Annual results 2005

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Chief Executive Officer

16 February 2006

Summary of 2005 full year results

- **Strong growth in earnings**
  - Underlying contribution up 24% to A$801m
- **Encouraging results in all key performance indicators**
  - Underlying return on equity up from 21.2% to 25.0%
  - AFS value of new business up 11%; AFS embedded value up 28%, before transfers
  - Operating margins up 29% to A$647m
  - Controllable costs down 3%; cost ratio down almost 5 percentage points to 40.6%
  - 79% of Australian AUM at or > benchmark in year to December
- **Good initial progress on 5 year goal to double value**
  - 16% increase in value of AMP in six months to December 2005, based on median analysts' valuation plus dividends
- **Robust balance sheet enables capital management initiatives**
  - Group Office capital A$1.95b at December 2005
  - Underlying interest cover almost doubled to 13x
  - Further capital return of A$750m (40c a share) to be proposed at May AGM
  - Final dividend up 4c to 18c, 75% franked
  - 2006 payout ratio policy and franking rate to be lifted from 75% to 85%

Outline

- Group overview
- Capital management
- Business unit review
- Value metrics
- Value sensitivities
- Strategic overview

Overview – 2005 full year profit summary

A$m	FY 05	FY 04	% change
AMP Financial Services	**515**	415	+ 24%
AMP Capital Investors	**92**	73	+ 26%
Cobalt/Gordian	**74**	51	+ 45%
BU operating margins	**681**	**539**	**+ 26%**
Discontinued businesses[1]	**-**	(2)	-
Group office costs	**(34)**	(35)	-3%
Total operating margins	**647**	**502**	**+ 29%**
Underlying investment income[2]	**190**	193	- 2%
Interest expense on Group debt	**(67)**	(113)	- 41%
Transitional tax relief	**31**	63	- 51%
Underlying contribution	**801**	**645**	**+ 24%**
Investment income market adjustment[2]			
- HHG	**3**	113	-97%
- Other	**35**	121	-71%
Profit after income tax before other items	**839**	**879**	**- 5%**
Asset sales	-	14	-
Adjustments[3]	19	63	-
Other items	37	(1)	-
Net profit after income tax before mismatch items	895	955	- 6%
Mismatch items[4]	(86)	(82)	-
Consolidated profit after income tax	**809**	**873**	**-7%**

1 Relates to AMP Banking discontinued businesses.

2 1H 05 underlying investment income and investment income market adjustment have been restated as a result of a change in methodology. See p40 of FY 05 Investor Report for details.

3 Includes amortisation of intangibles, employee defined benefit schemes and fair value of debt and derivatives. See p4 of FY 05 Investor Report for details.

4 Mismatches include policyholder interests in treasury shares, discounting of deferred tax, owner occupied properties and EMVONA.

Overview – growth in double digits

AUM

- Group AUM up 16% to A$104b
- AMPCI AUM up 13% to A$91b
- AFS AUM up 16% to A$67b

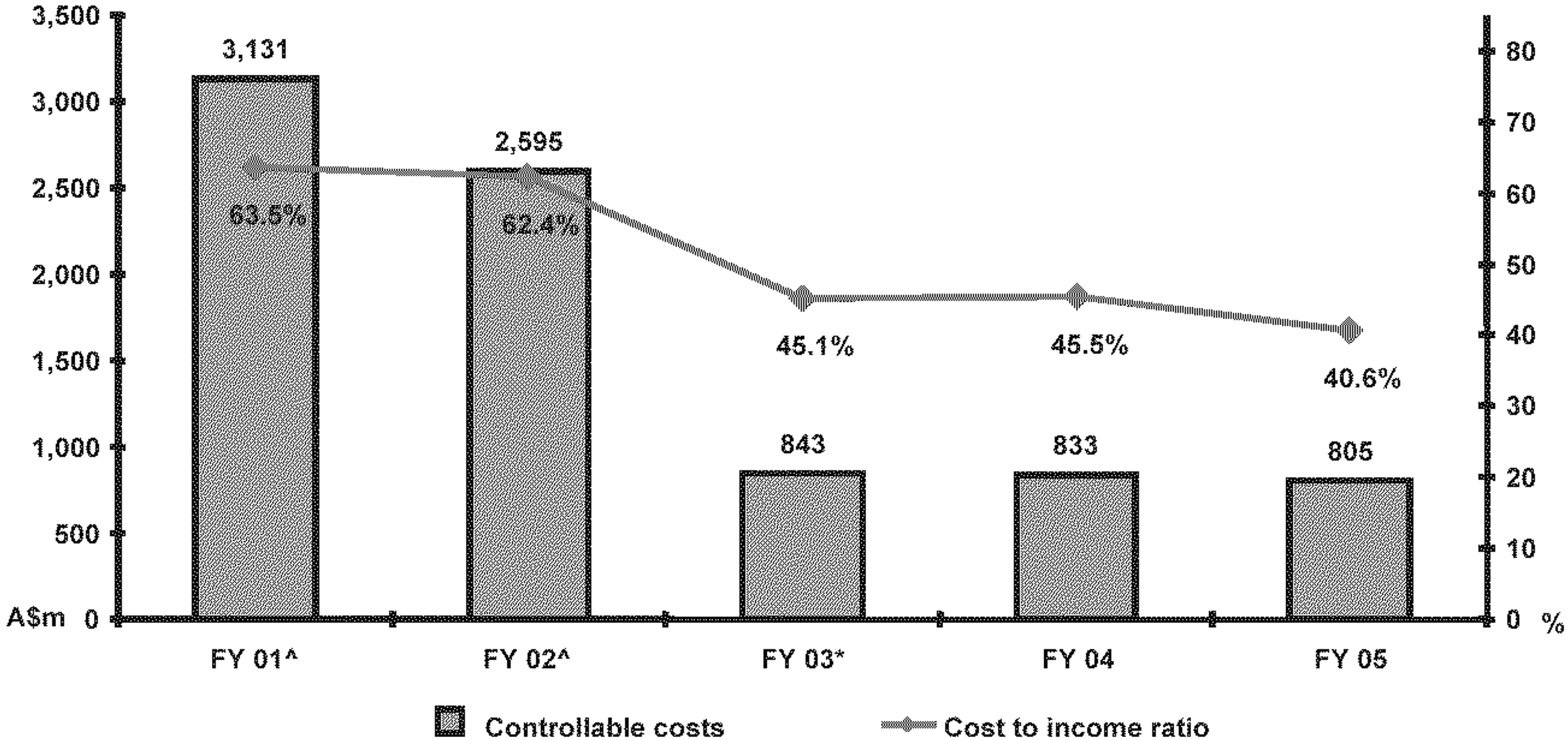
Net cashflows

- AFS net cashflows up A$1.1b to A$2.3b
- AMPCI net cashflows (A$0.4b) – A$2.2b net external cashflows offset by internal net outflows

Risk premiums

- Individual risk annual premium income up 13%

Overview – group cost ratio down to 40.6%

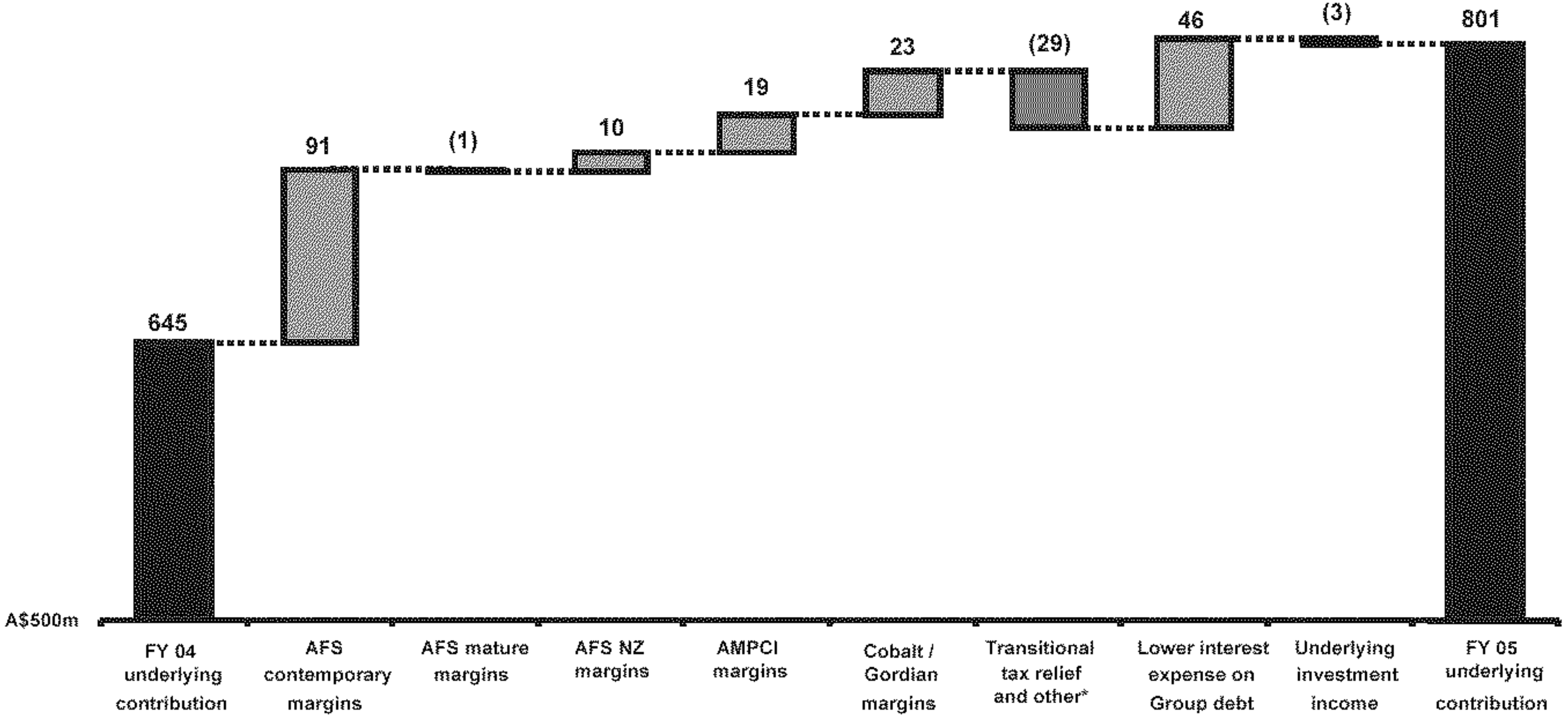


^ AMP group including previously owned HHG entities

* Demerged basis, excluding UK costs and not restated for AIFRS

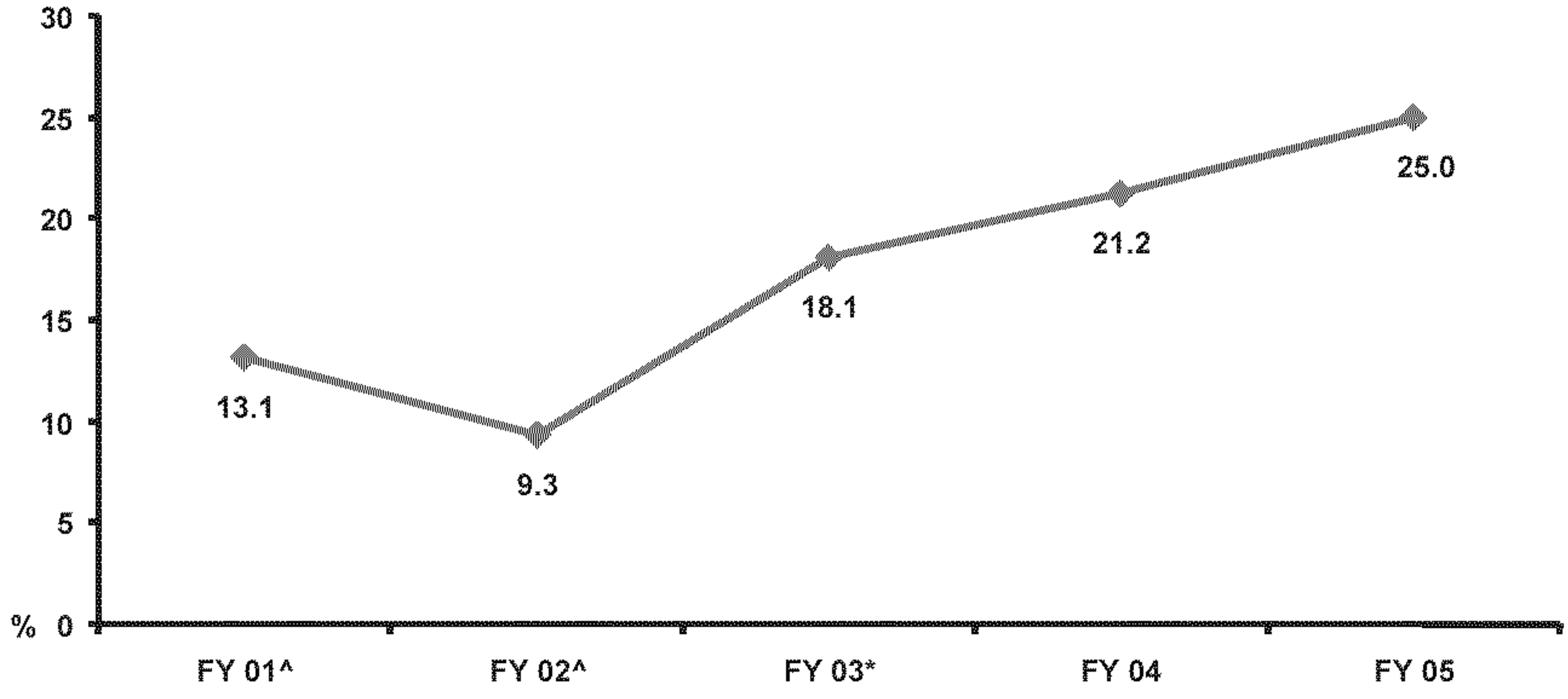
All numbers restated to exclude transitional tax relief

Overview – underlying contribution up 24%



* Includes Group office costs and discontinued businesses

Overview – underlying return on equity up to 25%



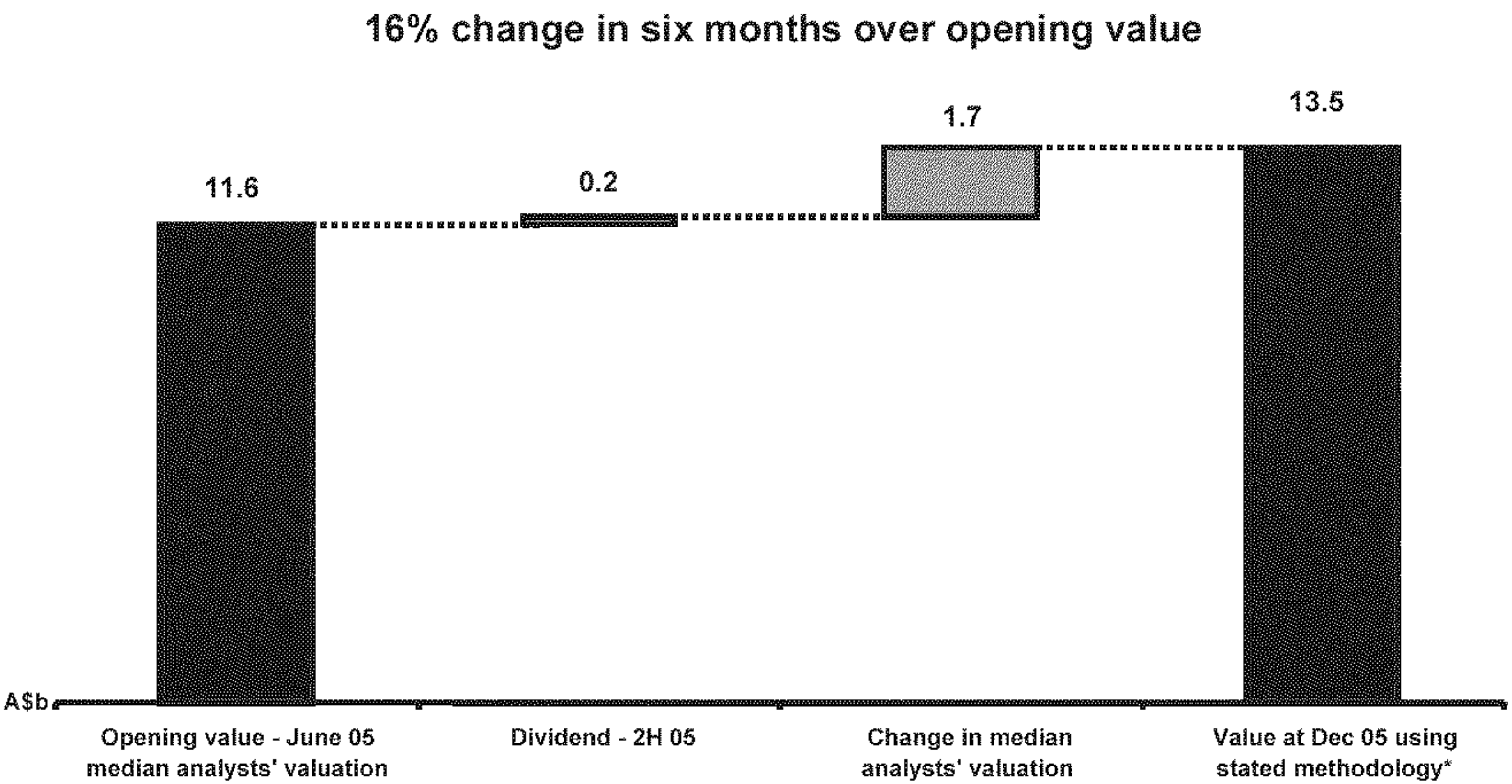
^ AMP group including previously owned HHG entities * Demerged AMP

Overview – dividend up 19%

	2005	2004
Average shares on issue	1,864m	1,853m
Earnings per share (underlying)	A$0.43	A$0.35
Dividend per share	A$0.32	A$0.27
Payout ratio	75%	75%
Franking	75%	75%
Capital return[1]	A$0.40	-

[1] Paid in June 2005

Good progress on 5 year goal to double the value of an investment in AMP by mid 2010



* Measured by calculating the value of dividends and capital returns paid to shareholders, and increases in enterprise value. Enterprise value is measured by calculating the median of the major stockbroking analyst valuations of AMP in each year, beginning June 2005.

Capital management

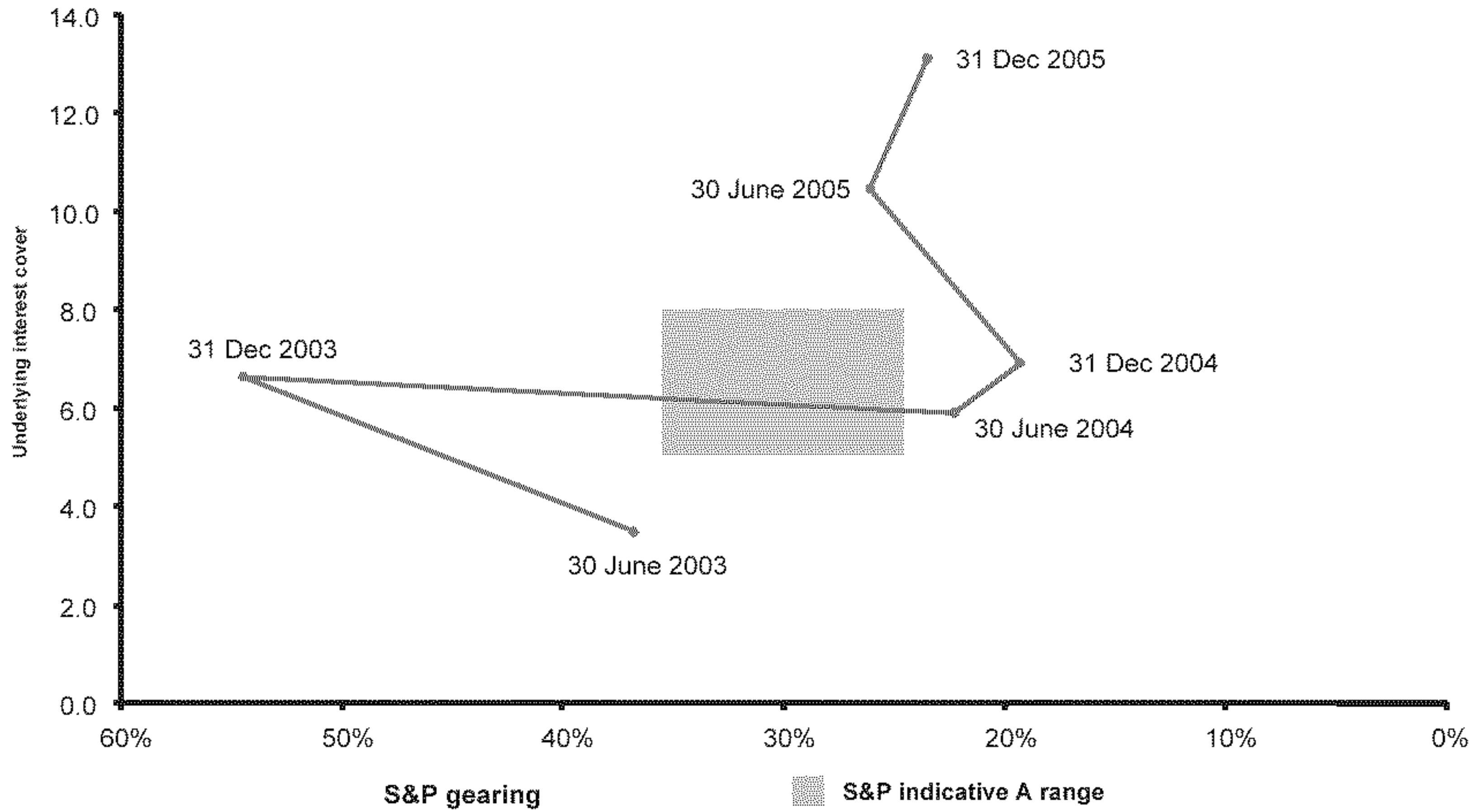
Group shareholder capital resources

Notional allocation at A$m	31 December 2005				31 December 2004			
	Shareholder minimum regulatory requirements	Tangible capital resources	Intangibles	Total capital	Shareholder minimum regulatory requirements	Tangible capital resources	Intangibles	Total capital
AMP Financial Services	**668**	**1,551**	**450**	**2,001**	509	1,603	450	2,053
AMP Life	540	1,393	450	1,843	382	1,448	450	1,898
AMP Banking	128	158	-	158	127	155	-	155
AMP Capital Investors	**28**	**181**	**72**	**253**	42	231	81	312
Cobalt / Gordian[1,2]	**233**	**723**	-	**723**	255	660	-	660
Discontinued businesses	**2**	**6**	-	**6**	5	49	-	49
Group office	**55**	**1,948**	-	**1,948**	-	2,140	-	2,140
Loan from Cobalt/Gordian to Group office	-	**(511)**	-	**(511)**	-	(237)	-	(237)
Total AMP shareholder capital resources	986	3,898	522	4,420	811	4,446	531	4,977
Group debt				**(1,291)**				(1,553)
Total AMP shareholder equity				**3,129**				3,424

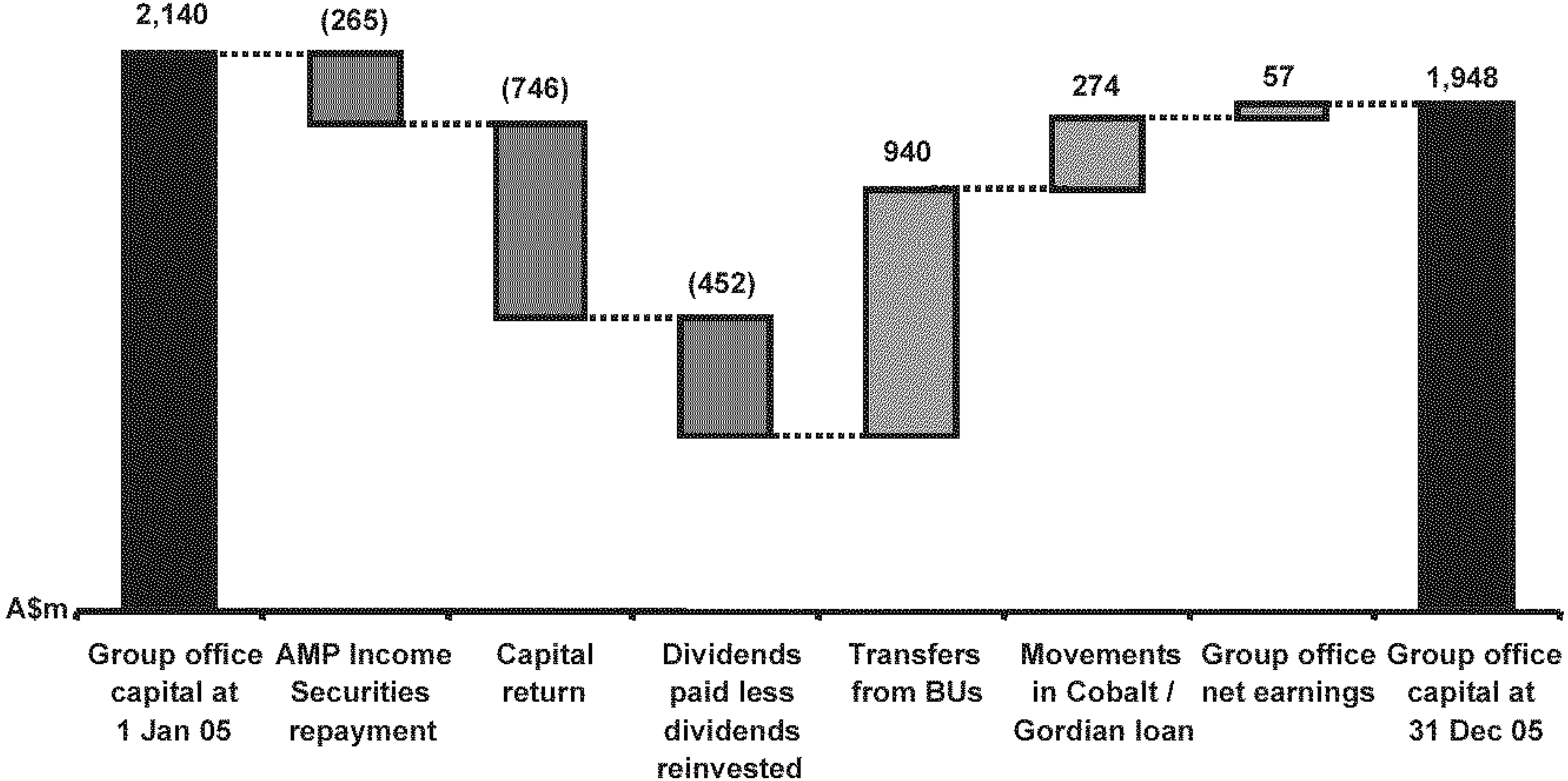
[1] 31 December 2004 shareholder minimum regulatory requirements have been restated to remove a gross up for deferred tax assets.

[2] To reflect its fair value, Cobalt/Gordian's FY 05 total capital of A$935m (FY 04 A$872m) has been adjusted for provisions of A$212m (FY 04 A$212m). Cobalt/Gordian capital includes loans of A$511m (FY 04 A$237m) to Group office.

Continued improvement in credit rating metrics



Group office capital A$1.95b at end 2005



Capital management – initiatives and next steps

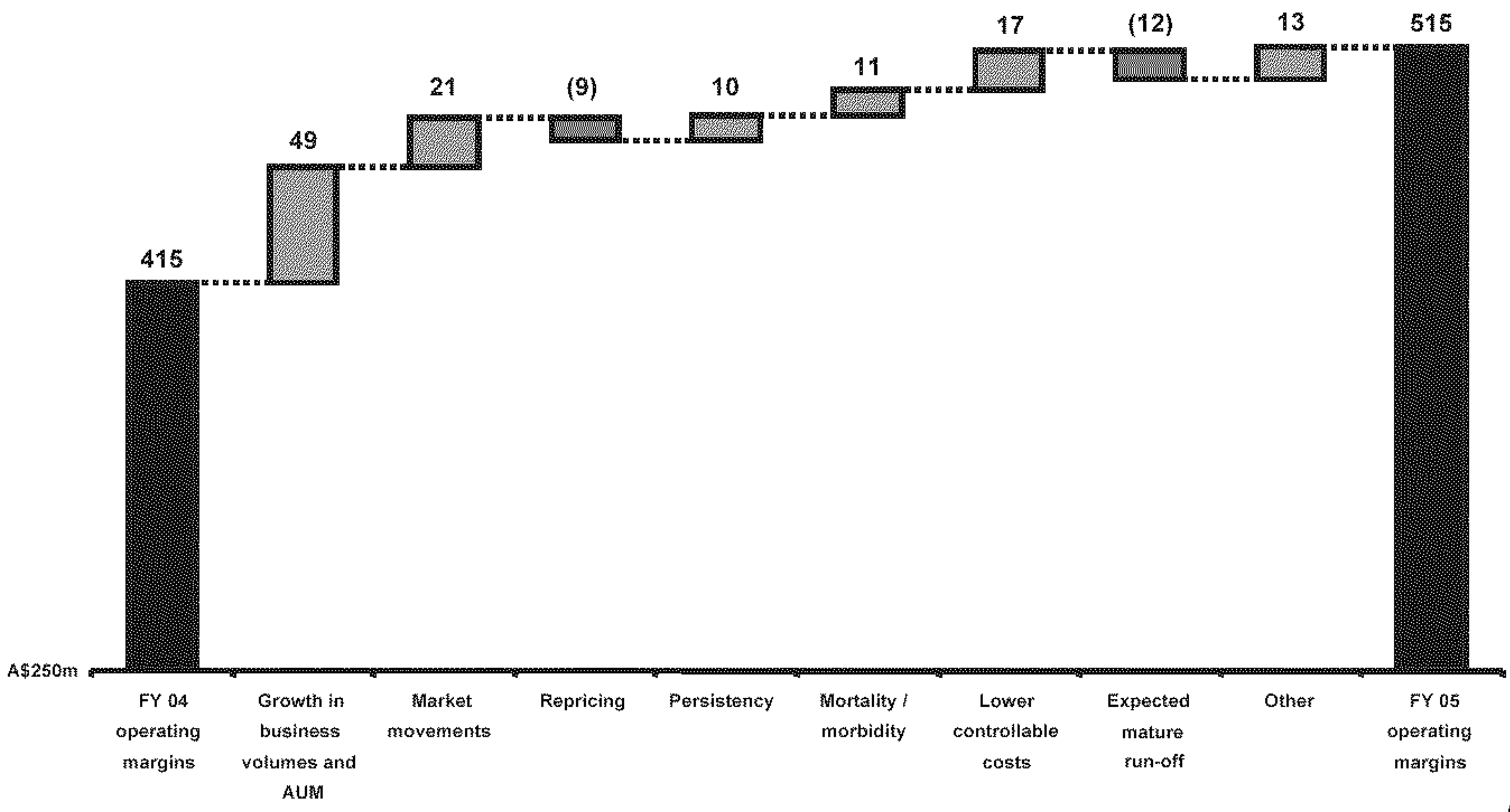
- **Capital return of A$750m**
  - Proposal to May 18 AGM
  - Subject to shareholder approval, payment of A$0.40 a share in June
  - Subject to ATO ruling that capital return is a reduction in shareholder cost base and not a taxable dividend (ruling in progress)
- **Ordinary dividend payout ratio to increase**
  - Current payout ratio policy of 75% will increase to 85% in 2006
- **Franking rate to increase**
  - Current franking rate of 75% will increase to 85% in 2006
- **Future capital management initiative**
  - Balance sheet will support further initiative in FY 07
  - Preferred form has not yet been determined
  - Initiative will continue to be framed against the objective to maintain the Group's 'A' credit rating

Business unit review

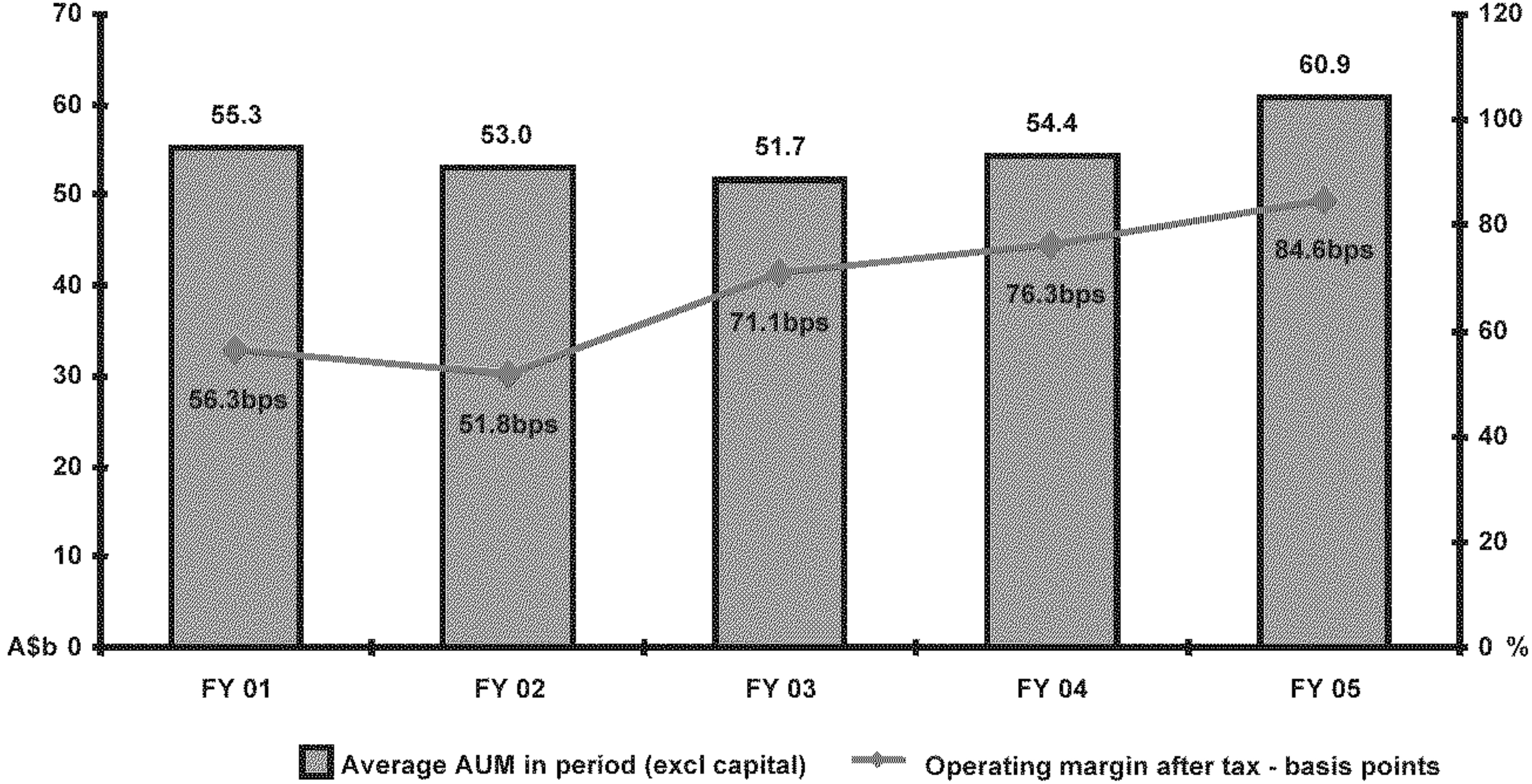
AMP Financial Services (AFS) – summary

- **Further improvement in all Business Unit KPIs**
  - Operating margins
  - Costs and cost ratio
  - Cashflows and persistency
  - Value of New Business (VNB) and Embedded Value (EV)
  - Return on Business Unit Equity (RoBUE)
- **Business transformation continues apace**
  - AMP Financial Planning
  - Corporate Superannuation
  - Risk
  - Process review
  - Finance change program

AFS – operating margins up 24%



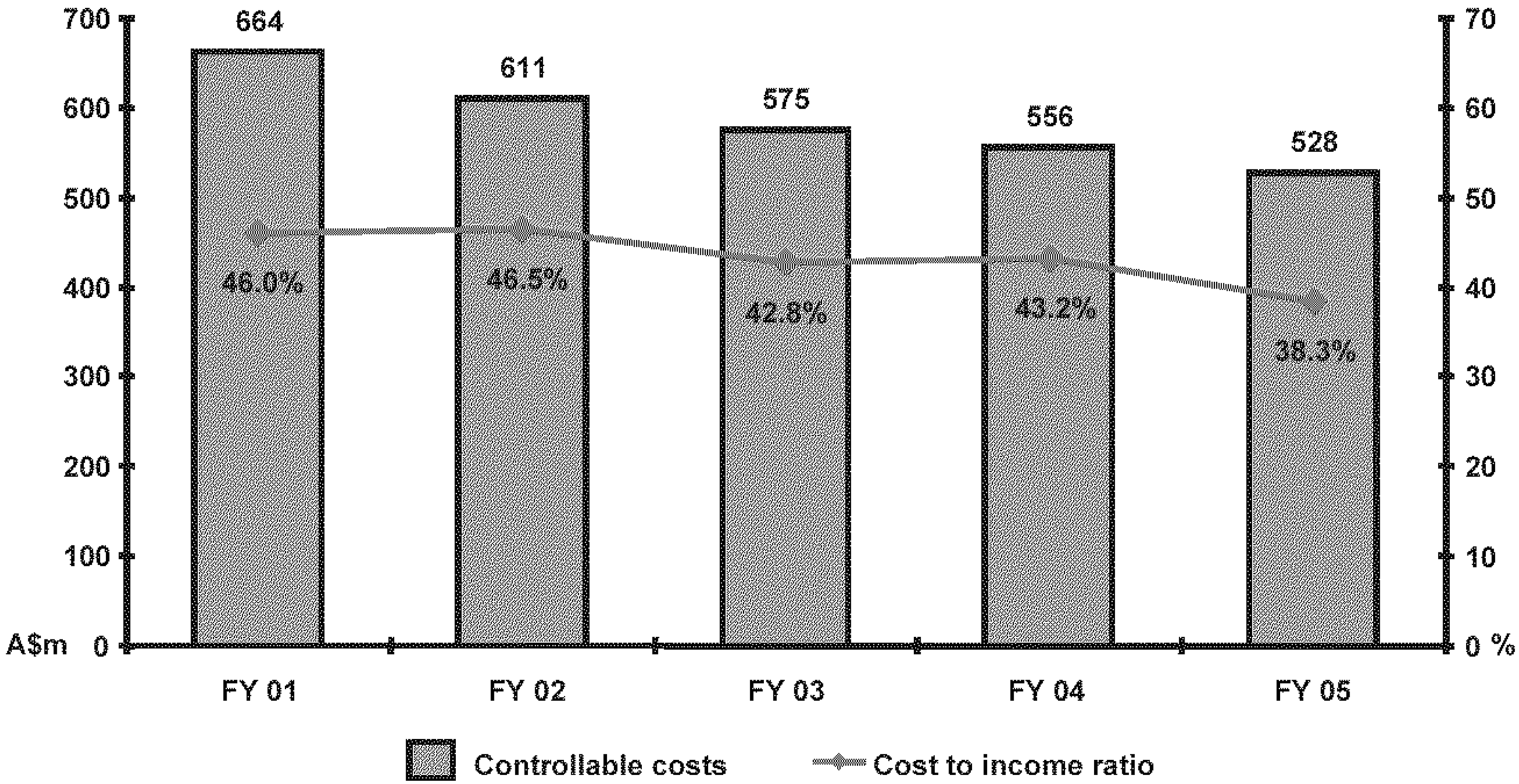
AFS – volumes and profit margins growing



All numbers restated to exclude transitional tax relief.

FY 03 and FY 02 numbers are on a pre-AIFRS basis.

AFS – costs falling for five years



AFS cost numbers restated for all previous periods to include AMP Banking and exclude transitional tax relief.

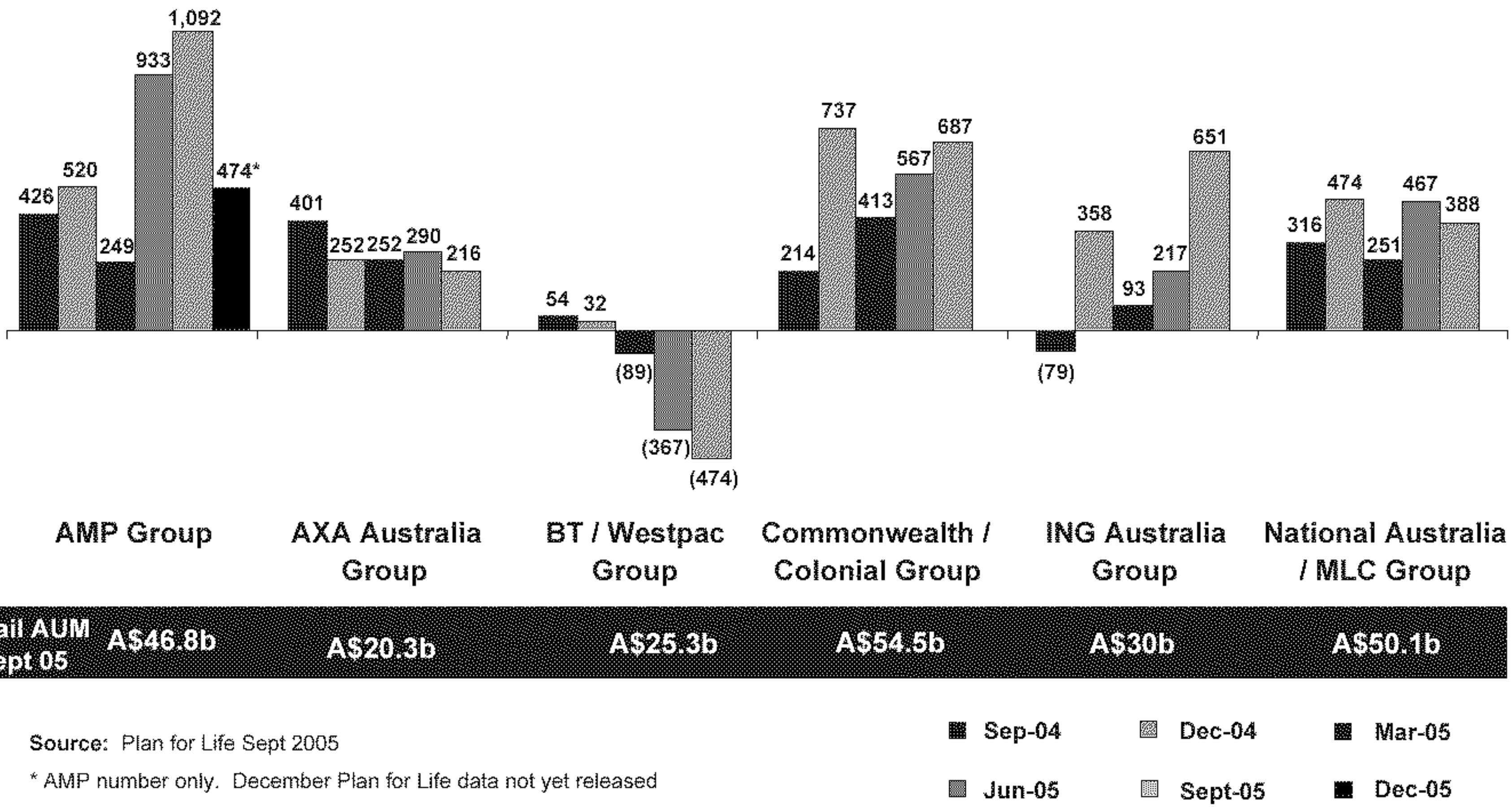
FY 03, FY 02 and FY 01 numbers are on a pre-AIFRS basis

AFS – strong growth in cashflows

- **Cash inflows up 18% to A$11.2b**
  - AMPFP up 7% to A$5.8b; net cashflows up 22%
  - Direct Corporate Super sales up from A$646m in FY 04 to A$2,072m
- **Cash outflows up 7% to A$8,928m**
  - Improved persistency at 84.2%, up 1 percentage point on FY 04
- **Net cashflows up 96% on FY 04 to A$2.3b**
  - Retail super up 7% to A$949m
  - Corporate Super up from A$677m in FY 04 to A$1.8b
  - Allocated annuities/pensions up from A$52m to A$243m
  - Immediate annuities down from A$243m to an outflow of (A$266m)
- **Individual risk annual premium income up 13% to A$485m**

AFS – net retail cashflows vs. major competitors

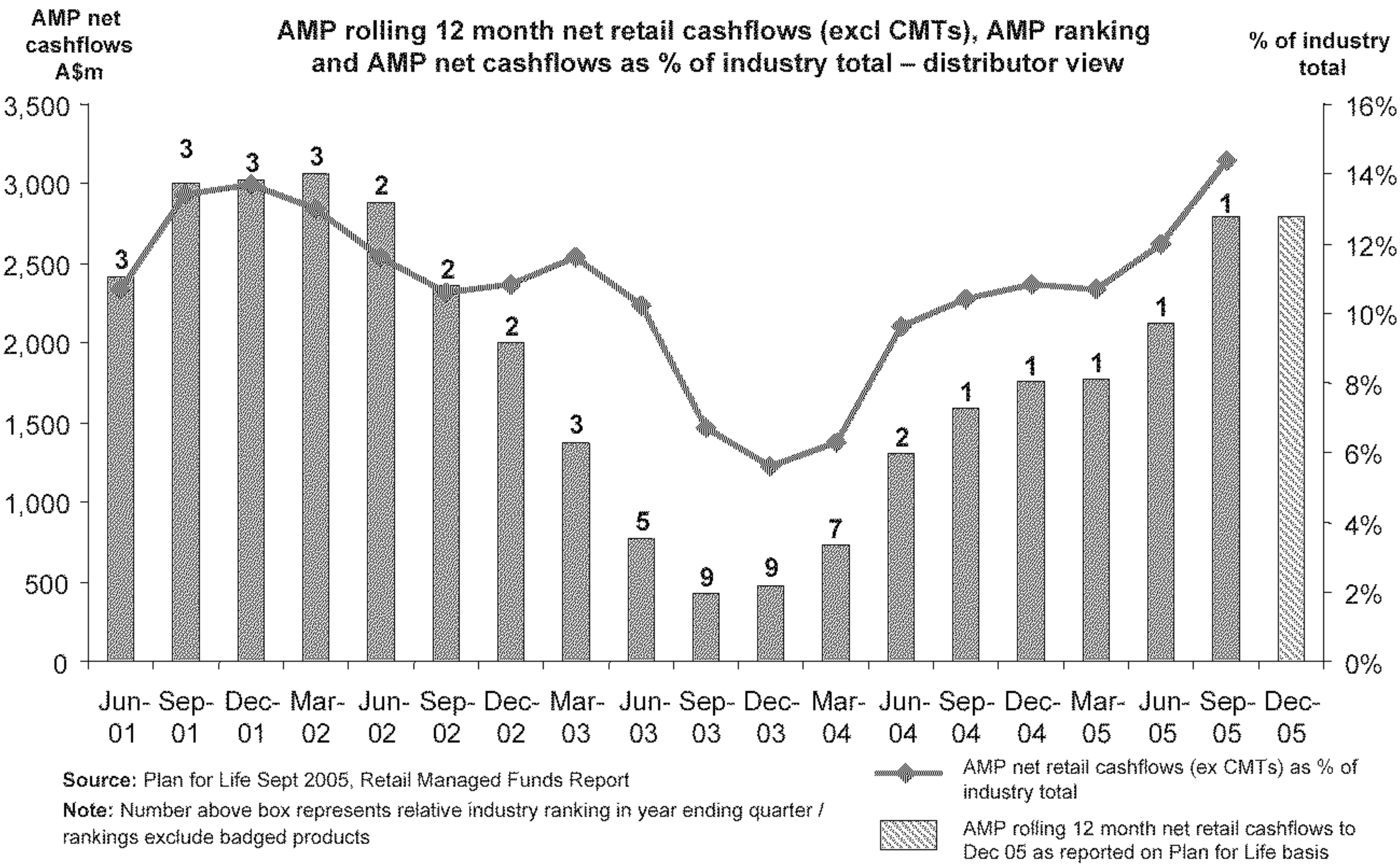
Total retail managed funds (excl CMTs) quarterly net cashflows ($m) of six largest participants by FUM – distributor view



Source: Plan for Life Sept 2005

* AMP number only. December Plan for Life data not yet released

AFS – ranking first in net retail annual cashflows since 3Q 04



Source: Plan for Life Sept 2005, Retail Managed Funds Report

Note: Number above box represents relative industry ranking in year ending quarter / rankings exclude badged products

Australian contemporary – diversified, high growth, high return business

	Contemporary		Change
	2005	2004	
Operating margins	A$294m	A$203m	+ 45%
Controllable costs[1]	A$405m	A$427m	- 5%
Cost to income ratio	44.8%	54.8%	- 10 percentage points
Net cashflows	A$3,626m	A$2,624m	+ 38%
Risk annual premium income	A$393m	A$351m	+ 12%
Persistency	82.4%	80.4%	+ 2 percentage points
AUM (excl capital)	A$42.3b	A$33.9b	+ 25%
RoBUE[2]	30.0%	19.9%	+ 10.1 percentage points

1. Include planner support costs of the distribution business recovered from the Australian mature business through a fee on AUM.
2. Based on monthly average capital numbers excluding intangibles.

Australian mature – slowly declining, large scale, outstanding return business

	Mature		Change
	2005	2004	
Operating margins	A$171m	A$172m	- 0.6%
Controllable costs	A$66m	A$69m	- 4%
Controllable costs/AUM[1]	0.36%	0.36%	-
Net cashflows	(A$1,279m)	(A$1,393m)	+ 8%
Persistency[2]	87.3%	86.7%	+ 0.6 percentage points
AUM (excl capital)	A$17.9b	A$18.2b	- 2%
RoBUE[3]	51.4%	23.7%	+ 27.7 percentage points

1 Based on monthly average AUM.

2 FY 04 has been restated. See p14 of FY 05 Investor Report for details.

3 Based on monthly average capital numbers excluding intangibles.

New Zealand – risk insurance driven, high return business

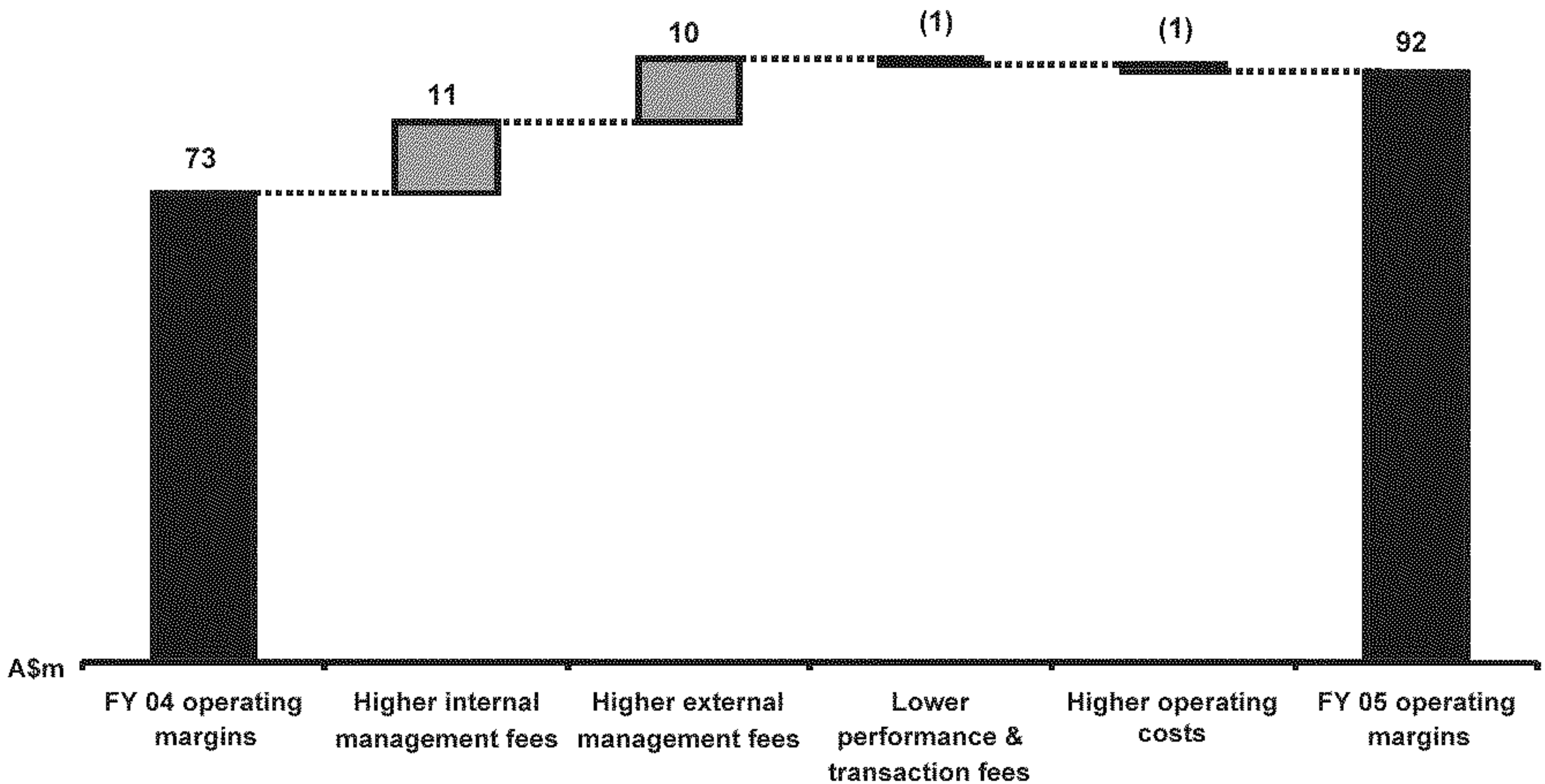
	New Zealand		Change
	2005	2004	
Operating margins	A$50m	A$40m	+ 25%
Controllable costs	A$57m	A$60m	- 5%
Cost to income ratio	41.4%	45.8%	- 4.4 percentage points
Net cashflows	(A$44m)	(A$55m)	+ 20%
Risk annual premium income	A$84m	A$70m	+20%
Persistency	85.4%	87.9%	- 2.5 percentage points
AUM (excl capital)	A$4.6b	A$4.1b	+ 12%
RoBUE[1]	27.4%	21.5%	+ 5.9 percentage points

1 Based on monthly average capital numbers excluding intangibles.

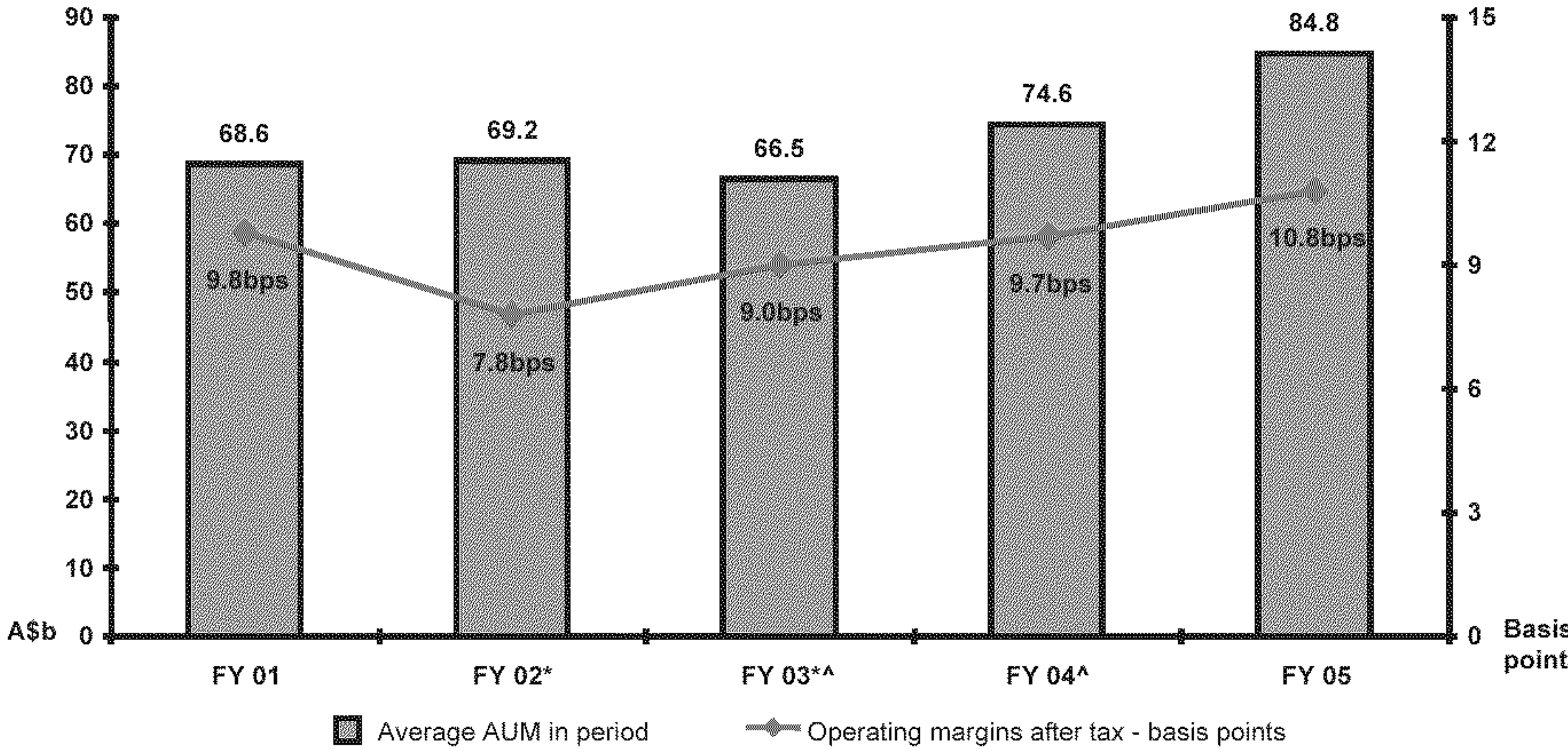
AMP Capital Investors (AMPCI) – summary

- Operating margins up 26% to A$92m
- Cost ratio down 5.5 percentage points on FY 04 to 57.8%
- 79% of Australian assets under management (AUM) meeting or exceeding benchmarks in year to 31 December
- External net cashflows steady at A$2.2b
- AUM up 13% on FY 04 to A$91b
- RoIC up from 30.7% in FY 04 to 36.9%

AMPCI – operating margins up 26%



AMPCI – volumes and profit margins growing

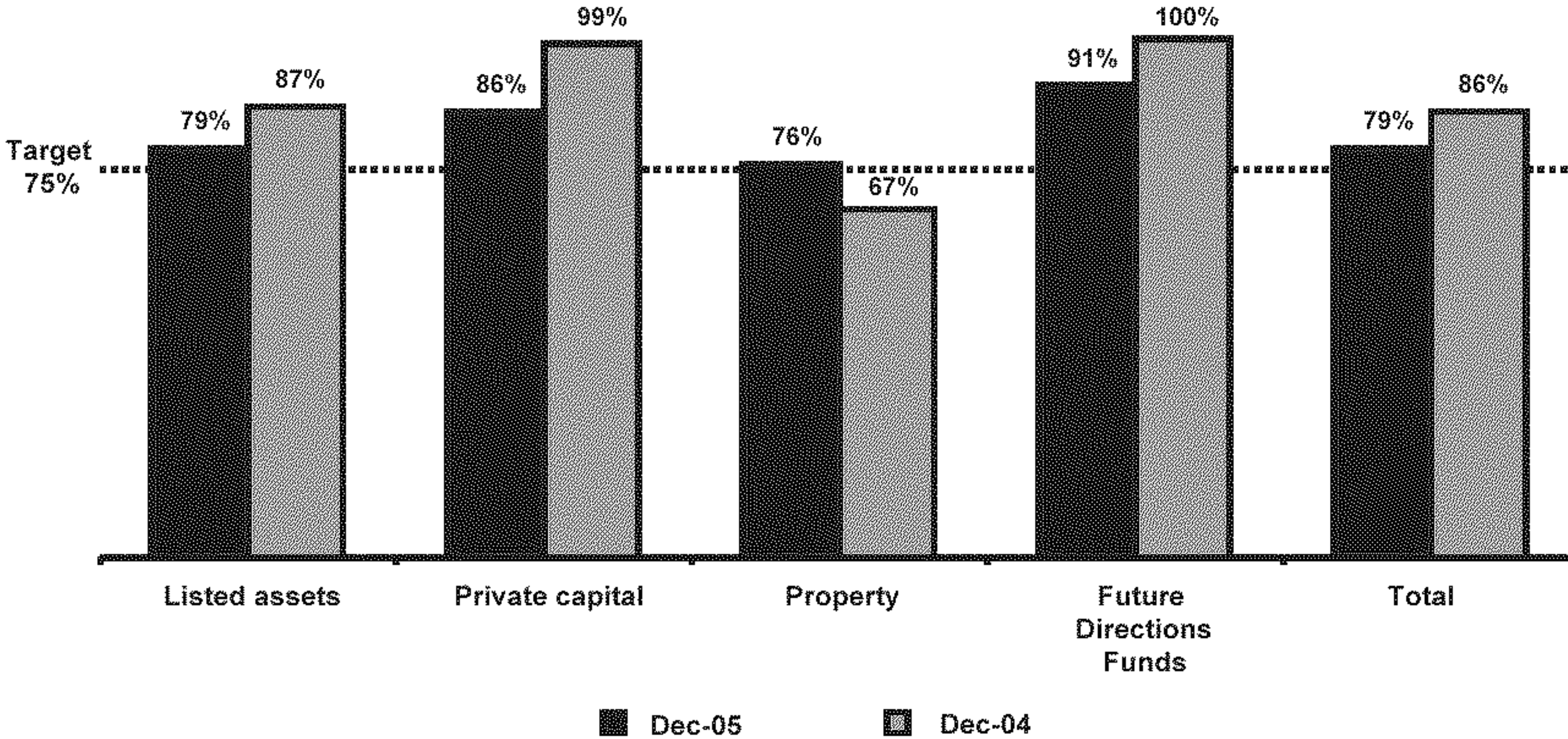


* FY 01, FY 02 and FY 03 exclude Listed Property Trusts AUM and profit margins as these businesses were divested in FY 03.

^ Restated to include property fund debt.

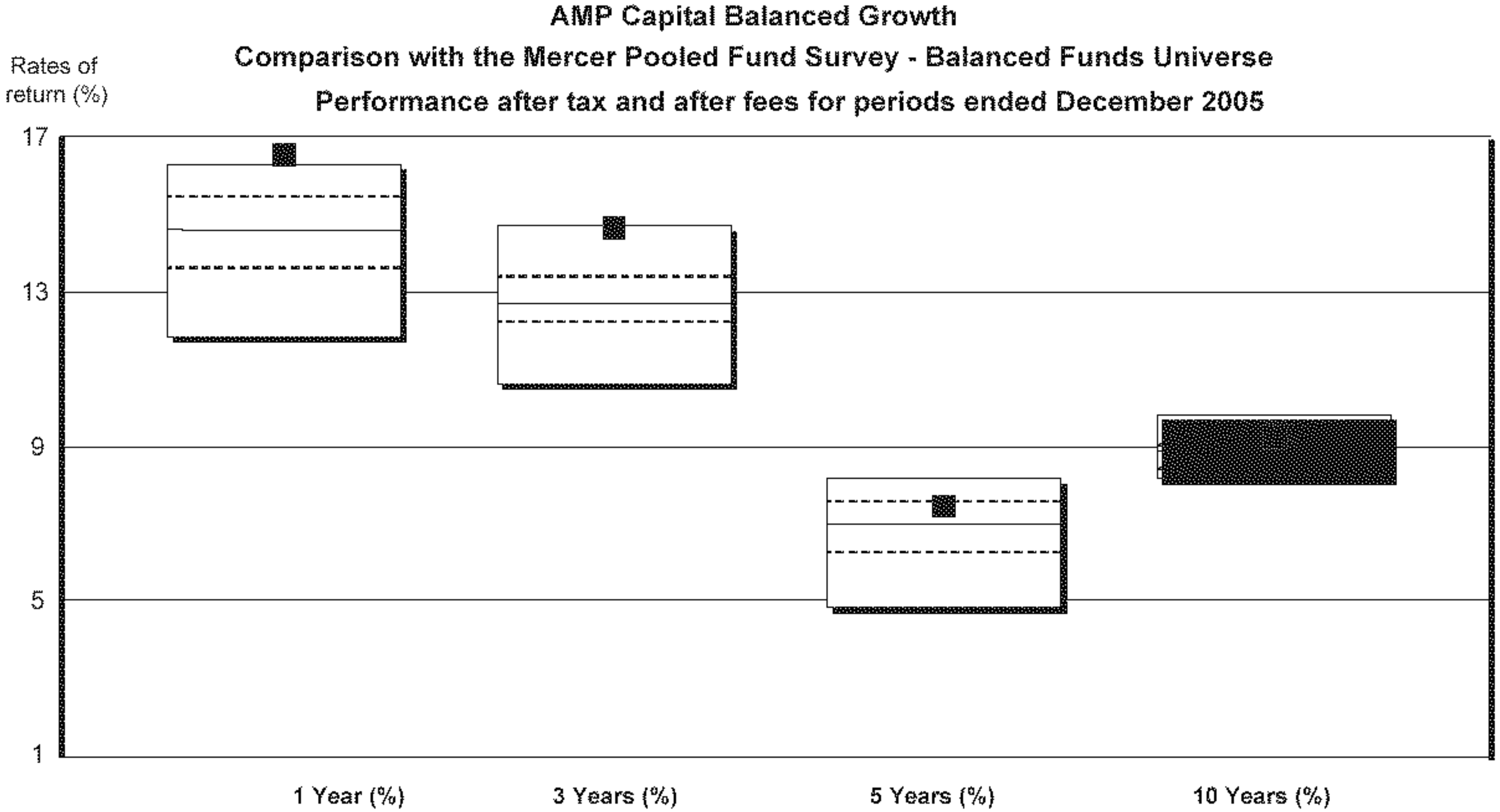
AMPCI – investment performance again strong

Australian AUM



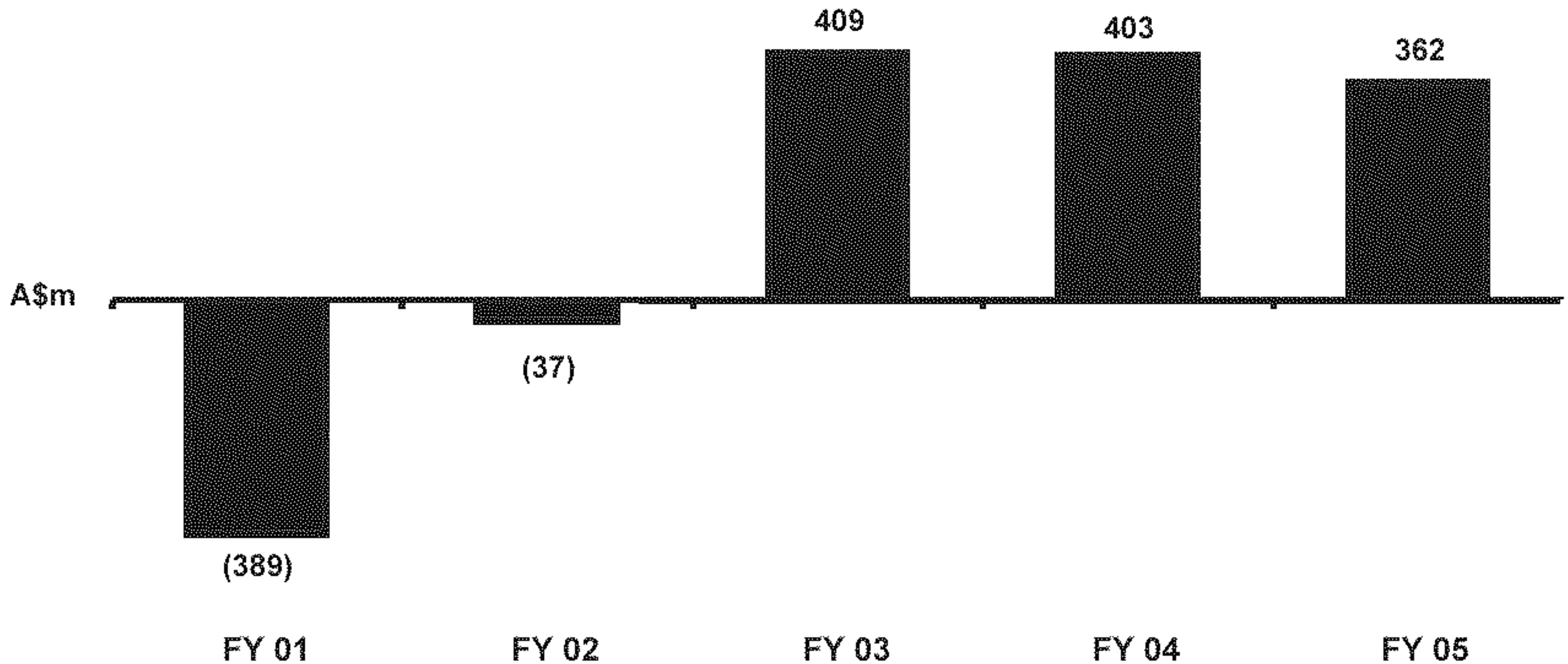
% indicates assets under management meeting or exceeding benchmarks

AMPCI – Balanced Growth fund ranks highly



AMP Capital Balanced Growth	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)
Return	16.5	14.6	7.4	9.2
Ranking	2	3	9	4
Number of funds	31	31	28	21

AMPCI – strong value added to Life No 1 Fund



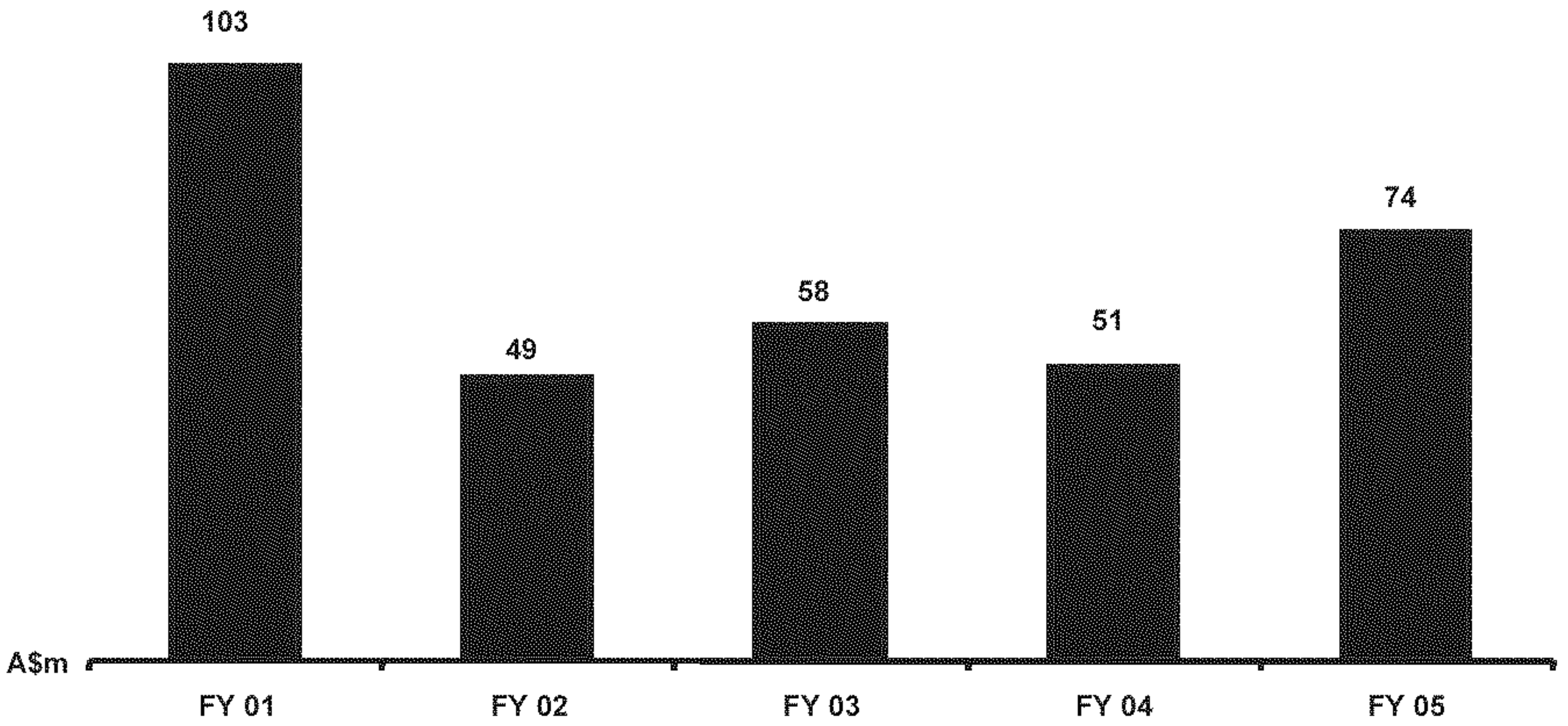
Fund size A$b	25.9	23.2	22.7	23.5	22.7

AMPCI – AUM up 13% to A$91b

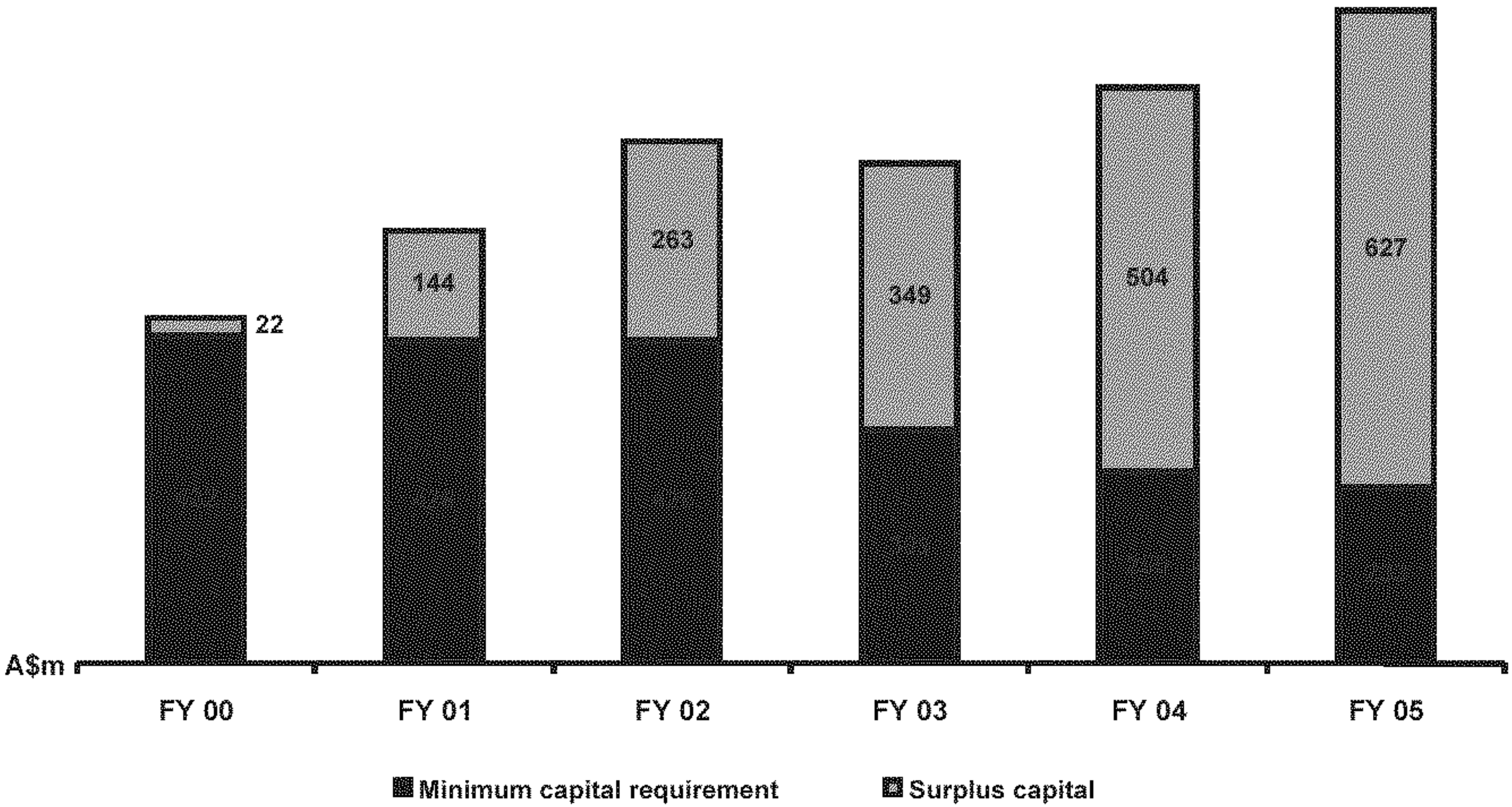
Opening AUM	**A$80.3b**[1]
Australian external market flows	1.7
Japan / Asia distribution channel	0.7
Australian contemporary internal flows	1.7
Australian mature internal flows	(2.2)
AMP group	(1.7)
NZ external market flows	(0.2)
NZ internal market flows	(0.3)
Investment returns	11.1
Assets under management at 31 December 2005	**A$91.1b**

[1] Restated following a decision to no longer deduct property funds' debt from AUM, in line with industry practice.

Cobalt/Gordian – operating margins up 45%



Cobalt/Gordian – surplus capital continues to build

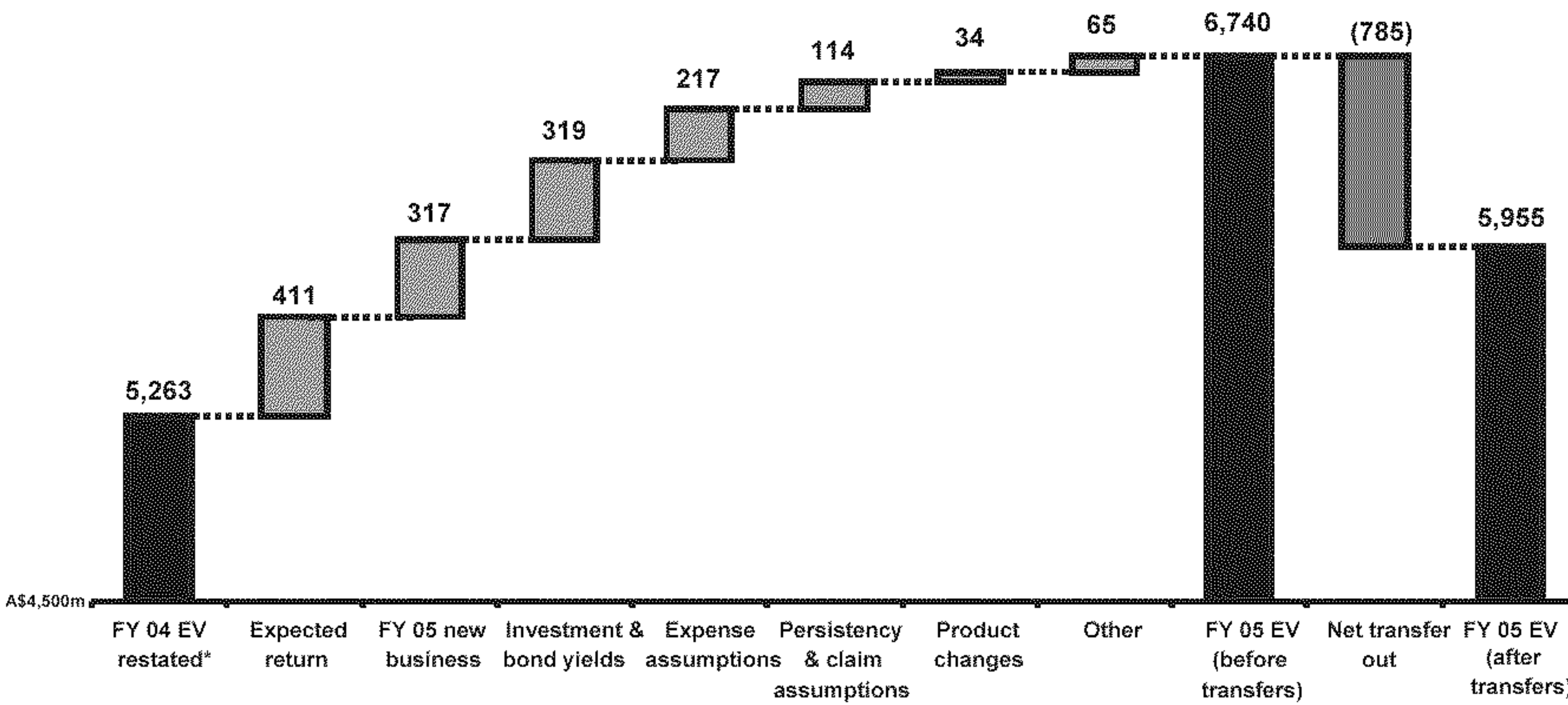


Value metrics

AFS traditional embedded value (EV) up 28%

Traditional EV@ 3% risk discount margin

	FY 05	FY 04
Return on embedded value	28%	25%



* Restated due to a change in expense allocation methodology & modelling changes

AFS market consistent EV by line of business

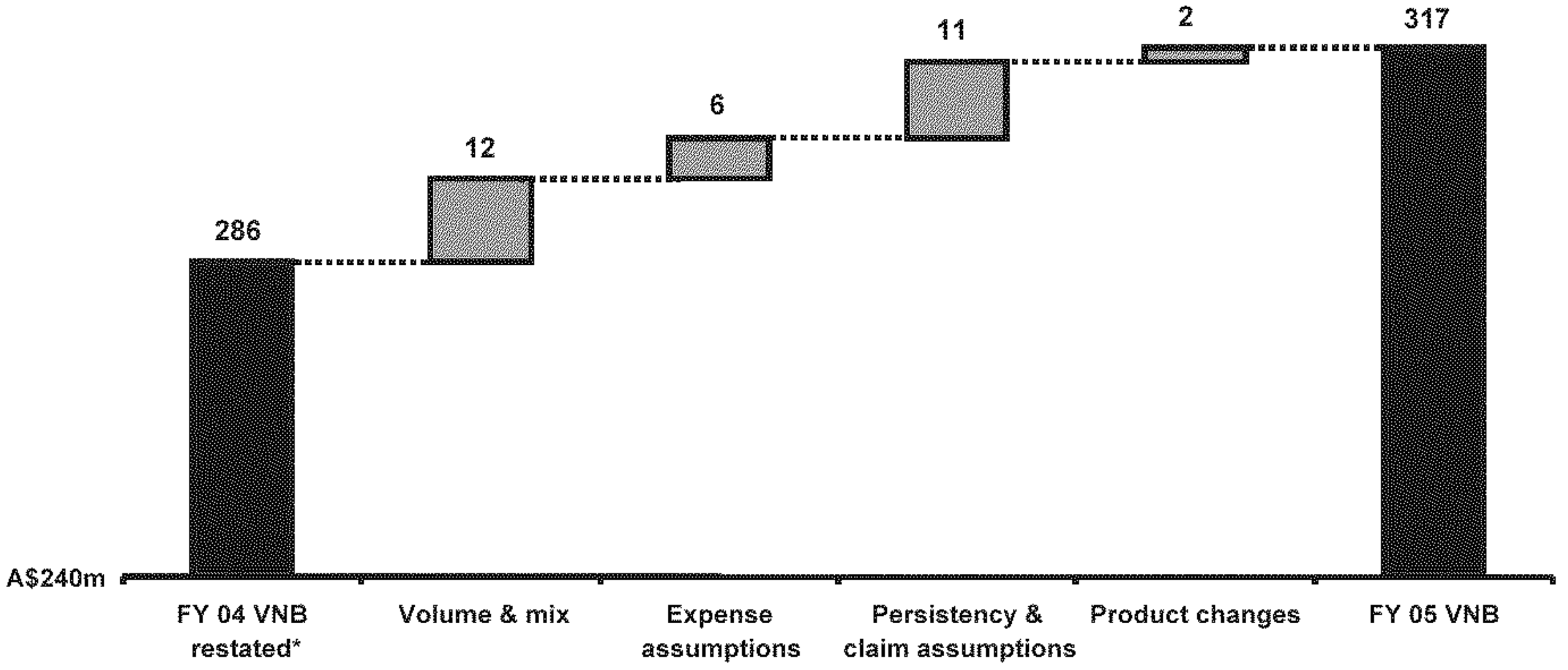
A$m	FY 05 No agency costs	FY 05 RoEV[1]	FY 04 RoEV[1]
AFS	**6,207**	**28%**	**24%**
Contemporary	4,027	31%	28%
Mature	1,561	24%	18%
NZ	619	20%	31%

[1] Return on embedded value (RoEV) is the percentage change before net transfers of capital

AFS traditional value of new business (VNB) up 11%

Traditional VNB@ 3% risk discount margin

	FY 05	FY 04
Growth rates	11%	19%



* Restated due to a change in expense allocation methodology & modelling changes

AFS market consistent VNB by line of business

A$m	FY 05 No agency costs	FY 04 No agency costs	% change
AFS	**371**	**326**	**14%**
Contemporary	296	258	15%
Mature	34	35	(3%)
NZ	41	33	24%

Value sensitivities

Sensitivity of value metrics to key assumptions

Value metrics are an important tool to assist investors in analysing company performance but it is important to understand that:

- EV and VNB valuations are the outcomes of actuarial modelling based on a complex set of assumptions
- They are not management projections of the value of the company
- Valuation measurement metrics are highly sensitive to the assumptions underlying the models used
- Valuations for AMP are modelled on cashflows – ie cash in and AUM at period end
- Recurring contribution business in Retail Superannuation and Corporate Superannuation is modelled on the same basis as single contribution business
- Currrent product pricing and unit costs are projected as stable over time
- Investors ultimately determine appraisal values through their judgments of appropriate risk discount margins and VNB multipliers
- AMP is providing more information on its modelling assumptions to assist these judgements

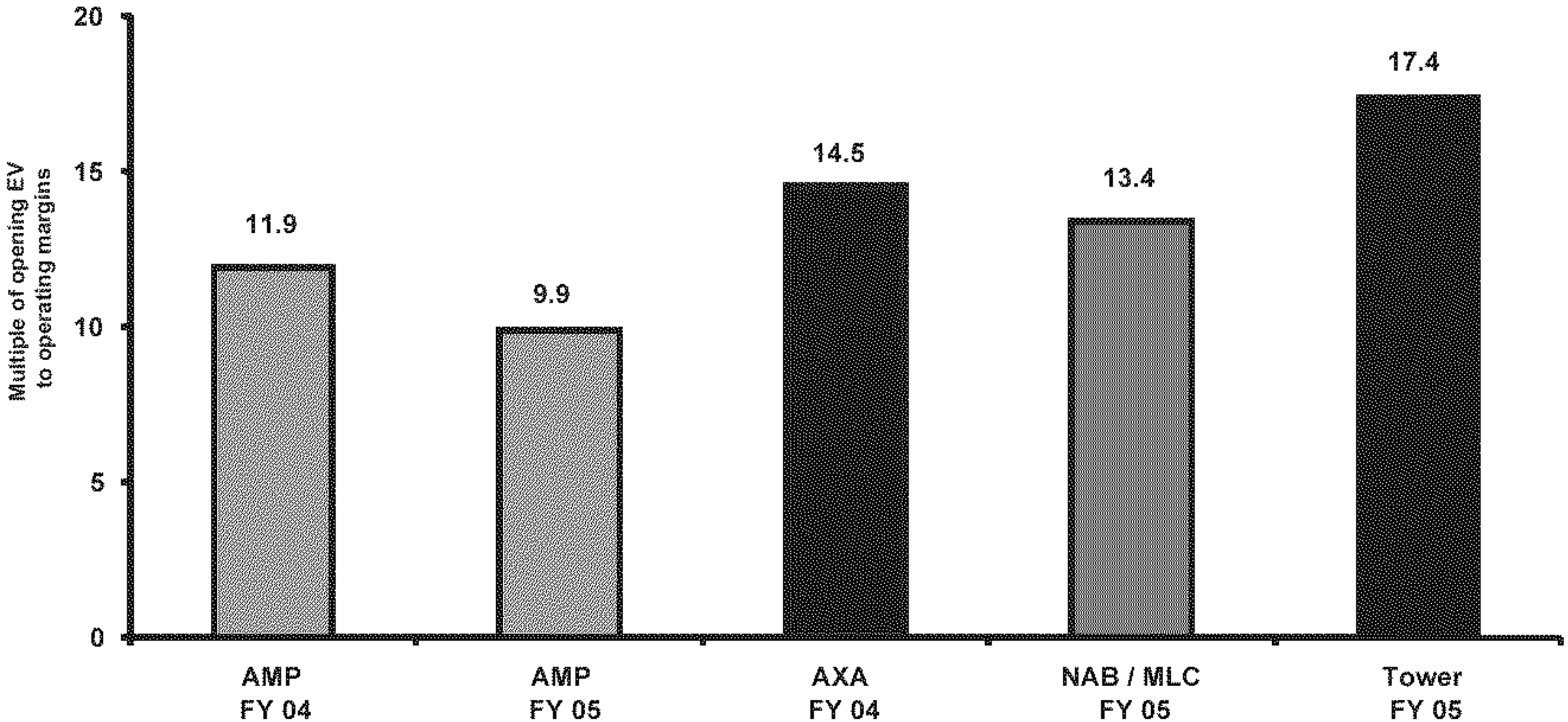
Key embedded value (EV) assumptions

EV estimates at various discount margins are based on key assumptions:

- Only the value of inforce AUM at Dec 2005 is used to measure EV for AMP's Retail Super and Corporate Super businesses
- For these business categories, no further contributions from any existing or new plan members are modelled – in effect, modelling assumes no further cash is ever received from employers or members
- Product pricing and unit costs are assumed to be stable
- Modelled AUM therefore reduces over time at existing profit margins

> ➢ **Implication:**
> **EV is in effect modelled as a run-off business and makes no allowance for future member contributions. Scale benefits as AUM grows over time and any future product pricing movements are ignored.**

Embedded value as a multiple of operating margins is relatively low for AMP



Source: Investor reports of each company

Key value of new business (VNB) assumptions

2005 VNB estimates at various discount margins are based on key assumptions:

- Contributions in 2005 from new and existing members are used to model VNB for AMP's Retail Super and Corporate Super businesses - VNB in 2005 therefore includes 2005 contributions from plans set up prior to 2005 as well as plans set up in the latest year
- For these business categories, future contributions from new and existing members are not modelled in VNB
- Product pricing and unit costs are assumed to be stable

> **Implication:**
> **VNB is in effect modelled as cashflow received in 2005, both from existing and new plans. Scale benefits as AUM grows over time and any future product pricing movements are ignored.**

EV and VNB sensitivities using alternative assumptions – preliminary analysis

	Key assumptions	Dec 05 EV at 3% dm	FY 05 VNB at 3% dm
Baseline	Existing methodology for EV and VNB	A$5,955m	A$317m
Scenario A for Retail and Corporate Super*	Baseline plus EV and VNB also include future recurring contributions from all members at 31 December 2005, with current product pricing and unit costs. VNB is reduced by exclusion of contributions from members who joined pre-2005.	+A$600m	+A$10m
Scenario B for Retail and Corporate Super*	Scenario A plus EV and VNB also include future new Corporate Super members replacing 75% of projected withdrawals, and product pricing and unit costs remaining stable.	A$600m + A$600m	A$10m + A$10m
Scenario C for Retail and Corporate Super*	Scenario B plus profit margins on Retail and Corporate Super change by an additional + or – 2.5% pa over 10 years	A$1,200m +/ – A$400m	+A$20m +/- A$30m

* Retail and Corporate Super AUM A$31.6b at 31 December 2005; assumption for these scenarios is that A$2.5b of the 2005 contributions are recurring.

Strategic overview

Australia pension market to triple in 10 years

Projected pension assets under management

Country	2004	2015	2015 market share	Net increase 2004 to 2015
	US$b[1]	US$b[1]	%	US$b[1]
Australia	**527.5**	**1,908.7**	**51.0**	**1,381.1**
Japan	761.1	896.6	23.9	135.5
South Korea	31.4	275.0	7.3	243.6
India	4.9	162.2	4.3	157.3
China	8.2	134.7	3.6	126.4
Singapore	68.8	123.9	3.3	55.1
Hong Kong	39.6	112.0	3.0	72.4
Taiwan	2.7[(E)]	98.5	2.6	95.8
Thailand	8.1	32.9	0.9	24.8
Total[2]	**1,452.3**	**3,744.4**	**100.0**	**2,292.1**

E = 2005 estimate

1 Euro assets were converted to US dollar assets by Axiss Australia, using the exchange rate of €0.7774 per US$, at 30 April 2005, the closing date of the research. The rate was sourced from the Reserve Bank of Australia.

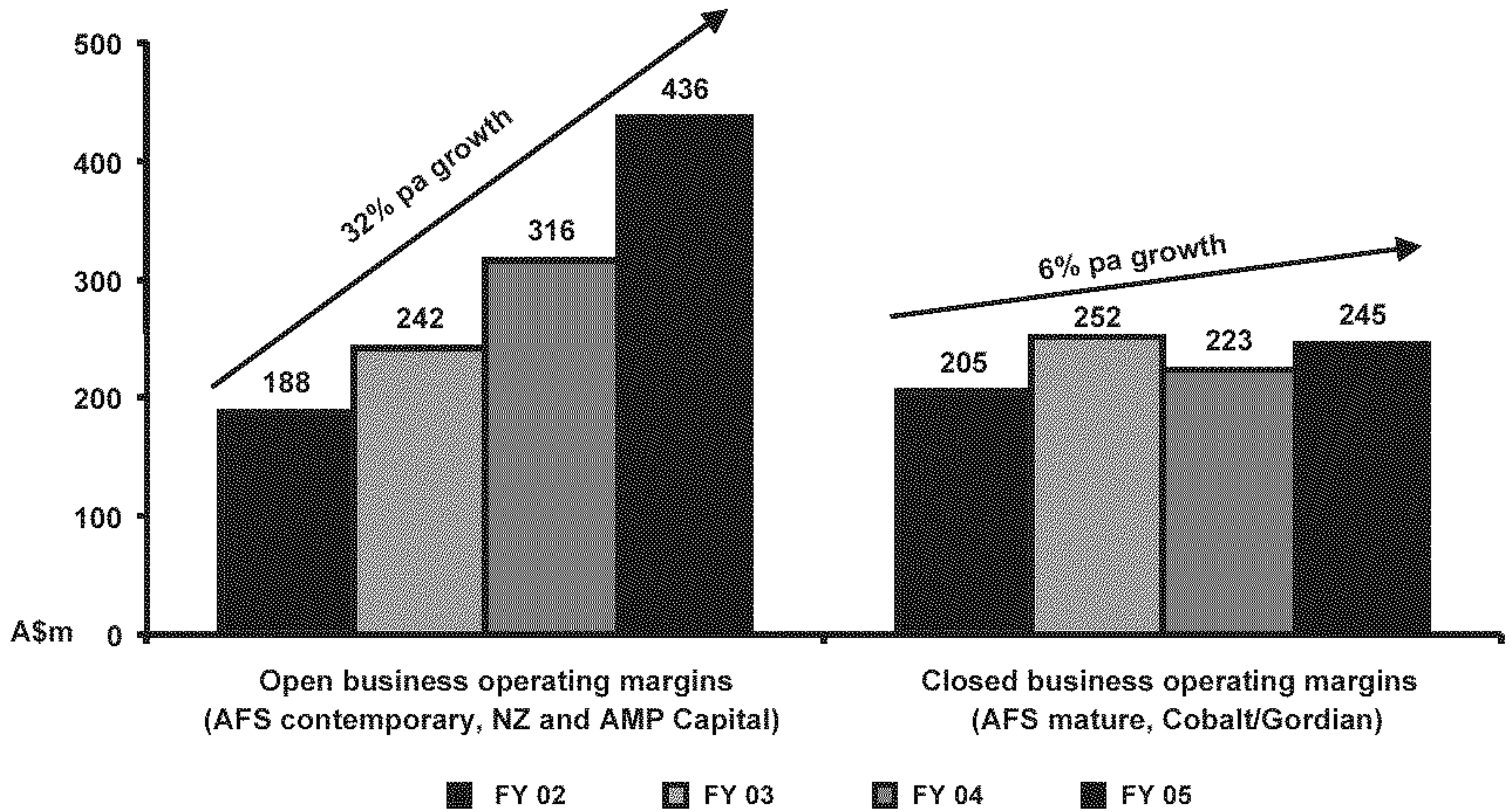
2 Totals do not add up exactly, due to rounding.

Source: Allianz Global Investors. Asia-Pacific Pensions, Reform Trends and Growth Opportunities, June 2005, Axiss Australia

AMP has strong positioning in this market

- AMP holds market-leading AUM positions in fastest growing segments of pension market
  - Superannuation
  - Retirement incomes
- AMP has strong competitive advantage in two key distribution channels
  - Planners
  - Employer sponsored master trusts
- AMP Capital Investors leverages internal funds
  - Targets external growth in selected asset classes and markets in Australia and Asia

Robust growth in open book is being achieved while maintaining mature book profit streams



All numbers exclude transitional tax relief

Strategic focus centred on core business

- **Focus on "running the business better than it's ever been run before" to drive shareholder value is working**
  - Capturing scale benefits from volume and market growth
  - Reducing costs to drive efficiency
  - Driving ongoing business transformation from life company to modern wealth manager
- **Measuring our success in 2006 by five key indicators**
  - Underlying return on equity
  - Operating margins
  - Value metrics
  - Cost ratio
  - Investment performance

Conclusion

- **Encouraging results in all key performance indicators**
- **Sound platform for future growth**
  - Good industry, good operating environment, good business model
- **Sharp focus on the basics of our business**
  - The better we get at running the business, the more opportunities we find to improve
- **Broad basis for growth**
  - Retail, Corporate Super, Institutional, Risk insurance
- **Strong balance sheet and cash flow**
  - Enabling capital returns and higher dividends
- **Clear medium term goal**
  - Double value of an investment in AMP in 5 years to mid 2010 = growth of 15% a year
  - Targeting top quartile company in TSR terms

Value sensitivities

EV and VNB using alternative assumptions – further detail on measurement basis

	Key assumptions	EV definition	VNB definition
Baseline	Existing methodology for EV and VNB	EV for Retail Super and Corporate Super businesses includes only inforce AUM, excludes all future contributions, and assumes current product pricing and unit costs	VNB includes all transfer values# and contributions received in current year and assumes current fee rates and unit costs. VNB excludes all future contributions for Retail Super and Corporate Super members.
Scenario A for Retail and Corporate Super *	Baseline plus EV and VNB also include future recurring contributions from existing members. (A$2.5b in 2005)	EV includes future recurring contributions for new and existing Retail Super and Corporate Super members and assumes current product pricing and unit costs.	VNB now includes all transfer values# plus recurring contributions for all new Retail Super and Corporate Super members in year they join and assumes current product pricing and unit costs. Only members joining in 2005 included in VNB.

* Retail and Corporate Super AUM A$31.6b at 31 December 2005 # Transfer values are largely member rollovers and new corporate schemes won.

EV and VNB using alternative assumptions – further detail on measurement basis

	Key assumptions	EV definition	VNB definition
Scenario B for Retail and Corporate Super*	Scenario A plus EV and VNB also include future new Corporate Super members replacing 75% of projected withdrawals. No change to Scenario A for Retail Super.	EV also includes new Corporate Super members replacing projected Corporate Super member withdrawals, assuming 75% replacement. No replacement members included for Retail Super.	VNB now includes all transfer values# plus recurring Corporate Super contributions for new schemes written in current year, plus recurring Retail Super contributions for new retail members joining in the current year.
Scenario C for Retail and Corporate Super*	Scenario B plus profit margins change by an additional + or – 2.5% pa over 10 years.	EV in Scenario B is recalculated on basis that profit margins as a % of AUM change by an additional 2.5% pa over 10 years.	VNB in Scenario B is recalculated on basis that profit margins as a % of AUM change by an additional 2.5% pa over 10 years.

* Retail and Corporate Super AUM A$31.6b at 31 December 2005 # Transfer values are largely member rollovers and new corporate schemes won.