FY 21

INVESTOR REPORT

Management and contact details

AMP executive committee

Alexis George	Chief Executive Officer
James Georgeson	Chief Financial Officer
Shawn Johnson	Chief Executive Officer, AMP Capital
David Cullen	Group General Counsel
Scott Hartley	Chief Executive Officer, Australian Wealth Management
Rebecca Nash	Chief People Officer
Sean O'Malley	Group Executive, AMP Bank
Phil Pakes	Group Chief Risk Officer
Blair Vernon	Chief Executive Officer, New Zealand Wealth Management

Investor relations

Jason Bounassif	Group Treasurer and Investor Relations
Telephone	61 2 9257 9684
Email	jason_bounassif@amp.com.au

Michael Vercoe	Head of Institutional, Investor Relations
Telephone	61 2 9257 4244
Email	michael_vercoe@amp.com.au

Online reports

This Investor Report is available online at **amp.com.au/shares** along with other investor relations information.

Authorised for release by the AMP Limited Board.

AMP Limited
ABN 49 079 354 519

Contents

Important general notes

This Investor Report provides financial information reflecting results after income tax, unless otherwise indicated, for AMP shareholders. Information is provided on an operational basis (rather than a statutory basis) to reflect a management view of the businesses and existing structures. Content is prepared using external market data and internal management information. This Investor Report is not audited.

Profit attributable to shareholders (NPAT statutory) of AMP Limited has been prepared in accordance with Australian Accounting Standards.

Forward looking statements in this Investor Report are based on management's current views and assumptions. The assumptions involve known and unknown risks and uncertainties, many of which are beyond AMP's control and could cause actual results, performance or events to differ materially from those expressed.

These forward looking statements are not guarantees or representations of future performance, and should not be relied upon.

This Investor Report is not an offer document and therefore has not been the subject of a full due diligence process typically used for an offer document. While AMP has sought to ensure that information in this Investor Report is accurate by undertaking a review process, it makes no representation or warranty as to the accuracy or completeness of any information or statement in this Investor Report. In particular, information and statements in this Investor Report do not constitute investment advice or a recommendation on any matter, and should not be relied upon. Past performance is not a reliable indicator of future performance.

AMP also provides statutory reporting prescribed under the *Corporations Act 2001*. Those accounts will be available from AMP's website amp.com.au.

The financials presented in the Investor Report represent the AMP structure of business units as at 31 December 2021. AMP Capital is reported pre demerger impacts, including the sale of the Global Equities and Fixed Income business (GEFI), sale of the Infrastructure Debt businesses and the transfer of the Multi Asset Group (MAG) business to Australian wealth management.

Business overview

Overview of the AMP group

AMP is a leading wealth management company in Australia and New Zealand.

The AMP group's business is divided into four areas:
– AMP Bank
– Australian wealth management (including Platforms, Master Trust and Advice)
– New Zealand wealth management, and
– AMP Capital.

AMP also holds a number of important strategic partnerships at group and at business unit level.

AMP Bank

AMP Bank offers residential mortgages, deposits and transactional banking. The Bank continues to focus on growth through investing in technology to streamline the origination process, improving the experience for both customers and intermediaries.

As at FY 21, AMP Bank helped around 161,900 clients with their banking needs and provided over 10,700 new home loans.

Australian wealth management (AWM)

AWM comprises of three different business lines providing advice, superannuation, retirement income and managed investments products:

– **Platforms** includes superannuation, retirement and investment products through which managed funds, managed portfolios, listed securities, term deposits and guarantee investment options can be accessed to build a personalised investment portfolio. The flagship North platform is an award-winning online wrap platform which continues to deliver on its commitment of strengthening and broadening investment choice for clients and providing a contemporary platform for advisers to manage their clients' funds.
– **Master Trust** offers the largest single retail superannuation product set in Australia (SignatureSuper) with around 850,000 customers. The highly rated SignatureSuper offer consists of three products across super and pension. The open investment menu caters to different risk profiles with exposure to a range of professional managers in order to meet the needs and goals of customers. The Master Trust business delivers high quality member services, with strong administration, contact centre and digital capabilities. It also has a proven pedigree in managing corporate super plans with complex and tailored benefit designs, including defined benefits.
– **Advice** provides professional services to a network of aligned and external financial advisers (EFAs). These advisers provide financial advice and wealth solutions to their clients, including retirement planning, investments and financing. In addition to supporting a network of professional advisers, the Advice business partners with a number of aligned advice businesses via equity ownership to support the growth and development of these businesses.

As at FY 21, Australian wealth management managed AUM of A$134.0b and made A$1.9b in retirement payments during the year.

New Zealand wealth management

New Zealand wealth management encompasses wealth management, financial advice and distribution businesses in New Zealand.

It provides clients with a variety of wealth management solutions including KiwiSaver, corporate superannuation, retail investments, a wrap investment management platform and general insurance.

AMP Capital

On 23 April 2021, following the conclusion of AMP's portfolio review, AMP announced the intention to demerge AMP Capital's Private Markets business, consisting of infrastructure equity, infrastructure debt and real estate. Subsequently, on 24 December 2021, AMP announced the further simplification of Private Markets with the sale of infrastructure debt, expected to complete Q1 22. The demerger of Private Markets will create two more focused businesses better equipped to pursue and allocate capital to distinct growth opportunities and realise efficiencies.

As part of the demerger preparations, on 8 July 2021, AMP announced the sale of its global equities and fixed income business (GEFI), which is expected to complete by Q1 22.

The remaining AMP Capital public markets business, the Multi-Asset Group, which is responsible for asset allocation on behalf of AMP's Master Trust and Platform clients, will complete its transition to Australian wealth management prior to demerger, creating an end-to-end superannuation and investment platform business, with the transition of front office functions already complete.

Strategic partnerships

AMP group and business units hold a number of strategic partnerships including:
– 19.99% of China Life Pension Company (CLPC)
– 14.97% of China Life AMP Asset Management Company Limited (CLAMP), and
– 24.90% in US real estate investment manager, PCCP.

On the 3rd of November 2021 AMP Limited announced it has agreed to the divestment of its 19.13% equity interest in Resolution Life Australasia (RLA) for a consideration of A$524m to Resolution Life Group. This is expected to complete by Q2 22.

FY 21 performance summary

Key performance measures

- FY 21 NPAT (underlying) of A$356m increased 53% from A$233m in FY 20. This increase largely reflects the impact of stronger AMP Bank earnings (+38%), AMP Capital earnings (+18%), New Zealand wealth management earnings (+11%) and stronger investment income from Group Office, including contributions from CLPC and Resolution Life Australasia, partly offset by lower Australian wealth management earnings (-25%).
- FY 21 NPAT (statutory) loss of A$252m was impacted by items reported below NPAT including A$312m of impairment charges, reflecting a comprehensive review of the balance sheet, A$133m of transformation costs, A$78m of remediation and related costs and other one-off items.
- AMP Bank NPAT of A$153m increased by A$42m (38%) from FY 20 largely due to a A$26m release of credit loss provisions as a result of the improved macro-economic outlook since the impact of COVID-19 in FY 20. Net interest income increased A$8m (2%) with the total loan book A$1,479m (7%) higher than FY 20.
- AMP Bank's residential mortgage book increased to A$21.7b driven by competitive pricing and offers, consistent service and targeted growth in principal and interest loans across both owner-occupied and investment lending. Interest only lending represents 14% of the total book, down from 20% at FY 20, the result of active management in response to the market environment.
- Australian wealth management NPAT of A$48m declined 25% from FY 20 primarily due to impairments to the carrying value of Advice assets in 1H 21, lower revenue predominantly from the impact of repricing in Master Trust and Platforms, and the cessation of grandfathered remuneration, partly offset by lower variable and controllable costs from cost reduction initiatives.
- Australian wealth management net cash outflows were A$5.2b in FY 21, compared to net cash outflows of A$7.8b in FY 20. This was largely attributable to one-off impacts on FY 20, primarily A$1.8b from the loss of corporate mandates and A$1.8b outflows as part of early release of super (ERS) payments. FY 21 net cash outflows also included A$1.9b of regular pension payments to members.
- New Zealand wealth management NPAT of A$39m increased A$4m (FY 20 A$35m) primarily due to the rebound in investment markets and improved cost performance.
- AMP Capital NPAT of A$154m was up 18% from A$131m in FY 20 due to higher performance and transaction fees in FY 21 and higher seed and sponsor investment returns due to a partial recovery of COVID-19 devaluations in certain asset classes and strong performance in some individual assets.
- AMP Capital external net cash outflows were A$12.8b, with A$4.6b of net cash outflows across real estate largely attributable to the exit of the AMP Capital Diversified Property Fund (ADPF) and A$6.9b net cash outflows across public markets.
- Investment income in FY 21 of A$102m reflects an increase of A$72m on FY 20, driven by improved returns on the group's cash investments, growth in CLPC earnings, and the contribution from Resolution Life Australasia (which was agreed to be sold on 3 November 2021).
- Underlying return on equity was 8.4% in FY 21.

Revenue drivers

- Total AUM and administration of A$248.2b[1] in FY 21 decreased by A$6.3b (-2.5%) from FY 20 as net cash outflows outweighed positive market returns.
- AMP Bank's total revenue increased 3% for the period. The net interest margin increased 3 bps from FY 20 to 1.62%.
- Australian wealth management AUM increased 8% to A$134.0b in FY 21 from FY 20. However, FY 21 AUM based revenue of A$858m decreased 5% from A$907m in FY 20 due to pricing changes.
- Platform AUM increased A$7.9b (13%) in FY 21 driven by stronger investment market returns, with continued growth in AMP's flagship North platform offsetting outflows from legacy and external platforms. Platform AUM based revenue to AUM of 50 bps in FY 21 was down 6 bps from 56 bps in FY 20.
- Master Trust AUM was up A$2.0b (3%) in FY 21 driven by stronger investment market returns, offsetting the impact of net cash outflows. Master Trust AUM based revenue to AUM of 85 bps in FY 21 was down 8 bps from 93 bps in FY 20, driven by pricing changes as part of simplification (6 bps) and SFT impacts (2 bps).
- AMP Capital AUM decreased A$12.0b (6%) to A$177.8b in FY 21 from FY 20. Fee income decreased A$2m to A$709m in FY 21 primarily due to lower AUM and non-AUM fees.

Cost drivers

- AMP's controllable costs, excluding AMP Capital, of A$775m were 7% lower than FY 20 due to cost out benefits partly offset by structural cost increases, variable remuneration and reinvestment spend.
- AMP group cost to income ratio was 71.3% in FY 21, down from 75.5% in FY 20.
- Total controllable costs to average AUM decreased by 1 bp in FY 21 to 51 bps.
- AMP Bank cost to income ratio was 39.4% and in line with FY 20.
- Australian wealth management controllable costs decreased by A$34m (6%) from FY 20 to A$518m.
- AMP Capital cost to income ratio decreased 2.2 percentage points from FY 20 to 70.8% in FY 21 driven by lower costs. Controllable costs decreased by A$10m to A$515m in FY 21.

Capital position

- FY 21 total eligible capital resources were A$383m above target requirements, down from A$524m at 31 December 2020.
- The on-market share buy-back concluded on 30 June 2021, with the deployment of A$196m of capital to repurchase and cancel 170.5m[2] shares.
- Tier 2 hybrid instruments of A$250m were internally restructured to be utilised as eligible capital resources.
- The board has resolved not to declare a final 2021 dividend. The board continues to maintain a conservative approach to capital management to support the transformation of the business. The capital management strategy and payment of dividends will be reviewed following the completion of the demerger in 1H 22.

1 Includes SuperConcepts assets under administration, refer to page 14.
2 170,493,388 shares.

Financial summary

Profit and loss (A$m)	FY 21	2H 21	1H 21	FY 20	% FY
Revenue					
AUM based revenue	**1,519**	738	781	1,586	(4.2)
Non-AUM based revenue	**90**	46	44	96	(6.3)
Performance and transaction fees	**74**	66	8	51	45.1
Net interest income	**399**	195	204	391	2.0
Other revenue[1]	**159**	89	70	207	(23.2)
Total revenue	**2,241**	1,134	1,107	2,331	(3.9)
Variable costs					
Investment management expense	**(302)**	(148)	(154)	(309)	2.3
Marketing and distribution	**(22)**	(12)	(10)	(21)	(4.8)
Brokerage and commissions	**(71)**	(37)	(34)	(69)	(2.9)
Loan impairment expense	**26**	13	13	(31)	n/a
Other variable costs[2]	**(138)**	(69)	(69)	(171)	19.3
Total variable costs	**(507)**	(253)	(254)	(601)	15.6
Gross profit	**1,734**	881	853	1,730	0.2
Controllable costs					
Employee costs	**(726)**	(356)	(370)	(741)	2.0
Technology	**(154)**	(80)	(74)	(157)	1.9
Regulatory, insurance and professional services	**(140)**	(78)	(62)	(149)	6.0
Project costs	**(160)**	(82)	(78)	(179)	10.6
Property costs	**(68)**	(37)	(31)	(80)	15.0
Other operating expenses[3]	**(42)**	(18)	(24)	(53)	20.8
Total controllable costs	**(1,290)**	(651)	(639)	(1,359)	5.1
EBIT	**444**	230	214	371	19.7
Interest expense[4]	**(73)**	(38)	(35)	(85)	14.1
Investment income[5]	**102**	45	57	30	240.0
Tax expense	**(117)**	(62)	(55)	(67)	(74.6)
Minority interests MUTB (post-tax)[6]	**-**	-	-	(16)	n/a
NPAT (underlying)	**356**	175	181	233	52.8
AMP Bank[7]	**153**	69	84	111	37.8
Australian wealth management[7]	**48**	21	27	64	(25.0)
New Zealand wealth management[7]	**39**	20	19	35	11.4
AMP Capital[7]	**154**	94	60	131	17.6
Group Office[7,8]	**(38)**	(29)	(9)	(108)	64.8
NPAT (underlying) by business unit	**356**	175	181	233	52.8
Items reported below NPAT[9,10]	**(608)**	(573)	(35)	(56)	n/a
NPAT (statutory)	**(252)**	(398)	146	177	n/a

1 Includes seed and sponsor income, SuperConcepts, Advice and other revenues.
2 Includes payment of commissions, employed planner expenses and other variable selling costs.
3 Includes travel, marketing, printing, administration and other related costs.
4 Includes interest expense on corporate debt and seed and sponsor financing costs.
5 Includes equity accounted share of profits from investments in associates and investment income returns on Group Office investible capital. From FY 21, investment income is shown on an actual basis, with the removal of the market adjustment methodology. Prior periods have been restated on this basis.
6 The AMP Capital business unit results and any other impacted line items are shown net of minority interests. AMP regained 100% ownership of AMP Capital and MUTB's minority interest consequently ceased on 1 September 2020.
7 1H 21 and FY 20 restated to reflect additional Group Office cost allocations to business units from FY 21.
8 Includes Group Office costs, investment income and interest expense on corporate debt.
9 Refer to page 24 for details.
10 Includes AMP Life FY 20 impacts through to 30 June 2020.

Financial summary cont'd

		FY 21	2H 21	1H 21	FY 20
Earnings					
EPS – underlying (cps)[1]		**10.7**	5.4	5.3	8.6
EPS – actual (cps)[2]		**(7.6)**	(12.2)	4.3	5.2
RoE – underlying		**8.4%**	8.5%	8.3%	6.3%
RoE – actual[2]		**(6.0%)**	(19.3%)	6.7%	3.8%
Dividend[3]					
Special dividend per share (cps)		**-**	-	-	10.0
Franking rate[4]		**-**	-	-	100%
Ordinary shares on issue (m)[1,5]		**3,266**	3,266	3,266	3,437
Weighted average number of shares on issue (m)	– basic[1]	**3,337**	3,266	3,411	3,437
	– fully diluted[1]	**3,384**	3,313	3,460	3,493
	– statutory	**3,335**	3,264	3,409	3,428
Share price for the period – closing (A$)	– low	**0.91**	0.91	1.07	1.11
	– high	**1.62**	1.20	1.62	2.08
Market capitalisation – end period (A$m)		**3,299**	3,299	3,674	5,361
Capital and corporate debt					
AMP shareholder equity (A$m)		**3,874**	3,874	4,202	4,212
Corporate debt (excluding AMP Bank debt) (A$m)		**1,431**	1,431	2,130	2,130
Corporate gearing		**22%**	22%	26%	26%
Interest cover – underlying (times)		**8.0**	8.0	7.0	6.1
Interest cover – actual (times)[2]		**-**	-	3.4	4.1
Margins					
AMP Bank net interest margin (over average interest earning assets)		**1.62%**	1.53%	1.71%	1.59%
Australian wealth management AUM based revenue to average AUM (bps)		**66**	62	71	73
AMP Capital management fees to average AUM (bps)		**34.5**	34.8	34.4	34.1
Cashflows and AUM					
Australian wealth management net cashflows (A$m)[6]		**(5,163)**	(2,461)	(2,702)	(7,776)
Australian wealth management AUM (A$b)[7]		**134.0**	134.0	131.2	124.1
AMP Capital real asset net cashflows (A$m)		**(6,012)**	(2,209)	(3,803)	2,682
AMP Capital public markets net cashflows (A$m)		**(21,553)**	(15,925)	(5,628)	(14,512)
AMP Capital net cashflows (A$m)[8]		**(27,565)**	(18,134)	(9,431)	(11,830)
AMP Capital AUM (A$b)[9]		**177.8**	177.8	187.6	189.8
Non-AMP Capital managed AUM (A$b)[10]		**70.4**	70.4	68.5	64.7
Total AUM and administration (A$b)[10]		**248.2**	248.2	256.1	254.5
Controllable costs (pre-tax) and cost ratios					
Total controllable costs (A$m)		**1,290**	651	639	1,359
Controllable costs – excluding AMP Capital (A$m)		**775**	390	385	834
Controllable costs – AMP Capital (A$m)		**515**	261	254	525
Cost to income ratio		**71.3%**	71.4%	71.2%	75.5%
Controllable costs to average AUM (bps)		**51**	52	51	52

1 Number of shares has not been adjusted to remove treasury shares.
2 FY 20 includes AMP Life.
3 No ordinary dividends were declared for the FY 21 or FY 20 periods.
4 Franking rate is the franking applicable to the dividend for that year.
5 170,493,388 shares were repurchased and subsequently cancelled in 1H 21 as part of the announced on-market share buy-back of up to A$200m.
6 FY 20 cashflows restated to exclude products no longer reported from November 2020, following legislative changes to grandfathered remuneration, with Australian wealth management no longer earning fees on these products.
7 Excludes SuperConcepts assets under administration.
8 FY 21 and 1H 21 includes A$4.2b of cash outflows related to the transition of ADPF to Dexus. FY 21 and 2H 21 includes the transition of A$9.2b from New Zealand wealth management.
9 FY 21 includes AMP Capital's 24.90% share of PCCP.
10 Includes investments held in cash, directly in equities or with external fund managers and SuperConcepts AUA.

AMP Bank

Profit and loss (A$m)	FY 21	2H 21	1H 21	FY 20	% FY
Interest income	**675**	333	342	768	(12.1)
Interest expense	**(276)**	(138)	(138)	(377)	26.8
Net interest income	**399**	195	204	391	2.0
Fee and other income[1]	**14**	9	5	10	40.0
Total revenue	**413**	204	209	401	3.0
Variable costs					
Brokerage and commissions	**(62)**	(32)	(30)	(59)	(5.1)
Loan impairment expense	**26**	13	13	(31)	n/a
Other variable costs	**(32)**	(19)	(13)	(28)	(14.3)
Total variable costs	**(68)**	(38)	(30)	(118)	42.4
Gross profit	**345**	166	179	283	21.9
Controllable costs					
Employee costs	**(57)**	(28)	(29)	(58)	1.7
Technology	**(23)**	(15)	(8)	(16)	(43.8)
Regulatory, insurance and professional services	**(8)**	(5)	(3)	(9)	11.1
Project costs	**(28)**	(14)	(14)	(29)	3.4
Property costs	**(4)**	(2)	(2)	(5)	20.0
Other operating expenses	**(6)**	(3)	(3)	(7)	14.3
Total controllable costs[2]	**(126)**	(67)	(59)	(124)	(1.6)
EBIT	**219**	99	120	159	37.7
Tax expense	**(66)**	(30)	(36)	(48)	(37.5)
NPAT	**153**	69	84	111	37.8

Ratios and other data					
Return on capital[3]	**13.4%**	11.8%	15.1%	10.2%	n/a
Total capital resources (A$m)[4]	**1,047**	1,047	1,065	1,062	(1.4)
Risk weighted assets (A$m)	**8,859**	8,859	8,318	8,380	5.7
Capital Adequacy Ratio	**16.2%**	16.2%	17.9%	18.2%	n/a
Common Equity Tier 1 capital ratio	**10.4%**	10.4%	11.6%	11.8%	n/a
Net interest margin (over average interest earning assets)	**1.62%**	1.53%	1.71%	1.59%	n/a
Residential growth vs system	**1.36x**	1.80x	0.85x	0.25x	n/a
Average residential loan applications per day	**73**	79	67	49	49.0
Channel origination (broker %) – residential	**90%**	90%	90%	84%	n/a
Total loans (A$m)	**22,058**	22,058	20,974	20,579	7.2
Residential mortgages (A$m)	**21,741**	21,741	20,619	20,188	7.7
Practice finance loans to AMP aligned advisers (A$m)	**317**	317	355	391	(18.9)
Mortgages – owner occupied as a proportion of total	**69%**	69%	69%	68%	n/a
Mortgages – interest only as a proportion of total	**14%**	14%	17%	20%	n/a
Mortgages – existing business weighted average loan to value ratio (LVR)	**67%**	67%	67%	67%	n/a
Mortgages – dynamic LVR	**58%**	58%	66%	67%	n/a
Total deposits (A$m)	**17,783**	17,783	16,120	16,110	10.4
Deposit to loan ratio	**81%**	81%	77%	78%	n/a
Mortgages – 30+ days in arrears	**0.78%**	0.78%	1.14%	1.15%	n/a
Mortgages – 90+ days in arrears	**0.50%**	0.50%	0.72%	0.62%	n/a
Mortgage impairment expense to average mortgages	**-0.13%**	-0.13%	-0.12%	0.15%	n/a
Total provisions for impairment losses (A$m)[5]	**29**	29	42	56	(48.2)
Total mortgage provisions to mortgages	**0.13%**	0.13%	0.20%	0.28%	n/a
Cost to income ratio[3]	**39.4%**	43.9%	35.3%	39.4%	n/a

1 Fee and other income mainly comprises mortgage origination, servicing and discharge fees as well as foreign exchange losses and profit on sale of invested assets. FY 21 includes proceeds from the sale of invested assets.

2 Includes additional Group Office cost allocations made retrospectively to reflect the new allocation methodology adopted from FY 21 for Group Office.

3 1H 21 and FY 20 restated to reflect additional Group Office cost allocations.

4 Total capital resources of A$1,047m excludes A$57m of equity reserve accounts which are included in the calculation of total shareholders equity as shown on page 26.

5 Total provisions for impairment losses excludes A$87m relating to Practice Finance Loans (FY 20 A$98m).

AMP Bank cont'd

AMP Bank funding composition (A$b)	**FY 21**		**1H 21**		**FY 20**	
Total deposits	17.8	69%	16.1	66%	16.1	67%
Securitisation	4.5	17%	4.6	19%	4.3	18%
Wholesale funding[1]	2.1	8%	2.1	9%	2.1	8%
Subordinated debt	0.3	1%	0.3	1%	0.3	1%
Equity and reserves	1.2	5%	1.3	5%	1.4	6%
Total funding	**25.9**	**100%**	**24.4**	**100%**	**24.2**	**100%**

Deposits by source (A$b)	**FY 21**	**1H 21**	**FY 20**	**% FY**
Customer deposits				
At call deposits	8.8	7.5	6.9	27.5
Term deposits	2.9	1.9	2.5	16.0
Platforms	4.0	3.9	4.2	(4.8)
Master Trust	2.0	2.2	2.4	(16.7)
Other	0.1	0.6	0.1	-
Total deposits	**17.8**	**16.1**	**16.1**	**10.6**

1 Wholesale funding includes A$1,034m of borrowings under AMP Bank's Term Funding Facility provided by the Reserve Bank of Australia (FY 20 A$618m).

Net profit after tax

FY 21 NPAT of A$153m increased by A$42m (38%) from FY 20 largely due to a A$26m release of credit loss provisions predominantly as a result of the improved macro-economic outlook since the impact of COVID-19 in FY 20. Net interest income increased A$8m (2%) with the total loan book A$1,479m (7%) higher than FY 20. Excluding the impacts of COVID-19 related provisions, FY 21 NPAT was A$140m and FY 20 NPAT was A$137m.

Net interest margin (NIM) was 1.62% in FY 21, 3 bps higher than FY 20 driven by lower funding and deposit costs. The competitive lending environment continued to place pressure on revenue margins in 2021. NIM declined during 2H 21 to 1.53%. Considering the competitive market conditions and expectations, some further NIM compression is expected in 2022.

AMP Bank's return on capital in FY 21 was 13.4%, an increase of 3.2 percentage points from FY 20, as a result of the higher profit. Excluding the impacts of COVID-19 related provisions, return on capital for FY 21 was 12.2% and 12.7% in FY 20.

Operational developments

During the year AMP Bank continued to simplify its platform architecture and modernised its core system. In addition, the Bank continued to progress its investment in Open Banking with its focus on complying with requirements relating to sharing of client data.

Whilst average formal 'time to yes' remained relatively stable for FY 21 vs FY 20, the average time to conditional approval improved from 6.2 days in FY 20 to 5.3 days in FY 21. The Auto Credit Decisioning rate improved by 75% to greater than 60% during FY 21 resulting in faster and more consistent approvals.

The bank increased capacity in home loan origination by 70% to approximately 85 loan applications per day and was consistently ranked in the top five by brokers due to ongoing enhancements to the application process.

During the year the Bank ceased issuing cheques and deposit books, however, continues to accept cheques issued by other financial institutions. AMP Bank also ceased offering paper applications for products with straight through processing (STP) functionality and adopted smart forms for complex entities to streamline the application process.

AMP Bank has also made strong progress on the digital origination and establishment of deposit products (STP), with more than 70% of retail deposit accounts opened digitally. The Bank continues to explore direct mortgage offerings with potential partners.

Lending

AMP Bank continues to focus on growth by enhancing its service and price propositions in FY 21. In particular, the Bank is benefiting from and continuing to invest in technology to streamline the origination process, improving the experience for both customers and brokers.

As a result, the residential loan book grew A$1,553m (7.7% annualised growth) from FY 20, achieving strong growth versus system particularly in 2H 21 (1.80x system) in a highly competitive lending environment. In 1H 22, AMP Bank will leverage the strong momentum in 2H 21, with the applications pipeline increasing by 14% between July and December 2021. AMP Bank also had an average of 73 applications per day in 2021, an increase from 49 per day in 2020.

AMP Bank cont'd

AMP Bank's proportion of broker originated loans were 90% for 2021 (84% in 2020). Despite the increase in broker originated loans, the Bank has the ambition to grow its direct channel in order to maintain its competitive cost to income ratio.

Residential mortgage competition, particularly in the owner-occupied principal and interest market continues to intensify. Within this environment, AMP Bank's residential mortgage book increased to A$21.7b driven by competitive pricing and offers and consistent service with targeted growth in principal and interest loans across both owner-occupied and investment lending. Interest only lending represents 14% of the total book, down from 20% at FY 20, the result of active risk management in the current market environment.

AMP Bank is targeting total residential lending growth above system over the long term, subject to risk appetite, competitive landscape, return on capital hurdles and funding availability.

The practice finance loan portfolio declined from A$391m at FY 20 to A$317m at FY 21 with loan repayments and discharges exceeding new loans, in line with the reshape of the advice network. This portfolio is expected to continue to decline as new business origination is minimal.

Credit quality, credit loss provisions and loan impairment expenses

The Bank's total credit provisioning decreased by A$27m across FY 21 primarily due to majority release of the COVID-19 provision booked in FY 20, reflecting an improved economic outlook. The balance relates to the release of other non-COVID-19 provisions.

Mortgages in arrears (30+ days) decreased 0.37 percentage points to 0.78%. Mortgages in arrears (90+ days) decreased 0.12 percentage points to 0.50% and compares favourably to peers. Approximately 11% of AMP Bank's mortgage borrowers (by value and number) have availed of the COVID-19 repayment pause, broadly in line with other retail banks. As at FY 21, less than 1% of these customers are currently on the repayment pause program. AMP Bank continues to work with customers in deferral to return to regular repayments, or individually to support them through a range of options, depending on their individual circumstance.

AMP Bank continues to focus on maintaining book quality with 69% of customers being owner-occupied, an average book loan to value ratio (LVR) of 67%, in line with FY 20, and geographical exposure skewed towards New South Wales (46%) and Victoria (21%). In addition, dynamic LVR weighted average for existing mortgage business improved by 9% to 58% in December 2021 which correlates with increased property values.

An intragroup indemnity is in place covering credit losses that relate to practice finance loans. Accordingly, AMP Bank does not report impairment charges for these loans where it falls under the indemnity and excludes related expected credit losses from its portfolio loan provisioning.

Costs

The Bank's variable costs of A$68m were A$50m (42%) lower than FY 20 largely due to the release of credit loss provision in FY 21 as a result of the improved macro-economic outlook since the impact of COVID-19 in FY 20. Brokerage and commissions were A$3m (5%) higher than FY 20 reflecting strong growth in the loan book. Other variable costs increased by A$4m (14%) due to the reclass of the retention team to variable and additional FTE required to support elevated volumes.

AMP Bank's controllable costs of A$126m were A$2m (2%) higher than FY 20. This includes additional Group Office cost allocations reflecting future allocation methodology (A$11m FY 21 and A$11m FY 20). Technology costs increased by A$7m (44%) in FY 21 reflecting investment to improve customer experience and the reclass of Group costs. This was partly offset by reductions across all other cost categories driven by effective cost management. Active cost management and discipline will continue to be a focus in 2022.

Funding, liquidity and capital management

The Bank maintains a diversified funding base and conservative liquidity profile. AMP Bank's total debt and equity funding was A$25.9b at FY 21 (A$24.2b at FY 20).

Total deposits at FY 21 increased by A$1.7b (10%) from FY 20, in line with the Bank's strategy to optimise its funding mix, primarily driven by an increase in at call deposits. AMP Bank's deposit to loan ratio was 81% at FY 21, compared with 78% at FY 20.

AMP Bank maintains a diversified liquidity portfolio with adequate high-quality liquid assets. As at FY 21, AMP Bank's Liquidity Coverage Ratio was 145% (149% at FY 20) and the Net Stable Funding Ratio was 146% (137% at FY 20). Both remain above internal and regulatory requirements.

The Capital Adequacy Ratio was 16.2% as at FY 21 (18.2% at FY 20). The Common Equity Tier 1 capital ratio (CET1) for FY 21 was 10.4% (11.8% at FY 20). Both ratios remain above internal and regulatory requirements.

Australian wealth management

Profit and loss (A$m)	FY 21	2H 21	1H 21	FY 20	% FY
AUM based revenue[1]	**858**	411	447	907	(5.4)
Advice revenue	**58**	35	23	115	(49.6)
Other revenue[2]	**35**	17	18	40	(12.5)
Total revenue	**951**	463	488	1,062	(10.5)
Variable costs					
Investment management expense	**(279)**	(140)	(139)	(281)	0.7
Other variable costs[3]	**(101)**	(48)	(53)	(138)	26.8
Total variable costs	**(380)**	(188)	(192)	(419)	9.3
Gross profit	**571**	275	296	643	(11.2)
Controllable costs					
Employee costs	**(227)**	(114)	(113)	(226)	(0.4)
Technology	**(88)**	(41)	(47)	(98)	10.2
Regulatory, insurance and professional services	**(64)**	(33)	(31)	(60)	(6.7)
Project costs	**(95)**	(47)	(48)	(110)	13.6
Property costs	**(28)**	(14)	(14)	(38)	26.3
Other operating expenses	**(16)**	(7)	(9)	(20)	20.0
Total controllable costs[4]	**(518)**	(256)	(262)	(552)	6.2
EBIT	**53**	19	34	91	(41.8)
Investment income[5]	**15**	10	5	(2)	n/a
Tax expense	**(20)**	(8)	(12)	(25)	20.0
NPAT[5]	**48**	21	27	64	(25.0)

Ratios and other data	FY 21	2H 21	1H 21	FY 20	% FY
AUM (A$b)[6]	**134.0**	134.0	131.2	124.1	8.0
Net cashflows (A$b)[7]	**(5.2)**	(2.5)	(2.7)	(7.8)	33.3
Market and other movements (A$b)	**15.1**	5.3	9.8	(2.1)	n/a
Average AUM (A$b)[6,8]	**129.4**	132.0	126.5	124.1	4.3
Total AUM and administration (A$b)[9]	**151.5**	151.5	148.6	141.5	7.1
AUM based revenue to average AUM (bps)[1,6,8,10]	**66**	62	71	73	n/a
Investment management expense to average AUM (bps)[6,8,10]	**22**	21	22	23	n/a
Controllable costs to average AUM (bps)[6,8,10,11]	**40**	38	42	44	n/a
EBIT to average AUM (bps)[6,8,10,11]	**4**	3	5	7	n/a
NPAT to average AUM (bps)[6,8,10,11]	**4**	3	4	5	n/a
End period tangible capital resources (A$m)[12]	**921**	921	960	778	18.4
RoBUE[11,12]	**5.4%**	4.7%	7.0%	8.3%	n/a
Cost to income ratio[11]	**88.4%**	89.8%	87.0%	86.1%	n/a

1 AUM based revenue refers to administration and investment revenue on superannuation, retirement income and investment products.
2 Includes gross SuperConcepts revenues and investment income on assets supporting the Operational Risk Financial Reserve.
3 Includes costs associated with AMP owned advice practices, including costs relating to majority owned aligned practices, adviser support payments and small employer plan servicing fees to advisers, BOLR and related costs and outsourced administration costs on external platforms.
4 Includes additional Group Office cost allocations made retrospectively to reflect the new allocation methodology adopted from FY 21 for Group Office.
5 Investment income includes North Guarantee hedging program gains/losses and timing impacts previously reflected in market adjustment.
6 Excludes Advice and SuperConcepts AUA.
7 FY 20 cashflows restated to exclude products no longer reported from November 2020, following legislative changes to grandfathered remuneration, with Australian wealth management no longer earning fees on these products.
8 Based on average of monthly average AUM.
9 Includes AUM and SuperConcepts AUA.
10 Ratio based on 181 days in 1H 21 and 184 days in 2H 21.
11 1H 21 and FY 20 restated to reflect additional Group Office cost allocations.
12 End period tangible capital resources is total shareholder equity (A$944m) less goodwill and other intangibles (A$23m) as shown on page 26.

Australian wealth management cont'd

Net profit after tax

NPAT fell from A$64m in FY 20 to A$48m in FY 21 driven by impairments to the carrying value of Advice assets in 1H 21, lower revenue predominantly from the impact of repricing in Master Trust and Platforms, the impact of the cessation of grandfathered remuneration and SFT migration, partly offset by lower variable and controllable costs from cost reduction initiatives. FY 21 and FY 20 periods were impacted by a material restatement from the allocation of additional group costs (refer to page 25).

AUM based revenue

AUM based revenue of A$858m was A$49m lower than FY 20 driven by:

- pricing changes as part of Master Trust simplification (A$30m)
- pricing changes on the North Platforms (A$20m)
- cessation of grandfathered remuneration (A$20m)
- SFT migration (A$11m), partly offset by;
- growth in average AUM and mix changes (A$32m).

Advice revenue

Advice revenue of A$58m was A$57m lower than FY 20 driven by:

- impairments to the carrying value of practice investments (A$18m)
- lower aligned (A$11m) and employed (A$3m) revenue contributions from the cessation of grandfathered remuneration
- decline in client numbers in the employed business (A$11m)
- lower investment income and other revenue (A$8m)
- reshape of the aligned network (A$6m).

Other revenue

Other revenue of A$35m was A$5m lower than FY 20. This primarily consisted of SuperConcepts revenue of A$32m, down A$3m from FY 20 driven by fund attrition and A$2m lower investment income on superannuation capital reserves.

Variable costs

- Investment management expenses were A$2m lower than FY 20 driven by continued mix changes from Master Trust to Platforms.
- Other variable costs fell A$37m to A$101m driven by the phasing out of advice support payments to aligned practices, savings from operating model changes and lower employed planner expenses.

Controllable costs

Controllable costs of A$518m are A$34m lower than FY 20 driven primarily by:

- A$21m lower employee costs from cost out activity offset by A$22m from reset in variable remuneration
- A$15m in lower project spend from lower investment in Master Trust and Advice with change and reshape programs progressed in prior years, offset by increased spend in Platforms to support growth
- A$24m lower technology, property and other operating costs from cost out activity, partly offset by;
- A$4m higher professional fees primarily due to resources supporting Advice reshape activity.

Investment income

Investment income of A$15m in FY 21 was A$17m higher than FY 20 driven by favourable market conditions impacting the North Guarantee.

Assets under management

Australian wealth management AUM of A$134.0b at FY 21 was A$9.9b higher than FY 20 (8%), driven by A$15.1b from strong investment market returns offset by A$5.2b of net cash outflows.

Cashflow overview

Australian wealth management net cash outflows were A$5.2b in FY 21, compared to net cash outflows of A$7.8b in FY 20. The improvement in net cash outflows was largely attributable to one-off impacts on FY 20, primarily A$1.8b from the loss of corporate mandates and A$1.8b outflows as part of early release of super (ERS) payments.

AUM based revenue to AUM

AUM based revenue to AUM of 66 bps was down 7 bps from FY 20, driven by pricing changes as part of simplification in Master Trust (2 bps), the cessation of grandfathered remuneration (2 bps), administration pricing changes in Platforms (2 bps) and SFT related impacts (1 bp).

Australian wealth management cont'd

Key ratios and metrics

FY 21	Platforms	Master Trust	Advice	Wealth & other[1]	Total
Profit and loss (A$m)					
Total revenue (A$m)	336	525	58	32	**951**
Variable costs (A$m)	(71)	(221)	(83)	(5)	**(380)**
Gross profit (A$m)	265	304	(25)	27	**571**
Controllable costs (A$m)[2]	(122)	(176)	(185)	(35)	**(518)**
EBIT (A$m)	143	128	(210)	(8)	**53**
Investment income (A$m)	15	-	-	-	**15**
Tax expense (A$m)	(48)	(38)	64	2	**(20)**
NPAT (A$m)	110	90	(146)	(6)	**48**
Ratios and other data					
AUM (A$m)	71,101	62,936			**134,037**
Average AUM (A$m)[3]	67,264	62,113			**129,377**
Net cashflows (A$m)	83	(5,246)			**(5,163)**
AUM based revenue to average AUM (bps)[3]	50	85			**66**
Investment management expense to average AUM (bps)[3]	10	34			**22**
Gross profit to average AUM (bps)[3]	39	49			**44**
Controllable costs to average AUM (bps)[3]	18	28			**40**
EBIT to average AUM (bps)[3]	21	21			**4**
NPAT to average AUM (bps)[3]	16	14			**4**
NPAT margin	33%	17%			**n/a**
Revenue per practice (A$m)[4]			1.52		

FY 20	Platforms	Master Trust	Advice	Wealth & other[1]	Total
Profit and loss (A$m)					
Total revenue (A$m)	340	572	115	35	**1,062**
Variable costs (A$m)	(76)	(224)	(113)	(6)	**(419)**
Gross profit (A$m)	264	348	2	29	**643**
Controllable costs (A$m)[2]	(112)	(191)	(207)	(42)	**(552)**
EBIT (A$m)	152	157	(205)	(13)	**91**
Investment income (A$m)	(5)	3	-	-	**(2)**
Tax expense (A$m)	(44)	(47)	62	4	**(25)**
NPAT (A$m)	103	113	(143)	(9)	**64**
Ratios and other data					
AUM (A$m)	63,170	60,951			**124,121**
Average AUM (A$m)[3]	62,644	61,470			**124,114**
Net cashflows (A$m)	644	(8,420)			**(7,776)**
AUM based revenue to average AUM (bps)[3]	56	93			**73**
Investment management expense to average AUM (bps)[3]	11	35			**23**
Gross profit to average AUM (bps)[3]	42	57			**52**
Controllable costs to average AUM (bps)[3]	18	31			**44**
EBIT to average AUM (bps)[3]	24	26			**7**
NPAT to average AUM (bps)[3]	16	18			**5**
NPAT margin	30%	20%			**n/a**
Revenue per practice (A$m)[4]			1.19		

1 Includes SuperConcepts. From FY 22 will also include external investment mandate clients following the transfer of MAG to AWM.
2 Includes additional Group Office cost allocations made retrospectively to reflect the new allocation methodology adopted from FY 21 for Group Office.
3 Based on average of monthly average AUM.
4 Based on aggregated practice numbers. Practice numbers are aggregated in the case where a single practice may have multiple locations and/or operate under multiple entities.

Australian wealth management cont'd

Operational developments by division

Platforms

Platforms NPAT of A$110m was A$7m higher than FY 20 due to higher investment income relating to North Guarantee offsetting the impact of repricing and higher controllable costs from business growth and higher strategic spend.

Platform AUM was up A$7.9b (13%) in FY 21 driven by stronger investment market returns, with continued growth in AMP's flagship North platform offsetting outflows from legacy and external platforms.

Notable improvements for clients on the North platform included:
- Launched 28 managed portfolios including 23 new equity managed portfolios added from 10 leading investment managers. This has supported strong AUM growth in managed portfolios to A$4.3b in FY 21, more than doubling in the last 12 months.
- Introduced new platform pricing to counter strong competition, including competitor offers of preferential rate cards to financial advisers.
- Added over 140 investments to MyNorth's investment menu in 2021.
- Continued to invest in simplifying the advice process for aligned and external advisers.

Platform margins were impacted by a number of drivers:
- AUM based revenue to AUM bps for platforms was 50 bps in FY 21 down 6 bps from 56 bps in FY 20, driven by repricing in MyNorth, North and Summit (3 bps), product mix changes from continued preference for lower margin MyNorth products (2 bps) and cessation of grandfathered remuneration (1 bp).
- AUM based revenue to AUM bps for North was 47 bps in FY 21 down 5 bps from FY 20 due to pricing and product mix changes in MyNorth and North and cessation of grandfathered remuneration.

Master Trust

Master Trust NPAT of A$90m was A$23m lower than FY 20 due to pricing changes as part of simplification partly offset by lower costs driven by cost out activity.

The superannuation business is on a transformational pathway to simplify super and improve efficiency and member outcomes. Notable achievements in the period were:
- Strong investment performance for members in the 12 months to June 2021, with AMP's MySuper Lifestyle funds returning an average performance of over 20%[1].
- Expansion of AMP's intrafund advice offer to members including the launch of a retirement health check.
- Maintained the highest external product ratings, including a platinum rating from SuperRatings, the highest quality five-apple rating from Chant West for the Corporate Super offer, and a five quality-star rating from The Heron Partnership.
- Investment in AMP's digital capability recognised with a top three nomination by Chant West for Member Services Fund of the Year.
- Launched a new podcast series – Simplifying Super – designed to help Australians build their knowledge of the superannuation system and take greater control of their retirement.

Master Trust AUM was up A$2b (3%) in FY 21 driven by stronger investment market returns, offsetting the impact of net cash outflows.

AUM based revenue to AUM bps for Master Trust of 85 bps in FY 21 was down 8 bps from 93 bps in FY 20, driven by pricing changes as part of simplification (6 bps) and SFT impacts (2 bps).

The simplification of the Master Trust portfolio completed in Q3 21, with product migrations into a contemporary offer driving a step change reduction in administration fees, expected to reduce AUM based revenue to approximately 65 bps in FY 22. Future simplification will focus on investment structures and menus and is expected to lead to further reductions over time in AUM based revenue and investment management expenses. This will continue AMP's journey to build a best-of-breed super business to materially, and sustainably, enhance financial outcomes for members now and in the future.

Advice

Advice NPAT loss of A$146m was A$3m higher than FY 20 due to:
- decline in revenue from the cessation of grandfathered remuneration, reshape of Advice network and decline in client numbers,
- impairments to the carrying value of practice investments, partly offset by;
- lower controllable costs driven by cost out activity, and
- lower variable costs due to phasing out of advice support payments to aligned practices, divestment of majority owned aligned practices and cost out activity.

The transformation of Advice continued to progress well in FY 21 with a number of notable developments throughout the year including:
- Reshape of Aligned adviser network to focus on providing professional services to high quality and sustainable advice practices.
- Significant progress made on Advice remediation with all reviews and the majority of client payments complete.
- New commercial terms announced in July 2021 including uplifted service model and progressive increase in fees over the next 12 months, the release of institutional ownership from AMP Financial Planning and the elimination of buy back (including BOLR) arrangements from 1 January 2022.
- Entering into new partnership with CreativeMass to drive efficiencies through technology.
- Implementation of a new monitoring and supervision process, demonstrating strong compliance with Best Interests Duty legislative requirements.
- Significant progress on restructuring the equity investment portfolio to limit equity holdings in advice businesses to a maximum of 49%.
- Sale of the employed advice business completed in December 2021.

SuperConcepts

- SuperConcepts have transformed customer service, reduced complexity and improved efficiency to support the growth in sales which has improved over the prior year.
- Improved delivery of FY 20 lodgement program and allowed an early start to FY 21 leading to improved momentum over FY 20.
- Upgraded existing SMSF software platform (SuperMate) to be launched February 2022 to grow market share and lift revenue.
- Completion of a number of technology projects delivering improved outcomes including improved financial reporting, client call management and service delivery.
- Attainment of ISO 27001 and SOC II demonstrating continued commitment to risk and compliance management for clients.

1 Performance as at 30 June 2021. Investment option returns are calculated from changes in the unit price of the investment option and are after the deduction of fees, costs and superannuation fund earnings tax included in the unit price.

Australian wealth management cont'd

FY 21 cashflows

	Cash inflows			Cash outflows			Net cashflows		
Cashflows by product (A$m)	**FY 21**	**FY 20[1]**	**% FY**	**FY 21**	**FY 20[1]**	**% FY**	**FY 21**	**FY 20**	**% FY**
North[2]	17,927	16,280	10.1	(14,619)	(12,622)	(15.8)	3,308	3,658	(9.6)
Summit, Generations and iAccess[3]	410	376	9.0	(1,812)	(2,250)	19.5	(1,402)	(1,874)	25.2
Other retail investment and platforms[4]	10	26	(61.5)	(760)	(265)	(186.8)	(750)	(239)	(213.8)
External platforms[5]	250	244	2.5	(1,323)	(1,145)	(15.5)	(1,073)	(901)	(19.1)
Total Platforms	**18,597**	**16,926**	9.9	**(18,514)**	**(16,282)**	(13.7)	**83**	**644**	(87.1)
AMP Flexible Super[6]	1,158	2,137	(45.8)	(3,580)	(3,939)	9.1	(2,422)	(1,802)	(34.4)
Flexible Lifetime Super (superannuation and pension)[7]	1,566	1,621	(3.4)	(3,046)	(3,973)	23.3	(1,480)	(2,352)	37.1
Total retail superannuation	**2,724**	**3,758**	(27.5)	**(6,626)**	**(7,912)**	16.3	**(3,902)**	**(4,154)**	6.1
SignatureSuper and AMP Flexible Super – Employer	2,473	2,652	(6.7)	(3,050)	(4,868)	37.3	(577)	(2,216)	74.0
Other corporate superannuation[8]	983	2,260	(56.5)	(1,750)	(4,310)	59.4	(767)	(2,050)	62.6
Total corporate superannuation	**3,456**	**4,912**	(29.6)	**(4,800)**	**(9,178)**	47.7	**(1,344)**	**(4,266)**	68.5
Total Master Trust[9]	**6,180**	**8,670**	(28.7)	**(11,426)**	**(17,090)**	33.1	**(5,246)**	**(8,420)**	37.7
Total Australian wealth management	**24,777**	**25,596**	(3.2)	**(29,940)**	**(33,372)**	10.3	**(5,163)**	**(7,776)**	33.6

Australian wealth management cash inflow composition (A$m)			
Member contributions	4,555	3,070	48.4
Employer contributions	3,527	3,650	(3.4)
Total contributions	8,082	6,720	20.3
Transfers, rollovers in and other[10]	16,695	18,876	(11.6)
Total Australian wealth management	**24,777**	**25,596**	(3.2)

1 FY 20 cashflows restated to exclude products no longer reported from November 2020, following legislative changes to grandfathered remuneration, with Australian wealth management no longer earning fees on these products.
2 North is an award-winning fully functioning wrap platform which includes guaranteed and non-guaranteed options. Includes North and MyNorth platforms.
3 Summit and Generations are owned and developed platforms. iAccess is ipac's badge on Summit.
4 Other retail investment and platforms includes AMP Personalised Portfolio.
5 External platforms comprise Asgard platform products issued by AMP.
6 AMP Flexible Super is a flexible all in one superannuation and retirement account for individual retail business.
7 Flexible Lifetime Super (superannuation and pension) was closed to new business from 1 July 2010. A small component of corporate superannuation schemes are included.
8 Other corporate superannuation comprises CustomSuper and SuperLeader.
9 The Master Trust simplification program transition to three products, under a single SignatureSuper product range, completed in Q3 2021. The three products consist of an accumulation product, an allocated pension product and a closed term allocated pension product. Beyond FY 21, AWM will report total Master Trust split between retail and corporate superannuation.
10 Transfers, rollovers in and other includes the transfer of accumulated member balances into AMP from both internal (eg retail superannuation to allocated pension/annuities) and external products.

Australian wealth management cont'd

FY 21 AUM

AUM (A$m)	FY 20 AUM	FY 21 net cashflows: Super-annuation	Pension payments	Other pension	Invest-ment	Total net cashflows	Other move-ments[1]	FY 21 AUM	FY 21 average AUM	FY 21 revenue margin[2]	FY 20 revenue margin[2]
North	51,633	1,092	(1,283)	2,459	1,040	3,308	6,466	61,407	56,431	47	52
Summit, Generations and iAccess	7,043	(540)	(139)	(466)	(257)	(1,402)	878	6,519	6,819	80	78
Other retail investment and platforms	719	-	-	-	(750)	(750)	97	66	552	n/a	n/a
External platforms	3,775	(174)	(60)	(217)	(622)	(1,073)	407	3,109	3,462	n/a	n/a
Total Platforms[3]	**63,170**	**378**	**(1,482)**	**1,776**	**(589)**	**83**	**7,848**	**71,101**	**67,264**	**50**	**56**
AMP Flexible Super[4]	12,952	(976)	(290)	(1,156)	-	(2,422)	1,650	12,180	12,570	96	95
Flexible Lifetime Super (superannuation and pension)[5]	19,877	(1,066)	(98)	(316)	-	(1,480)	2,562	20,959	20,487	105	118
Total retail superannuation	**32,829**	**(2,042)**	**(388)**	**(1,472)**	**-**	**(3,902)**	**4,212**	**33,139**	**33,057**	**102**	**108**
SignatureSuper and AMP Flexible Super – Employer[6]	17,846	(540)	(32)	(5)	-	(577)	1,973	19,242	18,591	54	60
Other corporate superannuation[7]	10,276	(767)	-	-	-	(767)	1,046	10,555	10,465	84	93
Total corporate superannuation	**28,122**	**(1,307)**	**(32)**	**(5)**	**-**	**(1,344)**	**3,019**	**29,797**	**29,056**	**65**	**73**
Total Master Trust[9]	**60,951**	**(3,349)**	**(420)**	**(1,477)**	**-**	**(5,246)**	**7,231**	**62,936**	**62,113**	**85**	**93**
Total Australian wealth management	**124,121**	**(2,971)**	**(1,902)**	**299**	**(589)**	**(5,163)**	**15,079**	**134,037**	**129,377**	**66**	**73**
Assets under administration – SuperConcepts[8]	17,361						74	17,435			
Total AUM and administration	**141,482**	**(2,971)**	**(1,902)**	**299**	**(589)**	**(5,163)**	**15,153**	**151,472**			

Australian wealth management – AUM by asset class		
Cash and fixed interest	30%	27%
Australian equities	30%	28%
International equities	29%	33%
Property	6%	7%
Other	5%	5%
Total	**100%**	**100%**

1 Other movements include fees, investment returns, distributions, taxes and foreign exchange movements.

2 AUM based revenue margin.

3 Platform margin based on revenue for North, Summit, Generations and iAccess only.

4 AMP Flexible Super includes A$1.1b in MySuper (FY 20 A$0.9b).

5 Flexible Lifetime Super (superannuation and pension) includes A$6.1b in MySuper (FY 20 A$5.3b).

6 SignatureSuper and AMP Flexible Super – Employer includes A$10.6b in MySuper (FY 20 A$9.6b). A$1.5b of average AUM relating to Flexible Super – Employer is attributable to AMP Flexible Super for revenue margin calculation.

7 Other corporate superannuation includes A$5.7b in MySuper (FY 20 A$5.3b).

8 SuperConcepts assets under administration includes AMP SMSF, Multiport, Cavendish, SuperIQ, Moore Stephens Annual, JustSuper, Ascend and SuperConcepts platforms, but does not include Multiport Annual, SuperConcepts Accountants Outsource, SMSF Managers and MORE Superannuation.

9 The Master Trust simplification program transition to three products, under a single SignatureSuper product range, completed in Q3 2021. The three products consist of an accumulation product, an allocated pension product and a closed term allocated pension product. Beyond FY 21, AWM will report total Master Trust split between retail and corporate superannuation.

Australian wealth management cont'd

Cashflow overview

Australian wealth management net cash outflows were A$5.2b in FY 21, compared to net cash outflows of A$7.8b in FY 20.

The improvement in net cash outflows was largely attributable to one-off impacts on 1H 20, namely A$1.8b from loss of corporate mandates and A$1.8b outflows as part of ERS payments.

Pension payments to members of A$1.9b in FY 21 were down A$0.2b from FY 20 driven by legislated changes in minimum drawdown amounts.

Internal inflows across wealth management products were A$13.9b in FY 21 (A$15.7b in FY 20), representing 56% (62% in FY 20) of total wealth management cash inflows. The decrease was driven by the transfer of A$2.0b to CustomSuper and AMP Flexible Super in respect of the employer and personal divisions of Business Super, closed as part of the AMP Life sale in 1H 20.

Platforms

Platforms experienced net cashflows of A$83m in FY 21, down from A$644m of net cashflows in FY 20.

North net cashflows of A$3.3b were down A$0.4b (10%) on FY 20. Externally sourced inflows increased A$1.4b (27%) whilst external outflows increased A$1.3b (26%), reflecting a more competitive environment. Pension payments of A$1.5b were in line with FY 20 with changes in minimum drawdown limits offset by FUM growth.

Net inflows to Platforms from Master Trust were A$2.1b (FY 20 A$2.2b).

AMP Personalised Portfolio saw outflows of A$750m in FY 21 as clients exited following notice of the intended closure of the product, planned for Q1 22.

Master Trust

Retail superannuation net cash outflows of A$3.9b in FY 21 were A$0.3b lower than FY 20. FY 20 benefited from a one-off transfer of A$0.9b in respect of personal division members to AMP Flexible Super from the closure of Business Super, partly offset by A$0.8b of ERS payments. Pension payments of A$0.4b were A$0.1b lower than FY 20.

Corporate superannuation net cash outflows of A$1.3b in FY 21 were down from A$4.3b in FY 20. FY 20 was impacted by A$1.8b from the loss of corporate mandates, the transfer of A$0.9b to AMP Flexible Super on closure of Business Super and A$0.7b outflows as part of ERS.

SignatureSuper and AMP Flexible Super – Employer showed improved net cash outflows of A$0.6b, compared with net cash outflows of A$2.2b in FY 20, with one lost corporate super mandate in FY 21 of A$0.1b. FY 20 was impacted by A$1.8b of mandate losses and A$0.3b of outflows as part of ERS.

Other corporate superannuation experienced net cash outflows of A$0.8b in FY 21, improving from A$2.1b in FY 20. FY 20 was impacted by the transfer of A$0.9b to AMP Flexible Super on closure of Business Super and A$0.2b outflows as part of ERS.

AUM overview

Australian wealth management AUM of A$134.0b at FY 21 was A$9.9b higher than FY 20 (8%), driven by A$15.1b from strong investment market returns partly offset by A$5.2b of net cash outflows.

Of the total Australian wealth management AUM of A$134.0b at FY 21, 83% (77% at FY 20) is ultimately externally managed, while 17% (23% at FY 20) is internally managed.

Platforms

Total Platform AUM of A$71.1b at FY 21 was A$7.9b higher than FY 20 driven by stronger investment market returns, with continued growth in AMP's flagship North platform offsetting outflows from legacy and external platforms as well as A$1.5b in regular pension payments.

Within Platforms, North growth continued, with AUM increasing A$9.8b to A$61.4b, driven by stronger investment market returns and net cash inflows of A$3.3b, including A$1.3b of inflows from external financial advisers (A$1.1b at FY 20).

Master Trust

Total Master Trust AUM of A$62.9b at FY 21 was A$2.0b higher than FY 20 reflecting stronger investment market returns offset by net cash outflows of A$5.2b including A$0.4b of regular pension payments and A$2.1b net transfers to Platform. Ongoing retention activities in corporate super have resulted in a significant reduction in mandate losses in FY 21.

SuperConcepts

SuperConcepts is Australia's largest combined provider of SMSF software and administration services including wholesale, intermediated, direct, portfolios and small APRA funds.

Total assets under administration in FY 21 were A$17.4b.

Across administration and software services, SuperConcepts supports 41,754 funds representing 7% of the SMSF market.[1] AMP currently provides professional administration services to around 14,000 funds and software as a service to a further 27,754 funds.

1 Self-managed Super Fund Quarterly Statistical Report, Australian Taxation Office, September 2021.

New Zealand wealth management

Profit and loss (A$m)	FY 21	2H 21	1H 21	FY 20	% FY
AUM based revenue	**116**	57	59	115	0.9
Other revenue	**34**	17	17	36	(5.6)
Total revenue	**150**	74	76	151	(0.7)
Variable costs					
Investment management expense	**(23)**	(8)	(15)	(28)	17.9
Marketing and distribution	**(22)**	(12)	(10)	(21)	(4.8)
Brokerage and commissions	**(9)**	(5)	(4)	(10)	10.0
Other variable costs	**(5)**	(2)	(3)	(5)	-
Total variable costs	**(59)**	(27)	(32)	(64)	7.8
Gross profit	**91**	47	44	87	4.6
Controllable costs					
Employee costs	**(20)**	(11)	(9)	(21)	4.8
Technology	**(5)**	(2)	(3)	(6)	16.7
Regulatory, insurance and professional services	**(4)**	(3)	(1)	(4)	-
Project costs	**(1)**	(1)	-	(2)	50.0
Property costs	**-**	1	(1)	(2)	n/a
Other operating expenses	**(6)**	(2)	(4)	(3)	(100.0)
Total controllable costs[1]	**(36)**	(18)	(18)	(38)	5.3
EBIT	**55**	29	26	49	12.2
Tax expense	**(16)**	(9)	(7)	(14)	(14.3)
NPAT[2]	**39**	20	19	35	11.4
Wealth management[3]	**25**	13	12	20	25.0
Advice[3]	**14**	7	7	15	(6.7)

Ratios and other data					
AUM (A$m)	**12,174**	12,174	12,580	12,398	(1.8)
Net cashflows (A$m)	**(1,007)**	(758)	(249)	(57)	n/a
Market and other movements (A$m)	**783**	352	431	185	323.2
Average AUM (A$m)	**12,609**	12,765	12,454	11,887	6.1
AUM based revenue to average AUM (bps)	**92**	89	96	97	n/a
Investment management expense to average AUM (bps)	**18**	12	24	24	n/a
Controllable costs to average AUM (bps)[4]	**29**	28	29	32	n/a
EBIT to average AUM (bps)[4]	**44**	45	42	41	n/a
NPAT to average AUM (bps)[4]	**31**	31	31	29	n/a
End period tangible capital resources (A$m)[5]	**47**	47	74	47	-
RoBUE[4]	**69.6%**	70.8%	54.7%	39.6%	n/a
Cost to income ratio[4]	**39.6%**	38.3%	40.9%	43.7%	n/a

1 Includes additional Group Office cost allocations made retrospectively to reflect the new allocation methodology adopted from FY 21 for Group Office.
2 In NZ dollar terms, NPAT in FY 21 was NZ$42m (FY 20 NZ$37m).
3 FY 20 has been restated to reclass product distribution activity from Advice to Wealth Management.
4 1H 21 and FY 20 restated to reflect additional Group Office cost allocations.
5 End period tangible capital resources is total shareholder equity (A$155m) less goodwill and other intangibles (A$108m) as shown on page 26.

New Zealand wealth management cont'd

	KiwiSaver		Other[1]		Total	
Cashflows and movements in AUM (A$m)	**FY 21**	**FY 20**	**FY 21**	**FY 20**	**FY 21**	**FY 20**
AUM at beginning of period	6,002	5,664	6,396	6,606	12,398	12,270
Cash inflows	747	735	461	441	1,208	1,176
Cash outflows	(1,363)	(506)	(852)	(727)	(2,215)	(1,233)
Net cashflows	**(616)**	**229**	**(391)**	**(286)**	**(1,007)**	**(57)**
Other movements in AUM	392	109	391	76	783	185
AUM at end of period	**5,778**	**6,002**	**6,396**	**6,396**	**12,174**	**12,398**
Composition of net cashflows by product						
Superannuation	(616)	229	(161)	(153)	(777)	76
Investment	-	-	(230)	(133)	(230)	(133)

1 Other New Zealand wealth management cashflows and AUM includes non-KiwiSaver wealth management products.

Net profit after tax

FY 21 NPAT increased A$4m (11%) on FY 20 due to wealth management increasing A$5m (25%) on FY 20 primarily due to the rebound in investment markets and improved cost performance, partly offset by a decrease in advice revenue A$1m (7%) driven by lower general insurance revenue in FY 21.

Revenue

AUM based revenue increased by A$1m (1%) on FY 20 primarily due to the rebound in investment markets following the impact of the COVID-19 pandemic in 1H 20, partly offset by margin compression associated with product repricing following the transition to NZWM's new index-based investment philosophy.

Other revenue decreased A$2m (6%) on FY 20 mainly driven by lower general insurance revenue in FY 21 due to the lockdown restrictions from the COVID-19 pandemic in 1H 20 resulting in lower insurance claims.

Variable costs

Total variable costs of A$59m decreased by A$5m (8%) on FY 20 due to the reduction in investment management fees in 2H 21 following a change in investment strategy.

NZWM has completed its transition to a new index based investment philosophy with a focus on sustainable investing. This new approach has enabled NZWM to reduce the carbon footprint of its funds while also reducing fees for clients by up to 40%.

Controllable costs

FY 21 controllable costs of A$36m were down A$2m (5%) on FY 20 primarily due to lower employment and IT costs as the business continues to simplify and transform its operating model and lower property costs following a reduction in office footprint.

FY 21 cost to income ratio of 39.6% decreased 4.1 percentage points on FY 20.

Cashflows and AUM

FY 21 AUM of A$12.2b decreased A$0.2b (2%) from FY 20. This decrease was predominantly driven by the conclusion of NZWM's term as a KiwiSaver default provider, contributing a net cash outflow of A$0.6b in FY 21, cash outflows in other products of A$0.4b, partly offset by investment market gains of A$0.7b and positive foreign exchange movements (A$0.1b).

Net cash outflows of A$1.0b in FY 21 have worsened from net cash outflows of A$57m in FY 20.

Despite the loss of the KiwiSaver default status, AMP remains a substantial participant in the overall KiwiSaver market with A$5.8b in AUM, reflecting growth of 14% on FY 20 in the non-default KiwiSaver product.

AMP Capital

Profit and loss (A$m)	**FY 21**	**2H 21**	**1H 21**	**FY 20**	**% FY**
AUM based management fees	**545**	270	275	564	(3.4)
Non-AUM based management fees	**90**	46	44	96	(6.3)
Performance and transaction fees	**74**	66	8	51	45.1
Seed and sponsor[1]	**18**	11	7	6	200.0
Total revenue	**727**	393	334	717	1.4
Controllable costs					
Employee costs	**(383)**	(186)	(197)	(393)	2.5
Technology	**(25)**	(12)	(13)	(29)	13.8
Regulatory, insurance and professional services	**(43)**	(28)	(15)	(28)	(53.6)
Project costs	**(27)**	(16)	(11)	(31)	12.9
Property costs	**(30)**	(15)	(15)	(32)	6.3
Other operating expenses	**(7)**	(4)	(3)	(12)	41.7
Total controllable costs[2]	**(515)**	(261)	(254)	(525)	1.9
EBIT	**212**	132	80	192	10.4
Interest expense	**(9)**	(4)	(5)	(12)	25.0
Investment income	**-**	(1)	1	2	n/a
Tax expense	**(49)**	(33)	(16)	(35)	(40.0)
Minority interests MUTB (post-tax)[3]	**-**	-	-	(16)	n/a
NPAT[2]	**154**	94	60	131	17.6

Ratios and other data					
AUM (A$b)	**177.8**	177.8	187.6	189.8	(6.3)
Net cashflows (A$b)	**(27.6)**	(18.2)	(9.4)	(11.8)	(133.9)
Market and other movements (A$b)	**15.6**	8.4	7.2	(1.5)	n/a
Committed Capital (A$b)	**5.4**	5.4	5.2	4.1	31.7
Total AUM and Committed Capital (A$b)	**183.2**	183.2	192.8	193.9	(5.5)
Average AUM (A$b)[4,5]	**183.8**	180.3	187.2	193.8	(5.2)
End period tangible capital resources (A$m)	**794**	794	702	581	36.7
RoBUE[6]	**22.2%**	26.9%	19.0%	24.5%	n/a
Management fees to average AUM (bps)[4,5,7]	**34.5**	34.8	34.4	34.1	n/a
Performance and transaction fees to average AUM (bps)[4,5]	**4.0**	7.3	0.9	2.6	n/a
Controllable costs to average AUM (bps)[4,5,6]	**28.0**	28.7	27.4	27.1	n/a
EBIT to average AUM (bps)[4,5,6]	**11.5**	14.5	8.6	9.9	n/a
NPAT to average AUM (bps)[4,5,6]	**8.4**	10.3	6.5	6.8	n/a
Cost to income ratio[6]	**70.8%**	66.6%	75.8%	73.0%	n/a

1 Includes capital movements and yields gross of related interest expenses.
2 Includes additional Group Office cost allocations made retrospectively to reflect the new allocation methodology adopted from FY 21 for Group Office.
3 AMP regained 100% ownership of AMP Capital and MUTB's minority interest consequently ceased on 1 September 2020.
4 Based on average of monthly average AUM.
5 FY 21 average AUM includes A$11.8b relating to joint ventures, including AMP Capital's share of PCCP and CLAMP.
6 1H 21 and FY 20 restated to reflect additional Group Office cost allocations.
7 Calculated on total of AUM based and non-AUM based management fees.

AMP Capital cont'd

Operational highlights

Operational highlights during FY 21 include:

- Strong progress on the operational separation of Private Markets, in preparation for demerger in 1H 22. A clear perimeter has been set with the agreed sale of the Global Equities and Fixed Income (GEFI) business and transfer of the Multi-Asset Group (MAG) to AMP Limited.
- On 24th December, AMP announced the divestment of its infrastructure debt platform for a total transaction value of A$578m, including cash consideration of A$428m.
- Progress on key real estate developments, including completion of approximately A$1b in retail developments on behalf of UniSuper at Marrickville Metro in Sydney and Karrinyup Shopping Centre in Perth.
- Secured record A$2.2b investment in AMP Capital Retail Trust (ACRT) from large institutional partners.
- Continued momentum in AMP Capital's infrastructure debt and infrastructure equity series of funds with A$1.7b of capital deployed in FY 21.
- Divestment of stake in ESVAGT and Angel Trains (50% and 51% respectively) delivering strong returns for infrastructure equity clients.
- Continued commitment to real asset capabilities with A$5.4b[1] of uncalled committed capital at the end of FY 21.

Net profit after tax

AMP Capital's FY 21 NPAT was A$154m, up 18% from A$131m in FY 20. AUM based earnings fell 3% to A$545m compared to A$564m in FY 20, driven by net cash outflows in the period and stabilisation actions leading to margin compression, partly offset by favourable markets. Performance and transaction fees were up A$23m (45%) compared to FY 20 due to A$58m of performance fee revenue in FY 21, predominantly from closed end infrastructure funds. Seed and sponsor investment returns increased A$12m on FY 20 due to FY 20 COVID-19 devaluations not repeated in FY 21 and strong performance in FY 21 in real estate and infrastructure equity funds.

Revenue

AMP Capital average AUM decreased by A$10.0b (5%) to A$183.8b during FY 21. This was primarily due to net cash outflows of A$27.6b in the period, including the transition of A$9.2b from New Zealand wealth management and the A$4.2b transition of ADPF to external managers. Offsetting cash outflows were positive market conditions in the period of A$15.6b. AUM based management fees reduced in line with this but proved relatively resilient delivering A$545m of revenue compared to A$564m in FY 20.

Non-AUM based management fees mainly comprise of infrastructure equity commitment fees and real estate management, development and leasing fees. Non-AUM based management fees were A$90m in FY 21, down A$6m due to lower GIF II commitment fees in FY 21 as well as adverse FX impacts.

Performance and transaction fees were A$74m in FY 21, up A$23m from FY 20. Performance fees were higher in FY 21 following the recognition of A$58m of performance fee revenue from the successful achievement of performance hurdles on infrastructure closed-ended funds. Fees also include infrastructure performance fees on open-ended funds which continue to reduce as prior period performance fees run off.

FY 21 seed and sponsor capital investments were A$449m. These include investments across open and closed end real asset funds and early stage funding to support new products. Seed and sponsor investment returns increased A$12m on FY 20 due to a partial recovery of COVID-19 devaluations in certain asset classes and strong performance in some individual assets.

Given market volatility, income from seed and sponsor capital will continue to vary from period to period.

Controllable costs

Controllable costs of A$515m in FY 21 decreased 2% from FY 20. This is largely due to a reduction in employee related and discretionary spend, partly offset by higher consultancy and business stabilisation costs.

AMP Capital's cost to income ratio decreased from 73.0% in FY 20 to 70.8% in FY 21, driven by lower costs reflecting management response to COVID-19 and higher earnings, driven by increased performance and transaction fees.

Other profit impacts

AMP Capital's effective tax rate in FY 21 was 24%, up from 20% in FY 20 and can vary period on period. The effective tax rate remains lower than the Australian corporate tax rate (30%), largely due to lower tax rates in foreign jurisdictions, available tax concessions and joint venture earnings which are recognised net of tax.

Investment performance

AMP Capital aims to be a trusted partner of its clients delivering consistent investment performance. This has proved more challenging in FY 21 due to market volatility.

As at 31 December, 68% of AUM (66%, FY 20) outperformed market benchmarks over a three-year time period.

In a year characterised by a strong market recovery that began in March 2020 and continued throughout 2021, the multi-asset funds have performed strongly. The better performing funds over the period were generally those that had higher allocations to listed shares, in particular international shares and private equity. The traditional defensive sectors such as bonds and cash were the weakest performers. Relative to neutral asset allocation, the flagship funds performed well, returns being boosted from investment activity across all corners of the portfolio. Alpha sources included stock selection from Australian Equities, International Equities, Emerging Markets, Global Real Estate Investment Trusts, Diversified Credit Strategies, Hedge Funds, Private Equity, and Dynamic asset allocation (for funds where this strategy is employed).

The table on page 32 shows investment performance across all asset classes over various timeframes to 31 December 2021.

1 Includes A$4.3b relating to infrastructure debt.

AMP Capital cont'd

Key ratios and metrics

	Public markets				Private markets			
FY 21	**GEFI**	**MAG[1]**	**Other[2]**	**Infra debt[3]**	**Infra equity**	**Real estate[4,5]**	**Corporate**	**Total**
Profit and loss (A$m)								
AUM based management fees (A$m)	102	130	12	53	137	113	(2)	**545**
Non-AUM based management fees (A$m)	-	(1)	6	-	24	61	-	**90**
Performance and transaction fees (A$m)	1	2	2	-	67	2	-	**74**
Seed and sponsor (A$m)	(2)	-	-	4	8	8	-	**18**
Total revenue (A$m)	101	131	20	57	236	184	(2)	**727**
Controllable costs (A$m)[6]	(117)	(73)	(2)	(54)	(118)	(104)	(47)	**(515)**
EBIT (A$m)	(16)	58	18	3	118	80	(49)	**212**
NPAT (A$m)	(12)	41	16	1	86	59	(37)	**154**
Ratios and other data								
AUM (A$m)	46,662	71,060	11,038	6,857	18,832	23,324		**177,773**
Committed Capital (A$m)	-	-	-	4,273	1,097	-		**5,370**
Total AUM and Committed Capital (A$m)	46,662	71,060	11,038	11,130	19,929	23,324		**183,143**
Average AUM (A$m)	53,770	69,478	9,951	7,095	19,048	24,474		**183,816**
Management fees to average AUM (bps)	19.0	18.6	18.1	74.7	84.5	71.1		**34.5**
Performance and transaction fees to average AUM (bps)	0.2	0.3	2.0	-	35.2	0.8		**4.0**
Controllable costs to average AUM (bps)	21.8	10.5	2.0	76.1	61.9	42.5		**28.0**
EBIT to average AUM (bps)	(3.0)	8.3	18.1	4.2	61.9	32.7		**11.5**
NPAT to average AUM (bps)	(2.2)	5.9	16.1	1.4	45.1	24.1		**8.4**

	Public markets				Private markets			
FY 20	**GEFI**	**MAG[1]**	**Other[2]**	**Infra debt[3]**	**Infra equity**	**Real estate[4,5]**	**Corporate[7]**	**Total**
Profit and loss (A$m)								
AUM based management fees (A$m)	119	109	6	49	140	141	-	**564**
Non-AUM based management fees (A$m)	-	2	6	-	43	45	-	**96**
Performance and transaction fees (A$m)	2	1	3	24	17	4	-	**51**
Seed and sponsor (A$m)	1	-	-	5	(2)	4	(2)	**6**
Total revenue (A$m)	122	112	15	78	198	194	(2)	**717**
Controllable costs (A$m)[6]	(130)	(78)	(2)	(50)	(115)	(101)	(49)	**(525)**
EBIT (A$m)	(8)	34	13	28	83	93	(51)	**192**
NPAT (A$m)[8]	(7)	24	11	21	63	75	(56)	**131**
Ratios and other data								
AUM (A$m)	59,634	66,730	8,889	7,005	18,867	28,638		**189,763**
Committed Capital (A$m)	-	-	-	953	1,850	1,327		**4,130**
Total AUM and Committed Capital (A$m)	59,634	66,730	8,889	7,958	20,717	29,965		**193,893**
Average AUM (A$m)	63,770	66,024	8,806	6,670	19,592	28,948		**193,810**
Management fees to average AUM (bps)	18.7	16.8	13.6	73.5	93.4	64.3		**34.1**
Performance and transaction fees to average AUM (bps)	0.3	0.2	3.4	36.0	8.7	1.4		**2.6**
Controllable costs to average AUM (bps)	20.4	11.8	2.3	75.0	58.7	34.9		**27.1**
EBIT to average AUM (bps)	(1.3)	5.1	14.8	42.0	42.4	32.1		**9.9**
NPAT to average AUM (bps)	(1.1)	3.6	12.5	31.5	32.2	25.9		**6.8**

1 AUM is based on a MAG look through basis after allocations to remaining AMP Capital business units. Before allocations FY 21 MAG AUM is A$85.4b (FY 20 A$89.7b).
2 Includes earnings and service fee revenue from joint ventures.
3 Infrastructure debt controllable costs comprise both direct costs and corporate allocated costs.
4 FY 21 Real estate AUM includes A$2.3b of PCCP AUM (FY 20 A$1.8b).
5 FY 21 Real estate business unit excludes A$1.0b in external real estate assets managed through the MAG channel.
6 Includes additional Group Office cost allocations made retrospectively to reflect the new allocation methodology adopted from FY 21 for Group Office. Public markets is presented on a fully allocated cost basis. Private markets is presented on a partially allocated cost basis, with an element of operations and support costs presented at the Corporate level consistent with how the business is managed. It does not represent a post demerger perimeter view of Private markets costs.
7 FY 20 NPAT includes A$16m related to MUTB minority interest which ceased on 1 September 2020.
8 FY 20 has been restated from November 2021 Investor Day disclosures, reflecting reclassification of sponsor investments between public and private markets (impacting seed and sponsor and interest expense).

AMP Capital cont'd

Operational developments by division

Infrastructure equity

The division has continued to successfully deploy capital on behalf of investors in GIF II during 2H 21 through the creation of a new company, Telecom Infrastructure Partners (TIP). TIP will acquire, own, and manage long-term lease contracts in underlying mobile telecom sites, further expanding the portfolio's focus in Europe and Latin America.

Strong client returns were delivered in the period following the successful divestment of two assets in the Rail and Energy & Utilities industries. These transactions mark the fourth and fifth successful asset exits from the global infrastructure equity strategy.

Infrastructure debt

A$1.1b was deployed in FY 21 across the IDF series and other separately managed accounts. Capital was deployed across a number of infrastructure sectors including energy, transport and mobile tower infrastructure.

A total of A$1.5b of invested capital was returned to investors as a result of debt repayments in FY 21, recorded as cash outflows, although delivering a positive outcome for investors.

On 24 December, AMP announced the divestment of its infrastructure debt platform for a total transaction value of A$578m and cash consideration of A$428m, with AMP retaining the rights to certain sponsor investments and carried interest valued at A$150m. The transaction is on track for completion in Q1 22.

Real estate

FY 21 continued to be disrupted by COVID-19 with the Delta and Omicron variants impacting the operations of the retail and office sector. Despite the disruptions, valuations stabilised across the portfolio with tenant lease occupancy remaining high at over 94%.

In FY 21, real estate completed approximately A$1b in retail developments at Marrickville Metro in Sydney and Karrinyup Shopping Centre in Perth. Brookfield Place, above Sydney's Wynyard station, also reached practical completion with AMP Capital now managing aggregate ownership interests of 74.9% on behalf of the AMP Capital Wholesale Office fund and two separate account clients. The Quay Quarter Sydney precinct continues to make great progress with 104 residential apartments (94%) reaching settlement, Quay Quarter Lanes reaching practical completion and the remaining precinct to be completed throughout 2022.

There was high transaction activity throughout FY 21, delivering strong divestment results for investors across the portfolio. AMP Capital welcomed Cbus Property, one of Australia's leading property investors and developers, and UniSuper, one of Australia's leading superannuation funds, as new partners in the AMP Capital Retail Trust (ACRT). Through ACRT, UniSuper and Cbus Property, along with AMP Capital, now have majority ownership of Pacific Fair shopping centre in Queensland, which was recently recognised as the Queensland Retail Property of the Year, and 50% ownership of Macquarie Centre in New South Wales. The record A$2.2b investment reflects the quality and significant future potential of the underlying assets, both of which have been successfully managed and developed by AMP Capital for more than 30 years. Subsequently, ACRT increased its ownership of Pacific Fair to 100% and ASCF increased its ownership of Macquarie Centre to 50% by acquiring 20% and 25% of those assets respectively from the Dexus Wholesale Property Fund which settled on the 31st of January 2022.

After a comprehensive process, the Trustee of the AMP Capital Wholesale Office Fund (AWOF) decided it was in the best interests of AWOF investors as a whole that AMP Capital continue as manager of the fund. This decision is consistent with the recommendation of the Independent Advisory Committee.

Further, the management agreement with Precinct Properties New Zealand Limited, a listed NZ REIT, was sold in March 2021, involving a payment by Precinct to AMP Capital of NZ$215m and external transfer of A$1.5b AUM. This transaction enabled AMP to recognise a one-off profit of ~A$83m in items reported outside of AMP Capital earnings.

Public markets

GEFI

The sale of the GEFI business was announced in July 2021 for an upfront cash consideration of up to A$110m at completion and a cash earn-out of up to A$75m payable after the second anniversary of completion. The aggregate consideration was subject to meeting certain conditions, including revenue targets, with the upfront cash component now expected to be approximately A$80m. The sale remains on track for completion at the end of Q1 22.

MAG

Significant progress was made in the period across multiple strategic initiatives. In December 2021, the MAG front office successfully transitioned to AMP Wealth as it transitions to an end-to-end superannuation and investment platform business with the back office expected to transition by 1H 22, ahead of the Private Markets demerger.

CLAMP

In FY 21, the CLAMP joint venture experienced further growth with the launch of 48 new products, including SMAs, diversified, equity and bond funds. There continues to be strong institutional demand for Fixed Income products, with allocation to equity products also experiencing growth in the fourth quarter.

AMP Capital cont'd

Cashflows and AUM

	Cash inflows			Cash outflows			Net cashflows		
Cashflows by asset class (A$m)	**FY 21**	**FY 20**	**% FY**	**FY 21**	**FY 20**	**% FY**	**FY 21**	**FY 20**	**% FY**
Australian equities	12,238	14,555	(15.9)	(15,977)	(17,125)	6.7	(3,739)	(2,570)	(45.5)
International equities	21,130	23,312	(9.4)	(30,845)	(26,226)	(17.6)	(9,715)	(2,914)	(233.4)
Fixed interest	19,928	28,827	(30.9)	(27,670)	(37,163)	25.5	(7,742)	(8,336)	7.1
Infrastructure	3,165	6,341	(50.1)	(4,147)	(4,160)	0.3	(982)	2,181	n/a
Infra debt	899	2,894	(68.9)	(1,204)	(972)	(23.9)	(305)	1,922	n/a
Infra equity	2,266	3,447	(34.3)	(2,943)	(3,188)	7.7	(677)	259	n/a
Real estate	7,692	4,910	56.7	(12,722)	(4,409)	(188.5)	(5,030)	501	n/a
Alternative assets and direct investments[1]	2,904	3,527	(17.7)	(3,261)	(4,219)	22.7	(357)	(692)	48.4
Total	**67,057**	**81,472**	(17.7)	**(94,622)**	**(93,302)**	(1.4)	**(27,565)**	**(11,830)**	(133.0)

AUM by asset class (A$m)	**FY 20**	**%**	**Net cashflows 1H 21**	**Net cashflows 2H 21**	**Investment returns and other[2]**	**FY 21**	**%**
Australian equities	28,569	15	(1,305)	(2,434)	5,400	30,230	17
International equities	41,655	22	(1,838)	(7,877)	8,887	40,827	23
Fixed interest	61,044	32	(2,069)	(5,673)	(877)	52,425	29
Infrastructure	25,872	14	(158)	(824)	799	25,689	15
Infra debt	7,005	4	(156)	(149)	157	6,857	4
Infra equity	18,867	10	(2)	(675)	642	18,832	11
Real estate[3]	28,637	15	(3,645)	(1,385)	690	24,297	14
Alternative assets and direct investments[1]	3,986	2	(416)	59	676	4,305	2
Total	**189,763**	**100**	**(9,431)**	**(18,134)**	**15,575**	**177,773**	**100**
Internal AUM	86,712	46	(2,742)	(12,010)	11,003	82,963	47
External AUM	103,051	54	(6,689)	(6,124)	4,572	94,810	53

AUM by geography (A$m)	**FY 20**	**%**	**Net cashflows 1H 21**	**Net cashflows 2H 21**	**Investment returns and other[2]**	**FY 21**	**%**
Australia	131,527	70	(7,301)	(5,603)	13,710	132,333	75
New Zealand	21,685	11	(2,621)	(11,184)	(15)	7,865	4
Asia (including Middle East)	21,778	11	255	(503)	1,669	23,199	13
Rest of world	14,773	8	236	(844)	211	14,376	8
Total	**189,763**	**100**	**(9,431)**	**(18,134)**	**15,575**	**177,773**	**100**

1 Alternative assets refer to a range of investments that fall outside the traditional asset classes and includes investments in commodities and absolute return funds. Direct investments refer to private equity.

2 Investment returns and other includes fees, investment returns, distributions, taxes and foreign exchange movements.

3 Real estate AUM comprises Australian (A$18.3b), NZ (A$1.0b) and Global (A$5.0b) managed assets. Australian real estate AUM is invested in office (54%), retail (43%), industrial (2%) and other (1%).

AMP Capital cont'd

Assets under management (AUM)

AUM decreased by A$12.0b to A$177.8b in FY 21. Net cash outflows of A$27.6b included the transition of A$9.2b from New Zealand wealth management and the A$4.2b transition of ADPF. Offsetting cash outflows were positive market conditions in the period of A$15.6b.

As at 31 December, AMP Capital's infrastructure teams have A$5.4b[1] of uncalled committed capital.

External AUM and cashflows

External AUM decreased during FY 21 to A$94.8b, with the decrease largely attributable to the A$4.2b transition of ADPF to Dexus. External net cash outflows were A$12.8b, including this one-off event.

International

AMP Capital's number of direct international institutional clients decreased by 13 to 386 in FY 21, managing A$20.8b on their behalf (A$22.0b at FY 20). The drop in client numbers is largely attributable to the sale of the Global Companies fund in FY 21. Approximately one third of external AUM is now managed on behalf of clients outside Australia and New Zealand.

China

At FY 21, the CLAMP joint venture managed A$73.7b (RMB 340b) of total AUM on behalf of Chinese retail and institutional investors. This was up 24% from A$59.4b at FY 20.

In FY 21, AMP Capital's share of CLAMP net cashflows were A$1.0b, down from A$1.6b in FY 20. CLAMP attracted inflows into its fixed income and equity funds.

AMP Capital reports its 14.97% share of the joint venture's AUM (A$11.0b) and cashflows within the 'External' AUM and cashflow disclosure.

Japan

AMP Capital Japan (AMPCI KK) is focused on distribution to Japanese pension funds as part of its business alliance with MUFG: Trust Bank, established in Q3 2020. AMPCI KK has now obtained its Discretionary Investment Management License (DIM) allowing it to directly access the pensions channel while also working with other distributors, including trust banks and asset management companies on a product-by-product basis.

At FY 21, AMPCI KK had A$670m of net cash outflows mainly from Australian Bond Funds driven by low interest conditions globally. Fundraising continues to be challenging due to COVID-19 and uncertainty around the Private Markets demerger.

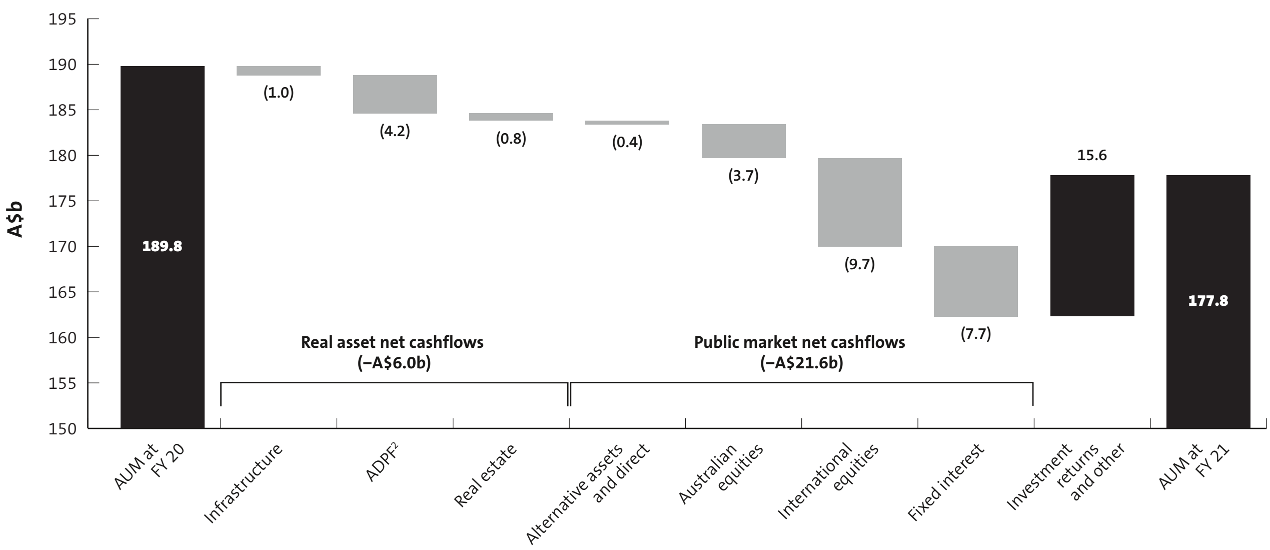
Internal AUM and cashflows

Internal AUM decreased to A$83.0b in FY 21 from A$86.7b at FY 20 primarily relating to the transition of A$9.2b from New Zealand wealth management partly offset by positive market conditions.

Internal net cash outflows include AMP group payments such as dividend payments and net cashflows from Australian wealth management.

AMP Capital manages 60% of Australian wealth management AUM – of this, 22% is managed internally by AMP Capital's in-house investment capabilities, 78% is outsourced to external fund managers.

Movement in AUM by asset class FY 20 to FY 21



1 Includes A$4.3b relating to infrastructure debt.
2 ADPF net cash outflows represent a one-off transition of funds to external managers.

Group Office and related matters

(A$m)	FY 21	2H 21	1H 21	FY 20	% FY
Controllable costs					
Employee costs	**(39)**	(17)	(22)	(43)	9.3
Technology	**(13)**	(10)	(3)	(8)	(62.5)
Regulatory, insurance and professional services	**(21)**	(9)	(12)	(48)	56.3
Project costs	**(9)**	(4)	(5)	(7)	(28.6)
Property costs	**(6)**	(7)	1	(3)	(100.0)
Other operating expenses	**(7)**	(2)	(5)	(11)	36.4
Total controllable costs[1]	**(95)**	(49)	(46)	(120)	20.8
Tax expense	**29**	15	14	35	(17.1)
Group Office costs (post-tax)	**(66)**	(34)	(32)	(85)	22.4
Interest expense on corporate debt (post-tax)[2]	**(51)**	(27)	(24)	(58)	12.1
Investment income					
Investment income from Group Office investible capital[3,4]	**19**	5	14	(6)	n/a
Other investment income[5]	**60**	27	33	41	46.3
Investment income (post-tax)	**79**	32	47	35	125.7
Group Office NPAT (underlying)	**(38)**	(29)	(9)	(108)	64.8
Items reported below NPAT (underlying)					
Client remediation and related costs	**(78)**	(45)	(33)	(73)	(6.8)
Transformation cost out	**(133)**	(72)	(61)	(51)	(160.8)
Impairments	**(312)**	(312)	-	(32)	n/a
Demerger costs	**(75)**	(75)	-	-	n/a
Other items[6]	**11**	(60)	71	(33)	n/a
Amortisation of intangible assets	**(21)**	(9)	(12)	(58)	63.8
Risk management, governance and controls	**-**	-	-	(29)	n/a
AMP Life[7]	**-**	-	-	220	n/a
Total items reported below NPAT (post-tax)	**(608)**	(573)	(35)	(56)	n/a
Interest expense summary					
Average volume of corporate debt	**1,993**	1,855	2,130	2,132	
Interest expense on corporate debt (post-tax)[2]	**(51)**	(27)	(24)	(58)	
Weighted average cost of corporate debt	**3.60%**	4.07%	3.16%	3.83%	
Tax rate	**29%**	28%	29%	29%	
Franking credits					
AMP dividend franking credits at face value at end of period[8]	**67**	67	68	76	
Staff numbers[9,10]					
AMP Bank	**343**	343	327	260	31.9
Australian wealth management	**1,815**	1,815	2,286	2,709	(33.0)
New Zealand wealth management[11]	**311**	311	332	345	(9.9)
AMP Capital[12]	**1,155**	1,155	1,303	1,375	(16.0)
Group Office	**1,202**	1,202	1,218	1,196	0.5
Total staff numbers	**4,826**	4,826	5,466	5,885	(18.0)

1 Includes additional Group Office cost allocations made retrospectively to reflect the new allocation methodology adopted from FY 21 for Group Office.
2 Includes fees associated with undrawn liquidity facilities.
3 Group Office investible capital (cash and liquid securities, excluding undrawn facilities of A$450m) was A$0.7b at FY 21 (1H 21 A$1.6b, FY 20 A$1.9b). Includes movements from corporate hedging activity.
4 From FY 21, investment income is shown on an actual basis, with the removal of the market adjustment methodology. Prior periods have been restated on this basis.
5 Other investment income includes equity accounted profits from AMP's 19.99% investment in CLPC and 19.13% investment in Resolution Life Australasia from 2H 20.
6 Other items largely comprise a gain on sale from the divestment of New Zealand Precinct Properties management rights (A$83m), permanent tax differences and merger and acquisition activity spend, including portfolio review costs.
7 Includes AMP Life earnings through to 30 June 2020, gain on sale and separation costs.
8 Balance of franking account adjusted for franking credits which will arise from the payment of income tax provided for in the financial statements.
9 Excludes advisers.
10 Group Office FTEs include FTE who are recharged to business units.
11 Restated to include all AdviceFirst employees.
12 FY 21 includes 265 FTEs (309 in FY 20), primarily in shopping centres, for which the costs are recharged.

Group Office and related matters cont'd

Group Office costs not recovered from business units

FY 21 Group Office costs not recovered from business units were A$95m pre-tax, down A$25m from A$120m in FY 20 primarily from cost out benefits, partly offset by the reset of variable remuneration.

Group Office costs include enterprise costs, professional indemnity insurance, board and listing requirement costs.

Prior period costs have been restated to reflect improved group cost allocation of additional corporate costs to business units allowing for increased business focus and enhanced decision making.

Group Office cost reallocation to business units (pre-tax)

A$m	FY 21	FY 20
AMP Bank	11	11
Total AWM	57	57
– Platforms	14	14
– Master Trust	19	19
– Advice	23	23
– Wealth & other	1	1
New Zealand wealth management	1	1
MAG (reported in AMP Capital)	3	3
Total cost transferred to business units	**72**	**72**

Investment income

Investment income was A$79m post-tax at FY 21, up from A$35m at FY 20. Investment income comprises income on Group Office investible capital, including hedging activities and equity investments in both CLPC and Resolution Life Australasia (sale announced on 3 November 2021).

Investment income on Group Office investible capital was A$19m in FY 21, up from -A$6m in FY 20 predominantly driven by higher cash on hand from 2H 20 (linked to the receipt of proceeds from sale of AMP Life) and derivative impacts.

In 2021, actual investment income is reported and prior periods have been restated to remove the concept of market adjustment. Historically underlying investment income assumed post-tax returns of 2.5% on Group Office investible capital with any difference reported as market adjustment in items reported below NPAT.

Other investment income was A$60m in FY 21, up from A$41m in FY 20, driven by higher CLPC earnings. As noted in 1H 21, AMP has recognised a cash dividend from CLPC of ~A$7.2m for the first time in the period, as the Chinese pension market continues to experience significant growth and the joint venture increases in scale. AMP announced the sale of its investment in Resolution Life Australasia on 3 November 2021 with no further earnings expected in FY 22.

Each of AMP's investments in CLPC (19.99%) and Resolution Life Australasia (19.13%) are equity accounted and reported through Other investment income.

Client remediation and related costs

FY 21 client remediation and related costs of A$78m post-tax relate primarily to A$45m of remediation cost pertaining to the Enforceable Undertaking (E.U.) as agreed with APRA and announced on 16 November 2021, final cost of the client remediation program, residual costs for addressing legacy advice matters and legal costs relating to class actions.

Transformation cost out

Transformation costs of A$133m post-tax in FY 21 largely relate to realising cost improvements and program costs.

AMP spent A$314m pre-tax in FY 21, including:
– A$42m on investing for growth,
– A$190m on realising cost improvement (A$133m post-tax, as above), and
– A$82m on de-risking the business.

Since FY 19, AMP has spent A$786m pre-tax, including:
– A$188m on investing for growth;
– A$303m on realising cost improvement; and
– A$295m on de-risking the business.

Impairments

FY 21 impairment charges of A$312m post-tax are mainly non-cash and reflect a comprehensive review of the balance sheet which included the partial impairment of deferred tax assets (A$109m), a write-down of intangibles (A$97m), onerous lease contracts arising from lower future accommodation requirements (A$85m) and other impairments and adjustments (A$21m), including a review of advice assets. The impairments bring forward a range of expenses as required by accounting standards as announced on 26 November 2021.

Other items

Other items largely comprise a gain on sale from the divestment of New Zealand Precinct Properties management rights (A$83m), a one-off expense in relation to post completion adjustments from the sale of AMP Life (A$65m) and the portfolio review costs.

Amortisation of acquired intangible assets

FY 21 amortisation of acquired intangible assets was A$21m.

Included in this line item are amortisation of AXA intangible assets (primarily comprising rights to future income), amortisation of the advice register purchases, PCCP and SuperConcepts business acquisitions.

Amortisation of acquired intangibles for FY 22 is expected to be ~A$5m, a reduction of A$16m reflecting the impact of the write-down of intangibles.

Interest expense on corporate debt

FY 21 interest expense on corporate debt was A$51m, down from A$58m in FY 20 primarily due to lower interest rates and lower corporate debt.

The average volume of corporate debt decreased through FY 21 to A$1,993m (A$2,132m in FY 20).

The weighted average cost of debt in FY 21 was 3.60%, down from 3.83% in FY 20. This was mainly due to continued falls in benchmark interest rates used to set the underlying price of corporate debt.

For further information on corporate debt, refer to page 28.

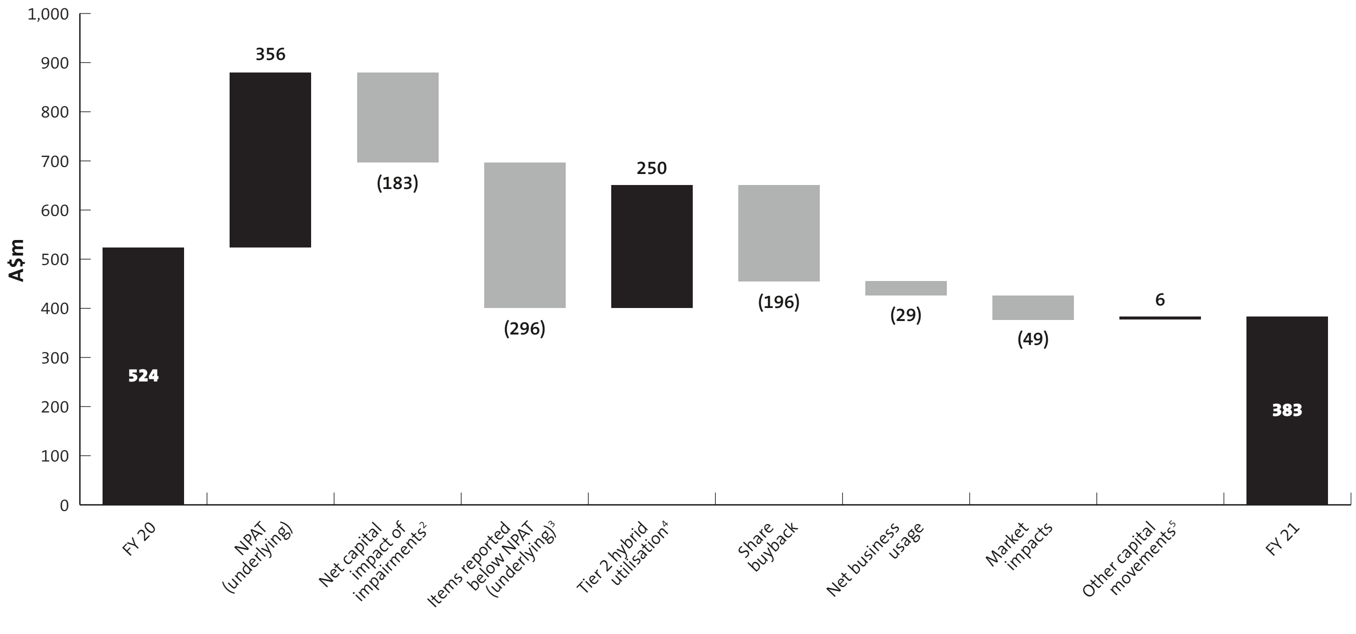
Capital adequacy

AMP group capital adequacy calculation (A$m)

	31 December 2021						31 December 2020
	AMP Bank[1]	AWM	NZWM	AMP Capital	Group Office and other	Total	Total[2]
Shareholder equity[3]	1,104	944	155	905	766	**3,874**	4,212
Goodwill and other intangibles[4]	(19)	(23)	(108)	(111)	(83)	**(344)**	(629)
Equity investments[5]	-	(66)	-	(616)	(925)	**(1,607)**	(1,442)
Other regulatory adjustments[6]	(164)	(151)	-	315	(6)	**(6)**	16
Subordinated bonds eligible as Level 3 capital	-	-	-	-	16	**16**	33
Level 3 eligible capital	**921**	**704**	**47**	**493**	**(232)**	**1,933**	2,190
Eligible hybrid capital resources[7]	310	19	-	-	250	**579**	316
Total eligible capital resources	**1,231**	**723**	**47**	**493**	**18**	**2,512**	2,506
Minimum regulatory requirements (MRR)[8]	930	330	-	56	-	**1,316**	1,244
Target capital requirements	177	183	45	210	198	**813**	738
Total capital requirements	**1,107**	**513**	**45**	**266**	**198**	**2,129**	1,982
Surplus capital above target requirements	**124**	**210**	**2**	**227**	**(180)**	**383**	524

1 Total shareholder equity of A$1,104m includes A$57m of equity reserve accounts which are excluded in the calculation of total capital resources as shown on page 6.
2 FY 20 numbers have been restated to reflect retrospective changes to shareholders equity and intangibles related to capitalised SaaS arrangements.
3 Shareholder equity is statutory shareholder equity of A$3,980m adjusted for accounting mismatches and other adjustments of A$106m.
4 Refer to page 33 for definition of intangibles. Intangibles include A$14m of assets classified as held for sale. Management has elected to classify these assets as deductions from eligible capital until their planned asset sales.
5 Equity investments relate to holdings of associate equity investment where AMP holds a minority interest, including holdings in China Life joint ventures (A$490m), various investments in AMP Capital (A$377m), AMP Capital's holding in PCCP (A$157m) and various entities linked to the AMP Advice business (A$66m). In FY 21 Resolution Life Australasia (A$509m) and AMP Capital Infrastructure Debt Fund V USD LP (A$8m) were reclassified from associate equity investments to assets held for sale. Management have elected to classify these investments as eligible deductions from capital until their planned asset sales in 1H 22.
6 Other regulatory adjustments relate to securitisation, deferred tax assets and other provisions for AMP Bank, deferred tax assets for Australian wealth management and includes an adjustment for eligible seed and sponsor investment classified as equity investments in AMP Capital.
7 Eligible hybrid capital instruments are subordinated debt which is able to be included as eligible capital for the purpose of meeting minimum regulatory requirements.
8 Minimum regulatory requirements for AMP Bank relate to total capital requirements of 8% (of risk weighted assets) plus the capital conservation buffer of 2.5% (of risk weighted assets), as stipulated within APS 110.

Movement in AMP group surplus capital FY 20 to FY 21[1]



1 Represents movements in surplus capital above target requirements during FY 21.
2 Represents impairments expense of A$312m in FY 21 offset by a A$129m reduction in assets recognised as deductions within the L3 capital framework linked to the impairments.
3 Excludes the A$312m impairment charge announced to the market on 26 November 2021.
4 Internal restructuring of A$250m of Tier 2 Hybrid instruments to be recognised as capital resources.
5 Other capital movements includes movements in equity reserve accounts and other miscellaneous items.

Regulatory capital requirements and capital management framework

Regulatory requirements

A number of the operating entities within the AMP group of companies are regulated. These include an authorised deposit taking institution (ADI), superannuation entities and a number of companies that hold Australian Financial Services Licences (AFSLs). These companies are regulated by APRA, the Reserve Bank of New Zealand, the Financial Markets Authority New Zealand and/or the Australian Securities and Investments Commission (ASIC) and are required to hold minimum levels of regulatory capital, as set by the relevant regulator.

The main minimum regulatory capital requirements for AMP's regulated businesses are determined as follows:

- AMP Bank: capital requirements as specified under the APRA ADI Prudential Standards
- Australian wealth management: operational risk requirements related to AMP's two superannuation trustees (one active), AFS Licence requirements on administration entities, and
- AMP Capital: primarily relates to AFS Licence requirements in two core administration entities.

Target capital requirements

Target capital requirements are determined at the business unit level and are calculated such that sufficient capital is reserved to ensure minimum regulatory requirements are upheld under severe stress scenarios.

In FY 21, the Board re-calibrated the sizing and allocation of target capital requirements as informed by the results of the annual Group-wide stress testing process.

The results of the Group-wide stress testing process are considered together with AMP's appetite for material risks (including financial, product and operational risk), when setting a target surplus above MRR which seeks to reduce the risk of breaching MRR.

Capital management framework

AMP holds capital to protect clients, creditors and shareholders against unexpected losses. There are a number of ways AMP assesses the adequacy of its capital position. Primarily, AMP aims to:

- maintain a sufficient surplus above minimum regulatory capital requirements (MRR) to reduce the risk of breaching MRR, and
- maintain the AMP group's credit rating.

Level 3 eligible capital above MRR and target capital requirements for regulated entities and the AMP group may vary throughout the year due to a range of factors including profits, dividend payments, capital for business growth and other one-off items, including market movements.

Capital position

At 31 December 2021, total eligible capital above target requirements was A$383m (A$524m at 31 December 2020).

Movement in AMP group surplus capital FY 20 to FY 21

The movement in the level of AMP group surplus capital throughout FY 21 includes the following items:

- Capital generated from underlying business operation (A$356m).
- Capital deployed to fund items reported below NPAT (underlying). This includes demerger costs (A$75m), asset impairment costs (A$312m), client remediation and related costs (A$78m), transformation cost out spend (A$133m), amortisation of acquired intangibles (A$21m) and other items of A$11m.
- Capital deployed throughout the on-market share buy-back (A$196m).
- Restructure of A$250m of outstanding Tier 2 hybrid instruments to be classified as eligible capital resources.
- Capital deployed to support growth in AMP's business units. This includes capital deployed in AMP Bank to support loan growth, capital used to support regulatory requirements in AMP's Australian Wealth Management business and increases in regulatory adjustments relating to growth in assets which are not suitable to support the Group's eligible capital base.
- Capital impacts stemming from markets. This includes the impact of foreign exchange rates on the value of assets held on balance sheet and other impacts relating to changes in interest rates.

Net tangible assets

FY 21 shareholders equity of A$3,874m comprises net tangible assets (NTA) of A$3,530m, or A$1.08 per share.

Statutory shareholders equity of A$3,980m is adjusted for accounting mismatches and other adjustments of A$106m, and goodwill and other intangibles of A$344m to arrive at the net tangible assets of A$3,530m.

Debt and liquidity overview

A$m	31 December 2021 Corporate debt	AMP Bank	Total	31 December 2020 Corporate debt	AMP Bank	Total
Subordinated bonds	78	-	**78**	83	-	**83**
AMP Notes 3[1]	250	-	**250**	250	-	**250**
AMP Capital Notes[2]	-	-	**-**	268	-	**268**
AMP Capital Notes 2[2]	275	-	**275**	275	-	**275**
AMP Subordinated Notes[3]	-	250	**250**	-	250	**250**
Total subordinated debt	603	250	**853**	876	250	**1,126**
Commercial paper, NCDs and repos[4]	-	1,518	**1,518**	-	799	**799**
Medium-term notes (MTN)	828	575	**1,403**	1,254	1,300	**2,554**
Total senior debt	828	2,093	**2,921**	1,254	2,099	**3,353**
Deposits	-	17,783	**17,783**	-	16,110	**16,110**
Total debt	1,431	20,126	**21,557**	2,130	18,459	**20,589**
Corporate gearing ratios						
Corporate gearing	**22%**			26%		
Interest cover – underlying (times)	**8.0**			6.1		
Interest cover – actual (times)	**-**			4.1		

A$m	Corporate debt by year of repayment[5] 0–1 year	1–2 years	2–5 years	5–10 years	10+ years	Total
Total corporate debt at 31 December 2021	**296**	**595**	**540**	**-**	**-**	**1,431**
Total corporate debt at 31 December 2020	693	302	1,135	-	-	2,130

1 AMP Notes 3 have been internally restructured to be recognised as Level 3 eligible capital of AMP group for APRA purposes.

2 AMP Capital Notes were retired upon maturity in FY 21. A$225m of AMP Capital Notes 2 is used to fund Additional Tier 1 Capital within AMP Bank.

3 AMP Subordinated Notes are issued by AMP Limited and on-lent to AMP Bank, where they are recognised as allowable Tier 2 capital. The debt and interest expense on these notes is included in AMP Bank's balance sheet and operating results and not in AMP corporate debt and interest expense.

4 Commercial paper, NCDs and repos for AMP Bank includes A$1,034m of borrowings under AMP Bank's Term Funding Facility provided by the Reserve Bank of Australia.

5 Based on the earlier of the maturity date and the first call date.

Corporate debt

Corporate debt volumes decreased A$699m in FY 21 to A$1,431m. This reflects the retirement of A$268m of AMP Capital Notes, A$426m of US dollar denominated Medium Term Notes and the A$5m partial repayment of GBP denominated Subordinated Bonds. At 31 December 2021, all corporate debt was effectively at floating rates.

All foreign currency denominated corporate debt is hedged back to AUD at the time of issuance for the life of the security. Foreign currency denominated debt is reported above in AUD based on hedged face value.

At 31 December 2021 total group liquidity (excluding AMP Bank) was A$2.1b, comprising A$0.7b held in Group cash and A$1.4b of additional liquid assets held across business units. Total group liquidity and available facilities at FY 21 were A$2.6b, including undrawn facilities of A$450m.

AMP Bank

AMP Bank utilises a diverse range of funding sources (customer deposits, securitisation, short and long-term wholesale borrowings), with its primary source of funding being A$17.8b of customer deposits.

AMP Bank actively hedges its funding against movements in short-term interest rates. However, the Bank remains exposed to negative interest rates and increases in credit spreads to the extent it needs to replace funding.

The securitisation of mortgages via the issuance of residential mortgage backed securities (RMBS) is a source of funding and capital relief for AMP Bank. As at 31 December 2021, total RMBS funds were A$4.5b. AMP Bank has in place a A$1b warehouse facility with MUFG Bank, Ltd and a A$500m committed warehouse facility with Commonwealth Bank of Australia, established in FY 21.

Sensitivities – profit and capital

FY 21 profit sensitivities (A$m)

	NPAT (post-tax)[1]					
	AMP Bank	AWM	NZWM	AMP Capital	Group Office	Total
Market variables						
10% increase in Australian equities	-	5	-	2		**7**
10% decrease in Australian equities	-	(5)	-	(2)		**(7)**
10% increase in international equities	-	6	1	3		**10**
10% decrease in international equities	-	(6)	(1)	(3)		**(10)**
10% increase in property[2]	-	1	-	4		**5**
10% decrease in property[2]	-	(1)	-	(4)		**(5)**
1% (100 bps) increase in 10 year bond yields	-	(3)	-	(2)		**(5)**
1% (100 bps) decrease in 10 year bond yields	-	3	-	2		**5**
1% increase in cash rate	-	-	-	-		**-**
1% decrease in cash rate	-	-	-	-		**-**
Business variables						
5% increase in AUM		10	1	10		**21**
5% increase in AMP Capital public market AUM				4		**4**
5% increase in AMP Capital real assets AUM				6		**6**
5% increase in AMP Bank total mortgage balances	6					**6**
1 bp increase in AMP Bank net interest margin	2	-	-			**2**
5% reduction in controllable costs	4	18	1	18	3	**44**

1 NPAT sensitivities exclude investment income which is derived from A$0.7b of Group Office investible capital (cash and liquid securities, excluding undrawn facilities of A$450m) as well as A$1.6b in equity investments, including holdings in China Life joint ventures (A$490m), various investments in AMP Capital (A$377m), AMP Capital's holding in PCCP (A$157m), various entities linked to the AMP Advice business (A$66m) as well as investments in Resolution Life Australasia (A$509m) and AMP Capital Infrastructure Debt Fund V USD LP (A$8m) which are now classified as assets held for sale.

2 AMP Bank has no direct property exposure.

All profit sensitivities above show a full year impact.

The profit and capital sensitivities are only indicative, because:
– they assume that the particular variable moves independently of all others
– they are based on the FY 21 position, ie not 'forward looking', and make no allowances for events subsequent to 31 December 2021, and
– in general, for profit sensitivities, they assume the movement occurs evenly over the year; for capital sensitivities, they assume the movement occurs at 31 December 2021.

Other assumptions include:
– parent company shareholders' equity is fully invested, and there are no adjustments for investments which are outside index weightings
– currency movements in investments in self-sustaining operations do not impact profit
– property sensitivities relate to unlisted property; listed property trusts are included in equities
– bond yield sensitivities relate to both government and corporate bond yields for both Australian and international bonds
– profit sensitivities exclude the impact of movements in credit spreads in corporate and semi-government debt
– AMP Bank net interest margin is assumed to be insensitive to changes in cash rate, and
– AMP Bank's increase in sales volume assumes a 5% change in total loans growth with no change in net interest margin and costs.

Profit sensitivities

The sensitivities set out above apply to FY 21 NPAT assuming changes in a range of hypothetical economic or business variables.

Important considerations when using these sensitivities

NPAT – investment linked business

For investment linked business, fee income is largely based on the level of AUM, which in turn is directly impacted by investment markets.

For changes in market variables which impact AUM levels, it is assumed that the change in the variable occurs evenly across the entire year. That is, the analysis is point to point, assuming the movement from one point (eg beginning of the year equity markets) to another point (eg end of the year equity markets) occurs evenly over the year. It is similar to assuming a one-off movement in the variable halfway through the year. For large movements that do not occur halfway through the year, the profit sensitivities need to be extrapolated. For example, a 10% increase/decrease in equity markets at the start of the year would have double the impact on FY 21 NPAT than set out in the table above.

The sensitivities are based on the FY 21 position and are not forward looking. If using the sensitivities as forward looking (eg applying FY 21 profit sensitivities for FY 22 or FY 23), an allowance for changes in AUM levels and mix should be made. Refer to page 9 (Australian wealth management) and page 18 (AMP Capital) for average AUM levels that were applied in FY 21.

Sensitivities – profit and capital cont'd

The AWM NPAT sensitivities includes the impact on investment returns from assets supporting the operational capital requirements of the superannuation business and the North Guarantee.

The AMP Capital NPAT sensitivities assume no change to performance and transaction fees and do not include seed and sponsor capital investments.

AMP regulatory capital sensitivities

Capital sensitivities – regulatory capital resources above MRR (A$m)[1]		**AMP group**
Actual 31 December 2021 (ASX 200 @ 7,445); Australian bond yields @ 1.61%		1,196
Equity sensitivity	– 20% increase (ASX 200 @ 8,934)	10
	– 10% increase (ASX 200 @ 8,190)	5
	– 10% decrease (ASX 200 @ 6,701)	(10)
	– 20% decrease (ASX 200 @ 5,956)	(15)
Australian bond yields sensitivity	– 100 bps increase (Australian bond yields @ 2.6%)	40
	– 50 bps increase (Australian bond yields @ 2.1%)	20
	– 50 bps decrease (Australian bond yields @ 1.1%)	(25)
	– 100 bps decrease (Australian bond yields @ 0.6%)	(50)

1 These sensitivities are based on a point in time and do not make any allowance for subsequent management actions.

The sensitivities shown above reflect the impact of market movements on AMP's capital position.

The analysis is a point in time view of the capital impact of movements in equity markets and bond yields on AMP's capital position, inclusive of any long-term and tactical protection which have been implemented.

AMP group sensitivities include the effect on capital of movements in operational risk requirements in the Superannuation funds, the defined benefit funds and North Guarantee products.

AMP's capital management policies include market related trigger points at which management will take action to reduce the impact of market movements on AMP's capital position. Market movements and trends are carefully monitored and adjustments made accordingly.

The sensitivities contained in the table above do not make any allowance for management actions subsequent to 31 December 2021, which may have a significant impact on these sensitivities.

Market share and channel analysis

Market share

	September 2021			September 2020		
Australia (AUM) A$b	**Total market size**	**Market position (rank)**	**Market share %**	**Total market size**	**Market position (rank)**	**Market share %**
Superannuation including rollovers[1,2]	483.7	2	20.3	414.8	1	21.8
Corporate superannuation master funds[3]	176.9	2	16.9	161.0	2	17.6
Retirement income[1]	219.1	3	16.2	194.5	2	17.1
Unit trusts (excluding cash management trusts)[1,2]	367.0	8	4.3	287.8	6	5.2
Total retail managed funds (excluding cash management trusts)[1,2]	1,081.0	3	13.8	907.8	1	15.3
New Zealand wealth management (AUM) NZ$b						
Retail superannuation[4]	2.7	1	41.7	2.9	1	38.0
Unit trusts[4]	52.2	16	0.9	45.1	15	1.2
KiwiSaver[4]	86.3	5	7.8	71.4	4	8.6
Total retail funds[4]	141.6	6	5.8	119.8	6	6.5
Corporate superannuation[5]	8.5	1	42.4	7.6	1	45.2

1 Source: Market Overview Retail Managed Funds – Marketer, Plan For Life, September 2021.
2 These figures include SuperConcepts products in the superannuation and unit trust categories.
3 Source: Australian Retail and Wholesale Investments, Market Share and Dynamics Report, Plan For Life, 30 September 2021.
4 Measured by AUM. Source: FundSource Limited September 2021 and September 2020.
5 Measured by AUM. Source: Eriksens Master Trust Survey September 2021 and September 2020.

Channel analysis

	Adviser numbers			Practice numbers			Total AUM[1]		
Channel analysis (A$m)	**FY 21**	**FY 20**	**% FY**	**FY 21**	**FY 20**	**% FY**	**FY 21**	**FY 20**	**% FY**
AMP Advice[2]	-	88	n/a	-	2	n/a	-	9,773	n/a
AMP Financial Planning	583	811	(28.1)	225	321	(29.9)	44,645	48,540	(8.0)
Charter Financial Planning	375	455	(17.6)	148	187	(20.9)	21,244	18,739	13.4
Hillross	139	219	(36.5)	60	85	(29.4)	9,852	11,279	(12.7)
Total (core licensees)	**1,097**	**1,573**	(30.3)	**433**	**595**	(27.2)	**75,741**	**88,331**	(14.3)
Jigsaw Support Services[3]	21	28	(25.0)				785	735	6.8
Total (licensee services)	**21**	**28**	(25.0)				**785**	**735**	6.8
Corporate Super Direct							15,429	14,161	9.0
Third-party distributors and other							42,082	20,894	101.4
Total Australia[4]	**1,118**	**1,601**	(30.2)	**433**	**595**	(27.2)	**134,037**	**124,121**	8.0
New Zealand[5]	53	57	(7.0)	2	2	-	12,174	12,398	(1.8)
Total	**1,171**	**1,658**	(29.4)	**435**	**597**	(27.1)	**146,211**	**136,519**	7.1

1 Includes advised and non-advised AUM.
2 Sale of employed advice business (AMP Advice) was completed in December 2021.
3 Excludes AMP Authorised Representatives.
4 AUM includes all Australian wealth management and excludes SuperConcepts.
5 Includes directly employed advisers.

AMP Capital investment performance

Fund/style name	AUM (A$m)	1 Year Absolute return[1] %	1 Year Excess return[2] %	3 Year Absolute return[1] %	3 Year Excess return[2] %	5 Year Absolute return[1] %	5 Year Excess return[2] %
Australian equities							
Small Caps	372	42.4	9.1	17.5	8.9	15.8	4.5
Enhanced Index	7,794	16.9	(0.3)	13.6	-	9.7	-
Future Directions Australian Equity Fund[3]	2,260	19.5	2.0	16.0	2.0	11.0	1.1
Global equities							
Global Listed Real Estate[4,5]	5,379	31.8	3.2	15.4	5.1	9.8	2.9
Global Listed Infrastructure[5]	2,009	25.4	(1.8)	14.1	2.5	10.4	1.5
Specialist International Shares Fund[3]	1,243	22.9	(5.3)	17.2	(3.8)	13.8	(1.8)
Enhanced Index International Shares	8,680	30.3	0.7	20.4	(0.3)	15.1	(0.1)
Fixed interest							
Wholesale Australian Bond Fund	1,673	(1.9)	0.9	3.9	1.1	4.1	0.8
Managed Treasury Fund	1,674	0.2	0.2	1.0	0.4	1.5	0.4
Real estate (direct)[6]							
Wholesale Office[7]	7,675	12.0	(0.5)	9.1	0.2	10.6	(0.4)
Shopping Centres[7]	3,230	5.8	(1.3)	(4.7)	(0.7)	0.4	(0.5)
Infrastructure (direct)							
Diversified Infrastructure Trust	1,739	2.9	(3.1)	2.8	(3.0)	7.7	1.4
Australia Pacific Airports Fund	466	10.9	(1.1)	2.9	(9.1)	8.6	(3.4)
Diversified							
Balanced Growth Option	5,142	15.7	1.0	12.3	(0.6)	9.3	(0.5)
Future Directions Balanced Fund	4,491	16.3	2.4	12.0	(0.2)	9.0	(0.2)
MySuper 1970s[8]	6,765	17.7	2.8	12.8	(0.3)	9.7	(0.1)
Goal based							
Corporate Bond	830	1.1	1.1	2.7	2.1	3.0	1.8
Multi Asset Fund	454	9.5	2.9	7.3	0.4	5.3	(1.7)
Income Generator	1,333	9.7	-	8.0	(0.9)	6.0	(1.0)
Equity Income Generator	142	19.8	2.5	13.8	0.2	8.6	(1.2)

1 Absolute returns are annualised for periods greater than one year.
2 Excess return is measured against the client goal or market benchmark.
3 For this fund, two fund returns have been joined due to historical fund restructures.
4 For this fund competitor quartile ranking, a composite return was used.
5 AUM provided is the assets under management of the entire capability.
6 Calculated in accordance with the Mercer/IPD Pooled Property Fund Index methodology.
7 For this fund, AUM disclosed is the gross asset value.
8 MySuper 1970s is representative of the MySuper range of funds – it is disclosed as it is the largest fund in the MySuper range.

Accounting treatment, definitions and exchange rates

Additional Tier 1 capital – Includes components of capital that are higher quality than Tier 2 capital, but do not meet the requirements for Common Equity Tier 1 capital.

AUM based revenue – Includes revenue derived from AUM or AUM-linked sources (eg account and administration fees). For the Australian and New Zealand wealth management businesses this includes administration and investment revenue on superannuation, retirement and investment products. AMP Capital AUM based revenue primarily includes management fees earned on invested capital in infrastructure, real estate and public markets assets.

Benefit fund – A scheme that provides a retirement benefit, usually based on salary and/or a predetermined formula for calculating that benefit. Unlike an accumulation scheme, the retirement benefit and method of calculation is known to the member at all times.

Capital Adequacy Ratio (AMP Bank) – Total regulatory capital divided by total risk weighted assets calculated using the standardised approach. Total regulatory capital is comprised of Common Equity Tier 1 capital, Additional Tier 1 capital and Tier 2 capital.

Common Equity Tier 1 capital – Comprises the highest quality components of capital that fully satisfy all of the following essential characteristics:

a) provide a permanent and unrestricted commitment of funds
b) are freely available to absorb losses
c) do not impose any unavoidable servicing charge against earnings, and
d) rank behind the claims of depositors, policyholders and other creditors in the event of winding up.

Controllable costs – Include operational and project costs and exclude variable costs, provision for bad and doubtful debts and interest on corporate debt.

Controllable costs to average AUM – Calculated as controllable costs divided by the average of monthly average AUM.

Corporate debt – Borrowings used to fund shareholder activities of the AMP group including the impact of any cross-currency swaps entered into to convert the debt into A$, but excluding debt used to fund AMP Bank activities. Refer to page 28 for more detail.

Corporate gearing – Calculated as total senior debt (page 28) plus the total of Subordinated Bonds and AMP Notes 3 divided by AMP Shareholders' Equity plus all corporate debt (Including senior and subordinated) which is not on-lent to AMP Bank. AMP shareholders' equity in the above calculation is adjusted to remove acquired asset management mandates and capitalised costs.

Cost to income ratio – Calculated as controllable costs divided by gross margin. Gross margin is calculated as EBIT plus investment income (pre-tax) plus controllable costs. For the calculation of Group and Bank cost to income ratios, gross margin excludes loan impairment expense.

EPS (actual) – Earnings per share calculated as NPAT (statutory) of AMP Limited divided by the statutory weighted average number of ordinary shares.

EPS (underlying) – Calculated as NPAT (underlying) divided by the basic weighted average number of ordinary shares.

External AUM (AMP Capital) – Assets managed by AMP Capital sourced from institutional clients (including corporate, public sector and industry superannuation funds, and large non-superannuation funds), non-AMP dealer groups, private clients and international clients and partnerships.

Group cash – Cash and cash equivalents held outside business units.

Intangibles – Represents acquired goodwill, acquired asset management mandates, capitalised costs, buyer of last resort (BOLR) assets and other assets similar to goodwill acquired upon acquisition of AXA.

Interest cover (actual) – Calculated on a rolling 12 month post-tax basis as NPAT (statutory) of AMP Limited before interest expense on corporate debt for the year divided by interest expense on corporate debt for the same period.

Interest cover (underlying) – Calculated on a rolling 12 month post-tax basis as NPAT (underlying) before interest expense on corporate debt for the year divided by interest expense on corporate debt for the same period.

Internal AUM (AMP Capital) – Assets managed by AMP Capital sourced from AMP's business units.

Investment income – The income on shareholder assets invested in income producing investment assets (as opposed to income producing operating assets) attributed to the BUs (including Group Office). The return on AMP Bank income producing investment assets is included in AMP Bank NPAT.

Shareholder funds invested in income producing assets may be higher or lower than BU capital due to the working capital requirements of the business unit.

From 1H 21, the normalisation of expected returns on investment income through the use of a separate market adjustment has been abolished, with reported investment income now reflecting actual, rather than forecast, investment returns.

Investment performance (AMP Capital) – The percentage of AUM measured against market benchmarks as well as client goals.

Level 3 eligible capital – Comprises the highest quality components of capital for AMP Limited as the head of a Level 3 group. Level 3 eligible capital has similar characteristics to Common Equity Tier 1 capital for insurers and ADIs.

Liquidity Coverage Ratio (LCR) – A requirement to maintain an adequate level of high quality liquid assets to meet liquidity needs for a 30 calendar day period under a stress scenario. Absent a situation of financial stress, the value of the LCR may not be less than 100%.

Minimum regulatory capital requirements (MRR) – Refer to page 26.

Accounting treatment, definitions and exchange rates cont'd

MUTB – Mitsubishi UFJ Trust and Banking Corporation (MUTB) previously held a 15% shareholding in AMP Capital which was repurchased in September 2020. MUTB is a wholly owned subsidiary of Mitsubishi UFJ Financial Group, Inc. (MUFG).

Net interest margin (AMP Bank) – Net interest income over average interest earning assets.

Net Stable Funding Ratio (NSFR) – The Net Stable Funding Ratio seeks to promote the stable funding of a bank's balance sheet based on the liquidity characteristics of its assets and off-balance sheet activities over a one year time horizon. The measure aims to ensure that long-term assets are financed with at least a minimum amount of stable funding.

Non-AUM based revenue (AMP Capital) – Revenue primarily derived from real estate management, development and leasing fees as well as infrastructure equity commitment fees.

NPAT – Also referred to as NPAT (underlying), represents shareholder attributable net profit or loss after tax excluding non-recurring revenue and expenses.

NPAT (statutory) – Reflects the net profits (or losses) distributable to AMP Limited shareholders in a given period.

Practice finance loans – Business loans provided to AMP aligned financial advisers, which are secured by a General Security Agreement over the adviser's business assets, including the client servicing rights, or other assets. Commercial lending credit policy, process and rates apply to these loans.

Performance and transaction fees (AMP Capital) – Includes performance fee revenues primarily relating to variable fees on open-ended and closed-end funds across real estate, infrastructure debt and infrastructure equity. Transaction fees comprise one-off revenues in relation to the above asset classes, particularly infrastructure debt transactions and debt advisory as well as one-off divestments. These fees are typically highly variable in nature, both in quantum and timing.

Return on capital (AMP Bank) – Return on capital is calculated as NPAT, less distributions on Additional Tier 1 capital divided by average total capital resources (for the purpose of this calculation, total capital resources is balance sheet equity, less Additional Tier 1 capital) for the period.

RoBUE (from 1H 20) – Return on BU equity is calculated as BU NPAT, annualised for the number of days in the period (for half years), divided by the average of the BU's current balance of tangible capital resources and the closing balances of the prior two periods. In each case, no allowance is made for the benefit of gearing, which occurs at the AMP group level.

RoE (actual) – Calculated as NPAT (statutory) of AMP Limited divided by the average of the monthly average shareholder equity for the period.

RoE (underlying) – Calculated as annualised NPAT (underlying) divided by the average of the monthly average shareholder equity for the period.

Seed and sponsor revenue (AMP Capital) – Income on seed and sponsor capital assets, including normal valuation movements and net profit/loss on sales, gross of funding costs.

Tier 2 capital – Includes components of capital that, to varying degrees, fall short of the quality of Common Equity Tier 1 capital and Additional Tier 1 capital but nonetheless contribute to the overall strength of an insurer or ADI.

Variable costs – Include costs that vary directly with the level of related business (eg investment management fees, banking commissions and securitisation costs).

Exchange rates			AUD/NZD
2021	FY 21	– closing	1.0619
		– average	1.0614
	2H 21	– closing	1.0619
		– average	1.0527
	1H 21	– closing	1.0744
		– average	1.0718
2020	FY 20	– closing	1.0717
		– average	1.0607

Registered Office:
33 Alfred Street
SYDNEY NSW 2000
AUSTRALIA

amp.com.au

Website

For additional 2021 full year results information, visit AMP's website at **amp.com.au/shares**

You will find:

- background information on AMP, business units, management and policies
- statutory reporting at the AMP Limited level (incorporating shareholder, policyholder and non-controlling interests)
- archived webcasts of presentations to investors and analysts
- archived ASX announcements and historical information
- definitions and details of assumptions
- key shareholder dates

NS1679 02/22