

8 August 2019



Capital raising

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Not for distribution or release in the United States

Capital raising rationale

Summary

- Capital raising of A\$650 million via a fully underwritten Placement (“Placement”) to institutional investors, and a separate non-underwritten Share Purchase Plan (“SPP”) for eligible shareholders in Australia and New Zealand
- AMP intends to use the proceeds from this raising to:
 - Commence the immediate implementation of the new strategy, including investments to reposition and de-risk the core businesses and realise targeted cost savings
 - Fund ongoing growth in the core businesses of AMP Capital and AMP Bank
 - Provide balance sheet strength to absorb uncertainties ahead of the sale of AMP Life (as announced today)
- The capital raising provides AMP with the capability to invest immediately ahead of the expected completion of the sale of AMP Life (scheduled for 1H 20). The proceeds of the sale are expected to complement the financing of these initiatives
- Post capital raising and completion of AMP Life sale, the proforma eligible capital above MRR is expected to be A\$2.6 billion, with a large reduction in minimum regulatory requirements once AMP Life is no longer part of the Group

Positioning for future growth

- Implementing the new strategy is expected to require approximately:
 - A\$350-450 million to be invested in initiatives to reposition AMP’s businesses for growth
 - A\$350-450 million to restructure and right size AMP’s cost base which is expected to deliver approximately A\$300 million of annual run-rate savings by 2022
 - A\$300-400 million to address legacy matters and de-risk the business including reshaping aligned advice and simplifying the business model
- *Please refer to page 4 for more details on uses of proceeds*

Proforma capital position

A\$m	30 June 2019 reported	Proceeds from Capital Raise	Impact from completion of sale of AMP Life	30 June 2019 Proforma post capital raise and AMP Life sale
Level 3 eligible capital	3,040	650	(350)	3,340
Less: Minimum regulatory capital requirements (MRR)	1,346	-	(630)	716
Level 3 eligible capital above MRR	1,694	650	280	2,624
Capital in excess of target surplus on settlement	n/a	650	1,150	1,800

- The proforma 1H19 capital in excess of target surplus on settlement of the AMP Life sale and the capital raise is approx. A\$1.8bn
- The proforma 1H19 capital position post the completion of the sale of AMP Life and the capital raise (pre-issue costs) is for illustrative purposes only and is intended to provide an indication of the capital position after adjusting for the fully underwritten Placement announced today and the sale of AMP Life
- The final result regarding any proceeds of the SPP will be known at completion of this transaction and is expected to further improve AMP's capital position
- The capital increase has been sized with the objective of strengthening AMP's balance sheet and providing capability to begin investing in the initiatives ahead of the proceeds of the sale of AMP Life becoming available to finance the balance of the investment initiatives
- AMP anticipates that the excess above target surplus will first be used to fund delivery of the new AMP strategy. Beyond this, AMP will assess all capital management options with the intent of returning the excess above target surplus to shareholders, subject to unforeseen circumstances

Use of proceeds - investing to build the new AMP

AMP intends to utilise the proceeds of the capital raising to commence the implementation of its new strategy immediately.

The balance of the strategic investment will be funded through organic growth and the AMP Life sale net proceeds

	Australian wealth management	AMP Bank	AMP Capital
Investing in growth A\$350-450m investment	<ul style="list-style-type: none"> - Digitally enabled propositions - Advice network reshape (retention and support) - Increase network professionalism - Employed advice and direct channels 	<ul style="list-style-type: none"> - Bank core system and operations capacity - Digitally enabled propositions 	<ul style="list-style-type: none"> - Operating platform investment
Realising cost improvement A\$350-450m investment	<ul style="list-style-type: none"> - Operations and technology efficiency and effectiveness - Advice cost and productivity - Reweight to a more variable cost base 	<ul style="list-style-type: none"> - Process automation and digitisation 	<ul style="list-style-type: none"> - Process simplification and improvement of controls
	Leaner and clearer structure with greater end-to-end accountability in the business Focus on scale and automation		
De-risking the business A\$300-400m investment	<ul style="list-style-type: none"> - Master Trust simplification - Advice network reshape (register acquisitions) 		<ul style="list-style-type: none"> - Public Markets simplification

A\$1.0-1.3b

investment required 2H19 - FY22

Offer overview

Placement size	<ul style="list-style-type: none">- A\$650 million fully underwritten Placement- Approximately 433.3 million fully paid ordinary shares (“New Shares”) to be issued at the Floor Price (defined below) (equivalent to approximately 14.7% of existing shares on issue)
Placement price	<ul style="list-style-type: none">- The final Placement issue price (“Offer Price”) is expected to be announced to ASX on Friday, 9 August 2019 prior to resumption of trading in AMP- The Offer Price will be determined via an institutional bookbuild, subject to an underwritten floor price of A\$1.50 per New Share (“Floor Price”), representing a:<ul style="list-style-type: none">- 13.3% discount to the last close price on ASX of A\$1.73 on Wednesday, 7 August 2019; and- 15.7% discount to the 5-day VWAP on ASX of A\$1.78 to the close of trade on Wednesday, 7 August 2019
Underwriting	<ul style="list-style-type: none">- The Placement is fully underwritten by Credit Suisse and UBS
Share Purchase Plan	<ul style="list-style-type: none">- Following completion of the Placement, AMP will offer eligible Australian and New Zealand shareholders the opportunity to acquire up to a maximum of A\$15,000 each in New Shares via a SPP on pricing terms equal to, or more attractive than, the Placement- The SPP will not be underwritten and AMP reserves the right (in its absolute discretion) to scale-back- The offer price per share under the SPP will be the lesser of:<ul style="list-style-type: none">- The final Offer Price under the Placement; and- The volume-weighted average price of AMP Shares traded on the ASX during the 5 trading days up to, and including, the day on which the SPP is scheduled to close (currently Thursday, 5 September 2019) less a 2.50% discount, rounded down to the nearest cent- No brokerage or transaction costs are payable for New Shares issued under the SPP- An SPP booklet containing further details of the SPP will be sent to eligible shareholders on Friday 16 August
Ranking	<ul style="list-style-type: none">- New Shares issued via the Placement and SPP will rank equally with existing fully paid ordinary shares from their time of issue

Key offer dates

Dates are subject to change without notice	Date¹
Record Date for the Share Purchase Plan	7.00pm AEST, Wednesday, 7 August 2019
Trading halt and Placement announced	Thursday, 8 August 2019
Placement bookbuild	Thursday, 8 August 2019
Placement completion announcement	Friday, 9 August 2019
Trading halt lifted	Friday, 9 August 2019
Settlement of New Shares to be issued under Placement	Tuesday, 13 August 2019
Allotment and commencement of trading of New Shares issued under the Placement	Wednesday, 14 August 2019
Expected SPP offer opening date and despatch of SPP document	Friday, 16 August 2019
Expected SPP offer closing date	Thursday, 5 September 2019
SPP allotment date	Friday, 13 September 2019
Holding statements will be despatched to Shareholders	Tuesday, 17 September 2019

1. All dates and times are indicative and subject to change without notice.



Appendix
Section A

Key risks

This section describes key risks of investing in AMP together with the risks relating to participation in the Offer which may affect the value of AMP shares. It does not describe all the risks of an investment. Investors should consult their own professional, financial, legal and tax advisers about those risks and the suitability of investing in light of their particular circumstances. Investors should also consider publicly available information on AMP (including information available on the ASX website) before making an investment decision.

The risks are categorised as follows:

1. Risks associated with the Issuer

- 1.1 Strategic risks
- 1.2 Legislative, regulatory and capital risks
- 1.3 Business and industry risks
- 1.4 Financial risks
- 1.5 Operational, legal & compliance risk

2. Risks associated with the Offer

For additional risks, see pages 25 to 44 of AMP's information memorandum for its issue of subordinated notes which was released to ASX on 15 November 2018. Please note that the list of risks in the information memorandum contains a longer list of general business risks facing AMP than appears below. The list was current as of that date and therefore certain information may be out-of-date. The list was also prepared in the context of a subordinated notes offer whereas this is a share offer. Accordingly, the risks set out in this section have been assessed based on the information that an investor in a share offer would find useful but investors are encouraged to review the list in the information memorandum if they wish to review more general business risks as well.

References to "AMP" in the key risks section of this presentation include AMP and its related bodies corporate (as defined in the Corporations Act (2001) (Cth)), where the context requires.

Key risks (cont'd)

1. Risks associated with the Issuer and AMP

1.1 Strategic risks

AMP Life, wealth protection and mature businesses

- On 25 October 2018, AMP announced the proposed sale of its wealth protection and mature business (“AMP Life”) to Resolution Life Australia Pty Ltd (a wholly owned subsidiary of Resolution Life Group Holdings LP) (“Resolution Life” and “Life Sale”).
- On 15 July 2019, AMP announced that the Life Sale was highly unlikely to proceed on the originally proposed terms due to challenges in meeting the conditions precedent under the sale agreement for Reserve Bank of New Zealand (“RBNZ”) approval. This condition precedent requires RBNZ approval of a change of control for AMP Life in a form consistent with the current branch structure which among other things exempts AMP Life from certain requirements for New Zealand incorporated life insurers on the basis that AMP Life is regulated in Australia under Australian prudential requirements. The RBNZ has indicated it is not prepared to approve a change of control without separate, ring-fenced assets held in New Zealand for the benefit of New Zealand policyholders and other additional governance and risk management matters to be addressed by Resolution Life which were not envisaged in the condition precedent to the transaction.
- On the date of this presentation, AMP announced a revised agreement with Resolution Life for the sale of AMP Life (the Australian and New Zealand wealth protection and mature businesses).
- Should the transaction complete, as part consideration, AMP will receive a A\$500m equity interest (expected to be around 20 per cent) in Resolution Life Australia – a new Australian-domiciled, Resolution Life controlled holding company which will acquire 100% of AMP Life.
- AMP and Resolution Life are engaging constructively with regulators in New Zealand and Australia and are continuing to work productively with the Reserve Bank of New Zealand to address their requirements for change in control.
- Given the strategic importance of AMP’s partnership with China Life, AMP is seeking to transfer its holding in the China Life Pension Company from AMP Life to AMP Limited. AMP will continue to work with China Life to achieve the necessary regulatory approvals for this transfer within the timeframes required by the sale agreement.
- There is no guarantee that the Life Sale will proceed on the agreed terms. If the Life Sale does not proceed, this will have a significant impact on AMP’s strategy, financial position, performance and capital.
 - AMP’s financial position and performance will be exposed to the risks of AMP Life’s run-off profile and earnings and dividend volatility arising from the underlying risks of the business such as insurance, product, market, credit, expense, customer behaviour (eg lapse and persistency) risks. This includes the impact of actual experience in the reporting period as well as the risks that best estimate assumptions may need to be strengthened, which may reduce future planned profit margins and / or loss recognition or have other one-off or on-going adverse impacts;
 - AMP’s financial position and performance will be exposed to changes in Life Insurance accounting standards (IFRS17) which is effective for the reporting period commencing 1 January 2022, and any consequential impacts on Life Insurance taxation and prudential capital requirements, the impacts of which are uncertain;
 - AMP will also be exposed to the risk that dividends may not be payable from AMP Life or that capital injections may be required into AMP Life to meet guaranteed policyholder liabilities and policyholder reasonable benefit expectations, or regulatory capital requirements and for its future sustainability. Should no dividends be payable and/or capital injections required, there is no guarantee that future capital injections will not be required;
 - AMP may be subject to a claim under the terms of the sale agreement for the Life Sale;
 - There may also be increased instances of staff turnover and our ability to retain key staff may be challenged.

Key risks (cont'd)

1. Risks associated with the Issuer and AMP (cont'd)

1.1 Strategic risks (cont'd)

AMP Life, wealth protection and mature businesses (cont'd)

- If the Life Sale does proceed, the risks of the retained businesses (eg risks associated with seed and sponsor capital of AMP Capital) will form a larger relative proportion of the Group's risks than if the Life business was retained.
- If the Life Sale does proceed, the AMP group will continue to hold around 20% in AMP Life. In that capacity it will be a minority investor and control will rest with the acquirer. It will have limited powers and rights and, while it expects to receive a share of earnings and distributions (including franking credits as appropriate) commensurate with its level of ownership in Resolution Life Australia, there can be no assurance that the business will perform consistent with expectations.
- AMP Capital has an investment management agreement with AMP Life. AMP Life can terminate this agreement, and can move funds to another manager at any time. There is a risk to AMP Capital that AMP Life may withdraw some or all funds under management, either under the current agreement, or under any revised agreement that might be agreed, and there is a risk to AMP Capital that a new agreement may have less favourable terms.
- An investment management agreement is also being negotiated between AMP Capital and AMP's superannuation trustees due to the proposed sale of AMP Life. There is a risk to AMP Capital that the superannuation trustees may withdraw some or all funds under management from AMP Capital, and/or that the financial performance or position of AMP is impacted by the terms of that investment management agreement.

Implementation of new strategy

- AMP announced its new strategy to ASX on 8 August 2019. There is a risk that the strategy may not be implemented in accordance with AMP's current intentions or that the proposed timetable for implementation may be delayed. If the business units do not perform as anticipated or if there are changes in the business, economic, legislative or regulatory environment, or customer behaviour changes, this may also affect the effectiveness of the strategy. These could lead to AMP underperforming market expectations regarding growth and profit, which may have an impact on AMP's financial position, performance, and capital. If internal or external stakeholders do not support the strategy, then this may have an impact on AMP's financial position, performance, and capital. If costs and capital are not managed as planned, then this may impact on the ability to successfully implement the strategy.
- A material proportion of AMP Capital's assets under management are provided from AMP Group related entities. Changes to the size or terms of these assets under management may impact on the financial performance and position of AMP Capital or the AMP Group.

Key risks (cont'd)

1. Risks associated with the Issuer and AMP (cont'd)

1.2 Legislative, regulatory and capital risks

Industry and regulatory compliance investigations

- AMP is subject to regulatory investigations, reviews and other compliance queries from regulators from time to time. These matters are not disclosed unless a material and adverse conclusion is reached. There are presently a number of these matters which are the subject of current consideration by regulators in which no conclusion has been reached, and AMP has also made breach reports of technical matters to which there is yet to be a regulatory response. AMP is also investigating possible breaches which AMP will report if it concludes that there has been a significant breach or is otherwise reportable. If the regulators take an adverse view on significant breaches, there may be serious reputational consequences, and depending on the outcome of compliance queries, there may be the imposition of civil and criminal penalties, variations or restrictions, suspension or cancellation of licenses, the compensation of customers, enforceable undertakings or recommendations and directions for AMP to enhance its control framework, governance and systems. Further, AMP's ability to charge fees and/or provide certain client service offerings in particular circumstances may be materially and adversely affected.
- AMP may have also, in its communications and interactions with customers, engaged in misleading conduct or made misleading statements or omissions, which may expose AMP to reputational damage, customer remediation, claims for damages, and consequential action by regulators that may have an adverse financial impact on AMP.
- ASIC and APRA have currently underway a number of reviews and enforcement investigations of the financial services industry, including in relation to superannuation, life insurance, investment platforms and financial advice, including in relation to AMP. This may include reviews by independent experts appointed or directed by regulators. APRA and ASIC also undertakes reviews and enforcement investigations of the entities that it regulates, including AMP. Current reviews and investigations underway with regard to AMP include for example, in relation to delinked members and smokers rates; premiums charged to deceased accounts and the obligation to provide insurance to MySuper members. If any of these reviews (for example, compliance with the Fee Disclosure Statement regime and charging fees without the provision of services) lead to legislative or other regulatory change, this could have an impact on the operating model and/or profitability of AMP's wealth business or other businesses. In addition, enforcement action may result in fines, other regulatory action or reputational impacts, which could have a material adverse impact on the overall financial position and performance of AMP.
- On 4 April 2019, ASIC announced that it had imposed additional conditions on the Australian Financial Services licence of AMP Financial Planning Pty Ltd. Failure to meet the conditions may have a material adverse impact on the overall financial position and performance of AMP, and in particular the ability for its licensees to provide managed discretionary accounts.
- On 14 June 2019, APRA announced that it had imposed a number of directions and additional licence conditions on the Registrable Superannuation Licences of AMP's two superannuation trustees (AMP Superannuation Limited and N.M. Superannuation Proprietary Limited). AMP intends to fully implement these. Failure to meet these directions and conditions may have a material adverse impact in the overall financial position and performance of AMP.
- AMP is also undertaking reviews concurrently with ASIC's and APRA's regulatory investigations to determine, amongst other things, where customers may have been disadvantaged. In some instances, compensation has been paid. Where the results of AMP's reviews have reached the point that customer compensation is likely, and can be reliably estimated, then a provision has been raised (see 'Customer remediation' risk).

General Legislative and Regulatory changes

- AMP, as a financial services organisation, is subject to various legislative, regulatory and prudential requirements. AMP is also a member of industry bodies that have self-regulatory codes and standards, including the Financial Services Councils of Australia and New Zealand and the Australian Banking Association.
- Any failure to comply with these may result in reputational consequences, and there may be the imposition of civil and criminal penalties, variations or restrictions, suspension or cancellation of licenses, the compensation of customers, enforceable undertakings or recommendations and directions for AMP to enhance its control framework, governance and systems. Further, AMP's ability to charge fees in particular circumstances may be affected.
- Regulatory action may also be taken if AMP is believed to be accepting an unacceptably high level of risk in its business operations.
- The financial services industry is undergoing a significant level of change through legislative and regulatory reform. AMP continues to respond and adjust its business model for these changes. However, failure to have adjusted its governance appropriately or adequately anticipate and respond to future changes could have a material adverse impact on AMP's business model and the performance of its businesses and strategic objectives. AMP cannot accurately predict the impact of future legislation and regulatory change on its business. However, as the amount and complexity of reforms increases, so may the cost of compliance and the risk of non-compliance.
- Parliamentary scrutiny of the financial services industry is also increasing. We understand that the House of Representatives Standing Committee on Economics will be conducting an inquiry into progress made by relevant financial institutions in implementing the recommendations of the Royal Commission into Misconduct in the Banking, Superannuation, and Financial Services Industry. We expect AMP will be included in the list of institutions required to appear in the hearings for this committee's inquiry, which may have further reputational impact on AMP.

Key risks (cont'd)

1. Risks associated with the Issuer and AMP (cont'd)

1.2 Legislative, regulatory and capital risks (cont'd)

Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry

- On 14 December 2017 the government established a Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry (“**Royal Commission**”) to investigate conduct, practices, behaviour or business activities by financial services entities, including AMP, that may amount to misconduct or that may have fallen below community standards and expectations. The final report of the Royal Commission was issued on 4 February 2019 and made:
 - 76 policy recommendations which may result in legislative and regulatory change; and
 - a number of findings of actual or possible misconduct (including breaches of law) or conduct which does or may fall below community standards and expectations in relation to participants in the financial services industry, including AMP.
- AMP has considered the various matters raised in the final report and is taking action in response. For example, AMP is committed to continue to compensate clients that financially have been treated unfairly (see ‘customer remediation’ risk).
- The Government and Regulators have accepted the majority of the recommendations from the Royal Commission and are in the process of implementation. In some cases, implementation has already occurred e.g. recommendation 3.6 and 3.7 have been implemented by the Government in legislation as part of the *Treasury Laws Amendment (Improving Accountability and Member Outcomes in Superannuation Measures No. 1) Act 2019* (Cth) and recommendations 4.9 and 7.1 have been implemented by the Government through regulation including the expansion of the Australian Financial Complaints Authority remit for a period of 12 months from 1 July 2019 to accept eligible complaints regarding conduct dating back to 1 January 2008.
- Recommendations flowing from the Royal Commission, if legislated, could affect many of AMP’s businesses and future strategy (see also ‘superannuation reform’ risk). In addition, and as a result of the conduct examined during the hearings of the Royal Commission or other conduct, AMP could face litigation, fines, penalties, revocation, suspension or variation of conditions of relevant regulatory licences or other regulatory action which may also affect the Board and management (see ‘litigation’ risk for details of current litigation). The Royal Commission’s policy recommendations include recommendations relating to financial advice, superannuation, banking, insurance and regulators.

Financial Advice Reforms

- AMP has the largest financial planning network in Australia. AMP has training, supervision and compliance processes in place designed to support its advice network operating within the legal and regulatory framework. There remains a risk that advisers and/or AMP subsidiaries may not comply with the law or regulations when providing advice, products or services to, or receiving fees from, clients or investors or that its compliance processes may fail. In the event that clients or investors suffer losses as a consequence of any non-compliance with laws, compensation may be required to be paid and those matters could be the subject of litigation or regulatory action including fines. This could have a material adverse impact on the overall financial position, performance, and capital of AMP if these are not covered by the professional indemnity insurance AMP has in place or not covered by AMP’s remediation provisions to date and could have an adverse impact on AMP’s reputation.
- The final report of the Royal Commission recommended that the grandfathering arrangements for conflicted remuneration in relation to financial advice provided to retail clients should be removed. In its response to the Royal Commission, the Government announced that it would end grandfathering of conflicted remuneration to financial advisers effective from 1 January 2021. An exposure draft of this legislation (the *Treasury Laws Amendment (Ending Grandfathered Conflicted Remuneration) Bill 2019*) and exposure draft of the regulations (*Treasury Laws Amendment (Ending Grandfathered Conflicted Remuneration) Regulations 2019*) were released by the Government for consultation. The draft legislation was recently introduced into Parliament on 1 August 2019. If legislated, these changes will have a significant impact on AMP’s financial advice businesses and may have a material adverse impact on the overall financial position and performance of AMP. AMP already has impaired assets and has an onerous contract provision for exempt practices.
- The final report of the Royal Commission also made other recommendations in relation to financial advice, including annual renewal and payment of ongoing service fees, a review of measures to improve the quality of advice including the safe harbour provision for the Best Interest Duty by 2022, review of Life Risk Insurance commissions by 2021 and limitations on personal advice fees paid from superannuation. If legislated, this may have an impact on AMP’s financial advice businesses.

Key risks (cont'd)

1. Risks associated with the Issuer and AMP (cont'd)

1.2 Legislative, regulatory and capital risks (cont'd)

Financial Advice Reforms (cont'd)

- FASEA, the Financial Adviser Standards and Ethics Authority, has implemented a new professional standards framework for the financial planning profession which will also have an impact on financial advisers and AMP's financial advice businesses. This may impact AMP's financial position and performance.
- Legislative and regulatory change and an increased compliance burden may also reduce adviser productivity, cause a greater loss of advisers due to retirements from the industry and increase the number of BOLR applications (see '*purchase of financial advisory books of business / BOLR arrangements*' risk) as well as lead to higher operating costs, declining new business volumes, higher cash outflows and greater capital requirements. There is also a risk that proposed or past changes to BOLR structures or buyback arrangements (or other policy positions of AMP's advisor licensees) could result in legal action.
- It may also cause AMP to revise or withdraw its range of products and services, change its premiums, fees and/or charges, redesign its technology or other systems incurring significant expense, retrain its staff and advisers, pay additional tax, hold more capital or incur other costs. This may also have a material adverse impact on the overall financial position and performance of AMP.
- Further changes in the financial planning industry may continue to adversely affect the value of registers of clients.

New Zealand

- Providers and distributors of wealth management and wealth protection products are subject to rigorous legislative and regulatory requirements in New Zealand. The wealth management and wealth protection industry has undergone significant legislative and regulatory reform in New Zealand, with more to come. Regulator expectations have been strongly articulated in the Bank and Life Insurer Conduct and Culture reviews' reports released by the Financial Markets Authority of New Zealand and the Reserve Bank of New Zealand and there is an increasing propensity to 'enforce' expectations. The ring-fencing of assets in New Zealand is one example of this (see '*impact of AMP Life wealth protection and mature businesses*' risk). The significant changes in the financial services legislative and regulatory reform has increased the compliance burden for AMP companies operating in New Zealand and has the potential to impact business models. This will increase with the introduction of further changes including universal entity-based licensing for financial advice providers (spanning late 2019-2021); insurance contract law reform; and a mooted broad financial institutions conduct regime (which the Financial Markets Authority has identified as one of its five strategic priorities – "potential remit changes" – in its 2019 Annual Corporate Plan).

Litigation

- In the course of its operations, AMP is involved in disputes and litigation from time to time. Other than the claims set out below, AMP is not currently party to any proceedings which are material to AMP as a whole:
 - on 23 May 2019, the Supreme Court of New South Wales ruled that the Maurice Blackburn and Slater & Gordon-led class action alleging breaches by AMP Limited of its continuous disclosure obligations, could continue and that three other class actions be disbanded; and
 - during May and June 2019, certain subsidiaries of AMP Limited were served with two class actions. The first of those class actions relates to the fees charged to members of certain AMP superannuation funds. The second of those actions relates to the fees charged to members, and interest rates received and fees charged on cash-only fund options. The two proceedings are on behalf of certain superannuation customers and their beneficiaries.
- The claims are yet to be quantified and participation has not been determined. AMP intends to defend each vigorously. It is difficult to predict the timing and ultimate impact of these claims, if any, on AMP.
- In addition, AMP Financial Planning Pty Limited (AMPFP) is the subject of civil penalty proceedings brought by ASIC in June 2018. The proceedings allege contraventions of the Corporations Act 2001 (Cth) by AMPFP relating to the alleged conduct of six of its authorised financial advisers in providing advice to customers in relation to the replacement of life insurance policies. AMPFP has made admissions in respect of the conduct of these advisers. ASIC's primary argument is that there have been 120 contraventions by AMPFP or, failing the Court accepting this, six contraventions. AMP's primary submission is that there were two contraventions. Following a penalty hearing, the Court has proposed to reserve its decision pending any further evidence as to remediation of affected customers. The civil penalty will ultimately be determined based principally on what the Court determines is the number of contraventions by AMPFP and there is a risk this will be material.
- From time to time, the AMP group may incur obligations arising from litigation or various types of contracts entered into in the normal course of business, including guarantees issued by the listed entity for performance obligations to controlled entities in the AMP group. Legal proceedings threatened against AMP may also, if filed, result in AMP incurring obligations. A contingent liability exists in relation to actual and likely potential legal proceedings.

Key risks (cont'd)

1. Risks associated with the Issuer and AMP (cont'd)

1.2 Legislative, regulatory and capital risks (cont'd)

Customer remediation

AMP has developed a process for customer review and remediation within a reasonable timeframe, which on current estimates is expected to finish mid-2021. AMP remains on track to complete the programme within the timeframes previously indicated. As part of the program AMP continues to engage with ASIC on its progress and any process developments. Any changes to the methodology adopted (including as a result of ongoing regulatory engagement or programme assurance) may affect the projected remediation costs.

Inappropriate advice

- AMP continues to progress with the identification and compensation of customers who have suffered loss or detriment as a result of receiving inappropriate advice from their adviser. The scope of the review includes the period from 1 January 2009 to 30 June 2015 specified by ASIC in Report 515 Financial advice: Review of how large institutions oversee their advisers, which has been extended to 30 June 2017. The scope includes any instances of inappropriate advice identified through ongoing supervision and monitoring activities.
- Compensation has been and continues to be paid and a provision exists for further compensation payable as the review progresses and client reviews are completed. AMP has adjusted its provision estimate for future compensation based on the actual experience of remediating clients and the expected future costs of operating the program. The provision includes a component for advisers for whom a remediation review has not yet commenced and the determination of compensation for any given client is not known with certainty until immediately prior to payment.

Advice service fee (fees for no service)

- AMP has established a program to focus on the identification and compensation of customers of advisers who have been charged an ongoing service fee without the provision of service (or where there is insufficient evidence of the provision of service). This involves a large-scale review of fee arrangements from 1 July 2008 as specified by ASIC in Report 499 Financial advice: Fees for no service. Sampling of customer files has been conducted across AMP licensees and has identified instances in the review period where customers have paid fees and there is insufficient evidence to support that the associated service had been performed.
- A provision for advice service fee customer compensation and the future costs of executing the program exists. This provision is judgemental and has been estimated using multiple assumptions derived from the sampling conducted to date. Assumptions used include evidence failure rates, average fees to be refunded and compensation for lost earnings.

Other matters

In addition to the above items, other reviews in relation to fees charged to customers have been performed, including corporate plan service fees, fees charged to customers without an active adviser and deceased estates. Provisions have been raised for the estimated compensation due to customers, including lost earnings to 30 June 2019. The provisions are judgmental and the actual compensation to customers could vary significantly from the amounts provided.

Protecting Your Super and Putting Members Interests First

- Changes made under the Treasury Laws Amendment (Protecting Your Superannuation Package) Act 2019 (Cth) and Treasury Laws Amendment (Protecting Your Superannuation Package) Regulations 2019 (Cth) came into effect on 1 July 2019. This legislation introduces a number of significant reforms including opt-in insurance only for inactive accounts, a prohibition on exit fees, a 3% fee cap for low balance accounts and compulsory transfer of inactive low balance accounts to the Australian Taxation Office. These changes will affect AMP's superannuation and life insurance business going forward by reducing fees payable from account holders to AMP and reducing the number of duplicate/multiple superannuation accounts across the industry.
- The Government has re-introduced into Parliament a bill to progress insurance reforms that were removed from its 'Protecting Your Superannuation' (PYS) package earlier in 2019. The Treasury Laws Amendment (Putting Members' Interests First) Bill 2019 ("PMIF") seeks to implement provisions making insurance opt-in for members under age 25 and for low-balance accounts. In all circumstances, the member may opt-in to insurance by making a direction to the trustee. This draft legislation has not yet progressed through Parliament so the proposed commencement date of 1 October 2019 now seems unlikely. If this bill becomes law it may have an impact on AMP's businesses and therefore its financial position and performance.

Key risks (cont'd)

1. Risks associated with the Issuer and AMP (cont'd)

1.2 Legislative, regulatory and capital risks (cont'd)

Design and Distribution Obligations

- The *Treasury Laws Amendment (Design and Distribution Obligations and Product Intervention Powers) Act 2019* (Cth) was passed in April 2019. This legislation imposes new design and distribution obligations on product issuers and product distributors in respect of certain financial products. These new obligations come into effect in April 2021. The legislation also introduces a product intervention power for ASIC to proactively regulate or ban potentially harmful financial and credit products to prevent the risk of or respond to significant consumer detriment. This power came into effect on 6 April 2019. Implementation of this legislation will affect AMP's business, and its regulatory and compliance obligations, going forward

Superannuation reforms

- The Productivity Commission's Inquiry report into superannuation was publicly released on 10 January 2019 and assesses the efficiency and competitiveness of Australia's superannuation system and whether better ways to allocate default superannuation funds are needed. The report outlined the Productivity Commission's view that the superannuation system requires reform to better meet the needs of a growing pool of retirees and a modern workforce. The report included analysis of structural flaws (e.g. unintended multiple accounts and underperforming superannuation funds). It also included a recommendation that members should only ever be allocated to a default fund once, upon entering the workforce, and they should also be empowered to choose their own super product by being provided a 'best in show' shortlist (up to ten funds), set by a competitive and independent process. While the Government has not formally responded to the Productivity Commission's recommendations in relation to super, they have implemented some of them through legislative change under the Protecting Your Superannuation Package and responded to some of them as part of their response to the Royal Commission recommendations. The Government's response to the report's recommendations may affect AMP's superannuation business and future strategy.

- The Government has also indicated that they intend to conduct a Retirement Incomes Review as recommended by the Productivity Commission. The Productivity Commission also recommended that such a review take place before the first legislated increase in Superannuation Guarantee (SG) contributions which will occur with an increase from 9.5% to 10% on 1 July 2021. The Terms of Reference are yet to be announced. The outcomes of any such a review may impact AMP's superannuation and AMP Capital businesses as well as the life insurance business and AMP's future strategy.

- The final report of the Royal Commission made a number of recommendations in respect of proposed changes to the superannuation industry. These recommendations include extending the Banking Executive Accountability Regime to all APRA regulated financial institutions (including superannuation funds), making trustees who fail their best interests' duties be subject to civil penalties enforced by the regulators, only allowing workers to be defaulted into super once and allowing only advice fees for intra-fund advice to be paid from MySuper accounts. In its response to the Royal Commission, the Government stated that it agrees with these recommendations. These recommendations, if legislated, may have an impact on AMP's superannuation businesses and therefore AMP's financial position and performance.

- The *Treasury Laws Amendment (Improving Accountability and Member Outcomes in Superannuation Measures No. 1) Act 2019* (Cth) was passed in April 2019. This legislation and APRA's guidance in relation to strengthening member outcomes in superannuation, introduce an annual member outcomes assessment for all MySuper and Choice products in superannuation. Such annual assessments are likely to place additional scrutiny from APRA on fees and investment performance. These assessments commence from 1 January 2020. Also included in this legislation was the requirement for Superannuation Trustees to hold annual member meetings for each superannuation fund, the prohibition of incentives to employers choosing a default fund (recommendation 3.6 of the Royal Commission), the introduction of civil and criminal penalties for trustees (related to recommendation 3.7 of the Royal Commission) and improved APRA directions powers. The implementation of these legislative and regulatory changes will impact on AMP's superannuation and AMP Capital businesses and AMP's future strategy.

Key risks (cont'd)

1. Risks associated with the Issuer and AMP (cont'd)

1.2 Legislative, regulatory and capital risks (cont'd)

Life Insurance reforms

- Recent legislative and regulatory scrutiny of life risk insurance products will affect AMP's insurance and financial advice business and is likely to impact its business models, particularly those relating to adviser and licensee revenue and life insurance revenue.
- The final report of the Royal Commission recommended that when ASIC conducts its review of conflicted remuneration relating to life risk insurance products and the operation of the ASIC Corporations (Life Insurance Commissions) Instrument 2017/510, ASIC should consider further reducing the cap on commissions in respect of life risk insurance products and that without clear justification for retaining those commissions, the cap should ultimately be reduced to zero. Once this review is completed, the outcomes may have an impact on AMP's insurance and financial advice business.
- The final report of the Royal Commission also made other recommendations in relation to life insurance, including application of unfair contract terms, removal of claims handling exemption, enforceable code provisions and a universal terms review. If implemented through legislative and regulatory reforms, the outcome of these changes will also have an impact on AMP's insurance business.
- In addition to the foregoing, the life insurance industry in Australia is receiving increased regulator and media scrutiny which may have a reputational and adverse financial impact for AMP and can lead to further and ongoing reform.

Banking reforms

- The final report of the Royal Commission made a number of recommendations in respect of proposed changes to the banking industry. These recommendations include a Best Interest Duty for Mortgage Brokers, changes to Mortgage Broker remuneration and product responsibilities under the Banking Executive Accountability Regime. In its response to the Royal Commission, the Government stated that it agrees with the majority of the Royal Commission recommendations. These recommendations, if legislated and implemented, could have a significant impact on AMP Bank including its sources of new business, ability to compete and future strategy.
- The Treasury Laws Amendment (Consumer Data Right) Bill 2019 was passed on 1 August 2019. This legislation will allow customers at their request to share their personal information with accredited institutions including other banks, to allow them to find a better deal on their banking products and aims to increase competition. The legislation is proposed to take effect for non-major banks including AMP Bank in July 2020.
- The Treasury Laws Amendment (Design and Distribution Obligations and Product Intervention Powers) Bill 2019 was passed on 3 April 2019. This legislation has introduced new intervention powers for ASIC and introduces new design and distribution obligations in relation to financial products in April 2021.

Key risks (cont'd)

1. Risks associated with the Issuer and AMP (cont'd)

1.2 Legislative, regulatory and capital risks (cont'd)

Other legislative, regulatory and capital risks

Other foreign jurisdictions

- AMP Capital also operates in a number of other overseas jurisdictions. Its businesses are affected by changes to the regulatory and business framework in those jurisdictions, as well as the cost of complying with regulations that have extra-territorial application.

Regulatory capital

- APRA or other regulators may change their standards and require AMP (including specific subsidiaries) to hold a greater level of capital to support its business and/or require those entities not to pay dividends on their shares or restrict the amount of dividends that can be paid by them. If this were to occur, this would have a significant impact on the overall financial position and performance of AMP. The introduction of capital requirements for conglomerate groups has remained deferred by APRA since March 2016.
- If AMP's capital were to fall below APRA's minimum requirements and market conditions meant that AMP was not able to raise further capital from investors, the ability of AMP to conduct its business would be seriously compromised. A decrease in capital could result from poor business performance, adverse litigation outcomes, excessive investment in the business, regulatory sanctions, adverse changes to the regulatory or commercial environment relating to advice business acquisitions or impairments of intangible assets, or other adverse outcomes.

1.3 Business and industry risks

Purchase of financial advisory books of business / BOLR arrangements

- Under arrangements currently in place, certain AMP Australian financial services licensees can be required to buy a financial advisory business, register of clients or servicing rights in relation to client registers from financial planners within the licensees' network based on a pre-agreed formula, typically when the owner of the financial advisory business, register of clients or servicing rights in relation to client registers leaves the industry and is unable to complete a trade sale on better terms to another buyer. This arrangement is known as 'Buyer of Last Resort' ("BOLR"). BOLR in the main, particularly in respect of AMP Financial Planning, involves the purchase of the servicing rights to client registers.
- Advice business owners wishing to exercise their BOLR rights under these arrangements must register their intention to do so by providing 6 to 18-months' notice and practice related information is subject to review to enable determination of the purchase price.
- With changes to commissions and product fee structures arising from changing legislation and regulatory guidance, the revenue earned by advice businesses may decrease. Accordingly, it may become increasingly attractive for an adviser to exercise their BOLR rights. For example, the cessation of grandfathered commissions proposed by the Royal Commission that was introduced with draft legislation into Parliament on 1 August 2019 (defined above) could cause a general re-set of the financial advice industry and a material increase in BOLR applications and related liabilities, which could in turn adversely impact the performance of the practice finance loans described below (see 'Financial advice reform' risk for more detail regarding the anticipated cessation to grandfathering commissions). AMP may choose to bring forward the cessation of grandfathered commissions, which may have an impact on the instances of the purchase, and the value of, the financial advisory books of business and may result in a material adverse impact on the overall financial position and performance of AMP and may require AMP to hold more capital.
- The potential mismatch between the BOLR acquisition price payable by AMP and the market value, also creates a risk of potential impairment to the carrying value of the businesses or registers.
- AMP announced on 8 August 2019 that it is resetting client register buy-back valuations to market-based valuations for determining the consideration payable under some of the buy-back arrangements to reflect economic changes. This means that if these advisers exercise their BOLR rights, then after the amendments take effect AMP will be able to purchase those advice businesses or client registers at rates closer to market value. There is a risk that these amendments may be disputed by advisers and litigation or negative reputational impact may ensue and may result in a material adverse impact on the overall financial position and performance of AMP and may require AMP to hold more capital.

Key risks (cont'd)

1. Risks associated with the Issuer and AMP (cont'd)

1.3 Business and industry risks (cont'd)	
Purchase of financial advisory books of business / BOLR arrangements (cont'd)	<ul style="list-style-type: none"> - AMP is also exposed to the value of these purchased advice businesses and registers of clients through AMP Bank which provides practice finance loans to some AMP financial planners secured, typically, against their business or register of clients and any right that they may have to sell these to an AMP licensee. There is a risk that a loss may arise to AMP Bank if, on enforcing its security, it is not able to sell the business or register for an amount sufficient to fully repay the debt owing to it. AMP Bank has been indemnified by AMP Group Holdings Ltd for (amongst others) credit losses arising from actions taken by AMP to adjust grandfathered commissions or BOLR valuations. There is also a risk of loss if AMP exercises the financial planner's right to sell the business or register to the relevant AMP licensee and the licensee, in turn, is unable to on-sell the business or register for the amount paid by it. As at 30 June 2019, the practice finance loan balance was approximately \$500 million. - It is currently expected that the cost of the BOLR arrangements, including acquisitions, retention & support spend and equity investments into practices to mitigate BOLR submissions, could be approximately \$550 million over the 24 months from 30 June 2019. This could be more or less depending on the number of participating financial planning businesses. - If any of these risks eventuate, this may have a material adverse impact on the overall financial position and performance of AMP.
Credit risk in mortgage lending	<ul style="list-style-type: none"> - AMP Bank has a lending book of \$19.7 bn of diversified Australian mortgage-secured loans, consisting of 71% owner-occupied and 29% investor lending. In current economic circumstances, the mortgage market is experiencing heightened risk of credit loss, owing to declines in security values, and sluggish income growth affecting serviceability, elevated levels of negative equity and rising levels of hardship applications. AMP Bank's arrears and loss experience have risen over 2018 and 2019 but remain substantially below average relative to those for the banking industry in general. AMP Bank actively mortgage insures loans with elevated Loan-to-Valuation ratios.
Claims and persistency experience risk and policy liabilities	<ul style="list-style-type: none"> - AMP Life provides risk insurance policies covering mortality, morbidity and longevity risk under which it is exposed to the risk of insurance claims by policyholders (claims risk) and the risk of policyholders cancelling or allowing their policies to lapse (persistency risk). - Actual experience on claims and persistency may differ from the experience assumed when issuing policies. This may be due to (but not limited to) general deterioration in persistency or claims, anti-selective lapsation, impacts of pandemics, natural disasters, worsening in general economic conditions, worsening in insured customers' health, advances in medical science, changes in society's attitudes to the value of insurance and to claiming benefits and changes in state-based injury compensation schemes and other insurance arrangements, and the impacts of changes in financial services regulation. AMP Life is transitioning to run-off. There is a risk that the transition to run-off may exacerbate these risks in both the short and long term. - Income protection and total and permanent disability claims typically increase in periods of higher unemployment and/or when small to medium enterprises are under stress. There has also been an increase in mental health-related claims over recent years. External factors driving persistency and claims risks include cost of living pressures and unemployment levels, as well as customers changing policies more frequently. - Deferred acquisition costs represent the upfront cost associated with acquiring new risk insurance business (including adviser commissions, controllable costs and stamp duty). If lapse rates on policies associated with deferred acquisition costs were to increase, the deferred acquisition costs may be written down. - To the extent that any of the above risks arise, this may result in a material adverse impact on the overall financial position and performance of AMP and may require AMP to hold more capital.

Key risks (cont'd)

1. Risks associated with the Issuer and AMP (cont'd)

1.3 Business and industry risks (cont'd)

Claims and persistency experience risk and policy liabilities (cont'd)

- To partly mitigate these risks, AMP has entered into various reinsurance arrangements. This includes three significant tranches of reinsurance two on the Australian retail insurance portfolio effective November 2016 and November 2017 and a third on the New Zealand retail insurance portfolio effective January 2019.
- AMP maintains policy liabilities for future policy holder benefits and unpaid claims in its life insurance business. The calculation of policy liabilities depends on estimates of expected future revenue, expenses and claims. These estimates use assumptions of future mortality, morbidity, persistency, investment returns, expenses and inflation rates. The assumptions are based on actuarial and statistical information and consideration of the facts and circumstances known at a given point in time. Although AMP maintains assets in excess of policy liabilities based on best-estimate assumptions, actual results and conditions may be different from those assumed and may vary from period to period. Further, these estimates are subject to change from time to time, and as a result of any variation of that type, AMP may be required to hold more capital in respect of its previous estimate of policy liabilities.
- In addition, insurance liabilities include an explicit allowance for the value of future profits which will be released gradually over the lifetime of the insurance business. In recent years, AMP has experienced elevated insurance claims and lapse rates due to a range of factors, such as those mentioned above.
- Any deterioration in the outlook for future profits will be reflected in updated best estimate assumptions and will lead to a reduction in the future profit margins (and hence reduced future reported profits) and may require additional capital. If the future profit margins are insufficient then the change in best estimate assumptions will lead to future losses being recognised immediately which will negatively impact the overall financial position and performance of AMP and may require additional capital. Some of AMP life's products have no future profit margins and due to best estimate assumption strengthening, reinsurance and regulatory changes (notably Protecting Your Superannuation Package) the level of future profit margins has reduced and the risk of future profit margins being insufficient has increased.
- There is a risk that continued adverse wealth protection experience, after allowing for reinsurance, may have a materially adverse impact on the overall financial position and performance of AMP. This risk is exacerbated by a book that is in run-off, in particular through anti-selective lapsation resulting in worsening claims experience, and the run-off of the book being faster than expectations resulting in cost over-runs.

Defined benefit funds

- While all of AMP's defined benefit superannuation funds are fully funded, some are presently reported in a deficit position in AMP's financial reports, as required by the relevant accounting standards. This deficit and the potential future funding requirements may be adversely impacted by investment returns, adverse movements in interest rates, or adverse member experience, including that related to longevity.

Adverse impact on product margins

- Product margins across AMP are likely to be adversely impacted by a number of the factors including legislative and regulatory changes, competitive pressures, margin squeeze, changing consumer and distribution channel behaviour, portfolio experience, funding cost increases, economic outlook, product offering and sales mix changes and strategic distribution channel changes.
- These factors may have a material adverse impact on the overall financial position and performance of AMP.
- Given the trend in legislation and regulation (e.g. Protecting Your Superannuation reforms and other changes), it is likely that future legislative and regulatory changes will put more downward pressure on product margins.

Key risks (cont'd)

1. Risks associated with the Issuer and AMP (cont'd)

1.3 Business and industry risks (cont'd)

Non investment-linked products

- Holders of certain life insurance policies issued by AMP Life may surrender their policy in return for a lump sum payment. AMP holds assets to meet the policy liabilities as they are expected to fall due. To surrender a policy, generally the policyholder is required to have held that policy for a specified minimum period of time and may have to accept a lower value than the maturity value. In some instances, AMP has the right to amend surrender values, subject to meeting minimum statutory requirements.
- For certain investments, capital guarantees will apply, and surrender values may at times exceed the value of the assets backing these investments, which could result in a material adverse impact on the overall financial position and performance and level of capital of AMP. The extent of this adverse impact may be greater if, in order to meet redemption requests, AMP is forced to dispose of assets, particularly illiquid assets, in a short timeframe, resulting in assets being sold below their fair value under normal market conditions.

Investment-linked products

- Policyholders or investors in investment-linked products may seek to redeem some or all of their investments. In order to satisfy these redemptions, AMP, as the manager of the investments, may be required to sell assets underlying the policyholder's or investor's investment.
- During certain periods, as was the case in the global financial crisis, some asset classes may be subject to a higher level of redemptions than historically had been the case. For funds and assets in highly liquid markets, the redemption requests can usually be met through asset sales. For funds and assets in illiquid markets, asset sales can be more difficult to achieve, particularly at short notice, and may result in the asset being sold below its fair value under normal market conditions. In extreme circumstances, it may not be possible to sell certain assets at short notice. Those outcomes could have a material adverse impact on the investment returns of those policyholders or investors. This, in turn, may have a material adverse impact on AMP's overall financial position and performance.
- To the extent that AMP believes it cannot meet redemption requests through asset sales, it will usually suspend or defer redemptions (where it has the right to do so) to allow sufficient time to complete the asset sales necessary to meet the requests.
- The suspension or deferral of redemptions and subsequent sale of assets, especially below their fair value, may have a material adverse impact on the overall financial position and performance of AMP.
- In addition, customer choice regarding investment preferences may materially impact on the financial performance and position of the Group (for example, the tendency to move from active to passive investments).

Key risks (cont'd)

1. Risks associated with the Issuer and AMP (cont'd)

1.4 Financial risks

Investment returns

- A proportion of AMP's profits are derived from investment returns (both income and net realised and unrealised capital gains or losses) in the non investment-linked statutory funds of AMP Life.
- Investment returns are shared between shareholders and policyholders in accordance with the Life Insurance Act 1995 (Cth) and other legislation regarding the allocation and distribution of profits of statutory funds, as well as the terms and conditions of the life insurance policies. The underperformance of investments could have a material adverse impact on the overall financial position and performance of AMP and may result in the need for additional capital to support AMP's businesses.
- Some products both within and outside of AMP Life have investment guarantees and whilst these are monitored and managed, significant market movements (including those related to interest rates) and on-going periods of high volatility, could have a material adverse impact on the overall financial position and performance of AMP.
- Investment performance affects the level of investment return on shareholders' funds assets, including seed and sponsor capital. Funds, including shareholders' funds, are invested in a variety of asset classes, including, but not limited to, cash, Australian and international equities, fixed interest, property, infrastructure, infrastructure debt and private equity. The investment performance of these assets may have a material impact on the overall financial position and performance of AMP.
- Changes in the value of, or returns from, these investments, including as a result of changes in valuations or the valuation methodology of unlisted assets, may have a material adverse impact on the overall financial position and performance of AMP and may affect the level of capital, liquidity and funding required to support AMP's businesses. In periods of extreme volatility the values of these assets are subject to greater change and uncertainty.

Investment management performance and outflows

- If AMP Capital or other third party investment managers contracted by AMP underperform peer investment managers and/or the market more generally for a prolonged period, the demand for AMP's financial products and services may reduce materially and customers may withdraw their funds. This would have a material adverse impact on the overall financial position and performance of AMP.
- Fee income on the investment-linked business and investment-management business of AMP is primarily based on the level of assets under management and investment performance. The potential future loss of mandates including corporate super mandates would adversely impact on the level of assets under management by AMP. A deterioration in investment performance or a decline in assets under management may have a material adverse impact on the overall financial position and performance of AMP.
- On 8 August 2019, AMP announced Australian wealth management net cash outflows of \$3.1bn for the period 1H19. Net cash outflows may continue if AMP's products are uncompetitive, if there is customer or adviser dissatisfaction or if there is further reputational damage. If the net cash outflows continue over a prolonged period, it will have a material impact on the overall financial position, performance and capital of AMP.

Key risks (cont'd)

1. Risks associated with the Issuer and AMP (cont'd)

1.4 Financial risks (cont'd)	
Funding, liquidity and credit rating risk	<ul style="list-style-type: none"> - AMP currently has \$1 billion of undrawn bilateral debt facilities which support the Group's liquidity position. \$750 million of this total is due for refinancing on 31 December 2020 and \$250 million is due for refinancing on 28 December 2019. Separately, \$275 million of Additional Tier 1 capital instruments are due for redemption in March 2020, subject to APRA approval. There is a risk that these agreements and instruments are not able to be refinanced. Furthermore, whilst the debt facilities do not contain financial covenants they do include a number of review events, representations, undertakings and events of default that could lead to early cancellation of the facilities, which would adversely impact on the liquidity of AMP. - AMP's forecast capital and liquidity positions are a best estimate at a point in time, therefore is not guaranteed and may not be accurate. AMP's liquidity would be affected if for any reason it was unable to transfer liquidity between its subsidiaries. There is also a risk that intra-group guarantees between members of the AMP group could cause various entities to go into financial stress. - As at 30 June 2019, AMP Bank has \$5.3bn of intragroup deposits from the Platform and Superannuation businesses. These deposits are in the form of at-call cash accounts and term deposit accounts, and as such AMP Bank has ongoing obligations as well as exposure to the daily fund movements. Failure to adhere to these obligations, including managing conflicts, can result in termination of the contract, withdrawal of deposits and a material impact on the financial position and performance of AMP. Furthermore, these deposits may be subject to re-pricing or restructuring based on review by superannuation Trustees or other responsible entities. This could impact the financial position and performance of AMP Bank. - AMP's credit rating was downgraded by S&P on 1 March 2019 by one rating grade from A to A- and all ratings were placed on CreditWatch with negative outlook. S&P made this change to reflect the weaker state of AMP as well as the support AMP Life had provided to AMP's overall credit which will no longer be available if the proposed sale of AMP Life completes. S&P could downgrade AMP one or more further ratings grades after the completion of the sale of AMP Life (or for other reasons), which could limit and/or increase the cost of AMP's access to markets. Similarly, Moody's placed AMP Group Holdings, AMP Group Finance Services and AMP Bank (all of which are part of AMP) under review for downgrade in February 2019. - If AMP's reputation is damaged or it loses public confidence, it may result in customers and clients withdrawing their funds or bank deposits, or letting their policies lapse, which would adversely affect the liquidity, capital, financial position and performance of AMP.
Dividends	<ul style="list-style-type: none"> - The AMP Board has 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. - No assurances can be given in relation to the payment of other future dividends. Any future determination as to the payment of dividends by AMP will be at the discretion of the Directors and will depend on the financial condition of AMP, future capital requirements and general business and other factors considered relevant by the Directors. No assurances can be given in relation to the level of franking of future dividends. Furthermore, no assurance can be given in relation to AMP receiving dividends from its relevant subsidiaries. - Franking capacity will depend on the amount of Australian tax paid in the future, the existing balance of franking credits and other factors.
Global markets and economic environment	<ul style="list-style-type: none"> - The overall financial position and performance of AMP is significantly affected by changes in investment markets, market volatility and economic conditions globally, including any major systemic shocks. These changes may materially influence aspects of AMP including the demand for its products, product margins, investment performance, consumer demand, liquidity, capital resources, reduced cash flows, the value of investments supporting shareholders' funds and investments held on behalf of clients, the availability and the cost of credit and the debt funding requirements of AMP and the level of capital required within AMP. These risks may have a material adverse impact on the overall financial position and performance of AMP. - Contagion risk is the risk of default by one or more financial institutions which could lead to market-wide liquidity problems, losses or defaults by other institutions. This risk arises in part because of the inter-relationships between many financial institutions (including AMP) and is heightened in times of significant volatility in the finance sector and financial markets, more broadly. Contagion risk may have a material adverse impact on the overall financial position and performance of AMP.

Key risks (cont'd)

1. Risks associated with the Issuer and AMP (cont'd)

1.5 Operational, legal & compliance risks	
Managing conflicts of interest	<ul style="list-style-type: none"> - As part of being an Australian financial services licensee, AMP has obligations to manage conflicts of interest. This includes managing conflicts of interest in relation to the AMP's Superannuation trustees and the AMP group as well as AMP's or AMP Capital's responsible entities or clients and the AMP group or AMP Life and the AMP group. Conflicts of interest may arise between AMP Bank and other members of the group due to its product offerings, such as deposit accounts, and need to be appropriately managed. AMP has conflicts of interest policies and information barrier arrangements in place to manage this. If these policies and arrangements are not followed or prove inadequate and the conflicts of interest are not appropriately disclosed or managed, this could result in breaches of law, regulatory investigations, amendments to licensing conditions, fines, penalties and litigation, all of which could have an adverse impact on AMP's reputation and may lead to loss of customers, resulting in an adverse impact on AMP's financial position and performance.
Operational risk	<ul style="list-style-type: none"> - Operational risk exposures relevant to AMP's business operations relate to a wide range of issues including the use of information technology, employee behaviour and performance, internal and external fraud, anti-money laundering and counter-terrorism financing, anti-bribery and corruption, failed project management, reliance on outsourced service providers, cost-cutting, legacy risk, business resilience and security risk, product administration, unit pricing and manual business processes. Further detail on staff retention and key person risk, failure of risk management strategies, technology risk and cyber-risk are provided separately below. - AMP's operational risk profile reflects these exposures, as well as including exposures related to the quality of financial planning advice and the management of change. - AMP's level of operational risk and exposure to internal fraud in payments areas, is heightened due to its legacy systems, products, and manual processes and controls and key person risk. - The financial statements of AMP contain provisions and disclose contingent liabilities in accordance with applicable accounting standards. Given the uncertainty surrounding future events and the requirements of the accounting standards, there can be no assurance that the provisions or disclosures address all outcomes that may arise in the future. - AMP maintains a number of insurances to mitigate against the financial impacts of operational and other risks. The current market for insurance in Australia, particularly for financial institutions, has in the past year become extremely challenging, with reduced capacity. There is a risk that AMP will not be able to renew these policies on similar terms and conditions, particularly as to limits and deductibles. This may increase AMP's exposure to the financial impacts of events or incidents otherwise claimable. Further, any renewal may be at materially increased cost via higher premiums, which may adversely affect AMP's financial performance.
Staff retention and key person risk	<ul style="list-style-type: none"> - AMP's future success will depend on its continued ability to attract and retain highly skilled and qualified personnel, which is more difficult following the recent impact of the Royal Commission and associated events on reputation and share price. There can be no assurance that key personnel will continue to be employed by, or contracted to, AMP. Failure to retain or attract key personnel could have a material adverse impact on the overall financial position and performance of AMP. - The loss of multiple financial advice practices could negatively impact AMP's assets under management and its ability to generate revenues. Failure to attract or retain advisers could potentially have a material adverse impact on the overall financial position and performance of AMP.
Failure of risk management strategies	<ul style="list-style-type: none"> - AMP has implemented risk management strategies and internal controls involving processes and procedures intended to identify, monitor and mitigate risks. These risks include, but are not limited to, strategic, liquidity, market, credit, counterparty, compliance, market conduct, insurance and operational risk which are all important to AMP's reputation. However, there are inherent limitations with any risk management framework as there may exist, or emerge in the future, risks that AMP has not anticipated or identified. If any of AMP's risk management processes and procedures prove ineffective or inadequate, or are otherwise not appropriately implemented, this could have a material adverse impact on the overall financial position and performance of AMP. The 31 December 2018 Risk Management Declaration was qualified and noted the initiatives underway to strengthen the compliance obligation framework, systems and controls for compliance with legislative and prudential requirements. The Risk Management Declaration qualifications were made after taking into account the findings of reviews in relation to CPS220 and SPS220, the APRA Self Assessment and other relevant matters.

Key risks (cont'd)

1. Risks associated with the Issuer and AMP (cont'd)

1.5 Operational, legal & compliance risks (cont'd)

Technology risk

- Technology plays an increasingly important role in the delivery of financial services to customers in a cost-effective and compliant manner. AMP's ability to compete effectively in the future will, in part, be driven by AMP's ability to maintain an appropriate technology platform (including execution of new developments), for the efficient delivery of its products and services. Consequently, there is a risk that these, or the services AMP uses or is dependent on, might fail.
- Most of AMP's daily operations rely on information technology ("IT") systems that are essential to maintaining business systems including effective communications with customers. The exposure to IT systems risks include the complete or partial failure of information technology systems or data centre infrastructure, the inadequacy of internal and third-party information technology systems due to, among other things, failure to keep pace with industry developments and the capacity of the existing systems to effectively accommodate growth and integrate existing and future acquisitions and alliances.
- AMP updates and builds new information technology systems to assist it to satisfy regulatory demands, ensure information security, enhance services for its customers and integrate the various segments of its business. Failure of these IT systems could result in regulatory intervention, business interruption, loss of customers, financial compensation, loss of reputation and/or a weakening of AMP's competitive position. A failure to implement IT projects effectively or execute them efficiently could lead to increased project costs, delays in the ability to comply with regulatory requirements or failure of information security controls.
- There is also a risk that competitors introduce new technologies which challenge, or render redundant, the technology used by AMP. Together with these factors, a failure to respond to new technologies may result in an actual or comparative decrease in AMP's ability to service its customers.
- Failure to spend adequately on IT systems leads to increased risk of system performance degradation, cyber risk and cost of change.

Cyber-risk

- The ongoing evolution of technologies has led to a rapidly changing threat landscape that cybercriminal networks seek to exploit. There is an increase in cybercriminal activity on a global level. By exploiting system vulnerabilities, successful cyberattacks on AMP systems can result in unavailability or loss of critical systems or third parties obtaining customer and corporate data.
- AMP's network and assets are protected through the use of detective, preventative and responsive controls. A dedicated onshore Cyber Security function exists for AMP to reduce the impacts of cybercrime activity, measure the effectiveness of AMP's mitigation activities and take appropriate action to maintain defences.

Key risks (cont'd)

2. Risks associated with the Offer

Underwriting risk

- AMP has entered into an underwriting agreement (“UWA”) under which Credit Suisse (Australia) Limited and UBS AG, Australia Branch (“Joint Lead Managers”) have agreed to underwrite the Placement fully, subject to the terms and conditions of the agreement. The Joint Lead Managers’ obligations to underwrite the Placement are conditional on certain customary matters and if certain events occur, the underwriters may terminate the UWA.
- The events which may trigger termination of the UWA include where:
 - ASIC applies for an order under the Corporations Act 2001 (Cth) (“Corporations Act”) or commences an investigation or hearing to gather information in relation to the Placement, the Information Materials or the Results Announcement or makes or intends to make a determination that AMP has contravened certain provisions of the Corporations Act or gives notice of an intention to prosecute AMP or its directors;
 - approval for quotation by the ASX is refused, not granted or withdrawn by the Institutional Trading Date (Wednesday, 14 August 2019) or the ASX makes an official statement to the same effect;
 - there is an event or occurrence which makes it illegal for the Joint Lead Managers to satisfy an obligation under the UWA;
 - a certificate which is required to be furnished by AMP under the UWA is not furnished on time or contains untrue, incorrect or misleading or deceptive statements;
 - any event specified in the timetable is delayed for more than 1 business day without prior approval of the Joint Lead Managers;
 - there is an omission of a required statement or a statement in the Information Materials or the Results Announcement is or becomes or is likely to mislead or deceive;
 - AMP ceases to be admitted to the official list of the ASX or its securities are suspended from trading;
 - there is a material adverse change in AMP or AMP group;
 - a director of AMP is charged with an indictable offence, engages in any fraudulent conduct or is disqualified from managing a corporation under the Corporations Act;
 - AMP withdraws the Placement;
 - a material member of AMP group is or is likely to become insolvent;
 - AMP or a member of AMP group breaches or defaults under a material debt or financing arrangements which has a material adverse effect on AMP group or an event or potential event of default, review event that results in the acceleration or repayment of the debt or financing occurs;
 - there are any regulatory actions by Government Agency taken against AMP or the Placement;
 - a representation or warranty given by AMP under the UWA proves to be or has been or becomes untrue or incorrect*;
 - there is a change in law or regulation in Australia*;
 - AMP fails to perform or observe its obligations under the UWA*;
 - there are new hostilities or where there is a major escalation in hostilities or a national emergency is declared involving Australia, New Zealand, the United States of America, European Union member, the United Kingdom or Japan, or a major terrorist act is perpetrated anywhere in the world*;
 - there is an announced change in the senior management of AMP group or the Directors of AMP group, without the prior written consent of the Underwriters*;
 - an Underwriter forms the view that the due diligence questionnaire or the due diligence report is misleading or deceptive whether by omission or otherwise*;
 - in the reasonable opinion of an Underwriter, at any time on or after the bookbuild date (Thursday, 8 August 2019), a new circumstance arises which would have been required by the Corporations Act to be included in certain ASX materials;
 - there is a disruption in financial markets including: (i) a general moratorium on commercial banking activities in Australia, Hong Kong, Japan, Singapore, New Zealand, the United States of America or the United Kingdom (“Relevant Jurisdictions”) or a material disruption in commercial banking or security settlement or clearance services in the Relevant Jurisdictions; (ii) trading in securities on certain major stock exchanges is suspended or limited in a material respect; or (iii) occurrence of any other adverse change or disruption to financial, political or economic conditions, currency exchange rates or controls or financial markets in the Relevant Jurisdictions or any change or development involving a prospective adverse change in any of those conditions or markets.
- The ability of the Underwriters to terminate the UWA in respect of those termination events marked with * will depend on whether the event in the reasonable opinion of the Underwriters, has or is likely to have a material adverse effect on the success or settlement of the Placement or that the event leads or is likely to lead to contraventions of or liabilities of the Joint Lead Managers under the Corporations Act.
- If the UWA is terminated, AMP may need to find alternative funding to meet its capital requirements. Termination of the UWA could materially adversely affect AMP’s business, cash flow, financial condition and results of operation.
- The UWA is also subject to customary conditions precedent, representations, warranties and indemnities

Key risks (cont'd)

2. Risks associated with the Offer (cont'd)

Risk of dilution

- Existing shareholders who do not participate in the Placement or the SPP will have their percentage shareholding in the Issuer diluted. Depending on the size of a shareholder's existing holding, a participating shareholder may still be diluted even though they participate in the Placement or the SPP depending on the number of shares allocated to them.



Appendix
Section B

International offer restrictions

This document does not constitute an offer of new ordinary shares ("New Shares") of AMP in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

Canada (British Columbia, Ontario and Quebec provinces)

This document constitutes an offering of New Shares only in the Provinces of British Columbia, Ontario and Quebec (the "Provinces") and to those persons to whom they may be lawfully distributed in the Provinces, and only by persons permitted to sell such New Shares. This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons that are "accredited investors" within the meaning of NI 45-106 – Prospectus Exemptions, of the Canadian Securities Administrators.

No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this document, the merits of the New Shares or the offering of New Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements. These resale restrictions may in some circumstances apply to resales of the New Shares outside Canada and, as a result, Canadian purchasers should seek legal advice prior to any resale of the New Shares.

AMP as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon AMP or its directors or officers. All or a substantial portion of the assets of AMP and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against AMP or such persons in Canada or to enforce a judgment obtained in Canadian courts against AMP or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

Statutory rights of action for damages and rescission

Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defenses contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

International offer restrictions (cont'd)

Canada (British Columbia, Ontario and Quebec provinces)(cont'd)

The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the New Shares purchased pursuant to this document (other than (a) a "Canadian financial institution" or a "Schedule III bank" (each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against AMP if this document or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against AMP. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the Securities Act (Ontario) provides that, if this document contains a misrepresentation, a purchaser who purchases the New Shares during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against AMP, provided that (a) AMP will not be liable if it proves that the purchaser purchased the New Shares with knowledge of the misrepresentation; (b) in an action for damages, AMP is not liable for all or any portion of the damages that AMP proves does not represent the depreciation in value of the New Shares as a result of the misrepresentation relied upon; and (c) in no case shall the amount recoverable exceed the price at which the New Shares were offered.

Section 138 of the Securities Act (Ontario) provides that no action shall be commenced to enforce these rights more than (a) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action or (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action or (ii) three years after the date of the transaction that gave rise to the cause of action. These rights are in addition to and not in derogation from any other right the purchaser may have.

Certain Canadian income tax considerations. Prospective purchasers of the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the New Shares as any discussion of taxation related matters in this document is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

Language of documents in Canada. Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

European Economic Area - Denmark, Germany and the Netherlands

This document has been prepared on the basis that all offers of New Shares will be made pursuant to an exemption under the Directive 2003/71/EC ("Prospectus Directive"), as amended and implemented in Member States of the European Economic Area (each, a "Relevant Member State"), from the requirement to publish a prospectus for offers of securities.

An offer to the public of New Shares has not been made, and may not be made, in a Relevant Member State except pursuant to one of the following exemptions under the Prospectus Directive as implemented in the Relevant Member State:

International offer restrictions (cont'd)

European Economic Area - Denmark, Germany and the Netherlands (Cont'd)

- to any legal entity that is authorized or regulated to operate in the financial markets or whose main business is to invest in financial instruments unless such entity has requested to be treated as a non-professional client in accordance with the EU Markets in Financial Instruments Directive (Directive 2014/65/EC, "MiFID II") and the MiFID II Delegated Regulation (EU) 2017/565;
- to any legal entity that satisfies two of the following three criteria: (i) balance sheet total of at least €20,000,000; (ii) annual net turnover of at least €40,000,000 and (iii) own funds of at least €2,000,000 (as shown on its last annual unconsolidated or consolidated financial statements) unless such entity has requested to be treated as a non-professional client in accordance with MiFID II and the MiFID II Delegated Regulation (EU) 2017/565;
- to any person or entity who has requested to be treated as a professional client in accordance with MiFID II; or
- to any person or entity who is recognised as an eligible counterparty in accordance with Article 30 of the MiFID II unless such entity has requested to be treated as a non-professional client in accordance with the MiFID II Delegated Regulation (EU) 2017/565.

France

This document is not being distributed in the context of a public offering of financial securities (offre au public de titres financiers) in France within the meaning of Article L.411-1 of the French Monetary and Financial Code (Code monétaire et financier) and Articles 211-1 et seq. of the General Regulation of the French Autorité des marchés financiers ("AMF"). The New Shares have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France.

This document and any other offering material relating to the New Shares have not been, and will not be, submitted to the AMF for approval in France and, accordingly, may not be distributed (directly or indirectly) to the public in France. Such offers, sales and distributions have been and shall only be made in France to qualified investors (investisseurs qualifiés) acting for their own account, as defined in and in accordance with Articles L.411-2-11-2, D.411-1, L.533-16, L.533-20, D.533-11, D.533-13, D.744-1, D.754-1 and D.764-1 of the French Monetary and Financial Code and any implementing regulation.

Pursuant to Article 211-3 of the General Regulation of the AMF, investors in France are informed that the New Shares cannot be distributed (directly or indirectly) to the public by the investors otherwise than in accordance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the French Monetary and Financial Code.

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

International offer restrictions (cont'd)

Ireland

The information in this document does not constitute a prospectus under any Irish laws or regulations and this document has not been filed with or approved by any Irish regulatory authority as the information has not been prepared in the context of a public offering of securities in Ireland within the meaning of the Irish Prospectus (Directive 2003/71/EC) Regulations 2005, as amended (the "Prospectus Regulations"). The New Shares have not been offered or sold, and will not be offered, sold or delivered directly or indirectly in Ireland by way of a public offering, except to "qualified investors" as defined in Regulation 2(l) of the Prospectus Regulations.

Japan

The New Shares have not been and will not be registered under Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948), as amended (the "FIEL") pursuant to an exemption from the registration requirements applicable to a private placement of securities to Qualified Institutional Investors (as defined in and in accordance with Article 2, paragraph 3 of the FIEL and the regulations promulgated thereunder). Accordingly, the New Shares may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan other than Qualified Institutional Investors. Any Qualified Institutional Investor who acquires New Shares may not resell them to any person in Japan that is not a Qualified Institutional Investor, and acquisition by any such person of New Shares is conditional upon the execution of an agreement to that effect.

Malaysia

No approval from, or recognition by, the Securities Commission of Malaysia has been or will be obtained in relation to any offer of New Shares. The New Shares may not be offered or sold in Malaysia except pursuant to, and to persons prescribed under, Part I of Schedule 6 of the Malaysian Capital Markets and Services Act.

New Zealand

a. For the placement:

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act"). The New Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act; or
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act.

b. For the SPP:

The New Shares are not being offered or sold to the public within New Zealand other than to existing shareholders of AMP with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This document has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

International offer restrictions (cont'd)

Norway

This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007.

The New Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in Norwegian Securities Regulation of 29 June 2007 no. 876 and including non-professional clients having met the criteria for being deemed to be professional and for which an investment firm has waived the protection as non-professional in accordance with the procedures in this regulation).

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the AMP's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) an "accredited investor" (as defined in the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Sweden

This document has not been, and will not be, registered with or approved by Finansinspektionen (the Swedish Financial Supervisory Authority). Accordingly, this document may not be made available, nor may the New Shares be offered for sale in Sweden, other than under circumstances that are deemed not to require a prospectus under the Swedish Financial Instruments Trading Act (1991:980) (Sw. lag (1991:980) om handel med finansiella instrument). Any offering of New Shares in Sweden is limited to persons who are "qualified investors" (as defined in the Financial Instruments Trading Act). Only such investors may receive this document and they may not distribute it or the information contained in it to any other person.

Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering material relating to the New Shares (i) constitutes a prospectus or a similar notice as such terms are understood under art. 652a, art. 752 or art. 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of art. 27 et seqq. of the SIX Listing Rules or (ii) has been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

Neither this document nor any other offering material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to regulated financial intermediaries such as banks, securities dealers, insurance institutions and fund management companies as well as institutional investors with professional treasury operations. This document is personal to the recipient and not for general circulation in Switzerland.

International offer restrictions (cont'd)

United Arab Emirates

Neither this document nor the New Shares have been approved, disapproved or passed on in any way by the Emirates Securities and Commodities Authority ("ESCA") or any other governmental authority in the United Arab Emirates. AMP has not received authorisation or licensing from the ESCA or any other governmental authority in the United Arab Emirates to market or sell the New Shares within the United Arab Emirates. This document does not constitute, and may not be used for the purpose of, an offer of securities in the United Arab Emirates (excluding the Dubai International Financial Centre). No services relating to the New Shares, including the receipt of applications, may be rendered within the United Arab Emirates (excluding the Dubai International Financial Centre).

In the Dubai International Financial Centre, the New Shares may be offered, and this document may be distributed, only as an "Exempt Offer", as defined and in compliance with the Markets Rules issued by the Dubai Financial Services Authority (the "DFSA"). The DFSA has not approved this document nor taken steps to verify the information set out in it, and has no responsibility for it.

United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to AMP.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

International offer restrictions (cont'd)

United States

This document 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 document does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or in any other jurisdiction in which such an offer would be illegal. The securities referred to in this document have not been, and will not be, registered under the U.S. Securities Act of 1933 as amended (the "Securities Act"), or the securities laws of any state or other jurisdiction of the United States. The securities referred to in this document may not be offered or sold, directly or indirectly, in the United States or to any person acting for the account or benefit of a person in the United States, unless the securities have been registered under the Securities Act (which AMP has no obligation to do or procure) or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and any other applicable securities laws. Accordingly, such securities may only be offered and sold: (a) outside the United States, in "offshore transactions" (as defined in Rule 902(h) under Regulation S under the Securities Act ("Regulation S")) in reliance on Regulation S; and (b) in the United States (a) to persons whom the Joint Lead Managers reasonably believe to be "qualified institutional buyers", as defined in Rule 144A under the Securities Act, in transactions exempt from the registration requirements of the Securities Act pursuant to Rule 144A thereunder, or (b) to dealers or other professional fiduciaries organized or incorporated in the United States that are acting for a discretionary or similar account (other than an estate or trust) held for the benefit or account of persons that are not "U.S. persons" (as defined in Rule 902(k) of the Securities Act) for which they have, and are exercising, investment discretion, within the meaning of Rule 902(k)(2)(i) of Regulation S, in reliance on Regulation S.



Appendix
Section C

Important notice and disclaimer

Summary information

This presentation has been prepared by AMP Limited (ABN 49 079 354 519) ("AMP"). It is a presentation of 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 AMP securities, 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.

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 capital raising, 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. Refer to the 'Key risks' on pages 8 to 26 of this presentation for a summary of certain risk factors that may affect AMP.

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 (cont'd)

Financial data

Investors should note that this presentation contains proforma historical financial information. The proforma 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 proforma financial information has been prepared on the basis set out on page 3 of this presentation. Investors should also note that the proforma 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 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 AMP securities 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 AMP securities. 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.

Important notice and disclaimer (cont'd)

Not for release or distribution in the United States

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