

2014 shareholder review

A summary of AMP Limited's 2014 financial results



We believe in the power of our help to change people's lives

Managing money gets more complicated every year.
Yet it's key to determining the kind of tomorrow you will have.

Most of our customers know what sort of tomorrow they want,
and it's different for everyone. Owning their own home sooner.
Having some support in tough times. Helping their children
have a better start to life. Setting themselves up for a comfortable
retirement. It's just many customers aren't sure how to get there.

That's where we can help.

We believe in the power of our help to change people's lives by
helping our customers navigate the complex financial world, either
through face-to-face advice or by helping them help themselves.
And we want to provide that help to more people, more often.

AMP Limited ABN 49 079 354 519

Unless otherwise specified, all amounts are in Australian dollars.

Information in this review is current as at 2 March 2015.

The full AMP 2014 annual report is available at amp.com.au/2014annualreport.



And we'd like to help you

You're invited to join us, online or in person, for a free information session before the 2015 annual general meeting. Hear from renowned financial expert Paul Clitheroe on making the most of your circumstances to help secure your future.

The information session will be held in the Centennial Hall in Sydney Town Hall at 10.00am on Thursday 7 May 2015. All shareholders are invited to attend, or join the webcast and ask your questions at amp.com.au/secureyourfuture.

2015 annual general meeting

11.30am on Thursday 7 May 2015

Centennial Hall in Sydney Town Hall, 483 George Street, Sydney

Join the live webcast and ask your questions at amp.com.au/agm.

Dividend

Total dividend for 2014

26

cents per share

up 3 cents

The final dividend of 13.5 cents per share is to be paid on 10 April 2015 and will be 80% franked

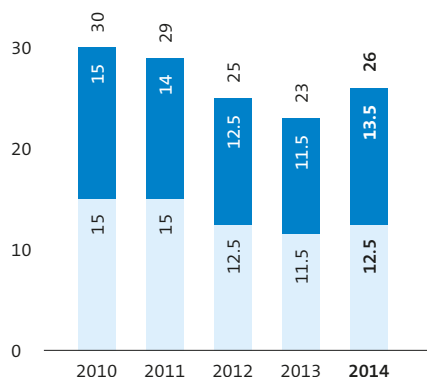
\$710m

returned to shareholders in the form of dividends and dividend reinvestment plan shares for 2014

Dividends

cents per share

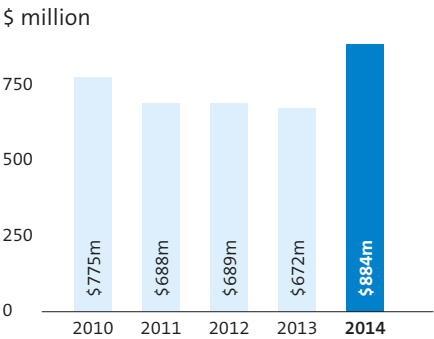
■ Final dividend
■ Interim dividend



Our 2014 performance

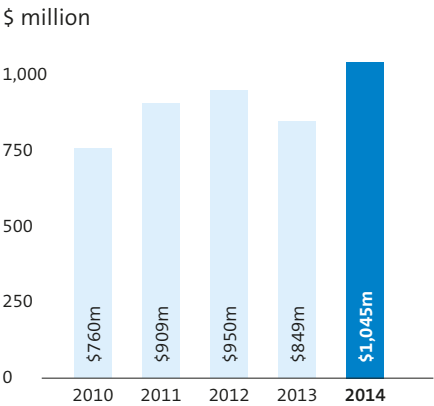
Profit attributable to shareholders

\$884m
up 32%



Underlying profit

\$1,045m
up 23%



Underlying profit is AMP's preferred measure of profitability, as it best reflects the underlying performance of AMP and is the basis from which the board determines dividends. The main difference between these two numbers comes from movements in investment markets and specific program costs. This includes the cost of AMP's business efficiency program, which accounted for a \$100 million reduction in profit attributable to shareholders relative to underlying profit.

Net cashflows on AMP platforms

\$3,616m

up 35%

Customers are investing more money through our investment platforms

AMP Capital external net cashflows

\$3,723m

an improvement of \$4,762m

AMP Capital has seen a significant increase in investments from international clients

Assets under management

\$215b

up 9%

We now manage more money for our customers

Cost to income ratio

44.8%

improved by 4.6 percentage points

We have become a more efficient business by increasing our revenue while maintaining tight cost controls

Regulatory capital funds held above the minimum regulatory requirement

\$1,987m

down 5%

This is money held to protect customers, creditors and shareholders against unexpected losses. The decrease this year was largely the result of reducing debts when we repaid AMP debt holders (AMP Notes) in May 2014

Underlying return on equity

12.7%

up 2 percentage points

In 2014, we increased the amount of profit we generated from the money invested by our shareholders

Message from the Chairman

2014 is likely to be seen as a watershed year for your company, as a renewed drive to become a more customer-centred and efficient business began to pay dividends.

We successfully implemented the first year of our five-year strategy to transform AMP to drive stronger growth, while at the same time we delivered better financial results for the year.

That has enabled your board to declare a final 2014 dividend of 13.5 cents per share (up 17% on the 2013 final dividend), which will be paid on 10 April 2015. The final dividend, together with the increased interim dividend of 12.5 cents per share and a share price increase of 25% in 2014, helped generate better total returns for our shareholders over the year.

The dividend will be 80% franked and represents a payout of 74% of underlying profit for the year. We will purchase dividend

reinvestment plan shares on market to avoid diluting the value of current shareholdings.

AMP's capital position also remained strong, with \$2 billion of regulatory capital held above minimum requirements at 31 December 2014.

AMP's 2014 performance was achieved during a year of unsettled global markets, declining interest rates and a high level of political and community scrutiny of parts of our industry.

In this environment we have shown ourselves to be a more agile and responsive company; one that is more resilient to market changes.

We are also very aware of the work in front of us to continue to drive the changes necessary in this company, to meet our customers' expectations and deliver stronger total returns to our shareholders.

AMP has a significant part to play in helping manage the impact of what is one of mankind's most remarkable achievements – the increase in longevity that we have seen in our lifetimes. Our role is to help ensure those longer lives are lived in financial security.

It is a responsibility your company must discharge with energy and commitment.

I am optimistic about the resilience and strength of AMP to build on the successes of 2014 to create increasing value for our shareholders and better outcomes for our customers.



A handwritten signature in blue ink that reads "Simon V. McKeon". The signature is fluid and cursive, with a horizontal line extending from the end.

Simon McKeon AO Chairman

Message from the Chief Executive Officer

AMP had a strong 2014. We made considerable progress on our strategy, positioning ourselves for growth in both the short and long term. Pleasingly, this progress is reflected in our strong results.

1. Growth. All of our key business areas had double digit growth during 2014. We did this by attracting strong cashflows, especially into our most popular products and services. Our popular North platform's net cashflows increased 34%. In AMP Capital, our external cashflows improved to \$3.7 billion as a result of strong international demand. AMP Bank continued to be a competitive presence in the retail mortgage sector.

Our insurance business is recovering well – operating earnings improved to \$188 million. We made a number of changes to fix our claims management processes and stabilise lapse rates. To improve claims in our income protection business, we've actively helped customers return to health and work more quickly. There is still more to improve in 2015.

2. Transformation of Australian business.

A key part of our strategy is to become more customer-centric. We know we need to better understand and anticipate customers' needs, so we have a broad range of projects underway to help us do this.

This work has meant we've introduced more ways for customers to interact with us, such as our market-leading smartphone and tablet applications, and we are also piloting new ways to make face-to-face advice more accessible and affordable.

3. Cost reductions. Our business efficiency program is running well, delivering cost reductions as expected. We're keeping costs low so we can invest in better solutions for our customers.

4. Expansion offshore. We've increased the international profile of AMP Capital by deepening our relationships with our Japanese and Chinese business partners, which has generated more cashflows. More international investors, especially overseas pension funds, are taking up our infrastructure and property opportunities.

In 2014, we established a foundation that will enable us to help many more people, more consistently, own their tomorrow. Our priority in 2015 is to build on that foundation.

Based on the strength of our performance this year, I am confident this approach will yield ongoing growth for our shareholders, and better outcomes for customers, business partners and employees.



Craig Meller Chief Executive Officer



Business performance

In 2014, our business performed well as we continued to better understand and anticipate the needs of our customers and help them own their tomorrow.

We have seen double digit growth in our superannuation, retirement income, banking, investment management and advice businesses, made significant progress in resolving the issues in our insurance business and we are seeing positive results from our efforts to reorient the business towards the needs of our customers.

Along with the growth in our Australian and New Zealand businesses we have significantly increased our international presence through AMP Capital, where our partnerships in China and Japan are delivering strong results.

While our costs to run the business increased slightly, we delivered solid profits from the use of these funds and our cost to income ratio improved. Our program to reduce costs remains on track.

Our business transformation program to improve our customer focus is progressing well and our customers are telling us they appreciate the changes we have made: providing them greater online visibility of their products through our new website and market-leading smartphone app, improving our customer service and communication, and re-engineering our products to create solutions which better suit their needs.

We're pleased to hear many customers say they are noticing something different about AMP.



Financial advice

Helping customers
take control of their
financial future

\$164b

managed on behalf
of customers, up 8%

AMP has over 4,400 financial advisers across Australia and New Zealand, operating through business partnerships such as AMP Financial Planning, Hillross, Charter Financial Planning, ipac and Spicers. They help thousands of customers manage their finances and face the future with confidence.

We are exploring new ways of making financial advice accessible to even more people, piloting a new approach that will make advice more appealing to customers and more efficient and effective for advisers.

We continue to welcome and train new advisers and are leading the industry in lifting the bar on the professionalism of our financial advisers. In 2014, we introduced new qualification requirements and an ethics training program for our advisers, to ensure our customers continue to receive the highest quality advice.

Superannuation

Helping people
save for retirement

3.7m

super accounts
managed on behalf
of customers

Superannuation is the largest part of AMP's wealth management business and is showing real momentum with double digit growth. Our popular North and AMP Flexible Super investment platforms continued to see a solid flow of new investments with a 38% increase in net cashflows. These strong cashflows led to a 9% increase in the value of investments we manage for customers.

Our focus on finding better solutions for our customers is underpinning this improved business performance. During 2014, we proactively contacted 40,000 customers to help set them up with the right superannuation structure to benefit from a change in legislation. This helped drive even stronger cashflows in the final months of the year.

Our corporate superannuation business also performed well over the year with a 16% increase in cashflows due to new client wins and customers choosing to invest more of their disposable income into superannuation.

Business performance

Supporting
customers and
their families
in tough times

\$188m

profit up 194%

Insurance

AMP provides income protection, disability and life insurance that can be held independently or included as part of an individual or group's superannuation fund.

2014 saw a significant turnaround in our insurance business. Our initial focus has been on improving our claims process and helping customers better understand the value and benefits of their policies to reduce the number of policies which lapse.

We are rolling out a new claims software system and working more closely with our customers to assist them in returning to work sooner, which benefits them and us. We have also been engaging in new ways with customers who are more likely to let their insurance lapse and offering them new insurance propositions more tailored to their needs. We are using human-centred design principles to develop a range of new insurance offers that will better meet the needs of customers today. However, while the recovery is on track, there is still much more work to be done to ensure long-term profitability.

Helping customers
make smart savings
and investment
decisions

\$115m

profit up 16%

Investments

AMP Capital helps customers invest \$151 billion in shares, fixed interest, property and infrastructure. Mitsubishi UFJ Trust and Banking Corporation owns a 15% interest in AMP Capital and AMP Capital holds a 15% stake in China Life Asset Management Company. These partnerships are enabling us to expand our international presence and capitalise on increased interest from global investors in infrastructure and property, in particular.

We have deepened our relationships with our partners in China and Japan, releasing new products which have generated over \$2.2 billion in net cashflows. We have launched a well-received Global Infrastructure Equity Fund and our Infrastructure Debt Fund II closed with commitments of US\$1.1 billion. We now have 119 international pension fund clients.

Strong investment performance has seen our Future Directions Balanced Fund deliver top quartile investment performance over the past one and three years, making it one of the three top performing superannuation growth funds in Australia.

Helping customers
buy a home and
save for the future

\$91m

profit up 10%

Banking

AMP Bank provides residential mortgages, deposit and transaction accounts and self-managed superannuation fund products to around 100,000 customers. These are provided through brokers, AMP advisers, and direct to retail customers via phone and internet banking.

AMP Bank has continued to make a strong contribution to AMP's profits. AMP advisers are increasingly providing debt management and mortgage help to customers through AMP Bank, with a quarter of AMP Bank's new mortgage business now written by AMP-aligned advisers, up from 19% in 2013.

Along with our mortgage successes, we have launched a new Visa debit card with payWave technology, which has been well received. We are also offering Visa PayTags that allow customers to use their mobile phone instead of their Visa card wherever payWave is available, making banking even easier.

Helping customers
take more
control of their
superannuation

\$18.9b

in assets under
administration for
SMSFs up 14%

Self-managed superannuation funds

AMP helps customers establish self-managed superannuation funds (SMSFs), provides them with administration and compliance management support and offers investment products, insurance, cash hubs, term deposits and lending services for their SMSFs.

In 2014, we continued to see growth in this area of the business, increasing the number of member accounts we administer by 627 to 15,462 and increasing our assets under administration by \$2.4 billion to \$18.9 billion. We had anticipated that, due to the large number of SMSF businesses we acquired in 2013, we would see some accounts leave for other providers and this was the case. However we were pleased to maintain growth in this area of the business.

To add further insight and knowledge to our SMSF capabilities we have partnered with the University of Adelaide to establish a Centre of Excellence in SMSFs which will provide greater understanding of the motivations and behaviours of SMSF trustees. We will use this knowledge to better serve our customers.

Strategy

AMP is Australia and New Zealand's leading independent wealth management company, with an expanding international investment management business and a growing retail banking business in Australia.

We want to help people own tomorrow. We want to be the company that so many people trust and recommend that we become Australia's and New Zealand's favourite financial services company.

In making AMP Australia's and New Zealand's favourite financial services company, we'll also make it one of the most profitable. We will retain more customers, win more customers, and be trusted with a greater share of our customers' business. We'll be the leading player in our chosen markets – superannuation, advice, personal insurance and investment management.

And that will make us a top sharemarket performer.



Last year, we put in place a new strategy to transform our business and place our customers at the centre of everything we do. We've made good progress and we're seeing early signs of success.

In 2015, we will continue to focus on:

Growth – growing our Australian financial advice, superannuation, insurance and investment management businesses

Transformation of our Australian business – transforming our business to better understand and anticipate customer needs and give customers more choice in how they interact with us

Cost reductions – reducing costs by spending money wisely, where it matters most to our customers and where it will enable us to invest in better customer solutions

Expansion offshore – investing selectively in Asia and internationally through AMP Capital and diversifying and growing our investment capability to position us well for the future

AMP Limited Board



Simon McKeon AO

Simon McKeon AO Chairman BCom, LLB

Director since March 2013 and Chairman since May 2014, Simon is a member of the Nomination and Governance Committee and the People and Remuneration Committee. Simon has a career spanning 30 years, specialising in corporate mergers and acquisitions, fund raising and strategic advice. Simon is currently Chairman of CSIRO, a Director of Red Dust Role Models, a Member of the Big Issue Advisory Board and Patron of MS Research Australia.



Craig Meller

Craig Meller Chief Executive Officer BSc (Hons)

Chief Executive Officer (CEO) since January 2014, Craig is a Director of AMP Life, The National Mutual Life Association of Australasia (NMLA) and AMP Capital Holdings. Prior to becoming CEO, Craig was Managing Director of AMP Financial Services from 2007–2013. Craig is an executive member of the Australia Japan Business Co-operation Committee.



Patty Akopiantz

Patty Akopiantz Director BA, MBA

Director since March 2011, Patty is Chairman of the People and Remuneration Committee and a member of the Audit and Risk Committees. She is a Director of AMP Bank, a member of the AMP Bank Audit Committee and Chairman of the AMP Bank Risk Committee. Patty has over 25 years senior management and consultancy experience, primarily in the retail and consumer industries both in Australia and overseas.



Catherine Brenner

Catherine Brenner Director BEc, LLB, MBA

Director since June 2010, Catherine is Chairman of the Nomination and Governance Committee, Chairman of AMP Life and NMLA and a member of their Audit and Risk Committees. Catherine is a former senior investment banker and corporate lawyer with experience in corporate advisory and equity capital markets. She is a Director of Boral and Coca-Cola Amatil, a Trustee of the Sydney Opera House Trust and a Director of SCEGGS Darlinghurst.



Brian Clark

Brian Clark Director BSc, MSc, DSc

Director since January 2008, Brian is a member of the Nomination and Governance Committee and the People and Remuneration Committee. He is also Chairman of AMP Capital Holdings and a member of its Audit and Risk Committee. Brian has held a variety of senior roles in telecommunications companies, most recently in the UK as Group Human Resources Director for Vodafone. He is a Director of Boral.



Paul Fegan

Paul Fegan Director MBA

Director since August 2009, Paul is Chairman of the Audit Committee, a member of the Risk Committee and Chairman of AMP Bank. Paul has over 30 years experience in the financial services industry, most recently as Chief Financial Officer of Genworth Australia. He is currently a Senior Advisor with Gresham Partners.



Trevor Matthews

Trevor Matthews Director MA

Director since March 2014, Trevor is a member of the Audit and Risk Committees. He is also a Director of AMP Life and NMLA, Chairman of their respective Audit Committees and a member of their Risk Committees. Trevor has extensive life insurance experience in Australia, Canada, Japan and the UK. He was most recently Executive Director and Chairman, Developed Markets for Aviva. He is currently a Director of Cover-More Group.



John Palmer ONZM

John Palmer ONZM Director BAgSc, Hon. DCom

Director since July 2007, John is a Director of AMP Capital Holdings and a member of its Audit and Risk Committee. John has extensive experience as a director and chairman of companies in the agricultural and finance sectors.



Professor Peter Shergold AC

Professor Peter Shergold AC Director BA (Hons), MA, PhD

Director since May 2008, Peter is Chairman of the Risk Committee and a member of the Audit Committee. He is also a Director of AMP Life and NMLA. Peter is Chancellor and Chair of the board of trustees of the University of Western Sydney. He serves on a number of private sector, government and not-for-profit boards, including as Director of Corrs Chambers Westgarth and Chairman of Opal Aged Care. He is currently a Director of Veda Group.

Further information on the AMP Limited Board is available at amp.com.au and in the AMP 2014 annual report at amp.com.au/2014annualreport.

Remuneration

AMP is committed to ensuring remuneration practices are aligned with the creation of value for shareholders.

An improvement in AMP's financial performance in 2014 saw an increase in net profit and an increased dividend for shareholders. Employees were rewarded for the improved performance with an increased short-term incentive (STI) pool.

- Salary costs have continued to be closely managed across the organisation. In 2014, executive salaries were reviewed but only adjusted if an executive was promoted or an individual's remuneration had fallen below market competitive levels.
- Remuneration packages for new nominated executives have been set at market competitive levels taking tenure in roles into account.
- The 2014 STI pool has been increased to \$118 million or 11.3% of underlying profit compared with \$83 million or 9.8% of underlying profit for 2013, reflecting improved performance against key performance measures and consequently the increase in net profit for the year.
- Performance rights are paid to executives when AMP delivers significant value to shareholders. Performance rights awarded in 2011 lapsed in 2014 as the performance hurdle was not met.

Further information on remuneration is available in the AMP 2014 annual report at amp.com.au/2014annualreport.



Board remuneration

		Short-term benefits				Post-employment benefits	Total \$'000	Number of AMP shares held ³
		AMP Limited Board and committee fees ¹ \$'000	Fees for other group boards ¹ \$'000	Other short-term benefits \$'000	Additional board duties ² \$'000	Super-annuation \$'000		
Simon McKeon	2014	447	31	2	—	21	501	143,921
	2013	143	55	5	20	20	243	57,693
Patty Akopiantz	2014	217	77	6	—	28	328	47,099
	2013	191	74	6	—	25	296	30,372
Rick Allert	2014	69	23	2	—	9	103	97,647
	2013	191	24	6	—	20	241	93,956
Catherine Brenner	2014	185	177	6	—	35	403	66,463
	2013	180	175	6	—	33	394	60,236
Brian Clark	2014	199	125	6	—	31	361	75,813
	2013	199	125	6	—	30	360	69,586
Paul Fegan	2014	218	67	6	—	27	318	49,240
	2013	212	8	6	20	22	268	43,013
Peter Mason	2014	208	—	—	—	6	214	613,539
	2013	585	—	—	—	17	602	600,836
Trevor Matthews	2014	159	67	5	—	22	253	63,763
	2013	—	—	—	—	—	—	5,000
John Palmer	2014	197	98	6	—	28	329	96,252
	2013	212	98	6	—	29	345	90,025
Peter Shergold	2014	199	107	6	—	29	341	63,348
	2013	191	115	6	—	28	340	57,121
Total ⁴	2014	2,098	772	45	—	236	3,151	
	2013	2,170	704	49	40	233	3,196	

1 Details of the non-executive directors' committee memberships and directorships of subsidiary boards are provided on pages 12 and 13.

2 Relates to additional work performed for AMP group capital initiatives in 2013.

3 For Rick Allert and Peter Mason the 2014 number is the closing holding at 8 May 2014, the date they both retired from the AMP Limited Board.

4 Totals for 2013 include payments for Nora Scheinkestel who retired from the AMP Limited Board on 9 May 2013.

Executive remuneration

		Fixed remuneration \$'000	Cash short-term incentive (STI) \$'000	Other remuneration \$'000	Actual share income as a result of vesting ¹ \$'000	Total remuneration \$'000
Craig Meller Chief Executive Officer and Managing Director	2014	1,600	1,500	—	710	3,810
	2013	1,065	504	—	—	1,569
Lee Barnett² Chief Information Officer	2014	766	522	225	414	1,927
	2013	765	396	—	—	1,161
Pauline Blight-Johnston Group Executive, Insurance and Superannuation	2014	700	552	—	211	1,463
	2013	—	—	—	—	—
Robert Caprioli Group Executive, Advice and Banking	2014	700	477	—	160	1,337
	2013	—	—	—	—	—
Stephen Dunne Managing Director, AMP Capital	2014	1,065	1,342	—	767	3,174
	2013	1,065	1,086	—	—	2,151
Gordon Lefevre³ Chief Financial Officer	2014	713	523	66	—	1,302
	2013	—	—	—	—	—
Matthew Percival⁴ Group Executive, Public Affairs and Chief of Staff	2014	581	399	29	307	1,316
	2013	565	258	12	—	835
Paul Sainsbury Chief Customer Officer	2014	850	765	—	379	1,994
	2013	801	441	—	—	1,242
Brian Salter⁵ General Counsel	2014	770	525	12	400	1,707
	2013	770	354	8	—	1,132
Wendy Thorpe Group Executive, Operations and Director, Melbourne	2014	560	441	—	379	1,380
	2013	—	—	—	—	—
Fiona Wardlaw Group Executive, People and Culture	2014	640	471	—	347	1,458
	2013	640	291	—	—	931
Colin Storrie⁶ Former Chief Financial Officer	2014	153	—	190	595	938
	2013	950	432	238	—	1,620
Total⁷	2014	9,098	7,517	522	4,669	21,806
	2013	8,896	4,851	258	—	14,005

1 Actual share income includes both STI deferred and long-term incentive share rights which vested during the year.

2 Lee Barnett was paid her accrued annual and long service leave when she retired on 31 December 2014, recorded as Other remuneration.

3 Gordon Lefevre received additional remuneration to cover his temporary accommodation costs, recorded as Other remuneration.

4 Matthew Percival took long service leave in 2013 and 2014, recorded as Other remuneration.

5 Brian Salter received additional remuneration required to fund his life insurance cover, recorded as Other remuneration.

6 Colin Storrie received a retention payment in March 2014, recorded as Other remuneration, and ceased employment with AMP on 28 February 2014.

7 Totals for 2013 include payments for Craig Dunn and Jonathan Deane who were KMP during 2013.

Connect with us

Your AMP shares are part of your investment portfolio so it's important you keep your details up to date. The AMP shareholder centre website makes it easy for you to manage your shares and ensure you receive your dividend payments.

To log in to see your shareholding simply visit amp.com.au/shares then click on the **log in** button and follow the prompt. If you don't know your holder number or have difficulty logging in you can contact the AMP shareholder services team at shares@amp.com.au.

AMP sends email updates on the day of our half year and full year results announcements to shareholders who have provided their email address. If you would like to receive a copy of the newsletter simply log in to your shareholding and click on **my profile** to change your **communication preferences**.



Need help?

Contact the AMP share registry

email ampservices@computershare.com.au

web amp.com.au/shares

Australia

AMP share registry
Reply Paid 2980
Melbourne VIC 8060
T 1300 654 442
F 1300 301 721

New Zealand

AMP share registry
PO Box 91543
Victoria Street West
Auckland 1142
T 0800 448 062
F 09 488 8787

Other countries

AMP share registry
GPO Box 2980
Melbourne VIC 3001
Australia
T +613 9415 4051
F +612 8234 5002

Registered office

of AMP Limited
33 Alfred Street
Sydney NSW 2000
Australia
T +612 9257 5000
F +612 9257 7178

AMP Limited is incorporated and domiciled in Australia. Company Secretary: David Cullen