

Consolidated income statement

for the year ended 31 December 2021

	Note	2021 \$m	2020 \$m
Fee revenue	1.1(b)	2,208	2,407
Interest income using the effective interest method		608	721
Other investment gains		45	32
Share of profit or loss from associates	5.2	150	81
Movement in guarantee liabilities		66	(30)
Other income		220	186
Total revenue		3,297	3,397
Fee and commission expenses		(769)	(851)
Staff and related expenses		(1,215)	(1,211)
Finance costs		(347)	(424)
Other operating expenses	1.2	(1,292)	(860)
Total expenses		(3,623)	(3,346)
(Loss)/Profit before tax		(326)	51
Income tax credit	1.4	72	19
(Loss)/Profit after tax from continuing operations		(254)	70
Profit from discontinued operations		–	124
(Loss)/Profit for the year		(254)	194
(Loss)/Profit attributable to:			
Shareholders of AMP Limited ¹		(252)	177
Non-controlling interests		(2)	17
(Loss)/Profit for the year		(254)	194
(Loss)/Earnings per share		cents	cents
Basic	1.3	(7.6)	5.2
Diluted	1.3	(7.6)	5.1
(Loss)/Earnings per share from continuing operations			
Basic	1.3	(7.6)	1.6
Diluted	1.3	(7.6)	1.5

1 (Loss)/Profit attributable to shareholders of AMP Limited is comprised of \$252m Loss (FY 20: \$53m Profit) from continuing operations and \$nil (FY 20: \$124m Profit) from discontinued operations.

Consolidated statement of comprehensive income

for the year ended 31 December 2021

	Note	2021 \$m	2020 \$m
(Loss)/Profit for the year from continuing operations		(254)	70
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Fair value reserve			
– net (loss)/gain on fair value asset reserve		(70)	40
– tax effect on fair value asset reserve gain/(loss)		21	(12)
– net amount transferred to profit or loss for the year		(4)	–
– tax effect on amount transferred to profit or loss for the year		1	–
		(52)	28
Cash flow hedges			
– net gain/(loss) on cash flow hedges		81	(40)
– tax effect on cash flow hedge (loss)/gain		(24)	13
– net amount transferred to profit or loss for the year		36	24
– tax effect on amount transferred to profit or loss for the year		(11)	(7)
		82	(10)
Translation of foreign operations and revaluation of hedge of net investments		36	(44)
		36	(44)
Items that will not be reclassified subsequently to profit or loss			
Fair value reserve		(1)	(1)
		(1)	(1)
Defined benefit plans			
– actuarial gains	4.1	101	5
– tax effect on actuarial gains		(30)	(1)
		71	4
Other comprehensive income/(loss) for the year from continuing operations		136	(23)
Total comprehensive (loss)/income for the year from continuing operations		(118)	47
Profit for the year from discontinued operations		–	124
Other comprehensive loss for the year from discontinued operations		–	(96)
Total comprehensive (loss)/income for the year		(118)	75
Total comprehensive (loss)/income attributable to shareholders of AMP Limited		(116)	58
Total comprehensive (loss)/income attributable to non-controlling interests		(2)	17
Total comprehensive (loss)/income for the year		(118)	75

Consolidated statement of financial position

as at 31 December 2021

	Note	2021 \$m	2020 ¹ \$m
Assets			
Cash and cash equivalents		2,916	2,428
Receivables	2.5	572	702
Investments in other financial assets	2.2	3,684	5,087
Current tax assets		221	160
Assets held for sale ²		575	–
Loans and advances	2.1	22,047	20,526
Investments in associates	5.2	1,090	1,442
Right of use assets	6.3	96	174
Deferred tax assets	1.4	655	828
Intangibles	2.3	330	629
Other assets	2.4	150	177
Defined benefit plan asset	4.1	3	–
Total assets		32,339	32,153
Liabilities			
Payables	2.6	349	291
Current tax liabilities		67	70
Employee benefits		412	357
Other financial liabilities	2.2	293	503
Liabilities held for sale ²		174	–
Provisions	6.4	588	1,056
Interest-bearing liabilities	3.2	26,117	24,916
Lease liabilities	6.3	135	211
Deferred tax liabilities	1.4	136	226
Guarantee liabilities		85	151
Defined benefit plan liabilities	4.1	–	98
Total liabilities		28,356	27,879
Net assets		3,983	4,274
Equity			
Contributed equity	3.1	10,153	10,349
Reserves		(2,327)	(2,404)
Retained earnings		(3,846)	(3,679)
Total equity of shareholders of AMP Limited		3,980	4,266
Non-controlling interests		3	8
Total equity of shareholders of AMP Limited and non-controlling interests		3,983	4,274

1 Due to a change in accounting policy, comparative information has been restated. Refer to note 2.3.

2 Assets and liabilities held for sale includes balances relating to AMP Capital's Global Equities and Fixed Income (GEFI) and Infrastructure Debt businesses as well as AMP's interest in Resolution Life NOHC.

Consolidated statement of changes in equity

for the year ended 31 December 2021

Equity attributable to shareholders of AMP Limited												
	Contributed equity	Demerger reserve ¹	Share-based payment reserve ²	Capital profits reserve ³	Fair value reserve	Cash flow hedge reserve	Foreign currency translation and hedge investments reserves	Total reserves	Retained earnings	Total shareholder equity	Non-controlling interest	Total equity
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
2021												
Balance at the beginning of the year	10,349	(2,566)	118	(39)	99	(44)	28	(2,404)	(3,679)	4,266	8	4,274
Loss	-	-	-	-	-	-	-	-	(252)	(252)	(2)	(254)
Other comprehensive income	-	-	-	-	(53)	82	36	65	71	136	-	136
Total comprehensive (loss)/income	-	-	-	-	(53)	82	36	65	(181)	(116)	(2)	(118)
Share-based payment expense	-	-	17	-	-	-	-	17	-	17	-	17
Share purchases	(196)	-	(3)	-	-	-	-	(3)	-	(199)	-	(199)
Sales and acquisitions of non-controlling interests	-	-	-	12	-	-	-	12	-	12	(3)	9
Transfer of realised gains ⁴	-	-	-	-	(14)	-	-	(14)	14	-	-	-
Balance at the end of the year	10,153	(2,566)	132	(27)	32	38	64	(2,327)	(3,846)	3,980	3	3,983

1 Reserve to recognise the additional loss and subsequent transfer from shareholders' retained earnings on the demerger of AMP's UK operations in December 2003. The loss was the difference between the pro-forma loss on demerger and the market-based fair value of the UK operations.

2 The Share-based payment reserve represents the cumulative expense recognised in relation to equity-settled share-based payments less the cost of shares purchased on market in respect of entitlements.

3 The Capital profits reserve represents gains and losses attributable to shareholders of AMP on the sale or acquisition of minority interests in controlled entities to or from entities outside the AMP group.

4 Represents realised gains and losses on equity securities measured at fair value through other comprehensive income.

Consolidated statement of changes in equity

for the year ended 31 December 2021

	Equity attributable to shareholders of AMP Limited											
	Contributed equity	Demerger reserve ¹	Share-based payment reserve ²	Capital profits reserve ³	Fair value reserve	Cash flow hedge reserve	Foreign currency translation and hedge investments reserves	Total reserves	Retained earnings	Total shareholder equity	Non-controlling interest	Total equity
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
2020												
Balance as at 1 January 2020	10,299	(2,566)	109	321	72	(34)	168	(1,930)	(3,509)	4,860	118	4,978
Impact of changes in accounting policies ⁴	-	-	-	-	-	-	-	-	(8)	(8)	-	(8)
Balance at the beginning of the year - restated	10,299	(2,566)	109	321	72	(34)	168	(1,930)	(3,517)	4,852	118	4,970
Profit from continuing operations	-	-	-	-	-	-	-	-	53	53	17	70
Profit from discontinued operations ⁵	-	-	-	-	-	-	-	-	124	124	-	124
Other comprehensive income/(loss) from continuing operations	-	-	-	-	27	(10)	(44)	(27)	4	(23)	-	(23)
Foreign currency translation reserve recycled ⁵	-	-	-	-	-	-	(96)	(96)	-	(96)	-	(96)
Total comprehensive income/(loss)	-	-	-	-	27	(10)	(140)	(123)	181	58	17	75
Share-based payment expense	-	-	21	-	-	-	-	21	-	21	1	22
Share purchases	-	-	(12)	-	-	-	-	(12)	-	(12)	(1)	(13)
Deconsolidation of treasury shares ⁵	50	-	-	-	-	-	-	-	-	50	-	50
Dividends paid ⁶	-	-	-	-	-	-	-	-	(343)	(343)	(17)	(360)
Sales and acquisitions of non-controlling interests	-	-	-	(360)	-	-	-	(360)	-	(360)	(110)	(470)
Balance at the end of the year	10,349	(2,566)	118	(39)	99	(44)	28	(2,404)	(3,679)	4,266	8	4,274

1 Reserve to recognise the additional loss and subsequent transfer from shareholders' retained earnings on the demerger of AMP's UK operations in December 2003. The loss was the difference between the pro-forma loss on demerger and the market-based fair value of the UK operations.

2 The Share-based payment reserve represents the cumulative expense recognised in relation to equity-settled share-based payments less the cost of shares purchased on market in respect of entitlements.

3 The Capital profits reserve represents gains and losses attributable to shareholders of AMP on the sale or acquisition of minority interests in controlled entities to or from entities outside the AMP group. On 1 September 2020, AMP repurchased Mitsubishi UFJ Trust and Banking Corporation's 15 per cent shareholding in AMP Capital, resulting in a \$360m reduction in Capital profits reserve.

4 Relates to the change in accounting policy with respect to Software as a Service (SaaS) arrangements. Refer to note 2.3.

5 Relates to the deconsolidation of WP and mature businesses.

6 Dividends paid include dividends paid on treasury shares. Dividends paid on treasury shares are required to be excluded from the consolidated financial statements by adjusting retained earnings.

Consolidated statement of cash flows

for the year ended 31 December 2021

	Note	2021 \$m	2020 ¹ \$m
Cash flows from operating activities¹			
Cash receipts in the course of operations		2,564	6,536
Interest received		690	1,191
Dividends and distributions received ²		130	671
Cash payments in the course of operations		(3,171)	(12,165)
Net movement in deposits from customers		1,662	1,892
Finance costs		(302)	(450)
Income tax received/(paid)		116	(417)
Net cash provided by/(used in) operating activities	6.1	1,689	(2,742)
Cash flows from investing activities¹			
Net proceeds from sale of (payments to acquire):			
– investments in financial assets ³		(503)	1,496
– operating and intangible assets		(49)	(83)
– operating controlled entities and investments in associates accounted for using the equity method		(13)	(89)
– AMP Capital minority interest		–	(451)
Proceeds from sale of the WP and mature businesses		–	2,341
Net cash (used in)/provided by investing activities		(565)	3,214
Cash flows from financing activities			
Proceeds from borrowings – non-banking operations ¹		–	265
Repayment of borrowings – non-banking operations ¹		(398)	(507)
Net movement in borrowings – banking operations		188	(1,048)
Payments for buy-back of shares		(196)	–
Repayment of subordinated debt		(267)	(275)
Lease payments		(60)	(63)
Dividends paid ⁴		–	(360)
Net cash used in financing activities		(733)	(1,988)
Net increase/(decrease) in cash and cash equivalents		391	(1,516)
Cash and cash equivalents at the beginning of the year		2,653	8,069
Effect of exchange rate changes on cash and cash equivalents		–	(4)
Cash and cash equivalents prior to the deconsolidation of WP and mature businesses		3,044	6,549
Cash and cash equivalents deconsolidated ¹		–	(3,896)
Cash and cash equivalents at the end of the year	6.1	3,044	2,653

1 Cash flows for the year ended 31 December 2020 include amounts attributable to shareholders' interests, policyholders' interests in the WP and mature business' statutory funds and controlled entities of those statutory funds. The sale of the WP and mature businesses was completed on 30 June 2020, resulting in the deconsolidation of cash and cash equivalents held by these businesses as at 30 June 2020.

2 Dividends and distributions received in the year ended 31 December 2020 are amounts of cash received mainly from investments held by AMP life insurance entities' statutory funds and controlled entities of the statutory funds. Dividends and distributions reinvested have been treated as non-cash items.

3 Net proceeds from sale of (payments to acquire) investments in financial assets also includes loans and advances made (net of payments) and purchases of financial assets (net of maturities) during the period by AMP Bank.

4 Dividends paid includes dividends paid to minority interest holders and is presented net of dividends on treasury shares.