlying)	20.6 times	9.2 times	
Group cash (A$m)	455	181	
Undrawn syndicated loan (A$m)	400	250	

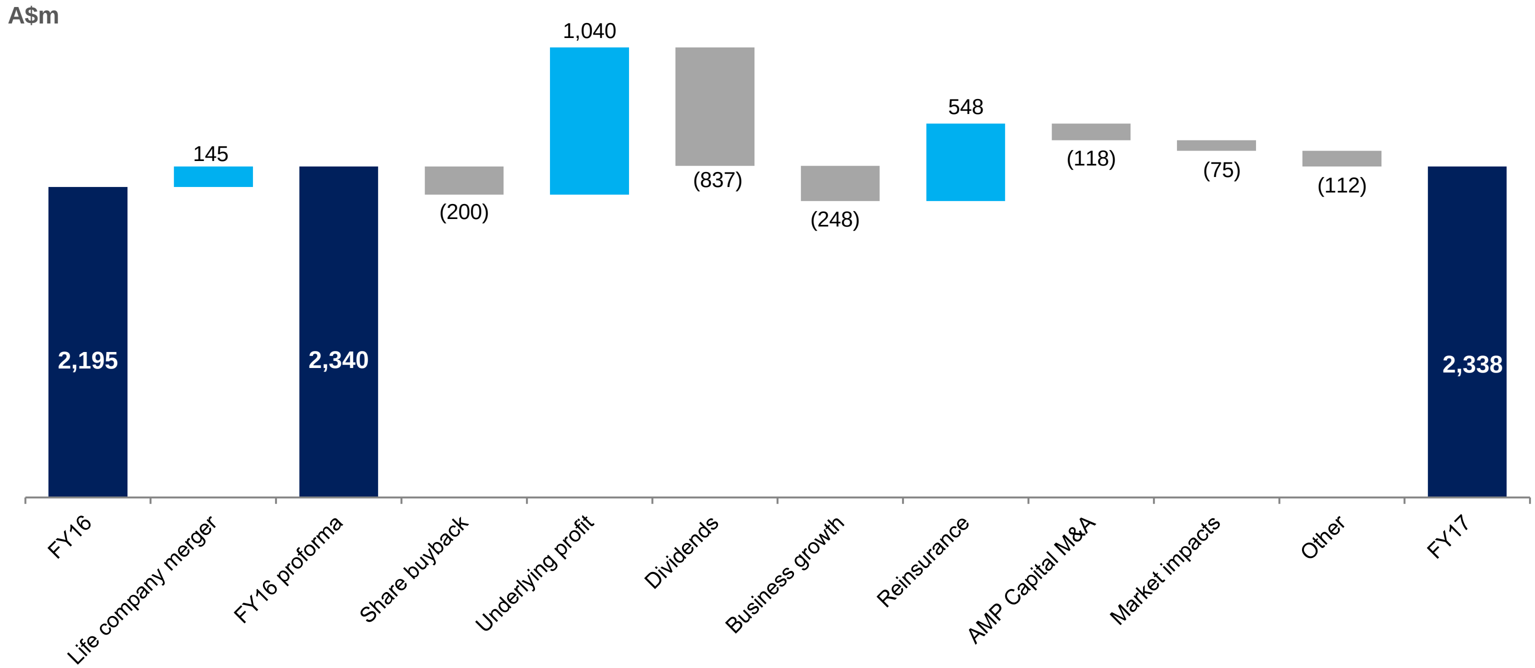
- Level 3 eligible capital remains strong; well above Minimum Regulatory Requirements (MRR) at A$2.3b
- Capital position strengthened by second reinsurance program
- Group liquidity improved
- Level 3 eligible capital above MRR (after final dividend) consists of A$828m related to life insurance participating business and A$1,087m for AMP group's other businesses

Notes

1. Shown after accounting mismatches, cashflow hedge resources and other adjustments. For more detail see p27 of FY 17 Investor Report.
2. For more detail see p28 of FY 17 Investor Report.

Financial overview – capital position

Maintaining strong capital position



- Eligible capital above MRR of A$2.3b reflects capital released from reinsurance programs, partly offset by AMP Capital M&A activity
- Decision to retain surplus capital at this time pending completion of portfolio review
- Potential for capital management initiatives will be considered at conclusion of portfolio review; update to be provided at or before AGM

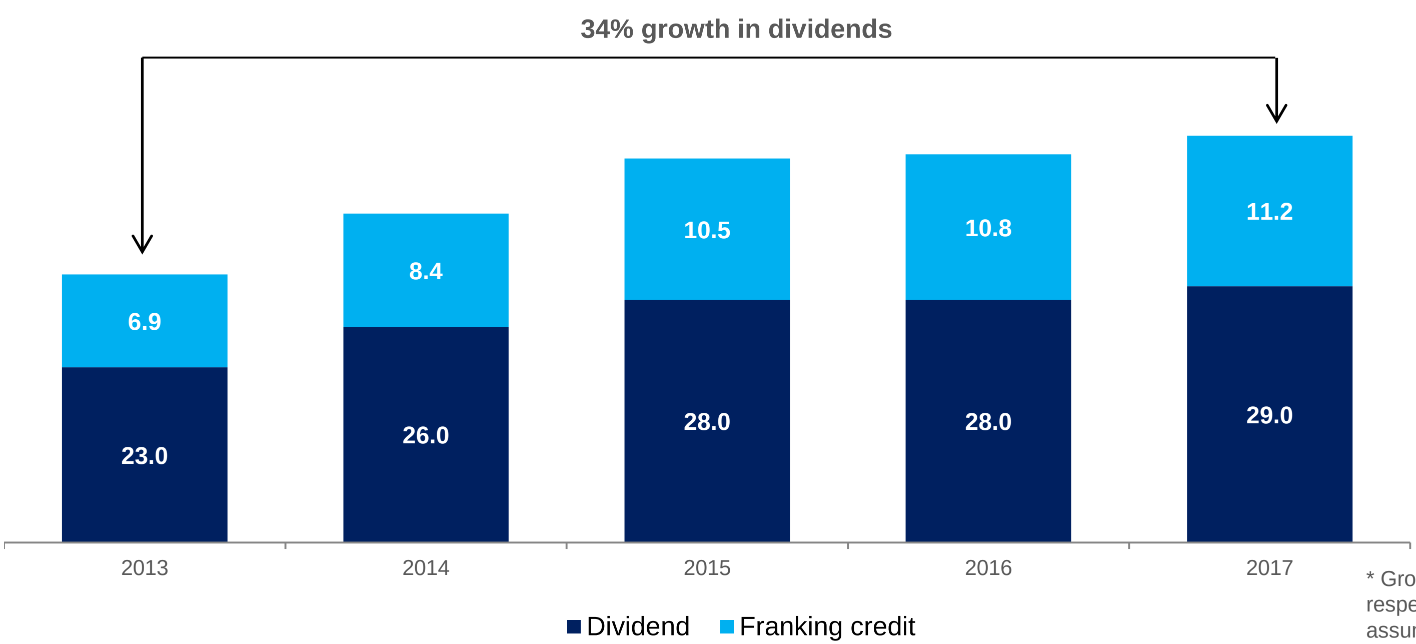
Financial overview – final 2017 dividend

Returning profits to shareholders; gross dividends up 34% over five years

Final 2017 dividend of 14.5 cents a share, franked to 90%

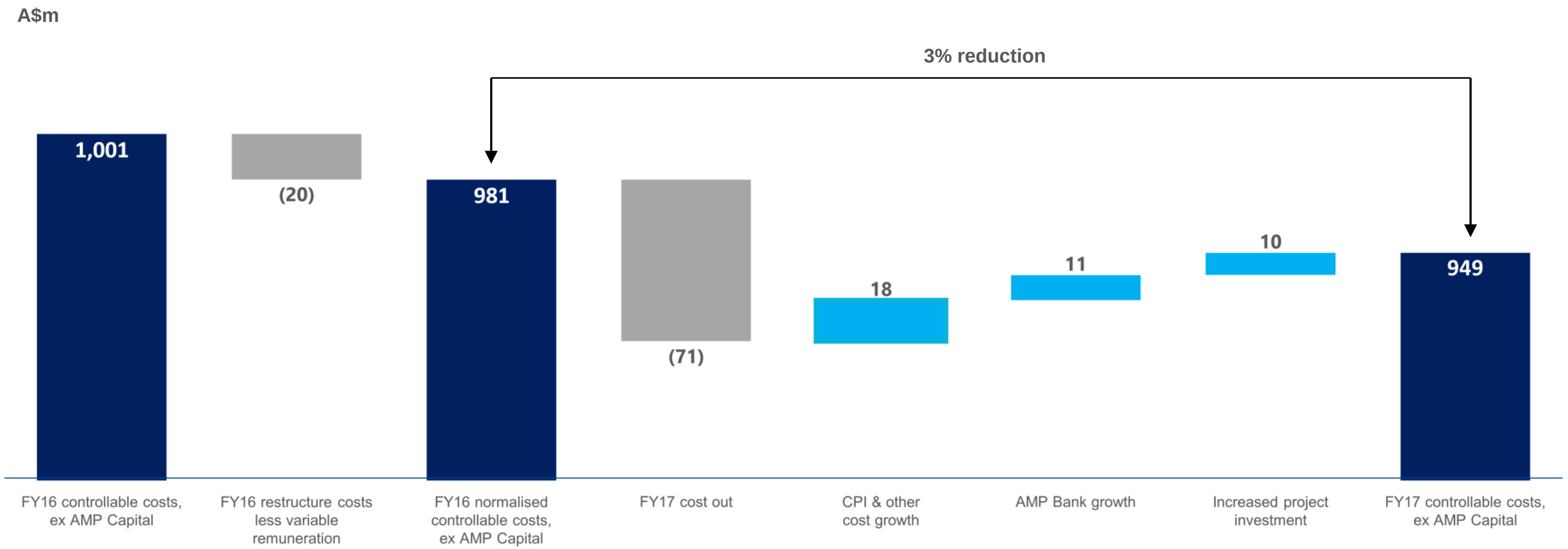
- Full year dividend of 29 cents a share, 3.6% up year on year, within target 70%-90% payout range
- Dividend Reinvestment Plan (DRP) remains in place for eligible shareholders
- No discount will apply to the DRP allocation price. AMP intends to neutralise the impact of the DRP by acquiring shares on market to satisfy any entitlements under the DRP

Dividends (cents per share)*



* Grossed up value at respective franking %, assuming Australian tax resident.

Financial overview – taking cost out while still investing to grow



Cost discipline maintained in FY 17

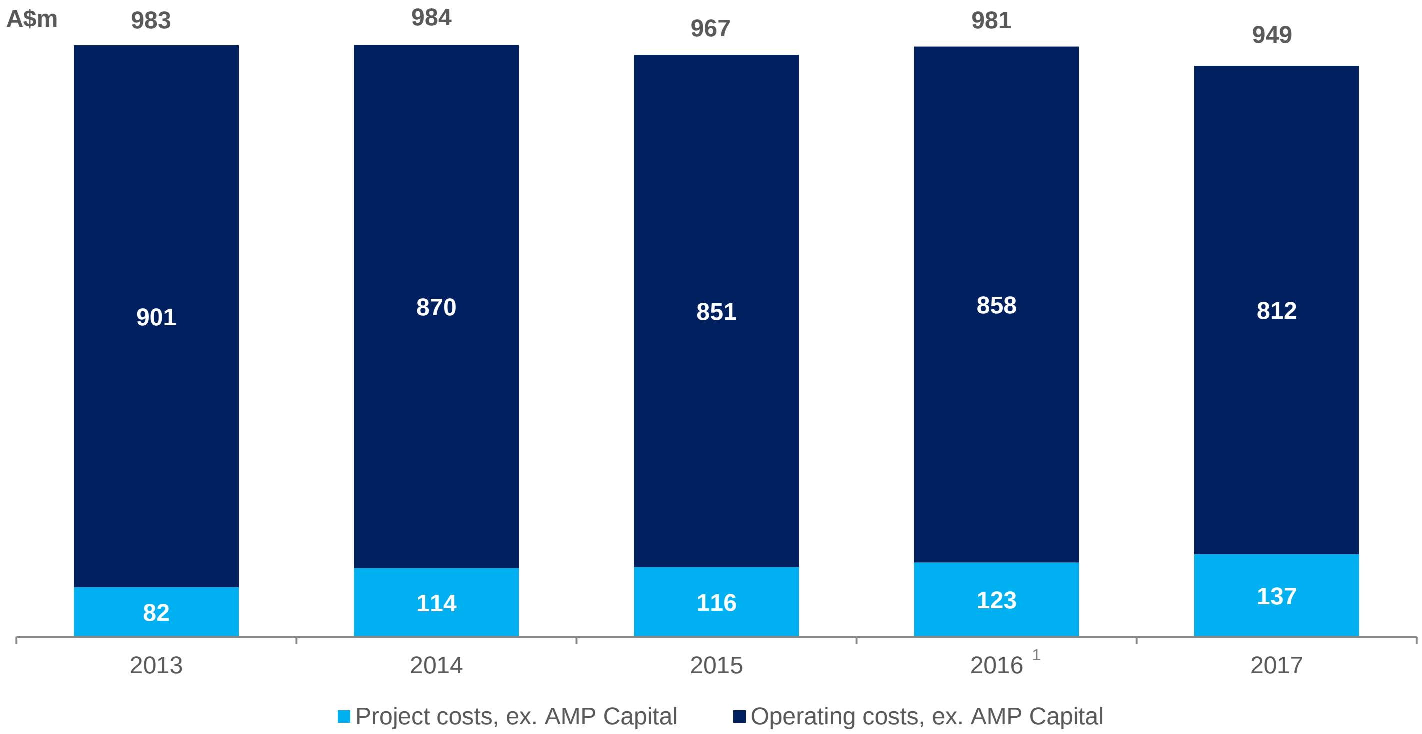
- Delivered FY 17 guidance of 3% cost reduction (ex AMP Capital)
- Restructure activities and ongoing business efficiencies delivered cost savings in FY 17 supporting investment in growth initiatives, including Goals 360 and Salesforce implementation
- FY 16 restructure costs less variable remuneration reflects one-off impact of 2016 financial performance and restructure costs recognised at FY 16

Medium-term productivity initiatives to drive ongoing efficiency and delivery of flat costs target, whilst supporting future investment

- Rationalisation of legal entities, products and platforms
- Optimisation, digitisation and automation of enterprise processes
- Further IT platform consolidation and rationalisation
- Reduced property footprint and improved utilisation
- Deployment of agile change and project methodologies

Financial overview – disciplined cost management

Sustained focus on tight cost management; 10 per cent nominal reduction in operating costs



- Operating costs have reduced by 10% over the past five years, recycling most of these savings into project investments which have increased 67% over the same period
- Delivered approximately A$300m of pre-tax run-rate cost savings over last five years through targeted efficiency programs whilst continuing disciplined investment for growth
- Reaffirmed controllable cost guidance in FY 18 at A$950m; maintaining investment across business lines
- Objective to continue delivering flat costs over the medium term with cost efficiencies funding growth initiatives

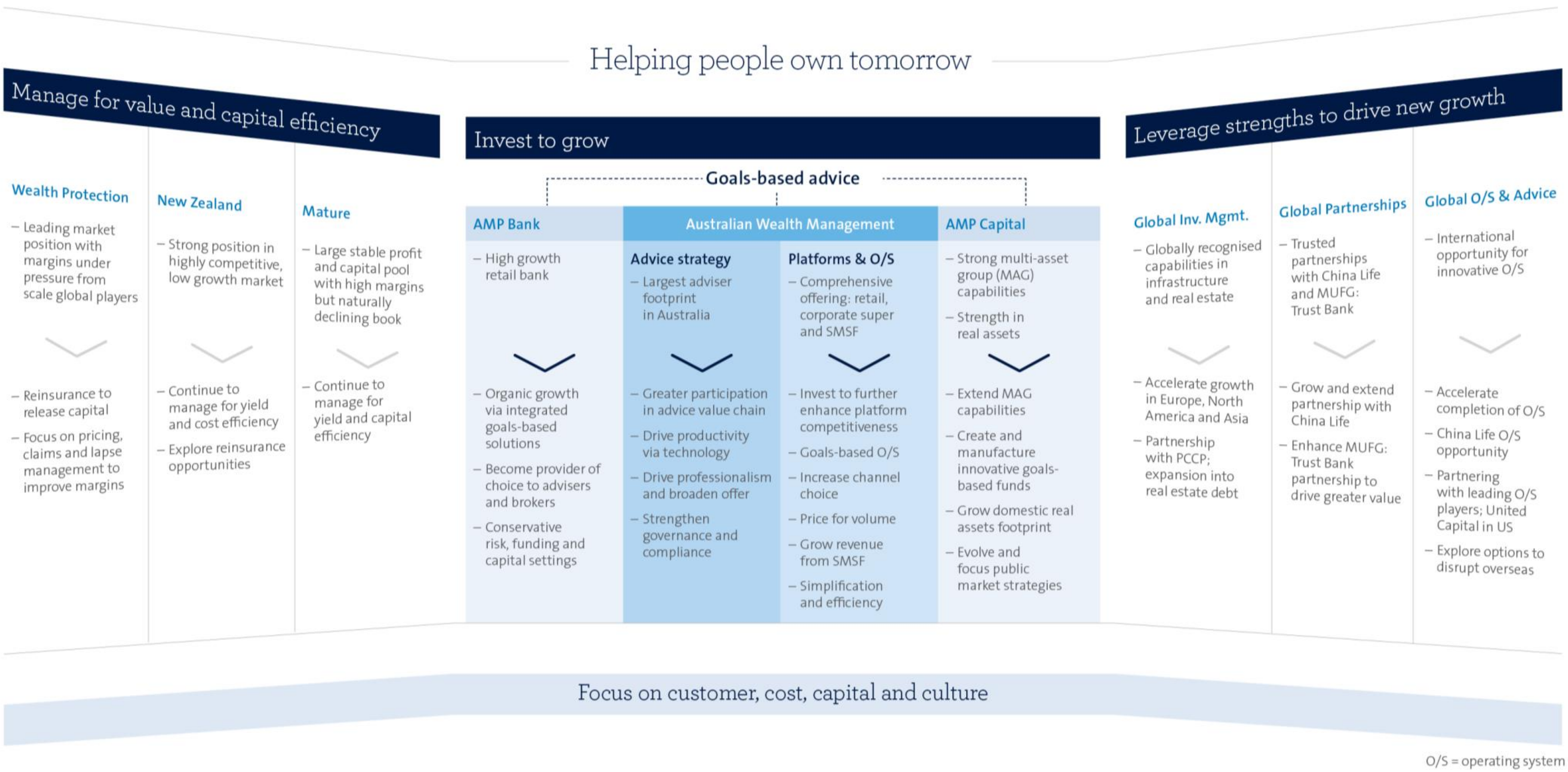
Notes

1. 2016 costs exclude the impact of restructure costs and variable remuneration.

Strategy update

Section 4

AMP strategy



Delivering on strategy – Goals-based advice

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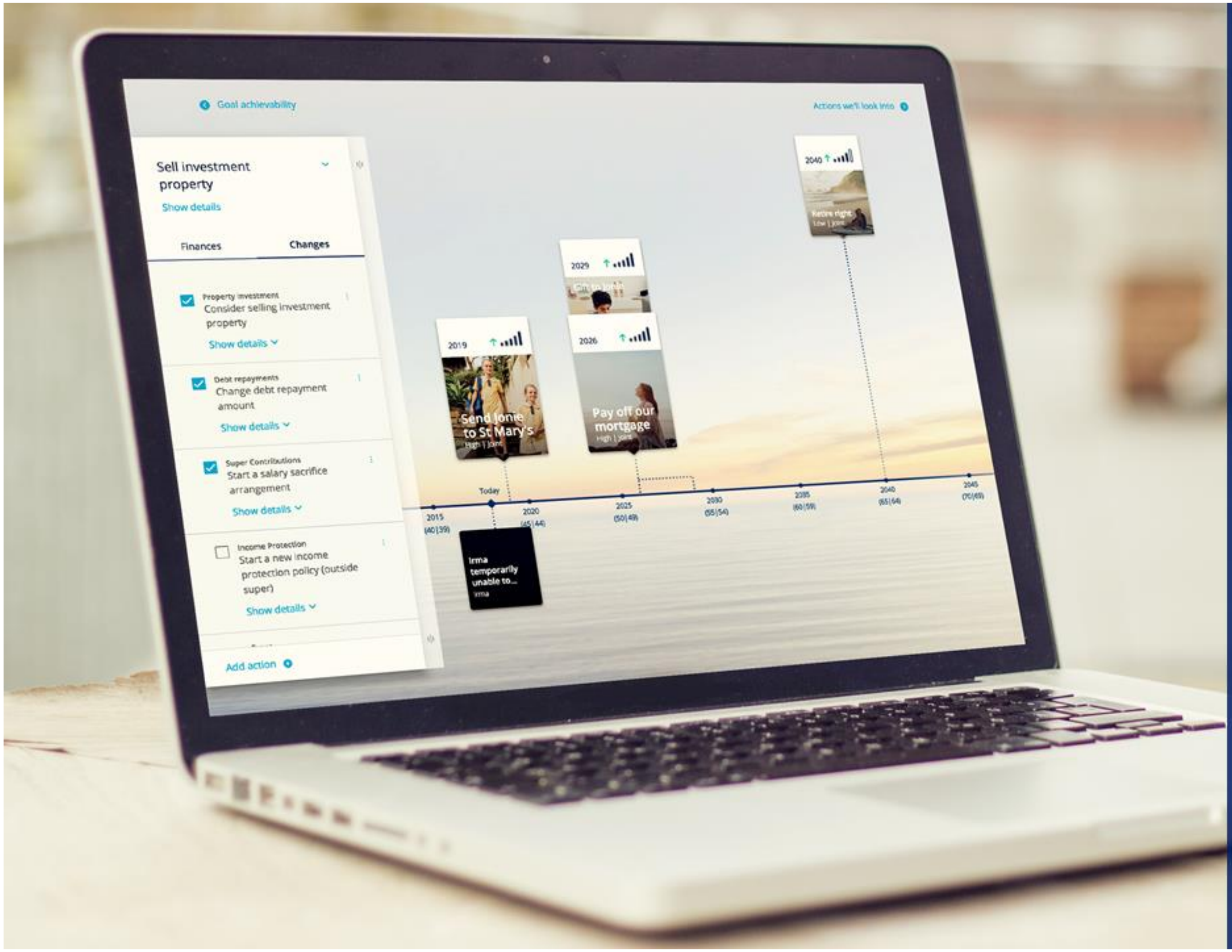
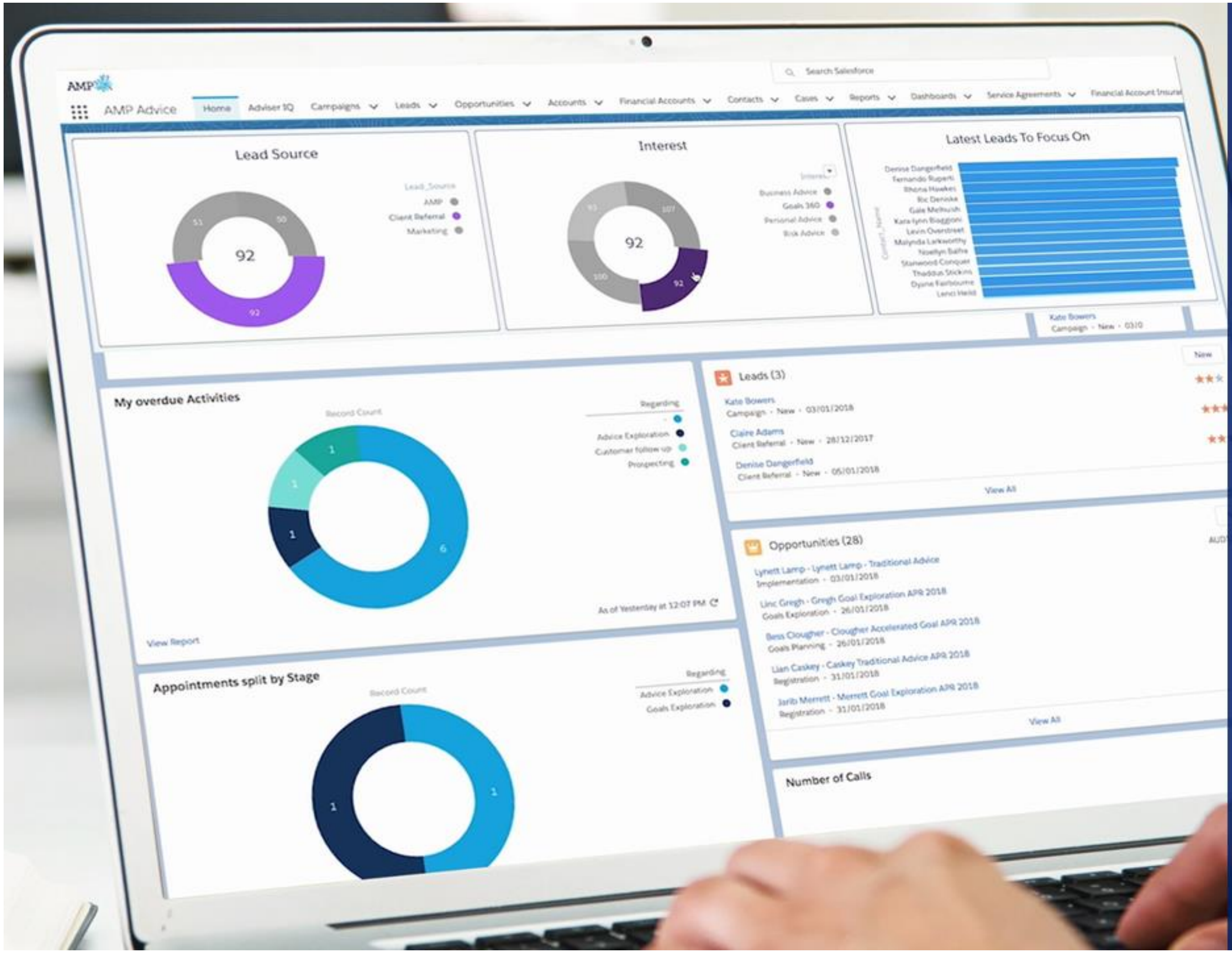


Goals 360

Goals modelling

- Unique and elegant client experience
- Real time probability-based modelling demonstrates goal achievability
- Material improvement in SOA production time, reduces cost to serve
- Compliance and record keeping by design
- 30 AMP Advice locations; over 200 advisers
- Further technology releases in 2018
- Scale roll-out to aligned advisers in 2019

Delivering on strategy – Goals-based advice



Salesforce solution

- Integration with Goals 360 and selected financial planning tools to support all aligned practices
- Leading edge CRM capability
- Full practice management automation significantly improves practice efficiency
- Integrated to AMP's systems for seamless data/process flow
- Delivers enhanced MIS capability to advice practices
- Compliance by design
- First phase of release scheduled for 1H 18

Delivering on strategy – key initiatives

Strategic objectives	Tilt investment to higher growth business	Customer-centred transformation of core Australian businesses	Expand internationally	Manage costs across the group
Portfolio strategy	– Manage for value and capital efficiency	– Invest to grow	– Leverage strengths to drive new growth	– Tight focus on cost management
Progress in 2017	– Portfolio review of manage for value businesses – Reinsurance program releasing capital – 14.3% underlying RoE	– Implementation of goals-based operating system – Additional 10% revenue growth in Advice and SMSF – A$40 million investment in practice equity and client registers in 2H 17 – Combined NPS increased by 11 points	– Strong growth in Chinese joint ventures – AMP Capital: 46% increase in international institutional clients to 291 – PCCP partnership – United Capital partnership	– 3% controllable costs reduction (ex AMP Capital) – AMP Capital cost to income ratio 61.5 %; at lower end of range
Growth ambitions	– 15% underlying RoE	– 5% revenue growth through the cycle in wealth management including new growth from Advice and SMSF – Double value of the Bank by FY 21 via earnings and dividends	– Double digit earnings growth of AMP Capital over medium term – China: A$50 million operating earnings contribution per annum by FY 21	– Flat costs (ex AMP Capital) – AMP Capital: maintain cost to income ratio of 60-65%

Unrelenting focus on customer, cost, capital and culture

Summary

Business performance

- FY 17 underlying profit of A$1,040m (FY 16: A$486m) and net profit of A$848m (FY 16: -A$344m)
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  - Resilient performance in Australian wealth management; strong underlying growth trajectory emerging
  - Wealth protection business performing in line with expectations
  - Sustained focus on cost management and operational efficiency
- Underlying Return on Equity (RoE) 14.3%

Strategy

Delivery on key drivers of strategy:

Manage for value

- Executed comprehensive Australian reinsurance program releasing capital
- Well progressed with portfolio review of the manage for value businesses with all alternatives being considered. As a result, in discussions with a number of interested parties
- Portfolio review yet to be concluded but expect to provide an update at or before AGM

Invest to grow: continued investment, repositioning for growth

Leverage strengths to drive new growth: growing relationships with China Life and MUFG: Trust Bank, new partnerships with United Capital and PCCP

Capital and dividend

- Strong capital position with surplus of A$2.3b over MRR, benefiting from reinsurance program
- Potential for capital management initiatives will be considered at conclusion of portfolio review; update to be provided at or before AGM
- Final dividend 14.5 cents a share, franked to 90% bringing total FY 17 dividend to 29 cents a share. DRP neutralised with shares bought on market

Appendix

Section 5

Guidance summary

Wealth management

- Margin compression expected to trend back to longer-term average of around 3% but may be volatile from period to period
- Advice and SMSF businesses on track to deliver additional revenue equivalent to 2% of AUM fees in FY 18 (approximately A$25m)

AMP Capital

- Seasonally lower performance fees in second half of year as infrastructure funds typically attract fees for annual period ending 30 June
- Going forward, there will be increased volatility in performance fees as new global infrastructure funds (IDF and GIF series) are closed end funds, earning performance fees towards the end of the fund lifetime
- Given the variable mix of short-term asset holdings and longer term cornerstone investments, income from seed and sponsor capital will vary from period to period

Wealth protection

- FY 18 profit margins expected to reduce to approximately A$70m mainly due to new reinsurance agreements

Mature

- Expected to run off at around 5% per annum; in volatile investment markets this run-off rate can vary substantially

Costs

- Controllable costs for FY 18 (ex AMP Capital) not to exceed A$950m
- AMP Capital targeting cost to income ratio of 60%-65%; aiming for lower end of range over medium term

Dividend policy

- Target payout ratio of 70%-90% of underlying profit

Conglomerate standards

- The proposed capital requirements for conglomerate groups (level 3 institutions) were deferred in March 2016 and have not yet been implemented

Amortisation of acquired intangible assets

- Amortisation of acquired intangibles of approximately A$94m in FY 18 (post-tax)

AMP's advice network

As at December 2017	Target market	Advisers	Mortgage consultants[1]	Total AUM ($bn)	AUM per adviser ($m)
AMP Advice	Goals-based	221	24	10	44
AMP Financial Planning[2]	Core licensee offer	1,442	445	64	45
Charter Financial Planning		712	40	23	32
Hillross		317	23	15	46
Total (core licensees)	-	**2,692**	**532**	**112**	**41**
Jigsaw[3]	Self licensed	134	0	1	8
SMSF Advice	Accountants	41	0	n/a	n/a
Total (licensee services)	**-**	**175**	**0**	**1**	**6**

- 99% retention of core licensee adviser practices
- 2.9% decline in core licensee advisers from 1H 17; largely due to exits relating to change in buyer of last resort terms; no material impact on productivity and profitability
- Focus on increased productivity and profitability across advice practices; average AUM per adviser in core licensees up 8% to A$41m on FY 16

1. Also includes 379 mortgage consultants included as advisers.
2. Includes AMP Direct and Horizons.
3. Jigsaw does not include AMP Authorised Representatives.
4. AMP adopts ASIC's definition of an Authorised Representative.

Driving revenue growth in wealth management – Advice and SMSF

Wealth management	- Targeting 5% revenue growth through the cycle from 2018 in normal markets
Other revenue[1] growth	- Other revenue grew by 10% in 2017 as Advice and SMSF strategies delivered additional revenue growth - Advice and SMSF businesses on track to deliver additional revenue equivalent to 2% AUM fees in FY 18 via: **Advice** - Buy and retain client registers in AMP network - Service retained client registers through AMP Advice and direct channels at low marginal cost - Strategic equity investment in advice practices to deliver additional revenue - Investment of A$40m in practice equity and client registers in 2H 17 - Improve adviser productivity through technology advancements **SMSF / SuperConcepts** - Continued organic and inorganic growth of SMSF administration business - Incremental revenue growth from management of software accounts - Launched Connected Services portal on SuperConcepts platform in 2H 17; delivering increasing annuity income stream growth over time

1. Other revenue includes SuperConcepts revenues & product fees, platform fees & advice fees received by licensees on Australian wealth protection products & movements in the value of client registers purchased.

Driving revenue growth in wealth management – Advice

Delivering advice margin to wealth management and improving productivity

Client register purchases	
Strategy	Buy and retain client registers within AMP
Rationale	Expands AMP's participation across the advice value chain, delivering: 1. Advice margin to Australian wealth management 2. Ability to activate & engage inactive clients 3. Improved compliance controls
Acquisition multiple	3-4x recurring practice revenues
Revenue	Advice margin received on a fee for service basis or grandfathered commission business
Targeted cost to income ratio	15-20%
Targeted RoE (post tax)	Approximately 15%
Client servicing	Face to face advice for clients with more complex needs; direct servicing for customers requiring simple advice solutions

Equity investment in advice practices	
Strategy	Strategic equity investments (typically 20-49%) in appropriately identified advice practices
Rationale	Allows AMP to invest and participate alongside AMP aligned advice practices, delivering: 1. Advice margin to Australian wealth management 2. Equity financing to advice practices with growth ambitions 3. Improved practice efficiency by utilising AMP's expertise
Acquisition multiple	Around 5-6x practice EBITDA
Revenue	Equity accounted share of profits
Targeted RoE (post tax)	12-14% excluding potential capital valuation uplift over time
Client servicing	Existing aligned advice practice supported by AMP

AMP Capital – international growth

Global Partnerships	**China Life AMP Asset Management (CLAMP)**[1] – AUM grew 59% in local currency terms to RMB 183.3b (A$36.0b) – Launched 25 new products year-to-date including separately managed accounts, diversified, equity and fixed income funds – Fastest growing new funds management company in China – 1 million retail investors – Business profitable and continues to perform ahead of expectations
	China Life Pension Company (CLPC)[2] – AUM grew 41% in local currency terms to RMB 531.0b (A$104.3b) – No.1 in trustee services (32% market share) and No.3 in investment management (11% market share) by AUM as at Q3 2017 – Positioned well for launch of the Occupational Pensions tender for China's 40 million civil servants; 12% salary contributions to lead to eventual annual industry flows of up to A$40b
	MUFG: Trust Bank and other distributors – Japan – Managing A$6.0b for clients in Japan – MUFG: Trust Bank business alliance offers 11 retail and three institutional funds, with A$1.2b in FUM. Raised commitments of A$1.5b across a large number of Japanese institutional clients since the launch of AMP Capital's Global Infrastructure Fund and Infrastructure Debt series. This includes A$0.6b raised for IDF III in FY 17

Global Investment Management	– Ongoing growth in infrastructure, with IDF III final close raising US$2.5b for the mezzanine debt strategy, an additional US$800m in co-investment rights and securing a further US$800m from investors who want access to our deal origination capabilities
	– Managing A$22b for international investors; includes A$12b for 291 direct international institutional clients
	– Investment in US real estate investment manager PCCP in December 2017; complements Asian distribution strategy
	– A$5b Australian property development program attracting strong support from international and domestic investors
	    – Development of Quay Quarter Tower is set to commence in 2018 subject to final conditions precedent being delivered; forecast completion of Quay Quarter 2021
	    – Owner approvals have now progressed well with major redevelopment at WA shopping centres Garden City, Booragoon and Karrinyup; projects are on track for early 2018 commencement subject to final conditions precedent being delivered

Notes
1. AMP Capital holds a 15% stake in the joint venture. AMP Capital's 15% share of AUM is A$5.4b.
2. AMP holds a 19.99% stake in the joint venture.

Regulatory environment

Proposed regulatory reform	AMP position
Superannuation reforms - Two Bills relating to superannuation member outcomes, transparency and governance	- AMP supports some aspects of the Bills but is seeking changes on other proposals if the Government chooses to seek passage of the Bills in 2018
Life insurance reform - Legislation with significant changes to adviser life insurance remuneration effective from January 2018 - Parliamentary Joint Committee Inquiry into the Life Insurance Industry to report on 31 March 2018	- AMP supports reforms which regulate the payment of commissions in the life insurance industry - AMP supports the industry-led FSC Life Insurance Code of Conduct that commenced on 1 July 2017 - AMP has appeared before the Parliamentary Inquiry and provided submissions - We expect some strong recommendations on many issues including access to medical history, the use of genetic testing by the industry and treatment of mental health conditions
Adviser standards (FASEA) - New professional standards framework for the financial planning profession	- AMP led the industry by announcing increased adviser education standards and ethics training in July 2014 - AMP supports the implementation of practical industry-wide guidelines which will be set by FASEA
Productivity Commission review into superannuation - Review of superannuation including its efficiency, competitiveness and assessment of alternative default models	- AMP believes all Australians should be able to choose their superannuation fund - AMP supports more competition in the default fund selection process - We will continue to participate in the Productivity Commission review
Productivity Commission review of competition in financial system - Review asked to look at the level of contestability and competition across the financial sector; draft report issued 7 February 2018	- AMP welcomes the draft report and is considering responding to the draft recommendations - We support levelling the playing field and greater competition in the sector
Australian Financial Complaints Authority Bill - The Bill will establish a new 'one stop shop' for consumer complaints about financial services	- AMP supports the Bill which will merge the existing SCT and FOS - The Bill is expected to pass in the first sittings of Parliament in February 2018
Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry	- Terms of reference for the Royal Commissioner were released late December 2017 - Commission requested initial information from financial services companies by 29 January 2017
Markets in Financial Instruments Directive II (MiFID II) - To harmonise regulation for investment services in Europe	- AMP Capital's European business is in scope and has achieved compliance; elements adopted globally where appropriate

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